MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
NOTICE AND AGENDA
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, January 20, 2026, at or after 6:00 PM

Jon Post, Mayor
Roxanne Ziegler, Vice Mayor
Patrick Cavanaugh, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
Teri Murphy, Council Member
John Officer, 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 20, 2026, at or after 6:00 PM located in the Council Chambers of the Ed Honea 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. Revisions to the agenda appear in *italics*.

As a courtesy to others, please turn off or put in silent mode all electronic devices.

Meeting Times
Welcome to this Marana Town Council meeting. Regular Council meetings are usually held the first and third Tuesday of each month at 6:00 PM at the Ed Honea Marana Municipal Complex, although the date or time may change and additional meetings may be called at other times and/or places. Contact the Town Clerk or watch for posted agendas for other meetings. This agenda may be revised up to 24 hours prior to the meeting. In such a case a new agenda will be posted in place of this agenda.

Speaking at Meetings
If you are interested in speaking to the Council during the Call to the Public or Public

Hearings, you must fill out a speaker card (located in the lobby outside the Council Chambers) and deliver it to the Town Clerk prior to the convening of the meeting.

All persons attending the Council meeting, whether speaking to the Council or not, are expected to observe the Council rules, as well as the rules of politeness, propriety, decorum and good conduct. Any person interfering with the meeting in any way, or acting rudely or loudly will be removed from the meeting and will not be allowed to return.

Accessibility
To better serve the citizens of Marana and others attending our meetings, the Council Chambers are 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.

Agendas
Copies of the agenda are available the day of the meeting in the lobby outside the Council Chambers or online at www.maranaaz.gov under Agendas and Minutes. For questions about the Council meetings, special services or procedures, please contact the Town Clerk, at (520) 382-1999, Monday through Friday from 8:00 AM to 5:00 PM.

This Notice and Agenda Posted no later than 24 hours prior to the meeting, at the Ed Honea 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.

REGULAR COUNCIL MEETING

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE

APPROVAL OF AGENDA

CALL TO THE PUBLIC
At this time any member of the public is allowed to address the Town Council on any issue within the jurisdiction of the Town Council, except for items scheduled for a Public Hearing at this meeting. The speaker may have up to three minutes to speak. Any persons wishing to address the Council must complete a speaker card located outside the Council Chambers and deliver it to the Town Clerk prior to the commencement of the meeting. Individuals addressing a meeting at the Call to the Public will not be provided with electronic technology capabilities beyond the existing voice amplification and recording capabilities in the facilities. Pursuant to the Arizona Open Meeting Law, at the conclusion of Call to the Public, individual members of the Council may respond to

criticism made by those who have addressed the Council, and may ask staff to review the matter, or may ask that the matter be placed on a future agenda.

PROCLAMATIONS

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

PRESENTATIONS

P1 Relating to Budget; presentation of independent auditor's report and final results for the 2024-2025 fiscal year (Yiannis Kalaitzidis)

CONSENT AGENDA

The Consent Agenda contains items requiring action by the Council which are generally routine items not requiring Council discussion. A single motion and affirmative vote will approve all items on the Consent Agenda, including any resolutions or ordinances. Prior to a motion to approve the Consent Agenda, any Council member may remove any item from the Consent Agenda and that item will be discussed and voted upon separately.

C1 Resolution No. 2026-007: Relating to Water and Wastewater; approving and authorizing the Mayor to sign agreements for construction of water and sewer facilities under private contract with SBH Marana LP, PEI Capital Venture I, L.L.C., and Landmark Title Assurance Agency of Arizona, LLC under Trust No. 2104 for Monarch Block 2 (David Udall)

C2 Relating to Procurement; approving a change order to the contract with N Harris Computer Corp. in the amount of $101,327.90 for the New Permitting/Licensing System project; authorizing the transfer of appropriations, if necessary, for the change order; and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order (Ricardo Carlos)

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

A1 PUBLIC HEARING: Ordinance No. 2026.004; Relating to Development; amending Marana Ordinance No. 2013.003, which approved the rezoning of approximately 462 acres of land generally located west of Sandario Road between Grier Road and Marana Road from "A" (Small Lot Zone) to "F" (Specific Plan), creating the Marana Towne Center Specific Plan, by revising rezoning conditions related to transportation improvements and revising other rezoning conditions to conform to intervening Town actions, current Town policies, and current Arizona law (Brian D. Varney)

A2 Resolution No. 2026-008: Relating to Community Facilities Districts; Consideration and possible adoption of a resolution approving and authorizing the execution and delivery of a district development, financing participation and intergovernmental agreement (Cascada Community Facilities District) (Yiannis Kalaitzidis)

ITEMS FOR DISCUSSION / POSSIBLE ACTION

D1 Resolution No. 2026-009: Relating to Administration; approving and authorizing the Mayor to execute the Town Manager's Employment Agreement between the Town of Marana and Terry S. Rozema (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).

E2 Executive Session pursuant to A.R.S. §38-431.03 (A)(1) to discuss the employment of Town Manager Terry Rozema, including discussion of the terms of the Town Manager's Employment Agreement.

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-Regular Meeting **P1**

Meeting Date: 01/20/2026

To: Mayor and Council

From: Pete Saxton, Finance Deputy Director

Date: January 20, 2026

Strategic Plan Focus Area:
Proactive Public Services

Strategic Plan Focus Area Additional Info:
Goal: Elevate the Town's Public Service Quality Through Efficient Procedures.
Strategy: Maintain a transparent financial environment by providing accurate and accessible financial information.

Subject: Relating to Budget; presentation of independent auditor's report and final results for the 2024-2025 fiscal year (Yiannis Kalaitzidis)

Discussion:

On September 02, 2025, staff provided Council with preliminary financial results for the Town's General Fund and certain other funds for fiscal year 2024-2025. The results presented were preliminary, unaudited, and subject to change.

Baker Tilly, LLP, the Town's independent financial statement audit firm, conducted its audit field work in October 2025 and released its opinion to the Town on January 7, 2026. The Town received a clean opinion and the financial results are now final.

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

Copies of the Annual Comprehensive Financial Report (ACFR) and Annual Expenditure Limitation Report (AELR) are attached to this item. The Town expended more than $1 million in federal award funding during fiscal year 2024-2025; as such, a Single Audit Report will be issued before the March 31 deadline. The Single Audit Report is delayed this year due to the delay in the federal government's update to their guidance. When this report is complete, it will be posted to the Town's website and

available for public review. The Town expended $2,498,642 in federal funding.

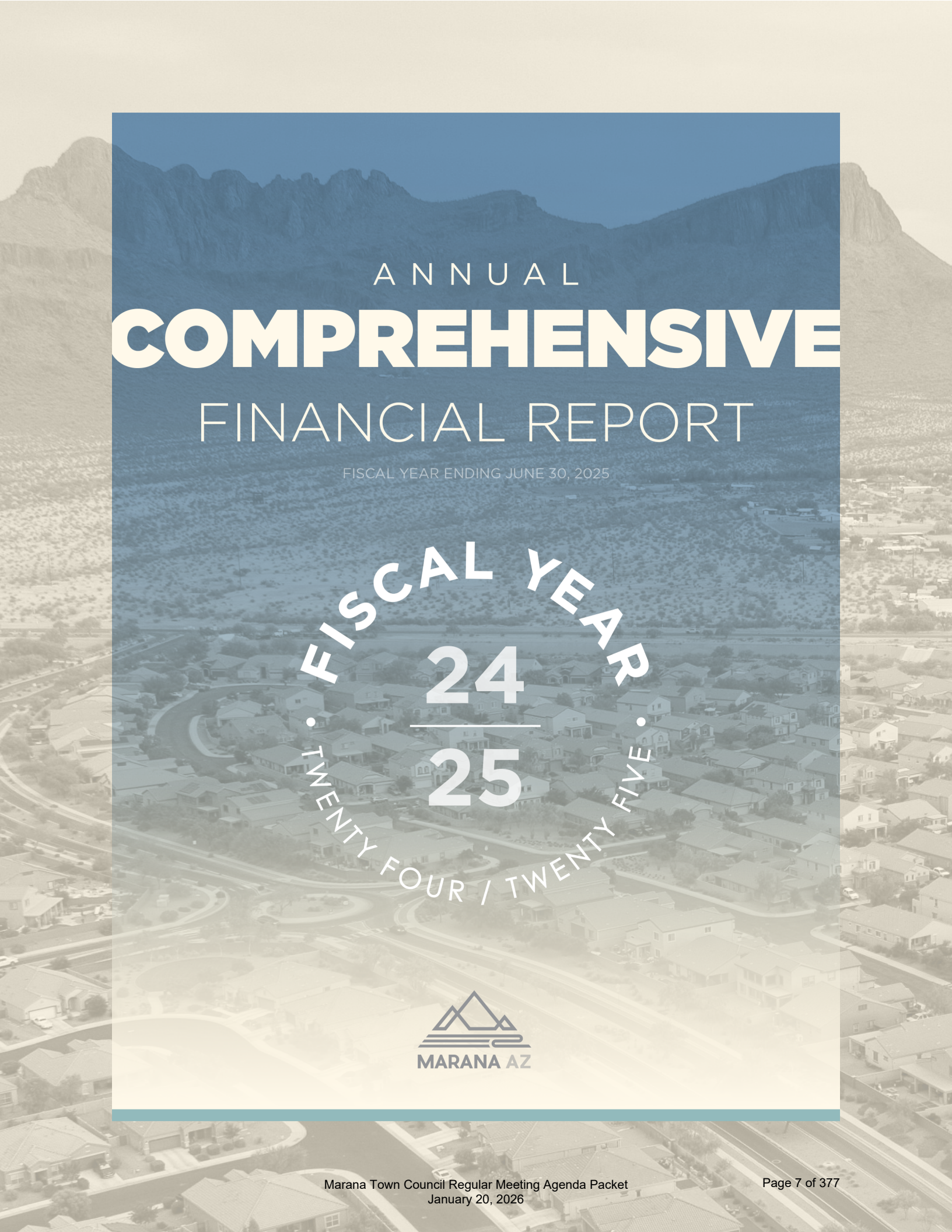
The 2025 ACFR has been submitted to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award program. The Town believes the current ACFR continues to meet the program requirements for another year.

Staff Recommendation:
Presentation only.

Suggested Motion:
Presentation only.

Attachments

Town of Marana ACFR Final FY2025
FY2025 Expenditure Limitation Report
Presentation


ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2025
FISCAL YEAR
24
25
TWENTY FOUR / TWENTY FIVE
MARANA AZ

TOWN OF MARANA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025



Prepared by the Finance Department



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Town of Marana, Arizona

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INTRODUCTORY SECTION



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January 7, 2026

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, 2025.

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 Baker Tilly US, 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, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent 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, 2025, 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 88 miles southeast of downtown Phoenix. Marana's original incorporation covered approximately ten square miles. Today, the Town's boundaries encompass 122.4 square miles and serves a population of 63,722 according to the Arizona Office of Economic Opportunity.

In its infancy, the Town was primarily a rural, agricultural community. However, through annexations and planned growth, the Town is now home to multiple residential, commercial and industrial developments, including Continental Ranch, Continental Reserve, Gladden Farms, Crossroads at Gladden Farms, Rancho Marana, Tangerine Commerce Park, Dove Mountain, Lazy K, 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 476 full-time equivalent positions is responsible for the functions and operations of the Town government.

Economic Condition and Outlook

Current Condition

In fiscal year 2025, the Town has seen growth, somewhat higher than budgeted, for key revenue streams that fund essential services, as well as significant gains in investment income due to higher interest rates and targeted investments. Revenues in the General Fund grew by approximately 0.4 percent overall with growth in transaction privilege taxes of $3.6 million or 8.0 percent overall, which demonstrates continued growth and improvement in the economy. 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 approximately $19.9 million under budget.

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, 2025, the Town's governmental funds reported a combined fund balance of $247.3 million, of which $122.7 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 51.1 percent of general fund revenues. Of those revenues, retail comprised 41.3 percent. Restaurants and bars, construction, and utilities comprised 46.3 percent of total transaction privilege tax revenues. Sales taxes and other revenues continued to show improvement compared to the prior fiscal year.

Future Economic Outlook

The Town's goal in managing budgets is to structurally balance on-going revenues with on-going expenses and one-time revenues with one-time expenses. In addition to our sound budgeting practices developed over the years, the Town has used the following assumptions to develop the fiscal year 2025-26 budget.

- Continued trend of growth as inflation moderates and economic uncertainty persist.
- Inflation rates will be stable, but interest rates will come down slowly, which in turn will have a neutral trickle-down effect economic activity with continued moderate growth.
- State shared revenues and sales tax will continue to increase at a slow rate as the Town continues to grow, while urban revenue sharing will decrease due to legislative changes.

Accomplishments and Initiatives

During fiscal year 2025, the Town had several significant accomplishments and initiatives across the five Focus Areas of our Strategic Plan.

Cherished Heritage Focus Area
In fiscal year 2025, the Town continued to work through its public art policy to further embed heritage in policy and planning initiatives. Through the Marana Public Art Fund, the Town is dedicated to funding high-quality public art installations and maintenance throughout the Marana community and providing residents with places to learn about Marana's history and the natural environment.

Our Signature Events series continues to showcase the Town's rich heritage. The annual Marana Fall Festival and Marana Founders' Day events focus on the Town's rodeo and agricultural history, with an emphasis on the people who live in the community. Both events were well attended this year, with many activities and offerings for all ages.

This year, we also paid tribute to our heritage at the Marana State of the Town event by highlighting 100 years of calling Marana home and featuring several founding families in a four-minute video, "Home is Here".

Improving recognition and awareness of Marana's unique and rich heritage is a top priority. To increase awareness and provide educational opportunities about Marana's heritage, the Town launched a heritage specific webpage: http://www.maranaaz.gov/heritage. The webpage contains heritage-related photos, resources, videos, and events.

Vibrant Community Focus Area
The Town continues to lead as the fastest-growing community in Southern Arizona. To support new growth and expansion, the Town continues to invest in its future through strategic infrastructure investments. This year, we have seen the completion of significant projects around the Town, which continues to demonstrate the Town's dedication to enhanced levels of service and safety to our community.

Several public projects were completed within the Town's infrastructure. Projects include completion of the Tangerine Road 16-inch Transmission Main Phase One, which was required to help complete the Loop from the Twin Peaks Corridor and into North Marana. This project will help provide adequate water supply and fire flow capacity to this region. The Town also completed the Lon Adams Road Reconstruction project which consisted of replacing the existing paving section from Grier Road to Barnett Road (approximately 0.5 miles) and the Avra Valley Road Overlay project. In Fiscal Year 2025, we will continue to invest in our future with important capital projects. Current high-priority projects in the design phase include Twin Peaks Road – Rattlesnake Pass Widening, Tangerine Farms Road – Extension, Tangerine Road Widening – Phase 2A, and Tangerine Traffic Interchange Improvements.

The Town is committed to providing a safe and connected multi-modal transportation system to support the mobility needs of present and future residents. This year, the Town completed the Transportation

Master Plan. This plan is an action-oriented roadmap that will guide transportation investments for the next 25 years. Marana's reputation as a safe and secure town continues. In Fiscal Year 2024, the Marana Police Department was awarded its reaccreditation certification from the Arizona Law Enforcement Accreditation Program.

Lastly, delivering transparent and timely distribution of information and keeping our community informed is essential in creating a connected community. This year, we continued our effort to answer resident concerns/questions through our award-winning podcast, Real Talk with the Town. To date, we have released over fifty episodes addressing the community's hard-hitting and pressing questions. Next year, we will continue to grow the podcast's reach and identify innovative ways to ensure our community is informed.

Thriving Commerce Focus Area

In Fiscal Year 2025, the Town's economic development initiatives continue to yield positive results for the community, with each of the Marana's commercial areas seeing significant growth. The Town has not only seen higher-than-anticipated projections and collections for key revenue streams that fund essential services, but also significant wins in commercial and retail development around the community.

North Marana is currently booming with commercial activity along the Tangerine Corridor. Southern Arizona Logistics Center completed construction of two logistics buildings, 512,000 and 435,812 square feet, located between Interstate 10 and Clark Farms Boulevard. North Marana welcomed CTI Trucking, the Maverick Gas Station, and after several years of waiting, the Fry's Superstore located at the Gladden Farms Commercial Center broke ground.

The Marana Center at Twin Peaks Road continues to be an attractive destination for new businesses. Current commercial projects under construction include the American Furniture Warehouse and Marana Center Self Storage. Along Cortaro Farms Road east of Interstate 10, Marana will soon welcome Super Star Car Wash and My Place Extended Stay Hotel.

This year, we have also seen an increase in single-family residential projects and impressive gains in multifamily housing projects throughout the community. Currently, four projects are under construction, totaling 1,050 units. Growth in multifamily is mostly led by the increase in commercial and retail development, and we maintained a similar pace through Fiscal Year 2025.

In summary, Marana continues to be an attractive destination for businesses to locate, expand, and grow, whether they are commercial or retail in nature.

The Town also continues to focus on the development of Downtown Marana. Marana Main Street will capture the traditional look and feel of a vibrant downtown district. In Fiscal Year 2025, through a Request for Qualifications, the Town requested creative concepts from qualified developers interested in meeting the Town's vision for the Downtown Marana area.

Finally, our Economic Development and Tourism Department began the planning process for the first ever Tourism Master Plan. This plan will shape the next decade of strategies to make tourism a sustainable part of our economy while preserving what we love about Marana.

Healthy Lifestyles Focus Area

Parks and Recreation is an essential cornerstone to any healthy and thriving community. Our main goal is to provide a variety of recreational, artistic, and cultural opportunities along with a flourishing natural environment to support healthy and active lifestyles. Bringing new parks, facilities, and outdoor recreational opportunities is a consistent priority for our community.

A new community center has been a topic of conversation for the last few years, and we are getting closer to making this facility a reality for our community. This year, the Town opened the new Marana Community and Aquatic Center. This 60,000-square-foot community center and 48,000-square-foot outdoor aquatic center offers an array of programs, events, and activities to satisfy the needs and interests of all ages.

We are also always improving our regional trails system and connectivity. This year, construction of the Shared Use Path at CalPortland project began. This 1.8-mile section will connect North Marana to the entire Shared Use Path and will increase visitation to Marana's seven properties located along the Santa Cruz River.

The Town also completed the Tortolita Preserve Trailhead project. This outdoor facility is popular with hikers, trail runners, mountain bikers, and horseback riders. Improvements included a new parking lot that is more accessible for horse owners to park trucks and trailers and enclosed the entire preserve with wildlife friendly barbed wire fence in an effort to keep the preserve free of cattle and off-road vehicles.

Proactive Public Services Focus Area

A thriving community demands exceptional governance. Marana is committed to the highest level of service for our residents, businesses, customers, and employees. From providing quality infrastructure to addressing concerns, our dedicated workforce is prepared to deliver the most efficient and transparent service possible.

After a lengthy process, the Arizona Department of Water Resources granted the Town's Designation of Assured Water Supply (DAWS) modification application, affirming that at least 100 years of water is physically, legally, and continuously available to serve the Town's existing customers and additional growth. Marana is also taking steps to reduce water through the adoption of the Water Conservation Plan which encourages general water conservation.

Town staff, with the direction of the Town Council, continue to make great strides in completing the goals and initiatives set forth in Strategic Plan Five. Each strategic plan goal was assigned to a lead staff member responsible for the implementation techniques. Marana residents and stakeholders can track the Town's strategic plan progress by visiting: https://www.maranaaz.gov/strategic-plan.

Through all Town initiatives, we recognize that it is our dedicated team of Marana employees who see the projects and programs from start to finish, and we will continue to invest directly in our employees. Fiscal year 2025 reflected Marana's commitment to continue to invest in personnel, competitive compensation, and maintenance of Town facilities. Although Marana has not experienced significant challenges in recruiting and hiring talent, we recognize the importance of remaining competitive in the market. This year, after the completion of a compensation review, some employee pay grades were adjusted to ensure all Town positions are highly competitive. New employee benefits implemented at the onset of Fiscal Year 2025 include increased parental leave and changes in shift differential and on-call pay. This budget not only invests in new positions to ensure we continue providing the quality services our growing population expects, but also provides funding to ensure our pay structure and employee benefits remain competitive in the market.

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 adjust for inflation, deflation and population growth of the Town.

On November 8, 2022, 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 beginning with the fiscal year ended June 30, 2022 and encompasses fiscal year ending June 30, 2025.

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 Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024. This was the 17th 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 ACFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

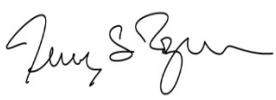
A Certificate of Achievement is valid for a one-year period only. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

Acknowledgments

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,



Terry Rozema
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

TOWN OF MARANA, ARIZONA

PRINCIPAL OFFICIALS OF THE TOWN OF MARANA
FISCAL YEAR 2025

MAYOR AND COUNCIL

Jon Post, Mayor

Roxanne Ziegler, Vice Mayor

Herb Kai, Councilmember

John Officer, Councilmember

Patrick Cavanaugh, Councilmember

Teri Murphy, Councilmember

Patti Comerford, Councilmember

MANAGEMENT STAFF

Terry Rozema, Town Manager

Erik Montague, Deputy Town Manager

DEPARTMENT HEADS

Lisa Shafer, Community and Neighborhood Services Director

Jason Angell, Development Services Director

Curt Woody, Economic Development Director

Yiannis Kalaitzidis, Finance Director

Curry C. Hale, Human Resources Director

Ricardo Carlos, Information Technology Director

Jim Conroy, Parks and Recreation Director

Jeffrey Pridgett, Police Chief

Fausto Burruel, Public Works Director

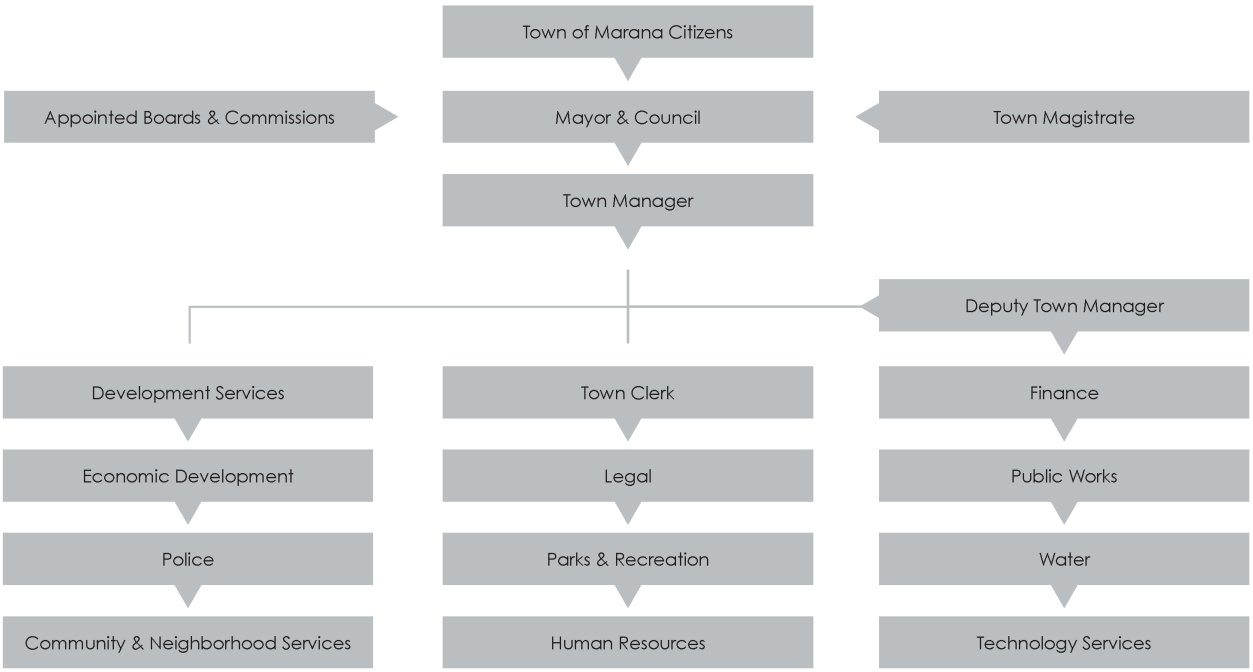
Jane Fairall, Town Attorney

David Udall, Town Clerk

Laine McDonald, Town Magistrate

Heidi Lasham, Water Director

ORGANIZATIONAL CHART





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FINANCIAL SECTION



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Independent Auditors' Report

To the Town Council of
Town of Marana, Arizona

Report on the Audit of the Financial Statements

Opinions

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 the Town of Marana, Arizona (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, Arizona, as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Other Matters

Compliance Over 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 failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statues Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the Town 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 noncompliance with the used 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 Arizona Auditor General,) the Town's Council and management, and other responsible parties within the Town and is not intended to be and should not be used by anyone other than these specified parties

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information such as combining and individual fund financial statementsas listed in the table of contents is presented for purposes of additional analysis 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 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2026 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Tempe, Arizona
January 7, 2026



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MANAGEMENT'S DISCUSSION AND ANALYSIS



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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, 2025. 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 $110.8 million or 18.2 percent from the previous fiscal year. At the close of fiscal year 2024-25, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $719.4 million. Overall, capital assets reflect the largest increase at $106.1 million or 22.4 percent due to the completion of the Marana Aquatic & Recreation Center as and the contribution of infrastructure related to development. The unrestricted net position, which represents the amounts available to meet the Town's ongoing obligations to citizens and creditors, was a surplus of $231.5 million.

- General revenues from governmental activities, excluding transfers, accounted for $120.1 million in revenue, or 57.8 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for $87.6 million or 42.2 percent of total revenues from governmental activities. The Town had $41.3 million of program revenues related to business-type activities. Overall revenues have increased by 26.7 percent. Revenue categories that saw the largest increases for fiscal year 2024-25 were Capital grants and Operating grants for the Highways and Streets function. These categories increased by 30.7 million, and 9.4 million, respectively.

- The General Fund had $94.5 million in revenue for fiscal year 2024-25, which primarily consisted of sales taxes, intergovernmental revenue, investment income, and licenses, fees and permits. This was an increase of $0.4 million compared to the prior fiscal year. The largest increase was in sales tax revenue of $3.6 million or 8.0 percent. The increase was due to higher than anticipated retail sales activity within the Town. The General fund had $83.6 million of expenditures and $4.0 million in required transfers out during the year. Expenditures increased $(23.8) million compared to the prior fiscal year. The increase in expenditures is largely due to submitting a $13.5 million payment to pay down the Public Safety Personnel Retirement System unfunded pension liability, as well as increases to salaries and new positions in several departments. Transfers out increased (9.0) percent and were primarily used to pay debt obligations. The net effect of these changes resulted in an increase to fund balance for the General Fund of $7.0 million or 5.4 percent.

- Highway User Revenue Fund revenues increased by 5.9 percent. This increase was due to an increase of 45.1 percent in licenses, fees and permits related to third party payments for the maintenance of road infrastructure in addition to an increase of 22.6 percent in investment income due to higher than anticipated returns. Total expenditures increased by 57.8 percent due to an increase in capital outlay related to vehicle and equipment purchases, and ADA compliance and irrigation projects. Operating costs increased by 78.4 percent due to a resumption in work associated with the Pavement Preservation program, a portion of which was from delayed activity in the prior year.

- Tangerine Farms Road Improvement District Debt Service Fund, which accounts for special assessments is approaching its final debt payment. As it approaches this end, the total resources collected, and resources available decrease. The fund had a $0.4 million fund balance accumulated for debt service payment. This is a 25.6 percent decrease over the prior fiscal year. In fiscal year

2024-25, special assessments decreased by 18.5 percent. This decrease is aligned with management's expectations and is appropriate.

- The town established the Sales Tax Capital Projects Fund to collect the additional 0.5% sales tax to collect funds for the construction and financing of the Marana Aquatic and Recreation Center (MARC). The sales tax collections and investment income were higher than last year by a total of $600 thousand and the expenditures for capital assets were higher than last year by a total of $2.9 million. The construction of the MARC was completed during fiscal year 2024-25, and therefore, management expects the expenditures to decrease. The expenditures in the future will be to pay the debt service.

- The PAG/RTA Capital Projects Fund had a significant increase in activity with the spending of funds on the Tangerine Roadway Widening project. Revenues increased by $7.5 million and expenditures increased by $15.6 million. The balance sheet shows $6.6 million due from other governments with an offsetting $6.6 million in deferred inflows which will reverse once the funds are recognized.

- The Transportation Fund revenues increased by $4.3 million or 26.8 percent in fiscal year 2024-25. Revenues in this fund, resulting from construction sales tax, continued to exceed expectations due to higher than anticipated residential and commercial activity, along with higher than anticipated investment returns. Expenditures increased by $8.7 million or 171.5 percent due to increases in construction compared the prior year. The most significant construction project was the Rattlesnake Pass road improvement.

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 include the Gladden Farms Community Facilities District, Gladden Farms Community Facilities District II, Mandarina Community Facilities District, and Saguaro Springs Community Facilities District as blended component units.

The government-wide financial statements can be found on pages 27-28 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, 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 111.

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 Fund, and other non-major governmental funds. Budgetary comparison statements are provided for the General Fund and Highway User Revenue Fund on pages 91-92. Budgetary comparison schedules have been presented for the Town's major debt and capital funds on pages 105-107, 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 31-34 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.

The proprietary fund financial statements can be found on pages 37-40.

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 benefits to its employees. Governments are required to disclose certain information about employee pension funds. These disclosures are included within Note 10 Employee Retirement Systems beginning on page 68, in addition to the information on pages 97-102 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 $719.4 million as of June 30, 2025. Noncurrent assets increased by $70.4 million or 13.4 percent due to the increase of capital assets. The increase in capital assets is primarily due to completion of the Marana Aquatic and Recreation Center, contribution of completed infrastructure assets from developers, and continued work on the Tangerine Road Widening project. Current assets increased by $30.9 million or 10.4 percent primarily due to an increase in cash and due from other governments. The increase in cash is due to relatively conservative spending, and higher than expected revenue collections from a resilient economy. Current liabilities increased $12.5 million or 35.9 percent. This is largely due to an increase in accounts payable, and retainage payable, which are related to the Tangerine Roadway Widening project and the Rattlesnake Pass Roadway improvement. Long-term liabilities decreased by $(11.4) million or (6.2) percent primarily due to a decrease in revenue bonds and pension liabilities.

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.

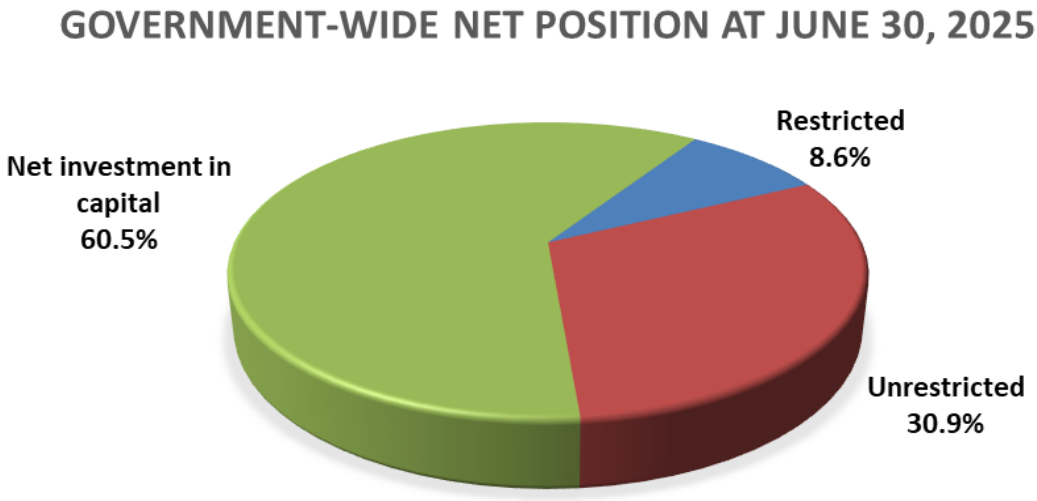
The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 288,228,265	$ 295,485,031	$ 55,240,296	$ 52,687,231	$ 343,468,561	$ 348,172,262
Capital assets, net	398,316,278	310,571,201	180,917,164	162,631,323	579,233,442	473,202,524
Total assets, net	686,544,543	606,056,232	236,157,460	215,318,554	922,702,003	821,374,786
Deferred outflows related to refunding	716,030	863,926	-	-	716,030	863,926
Deferred outflows related to pension	24,448,710	13,008,816	489,461	478,663	24,938,171	13,487,479
Total deferred outflows of resources	25,164,740	13,872,742	489,461	478,663	25,654,201	14,351,405
Current and other liabilities	38,259,085	27,223,130	8,982,035	7,533,116	47,241,120	34,756,246
Long-term liabilities	124,900,959	133,743,952	47,476,630	50,057,863	172,377,589	183,801,815
Total liabilities	163,160,044	160,967,082	56,458,665	57,590,979	219,618,709	218,558,061
Deferred inflows related to pension	2,898,428	1,412,423	189,467	64,677	3,087,895	1,477,100
Deferred inflows related to leases	2,591,896	2,743,203	3,660,941	4,317,477	6,252,837	7,060,680
Total deferred inflows of resources	5,490,324	4,155,626	3,850,408	4,382,154	9,340,732	8,537,780
Net position:						
Net investment in capital assets	295,782,631	237,738,055	132,762,169	112,764,228	428,544,800	350,502,283
Restricted	56,845,559	57,212,358	2,519,710	2,846,285	59,365,269	60,058,643
Unrestricted	190,430,725	159,855,853	41,055,969	38,213,571	231,486,694	198,069,424
Total net position	$ 543,058,915	$ 454,806,266	$ 176,337,848	$ 153,824,084	$ 719,396,763	$ 608,630,350

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 $428.5 million or 59.6 percent, which represents the largest portion of net position. This portion of net position increased by $78.0 million as of June 30, 2025 largely associated with the completion of the Marana Aquatic and Recreation Center contribution of infrastructure assets and the construction of roadway improvements.

The second portion of net position of $59.4 million or 8.3 percent represents resources that are subject to external restrictions on how they may be utilized. This category increased $(0.7) million as of June 30, 2025 primarily due to increases in sales taxes and bond proceeds restricted for capital projects.

The third portion consists of unrestricted net position of $231.5 million or 30.9 percent. The unrestricted balance has increased by $33.4 million. The increase in governmental activities accounts for $30.6 million of the overall increase, which is primarily attributable to increases in balances of the General Fund and the Transportation Fund. As mentioned earlier, this is related to stronger than anticipated sales tax and investment income revenues. The business-type activities increase in unrestricted net position was $2.8 million. The increase in business-type activities was due to an overall increase in cash as a result of increased charges for services and development fees.



Changes in net position. The Town's total revenues for the fiscal year ended June 30, 2025, were $250.0 million, which was an overall increase of $52.7 million or 26.7 percent. The increases were primarily related to capital grants and contributions, and sales tax revenue. Capital grants and contributions revenues increased by 90.5 percent, and sales tax revenue increased by 9.1 percent. Program revenues increased overall by $46.3 million, with the largest increases in capital grants and contributions while grants and contributions for non capital activities increased by $3.8 million.

The total cost of all programs and services was $139.2 million. This is an increase of $31.5 million or 29.3 percent and is attributable to increased spending across all categories.

The following table presents a summary of the Town's revenues and expenses and changes in new position for the fiscal years ended June 30, 2025 and 2024.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 17,576,103	$ 17,677,460	$ 15,225,857	$ 13,637,318	$ 32,801,960	$ 31,314,778
Operating grants and contributions	9,744,506	6,980,861	2,004,831	316,149	11,749,337	7,297,010
Capital grants and contributions	60,256,968	22,581,052	24,082,238	21,680,740	84,339,206	44,261,792
General revenues:						
Sales taxes	76,634,917	70,228,595	-	-	76,634,917	70,228,595
Property taxes	2,947,790	2,438,184	-	-	2,947,790	2,438,184
Franchise taxes	525,847	558,174	-	-	525,847	558,174
State shared revenues	24,333,359	26,007,441	-	-	24,333,359	26,007,441
Investment income	14,221,486	13,822,386	795,102	496,954	15,016,588	14,319,340
Gain on sale of capital assets	-	-	-	-	-	-
Miscellaneous revenues	1,480,696	762,529	184,497	123,301	1,665,193	885,830
Contributions	-	-	-	-	-	-
Total revenues	207,721,672	161,056,682	42,292,525	36,254,462	250,014,197	197,311,144
Expenses:						
General government	35,112,581	27,944,658	-	-	35,112,581	27,944,658
Public safety	26,921,172	18,167,495	-	-	26,921,172	18,167,495
Highways and streets	32,922,708	26,385,188	-	-	32,922,708	26,385,188
Health and welfare	455,573	436,714	-	-	455,573	436,714
Economic and community development	6,534,292	5,894,604	-	-	6,534,292	5,894,604
Culture and recreation	12,023,799	8,896,100	-	-	12,023,799	8,896,100
Interest on long-term debt	4,065,405	2,055,798	-	-	4,065,405	2,055,798
Water	-	-	12,712,254	11,163,812	12,712,254	11,163,812
Wastewater	-	-	6,592,361	5,022,285	6,592,361	5,022,285
Airport	-	-	1,907,639	1,734,031	1,907,639	1,734,031
Total expenses	118,035,530	89,780,557	21,212,254	17,920,128	139,247,784	107,700,685
Increase/(decrease) in net position before transfers	89,686,142	71,276,125	21,080,271	18,334,334	110,766,413	89,610,459
Transfers	(1,433,493)	13,319,137	1,433,493	(13,319,137)	-	-
Increase/(decrease) in net position	88,252,649	84,595,262	22,513,764	5,015,197	110,766,413	89,610,459
Net position, beginning of year	436,975,953	352,380,691	131,679,089	126,663,892	568,655,042	479,044,583
Net position, end of year	$ 525,228,602	$ 436,975,953	$ 154,192,853	$ 131,679,089	$ 679,421,455	$ 568,655,042

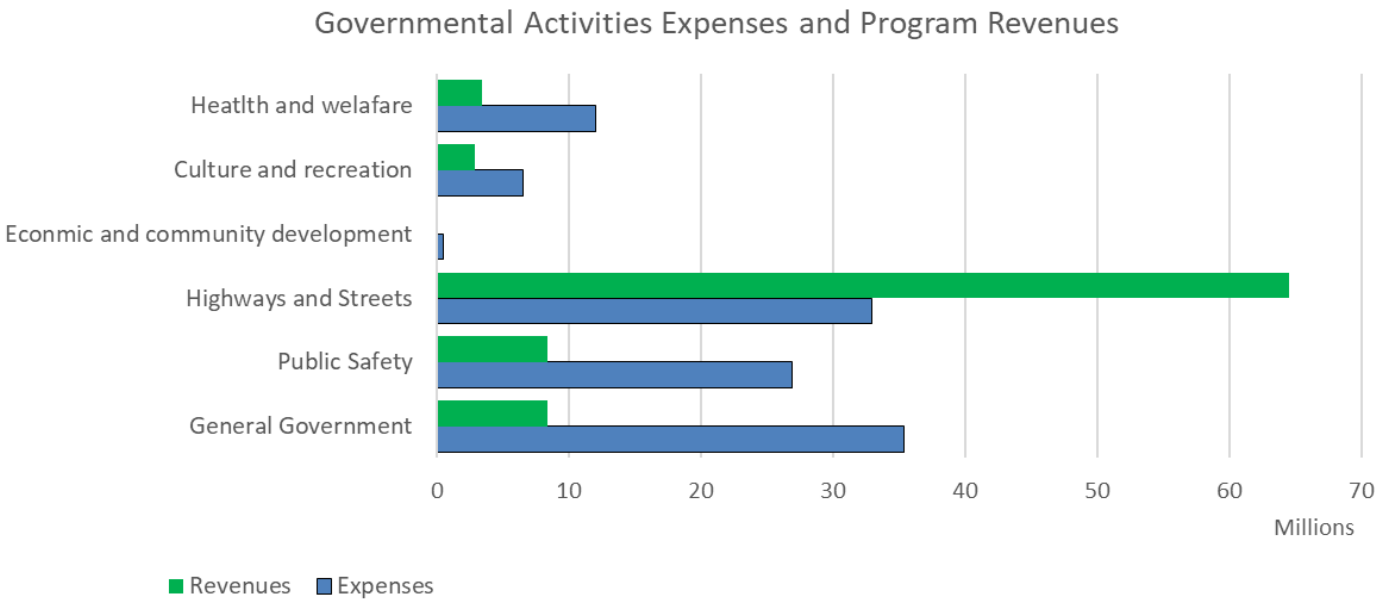
Governmental Activities. Governmental activities increased net position by $88.3 million for fiscal year ended June 30, 2025. This increase is primarily attributable to a growth in revenues and the construction of capital assets.

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, 2025		Year Ended June 30, 2024	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Governmental Activities				
General government	$ 35,112,581	$ (27,511,565)	$ 27,944,658	$ (20,288,909)
Public safety	26,921,172	(18,576,130)	18,167,495	(8,604,943)
Highways and streets	32,922,708	32,290,036	26,385,188	(2,433,789)
Health and welfare	455,573	(366,541)	436,714	(345,833)
Economic and community development	6,534,292	(3,612,122)	5,894,604	(2,892,330)
Culture and recreation	12,023,799	(8,616,226)	8,896,100	(5,919,582)
Interest on long-term debt	4,065,405	(4,065,405)	2,055,798	(2,055,798)
Total	$ 118,035,530	$ (30,457,953)	$ 89,780,557	$ (42,541,184)
Business-Type Activities				
Water	$ 12,712,254	$ 15,708,998	$ 11,163,812	$ 11,109,434
Wastewater	6,592,361	5,128,187	5,022,285	5,704,607
Airport	1,907,639	(736,513)	1,734,031	900,038
Total	$ 21,212,254	$ 20,100,672	$ 17,920,128	$ 17,714,079

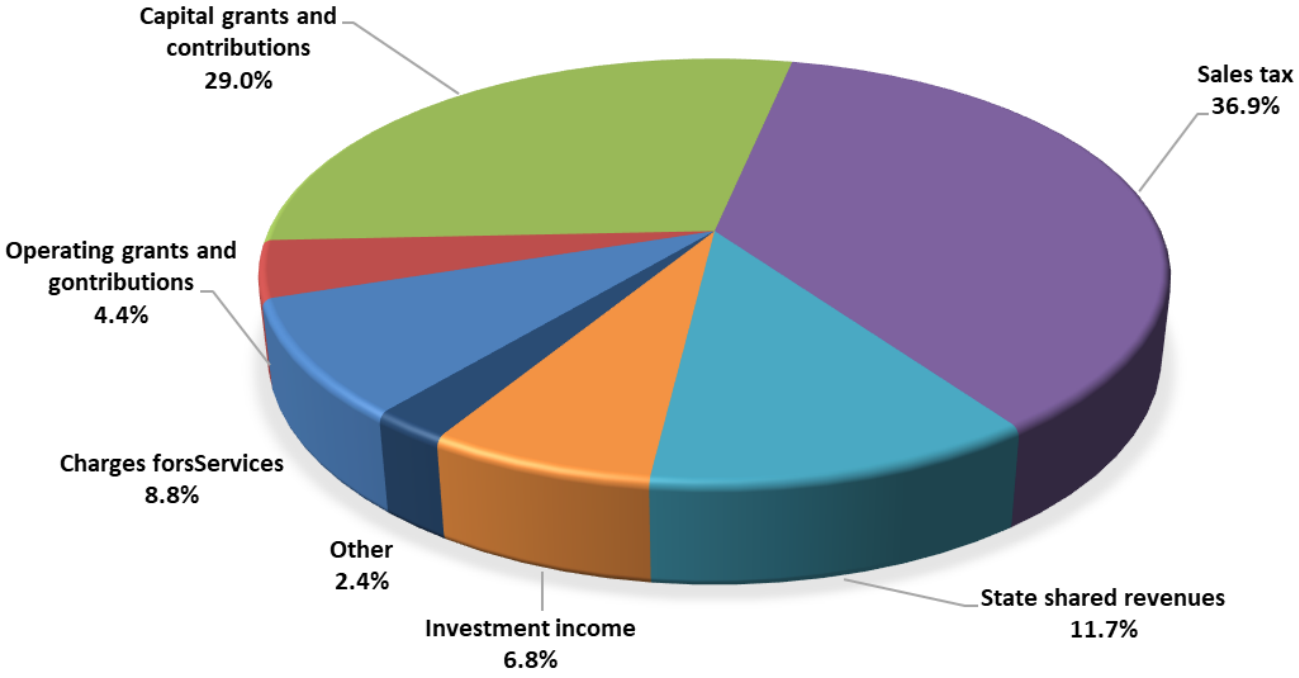
- The cost of all governmental activities this year was $118.0 million. This represents a 31.5 percent increase in governmental activities expenses. Operating costs increased across all functional activities, with Public Safety and General Governmental experiencing the largest increases at 25.7 percent and 48.2 percent respectively.
- The net cost of governmental activities of $30.5 million was largely financed by general revenues, which are made up of primarily sales tax revenue of $76.6 million, state shared revenues of $24.3 million, and investment income of $14.2 million.
- The Highways and Streets function recorded $56.6 million in capital grants which directly resulted in an increase in capital assets in net position.
- The Water fund net revenue increased by $4.6 million, primarily due to a $4.2 million increase in capital contributions.
- The Wastewater fund net revenue decreased by $0.6 million, primarily due to a $1.6 million increase in expenses.
- The Airport fund net revenue decreased by $1.6 million, primarily due to a $2.2 million decrease in capital contributions.

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 $87.6 million are 74.2 percent of expenses for fiscal year 2025, up from 52.6 percent a year earlier. This change is largely due to higher capital grants for highways and streets.

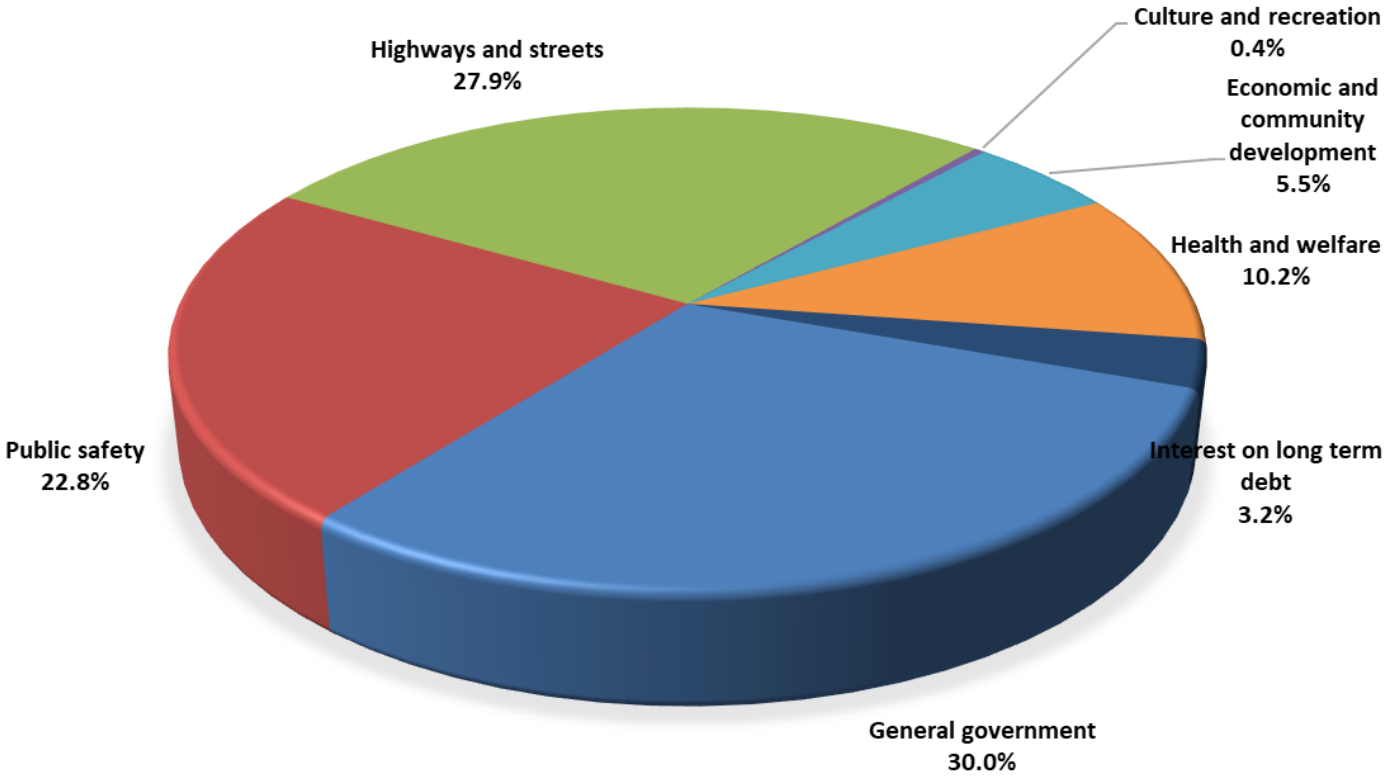


As seen on the following graph, the largest revenue source for the Town's governmental activities is sales tax revenues at 36.9 percent, followed by state shared revenues at 11.7 percent, and Capital Grants and Contributions at 29.0 percent. The Town's largest expense category is general government at 30.0 percent, followed by highways and streets at 27.9 percent and Public Safety at 22.8 percent.

GOVERNMENTAL ACTIVITIES REVENUE BY TYPE



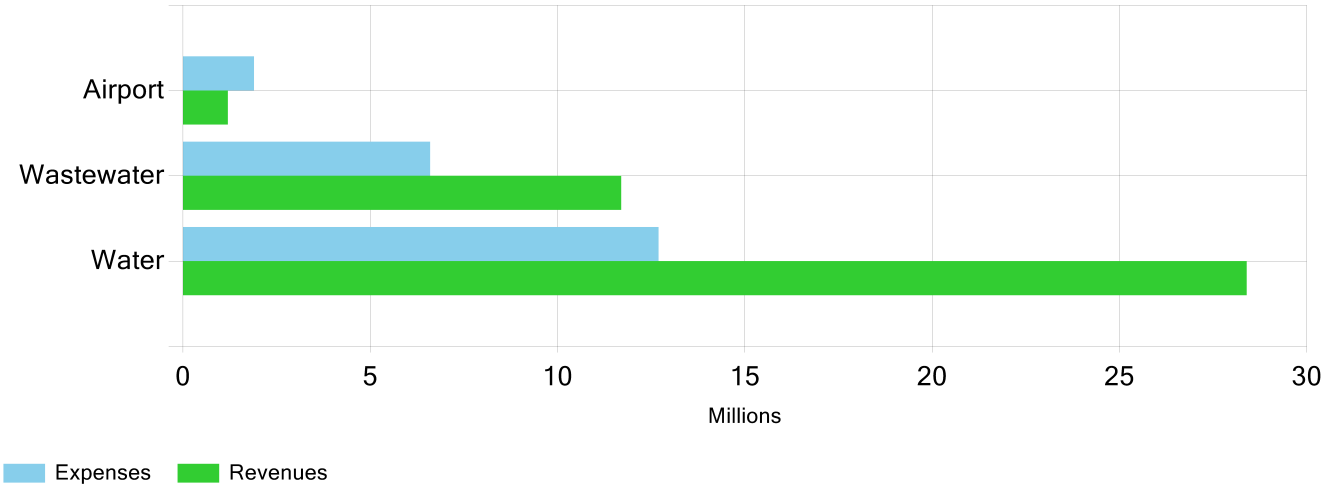
GOVERNMENTAL ACTIVITIES: EXPENSE BY FUNCTION



Business-type Activities
Business-type activities' net position increased by $22.5 million for fiscal year ended June 30, 2025.

Total revenues for business-type activities increased by $6.0 million or 16.7 percent. This increase is primarily related to increased user revenues and an increase to capital grants and contributions.

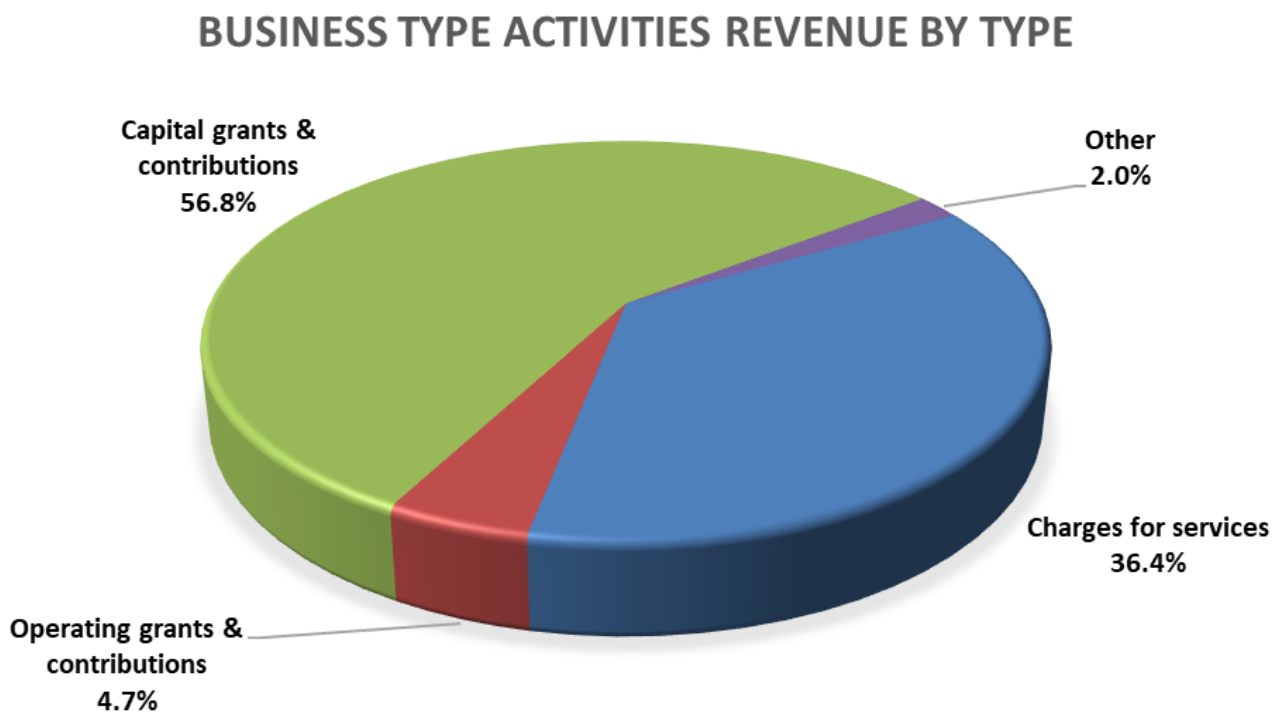
Business-type Activities Expenses and Program Revenues



Overall, business-type activity expenses increased by $3.3 million or 18.4 percent from the prior fiscal year. Increases were driven by increased operating expenses across all three activities. Wastewater expenses increased the most, followed by Water and Airport costs.

The Town's largest overall business-type activity is the Water Utility with $12.7 million in expenses and $28.4 million in program revenues during the year. The second largest activity is the Wastewater Utility with $6.6 million in expenses and $11.7 million in program revenues, followed by the Airport with $1.9 million in expenses and $1.2 million in program revenues.

As seen on the following graph, the largest revenue source for the Town's business-type activities is capital grants and contributions at 56.9 percent followed by charges for services revenues at 36.0 percent. Operating grants and contributions, investment income, and other miscellaneous revenues make up the remaining portion at 2.6 percent.



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, 2025, the Town's governmental funds reported a combined fund balance of $247.3 million, of which $122.7 million is unassigned 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 $136.9 million. Revenues increased by 0.4 percent and expenditures increased by 39.8 percent compared to the prior fiscal year. The primary increase in expenditure was due a one time payment for the full amount of the actuarially determined liability for the public safety pension plan, $13.6 million.

The Transportation Fund had a fund balance of $45.4 million which reflected an increase of 14.5 percent from the prior year. This is attributable to continued higher than normal construction sales tax revenues due to resilient commercial and residential development.

The PAG/RTA fund became a major fund in fiscal year ending June 30, 2025 because its deferred inflows totaled $6.6 million. This amount was related to the construction of roadway projects and will be received in the upcoming fiscal year.

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 $176.3 million, $132.8 million comprised the funds' net investment in capital assets, $2.1 million is restricted for debt service, and unrestricted net position is $41.1 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.

The governmental activities net position increased by $601,246 with a total net position of $4.0 million. This balance remains unrestricted for dental and medical benefits.

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.

Every year the Town closely reviews adopted initiatives and goals tied to the Strategic Plan, which serves as the comprehensive, guiding blueprint for the organization. These goals are utilized to ensure that allocations are aligned with need, and that strategies are resulting in the appropriate outcomes.

General Fund revenues exceeded budget projections in sales taxes and investment income. At the same time, departments maintained their prudent use of available resources. The judicious use of funds as well as higher than expected revenues resulted in $7.0 million in additional fund balance. The General Fund budget and actual variances are shown on page 91.

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 1 – Budgetary Control). Budget adjustments between departments in the General Fund did occur. A budget amendments of note was a transfer of $860,000 of budget authority from the General Fund to the South Benefit Area transportation impact fee fund for the payment of developer rebates to fulfill the terms of a development agreement.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2025 the Town had invested $579.2 million in governmental and business-type capital assets (net of accumulated depreciation). Total depreciation expense for the year was $28.7 million, with $23.2 million attributed to governmental activities and $5.5 million to business-type activities, respectively.

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

	Governmental Activities		Business-type Activities		Total	
	As of June 30, 2025	As of June 30, 2024	As of June 30, 2025	As of June 30, 2024	As of June 30, 2025	As of June 30, 2024
Land	$ 17,836,588	$ 16,837,176	$ 4,333,866	$ 4,314,866	$ 22,170,454	$ 21,152,042
Water rights	-	-	8,897,035	8,992,081	8,897,035	8,992,081
Construction in progress	61,969,946	45,481,509	24,884,547	12,506,978	86,854,493	57,988,487
Right of use subscription assets	536,568	414,265	-	-	536,568	414,265
Right of use assets - land	368,153	368,153	-	-	368,153	368,153
Buildings and improvements	127,385,493	66,847,048	199,163,538	188,487,259	326,549,031	255,334,307
Machinery and equipment	33,095,559	30,130,471	4,943,608	4,735,661	38,039,167	34,866,132
Infrastructure	504,567,514	476,748,188	-	-	504,567,514	476,748,188
Less: Accumulated depreciation/ amortization	(347,443,543)	(326,255,609)	(61,305,430)	(56,405,522)	(408,748,973)	(382,661,131)
Total	$ 398,316,278	$ 310,571,201	$ 180,917,164	$ 162,631,323	$ 579,233,442	$ 473,202,524

Additional information on the Town's capital assets can be found in Note 5.

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

- Tangerine Road Widening, Phase Two. In process, $20.7 million spent in fiscal year 2024-25. Estimated completion is fiscal year 2025-26.

- Twin Peaks Road and Rattlesnake Pass widening. In process, $24.4 million spent in fiscal year 2024-25. Estimated completion is fiscal year 2026-27.

- Marana Community and Aquatics Center. The facility was substantially complete and opened in fiscal year 2024-25. $31.5 million was spent during fiscal year 2024-25. Final completion is fiscal year 2025-26.

- Northwest Recharge, Recovery, and Delivery System. In process, $2.1 million spent in fiscal year 2024-25. Estimated completion fiscal year 2025-26.

- North Marana Sewer Interceptor. In process, $6.8 million spent in fiscal year 2024-25. Estimated completion is fiscal year 2025-26.

Debt Administration. At year-end, the Town had $144.7 million in long-term debt obligations outstanding with $9.4 million due within one year.

The Town had new debt adding $3.1 million. The Town also had reductions of $11.5 million during the current fiscal year due to regularly scheduled principal payments and premium amortizations. This resulted in an overall decrease to debt of $(8.5) million.

The following table presents a summary of the Town's outstanding debt for the fiscal years ended June 30, 2025 and June 30, 2024. Additional information on the Town's long-term obligations can be found in Note 7.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 30,620,000	$ 28,605,000	$ -	$ -	$ 30,620,000	$ 28,605,000
Revenue bonds	60,495,000	66,250,000	31,290,000	32,375,000	91,785,000	98,625,000
Revenue bonds - Direct Placements	643,000	1,272,000	-	-	643,000	1,272,000
Special assessment bonds	932,000	2,245,000	-	-	932,000	2,245,000
Loan payable	-	-	14,155,271	15,172,540	14,155,271	15,172,540
Deferred bond premium	4,913,402	5,402,513	1,684,926	1,863,457	6,598,328	7,265,970
Total	$ 97,603,402	$ 103,774,513	$ 47,130,197	$ 49,410,997	$ 144,733,599	$ 153,185,510

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town and the economy continue to grow despite the recent concern over uncertainty and economic disruption caused by tariffs and changes in federal governmental spending initiatives. The Town continues to attract interest from residential, commercial, and retail development, and this is expected to continue as long as the economy remains healthy. The Town recorded increasing revenues in local sales tax, but moderate decreases in state shared revenues. The local sales taxes are expected to increase and the state shared revenues are expected to stabilize in the coming fiscal year.

Inflation is projected to remain stable while the continued demand for new housing should result in continued development of real estate in fiscal year 2025-26. Such economic conditions should allow the Town adequate funding capacity to accomplish goals and initiatives in the Town's Strategic Plan.

The 2025-26 budget decreased by $57.5 million or 12.1%. This decrease is primarily due to the completion of capital projects, most notably the Marana Aquatics and Recreation Center, as expected in the prior year's budget. Revenues and other financing sources for the fiscal year 2025-2026 budget are $579.0 million, while expenditures total $416.2 million. The financial plan assumes a combination of fund balance/equity and debt financing will be accumulated to complete future dated 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 and provides detail for the upcoming fiscal year. The budget is a long-range plan by which financial policy is implemented and controlled and serves as a funding plan for policies, goals, and service-levels provided to the citizens of Marana.

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.

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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 248,366,478	$ 49,902,956	$ 298,269,434
Property taxes receivable	15,105	-	15,105
Accounts receivable	521,413	1,802,693	2,324,106
Leases receivable	2,923,714	3,937,538	6,861,252
Interest receivable	1,591,263	37,823	1,629,086
Due from other governments	18,027,277	1,327,615	19,354,892
Internal balances	497,313	(497,313)	-
Inventories	150,274	-	150,274
Prepaid items	94,792	56,452	151,244
Total current assets	272,187,629	56,567,764	328,755,393
Noncurrent assets:			
Accounts receivable	891,902	-	891,902
Restricted cash and investments	11,301,556	2,519,710	13,821,266
Advances	3,847,178	(3,847,178)	-
Capital assets not depreciated/amortized	79,806,534	38,115,448	117,921,982
Capital assets (net of depreciation/amortization)	318,509,744	142,801,716	461,311,460
Total noncurrent assets	414,356,914	179,589,696	593,946,610
Total assets	686,544,543	236,157,460	922,702,003
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	24,448,710	489,461	24,938,171
Deferred charge on refunding	716,030	-	716,030
Total deferred outflows of resources	25,164,740	489,461	25,654,201
LIABILITIES			
Current liabilities:			
Accounts payable	15,142,671	3,167,325	18,309,996
Retainage payable	6,755,948	831,147	7,587,095
Accrued payroll and employee benefits	2,318,064	15,458	2,333,522
Unearned revenue	290,306	-	290,306
Deposits held for others	1,103,908	1,338,688	2,442,596
Due to other government	30,598	260,042	290,640
Claims payable	375,536	-	375,536
Accrued interest payable	2,027,746	868,756	2,896,502
Compensated absences	2,814,968	183,472	2,998,440
Leases and subscription technology arrangements	119,340	-	119,340
Water agreement payable	-	193,651	193,651
Loan payable	-	1,043,496	1,043,496
General obligation bonds - CFD	1,095,000	-	1,095,000
Special assessment bonds - TFRID	932,000	-	932,000
Revenue bonds	5,253,000	1,080,000	6,333,000
Total current liabilities	38,259,085	8,982,035	47,241,120
Noncurrent liabilities:			
Compensated absences	312,774	20,385	333,159
Leases and subscription technology arrangements	428,601	-	428,601
Net pension liability	33,836,182	2,449,544	36,285,726
Loan payable	-	13,111,775	13,111,775
General obligation bonds - CFD	34,438,402	-	34,438,402
Revenue bonds	55,885,000	31,894,926	87,779,926
Total noncurrent liabilities	124,900,959	47,476,630	172,377,589
Total liabilities	163,160,044	56,458,665	219,618,709
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,898,428	189,467	3,087,895
Deferred inflows related to leases	2,591,896	3,660,941	6,252,837
Total deferred inflows of resources	5,490,324	3,850,408	9,340,732
NET POSITION			
Net investment in capital assets	295,782,631	132,762,169	428,544,800
Restricted for:			
Capital projects	31,347,231	426,399	31,773,630
Debt service	10,935,192	2,093,311	13,028,503
General government	5,431,703	-	5,431,703
Public safety	1,699,548	-	1,699,548
Highways and streets	7,280,407	-	7,280,407
Economic and community development	151,478	-	151,478
Unrestricted	190,430,725	41,055,969	231,486,694
Total net position	$ 543,058,915	$ 176,337,848	$ 719,396,763

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

TOWN OF MARANA, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Totals
Primary Government							
Governmental activities:							
General government	$ 35,112,581	$ 7,343,859	$ 64,178	$ 192,979	$ (27,511,565)	$ -	$ (27,511,565)
Public safety	26,921,172	6,278,470	2,066,572	-	(18,576,130)	-	(18,576,130)
Highways and streets	32,922,708	1,369,010	7,231,613	56,612,121	32,290,036	-	32,290,036
Health and welfare	455,573	81,032	8,000	-	(366,541)	-	(366,541)
Economic and community development	6,534,292	1,379,056	172,540	1,370,574	(3,612,122)	-	(3,612,122)
Culture and recreation	12,023,799	1,124,676	201,603	2,081,294	(8,616,226)	-	(8,616,226)
Interest on long-term debt	4,065,405	-	-	-	(4,065,405)	-	(4,065,405)
Total governmental activities	118,035,530	17,576,103	9,744,506	60,256,968	(30,457,953)	-	(30,457,953)
Business-type activities:							
Water	12,712,254	10,739,456	1,364,650	16,317,146	-	15,708,998	15,708,998
Wastewater	6,592,361	4,055,106	-	7,665,442	-	5,128,187	5,128,187
Airport	1,907,639	431,295	640,181	99,650	-	(736,513)	(736,513)
Total business-type activities	21,212,254	15,225,857	2,004,831	24,082,238	-	20,100,672	20,100,672
Total primary government	$ 139,247,784	$ 32,801,960	$ 11,749,337	$ 84,339,206	(30,457,953)	20,100,672	(10,357,281)
General revenues:							
Taxes:							
Sales taxes					76,634,917	-	76,634,917
Property taxes					2,947,790	-	2,947,790
Franchise taxes					525,847	-	525,847
State shared revenues, unrestricted					24,333,359	-	24,333,359
Investment income					14,221,486	795,102	15,016,588
Miscellaneous					1,480,696	184,497	1,665,193
Transfers					(1,433,493)	1,433,493	-
Total general revenues and transfers					118,710,602	2,413,092	121,123,694
Changes in net position					88,252,649	22,513,764	110,766,413
Net position, beginning of year					454,806,266	153,824,084	608,630,350
Net position, end of year					$ 543,058,915	$ 176,337,848	$ 719,396,763

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

FUND FINANCIAL STATEMENTS

TOWN OF MARANA, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Highway User Revenue	Sales Tax Capital Projects Fund
ASSETS			
Cash and cash equivalents	$ 126,286,887	$ 7,797,184	$ 11,210,126
Property taxes receivable	-	-	-
Accounts receivable	418,204	-	-
Leases receivable	2,923,714	-	-
Special assessments receivable	-	-	-
Interest receivable	1,257,256	17,592	5,702
Due from other funds	7,305,024	-	-
Due from other governments	5,152,992	453,845	755,716
Inventories	150,274	-	-
Prepaid items	94,792	-	-
Advances	2,047,178	-	-
Restricted cash and investments	-	-	1,657,614
Total assets	$ 145,636,321	$ 8,268,621	$ 13,629,158
LIABILITIES			
Accounts payable	$ 3,105,765	$ 878,148	$ 1,043,380
Retainage payable	5,327	110,066	2,562,550
Accrued payroll and employee benefits	2,279,301	-	-
Due to other funds	-	-	-
Due to other governments	30,469	-	-
Deposits held for others	439,499	-	-
Unearned revenue	290,306	-	-
Total liabilities	6,150,667	988,214	3,605,930
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	9,524	-	-
Deferred inflows related to leases	2,591,896	-	-
Total deferred inflows of resources	2,601,420	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	2,624,062	-	-
Restricted	-	7,280,407	10,023,228
Committed	-	-	-
Unassigned	134,260,172	-	-
Total fund balances (deficits)	136,884,234	7,280,407	10,023,228
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 145,636,321	$ 8,268,621	$ 13,629,158

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

Formerly Nonmajor: PAG/RTA Capital Projects Fund	Transportation Capital Fund	Tangerine Farms Improvement District Debt Service	Non-Major Governmental Funds	Total Governmental Funds
$ 11,742	$ 43,866,764	$ 372,989	$ 54,040,455	$ 243,586,147
-	-	-	15,105	15,105
-	-	-	103,209	521,413
-	-	-	-	2,923,714
-	-	891,902	-	891,902
-	154,296	-	156,417	1,591,263
-	300,000	-	-	7,605,024
6,607,548	3,320,212	-	1,736,964	18,027,277
-	-	-	-	150,274
-	-	-	-	94,792
-	1,800,000	-	-	3,847,178
-	599	-	9,643,343	11,301,556
$ 6,619,290	$ 49,441,871	$ 1,264,891	$ 65,695,493	$ 290,555,645
$ 2,415,674	$ 2,229,905	$ -	$ 5,120,012	$ 14,792,884
1,601,305	1,036,541	-	1,440,159	6,755,948
-	-	-	4,072	2,283,373
4,209,177	-	-	2,898,535	7,107,712
-	-	-	129	30,598
-	55,098	-	609,311	1,103,908
-	-	-	-	290,306
8,226,156	3,321,544	-	10,072,218	32,364,729
6,594,639	757,943	891,902	43,831	8,297,839
-	-	-	-	2,591,896
6,594,639	757,943	891,902	43,831	10,889,735
-	1,800,000	-	-	4,424,062
-	3,320,810	372,989	55,852,996	76,850,430
-	40,241,574	-	3,100,953	43,342,527
(8,201,505)	-	-	(3,374,505)	122,684,162
(8,201,505)	45,362,384	372,989	55,579,444	247,301,181
$ 6,619,290	$ 49,441,871	$ 1,264,891	$ 65,695,493	$ 290,555,645

TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total governmental fund balances		**$ 247,301,181**
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	$ 744,855,100	
Governmental right of use assets	904,721	
Less accumulated depreciation/amortization	(347,443,543)	398,316,278
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	(3,127,742)	
Subscription technology arrangements payable	(203,843)	
Leases payable	(344,098)	
Revenue bonds payable	(61,138,000)	
General obligation bonds payable	(30,620,000)	
Special assessment bonds	(932,000)	
Net pension liability	(33,836,182)	
Accrued interest payable	(2,027,746)	(132,229,611)
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.		4,020,318
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	(4,913,402)	
Deferred charge on refunding	716,030	
Deferred inflows related to pensions	(2,898,428)	
Deferred outflows related to pensions	24,448,710	17,352,910
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	7,405,937	
Special assessments revenue	891,902	8,297,839
Net position of governmental activities		**$ 543,058,915**

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



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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, 2025

	General Fund	Highway User Revenue	Sales Tax Capital Projects Fund
Revenues:			
Sales taxes	$ 48,335,560	$ -	$ 8,122,816
Property taxes	-	-	-
Intergovernmental	24,341,359	4,699,879	-
Licenses, fees & permits	8,677,526	700,779	-
Fines, forfeitures & penalties	433,127	-	-
Charges for services	1,502,439	-	-
Lease income	225,019	-	-
Contributions	2,679	-	-
Investment income	9,943,443	284,046	965,662
Miscellaneous	1,055,896	4,000	-
Total revenues	94,517,048	5,688,704	9,088,478
Expenditures:			
Current -			
General government	21,762,317	-	-
Public safety	36,668,580	-	-
Highways and streets	4,472,508	5,927,674	587,788
Health and welfare	429,619	-	-
Economic and community development	5,418,342	-	-
Culture and recreation	8,694,720	-	-
Capital outlay	5,965,519	431,109	30,908,876
Debt service -			
Principal retirement	125,531	-	-
Interest and fiscal charges	109,925	-	-
Bond issuance costs	-	-	-
Total expenditures	83,647,061	6,358,783	31,496,664
Excess (deficiency) of revenues over expenditures	10,869,987	(670,079)	(22,408,186)
Other financing sources (uses):			
Issuance of debt	-	-	-
Premium on bonds issued	-	-	-
Leases and subscription technology arrangements	122,303	-	-
Transfers in	-	-	-
Transfers out	(4,005,941)	-	(3,566,592)
Total other financing sources (uses)	(3,883,638)	-	(3,566,592)
Changes in fund balances	6,986,349	(670,079)	(25,974,778)
Fund balances (deficits), beginning of year	129,897,885	7,950,486	35,998,006
Change within financial reporting entity (nonmajor to major fund)	-	-	-
Fund balances (deficits), end of year	$ 136,884,234	$ 7,280,407	$ 10,023,228

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

Formerly Nonmajor: PAG/RTA Capital Projects Fund	Transportation Capital Fund	Tangerine Farms Improvement District Debt Service	Non-Major Governmental Funds	Total Governmental Funds
$ -	$ 17,747,170	$ -	$ 2,429,371	$ 76,634,917
-	-	-	2,947,790	2,947,790
7,888,028	836,398	-	3,676,628	41,442,292
-	-	-	4,938,905	14,317,210
-	-	-	44,835	477,962
-	-	-	24,945	1,527,384
-	-	-	-	225,019
-	700,250	1,252,125	12,706,090	14,661,144
-	1,177,631	-	1,718,038	14,088,820
-	-	-	4,404	1,064,300
7,888,028	20,461,449	1,252,125	28,491,006	167,386,838
-	686,984	27,415	959,588	23,436,304
-	-	-	1,845,899	38,514,479
-	-	-	3,202,986	14,190,956
-	-	-	-	429,619
-	-	-	959,861	6,378,203
-	-	-	413,282	9,108,002
16,062,310	13,150,056	-	22,862,932	89,380,802
-	-	1,313,000	7,439,000	8,877,531
-	8,930	40,102	3,790,838	3,949,795
-	-	-	280,896	280,896
16,062,310	13,845,970	1,380,517	41,755,282	194,546,587
(8,174,282)	6,615,479	(128,392)	(13,264,276)	(27,159,749)
-	-	-	3,070,000	3,070,000
-	-	-	15,063	15,063
-	-	-	-	122,303
24,650	-	-	8,206,459	8,231,109
-	(863,771)	-	(1,228,297)	(9,664,601)
24,650	(863,771)	-	10,063,225	1,773,874
(8,149,632)	5,751,708	(128,392)	(3,201,051)	(25,385,875)
-	39,610,676	501,381	58,728,622	272,687,056
(51,873)	-	-	51,873	-
$ (8,201,505)	$ 45,362,384	$ 372,989	$ 55,579,444	$ 247,301,181

TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net changes in fund balances - total governmental funds			**$ (25,385,875)**
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	$	85,053,282	
Less current year depreciation		(23,247,348)	61,805,934
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.			
Issuance of general obligation bonds		(3,070,000)	
Issuance of premium on bonds		(15,063)	
Issuance of subscription technology arrangement		(122,303)	
Subscription technology arrangement principal		118,489	
Leases payable		7,042	
Special assessment bond retirement		1,313,000	
General obligation bond retirement		1,055,000	
Revenue bond principal retirement		6,384,000	5,670,165
Contributions of infrastructure assets are not recorded as revenues in the governmental funds.			27,802,211
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		(190,992)	
Intergovernmental revenue		7,111,607	
Special assessments		(1,133,191)	
Compensated absences		(464,727)	
Loss on disposal of assets		(1,863,068)	
Amortization of bond premium		504,174	
Amortization of deferred charges		(147,896)	3,815,907
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.			
Pension Expenses and Contributions		13,937,747	
Pension Revenue		5,314	13,943,061
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.			601,246
Change in net position in governmental activities			**$ 88,252,649**

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

TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities				
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	$ 26,762,822	$ 23,117,964	$ 22,170	$ 49,902,956	$ 4,780,331
Accounts receivable	1,379,461	423,232	-	1,802,693	-
Lease receivable	-	-	3,937,538	3,937,538	-
Interest receivable	37,823	-	-	37,823	-
Due from governments	1,093,379	-	234,236	1,327,615	-
Prepaid items	56,452	-	-	56,452	-
Total current assets	29,329,937	23,541,196	4,193,944	57,065,077	4,780,331
Noncurrent assets:					
Restricted cash	747,421	1,772,289	-	2,519,710	-
Capital assets not depreciated	24,064,803	12,185,750	1,864,895	38,115,448	-
Capital assets (net of depreciation)	61,172,158	64,587,950	17,041,608	142,801,716	-
Total noncurrent assets	85,984,382	78,545,989	18,906,503	183,436,874	-
Total assets	115,314,319	102,087,185	23,100,447	240,501,951	4,780,331
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	369,401	74,168	45,892	489,461	-
Total deferred outflows of resources	369,401	74,168	45,892	489,461	-
LIABILITIES					
Current liabilities:					
Accounts payable	1,538,154	1,599,157	30,014	3,167,325	349,786
Retainage payable	327,470	503,677	-	831,147	-
Accrued payroll and employee benefits	11,171	2,636	1,651	15,458	34,691
Claims payable	-	-	-	-	375,536
Compensated absences	137,731	21,888	23,853	183,472	-
Due to other funds	-	442,245	55,068	497,313	-
Deposits held for others	1,338,688	-	-	1,338,688	-
Due to other governments	260,042	-	-	260,042	-
Water agreement payable	193,651	-	-	193,651	-
Bonds payable - current	-	1,080,000	-	1,080,000	-
Loan payable - current	1,001,242	42,254	-	1,043,496	-
Interest payable	168,169	700,587	-	868,756	-
Total current liabilities	4,976,318	4,392,444	110,586	9,479,348	760,013
Noncurrent liabilities:					
Advances	-	3,847,178	-	3,847,178	-
Compensated absences	15,303	2,432	2,650	20,385	-
Bonds payable	-	31,894,926	-	31,894,926	-
Loan payable	12,445,612	666,163	-	13,111,775	-
Net pension liability	1,907,068	300,112	242,364	2,449,544	-
Total noncurrent liabilities	14,367,983	36,710,811	245,014	51,323,808	-
Total liabilities	19,344,301	41,103,255	355,600	60,803,156	760,013
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	151,221	29,236	9,010	189,467	-
Deferred inflows related to leases	-	-	3,660,941	3,660,941	-
Total deferred inflows of resources	151,221	29,236	3,669,951	3,850,408	-
NET POSITION					
Net investment in capital assets	71,268,986	42,586,680	18,906,503	132,762,169	-
Restricted for capital projects	426,399	-	-	426,399	-
Restricted for debt service	321,022	1,772,289	-	2,093,311	-
Unrestricted	24,171,791	16,669,893	214,285	41,055,969	4,020,318
Total net position	$ 96,188,198	$ 61,028,862	$ 19,120,788	$ 176,337,848	$ 4,020,318

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, 2025

	Business-type Activities				
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Fund
Operating revenues:					
Licenses, fees & permits	$ 236,336	$ 179,958	$ -	$ 416,294	$ -
Charges for services	10,503,120	3,875,148	74,405	14,452,673	6,005,145
Lease Income	-	-	356,890	356,890	-
Miscellaneous	181,387	1,740	1,370	184,497	411,082
Total operating revenues	10,920,843	4,056,846	432,665	15,410,354	6,416,227
Operating expenses:					
Personnel costs	2,998,028	663,146	387,256	4,048,430	-
Contractual services	1,108,796	814,816	123,540	2,047,152	1,090,285
Commodities	4,121,776	673,061	57,160	4,851,997	-
Other	1,795,271	978,461	25,859	2,799,591	4,857,362
Depreciation expense	2,223,779	1,943,900	1,312,386	5,480,065	-
Total operating expenses	12,247,650	5,073,384	1,906,201	19,227,235	5,947,647
Operating income (loss)	(1,326,807)	(1,016,538)	(1,473,536)	(3,816,881)	468,580
Nonoperating revenues (expenses):					
Contributions	1,364,650	-	640,181	2,004,831	-
Investment income	412,450	248,840	133,812	795,102	132,666
Interest expense	(348,763)	(1,511,103)	-	(1,859,866)	-
Gain (loss) on disposal of capital assets	(115,841)	(7,873)	(1,439)	(125,153)	-
Total nonoperating revenues (expenses)	1,312,496	(1,270,136)	772,554	814,914	132,666
Net income (loss) before contributons and transfers	(14,311)	(2,286,674)	(700,982)	(3,001,967)	601,246
Development fees	9,277,092	3,878,634	-	13,155,726	-
Capital contributions	7,040,054	3,786,808	99,650	10,926,512	-
Transfers in	1,011,786	1,577,110	444,668	3,033,564	-
Transfers out	(1,577,110)	(22,961)	-	(1,600,071)	-
Changes in net position	15,737,511	6,932,917	(156,664)	22,513,764	601,246
Net position, beginning of year	80,450,687	54,095,945	19,277,452	153,824,084	3,419,072
Net position, end of year	$ 96,188,198	$ 61,028,862	$ 19,120,788	$ 176,337,848	$ 4,020,318

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, 2025

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Fund
Cash flows from operating activities:					
Received from customers	$ 10,772,492	$ 4,016,181	$ 431,318	$ 15,219,991	$ 6,246,708
Payments to suppliers for goods and services	(7,726,102)	(1,182,749)	(245,572)	(9,154,423)	(5,834,170)
Payments to employees for services	(3,057,151)	(685,649)	(394,623)	(4,137,423)	-
Other receipts/payments	152,758	1,740	1,370	155,868	411,082
Net cash provided by (used for) operating activities	141,997	2,149,523	(207,507)	2,084,013	823,620
Cash flows from non-capital activities:					
Interfund borrowing	-	(442,245)	(49,780)	(492,025)	-
Contributions	1,364,650	-	640,181	2,004,831	-
Transfers in	1,011,786	1,577,110	444,668	3,033,564	-
Transfers out	(1,577,110)	(22,961)	-	(1,600,071)	-
Net cash provided by (used for) non-capital activities	799,326	1,111,904	1,035,069	2,946,299	-
Cash flows from capital activities and related financing activities:					
Capital grants received	(971,658)	-	(119,765)	(1,091,423)	-
Development fees received	9,277,092	3,878,634	-	13,155,726	-
Principal payments	(975,989)	(1,126,280)	-	(2,102,269)	-
Interest paid on debt	(344,574)	(1,241,736)	-	(1,586,310)	-
Acquisition and construction of capital assets	(4,247,612)	(7,553,190)	(819,539)	(12,620,341)	-
Net cash provided by (used for) capital activities	2,737,259	(6,042,572)	(939,304)	(4,244,617)	-
Cash flows from investing activities:					
Interest on investments	348,745	248,840	133,812	731,397	132,666
Net cash provided by investing activities	348,745	248,840	133,812	731,397	132,666
Net increase (decrease) in cash and cash equivalents	4,027,327	(2,532,305)	22,070	1,517,092	956,286
Cash and cash equivalents, beginning of year	23,482,916	27,422,558	100	50,905,574	3,824,045
Cash and cash equivalents, end of year	$ 27,510,243	$ 24,890,253	$ 22,170	$ 52,422,666	$ 4,780,331

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, 2025

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating (loss)	$ (1,326,807)	$ (1,016,538)	$ (1,473,536)	$ (3,816,881)	$ 468,580
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	2,223,779	1,943,900	1,312,386	5,480,065	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(139,511)	(38,925)	-	(178,436)	241,563
(Increase) decrease in leases receivable		-	656,559	656,559	-
(Increase) decrease in prepaid items	52,664	-	-	52,664	-
(Increase) decrease in deferred outflows of resources related to pensions	(3,269)	1,403	(8,932)	(10,798)	-
Increase (decrease) in accounts payable	(498,224)	1,283,589	(39,013)	746,352	101,050
Increase (decrease) in claims payable	-	-	-	-	(22,264)
Increase (decrease) in accrued payroll payable	(106,573)	(23,321)	(8,091)	(137,985)	34,691
Increase (decrease) in compensated absences	22,675	(6,928)	7,091	22,838	-
Increase (decrease) in water agreement payable	(202,035)	-	-	(202,035)	-
Increase (decrease) in deposits held for others	86,227	-	-	86,227	-
Increase (decrease) in due to other governments	5,027	-	-	5,027	-
Increase (decrease) in net pension liability	(66,662)	(15,077)	(6,099)	(87,838)	-
Increase (decrease) in deferred inflows of resources related to pensions	94,706	21,420	8,664	124,790	-
Increase (decrease) in deferred inflows of resources related to leases	-	-	(656,536)	(656,536)	-
Net cash provided (used) by operating activities	$ 141,997	$ 2,149,523	$ (207,507)	$ 2,084,013	$ 823,620
Noncash investing, capital and financing activities:					
Capital contributions	7,002,107	3,526,479	-	10,528,586	-
Amortization of bond premium	-	(178,531)	-	(178,531)	-
Loss on disposal of capital assets	(115,841)	(7,873)	(1,439)	(125,153)	-
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents	$ 26,762,822	$ 23,117,964	$ 22,170	$ 49,902,956	$ 4,780,331
Restricted cash	747,421	1,772,289	-	2,519,710	-
Total cash and cash equivalents	$ 27,510,243	$ 24,890,253	$ 22,170	$ 52,422,666	$ 4,780,331

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

NOTES TO FINANCIAL STATEMENTS


MARANA AZ

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.

During the fiscal year ended June 30, 2025, the Town implemented GASB statement 102, Certain Risk Disclosures. The implementation of GASB 02 did not result in a material change to the risk disclosures in the financial statements..

During the fiscal year ended June 30, 2025, the Town reclassified the PAG/RTA Capital Projects Fund, previously reported as a nonmajor governmental fund as a major governmental fund.

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 comprehensive 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 Saguaro Springs Community Facilities District (SSCFD), the Mandarina Community Facilities District (Mandarina), and the Tangerine Farms Road Improvement District (TFRID). The GFCFD, GFCFD II, SSCFD, Mandarina and TFRID are blended component units with the Town in these financial statements as all four were established and operated 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, SSCFD, Mandarina and TFRID component units each have a June 30 year-end and are included in the Capital Projects funds and the Debt Service Funds of the same names. Separate financial statements are prepared for the community facilities districts and can be obtained from the Town of Marana Finance Department at 11555 W Civic Center Drive, Marana, AZ 85653. Separate financial statements of the TFRID and Mandarina are not prepared on a stand-alone basis.

A. 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.

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.

Sales Tax Capital Projects Fund – This fund accounts for sales tax proceeds for capital related funding and projects.

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

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

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

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.

B. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 and subscription-based information technology arrangements 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.

C. 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.

D. 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.

E. 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, 2025 in accordance with GASB 75, due to the relative insignificance to the Town's financial statements.

F. 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.

G. Prepaid Items

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

H. 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.

I. 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.

J. 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 $10,000 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/amortization 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.

Depreciation/amortization 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

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

K. 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.

L. Compensated Absences

The Town's employee vacation, managed time off, and sick leave policies generally provide for granting vacation and sick leave with pay.

Vacation leave vests with the employee as it is earned. Employees may accumulate up to 320 hours of vacation depending on years of service or specified position, but they forfeit any unused vacation hours in excess of the maximum amount. Upon terminating employment, the Town pays all unused and unforfeited vacation benefits to employees. Accordingly, the current and long-term liabilities for accumulated vacation, including related benefits, are reported in the government-wide and proprietary funds' 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.

Managed time off (MTO) and sick leave benefits provided for necessary rest and relaxation, attendance at commitments outside of work, and ordinary sick pay are not vested with the employees. However, upon retirement or terminating employment after 15 years of service, employees who have accumulated at least 250 hours of MTO/sick leave for an official retirement or 500 hours of MTO/sick leave with 15 or more years of service receive some benefit payments. Benefit payments vary based on the number of hours accumulated but no payout will exceed 50% of 1,500 hours. A liability has been accrued for balances that have been accumulated for services rendered and which is more likely than not to be used or otherwise paid. Generally, resources from the General Fund are used to pay for compensated absences.

M. Leases and subscription-based information technology arrangements

Leases

As lessee, the Town recognizes lease liabilities with an initial, individual value of $100,000 or more. The Town uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The Town's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the Town.

As lessor, the Town recognizes lease receivables with an initial, individual value of $100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the Town charges the lessee) and the implicit rate cannot be determined, the Town uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The Town's estimated incremental borrowing rate is calculated as described above.

Subscription-based information technology arrangements

The Town recognizes subscription liabilities with an initial value of $100,000 or more. The Town uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The Town's estimated incremental borrowing rate is calculated as described above.

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 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 assets 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 assets 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.

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, 2025, the fund balance details by classification are listed below:

	General Fund	Highway User Revenue	Sales Tax Capital Projects Fund	PAG/RTA Capital Projects Fund	Transportation Capital Fund	Tangerine Farms Road Improvement District Debt Service	Non-Major Governmental Funds	Total
Fund Balances:								
Nonspendable:								
Inventories	$ 150,274	$ -	$ -	$ -	$ -	$ -	$ -	$ 150,274
Prepaid expenditures	94,792	-	-	-	-	-	-	94,792
Long-term advance	2,047,178	-	-	-	1,800,000	-	-	3,847,178
Lease receivable, net of deferred inflow	331,818	-	-	-	-	-	-	331,818
Restricted:								
Debt service	-	-	-	-	-	372,989	9,670,301	10,043,290
Public safety	-	-	-	-	-	-	1,657,929	1,657,929
Capital projects	-	-	10,023,228	-	3,320,810	-	38,941,585	52,285,623
Highways and Streets	-	7,280,407	-	-	-	-	-	7,280,407
Courts	-	-	-	-	-	-	723,959	723,959
Affordable housing	-	-	-	-	-	-	151,478	151,478
Tourism promotion	-	-	-	-	-	-	4,707,744	4,707,744
Committed:								
Capital projects	-	-	-	-	40,241,574	-	3,100,953	43,342,527
Unassigned:	134,260,172	-	-	(8,201,505)	-	-	(3,374,505)	122,684,162
Total fund balances:	$ 136,884,234	$ 7,280,407	$ 10,023,228	$ (8,201,505)	$ 45,362,384	$ 372,989	$ 55,579,444	$ 247,301,181

NOTE 3 - BUDGETARY CONTROL

Excess Expenditures Over Budget – At June 30, 2025, 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 30, 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, 2022, 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, 2022. 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 Impound Fund, the Other Grants and Contributions Fund, the Series 2013 Debt Fund, the Series 2014 Debt Fund, the 2017 Debt Fund, the Gladden Farms CFD Debt Fund, the Gladden Farms II CFD Debt Fund, the Saguaro Springs CFD Debt Fund, the Tangerine Farms Improvement District Debt Fund, the Transportation Fund, the Downtown Reinvestment Fund, the Impact Fee Funds, the Other Capital Projects Funds, the Regional Transportation Authority Fund, the Pima Association of Governments Fund, the Half Cent Sales Tax Fund, the Gladden Farms CFD Capital Fund, the Gladden Farms II CFD Capital Fund, the Saguaro Springs CFD Capital Fund, and the Mandarina 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 (LGIP), the County Treasurer's investment pool, obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified State and local government bonds, notes and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds.

Credit risk
Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top 2 ratings by a nationally recognized rating agency (NRSRO).
2. Specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better at the time of purchase by at least 2 NRSROs.
3. Fixed income securities must carry 1 of the 2 highest ratings by Moody's investors service and Standard and Poor's rating service. If only 1 of these services rates the security, it must carry the highest rating of that service.

Custodial credit risk
Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover.

Concentration of credit risk
Statutes do not include any requirements for concentration of credit risk.

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.

Foreign currency risk Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

Deposits—At June 30, 2025, the carrying amount of the Town's deposits was $9,455,042 and the bank balance was $6,767,076. 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, $3,153,622 was covered by federal depository insurance, $3,437,055 was covered by collateral held by the pledging financial institution's trust department but not in the Town's name, and $176,399 was uninsured and uncollateralized. The Town had $5,425 in petty cash funds, change drawers and other related items at year end. Additionally, the Town had deposits of $552,973 held by Pima County in a fiduciary capacity.

Investments—At June 30, 2025, 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	$ 2,694,236	$ -	$ 2,694,236	$ -
U.S. Treasuries	122,134,252	122,134,252	-	-
Corporate Notes	2,212,636	-	2,212,636	
Total investments by fair value level	$ 127,041,124	$ 122,134,252	$ 4,906,872	$ -
External investment pools measured at fair value				
State Treasurer's investment pool 5	64,454,445			
State Treasurer's investment pool 7	2,230,063			
Total investments measured at fair value	66,684,508			
Investments measured at amortized cost				
Money market mutual funds	108,351,628			
Total investments	$ 302,077,260			

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. 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.

Credit Risk. The Town's investment policy limits the purchase of commercial paper to those securities rated in the highest tier (e.g. A1/P1/F1) by a NRSRO and limits the purchase of bonds, debentures, notes or other evidence of indebtedness to those securities rated a minimum of AA- or its equivalent, at the time of purchase, by at least two NRSROs, unless the indebtedness is of the State of Arizona or a county or incorporated city, town or school district within this state, which requires a rating from only one NRSRO. At June 30, 2025, the credit risk for the Town's investments was as follows:

		Standard & Poor's / Moody's Rating			
Investment Type	Fair Value	Not Rated	AAA/Aaa	AA/Aa	A1/P1
Money Market Mutual Funds	$ 108,351,628	$ -	$ 108,351,628	$ -	$ -
Federal Home Loan Mortgage Corp	2,694,236	-	-	2,694,236	-
Corporate Notes	2,212,636	-	1,231,343	981,293	-
State Treasurer's Investment Pool 5	64,454,445	-	64,454,445	-	-
State Treasurer's Investment Pool 7	2,230,063	2,230,063	-	-	-
	$ 179,943,008	$ 2,230,063	$ 174,037,416	$ 3,675,529	$ -

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's investment policy sets diversification limits on both security types and length of maturity, except for LGIP and U.S. Treasury and other government obligations which do not have a portfolio issuer limit.

Interest Rate Risk. In order to limit interest and market rate risk, the Town's investment policy sets a maximum maturity on any investment of 5 years.

At June 30, 2025, the Town had the following investment in debt securities:

		Investment maturities	
Investment Type	Amount	Less than 1 Year	1-5 Years
Money market mutual funds	$ 108,351,628	$ 108,351,628	$ -
State Treasurer's Investment Pool 5	64,454,445	64,454,445	-
State Treasurer's Investment Pool 7	2,230,063	2,230,063	-
Federal Home Loan Mortgage Corp	2,694,236	990,890	1,703,346
U.S. Treasuries	122,134,252	54,441,055	67,693,197
Corporate Notes	2,212,636	981,293	1,231,343
Total investments	$ 302,077,260	$ 231,449,374	$ 70,627,886

NOTE 5 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for fiscal year ended June 30, 2025:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	$ 16,837,176	$ 999,412	$ -	$ 17,836,588
Construction in progress	45,481,509	78,773,432	62,284,995	61,969,946
Total capital assets, not being depreciated/amortized	62,318,685	79,772,844	62,284,995	79,806,534
Capital assets, being depreciated/amortized:				
Right of use subscription assets	414,265	122,303	-	536,568
Right of use lease assets - land	368,153	-	-	368,153
Buildings and improvements	66,847,048	60,538,445	-	127,385,493
Machinery, equipment, and other assets	30,130,471	6,918,767	3,953,679	33,095,559
Infrastructure	476,748,188	27,819,326	-	504,567,514
Total capital assets being depreciated	574,508,125	95,398,841	3,953,679	665,953,287
Less accumulated depreciation/amortization for:				
Right of use subscription assets	(214,236)	(118,489)	-	(332,725)
Right of use lease assets - land	(46,998)	(15,666)	-	(62,664)
Buildings and improvements	(29,533,311)	(1,973,639)	-	(31,506,950)
Machinery, equipment, and other assets	(21,002,355)	(2,103,985)	(2,090,611)	(21,015,729)
Infrastructure	(275,458,709)	(19,066,766)	-	(294,525,475)
Total accumulated depreciation/amortization	(326,255,609)	(23,278,545)	(2,090,611)	(347,443,543)
Total capital assets, being depreciated/amortized, net	248,252,516	72,120,296	1,863,068	318,509,744
Governmental activities capital assets, net	$ 310,571,201	$ 151,893,140	$ 64,148,063	$ 398,316,278

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

Governmental Activities:	
General government	$ 1,085,765
Public safety	1,108,795
Highways and streets	18,750,625
Economic and community development	100,660
Health and Welfare	25,954
Culture and recreation	2,175,549
Total depreciation expense - governmental activities	$ 23,247,348

A fully depreciated vehicle valued at $31,197 was transferred from the Water fund to Transportation fund.

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	$ 4,314,866	$ 19,000	$ -	$ 4,333,866
Water rights	8,992,081	-	95,046	8,897,035
Construction in progress	12,506,978	12,865,630	488,061	24,884,547
Total capital assets, not being depreciated	25,813,925	12,884,630	583,107	38,115,448
Capital assets, being depreciated:				
Buildings, improvements and infrastructure	188,487,259	10,676,279	-	199,163,538
Machinery, equipment, and other assets	4,735,661	818,209	610,262	4,943,608
Total capital assets being depreciated	193,222,920	11,494,488	610,262	204,107,146
Less accumulated depreciation for:				
Buildings, improvements and infrastructure	(53,270,838)	(5,378,467)	-	(58,649,305)
Machinery, equipment, and other assets	(3,134,684)	(101,598)	(580,157)	(2,656,125)
Total accumulated depreciation	(56,405,522)	(5,480,065)	(580,157)	(61,305,430)
Total capital assets, being depreciated, net	136,817,398	6,014,423	30,105	142,801,716
Business-type activities capital assets, net	$ 162,631,323	$ 18,899,053	$ 613,212	$ 180,917,164

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

Business-type Activities:	
Airport	$ 1,312,386
Water	2,223,779
Wastewater	1,943,900
Total depreciation expense - business-type activities	$ 5,480,065

NOTE 6 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Leases

Lessee

Effective January 1, 2015, the Town renewed a lease for land. Based on this agreement the Town will make variable monthly payments through fiscal year 2045. The Town has acquired land as a right-to-use asset by under the provisions of a lease agreement. There is no purchase option included in the agreement for the land.

The total amount of the lease asset and the related accumulated amortization is as follows:

Total Intangible right-to-use lease asset	$ 368,153
Less: accumulated amortization	(62,664)
Carrying value	$ 305,489

The following schedule details minimum lease payments to maturity for the Town's leases payable at June 30, 2025:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 7,788	$ 10,218	$ 18,006
2027	8,572	9,974	18,546
2028	9,397	9,706	19,103
2029	10,264	9,412	19,676
2030	11,175	9,092	20,267
2031-2035	71,199	39,626	110,825
2036-2040	101,691	26,788	128,479
2041-2045	124,013	8,910	132,923
	$ 344,099	$ 123,726	$ 467,825

Lessor

The Town has entered into various lease agreements as the Lessor. From time to time the Town's lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. The Town recognized an insignificant amount of revenue related to these variable lease payments and they have not been further disclosed or included in the measurement of the Town's lease receivables.

As of June 30, 2025, the Town is reporting the following lease receivables, deferred inflows related to leases, lease revenue, and interest revenue:

Governmental Activities

Lease	Lease Receivable	Deferred Inflows Related to Leases	Lease Revenue	Lease Interest Revenue
Communication Tower Land Leases	$ 2,782,888	$ 2,466,873	$ 144,895	$ 84,726
Building Lease	140,826	125,023	6,412	4,273
Totals	$ 2,923,714	$ 2,591,896	$ 151,307	$ 88,999

Business-type Activities

Lease	Lease Receivable	Deferred Inflows Related to Leases	Lease Revenue	Lease Interest Revenue
Airport Land Leases	$ 3,937,538	$ 3,660,941	$ 197,398	$ 133,812

The Town's leases are summarized as follows:

Communication Tower Land Leases – The Town has entered into multiple land leases for communication towers. Based on these agreement the Town will be receiving variable monthly and/or annual payments through fiscal year 2048.

Building Lease – The Town has entered into a building lease leases for a communication tower. Based on the agreement the Town will be receiving variable monthly payments through fiscal year 2045.

Other Rental Arrangements

Land – State of Arizona

The Town has assigned and assumed a non-cancelable long-term rental agreement for 2,400 acres of land with the State of Arizona with an expiration of October 2099. This agreement had an initial annual rent of $432,000 that requires 10% increases in the annual rent payments for each succeeding five year period. This agreement does not meet the definition of a lease under GASB 87 as the agreement does not provide the Town with exclusive rights to use the property.

In conjunction with the Town assuming the long-term rental agreement, 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. The agreement provides for payments of minimum annual rentals as follows, excluding real estate taxes, common area charges, management fees, and sales taxes:

Years Ending June 30,	
2026	$ 695,740
2027	695,740
2028	695,740
2029	695,740
2030	695,740
2031-2035	3,826,570
2036-2040	4,209,225
2041-2045	4,630,150
2045-2050	5,093,165
2051-2055	5,602,480
2056-2060	6,162,730
2061-2065	6,779,005
2066-2070	7,456,905
2071-2075	8,202,595
2076-2080	9,022,855
2081-2085	9,925,140
2086-2090	10,917,655
2091-2095	12,009,420
2096-2098	10,568,288
Total	$ 107,884,883

Minimum annual rentals above excludes annual rental under the remaining renewal options as of June 30, 2025. Rent expense under the above agreement for fiscal 2024-25 aggregated $632,491.

B. Subscription-Based Information Technology Arrangements

The Town has entered into certain subscription-based information technology arrangements that convey control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. The are generally for enterprise-scale software as a service contracts.

The total amount of subscription assets and the related accumulated amortization are as follows:

Total Intangible right-to-use subscription assets	$	536,568
Less: accumulated amortization		(332,725)
Carrying value	$	203,843

The following schedule details minimum payments to maturity for subscription arrangements at June 30, 2025:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 111,552	$ 7,789	$ 119,341
2027	28,546	5,038	33,584
2028	30,226	3,358	33,584
2029	33,519	65	33,584
	$ 203,843	$ 16,250	$ 220,093

NOTE 7 – LONG-TERM LIABILITIES

A. Notes Payable

Business-type activities loans payable consists of six loans from the Water Infrastructure Finance Authority (WIFA), the proceeds of which were used to acquire and construct various water and wastewater 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, 2025 on the outstanding balance is 2.968 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 down the entire balance of the loan. The interest rate at June 30, 2025 on the outstanding balance is 2.44 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 had drawn the entire forgivable portion plus $711,230 of the loan and returned $29,764. The interest rate at June 30, 2025 on the outstanding balance is 2.508 percent.

During 2020, the Town obtained $1,100,000 in additional financing from WIFA for the two water treatment campuses. $525,500 of the principal amount is forgivable. As of year-end, the Town has drawn the entire forgivable portion plus $483,534 of the loan and returned $90,966. The interest rate at June 30, 2025 on the outstanding balance is 1.8737 percent.

During 2020, the Town obtained $475,000 in additional financing from WIFA for the Adonis Mobile Home

Park wastewater infrastructure. Fifty percent of the principal amount is forgivable. As of year-end, the Town has drawn the entire forgivable portion plus $221,216 of the loan and returned $16,283. The interest rate at June 30, 2025 is 3.4 percent.

During 2023, the Town obtained $1,000,000 in financing from WIFA for the Marana Park Reservoir. $512,000 of the principal amount is forgivable. As of year-end, the Town has drawn the entire forgivable portion plus $387,500, leaving $100,000 available for drawdown. The interest rate at June 30, 2025 on the outstanding balance is 3.204 percent.

During 2023, the Town obtained $4,455,413 in financing from WIFA for the Continental Reserve 24-inch tie in and the Picture Rocks interconnect. $3,454,431 of the principal amount is forgivable. As of year end, the Town has drawn $178,860 of forgivable funds from this loan. The interest rate which will be applicable to non-forgivable amounts will be 2.899%.

During 2024, the Town obtained $7,179,899 in financing from WIFA for design and construction of a water treatment facility to remove perfluorinated compounds (PFAS). $4,500,000 of the principal amount is forgivable. As of year end, the Town has not drawn any funds from this loan. The interest rate which will be applicable to non-forgivable amounts will be 3.069%

	Outstanding June 30, 2025
$4,690,128 Water Infrastructure Finance Authority loan, due in annual installments of $201,000 to $312,000; through July 1, 2029; at 2.968% interest rate.	$ 1,471,533
$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.	11,232,046
$711,231 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.	525,128
$483,534 Water Infrastructure Finance Authority loan, 2020 Series, due in annual installments of $10,283 to $28,877; through July 1, 2040; at a 1.8737% interest rate.	391,883
$221,216 Water Infrastructure Finance Authority loan, Adonis 2020, due in annual installments of $9,220 to $13,119; through July 1, 2040 at 3.4% interest rate.	183,289
$487,500 Water Infrastructure Finance Authority loan, Marana Park Reservoir, due in annual installments of $17,769 to $32,352; through July 1, 2042 at 3.204% interest rate.	351,392
Total	$ 14,155,271

The following is a schedule by years of the debt service requirements for the loan as of June 30, 2025.

Fiscal Year	Principal	Interest	Total
2026	$ 1,043,495	$ 134,985	$ 1,178,480
2027	1,070,405	123,579	1,193,984
2028	1,098,017	111,870	1,209,887
2029	1,126,349	99,851	1,226,200
2030	1,155,421	87,513	1,242,934
2031 - 2035	4,537,186	301,788	4,838,974
2036 - 2040	4,012,045	79,917	4,091,962
2041 - 2043	112,353	44	112,397
Totals	$ 14,155,271	$ 939,547	$ 15,094,818

B. Community Facilities District (CFD) General Obligation Bonds

During 2016, 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. The refunding resulted in an issuance of $7,955,000 of general oblication bonds.

During 2019, Saguaro Springs Community Facilities District (a component unit) issued $3,845,000 of Series 2018 general obligation bonds for infrastructure improvements.

During 2020, Saguaro Springs Community Facilities District (a component unit) issued $1,950,000 of Series 2019 general obligation bonds for infrastructure improvements.

During 2019, Gladden Farms Phase II Community Facilities District (a component unit) issued $1,245,000 of Series 2019 general obligation bonds for infrastructure improvements.

During 2021, Gladden Farms Community Facilities District (a component unit) issued $4,155,000 of Series 2020 general obligation bonds for infrastructure improvements.

During 2022, Gladden Farms Community Phase II Community Facilities District (a component unit) issued $4,080,000 of Series 2021 general obligation bonds for infrastructure improvements.

During 2022, Saguaro Springs Community Facilities District (a component unit) issued $2,720,000 of Series 2021 general obligation bonds for infrastructure improvements.

During 2023, Gladden Farms Community Phase II Community Facilities District (a component unit) issued $6,220,000 of Series 2022 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, 2025, were as follows:

	Outstanding June 30, 2025
$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.	$ 5,120,000
$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.	3,205,000
$1,245,000 Gladden Farms Phase II CFD General Obligation Bonds, 2019 Series, due in annual installments of $30,000 to $80,000; through July 15, 2044; at a 3.75% to 4.125% interest rate.	1,110,000
$1,950,000 Saguaro Springs CFD General Obligation Bonds, 2019 Series, due in annual installments of $55,000 to $340,000; through July 15, 2044; at a 3.0% to 4.0% interest rate.	1,700,000
$4,155,000 Gladden Farms CFD General Obligation Bonds, 2020 Series, due in annual installments of $100,000 to $405,000; through July 15, 2041; at a 2.375% to 3.0% interest rate.	4,055,000
$4,080,000 Gladden Farms Phase II CFD General Obligation Bonds, 2021 Series, due in annual installments of $110,000 to $330,000; through July 15, 2047; at a 3.0% interest rate.	3,970,000
$2,720,000 Saguaro Springs CFD General Obligation Bonds, 2021 Series, due in annual installments of $50,000 to $460,000; through July 15, 2047; at a 3.0% interest rate.	2,310,000
$6,220,000 Gladden Farms Phase II CFD General Obligation Bonds, 2022 Series, due in installments of $140,000 to $430,000; through July 15, 2047; at a 5.0% interest rate.	6,080,000
$3,070,000 Gladden Farms Phase II CFD General Obligation Bonds, 2024 Series, due in annual installments of $$140,000 to $$201,000; through July 15, 2049; at a 4.0% to 5.0% interest rate.	3,070,000
Total	$ 30,620,000

Annual debt service requirements to maturity on the CFD general obligation bonds at June 30, 2025, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2026	$ 1,095,000	$ 1,172,308	$ 2,267,308
2027	1,215,000	1,118,650	2,333,650
2028	1,250,000	1,070,400	2,320,400
2029	1,310,000	1,020,300	2,330,300
2030	1,360,000	967,700	2,327,700
2031-2035	7,240,000	3,976,625	11,216,625
2036-2040	6,745,000	2,689,650	9,434,650
2041-2045	6,715,000	1,394,350	8,109,350
2046-2050	3,690,000	241,325	3,931,325
Totals	$ 30,620,000	$ 13,651,308	$ 44,271,308

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, 2025, were as follows:

	Outstanding June 30, 2025
$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%.	$ 932,000

Annual debt service requirements to maturity on the TFRID special assessment bonds at June 30, 2025, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2026	$ 932,000	$ 15,572	$ 947,572
Totals	$ 932,000	$ 15,572	$ 947,572

D. Revenue Bonds – Public Placement

In 2017, the Town issued pledged excise tax-revenue and refunding obligation bonds, Series 2017 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.

During 2024, the Town issued $49,500,000 in Pledged Excise Tax-Revenue Bonds, Series 2024 for the

construction of the Marana Aquatic and Recreation Center.

During 2024, the Town issued Pledged Excise Tax-Revenue Refunding Obligations, Series 2024, in the amount of $20,425,000 for refunding previously issued Pledged Excise Tax-Revenue and Revenue Refunding Obligations, Series 2013 and Pledged Excise Tax-Revenue Obligations, Series 2017C. The refunded portion of the bonds are considered defeased and the related liability for the bonds removed from the Town's liabilities. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of $1,802,213.

These bonds are payable from the excise taxes collected by the Town. The revenue bonds outstanding as of June 30, 2024, were as follows:

	Oustanding June 30, 2025	
	Governmental	Business-type
$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.	$ 9,430,000	-
$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
$49,500,000 Pledged Excise Tax Revenue Bonds, 2024 Series due in annual installments of $3,519,000 to $4,664,542; through July 1, 2044; at a 4.0% to 5.0% interest rate	46,775,000	-
$20,425,000 Pledged Excise Tax Revenue Refunding Bonds, 2024 Series, due in annual installments of $1,952,625 to $2,907,767; through July 1, 2034; at a 5.0% interest rate.	4,290,000	14,075,000
Total	$ 60,495,000	$ 31,290,000

Annual debt service requirements to maturity on revenue bonds at June 30, 2025, are summarized as follows:

	Governmental Activities		**Business-type Activities**	
Year ending June 30	Principal	Interest	Principal	Interest
2026	$ 4,610,000	$ 2,714,500	1,080,000	1,357,569
2027	4,845,000	2,478,125	1,135,000	1,302,194
2028	5,095,000	2,229,625	1,190,000	1,244,069
2029	5,405,000	1,967,125	1,245,000	1,183,194
2030	1,760,000	1,805,600	1,310,000	1,119,319
2031-2035	10,020,000	7,692,750	8,115,000	4,479,969
2036-2040	12,780,000	4,855,250	10,225,000	2,405,866
2041-2045	15,980,000	1,648,000	6,990,000	426,600
Totals	$ 60,495,000	$ 25,390,975	$ 31,290,000	$ 13,518,780

E. Revenue Bonds – Direct Placement

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 and water utility revenue. During 2023, the Water Utility Obligation Bonds were paid in full. The remaining direct placement revenue bonds outstanding as of June 30, 2025 were as follows:

	Outstanding June June 30, 2025
	Governmental
$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.	$ 643,000

Annual debt service requirements to maturity on direct placement revenue bonds at June 30, 2025, are summarized as follows:

	Governmental Activities		
Year ending June 30	Principal	Interest	Total
2026	$ 643,000	$ 8,198	$ 651,198
Totals	$ 643,000	$ 8,198	$ 651,198

F. Water Agreement Payable

In September 2021, the Town entered into a repayment agreement with Central Arizona Project (CAP) whereas the Town will pay annually for the repayment of past CAP water service capital and 9(d) debt charges over a five year period through fiscal year 2027. The agreement is calculating interest at a rate of 2.5%. For the Town, this agreement is paying for water credits for operations.

Annual debt service requirements to maturity on the water agreement payable at June 30, 2025, is summarized as follows:

Year ending June 30	Principal	Interest	Total
2026	$ 193,651	$ 8,384	$ 202,035
Totals	$ 193,651	$ 8,384	$ 202,035

G. Pledged Revenues

The Town has pledged future excise tax revenues to repay $113.5 million in Excise Tax Revenue Bonds issued in 2013, 2014, 2017, and 2024. 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, construction of the Marana Aquatics and Recreation Center, and infrastructure upgrades and to refund prior debt issuances. The Town has also pledged future excise tax revenues to repay $17.9 million in Water Infrastructure Financing Authority loans issued in 2019, 2020, and 2023. The loans were issued for wastewater improvements in the Adonis neighborhood, water quality treatment campuses, and the park reservoir. At year end, $99.9 million in bonds remain outstanding and $13.4 million in loans remain outstanding to be repaid by future excise tax revenues. The net revenues available for service of this debt were $107.2 million. The debt principal and interest paid on this debt during fiscal year 2025 was $8.1 million (7.8% of available net pledged revenues).

In addition, the Town has pledged future water utility revenues to repay a $4.7 million Water Infrastructure Financing Authority loan. The loan was issued for the acquisition of well sites and the construction of certain infrastructure. At year end, $1.6 million remains outstanding to be repaid by future water revenues for the outstanding loan. For the fiscal year ended June 30, 2025, the net revenues available for service of this debt were $11.0 million. The debt principal and interest paid, including fees, on this debt during fiscal year 2025 was $317,025.

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, 2025, the total legal debt limit was $248,645,687 . As of June 30, 2025, the total outstanding debt applicable to the limit was zero.

H. Changes in Long-term Liabilities

The following is a summary of changes in long-term liability activity for fiscal year ended June 30, 2025.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 28,605,000	$ 3,070,000	$ (1,055,000)	$ 30,620,000	$ 1,095,000
Bond premium	5,402,513	15,063	(504,174)	4,913,402	-
Revenue bonds - Public Placements	66,250,000	-	(5,755,000)	60,495,000	4,610,000
Revenue bonds - Direct Placements	1,272,000	-	(629,000)	643,000	643,000
Compensated absences	2,663,015	464,727	-	3,127,742	2,814,968
Net pension liability	37,825,354	-	(3,989,172)	33,836,182	-
Special assessment bonds	2,245,000	-	(1,313,000)	932,000	932,000
Subscriptions liability	200,029	122,303	(118,489)	203,843	111,552
Leases payable	351,140		(7,042)	344,098	7,788
Total	$ 144,814,051	$ 3,672,093	$ (13,370,877)	$ 135,115,267	$ 10,214,308
Business-type activities:					
Loan payable	$ 15,172,540	$ -	$ (1,017,269)	$ 14,155,271	$ 1,043,495
Net pension liability	2,537,382	-	(87,837)	2,449,545	-
Revenue bonds - Public Placement	32,375,000	-	(1,085,000)	31,290,000	1,080,000
Bond premium	1,863,457	-	(178,531)	1,684,926	-
Compensated absences	181,019	22,838		203,857	183,472
Water agreement payable	395,686	-	(202,035)	193,651	193,651
Total	$ 52,525,084	$ 22,838	$ (2,570,672)	$ 49,977,250	$ 2,500,618

Governmental activities: Generally, net pension liabilities are liquidated by the general fund.

NOTE 8 – UNAVAILABLE AND UNEARNED 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)	$ 9,524	$ 290,306
Intergovernmental (PAG/RTA Fund)	6,594,639	-
Intergovernmental (Transportation Fund)	757,943	-
Special assessments (Tangerine Farms Improvement District Debt Service Fund)	891,902	-
Intergovernmental (Non-Major Governmental Funds)	43,831	-
Total deferred amounts for governmental funds	$ 8,297,839	$ 290,306

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At June 30, 2025, 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 2025-2026, these interfund borrowing will be eliminated as sufficient resources become available. A portion of the amount due from the Wastewater Fund, $1,800,000 to the Transportation Fund and $2,047,178 to the General Fund, is considered long-term. The long-term borrowing was due to insufficient resources in past years for capital projects in the Wastewater Fund. Listed below is a summary of the short-term interfund borrowing transactions.

	Governmental Funds		Enterprise Funds		
Due To	PAG/RTA Capital Imp Fund	Non-Major Governmental Funds	Wastewater Fund	Airport Fund	Total
General Fund	$ 4,209,177	$ 2,898,535	$ 142,245	$ 55,068	$ 7,305,025
Transportation Fund	-	-	300,000	-	300,000
Total	$ 4,209,177	$ 2,898,535	$ 442,245	$ 55,068	$ 7,605,025

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. Specifically, the General Fund and select Non-Major Governmental funds transferred funds to provide the resources for debt service payments. Listed below is a summary of transfers between funds.

	Transfers In						
	Governmental Funds				Enterprise Funds		
Transfers Out	General Fund	Transportation Fund	Sales Tax Capital Fund	Non-Major Governmental Funds	Water Fund	Wastewater Fund	Total
PAG/RTA Capital Imp Fund	$ 24,650	$ -	$ -	$ -	$ -	$ -	$ 24,650
Non-Major Governmental	2,547,799	863,770	3,566,592	1,228,297			8,206,458
Water Fund	988,824	-	-	-	-	22,962	1,011,786
Wastewater Fund	-	-	-	-	1,577,110		1,577,110
Airport Fund	444,668	-	-	-	-	-	444,668
Total	$ 4,005,941	$ 863,770	$ 3,566,592	$ 1,228,297	$ 1,577,110	$ 22,962	$ 11,264,672

NOTE 10 - 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 hired before July 1, 2018 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, 2025, 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	$ 33,836,182	$ 2,449,544	$ 36,285,726
Deferred outflows of resources	24,448,710	489,461	24,938,171
Deferred inflows of resources	2,898,428	189,467	3,087,895
Pension expense	5,873,928	496,755	6,370,683

The Town reported $18,969,168 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. 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). The ASRS administers a cost sharing multiple-employer defined benefit plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2 and 2.1. ASRS net OPEB liabilities have not been recorded, or further disclosed at June 30, 2025 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.

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

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*
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.

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, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.27 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. In addition, the Town was required by statute to contribute at the actuarially determined rate of 10.19 percent (10.14 percent for retirement and 0.05 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, 2025, were $2,754,223.

During fiscal year 2025, the Town paid for ASRS pension contributions as follows: 85.93% percent from the governmental funds and 14.07% from enterprise funds.

Pension liability—At June 30, 2025, the Town reported a liability of $23,426,204 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024.

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, 2024. The Town's proportion measured as of June 30, 2024, was 0.1464 percent, which was a decrease of 0.0022 percent from its proportion measured as of June 30, 2023.

Pension expense—For the year ended June 30, 2025, the Town recognized pension expense for ASRS of $2,535,469.

Deferred outflows/inflows of resources—At June 30, 2025, 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 experiences	$ 1,307,629	$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,496,020
Changes in proportion and differences between contributions and proportionate share of contributions	416,449	241,816 -
Town contributions subsequent to the measurement date	2,754,223	-
Total	$ 4,478,301	$ 1,737,836

The $2,754,223 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, 2026. 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,	
2026	$ (391,937)
2027	1,031,408
2028	(378,692)
2029	(274,537)
2030	-
Thereafter	-

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

ASRS	
Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
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, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.05%
Private equity	10%	6.11%
Interest rate sensitive	6%	-0.45%
Total	100%	

Discount Rate—At June 30, 2024, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

ASRS	1% Decrease (6.0)%	Current Discount Rate (7.0%)	1% Increase (8.0)%
Town's proportionate share of the net pension liability	$ 35,870,308	$ 23,426,204	$ 13,055,129

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

B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan

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. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the Town's financial statements.

All full-time and permanent part-time employees employed as police dispatchers or communications operators hired before July 1, 2018 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. All full-time and permanent part-time employees employed as police dispatchers or communications operators hired after July 1, 2018 are eligible to participate in the Arizona State Retirement System (ASRS), a cost sharing multiple-employer defined benefit 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, 2025 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 of service, any age 10 years of service, age 62	25 years of service, age 52.5 10 years of service, age 62
Final average salary is based on	Highest 36 consecutive of last 10 years	Highest 60 consecutive of last 10 years
Benefit percent		
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
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 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, 2025, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	CORP
Inactive employees or beneficiaries currently receiving benefits	45	6
Inactive employees entitled to but not yet receiving benefits	23	2
Active employees	62	1
Total	130	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, 2025, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	CORP Dispatchers
Active members-Pension	7.65%	7.96%
Town		
Pension	29.14%	216.13%
Health insurance premium benefit	0.11%	0.00%

Also, the PSPRS Board of Trustees required an additional employer contribution of 15.49 percent for legacy costs of Tier 1 and 2 amortization of unfunded liabilities on Tier 3 contributions. In addition, statute required the Town to contribute at the actuarially determined rate of 15.49 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 for the year ended June 30, 2025, were:

	PSPRS Police	CORP
Pension Contributions made	$ 16,211,724	$ 271,504

During fiscal year 2025, the Town paid for PSPRS and CORP pension contributions with 96.1 percent from the General Fund and 3.9 percent from nonmajor governmental funds.

Pension liability—At June 30, 2025, the Town reported the following net pension liabilities:

	Net Pension Liability
PSPRS	$ 11,898,603
CORP Dispatchers	153,440
Total	$ 12,052,043

The net pension liabilities were measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 - 6.25% for pensions
Price inflation	2.5% for pensions
Cost-of-living adjustment	1.85% for pensions
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

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

PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
U.S. public equity	24%	3.62%
International public equity	16%	4.47%
Global private equity	27%	7.05%
Core bonds	6%	2.44%
Private credit	20%	6.24%
Diversifying strategies	5%	3.15%
Cash - Mellon	2%	0.89%
Total	100%	

Pension discount rates—At June 30, 2024, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.2 percent. 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 - Police	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2024	$ 56,098,534	$ 41,736,259	$ 14,362,275
Adjustments to beginning of year	-	-	-
Changes for the year:			
Service cost	1,511,504	-	1,511,504
Interest on the total pension liability	4,074,496	-	4,074,496
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	36,291	-	36,291
Changes of assumptions or other inputs	-	-	-
Contributions-employer	-	2,909,255	(2,909,255)
Contributions-employee	-	695,494	(695,494)
Net investment income	-	4,513,516	(4,513,516)
Benefit payments, including refunds of employee contributions	(2,039,637)	(2,039,637)	-
Administrative expense	-	(32,302)	32,302
Other changes	-	-	-
Net changes	3,582,654	6,046,326	(2,463,672)
Balances at June 30, 2025	$ 59,681,188	$ 47,782,585	$ 11,898,603

CORP	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2024	$ 3,570,310	$ 2,139,151	$ 1,431,159
Adjustments to beginning of year	-	-	-
Changes for the year:			
Service cost	7,815	-	7,815
Interest on the total pension liability	249,796	-	249,796
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	10,469	-	10,469
Changes of assumptions or other inputs	-	-	-
Contributions-employer	-	1,218,495	(1,218,495)
Contributions-employee	-	5,467	(5,467)
Net investment income	-	324,099	(324,099)
Benefit payments, including refunds of employee contributions	(217,463)	(217,463)	-
Administrative expense	-	(2,262)	2,262
Other changes	-	-	-
Net changes	50,617	1,328,336	(1,277,719)
Balances at June 30, 2025	$ 3,620,927	$ 3,467,487	$ 153,440

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.

PSPRS - Police	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Total pension liability	$ 20,869,855	$ 11,898,603	$ 4,655,049
CORP			
Total pension liability	$ 611,044	$ 153,440	$ (224,606)

Pension expense/(income)—For the year ended June 30, 2025, the Town recognized the following pension expense/(income):

	Pension Expense/(Income)
PSPRS	$ 2,517,085
CORP Dispatchers	143,874
Total	$ 2,660,959

Pension deferred outflows/inflows of resources—At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,594,387	$ 178,340
Changes of assumptions or other inputs	314,622	-
Net difference between projected and actual earnings on pension plan investments	-	1,079,296
Town contributions subsequent to the measurement date	16,211,724	-
Total	$ 20,120,733	$ 1,257,636

CORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,235	$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	83,910
Town contributions subsequent to the measurement date	271,504	-
Total	$ 276,739	$ 83,910

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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	PSPRS Police	CORP
2026	$ 437,289	$ (43,217)
2027	1,314,120	20,503
2028	401,549	(29,175)
2029	492,366	(26,786)
2030	6,049	-
Thereafter	-	-

PSPDCRP plan—Town police officers who are not members of PSPRS or CORP participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2025, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the Town was required by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the Town's contributions each year as set forth in statute. The plan retains nonvested Town contributions when forfeited because of employment terminations. For the year ended June 30, 2025, the Town recognized pension expense of $22,014.

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:

	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 months of last 10 years	Highest 60 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 5-10 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, 2025, statute required active EORP members to contribute 7 percent of the members' annual covered payroll and the Town to contribute at the actuarially determined rate of 70.44 percent of all active EORP members' annual covered payroll. In addition, statue required the Town to contribute 46.62 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, 2025, was $62,399.

During fiscal year 2025, the Town paid for EORP pension contributions 100 percent from the General Fund.

Pension liability—At June 30, 2025, 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	$	807,476
State's proportionate share of the EORP net pension liability associated with the Town		55,721
Total	$	863,197

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2024. The Town's proportion measured as of June 30, 2024, was .1352 percent, which was an increase of .0524 percent from its proportion measured as of June 30, 2023.

Pension expense/income and deferred outflows/inflows of resources—For the year ended June 30, 2025, the Town recognized pension income of $22,576.

At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Difference between projected and actual investment earnings	-	8,514
Changes in proportion and differences between employer and contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	62,399	-
Total	$ 62,399	$ 8,514

The amounts 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, 2026. 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	EORP
2026	$ (7,828)
2027	6,444
2028	(3,943)
2029	(3,187)
2030	-
Thereafter	-

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

EORP	
Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.25% for pension
Price inflation	2.5% for pensions
Cost-of-living adjustment	1.85% for pensions
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	3.62%
International public equity	16%	4.47%
Global private equity	27%	7.05%
Core bonds	6%	2.44%
Private credit	20%	6.24%
Diversifying strategies	5%	3.15%
Cash - Mellon	2%	0.89%
Total	100%	

Discount rate—At June 30, 2024, the discount rate used to measure the EORP total pension liability was 7.2 percent. 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 7.2 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:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
Town's proportionate share of the net pension liability	$ 938,875	$ 807,476	$ 694,623

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

EODCRS plan—Elected officials who are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for the EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by State statute. The EODCPD is not further disclosed because of its relative insignificance to the Town's financial statements.

For the year ended June 30, 2025, active EODCRS members were required by statute to contribute at least 8 percent of the members' annual covered payroll, and the Town was required by statute to contribute 6 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the Town's contributions to the individual employee account and the earnings on those contributions. For the year ended June 30, 2025, the Town recognized pension expense of $1,283.

NOTE 11 - 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; injuries to employees; and natural disasters.

Most of the Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. Insurance that is not available through the Pool is purchase commercially. The Town carries insurance for Liability, Property, Excess Liability, Inland Marine, Cyber, Worker's Compensation and Miscellaneous Insurances (bonds, special event, airport owner and operator, drone). The Town carries Employee Health and Accident Insurance as part of its Employee Benefits program.

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.

Settled claims resulting from these risks have not exceeded the Commercial or the Pool insurance coverage in any of the past three fiscal years.

The Town retains all of the risk not covered by insurance or transferred by contract and manages risk through various employee safety education and prevention programs.

NOTE 12 - 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 2025, the Town was obligated to $30.4 million in significant contractual commitments for roadways, and wastewater construction projects. The Tangerine Road Widening Phas 2A accounted for $19.0 million, the Twin Peaks Rattlesnake Pass Widening accounted for $7.7 million and the North Marana Sewer Interceptor project accounted for $3.7 million.

NOTE 13 – SUBSEQUENT EVENTS

Mandarina Community Facilities District - Debt Issuance

On December 3, 2025, the District issued the Series 2025 General Obligation Bonds (Bonds) in the amount of $1,970,000, maturing in 2050, with an interest rate ranging from 4.0% to 5.0%. 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.



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REQUIRED SUPPLEMENTARY INFORMATION



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BUDGETARY COMPARISON SCHEDULES

General Fund

Highway User Revenue Fund



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TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 43,684,077	$ 43,684,077	$ 48,335,560	$ 4,651,483
Intergovernmental	23,330,474	23,330,474	24,341,359	1,010,885
Licenses, fees & permits	7,049,000	7,049,000	8,677,526	1,628,526
Fines, forfeitures & penalties	389,500	389,500	433,127	43,627
Charges for services	704,325	704,325	1,502,439	798,114
Lease income	170,000	170,000	225,019	55,019
Contributions	-	-	2,679	2,679
Investment income	4,565,479	4,565,479	9,943,443	5,377,964
Miscellaneous	795,400	795,400	1,055,896	260,496
Total revenues	80,688,255	80,688,255	94,517,048	13,828,793
Expenditures:				
General government:				
General government	9,362,976	7,374,976	5,374,483	2,000,493
Town council	400,486	500,486	449,276	51,210
Town clerk	606,742	606,742	588,138	18,604
Town manager	1,678,187	1,678,187	1,584,413	93,774
Human resources	2,189,874	2,189,874	1,932,095	257,779
Facilities	2,215,818	2,215,818	1,970,851	244,967
Finance	2,243,277	2,243,277	1,979,543	263,734
Legal	1,348,734	1,348,734	1,193,859	154,875
Technology services	7,481,649	7,293,564	5,379,472	1,914,092
Municipal courts	1,389,174	1,389,174	1,310,187	78,987
Total general government	28,916,917	26,840,832	21,762,317	5,078,515
Public safety:				
Police	35,229,318	35,249,318	35,221,663	27,655
Building safety	1,611,977	1,614,079	1,431,519	182,560
Code Enforcement	26,005	26,005	15,398	10,607
Total public safety	36,867,300	36,889,402	36,668,580	220,822
Highways and streets	4,461,253	5,161,253	4,472,508	688,745
Health and welfare	482,300	482,300	429,619	52,681
Economic and community development:				
Development services	5,371,382	5,371,280	4,177,305	1,193,975
Economic development and tourism	364,918	364,918	355,807	9,111
Community development	896,429	920,429	885,230	35,199
Total economic and community development	6,632,729	6,656,627	5,418,342	1,238,285
Culture and recreation	9,386,206	9,386,206	8,694,720	691,486
Capital outlay	18,372,377	18,092,462	5,965,519	12,126,943
Principal retirement	-	-	125,531	(125,531)
Interest and fiscal charges	63,000	63,000	109,925	(46,925)
Total expenditures	105,182,082	103,572,082	83,647,061	19,925,021
Excess (deficiency) of revenues over expenditures	(24,493,827)	(22,883,827)	10,869,987	33,753,814
Other financing sources (uses):				
Leases and subscription technology arrangements	-	-	122,303	122,303
Transfers out	(6,201,898)	(6,201,898)	(4,005,941)	2,195,957
Total other financing sources (uses)	(6,201,898)	(6,201,898)	(3,883,638)	2,318,260
Changes in fund balances	(30,695,725)	(29,085,725)	6,986,349	36,072,074
Fund balances, beginning of year	-	-	129,897,885	129,897,885
Fund balances, end of year	$ (30,695,725)	$ (29,085,725)	$ 136,884,234	$ 165,969,959

See accompanying notes to budgetary comparison schedules.

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
HIGHWAY USER REVENUE FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 4,651,037	$ 4,651,037	$ 4,699,879	$ 48,842
Licenses, fees & permits	230,000	230,000	700,779	470,779
Investment income	110,000	110,000	284,046	174,046
Miscellaneous	-	-	4,000	4,000
Total revenues	4,991,037	4,991,037	5,688,704	697,667
Expenditures:				
Current -				
Highways and streets	6,937,654	6,937,654	5,927,674	1,009,980
Capital outlay	1,178,522	1,178,522	431,109	747,413
Total expenditures	8,116,176	8,116,176	6,358,783	1,757,393
Change in fund balance	(3,125,139)	(3,125,139)	(670,079)	2,455,060
Fund balances, beginning of year	-	-	7,950,486	7,950,486
Fund balances, end of year	$ (3,125,139)	$ (3,125,139)	$ 7,280,407	$ 10,405,546

See accompanying notes to budgetary comparison schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2025

NOTE 1 – BUDGETING AND BUDGETARY CONTROL

A.R.S. Requires the Town to prepare and adopt a balanced budget annually for each governmental fund. The Town Council must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Town Council's approval. With the exception of the General Fund, each fund includes only one department.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The Town's budget is prepared on the basis consistent with generally accepted accounting principles, except for the present value of net minimum payments on leases and subscription technology arrangements, which are not budgeted.

NOTE 3 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2025, expenditures exceeded final budget amounts in principal retirement and interest and fiscal charges by $125,531 and $46,925, respectively. These items are non-departmental, therefore they do not fall under the legal level of budgetary control.

PENSION PLAN SCHEDULES

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, 2025

Arizona Retirement System

	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Town's proportion of the net pension liability	0.14640%	0.14863%	0.13940%	0.13825%	0.14273%	0.14004%	0.14221%	0.14286%	0.140584%	0.136510%
Town's proportionate share of the net pension liability	$ 23,426,204	$ 24,050,482	$ 23,426,204	$ 18,165,436	$ 24,730,142	$ 20,377,449	$ 19,833,290	$ 22,254,803	$ 22,691,024	$ 21,263,376
Town's covered payroll	$ 20,473,653	$ 19,423,425	$ 16,591,724	$ 15,163,886	$ 15,605,818	$ 14,773,437	$ 14,143,225	$ 13,881,636	$ 13,150,962	$ 12,565,464
Town's proportionate share of the net pension liability as a percentage of its covered payroll	114.42%	123.82%	141.19%	119.79%	158.47%	137.93%	140.23%	160.32%	172.54%	169.22%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

Elected Officials Retirement System

	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Town's proportion of the net pension liability	0.13518%	0.08278%	0.15463%	0.15610%	0.15323%	0.14837%	0.15555%	0.15048%	0.148768%	0.13340%
Town's proportionate share of the net pension liability	$ 807,476	$ 518,816	$ 1,043,970	$ 949,986	$ 1,034,238	$ 983,931	$ 980,148	$ 1,833,747	$ 1,405,489	$ 1,042,465
State's proportionate share of the net pension liability associated with the Town	55,721	273,867	92,630	95,489	89,765	88,985	167,942	380,586	290,197	324,997
Total	$ 863,197	$ 792,683	$ 1,136,600	$ 1,045,475	$ 1,124,003	$ 1,072,916	$ 1,148,090	$ 2,214,333	$ 1,695,686	$ 1,367,462
Town's covered payroll	$ 76,919	$ 106,982	$ 75,557	$ 119,423	$ 119,423	$ 119,423	$ 116,021	$ 119,424	$ 119,424	$ 119,423
Town's proportionate share of the net pension liability as a percentage of its covered payroll	1049.77%	484.96%	1381.70%	795.48%	866.03%	823.90%	844.80%	1535.49%	1176.89%	872.92%
Plan fiduciary net position as a percentage of the total pension liability	42.22%	38.63%	32.01%	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2025

PSPRS

	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension liability										
Service cost	$ 1,511,504	$ 1,225,947	$ 1,270,768	$ 1,124,761	$ 1,130,556	$ 1,116,409	$ 1,100,133	$ 1,213,757	$ 994,058	$ 891,324
Interest on the total pension liability	4,074,496	3,522,215	3,378,745	3,180,634	2,922,105	2,689,703	2,538,335	2,322,987	2,005,255	1,844,654
Changes of benefit terms	-			-	-	-	-	367,673	1,837,430	-
Differences between expected and actual experience in the measurment of the pension liability	36,291	4,661,889	(311,006)	128,853	1,261,412	284,100	(566,255)	340,373	536,692	333,269
Changes of assumptions or other inputs	-		304,527	-	-	1,136,498	-	725,862	1,226,081	-
Benefit payments, including refunds of employee contributions	(2,039,637)	(2,010,432)	(1,915,053)	(1,817,754)	(1,715,812)	(1,402,911)	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)
Net change in total pension liability	3,582,654	7,399,619	2,727,981	2,616,494	3,598,261	3,823,799	1,289,041	3,583,460	5,424,991	2,094,297
Total pension liability - beginning	56,098,534	48,698,915	45,970,934	43,354,440	39,756,179	35,932,380	34,643,339	31,059,879	25,634,888	23,540,591
Total pension liability - ending (a)	$ 59,681,188	$ 56,098,534	$ 48,698,915	$ 45,970,934	$ 43,354,440	$ 39,756,179	$ 35,932,380	$ 34,643,339	$ 31,059,879	$ 25,634,888
Plan fiduciary net position										
Contributions - employer	$ 2,909,255	$ 9,007,347	$ 2,433,571	$ 2,216,029	$ 2,024,395	$ 2,011,933	$ 1,904,911	$ 1,284,924	$ 1,323,677	$ 1,006,859
Contributions - employee	695,494	631,876	521,696	503,893	467,180	406,546	488,777	621,583	672,181	579,390
Net invested income	4,513,516	3,052,245	(1,332,780)	7,031,611	305,606	1,190,198	1,355,793	2,081,790	95,438	533,938
Benefit payments, including refunds of employee contributions	(2,039,637)	(2,010,432)	(1,915,053)	(1,817,754)	(1,715,812)	(1,402,911)	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)
Hall/Parker Settlement	-	-	-	-	-	-	(780,563)	-	-	-
Administrative expense	(32,302)	(25,074)	(24,020)	(32,716)	(24,918)	(21,675)	(21,335)	(18,820)	(14,134)	(13,410)
Other changes	-	-	-	-	-	-	227	2,417	223,597	46,032
Net change in plan fiduciary net position	6,046,326	10,655,962	(316,586)	7,901,063	1,056,451	2,184,091	1,164,638	2,584,702	1,126,234	1,177,859
Plan fiduciary net position - beginning	41,736,259	31,080,297	31,396,883	23,495,820	22,557,297	20,384,543	19,219,905	16,535,203	15,408,969	14,231,110
Adjustment to Beginning of Year	-	-	-	-	(117,928)	(11,337)	-	-	-	-
Plan fiduciary net position - ending (b)	$ 47,782,585	$ 41,736,259	$ 31,080,297	$ 31,396,883	$ 23,495,820	$ 22,557,297	$ 20,384,543	$ 19,119,905	$ 16,535,203	$ 15,408,969
Town's net pension liability (asset) - ending (a) - (b)	$ 11,898,603	$ 14,362,275	$ 17,618,618	$ 14,574,051	$ 19,858,620	$ 17,198,882	$ 15,547,837	$ 15,523,434	$ 14,524,676	$ 10,225,919
Plan fiduciary net position as a percentage of the total pension liability	80.06%	74.40%	63.82%	68.30%	54.19%	56.74%	56.73%	55.19%	53.24%	60.11%
Covered payroll	$ 6,265,094	$ 6,688,782	$ 5,612,745	$ 5,617,205	$ 5,207,363	$ 5,272,202	$ 5,121,661	$ 5,318,831	$ 5,182,784	$ 4,900,569
Town's net pension liability (asset) as a percentage of covered payroll	189.92%	214.72%	313.90%	259.45%	381.36%	326.22%	303.57%	291.86%	280.25%	208.67%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2025

CORP - Dispatchers

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension liability										
Service cost	$ 7,815	$ 18,156	$ 40,337	$ 40,973	$ 41,671	$ 60,952	$ 62,894	$ 59,139	$ 57,866	$ 64,307
Interest on the total pension liability	249,796	237,795	225,121	211,853	189,052	157,366	150,833	118,108	113,075	105,144
Changes of benefit terms	-	-	-	-	-	-	(111,265)	312,169	15,002	-
Differences between expected and actual experience in the measurement of the pension liability	10,469	129,784	80,509	(2,539)	108,881	224,526	(40,404)	(18,913)	(25,358)	(18,303)
Changes of assumptions or other inputs	-	-	49,539	-	-	56,044	-	(5,967)	(136)	-
Benefit payments, including refunds of employee contributions	(217,463)	(199,962)	(108,962)	(26,829)	(26,303)	(6,543)	-	(5,825)	(47,673)	(46,131)
Net change in total pension liability	50,617	185,773	286,544	223,458	313,301	492,345	62,058	458,711	112,776	105,017
Total pension liability - beginning	3,570,310	3,384,537	3,097,993	2,874,535	2,561,234	2,068,889	2,006,831	1,548,120	1,435,344	1,330,327
Total pension liability - ending (a)	$ 3,620,927	$ 3,570,310	$ 3,384,537	$ 3,097,993	$ 2,874,535	$ 2,561,234	$ 2,068,889	$ 2,006,831	$ 1,548,120	$ 1,435,344
Plan fiduciary net position										
Contributions - employer	$ 1,218,495	$ 27,619	$ 66,152	$ 91,440	$ 70,986	$ 83,517	$ 57,269	$ 51,162	$ 48,648	$ 49,045
Contributions - employee	5,467	7,887	19,267	29,136	29,446	31,930	32,445	32,199	32,623	35,981
Net invested income	324,099	160,679	(84,442)	471,853	41,793	79,174	90,441	124,809	6,034	34,230
Benefit payments, including refunds of employee contributions	(217,463)	(199,962)	(108,962)	(26,829)	(26,303)	(6,543)	-	(5,825)	(47,673)	(46,131)
Pension plan administrative expense	(2,262)	(1,912)	(1,549)	(2,166)	(1,618)	(2,113)	(2,068)	(1,491)	(1,253)	(1,233)
Tier 1 & 2 adjustment		(4,062)								
Other changes	-	-	-	-	-	-	(22)	(6)	(5)	(635)
Net change in plan fiduciary net position	1,328,336	(9,751)	(109,534)	563,434	114,304	185,965	178,065	200,848	38,374	71,257
Plan fiduciary net position - beginning	2,139,151	2,148,902	2,258,436	1,695,002	1,580,698	1,394,733	1,216,668	1,015,820	977,446	906,189
Plan fiduciary net position - ending (b)	$ 3,467,487	$ 2,139,151	$ 2,148,902	$ 2,258,436	$ 1,695,002	$ 1,580,698	$ 1,394,733	$ 1,216,668	$ 1,015,820	$ 977,446
Town's net pension liability (asset) - ending (a) - (b)	$ 153,440	$ 1,431,159	$ 1,235,635	$ 839,557	$ 1,179,533	$ 980,536	$ 674,156	$ 790,163	$ 532,300	$ 457,898
Plan fiduciary net position as a percentage of the total pension liability	95.76%	59.91%	63.49%	72.90%	58.97%	61.72%	67.41%	60.63%	65.62%	68.10%
Covered payroll	$ 68,675	$ 67,587	$ 177,296	$ 358,783	$ 369,922	$ 401,139	$ 407,607	$ 404,506	$ 397,428	$ 430,892
Town's net pension liability (asset) as a percentage of covered payroll	223.43%	2117.51%	696.93%	234.00%	318.86%	244.44%	165.39%	195.34%	133.94%	106.27%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2025

	Reporting Fiscal Year									
Arizona Retirement System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 2,754,223	$ 2,462,981	$ 2,312,893	$ 1,992,666	$ 1,856,449	$ 1,786,018	$ 1,645,597	$ 1,536,196	$ 1,496,440	$ 1,426,879
Town's contributions in relation to the statutorily required contribution	2,754,223	2,462,981	2,312,893	1,992,666	1,856,449	1,786,018	1,645,597	1,536,196	1,496,440	1,426,879
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 22,856,626	$ 20,473,653	$ 19,423,425	$ 16,591,724	$ 15,548,339	$ 15,695,818	$ 14,773,437	$ 14,143,225	$ 13,881,636	$ 13,150,962
Town's contributions as a percentage of covered payroll	12.05%	12.03%	11.91%	12.01%	11.94%	11.38%	11.14%	10.86%	10.78%	10.85%

	Reporting Fiscal Year									
Elected Officials Retirement System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 54,384	$ 75,902	$ 74,342	$ 53,207	$ 69,196	$ 69,800	$ 63,358	$ 27,266	$ 28,065	$ 28,065
Town's contributions in relation to the statutorily required contribution	62,399	75,902	74,342	53,207	69,196	69,800	63,358	27,266	28,065	28,065
Town's contribution deficiency (excess)	$ (8,015)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 76,919	$ 99,205	$ 105,570	$ 75,557	$ 119,423	$ 119,423	$ 119,423	$ 116,021	$ 119,424	$ 119,424
Town's contributions as a percentage of covered payroll	81.12%	76.51%	70.42%	70.42%	57.94%	58.45%	53.05%	23.50%	23.50%	23.50%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2025

	Reporting Fiscal Year									
PSPRS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 2,618,790	$ 2,960,238	$ 3,021,179	$ 2,442,651	$ 2,228,298	$ 2,110,954	$ 2,003,419	$ 1,782,576	$ 1,381,861	$ 1,322,941
Town's contributions in relation to the actuarially required contributions	16,211,724	2,960,238	9,021,179	2,442,651	2,228,298	2,110,954	2,003,419	1,782,576	1,381,861	1,322,941
Town's contribution deficiency (excess)	$(13,592,934)	$ -	$ (6,000,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 8,986,925	$ 6,265,094	$ 6,688,782	$ 6,653,912	$ 6,748,154	$ 6,402,828	$ 6,270,642	$ 5,542,238	$ 5,614,773	$ 5,315,870
Town's contributions as a percentage of covered payroll	180.39%	47.25%	134.87%	36.71%	33.02%	32.97%	31.95%	32.16%	24.61%	24.89%

	Reporting Fiscal Year									
CORP - Dispatchers	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 271,504	$ 45,861	$ 27,625	$ 66,152	$ 91,436	$ 70,988	$ 83,517	$ 57,269	$ 51,210	$ 48,648
Town's contributions in relation to the actuarially required contribution	271,504	1,218,495	27,625	66,152	91,436	70,988	83,517	57,269	51,210	48,648
Town's contribution deficiency (excess)	$ -	$ (1,172,634)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 125,372	$ 68,675	$ 67,587	$ 242,049	$ 366,036	$ 369,921	$ 401,139	$ 407,607	$ 404,507	$ 409,843
Town's contributions as a percentage of covered payroll	216.56%	1774.29%	40.87%	27.33%	24.98%	19.19%	20.82%	14.05%	12.66%	11.87%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
JUNE 30, 2025

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 as of the 2023 actuarial valuation	15 years
Asset valuation method	7-year smoothed fair value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investement rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 - 6.25% for PSPRS and CORP. In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
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	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, change RP-2014 tables, with 75% of MP-2016 fully generational projection scales. 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.

MARANA AZ

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OTHER SUPPLEMENTARY INFORMATION

MAJOR CAPITAL PROJECTS AND DEBT SERVICE FUNDS

BUDGETARY COMPARISON SCHEDULES

Sales Tax Capital Projects Fund

PAG/RTA Capital Projects Fund

Transportation Capital Fund

Tangerine Farms Improvement District Debt Service

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
Sales Tax Capital Projects Fund
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 7,790,654	$ 7,790,654	$ 8,122,816	$ 332,162
Investment income	1,000,000	1,000,000	965,662	(34,338)
Total revenues	8,790,654	8,790,654	9,088,478	297,824
Expenditures:				
Highways and streets	-	979,939	587,788	392,151
Capital outlay	36,289,042	35,309,103	30,908,876	4,400,227
Total expenditures	36,289,042	36,289,042	31,496,664	4,792,378
Excess (deficiency) of revenues over expenditures	(27,498,388)	(27,498,388)	(22,408,186)	5,090,202
Other financing sources (uses):				
Transfers out	(3,591,250)	(3,591,250)	(3,566,592)	24,658
Total other financing sources (uses)	(3,591,250)	(3,591,250)	(3,566,592)	24,658
Changes in fund balances	(31,089,638)	(31,089,638)	(25,974,778)	5,114,860
Fund balances, beginning of year	-	-	35,998,006	35,998,006
Fund balances, end of year	$ (31,089,638)	$ (31,089,638)	$ 10,023,228	$ 41,112,866

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
Formerly Nonmajor: PAG/RTA Capital Projects Fund
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 33,898,135	$ 33,898,135	$ 7,888,028	$ (26,010,107)
Total revenues	33,898,135	33,898,135	7,888,028	(26,010,107)
Expenditures:				
Capital outlay	33,898,135	33,898,135	16,062,310	17,835,825
Total expenditures	33,898,135	33,898,135	16,062,310	17,835,825
Excess (deficiency) of revenues over expenditures	-	-	(8,174,282)	(8,174,282)
Other financing sources (uses):				
Transfers in	-	-	24,650	24,650
Total other financing sources (uses)	-	-	24,650	24,650
Changes in fund balances	-	-	(8,149,632)	(8,149,632)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ (8,149,632)	$ (8,149,632)

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION CAPITAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 9,000,000	$ 9,000,000	$ 17,747,170	$ 8,747,170
Intergovernmental	-	-	836,398	836,398
Licenses, fees & permits	1,232,526	1,232,526	-	(1,232,526)
Contributions	-	-	700,250	700,250
Investment income	50,000	50,000	1,177,631	1,127,631
Total revenues	10,282,526	10,282,526	20,461,449	10,178,923
Expenditures:				
General government	650,000	650,000	686,984	(36,984)
Capital outlay	32,358,301	32,358,301	13,150,056	19,208,245
Interest and fiscal charges	10,000	10,000	8,930	1,070
Total expenditures	33,018,301	33,018,301	13,845,970	19,172,331
Excess (deficiency) of revenues over expenditures	(22,735,775)	(22,735,775)	6,615,479	29,351,254
Other financing sources (uses):				
Transfers in	1,808,471	1,808,471	-	(1,808,471)
Transfers out	(964,490)	(964,490)	(863,771)	100,719
Total other financing sources (uses)	843,981	843,981	(863,771)	(1,707,752)
Changes in fund balances	(21,891,794)	(21,891,794)	5,751,708	27,643,502
Fund balances, beginning of year	-	-	39,610,676	39,610,676
Fund balances, end of year	$ (21,891,794)	$ (21,891,794)	$ 45,362,384	$ 67,254,178

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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Contributions	$ 1,729,002	$ 1,729,002	$ 1,252,125	$ (476,877)
Total revenues	1,729,002	1,729,002	1,252,125	(476,877)
Expenditures:				
Current -				
General government	73,000	73,000	27,415	45,585
Debt service -				
Principal retirement	1,612,000	1,612,000	1,313,000	299,000
Interest and fiscal charges	44,002	44,002	40,102	3,900
Total expenditures	1,729,002	1,729,002	1,380,517	348,485
Changes in fund balances	-	-	(128,392)	(128,392)
Fund balances, beginning of year	-	-	501,381	501,381
Fund balances, end of year	$ -	$ -	$ 372,989	$ 372,989

COMBINING AND INDIVIDUAL
NON-MAJOR FUND FINANCIAL STATEMENTS
AND SCHEDULES

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE
JUNE 30, 2025

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	$ 6,852,683	$ 47,184,835	$ 2,937	$ 54,040,455
Property taxes receivable	-	1,537	13,568	15,105
Accounts receivable	953	102,256	-	103,209
Interest receivable	-	145,964	10,453	156,417
Due from other governments	512,701	1,224,263	-	1,736,964
Restricted cash and investments	-	-	9,643,343	9,643,343
Total assets	$ 7,366,337	$ 48,658,855	$ 9,670,301	$ 65,695,493
LIABILITIES				
Accounts payable	$ 72,869	$ 5,047,143	$ -	$ 5,120,012
Retainage payable	-	1,440,159	-	1,440,159
Accrued payroll and employee benefits	4,072	-	-	4,072
Due to other funds	6,538	2,891,997	-	2,898,535
Due to other governments	129	-	-	129
Deposits held for others	-	609,311	-	609,311
Total liabilities	83,608	9,988,610	-	10,072,218
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	43,831	-	-	43,831
Total deferred inflows of resources	43,831	-	-	43,831
FUND BALANCES (DEFICITS)				
Fund balances:				
Restricted	7,241,110	38,941,585	9,670,301	55,852,996
Committed	-	3,100,953	-	3,100,953
Unassigned	(2,212)	(3,372,293)	-	(3,374,505)
Total fund balances	7,238,898	38,670,245	9,670,301	55,579,444
Total liabilities, deferred inflows of resources, and fund balances	$ 7,366,337	$ 48,658,855	$ 9,670,301	$ 65,695,493

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, 2025

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Revenues:				
Sales taxes	$ 1,895,406	$ 533,965	$ -	$ 2,429,371
Property taxes	-	315,515	2,632,275	2,947,790
Intergovernmental	2,516,156	1,160,472	-	3,676,628
Licenses, fees & permits	-	4,938,905	-	4,938,905
Fines, forfeitures & penalties	44,835	-	-	44,835
Charges for services	24,945	-	-	24,945
Contributions	-	12,513,111	192,979	12,706,090
Investment income	26,287	1,661,870	29,881	1,718,038
Miscellaneous	4,404	-	-	4,404
Total revenues	4,512,033	21,123,838	2,855,135	28,491,006
Expenditures:				
Current -				
General government	951,728	7,860	-	959,588
Public safety	1,845,899	-	-	1,845,899
Highways and streets	-	3,202,986	-	3,202,986
Economic and community development	958,122	1,739	-	959,861
Culture and recreation	58,545	354,737	-	413,282
Capital outlay	152,028	19,910,904	2,800,000	22,862,932
Debt service -				
Principal retirement	-	-	7,439,000	7,439,000
Interest and fiscal charges	-	13,554	3,777,284	3,790,838
Bond issuance costs	-	-	280,896	280,896
Total expenditures	3,966,322	23,491,780	14,297,180	41,755,282
Excess (deficiency) of revenues over expenditures	545,711	(2,367,942)	(11,442,045)	(13,264,276)
Other financing sources (uses):				
Issuance of debt	-	-	3,070,000	3,070,000
Premium on bonds issued	-	-	15,063	15,063
Transfers in	-	123,768	8,082,691	8,206,459
Transfers out	-	(1,228,297)	-	(1,228,297)
Total other financing sources (uses)	-	(1,104,529)	11,167,754	10,063,225
Change in fund balances	545,711	(3,472,471)	(274,291)	(3,201,051)
Fund balances, beginning of year	6,693,187	42,090,843	9,944,592	58,728,622
Change within financial reporting entity (nonmajor to major fund)	-	51,873	-	51,873
Fund balances, end of year	$ 7,238,898	$ 38,670,245	$ 9,670,301	$ 55,579,444



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NON-MAJOR SPECIAL REVENUE FUNDS

Community Development Block 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 – This fund includes all other grant related programs and projects.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Community Development Block Grant	Affordable Housing	Bed Tax
ASSETS			
Cash and cash equivalents	$ -	$ 151,478	$ 4,642,756
Accounts receivable	-	-	-
Due from other governments	8,750	-	132,904
Total assets	$ 8,750	$ 151,478	$ 4,775,660
LIABILITIES			
Accounts payable	$ 2,212	$ -	$ 66,944
Accrued payroll and employee benefits	-	-	972
Due to other funds	6,538	-	-
Due to other governments	-	-	-
Total liabilities	8,750	-	67,916
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,212	-	-
Total deferred inflows of resources	2,212	-	-
FUND BALANCES (DEFICITS)			
Restricted	-	151,478	4,707,744
Unassigned	(2,212)	-	-
Total fund balances (deficits)	(2,212)	151,478	4,707,744
Total liabilities, deferred inflows of resources, and fund balances	$ 8,750	$ 151,478	$ 4,775,660

Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
$ 141,473	$ 116,226	$ 465,673	$ 1,335,077	$ 6,852,683
-	953	-	-	953
-	-	-	371,047	512,701
$ 141,473	$ 117,179	$ 465,673	$ 1,706,124	$ 7,366,337
$ -	$ -	$ 366	$ 3,347	$ 72,869
-	-	-	3,100	4,072
-	-	-	-	6,538
-	-	-	129	129
-	-	366	6,576	83,608
-	-	-	41,619	43,831
-	-	-	41,619	43,831
141,473	117,179	465,307	1,657,929	7,241,110
-	-	-	-	(2,212)
141,473	117,179	465,307	1,657,929	7,238,898
$ 141,473	$ 117,179	$ 465,673	$ 1,706,124	$ 7,366,337

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2025

	Community Development Block Grant	Affordable Housing	Bed Tax
Revenues:			
Sales taxes	$ -	$ -	$ 1,895,406
Intergovernmental	172,540	-	-
Fines, forfeitures & penalties	-	-	-
Charges for services	-	24,945	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	172,540	24,945	1,895,406
Expenditures:			
Current -			
General government	-	-	921,532
Public safety	-	-	-
Economic and community development	174,752	-	783,370
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	174,752	-	1,704,902
Excess (deficiency) of revenues over expenditures	(2,212)	24,945	190,504
Change in fund balances	(2,212)	24,945	190,504
Fund balances (deficits), beginning of year	-	126,533	4,517,240
Fund balances (deficits), end of year	$ (2,212)	$ 151,478	$ 4,707,744

Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
$ -	$ -	$ -	$ -	$ 1,895,406
-	-	-	2,343,616	2,516,156
5,154	3,230	25,201	11,250	44,835
-	-	-	-	24,945
-	-	-	26,287	26,287
-	-	-	4,404	4,404
5,154	3,230	25,201	2,385,557	4,512,033
-	-	27,949	2,247	951,728
-	-	-	1,845,899	1,845,899
-	-	-	-	958,122
-	-	-	58,545	58,545
-	-	-	152,028	152,028
-	-	27,949	2,058,719	3,966,322
5,154	3,230	(2,748)	326,838	545,711
5,154	3,230	(2,748)	326,838	545,711
136,319	113,949	468,055	1,331,091	6,693,187
$ 141,473	$ 117,179	$ 465,307	$ 1,657,929	$ 7,238,898

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, 2025

	Community Development Block Grant			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 348,691	$ 348,691	$ 172,540	$ (176,151)
Total revenues	348,691	348,691	172,540	(176,151)
Expenditures:				
Current -				
Economic and community development	348,691	348,691	174,752	173,939
Total expenditures	348,691	348,691	174,752	173,939
Change in fund balance	-	-	(2,212)	(2,212)
Fund balance (deficits), July 1, 2024	-	-	-	-
Fund balance (deficits), June 30, 2025	$ -	$ -	$ (2,212)	$ (2,212)

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, 2025

	Affordable Housing			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Charges for services	$ 2,000	$ 2,000	$ 24,945	$ 22,945
Total revenues	2,000	2,000	24,945	22,945
Expenditures:				
Current -				
Economic and community development	105,000	105,000	-	105,000
Total expenditures	105,000	105,000	-	105,000
Change in fund balance	(103,000)	(103,000)	24,945	127,945
Fund balance (deficits), July 1, 2024	-	-	126,533	126,533
Fund balance (deficits), June 30, 2025	$ (103,000)	$ (103,000)	$ 151,478	$ 254,478

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, 2025

	Bed Tax			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 1,600,000	$ 1,600,000	$ 1,895,406	$ 295,406
Total revenues	1,600,000	1,600,000	1,895,406	295,406
Expenditures:				
Current -				
General government	822,491	822,491	921,532	(99,041)
Economic and community development	830,349	830,349	783,370	46,979
Capital outlay	500,000	500,000	-	500,000
Total expenditures	2,152,840	2,152,840	1,704,902	447,938
Change in fund balance	(552,840)	(552,840)	190,504	743,344
Fund balance (deficits), July 1, 2024	-	-	4,517,240	4,517,240
Fund balance (deficits), June 30, 2025	$ (552,840)	$ (552,840)	$ 4,707,744	$ 5,260,584

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, 2025

	Judicial Collection Enhancement			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 8,000	$ 8,000	$ 5,154	$ (2,846)
Total revenues	8,000	8,000	5,154	(2,846)
Expenditures:				
Current -				
General government	131,805	131,805	-	131,805
Total expenditures	131,805	131,805	-	131,805
Change in fund balance	(123,805)	(123,805)	5,154	128,959
Fund balance (deficits), July 1, 2024	-	-	136,319	136,319
Fund balance (deficits), June 30, 2025	$ (123,805)	$ (123,805)	$ 141,473	$ 265,278

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, 2025

	Fill-the-Gap			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 4,500	$ 4,500	$ 3,230	$ (1,270)
Total revenues	4,500	4,500	3,230	(1,270)
Expenditures:				
Current -				
General government	34,500	34,500	-	34,500
Total expenditures	34,500	34,500	-	34,500
Change in fund balance	(30,000)	(30,000)	3,230	33,230
Fund balance (deficits), July 1, 2024	-	-	113,949	113,949
Fund balance (deficits), June 30, 2025	$ (30,000)	$ (30,000)	$ 117,179	$ 147,179

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, 2025

	Local Technology			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 50,000	$ 50,000	$ 25,201	$ (24,799)
Total revenues	50,000	50,000	25,201	(24,799)
Expenditures:				
Current -				
General government	82,500	82,500	27,949	54,551
Total expenditures	82,500	82,500	27,949	54,551
Change in fund balance	(32,500)	(32,500)	(2,748)	29,752
Fund balance (deficits), July 1, 2024	-	-	468,055	468,055
Fund balance (deficits), June 30, 2025	$ (32,500)	$ (32,500)	$ 465,307	$ 497,807

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, 2025

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 3,062,149	$ 3,062,149	$ 2,343,616	$ (718,533)
Fines, forfeitures & penalties	16,000	16,000	11,250	(4,750)
Investment income	15,000	15,000	26,287	11,287
Miscellaneous	10,000	10,000	4,404	(5,596)
Total revenues	3,103,149	3,103,149	2,385,557	(717,592)
Expenditures:				
General government	2,191,497	812,393	2,247	810,146
Public safety	1,537,353	2,691,457	1,845,899	845,558
Culture and recreation	-	155,000	58,545	96,455
Capital outlay	108,726	178,726	152,028	26,698
Total expenditures	3,837,576	3,837,576	2,058,719	1,778,857
Excess (Deficiency) of Revenues Over (Under) Expenditures	(734,427)	(734,427)	326,838	1,061,265
Other financing sources (uses):				
Transfers in	100,000	100,000	-	(100,000)
Total other financing sources (uses)	100,000	100,000	-	(100,000)
Change in fund balance	(634,427)	(634,427)	326,838	961,265
Fund balance (deficits), July 1, 2024	-	-	1,331,091	1,331,091
Fund balance (deficits), June 30, 2025	$ (634,427)	$ (634,427)	$ 1,657,929	$ 2,292,356

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.

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

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

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

Mandarina 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, 2025

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
ASSETS				
Cash and cash equivalents	$ 1,939,407	$ -	$ 13,652,410	$ 8,229,519
Property taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	-	139,000	-
Due from other governments	-	-	-	-
Total assets	$ 1,939,407	$ -	$ 13,791,410	$ 8,229,519
LIABILITIES				
Accounts payable	$ 163,316	$ 327,738	$ 2,784,688	$ 397,578
Retainage payable	-	24,799	339,229	-
Due to other funds	-	2,868,722	23,275	-
Deposits held for others	-	150,944	-	-
Total liabilities	163,316	3,372,203	3,147,192	397,578
FUND BALANCES (DEFICITS)				
Restricted	1,776,091	-	10,644,218	7,831,941
Committed	-	-	-	-
Unassigned	-	(3,372,203)	-	-
Total fund balances (deficits)	1,776,091	(3,372,203)	10,644,218	7,831,941
Total liabilities, deferred inflows of resources, and fund balances	$ 1,939,407	$ -	$ 13,791,410	$ 8,229,519

Formerly Non-Major PAG/RTA Capital	Downtown Reinvestment	Other Capital Projects	Gladden Farms I Capital	Gladden Farms II Capital	Saguaro Springs Capital	Mandarina Capital
$ -	$ 3,047,857	$ 18,244,002	$ 1,254,157	$ 186,260	$ 581,223	$ 50,000
-	-	-	842	230	465	-
-	-	102,256	-	-	-	-
-	-	6,964	-	-	-	-
-	53,096	1,171,167	-	-	-	-
$ -	$ 3,100,953	$ 19,524,389	$ 1,254,999	$ 186,490	$ 581,688	$ 50,000
$ -	$ -	$ 1,373,463	$ 91	$ 89	$ 90	$ 90
-	-	1,076,131	-	-	-	-
-	-	-	-	-	-	-
-	-	408,367	-	-	-	50,000
-	-	2,857,961	91	89	90	50,090
-	-	16,666,428	1,254,908	186,401	581,598	-
-	3,100,953	-	-	-	-	-
-	-	-	-	-	-	(90)
-	3,100,953	16,666,428	1,254,908	186,401	581,598	(90)
$ -	$ 3,100,953	$ 19,524,389	$ 1,254,999	$ 186,490	$ 581,688	$ 50,000

(Continued)

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2025

	Totals
ASSETS	
Cash and cash equivalents	$ 47,184,835
Property taxes receivable	1,537
Accounts receivable	102,256
Interest receivable	145,964
Due from other governments	1,224,263
Total assets	$ 48,658,855
LIABILITIES	
Accounts payable	$ 5,047,143
Retainage payable	1,440,159
Due to other funds	2,891,997
Deposits held for others	609,311
Total liabilities	9,988,610
FUND BALANCES (DEFICITS)	
Restricted	38,941,585
Committed	3,100,953
Unassigned	(3,372,293)
Total fund balances (deficits)	38,670,245
Total liabilities, deferred inflows of resources, and fund balances	$ 48,658,855

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2025

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
Revenues:				
Sales taxes	$ -	$ -	$ -	$ -
Property taxes	-	-	-	-
Intergovernmental	-	-	-	112,755
Licenses, fees & permits	307,911	381,192	1,500,277	2,081,294
Contributions	-	-	-	-
Investment income	10,009	-	749,799	321,127
Total revenues	317,920	381,192	2,250,076	2,515,176
Expenditures:				
Current -				
General government	-	-	-	-
Highways and streets	149,760	89,621	2,963,605	-
Economic and community development	-	-	-	-
Culture and recreation	-	-	-	354,737
Capital outlay	132,380	2,109,512	4,123,557	1,692,028
Debt service -				
Interest and fiscal charges	-	-	13,000	-
Total expenditures	282,140	2,199,133	7,100,162	2,046,765
Excess (deficiency) of revenues over expenditures	35,780	(1,817,941)	(4,850,086)	468,411
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(604,903)	(623,394)	-
Total other financing sources (uses)	-	(604,903)	(623,394)	-
Change in fund balances	35,780	(2,422,844)	(5,473,480)	468,411
Fund balances (deficits), beginning of year	1,740,311	(949,359)	16,117,698	7,363,530
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-
Fund balances (deficits), end of year	$ 1,776,091	$ (3,372,203)	$ 10,644,218	$ 7,831,941

Formerly Non-Major: PAG/RTA Capital	Downtown Reinvestment	Other Capital Projects	Gladden Farms I Capital	Gladden Farms II Capital	Saguaro Springs Capital	Mandarina Capital
$ -	$ 533,965	$ -	$ -	$ -	$ -	$ -
-	-	-	114,626	81,497	119,392	-
-	-	1,047,717	-	-	-	-
-	-	668,231	-	-	-	-
-	-	12,513,111	-	-	-	-
-	-	580,935	-	-	-	-
-	533,965	14,809,994	114,626	81,497	119,392	-
-	-	-	2,590	2,590	2,590	90
-	-	-	-	-	-	-
-	1,739	-	-	-	-	-
-	-	-	-	-	-	-
-	-	11,853,427	-	-	-	-
-	-	554	-	-	-	-
-	1,739	11,853,981	2,590	2,590	2,590	90
-	532,226	2,956,013	112,036	78,907	116,802	(90)
-	123,768	-	-	-	-	-
-	-	-	-	-	-	-
-	123,768	-	-	-	-	-
-	655,994	2,956,013	112,036	78,907	116,802	(90)
(51,873)	2,444,959	13,710,415	1,142,872	107,494	464,796	-
51,873	-	-	-	-	-	-
$ -	$ 3,100,953	$ 16,666,428	$ 1,254,908	$ 186,401	$ 581,598	$ (90)

(Continued)

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2025

	Totals
Revenues:	
Sales taxes	$ 533,965
Property taxes	315,515
Intergovernmental	1,160,472
Licenses, fees & permits	4,938,905
Contributions	12,513,111
Investment income	1,661,870
Total revenues	21,123,838
Expenditures:	
Current -	
General government	7,860
Highways and streets	3,202,986
Economic and community development	1,739
Culture and recreation	354,737
Capital outlay	19,910,904
Debt service -	
Interest and fiscal charges	13,554
Total expenditures	23,491,780
Excess (deficiency) of revenues over expenditures	(2,367,942)
Other financing sources (uses):	
Transfers in	123,768
Transfers out	(1,228,297)
Total other financing sources (uses)	(1,104,529)
Change in fund balances	(3,472,471)
Fund balances (deficits), beginning of year	42,090,843
Change within financial reporting entity (nonmajor to major fund)	51,873
Fund balances (deficits), end of year	$ 38,670,245

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, 2025

	Northwest Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 279,936	$ 279,936	$ 307,911	$ 27,975
Investment income	-	-	10,009	10,009
Total revenues	279,936	279,936	317,920	37,984
Expenditures:				
Highways and streets	100,000	100,000	149,760	(49,760)
Capital outlay	6,591,472	6,591,472	132,380	6,459,092
Bond issuance costs	300,000	300,000	-	300,000
Total expenditures	6,991,472	6,991,472	282,140	6,709,332
Excess (deficiency) of revenues over expenditures	(6,711,536)	(6,711,536)	35,780	6,747,316
Other financing sources (uses):				
Issuance of debt	5,413,746	5,413,746	-	(5,413,746)
Total other financing sources (uses)	5,413,746	5,413,746	-	(5,413,746)
Change in fund balances	(1,297,790)	(1,297,790)	35,780	1,333,570
Fund balances (deficits), July 1, 2024	-	-	1,740,311	1,740,311
Fund balances (deficits), June 30, 2025	$ (1,297,790)	$ (1,297,790)	$ 1,776,091	$ 3,073,881

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, 2025

	Northeast Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 278,870	$ 278,870	$ 381,192	$ 102,322
Total revenues	278,870	278,870	381,192	102,322
Expenditures:				
Current -				
Highways and streets	77,238	77,238	89,621	(12,383)
Capital outlay	13,936,211	13,936,211	2,109,512	11,826,699
Bond issuance costs	500,000	500,000	-	500,000
Total expenditures	14,513,449	14,513,449	2,199,133	12,314,316
Excess (deficiency) of revenues over expenditures	(14,234,579)	(14,234,579)	(1,817,941)	12,416,638
Other financing sources (uses):				
Issuance of debt	14,436,211	14,436,211	-	(14,436,211)
Transfers out	(605,407)	(605,407)	(604,903)	504
Total other financing sources (uses)	13,830,804	13,830,804	(604,903)	(14,435,707)
Change in fund balances	(403,775)	(403,775)	(2,422,844)	(2,019,069)
Fund balances (deficits), July 1, 2024	-	-	(949,359)	(949,359)
Fund balances (deficits), June 30, 2025	$ (403,775)	$ (403,775)	$ (3,372,203)	$ (2,968,428)

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, 2025

	South Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 1,034,807	$ 1,034,807	$ 1,500,277	$ 465,470
Investment income	-	-	749,799	749,799
Total revenues	1,034,807	1,034,807	2,250,076	1,215,269
Expenditures:				
Highways and streets	-	860,000	2,963,605	(2,103,605)
Capital outlay	6,243,292	6,243,292	4,123,557	2,119,735
Interest and fiscal charges	5,000	5,000	13,000	(8,000)
Total expenditures	6,248,292	7,108,292	7,100,162	8,130
Excess (deficiency) of revenues over expenditures	(5,213,485)	(6,073,485)	(4,850,086)	1,223,399
Other financing sources (uses):				
Transfers out	(623,913)	(623,913)	(623,394)	519
Total other financing sources (uses)	(623,913)	(623,913)	(623,394)	519
Change in fund balances	(5,837,398)	(6,697,398)	(5,473,480)	1,223,918
Fund balances (deficits), July 1, 2024	-	-	16,117,698	16,117,698
Fund balances (deficits), June 30, 2025	$ (5,837,398)	$ (6,697,398)	$ 10,644,218	$ 17,341,616

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, 2025

	Park Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 112,755	$ 112,755
Licenses, fees & permits	1,579,223	1,579,223	2,081,294	502,071
Investment income	-	-	321,127	321,127
Total revenues	1,579,223	1,579,223	2,515,176	935,953
Expenditures:				
Current -				
Culture and recreation	-	-	354,737	(354,737)
Capital outlay	7,295,986	10,842,568	1,692,028	9,150,540
Total expenditures	7,295,986	10,842,568	2,046,765	8,795,803
Excess (deficiency) of revenues over expenditures	(5,716,763)	(9,263,345)	468,411	9,731,756
Change in fund balances	(5,716,763)	(9,263,345)	468,411	9,731,756
Fund balances (deficits), July 1, 2024	-	-	7,363,530	7,363,530
Fund balances (deficits), June 30, 2025	$ (5,716,763)	$ (9,263,345)	$ 7,831,941	$ 17,095,286

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, 2025

	Downtown Reinvestment			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 526,500	$ 526,500	$ 533,965	$ 7,465
Total revenues	526,500	526,500	533,965	7,465
Expenditures:				
Current -				
Economic and community development	1,125,000	1,125,000	1,739	1,123,261
Total expenditures	1,125,000	1,125,000	1,739	1,123,261
Excess (deficiency) of revenues over expenditures	(598,500)	(598,500)	532,226	1,130,726
Other financing sources (uses):				
Transfers in	-	-	123,768	123,768
Total other financing sources (uses)	-	-	123,768	123,768
Change in fund balances	(598,500)	(598,500)	655,994	1,254,494
Fund balances (deficits), July 1, 2024	-	-	2,444,959	2,444,959
Fund balances (deficits), June 30, 2025	$ (598,500)	$ (598,500)	$ 3,100,953	$ 3,699,453

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
OTHER CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2025

	Other Capital Projects			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 71,578,197	$ 71,578,197	$ 1,047,717	$ (70,530,480)
Licenses, fees & permits	470,000	470,000	668,231	198,231
Contributions	-	-	12,513,111	12,513,111
Investment income	-	-	580,935	580,935
Total revenues	72,048,197	72,048,197	14,809,994	(57,238,203)
Expenditures:				
Highways and streets	150,000	150,000	-	150,000
Capital outlay	84,548,892	83,153,251	11,853,427	71,299,824
Interest and fiscal charges	1,500	1,500	554	946
Total expenditures	84,700,392	83,304,751	11,853,981	71,450,770
Excess (deficiency) of revenues over expenditures	(12,652,195)	(11,256,554)	2,956,013	14,212,567
Change in fund balances	(12,652,195)	(11,256,554)	2,956,013	14,212,567
Fund balances (deficits), July 1, 2024	-	-	13,710,415	13,710,415
Fund balances (deficits), June 30, 2025	$ (12,652,195)	$ (11,256,554)	$ 16,666,428	$ 27,922,982

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
Gladden Farms I Capital
YEAR ENDED JUNE 30, 2025

	Gladden Farms I Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 114,700	$ 114,700	$ 114,626	$ (74)
Total revenues	114,700	114,700	114,626	(74)
Expenditures:				
General government	28,500	28,500	2,590	25,910
Capital outlay	1,225,000	1,225,000	-	1,225,000
Total expenditures	1,253,500	1,253,500	2,590	1,250,910
Excess (deficiency) of revenues over expenditures	(1,138,800)	(1,138,800)	112,036	1,250,836
Change in fund balances	(1,138,800)	(1,138,800)	112,036	1,250,836
Fund balances (deficits), July 1, 2024	-	-	1,142,872	1,142,872
Fund balances (deficits), June 30, 2025	$ (1,138,800)	$ (1,138,800)	$ 1,254,908	$ 2,393,708

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
Gladden Farms II Capital
YEAR ENDED JUNE 30, 2025

	Gladden Farms II Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 81,900	$ 81,900	$ 81,497	$ (403)
Total revenues	81,900	81,900	81,497	(403)
Expenditures:				
General government	182,750	182,750	2,590	180,160
Total expenditures	182,750	182,750	2,590	180,160
Excess (deficiency) of revenues over expenditures	(100,850)	(100,850)	78,907	179,757
Change in fund balances	(100,850)	(100,850)	78,907	179,757
Fund balances (deficits), July 1, 2024	-	-	107,494	107,494
Fund balances (deficits), June 30, 2025	$ (100,850)	$ (100,850)	$ 186,401	$ 287,251

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, 2025

	Saguaro Springs Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 119,908	$ 119,908	$ 119,392	$ (516)
Total revenues	119,908	119,908	119,392	(516)
Expenditures:				
Current -				
General government	39,500	39,500	2,590	36,910
Capital outlay	540,000	540,000	-	540,000
Total expenditures	579,500	579,500	2,590	576,910
Excess (deficiency) of revenues over expenditures	(459,592)	(459,592)	116,802	576,394
Change in fund balances	(459,592)	(459,592)	116,802	576,394
Fund balances (deficits), July 1, 2024	-	-	464,796	464,796
Fund balances (deficits), June 30, 2025	$ (459,592)	$ (459,592)	$ 581,598	$ 1,041,190

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
Mandarina Capital
YEAR ENDED JUNE 30, 2025

	Mandarina Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
General government	$ -	$ -	$ 90	$ (90)
Total expenditures	-	-	90	(90)
Excess (deficiency) of revenues over expenditures	-	-	(90)	(90)
Change in fund balances	-	-	(90)	(90)
Fund balances (deficits), July 1, 2024	-	-	-	-
Fund balances (deficits), June 30, 2025	$ -	$ -	$ (90)	$ (90)



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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.

2024 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2024 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

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

Gladden Farms II Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the Gladden Farms II CFD 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, 2025

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service
ASSETS			
Cash and cash equivalents	$ 2,937	$ -	$ -
Property taxes receivable	-	-	-
Interest receivable	-	-	-
Restricted cash and investments	-	651,200	2,405,750
Total assets	$ 2,937	$ 651,200	$ 2,405,750
LIABILITIES AND FUND BALANCES			
Liabilities:			
Total liabilities	-	-	-
FUND BALANCES			
Restricted	2,937	651,200	2,405,750
Total fund balances	2,937	651,200	2,405,750
Total liabilities and fund balances	$ 2,937	$ 651,200	$ 2,405,750

2024 Bond Debt Service	Gladden Farms I Debt Service	Gladden Farms II Debt Service	Saguaro Springs Debt Service	Totals
$ -	$ -	$ -	$ -	$ 2,937
-	7,013	2,683	3,872	13,568
10,453	-	-	-	10,453
3,619,139	936,578	636,458	1,394,218	9,643,343
$ 3,629,592	$ 943,591	$ 639,141	$ 1,398,090	$ 9,670,301
-	-	-	-	-
3,629,592	943,591	639,141	1,398,090	9,670,301
3,629,592	943,591	639,141	1,398,090	9,670,301
$ 3,629,592	$ 943,591	$ 639,141	$ 1,398,090	$ 9,670,301

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2025

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service
Revenues:			
Property taxes	$ -	$ -	$ -
Contributions	-	-	-
Investment income	9	483	-
Total revenues	9	483	-
Expenditures:			
Capital outlay	-	-	-
Debt service -			
Principal retirement	-	629,000	2,055,000
Interest and fiscal charges	-	26,416	525,075
Bond issuance costs	-	-	-
Total expenditures	-	655,416	2,580,075
Excess (deficiency) of revenues over expenditures	9	(654,933)	(2,580,075)
Other financing sources (uses):			
Issuance of debt	-	-	-
Premium on bonds issued	-	-	-
Transfers in	2,000	660,899	2,643,700
Total other financing sources (uses)	2,000	660,899	2,643,700
Change in fund balances	2,009	5,966	63,625
Fund balances, beginning of year	928	645,234	2,342,125
Fund balances, end of year	$ 2,937	$ 651,200	$ 2,405,750

2024 Bond Debt Service	Gladden Farms I Debt Service	Gladden Farms II Debt Service	Saguaro Springs Debt Service	Totals
$ -	$ 955,216	$ 682,124	$ 994,935	$ 2,632,275
-	-	192,979	-	192,979
25,887	1,278	2,224	-	29,881
25,887	956,494	877,327	994,935	2,855,135
-	-	2,800,000	-	2,800,000
3,700,000	555,000	285,000	215,000	7,439,000
2,148,473	321,631	499,614	256,075	3,777,284
-	-	280,896	-	280,896
5,848,473	876,631	3,865,510	471,075	14,297,180
(5,822,586)	79,863	(2,988,183)	523,860	(11,442,045)
-	-	3,070,000	-	3,070,000
-	-	15,063	-	15,063
4,776,092	-	-	-	8,082,691
4,776,092	-	3,085,063	-	11,167,754
(1,046,494)	79,863	96,880	523,860	(274,291)
4,676,086	863,728	542,261	874,230	9,944,592
$ 3,629,592	$ 943,591	$ 639,141	$ 1,398,090	$ 9,670,301

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, 2025

	Actual	Variance - Positive (Negative)
Revenues:		
Investment income	$ 9	$ 9
Total revenues	9	9
Expenditures:		
Debt service -		
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	9	9
Other financing sources (uses):		
Transfers in	2,000	2,000
Total other financing sources (uses)	2,000	2,000
Change in fund balances	2,009	2,009
Fund balances (deficits), July 1, 2024	928	928
Fund balances (deficits), June 30, 2025	$ 2,937	$ 2,937

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, 2025

	2014 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Investment income	$ -	$ -	$ 483	$ 483
Total revenues	-	-	483	483
Expenditures:				
Debt service -				
Principal retirement	629,000	629,000	629,000	-
Interest and fiscal charges	26,416	26,416	26,416	-
Total expenditures	655,416	655,416	655,416	-
Excess (deficiency) of revenues over expenditures	(655,416)	(655,416)	(654,933)	483
Other financing sources (uses):				
Transfers in	661,397	661,397	660,899	(498)
Total other financing sources (uses)	661,397	661,397	660,899	(498)
Change in fund balances	5,981	5,981	5,966	(15)
Fund balances (deficits), July 1, 2024	-	-	645,234	645,234
Fund balances (deficits), June 30, 2025	$ 5,981	$ 5,981	$ 651,200	$ 645,219

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, 2025

	2017 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Debt service -				
Principal retirement	$ 2,055,000	$ 2,055,000	$ 2,055,000	$ -
Interest and fiscal charges	525,075	525,075	525,075	-
Total expenditures	2,580,075	2,580,075	2,580,075	-
Excess (deficiency) of revenues over expenditures	(2,580,075)	(2,580,075)	(2,580,075)	-
Other financing sources (uses):				
Transfers in	2,643,700	2,643,700	2,643,700	-
Total other financing sources (uses)	2,643,700	2,643,700	2,643,700	-
Change in fund balances	63,625	63,625	63,625	-
Fund balances (deficits), July 1, 2024	-	-	2,342,125	2,342,125
Fund balances (deficits), June 30, 2025	$ 63,625	$ 63,625	$ 2,405,750	$ 2,342,125

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2024 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2025

	2024 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Investment income	$ -	$ -	$ 25,887	$ 25,887
Total revenues	-	-	25,887	25,887
Expenditures:				
Principal retirement	3,700,000	3,700,000	3,700,000	-
Interest and fiscal charges	2,151,973	2,151,973	2,148,473	3,500
Total expenditures	5,851,973	5,851,973	5,848,473	3,500
Excess (deficiency) of revenues over expenditures	(5,851,973)	(5,851,973)	(5,822,586)	29,387
Other financing sources (uses):				
Refunded bond escrow payment	-	-	-	-
Transfers in	4,803,250	4,803,250	4,776,092	(27,158)
Total other financing sources (uses)	4,803,250	4,803,250	4,776,092	(27,158)
Change in fund balances	(1,048,723)	(1,048,723)	(1,046,494)	2,229
Fund balances (deficits), July 1, 2024	-	-	4,676,086	4,676,086
Fund balances (deficits), June 30, 2025	$ (1,048,723)	$ (1,048,723)	$ 3,629,592	$ 4,678,315

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
Gladden Farms I Debt Service
YEAR ENDED JUNE 30, 2025

	Gladden Farms I Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 955,832	$ 955,832	$ 955,216	$ (616)
Investment income	-	-	1,278	1,278
Total revenues	955,832	955,832	956,494	662
Expenditures:				
Principal retirement	555,000	555,000	555,000	-
Interest and fiscal charges	322,631	322,631	321,631	1,000
Total expenditures	877,631	877,631	876,631	1,000
Excess (deficiency) of revenues over expenditures	78,201	78,201	79,863	1,662
Change in fund balances	78,201	78,201	79,863	1,662
Fund balances (deficits), July 1, 2024	-	-	863,728	863,728
Fund balances (deficits), June 30, 2025	$ 78,201	$ 78,201	$ 943,591	$ 865,390

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
Gladden Farms II Debt Service
YEAR ENDED JUNE 30, 2025

	Gladden Farms II Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 682,501	$ 682,501	$ 682,124	$ (377)
Contributions	104,043	104,043	192,979	88,936
Investment income	-	-	2,224	2,224
Total revenues	786,544	786,544	877,327	90,783
Expenditures:				
Capital outlay	3,300,000	3,300,000	2,800,000	500,000
Principal retirement	285,000	285,000	285,000	-
Interest and fiscal charges	501,544	501,544	499,614	1,930
Bond issuance costs	350,000	350,000	280,896	69,104
Total expenditures	4,436,544	4,436,544	3,865,510	571,034
Excess (deficiency) of revenues over expenditures	(3,650,000)	(3,650,000)	(2,988,183)	661,817
Other financing sources (uses):				
Issuance of debt	3,650,000	3,650,000	3,070,000	(580,000)
Premium on bonds issued	-	-	15,063	15,063
Total other financing sources (uses)	3,650,000	3,650,000	3,085,063	(564,937)
Change in fund balances	-	-	96,880	96,880
Fund balances (deficits), July 1, 2024	-	-	542,261	542,261
Fund balances (deficits), June 30, 2025	$ -	$ -	$ 639,141	$ 639,141

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, 2025

	Saguaro Springs Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 999,236	$ 999,236	$ 994,935	$ (4,301)
Total revenues	999,236	999,236	994,935	(4,301)
Expenditures:				
Capital outlay	4,500,000	4,500,000	-	4,500,000
Debt service -				
Principal retirement	215,000	215,000	215,000	-
Interest and fiscal charges	257,301	257,301	256,075	1,226
Bond issuance costs	350,000	350,000	-	350,000
Total expenditures	5,322,301	5,322,301	471,075	4,851,226
Excess (deficiency) of revenues over expenditures	(4,323,065)	(4,323,065)	523,860	4,846,925
Other financing sources (uses):				
Issuance of debt	4,850,000	4,850,000	-	(4,850,000)
Total other financing sources (uses)	4,850,000	4,850,000	-	(4,850,000)
Change in fund balances	526,935	526,935	523,860	(3,075)
Fund balances (deficits), July 1, 2024	-	-	874,230	874,230
Fund balances (deficits), June 30, 2025	$ 526,935	$ 526,935	$ 1,398,090	$ 871,155

STATISTICAL INFORMATION



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TOWN OF MARANA, ARIZONA
STATISTICAL SECTION
JUNE 30, 2025

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.		
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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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Debt Capacity		
These schedules present information to help users understand and assess the Town's debt burden and its ability to service current debt and to issue additional debt in the future.		
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Schedule 1

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

	2016	2017 (restated)	2018	2019 (restated)	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 193,845	$ 210,137	$ 236,208	$ 243,685	$ 244,996	$ 243,692	$ 229,747	$ 227,109	$ 237,738	$ 295,783
Restricted	43,127	31,163	17,242	19,985	21,837	21,675	34,402	44,738	57,212	56,846
Unrestricted	(6,492)	5,119	16,272	16,827	27,323	48,120	88,232	98,365	159,856	190,431
Total governmental activities net position	230,480	246,419	269,722	280,497	294,156	313,487	352,381	370,212	454,806	543,059
Business-type activities										
Net investment in capital assets	112,357	101,524	95,777	97,435	102,911	106,166	110,452	110,636	112,764	132,762
Restricted	365	365	365	366	770	1,128	818	812	2,846	2,520
Unrestricted	1,313	16,319	(4,285)	(2,176)	2,332	7,673	15,393	37,360	38,214	41,056
Total business-type activities net position	114,035	118,208	91,857	95,625	106,013	114,967	126,663	148,808	153,824	176,338
Primary government										
Net investment in capital assets	306,202	311,661	331,985	341,120	347,907	349,858	340,199	337,745	350,502	428,545
Restricted	43,492	31,528	17,607	20,351	22,607	22,803	35,220	45,550	60,059	59,365
Unrestricted	(5,179)	21,439	11,987	14,651	29,655	55,793	103,625	135,725	198,069	231,487
Total primary government net position	$ 344,515	$ 364,628	$ 361,579	$ 376,122	$ 400,169	$ 428,454	$ 479,044	$ 519,020	$ 608,630	$ 719,397

Source: Statement of Net Position

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

Schedule 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 17,531	$ 19,393	$ 18,492	$ 23,846	$ 21,040	$ 22,578	$ 28,539	$ 30,094	$ 27,945	$ 35,113
Public safety	14,423	16,736	16,114	16,059	19,981	19,223	17,852	27,499	18,167	26,921
Highways and streets	22,659	40,172	27,893	21,629	25,004	25,729	25,481	25,897	26,385	32,923
Health & Welfare	-	278	236	453	442	461	489	420	437	456
Culture & recreation	3,422	6,006	5,147	5,294	6,122	5,861	6,950	8,397	8,896	12,024
Economic & community development	4,779	4,902	4,328	4,076	4,174	4,159	4,113	5,361	5,895	6,534
Interest on long-term debt	3,962	2,335	3,077	1,858	2,485	2,346	2,258	2,704	2,056	4,065
Total governmental activities expenses	66,776	89,822	75,287	73,215	79,248	80,357	85,682	100,372	89,781	118,036
Business-type activities:										
Airport	1,829	1,772	1,816	1,395	1,393	1,645	1,803	1,740	1,734	1,908
Wastewater	3,662	3,983	4,598	5,276	4,136	5,346	5,104	5,156	5,022	6,592
Water	4,405	5,368	5,979	6,178	6,750	7,796	9,752	10,751	11,164	12,712
Total business-type activities expenses	9,896	11,123	12,393	12,849	12,279	14,787	16,659	17,647	17,920	21,212
Total primary government expenses	$ 76,672	$ 100,945	$ 87,680	$ 86,064	$ 91,527	$ 95,144	$ 102,341	$ 118,019	$ 107,701	$ 139,248
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 4,787	$ 4,909	$ 5,073	$ 4,819	$ 5,247	$ 5,651	$ 5,580	$ 6,995	$ 7,281	$ 7,344
Public Safety	-	-	-	23	70	91	-	5,503	7,740	6,278
Highways and streets	-	-	-	69	47	34	-	459	901	1,369
Health and welfare	-	-	-	96	88	86	83	80	78	81
Culture and recreation	265	287	324	317	197	179	277	333	389	1,125
Economic & community development	4,027	4,355	4,993	5,260	5,396	6,626	10,935	1,416	1,288	1,379
Operating grants and contributions	4,507	4,619	4,665	2,259	8,470	14,465	14,711	6,649	6,981	9,745
Capital grants and contributions	17,157	44,371	25,856	13,679	15,047	10,840	20,877	11,543	22,581	60,257
Total government activities program revenues	30,743	58,541	40,911	26,522	34,562	37,972	52,463	32,978	47,239	87,578
Business-type activities:										
Charges for services:										
Airport	247	251	294	329	373	420	436	327	295	431
Wastewater	1,016	1,065	1,502	1,626	1,873	2,365	2,839	2,993	3,478	4,055
Water	4,243	5,064	5,609	5,750	6,260	7,373	8,022	8,323	9,865	10,739
Operating grants and contributions	-	-	-	-	-	-	-	258	316	2,005
Capital grants and contributions	5,214	5,941	9,890	8,977	13,604	13,462	17,046	11,918	21,681	24,082
Total business-type activity program revenues	10,720	12,321	17,295	16,682	22,110	23,620	28,343	23,819	35,635	41,313
Total primary government program revenues	41,463	70,862	58,206	43,204	56,672	61,592	80,806	56,797	82,874	128,891
Net (expense)/revenue										
Governmental activities	(36,033)	(31,281)	(34,376)	(46,693)	(44,685)	(42,385)	(33,219)	(67,395)	(42,541)	(30,458)

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

Schedule 2

Business-type activities	824	1,198	4,902	3,833	9,831	8,833	11,651	6,171	17,714	20,101
Total primary government net expense	$ (35,209)	$ (30,083)	$ (29,474)	$ (42,860)	$ (34,854)	$ (33,552)	$ (21,568)	$ (61,224)	$ (24,827)	$ (10,357)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
General revenues										
City sales taxes	$ 35,442	$ 37,500	$ 41,689	$ 41,680	$ 40,705	$ 42,847	$ 52,112	$ 69,267	$ 70,229	$ 76,635
Property taxes	482	509	553	834	1,161	1,420	1,698	2,081	2,438	2,948
Franchise fees	447	488	507	513	549	585	608	607	558	526
State shared revenues	9,039	10,619	11,506	12,013	13,098	15,372	16,513	21,305	26,007	24,333
Investment income (loss)	173	238	663	1,954	1,965	484	(218)	6,778	13,822	14,221
Miscellaneous	676	744	885	1,163	1,001	1,002	956	735	763	1,481
Gain on sale of assets	-	-	-	-	-	-	77	31	-	-
Transfers	(2,177)	(2,878)	1,875	(688)	(136)	5	367	(15,580)	13,319	(1,433)
Total governmental activities	44,082	47,220	57,678	57,469	58,343	61,715	72,113	85,224	127,136	118,711
Business-type activities:										
General revenues										
Investment income	16	43	187	77	57	4	9	278	497	795
Miscellaneous	19	54	30	21	364	123	370	116	123	184
Transfers	2,177	2,878	(1,875)	688	136	(5)	(367)	15,580	(13,319)	1,433
Total business-type activities	2,212	2,975	(1,658)	786	557	122	12	15,974	(12,699)	2,413
Total primary government	46,294	50,195	56,020	58,255	58,900	61,837	72,125	101,198	114,437	121,124
Change in Net Position										
Governmental activities	8,049	15,939	23,302	10,776	13,658	19,330	38,894	17,829	84,595	88,253
Business-type activities	3,036	4,173	3,244	4,619	10,388	8,955	11,663	22,145	5,015	22,514
Total primary government	$ 11,085	$ 20,112	$ 26,546	$ 15,395	$ 24,046	$ 28,285	$ 50,557	$ 39,974	$ 89,610	$ 110,766

Source: Statement of Activities

TOWN OF MARANA **Schedule 3**

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 2,418	$ 2,367	$ 4,853	$ 4,513	$ 4,103	$ 3,029	$ 2,937	$ 3,079	$ 2,237	$ 2,624
Unassigned	20,425	22,640	24,735	32,043	42,008	68,327	95,638	96,161	127,661	134,260
Total general fund	22,843	25,007	29,588	36,556	46,111	71,356	98,575	99,240	129,898	136,884
All other governmental funds										
Nonspendable	$ 3	$ 1	$ 261	$ 1	$ 4	$ 13	$ 6	$ 3	$ 399	$ 1,800
Restricted	48,486	49,960	44,989	42,068	31,001	29,108	47,569	57,949	101,700	76,850
Committed	-	-	-	-	14,862	13,970	20,802	31,014	41,691	43,343
Unassigned	(525)	(1,908)	(2,405)	(562)	(873)	(968)	(632)	(736)	(1,001)	(11,576)
Total all other governmental funds	$ 47,964	$ 48,053	$ 42,845	$ 41,507	$ 44,994	$ 42,123	$ 67,745	$ 88,230	$ 142,789	$ 110,417
Total fund balance of governmental funds	$ 70,807	$ 73,060	$ 72,433	$ 78,063	$ 91,105	$ 113,479	$ 166,320	$ 187,470	$ 272,687	$ 247,301

Source: Governmental Fund Statements

TOWN OF MARANA **Schedule 4**

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Sales taxes	$ 35,442	$ 37,500	$ 41,689	$ 41,680	$ 40,705	$ 42,847	$ 52,112	$ 69,267	$ 70,229	$ 76,635
Property taxes	489	521	572	834	1,161	1,420	1,698	2,081	2,438	2,948
Intergovernmental	20,537	43,261	30,919	20,040	22,967	31,527	35,870	27,909	43,466	41,442
Licenses, fees and permits	6,243	7,078	8,617	10,034	9,092	10,749	20,949	13,886	16,969	14,317
Fines, forfeitures and penalties	750	728	750	637	591	496	428	419	462	478
Charges for services	500	563	684	718	535	541	989	836	833	1,527
Lease Income	90	113	136	148	157	159	264	171	170	225
Special assessments	2,129	2,340	989	2,869	2,091	2,298	1,801	2,267	1,528	1,252
Contributions	1,216	214	87	49	65	66	1,231	293	363	13,409
Investment earnings	173	238	663	1,954	1,965	484	(218)	6,765	13,722	14,089
Miscellaneous	376	460	512	757	667	643	795	703	1,025	1,064
Total revenues	67,945	93,016	85,618	79,720	79,996	91,230	115,919	124,597	151,205	167,387
Expenditures										
General government	12,017	13,347	12,949	14,021	14,927	14,416	16,219	17,934	20,340	23,436
Public safety	14,068	14,477	14,774	15,502	18,352	16,967	17,848	26,614	23,403	38,514
Highways and streets	5,796	6,037	4,893	5,031	6,821	6,222	6,006	5,988	6,727	14,191
Health and welfare	-	365	229	290	284	350	318	418	416	430
Economic and community development	4,146	4,642	4,452	4,744	4,605	4,540	4,497	4,838	5,572	6,378
Culture and recreation	3,710	4,266	4,903	4,613	4,207	4,225	5,715	6,353	7,050	9,108
Capital outlay	11,840	34,275	40,960	24,478	11,094	17,097	10,649	21,554	42,560	89,381
Debt service										
Principal	3,992	5,083	2,260	5,463	6,563	6,319	6,304	7,436	6,969	8,878
Interest	4,212	3,882	2,745	3,105	2,984	2,910	2,876	3,191	3,325	3,950
Other charges	-	1,023	-	314	385	216	511	334	623	281
Total expenditures	59,781	87,397	88,165	77,561	70,222	73,262	70,943	94,660	116,985	194,547
Excess of revenues over (under) expenditures	8,164	5,619	(2,547)	2,159	9,774	17,968	44,976	29,937	34,220	(27,160)

TOWN OF MARANA **Schedule 4**

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other financing sources (uses)										
Transfers in	6,498	7,680	12,607	6,082	11,401	8,471	6,577	6,983	22,919	8,231
Transfers out	(8,675)	(10,558)	(10,732)	(6,770)	(11,532)	(8,467)	(6,210)	(22,563)	(9,600)	(9,665)
Proceeds from sale of capital assets	321	45	46	226	135	132	-	-	-	-
Capitalized interest	-	178	-	-	-	-	-	-	-	-
Issuance of debt	-	42,065	-	3,845	3,195	4,155	6,800	6,220	54,765	3,070
Premium on bonds issued	-	4,089	-	88	69	115	698	158	2,478	15
Leases and subscription technology arrangements	-	-	-	-	-	-	-	414	(19,565)	122
Payments to refunded bond escrow agent	-	(46,865)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,856)	(3,366)	1,921	3,471	3,268	4,406	7,865	(8,788)	50,997	1,774
Net change in fund balance	$ 6,308	$ 2,253	$ (626)	$ 5,630	$ 13,042	$ 22,374	$ 52,841	$ 21,149	$ 85,217	$(25,386)
Debt service as a percentage of noncapital expenditures	16.8%	11.6%	6.9%	20.2%	19.7%	14.5%	16.0%	11.8%	10.0%	11.7%

Source: Governmental Fund Statements

Schedule 5

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

Fiscal Year	Sales Tax	Highway User Revenue taxes	Total
2025	$ 76,635	$ 4,700	$ 81,335
2024	70,229	4,654	74,883
2023	69,267	4,718	73,985
2022	52,112	4,271	56,383
2021	42,846	3,956	46,802
2020	40,705	3,826	44,531
2019	41,681	3,608	45,289
2018	41,672	3,316	44,988
2017	37,418	3,099	40,517
2016	35,374	2,623	37,997

Source: Statement of Revenues, Expenditures and Changes in Fund Balances

TOWN OF MARANA **Schedule 6**

ASSESSED VALUE, ESTIMATED ACTUAL VALUE AND ASSESSMENT RATIOS 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	Net Assessed Value	Total Direct Tax Rate	Limited Full Cash Value	Ratio of Net Assessed to Full Cash Value
					$			
2025	2025	$ 709,872	$ 394,826	$ 148,368	956,330	10.9500	9,654,268	9.9%
2024	2024	642,611	278,242	50,434	870,419	8.4000	8,170,944	10.7%
2023	2023	566,803	255,616	45,751	776,668	8.4000	7,245,185	10.7%
2022	2022	517,595	246,095	44,801	718,889	8.4000	6,665,336	10.8%
2021	2021	480,657	233,235	42,820	671,072	8.4000	6,187,303	10.8%
2020	2020	438,390	224,390	42,530	620,250	8.4000	5,715,806	10.9%
2019	2019	399,814	222,348	42,749	579,413	8.7000	5,319,890	10.9%
2018	2018	362,265	214,295	41,518	535,042	5.8400	4,898,582	10.9%
2017	2017	333,217	217,618	45,746	505,089	3.7000	4,641,025	10.9%
2016	2016	310,243	210,060	46,818	473,485	3.7000	4,360,394	10.9%

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

Schedule 7

Town of Marana
Property Tax Rates - Direct and Overlapping Rates
Last Ten Fiscal Years

Fiscal Year	Tax Year	Pima County (General Fund)	County Library District	Road Tax	Debt Service	Flood Control District	State Education Equalization Assistance	Flowing Wells School District	Community College District	Northwest Fire District	Fire District Assistance	Central AZ Water Cnsrvtion District
2025/26	2025	4.1943	0.5579	-	0.1150	0.3289	0.0000	6.3461	1.2176	3.2042	0.0350	0.1400
2024/25	2024	4.0990	0.5537	-	0.1250	0.3271	0.0000	6.4924	1.2530	3.2042	0.0365	0.1400
2023/24	2023	4.0102	0.5493	-	0.2200	0.3253	0.0000	6.2262	1.2802	3.1642	0.0376	0.1400
2022/23	2022	3.8764	0.5453	-	0.3200	0.3235	0.4263	6.5638	1.2878	3.1695	0.0384	0.1400
2021/22	2021	3.8764	0.5353	-	0.4500	0.3335	0.4263	6.4855	1.2733	3.0495	0.0394	0.1400
2020/21	2020	3.9220	0.5353	-	0.5200	0.3335	0.4426	6.6839	1.3359	2.9995	0.0416	0.1400
2019/20	2019	3.9996	0.5353	-	0.6900	0.3335	0.4566	6.8539	1.3758	3.0049	0.0430	0.1400
2018/19	2018	4.0696	0.5153	-	0.6900	0.3335	0.4741	6.8860	1.3983	3.0501	0.0441	0.1400
2017/18	2017	4.2096	0.5053	0.2500	0.7000	0.3135	0.4875	6.7539	1.3890	3.0734	0.0459	0.1400
2016/17	2016	4.2896	0.5153	-	0.7000	0.3335	0.5010	6.8971	1.3733	2.9920	0.0468	0.1400

				Direct Rates								
Fiscal Year	Tax Year	Marana School District	**Total Overlapping Rates**	Town of Marana	Gladden Farms Community Facilities District	Gladden Farms II Community Facilities District	Vanderbilt Farms Community Facilities District	Saguaro Springs Community Facilities District	Mandarina Community Facilities District	**Total Direct Rates**	**Total Direct & Overlapping Rates**
2025/26	2025	5.4768	4,071.4408	-	2.5500	2.8000	-	2.8000	2.8000	10.9500	10.9500
2024/25	2024	5.5504	4,069.6048	-	2.8000	2.8000	-	2.8000	-	8.4000	8.4000
2023/24	2023	5.6906	4,067.4660	-	2.8000	2.8000	-	2.8000	-	8.4000	8.4000
2022/23	2022	5.4689	4,065.9815	-	2.8000	2.8000	-	2.8000	-	8.4000	8.4000
2021/22	2021	5.9491	4,064.3789	-	2.8000	2.8000	-	2.8000	-	8.4000	8.4000
2020/21	2020	5.7594	4,062.5321	-	2.8000	2.8000	-	2.8000	-	8.4000	8.4000
2019/20	2019	5.8650	4,061.1146	-	2.8000	2.8000	0.3000	2.8000	-	8.7000	8.7000
2018/19	2018	6.0840	4,059.5009	-	2.4400	0.3000	0.3000	2.8000	-	5.8400	5.8400
2017/18	2017	6.2334	4,057.9156	-	2.8000	0.3000	0.3000	0.3000	-	3.7000	3.7000
2016/17	2016	6.3781	4,055.9799	-	2.8000	0.3000	0.3000	0.3000	-	3.7000	3.7000

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

Schedule 8

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

	2025			2016		
Taxpayer	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value
HSL PROPERTIES	21,807	1	25.7%	-	-	-
UNISOURCE ENERGY CORPORATION	14,342	2	16.9%	9,806	1	24.0%
SOUTHERN ARIZONA LOGISTICS CENTER LLC	12,156	3	14.3%	-	-	-
TUCSON PREMIUM OUTLETS LLC	7,104	4	8.4%	4,349	3	-
SMITHS FOOD AND DRUG CENTERS INC/FRYS	5,691	5	6.7%	3,943	4	9.7%
AMERICAN HOMES 4 RENT	5,667	6	6.7%	-	-	-
SOUTHWEST GAS CORPORATION	5,155	7	6.1%	-	-	-
AMAZON.COM SERVICES LLC	4,339	8	5.1%	-	-	-
AMERICAN FURNITURE WAREHOUSE CO	4,324	9	5.1%	2,720	6	6.7%
AM2-4115 LLC	4,154	10	4.9%	-	-	-
HSL COTTONWOOD RC HOTEL LLC				6,956	2	17.0%
WAL-MART STORES INC				3,079	5	7.5%
VERIZON WIRELESS				2,680	7	6.6%
FLSMIDTH USA INC TUCSON OPERATIONS				2,658	8	6.5%
UNION PACIFIC RAILROAD				2,336	9	5.7%
MARANA MARKETPLACE PARTNERS LLC				2,293	10	5.6%
Totals	$ 84,737			$ 40,822		

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 **Schedule 9**
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

		Collected with in 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
2025	$ 2,953	$ 2,932	99.29%	$ 2,932	99.29%
2024	2,434	2,421	99.47%	2,421	99.47%
2023	2,083	2,070	99.38%	2,070	99.38%
2022	1,702	1,695	99.59%	1,695	99.59%
2021	1,426	1,420	99.58%	1,420	99.58%
2020	1,163	1,158	99.57%	1,163	100.00%
2019	834	830	99.52%	832	99.76%
2018	571	569	99.65%	570	99.82%
2017	521	517	99.23%	521	100.00%
2016	489	485	99.18%	488	99.80%

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

Source: Pima County Treasurer's Office

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2025

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2025 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
242-B3-2	215-01-003W	INTERNATIONAL CENTER TUCSON LLC	$ 49,380	$ 6,610	$ 2,334,882	73,738	Commercial
242-B3-1	215-01-0100	INTERNATIONAL CENTER TUCSON LLC	52,594	7,041	4,293,755	89,310	Commercial
242-11	215-01-011A	Tangerine/I-10, LLC	164,907	22,076	5,600	242,954	R and C
242-01	215-01-0130	Norman Properties	134,078	17,949	7,551,000	200,818	R and C
242-02	215-01-0140	Southwest Gas Corporation	727,102	97,337	4,900,540	1,089,009	Commercial
242-06	215-01-0180	Tangerine/I-10, LLC	341,156	45,671	2,554,970	510,994	R and C
242-07	215-01-0190	U-Haul International Inc.	344,646	46,138	4,645,845	516,205	Commercial
242-08	215-01-0200	Tangerine/I-10, LLC	378,675	50,693	8,910	567,141	R and C
242-09	215-01-0210	Tangerine/I-10, LLC	80,563	10,785	1,496	120,700	R and C
242-10	215-01-0220	Tangerine/I-10, LLC	28,793	3,855	540	43,192	R and C
242-12	215-01-0230	VM Building Two Corporation	38,682	5,178	85,693	58,054	R and C
1730	215-01-0300	O Reilly Auto Enterprises LLC	33,301	4,458	860,496	53,781	Commercial
1731	215-01-0320	Tangerine/I-10, LLC	107,911	14,446	1,742,760	174,276	Commercial
1732	215-01-0330	Tangerine/I-10, LLC	37,866	5,069	611,530	61,153	Commercial
1735	215-01-0350	Tangerinesbux LLC	24,987	3,345	615,792	38,487	Commercial
1736	215-01-0360	Papago Trading Post, Inc	39,306	5,262	605,430	60,543	Commercial
1895	215-01-0400	R11 Tangerine Corporation	19,101	2,557	269,250	26,925	Commercial
1896	215-01-0410	STRR Investments, LLC	24,153	3,233	340,460	34,046	Commercial
1897	215-01-0420	R11 Tangerine Corporation	24,902	3,334	351,020	35,102	Commercial
1898	215-01-0430	R11 Tangerine Corporation	26,899	3,601	379,180	37,918	Commercial
1899	215-01-0440	R11 Tangerine Corporation	29,959	4,011	422,310	42,231	Commercial
237	217-53-040A	TOWN OF MARANA	71,959	9,633	89,000	1,019,740	Park
238/239-2	217-53-8090	Oracle Greenock LLC	20,407	2,732	186,800	57,477	R and C
238/239-3	217-53-8100	Oracle Greenock LLC	21,784	2,916	199,394	61,352	R and C
238/239-4	217-53-8110	Oracle Greenock LLC	20,980	2,809	191,909	59,049	R and C
238/239-5	217-53-8120	Oracle Greenock LLC	18,999	2,543	173,885	53,503	R and C
238/239-6	217-53-8130	Oracle Greenock LLC	20,144	2,697	184,330	56,717	R and C
238/239-7	217-53-8140	Oracle Greenock LLC	15,456	2,069	141,453	43,524	R and C
238/239-8	217-53-8150	Oracle Greenock LLC	35,461	4,747	324,548	99,861	R and C
238/239-9	217-53-8160	Oracle Greenock LLC	32,831	4,395	300,414	92,435	R and C
238/239-10	217-53-8170	Oracle Greenock LLC	30,974	4,147	283,384	87,195	R and C
230-4	217-54-0140	HSL Properties Inc.	684,380	91,618	31,212	2,517,768	R and C
446	217-54-026B	MC Gladden Farms LLC	268,326	35,921	3,527,500	675,616	R and C
1585	217-54-344B	HSL Properties Inc.	202,753	27,143	500	741,827	R and C
1586	217-55-0170	Flint Development	347,856	46,568	8,453,708	2,601,141	R and C
1587	217-55-0180	Flint Development	400,579	53,626	87,000,000	2,995,236	R and C
1588	217-55-0190	HSL Properties Inc	130,847	17,516	5,615,528	978,315	R and C
1589	217-55-0200	Tangerine 2021, LLC	60,996	8,166	2,507,698	455,945	R and C
1590	217-55-0210	Tangerine 2021, LLC	8,913	1,193	400,650	66,775	R and C
1591	217-55-0220	CKD Flagstaff, LLC	473,460	63,382	43,886	3,540,012	R and C
1592	217-55-0230	Tangerine 2021, LLC	16,953	2,270	697,296	126,781	R and C
1593	217-55-0240	Tangerine 2021, LLC	146,984	19,677	6,045,754	1,099,228	R and C
1252	217-61-0010	Richmond American Homes	3,439	460	60,248	-	Residential
1253	217-61-0020	Richmond American Homes	3,439	460	359,870	-	Residential
1254	217-61-0030	Richmond American Homes	3,439	460	349,235	-	Residential
1256	217-61-0050	Richmond American Homes	3,439	460	60,248	-	Residential
1257	217-61-0060	Richmond American Homes	3,439	460	60,248	-	Residential
1258	217-61-0070	Richmond American Homes	3,439	460	60,248	-	Residential
1282	217-61-0310	Richmond American Homes	3,439	460	60,248	-	Residential
1284	217-61-0330	Richmond American Homes	3,439	460	60,248	-	Residential
1285	217-61-0340	Richmond American Homes	3,439	460	60,248	-	Residential
1286	217-61-0350	Richmond American Homes	3,439	460	60,248	-	Residential
1287	217-61-0360	Richmond American Homes	3,439	460	60,248	-	Residential
1288	217-61-0370	Richmond American Homes	3,439	460	60,248	-	Residential
1312	217-61-0610	Richmond American Homes	3,439	460	60,248	-	Residential
1313	217-61-0620	Richmond American Homes	3,439	460	60,248	-	Residential
1314	217-61-0630	Richmond American Homes	3,439	460	60,248	-	Residential
1315	217-61-0640	Richmond American Homes	3,439	460	60,248	-	Residential
1369	217-61-1180	Richmond American Homes	3,439	460	60,248	-	Residential
1370	217-61-1190	Richmond American Homes	3,439	460	60,248	-	Residential
1379	217-62-0090	Lennar Arizona, LLC	3,887	520	36,000	-	Residential

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1380	217-62-0100	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1381	217-62-0110	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1382	217-62-0120	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1383	217-62-0130	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1384	217-62-0140	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1385	217-62-0150	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1390	217-62-0200	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1391	217-62-0210	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1392	217-62-0220	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1393	217-62-0230	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1394	217-62-0240	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1395	217-62-0250	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1396	217-62-0260	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1397	217-62-0270	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1398	217-62-0280	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1509	217-62-1390	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1525	217-62-1550	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1526	217-62-1560	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1540	217-62-1700	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1541	217-62-1710	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1542	217-62-1720	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1543	217-62-1730	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1544	217-62-1740	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1545	217-62-1750	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1546	217-62-1760	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1547	217-62-1770	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1548	217-62-1780	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1549	217-62-1790	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1550	217-62-1800	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1551	217-62-1810	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1552	217-62-1820	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1553	217-62-1830	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1554	217-62-1840	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1555	217-62-1850	Lennar Arizona, LLC	$ 3,887	$ 520	$ 36,000	-	Residential
1738	217-62-2140	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1739	217-62-2150	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1740	217-62-2160	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1741	217-62-2170	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1742	217-62-2180	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1743	217-62-2190	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1744	217-62-2200	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1745	217-62-2210	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1746	217-62-2220	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1747	217-62-2230	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1748	217-62-2240	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1749	217-62-2250	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1750	217-62-2260	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1751	217-62-2270	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1752	217-62-2280	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1753	217-62-2290	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1754	217-62-2300	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1755	217-62-2310	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1756	217-62-2320	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1757	217-62-2330	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1758	217-62-2340	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential

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1759	217-62-2350	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1760	217-62-2360	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1761	217-62-2370	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1762	217-62-2380	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1763	217-62-2390	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1764	217-62-2400	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1765	217-62-2410	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1766	217-62-2420	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1767	217-62-2430	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1768	217-62-2440	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1769	217-62-2450	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1770	217-62-2460	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1771	217-62-2470	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1772	217-62-2480	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1773	217-62-2490	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1774	217-62-2500	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1775	217-62-2510	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1776	217-62-2520	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1777	217-62-2530	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1778	217-62-2540	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1779	217-62-2550	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1780	217-62-2560	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1781	217-62-2570	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1782	217-62-2580	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1783	217-62-2590	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1784	217-62-2600	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1785	217-62-2610	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1786	217-62-2620	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1787	217-62-2630	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1788	217-62-2640	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1789	217-62-2650	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1790	217-62-2660	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1791	217-62-2670	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1792	217-62-2680	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1793	217-62-2690	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1794	217-62-2700	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1795	217-62-2710	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1796	217-62-2720	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1797	217-62-2730	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1798	217-62-2740	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1799	217-62-2750	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1800	217-62-2760	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1801	217-62-2770	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1802	217-62-2780	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1803	217-62-2790	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1804	217-62-2800	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1805	217-62-2810	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1806	217-62-2820	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1807	217-62-2830	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1808	217-62-2840	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1809	217-62-2850	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1810	217-62-2860	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1811	217-62-2870	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1812	217-62-2880	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential

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1813	217-62-2890	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1814	217-62-2900	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1815	217-62-2910	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1816	217-62-2920	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1817	217-62-2930	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1818	217-62-2940	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1819	217-62-2950	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1820	217-62-2960	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1821	217-62-2970	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1822	217-62-2980	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1823	217-62-2990	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1824	217-62-3000	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1825	217-62-3010	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1826	217-62-3020	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1827	217-62-3030	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1828	217-62-3040	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1829	217-62-3050	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1830	217-62-3060	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1831	217-62-3070	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1832	217-62-3080	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1833	217-62-3090	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1834	217-62-3100	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1835	217-62-3110	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1836	217-62-3120	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1837	217-62-3130	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1838	217-62-3140	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1839	217-62-3150	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1840	217-62-3160	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1841	217-62-3170	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1842	217-62-3180	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1843	217-62-3190	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1844	217-62-3200	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1845	217-62-3210	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1846	217-62-3220	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1847	217-62-3230	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1848	217-62-3240	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1849	217-62-3250	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1850	217-62-3260	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1851	217-62-3270	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1852	217-62-3280	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1853	217-62-3290	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1854	217-62-3300	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1855	217-62-3310	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1856	217-62-3320	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1857	217-62-3330	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1858	217-62-3340	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1859	217-62-3350	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1860	217-62-3360	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1861	217-62-3370	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1862	217-62-3380	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1863	217-62-3390	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1864	217-62-3400	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1865	217-62-3410	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1866	217-62-3420	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2025

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number 3	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2025 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1867	217-62-3430	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1868	217-62-3440	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1869	217-62-3450	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1870	217-62-3460	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1871	217-62-3470	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1872	217-62-3480	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1873	217-62-3490	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1874	217-62-3500	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1875	217-62-3510	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1876	217-62-3520	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1877	217-62-3530	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1878	217-62-3540	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1879	217-62-3550	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1880	217-62-3560	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1881	217-62-3570	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1882	217-62-3580	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1883	217-62-3590	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1884	217-62-3600	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1885	217-62-3610	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1886	217-62-3620	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1887	217-62-3630	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1888	217-62-3640	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1889	217-62-3650	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1890	217-62-3660	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1891	217-62-3670	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1892	217-62-3680	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1893	217-62-3690	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1894	217-62-3700	DR Horton Inc	$ 2,685	$ 359	$ 36,000	-	Residential
1738	217-62-5440	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1739	217-62-5450	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1740	217-62-5460	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1741	217-62-5470	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1742	217-62-5480	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1743	217-62-5490	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1744	217-62-5500	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1745	217-62-5510	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1746	217-62-5520	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1747	217-62-5530	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1748	217-62-5540	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1749	217-62-5550	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1750	217-62-5560	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1751	217-62-5570	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1752	217-62-5580	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1753	217-62-5590	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1754	217-62-5600	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1755	217-62-5610	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1756	217-62-5620	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1757	217-62-5630	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1758	217-62-5640	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1759	217-62-5650	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1760	217-62-5660	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1761	217-62-5670	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1762	217-62-5680	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1763	217-62-5690	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2025

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2025 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1764	217-62-5700	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1765	217-62-5710	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1766	217-62-5720	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1767	217-62-5730	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1768	217-62-5740	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1769	217-62-5750	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1770	217-62-5760	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1771	217-62-5770	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1772	217-62-5780	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1773	217-62-5790	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1774	217-62-5800	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1775	217-62-5810	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1780	217-62-5860	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1781	217-62-5870	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1782	217-62-5880	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1783	217-62-5890	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1784	217-62-5900	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1785	217-62-5910	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1786	217-62-5920	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1787	217-62-5930	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1788	217-62-5940	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1789	217-62-5950	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1790	217-62-5960	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1791	217-62-5970	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1792	217-62-5980	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1793	217-62-5990	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1794	217-62-6000	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1795	217-62-6010	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1796	217-62-6020	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1797	217-62-6030	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1798	217-62-6040	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1799	217-62-6050	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1800	217-62-6060	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1801	217-62-6070	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1802	217-62-6080	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1803	217-62-6090	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1804	217-62-6100	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1805	217-62-6110	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1806	217-62-6120	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1807	217-62-6130	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1808	217-62-6140	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1809	217-62-6150	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1810	217-62-6160	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1811	217-62-6170	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1812	217-62-6180	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1813	217-62-6190	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1814	217-62-6200	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1815	217-62-6210	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1816	217-62-6220	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1817	217-62-6230	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1818	217-62-6240	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1819	217-62-6250	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1820	217-62-6260	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1821	217-62-6270	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1822	217-62-6280	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2025

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2025 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1823	217-62-6290	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1824	217-62-6300	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1825	217-62-6310	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1826	217-62-6320	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1827	217-62-6330	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1828	217-62-6340	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1829	217-62-6350	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1830	217-62-6360	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1831	217-62-6370	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1832	217-62-6380	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1833	217-62-6390	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1834	217-62-6400	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1835	217-62-6410	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1836	217-62-6420	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1837	217-62-6430	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1838	217-62-6440	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1839	217-62-6450	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1840	217-62-6460	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1841	217-62-6470	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1842	217-62-6480	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1843	217-62-6490	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1844	217-62-6500	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1845	217-62-6510	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1846	217-62-6520	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1847	217-62-6530	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1848	217-62-6540	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1849	217-62-6550	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1850	217-62-6560	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1851	217-62-6570	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1852	217-62-6580	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1853	217-62-6590	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1854	217-62-6600	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1855	217-62-6610	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1856	217-62-6620	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1858	217-62-6640	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1872	217-62-6780	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1873	217-62-6790	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1874	217-62-6800	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1875	217-62-6810	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1876	217-62-6820	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1877	217-62-6830	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1878	217-62-6840	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1879	217-62-6850	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1880	217-62-6860	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1881	217-62-6870	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1882	217-62-6880	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1883	217-62-6890	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1884	217-62-6900	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential
1885	217-62-6910	Lennar Arizona, LLC	$ 2,330	$ 312	$ 10,801	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2025

Schedule 10

Residential Totals:	**340 Active Assessments**	**$ 922,437**	**$ 123,486**	**$ 9,989,203**	**0**
Non-Residential Totals:	**42 Active Assessments**	**$ 5,740,004**	**$ 768,416**	**$ 148,980,308**	**21,506,073**
Totals:	**382 Active Assessments**	**$ 6,662,441**	**$ 891,901**	**$ 158,969,511**	**21,506,073**

(1) Includes capitalized interest on the Bonds as sold
(2) Amount remaining after billing for the 6/1/2025 assessment installment.
(3) As current Full Cash Value data is not available form Pima County for certain parcels that have changed furing Fiscal Year 2024/25, prior year Full Cash Value data has been supplemented where applicable.
(4) The Pima County Assessor does not provide the square footage for most residentail properties.

TOWN OF MARANA
SALES TAX BY INDUSTRY
LAST TEN FISCAL YEARS

Schedule 11

Industry Group	2016	%	2017	%	2018	%	2019	%	2020	%
Construction	$ 6,883,116	19.42%	$ 7,557,292	20.15%	$ 9,825,265	23.57%	$ 10,817,479	25.95%	$ 11,599,116	39.85%
Manufacturing	-	0.00%	-	0.00%	-	0.00%	-	0.00%		
Transportation, Communications, & Utilities	3,919,633	11.06%	3,809,315	10.16%	4,234,220	10.16%	3,987,389	9.57%	3,835,802	13.18%
Wholesale Trade	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Retail Trade	16,305,878	46.01%	17,120,561	45.65%	17,757,284	42.59%	16,403,992	39.36%	16,210,073	55.69%
Restaurant & Bars	3,076,737	8.68%	3,295,734	8.79%	3,616,110	8.67%	3,514,494	8.43%	3,146,078	10.81%
Fire, Insurance & Real Estate	1,339,496	3.78%	1,540,358	4.11%	1,661,010	3.98%	1,648,738	3.96%	1,436,817	4.94%
Hotels & Other Lodging	2,292,705	6.47%	2,558,312	6.82%	2,827,338	6.78%	2,913,545	6.99%	2,566,127	8.82%
Services	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
All Others	1,624,023	4.58%	1,618,648	4.32%	1,768,256	4.24%	2,394,706	5.75%	1,910,780	6.56%
	$ 35,441,588	100.00%	$ 37,500,220	100.00%	$ 41,689,483	100.00%	$ 41,680,343	100.00%	$ 29,105,677	100.00%

Industry Group	2021	%	2022	%	2023	%	2024	%	2025	%
Construction	$ 9,869,708	23.03%	$ 11,299,816	21.68%	$ 21,154,863	30.54%	$ 20,947,739	29.83%	$ 23,835,172	31.10%
Transportation, Communications, & Utilities	4,071,000	9.50%	4,373,856	8.39%	4,804,649	6.94%	5,394,398	7.68%	5,365,929	7.00%
Retail Trade	19,308,702	45.06%	23,737,350	45.55%	28,705,644	41.44%	29,424,449	41.90%	31,618,812	41.26%
Restaurant & Bars	3,489,065	8.14%	4,819,803	9.25%	5,809,785	8.39%	5,920,068	8.43%	6,260,937	8.17%
Fire, Insurance & Real Estate	1,515,124	3.54%	1,711,996	3.29%	1,867,183	2.70%	1,917,938	2.73%	2,169,282	2.83%
Hotels & Other Lodging	2,496,865	5.83%	3,957,813	7.59%	4,090,229	5.90%	3,752,505	5.34%	4,053,343	5.29%
All Others	2,096,172	4.89%	2,210,898	4.24%	2,834,981	4.09%	2,871,498	4.09%	3,331,442	4.35%
	$ 42,846,636	100.00%	$ 52,111,532	100.00%	$ 69,267,334	100.00%	$ 70,228,595	100.00%	$ 76,634,917	100.00%

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

TOWN OF MARANA
EXCISE TAX COLLECTIONS
LAST TEN FISCAL YEARS

Schedule 12

Industry Classification	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Town Sales Tax	$ 35,441,585	$ 37,500,219	$ 41,689,483	$ 41,680,343	$ 41,629,398
State-shared Sales Taxes	3,344,679	3,798,503	4,186,856	4,524,009	4,872,825
State-shared Income Taxes	4,209,300	5,054,592	5,384,669	5,424,305	6,078,686
Licenses and permits	4,468,910	4,848,237	5,573,620	5,774,930	6,021,017
Fines and forfeitures and penalties	579,369	574,884	612,638	527,447	515,514
TOTAL	$ 48,043,843	$ 51,776,435	$ 57,447,266	$ 57,931,034	$ 59,117,440

Industry Classification	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Budgeted 2025/26
Town Sales Tax	$ 42,846,635	$ 52,111,532	$ 69,267,334	70,228,594	$ 76,634,917	$ 71,764,491
State-shared Sales Taxes	5,816,852	7,324,638	8,114,630	8,487,989	9,012,360	9,171,970
State-shared Income Taxes	7,007,072	6,771,044	10,413,667	14,829,456	12,429,693	11,892,816
Licenses and permits	7,248,432	11,190,222	7,776,633	10,017,930	8,677,526	6,345,000
Fines and forfeitures and penalties	436,491	383,241	364,942	410,716	433,127	389,500
TOTAL	$ 63,355,482	$ 77,780,677	$ 95,937,206	$ 103,974,685	$ 107,187,623	$ 99,563,777

Source: Statement of Revenues, Expenditures and changes in Fund Balances

TOWN OF MARANA **Schedule 13**

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)	Leases Payable	Subscriptions Payable	Revenue Bonds (1)	Loans Payable	Total Primary Government	Percentage of Personal Income (4)	Per Capita
2025	$ 64,530	$ 32,141	$ 932	$ 344	$ 204	$ 32,975	$ 14,056	$ 145,183	214.2%	2,278
2024	71,341	30,189	2,245	351	200	34,238	15,173	153,737	240.7%	2,547
2023	39,873	31,017	3,771	357	308	20,052	15,938	111,316	186.2%	1,873
2022	44,828	25,581	5,695	363	-	20,269	16,730	113,466	203.9%	2,090
2021	49,112	18,756	7,529	-	-	20,481	16,777	112,655	200.6%	2,170
2020	53,258	15,100	9,552	-	-	20,687	9,561	108,158	216.5%	2,193
2019	57,301	12,242	12,126	-	-	20,891	3,504	106,064	220.1%	2,256
2018	60,842	8,551	14,200	-	-	21,090	3,202	107,885	276.2%	2,409
2017	63,254	8,794	14,245	-	-	21,248	3,421	110,962	292.6%	2,552
2016	66,715	7,835	15,927	-	-	1,214	3,634	95,325	258.9%	2,307

Notes:

(1) Presented net of original issuance discounts and premiums

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

(3) Bonds issued for Tangerine Farms Road Improvement District, 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, Economic and Business Research Center, The University of Arizona

TOWN OF MARANA **Schedule 14**

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 Funds (2)	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of Property (3)	Net Bonded Debt Per Capita
2025	$ 32,141	$ 2,931	$ 29,210	0.30%	45.84%
2024	30,189	2,280	27,909	0.34%	46.23%
2023	31,017	1,680	29,337	0.43%	49.36%
2022	25,581	1,359	24,222	0.29%	44.12%
2021	18,756	876	17,880	0.29%	34.44%
2020	15,100	872	14,228	0.25%	28.85%
2019	12,242	584	11,658	0.22%	24.80%
2018	8,551	393	8,158	0.17%	18.00%
2017	8,794	387	8,407	0.18%	19.34%
2016	7,835	392	7,443	0.17%	18.02%

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. Cash and investments in Debt Service Funds are restricted as to usage. These assets are restricted for payment of interest and trustee fees, retirement of principal, and to finance various capital projects.

(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), Gladden Farms Community Facilities District II (formed in fiscal year 2007), and the Saguaro Springs Community Facilities District (formed in fiscal year 2007).

Source: General Obligation Bonds

TOWN OF MARANA **Schedule 15**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025
(Amounts expressed in thousands)

Government Unit	Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Pima County *	$ 34,346	8.10%	$ 2,782
Pima County Community College District	44,724	8.31%	3,717
Northwest Fire District	24,711	57.03%	14,093
Flowing Wells Unified School District No. 8	21,840	100.00%	21,840
Marana Unified School District No. 6	210,260	73.35%	154,226
Total overlapping debt			196,657
Gladden Farms Community Facilities District	9,835	100.00%	9,835
Gladden Farms Phase II Community Facilities District	14,849	100.00%	14,849
Saguaro Springs Community Facilities District	7,458	100.00%	7,458
Tangerine Farms Road Improvement District	932	100.00%	932
Town of Marana	65,078	100.00%	65,078
Total direct debt			98,152
Total direct and overlapping debt			$ 294,809

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

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

*Excludes improvement districts

Sources: The various entities

TOWN OF MARANA
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2025

Schedule 16

Legal Debt Margin Calculation for Fiscal Year 2025

Limited Assessed Value	$ 956,329,566
Debt Limit:	-
6% of assessed value	57,379,774
20% of assessed value	191,265,913
Total debt limit:	248,645,687
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	$ 248,645,687

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit equal to 6% of assessed	$ 31,218,157	$ 32,138,944	$ 34,553,958	$ 34,749,542	$ 37,383,083
Debt limit equal to 20% of assessed	104,060,525	107,129,981	115,179,860	115,831,808	124,610,278.20
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 135,278,682	$ 139,268,925	$ 149,733,818	$ 150,581,350	$ 161,993,361
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt limit equal to 6% of assessed	$ 40,264,323	$ 43,133,339	$ 46,600,068	$ 52,225,159	$ 57,379,774
Debt limit equal to 20% of assessed	134,214,411	143,777,798	155,333,558	174,083,865	191,265,913
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 174,478,734	$ 186,911,137	$ 201,933,626	$ 226,309,024	$ 248,645,687
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, Gladden Farms II 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.

Source: Financial Statements; Pima County

TOWN OF MARANA **Schedule 17**
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	
2025	$ 955	$ 555	$ 319	109.3%
2024	913	440	334	118.0%
2023	864	430	347	111.2%
2022	814	420	358	104.7%
2021	748	410	279	108.6%
2020	656	265	262	124.4%
2019	479	205	267	101.6%
2018	492	210	271	102.2%
2017	452	265	295	80.9%
2016	427	250	445	61.4%

	Gladden Farms II Community Facilities District General Obligation Bonds*			
Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2025	$ 682	$ 285	$ 496	87.4%
2024	448	35	569	74.1%
2023	309	35	192	135.7%
2022	142	30	92	116.7%
2021	49	-	50	99.5%
2020	11	-	20	53.7%
2019	-	-	-	0.0%
2018	-	-	-	0.0%
2017	-	-	-	0.0%
2016	-	-	-	0.0%

Notes:

* Bonds issued for Gladden Farms Community Facilities District and Gladden Farms II Community Facilities District, component units of the Town.

TOWN OF MARANA **Schedule 17**
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	Saguaro Springs Community Facilities District General Obligation Bonds**			
Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2025	$ 995	$ 215	$ 255	211.6%
2024	816	275	263	151.8%
2023	686	400	274	101.9%
2022	560	150	223	150.2%
2021	470	160	203	129.7%
2020	364	100	161	139.5%
2019	254	-	73	347.9%
2018	N/A	-	-	N/A
2017	N/A	-	-	N/A
2016	N/A	-	-	N/A

	Tangerine Road Farms Improvement District Special Obligation Bonds***			
Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2025	$ 1,252	$ 1,313	$ 40	92.5%
2024	1,528	1,526	74	95.5%
2023	2,267	1,924	109	111.5%
2022	1,801	1,834	145	91.0%
2021	2,298	2,023	185	104.1%
2020	2,091	2,574	228	74.6%
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%

Notes:

* Bonds issued for Gladden Farms Community Facilities District and Gladden Farms II Community Facilities District, component units of the Town.

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

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

Source: Financial statements and Notes to the Financial Statements

TOWN OF MARANA **Schedule 18**
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2025	63,722	$ 67,785,200	$ 55,038	41.9	12,661	3.1%
2024	60,366	63,871,000	50,327	41.5	12,839	3.9%
2023	59,433	59,768,400	41,273	41.2	12,710	3.3%
2022	54,895	55,643,600	39,007	39.6	12,627	4.0%
2021	51,908	56,168,200	36,182	39.4	12,567	4.9%
2020	49,323	49,961,000	36,282	39.0	12,202	7.7%
2019	47,007	48,185,000	33,488	37.6	12,782	2.8%
2018	44,792	39,063,898	33,111	37.9	12,290	2.8%
2017	43,474	37,926,114	32,646	48.1	12,152	4.3%
2016	41,315	36,821,470	37,107	29.7	12,227	4.7%

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

TOWN OF MARANA **Schedule 19**
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2025		2016	
Employer	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Marana Unified School District	1,783	6.1%	1,404	9.2%
Fry's Food & Drug	1,200	4.1%	240	1.6%
Town of Marana	461	1.6%	339	2.2%
The Ritz-Carlton Dove Mountain	350	1.2%	350	2.3%
Wal-Mart	343	1.2%	183	1.2%
Sargeant Aerospace & Defense	313	1.1%	303	2.0%
Waste Management	300	1.0%	N/A	N/A
Costco	300	1.0%	130	0.8%
Northwest Fire District	291	1.0%	222	1.5%
Marana Main Health Center	250	0.9%	423	2.8%
FLSmidth Krebs	239	0.8%	380	2.5%

Source: Town of Marana Economic Development Department, MUSD, Northwest Fire District, Sargeant Aerospace, Costco

TOWN OF MARANA **Schedule 20**

PRINCIPAL RETAIL AND CONTRACTING SALES TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2025			Fiscal Year 2016		
	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments
RETAIL						
Taxpayer A	$ 3,300,060	1	4.3%	$ 2,249,409	1	6.4%
Taxpayer B	2,434,866	2	2.6%			
Taxpayer C	1,975,322	3	2.4%			
Taxpayer D	1,830,062	4	3.2%	1,418,051	2	4.0%
Taxpayer E	1,431,960	5	1.9%	856,001	3	2.4%
Taxpayer F	1,175,905	6	1.5%			
Taxpayer G	1,026,499	7	1.3%			
Taxpayer H	917,392	8	1.2%	566,797	7	1.6%
Taxpayer I	878,554	9	1.2%	655,764	5	1.9%
Taxpayer J	431,364	10	0.6%			
Taxpayer K				700,756	4	2.0%
Taxpayer L				594,236	6	1.7%
Taxpayer M				376,683	8	1.1%
Taxpayer N				275,305	9	0.8%
Taxpayer O				270,417	10	0.8%
	$ 15,401,984		20.2%	$ 7,693,002		22.7%
CONTRACTING						
Taxpayer A	$ 2,069,117	1	2.7%	$ 508,691	4	1.4%
Taxpayer B	1,972,344	2	2.6%	243,106	6	0.7%
Taxpayer C	1,927,424	3	2.5%			
Taxpayer D	1,680,978	4	2.2%			
Taxpayer E	1,432,482	5	1.9%	636,375	3	1.8%
Taxpayer F	1,338,619	6	1.8%			
Taxpayer G	1,281,959	7	1.7%	401,098	5	1.1%
Taxpayer H	1,068,068	8	1.4%	825,991	2	2.4%
Taxpayer I	1,004,684	9	1.3%			
Taxpayer J	938,484	10	1.2%			
Taxpayer K				880,560	1	2.5%
Taxpayer L				239,881	7	0.7%
Taxpayer M				189,317	8	0.5%
Taxpayer N				186,403	9	0.5%
Taxpayer O				153,976	10	0.4%
	$ 14,714,159		19.3%	$ 4,265,398		12.0%

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

TOWN OF MARANA **Schedule 21**

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General Government	70.9	72.9	73.3	73.3	75.3	75.3	78.3	85.5	88.0	93.0
Public Safety										
Police										
Officers	83.0	85.0	87.0	87.0	90.0	90.0	96.0	102.0	107.0	110.0
Civilians	28.0	28.0	28.0	31.0	31.0	31.0	31.0	31.0	32.0	33.0
Building Safety	13.0	12.0	12.0	13.0	13.0	13.0	14.0	13.0	14.0	16.0
Highways and Streets	35.0	34.0	36.0	39.0	44.0	44.0	46.0	47.0	49.0	51.0
Health and Safety	-	-	2.0	3.0	3.0	3.0	3.0	3.6	3.6	3.6
Culture and recreation	38.5	41.8	41.0	40.0	42.0	42.0	53.0	55.0	55.0	74.0
Economic & Community Development	39.4	43.0	44.5	42.5	39.5	39.5	40.5	46.5	45.5	46.0
Water Utilities	23.0	23.0	24.0	25.2	27.6	27.6	31.6	34.0	35.0	36.0
Wastewater Utilities	40	4.0	5.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0
Municipal Airport	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	5.0
Total	373.8	346.7	355.8	364.0	375.4	375.4	403.4	429.6	441.1	475.6

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

TOWN OF MARANA **Schedule 22**
SINGLE FAMILY RESIDENTIAL PERMITS
LAST TEN FISCAL YEARS

Month	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
January	39	54	82	42	76	99	198	27	118	82
February	58	73	65	43	80	100	102	36	129	73
March	59	76	58	61	88	77	146	60	121	136
April	54	52	60	88	37	100	81	67	110	78
May	37	85	79	71	57	82	59	98	167	92
June	50	63	80	97	111	143	63	80	133	96
July	36	73	79	83	103	99	37	74	108	51
August	47	75	67	62	82	86	36	91	53	39
September	37	40	58	65	73	159	38	91	67	66
October	57	62	63	79	82	128	39	94	83	
November	51	75	74	67	62	86	35	83	48	
December	56	45	59	50	64	96	57	83	55	
Totals for Calendar year	581	773	824	808	915	1,255	891	884	1,192	713
Fiscal year	559	687	794	802	855	1,067	1,303	610	1,020	971

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

TOWN OF MARANA
CAPITAL ASSET STATISTICS BY FUNCTION
AS OF JUNE 30, 2025

Schedule 23

Function	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	128	129	129	131	132	131	135	139	132	156
Highways and Streets										
Street (miles)	518	520	524	540	570	591	618	638	660	669
Culture and Recreation										
Parks	9	9	11	13	14	14	14	14	14	14
Parks Acreage	146	146	158	182	182	182	182	182	182	182
Trails in Miles - Hiking	38	39	39	41	41	41	51	51	51	51
Trails in Miles - Paved	19	21	21	21	24	27	27	27	29	29
Splash Pads	-	1	1	2	2	2	2	2	2	2
Swimming Pools	1	1	1	1	1	1	1	1	1	3
Tennis Courts	6	6	6	6	5	4	5	5	5	5
Pickleball Courts	-	-	-	-	-	3	7	7	7	7
Senior/Community Center	1	1	1	1	1	1	1	1	1	1
Aquatic & Recreation Center	-	-	-	-	-	-	-	-	-	1
Water Systems										
Miles of Water Mains	138	146	149	157	162	169	189	210	223	224
Service Connections	6,745	7,205	7,850	8,533	9,166	9,528	10,292	11,046	12,365	12,713
Water Treatment Campus	-	-	-	-	-	-	2	2	2	2
Wastewater										
Number of Manholes	909	978	1,066	1,235	1,313	1,379	1,990	2,081	2,186	2146*
Sewer Mains (miles)	49.2	53.6	58.5	62.9	66	69	89	93	107	106*
Avg Daily Sewage Treated (MGD)	0.360	0.425	0.480	0.520	0.600	0.659	0.739	0.807	0.984	0.975**

Source: This information is provided from the Town's facility records.
* Private and abandoned assets not included.
** Reported as influent received.

COMPLIANCE SECTION



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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*

Independent Auditors' Report

To the Town Council of
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 (*Government Auditing Standards*), 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 (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 7, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 or significant deficiencies may exist that were not identified.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Tempe, Arizona
January 7, 2026


MARANA AZ
11555 W Civic Center Drive | Marana, AZ 85653
(520) 382-1999 | MaranaAZ.gov

Town of Marana

Annual Expenditure Limitation Report

June 30, 2025

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June 30, 2025

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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 the Town of Marana, Arizona for the year ended June 30, 2025. 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. We have presented the results of our examination in the accompanying schedules.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). 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. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Town of Marana and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Annual Expenditure Limitation Report of the Town of Marana, Arizona is fairly presented in accordance with the Uniform Expenditure Reporting System as described in Note 1, in all material respects.

Baker Tilly US, LLP

Tempe, Arizona
January 7, 2026

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Town of Marana, Arizona

Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2025

1.	Economic Estimates Commission expenditure limitation	$ 306,051,947		
2.	Voter-approved alternative expenditure limitation (approved August 4, 2020)	473,739,474		
3.	Enter applicable amount from line 1 or line 2		$	473,739,474
4.	Amount subject to the expenditure limitation (total amount from Part II, line C)	$ 231,063,640		
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		$	231,063,640
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		$	231,063,640
11.	Amount under (in excess of) the expenditure limitation		$	242,675,834

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 financial officer: _____

Name and title: Yiannis Kalaitzidis, Finance Director

Telephone number: (520) 382-3493

Date: 01/07/2026

See notes to annual expenditure limitation report

Town of Marana, Arizona

Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2025

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Amounts reported on the Reconciliation, line D	$ 194,277,116	$ 30,838,877	$ 5,947,647	$ 231,063,640
B. Less exclusions claimed:				
1. Debt proceeds	-	-	-	-
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. Voter-approved 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	-	-	-	-
C. Amounts subject to the expenditure limitation	$ 194,277,116	$ 30,838,877	$ 5,947,647	$ 231,063,640

See notes to annual expenditure limitation report

Town of Marana, Arizona

Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2025

Description	Govenmental 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	$ 194,546,587	$ 21,212,254	$ 5,947,647	$ 221,706,488
B. Subtractions:				
1. Items not requiring use of current financial resources:				
a. Depreciation	-	5,480,065	-	5,480,065
b. Loss on disposal of capital assets	-	125,153	-	125,153
c. Bad debt expense	-	-	-	-
d. Pension expense	-	356,837	-	356,837
e. Claims incurred but not reported (IBNR)	-	-	-	-
f. Landfill closure and postclosure care costs and pollution remediation	-	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
3. Required fees paid to the Industrial Commission of Arizona	147,168	-	-	147,168
4. Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	122,303	-	-	122,303
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	269,471	5,962,055	-	6,231,526
C. Additions:				
1. Principal payments on long-term debt	-	2,102,269	-	2,102,269
2. Capital asset acquisitions	-	13,155,726	-	13,155,726
3. Amounts paid in the current year but reported as expenses in previous years:				
a. Claims previously recognized as IBNR	-	-	-	-
b. Landfill closure and postclosure care costs and pollution remediation	-	-	-	-
4. Pension contributions paid in the current year	-	330,683	-	330,683
5. Transfers to separate legal entities	-	-	-	-
6. Total additions	-	15,588,678	-	15,588,678
D. Amounts reported on Part II, line A	$ 194,277,116	$ 30,838,877	$ 5,947,647	$ 231,063,640

See notes to annual expenditure limitation report

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 August 4, 2020 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 Fund Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Employee Retirement Systems disclosure.

2. Reconciliation Deductions and Additions

The addition of $2,102,269 for principal payments on long-term debt in the Enterprise Funds consists of $975,989 paid on loans payable and $1,126,280 paid on bonds payable, during the current fiscal year. The addition for the acquisition of capital assets consists of $13,013,333 paid for various capital assets in the Enterprise Funds.

3. Pension Expense and Contributions

The $356,837 subtraction for pension expense consists of changes in the net pension assets and liabilities, and changes in deferred inflows and outflows related to pensions recognized in the current year in the enterprise and internal service funds. The $330,683 addition for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the enterprise and internal service funds. The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash.

	Enterprise Funds
Statement of cash flows:	
Change in net pension asset	$ -
Change in deferred inflows related to pensions	124,790
Change in deferred outflows related to pensions	(10,798)
Change in net pension liability	(87,838)
Total	$ 26,154
AELR, reconciliation:	
Pension contributions, addition	330,683
Pension expense (income), subtraction	356,837
Total	$ 26,154

4. Fees Paid to Industrial Commission of Arizona

The subtraction for required fees State law required the Town to pay that are excluded from the town expenditure limitation consists of payments to the Industrial Commission of Arizona pursuant to A.R.S §23-1703 for the Municipal Firefighter Cancer Reimbursement Fund, which were recorded as a $147,168 expenditure.

Reporting and insights from 2025 audit:

Town of Marana, Arizona

June 30, 2025

This communication is intended solely for the information and use of those charged with governance, and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

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Executive summary

We have completed our audit of the financial statements of the Town of Marana for the year ended June 30, 2025 and have issued our report thereon dated January 7, 2026.

- Financial Statement Audit Report
  - Unqualified opinion
- *Government Auditing Standards* Compliance Report
  - No instances of noncompliance or other matters
  - No identified material weaknesses
- Federal Grants Single Audit Report
  - Major Program – Homeland Security Grant Program
    - No Findings

This presentation supplements our letter to governance dated January 7, 2026 as required by our professional standards.

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. Reasonable assurance is a high level of assurance, but not an absolute level of assurance.
- Assessing the risks of material misstatement of the basic financial statements whether due to fraud or error. Included in that assessment is a consideration of the Town's internal control over financial reporting
- Performing appropriate procedures based upon our risk assessment
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management
- Forming and expressing an opinion based on our audit about whether the basic financial statements prepared by management, with the oversight of those charged with governance:
    - Are free from material misstatement
    - Present fairly in all material respects and in accordance with accounting principles generally accepted in the United States of America
    - -Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by Government Auditing Standards
    - -Considering internal control over compliance with requirements that could have a direct and material effect on major federal programs to design tests of both controls and compliance with identified requirements
    - -Forming and expressing an opinion based on our audit in accordance with *OMB's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) about the entity's compliance with requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs.

- Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities.

Our responsibilities

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance including:

- Internal control matters – Various controls have been tested with no reportable findings.
- Qualitative aspects of the Town's accounting practice including policies, accounting estimates and financial statement disclosures – This can be found on Note 1 of the financial statements
- Significant unusual transactions – All significant and unusual transactions have been audited with no reportable issues.
- Significant difficulties encountered – No difficulties to report
- Disagreements with management – No disagreements to report
- Circumstances that affect the form and content of the auditors' report
- -Audit consultations outside the engagement team – None noted
- Corrected and uncorrected misstatements – No uncorrected misstatements identified
- Other audit findings or issues – No audit findings or issues identified

Required communications

Management's consultations with other accountants

- In some cases, management may decide to consult with other accountants about auditing and accounting matters.
  - Management informed us that and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any instances of known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Town's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the basic financial statements including the effects on the basic financial statements and the adequacy of the related disclosures and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Town's related parties.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Adjusting journal entries
- Preparation of Part II of the Data Collection Form

In addition, we prepared GASB No. 34 conversion entries which are summarized in the, “Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position” and the, “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities” in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including Government Auditing Standards.

*Non-attest services are provided by Baker Tilly Advisory Group, LP

Communications with Town Council and Management

- Expenditure Limitation Report
  - Town was $242.7 million dollars under the voter approved limitation
  - Issued to the Arizona State Auditor General timely

Voter-Approved Expenditure Limitation	$473,739,474
Town Expenditures Subject to Limitation	231,063,640
Amount under the expenditure Limitation	$242,675,834

- Single Audit
  - Town expended $2,498,642 of federal funds in Fiscal Year 2025
  - Major program:
    - Homeland Security Grant Program

Communications with Town Council and Management

- General Fund
  - Fund balance increased by $7 million mainly as a result of an increase in sales tax and charges for services
  - Actual revenues were $13.8 million more than budget
  - Actual expenditures were $19.9 million less than budget

- Highway User Revenue Fund
  - Fund balance decreased by $670K mainly due to an increase in Highway and Streets expenses.
  - Actual revenues were $698K more than budget
  - Actual expenditures were $1.8 million less than budget

Communications with Town Council and Management

- Enterprise Funds
  - Water fund – Development fees of $9.3 million and capital contributions of $7 million led to an increase in net position.
  - Wastewater fund – Development fees of $3.9 million and capital contributions of $3.8 million led to an increase in net position.
  - Airport fund – An increase in total operating expenses led to a decrease in net position.

Questions?



Brian Hemmerle, CPA, CFE
Principal

E: Brian.Hemmerle@bakertilly.com

Council-Regular Meeting **C1**

Meeting Date: 01/20/2026

To: Mayor and Council

From: David L. Udall, Deputy Town Attorney

Date: January 20, 2026

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2026-007: Relating to Water and Wastewater; approving and authorizing the Mayor to sign agreements for construction of water and sewer facilities under private contract with SBH Marana LP, PEI Capital Venture I, L.L.C., and Landmark Title Assurance Agency of Arizona, LLC under Trust No. 2104 for Monarch Block 2 (David Udall)

Discussion:
This agenda item presents water and sewer infrastructure construction agreements pursuant to Section 14-4-3 of the Marana Town Code for Monarch Block 2, which is generally located north of Moore Road, east of Sandario Road, and south of Barnett Road. If approved, these agreements will require the developer to construct water and sewer infrastructure necessary for its development.

Financial Impact:
Per the attached agreements, the developer is responsible for all costs related to the construction of water and sewer infrastructure covered therein.

Staff Recommendation:
Staff recommends approval of Resolution No. 2026-007.

Suggested Motion:

I move to adopt Resolution No. 2026-007, approving and authorizing the Mayor to sign agreements for construction of water and sewer facilities under private contract with SBH Marana LP, PEI Capital Venture I, L.L.C., and Landmark Title Assurance Agency of Arizona, LLC under Trust No. 2104 for Monarch Block 2.

Attachments

Resolution No. 2026-007

Exhibit A - Water Facilities Agreement

Exhibit B - Sewer Facilities Agreement

MARANA RESOLUTION NO. 2026-007

RELATING TO WATER AND WASTEWATER; APPROVING AND AUTHORIZING THE MAYOR TO SIGN AGREEMENTS FOR CONSTRUCTION OF WATER AND SEWER FACILITIES UNDER PRIVATE CONTRACT WITH SBH MARANA LP, PEI CAPITAL VENTURE I, L.L.C., AND LANDMARK TITLE ASSURANCE AGENCY OF ARIZONA, LLC UNDER TRUST NO. 2104 FOR MONARCH BLOCK 2

WHEREAS SBH Marana LP is the master developer of land described and depicted in Block 2 of the Vanderbilt Farms Blocks 1 Thru 13 Final Plat, recorded in the Pima County Recorder's office on July 13, 2005 at Sequence No. 20051340763, as re-platted in Re-Plat of Final Block Plat for Vanderbilt Farms Blocks 1 Thru 13 & 11A, recorded in the Pima County Recorder's office on June 29, 2020 at Sequence No. 20201810353 (the "Subject Property"); and

WHEREAS title to the Subject Property is held by Landmark Title Assurance Agency of Arizona, LLC under Trust No. 2104, and PEI Capital Venture I, L.L.C. is the sole beneficiary of Trust No. 2104; and

WHEREAS Town staff has negotiated an Agreement for Construction of Water Facilities under Private contract and an Agreement for Construction of Sewer Facilities Under Private Contract with SBH, PEI, and Landmark Title under Trust No. 2104 (collectively, the "Facility Service Agreements"); and

WHEREAS the Mayor and Town Council find that entering into the Facility Service Agreements is in the best interests of the Town and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, AS FOLLOWS:

SECTION 1. The Facility Service Agreements, substantially in the same form attached to and incorporated by this reference in this resolution as Exhibits A and B, are hereby approved and the Mayor is hereby authorized and directed to sign them for and on behalf of the Town of Marana.

SECTION 2. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, and objectives of the agreements.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 20th day of January, 2026.

_____
Mayor Jon Post

ATTEST:

_____
Jill McCleary, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF WATER FACILITIES UNDER PRIVATE CONTRACT

Monarch Block 2

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), SBH MARANA LP, an Arizona limited partnership ("SBH"), PEI CAPITAL VENTURE I, L.L.C., an Arizona limited liability company ("PEI"), and LANDMARK TITLE ASSURANCE AGENCY OF ARIZONA, LLC, an Arizona limited liability company, solely in its capacity as trustee under Trust No. 2104, and not in its corporate capacity (the "Owner"). SBH and PEI are collectively referred to in this Agreement as the "Developer." The Town, and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code, as it may be amended from time to time ("Marana Town Code Title 14").

B. SBH is the master developer of land described and depicted in Block 2 of the Vanderbilt Farms Blocks 1 Thru 13 Final Plat, recorded in the Pima County Recorder's office on July 13, 2005 at Sequence No. 20051340763, as re-platted in Re-Plat of Final Block Plat for Vanderbilt Farms Blocks 1 Thru 13 & 11A, recorded in the Pima County Recorder's office on June 29, 2020 at Sequence No. 20201810353, which land area is referred to in this Agreement as the "Subject Property."

C. Title to the Subject Property is held by the Owner. PEI is the sole beneficiary of Landmark Title Assurance Agency of Arizona, LLC Trust No. 2104 (the Owner), and to the extent the trust's interests are implicated, is signing this Agreement in its capacity as sole beneficiary of the trust.

D. For purpose of this Agreement, "Developer" refers to any and all entities that shall develop the property pursuant to this Agreement, including PEI and SBH and successor developers and builders.

E. The Developer desires for the Town to provide water service to the Subject Property.

F. As a condition of securing water service from the Town for the Subject Property, the Developer agrees to install those certain water infrastructure improvements (the "Developer-Installed Facilities") in accordance with the required plans, specifications, and materials as outlined and depicted in (1) the Off-Site Public Water Improvement Plan for Monarch Block 2, Phases 1-3 – Clark Farms Blvd Sta 50+07.16 to Sta 76+58.85, Plan No. ENG 2505-007, sealed by Bowman Consulting Group on September 29, 2025 and approved by the Town of Marana on October 8, 2025, (2) the

Public Water Improvement Plan – Monarch Block 2, Phase 1 – Lots 1 Through 104, Plan No. ENG2504-003, sealed by Bowman Consulting Group on September 29, 2025 and approved by the Town of Marana on October 2, 2025, (3) the Public Water Improvement Plan – Monarch Block 2, Phase 2 – Lots 105 Through 219 and Lots 230 Through 249, Plan No. ENG2504-006, sealed by Bowman Consulting Group on September 29, 2025 and approved by the Town of Marana on October 2, 2025, and (4) the Public Water Improvement Plan – Monarch Block 2, Phase 3 – Lots 220 Through 229 and Lots 250 Through 350, Plan No. ENG2504-009, sealed by Bowman Consulting Group on September 29, 2025 and approved by the Town of Marana on October 2, 2025, (together, the "Facility Plans"), each of which is on file in the office of the Town of Marana Water Department.

G. Also as condition of securing water service from the Town for the Subject Property, the Developer agrees to install certain non-potable water infrastructure improvements in accordance with the required plans, specifications, and materials as outlined and depicted in the CMID Non-Potable Water Plan Block 2 Clark Farms Blvd Sta. 50+01.88 to Sta. 76+55.73 sealed by Bowman Consulting Group on September 29, 2025 and accepted by the Cortaro-Marana Irrigation District (CMID) on October 3, 2025 (the "CMID Non-Potable Water Improvements"), which is also on file with the Water Department.

H. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facilities.

I. The Town is willing to accept the Developer-Installed Facilities and permit them to be connected to the Town water system provided they meet Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facilities

1.1. *Developer installation of the CMID Non-Potable Water Improvements.* In coordination with and to the satisfaction of CMID, the Developer shall install the CMID Non-Potable Water Improvements.

1.2. *Developer installation of the Developer-Installed Facilities*. The Developer has designed and shall install, at the Developer's own expense, the Developer-Installed Facilities as depicted in the Facility Plans. The Developer-Installed Facilities shall conform to the design standards of the City of Tucson Water Department and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plans shall include a plan note identifying the Developer-Installed Facilities as a new water facility and shall show any and all alterations to the existing water system. Construction and installation of the Developer-Installed Facilities in accordance with the Facility Plans,

including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.3. *Work by licensed contractor.* The Work shall be performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors. In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor shall hold contractor's license classifications A, A-12 and A-16.

1.4. *Payment of connection fees*. Before any service connections are made from the Town's water system to the Developer-Installed Facilities, the person or entity seeking the service connection shall pay to the Town the connection fees and any other fees required under Marana Town Code Title 14, including, but not limited to, any and all applicable oversizing recovery charges (also commonly referred to as "protected facility fees").

1.5. *Anticipated cost per meter*. The person or entity seeking installation of a meter from the Town shall pay all applicable fees and charges in effect at the time of the meter installation request. As of the effective date of this Agreement, the Town's fees and charges to install a five-eighths-inch water meter on the Subject Property are detailed below. Note that larger meters incur higher fees.

1.5.1. Meter Install Fee: $360.00

1.5.2. Water Infrastructure Development Impact Fee: $3,356.00

1.5.3. Water Resource Development Impact Fee: $3,483.00

1.5.4. Wastewater Development Impact Fee: $3,746.00

1.6. *Developer-Installed Facilities acceptance by Town*. No service connections shall be made from the Town's water system to the Developer-Installed Facilities until the Developer-Installed Facilities has been accepted by the Town in accordance with Marana Town Code Title 14.

1.7. *Developer's certification*. Execution of this Agreement certifies that the Developer has reviewed the Facility Plans and all other specifications applicable to the Work and has approved and agrees with the location of all service lines.

1.8. *Termination for lack of Work*. Approval of the Facility Plans shall lapse and this Agreement shall terminate if the Work has not commenced within one year of the date of this Agreement, or if the Work is discontinued for a period of one year.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer shall employ a registered Civil Engineer registered in the State of Arizona to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plans.

2.2. *Town inspector's authority*. Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions*. The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost*. If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Preconstruction Procedure

3.1. *Request to begin construction*. The Developer shall submit a written request to the Town to begin construction a minimum of five working days before the Work is to commence.

3.2. *Construction permit*. This Agreement shall be completed, signed and notarized, and returned to the Town prior to issuance of a construction permit for the Work.

3.3. *Start and completion of the Work*. No portion of the Work shall begin until the Marana Water Department has issued a water permit and the Town has issued a construction permit specifying the starting date and a reasonable time for completion.

3.4. *Progress of the Work*. The Work shall be commenced and carried on at such points and in such order as may be directed by the Town.

3.5. *Materials sampling and testing*. Materials shall be available for sampling and testing by the Town prior to being used in the Work. Materials that fail to meet Town specification shall be removed from the site.

3.6. *Permits and approvals*. The Developer shall, at Developer's expense, obtain all necessary permits and licenses for the Work, pay all fees and comply with all laws, ordinances and regulations relating to the Work.

4. Construction

4.1. *Developer's presence on site*. The Developer, or Developer's designated agent, shall be present at all times during performance of the Work. The name of the Developer's designated agent and the contractor performing the Work shall be furnished to the Town before the Work begins. Instructions given by the Town to the

designated agent shall be deemed to have been given to the Developer.

4.2. *Competence and diligence*. The Developer shall employ only competent and efficient laborers, mechanics or artisans on the Work, and the Developer agrees to perform diligently to complete the Work on or before the completion date given in the notice to proceed.

4.3. *Paving*. The Developer shall identify and locate all water valves prior to paving and set valve boxes to final grade after paving.

4.4. *Alterations to the existing Town water system*. The Developer shall, at the Developer's own expense, make any and all alterations to the existing water system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4.5. *Worksite safety*. The Developer shall require all contractors and subcontractors performing any portion of the Work to comply with all safety requirements of the Occupational Safety and Hazards Act as set forth by the Federal Government and as implemented by the State of Arizona. The Developer or its contractors shall be solely responsible for all fines or other penalties provided for by law for any violations of the Occupational Safety Hazards Act.

5. Dedication

5.1. *Transfer of the Developer-Installed Facilities to the Town*. Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facilities free and clear of all liens, claims, charges or encumbrances.

5.2. *Two-year warranty*. The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of two years from the date of the Town's final acceptance of the Work.

5.3. *Other conflicting construction prohibited*. The Developer shall not construct or allow the construction of any utility, structure, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facilities.

5.4. *Developer's obligation to maintain finished grade*. The Developer guarantees that all service lines, meters, and meter boxes on the Subject Property will be to finished grade and that the Developer will remain responsible for raising or lowering said services as required until the Subject Property is fully developed.

5.5. *Acceptance by the Town*. The Town shall accept title to and take possession of the Developer-Installed Facilities when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facilities after taking over possession of it under this paragraph.

6. Miscellaneous

6.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facilities.

6.2. *Binding effect.* This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

6.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

6.4. *Cancellation for conflict of interest.* This Agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

6.5. *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and attached to a single instrument so that the signatures of all Parties may be physically attached to a single document.

6.6. *Entirety and Amendments.* This Agreement embodies the entire agreement between the Parties and supersedes all prior agreements and understandings, if any, relating to the transaction described herein. This Agreement may be amended or supplemented only by an instrument in writing executed by the Parties.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: _____
Jon Post, Mayor

Date: _____

ATTEST:

_____
Jill McCleary, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

[Notary Page Follows.]

The "Developer":

SBH MARANA LP, an Arizona limited partnership
By: AGS LLC, an Arizona limited liability company, its General Partner

By: _____
Sean T. Walters
Manager

Date: _____

PEI CAPITAL VENTURE I, L.L.C., an Arizona limited liability company

By: _____
Donald M. Edwards
Manager

Date: _____

The "Owner":

LANDMARK TITLE ASSURANCE AGENCY OF ARIZONA, LLC, an Arizona limited liability company, solely in its capacity as trustee under Trust No. 2104 and not in its corporate capacity

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
ss
County of Pima)

The foregoing instrument was acknowledged before me on _____, 20__, by Sean T. Walters, Manager of AGS LLC, an Arizona limited liability company, General Partner of SBH MARANA LP, an Arizona limited partnership, on behalf thereof.

(Seal)

_____
Notary Public

STATE OF ARIZONA)
ss
County of Pima)

The foregoing instrument was acknowledged before me on _____, 20__, by Donald M. Edwards, Manager of PEI CAPITAL VENTURE I, L.L.C., an Arizona limited liability company, on behalf thereof.

(Seal)

_____
Notary Public

STATE OF ARIZONA)
ss
County of Pima)

The foregoing instrument was acknowledged before me on _____, 20__, by _____, the _____ of LANDMARK TITLE ASSURANCE AGENCY OF ARIZONA, LLC, an Arizona limited liability company, solely in its capacity as trustee under Trust No. 2104 and not in its corporate capacity, on behalf thereof.

(Seal)

_____
Notary Public

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF SEWER FACILITIES UNDER PRIVATE CONTRACT

Monarch Block 2 & New Sewer Lines to Block 9, Block 10 and Future W. Clark Farms Blvd.

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), SBH MARANA LP, an Arizona limited partnership ("SBH"), PEI CAPITAL VENTURE I, L.L.C., an Arizona limited liability company ("PEI"), and LANDMARK TITLE ASSURANCE AGENCY OF ARIZONA, LLC, an Arizona limited liability company, solely in its capacity as trustee under Trust No. 2104, and not in its corporate capacity (the "Owner"). SBH and PEI are collectively referred to in this Agreement as the "Developer." The Town, and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code, as it may be amended from time to time ("Marana Town Code Title 14").

B. SBH is the master developer of land described and depicted in Blocks 2, 9, and 10 of the Vanderbilt Farms Blocks 1 Thru 13 Final Plat, recorded in the Pima County Recorder's office on July 13, 2005 at Sequence No. 20051340763, as re-platted in Re-Plat of Final Block Plat for Vanderbilt Farms Blocks 1 Thru 13 & 11A, recorded in the Pima County Recorder's office on June 29, 2020 at Sequence No. 20201810353, which land area is referred to in this Agreement as the "Subject Property."

C. Title to the Subject Property is held by the Owner. PEI is the sole beneficiary of Landmark Title Assurance Agency of Arizona, LLC Trust No. 2104 (the Owner), and to the extent the trust's interests are implicated, is signing this Agreement in its capacity as sole beneficiary of the trust.

D. For purpose of this Agreement, "Developer" refers to any and all entities that shall develop the property pursuant to this Agreement, including PEI and SBH and successor developers and builders.

E. The Developer desires for the Town to provide sewer service to the Subject Property.

F. As a condition of securing sewer service from the Town for the Subject Property, the Developer agrees to install those certain sewer infrastructure improvements (the "Developer-Installed Facilities") in accordance with the required plans, specifications, and materials as outlined and depicted in (1) the Off-Site Public Sewer Improvement Plan for Monarch Block 2, Phases 1-3 – Clark Farms Blvd Station 50+02.21 to Station 76+58.85, Plan No. ENG2505-019, sealed by Bowman Consulting

Group on September 29, 2025, and approved by the Town of Marana on October 2, 2025, (2) the Public Sewer Improvement Plan – Monarch Block 2 – Phase 1, Lots 1 Through 104, Plan No. ENG2504-002, sealed by Bowman Consulting Group on July 30, 2025, and approved by the Town of Marana on September 2, 2025, (3) the Public Sewer Improvement Plan – Monarch Block 2 – Phase 2, Lots 105-219 & 230-249, Plan No. ENG2504-005, sealed by Bowman Consulting Group on September 11, 2025, and approved by the Town of Marana on October 1, 2025, (4) the Public Sewer Improvement Plan – Monarch Block 2 – Phase 3, Lots 220-229 & 250-350, Plan No. ENG2504-008, sealed by Bowman Consulting Group on September 18, 2025, and approved by the Town of Marana on October 1, 2025, and (5) the Public Sewer Improvement Plan – Clark Farms Blvd – New Sewer Lines to Block 9, Block 10 and Future W Clark Farks Blvd, Plan No. ENG2505-018, sealed by Bowman Consulting Group on August 27, 2025, and approved by the Town of Marana on September 17, 2025, (together, the "Facility Plans"), each of which is on file in the office of the Town of Marana Water Department.

G. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facilities.

H. The Town is willing to accept the Developer-Installed Facilities and permit them to be connected to the Town sewer system provided they meet Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facilities

1.1. *Developer installation of the Developer-Installed Facilities*. The Developer has designed and shall install, at the Developer's own expense, the Developer-Installed Facilities as depicted in the Facility Plans. The Developer-Installed Facilities shall conform to the design standards of the Pima County Regional Wastewater Reclamation Department and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plans shall include a plan note identifying the Developer-Installed Facilities as new sewer facilities and shall show any and all alterations to the existing sewer system. Construction and installation of the Developer-Installed Facilities in accordance with the Facility Plans, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.2. *Work by licensed contractor.* The Work shall be performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors. In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor shall hold contractor's license classifications A, A-12 and A-16.

1.3. *Payment of connection fees*. Before any service connections are made from the Town's sewer system to the Developer-Installed Facilities, the person or entity seeking the service connection shall pay to the Town the connection fees and any other fees required under Marana Town Code Title 14, including, but not limited to, any and all applicable oversizing recovery charges (also commonly referred to as "protected facility fees").

1.4. *Developer-Installed Facilities acceptance by Town*. No service connections shall be made to the Developer-Installed Facilities until the Developer-Installed Facilities have been accepted by the Town in accordance with Marana Town Code Title 14.

1.5. *Developer's certification*. Execution of this Agreement certifies that the Developer has reviewed the Facility Plans and all other specifications applicable to the Work and has approved and agrees with the location of all service lines.

1.6. *Termination for lack of Work*. Approval of the Facility Plans shall lapse and this Agreement shall terminate if the Work has not commenced within one year of the date of this Agreement, or if the Work is discontinued for a period of one year.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer shall employ a registered Civil Engineer registered in the State of Arizona to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plans.

2.2. *Town inspector's authority*. Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions*. The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost.* If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Preconstruction Procedure

3.1. *Request to begin construction*. The Developer shall submit a written request to the Town to begin construction five working days before the Work is to commence.

3.2. *Construction permit*. This Agreement shall be completed, signed and notarized, and returned to the Town prior to issuance of a construction permit for the Work.

3.3. *Start and completion of the Work*. No portion of the Work shall begin until the Town has issued a construction permit specifying the starting date and a reasonable time for completion.

3.4. *Progress of the Work*. The Work shall be commenced and carried on at such points and in such order as may be directed by the Town.

3.5. *Materials sampling and testing*. Materials shall be available for sampling and testing by the Town prior to being used in the Work. Materials that fail to meet Town specification shall be removed from the site.

3.6. *Permits and approvals*. The Developer shall, at Developer's expense, obtain all necessary permits and licenses for the Work, pay all fees and comply with all laws, ordinances and regulations relating to the Work.

4. Construction

4.1. *Developer's presence on site*. The Developer, or Developer's designated agent, shall be present at all times during performance of the Work. The name of the Developer's designated agent and the contractor performing the Work shall be furnished to the Town before the Work begins. Instructions given by the Town to the designated agent shall be deemed to have been given to the Developer.

4.2. *Competence and diligence*. The Developer shall employ only competent and efficient laborers, mechanics or artisans on the Work, and the Developer agrees to perform diligently to complete the Work on or before the completion date given in the notice to proceed.

4.3. *Alterations to the existing Town sewer system*. The Developer shall, at the Developer's own expense, make any and all alterations to the existing sewer system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4.4. *Worksite safety*. The Developer shall require all contractors and subcontractors performing any portion of the Work to comply with all safety requirements of the Occupational Safety and Hazards Act as set forth by the Federal Government and as implemented by the State of Arizona. The Developer or its contractors shall be solely responsible for all fines or other penalties provided for by law for any violations of the Occupational Safety Hazards Act.

5. Dedication

5.1. *Transfer of the Developer-Installed Facilities to the Town*. Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facilities free and clear of all

liens, claims, charges or encumbrances.

5.2. *Two-year warranty*. The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of two years from the date of the Town's final acceptance of the Work.

5.3. *Other conflicting construction prohibited*. The Developer shall not construct or allow the construction of any utility, structure, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facilities.

5.4. *Developer's obligation to maintain finished grade*. The Developer guarantees that all service lines and other sewer facilities on the Subject Property will be to finished grade and that the Developer will remain responsible for raising or lowering said services as required until the Subject Property is fully developed.

5.5. *Acceptance by the Town*. The Town shall accept title to and take possession of the Developer-Installed Facilities when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facilities after taking over possession of it under this paragraph.

6. Miscellaneous

6.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facilities.

6.2. *Binding effect.* This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

6.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

6.4. *Cancellation for conflict of interest.* This Agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

6.5. *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and attached to a single instrument so that the signatures of all Parties may be physically attached to a single document.

6.6. *Entirety and Amendments.* This Agreement embodies the entire agreement between the Parties and supersedes all prior agreements and understandings, if any,

relating to the transaction described herein. This Agreement may be amended or supplemented only by an instrument in writing executed by the Parties.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: _____
Jon Post, Mayor

Date: _____

ATTEST:

_____
Jill McCleary, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

[Notary Page Follows.]

The "Developer":

SBH MARANA LP, an Arizona limited partnership
By: AGS LLC, an Arizona limited liability company, its General Partner

By: _____
Sean T. Walters
Manager

Date: _____

PEI CAPITAL VENTURE I, L.L.C., an Arizona limited liability company

By: _____
Donald M. Edwards
Manager

Date: _____

The "Owner":

LANDMARK TITLE ASSURANCE AGENCY OF ARIZONA, LLC, an Arizona limited liability company, solely in its capacity as trustee under Trust No. 2104 and not in its corporate capacity

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
ss
County of Pima)

The foregoing instrument was acknowledged before me on _____, 20__, by Sean T. Walters, Manager of AGS LLC, an Arizona limited liability company, General Partner of SBH MARANA LP, an Arizona limited partnership, on behalf thereof.

(Seal)

_____
Notary Public

STATE OF ARIZONA)
ss
County of Pima)

The foregoing instrument was acknowledged before me on _____, 20__, by Donald M. Edwards, Manager of PEI CAPITAL VENTURE I, L.L.C., an Arizona limited liability company, on behalf thereof.

(Seal)

_____
Notary Public

STATE OF ARIZONA)
ss
County of Pima)

The foregoing instrument was acknowledged before me on _____, 20__, by _____, the _____ of LANDMARK TITLE ASSURANCE AGENCY OF ARIZONA, LLC, an Arizona limited liability company, solely in its capacity as trustee under Trust No. 2104 and not in its corporate capacity, on behalf thereof.

(Seal)

_____
Notary Public

Council-Regular Meeting **C2**

Meeting Date: 01/20/2026

To: Mayor and Council

Submitted For: Ricardo Carlos, Technology Services Director

From: Ricardo Carlos, Technology Services Director

Date: January 20, 2026

Strategic Plan Focus Area:
Proactive Public Services

Subject: Relating to Procurement; approving a change order to the contract with N Harris Computer Corp. in the amount of $101,327.90 for the New Permitting/Licensing System project; authorizing the transfer of appropriations, if necessary, for the change order; and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order (Ricardo Carlos)

Discussion:

Marana Town Code ("MTC") Section 3-4-7(B)(3) provides that Town Council approval is necessary for change orders that individually or cumulatively exceed the amounts set forth in MTC 3-4-8(A)(3).

The budget for fiscal year 2025-2026 was adopted on June 17, 2025 and included the New Permitting/Licensing System project (the "Project"). The Project was properly included within the Town of Marana's FY2026 budget. Effective July 3, 2023, the Town and N Harris Computer Corp. (the "Consultant") entered into a software license and support agreement (the "Agreement") for Project implementation services in the amount of $563,772.34. Since then, the following 3 amendments to the Project have been executed involving change orders:

1. Adding 15 software user licenses
2. Personally identifiable information (PII) protection enhancements
3. Validation Services license and setup for automated testing of the custom configuration for the Town.

To date, the total of all change orders for the N Harris Computer Corp. contract is $82,687.16.

The scope of work for the system implementation is being expanded to add software security enhancements, Validation Services test script writing, additional estimated travel expenses for on-site staff training (actual expenses will be determined at a later date), and 20 software user licenses for the Town staff members who are required to use the new system to be launched in 2026.

The cost of this change order is $101,327.90. This will bring the total of the N Harris Computer Corp. contract to $747,787.40.

If adopted, the resolution accompanying this agenda item will authorize the $101,327.90 change order for the additional software security enhancements, Validation Services script writing, additional travel expenses for on-site staff training, and 20 software user licenses.

Financial Impact:

Fiscal Year:	2026
Budgeted Y/N:	Y
Amount:	$101,327.90

Funding is available in the IT department budget for fiscal year 2026. No additional transfers of appropriations will be necessary for this change order.

Staff Recommendation:

Staff recommends approval of the change order.

Suggested Motion:

I move to approve the change order to the contract with N Harris Computer Corp. in the amount of $101,327.90 for the New Permitting/Licensing System project; authorizing the transfer of appropriations, if necessary, for the change order; and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order.

Attachments

No file(s) attached.

Council-Regular Meeting **A1**

Meeting Date: 01/20/2026

To: Mayor and Council

From: Brian Varney, Senior Planner

Date: January 20, 2026

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Ordinance No. 2026.004; Relating to Development; amending Marana Ordinance No. 2013.003, which approved the rezoning of approximately 462 acres of land generally located west of Sandario Road between Grier Road and Marana Road from "A" (Small Lot Zone) to "F" (Specific Plan), creating the Marana Towne Center Specific Plan, by revising rezoning conditions related to transportation improvements and revising other rezoning conditions to conform to intervening Town actions, current Town policies, and current Arizona law (Brian D. Varney)

Discussion:

Post & Lebsock, PLLC, representing the property owners, Desert Heritage Limited Partnership, et.al., is requesting approval to amend several rezoning conditions of Marana Ordinance No. 2013.003, the ordinance adopting the Marana Towne Center Specific Plan. The Town Council approved Ordinance No. 2013-003 on March 5, 2013.

At the time Ordinance No. 2013.003 was adopted and the Marana Towne Center Specific Plan was approved, the Town did not have a transportation impact fee for the Northwest Marana benefit area, which is where the Marana Towne Center is located. The rezoning ordinance included a condition that required the developer to contribute "proportionally" to the design and construction of regional transportation infrastructure based upon anticipated impacts of proposed development within the specific plan area as determined largely by a traffic impact analysis. The amount of these contributions to satisfy the proportionality requirement was ambiguous and would inevitably vary depending upon proposed land uses. Since the adoption of Ordinance No. 2013.003, the Town adopted Ordinance No. 2017.029 on

December 19, 2017, establishing the Northwest Streets Facilities Development Impact Fee to fund public roadway improvements within the benefit area.

The proposed amendments to Ordinance No. 2013.003 include:

1. Condition No. 2 is proposed to be amended to remove the obligation of the property owners to dedicate right-of-way for Marana Main Street, as this has already been completed. The obligation of the owner to dedicate right-of-way for Tangerine Farms Road remains. Additional obligations include dedication of right-of-way for Sanders Road, Marana Road west of Sanders Road, Grier Road and Sandario Road.

2. Condition No. 4 which required the owner to design and construct the section of Tangerine Farms Road extending through Marana Towne Center Specific Plan area, is proposed to be deleted, as the Town has included this extension project in the 2022 Streets Facilities Infrastructure Improvements Plan supporting development impact fees, and the project is currently in the design phase.

3. Condition No. 5 is proposed to be amended to remove the requirement for the owners to contribute proportionally to the cost of design and construction of certain transportation improvements in the area based upon the project's impact as determined largely by a traffic impact analysis, and to replace this language with language that acknowledges that the owners will be required to pay the Northwest Streets Facilities Development Impact Fee to fund public roadway improvements within the benefit area, including the Tangerine Farms Road Extension, portions of Marana Main Street, and improvements to the Marana Road / I-10 traffic interchange, which assures that the owners contribute proportionately to the necessary transportation improvements for the development.

4. Other conditions are proposed to be amended to conform to intervening Town actions, current Town policies, and current Arizona law.

Public Notification
This public hearing was appropriately noticed in The Daily Territorial, and all property owners within 300 feet of the boundary of the specific plan area were noticed by U.S. Mail of the date, time, and topic of the public hearing. Additional notice was posted at various locations within the community, and the subject property was physically posted with a public notice sign.

Case Analysis Review Criteria
Pursuant to Town Code Section 17-3-1(D), the Planning Commission and Town Council shall consider the following questions, at a minimum, in reviewing an application for rezoning:

1. Any change of character in the area due to installation of public facilities, other zone changes, new growth trends, deterioration, and development;
Based upon the requirements and conditions, the rezoning amendment does not appear to

be detrimental to the character of the area due to installation of public facilities or any other rezoning changes;

2. The degree to which the proposed zoning will benefit the community; whether there will be benefits derived by the community, or area, by granting the proposed rezoning;
   With the acceptance of the recommended conditions, this rezoning amendment will benefit the community by providing additional residential, commercial and industrial options;

3. Whether the proposed rezoning is compatible with the surrounding area or whether there will be adverse impacts on the capacity or safety of the portion of street network influenced by the rezoning, parking problems, or environmental impacts that the new use will generate such as excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances;
   Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding area, and it does not appear that it will adversely impact the adjacent street network or generate excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances;

4. Whether the proposal conforms with and is in furtherance of the implementation of the goals and policies of the general plan, other adopted plans, and the goals, objectives and policies of the land development code, and other town regulations and guidelines, including goals and policies relating to economic development;
   With the acceptance of the recommended conditions, the rezoning amendment conforms with the goals and policies of the general plan, the land development code, and other town regulations and guidelines. Development within the specific plan area will be subject to standard Town policies and procedures for development planning including subdivision platting and development plan review and approval;

5. The zoning districts and existing land uses of the surrounding properties;
   Based on the recommended requirements and conditions, the rezoning amendment is compatible with the zoning of the surrounding properties and existing land uses;

6. Whether the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development;
   With the acceptance of the recommended conditions, the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development;

7. Whether the existing and proposed utility infrastructure, public facilities, and public services are suitable and adequate to serve the proposed rezoning area;
   Based upon the rezoning requirements and conditions, there is adequate utility infrastructure, public facilities, and public services in the area to serve the proposed rezoning area;

8. Whether the subject property is suitable for the uses to which it has been restricted under the existing zoning classification;

Based upon the rezoning requirements and conditions, the subject property is suitable for the proposed uses;

9. Whether the rezoning is compatible with the adjacent neighborhood, especially residential neighborhood stability and character;
   Based upon the rezoning requirements and conditions, this rezoning amendment is compatible with the adjacent neighborhood in area stability and character;

10. If applicable, the length of time the subject property has remained vacant as zoned;
    The subject property has remained vacant since annexation into the Town; however, it has been used in an agricultural / farming capacity for many years;

11. Whether there is an adequate supply of land available in the subject area and the surrounding community to accommodate the zoning and community needs;
    Based upon the rezoning amendment subject area location, there is an adequate supply of land available in the area and the surrounding community to accommodate the zoning and community needs.

Staff Recommendation:

This is a discretionary item for the Town Council to consider. Should the Council choose to approve this item, staff recommends it be based upon the recommended findings and subject to the conditions set forth in the attached draft ordinance.

Planning Commission Recommendation:

The proposed amendments were considered at a public hearing before the Marana Planning Commission on December 10, 2025. The Commission voted unanimously 6-0 to recommend to the Town Council approval of the proposed rezoning ordinance amendment subject to the recommended conditions.

Suggested Motion:

I move to adopt Ordinance No. 2026.004, approving the proposed amendments to Marana Ordinance No. 2013.003, subject to the recommended conditions.

Attachments

Ordinance No. 2026.004
Location Map
Ordinance No. 2013.003
Application

MARANA ORDINANCE NO. 2026.004

RELATING TO DEVELOPMENT; AMENDING MARANA ORDINANCE NO. 2013.003, WHICH APPROVED THE REZONING OF APPROXIMATELY 462 ACRES OF LAND GENERALLY LOCATED WEST OF SANDARIO ROAD BETWEEN GRIER ROAD AND MARANA ROAD FROM "A" (SMALL LOT ZONE) TO "F" (SPECIFIC PLAN), CREATING THE MARANA TOWNE CENTER SPECIFIC PLAN, BY REVISING REZONING CONDITIONS RELATED TO TRANSPORTATION IMPROVEMENTS AND REVISING OTHER REZONING CONDITIONS TO CONFORM TO INTERVENING TOWN ACTIONS, CURRENT TOWN POLICIES, AND CURRENT ARIZONA LAW

WHEREAS Desert Heritage Limited Partnership, the TST Chu Family Trust, and the Tze Shar Tom Chu Family and Susan Ong Trust (collectively, the "Property Owners") collectively own approximately 444 acres of the 462 acres of land included within the Marana Towne Center Specific Plan, generally located west of Sandario Road between Grier Road and Marana Road, described and depicted on Exhibit "A" attached to and incorporated within Marana Ordinance No. 2013.003 (the "Property"); and

WHEREAS, on March 5, 2013, the Mayor and Town Council adopted Ordinance No. 2013.003 rezoning the Property from "A" (Small Lot Zone) to "F" (Specific Plan), creating the Marana Towne Center Specific Plan; and

WHEREAS the Property Owners have submitted an application to amend Ordinance No. 2013.003 (this "Amendment Request") to revise rezoning conditions related to transportation improvements; and

WHEREAS the conditions of rezoning set forth in Marana Ordinance No. 2013.003 include provisions inconsistent with Town of Marana actions that have occurred in the intervening years and current Town of Marana policies; and

WHEREAS this ordinance makes other revisions to the conditions of rezoning to conform to current Town of Marana policies and standard conditions; and

WHEREAS the Marana Planning Commission held a public hearing on this Amendment Request on December 10, 2025, and voted unanimously 6-0 (with one Commissioner absent) to recommend that the Town Council approve this Amendment Request and the other ordinance revisions; and

WHEREAS the Marana Town Council held a public hearing on this Amendment Request on January 20, 2026, and determined that the Amendment Request and other ordinance revisions should be approved.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. Marana Ordinance No. 2013.003 is hereby amended by revising the conditions of rezoning as noted below (with deletions shown with ~~strikeouts~~ and additions shown with double underlining). The violation of any of these conditions shall be treated in the same manner as a violation of the Town of Marana Land Development Code (but shall not cause a reversion of the rezoning). These conditions shall be binding on the Property Owners and their successors in interest (all of whom are collectively included in the term "Property Owners" in the following conditions):

1. Compliance with all applicable provisions of the Town's Codes and Ordinances current at the time of any subsequent development including, but not limited to, requirements for public improvements and payment of application fees and applicable development impact fees.

2. The ~~Developer~~ Property Owners shall dedicate, or cause to have dedicated, the necessary rights- of-way for ~~Main Street, and~~ Tangerine Farms Road, Sanders Road, Marana Road west of Sanders, Grier Road, and Sandario Road with the recording of a plat or within 60 days of demand by the Town. Sandario Road is identified as having an ultimate right-of-way width of 90 feet based upon the Town's General Plan. The General Plan identifies Grier Road as having an ultimate right-of-way width of 90 feet east of the future Tangerine Farms extension, and 150 feet west of the future Tangerine Farms Road. The Property Owners have already dedicated the necessary rights-of-way for Marana Main, Marana Road (east of Sanders), and a portion of Sandario Road. For rights-of-way not yet dedicated, the Property Owners shall be entitled to retain any excess soil excavated from the rights-of-way during construction of roadways or drainage improvements. The Property Owners shall provide the Town a current Phase I Environmental Site Assessment (no older than 180 days) prior to any necessary right-of-way dedication. The Property Owners shall be responsible for any recommended further investigation, sampling, testing, analysis, removal, disposal and remediation.

3. A drainage study must be submitted by the ~~Developer~~ Property Owners and accepted by the Town Engineer prior to Town approval of any plat or development plan.

4. [Intentionally deleted.] ~~The Developer shall be responsible for the design and construction of the divided four lane Tangerine Farms Road to Town standards within the project boundaries. As provided by A.R.S. § 9-463.05, the cost of any transportation improvements constructed by the Developer for which the Town has adopted a development impact fee shall be credited against transportation impact fees payable for development within the Property.~~

5. The Property is located within the benefit area of the Northwest Street Facilities Development Impact Fee adopted by the Town pursuant to A.R.S. § 9-463.05 to fund public roadway improvements in the benefit area including but not limited

to the Tangerine Farms Road Extension, portions of Marana Main Street, and improvements to the Marana Road/ I-10 traffic interchange. Development of the Property is subject to this fee which assures that the Property Owners and their successors in interest contribute proportionately to the necessary transportation improvements. ~~The Developer shall contribute, proportionally to the Project's impact, based on a Town-approved traffic impact analysis, to the cost to design and construct the circulation improvements to Marana Road, Marana Main Street, Sandario Road, Sanders Road, the Marana Road/I-10 traffic interchange (including without limitation any improvements to the frontage road and/or construction of a shoo-fly connection from Marana Road to the frontage road, if needed), including without limitation any signalization associated with these improvements.~~ To assure concurrency between any development and the then-existing, necessary transportation improvements, no certificate of occupancy for development ~~relying solely on Marana Main Street for access or~~ of any parcel larger than ~~30~~ 35 acres shall be issued for the Property unless and until completion of ~~Marana Main Street from Marana Road to Sandario Road and of~~ all transportation improvements necessary for safe access to and from the Property as determined by a detailed traffic impact analysis (TIA) accepted by the Town staff prior to approval of a preliminary plat or development plan for any portion of the Property ~~construction~~. ~~To the extent the cost to construct these concurrently needed improvements exceeds the Developer's proportionate share as reflected in the Northwest Marana Roadway Development Impact Fee, the Developer may seek shall be entitled to reimbursement for the excess through a subsequently negotiated development agreement. In no case shall the Developer ultimately be obligated to pay more than Developer's proportional share of the costs of the infrastructure referenced in this paragraph.~~ As provided by A.R.S.§ 9-463.05, the cost of any necessary rights of way dedicated by the ~~Developer~~ Property Owners or transportation improvements constructed by the ~~Developer~~ Property Owners for which the Town has adopted a development impact fee shall be credited against transportation impact fees payable for development within the Property.

6. Additional traffic studies shall be required at the platting or development planning stages for a project when warranted by changes to the Property or in development surrounding the Property, or changes to the land use or access analyzed in the initial traffic impact analysis. The ~~Developer~~ Property Owners or their successors and assigns shall be responsible for the design and construction of any transportation improvements determined to be necessary by Town Staff based on the findings of those studies.

7. The property owner shall not cause any lot split of any kind without the written consent of the Town of Marana ~~as provided by A.R.S. § 9-463.02~~.

8. No approval, permit or authorization by the Town of Marana authorizes violation of any Federal or State law or regulation or relieves the applicant or the land owner from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the

Clean Water Act. Appropriate experts should be retained and appropriate federal and state agencies should be consulted to determine any action necessary to assure compliance with applicable laws and regulations.

9. The maximum allowable residential units for the project shall not exceed 2,200.

10. The ~~Developer~~ Property Owners, within 60 days after cessation of irrigation on any portion of the Property ~~rezoned land~~, shall commence and proceed with the administrative process of the Arizona Department of Water Resources, in accordance with Arizona Administrative Code, sections RI2-15-723 and RI2-15-727, to extinguish the irrigation grandfathered rights appurtenant to the land upon which irrigation has ceased. In no event shall the process to extinguish the irrigation grandfathered right be initiated more than 60 days after ~~approval of any final plat~~ cessation of irrigation on any of the ~~rezoned land~~ Property. ~~No later than 60 days following the issuance of any extinguishment credit to the Developer by the Arizona Department of Water Resources, the Developer shall transfer all such issued extinguishment credits to the Town.~~ If Arizona Law permits it, the Property Owners shall transfer to the Town by the appropriate Arizona Department of Water Resources form those water rights being IGR, Type I or Type II for providing designation of assured water supply and water service to the Property. If Type I and Type II is needed on the Property, the Town and the Property Owners shall arrive at an agreeable solution to the use of those water rights appurtenant to the affected portion of the Property.

11. The land incorporated within the Marana Towne Center Specific Plan (the "Property") is within the intended water service area of the Town. Upon inclusion of the land within the Town service area, the Town shall provide an assured water supply for the Property pursuant to its designation of assured water supply. The Town will provide water service to the Property and will provide, upon ~~developer's~~ Property Owners' request, a "Will Serve Letter" for the Property. At the request of the Town, the ~~developers~~ Property Owners shall enter into a Water Service Agreement and a Master Water Plan must be submitted by the developer and accepted by the ~~Utilities~~ Water Director of the Town prior to the approval of any final subdivision plats by the Town Council. Development plans may require individual water service agreements to be submitted and accepted by the ~~Utilities~~ Water Director of the Town, prior to development.

12. The ~~Developer~~ Property Owners shall install a non-potable system to serve the common open space areas and other landscaped amenities, as accepted by the Cortaro-Marana Irrigation District. ~~Installation of a non-potable water system may be required to serve the common open space areas and other landscaped amenities, as accepted by the Town of Marana. The Town or its designated provider shall provide water for such a system.~~

13. A master sewer plan must be submitted by the Property Owners and accepted by the Marana Water Department (the "wastewater utility") prior to the approval of any final plat or development plan for the Property. The master sewer plan shall

identify all on-site and off-site wastewater facilities needed to serve the proposed development, and shall include all information required by the wastewater utility. If the wastewater utility requires a sewer service agreement as a condition of service to the proposed development, the Property Owners must enter into a sewer service agreement with the wastewater utility constituent with the accepted master sewer plan. The Property Owners may be required to submit an updated sewer plan when warranted by changes to the Property or in development surrounding the Property. ~~A Sewer Service Agreement and Sewer Plan shall be submitted by the Developer and accepted by the wastewater provider and the Town Engineer prior to the approval of any final plat or development plan.~~

14. [Intentionally deleted.] ~~Minor grammar and technical changes, as required by the Town of Marana, shall be made to the Marana Towne Center Specific Plan prior to Town Council consideration of the rezoning request.~~

15. [Intentionally deleted.] ~~An annual report shall be submitted to the Town in accordance with the requirements defined in the Land Development Code and Specific Plan.~~

16. [Intentionally deleted.] ~~Upon adoption of the Rezoning Ordinance by the Mayor and Council approving the Marana Towne Center Specific Plan, the applicant shall provide the Planning Department with the following fmal edition of the Marana Towne Center Specific Plan: one non-bound original; twenty bound copies; and one electronic copy on CD in Microsoft Word or other acceptable format within sixty (60) days of the adoption.~~

17. Any preliminary plat or development plan for any portion of the Property shall be in general conformance with the conceptual land use plan presented to and approved by the Town Council as part of the rezoning.

18. The Property Owners and their successors in interest must design and construct any roadway, drainage, water, and wastewater improvements, and dedicate or acquire any property rights associated with those improvements, that the Town requires based on the data and findings of the accepted traffic impact analysis, the accepted master drainage study, the accepted master water plan, the accepted master sewer plan, and other studies approved in connection with the approval of a preliminary plat or development plan for any portion of the Property.

19. The final design of all streets and circulation facilities, including gated access (if applicable) and emergency access, must be accepted by the applicable fire district prior to Town Council consideration of a final plat for any portion of the Property.

20. Prior to the issuance of any grading permits, the Property Owners shall submit evidence to the Town that all federal permit requirements have been met through the Corps of Engineers and the State Historic Preservation Office, if federal permits are required for the development of the Property.

Section 2. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of January, 2026.

_____
Mayor Jon Post

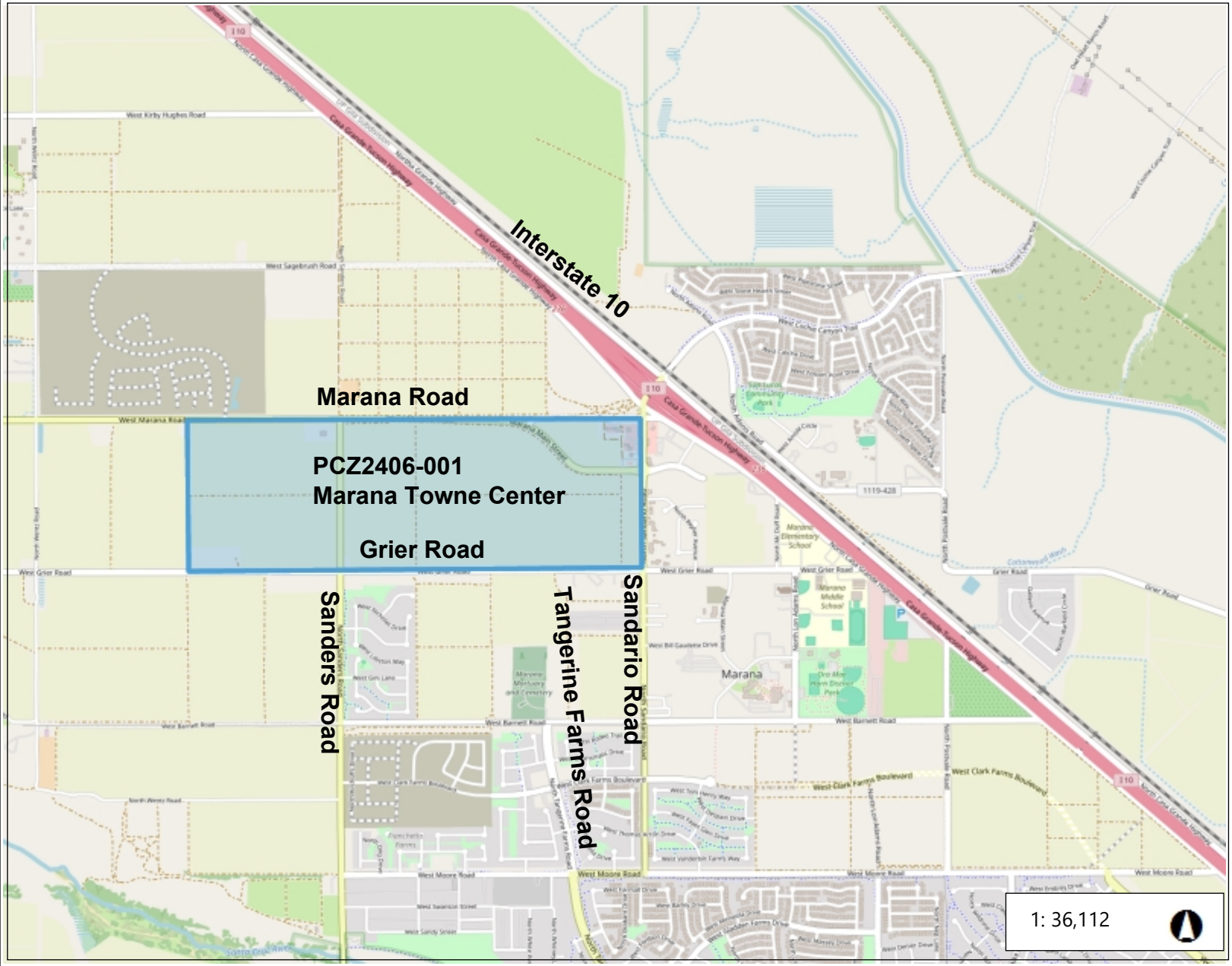
ATTEST:

_____
Jill McCleary, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

Town of Marana Planning **PCZ2406-001 Marana Towne Center Specific Plan Ordinance Amendment**





Legend

Marana Town Limits

Notes

1.1 0 0.57 1.1 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

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This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

F. ANN RODRIGUEZ, RECORDER
Recorded By: JJE
DEPUTY RECORDER
4911

SMARA
TOWN OF MARANA
TOWN CLERK
11555 W CIVIC CENTER DR
MARANA AZ 85653

SEQUENCE: 20131580676
NO. PAGES: 7
ORDIN 06/07/2013
15:43
MAIL
AMOUNT PAID: $9.00

MARANA ORDINANCE NO. 2013.003

RELATING TO DEVELOPMENT; APPROVING A REZONING OF APPROXIMATELY 462 ACRES OF LAND, LOCATED WEST OF SANDARIO ROAD BETWEEN GRIER ROAD AND MARANA ROAD, FROM 'A' (SMALL LOT ZONE) TO 'F' (SPECIFIC PLAN) FOR THE PURPOSE OF CREATING THE MARANA TOWNE CENTER SPECIFIC PLAN AND APPROVING A MINOR AMENDMENT TO THE GENERAL PLAN.

WHEREAS Desert Heritage LTD Partnership 1/2 & Tst Chu Family Trust 1/2, Desert Heritage LTD Partnership 1/2 & Tze Shar Tom Chu & Susan Ong Trust 1/2 ,Circle K Stores Inc., Ruby C. Dove and Russell W. Dove, Linda Molitor and Michael J. Molitor, Pheng Properties, Inc.(the "Property Owners"), collectively own approximately 462 acres of property located west of Sandario Road between Grier Road and Marana Road within a portion of Sections 20 and 21 Township 11 South, Range 11 East, as described on Exhibit "A", attached to and incorporated in this Ordinance by this reference (the "Rezoning Area"); and,

WHEREAS the Property Owners have authorized the Susan Ong (the "Developer") to submit an application to rezone the 462 acres from A (Small Lot Zone) to F (Specific Plan); and,

WHEREAS the Marana Planning Commission held a public hearing on August 29, 2012, and at said meeting voted 5-0, to recommend that the Town Council approve this rezoning; and,

WHEREAS the Marana Mayor and Town Council held a public hearing on March 5, 2013 and determined that the application for rezoning should be approved.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. The zoning of Rezoning Area is hereby changed from 'A' Small Lot Zone to 'F' Specific Plan creating the Marana Towne Center Specific Plan.

Section 2. A minor amendment to the General Plan of approximately 462 acres of the Rezoning Area located west of Sandario Road between Grier Road and Marana Road, changing the General Plan designation from Commercial (C), Low Density Residential (LDR) and Medium Density Residential (MDR) to Master Planning Area (MPA), is hearby approved.

Section 3. This rezoning is subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Town of Marana Land Development Code (but which shall not cause a reversion of this rezoning Ordinance):

1. Compliance with all applicable provisions of the Town's Codes and Ordinances current at the time of any subsequent development including, but not limited to, requirements for public improvements.
2. The Developer shall dedicate, or cause to have dedicated, the necessary rights-of-way for

Main Street and Tangerine Farms Road with the recording of a plat or within 60 days of demand by the Town.

3. A drainage study must be submitted by the Developer and accepted by the Town Engineer prior to Town approval of any plat or development plan.
4. The Developer shall be responsible for the design and construction of the divided four lane Tangerine Farms Road to Town standards within the project boundaries. As provided by A.R.S. § 9-463.05, the cost of any transportation improvements constructed by the Developer for which the Town has adopted a development impact fee shall be credited against transportation impact fees payable for development within the Property.
5. The Developer shall contribute, proportionally to the Project's impact, based on a Town-approved traffic impact analysis, to the cost to design and construct the circulation-improvements to Marana Road, Marana Main Street, Sandario Road, Sanders Road, the Marana Road/1- 10 traffic interchange (including without limitation any improvements to the frontage road and/or construction of a shoo-fly connection from Marana Road to the frontage road, if needed), including without limitation any signalization associated with these improvements. To assure concurrency between any development and the then-existing, necessary transportation improvements, no certificate of occupancy for development relying solely on Marana Main Street for access or larger than 30 acres shall be issued for the Property unless and until completion of Marana Main Street from Marana Road to Sandario Road and of all transportation improvements necessary for safe access to and from the construction. To the extent the cost to construct these concurrently needed improvements exceeds the Developer's proportionate share, the Developer may seek reimbursement for the excess through a development agreement. In no case shall the Developer ultimately be obligated to pay more than Developer's proportional share of the costs of the infrastructure referenced in this paragraph. As provided by A.R.S. § 9-463.05, the cost of any transportation improvements constructed by the Developer for which the Town has adopted a development impact fee shall be credited against transportation impact fees payable for development within the Property.
6. Additional traffic studies shall be required at the platting or development planning stages for a project. The Developer shall be responsible for the design and construction of any transportation improvements determined to be necessary by Town Staff based on the findings of those studies.
7. The property owner shall not cause any lot split of any kind without the written consent of the Town of Marana as provided by A.R.S. § 9-463.02.
8. No approval, permit or authorization by the Town of Marana authorizes violation of any Federal or State law or regulation or relieves the applicant or the land owner from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the Clean Water Act. Appropriate experts should be retained and appropriate federal and state agencies should be consulted to determine any action necessary to assure compliance with applicable laws and regulations.
9. The maximum allowable residential units for the project shall not exceed 2,200.
10. The Developer, within 60 days after cessation of irrigation on any portion of the rezoned land, shall commence and proceed with the administrative process of the Arizona Department of Water Resources, in accordance with Arizona Administrative Code, sections R12-15-723 and R12-15-727, to extinguish the irrigation grandfathered rights appurtenant to the land upon which irrigation has ceased. In no event shall the process to extinguish the

irrigation grandfathered right be initiated more than 60 days after approval of any final plat on any of the rezoned land. No later than 60 days following the issuance of any extinguishment credit to the Developer by the Arizona Department of Water Resources, the Developer shall transfer all such issued extinguishment credits to the Town.

11. The land incorporated within the Marana Towne Center Specific Plan (the "Property") is within the intended water service area of the Town. Upon inclusion of the land within the Town service area, the Town shall provide an assured water supply for the Property pursuant to its designation of assured water supply. The Town will provide water service to the Property and will provide, upon developer's request, a "Will Serve Letter" for the Property. At the request of the Town, the developers shall enter into a Water Service Agreement and a Master Water Plan must be submitted by the developer and accepted by the Utilities Director of the Town prior to the approval of any final subdivision plats by the Town Council. Development plans may require individual water service agreements to be submitted and accepted by the Utilities Director of the Town, prior to development.
12. Installation of a non-potable water system may be required to serve the common open space areas and other landscaped amenities, as accepted by the Town of Marana. The Town or its designated provider shall provide water for such a system.
13. A Sewer Service Agreement and Sewer Plan shall be submitted by the Developer and accepted by the wastewater provider and the Town Engineer prior to the approval of any final plat or development plan.
14. Minor grammar and technical changes, as required by the Town of Marana, shall be made to the Marana Towne Center Specific Plan prior to Town Council consideration of the rezoning request.
15. An annual report shall be submitted to the Town in accordance with the requirements defined in the Land Development Code and Specific Plan.
16. Upon adoption of the Rezoning Ordinance by the Mayor and Council approving the Marana Towne Center Specific Plan, the applicant shall provide the Planning Department with the following final edition of the Marana Towne Center Specific Plan: one non-bound original; twenty bound copies; and one electronic copy on CD in Microsoft Word or other acceptable format within sixty (60) days of the adoption.

Section 4. This Ordinance shall not be effective until the Town files with the county recorder an instrument (in a form acceptable to the Town Attorney), executed by the Property Owners and any other party having any title interest in the Rezoning Area, that waives any potential claims against the Town under the Arizona Property Rights Protection Act (A.R.S. § 12-1131 *et seq.*, and specifically A.R.S. §.12-1134) resulting from changes in the land use laws that apply to the Rezoning Area as a result of the Town's adoption of this Ordinance. If this waiver instrument is not recorded within 90 calendar days after the motion approving this Ordinance, this Ordinance shall be void and of no force and effect.

Section 5. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this Ordinance are hereby repealed, effective as of the effective date of this Ordinance.

Section 6. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions hereof.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Marana, Arizona, this 5th day of March, 2013.

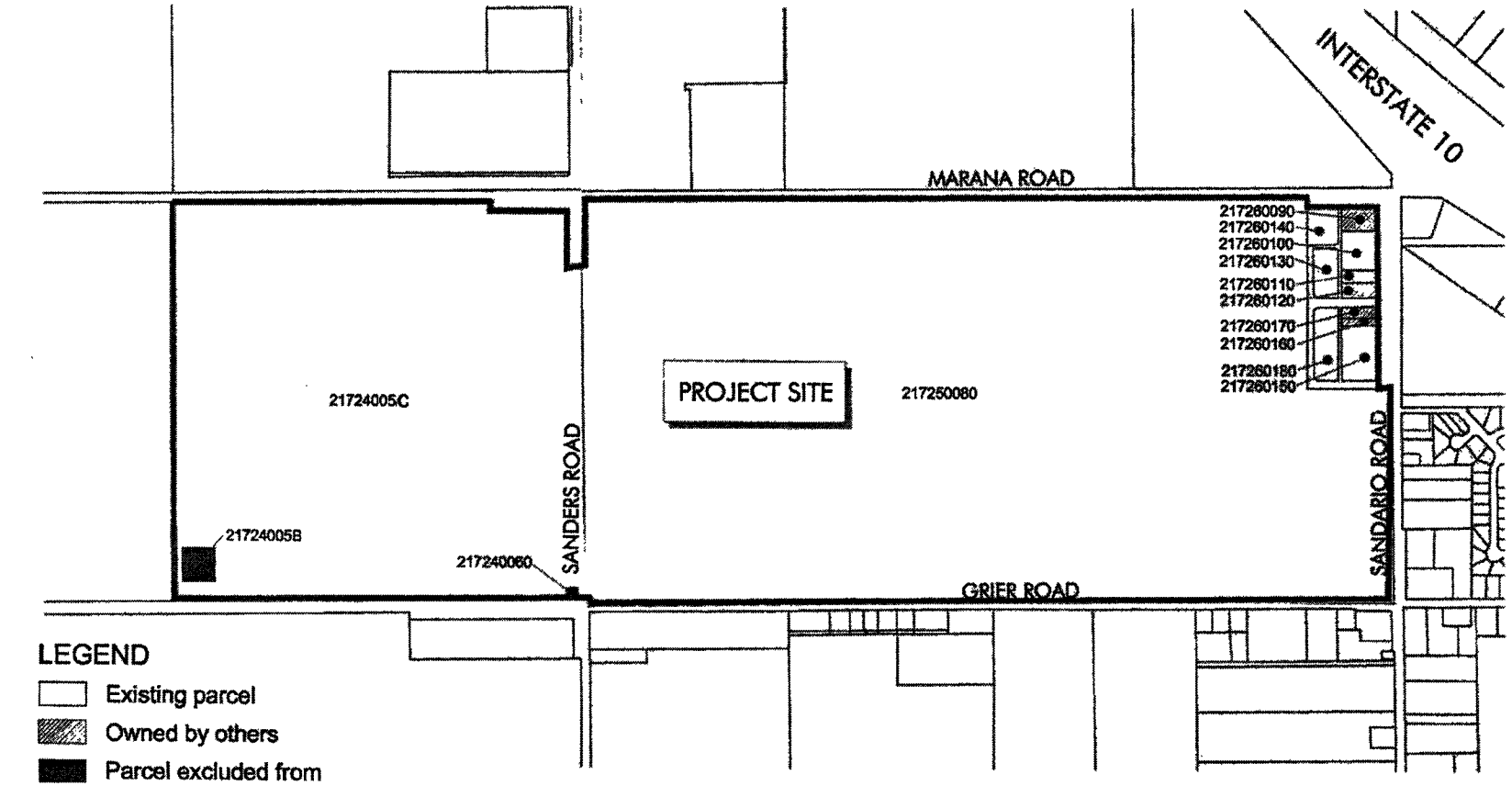
Mayor Ed Honea

ATTEST:

Jocelyn C. Bronson, Town Clerk

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney



MARANA TOWNE CENTER
Specific Plan

EXHIBIT A.
PARCEL MAP

EXHIBIT A

LEGAL DESCRIPTION

A portion of Section 21 together with a portion of Section 20 all in Township 11 South Range 11 East, Gila and Salt River Meridian, Pima County, Arizona, said portions being described as follows:

(In the following paragraphs, all referenced dockets, plats and resolutions are per records filed with the Pima County, Arizona Recorder)

BEGINNING at the most westerly end of curve Number 1 of Lot 1 in Block 1 of Amended Nichols' Addition, Blocks 1 and 2, a subdivision of record in Book 16 of Maps and Plats at Page 18;

Thence westerly along the northerly line of Lot 1 and its prolongation and the northerly line of Lot 5 in said Block 1 to the northwest corner of said Lot 5, said northwest corner also being on the easterly line of that parcel recorded in Docket 3080 at Page 432;

Thence northerly along the easterly line of said last mentioned parcel to the northeast corner thereof;

Thence westerly along the northerly line of said parcel, and the southerly right-of-way line of Marana Road (formerly Trico-Marana Road) as described in Road Proceedings No. 114, to the northwest corner of said parcel;

Thence southerly along the west line of said parcel to the intersection with easterly prolongation of the southerly line of that Quitclaim Deed of Abandonment recorded in Docket 13964 at Page 691;

Thence westerly along said southerly line to the southeast corner of said Quitclaim Deed of Abandonment;

Thence northerly along the east line of said Abandonment to the northeast corner thereof being also a corner of that parcel recorded in Docket 1375 at Page 190;

Thence easterly along the boundary line of said last described parcel to an angle point in said boundary and an angle point in the westerly right-of-way line of Sanders Road as described in Docket 1855 at Page 162;

Thence northerly along the easterly line of said parcel recorded in Docket 1375 at Page 190 and the westerly line of Sanders Road to an angle point of said parcel and said right-of-way.

Thence westerly along the northerly line of said parcel and the southerly right-of-way line of Marana Road (formerly Trico-Marana Road) as described in said Docket 1855 at Page 162 to an angle point in said parcel and right-of-way;

Thence northerly along the easterly line of said parcel and the westerly line of said right-of-way parcel described in Docket 1855 at Page 162 to an angle point in said parcel on the southerly right-of-way line of Marana Road (formerly Trico-Marana Road) as described in Road Proceedings No. 114;

Thence westerly along the northerly line of said parcel and the southerly right-of-way line of Marana Road (formerly Trico-Marana Road) to the northwest corner of said parcel;

Thence southerly along the westerly of said parcel to the southwest corner thereof on the northerly right-of-way line of Grier Road as recorded in Road Proceedings No. 113;

Thence easterly along the southerly line of said parcel and said northerly right-of-way line to the intersection with the common line to said Section 20 & said Section 21;

Thence continue easterly along the northerly right-of-way line of said Grier Road and the southerly line of said parcel recorded in Docket 3080 at Page 432 to the southeast corner of said parcel;

Thence northerly along the easterly line of said parcel and the westerly right-of-way line of Sandario Road as shown in Book 5 of Road Maps at Page 76 to the intersection with the easterly prolongation of the southerly right-of-way line of Nichols Street as shown on the plat of said Amended Nichols' Addition Blocks 1 and 2 recorded in Book 16 of Maps and Plats at Page 18;

Thence westerly along said prolongation to the intersection with the southerly prolongation of the east line of Lot 1 in Block 2 of said Nichols' Addition;

Thence northerly along said prolongation and the easterly lines of said Block 2 and Block 1 in Nichols' Addition to the beginning of curve No. 1 at the northeast corner of said Lot 1 in Block 1 of Nichols' Addition;

Thence northerly and westerly along said curve to the **POINT OF BEGINNING.**

EXCEPT FOR: Those two parcels located in the Southeast quarter of Section 20, Township 11 South, Range 11 East, Gila and Salt River Meridian and more particularly described in Docket 1872, Page 375 (commonly known as Marana Wellsite #1) and Docket 12622 at Page 3821.

F. ANN RODRIGUEZ, RECORDER
Recorded By: JJE
DEPUTY RECORDER
4911

SMARA
TOWN OF MARANA
TOWN CLERK
11555 W CIVIC CENTER DR
MARANA AZ 85653

SEQUENCE: 20131580698
NO. PAGES: 5
CONSEN 06/07/2013
15:49
MAIL
AMOUNT PAID: $8.00

CONSENT TO CONDITIONS OF REZONING AND WAIVER OF CLAIMS FOR POSSIBLE DIMINUTION OF VALUE RESULTING FROM TOWN OF MARANA ORDINANCE NO. 2013.003

TST CHU FAMILY TRUST and DESERT HERITAGE LIMITED PARTNERSHIP, an Arizona limited partnership, (collectively, the "Owners") own the land referred to in this instrument as the "Property," which consists of all of the land particularly described in Exhibit A attached to Marana Ordinance No. 2013.003 (the "Rezoning Ordinance"), recorded in the office of the Recorder of Pima County, Arizona, at Sequence No. 20131580676, except Amended Nichols Addition, a subdivision of Pima County, Arizona, according to the plat of record in the office of the Recorder of Pima County, Arizona, in Book 16 of Maps and Plats at Page 18. The Property and the rest of the land particularly described in Exhibit A attached to the Rezoning Ordinance is the subject of Town of Marana rezoning case PCZ-10008, filed on behalf of the Owners and others, which the Marana Town Council approved with conditions on March 5, 2013 by the adoption of the Rezoning Ordinance.

The Owners hereby agree and consent to all of the conditions imposed by the Marana Town Council in conjunction with the approval of the Rezoning Ordinance and waive any right to compensation for diminution in value pursuant to Arizona Revised Statutes § 12-1134 that may now or in the future exist as a result of the approval of the Rezoning Ordinance. The Owners also consent to the recording of this document in the office of the Pima County Recorder, to give notice of this instrument and its effects to successors in interest of the Property, who shall be bound by it.

Dated this 25th day of March, 2013.

TST CHU FAMILY TRUST

By: Susan Ong
Susan Ong, Trustee

DESERT HERITAGE LIMITED PARTNERSHIP, an Arizona limited partnership

By: Susan Ong
Susan Ong, Managing Partner

STATE OF ARIZONA)
ss.
County of Pima)

The foregoing instrument was acknowledged before me on March 25, 2013, by Susan Ong, as Trustee of the TST CHU FAMILY TRUST, on behalf of the trust, and as MANAGING PARTNER OF DESERT HERITAGE LIMITED PARTNERSHIP, an Arizona limited partnership, on behalf of the limited partnership.

(Seal)

TOMOKO SPOTSWOOD
Notary Public - Arizona
Pima County
My Comm. Expires Mar 15, 2015

Tomoko Spotswood
Notary Public

This document was presented for recording without an exhibit attached.

CONSENT TO CONDITIONS OF REZONING AND WAIVER OF CLAIMS FOR POSSIBLE DIMINUTION OF VALUE RESULTING FROM TOWN OF MARANA ORDINANCE NO. 2013.003

TZE SHAR TOM CHU FAMILY TRUST and DESERT HERITAGE LIMITED PARTNERSHIP, an Arizona limited partnership, (collectively, the "Owners") own the land referred to in this instrument as the "Property," which consists of all of Amended Nichols Addition, a subdivision of Pima County, Arizona, according to the plat of record in the office of the Recorder of Pima County, Arizona, in Book 16 of Maps and Plats at Page 18, except Lot 1 of Block 1, the south 25 feet of Lot 2 of Block 1, Lot 3 of Block 1, and the north 125 feet of Lot 1 of Block 2 of said Amended Nichols Addition. The Property is a portion of the land which is the subject of Town of Marana rezoning case PCZ-10008, filed on behalf of the Owners and others, which the Marana Town Council approved with conditions on March 5, 2013 by the adoption of Marana Ordinance No. 2013.003 (the "Rezoning Ordinance")

The Owners hereby agree and consent to all of the conditions imposed by the Marana Town Council in conjunction with the approval of the Rezoning Ordinance and waive any right to compensation for diminution in value pursuant to Arizona Revised Statutes § 12-1134 that may now or in the future exist as a result of the approval of the Rezoning Ordinance. The Owners also consent to the recording of this document in the office of the Pima County Recorder, to give notice of this instrument and its effects to successors in interest of the Property, who shall be bound by it.

Dated this 25th day of March, 2013.

TZE SHAR TOM CHU FAMILY TRUST

By: Susan Ong
Susan Ong, Trustee

DESERT HERITAGE LIMITED PARTNERSHIP, an Arizona limited partnership

By: Susan Ong
Susan Ong, Managing Partner

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me on March 25, 2013, by Susan Ong, as Trustee of the TZE SHAR TOM CHU FAMILY TRUST, on behalf of the trust, and as MANAGING PARTNER OF DESERT HERITAGE LIMITED PARTNERSHIP, an Arizona limited partnership, on behalf of the limited partnership.

(Seal)

TOMOKO SPOTSWOOD
Notary Public - Arizona
Pima County
My Comm. Expires Mar 15, 2015

Tomoko Spotswood
Notary Public

This document was presented for recording without an exhibit attached.

CONSENT TO CONDITIONS OF REZONING AND WAIVER OF CLAIMS FOR POSSIBLE DIMINUTION OF VALUE RESULTING FROM TOWN OF MARANA ORDINANCE NO. 2013.003

PHENG PROPERTIES, INC, an Arizona corporation, (the "Owner") owns the land referred to in this instrument as the "Property" and more particularly described as the north 125 feet of Lot 1, Block 2 of Amended Nichols Addition, a subdivision of Pima County, Arizona, according to the plat of record in the office of the Recorder of Pima County, Arizona, in Book 16 of Maps and Plats at Page 18. The Property is a portion of the land which is the subject of Town of Marana rezoning case PCZ-10008, filed on behalf of the Owner and others, which the Marana Town Council approved with conditions on March 5, 2013 by the adoption of Marana Ordinance No. 2013.003 (the "Rezoning Ordinance").

The Owner hereby agrees and consents to all of the conditions imposed by the Marana Town Council in conjunction with the approval of the Rezoning Ordinance and waives any right to compensation for diminution in value pursuant to Arizona Revised Statutes § 12-1134 that may now or in the future exist as a result of the approval of the Rezoning Ordinance. The Owner also consents to the recording of this document in the office of the Pima County Recorder, to give notice of this instrument and its effects to successors in interest of the Property, who shall be bound by it.

Dated this 8TH day of May, 2013.

PHENG PROPERTIES, INC., an Arizona corporation

By: _____
Pheng H. Hak, President

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me on May 8, 2013, by Pheng H. Hak, President of PHENG PROPERTIES, INC., an Arizona corporation, on behalf of the corporation.

(Seal)

Carole E. Gleeson
Notary Public - Arizona
Pima County
My Commission Expires
April 4, 2014

_____
Notary Public

CONSENT TO CONDITIONS OF REZONING AND WAIVER OF CLAIMS FOR POSSIBLE DIMINUTION OF VALUE RESULTING FROM TOWN OF MARANA ORDINANCE NO. 2013.003

Michael J. Molitorand Linda Molitor,husband and wife,(the "Owners") own the land referred to in this instrument as the "Property" and more particularly described asall except the north 50 feet of Lot 3, Block 1 of Amended Nichols Addition, a subdivision of Pima County, Arizona, according to the plat of record in the office of the County Recorder of Pima County, Arizona, in Book 16 of Maps and Plats at Page 18. The Property is a portion of the land which is the subject of Town of Marana rezoning case PCZ-10008, filed on behalf of the Owners and others, which the Marana Town Council approved with conditions on March 5, 2013 by the adoption of Marana Ordinance No. 2013.003 (the "Rezoning Ordinance").

The Owners hereby agree and consent to all of the conditions imposed by the Marana Town Council in conjunction with the approval of the Rezoning Ordinanceand waive any right to compensation for diminution in value pursuant to Arizona Revised Statutes § 12-1134 that may now or in the future exist as a result of the approval of the RezoningOrdinance. The Owners also consent to the recording of this document in the office of the Pima County Recorder, to give notice of this instrument and its effects to successors in interest of the Property, who shall be bound by it.

Dated this 7th day of May, 2013.

michael j molitor
Michael J. Molitor

Linda Molitor
Linda Molitor

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me on ~~March~~ May 7th, 2013, by Michael J. Molitor,husband of Linda Molitor.

(Seal)

Carole E. Gleeson
Notary Public - Arizona
Pima County
My Commission Expires
April 4, 2014

Carole E Gleeson
Notary Public

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me on ~~March~~ May 7th, 2013, by Linda Molitor,wifeof Michael J. Molitor.

(Seal)

Carole E. Gleeson
Notary Public - Arizona
Pima County
My Commission Expires
April 4, 2014

Carole E Gleeson
Notary Public

CONSENT TO CONDITIONS OF REZONING AND WAIVER OF CLAIMS FOR POSSIBLE DIMINUTION OF VALUE RESULTING FROM TOWN OF MARANA ORDINANCE NO. 2013.003

Ruby C. Dove, a single woman and surviving spouse of Russell W. Dove, deceased, (the "Owner") owns the land referred to in this instrument as the "Property" and more particularly described as the south 25 feet of Lot 2 of Block 1 and the north 50 feet of Lot 3 of Block 1 of Amended Nichols Addition, a subdivision of Pima County, Arizona, according to the plat of record in the office of the County Recorder of Pima County, Arizona, in Book 16 of Maps and Plats at Page 18. The Property is a portion of the land which is the subject of Town of Marana rezoning case PCZ-10008, filed on behalf of the Owner and others, which the Marana Town Council approved with conditions on March 5, 2013 by the adoption of Marana Ordinance No. 2013.003 (the "Rezoning Ordinance").

The Owner hereby agrees and consents to all of the conditions imposed by the Marana Town Council in conjunction with the approval of the Rezoning Ordinance and waives any right to compensation for diminution in value pursuant to Arizona Revised Statutes § 12-1134 that may now or in the future exist as a result of the approval of the Rezoning Ordinance. The Owner also consents to the recording of this document in the office of the Pima County Recorder, to give notice of this instrument and its effects to successors in interest of the Property, who shall be bound by it.

Dated this 4TH day of April, 2013.

Ruby C Dove
Ruby C. Dove

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me on April 4, 2013, by Ruby C. Dove, a single woman and surviving spouse of Russell W. Dove, deceased.

(Seal)

Carole E. Gleeson
Notary Public - Arizona
Pima County
My Commission Expires
April 4, 2014

Carole E. Gleeson
Notary Public

MARANA AZ

Development Services / maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641

PROJECT APPLICATION

APPLICATION TYPE

❑ Annexation	❑ Development Plan	❑ Development Plan Package	❑ General Plan Amendment
❑ Rezone	❑ Minor Land Division	❑ Translational Rezone	❑ Conditional Use Permit
❑ Specific Plan	❑ Landscape Plan	❑ Native Plant Plan/Exception	❑ SWPP
❑ Variance	❑ Hydraulic Model	❑ Sewer Capacity Assurance	❑ Sign Program
❑ Plat	❑ Improvement Plan	❑ Report (Type): _____	☒ Other: Text Amend.to Specific Plan

PROJECT INFORMATION

Project Name: THE MARANA TOWNE CENTER SPECIFIC PLAN	
Description of Project: Text Amend. to Marana Ordinance No. 2013.003	Number of Lots: N/A
Parcel No.(s): see attached project description	Gross Area (Acres): 462
Project Address: West of Sandario Road between Grier Road and Marana Road	
Ref. Project No.: Marana Ordinance No. 2013.003	

CONTACT INFORMATION

Owner: Desert Heritage LTD, et al	Contact Name: Susan Ong		
Address: 100 North Stone, Suite 504	City: Tucson	State: AZ	Zip: 85701
Email: Broadstone@aol.com	Phone No.: (520) 623-8111		
Applicant: Same as Owner	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		
Consultant/Engineer: Post & Lebsock, PLLC	Contact Name: Del Post		
Address: 201 W. Main St., Suite 101	City: Missoula	State: MT	Zip: 59802
Email: dpost@postlebsock.com	Phone No.: (520) 850-0508		

APPLICANT AUTHORIZATION

By signing below, I hereby acknowledge that I have read the information provided online at maranaaz.gov/arsnotice and certify that the information set forth in this application are true and correct to the best of my knowledge. I am either the owner of the property or I have been **authorized in writing** by the owner to file this application. (If the applicant is not the owner, attach written authorization from the owner)

Susan Ong	Susan Ong	June 5, 2024
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY

Project No._____ **Date Received**_____

Revision Date 05/16/2023

Council-Regular Meeting **A2**

Meeting Date: 01/20/2026

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: January 20, 2026

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2026-008: Relating to Community Facilities Districts; Consideration and possible adoption of a resolution approving and authorizing the execution and delivery of a district development, financing participation and intergovernmental agreement (Cascada Community Facilities District) (Yiannis Kalaitzidis)

Discussion:

Town Staff have received from Pacific International Properties, L.L.P. (Developer), a draft application for the creation of the Cascada Community Facilities District (District). As described in greater detail below, formal submission of such application by the Developer will take place prior to a future Council meeting at which formation of the District is to be considered.

The first formal Council action regarding potential formation of the District is adoption of the proposed resolution provided in this agenda item. This resolution authorizes the execution of a District Development, Financing Participation and Intergovernmental Agreement (the CFD Agreement) concerning matters related to, among other things, conditions, terms, restrictions and requirements for public infrastructure and the financing of public infrastructure and subsequent reimbursements or repayments over time from funds derived from the District's bond sales.

After adoption of the resolution, Town staff anticipate the Developer's submission of the final application for formation of the District, as well as other documents required by law for formation of the District. The Council would, at a future council meeting

and at its sole discretion, adopt a resolution declaring formation of the District and authorizing the taking of certain actions with respect to such formation. As is the case with the Town's existing community facilities districts, the members of the Council would serve, ex officio, as the members of the Board of Directors of the District (the CFD Board). At such Council meeting, the Council would convene as the CFD Board and hold the organizational meeting of the CFD Board, at which a resolution would be adopted by the CFD Board that would, among other things, call an election to authorize the sale of bonds over the life of the District in an amount to be determined prior to the formation of the District.

The CFD Agreement allows control by the Developer the earlier of 25 years or the issuance of bonds in a total amount not yet determined. It is anticipated that these bonds, if the CFD Board decides to issue them, will be used to acquire from the Developer public infrastructure constructed by it, in and for the benefit of the District, including certain infrastructure addressed in Exhibit B to the CFD Agreement, which must be provided by the Developer. The remaining bond authorization will be available to fund later public infrastructure projects to the extent that such projects benefit the District. Issuance of any such bonds would be at the sole discretion of the CFD Board.

The CFD Agreement includes a target secondary tax rate of $2.50 per $100 of limited assessed valuation for debt service. The actual rate for payment of debt service on bonds could go higher, if for some reason the total assessed valuation within the District falls or some other unforeseen event makes it necessary to raise the tax rate to cover the bond obligations, though staff will continue to recommend issuance of bonds conservatively in an effort to avoid such a result. The CFD Agreement also includes provisions relating to the issuance of special assessment bonds so long as certain conditions precedent are satisfied. Issuance of any such bonds would be at the sole discretion of the CFD Board even if such conditions precedent are eventually satisfied.

The Developer's financial obligations under this document include a letter of credit which will eventually increase to an amount of $500,000 but may eventually be released upon D.R. Horton's assumption of the Developer's rights and obligations under the CFD Agreement. Additional obligations imposed on the Developer include (a) an annual obligation to pay up to $50,000 in CFD operation and maintenance costs, to the extent such costs are not covered by the $0.30 per $100 operation and maintenance tax; and (b) a deposit of $50,000 with the Town to cover initial costs of the CFD prior to the levy of the $0.30 per $100 operation and maintenance tax which is to be replenished when $25,000 of the $50,000 deposit is expended.

As described above, adoption of Resolution No. 2026-008 does not form the District, it only provides authority to the Town to execute the CFD Agreement in the future if all steps for formation of the District are completed to the satisfaction of staff and the Council. Upon approval of this resolution, Staff will return in a separate meeting, at least 30 days after this evening's meeting, to ask Council to approve the formation of the District.

Financial Impact:
No significant financial impact associated with this agreement and the future possible formation of this CFD.

Staff Recommendation:
Staff recommends approval of Resolution No. 2026-008.

Suggested Motion:
I move to approve Resolution No. 2026-008 approving and authorizing the execution and delivery of a District Development, Financing Participation and Intergovernmental Agreement for the proposed Cascada Community Facilities District.

Attachments

Resolution No. 2026-008
Cascada Draft Development Agreement

RESOLUTION NO. 2026-008

RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, A MUNICIPAL CORPORATION OF ARIZONA, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (CASCADA COMMUNITY FACILITIES DISTRICT)

BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, as follows:

1. Findings.

a. It is expected that there will be presented to us, the governing body of the Town of Marana, Arizona, an incorporated municipality of the State of Arizona (hereinafter called the "Municipality"), a Petition for Adoption of a Resolution Declaring Formation of Cascada Community Facilities District (hereinafter referred to as the "Petition"), to be signed by the entities which, on the date thereof, are the owners of all real property as shown on the assessment roll for State and county taxes for Pima County, Arizona, or, if such persons shown on such assessment roll are no longer the owners of land in the proposed community facilities district are the entities which are the successor owners which became known and are verified by recorded deed or similar evidence of transfer of ownership to be the owners of such real property (hereinafter referred to as, collectively, the "Petitioner") to be described in the Petition by metes and bounds to be in the community facilities district (hereinafter referred to as the "Property"), the formation of which will be prayed for by the Petitioner in the Petition, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act").

b. It is expected that the name of the community facilities district of which formation will be prayed pursuant to the Petition will be "Cascada Community Facilities District" (hereinafter called the "District").

c. Pursuant to a resolution that may be adopted by the governing body of the Municipality at a future meeting, the Petition may be granted, and the District may be formed as a community facilities district pursuant to the terms and provisions of, and with the powers and authority established by, the Act, subject to the restrictions and modifications to be set forth in the Petition, with jurisdiction over the Property.

d. Pursuant to the Act and Section 9-500.05, Arizona Revised Statutes, as amended, the Municipality, the District (if formed) and the Petitioner (being Pacific International Properties, L.L.P.) will enter into, if the District is formed, a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

e. With regard to the Property, the Municipality, the District (if formed) and the Petitioner will determine to specify some of such matters in such an agreement, particularly matters relating to the acquisition or construction of certain public infrastructure by the District (if formed), the acceptance thereof by the Municipality and the reimbursement or repayment of Petitioner with respect thereto, all pursuant to the Act.

f. Pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended, the District (if formed), and the Municipality may enter into an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure.

g. Pursuant to the Act, the District (if formed) may also enter into an agreement with the Petitioner with respect to the advance of moneys for public infrastructure purposes and the repayment of such advances and to obtain credit enhancement for, and process disbursement and investment of proceeds of, general obligation bonds and assessment bonds of the District which may be hereafter issued if the District is formed.

h. There has been presented to us in connection with the purposes described herein a District Development, Financing Participation and Intergovernmental Agreement (Cascada Community Facilities District), to be dated as of the first day of the month of formation of the District (hereinafter referred to as the "Development Agreement"), by and among the Municipality, the District (if formed) and the Petitioner.

2. Authorization and Approval of Development Agreement. The Development Agreement is hereby approved in substantially the form submitted herewith, with such changes, additions, deletions, insertions and omissions, if any, as the Mayor of the Municipality, with the advice of the Town Manager of the Municipality and the Town Attorney of the Municipality, shall authorize, the execution and delivery of the Development Agreement to be conclusive evidence of the propriety of such documents and the authority of the persons or persons executing the same. The Mayor of the Municipality, with the advice of the Town Manager of the Municipality and the Town Attorney of the Municipality, is hereby authorized and directed to execute, and the Town Clerk of the Municipality to attest and deliver, the Development Agreement on behalf of the Municipality.

3. No Liability of or for the Municipality. Neither the Municipality nor the State of Arizona or any political subdivision of either (other than the District if formed) shall be directly, indirectly or morally liable or obligated for the costs of the public infrastructure contemplated by the General Plan and the Development Agreement nor for the payment or repayment of any indebtedness, liability, cost, expense or obligation of the District (if formed), and neither the credit nor the taxing power of the Municipality, the State of Arizona or any political subdivision of either (other than the District if formed) shall be pledged therefor.

4. Effect of Resolution.

a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Resolution.

b. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

PASSED AND ADOPTED by the Common Council and approved by the Mayor of the Town of Marana, Arizona, this 20th day of January 2026.

….....
Mayor

ATTEST:

.....
Town Clerk

APPROVED AS TO FORM:

.....
Town Attorney

* * *

When recorded, please return to:

Paul Gales, Esq.
Greenberg Traurig, LLP
Suite 800
2375 East Camelback Road
Phoenix, Arizona 85016

DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT
(CASCADA COMMUNITY FACILITIES DISTRICT)[1]

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ATTACHMENTS:

EXHIBIT A	LEGAL DESCRIPTION OF THE PROPERTY	A-1
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EXHIBIT C	FORM OF CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT	B-1
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[1] Page numbers to be updated.

THIS DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (CASCADA COMMUNITY FACILITIES DISTRICT), dated as of _____ 1, 2026 (hereinafter referred to as this "*Agreement*"), by and among the Town of Marana, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Municipality*"); Cascada Community Facilities District, a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*"); and Pacific International Properties, L.L.P., an Arizona limited liability partnership duly organized and validly existing pursuant to the laws of the State of Arizona, and having an interest in certain property within the boundaries of the District (hereinafter referred to as the "*Owner*"),

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "*Act*"), and Section 9-500.05, Arizona Revised Statutes, this Agreement has been entered into as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time from funds derived from the District's sale of the hereinafter defined Owner Bonds; and

WHEREAS, with regard to the real property described in Exhibit "A" hereto (hereinafter referred to as the "*Property*") which makes up the real property included within the District, some of such matters are specified in this Agreement, particularly matters relating to the construction or acquisition of certain public infrastructure by the District, the acceptance thereof by the Municipality and the reimbursement or repayment of the Owner with respect thereto, from both the Owner GO Bonds and Assessment Bonds, all pursuant to the Act, such public infrastructure being necessary for the Owner to develop the Property prior to the time at which the District will have the necessary funds to itself pay for the construction or acquisition thereof; and

WHEREAS, this Agreement as a "development agreement" is consistent with the "general plan" of the Municipality (as defined in Section 9-461, Arizona Revised Statutes) applicable to the Property on the date this Agreement is executed; and

WHEREAS, pursuant to an election to hereafter be held in and for the District (hereinafter referred to as the "*Election*"), questions authorizing the board of directors of the District (hereinafter referred to as the "*District Board*") (i) to issue certain general obligation bonds of the District pursuant to the Act and as described in this Agreement to provide moneys for certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District heretofore approved by the Municipality and the District in the principal amount of $_____ (hereinafter referred to as the "*GO Bonds*"), including the levy, assessment and collection of a secondary *ad valorem* (debt service) tax against all real and personal property in the District, unlimited as to rate or amount therefor, and (ii) to levy, assess and collect an operation and maintenance tax in an amount up to $0.30 per $100.00 of net limited assessed property valuation for all real and personal property in the District (hereinafter referred to as the "*O/M Tax*") to provide for amounts which become attributable to the operation and maintenance expenses of the District in the future are expected to be approved pursuant to the Act; and

WHEREAS, the use of the proceeds of the sale of the Owner Bonds and amounts which will be collected with respect to the O/M Tax in the future are, among other things, subjects of this Agreement; and

WHEREAS, the Owner has granted D. R. Horton, Inc., a Delaware corporation ("*Horton*"), an exclusive option to acquire the Property in phases; and

WHEREAS, the Owner intends to assign all of its rights and obligations as Owner under this Agreement to Horton when Horton (or its land banker) acquires the first phase of the Property, and, upon such assignment to, and assumption by, Horton, of the rights and obligations as Owner under this Agreement, Pacific International Properties, L.L.P., an Arizona limited liability partnership, shall be released from all duties, obligations, and liabilities under this Agreement as to the portion of the Property so conveyed; and

WHEREAS, the Owner may hereafter construct and install Infrastructure that may be acquired by, and conveyed to, the District; and

WHEREAS, pursuant to the Act, the District enters into this Agreement with the Owner with respect to the advance of moneys for public infrastructure purposes by the Owner and the repayment by the District of such advances and to process disbursement and investment of disbursements from the proceeds derived from the sale of the Owner Bonds; and

WHEREAS, pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes (hereinafter referred to as the "*Intergovernmental Agreement Act*"), the District and the Municipality entered into the specified Sections of this Agreement as an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of "public infrastructure," including particularly to provide for the acceptance by the Municipality of certain public infrastructure constructed or acquired by the District;

NOW, THEREFORE, in the joint and mutual exercise of their powers, in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, and subject to the conditions set forth herein, the parties hereto agree that:

ARTICLE I

DEFINED TERMS; MISCELLANEOUS

MATTERS RELATING TO USE THEREOF

Section 1.1. (a) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms defined hereinabove and in this Section have the meanings assigned to them hereinabove and in this Section and include, as appropriate, the plural as well as the singular:

"*Acquisition Infrastructure*" means Infrastructure that may hereafter be constructed and installed by or on behalf of the Owner (or contracted by the Owner to be constructed by its

land purchasers) other than the Infrastructure which is the subject of a request of the Owner and approval of the District Manager described in Section 2.1 and which shall be indicated as such in the applicable Report.

"*Acquisition Project*" means each project which is a part of the Acquisition Infrastructure on a project-by-project basis.

"*Acquisition Project Construction Contract*" means a construction contract for an Acquisition Project.

"Assessment Bonds" means special assessment lien bonds payable from the special assessments described in Section 6.4 (referred to as originally levied and as thereafter may be reallocated).

"*Certificate of the Engineers*" means a certificate of the Owner Engineer and the District Engineer in substantially the form of Exhibit "C" hereto.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereto.

"*Complete*" means, with respect to each Segment, that the items listed in Section 4.2(a) through (f) have been provided as set forth in Section 4.2.

"*Construction Contract*" means a construction contract for a Project as described in Section 2.1.

"*Conveyance*" means a conveyance for a Segment in substantially the form of Exhibit "D" hereto.

"*Court*" means the Pima County Superior Court.

"*Cure Period*" has the meaning provided in Section 10.20(b).

"*Disclosure Statement*" means the disclosure statement substantially in the form of Exhibit "E" hereto.

"*District Budget*" means the budget of the District required for each Fiscal Year by the Act.

"*District Engineer*" means the Town Engineer for the Municipality or his or her designee.

"*District Expenses*" means the reasonable expenses and costs of the operation and administration of the District including the reasonable expenses and costs incurred by the Municipality in connection with the formation of the District; its operations; its relationship with the Municipality; its issuance of the Owner Bonds other than as provided in Section 9.1 or any similar matters and reasonable fees and related actual costs and expenses of staff of the Municipality, financial advisors, engineers, appraisers, attorneys and other consultants and including any allocable overhead incurred by the Municipality with respect thereto.

"*District Indemnified Party*" means the Municipality and each legislator, director, trustee, member, officer, official or employee thereof or of the District.

"*District Manager*" means the Town Manager for the Municipality or his or her designee.

"*Engineers*" means, collectively, the Owner Engineer and the District Engineer; provided, however, that neither may be changed upon less than ten (10) days' prior written notice and, in the case of the Owner Engineer, without compliance with the other provisions hereof with respect to such change.

"*Fiscal Year*" means the twelve (12) month period beginning on July 1 of any year and ending on June 30 of the following year.

"*Force Majeure*" means any condition or event not reasonably within the control of a party obligated to perform hereunder, including, without limitation, "acts of God"; strikes, lock-outs, or other disturbances of employer/employee relations; acts of public enemies; orders or restraints of any kind of the government of the United States or any state thereof or any of their departments, agencies, or officials (including, without limitation, moratoria of any type and duration), or of any civil or military authority; insurrection; civil disturbances; riots; epidemics; pandemics; landslides; lightning; earthquakes; subsidence; fires; hurricanes; storms; droughts; floods; arrests; restraints of government and of people; explosion; supply chain disruptions;

unavailability or delay in delivery of goods and/or materials; and partial or entire failure of utilities. Failure to settle strikes, lock-outs and other disturbances of employer/employee relations or to settle legal or administrative proceedings by acceding to the demands of the opposing party or parties, in either case when such course is in the judgment of the party hereto unfavorable to such party, shall not constitute failure to use its good faith efforts to remedy such a condition or event.

"GO Bonds" means general obligation bonds of the District to provide moneys for certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District heretofore approved by the Municipality and the District and in this Agreement and including the levy, assessment and collection of a debt service tax against all real and personal property in the District, unlimited as to rate or amount therefor.

"*Indemnified Party*" means the Municipality and the District and each legislator, director, trustee, partner, member, officer, official, independent contractor or employee thereof and each person, if any, who controls the Municipality and/or the District within the meaning of the Securities Act.

"*Indemnity Letter of Credit*" means a standby letter of credit or substitute therefor held pursuant to the terms of Section 8.1(e), in an amount and in the form described in Section 8.3.

"*Indemnity Termination Date*" means, provided there are no indemnification claims against the Owner pending under Section 8.1, the earlier of (i) the date on which all of the Owner Bonds are paid in full or defeased to the fullest extent possible pursuant to the Act and (ii) the July 1 after the sum of (A) the projected amount generated by the levy of the O/M Tax at $0.30 per $100.00 of net limited assessed property valuation for the applicable tax year given the tax base of the District for the applicable tax year and assuming a delinquency factor of five percent (5%) and (B) the fund balance in the fund maintained for deposit of proceeds of the O/M Tax at the time of such calculation is at least $_____ in excess of the District Expenses shown in the District Budget for the Fiscal Year overlapping such tax year.

"*Infrastructure*" means the public infrastructure described in Exhibit "B" hereto.

"*Initial Expenses*" means the District Expenses prior to receipt of collections of the first levy of the O/M Tax.

"*Initiation Notice*" has the meaning provided in Section 10.20(d).

"*Landowner*" means the undersigned entity executing the Landowner Consent, Authorization and Agreement hereto.

"*Minimum Tier 1 Leverage Ratio*" means, for the bank supplying the a letter of credit in connection with a Depository Agreement or the Indemnity Letter of Credit, as applicable, a Tier 1 Leverage Ratio of eight percent (8%).

"*O/M Expenses*" means the reasonable expenses and actual costs of the operation and maintenance of the Projects (including after acceptance by the Municipality pursuant to Section 7.1) and for accumulating a Replacement Reserve Amount with respect to the Projects including any allocable overhead incurred by the Municipality with respect thereto.

"*Owner Bonds*" means the portion of the Bonds authorized to be sold and issued by the District for the purpose of acquiring Infrastructure from the Owner or otherwise providing for its construction as described in this Agreement, which bonds consist of the Owner GO Bonds and the Assessment Bonds.

"*Owner Engineer*" means any firm of professional engineers hired by the Owner after approval thereof by the District Manager to perform the services required therefrom for the purposes hereof.

"Owner GO Bonds" means Owner Bonds issued as GO Bonds.

"*Panel*" has the meaning provided in Section 10.20(d).

"*Plans and Specifications*" means the plans and specifications for a Project which shall be prepared and reviewed in accordance with the requirements for plans and specifications for construction projects of the Municipality similar to the Project or the Acquisition Project, as applicable.

"*Process*" has the meaning provided in Section 10.20(d).

"*Project*" means each discrete item of the Infrastructure that is subject to a separate procurement process pursuant to the terms of this Agreement, and, if constructed in phases, which is a Segment when Complete.

"*Project Development Agreement*" means the Amended and Restated Cascada Development Agreement, by and between the Municipality and Pacific International Properties, L.L.P., a limited liability company duly organized and validly existing pursuant to the laws of the State of Arizona, and Fidelity National Title Agency, Inc., an Arizona corporation, as Trustee under trust number 60,327 and not in its corporate capacity, recorded on November 21, 2025, at Sequence No. 2025-3250146, official records of Pima County, Arizona, as further amended from time to time.

"*Public Lot*" means any lot which has been finally subdivided and individually (and not in "bulk") leased (for a period of longer than one year) or sold to the purchaser or user thereof, or any lot or parcel conveyed or dedicated to any governmental authority, utility provider, school district or property owners' association.

"*Replacement Reserve Amount*" means an amount calculated using reasonable accounting practices based on the useful life of the various assets composing the Projects established by the Code to be used to replace such assets.

"*Report*" means the study of the feasibility and benefits required by the Act for the applicable Project or Acquisition Project.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Segment*" means a Complete, discrete portion of an Acquisition Project.

"*Segment Price*" means an amount equal to the sum of the amounts paid by the Owner for (1) design of the Segment (including the costs of the review of such design by the District Engineer), (2) construction of the Segment pursuant to the Acquisition Project Construction Contract for such Segment (such amount to be equal to the contract amount plus any increases to such contract amount approved as described in Section 3.5 less any change orders decreasing the contract amount), (3) inspection and supervision of performance under such Acquisition

Project Construction Contract, and (4) other miscellaneous costs for such Segment attributable to construction of the Segment approved by the Engineers as certified in the Certificate of the Engineers for that Segment.

"*Standby Contribution Agreement*" means the standby contribution agreement by and among the indenture trustee appointed with respect to each series of the Owner Bonds, the District and the Owner, which may be required to be executed and delivered with respect to each series of the Owner Bonds.

"*State*" means the State of Arizona.

"*Tier 1 Leverage Ratio*" means the ratio of that name established by the Federal Reserve Board in 12 C.F.R. Part 225, Appendix D, and any replacement thereof acceptable to the District Manager in his sole and absolute discretion.

(b) All references in this Agreement to designated "Exhibits," "Articles," "Sections" and other subdivisions are to the designated Exhibits, Articles, Sections and other subdivisions of this Agreement as originally executed. References to "subsections" are to subsections of the Section in which the subsections are included.

(c) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Exhibit, Article, Section or other subdivision.

ARTICLE II

CONSTRUCTION OF PROJECTS BY THE DISTRICT; ACQUISITION OF PLANS AND SPECIFICATIONS

Section 2.1. Upon a written request of the Owner and after approval by the District Manager, the District may and, if the Project which is the subject of such request is not on real property in which the Owner has an interest, shall, at the sole cost and expense of the Owner cause Infrastructure to be constructed pursuant to the Plans and Specifications in a fashion which, in the sole discretion of the District Board, allows for development of the Property to proceed in

accordance with the terms of the Project Development Agreement. The Owner shall be solely liable for the cost and expense of such Infrastructure pursuant to a separate completion guaranty and indemnity in form acceptable to the District Manager provided with the request described in the first sentence of this Section. (Underlying ownership of real property shall be determined in the final plat or final development plan process of the Municipality.)

Section 2.2. (a) The construction of the Infrastructure which is the subject of this Article shall be procured, and such Infrastructure shall be constructed, in accordance with the requirements for publicly procuring and constructing projects of the Municipality similar to the Projects.

(b) Such Infrastructure (or any Project which is a part thereof) shall be procured in one or more parts by and in the name of the District, and Construction Contracts shall be entered into with the contractors selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to the Construction Contracts as specified in Article 3-4 of the Marana Code and any procurement guidelines promulgated in connection therewith.

Section 2.3. The Owner (or any entity related to it) shall not be compensated more than once by the Municipality or the District for any costs of any Project. This section shall not prevent the Owner from reimbursement for any infrastructure not acquired by the District and eligible for reimbursement from another source.

Section 2.4. Construction of any Project which is the subject of this Article shall be financed (i) at any time before the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (or after there are no available, unrestricted proceeds of the sale of such Owner Bonds remaining) only pursuant to Section 5.1(a), and (ii) at any time after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (and while there are remaining available, unrestricted proceeds of the sale of such Owner Bonds) only pursuant to Section 5.1(b).

Section 2.5. (a) Unless the financial assurances described in the next subsection are provided, any advertisement for bids for construction of any Project which is the subject of this Article pursuant to Section 2.1 shall include the following language: "**THE INFRASTRUCTURE WHICH IS THE SUBJECT OF THIS BID IS THE SUBJECT OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT AMONG OWNER, THE TOWN OF MARANA, ARIZONA, AND PACIFIC INTERNATIONAL PROPERTIES, L.L.P. THE SUCCESSFUL CONTRACTOR WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO SUCH TOWN OR OWNER FOR ANY COSTS UNDER ANY CONSTRUCTION CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM. PACIFIC INTERNATIONAL PROPERTIES, L.L.P. SHALL HAVE SOLE LIABILITY THEREFOR."** (The District is "OWNER" for purposes of the foregoing.)

(b) Each Construction Contract for such a Project shall provide that the respective contractors shall not have recourse, directly or indirectly, to the Municipality or the District for the payment of any costs pursuant to such Construction Contract or any liability, claim or expense arising therefrom and that the Owner shall have sole liability therefor. In lieu of the foregoing, the Owner may post financial assurances in a form and an amount determined acceptable in the sole and absolute discretion of the District Manager to provide for amounts due with respect to any of such Construction Contracts.

Section 2.6. Plans and Specifications for any such Projects shall be prepared by the Owner Engineer and shall be acquired by the District pursuant to Section 5.2(b) simultaneously with the financing of the construction of the related Project pursuant to Section 5.1(b). The District shall not be liable for any payment or repayment to the Owner with respect to such Plans and Specifications except as provided by this Agreement.

ARTICLE III

CONSTRUCTION OF ACQUISITION PROJECTS BY THE OWNER;

CERTAIN MATTERS RELATED TO PLANS AND SPECIFICATIONS

Section 3.1. The construction of the Acquisition Infrastructure shall initially be at the sole cost and expense of the Owner at the location denoted on, and in accordance with, the Plans and Specifications. (Underlying ownership of real property in and on which the Acquisition Infrastructure is to be built shall be determined in the final plat or final development plan process of the Municipality.) Notwithstanding anything to the contrary in this Agreement, this Agreement shall not obligate the Owner to construct any Infrastructure or to develop the Property in any particular manner or at all. Notwithstanding the foregoing, the Owner reserves an interest in any of the real property upon which Infrastructure has been or is to be constructed with the understanding that Owner intends to sell or convey such interest with the accompanying Infrastructure to the District. The interest described herein is limited to one necessary to accommodate the financing of the acquisition of the Infrastructure pursuant to this Agreement. This interest shall be released upon the earlier of the acquisition of the Infrastructure by the District and the termination of this Agreement.

Section 3.2. (a) The construction of the Acquisition Infrastructure and the preparation of the Plans and Specifications shall be procured pursuant to the provisions of Title 34, Arizona Revised Statutes, and in accordance with the requirements for construction projects and plans and specifications, respectively, of the Municipality similar to the Acquisition Projects and the Plans and Specifications as specified in Article 3-4 of the Marana Code and any procurement guidelines promulgated in connection therewith. Acquisition Project Construction Contracts shall be entered into with the contractors selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to the Acquisition Project Construction Contracts as specified by such Code and guidelines, and contracts for preparation of the Plans and Specifications shall be entered into with the contractor selected in accordance with the requirements for awarding contracts for preparing plans and specifications of the Municipality

similar to the Plans and Specifications as specified by such Code and guidelines. (Compliance with such requirements with respect to the Acquisition Projects shall be evidenced by a Certificate of the Engineers.)

(b) The Municipality and the District shall not bear any risks, liabilities, obligations or responsibilities for any Acquisition Project Construction Contract and shall not be liable, obligated or responsible for any risk of loss of or damage to any Acquisition Project (or any part thereof) occurring prior to the time of acquisition of such Acquisition Project (or part thereof) pursuant to Article IV.

(c) The Municipality and the District shall be named as additional insureds on any insurance policies required under a bid for an Acquisition Project and named as a third-party beneficiary with respect to all warranties, guarantees and bonds with respect thereto.

(d) An indication of final payment and contract closeout shall be provided to the District Manager before any acquisition pursuant to Article IV. If any liens are placed on any Segment of an Acquisition Project which is the subject of an Acquisition Project Construction Contract or if litigation ensues between the Owner and any contractor with respect to an Acquisition Project Construction Contract, the District shall not acquire such Segment until such liens are removed or such litigation is resolved or bonded.

Section 3.3. (a) Subsequent to the execution and delivery of this Agreement, any advertisement for bids for construction of any Acquisition Project or provision of any Plans and Specifications to be acquired shall clearly indicate that the Owner will be the "owner" for purposes of the Acquisition Project Construction Contract or contract for such Plans and Specifications and shall include the following language: "**THE WORK WHICH IS THE SUBJECT OF THE BID IS THE SUBJECT OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT AMONG OWNER, THE TOWN OF MARANA, ARIZONA, AND CASCADA COMMUNITY FACILITIES DISTRICT PURSUANT TO WHICH SUCH WORK MAY BE ACQUIRED BY SUCH COMMUNITY FACILITIES DISTRICT. THE SUCCESSFUL CONTRACTOR WILL NOT HAVE**

RECOURSE, DIRECTLY OR INDIRECTLY, TO SUCH TOWN OR COMMUNITY FACILITIES DISTRICT FOR ANY COSTS UNDER ANY CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM. OWNER SHALL HAVE SOLE LIABILITY THEREFOR." (The Owner is "OWNER" for purposes of the foregoing.)

(b) Each Acquisition Project Construction Contract or contract for such Plans and Specifications shall provide that the respective contractors shall not have recourse, directly or indirectly, to the Municipality or the District for the payment of any costs pursuant to such Acquisition Project Construction Contract or contract for such Plans and Specifications or any liability, claim or expense arising therefrom and that the Owner shall have sole liability therefor. In lieu of the foregoing, the Owner may post financial assurances in a form and an amount determined acceptable in the sole and absolute discretion of the District Manager to provide for amounts due with respect to any of such Construction Contracts.

Section 3.4. The Owner shall provide for inspection by the Engineers of work performed under any Acquisition Project Construction Contract.

Section 3.5. Any change order to any Acquisition Project Construction Contract shall be subject to approval by the Engineers (which approval shall not be unreasonably withheld or delayed) and shall be certified to in the applicable Certificate of the Engineers; provided, however, that any change order expected to increase the amount of an Acquisition Project Construction Contract shall be the subject of the same approval requirements that a change order to increase the cost of a construction contract of the Municipality would be subject under Sections 3-4-7 and 3-4-8 of the Marana Town Code, as such sections may be amended, unless modified by action of the District Board and, specifically, the approval of the District Manager.

Section 3.6. This Agreement does not modify in any way (1) any rights, duties or obligations set forth in the Project Development Agreement, or (2) the zoning for the Property.

ARTICLE IV

ACQUISITION OF ACQUISITION PROJECTS FROM THE OWNER

Section 4.1. (a) Subject to the other terms of this Agreement, the Owner shall sell to the District, and the District shall acquire from the Owner, each Segment for the applicable Segment Price.

(b) Acquisition of a Segment shall be financed (i) at any time before the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (or after there are no available, unrestricted proceeds of the sale of such Owner Bonds remaining) only pursuant to Section 5.2(a), and (ii) at any time after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (and while there are available, unrestricted remaining proceeds of the sale of such Owner Bonds) only pursuant to Section 5.2(b).

(c) The District shall not be liable for any payment or repayment to the Owner with respect to the Acquisition Infrastructure except as provided by this Agreement and applicable law.

(d) Without limiting any other provision of this Agreement, any infrastructure dedicated or conveyed to the District for which development impact fees were assessed shall be eligible for reimbursement to Owner through issuance of Bonds by the District.

Section 4.2. The District shall acquire from the Owner and, to the extent it has available funds, pay the Segment Price for each Segment as provided in Section 4.1, but no more than thirty (30) days after receipt by the District Manager of the below stated items (a through f) relating to each Segment, and the Owner shall accept the Segment Price for and sell to the District, each Segment as provided in Section 4.1 after the approval of the Report pursuant to Section 48-715, Arizona Revised Statutes, and within thirty (30) days after receipt by the District Manager of the following with respect to such Segment, in form and substance reasonably satisfactory to the District Manager:

(a) the Certificate of the Engineers;

(b) the Conveyance;

(c) evidence that public access to the Segment or the Acquisition Project, as applicable, has been or will be provided to the Municipality;

(d) the assignment of all contractors' and materialmen's warranties and guarantees as well as payment and performance bonds;

(e) an acceptance letter issued by the Municipality, which shall not be unreasonably withheld, conditioned or delayed, and by its terms subject specifically to recordation of the Conveyance which is the subject of such letter; and

(f) such other documents, instruments, opinions and approvals as may reasonably be requested by the District Manager including, with respect to any real property related to the Acquisition Project, title reports, insurance and consultant reports that provide evidence satisfactory to the District Manager that such real property does not contain environmental contaminants which make such real property unsuitable for its intended use or, to the extent such contaminants are present, a plan satisfactory to the District Manager which sets forth the process by which such real property will be made suitable for its intended use and the sources of funds necessary to accomplish such purpose.

ARTICLE V

FINANCING OF COSTS OF PROJECTS AND PLANS AND SPECIFICATIONS

Section 5.1 (a) (1) To provide for amounts due pursuant to any Construction Contract (including incidental costs relating thereto) before the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI, such amounts shall be advanced by the Owner and the obligation to advance such amounts shall be the obligation of the Owner pursuant to the terms of this Agreement. Each such advance shall be evidenced by a written acknowledgement of the District Manager included as part of the written approval of the Engineers with each pay request of the contractor for each Construction Contract.

(2) As soon as possible after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI, the total amounts so advanced by the Owner for such purpose prior to the sale and delivery of such Owner Bonds shall be paid to the Owner (without interest for the period during which it was unpaid) from, and only from, the available, unrestricted proceeds of the sale of such Owner Bonds, but only to the extent of the remaining amounts thereof. Neither the District nor the Municipality shall be liable to the Owner (or any contractor or assigns under any Construction Contract) for payment of any such amount except to the extent available, unrestricted proceeds from the sale of such Owner Bonds are available for such purpose, and no representation or warranty is given that the Owner Bonds can be sold or that sufficient proceeds from the sale of the Owner Bonds shall be available to pay such amounts.

(3) Until the sale and delivery of future series of the Owner Bonds intended for such purpose pursuant to Article VI and during any time when there are no available, unrestricted remaining proceeds of the sale of such Owner Bonds, neither the District nor the Municipality shall have any obligation to repay the Owner for any advance made by the Owner to pay such amounts.

(b) (1) Any amounts due pursuant to any Construction Contract (including incidental costs relating thereto) after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (and while there are remaining, available, unrestricted proceeds of the sale of such Owner Bonds) shall be provided for by the payment of such amounts from, and only from, the available, unrestricted proceeds from the sale of current and future series of the Owner Bonds intended for such purpose pursuant to Article VI to the extent only of the remaining amounts thereof.

(2) If there are no available, unrestricted proceeds from the sale of current or prior series of the Owner Bonds intended for such purpose pursuant to Article VI, then until the sale and delivery of future series of the Owner Bonds intended for such purpose pursuant to Article VI, neither the District nor the Municipality shall have any obligation to pay

such amounts. Furthermore, in such an event, neither the District nor the Municipality shall be liable to the Owner (or any contractor or assigns under any Construction Contract) for payment of any such amount except to the extent available, unrestricted proceeds from the sale of future series of the Owner Bonds intended for such purpose pursuant to Article VI are available for such purpose, and no representation or warranty is given that the Owner Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of such future series of the Owner Bonds shall be available to pay such amounts.

Section 5.2. (a) (1) To provide for any acquisition of a Segment occurring before the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI and after there are no remaining, available, unrestricted proceeds from the sale of such Owner Bonds, the Segment Price of that Segment shall be advanced by the Owner pursuant to the terms of this Agreement and the Conveyance for that Segment.

(2) As soon as possible after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI, the amount advanced by the Owner for the Segment Price of a Segment prior to the sale and delivery of such Owner Bonds shall, subject to the requirements of Section 4.2, be paid to the Owner (without interest for the period during which it was unpaid) from, and only from, the available, unrestricted proceeds of the sale of such Owner Bonds, but only to the extent of the remaining amounts thereof. Neither the District nor the Municipality shall be liable to the Owner (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price except to the extent available, unrestricted proceeds from the sale of such Owner Bonds are available for such purpose, and no representation or warranty is given that the Owner Bonds can be sold or that sufficient available, unrestricted proceeds from the sale of the Owner Bonds shall be available to pay any specific Segment Price.

(3) Until the sale and delivery of future series of the Owner Bonds intended for such purpose pursuant to Article VI and during any time when there are no available, unrestricted remaining proceeds of the sale of such Owner Bonds, neither the District

nor the Municipality shall have any obligation to repay the Owner for any advance made by the Owner to pay a Segment Price.

(b) (1) Any acquisition of a Segment or of Plans and Specifications for a Project occurring after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (and while there are remaining, available, unrestricted proceeds from the sale of such Owner Bonds) shall, subject to the requirements of Section 4.2, be provided for by the payment of the Segment Price for such Segment or the costs of such Plans and Specifications, whichever is applicable, as determined by the District Engineer and the District Manager based on actual amounts paid by the Owner to the Owner Engineer therefor from, and only from, the available, unrestricted proceeds from the sale of such Owner Bonds, but only to the extent of the remaining amounts thereof. The District shall pay the costs of such Plans and Specifications to the Owner as provided in Section 2.6 after approval of the Report and within thirty (30) days after receipt by the District Manager of evidence satisfactory to the District Manager of adequate ownership of, or a transferable license acceptable to the District Manager to use, the architectural materials (including memoranda, notes and preliminary and final drawings) and the related intellectual property rights (including copyright, if any) related to such Plans and Specifications, in all media, including electronic, for the limited purpose of operating and maintaining the Segment(s) that are the subject of the Plans and Specifications, and that the District shall be held harmless and be free to use such Plans and Specifications for the limited purpose of such operation and maintenance.

(2) Until the sale and delivery of a series of Owner Bonds intended for such purpose pursuant to Article VI, neither the District nor the Municipality shall have any obligation to pay such Segment Price or such costs of such Plans and Specifications. Neither the District nor the Municipality shall be liable to the Owner (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price or for the costs of such Plans and Specifications except to the extent available, unrestricted proceeds from the sale of the Owner Bonds are available for such purpose, and no representation or warranty is

given that the Owner Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of the Owner Bonds shall be available to pay such Segment Price or such costs of such Plans and Specifications.

ARTICLE VI

MATTERS RELATING TO THE OWNER BONDS AND OTHER OBLIGATIONS OF THE DISTRICT; PROVISIONS RELATED TO GENERAL OBLIGATION BONDS AND SPECIAL ASSESSMENT BONDS

Section 6.1. (a) Subject to Section 6.2 below, to the extent the District is not otherwise prohibited from agreeing to do so pursuant to applicable law, at the request of the Owner, the District Board shall, from time to time, take all such reasonable action necessary for the District to sell and issue, pursuant to the provisions of the Act and this Agreement, an applicable amount of the Owner GO Bonds in an amount sufficient to repay advances for, or to pay directly from the available, unrestricted proceeds thereof, the total of all amounts due for the purposes of any Construction Contract for the Infrastructure and the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the Infrastructure to be acquired, established or reasonably expected to be established pursuant hereto plus all relevant issuance costs related thereto. Subject to Section 6.2 below, to the extent the District is not otherwise prohibited from agreeing to do so pursuant to applicable law, at the request of the Owner, the District Board shall, from time to time, take all such reasonable action necessary for the District to sell and issue, pursuant to the provisions of the Act and this Agreement, an applicable amount of the Assessment Bonds in an amount sufficient to repay (together with any Owner GO Bonds) advances for, or to pay directly from the available, unrestricted proceeds thereof, the total of all amounts due for the purposes of any Construction Contract for the Infrastructure and the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the Infrastructure to be acquired, established or reasonably expected to be established pursuant hereto plus all relevant issuance costs related thereto. To the extent the District is not otherwise prohibited

from agreeing to do so pursuant to applicable law, except at the request of, or with the written consent of, the Owner, (1) the District shall not undertake the issuance of any GO Bonds until the earlier of (i) twenty-five (25) years from the date hereof and (ii) the issuance of all $_____ in principal amount of the Owner GO Bonds, and, (2) the District shall not undertake the issuance of Assessment Bonds until less than 15% of the Assessment to be levied to secure the Assessment Bonds will be levied on property owned by the Owner or that the Owner has a currently effective option to purchase, in each case, to finance costs of any Infrastructure. Notwithstanding any provision of this Section 6.1, the District Board may cause the preparation of a Report and thereafter issue Bonds if the District Board determines that the issuance of such Bonds and the use of the proceeds thereof will mitigate or cure a health or safety issue located within or affecting property or residents within the District.

(b) If the Owner Bonds are not issued or if the available, unrestricted proceeds of the sale of the Owner Bonds intended for such purpose are insufficient to pay any or all of the amounts due described in Section 5.1(b) or all of the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the Infrastructure to be acquired, then there shall be no recourse against the District or the Municipality for, and neither the District nor the Municipality shall have liability with respect to, such amounts so due or the Segment Prices for the Acquisition Infrastructure, except from the available, unrestricted proceeds from the sale of the Owner Bonds, if any and as applicable.

Section 6.2. (a) The District shall, subject to the other conditions of this Agreement, issue, in one or more series in principal amounts to be determined by the District Board, the Owner Bonds at the sole discretion of the District Board.

(b) The total aggregate principal amount of all of the series of the Owner GO Bonds shall not exceed $_____ in principal amount, leaving $_____ in principal amount of all other series of GO Bonds that are not controlled by the terms of this Agreement but subject to the provisions of Section 6.1(a) hereof.

(c) The Owner GO Bonds shall only be issued if the debt service therefor can be amortized with substantially equal amounts of annual debt service from amounts generated by a tax rate of not to exceed $2.50 per one hundred dollars ($100.00) of net limited assessed property valuation of property within the boundaries of the District as indicated on the tax roll for the current tax year. For purposes of the foregoing, a delinquency factor for tax collections equal to the greater of five percent (5%) and the historic, average, annual, percentage delinquency factor for the District as of such Fiscal Year shall be assumed; all property in the District owned by the Owner or any entity owned or controlled (as such term is used in the Securities Act) by, or which owns or controls (as such term is used in the Securities Act), the Owner shall be assigned the last value such property had when categorized as "vacant" for purposes of net limited assessed property valuation, and the debt service for any outstanding series of the Owner GO Bonds theretofore issued shall be taken into account in determining whether such tax rate will produce adequate debt service tax collections; provided, however, that the first series of the Owner GO Bonds shall be issued as soon as practicable to accomplish the goal of having the debt service tax costs therefor appear on the earliest tax bill applicable to any single family residential dwelling unit to be located within the boundaries of the District to be owned by other than the Owner or any entity owned or controlled (as such term is used in the Securities Act) by the Owner or any homebuilder to whom the Owner or any entity owned or controlled (as such term is used in the Securities Act) by, or which owns or controls (as such term is used in the Securities Act), the Owner sells property to within the boundaries of the District.

(d) If necessary in the sole discretion of the District Board, the "sale proceeds" from the sale of each series of the Owner GO Bonds may include an amount sufficient to fund a reserve fund, which shall be a reserve to secure payment of debt service on that series of the Owner GO Bonds, in an amount not in excess of the maximum amount permitted by the Code.

Section 6.3. (a) If necessary in the sole discretion of the District Board to regulate the tax rate to be levied to pay debt service on each series of the Owner GO Bonds, for each series

of the Owner GO Bonds, in consideration of the obligations of the District as of the date of delivery of each series of Owner GO Bonds and as a condition to the issuance of such series of Owner GO Bonds, a Standby Contribution Agreement shall be executed and delivered. Each Standby Contribution Agreement shall have specific terms which provide, among the other matters provided for in this Section, that on the date of initial issuance and delivery of the applicable series of Owner GO Bonds and in each Fiscal Year of the District thereafter, the Owner shall be liable and obligated to pay to the District an amount necessary to maintain the tax rate for the District such that the total tax rate based on all of the Owner GO Bonds (and the Owner GO Bonds then being issued) does not exceed $2.50 per one hundred dollars of net limited assessed property valuation under the conditions described above. If necessary in the sole discretion of the District Board, to provide adequate assurances for payment of the amounts due pursuant to the related Standby Contribution Agreement, a Depository Agreement shall be executed and delivered pursuant to which the Owner shall be obligated to deposit in the name of the District with a depository pursuant to such Depository Agreement cash, a surety bond, a letter of credit or other adequate security acceptable in amount and form in the sole and absolute discretion of the District Manager. The Standby Contribution Agreements and the Depository Agreements shall have general terms reasonably acceptable to the District Manager in his sole and absolute discretion. Such agreements shall specifically provide that amounts shall be payable pursuant to the applicable Standby Contribution Agreement only if the District has for that tax year adopted a resolution authorizing the tax rate for the District such that the total tax rate for the Owner GO Bonds does not exceed $2.50 per one hundred dollars of net limited assessed property valuation under the conditions described above. Notwithstanding the foregoing sentence, a tax rate of less than such rate may be levied for such purpose without affecting the obligation that such amounts be so payable if there are tax collections which must be applied by applicable law to reduce such rate that cannot otherwise be applied legally before such rate must be set.

(b) Each Standby Contribution Agreement shall have specific terms

which provide that the obligation of the Owner shall terminate upon the earlier to occur of (i) the date of the payment in full of all of the outstanding Owner GO Bonds that are the subject of the applicable Standby Contribution Agreement or provision for such payment related to such Standby Contribution Agreement, or (ii) the first day of the first Fiscal Year after the District Treasurer has received evidence satisfactory to the District Treasurer that for three (3) consecutive tax years, a tax rate with respect to the Owner GO Bonds of no more than $2.50 per $100 of net limited assessed valuation of property within the boundaries of the District was sufficient to pay the Annual Debt Service for such years, based upon the application of such limited tax rate in light of the actual net limited assessed valuation of such property not including property owned by the Owner or any entity owned or controlled (as such term is used in the Securities Act) by, or which owns or controls (as such term is used in the Securities Act), the Owner, assuming a delinquency factor equal to greater of five percent (5%) and the historic, average, annual percentage delinquency factor for the District as of such tax year. (After receipt of proof of satisfaction of clause (ii) satisfactory to the District Treasurer in his sole and absolute discretion, the District Board shall approve by appropriate action such termination, such approval not to be withheld unreasonably.)

(c) Each Depository Agreement shall have specific terms which provide that the cash, surety bond, letter of credit or other security instrument *in lieu* thereof held pursuant thereto shall be released to the Owner concurrently with termination of the Standby Contribution Agreement.

Section 6.4. (a) Assessment Bonds shall be special assessment lien bonds payable from amounts collected from, among other sources, the hereinafter described special assessment (referred to as originally levied and as thereafter may be reallocated as described herein as the "*Assessments*").

(b) The Assessments shall be based on the Financeable Amount indicated in the Report. None of the Acquisition Project Construction Contracts or the Construction Contracts applicable to any Project shall be required to be publicly procured or

awarded as a prerequisite to the levying of the Assessments.

(c) The Assessments shall be levied pursuant to the procedures prescribed by Sections 48-576 through 48-589, Arizona Revised Statutes, as amended, as nearly as practicable or such other procedures as the District provides, or as otherwise provided in the Act.

(d) In the event of nonpayment of the Assessment, the procedures for collection thereof and sale of the applicable portion of the Property may be established by the District, or the District may adopt the procedures prescribed by Sections 48-601 through 48-607, Arizona Revised Statutes, as amended, as nearly as practicable, except that, under all procedures, neither the District nor the Municipality is required to purchase any of the Property at the sale if there is no other purchaser.

(e) To prepay, from property owner payments, in whole or in part the applicable portion of the Assessment, on any interest payment date, the following shall be paid in cash to the District: (A) the interest on such portion to the next date Assessment Bonds may be redeemed plus (B) the unpaid principal amount of such portion rounded up to the next highest multiple of $1,000 plus (C) any premium due on such redemption date with respect to such portion plus (D) any administrative or other fees charged by the District with respect thereto minus (E) the prorata share of the reserve fund described in Section 6.4(g)(iv) applicable to the principal amount of the Assessment Bonds prepaid, which amount shall be paid from the reserve fund.

(f) Owner hereby acknowledges that lenders and other parties involved in financing future improvements on the Property (including mortgages for single family residences) may require that liens associated with the Assessment (or applicable portions thereof) be paid and released, prior to accepting a lien with respect to any such financing.

(g) Requirements for Assessment Bonds.

(i) Town CFD Policies Apply. Proceeds of the Assessment Bonds may be used for any purpose permitted by the Act. The terms and provisions of the Assessment Bonds and the manner of sale shall be established by the Town's Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts originally approved by Marana Resolution No. 97-42 (5/21/1997); amended by Marana Resolution No. 2004-161 (11/5/04), Marana Resolution No. 2019-034 (06/04/2019), Marana Resolution No. 2019-074 (08/06/2019), Marana Resolution No. 2021-105 (8/3/2021), and Marana Resolution No. 2021-155 (12/7/2021). the Town Council on May 21, 1997, as amended from time to time by the Town (the "*Town CFD Policies*"), except as such Town CFD Policies are modified by or inconsistent with, this Agreement or the District's approval of the Report.

(ii) Appraisal; Coverage Ratio. At the time of sale of the Assessment Bonds, an appraisal dated not earlier than six (6) months prior to the date of sale of the Assessment Bonds, in form and substance satisfactory to the District, in its sole and absolute discretion, and prepared by an MAI appraiser (the "*Appraisal*") must show that the wholesale (bulk) value of the assessment area securing the Assessment Bonds (as improved by the public infrastructure described in the relevant Report) less five percent (5%), is worth at least six times (in the case of a public sale of Assessment Bonds) and three times (in the case of a sale of the Assessment Bonds to qualified institutional buyers [as defined in Rule 144A of the Securities Act of 1933, as amended], accredited investors [as defined in Rule 501(a), Regulation A of the Securities and Exchange Commission, as amended]) or sophisticated municipal market participants [as defined by the Municipal Securities Rulemaking Board], as much as the principal amount of the Assessment Bonds allocated to each assessed parcel.

(iii) Financial Assurance. At the time of sale of the Assessment Bonds, and to the extent not already provided by the contractors pursuant to the public procurement requirements, Owner shall provide or cause to be provided financial assurances in the form of escrowed cash, bonds, letter of credit or other similar assurances, accessible by the District and in

each case in form reasonably acceptable to both the District Manager and Owner, for amounts necessary to pay all costs and expenses associated with providing all the public infrastructure purposes described in the Report as well as any unpaid costs and expenses of any public infrastructure purposes not paid or payable from the proceeds of the sale of the Assessment Bonds because such proceeds are insufficient in amount for such purposes. The foregoing is not intended to limit the right of Owner to reimbursement for any amount advanced in excess of the proceeds from the sale of the Assessment Bonds if the District is able to finance such amount from other or future Assessment Bond proceeds, and the District and the Municipality shall reasonably cooperate with Owner in preserving the right to any such future reimbursement.

(iv) Reserve Fund. Unless reduced by the District Board in the Approval, the amount of the Assessment Bonds and the "sale proceeds" thereof shall be sized to include an amount sufficient to fund a reserve to secure payment of debt service on the Assessment Bonds for a period of one (1) year (as reduced from time to time based on optional prepayments). Payment from such reserve shall not effect a reduction in the amount of the Assessment, and any amount collected with respect to the Assessment thereafter shall be deposited to such reserve to the extent the Assessment is so paid therefrom. In connection with any prepayment of a portion of an Assessment, the prorata share of the reserve fund determined at the time of issuance of the Assessment Bonds attributable to the principal amount of the Assessment to be prepaid shall be withdrawn from the reserve fund and applied to the principal amount of the Assessment to be prepaid.

(v) Billings and Collections. Unless otherwise agreed to by the District, the District will not issue any Assessment Bonds unless and until the Pima County Treasurer has agreed to enter into an agreement with the District to collect the District's special assessments as provided in A.R.S. §48-721B.

Section 6.4. Other than (1) this Agreement, (2) the Owner GO Bonds, (3) any obligations necessary in connection with any of the foregoing, and (4) Assessment Bonds as described in Section 6.4 above, neither the District nor the Municipality shall incur or otherwise become obligated with respect to any other obligations.

ARTICLE VII

ACCEPTANCE BY THE MUNICIPALITY

Section 7.1. Simultaneously with the payment of the related Segment Price or completion of construction of a Project, the Segment of Acquisition Infrastructure, to the extent of the interest retained by the Owner therein, or the Project constructed is hereby accepted (including for purposes of maintenance and operation thereof if not theretofore provided) by the Municipality, subject to the conditions pursuant to which facilities such as the Acquisition Projects and the Projects so constructed are typically accepted by the Municipality in accordance with Section 48-728, Arizona Revised Statutes, and thereafter shall be made available for use by the general public.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. (a) The Owner (1) shall indemnify, defend and hold harmless each Indemnified Party for, from and against any and all losses, claims, damages or liabilities, joint or several, arising from actions in connection with, or arising from, formation of the District or with respect to the Election and the actions of the Owner and the Landowner (but not of other third parties) or a failure of performance by the Owner (but not of third parties), relating to the activities or administration of the District, or the carrying out of the provisions of this Section, including particularly but not by way of limitation and as limited by the aforesaid for any losses, claims or damages or liabilities (A) related to any Acquisition Project Construction Contract or Project initiated upon a written request of the Owner constructed pursuant to a Construction Contract including claims of any contractor, vendor, subcontractor or supplier, (B) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or

otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in any offering document relating to the Owner Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect and (C) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Owner (which consent shall not be unreasonably withheld) and (2) shall reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action.

(b) Section 8.1(a) shall, however, not be applicable to any of the following:

(1) matters involving any gross negligence or willful misconduct of any Indemnified Party,

(2) any loss, claim, damage or liability for which insurance coverage is actually procured which names the District as an insured, in order to provide insurance against the errors and omissions of the District Board or the other representatives, agents or employees of the District and any loss, claim, damage or liability that is covered by any commercial general liability insurance policy actually procured which names the District as an insured (including those of the Owner under which the District is to be added as an additional named insured),

(3) any loss, claim, damage or liability arising from or relating to defects in any Infrastructure that are not known to the Owner and are discovered one (1) year or more following acceptance thereof by the Municipality pursuant to Section 7.1;

(4) matters arising from or involving any breach of this Agreement by the District or any other Indemnified Party; or

(5) Projects or Construction Contracts initiated by the District without a written request of Owner and any loss, claim, damage or liability arising from or relating to any Infrastructure constructed or installed in connection therewith.

(c) An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Owner, notify the Owner in writing of the commencement thereof and provide a copy of the written threat received by such Indemnified Party. Failure of the Indemnified Party to give such notice shall reduce the liability of the Owner by the amount of damages attributable to the failure of the Indemnified Party to give such notice to the Owner, but the omission to notify the Owner of any such action shall not relieve the Owner from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Owner of the commencement thereof, the Owner may, or if so requested by such Indemnified Party shall, participate therein or defend the Indemnified Party therein, with counsel satisfactory to such Indemnified Party and the Owner (it being understood that, except as hereinafter provided, the Owner shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from the Owner to such Indemnified Party of an election so to assume the defense thereof, the Owner shall not be liable to such Indemnified Party under this section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof; provided, however, that unless and until the Owner defends any such action at the request of such Indemnified Party, the Owner shall have the right to participate at its own expense in the defense of any such action. If the Owner shall not have employed counsel to defend any such action within a reasonable period of time after receipt of written notice of such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from

or additional to those available to the Owner (in which case the Owner shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, the legal and other expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Owner.

(d) The Owner shall not have any obligation to indemnify or hold harmless any Indemnified Party until such time that the Indemnified Party has exhausted all other insurance, risk retention or other indemnification options or remedies available to it. In the event that the insurance, risk retention or other indemnification options or remedies of the Indemnified Party are insufficient to reimburse the Indemnified Party for its actual losses, claims, damages or liabilities, then, and only then, shall the Indemnified Party have a right to indemnification from the Owner, and even then only to the extent that indemnification by the Owner will be secondary to, and in excess of, the primary insurance, risk retention or other indemnification options or remedies of the Indemnified Party.

(e) To provide adequate assurances for payment of the indemnification obligations described in this Section 8.1, the Owner shall provide $200,000 in the form of a cash contribution, an Indemnity Letter of Credit, or other reasonably acceptable security as required by the District to secure the Owner's indemnity obligations under this Agreement. At the time of submission of the first Report by Owner (other than the Report for the Owner GO Bonds to establish the target tax rate), Owner will increase the cash contribution or Indemnity Letter of Credit to $500,000, or provide other reasonably acceptable security as required by the District to secure the Owner's indemnity obligations under this Agreement. Upon Horton's (or its land banker's) acquisition of the first phase of the Project and Horton's execution of an assumption agreement in form and substance reasonably acceptable to the District Manager confirming Horton's assumption of all indemnity and other obligations of the Owner under this Agreement, (i) Horton and the District will amend this Agreement to make Horton the sole "Owner" counterparty to this Agreement; (ii) the District will immediately release and return any such security to the Owner, and (iii) the District will waive any requirement for Horton to post

replacement security for such indemnity obligations. Upon Horton's assumption, Pacific International Properties, L.L.P., an Arizona limited liability partnership, shall be fully released from all indemnity and related obligations under this Section 8.1. If Horton does not assume the Owner's obligations under this Agreement, the security provided pursuant to this Section 8.1 shall remain in effect until the Indemnity Termination Date, at which time the District shall release and return the remaining security to the Owner.

Section 8.2. To the extent permitted by applicable law, the District shall indemnify, defend and hold harmless each Indemnified Party for, from and against any and all liabilities, claims or demands for injury or death to persons or damage to property arising from in connection with, or relating to the performance of this Agreement. The District shall not, however, be obligated to indemnify the District Indemnified Parties with respect to damages caused by the negligence or willful misconduct of the District Indemnified Parties. The District shall not indemnify, defend and hold harmless the Municipality with respect to matters relating to public infrastructure owned by the Municipality.

Section 8.3. If the Owner elects to provide the Indemnity Letter of Credit pursuant to Section 8.1(e), such Indemnity Letter of Credit shall be subject to the following requirements.

(a) The Indemnity Letter of Credit issued shall be in an amount equal to $_____ upon formation of the District, in favor of the District, which is presentable for payment in the continental United States, and drawable as provided herein, which includes provisions requiring (i) immediate notice to the District for any quarter of a year of a reduction below the Minimum Tier 1 Leverage Ratio, and (ii) sixty (60) days' notice to the District of any cancellation, termination or nonrenewal thereof, and which otherwise shall be acceptable to the District Manager in the exercise of commercially reasonable standards. If the Indemnity Letter of Credit issuer does not permit draws on the Indemnity Letter of Credit in the metropolitan Phoenix area, the Owner will be responsible for all additional costs and expenses relating to a draw on the Indemnity Letter of Credit outside of the metropolitan Phoenix area, including, without limitation, hiring local counsel, travel expenses, room and board.

(b) The Indemnity Letter of Credit shall be drawn to its full amount, payable to the Municipality, if any of the following occurs: (i) the nonpayment by or on behalf of the Owner of any amount due pursuant to this Article VIII or Article IX that is not cured within fifteen (15) days after written notice of such nonpayment from the District to the Owner; (ii) the cancellation, termination or non-renewal of the Indemnity Letter of Credit and a failure by the Owner to substitute the Indemnity Letter of Credit not less than thirty (30) days before its cancellation, termination or expiration date; or (iii) a reduction below the Minimum Tier 1 Leverage Ratio without the Municipality having received within sixty (60) days after the date of such reduction a substitute for the Indemnity Letter of Credit (which is in all respects the same as the Indemnity Letter of Credit but has a Minimum Tier 1 Leverage Ratio).

(c) The Indemnity Letter of Credit shall be released on the Indemnity Termination Date.

ARTICLE IX

PAYMENT OF CERTAIN EXPENSES AND COSTS

Section 9.1. To provide for expenses and costs for agents or third parties required to administer the Owner Bonds and to levy and collect *ad valorem* taxes for payment of the Owner Bonds, prepare annual audits and budgets and any purposes otherwise related to such activities of the District, amounts shall be budgeted by the District Board each Fiscal Year in the District Budget for such purposes and shall be paid from amounts available from the tax levy described in Section 6.2(c).

Section 9.2. To provide for the payment of the District Expenses and the O/M Expenses, the District Board shall levy all or a portion of the O/M Tax and shall apply the collections of the O/M Tax first to pay the District Expenses and second to pay the O/M Expenses; provided; however, that none of the Owner's deposit below shall be used to pay O/M Expenses. To the extent the collections (including any excess collection from previous years) of the O/M Tax are not sufficient to pay the District Expenses, the Owner shall, to the extent of reasonable amounts necessary therefor, be liable and obligated to pay or, on a reasonable basis acceptable to the District

Manager, obligate a homeowner's or similar association to pay, to the District on July 1 of each Fiscal Year of the District the amount of any shortfall indicated in the District Budget with respect to the District Expenses, assuming a levy of the O/M Tax at $0.30 per $100.00 of net limited assessed property valuation and assuming a delinquency factor of five percent (5%), including any amount required because of any shortfall for District Expenses in the prior Fiscal Year as provided in such District Budget and no matter how such shortfall was otherwise funded. The District shall levy the O/M Tax in an amount necessary for the District Expenses and the O/M Expenses reflected in the District Budget for the Fiscal Year of the District and only in reasonable amounts therefor. The obligation of the Owner pursuant to this Section shall not exceed $50,000 in total per Fiscal Year beginning with the first full Fiscal Year after the execution and delivery hereof by the District, provided, however, that for any period prior thereto such obligations shall not exceed $50,000 times the number of full months remaining in such Fiscal Year divided by twelve (12), and shall only be effective until the July 1 after the levy of the O/M Tax at $0.30 per $100.00 of net limited assessed property valuation could first result in collections of $50,000, given the tax base of the District for the applicable tax year and assuming a delinquency factor of five percent (5%). Any amounts paid by the Owner (or by a homeowner's or similar association, if obligated by the Owner) under this Section shall be eligible for reimbursement from the proceeds of the Owner Bonds to the extent permitted by law. Such reimbursable amounts shall, without the need for further request by the Owner, but subject to the extent of available amounts therefor, be included as part of the purpose of the Owner Bonds.

Section 9.3. The Owner shall advance $50,000, as a deposit on account, to be applied by the Municipality to pay Initial Expenses. When $25,000 of the $50,000 deposit is expended, an accounting will be made to the Owner of all amounts incurred by the Municipality for the Initial Expenses to date, and the Owner shall be liable and obligated to provide additional funds as necessary for the Initial Expenses in an amount requested by the Municipality which must be paid forthwith and which shall thereafter be the subject of a similar accounting. Amounts paid pursuant to this Section by the Owner which may be reimbursed under applicable law to the Owner

from the proceeds derived from the sale of the Owner Bonds shall, without the need for further request by the Owner, but subject to the extent of available amounts therefor, be included as part of the purpose of the Owner Bonds. The obligations of the Owner pursuant to this Section shall only be effective until the July 1 after the date that the first collections of the O/M Tax are received by the District. To the extent any amounts remain on the date described in the immediately preceding sentence from the Owner advances made in accordance with this Section 9.3, such amounts shall be deposited with the District and credited toward the Owner's obligations described in Section 9.2.

ARTICLE X

MISCELLANEOUS

Section 10.1. None of the Municipality, the District or the Owner shall knowingly take, or cause to be taken, any action which would cause interest on any Bond to be includable in gross income for federal income tax purposes pursuant to Section 61 of the Code.

Section 10.2. (a) To provide evidence satisfactory to the District Manager that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Owner Bonds may be then or in the future, be outstanding, the Disclosure Statement shall be produced by the Owner, or, subsequent to a sale of land by the Owner, shall be produced by each homebuilder to whom the Owner has sold land; provided, however, that the Disclosure Statement may be modified as necessary in the future to adequately describe the District and the Owner Bonds and the source of payment for debt service therefor as agreed by the District Manager and the Owner.

(b) The Owner shall or shall require that each homebuilder to whom the Owner has sold land:

(1) cause any purchaser of land to sign the Disclosure Statement upon entering into a contract for purchasing such land;

(2) provide a copy of each fully executed Disclosure Statement to be filed with the District Manager; and

(3) provide such information and documents, including audited financial statements, if available, to any necessary repository or depository, but only to the extent necessary for the underwriters of the Owner Bonds to comply with Rule 15c2-12 of the Securities Exchange Act of 1934.

Section 10.3. (a) This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, successors and assigns and the duties, obligations and liabilities under this Agreement are attached to and run with the Property. Upon the conveyance of all or any portion of the Property (other than a Public Lot), all of the Owner's (or its successor's) duties, obligations and liabilities under this Agreement with respect to the portion of the Property conveyed and first arising after the effective date of such conveyance shall, upon the written consent of the District Board, be assigned to, and assumed by, the purchaser of the Property. The assigning Owner (or its successor) shall thereafter be relieved of all duties, obligations and liabilities arising from and after the effective date of such conveyance with respect to the portion of the Property conveyed. The Owner's (or its successor's) right, title and interest under this Agreement may only be assigned by a written instrument executed by the Owner (or its successor) and the purchaser of all or any portion of the Property, expressly delineating the portion of the Owner's right, title and interest under this Agreement being assigned to the purchaser, and recorded in the Official Records of Pima County, Arizona.

(b) This Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on the language of this Section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. Nevertheless, in order to alleviate any concern as to the effect of this Agreement on the status of title to any of the Property, this Agreement shall automatically terminate without the execution or recordation of any further document or instrument as to any Public Lot, and thereupon such Public Lot shall be

released from and no longer be subject to or burdened by the provisions of this Agreement. Nothing herein shall limit or affect the validity of any document to be recorded other than this Agreement nor of the tax for the Bonds or the O/M Tax which, when imposed upon the Property, shall run with the Property in accordance with applicable laws.

Section 10.4. Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

Section 10.5. This Agreement sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Agreement is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto. This Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and as such no rule of strict construction shall be applied against any party.

Section 10.6. This Agreement shall be governed by and interpreted in accordance with the laws of the State.

Section 10.7. The waiver by any party hereto of any right granted to it under this Agreement shall not be deemed to be a waiver of any other right granted in this Agreement nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived under or by this Agreement.

Section 10.8. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 10.9. (a) To the extent applicable under Section 38-511, Arizona Revised Statutes, the Municipality and the District may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, is, at any time within three years after the execution of this Agreement, an employee or agent of the Owner in any capacity or a consultant to any other party of this

Agreement with respect to the subject matter of this Agreement. The Owner has not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Owner in any capacity or a consultant to any party to this Agreement with respect to the subject matter of this Agreement.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Owner shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Municipality or the District, as applicable. The Municipality and the District, as applicable, retain the legal right to randomly inspect the papers and records of the Owner to ensure that the Owner is complying with the foregoing. The Owner shall keep such papers and records open for random inspection during normal business hours by the Municipality or the District, as applicable. The Owner shall cooperate with the random inspections by the Municipality or the District, as applicable, including granting the Municipality or the District, as applicable, entry rights onto its property to perform such random inspections and waiving their rights to keep such papers and records confidential.

(c) To the extent applicable under Section 35-393 et seq., Arizona Revised Statutes, the Owner hereby certifies that it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the Municipality or the District determines that such certification is false or that the Owner has breached such agreement, the Municipality or the District, as applicable, may impose remedies as provided by law.

(d) To the extent applicable under Section 35-394, Arizona Revised Statutes, the Owner hereby certifies it does not currently, and for the duration of this Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods

or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. The foregoing certification is made to the best knowledge of the Owner without any current independent investigation or without any future independent investigation for the duration of this Agreement. If the Owner becomes aware during the duration of this Agreement that it is not in compliance with such certification, the Owner shall take such actions as provided by law, including providing the required notice to the Municipality and the District. If the Owner is not in compliance with the foregoing certification, the Owner shall take remedial action to comply with such certification.

Section 10.10. The term of this Agreement shall be as of the date of the execution and delivery hereof by each of the parties hereto and shall expire upon the earlier of (i) the agreement of the District, the Municipality and the Owner to the termination hereof, (ii) if no Owner Bonds have been issued by the District, March __, 2046, and (iii) if any Owner Bonds are issued by the District, the date on which all $_____ in principal amount of the Owner Bonds are paid in full or defeased to the fullest extent possible pursuant to the Act.

Section 10.11. All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid addressed as follows:

If to the Municipality:

11555 North Civic Center Drive
Marana, Arizona 85653
Attention: Manager

If to the District:

11555 North Civic Center Drive
Marana, Arizona 85653
Attention: District Manager

If to the Owner:

Pacific International Properties, L.L.P.
8710 North Thornydale Road, Suite 120
Tucson, Arizona 85742
Attention: Larry Kreis

With copies to:

Greg Anderson
3573 East Sunrise Drive, Suite 233
Tucson, AZ 85718

and

Fennemore Craig, P.C.
2394 East Camelback Road, Suite 600
Phoenix, Arizona 85016
Attention: Jay S. Kramer

Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.12. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof, and such ruling person or tribunal shall not deem the entire Agreement to be invalid or unenforceable.

Section 10.13. The headings or titles of the several Articles and Sections hereof and in the Exhibits hereto, and any table of contents appended to copies hereof and thereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

Section 10.14. This Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law or under the Project Development Agreement; provided, however, that if the provisions of this Agreement conflict in any particular with those of the Project Development Agreement relating to the District, the provisions of this Agreement shall supersede and control those of the Project Development Agreement, as amended, in all respects.

Section 10.15. No later than ten (10) days after this Agreement is executed and delivered by each of the parties hereto, the Owner shall on behalf of the Municipality and the District record a copy of this Agreement with the County Recorder of Pima County, Arizona.

Section 10.16. Unless otherwise expressly provided, the representations, covenants, indemnities and other agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

Section 10.17. If any party hereto shall be unable to observe or perform any covenant or condition herein by reason of *Force Majeure*, then the failure to observe or perform such covenant or condition shall not constitute a default hereunder so long as such party shall use its commercially reasonable, good faith efforts to remedy with all reasonable dispatch the event or condition causing such inability and such event or condition can be cured within a reasonable amount of time.

Section 10.18. Whenever the consent or approval of any party hereto, or of any agency therefor, shall be required under the provisions hereof, such consent or approval shall not be unreasonably withheld, conditioned or delayed unless specifically otherwise limited as provided herein.

Section 10.19. Notwithstanding any other provision of this Agreement to the contrary, the provisions of Sections 7.1, 8.1, 8.2, 9.3, 10.1, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13, 10.14, 10.15, 10.17, 10.18, 10.19 and 10.20 are the only provisions that are effective against the Municipality for purposes of the Intergovernmental Agreement Act as the Intergovernmental Agreement Act is intended to be applied for purposes of this Agreement.

Section 10.20. (a) Notwithstanding any provision of this Agreement to the contrary, no act, requirement, payment, or other agreed upon action to be done or performed by the Municipality or the District which would, under any federal, state, or municipal constitution, statute, charter provision, ordinance or regulation, require formal action, approval or concurrence by the Town Council or the District Board, respectively, shall be required to be done or performed by the Municipality or the District, respectively, unless and until said formal action of the Town

Council or the District Board, respectively, has been taken and completed. This Agreement in no way acquiesces to or obligates the Municipality or the District to perform a legislative act. Furthermore, pursuant to Section 48-709(G), Arizona Revised Statutes, the Owner does not have the authority to compel the issuance or sale of the Bonds of the District or the exercise of any taxing power of the District to make repayment under any agreement. Notwithstanding any provision of this Agreement to the contrary, issuance or sale of the Bonds of the District and any other legislative act of the District or the Municipality shall be done in the sole and absolute discretion of the District Board or the Town Council, as applicable, and the Owner agrees that it shall not take any action against the District or the Municipality to compel any of the foregoing. The Owner retains its right to reimbursement pursuant to the Project Development Agreement and any other agreements between the Municipality and the Owner.

(b) Failure or unreasonable delay by any party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (hereinafter referred to as the "Cure Period") after actual receipt of written notice thereof from any other party, shall constitute a default under this Agreement; provided, however, that if the failure or delay is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, or there is existing a Force Majeure event, then such party shall have such additional time as may be necessary to perform or comply so long as such party commences performance or compliance within a reasonable period of time under the facts applicable to each situation. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, any non-defaulting party shall have all rights and remedies that are set forth in the next subsection.

(c) Except as provided in subsection (b), the parties shall be limited to the remedies and the dispute resolution procedure set forth in this subsection and subsection (d). Any decision rendered by the Panel pursuant to the provisions of subsection (d) shall be binding on the parties unless and until a court of competent jurisdiction renders a conflicting final decision

on the disputed issue, and if any party does not abide by the decision rendered by the Panel during the pendency of an action before the court of competent jurisdiction or otherwise (if no court action), any other party may institute an action for money damages on the issues that were the subject of the Panel's decision and/or any other relief as may be permitted by law.

(d) (1) If an event of default is not cured within the Cure Period, any non-defaulting party may institute the dispute resolution process set forth in this subsection (hereinafter referred to as the "Process") by providing written notice initiating the Process (hereinafter referred to as the "Initiation Notice") to the defaulting party.

(2) Within thirty (30) days after delivery of the Initiation Notice, each involved party shall appoint one person to serve on an arbitration panel (herein referred to as the "Panel"). Within twenty-five (25) days after delivery of the Initiation Notice, the persons appointed to serve on the Panel shall themselves jointly appoint one person to serve as a co-member of the Panel. Such jointly appointed person shall function as the chairperson of the Panel.

(3) The remedies available for award by the Panel shall be limited to specific performance, declaratory relief and injunctive relief, all other forms of relief being herein expressly waived by all parties.

(4) Any party can petition the Panel for an expedited hearing if circumstances justify it. Such circumstances shall be similar to what a court would view as appropriate for injunctive relief or temporary restraining orders. In any event, the hearing of any dispute not expedited shall commence as soon as practicable, but in no event later than forty-five (45) days after selection of the chairperson of the Panel. This deadline can be extended only with the consent of all parties to the dispute or by decision of the Panel upon a showing of emergency circumstances.

(5) The chairperson of the Panel shall conduct the hearing pursuant to the Center For Public Resources' Rules for Non-Administered Arbitration of Business Disputes then in effect. The chairperson of the Panel shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence, consistent with the

deadlines provided herein, and the parties' objective that disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The chairperson of the Panel upon proper application shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary or sensitive materials or information from public disclosure or other misuse. Any party may make application to the Court to have a protective order entered as may be appropriate to confirm such orders of the chairperson of the Panel.

(6) The hearing, once commenced, shall proceed from business day to business day until concluded, absent a showing of emergency circumstances. Except as otherwise provided herein, the Process shall be governed by the Revised Uniform Arbitration Act as enacted in the State.

(7) The Panel shall, within fifteen (15) days from the conclusion of any hearing, issue its written decision, including the rationale and support for its decision. The decision shall be rendered in accordance with this Agreement and the laws of the State.

(8) Any involved party may appeal the decision of the Panel to the Court for a *de novo* review of the issues decided by the Panel, so long as such appeal is made within thirty (30) days after the Panel's decision is actually received by such party. The remedies available for award by the Court shall be limited to specific performance, declaratory relief and injunctive relief, and payment of fees and costs pursuant to clause (9) below, with all other forms of relief being herein expressly waived by all parties. During any pendency of an appeal, the decision of the Panel shall be binding on both parties until the Court renders a binding decision. If a non-prevailing party in the Process fails to appeal to the Court within the time frame set forth herein, the decision of the Panel shall be final and binding. If one party does not comply with the decision of the Panel during the pendency of the action before the Court or otherwise, then another party shall be entitled to exercise all rights and remedies that may be available under law or equity, including without limitation the right to institute an action for money damages related to the default that was the subject of the Panel's decision and the provisions of this subsection shall not apply to such an exercise of rights and remedies.

(9) All fees and costs associated with the Process before the Panel, including without limitation the fees of the Panel, other fees, and the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party or parties. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Panel. Similarly, all fees and costs associated with an appeal to the Court or any appellate court thereafter, including without limitation, the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Court.

Section 10.21. Pursuant to Section 48-727, Arizona Revised Statutes, the District Board shall establish and maintain an official website that is electronically searchable by the public and that contains a comprehensive database of district contracts, public notices, meeting minutes, resolutions and accounts showing all monies received and disbursed, the annual budget and other records required to be maintained by law. The database may not include: (i) tax payment or refund data that includes confidential taxpayer information; (ii) work product in anticipation of litigation or other information that is subject to attorney-client privilege; or (iii) any other information that is designated by law as confidential. The District Board shall provide a link to the database on the District's main website maintained by the District Board and shall provide a link to that database to the Arizona Department of Administration.

* * *

IN WITNESS WHEREOF, the officers of the Municipality and of the District have duly affixed their signatures and attestations, and the duly authorized officer(s) of the Owner have affixed their signatures, all as of the day and year first written above.

TOWN OF MARANA, ARIZONA

By.....
Jon Post, Mayor

ATTEST:

.....
Jill McCleary, Town Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the Municipality who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the Municipality.

.....
Jane Fairall, Town Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me on this ..... day of ..... 2026, by Jon Post, as Mayor of the Town of Marana, Arizona, a municipal corporation under the laws of the State of Arizona.

.....
Notary Public

My commission expires:

.....

CASCADA COMMUNITY FACILITIES DISTRICT

By.....
Jon Post, Chairman, District Board

ATTEST:

.....
Jill McCleary, District Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the District, who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the District.

.....
Jane Fairall, District Counsel

STATE OF ARIZONA)
) ss
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me on this ..... day of ..... 2026, by Jon Post, as Chairman of the District Board of Cascada Community Facilities District, an Arizona community facilities district.

.....
Notary Public

My commission expires:

.....

PACIFIC INTERNATIONAL PROPERTIES,
L.L.P., an Arizona limited liability partnership

By: Alexander S. Law

By:_____
Daniel K. Leung, Attorney-in-Fact

By: Dennis S. Law

By:_____
Daniel K. Leung, Attorney-in-Fact

By: Francis S. Law

By:_____
Daniel K. Leung, Attorney-in-Fact

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this ..... day of ..... 2026, by Daniel K. Leung, the Attorney-in-Fact for Alexander S. Law, Dennis S. Law, and Francis S. Law, the partners of Pacific International Properties, L.L.P., an Arizona limited liability partnership, on behalf thereof.

.....
Notary Public

My commission expires:

.....

Consent and Agreement

Reference is hereby made to that certain District Development, Financing Participation and Intergovernmental Agreement (Cascada Community Facilities District), dated as of _____ 1, 2026, by and among the Town of Marana, Arizona, Cascada Community Facilities District and Pacific International Properties, L.L.P., to which this Consent and Agreement is attached (the "*Development Agreement*"). All capitalized terms used and not otherwise defined in this Consent and Agreement shall have the meanings set forth in the Development Agreement. The undersigned having an interest in real property within the District hereby consents to the Development Agreement, acknowledges that the Development Agreement shall bind all real property in which the undersigned has an interest within the District, and authorizes the recordation of the Development Agreement with respect to all such real property. In no event, however, shall anything in this Consent and Agreement constitute a personal assumption by the undersigned of the obligations of the Owner under the Development Agreement.

Fidelity National Title Agency, Inc.,
an Arizona corporation, as Trustee under Trust
No. 60,327, and not otherwise

By.....
[Printed Name, Title]

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this ..... day of ..... 2026, by _____, as _____ of Fidelity National Title Agency, Inc., an Arizona corporation, as Trustee under Trust No. 60,327, and not otherwise.

.....
Notary Public

My commission expires:

.....

Landowner Consent, Authorization and Agreement

Reference is hereby made to that certain District Development, Financing Participation and Intergovernmental Agreement (Cascada Community Facilities District), dated as of _____ 1, 2026, by and among the Town of Marana, Arizona, Cascada Community Facilities District and Pacific International Properties, L.L.P., to which this Consent and Agreement is attached (the "*Development Agreement*"). All capitalized terms used and not otherwise defined in this Consent and Agreement shall have the meanings set forth in the Development Agreement. The undersigned having an equitable interest in real property within the District hereby consents to the Development Agreement, acknowledges that the Development Agreement shall bind all real property in which the undersigned has an equitable interest within the District, authorizes the recordation of the Development Agreement with respect to all such real property, and, to the extent applicable, authorizes the encumbrance of its portion of the Property with the Development Agreement. In no event, however, shall anything in this Landowner Consent and Agreement constitute an assumption by Landowner of the obligations of the Owner under the Development Agreement.

[*signatures appear on following pages*]

Signature Page to Landowner Consent and Agreement

D.R. HORTON, INC.,
a Delaware corporation

By.....
[Printed Name, Title]

STATE OF .....)
) ss.
COUNTY OF .....)

The foregoing instrument was acknowledged before me this ..... day of ..... 2026, by Brent T. Davis, the Vice President of D.R. HORTON, INC., a Delaware corporation.

.....
Notary Public

My commission expires:

.....

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

DESCRIPTION OF THE INFRASTRUCTURE

The following public infrastructure:

Cascada Blvd Phase 1
Alma Gitana
Twin Peaks Phase 1
Water Facilities
Drainage Phase 1
Offsite Sewer Phase 1
Offsite Water Phase 1
Public Trails Phase 1
Cascada Blvd Phase 2
Drainage Phase 2
Offsite Sewer Phase 2
Offsite Water Phase 2
Public Trails Phase 2
Lambert Lane Phase 1
South District Park
Lambert Lane Phase 2
Twin Peaks Phase 2
Offsite Sewer Phase 3
Public Trails Phase 3
Water Facilities
North District Park

Together with:

(a) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge.

(b) Drainage and flow control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge.

(c) Water systems for domestic, industrial, irrigation, municipal or fire protection purposes including production, collection, storage, treatment, transport, delivery, connection and dispersal, but not including facilities for agricultural irrigation purposes unless for the repair or replacement of existing facilities when required by other improvements permitted by this article.

(d) Highways, streets, roadways, and parking facilities including all areas for vehicular use for travel, ingress, egress and parking.

(e) Areas for pedestrian, equestrian, bicycle or other nonmotor vehicle use for travel, ingress, egress and parking.

(f) Pedestrian malls, parks, recreational facilities other than stadiums, and open space areas for the use of members of the public for entertainment, assembly, and recreation.

(g) Landscaping including earthworks, structures, lakes and other water features, plants, trees, and related water delivery systems.

(h) Public buildings, public safety facilities and fire protection facilities.

(i) Lighting systems.

(j) Traffic control systems and devices including signals, controls, markings, and signage.

(k) Equipment, vehicles, furnishings, and other personality related to the items listed hereinabove.

(l) Any other public infrastructure now or hereafter included in the definition of "public infrastructure" in the Act.

(m) Operation and maintenance of the items listed hereinabove.

EXHIBIT C

FORM OF CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

(insert description of Acquisition Project/Segment)

STATE OF ARIZONA)
COUNTY OF PIMA)
TOWN OF MARANA) ss.
CASCADA COMMUNITY)
FACILITIES DISTRICT)

We the undersigned, being Professional Engineers in the State of Arizona and, respectively, the duly appointed District Engineer for Cascada Community Facilities District (hereinafter referred to as the "District"), and the engineer employed by Pacific International Properties, L.L.P. (hereinafter referred to as the "Owner"), each hereby certify for purposes of the District Development, Financing Participation and Intergovernmental Agreement (Cascada Community Facilities District), dated as of _____ 1, 2026 (hereinafter referred to as the "Agreement"), by and among the District, the Town of Marana, Arizona, and the Owner that:

1. The Segment indicated above has been constructed and performed in every detail pursuant to the Plans and Specifications (as such term and all of the other initially capitalized terms in this Certificate are defined in the Agreement) and the Acquisition Project Construction Contract (as modified by any change orders permitted by the Agreement) for such Segment.

2. The Segment Price as publicly bid and including the cost of approved change orders for such Segment is $.....

3. The Owner provided for compliance with the requirements for public procurement for such Segment as required by the Agreement (including, particularly but not by way of limitation, Title 34, Chapter 2, Article 1, Arizona Revised Statutes) in connection with award of the Acquisition Project Construction Contract for such Segment.

4. The Owner filed all construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment with the Municipality.

5. The Owner obtained good and sufficient performance and payment bonds in connection with such Contract.

DATED AND SEALED THIS ..... DAY OF ....., 20...

By.....
District Engineer

[P.E. SEAL]

[P.E. SEAL]

By.....
Engineer for the Owner

[Confirmed for purposes of Section 3.5 of the Development Agreement by

.....
District Manager for
Cascada Community Facilities District*]

[THIS WILL BE <u>REQUIRED</u> FOR EVERY SEGMENT ACQUIRED WITH PROCEEDS OF THE SALE OF THE OWNER BONDS!!!]

---

* To be inserted if the provisions of Section 3.5 hereof are applicable to the respective Segment of the Project.

EXHIBIT D

FORM OF CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT
(Insert description of Acquisition Project/Segment)

STATE OF ARIZONA)
COUNTY OF PIMA)
TOWN OF MARANA) ss.
CASCADA COMMUNITY)
FACILITIES DISTRICT)

KNOW ALL MEN BY THESE PRESENTS THAT:

..... ("....."), for good and valuable consideration received by ..... from Cascada Community Facilities District, a community facilities district formed by the Town of Marana, Arizona (the "Municipality"), and duly organized and validly existing pursuant to the laws of the State of Arizona (the "District"), receipt of which is hereby acknowledged [, and the promise of the District to hereafter pay the amounts described in the hereinafter described Development Agreement],* does by these presents grant, bargain, sell and convey to the District, its successors and assigns, all right, title and interest in and to the following described property, being the subject of a District Development, Financing Participation and Intergovernmental Agreement (Cascada Community Facilities District), dated as of _____ 1, 2026, by and among the Municipality, the District, and Pacific International Properties, L.L.P., and more completely described in such Development Agreement:

[Insert description of Acquisition Project/Segment]

together with any and all benefits, including warranties and performance and payment bonds, under the Acquisition Project Construction Contract (as such term is defined in such Development Agreement) or relating thereto, all of which are or shall be located within utility or other public easements dedicated or to be dedicated by plat or otherwise free and clear of any and all liens, easements, restrictions, conditions, or encumbrances affecting the same [, such subsequent dedications not affecting the promise of the District to hereafter pay the amounts described in such Development Agreement],* but subject to all taxes and other assessments, reservations in patents, and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, leases, and liabilities or other matters as set forth on Exhibit I hereto.

TO HAVE AND TO HOLD the above-described property, together with all and singular the rights and appurtenances thereunto in anywise belonging, including all necessary rights of ingress, egress, and regress, subject, however, to the above-described exception(s) and reservation(s), unto the District, its successors and assigns, forever; and ..... does hereby bind

* Insert with respect to any acquisition financed pursuant to Section 5.2(a) hereof.

itself, its successors and assigns to warrant and forever defend, all and singular, the above-described property, subject to such exception(s) and reservation(s), unto the District, its successors and assigns, against the acts of ..... and no other.

..... binds and obligates itself, its successors and assigns, to execute and deliver at the request of the District any other or additional instruments of transfer, bills of sale, conveyances, or other instruments or documents which may be necessary or desirable to evidence more completely or to perfect the transfer to the District of the above-described property, subject to the exception(s) and reservation(s) hereinabove provided.

This conveyance is made pursuant to such Development Agreement, and ..... hereby agrees that the amounts specified above and paid [or promised to be paid*] to ..... hereunder satisfy in full the obligations of the District under such Development Agreement and hereby releases the District from any further responsibility to make payment to ..... under such Development Agreement except as above provided.

....., in addition to the other representations and warranties herein, specifically makes the following representations and warranties:

1. ..... has the full legal right and authority to make the sale, transfer, and assignment herein provided.

2. ..... is not a party to any written or oral contract which adversely affects this Conveyance.

3. ..... is not subject to any bylaw, agreement, mortgage, lien, lease, instrument, order, judgment, decree, or other restriction of any kind or character which would prevent the execution of this Conveyance.

4. ..... is not engaged in or threatened with any legal action or proceeding, nor is it under any investigation, which prevents the execution of this Conveyance.

5. The person executing this Conveyance on behalf of ..... has full authority to do so, and no further official action need be taken by ..... to validate this Conveyance.

6. The facilities conveyed hereunder are all located within property owned by ..... or utility or other public easements dedicated or to be dedicated by plat or otherwise.

IN WITNESS WHEREOF, ... has caused this Conveyance to be executed and delivered this ..... day of ....., 20...

.....

By.....

By.....

Title:.....

STATE OF .....)
) ss.
COUNTY OF .....)

This instrument was acknowledged before me on ....., 20.. by ....., of ....., a/n ……., on behalf of said ……...

.....
Notary Public

.....
Typed/Printed Name of Notary

[NOTARY SEAL] My Commission Expires:.....

EXHIBIT I

TO

CONVEYANCE OF SEGMENT OF PROJECT

(Insert description of Project/Segment)

EXHIBIT E

FORM OF DISCLOSURE STATEMENT

[To be attached]

Council-Regular Meeting **D1**

Meeting Date: 01/20/2026

To: Mayor and Council

From: Jane Fairall, Town Attorney

Date: January 20, 2026

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2026-009: Relating to Administration; approving and authorizing the Mayor to execute the Town Manager's Employment Agreement between the Town of Marana and Terry S. Rozema (Jane Fairall)

Discussion:

On October 20, 2020, the Town Council appointed Terry Rozema to serve as Interim Town Manager. Mr. Rozema previously served as the Chief of the Marana Police Department. On February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing Mr. Rozema to the position of Town Manager, and entering into an employment agreement with him for an initial term of one year, from February 2, 2021 through February 1, 2022. Since then, the Council has reappointed Mr. Rozema to successive one-year terms as Town Manager each year thereafter, most recently by adoption of Resolution No. 2025-003 on January 7, 2025. Mr. Rozema's 2025-2026 employment agreement, a copy of which is attached to this agenda item for the Council's information, provided for an annual base salary of $231,504.00, benefits consistent with those enjoyed by other Town employees, and the following additional benefits:

- The Town pays 5% of the Manager's annual income into his deferred compensation account.
- The Manager receives six months' salary as severance pay (plus accrued unused vacation leave and 5% of annual income paid into deferred compensation) if the Town Manager is terminated for convenience within the first 180 days of the term of the Agreement.
- If the Town Manager is terminated for convenience after the first 180 days of the term of this Agreement, the Manager receives severance pay equal to his salary for

the remaining number of months in the term of the agreement (plus accrued unused vacation leave and 5% of annual income paid into deferred compensation)
- The Town Manager's maximum vacation leave accrual is 350 hours (other Town employees may accrue up to 320 hours).
- The Manager is given use of a Town vehicle.
- The Town Manager may request that the Town purchase up to a cumulative total of 125 hours of the Town Manager's accrued vacation leave from the Town Manager.

A proposed new agreement for a one-year term from February 2, 2026 through February 1, 2027, is included within the Council packet for consideration. The agreement proposes to maintain the same benefits and terms and conditions as the 2025-2026 agreement, except that the compensation in the proposed agreement has been left blank for Council consideration and discussion.

An executive session is also scheduled on tonight's agenda to discuss Mr. Rozema's employment and contract if needed.

Financial Impact:

The Town Manager's Office department budget has adequate existing budgetary capacity to pay for the Town Manager's salary and benefits.

Staff Recommendation:

Council's pleasure.

Suggested Motion:

I move to adopt Resolution No. 2026-009, approving and authorizing the Mayor to execute the Town Manager's Employment Agreement between the Town of Marana and Terry S. Rozema with an annual base salary of $ _____.

Attachments

Resolution No. 2026-009

Exhibit A - Town Manager's Employment Agreement

Town Manager's Employment Agreement 2025-2026

MARANA RESOLUTION NO. 2026-009

RELATING TO ADMINISTRATION; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE TOWN MANAGER'S EMPLOYMENT AGREEMENT BETWEEN THE TOWN OF MARANA AND TERRY S. ROZEMA

WHEREAS the Town Council is authorized to appoint a town manager pursuant to A.R.S. § 9-239 and Marana Town Code sections 3-1-2 (A) and 3-2-1; and

WHEREAS by motion adopted on October 20, 2020, the Town Council appointed Terry S. Rozema to the position of interim town manager effective immediately; and

WHEREAS, on February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing Mr. Rozema to the position of town manager, and entering into an employment agreement with Mr. Rozema for an initial term of one year, from February 2, 2021 through February 1, 2022; and

WHEREAS since Mr. Rozema's appointment to the position of town manager on February 2, 2021, the Town Council has reappointed Mr. Rozema for successive one-year terms each year thereafter, most recently on January 7, 2025, via adoption of Resolution No. 2025-003, reappointing Mr. Rozema and entering into an employment agreement for the term of February 2, 2025 through February 1, 2026; and

WHEREAS the Town Council now desires to enter into a new employment agreement with Mr. Rozema to set the terms and conditions of his continued employment as town manager.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, that the employment agreement attached to and incorporated by this reference in this resolution as Exhibit A, is hereby approved and the Mayor is hereby authorized and directed to execute it for and on behalf of the Town of Marana.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of January, 2026.

_____
Mayor Jon Post

ATTEST:

_____
Jill McCleary, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

TOWN MANAGER'S EMPLOYMENT AGREEMENT BETWEEN THE TOWN OF MARANA AND TERRY S. ROZEMA

This Employment Agreement (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town") and TERRY S. ROZEMA (the "Town Manager"). The Town and the Town Manager are collectively referred to in this Agreement as the "Parties," and each is sometimes individually referred to as a "Party."

RECITALS

A. The Town Council is authorized to appoint a town manager pursuant to A.R.S. § 9-239 and Marana Town Code sections 3-1-2 (A) and 3-2-1.

B. The Town Manager's education, training, and experience qualify him to provide the professional services sought by the Town.

C. By motion adopted on October 20, 2020, the Town Council appointed the Town Manager to the position of interim town manager of the Town effective immediately.

D. On February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for an initial term of one year, from February 2, 2021 through February 1, 2022.

E. On February 1, 2022, the Town Council adopted Resolution No. 2022-011, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2022 through February 1, 2023.

F. On January 17, 2023, the Town Council adopted Resolution No. 2023-009, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2023, through February 1, 2024.

G. On January 16, 2024, the Town Council adopted Resolution No. 2024-010, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2024, through February 1, 2025.

H. On January 7, 2025, the Town Council adopted Resolution No. 2025-003, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2025, through February 1, 2026.

I. The Parties now desire to enter into a new employment agreement to set the terms and conditions of the Town Manager's employment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, the Parties agree as follows:

Article 1. Term

1.1. Term. This Agreement shall be effective on February 2, 2026, and shall continue in full force and effect until February 1, 2027, unless it is sooner terminated by either Party pursuant to Article 4 below. If this Agreement expires at the end of this term with no Town Council action to renew or extend it, the Town Manager's employment shall terminate and the Town Manager shall be entitled to no further salary or benefits from the Town, except that all earned and unpaid salary and benefits and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager.

1.2. Severance Provision Term. The provisions of paragraph 4.1 below relating to the payment of severance benefits shall remain in full force and effect throughout the term of this Agreement to the extent permitted by Arizona law.

Article 2. Duties and Performance

2.1. Standards of Performance. The Town Manager shall render professional Town management services to the Town. The Town Manager shall be under the administrative supervision and control of the Town Council, subject to his compliance at all times with federal, state and local law, and the International City/County Management Association Code of Ethics.

2.2. Full-Time Work. The Town Manager shall devote his full working professional time and attention to the management of the Town of Marana. During his employment by the Town, the Town Manager shall not, without written consent of the Town, directly or indirectly render services of a professional nature to or for any person or firm for compensation, or engage in any practice or professional endeavor that compromises the interests of the Town. However, the expenditure of reasonable time and resources for civic, community, non-municipal political or professional activities shall not be deemed a breach of this provision.

2.3. Annual Goals and Objectives. Annually, the Town Council and the Town Manager shall define such goals and performance objectives that they determine necessary for the proper operation of the Town and in the attainment of the Town Council's policy objectives and shall further establish a relative priority among those various goals and objectives. The goals and objectives shall be reduced to writing. The goals shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations.

Article 3. Compensation and Benefits

3.1. Salary. The Town shall pay the Town Manager an annual salary of $_____, beginning on the effective date of this Agreement, which is February 2, 2026.

3.2. Deferred Compensation. The Town shall execute all necessary documentation allowing the Town Manager to enroll in a qualified deferred compensation plan and the Town shall contribute an amount equal to 5% of the Town Manager's annual salary.

3.3. Expenses. The Town shall reimburse the Town Manager for all reasonable travel and business expenses incurred by the Town Manager in the performance of his duties, in accordance with the general policies of the Town. Reasonable business expenses shall include, but are not limited to, costs incurred to meet and dine with individuals and groups involved in or sought out to be involved in Town development or economic development activities. The Town shall pay for the Town Manager's attendance at a reasonable number of professional or municipal conferences, specifically including reimbursement for professional association dues and one annual International City/County Management Association (ICMA) conference and appropriate State professional conferences. The Manager is encouraged to participate in civic activities. The Town shall sponsor and pay for membership dues and fees for the Manager's involvement in local service organizations.

3.4. Indemnification. The Town shall indemnify, defend, and hold the Town Manager harmless from all liability for damages, court costs, litigation expenses, and attorney fees which arise out of acts or omissions of the Town Manager committed within the course and scope of the Town Manager's employment. The Town Manager shall have the rights set forth under Town Code Section 2-10-2 as it currently exists, and any amendment that limits or reduces the protection of the Town Manager during the duration of this Agreement shall not apply.

3.5. Liability Coverage. The Town shall maintain comprehensive liability coverage effectively covering the Town Manager against any and all claims associated with the reasonable performance of the Town Manager's responsibilities within the scope of his employment.

3.6. Fidelity Bond. The Town shall bear the full cost of any fidelity or other bonds required of the Town Manager.

3.7. Holidays. The Town Manager shall be entitled to the same paid holidays to which other employees of the Town are entitled, as provided in the Personnel Policies and Procedures.

3.8. Managed Time Off (MTO) Leave. The Town Manager shall be entitled to the same managed time off (MTO) leave allocations as are afforded to department directors of the Town, including an additional 40 hours of MTO leave per calendar year, as provided in the Town's Personnel Policies and Procedures. Upon termination of

employment, the Town Manager shall receive pay for accrued but unused MTO as provided in the Town's Personnel Policies and Procedures.

3.9. Vacation Leave. The Town Manager shall accrue vacation leave at the maximum accrual rate established in the Town's Personnel Policies and Procedures, currently 7.6923 hours per pay period. Upon termination of employment, the Town Manager shall receive pay for accrued but unused vacation leave as provided in the Town's Personnel Policies and Procedures. The cap on vacation leave established by the Town's Personnel Policies and Procedures shall not apply to the Town Manager and is hereby replaced with a total vacation leave accrual cap of 350 hours.

3.9.1. At any time during the term of this Agreement, the Town Manager may request that the Town purchase, at the applicable salary rate set forth in paragraph 3.1 above, up to a cumulative total of 125 hours of the Town Manager's accrued vacation leave from the Town Manager.

3.10. Tuition Reimbursement. The Town shall provide the same tuition reimbursement to the Town Manager as is available generally to Town employees under Policy 6-2 of the Town's Personnel Policies and Procedures. The Mayor shall perform all functions normally undertaken by the department head, human resources director or town manager under Policy 6-2 for purposes of reviewing and approving tuition reimbursement requests by the Town Manager.

3.11. Use of Town Vehicle. The Town Manager's duties require that he shall at all times during his employment with the Town have use of an automobile provided to him by the Town for Town business. The Town Manager may transport guests of the Town Manager within or outside the Town's corporate limits. The Town Manager is permitted to make incidental personal use of the Town Vehicle, including by way of example stopping for personal business on the way to or from official Town business.

3.12. Health and Other Insurance; Retirement Plan; Other Benefits. Except as otherwise amended or expanded by this Agreement, the Town Manager shall receive all insurance, retirement, and other benefits afforded to all other Town employees.

3.13. Work Hours. The Town recognizes that the Town Manager must devote a great deal of time outside normal office hours to the business of the Town. The Town Manager may adjust his office hours as he shall deem appropriate so long as he is reasonably available and the management of the Town is not harmed.

Article 4. Termination.

4.1. Termination by the Town for Convenience. The Town may terminate the Town Manager's employment for convenience. For purposes of this Agreement, termination for "convenience" means termination for any reason other than for "cause" (see paragraph 4.2 below). If the Town terminates the Town Manager's employment for convenience, then this Agreement shall terminate, and the Town shall pay the Town Manager severance benefits as set forth in this paragraph 4.1.

4.1.1. If the Town terminates the Town Manager's employment for convenience within the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.1.1. A lump sum severance payment equal to six months of the Town Manager's salary; and

4.1.1.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

4.1.1.3. A lump sum payment for the Town Manager's accrued unused vacation leave (see paragraph 3.9 above).

4.1.2. If the Town terminates the Town Manager's employment for convenience after the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.2.1. A lump sum severance payment equal to the Town Manager's salary for the number of months remaining in the term of the Agreement. By way of illustration and not limitation, if the Town Manager is terminated with three months remaining in the term of this Agreement, the Town will pay the Town Manager a lump sum severance payment equal to three months of the Town Manager's salary; and

4.1.2.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

4.1.2.3. A lump sum payment for the Town Manager's accrued unused vacation leave (see paragraph 3.9 above).

4.2. Termination by the Town for Cause. The Town may terminate the Town Manager's employment for cause. For purposes of this Agreement, termination for "cause" is defined as (i) the commission of a criminal offense; (ii) the commission of an immoral act or other behavior, whether on or off duty, which brings the Town into disrepute, embarrasses the Town publicly, or raises questions about the Town Manager's fitness to serve in his role as Town Manager; (iii) non-performance of a required duty; or (iv) any similarly serious reason for termination. If the Town terminates the Town Manager's employment for "cause," then this Agreement shall terminate. All salary payable to the Town Manager under this Agreement shall immediately cease, except that all earned but unpaid salary and benefits, and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager. The Town Manager shall not be eligible for any severance payment or benefits payable under paragraph 4.1 above.

4.3. Termination by the Town Manager. The Town Manager may terminate his employment at any time, for any reason or for no reason, by delivering to the Mayor and Council a written notice at least 30 days in advance of his requested termination date. If the Town Manager terminates his employment, this Agreement shall terminate upon the termination date, and the following terms shall apply:

4.3.1. All salary payable to the Town Manager under this Agreement shall cease upon the date of termination of employment. All earned and unpaid salary and benefits and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager. The Town may, in its sole discretion, elect to accelerate the Town Manager's departure date from the Town upon receipt of the Town Manager's notice. In that event, the Town Manager shall be paid through the accelerated termination date chosen by the Town. The Town Manager shall not be eligible for any severance payment or benefits payable under paragraph 4.1 above.

4.3.2. In the Town's sole discretion, the Town may request that the Town Manager make himself reasonably available, as needed by the Town, for consulting purposes for a period of three months after termination of employment. In that event, the Town and the Town Manager shall enter into a separate agreement for the purpose of compensating the Town Manager on an hourly basis for his services, at a rate equivalent to his compensation and benefits earned with the Town pursuant to this Agreement.

Article 5. General Terms and Conditions.

5.1. Recitals. The recitals set forth at the beginning of this Agreement are hereby acknowledged, confirmed to be accurate and incorporated here by reference.

5.2. Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement. All prior and

contemporaneous agreements, representation and understanding of the Parties, oral or written, are hereby superseded and merged in this Agreement.

5.3. Severability. If any provision of this Agreement is declared illegal, invalid or unenforceable, in whole or in part, under present or future laws, it shall be severed from the remainder of this Agreement, which shall otherwise remain in full force and effect. In lieu of the illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to the illegal, invalid, or unenforceable provisions as may be possible and still be legal, valid, and enforceable, and this Agreement shall be deemed reformed accordingly.

5.4. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

5.5. Interpretation. This Agreement has been negotiated by the Town and the Town Manager, and neither Party shall be deemed to have drafted this Agreement for purposes of construing any portion of this Agreement for or against any Party.

5.6. Conflict of Interest. This Agreement is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

TOWN:

THE TOWN OF MARANA,
an Arizona municipal corporation

By:_____
Jon Post, Mayor

Date:_____

TOWN MANAGER:

TERRY S. ROZEMA

By:_____
Terry S. Rozema

Date:_____

ATTEST:

_____
Jill McCleary, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

TOWN MANAGER'S EMPLOYMENT AGREEMENT BETWEEN THE TOWN OF MARANA AND TERRY S. ROZEMA

This Employment Agreement (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town") and TERRY S. ROZEMA (the "Town Manager"). The Town and the Town Manager are collectively referred to in this Agreement as the "Parties," and each is sometimes individually referred to as a "Party."

RECITALS

A. The Town Council is authorized to appoint a town manager pursuant to A.R.S. § 9-239 and Marana Town Code sections 3-1-2 (A) and 3-2-1.

B. The Town Manager's education, training, and experience qualify him to provide the professional services sought by the Town.

C. By motion adopted on October 20, 2020, the Town Council appointed the Town Manager to the position of interim town manager of the Town effective immediately.

D. On February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for an initial term of one year, from February 2, 2021 through February 1, 2022.

E. On February 1, 2022, the Town Council adopted Resolution No. 2022-011, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2022 through February 1, 2023.

F. On January 17, 2023, the Town Council adopted Resolution No. 2023-009, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2023, through February 1, 2024.

G. On January 16, 2024, the Town Council adopted Resolution No. 2024-010, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2024, through February 1, 2025.

H. The Parties now desire to enter into a new employment agreement to set the terms and conditions of the Town Manager's employment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, the Parties agree as follows:

Article 1. Term

1.1. Term. This Agreement shall be effective on February 2, 2025, and shall continue in full force and effect until February 1, 2026, unless it is sooner terminated by either Party pursuant to Article 4 below. If this Agreement expires at the end of this term with no Town Council action to renew or extend it, the Town Manager's employment shall terminate and the Town Manager shall be entitled to no further salary or benefits from the Town, except that all earned and unpaid salary and benefits and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager.

1.2. Severance Provision Term. The provisions of paragraph 4.1 below relating to the payment of severance benefits shall remain in full force and effect throughout the term of this Agreement to the extent permitted by Arizona law.

Article 2. Duties and Performance

2.1. Standards of Performance. The Town Manager shall render professional Town management services to the Town. The Town Manager shall be under the administrative supervision and control of the Town Council, subject to his compliance at all times with federal, state and local law, and the International City/County Management Association Code of Ethics.

2.2. Full-Time Work. The Town Manager shall devote his full working professional time and attention to the management of the Town of Marana. During his employment by the Town, the Town Manager shall not, without written consent of the Town, directly or indirectly render services of a professional nature to or for any person or firm for compensation, or engage in any practice or professional endeavor that compromises the interests of the Town. However, the expenditure of reasonable time and resources for civic, community, non-municipal political or professional activities shall not be deemed a breach of this provision.

2.3. Annual Goals and Objectives. Annually, the Town Council and the Town Manager shall define such goals and performance objectives that they determine necessary for the proper operation of the Town and in the attainment of the Town Council's policy objectives and shall further establish a relative priority among those various goals and objectives. The goals and objectives shall be reduced to writing. The goals shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations.

Article 3. Compensation and Benefits

3.1. Salary. The Town shall pay the Town Manager an annual salary of $231,504.00, beginning on the effective date of this Agreement, which is February 2, 2025.

3.2. Deferred Compensation. The Town shall execute all necessary documentation allowing the Town Manager to enroll in a qualified deferred compensation plan and the Town shall contribute an amount equal to 5% of the Town Manager's annual salary.

3.3. Expenses. The Town shall reimburse the Town Manager for all reasonable travel and business expenses incurred by the Town Manager in the performance of his duties, in accordance with the general policies of the Town. Reasonable business expenses shall include, but are not limited to, costs incurred to meet and dine with individuals and groups involved in or sought out to be involved in Town development or economic development activities. The Town shall pay for the Town Manager's attendance at a reasonable number of professional or municipal conferences, specifically including reimbursement for professional association dues and one annual International City/County Management Association (ICMA) conference and appropriate State professional conferences. The Manager is encouraged to participate in civic activities. The Town shall sponsor and pay for membership dues and fees for the Manager's involvement in local service organizations.

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3.9. Vacation Leave. The Town Manager shall accrue vacation leave at the maximum accrual rate established in the Town's Personnel Policies and Procedures, currently 7.6923 hours per pay period. Upon termination of employment, the Town Manager

shall receive pay for accrued but unused vacation leave as provided in the Town's Personnel Policies and Procedures. The cap on vacation leave established by the Town's Personnel Policies and Procedures shall not apply to the Town Manager and is hereby replaced with a total vacation leave accrual cap of 350 hours.

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3.10. Tuition Reimbursement. The Town shall provide the same tuition reimbursement to the Town Manager as is available generally to Town employees under Policy 6-2 of the Town's Personnel Policies and Procedures. The Mayor shall perform all functions normally undertaken by the department head, human resources director or town manager under Policy 6-2 for purposes of reviewing and approving tuition reimbursement requests by the Town Manager.

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4.1.1. If the Town terminates the Town Manager's employment for convenience within the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.1.1. A lump sum severance payment equal to six months of the Town Manager's salary; and

4.1.1.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

4.1.1.3. A lump sum payment for the Town Manager's accrued unused vacation leave (see paragraph 3.9 above).

4.1.2. If the Town terminates the Town Manager's employment for convenience after the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.2.1. A lump sum severance payment equal to the Town Manager's salary for the number of months remaining in the term of the Agreement. By way of illustration and not limitation, if the Town Manager is terminated with three months remaining in the term of this Agreement, the Town will pay the Town Manager a lump sum severance payment equal to three months of the Town Manager's salary; and

4.1.2.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

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terminates the Town Manager's employment for "cause," then this Agreement shall terminate. All salary payable to the Town Manager under this Agreement shall immediately cease, except that all earned but unpaid salary and benefits, and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager. The Town Manager shall not be eligible for any severance payment or benefits payable under paragraph 4.1 above.

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5.1. Recitals. The recitals set forth at the beginning of this Agreement are hereby acknowledged, confirmed to be accurate and incorporated here by reference.

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invalid, or unenforceable provisions as may be possible and still be legal, valid, and enforceable, and this Agreement shall be deemed reformed accordingly.

5.4. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

5.5. Interpretation. This Agreement has been negotiated by the Town and the Town Manager, and neither Party shall be deemed to have drafted this Agreement for purposes of construing any portion of this Agreement for or against any Party.

5.6. Conflict of Interest. This Agreement is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

TOWN:

THE TOWN OF MARANA,
an Arizona municipal corporation

By: _____
Jon Post, Mayor

Date: 1/8/2025

TOWN MANAGER:

TERRY S. ROZEMA

By: _____
Terry S. Rozema

Date: 1-9-25

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney