



COMPREHENSIVE

» ANNUAL FINANCIAL REPORT FOR
» THE FISCAL YEAR ENDED JUNE 30, 2020

**TOWN OF MARANA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Issued by:
Town of Marana Finance Department

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



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TOWN OF MARANA, ARIZONA

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INTRODUCTORY SECTION



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December 16, 2020

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, 2020.

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

The Town's financial statements have been audited by Henry & Horne, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2020, 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, 2020, 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 121 square miles and serves a population in excess of 49,000.

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

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

The Council fixes the duties and compensation of Town officials and employees, and enacts ordinances and resolutions relating to Town services, taxes, appropriating and borrowing monies, licensing and regulating businesses and trades and other municipal purposes. The Town Council appoints the Town Manager who has full responsibility for executing Council policies and administering Town operations. Town employees are hired under personnel rules approved by the Council. A staff of approximately 377 full-time equivalent positions is responsible for the functions and operations of the Town government.

Economic Condition and Outlook

As we are all aware, 2020 continues to be an anomalous year for the Town of Marana, and indeed, for the entire world. As the COVID-19 pandemic gripped our nation and took hold globally, the world scrambled to implement changes that would protect public health at all costs. As a result of this pandemic, as well as these policy changes at the federal, state, county, and local levels, the economy has exhibited symptoms that are reminiscent of the 2007/2008 financial crisis. General consensus is that, from an economic standpoint, we are in uncharted territory and are expected to see continued contraction of economic activity, with a longer recovery period than originally anticipated. Due to the modifications imposed on businesses throughout our local and regional community, as well as through multiple Executive Orders aimed at slowing the spread of COVID-19

issued by Governor Doug Ducey, most transaction privilege taxes (TPT), including retail and restaurant revenues have dropped, housing and general development has slowed, and state-shared revenues are expected to be lower than originally anticipated. However, even in the face of these difficult times, the Town of Marana stands well-positioned to weather these financial difficulties, and continue to deliver exemplary business and customer service to our community. The combination of a strong first 3 quarters of FY20, multiple Federal level stimulus packages aimed at assisting individuals and small businesses, as well as sound budgeting practices over the years, has allowed us to identify and reprioritize our budget that preserves high profile projects, infrastructure development, and perhaps most importantly, retains our current staffing levels allowing the Town to maintain existing service levels to our residents in anticipation of economic recovery.

Current Condition

The local economy continued to improve during the current fiscal year until the onset of the COVID-19 pandemic. Revenues in the General Fund grew by approximately 5.4% overall with growth in transaction privilege taxes of \$1.5 million or 5.3% 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 \$8 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, 2020, the Town's governmental funds reported a combined fund balance of \$91.1 million, of which \$41.1 million is unassigned and available for spending at the Town's discretion.

The Town, like most municipalities, is significantly dependent upon transaction privilege tax revenues which are subject to economic fluctuations. Transaction privilege tax revenues comprised 57.8% of general fund revenues. Of those revenues, retail comprised 52.7% and restaurants and bars, construction, and utilities comprised 32.1% of total transaction privilege tax revenues. Sales taxes and revenues related to the residential and commercial construction industry continued to improve during the fiscal year.

Future Economic Outlook

The Town's goal in managing budgets is to structurally balance on-going revenues matched with on-going expenses and one-time revenues aligned with one-time expenses. In addition to our sound budgeting practices developed over the years, Town Staff has taken extra care in the preparation of the fiscal year 2021 budget due to COVID-19. Due to projected shortfalls in sales tax and other revenues, the Town is in a holding pattern on hiring for vacant positions and has placed several categories of expenses into restricted accounts, which ensures additional scrutiny on needs and expenditures. Another effort put forth in controlling cost was not issuing salary increases for fiscal year 2021. This coming fiscal year will be one of sacrifice and diligence, but our team has once again come together to demonstrate our Core Values and to continue to display dedication to our

community and the services we provide, while maintaining good stewardship and transparency of use of our taxpayer dollars.

Accomplishments and Initiatives

During fiscal year 2020, the Town had several significant accomplishments and initiatives.

Ina Road Restoration, Interchange, and Santa Cruz River Bridge

The Interstate 10/Ina Road Interchange improvement project required rerouting local street access to Interstate 10 to reconstruct a new interchange that stretches over the interstate and the Union Pacific railroad tracks and eliminates the at-grade crossing. The project also included widening I-10, widening Ina Road to two lanes in each direction between Silverbell Road and Camino de la Cruz, reconstructing the frontage roads and building two Ina Road bridges over the Santa Cruz River. This project met the long-range planning objectives of the Arizona Department of Transportation (ADOT), the Town of Marana, Pima County, Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA) to improve interchange capacity, public safety, and operations. The ADOT and Town of Marana managed the RTA plan-approved project.

The Town of Marana Ina Road Beautification Project was done in conjunction with the Ina Interchange project in an effort to improve portions of Ina Road. The project includes landscape, mill and pave, street light and traffic signal improvements along Ina Road between Camino de las Capas and the eastern Town limits.

Honea Heights Neighborhood Park

The Town completed the Honea Heights neighborhood park in one of the Town's oldest neighborhoods. This park has many features and amenities for residents and families to enjoy: a state of the art playground, a basketball court, grass play area, and picnic ramada area. This park also has access to the regional shared use path.

Marana Road Realignment

The Marana Road realignment project was constructed for future plans of development in North Marana. The realignment of Marana road results in its terminus with Sandario road being relocated from just north of the Circle K to just south of the Marana Market. The relocated alignment will reside in the ultimate right of way for Marana road in a scenario where Tangerine Farms road is the primary roadway from the Marana interchange.

Expenditure Limitation

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

On November 8, 2016, the voters of the Town approved an alternative expenditure limitation, the effect of which is that the total budgeted expenditures of each yearly budget becomes the expenditure limitation for that year on a total budget basis. This alternative expenditure limitation is effective for four years beginning with the fiscal year ended June 30, 2017. Voters of the Town of Marana, on August 4, 2020, approved a four year extension of the alternative expenditure limitation.

Single Audit

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

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

Certificate of Achievement

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Marana for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. This was the 12th consecutive year that the Town has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

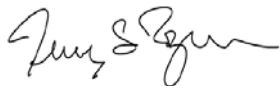
A Certificate of Achievement is valid for a one-year period only. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

Acknowledgements

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

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

Respectfully submitted,



Terry Rozema
Interim Town Manager



Yiannis Kalaitzidis
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Marana
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

**TOWN OF MARANA, ARIZONA
PRINCIPAL OFFICIALS OF THE TOWN OF MARANA
FISCAL YEAR 2020**

MAYOR AND COUNCIL

Ed Honea, Mayor

Jon Post, Vice Mayor	Herb Kai, Councilmember
John Officer, Councilmember	Roxanne Ziegler, Councilmember
Dave Bowen, Councilmember	Patti Comerford, Councilmember

MANAGEMENT STAFF

Terry Rozema, Interim Town Manager

Erik Montague, Deputy Town Manager

DEPARTMENT HEADS

Jason Angell, Development Services Director

Cherry Lawson, Town Clerk

Keith Brann, Town Engineer

Mo El-Ali, Public Works Director

Reuben Nunez, Interim Police Chief

Lisa Shafer, Community Development and
Neighborhood Services Director

Jim Conroy, Parks and Recreation Director

Curt Woody, Director of Economic Development

Curry C. Hale, Human Resources Director

Jane Fairall, Interim Town Attorney

Yiannis Kalaitzidis, Finance Director

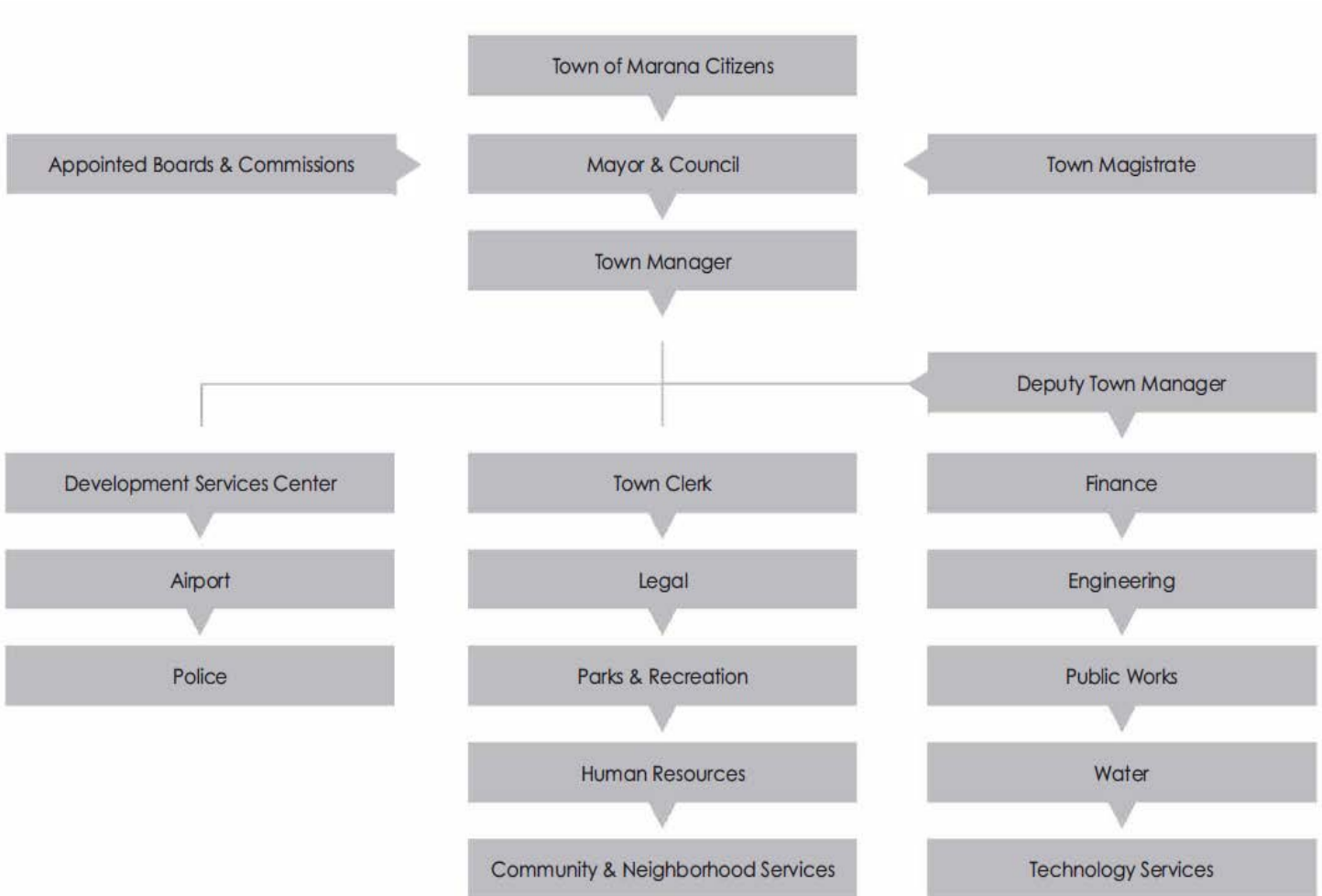
Steve Miller, Airport Director

Laine McDonald, Town Magistrate

Isaac Abbs, Technology Services Director

Scott Schladweiler, Utilities Director

**TOWN OF MARANA, ARIZONA
ORGANIZATIONAL CHART
FISCAL YEAR 2020**



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Marana, Arizona, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Highway User Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Information (Continued)

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

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Marana, Arizona's, internal control over financial reporting and compliance.

Henry + Horne, LLP

Tempe, Arizona
December 16, 2020



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



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TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020

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, 2020. 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 \$24.0 million or 6.4 percent from the previous fiscal year 2018-19. The increase is primarily due to an increase in cash and capital assets and a decrease in deferred inflows. The increase in cash is due to revenue collections in excess of projections and reductions to expenses, specifically all travel related expenses starting in March. We also received \$5.6 million in CARES funds. The increase in capital assets is primarily due to the construction in progress of the water treatment campuses and developer contributions of road, water, and wastewater infrastructure. The decrease in deferred inflows related to pensions is primarily due to a reduction in the changes in assumptions for the Arizona State Retirement System.
- General revenues from governmental activities, excluding transfers, accounted for \$58.5 million in revenue, or 62.9 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$34.6 million or 37.1 percent of total revenues from governmental activities. The Town had \$22.1 million of program revenues related to business-type activities. Overall revenues have increased by 13.9 percent, with increases in all categories except sales taxes and investment income. The largest increases in revenue in fiscal year 2019-20 was \$12.2 million in operating and capital grants and contributions, \$1.3 million in charges for services and \$1.1 million in state shared revenues.
- The General Fund had \$52.8 million in fiscal year 2019-20 revenues, which primarily consisted of sales taxes, intergovernmental revenue and licenses, fees and permits. The General fund had \$42.4 million of expenditures, and \$4.7 million in required transfers out during the year. The \$9.6 million fund balance increase is attributed to higher than anticipated revenues in sales taxes, investment income and licenses, fees and permits, unanticipated transfers in from CARES funds, as well as prudent use of Town funds for departmental expenditures.
- Highway User Revenue Fund revenues continue to grow in fiscal year 2019-20 at \$4.2 million. Expenditures were 64 percent higher than the previous year due to resuming previously delayed projects for the pavement preservation program.
- Tangerine Farms Road Improvement District Debt Service Fund, which accounts for special assessments, had a \$429,247 fund balance attributable to the accumulation of prepaid assessments and resources required for debt service payment.
- The Transportation Fund had an increase in revenue of 5.5 percent in fiscal year 2019-20 due to increased tax revenues. There was a decrease of 49.7 percent in expenditures due to reduced pavement reconstruction projects.
- The Other Special Revenue Fund, which accounts for grant related programs and projects, became a major fund in fiscal year 2019-20 due to the increase in unearned revenue, which totaled \$2.5 million. This is primarily attributable to the unspent funds from the CARES funds.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. All of the activities of the Town, except those of a fiduciary nature, are included in these statements.

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

- The governmental activities include basic services of the Town including general government (administration), public safety (police and building safety), highways and streets, health and welfare, economic and community development, and culture and recreation. These activities are primarily supported by general taxes and revenues.
- The business-type activities include the private sector-type activities such as water utility, wastewater utility, and airport operations. These activities are supported primarily through user charges and fees.

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. Since economic resources measurement focus and accrual basis of accounting are used for the government-wide financial statements, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and long-term debt that has not matured). This statement also focuses on both the gross and net costs of various Town functions, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions are dependent on general taxes and revenues for support.

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

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

Fund financial statements. Also presented are the financial statements for governmental funds and proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
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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, Transportation Capital Fund, and Other Special Revenue 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 108.

The Town adopts an annual budget and legally allocates (or appropriates) available monies for the General, Highway User Revenue, Other Special Revenue, Tangerine Farms Road Improvement District Debt Service, Transportation Capital, and other non-major governmental funds. Budgetary comparison statements are provided for the General Fund, Highway User Revenue Fund, and Other Special Revenue Fund within the basic financial statements on pages 40-42. Budgetary comparison schedules have been presented for the Town's major debt and capital funds on pages 105-106, and budgetary comparison schedules have been presented for the Town's non-major funds to demonstrate compliance with the annual budget.

The basic governmental fund financial statements can be found on pages 32-42 of this report.

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

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

TOWN OF MARANA, ARIZONA
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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 9 Employee Retirement Systems beginning on page 67 in addition to the information on pages 88-99 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 \$400.1 million as of June 30, 2020. Noncurrent assets increased by \$13.8 million or 3.1 percent due to the addition of capital assets and increased restricted cash for debt service purposes. The current assets increased by \$15 million or 17.5 percent primarily due to an increase in cash. The current liabilities increased by \$2 million or 10 percent, which is attributable to an increase in unearned revenue. Long-term liabilities increased by \$4.9 million or 3.6 percent due to an increase in net pension liability, general obligation bonds payable, and loans payable. The increase in long-term liabilities was offset by decreases in revenue bonds payable and special assessment bonds due to regularly scheduled principal payments.

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, 2020 and June 30, 2019.

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YEAR ENDED JUNE 30, 2020

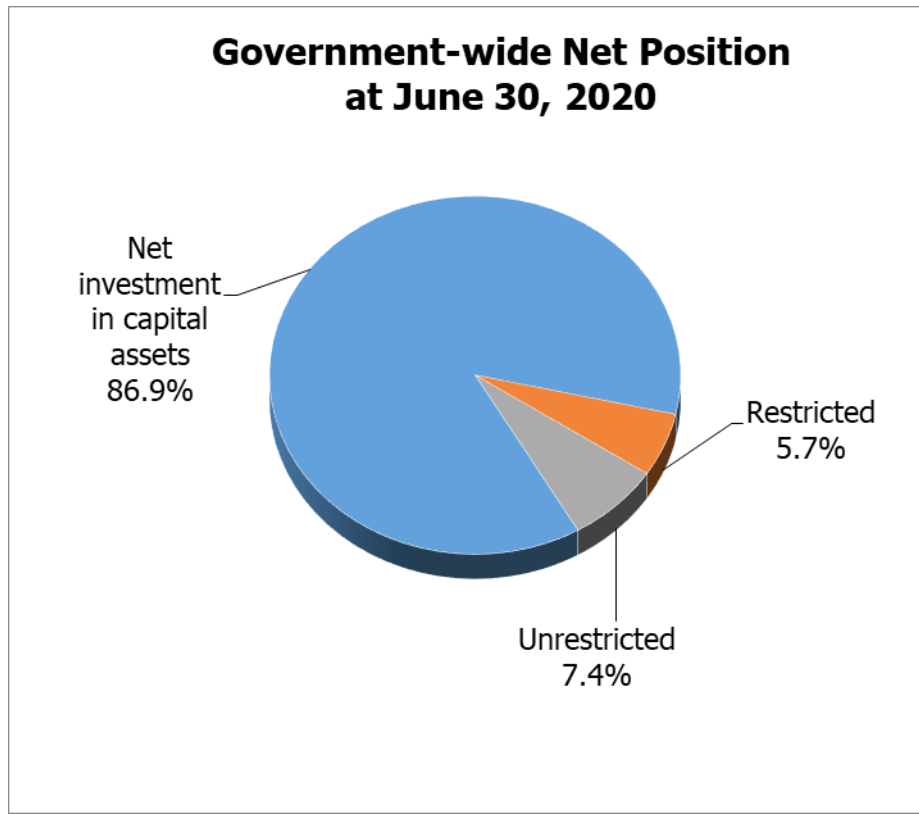
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$109,227,186	\$96,247,879	\$ 9,358,849	\$ 3,832,658	\$118,586,035	\$100,080,537
Capital assets, net	303,776,864	304,616,026	133,807,290	122,681,253	437,584,154	427,297,279
Total assets, net	413,004,050	400,863,905	143,166,139	126,513,911	556,170,189	527,377,816
Deferred outflows related to pensions	7,360,900	7,122,319	242,121	336,775	7,603,021	7,459,094
Deferred charge on refunding	1,455,510	1,603,406	-	-	1,455,510	1,603,406
Total deferred outflows of resources	8,816,410	8,725,725	242,121	336,775	9,058,531	9,062,500
Current and other liabilities	16,213,675	15,524,565	6,019,925	4,693,503	22,239,075	20,218,068
Long-term liabilities	109,533,832	110,413,950	31,246,634	25,432,980	140,780,466	135,846,930
Total liabilities	125,747,507	125,938,515	37,266,559	30,126,483	163,019,541	156,064,998
Deferred inflows related to pensions	1,916,755	3,153,390	128,975	247,476	2,045,730	3,400,866
Total deferred inflows of resources	1,916,755	3,153,390	128,975	247,476	2,045,730	3,400,866
Net position:						
Net investment in capital assets	244,996,219	243,685,340	102,911,048	98,286,785	347,907,267	341,972,125
Restricted	21,837,395	19,985,284	770,019	365,485	22,607,414	20,350,769
Unrestricted	27,322,584	16,827,101	2,331,659	(2,175,543)	29,654,243	14,651,558
Total net position	\$294,156,198	\$280,497,725	\$106,012,726	\$96,476,727	\$400,168,924	\$376,974,452

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 \$348 million or 86.9 percent, which represents the largest portion of net position. This portion of net position increased by \$5.9 million as of June 30, 2020. The increase is due to a net increase in capital assets and offset by an increase in debt related to the acquisition of capital assets, primarily in the business-type activities.

The second portion of net position of \$22.6 million or 5.7 percent represents resources that are subject to external restrictions on how they may be utilized. The increase of \$2.3 million or 11.1 percent is primarily due to the accumulation of resources in the South Transportation and Park Impact Fees funds.

The third portion consists of unrestricted net position of \$29.7 million or 7.4 percent. The unrestricted balance has increased by \$15 million. The increase in governmental activities accounts for \$10.5 million of the overall increase, which is primarily attributable to an increase in the General Fund unrestricted balance. As mentioned earlier, this is related to additional revenues and reduced expenditures. The business-type activities increase in unrestricted net position was \$4.5 million. The increase in business-type activities was due to an overall increase in charges for services and a reduction in payments for goods and services, however the largest increase was in the Water fund.

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Changes in net position. The Town's total revenues for the fiscal year ended June 30, 2020, were \$115.5 million, which was an overall increase of \$14.1 million or 13.9 percent. All revenues were trending to exceed prior year collections until the onset of the COVID-19 pandemic. At the end of the fiscal year, all revenues exceeded prior year collections with the exception of sales taxes and investment income. The decreased sales taxes and investment income was a direct result of the national economic response to the pandemic. Although we saw a slight downturn in development activity beginning in April of 2020, the activity escalated in June of 2020 and is showing stable growth in additional commercial and residential building.

The total cost of all programs and services was \$91.5 million. The increase of \$5.4 million or 6.3 percent is primarily attributable to increased spending in Public Safety, Highways and Streets, interest on long-term debt and Water. The increase in spending in the Public Safety function is due to a change in administration of the Pima County Regional 911 Telecommunications Program. Previously the utility invoices were paid directly by the State. Beginning in December, the State shifted the revenue and expenditure for the utilities to the Town. This was a net zero effect on net position, but increased both expenditures and revenues by \$1.4 million. This program was transferred to Pima County beginning in fiscal year 2020-2021. The increase in spending in the Highways and Street function is due to resuming the pavement preservation program and an increase to depreciation expense.

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	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$11,045,881	\$10,584,668	\$ 8,505,655	\$ 7,704,547	\$19,551,536	\$18,289,215
Operating grants and contributions	8,469,543	2,259,104	-	-	8,469,543	2,259,104
Capital grants and contributions	15,046,692	13,678,662	13,603,706	8,977,317	28,650,398	22,655,979
General revenues:						
Sales taxes	40,704,792	41,680,345	-	-	40,704,792	41,680,345
Property taxes	1,161,124	833,923	-	-	1,161,124	833,923
Franchise taxes	548,703	513,202	-	-	548,703	513,202
State shared revenues	13,098,547	12,012,620	-	-	13,098,547	12,012,620
Investment income	1,964,946	1,954,182	56,796	77,140	2,021,742	2,031,322
Miscellaneous revenues	1,001,722	1,162,442	364,473	21,618	1,366,195	1,184,060
Total revenues	93,041,950	84,679,148	22,530,630	16,780,622	115,572,580	101,459,770
Expenses:						
General government	21,040,161	23,846,702	-	-	21,040,161	23,846,702
Public safety	19,980,753	16,059,514	-	-	19,980,753	16,059,514
Highways and streets	25,003,972	21,628,981	-	-	25,003,972	21,628,981
Health and welfare	442,266	452,623	-	-	442,266	452,623
Economic and community development	4,173,881	4,075,777	-	-	4,173,881	4,075,777
Culture and recreation	6,121,683	5,293,684	-	-	6,121,683	5,293,684
Interest on long-term debt	2,484,808	1,858,162	-	-	2,484,808	1,858,162
Water	-	-	6,750,034	6,178,368	6,750,034	6,178,368
Wastewater	-	-	4,135,927	5,275,474	4,135,927	5,275,474
Airport	-	-	1,392,850	1,395,167	1,392,850	1,395,167
Total expenses	79,247,524	73,215,443	12,278,811	12,849,009	91,526,335	86,064,452
Increase/(decrease) in net position before transfers	13,794,426	11,463,705	10,251,819	3,931,613	24,046,245	15,395,318
Transfers	(135,953)	(687,684)	135,953	687,684	-	-
Increase/(decrease) in net position	13,658,473	10,776,021	10,387,772	4,619,297	24,046,245	15,395,318
Net position, beginning of year, as restated	280,497,725	269,721,704	95,624,954	91,857,430	376,122,679	361,579,134
Net position, end of year	\$294,156,198	\$280,497,725	\$106,012,726	\$96,476,727	\$400,168,924	\$376,974,452

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Governmental Activities. Governmental activities increased net position by \$13.7 million for fiscal year ended June 30, 2020. This increase is attributable to unspent proceeds for capital projects and unrestricted funds. Also, as previously mentioned, the economic resources measurement focus is used for reporting government-wide financial information, as such, there were contributions of infrastructure assets of \$10.1 million, which contributed to the increase in governmental net position.

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.

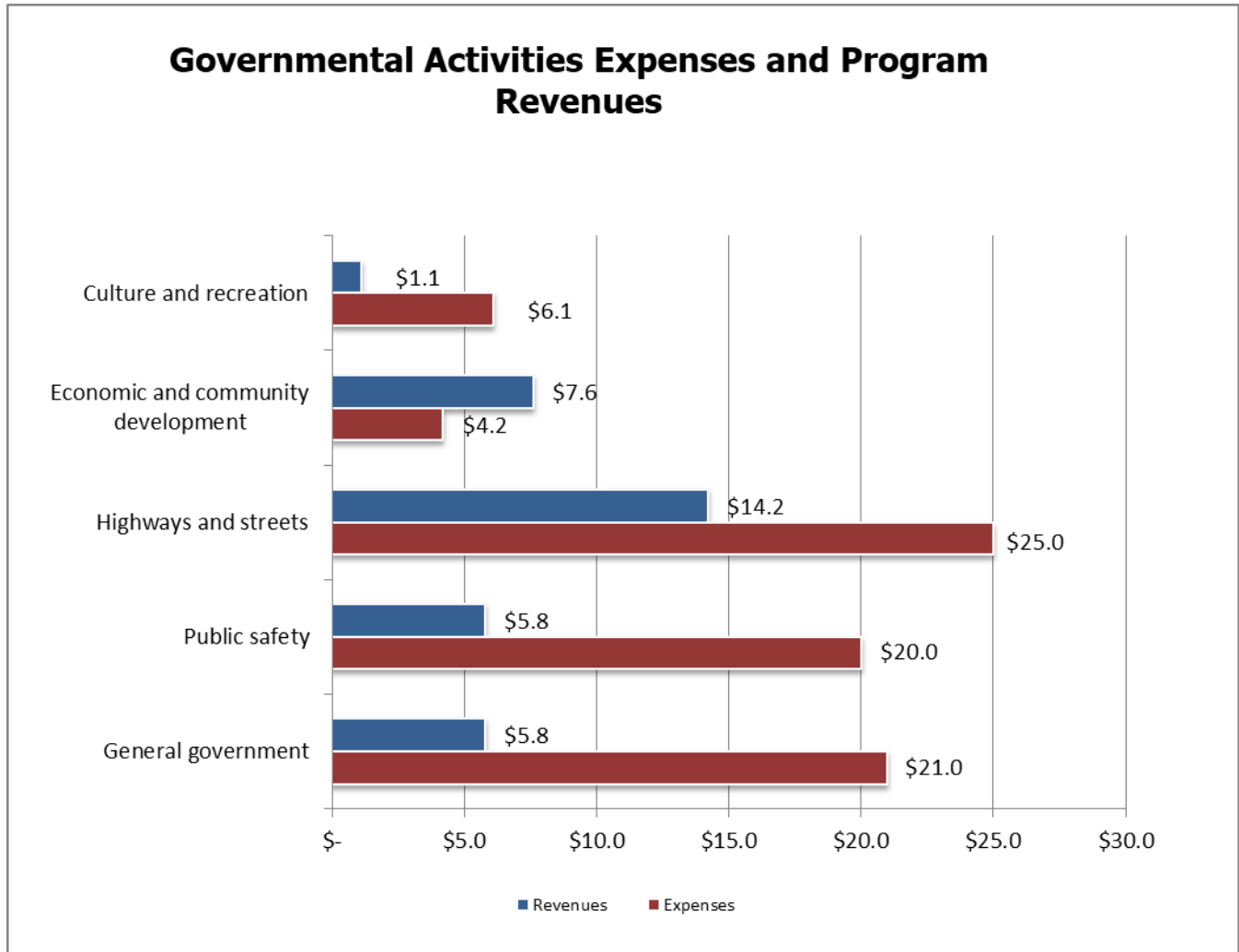
	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Governmental Activities				
General government	\$ 21,040,161	\$ (15,250,919)	\$ 23,846,702	\$(18,533,251)
Public safety	19,980,753	(14,157,799)	16,059,514	(15,017,500)
Highways and streets	25,003,972	(10,788,675)	21,628,981	(11,770,786)
Health and welfare	442,266	(334,967)	452,623	(333,394)
Economic and community development	4,173,881	3,390,396	4,075,777	4,211,878
Culture and recreation	6,121,683	(5,058,636)	5,293,684	(3,391,794)
Interest on long-term debt	2,484,808	(2,484,808)	1,858,162	(1,858,162)
Total	\$ 79,247,524	\$ (44,685,408)	\$ 73,215,443	\$(46,693,009)
Business-Type Activities				
Water	6,750,034	\$ 6,038,049	6,178,368	\$ 3,005,960
Wastewater	4,135,927	2,701,558	5,275,474	(1,220,628)
Airport	1,392,850	1,090,943	1,395,167	2,047,523
Total	\$ 12,278,811	\$ 9,830,550	\$ 12,849,009	\$ 3,832,855

- The cost of all governmental activities this year was \$79.2 million. There was an 8.2 percent increase in governmental activities expenses, which as previously mentioned is due to an increase in long-term debt interest paid, public safety expenses and highways and streets expenses.
- Net cost of governmental activities of \$44.7 million was largely financed by general revenues, which are made up of primarily sales taxes totaling \$40.7 million and state shared revenues of \$13.1 million.
- The Water fund expenses increased \$0.6 million or 9.3 percent. This is primarily due to increased personnel costs and an increase in the loss on disposal of capital assets.
- The Wastewater fund had an overall increase to operating expenses, however the increase was offset by a significant decrease in the loss on disposal of capital assets.

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

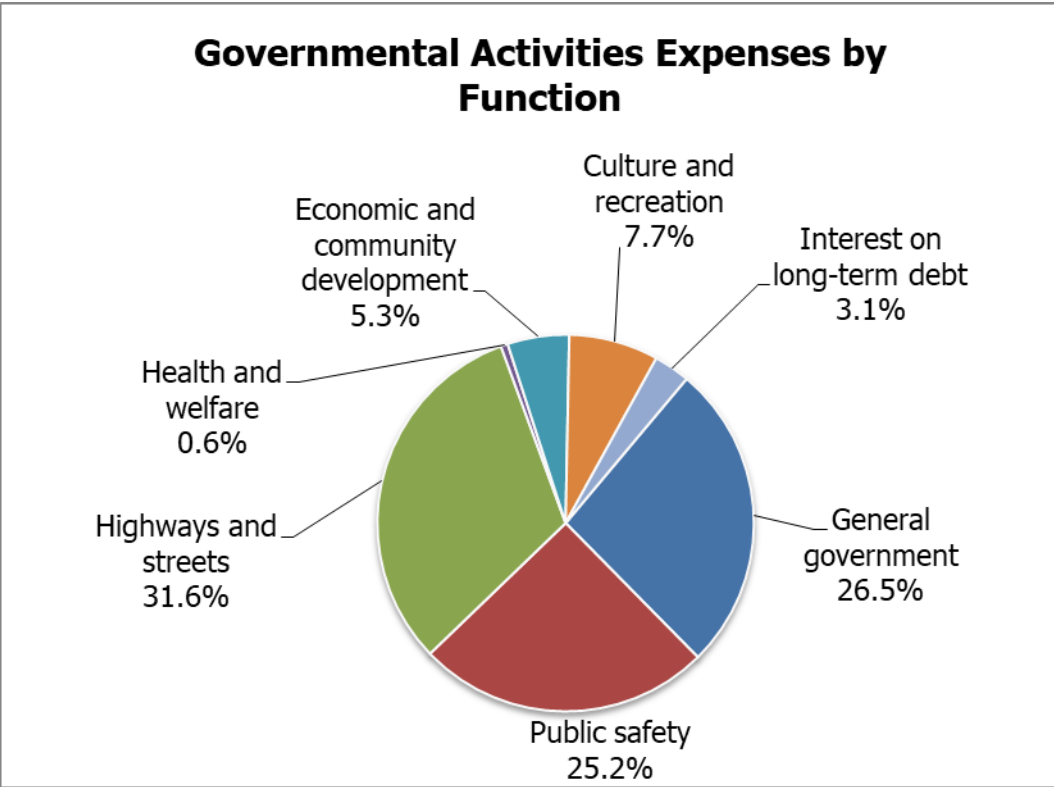
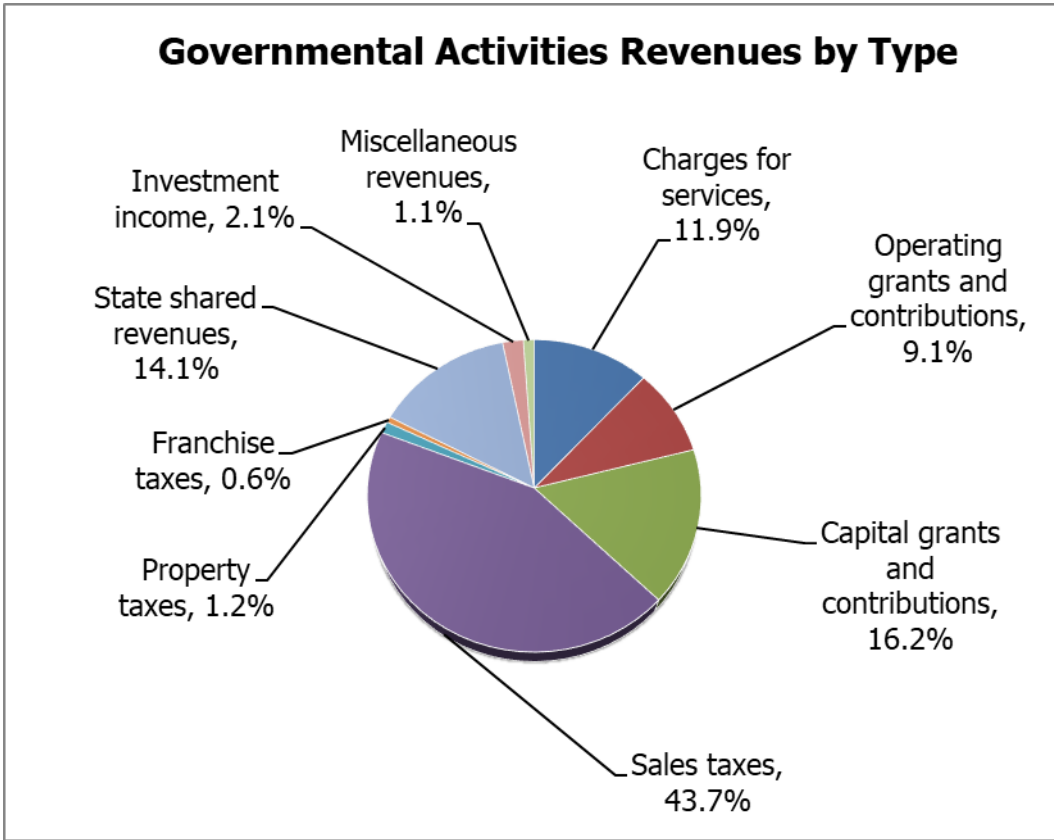
**TOWN OF MARANA, ARIZONA
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described above, expenses not covered by direct program revenues are covered by the Town's general revenues which consist primarily of taxes and unrestricted State shared revenues. In governmental activities, the functional revenues of \$34.6 million are 43.6 percent of expenses for fiscal year 2020, up from 36.2 percent a year earlier. As described earlier, this increase is attributable to higher collections for charges for services, grants, and contributions.



As seen on the following graphs, the largest revenue source for the Town's governmental activities is sales tax revenues at 43.7 percent, followed by capital grants and contributions at 16.2 percent, State shared revenues at 14.1 percent, and charges for services at 11.9 percent. This is consistent with the allocation of revenues collected in the previous year. The Town's largest expense category is highways and streets at 31.6 percent, followed by general government at 26.5 percent, and public safety at 25.2 percent. The continuation of the pavement preservation program has placed the highways and streets expenses in the leading category.

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YEAR ENDED JUNE 30, 2020**



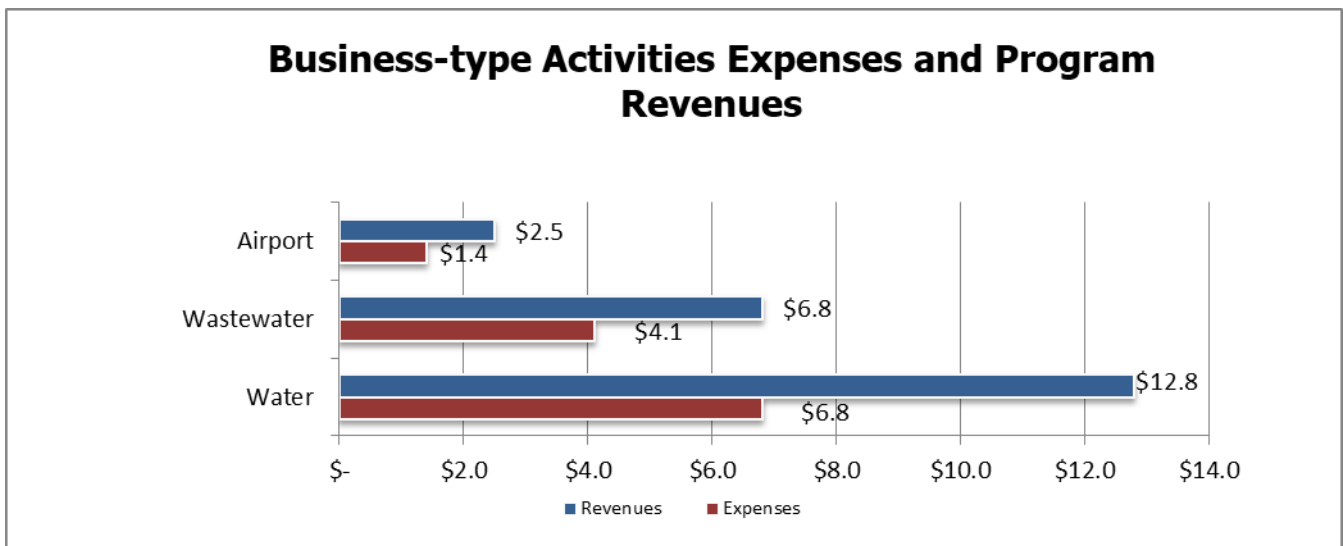
**TOWN OF MARANA, ARIZONA
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Business-type Activities

Business-type activities’ net position increased by \$9.5 million for fiscal year ended June 30, 2020. This increase is largely related to capital contributions in the Water and Wastewater fund for developer contributed infrastructure. Charges for services increased slightly due to continued growth.

Capital grants and contributions increased by \$4.6 million or 51.5 percent. This was primarily due to an increase in infrastructure contributed to the Town from developers for Water and Wastewater related infrastructure. There was also an increase to impact fees collected, primarily due to an effort to collect previously uncollected revenues.

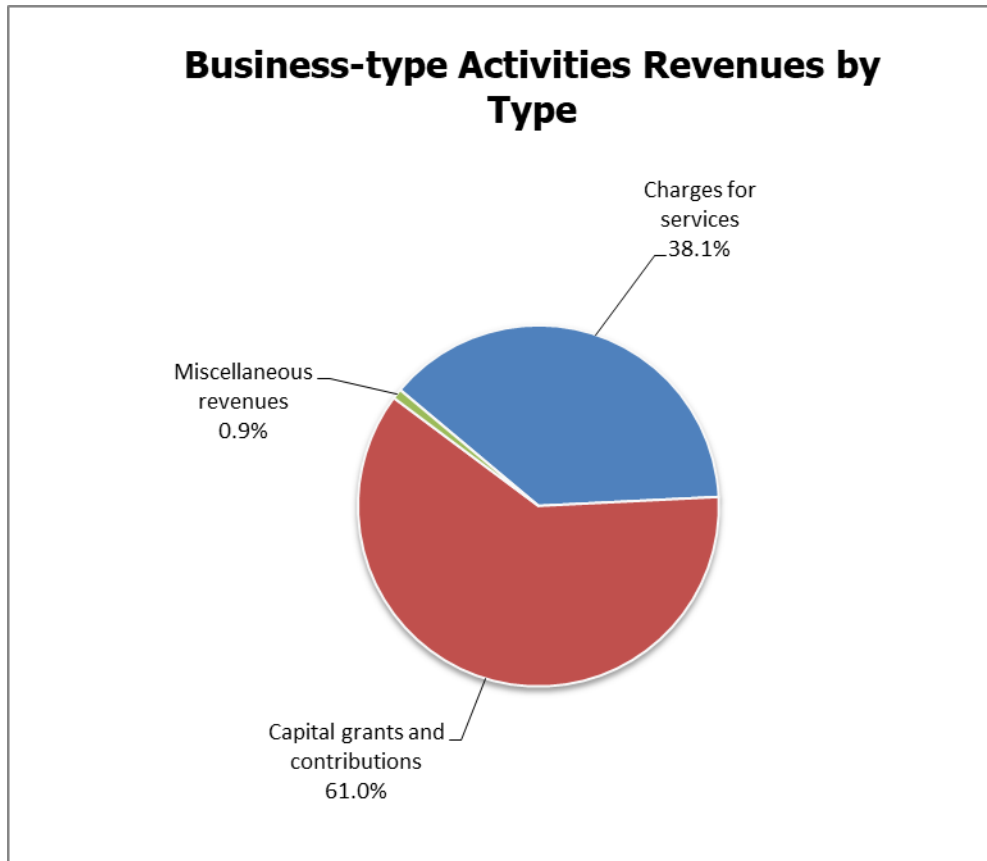
Business-type activity expenses decreased by \$0.6 million or 4.4 percent primarily due to a decrease in the loss on disposal of capital assets, which was offset by increases in personnel costs and depreciation expense.



The Town’s largest overall business-type activity is the Water Utility with \$6.8 million in expenses and \$12.8 million in program revenues during the year. The second largest activity is the Wastewater Utility with \$4.1 million in expenses and \$6.8 million in program revenues, followed by the Airport with \$1.4 million in expenses and \$2.5 million in program revenues. With the exception of capital grants and contribution revenues, the expenses and revenues were fairly consistent with the prior year collections and spending.

As seen on the following graph, the largest revenue source for the Town’s business-type activities is capital grants and contributions at 61 percent followed by charges for services revenues at 38.1 percent.

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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, 2020, the Town's governmental funds reported a combined fund balance of \$91.1 million, of which \$41.1 million is unassigned and undesignated and therefore available for spending at the Town's discretion.

The General Fund, which is the principal operating fund of the Town, had a fund balance of \$46.1 million. Revenues and expenditures increased slightly from the previous year. The primary increases in revenues were related to sales taxes and intergovernmental revenue. The increase in expenditures relates to team based increases for employees.

The Transportation Fund had a fund balance of \$16.9 million which reflected an increase of \$3.5 million from a year earlier. While sales tax revenues increased slightly, expenditures decreased \$5.7 million or 49.7 percent due to the completion of Ina Road pavement reconstruction and Coachline Blvd. pavement reconstruction projects in the prior year.

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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 \$106 million, \$102.9 million comprised the funds' net investment in capital assets. \$0.8 million is restricted for debt service and unrestricted net position of \$2.3 million. The factors concerning the finances of these funds, as well as the changes in net position, have been addressed previously in the discussion of the Town's business-type activities.

BUDGETARY HIGHLIGHTS

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

Although agriculture remains a major force in Marana's economy, the Town has had an influx of residential and commercial development, which has occurred due to the Town's location between Phoenix and Tucson along I-10 and the Union Pacific Railroad. The Town is also a business-friendly government, which does not impose a Marana property tax. General Fund revenues exceeded conservative budget projections in several key revenue sources like sales taxes, licenses, permits and fees, and investment income. Departments maintained their conservative use of available resources. The prudent use of funds as well as higher than expected revenues resulted in an increase in fund balance of \$9.6 million. The General Fund budget and actual variances are shown on page 40.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2020 the Town had invested \$437.6 million in governmental and business-type capital assets (net of accumulated depreciation). Total depreciation expense for the year was \$24.9 million, with \$20.5 million attributed to governmental activities and \$4.4 million to business-type activities.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2020 and June 30, 2019. Additional information on the Town's capital assets can be found in Note 5.

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	Governmental Activities		Business-type Activities		Total	
	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019
Land	\$ 8,277,460	\$ 8,277,460	\$ 4,626,609	\$ 4,442,146	\$ 12,904,069	\$ 12,719,606
Water rights	-	-	4,155,666	4,392,222	4,155,666	4,392,222
Construction in progress	14,963,310	18,470,334	10,112,355	6,581,163	25,075,665	25,051,497
Buildings and improvements	65,557,261	64,740,452	147,233,893	137,184,413	212,791,154	201,924,865
Machinery and equipment	25,621,255	24,245,618	3,628,280	1,756,329	29,249,535	26,001,947
Infrastructure	430,158,240	410,207,775	-	-	430,158,240	410,207,775
Less: Accumulated depreciation	<u>(240,800,662)</u>	<u>(221,325,613)</u>	<u>(35,949,513)</u>	<u>(31,675,020)</u>	<u>(276,750,175)</u>	<u>(253,000,633)</u>
Total	<u>\$303,776,864</u>	<u>\$304,616,026</u>	<u>\$133,807,290</u>	<u>\$122,681,253</u>	<u>\$437,584,154</u>	<u>\$427,297,279</u>

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

- Completion of the design and construction of Marana Road Realignment for \$2.5 million.
- Completion of the construction of the Ina Road Bridge for \$5.7 million.
- Design and reconstruction of Coachline Boulevard (construction in progress as of the close of the fiscal year had reached \$3.9 million).
- Design and reconstruction of Ina Road (construction in progress as of the close of the fiscal year had reached \$3.7 million).
- Design and extension of Adonis Road (construction in progress as of the close of the fiscal year had reached \$1.3 million).
- Design and construction of the Airline/Lambert water treatment campus (construction in progress as of the close of the fiscal year had reached \$4 million).
- Design and construction of the Picture Rocks water treatment campus (construction in progress as of the close of the fiscal year had reached \$3.9 million).
- Design and construction of the Adonis sewer connection conversion (construction in progress as of the close of the fiscal year had reached \$910,000).
- Completion of the Supervisory Control and Data Acquisition (SCADA) system upgrade for the Water system for \$1.2 million.
- Completion of the design and construction to rehab portions of the Airport apron and taxiway for \$6.2 million.

**TOWN OF MARANA, ARIZONA
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YEAR ENDED JUNE 30, 2020**

Debt Administration. At year-end, the Town had \$108 million in long-term debt obligations outstanding with \$7.1 million due within one year.

The Town had new debt adding \$10.2 million. The Town also had reductions of \$8.1 million during the current fiscal year due to regularly scheduled principal payments and premium amortizations. This resulted in an overall increase to debt of \$2.1 million.

The following table presents a summary of the Town's outstanding debt for the fiscal years ended June 30, 2020 and June 30, 2019. Additional information on the Town's long-term obligations can be found in Note 6.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$14,215,000	\$11,385,000	\$ -	\$ -	\$ 14,215,000	\$ 11,385,000
Revenue bonds	45,000,000	47,945,000	19,780,000	19,780,000	64,780,000	67,725,000
Revenue bonds – Direct Placements	4,027,000	4,706,000	576,000	760,000	4,603,000	5,466,000
Special assessment bonds	9,552,000	12,126,000	-	-	9,552,000	12,126,000
Loan payable	-	-	9,560,823	3,503,598	9,560,823	3,503,598
Deferred bond premium	5,116,387	5,507,092	331,182	350,870	5,447,569	5,857,962
Total	\$77,910,387	\$81,669,092	\$30,248,005	\$24,394,468	\$108,158,392	\$106,063,560

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Marana completed the development of its Make Marana 2040 General Plan, which was approved by voters on August 4, 2020. With the anticipation of the population exceeding 50,000 at the 2020 census count, it is more important than ever to make sure we are planning well for the future. In addition to our sound budgeting practices developed over the years, Town Staff has taken extra care in the preparation of the fiscal year 2020-2021 budget due to COVID-19. The 2020-21 budget exhibits the Town's balanced approach to responsible fiscal policy and positive investment in the community. The Town continues to invest in the five Focus Areas of our Strategic Plan.

A key concept at the heart of the Town and our operations is the idea of Innovation. By investing in strategic software deployments, and implementing these effectively, we can streamline internal services that lead to better outcomes for our customers. We will continue to thoughtfully make investments in new positions when necessary and feasible to better enhance our services to our customers. There are also many additional infrastructure investments that we are making around our community.

The 2020-21 budget increased by \$5.5 million or 3.8%. Revenues and other financing sources for the fiscal year 2020-2021 budget are \$108.3 million. The financial plan assumes that \$43 million in fund balance/equity will be

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

used to complete previously funded projects and other onetime expenditures approved by council. The budget is structurally balanced with ongoing revenues supporting ongoing program expenditures. The budget document is the comprehensive decision making tool resulting from the annual budget process. The budget is a long-range plan by which financial policy is implemented and controlled.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 76,886,162	\$ 10,462,186	\$ 87,348,348
Property taxes receivable	5,266	-	5,266
Accounts receivable	1,822,131	1,367,552	3,189,683
Interest receivable	96,252	-	96,252
Due from other governments	6,124,211	3,513,908	9,638,119
Internal balances	931,332	(931,332)	-
Prepaid items	285,924	90,795	376,719
Total current assets	86,151,278	14,503,109	100,654,387
Noncurrent assets:			
Accounts receivable	7,831,000	-	7,831,000
Restricted cash and investments	9,023,908	1,076,740	10,100,648
Advances	6,221,000	(6,221,000)	-
Capital assets not depreciated	23,240,770	18,894,630	42,135,400
Capital assets (net of depreciation)	280,536,094	114,912,660	395,448,754
Total noncurrent assets	326,852,772	128,663,030	455,515,802
Total assets	413,004,050	143,166,139	556,170,189
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,360,900	242,121	7,603,021
Deferred charge on refunding	1,455,510	-	1,455,510
Total deferred outflows of resources	8,816,410	242,121	9,058,531
LIABILITIES			
Current liabilities:			
Accounts payable	2,343,380	2,579,385	4,922,765
Retainage payable	525,768	648,237	1,174,005
Accrued payroll and employee benefits	1,078,159	83,907	1,162,066
Unearned revenue	2,736,144	2,178	2,738,322
Deposits held for others	420,113	801,944	1,222,057
Due to other government	68,639	245,211	313,850
Claims payable	245,749	-	245,749
Accrued interest payable	1,477,844	470,436	1,948,280
Compensated absences	1,300,879	128,126	1,429,005
Loan payable	-	874,501	874,501
General obligation bonds - CFD	570,000	-	570,000
Special assessment bonds - TFRID	1,721,000	-	1,721,000
Revenue bonds	3,726,000	186,000	3,912,000
Total current liabilities	16,213,675	6,019,925	22,233,600
Noncurrent liabilities:			
Compensated absences	144,541	14,236	158,777
Net pension liability	37,495,904	2,044,894	39,540,798
Loan payable	-	8,686,322	8,686,322
General obligation bonds - CFD	14,530,477	-	14,530,477
Special assessment bonds - TFRID	7,831,000	-	7,831,000
Revenue bonds	49,531,910	20,501,182	70,033,092
Total non-current liabilities	109,533,832	31,246,634	140,780,466
Total liabilities	125,747,507	37,266,559	163,014,066
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,916,755	128,975	2,045,730
Total deferred inflows of resources	1,916,755	128,975	2,045,730
NET POSITION			
Net investment in capital assets	244,996,219	102,911,048	347,907,267
Restricted for:			
Capital projects	13,727,256	-	13,727,256
Debt service	-	770,019	770,019
General government	3,396,842	-	3,396,842
Public safety	1,218,108	-	1,218,108
Highways and streets	3,369,704	-	3,369,704
Economic and community development	125,485	-	125,485
Unrestricted	27,322,584	2,331,659	29,654,243
Total net position	\$ 294,156,198	\$ 106,012,726	\$ 400,168,924

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

**TOWN OF MARANA, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 21,040,161	\$ 5,247,216	\$ 511,546	\$ 30,480
Public safety	19,980,753	69,999	5,752,955	-
Highways and streets	25,003,972	46,959	2,108,889	12,059,449
Health and welfare	442,266	88,796	18,503	-
Economic and community development	4,173,881	5,396,021	64,023	2,104,233
Culture and recreation	6,121,683	196,890	13,627	852,530
Interest on long-term debt	2,484,808	-	-	-
Total governmental activities	<u>79,247,524</u>	<u>11,045,881</u>	<u>8,469,543</u>	<u>15,046,692</u>
Business-type activities:				
Water	6,750,034	6,259,621	-	6,528,462
Wastewater	4,135,927	1,873,203	-	4,964,282
Airport	1,392,850	372,831	-	2,110,962
Total business-type activities	<u>12,278,811</u>	<u>8,505,655</u>	<u>-</u>	<u>13,603,706</u>
Total primary government	<u><u>\$ 91,526,335</u></u>	<u><u>\$ 19,551,536</u></u>	<u><u>\$ 8,469,543</u></u>	<u><u>\$ 28,650,398</u></u>

General revenues:

Taxes:

 Sales taxes

 Property taxes

 Franchise taxes

 State shared revenues, unrestricted

 Investment income

 Miscellaneous

Transfers

Total general revenues and transfers

Changes in net position

Net position, beginning of year, as restated

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (15,250,919)	\$ -	\$ (15,250,919)
(14,157,799)	-	(14,157,799)
(10,788,675)	-	(10,788,675)
(334,967)	-	(334,967)
3,390,396	-	3,390,396
(5,058,636)	-	(5,058,636)
(2,484,808)	-	(2,484,808)
<u>(44,685,408)</u>	<u>-</u>	<u>(44,685,408)</u>
-	6,038,049	6,038,049
-	2,701,558	2,701,558
-	1,090,943	1,090,943
-	9,830,550	9,830,550
<u>(44,685,408)</u>	<u>9,830,550</u>	<u>(34,854,858)</u>
40,704,792	-	40,704,792
1,161,124	-	1,161,124
548,703	-	548,703
13,098,547	-	13,098,547
1,964,946	56,796	2,021,742
1,001,722	364,473	1,366,195
(135,953)	135,953	-
<u>58,343,881</u>	<u>557,222</u>	<u>58,901,103</u>
13,658,473	10,387,772	24,046,245
<u>280,497,725</u>	<u>95,624,954</u>	<u>376,122,679</u>
<u>\$ 294,156,198</u>	<u>\$ 106,012,726</u>	<u>\$ 400,168,924</u>



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FUND FINANCIAL STATEMENTS

TOWN OF MARANA, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Highway User Revenue</u>	<u>Other Special Revenue Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 38,662,637	\$ 3,284,539	\$ 3,570,117
Property taxes receivable	-	-	-
Accounts receivable	245,348	-	-
Special assessments receivable	-	-	-
Interest receivable	23,022	-	-
Development agreement receivable	-	-	-
Due from other governments	3,932,101	288,785	606,507
Due from other funds	5,650,456	-	-
Prepaid items	281,739	-	185
Restricted cash and investments	-	-	-
Total assets	<u>\$ 48,795,303</u>	<u>\$ 3,573,324</u>	<u>\$ 4,176,809</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 941,516	\$ 203,620	\$ 416,104
Retainage payable	61,932	194,784	-
Accrued payroll and employee benefits	1,033,877	-	28,071
Due to other funds	-	-	-
Due to other governments	68,639	-	-
Deposits held for others	357,713	-	-
Unearned revenue	220,772	-	2,514,526
Total liabilities	<u>2,684,449</u>	<u>398,404</u>	<u>2,958,701</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	-	-	102,223
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>102,223</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	4,102,739	-	185
Restricted	-	3,174,920	1,115,700
Committed	-	-	-
Unassigned	42,008,115	-	-
Total fund balances (deficits)	<u>46,110,854</u>	<u>3,174,920</u>	<u>1,115,885</u>
Total liabilities, deferred inflow of resources, and fund balances (deficits)	<u>\$ 48,795,303</u>	<u>\$ 3,573,324</u>	<u>\$ 4,176,809</u>

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

Tangerine Farms Improvement District Debt Service	Transportation	Non-Major Governmental Funds	Total Governmental Funds
\$ 429,247	\$ 10,868,991	\$ 18,371,533	\$ 75,187,064
-	-	5,266	5,266
-	-	1,001	246,349
9,346,385	-	-	9,346,385
-	64,910	8,320	96,252
-	-	60,397	60,397
-	970,501	326,317	6,124,211
-	2,400,000	-	8,050,456
-	-	4,000	285,924
-	3,302,596	5,721,312	9,023,908
<u>\$ 9,775,632</u>	<u>\$ 17,606,998</u>	<u>\$ 24,498,146</u>	<u>\$ 108,426,212</u>
\$ -	\$ 487,993	\$ 99,465	\$ 2,148,698
-	268,427	625	525,768
-	-	3,757	1,065,705
-	-	898,124	898,124
-	-	-	68,639
-	-	62,400	420,113
-	-	846	2,736,144
<u>-</u>	<u>756,420</u>	<u>1,065,217</u>	<u>7,863,191</u>
9,346,385	-	9,060	9,457,668
<u>9,346,385</u>	<u>-</u>	<u>9,060</u>	<u>9,457,668</u>
-	-	4,000	4,106,924
429,247	3,302,596	22,978,589	31,001,052
-	13,547,982	1,314,081	14,862,063
-	-	(872,801)	41,135,314
<u>429,247</u>	<u>16,850,578</u>	<u>23,423,869</u>	<u>91,105,353</u>
<u>\$ 9,775,632</u>	<u>\$ 17,606,998</u>	<u>\$ 24,498,146</u>	<u>\$ 108,426,212</u>



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**TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total governmental fund balances **\$ 91,105,353**

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	\$ 544,577,526	
Less accumulated depreciation	<u>(240,800,662)</u>	303,776,864

Long-term liabilities, such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Compensated absences	(1,445,420)	
Revenue bonds payable	(49,027,000)	
General obligation bonds payable	(14,215,000)	
Special assessment bonds	(9,552,000)	
Net pension liability	(37,495,904)	
Accrued interest payable	<u>(1,477,844)</u>	(113,213,168)

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.

1,246,213

Deferred items related to the issuance of bonds and resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.

Bond premium	(5,116,387)	
Deferred charge on refunding	1,455,510	
Deferred inflows related to pensions	(1,916,755)	
Deferred outflows related to pensions	<u>7,360,900</u>	1,783,268

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	111,283	
Special assessments revenue	<u>9,346,385</u>	<u>9,457,668</u>

Net position of governmental activities **\$ 294,156,198**

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, 2020

	General Fund	Highway User Revenue	Other Special Revenue Fund
Revenues:			
Sales taxes	\$ 30,497,790	\$ -	\$ -
Property taxes	-	-	-
Intergovernmental	13,098,547	3,925,940	5,711,281
Licenses, fees & permits	5,933,644	256,693	-
Fines, forfeitures & penalties	515,514	-	16,050
Charges for services	534,495	-	-
Lease income	157,404	-	-
Special assessments	-	-	-
Contributions	37,505	-	-
Investment income	1,409,294	18,920	24,480
Miscellaneous	655,961	-	-
Total revenues	<u>52,840,154</u>	<u>4,201,553</u>	<u>5,751,811</u>
Expenditures:			
Current -			
General government	13,277,870	-	-
Public safety	15,664,323	-	2,687,566
Highways and streets	2,746,028	4,052,648	-
Health and welfare	283,891	-	-
Economic and community development	4,285,405	-	-
Culture and recreation	4,167,113	-	-
Capital outlay	1,978,194	28,369	-
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Total expenditures	<u>42,402,824</u>	<u>4,081,017</u>	<u>2,687,566</u>
Excess (deficiency) of revenues over expenditures	<u>10,437,330</u>	<u>120,536</u>	<u>3,064,245</u>
Other financing sources (uses):			
Issuance of debt	-	-	-
Premium on bonds issued	-	-	-
Proceeds from sale of capital assets	135,361	-	-
Transfers in	3,731,959	37,500	-
Transfers out	(4,749,652)	-	(3,148,411)
Total other financing sources (uses)	<u>(882,332)</u>	<u>37,500</u>	<u>(3,148,411)</u>
Changes in fund balances	9,554,998	158,036	(84,166)
Fund balances (deficits), beginning of year	36,555,856	3,016,884	1,200,051
Fund balances (deficits), end of year	<u>\$ 46,110,854</u>	<u>\$ 3,174,920</u>	<u>\$ 1,115,885</u>

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

Tangerine Farms Improvement District Debt Service	Transportation	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 8,657,955	\$ 1,549,047	\$ 40,704,792
-	-	1,161,124	1,161,124
-	-	231,488	22,967,256
-	-	2,901,677	9,092,014
-	-	59,279	590,843
-	-	-	534,495
-	-	-	157,404
2,091,138	-	-	2,091,138
-	1,512	26,237	65,254
-	302,457	209,795	1,964,946
-	-	10,730	666,691
<u>2,091,138</u>	<u>8,961,924</u>	<u>6,149,377</u>	<u>79,995,957</u>
-	979,396	669,762	14,927,028
-	-	-	18,351,889
-	-	21,596	6,820,272
-	-	-	283,891
-	-	319,652	4,605,057
-	-	39,613	4,206,726
-	4,739,951	4,347,484	11,093,998
2,574,000	-	3,989,000	6,563,000
230,517	-	2,753,843	2,984,360
-	-	385,884	385,884
<u>2,804,517</u>	<u>5,719,347</u>	<u>12,526,834</u>	<u>70,222,105</u>
<u>(713,379)</u>	<u>3,242,577</u>	<u>(6,377,457)</u>	<u>9,773,852</u>
-	-	3,195,000	3,195,000
-	-	68,460	68,460
-	-	-	135,361
-	916,011	6,715,615	11,401,085
-	(691,899)	(2,941,761)	(11,531,723)
-	<u>224,112</u>	<u>7,037,314</u>	<u>3,268,183</u>
(713,379)	3,466,689	659,857	13,042,035
1,142,626	13,383,889	22,764,012	78,063,318
<u>\$ 429,247</u>	<u>\$ 16,850,578</u>	<u>\$ 23,423,869</u>	<u>\$ 91,105,353</u>



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TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Net changes in fund balances - total governmental funds **\$ 13,042,035**

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	\$ 9,566,807	
Less current year depreciation	<u>(20,492,735)</u>	(10,925,928)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Debt issued	(3,195,000)	
Premium on bonds	(68,460)	
Special assessment bond retirement	2,574,000	
General obligation bond retirement	365,000	
Revenue bond principal retirement	<u>3,624,000</u>	3,299,540

Contributions of infrastructure assets are not recorded as revenues in the governmental funds. 10,089,010

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	20,961	
Developer contributions	(7,663)	
Intergovernmental revenue	60,576	
Special assessments	(1,819,200)	
Compensated absences	(263,860)	
Proceeds from the sale of capital assets	(135,361)	
Loss on sale of assets	133,118	
Amortization of deferred charges	<u>311,268</u>	(1,700,161)

Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Town pension contributions	3,811,545	
Pension revenue	6,429	
Pension expense	<u>(4,775,960)</u>	(957,986)

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. 811,963

Change in net position in governmental activities **\$ 13,658,473**

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales taxes	\$ 26,910,247	\$ 26,910,247	\$ 30,497,790	\$ 3,587,543
Intergovernmental	12,840,139	12,840,139	13,098,547	258,408
Licenses, fees & permits	4,822,512	4,822,512	5,933,644	1,111,132
Fines, forfeitures & penalties	402,000	402,000	515,514	113,514
Charges for services	594,750	594,750	534,495	(60,255)
Lease income	125,000	125,000	157,404	32,404
Contributions	44,600	44,600	37,505	(7,095)
Investment income	777,000	777,000	1,409,294	632,294
Miscellaneous	572,419	572,419	655,961	83,542
Total revenues	<u>47,088,667</u>	<u>47,088,667</u>	<u>52,840,154</u>	<u>5,751,487</u>
Expenditures:				
General government:				
General government:				
Town council	7,074,932	5,056,403	2,499,092	2,557,311
Town clerk	349,616	349,616	330,926	18,690
Town manager	566,128	566,128	436,169	129,959
Human resources	1,870,089	1,870,089	1,558,958	311,131
Facilities	1,142,205	1,142,205	806,860	335,345
Finance	2,082,310	1,982,310	1,452,373	529,937
Legal	1,522,424	1,522,424	1,277,600	244,824
Technology services	1,043,625	1,044,275	1,044,260	15
Municipal courts	3,006,286	3,006,286	2,795,108	211,178
Public Safety:	1,156,666	1,156,666	1,076,524	80,142
Police	14,608,029	14,693,529	14,693,191	338
Building safety	1,182,839	1,182,839	956,754	226,085
Code Enforcement	30,125	30,125	14,378	15,747
Highways and streets:				
Public works	3,103,810	3,103,810	2,746,028	357,782
Health and welfare:				
Animal Services	324,043	324,043	283,891	40,152
Economic and community development:				
Development services	3,656,774	3,656,774	3,276,856	379,918
Economic development and tourism	287,827	287,827	220,847	66,980
Community development	842,484	842,484	787,702	54,782
Culture and recreation:				
Parks and recreation	5,091,605	4,975,475	4,167,113	808,362
Capital outlay	2,809,730	3,587,530	1,978,194	1,609,336
Total expenditures	<u>51,751,547</u>	<u>50,380,838</u>	<u>42,402,824</u>	<u>7,978,014</u>
Excess (deficiency) of revenues over expenditures	<u>(4,662,880)</u>	<u>(3,292,171)</u>	<u>10,437,330</u>	<u>13,729,501</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	100,000	100,000	135,361	35,361
Transfers in	-	-	3,731,959	3,731,959
Transfers out	(4,545,542)	(4,545,542)	(4,749,652)	(204,110)
Total other financing sources (uses)	<u>(4,445,542)</u>	<u>(4,445,542)</u>	<u>(882,332)</u>	<u>3,563,210</u>
Changes in fund balances	(9,108,422)	(7,737,713)	9,554,998	17,292,711
Fund balances, beginning of year	-	-	36,555,856	36,555,856
Fund balances, end of year	<u>\$ (9,108,422)</u>	<u>\$ (7,737,713)</u>	<u>\$ 46,110,854</u>	<u>\$ 53,848,567</u>

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY USER REVENUE FUND
YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 3,640,329	\$ 3,640,329	\$ 3,925,940	\$ 285,611
Licenses, fees & permits	-	-	256,693	256,693
Investment income	15,000	15,000	18,920	3,920
Total revenues	<u>3,655,329</u>	<u>3,655,329</u>	<u>4,201,553</u>	<u>546,224</u>
Expenditures:				
Current -				
Highways and streets	4,906,881	4,906,881	4,052,648	854,233
Capital outlay	200,000	200,000	28,369	171,631
Total expenditures	<u>5,106,881</u>	<u>5,106,881</u>	<u>4,081,017</u>	<u>1,025,864</u>
Excess (deficiency) of revenues over expenditures	<u>(1,451,552)</u>	<u>(1,451,552)</u>	<u>120,536</u>	<u>1,572,088</u>
Other financing sources (uses):				
Transfers in	-	-	37,500	37,500
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>37,500</u>
Change in fund balance	(1,451,552)	(1,451,552)	158,036	1,609,588
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>3,016,884</u>	<u>3,016,884</u>
Fund balances, end of year	<u>\$ (1,451,552)</u>	<u>\$ (1,451,552)</u>	<u>\$ 3,174,920</u>	<u>\$ 4,626,472</u>

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 3,424,174	\$ 3,424,174	\$ 5,711,281	\$ 2,287,107
Fines, forfeitures & penalties	8,000	8,000	16,050	8,050
Investment income	7,500	7,500	24,480	16,980
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	3,444,674	3,444,674	5,751,811	2,307,137
Expenditures:				
Current -				
General government	2,390,000	2,464,891	-	2,464,891
Public safety	1,302,546	1,226,315	2,687,566	(1,461,251)
Total expenditures	3,692,546	3,691,206	2,687,566	1,003,640
Excess (deficiency) of revenues over expenditures	(247,872)	(246,532)	3,064,245	3,310,777
Other financing sources (uses):				
Transfer in	100,000	100,000	-	(100,000)
Transfer out	-	-	(3,148,411)	(3,148,411)
Total other financing sources (uses)	100,000	100,000	(3,148,411)	(3,248,411)
Change in fund balance	(147,872)	(146,532)	(84,166)	62,366
Fund balances, beginning of year	-	-	1,200,051	1,200,051
Fund balances, end of year	\$ (147,872)	\$ (146,532)	\$ 1,115,885	\$ 1,262,417

TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Water	Wastewater	Airport		Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 6,517,961	\$ 3,944,225	\$ -	\$ 10,462,186	\$ 1,699,098
Accounts receivable	791,440	398,187	177,925	1,367,552	-
Due from governments	2,789,270	210,214	514,424	3,513,908	-
Prepaid items	90,795	-	-	90,795	-
Total current assets	10,189,466	4,552,626	692,349	15,434,441	1,699,098
Noncurrent assets:					
Restricted cash	672,206	404,534	-	1,076,740	-
Capital assets not depreciated	13,503,611	3,832,946	1,558,073	18,894,630	-
Capital assets (net of depreciation)	34,724,232	61,564,010	18,624,418	114,912,660	-
Total noncurrent assets	48,900,049	65,801,490	20,182,491	134,884,030	-
Total assets	59,089,515	70,354,116	20,874,840	150,318,471	1,699,098
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	183,036	36,449	22,636	242,121	-
Total deferred outflows of resources	183,036	36,449	22,636	242,121	-
LIABILITIES					
Current liabilities:					
Accounts payable	2,351,534	165,841	62,010	2,579,385	194,682
Retainage payable	583,366	64,871	-	648,237	-
Accrued payroll and employee benefits	61,177	14,807	7,923	83,907	12,454
Claims payable	-	-	-	-	245,749
Compensated absences	91,763	19,533	16,830	128,126	-
Due to other funds	-	250,000	681,332	931,332	-
Deposits held for others	801,944	-	-	801,944	-
Due to other governments	245,211	-	-	245,211	-
Bonds payable - current	186,000	-	-	186,000	-
Loan payable - current	844,790	29,711	-	874,501	-
Interest payable	65,902	404,534	-	470,436	-
Unearned revenue	-	-	2,178	2,178	-
Total current liabilities	5,231,687	949,297	770,273	6,951,257	452,885
Noncurrent liabilities:					
Advances	-	5,261,943	959,057	6,221,000	-
Compensated absences	10,196	2,170	1,870	14,236	-
Bonds payable	390,000	20,111,182	-	20,501,182	-
Loan payable	8,640,817	45,505	-	8,686,322	-
Net pension liability	1,615,043	237,046	192,805	2,044,894	-
Total non-current liabilities	10,656,056	25,657,846	1,153,732	37,467,634	-
Total liabilities	15,887,743	26,607,143	1,924,005	44,418,891	452,885
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	110,689	5,382	12,904	128,975	-
Total deferred inflows of resources	110,689	5,382	12,904	128,975	-
NET POSITION					
Net investment in capital assets	37,582,870	45,145,687	20,182,491	102,911,048	-
Restricted for debt service	365,485	404,534	-	770,019	-
Unrestricted	5,325,764	(1,772,181)	(1,221,924)	2,331,659	1,246,213
Total net position	\$ 43,274,119	\$ 43,778,040	\$ 18,960,567	\$ 106,012,726	\$ 1,246,213

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, 2020

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Water	Wastewater	Airport		Internal Service Funds
Operating revenues:					
Licenses, fees & permits	\$ 84,659	\$ 49,513	\$ -	\$ 134,172	\$ -
Charges for services	6,174,962	1,823,690	372,831	8,371,483	4,589,404
Miscellaneous	116,500	-	21,026	137,526	-
Total operating revenues	<u>6,376,121</u>	<u>1,873,203</u>	<u>393,857</u>	<u>8,643,181</u>	<u>4,589,404</u>
Operating expenses:					
Personnel costs	2,011,253	552,115	300,396	2,863,764	-
Contractual services	166,342	170,483	38,559	375,384	824,568
Commodities	1,688,906	335,626	35,890	2,060,422	-
Other	1,208,730	128,865	60,292	1,397,887	2,952,873
Depreciation expense	1,255,989	2,159,457	957,713	4,373,159	-
Total operating expenses	<u>6,331,220</u>	<u>3,346,546</u>	<u>1,392,850</u>	<u>11,070,616</u>	<u>3,777,441</u>
Operating income (loss)	<u>44,901</u>	<u>(1,473,343)</u>	<u>(998,993)</u>	<u>(2,427,435)</u>	<u>811,963</u>
Nonoperating revenues (expenses):					
Contributions	226,947	-	-	226,947	-
Investment income	41,290	15,506	-	56,796	-
Interest expense	(61,739)	(789,381)	-	(851,120)	-
Gain (loss) on disposal of capital assets	(357,076)	-	-	(357,076)	-
Total nonoperating revenues (expenses)	<u>(150,578)</u>	<u>(773,875)</u>	<u>-</u>	<u>(924,453)</u>	<u>-</u>
Net income (loss) before contributions and transfers	(105,677)	(2,247,218)	(998,993)	(3,351,888)	811,963
Development fees	3,902,178	2,309,682	-	6,211,860	-
Capital contributions	2,631,600	2,654,600	2,110,962	7,397,162	-
Transfers in	1,035,375	908,233	910,680	2,854,288	-
Transfers out	<u>(1,818,375)</u>	<u>(905,275)</u>	<u>-</u>	<u>(2,723,650)</u>	<u>-</u>
Changes in net position	5,645,101	2,720,022	2,022,649	10,387,772	811,963
Net position, beginning of year, as restated	37,629,018	41,058,018	16,937,918	95,624,954	434,250
Net position, end of year	<u>\$ 43,274,119</u>	<u>\$ 43,778,040</u>	<u>\$ 18,960,567</u>	<u>\$ 106,012,726</u>	<u>\$ 1,246,213</u>

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, 2020**

	Business-type Activities			Governmental Activities	
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Received from customers	\$ 6,325,058	\$ 1,769,715	\$ 344,833	\$ 8,439,606	\$ 4,589,404
Payments to suppliers for goods and services	(1,551,028)	(538,322)	(1,090,766)	(3,180,116)	(3,970,499)
Payments to employees for services	(1,924,096)	(527,354)	(293,345)	(2,744,795)	-
Other receipts/payments	116,500	49,513	1,036,297	1,202,310	12,454
Net cash provided by (used for) operating activities	<u>2,966,434</u>	<u>753,552</u>	<u>(2,981)</u>	<u>3,717,005</u>	<u>631,359</u>
Cash flows from non-capital activities:					
Interfund borrowing	-	-	(719,364)	(719,364)	-
Contributions	226,947	-	-	226,947	-
Transfers in	1,035,375	435,801	910,680	2,381,856	-
Transfers out	(1,345,943)	(905,275)	-	(2,251,218)	-
Net cash provided by (used for) non-capital activities	<u>(83,621)</u>	<u>(469,474)</u>	<u>191,316</u>	<u>(361,779)</u>	<u>-</u>
Cash flows from capital activities and related financing activities:					
Capital grants received	-	349,956	2,110,962	2,460,918	-
Development fees received	3,902,178	2,309,682	-	6,211,860	-
Loan proceeds	4,487,011	104,200	-	4,591,211	-
Principal payments	(1,007,469)	(28,984)	-	(1,036,454)	-
Interest paid on debt	(49,767)	(809,069)	-	(858,836)	-
Proceeds from sale of capital assets	31,379	-	-	31,379	-
Acquisition and construction of capital assets	(8,450,922)	(782,147)	(2,299,297)	(11,532,366)	-
Net cash provided by (used for) capital activities	<u>(1,087,590)</u>	<u>1,143,638</u>	<u>(188,335)</u>	<u>(132,287)</u>	<u>-</u>
Cash flows from investing activities:					
Interest on investments	41,290	15,506	-	56,796	-
Net cash provided by investing activities	<u>41,290</u>	<u>15,506</u>	<u>-</u>	<u>56,796</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>1,836,513</u>	<u>1,443,222</u>	<u>-</u>	<u>3,279,735</u>	<u>631,359</u>
Cash and cash equivalents, beginning of year	<u>5,353,654</u>	<u>2,905,537</u>	<u>-</u>	<u>8,259,191</u>	<u>1,067,739</u>
Cash and cash equivalents, end of year	<u>\$ 7,190,167</u>	<u>\$ 4,348,759</u>	<u>\$ -</u>	<u>\$ 11,538,926</u>	<u>\$ 1,699,098</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating (loss)	\$ 44,901	\$ (1,473,343)	\$ (998,993)	\$ (2,427,435)	\$ 811,963
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,255,989	2,159,457	957,713	4,373,159	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	63,071	(53,975)	(32,824)	(23,728)	-
Decrease in due from other governments	-	-	1,015,271	1,015,271	-
(Increase) decrease in prepaid items	(24,423)	-	2,648	(21,775)	-
Decrease in deferred outflows of resources related to pensions	55,704	31,125	7,826	94,655	-
Increase (decrease) in accounts payable	1,512,950	96,652	(956,025)	653,577	(136,327)
(Decrease) in claims payable	-	-	-	-	(56,731)
Increase in accrued payroll	28,017	11,068	(5,634)	33,451	12,454
Increase in compensated absences payable	35,511	380	1,308	37,199	-
Increase in accrued liabilities	-	-	2,178	2,178	-
Increase in deposits held for others	25,800	-	-	25,800	-
Increase in due to other governments	989	-	-	989	-
Increase in net pension liability	49,955	7,062	15,148	72,165	-
(Decrease) in deferred inflows of resources related to pensions	(82,030)	(24,874)	(11,597)	(118,501)	-
Net cash provided (used) by operating activities	<u>\$ 2,966,434</u>	<u>\$ 753,552</u>	<u>\$ (2,981)</u>	<u>\$ 3,717,005</u>	<u>\$ 631,359</u>
Noncash investing, capital and financing activities:					
Capital contributions	2,626,285	(2,598,683)	-	27,602	-
Transfer in (out) of capital assets	(472,432)	472,432	-	-	-
Transfer in governmental capital asset	5,315	-	-	5,315	-
Amortization of bond premium	-	(19,688)	-	-	-
Loss on disposal of capital assets	(357,076)	-	-	(357,076)	-
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents	\$ 6,517,961	\$ 3,944,225	\$ -	\$ 10,462,186	\$ 1,699,098
Restricted cash	672,206	404,534	-	1,076,740	-
Total cash and cash equivalents	<u>\$ 7,190,167</u>	<u>\$ 4,348,759</u>	<u>\$ -</u>	<u>\$ 11,538,926</u>	<u>\$ 1,699,098</u>

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



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TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

A. Reporting Entity

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

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

The GFCFD, GFCFD II, VFCFD, SSCFD and TFRID component units each have a June 30 year-end and are included in the Gladden Farms Capital Projects and Debt Service Funds, the Vanderbilt Farms Capital Projects, the Saguaro Springs Capital Projects and Debt Service Funds, the Tangerine Farms Improvement District Debt Service Fund, and the Other Capital Projects Funds, respectively. Separate financial statements are prepared for the community facilities districts. As of June 23, 2020 VFCFD was dissolved by the Board of Directors and final financial statements are prepared for fiscal year 2020. Separate financial statements of the TFRID are not prepared on a stand-alone basis.

B. Basis of Presentation

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

Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) present financial information about the Town as a whole. The reported information includes all of the activities of the Town and its component units. For the most part, the effect of internal activity has been removed from these statements.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

Other Special Revenue Fund – This fund includes all other grant related programs and projects.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund types:

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

C. Measurement Focus and Basis of Accounting

The government-wide 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 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.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

D. Cash and Cash Equivalents

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

E. Investments

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

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

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

F. Postemployment Benefits

For purposes of measuring the net pension (asset and) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. ASRS, EORP, CORP, and PSPRS net OPEB assets/liabilities or related deferrals have not been recorded, or further disclosed, at June 30, 2020 in accordance with GASB 75, due to the relative insignificance to the Town's financial statements.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

G. Restricted Assets

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

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

H. Prepaid Items

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

I. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All trade and other receivables are shown net of an allowance for uncollectible amounts.

J. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

K. Capital Assets

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

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

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
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Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

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

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

L. Long-term Obligations

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

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

M. Compensated Absences

The Town's employee vacation, 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 240 hours of vacation depending on years of service. The current and long-term liabilities for accumulated vacation, including related benefits, are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations, and retirements.

Managed time off 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. Generally, resources from the General Fund are used to pay for compensated absences.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

N. Transactions Between Funds

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

Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

O. Use of Estimates

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

P. Seized Property

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

Q. Deferred Outflows/Inflows of Resources

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

R. Flow Assumption

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

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

As of June 30, 2020, the fund balance details by classification are listed below:

	General Fund	Highway User Revenue	Other Special Revenue Fund	Tangerine Farms Improvement District Debt Service	Transportation Fund	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Prepaid expenditures	\$281,739	\$ -	\$ 185	\$ -	\$ -	\$ 4,000
Long-term due from other funds	3,821,000	-	-	-	-	-
Restricted:						
Courts	-	-	-	-	-	1,059,439
Tourism promotion	-	-	-	-	-	2,337,403
Police	-	-	1,115,700	-	-	-
Highways and streets	-	3,174,920	-	-	-	-
Housing programs	-	-	-	-	-	125,485
Capital projects	-	-	-	-	3,302,596	13,730,240
Debt service	-	-	-	429,247	-	5,726,022
Committed:						
Capital projects	-	-	-	-	13,547,982	1,314,081
Unassigned:	42,008,115	-	-	-	-	(872,801)
Total fund balances:	\$46,110,854	\$3,174,920	\$1,115,885	\$ 429,247	\$16,850,578	\$ 23,423,869

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - BUDGETARY CONTROL

Excess Expenditures Over Budget – At June 30, 2020, the Town had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

The voters of the State of Arizona, on June 3, 1980, approved an expenditure limitation that is applicable to all local governments. This limitation, based on expenditures of the 1979-80 fiscal year, restricts the growth of expenditures based on a factor of increases in population and inflation. Certain expenditures are held to be excludable. The limitation is set by the State Economic Estimates Commission prior to April 1 of each year for the following fiscal year. As allowed, the voters of the Town of Marana, on November 8, 2016, approved an alternative expenditure limitation - home rule option to be applicable to the Town. This alternative expenditure limitation is free from any ties to the state imposed limitations and is in effect for four consecutive years beginning with the fiscal year ended June 30, 2017. Voters of the Town of Marana, on August 4, 2020, approved a four year extension of the alternative expenditure limitation. This limitation provides for the Town to allow the Mayor and Council to adopt an annual expenditure limitation each year with no expenditures held to be excludable. Therefore, the annual expenditure limitation equals the adopted budget.

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

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

The Town Council formally adopts the budget and legally allocates the available monies for the General Fund, the Highway User Revenue Fund, the Community Development Block Grant Fund, the Affordable Housing Revolving Fund, the Local JCEF Fund, the Local Technology Enhancement Fund, the Fill the Gap Fund, the Bed Tax Fund, the RICO Fund, the Emergency Telecommunications Fund, the Impound Fund, the Other Grants and Contributions Fund, the Gladden Farms CFD Debt Fund, the 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 Gladden Farms CFD Capital Fund, the Gladden Farms II CFD Capital Fund, the Vanderbilt CFD Capital Fund, and the Saguaro Springs CFD Capital Fund. The enterprise funds, Water Utility, Wastewater Utility and Airport, are subject to flexible budgets.

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - CASH AND INVESTMENTS

A.R.S and the Town’s investment policy authorize investments in the State Treasurer’s local government investment pools, the County Treasurer’s investment pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the Town’s investments. The State Board of Investment provides oversight for the State Treasurer’s pools.

At June 30, 2020, the carrying amount of the Town’s deposits was \$35,547,347 and the bank balance was \$36,153,659. 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, \$2,046,136 was covered by Federal depository insurance and \$34,879,423 was covered by collateral held by the pledging financial institution’s trust department but not in the Town’s name; no portion of the balance was uninsured and uncollateralized. The Town had \$4,375 in petty cash funds, change drawers and other related items at year end. Additionally, the Town’s share of RICO funds were held in a fiduciary capacity by Pima County with deposits of \$715,137. The Town’s Police Department may only use these funds for specific law enforcement activity.

At June 30, 2020, 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	\$ 4,464,967	\$ -	\$ 4,464,967	\$ -
Federal National Mortgage Assoc	9,435,372	-	9,435,372	-
Federal Home Loan Banks	4,895,182	-	4,895,182	-
U.S. Treasuries	4,782,446	4,782,446	-	-
Total investments by fair value level		\$ 4,782,446	\$ 18,795,521	\$ -
External investment pools measured at fair value				
State Treasurer’s investment pool 5	16,618,619			
State Treasurer’s investment pool 7	1,943,256			
Total investments measured at fair value	42,139,842			
Investments measured at amortized costs				
Money market investments	19,042,297			
Total investments measured at amortized costs	19,042,297			
Total investments	\$61,182,139			

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

Interest Rate Risk. Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days. In order to limit interest and market rate risk, the Town’s investment policy sets a maximum maturity on any investment of 3 years. The weighted average maturity (WAM) at June 30, 2020 for Town investments was 305 days. The State Treasurer’s investment policy sets a maximum WAM for pools 5 and 7 not to exceed 90 days.

Credit Risk. As of June 30, 2020, the Town’s investment in the State Treasurer’s investment pool 5 and pool 7 are specifically limited to those securities that carry the full faith and credit of the United States Government. The net asset value per share of both pools at June 30, 2020 was \$1.00. Pool 5 has continued to maintain the highest credit rating of AAA f/S1+ by Standard & Poor’s. Pool 7 invests in securities backed by the U.S. Government and has an AAA weighted average rating. The Town’s investments in U.S. Agencies were rated AA+ by Standard & Poor’s. The Arizona State Treasurer has a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, AZ 85007 or at www.aztreasury.gov.

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

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

Concentration of Credit Risk. The Town places no limit on the amount it may invest in any one issuer. More than 5% of the Town’s investments are in U.S. Agencies. These investments are 7.8% of the Town’s total investments.

At June 30, 2020, the Town had the following investment in debt securities:

Investment Type	Amount	Investment maturities	
		Less than 1 Year	1-5 Years
Money market investments	\$ 19,042,297	\$ 19,042,297	\$ -
State Treasurer’s Investment Pool 5	16,618,619	16,618,619	
State Treasurer’s Investment Pool 7	1,943,256	1,943,256	
Federal Home Loan Mortgage Corp	4,464,967	3,544,810	920,157
Federal National Mortgage Assoc	9,435,372	5,130,692	4,304,680
Federal Home Loan Banks	4,895,182	-	4,895,182
U.S. Treasuries	4,782,446	-	4,782,446
Total investments	\$ 61,182,139	\$ 46,279,674	\$ 14,902,465

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for fiscal year ended June 30, 2020:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 8,277,460	\$ -	\$ -	\$ 8,277,460
Construction in progress	18,470,334	6,346,752	(9,853,776)	14,963,310
Total capital assets, not being depreciated	26,747,794	6,346,752	(9,853,776)	23,240,770
Capital assets, being depreciated:				
Buildings and improvements	64,740,452	816,809	-	65,557,261
Machinery, equipment, and other assets	24,245,618	2,400,882	(1,025,245)	25,621,255
Infrastructure	410,207,775	19,950,465	-	430,158,240
Total capital assets being depreciated	499,193,845	23,168,156	(1,025,245)	521,336,756
Less accumulated depreciation for:				
Buildings and improvements	(20,135,564)	(1,898,953)	-	(22,034,517)
Machinery, equipment, and other assets	(16,116,272)	(1,500,749)	1,017,686	(16,599,335)
Infrastructure	(185,073,777)	(17,093,033)	-	(202,166,810)
Total accumulated depreciation	(221,325,613)	(20,492,735)	1,017,686	(240,800,662)
Total capital assets, being depreciated, net	277,868,232	2,675,421	(7,559)	280,536,094
Governmental activities capital assets, net	\$304,616,026	\$9,022,173	\$(9,861,335)	\$303,776,864

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

Governmental Activities:	
General government	\$ 927,676
Public safety	904,073
Highways and streets	16,610,751
Economic and community development	152,474
Health and Welfare	12,832
Culture and recreation	1,884,929
Total depreciation expense – governmental activities	\$ 20,492,735

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Business-type Activities	Beginning Balance (as restated)	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,442,146	\$ 184,463	\$ -	\$ 4,626,609
Water rights	4,392,222	-	(236,556)	4,155,666
Construction in progress	6,581,163	11,263,792	(7,732,600)	10,112,355
Total capital assets, not being depreciated	<u>15,415,531</u>	<u>11,448,255</u>	<u>(7,969,156)</u>	<u>18,894,630</u>
Capital assets, being depreciated:				
Buildings, improvements and infrastructure	136,294,140	11,199,263	(259,510)	147,233,893
Machinery, equipment, and other assets	1,756,329	1,949,491	(77,540)	3,628,280
Total capital assets being depreciated	<u>138,050,469</u>	<u>13,148,754</u>	<u>(337,050)</u>	<u>150,862,173</u>
Less accumulated depreciation for:				
Buildings, improvements and infrastructure	(30,551,093)	(4,209,390)	107,612	(34,652,871)
Machinery, equipment, and other assets	(1,085,427)	(288,755)	77,540	(1,296,642)
Total accumulated depreciation	<u>(31,636,520)</u>	<u>(4,498,145)</u>	<u>185,152</u>	<u>(35,949,513)</u>
Total capital assets, being depreciated, net	<u>106,413,949</u>	<u>8,650,609</u>	<u>(151,898)</u>	<u>114,912,660</u>
Business-type activities capital assets, net	<u>\$121,829,480</u>	<u>\$20,098,864</u>	<u>\$(8,121,054)</u>	<u>\$133,807,290</u>

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

Business-type Activities:	
Airport	\$ 957,713
Water	1,255,989
Wastewater	2,159,457
Total depreciation expense – business-type activities	<u>\$ 4,373,159</u>

The difference of \$124,986 between total increases to accumulated depreciation and total depreciation expense is due to the inclusion of transfers of capital assets from the government-type activities.

NOTE 6 – LONG-TERM LIABILITIES

A. Notes Payable

Business-type activities loans payable consists of five 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, 2020 on the outstanding balance is 1.468 percent.

TOWN OF MARANA, ARIZONA
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During 2019, the Town obtained \$15,000,000 in financing from WIFA for the design and construction of two water treatment campuses. As of year-end, the Town has drawn on \$7,333,504 of the loan, leaving \$7,666,496 available for drawdown. The interest rate at June 30, 2020 on the outstanding balance is 2.440 percent.

During 2019, the Town also obtained \$1,481,990 in financing from WIFA for the design and construction of new wastewater infrastructure for the Adonis Mobile Home Park Neighborhood. Fifty percent of the principal amount is forgivable as the Town applied on behalf of Adonis, a qualified disadvantaged community. As of year-end, the Town has drawn the entire forgivable portion plus \$104,200 of the loan, leaving \$636,795 available for drawdown.

During 2020, the Town obtained \$1,100,000 in additional financing from WIFA for the two water treatment campuses. \$525,000 of the principal amount is forgivable. As of year-end, the Town has not drawn on any portion of this loan.

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 not drawn on any portion of this loan.

	<u>Outstanding June 30, 2020</u>
\$4,690,128 Water Infrastructure Finance Authority loan, due in annual installments of \$201,000 to \$312,000; through July 1, 2029; at a 2.968% interest rate.	\$ 2,742,865
\$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.	6,742,742
\$740,995 Water Infrastructure Finance Authority loan, Adonis, due in annual installments of \$28,985 to \$46,405; through July 1, 2038; at a 2.508% interest rate.	75,216
\$574,500 Water Infrastructure Finance Authority loan, 2020 Series, due in annual installments of \$19,187 to \$79,662; through July 1, 2040; at a 3.4% interest rate.	-
\$237,500 Water Infrastructure Finance Authority loan, Adonis 2020, due in annual installments of \$7,932 to \$30,452; through July 1, 2040; at a 3.4% interest rate.	-
Total	<u>\$ 9,560,823</u>

The following is a schedule by years of the debt service requirements for the loan as of June 30, 2020.

Fiscal Year	Principal	Interest	Total
2021	\$ 874,503	\$ 88,969	\$ 963,472
2022	897,125	111,001	1,008,126
2023	904,166	98,938	1,003,104
2024	912,154	86,721	998,875
2025	935,792	74,263	1,010,055
2026 – 2030	5,037,083	172,910	5,209,993
Totals	<u>\$ 9,560,823</u>	<u>\$ 632,802</u>	<u>\$ 10,193,625</u>

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

B. Community Facilities District (CFD) General Obligation Bonds

Gladden Farms Community Facilities District (a component unit) issued general obligation bonds for infrastructure improvements and to refund prior issuances. The refunding issuance resulted in the 2004, 2006, 2007, and 2010 general obligation bond series to be considered defeased and the liability has been removed from the statement of net position. As of June 30, 2020, \$875,000 was still outstanding for the 2010 Series refunding.

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.

Gladden Farms Phase II Community Facilities District (a component unit) issued \$1,245,000 of Series 2019 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, 2020, were as follows:

	<u>Outstanding June 30, 2020</u>
\$7,955,000 Gladden Farms CFD General Obligation Bonds, 2016 Series, due in annual installments of \$20,000 to \$640,000; through July 15, 2041; at a 2.0% to 4.0% interest rate.	\$ 7,275,000
\$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.	3,745,000
\$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.	1,245,000
\$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.	1,950,000
Total	<u><u>\$ 14,215,000</u></u>

TOWN OF MARANA, ARIZONA
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Annual debt service requirements to maturity on the CFD general obligation bonds at June 30, 2020, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2021	\$ 570,000	\$ 507,606	\$ 1,077,606
2022	600,000	495,106	1,095,106
2023	620,000	479,106	1,099,106
2024	635,000	459,931	1,094,931
2025	655,000	440,231	1,095,231
2026 – 2030	3,650,000	1,808,131	5,458,131
2031 – 2035	3,770,000	1,025,106	4,795,106
2036 – 2040	1,720,000	532,719	2,252,719
2041 – 2045	1,995,000	183,372	2,178,372
Totals	<u>\$ 14,215,000</u>	<u>\$ 5,931,308</u>	<u>\$ 20,146,308</u>

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, 2020, were as follows:

\$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%.	<u>Outstanding June 30, 2020</u> \$ 9,552,000
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Annual debt service requirements to maturity on the TFRID special assessment bonds at June 30, 2020, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2021	\$ 1,721,000	\$ 184,838	\$ 1,905,838
2022	1,508,000	153,488	1,661,488
2023	1,537,000	123,931	1,660,931
2024	1,566,000	93,806	1,659,806
2025	1,595,000	63,112	1,658,112
2026	1,625,000	31,850	1,656,850
Totals	<u>\$ 9,552,000</u>	<u>\$ 651,025</u>	<u>\$ 10,203,025</u>

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
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D. Revenue Bonds

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

These bonds are payable from the excise taxes collected by the Town. The revenue bonds outstanding as of June 30, 2020, were as follows:

	Outstanding June 30, 2020	
	Governmental	Business-type
\$34,780,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2013 Series, due in annual installments of \$315,000 to \$2,570,000; through July 1, 2033; at a 2.0% to 5.0% interest rate.	\$ 27,175,000	
\$17,215,000 Pledged Excise Tax Revenue Bonds, 2017 Series A, due in annual installments of \$1,920,000 to \$2,420,000; through July 1, 2042; at a 2.0% to 5.0% interest rate.		\$ 17,215,000
\$19,865,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2017 Series B, due in annual installments of \$840,000 to \$2,580,000; through July 1, 2028; at a 2.0% to 5.0% interest rate.	17,825,000	
\$2,565,000 Pledged Excise Tax Revenue Bonds, 2017 Series C, due in annual installments of \$30,000 to \$1,980,000; through July 1, 2034; at a 2.0% to 5.0% interest rate.		2,565,000
Total	\$ 45,000,000	\$ 19,780,000

Annual debt service requirements to maturity on revenue bonds at June 30, 2020, are summarized as follows:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 3,030,000	\$ 2,091,600	\$ -	\$ 809,069
2022	3,150,000	1,961,550	-	809,069
2023	3,800,000	1,806,800	-	809,069
2024	3,970,000	1,622,250	-	809,069
2025	4,170,000	1,418,750	-	809,069
2026-2030	20,455,000	3,754,600	-	4,044,594
2031-2035	6,425,000	653,100	585,000	3,913,969
2036-2040	-	-	10,050,000	2,405,866
2041-2043	-	-	9,145,000	426,600
Totals	\$ 45,000,000	\$ 13,308,650	\$ 19,780,000	\$ 14,836,374

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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. The direct placement revenue bonds outstanding as of June 30, 2020 were as follows:

	Outstanding June 30, 2020	
	Governmental	Business- type
\$6,493,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2014 Series, due in annual installments of \$353,000 to \$735,000; through July 1, 2025; at a 2.55% interest rate.	\$ 4,027,000	
\$1,343,000 Water Utility Revenue Refunding Obligations, 2014 Series, due in annual installments of \$129,000 to \$197,000; through July 1, 2022; at a 2.53% interest rate.		\$ 576,000
Total	\$ 4,027,000	\$ 576,000

Annual debt service requirements to maturity on direct placement revenue bonds at June 30, 2020, are summarized as follows:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 696,000	\$ 93,815	\$ 186,000	\$ 12,220
2022	715,000	75,824	193,000	7,426
2023	735,000	57,337	197,000	2,492
2024	609,000	40,201	-	-
2025	629,000	24,416	-	-
2026	643,000	8,198	-	-
Totals	\$ 4,027,000	\$ 299,791	\$ 576,000	\$ 22,138

F. Pledged Revenues

The Town has pledged future excise tax revenues to repay \$80.9 million in Excise Tax Revenue Bonds issued in 2013, 2014, and 2017. The various bonds were issued for the expansion of the Marana Wastewater Reclamation Facility, construction of the groundwater Recharge Facility, construction of the municipal complex, the acquisition of certain water systems, acquisition of the Marana Wastewater Reclamation Facility, infrastructure upgrades and to refund prior debt issuances. The Town has also pledged future excise tax revenues to repay \$7.4 million in Water Infrastructure Financing Authority loans issued in 2019. The loans were issued for wastewater improvements in the Adonis neighborhood and water quality treatment campuses. At year end, \$68.8 million in bonds remain outstanding and \$6.8 million in loans remain outstanding to be repaid by future excise tax revenues. The net revenues available for service of this debt were \$58.1 million. The debt principal and interest paid on this debt during fiscal year 2020 was \$7.4 million (12.7% of available net pledged revenues).

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
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In addition, the Town has pledged future water utility revenues to repay \$4.7 million in Water Infrastructure Financing Authority loans and a \$1.3 million Revenue Refunding Bond. The loan was issued for the acquisition of well sites and the construction of certain infrastructure. The bond was issued in 2014 to refund prior debt issuances. At year end, \$3.3 million remains outstanding to be repaid by future water revenues. For the fiscal year ended June 30, 2020, the net revenues available for service of this debt were \$5.1 million. The debt principal and interest paid, including fees, on this debt during fiscal year 2020 was \$512,688.

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, 2020, the total legal debt limit was \$161,993,362. As of June 30, 2020, the total outstanding debt applicable to the limit was zero.

G. Changes in Long-term Liabilities

The following is a summary of changes in long-term liability activity for fiscal year ended June 30, 2020.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 11,385,000	\$3,195,000	\$ (365,000)	\$ 14,215,000	\$ 570,000
Revenue bonds	47,945,000	-	(2,945,000)	45,000,000	3,030,000
Revenue bonds – Direct Placements	4,706,000	-	(679,000)	4,027,000	696,000
Compensated absences	1,181,560	1,050,010	(786,150)	1,445,420	1,300,879
Net pension liability	35,062,702	2,433,202	-	37,495,904	-
Special assessment bonds	12,126,000	-	(2,574,000)	9,552,000	1,721,000
Deferred bond premium	5,507,092	68,459	(459,164)	5,116,387	-
Total	<u>\$117,913,354</u>	<u>\$6,746,671</u>	<u>\$(7,808,314)</u>	<u>\$116,851,711</u>	<u>\$7,317,879</u>
Business-type activities:					
Loan payable	\$ 3,503,598	\$6,909,678	\$ (852,453)	\$ 9,560,823	\$ 874,501
Net pension liability	1,972,729	72,165	-	2,044,894	-
Revenue bonds	19,780,000	-	-	19,780,000	-
Revenue bonds – Direct Placement	760,000	-	(184,000)	576,000	186,000
Compensated absences	105,163	94,870	(57,671)	142,362	128,126
Deferred bond premium	350,870	-	(19,688)	331,182	-
Total	<u>\$ 26,472,360</u>	<u>\$7,076,713</u>	<u>\$ (1,113,812)</u>	<u>\$ 32,435,261</u>	<u>\$1,188,627</u>

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – DEFERRED AMOUNTS

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

Deferred revenue	Unavailable	Unearned
Program revenues (General Fund)	\$ -	\$ 220,772
Intergovernmental (Other Special Revenue Fund)	102,223	2,514,526
Intergovernmental (Non-Major Governmental Funds)	9,060	846
Special assessments (Tangerine Farms Improvement District Debt Service Fund)	9,346,385	-
Total deferred amounts for governmental funds	<u>\$ 9,457,668</u>	<u>\$ 2,736,144</u>

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At June 30, 2020, 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 2020-2021, these interfund borrowing will be eliminated as sufficient resources become available. A portion of the amount due from the Airport Fund, \$959,057 and a portion of the amount due from the Wastewater Fund, \$2,400,000 to the Transportation Fund and \$2,861,943 to the General Fund, is considered long term. Listed below is a summary of the interfund borrowing transactions.

Due To	Due From			Total
	Non-Major Governmental Funds	Wastewater Fund	Airport Fund	
General Fund	\$ 898,124	\$ 3,111,943	\$ 1,640,389	\$ 5,650,456
Transportation Fund	-	2,400,000	-	2,400,000
Total	<u>\$ 898,124</u>	<u>\$ 5,511,943</u>	<u>\$ 1,640,389</u>	<u>\$ 8,050,456</u>

Interfund transfers:

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

TOWN OF MARANA, ARIZONA
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Transfers Out	Transfers In							
					Enterprise Funds			
	General Fund	Highway User Revenue Fund	Transportation	Non-Major Governmental Funds	Water	Wastewater	Airport	Total
General Fund	\$-	\$-	\$-	\$2,803,597	\$1,035,375	\$ -	\$910,680	\$4,749,652
Transportation				691,899				691,899
Other Special Revenue Funds	3,148,411							3,148,411
Non-Major Governmental Funds	583,548		916,011	1,409,569		32,633		2,941,761
Water		37,500		905,275		875,600		1,818,375
Wastewater				905,275				905,275
Total	\$3,731,959	\$37,500	\$916,011	\$6,715,615	\$1,035,375	\$908,233	\$910,680	\$14,255,373

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS

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

At June 30, 2020, 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 liability	\$ 37,495,904	\$ 2,044,894	\$ 39,540,798
Deferred outflows of resources	7,360,900	242,121	7,603,021
Deferred inflows of resources	1,916,755	128,975	2,045,730
Pension expense	4,775,960	274,533	5,050,493

The Town reported \$3,811,545 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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, 2020 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* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

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, 2020, statute required active ASRS members to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 percent for long-term disability) of the members’ annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 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 10.41 percent (10.29 percent for retirement, 0.05 percent for health

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

insurance premium benefit, and 0.07 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, 2020, were \$1,786,018.

During fiscal year 2020, the Town paid for ASRS pension contributions as follows: 87.33% percent from the General Fund and 12.67% from enterprise funds.

Pension liability—At June 30, 2020, the Town reported a liability of \$20,377,449 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019.

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, 2019. The Town's proportion measured as of June 30, 2019, was 0.14004 percent, which was a decrease of 0.00217 percent from its proportion measured as of June 30, 2018.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2020, the Town recognized pension expense for ASRS of \$2,070,103. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 368,124	\$ 3,831
Changes of assumptions or other inputs	86,136	811,470
Net difference between projected and actual earnings on pension plan investments	-	458,015
Changes in proportion and differences between contributions and proportionate share of contributions	23,009	247,524
Town contributions subsequent to the measurement date	1,786,018	-
Total	\$ 2,263,287	\$ 1,520,840

The \$1,786,018 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, 2021. 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,	
2021	\$ (434,683)
2022	(643,599)
2023	(87,958)
2024	122,669
Thereafter	-

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

<u>ASRS</u>	
Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7–7.2%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>ASRS</u>	<u>Target</u>	<u>Long-Term Expected</u>
<u>Asset Class</u>	<u>Allocation</u>	<u>Geometric Real Rate</u>
		<u>of Return</u>
Equity	50%	6.09%
Credit	20%	5.36%
Interest rate sensitive bonds	10%	1.62%
Real estate	<u>20%</u>	5.85%
Total	<u>100%</u>	

Discount Rate—The discount rate used to measure the ASRS total pension liability was 7.5 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 7.5 percent, as well as what the Town’s proportionate share of the net pension

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

ASRS	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability	\$29,001,830	\$20,377,449	\$13,169,686

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 are eligible to participate in the Corrections Officers Retirement Plan (CORP), an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. The CORP is governed by the PSPRS Board of Trustees and the local participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6. PSPRS and CORP net OPEB liabilities have not been recorded, or further disclosed at June 30, 2020 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:

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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

*With actuarially reduced benefits

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CORP

Initial membership date:

Before January 1, 2012

On or after January 1, 2012 and
before July 1, 2018

Retirement and Disability

Years of service and age required to receive benefit	Sum of years and age equals 80 25 years, any age (dispatchers) 20 years, any age (all others) 10 years, age 62	25 years, age 52.5 10 years, age 62
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Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
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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 received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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

Employees covered by benefit terms—At June 30, 2020, the following employees were covered by the agent pension plans' benefit terms:

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

	PSPRS	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	32	1
Inactive employees entitled to but not yet receiving benefits	17	2
Active employees	73	6
Total	122	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, 2020, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	PSPRS Tier 1	PSPRS Tier 2	PSPRS Tier 3 Defined Contribution	CORP Dispatchers
Active members—Pension	7.65%	11.65%	9.94%	7.96%
Town				
Pension	34.64%	34.64%	9.80%	19.19%
Health insurance premium benefit	.14%	.14%	.21%	.17%

Also, the PSPRS Board of Trustees required an additional employer contribution of 20.71 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 20.86 percent for the PSPRS of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the PSPRS would typically fill.

The Town’s contributions to the pension plan and contributions for the health insurance premium benefit for the year ended June 30, 2020, were:

	PSPRS	CORP Dispatchers
Pension Contributions	\$ 2,110,954	\$ 70,988
Health Insurance Premium Benefit	8,532	629
Total Contributions	\$ 2,119,486	\$ 71,617

During fiscal year 2020, the Town paid for PSPRS and CORP pension contributions as follows: 94% percent from the General Fund and 6% percent from other funds.

Pension liability—At June 30, 2020, the Town reported the following net pension liabilities:

	Net Pension Liability
PSPRS	17,198,882
CORP Dispatchers	980,536
Total	18,179,418

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The net pension liabilities were measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2019, reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4 percent to 7.3 percent and update mortality rates.

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, 2019
Actuarial cost method	Individual entry age normal
Investment rate of return	7.30%
Wage inflation	3.5%
Price Inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

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

PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Equity	16%	4.75%
Non-U.S. Equity	14%	5.00%
Private Credit	16%	5.36%
Fixed Income	5%	3.00%
Private Equity	12%	8.40%
GTS	12%	4.01%
Real Assets	9%	6.75%
Real Estate	10%	4.50%
Risk Parity	4%	4.01%
Short Term Investments	<u>2%</u>	0.25%
Total	<u>100%</u>	

Pension discount rates—At June 30, 2019, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.3 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2018.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Changes in the Net Pension Liability (Asset)

PSPRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2019	\$35,932,380	\$20,384,543	\$15,547,837
Changes for the year:			
Service cost	1,116,409	-	1,116,409
Interest on the total pension liability	2,689,703	-	2,689,703
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	284,100	-	284,100
Changes of assumptions or other inputs	1,136,498	-	1,136,498
Contributions—employer	-	2,011,933	(2,011,933)
Contributions—employee	-	406,546	(406,546)
Net investment income	-	1,190,198	(1,190,198)
Benefit payments, including refunds of employee contributions	(1,402,911)	(1,402,911)	-
Pension plan administrative expense	-	(21,675)	21,675
Other changes	-	-	-
Net changes	<u>3,823,799</u>	<u>2,184,091</u>	<u>1,639,708</u>
Adjustment to Beginning of Year	-	(11,337)	11,337
Balances at June 30, 2020	<u>\$39,756,179</u>	<u>\$22,557,297</u>	<u>\$17,198,882</u>

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

CORP	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2019	\$2,068,889	\$1,394,733	\$674,156
Changes for the year:			
Service cost	60,952	-	60,952
Interest on the total pension liability	157,366	-	157,366
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	224,526	-	224,526
Changes of assumptions or other inputs	56,044	-	56,044
Benefit payments, including refunds of employee contributions	(6,543)	(6,543)	-
Contributions—employer	-	83,517	(83,517)
Contributions—employee	-	31,930	(31,930)
Net investment income	-	79,174	(79,174)
Pension plan administrative expense	-	(2,113)	2,113
Other changes	-	-	-
Net changes	<u>492,345</u>	<u>185,965</u>	<u>306,380</u>
Balances at June 30, 2020	<u>\$2,561,234</u>	<u>\$1,580,698</u>	<u>\$980,536</u>

Sensitivity of the Town’s net pension liability to changes in the discount rate—The following table presents the Town’s net pension liabilities calculated using the discount rates noted above, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS			
Rate	6.30%	7.30%	8.30%
Net pension liability	\$23,298,483	\$17,198,882	\$12,288,067
CORP Dispatchers			
Rate	6.30%	7.30%	8.30%
Net pension liability	\$1,332,492	\$980,536	\$688,150

Pension expense/(income)—For the year ended June 30, 2020, the Town recognized the following pension expense/(income):

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

	Pension Expense/(Income)
PSPRS	3,104,864
CORP Dispatchers	151,975

Pension deferred outflows/inflows of resources—At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 700,143	\$ 410,993
Changes of assumptions or other inputs	1,897,065	-
Net difference between projected and actual earnings on pension plan investments	222,977	-
Town contributions subsequent to the measurement date	2,110,954	-
Total	\$ 4,931,139	\$ 410,993

CORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 168,396	\$ 50,856
Changes of assumptions or other inputs	45,336	2,521
Net difference between projected and actual earnings on pension plan investments	20,177	-
Town contributions subsequent to the measurement date	70,988	-
Total	\$ 304,897	\$ 53,377

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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	PSPRS	CORP Dispatchers
2021	\$859,836	\$62,969
2022	505,987	48,756
2023	486,813	66,858
2024	251,139	1,949
2025	125,312	-
Thereafter	180,105	-

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

C. Elected Officials' Retirement Plan

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

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

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

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

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

TOWN OF MARANA, ARIZONA
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JUNE 30, 2020

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, 2020, statute required active EORP members to contribute 7 or 13 percent of the members’ annual covered payroll and the Town to contribute at the actuarially determined rate of 61.43 percent of all active EORP members’ annual covered payroll. In addition, statute required the Town to contribute 39.72 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, 2020, was \$69,800.

During fiscal year 2020, the Town paid for EORP pension contributions 100 percent from the General Fund.

Pension liability—At June 30, 2020, 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	\$ 983,931
State’s proportionate share of the EORP net pension liability associated with the Town	<u>88,985</u>
Total	<u>\$ 1,072,916</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2019, reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4 percent to 7.3 percent and update the mortality rates.

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, 2019. The Town’s proportion measured as of June 30, 2019, was .1484 percent, which was a decrease of .0071 percent from its proportion measured as of June 30, 2018.

Pension expense/income and deferred outflows/inflows of resources—For the year ended June 30, 2020, the Town recognized pension income of \$283,304.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,937	\$ 933
Changes of assumptions or other inputs	3,093	27,961
Net difference between projected and actual earnings on pension plan investments	6,694	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,174	31,626
Town contributions subsequent to the measurement date	69,800	
Total	\$ 103,698	\$ 60,520

The \$69,800 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, 2021. 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,	
2021	\$(28,518)
2022	(1,707)
2023	1,869
2024	1,735
Thereafter	-

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

EORP	
Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75%
Price inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

EORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Short term investments	2%	0.25%
Risk parity	4%	4.01%
Fixed income	5%	3.00%
Real assets	9%	6.75%
GTS	12%	4.01%
Private credit	16%	5.36%
Real estate	10%	4.50%
Private equity	12%	8.40%
Non-U.S. equity	14%	5.00%
U.S. equity	<u>16%</u>	4.75%
Total	<u>100%</u>	

Discount rate—At June 30, 2019, the discount rate used to measure the EORP total pension liability was 7.3 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2018. 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 7.3 percent, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

EORP	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
Town’s proportionate share of the net pension liability	\$1,126,748	\$983,931	\$862,288

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

NOTE 10 - RISK MANAGEMENT

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

The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. The limit for basic coverage is for \$2,000,000 per occurrence on a claims-made purpose. Excess coverage is for an additional \$12,000,000 per occurrence on a follow form, claims-made basis. The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

financial obligations. The pool has the authority to assess its member's additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

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

Significant Contractual Commitments

At the end of fiscal year 2020, the Town was obligated to \$7.1 million in significant contractual commitments for airport, transportation, park, police facility, and water facility related construction projects. Two water treatment facilities accounted for \$5.2 million and Airport improvements accounted for \$452,500. The remaining commitments were for other transportation projects of \$983,236, water projects of 131,099, wastewater projects of \$95,315, and park related projects accounted for \$223,181.

NOTE 12 - LEASING ARRANGEMENTS

Land – State of Arizona

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

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

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Years Ending June 30,	
2021	\$ 632,491
2022	632,491
2023	632,491
2024	632,491
2025	632,491
2026 - 2030	3,478,700
2031 - 2035	3,826,570
2036 - 2040	4,209,225
2041 - 2045	4,630,150
2046 - 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 - 2099	10,568,288
Total	<u>\$ 111,047,338</u>

Minimum annual rentals above excludes annual rental under the remaining renewal options as of June 30, 2020. Rent expense under the above leases for fiscal 2019-20 aggregated \$574,992.

NOTE 13 – RESTATEMENT OF NET POSITION

Net position as of July 1, 2019, has been restated as follows for a change to the capital asset net book value for the Water and Wastewater Fund. The change is due to an incorrect valuation of the assets acquired in the transfer of certain sewer facilities from Pima County to the Town on January 3, 2012 and a duplication of a Water asset. An evaluation during the fiscal year inventory discovered the discrepancy and the following change resolves the valuation error.

	Business-type Activities	Water Fund	Wastewater Fund
Net Position as previously reported at June 30, 2019	\$ 96,476,727	\$ 38,217,624	\$ 41,321,185
Correction of a misstatement – Capital assets (net of depreciation)	(851,773)	(588,606)	(263,167)
Net position as restated, July 1, 2019	<u>\$ 95,624,954</u>	<u>\$ 37,629,018</u>	<u>\$ 41,058,018</u>

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – SUBSEQUENT EVENTS

Gladden Farms Community Facilities District – Debt Issuance

In October 2020, the District issued the Series 2020 General Obligation Bonds (Bonds) in the amount of \$4,155,000, maturing in 2041, with an interest rate of 2.375% to 3.0%. 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

**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, 2020**

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Town's proportion of the net pension liability	0.140004%	0.14221%	0.14286%	0.140584%	0.136510%
Town's proportionate share of the net pension liability	\$ 20,377,449	\$ 19,833,290	\$ 22,254,803	\$ 22,691,024	\$ 21,263,376
Town's covered payroll	\$ 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	137.93%	140.23%	160.32%	172.54%	169.22%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%
	2015 (2014)	2014 through 2011			
Town's proportion of the net pension liability	0.129998%	Information not available			
Town's proportionate share of the net pension liability	\$ 19,235,271	10 years of information will be reported as it becomes available			
Town's covered payroll	\$ 11,714,615				
Town's proportionate share of the net pension liability as a percentage of its covered payroll	164.20%				
Plan fiduciary net position as a percentage of the total pension liability	69.49%				

See accompanying notes to 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, 2020**

Elected Officials Retirement Plan	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Town's proportion of the net pension liability	.148366%	.155545%	.150480%	.148768%	.133401%
Town's proportionate share of the net pension liability	\$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	88,985	167,942	380,586	290,197	324,997
Total	\$1,072,916	\$1,148,090	\$2,214,333	\$1,695,686	\$1,367,462
Town's covered payroll	\$119,423	\$116,021	\$119,424	\$119,424	\$119,424
Town's proportionate share of the net pension liability as a percentage of its covered payroll	823.90%	844.80%	1,535.49%	1,176.89%	872.91%
Plan fiduciary net position as a percentage of the total pension liability	30.14%	30.36%	19.66%	23.42%	28.32%
	2015 (2014)	2014 through 2011			
Town's proportion of the net pension liability	.1658860%	Information not available			
Town's proportionate share of the net pension liability	\$ 1,112,385				
State's proportionate share of the net pension liability associated with the Town	341,068	10 years of information will be reported as it becomes available			
Total	\$ 1,453,453				
Town's covered payroll	\$ 119,423				
Town's proportionate share of the net pension liability as a percentage of its covered payroll	931.15%				
Plan fiduciary net position as a percentage of the total pension liability	31.91%				

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AGENT PENSION PLANS
JUNE 30, 2020

PSPRS	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension liability					
Service cost	\$1,116,409	\$1,100,133	\$ 1,213,757	\$ 994,058	\$ 891,324
Interest on the total pension liability	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 measurement of the pension liability	284,100	(566,255)	340,373	536,692	333,269
Changes of assumptions or other inputs	1,136,498	-	725,862	1,226,081	-
Benefit payments, including refunds of employee contributions	(1,402,911)	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)
Net change in total pension liability	3,823,799	1,289,041	3,583,460	5,424,991	2,094,297
Total pension liability—beginning	35,932,380	34,643,339	31,059,879	25,634,888	23,540,591
Total pension liability—ending (a)	\$39,756,179	\$35,932,380	\$34,643,339	\$31,059,879	\$25,634,888
Plan fiduciary net position					
Contributions—employer	\$2,011,933	\$1,904,911	\$1,384,924	\$1,323,677	\$1,006,859
Contributions—employee	406,546	488,777	621,583	672,181	579,390
Net investment income	1,190,198	1,355,793	2,081,790	95,438	533,938
Benefit payments, including refunds of employee contributions	(1,402,911)	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)
Hall/Parker Settlement	-	(780,563)	-	-	-
Pension plan administrative expense	(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	2,184,091	1,164,638	2,684,702	1,126,234	1,177,859
Plan fiduciary net position—beginning	20,384,543	19,219,905	16,535,203	15,408,969	14,231,110
Adjustment to Beginning of Year	(11,337)				
Plan fiduciary net position—ending (b)	\$22,557,297	\$20,384,543	\$19,219,905	\$16,535,203	\$15,408,969
Town's net pension liability (asset)—ending (a) - (b)	\$17,198,882	\$15,547,837	\$15,423,434	\$14,524,676	\$10,225,919
Plan fiduciary net position as a percentage of the total pension liability	56.74%	56.73%	55.48%	53.24%	60.11%
Covered payroll	\$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	326.22%	303.57%	289.98%	280.25%	208.67%

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AGENT PENSION PLANS
JUNE 30, 2020**

PSPRS

Reporting Fiscal Year
(Measurement Date)

	2015 (2014)	2014 through 2011
Total pension liability		
Service cost	\$ 876,619	Information not available
Interest on the total pension liability	1,551,602	
Changes of benefit terms	308,515	
Differences between expected and actual experience in the measurement of the pension liability	148,583	
Changes of assumptions or other inputs	1,933,583	10 years of information will be reported as it becomes available
Benefit payments, including refunds of employee contributions	<u>(1,211,258)</u>	
Net change in total pension liability	3,607,644	
Total pension liability—beginning	<u>19,932,947</u>	
Total pension liability—ending (a)	\$ <u>23,540,591</u>	
 Plan fiduciary net position		
Contributions—employer	\$ 797,871	
Contributions—employee	578,596	
Net investment income	1,698,902	
Benefit payments, including refunds of employee contributions	(1,211,258)	
Hall/Parker Settlement	-	
Pension plan administrative expense	-	
Other changes	<u>(543,969)</u>	
Net change in plan fiduciary net position	1,320,142	
Plan fiduciary net position—beginning	<u>12,910,968</u>	
Plan fiduciary net position—ending (b)	\$ <u>14,231,110</u>	
 Town's net pension liability (asset)—ending (a) - (b)	 <u>\$ 9,309,481</u>	
 Plan fiduciary net position as a percentage of the total pension liability	 60.45%	
 Covered payroll	 \$ 4,638,415	
 Town's net pension liability (asset) as a percentage of covered payroll	 200.70%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AGENT PENSION PLANS
JUNE 30, 2020

CORP – Dispatchers

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension liability					
Service cost	\$60,952	\$ 62,894	\$ 59,139	\$ 57,866	\$ 64,307
Interest on the total pension liability	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	224,526	(40,404)	(18,913)	(25,358)	(18,303)
Changes of assumptions or other inputs	56,044	-	(5,967)	(136)	-
Benefit payments, including refunds of employee contributions	(6,543)	-	(5,825)	(47,673)	(46,131)
Net change in total pension liability	492,345	62,058	458,711	112,776	105,017
Total pension liability—beginning	2,068,889	2,006,831	1,548,120	1,435,344	1,330,327
Total pension liability—ending (a)	\$2,561,234	\$2,068,889	\$ 2,006,831	\$ 1,548,120	\$ 1,435,344
Plan fiduciary net position					
Contributions—employer	\$83,517	\$ 57,269	\$ 51,162	\$ 48,648	\$ 49,045
Contributions—employee	31,930	32,445	32,199	32,623	35,981
Net investment income	79,174	90,441	124,809	6,034	34,230
Benefit payments, including refunds of employee contributions	(6,543)	-	(5,825)	(47,673)	(46,131)
Pension plan administrative expense	(2,113)	(2,068)	(1,491)	(1,253)	(1,233)
Other changes	-	(22)	(6)	(5)	(635)
Net change in plan fiduciary net position	185,965	178,065	200,848	38,374	71,257
Plan fiduciary net position—beginning	1,394,733	1,216,668	1,015,820	977,446	906,189
Plan fiduciary net position—ending (b)	\$1,580,698	\$1,394,733	\$ 1,216,668	\$ 1,015,820	\$ 977,446
Town's net pension liability (asset)—ending (a) – (b)	\$980,536	\$ 674,156	\$ 790,163	\$ 532,300	\$ 457,898
Plan fiduciary net position as a percentage of the total pension liability	61.72%	67.41%	60.63%	65.62%	68.10%
Covered payroll	357,135	\$ 407,607	\$ 404,506	\$ 397,428	\$ 430,892
Town's net pension liability (asset) as a percentage of covered payroll	274.56%	165.39%	195.34%	133.94%	106.27%

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AGENT PENSION PLANS
JUNE 30, 2020**

CORP – Dispatchers

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2011
Total pension liability		
Service cost	\$ 63,474	Information not available
Interest on the total pension liability	94,360	
Changes of benefit terms	-	
Differences between expected and actual experience in the measurement of the pension liability	(16,512)	
Changes of assumptions or other inputs	18,699	10 years of information will be reported as it becomes available
Benefit payments, including refunds of employee contributions	-	
Net change in total pension liability	160,021	
Total pension liability—beginning	1,170,306	
Total pension liability—ending (a)	\$ 1,330,327	
 Plan fiduciary net position		
Contributions—employer	\$ 48,667	
Contributions—employee	36,306	
Net investment income	102,910	
Benefit payments, including refunds of employee contributions	-	
Pension plan administrative expense	-	
Other changes	(24,446)	
Net change in plan fiduciary net position	163,437	
Plan fiduciary net position—beginning	742,752	
Plan fiduciary net position—ending (b)	\$ 906,189	
 Town's net pension liability (asset)—ending (a) – (b)	\$ 424,138	
 Town's net pension liability (asset)—ending (a) – (b)	68.12%	
 Covered payroll	\$ 456,107	
 Town's net pension liability (asset) as a percentage of covered payroll	92.99%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2020**

Arizona State
Retirement
System

Reporting Fiscal Year

	2020	2019	2018	2017	2016
Statutorily required contribution	\$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	1,786,018	1,645,597	1,536,196	1,496,440	1,426,879
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$15,605,818	\$14,773,437	\$14,143,225	\$13,881,636	\$13,150,962
Town's contributions as a percentage of covered payroll	11.44%	11.14%	10.86%	10.78%	10.85%
	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 1,367,122	\$ 1,253,464	\$1,172,006	\$1,095,471	\$934,621
Town's contributions in relation to the statutorily required contribution	1,367,122	1,253,464	1,172,006	1,095,471	934,621
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$12,565,464	\$11,714,615	\$11,434,201	\$11,098,998	\$10,373,156
Town's contributions as a percentage of covered payroll	10.88%	10.70%	10.25%	9.87%	9.01%

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2020**

Elected Officials Retirement Plan	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$69,800	\$63,358	\$27,266	\$28,065	\$28,065
Town's contributions in relation to the statutorily required contribution	69,800	63,358	27,266	28,065	28,065
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$119,423	\$119,423	\$116,021	\$119,424	\$119,424
Town's contributions as a percentage of covered payroll	58.45%	53.05%	23.50%	23.50%	23.50%
	2015	2014	2013	2012	2011
Statutorily required contribution	\$28,065	\$38,431	\$43,518	\$40,861	\$34,226
Town's contributions in relation to the statutorily required contribution	28,065	38,431	43,518	40,861	34,226
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$119,424	\$119,423	\$119,423	\$119,423	\$123,858
Town's contributions as a percentage of covered payroll	23.50%	32.18%	36.44%	34.22%	27.63%

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2020**

PSPRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$2,110,954	\$2,003,419	\$1,782,576	\$1,381,861	\$1,322,941
Town's contributions in relation to the actuarially determined contribution	\$2,110,954	2,003,419	1,782,576	1,381,861	1,322,941
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$6,402,828	\$6,270,642	\$5,542,238	\$5,614,773	\$5,315,870
Town's contributions as a percentage of covered payroll	32.97%	31.95%	32.16%	24.61%	24.89%
	2015	2014	2013	2012	2011
Actuarially determined contribution	\$1,006,859	\$ 797,871	\$ 831,677	\$778,039	\$644,505
Town's contributions in relation to the actuarially determined contribution	1,006,859	797,871	831,677	778,039	644,505
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$4,900,569	\$4,638,415	\$4,498,048	\$4,512,699	\$4,254,314
Town's contributions as a percentage of covered payroll	20.55%	17.20%	18.49%	17.24%	15.15%

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2020**

CORP - Dispatchers	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$70,988	\$83,517	\$57,269	\$51,210	\$48,648
Town's contributions in relation to the actuarially determined contribution	70,988	83,517	57,269	51,210	48,648
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$369,921	\$401,139	\$ 407,607	\$ 404,507	\$ 409,843
Town's contributions as a percentage of covered payroll	19.19%	20.82%	14.05%	12.66%	11.87%
	2015	2014	2013	2012	2011
Actuarially determined contribution	\$49,045	\$ 48,667	\$ 32,506	\$ 25,550	\$ 24,843
Town's contributions in relation to the actuarially determined contribution	49,045	48,667	32,506	25,550	24,843
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 430,892	\$ 456,106	\$ 443,980	\$ 530,695	\$ 536,843
Town's contributions as a percentage of covered payroll	11.38%	10.67%	7.32%	4.25%	4.63%

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
JUNE 30, 2020**

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 2018 actuarial valuation	18 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	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 investment 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 and from 4.0%-7.25% to 3.5%-6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS and from 4.5%-7.75% to 4.0%-7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS and from 5.0%-8.25% to 4.5%-7.75% for CORP.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
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 2017 actuarial valuation, changed to 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

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
JUNE 30, 2020

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.



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**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**



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



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TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - TANGERINE FARMS
IMPROVEMENT DISTRICT DEBT SERVICE
YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Special assessments	\$ 2,873,670	\$ 2,873,670	\$ 2,091,138	\$ (782,532)
Total revenues	<u>2,873,670</u>	<u>2,873,670</u>	<u>2,091,138</u>	<u>(782,532)</u>
Expenditures:				
Debt service -				
Principal retirement	3,536,000	3,536,000	2,574,000	962,000
Interest and fiscal charges	239,170	239,170	230,517	8,653
Total expenditures	<u>3,775,170</u>	<u>3,775,170</u>	<u>2,804,517</u>	<u>970,653</u>
Excess (deficiency) of revenues over expenditures	<u>(901,500)</u>	<u>(901,500)</u>	<u>(713,379)</u>	<u>188,121</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>1,142,626</u>	<u>1,142,626</u>
Fund balances, end of year	<u><u>\$ (901,500)</u></u>	<u><u>\$ (901,500)</u></u>	<u><u>\$ 429,247</u></u>	<u><u>\$ 1,330,747</u></u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION CAPITAL
YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Sales taxes	\$ 5,371,050	\$ 5,371,050	\$ 8,657,955	\$ 3,286,905
Contributions	-	-	1,512	1,512
Investment income	50,000	50,000	302,457	252,457
Total revenues	<u>5,421,050</u>	<u>5,421,050</u>	<u>8,961,924</u>	<u>3,540,874</u>
Expenditures:				
Current -				
General government	-	-	979,396	(979,396)
Capital outlay	16,434,682	16,434,682	4,739,951	11,694,731
Total expenditures	<u>16,434,682</u>	<u>16,434,682</u>	<u>5,719,347</u>	<u>10,715,335</u>
Excess (deficiency) of revenues over expenditures	<u>(11,013,632)</u>	<u>(11,013,632)</u>	<u>3,242,577</u>	<u>14,256,209</u>
Other financing sources (uses):				
Transfers in	-	-	916,011	916,011
Transfers out	(691,899)	(691,899)	(691,899)	-
Total other financing sources (uses)	<u>(691,899)</u>	<u>(691,899)</u>	<u>224,112</u>	<u>916,011</u>
Changes in fund balances	(11,705,531)	(11,705,531)	3,466,689	15,172,220
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>13,383,889</u>	<u>13,383,889</u>
Fund balances, end of year	<u><u>\$(11,705,531)</u></u>	<u><u>\$(11,705,531)</u></u>	<u><u>\$16,850,578</u></u>	<u><u>\$28,556,109</u></u>

NON-MAJOR GOVERNMENTAL FUNDS

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE
JUNE 30, 2020

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,272,626	\$ 15,098,907	\$ -	\$ 18,371,533
Taxes receivable	-	564	4,702	5,266
Accounts receivable	1,001	-	-	1,001
Interest receivable	-	8,312	8	8,320
Development agreement receivable	-	60,397	-	60,397
Due from governments	296,635	29,682	-	326,317
Prepaid items	-	-	4,000	4,000
Restricted cash and investments	-	-	5,721,312	5,721,312
Total assets	<u>\$ 3,570,262</u>	<u>\$ 15,197,862</u>	<u>\$ 5,730,022</u>	<u>\$ 24,498,146</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 10,230	\$ 89,235	\$ -	\$ 99,465
Retainage payable	-	625	-	625
Accrued payroll and employee benefits	3,757	-	-	3,757
Due to other funds	33,948	864,176	-	898,124
Deposits held for others	-	62,400	-	62,400
Unearned revenue	-	846	-	846
Total liabilities	<u>47,935</u>	<u>1,017,282</u>	<u>-</u>	<u>1,065,217</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	9,060	-	-	9,060
Total deferred inflows of resources	<u>9,060</u>	<u>-</u>	<u>-</u>	<u>9,060</u>
<u>FUND BALANCES (DEFICITS)</u>				
Fund balances:				
Nonspendable	-	-	4,000	4,000
Restricted	3,522,327	13,730,240	5,726,022	22,978,589
Committed	-	1,314,081	-	1,314,081
Unassigned	(9,060)	(863,741)	-	(872,801)
Total fund balances	<u>3,513,267</u>	<u>14,180,580</u>	<u>5,730,022</u>	<u>23,423,869</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,570,262</u>	<u>\$ 15,197,862</u>	<u>\$ 5,730,022</u>	<u>\$ 24,498,146</u>

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, 2020

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Revenues:				
Sales tax	\$ 1,288,972	\$ 260,075	\$ -	\$ 1,549,047
Property tax	-	130,389	1,030,735	1,161,124
Intergovernmental	45,122	186,366	-	231,488
Licenses, fees & permits	-	2,901,677	-	2,901,677
Fines, forfeitures & penalties	59,279	-	-	59,279
Contributions	-	12,610	13,627	26,237
Investment income	-	207,291	2,504	209,795
Miscellaneous	10,730	-	-	10,730
Total revenues	<u>1,404,103</u>	<u>3,698,408</u>	<u>1,046,866</u>	<u>6,149,377</u>
Expenditures:				
Current -				
General government	661,569	8,193	-	669,762
Highways and streets	-	21,596	-	21,596
Economic and community development	319,652	-	-	319,652
Culture and recreation	-	39,613	-	39,613
Capital outlay	43,206	1,482,411	2,821,867	4,347,484
Debt service -				
Principal retirement	-	-	3,989,000	3,989,000
Interest and fiscal charges	-	-	2,753,843	2,753,843
Bond issuance costs	-	-	385,884	385,884
Total expenditures	<u>1,024,427</u>	<u>1,551,813</u>	<u>9,950,594</u>	<u>12,526,834</u>
Excess (deficiency) of revenues over expenditures	<u>379,676</u>	<u>2,146,595</u>	<u>(8,903,728)</u>	<u>(6,377,457)</u>
Other financing sources (uses):				
Issuance of debt	-	-	3,195,000	3,195,000
Premium on bonds issued	-	-	68,460	68,460
Transfers in	-	733,141	5,982,474	6,715,615
Transfers out	-	(2,941,761)	-	(2,941,761)
Total other financing sources (uses)	<u>-</u>	<u>(2,208,620)</u>	<u>9,245,934</u>	<u>7,037,314</u>
Change in fund balances	379,676	(62,025)	342,206	659,857
Fund balances, beginning of year	<u>3,133,591</u>	<u>14,242,605</u>	<u>5,387,816</u>	<u>22,764,012</u>
Fund balances, end of year	<u>\$ 3,513,267</u>	<u>\$ 14,180,580</u>	<u>\$ 5,730,022</u>	<u>\$ 23,423,869</u>



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NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Community Development Block Grant	Affordable Housing	Bed Tax
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ 125,485	\$ 2,088,416
Accounts receivable	-	-	-
Due from governments	43,008	-	253,627
Total assets	<u>\$ 43,008</u>	<u>\$ 125,485</u>	<u>\$ 2,342,043</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 9,060	\$ -	\$ 883
Accrued payroll and employee benefits	-	-	3,757
Due to other funds	33,948	-	-
Total liabilities	<u>43,008</u>	<u>-</u>	<u>4,640</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	9,060	-	-
Total deferred inflows of resources	<u>9,060</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	-	-	-
Restricted	-	125,485	2,337,403
Unassigned	(9,060)	-	-
Total fund balances	<u>(9,060)</u>	<u>125,485</u>	<u>2,337,403</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,008</u>	<u>\$ 125,485</u>	<u>\$ 2,342,043</u>

Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Totals
\$ 116,805	\$ 99,876	\$ 842,044	\$ 3,272,626
-	1,001	-	1,001
-	-	-	296,635
<u>\$ 116,805</u>	<u>\$ 100,877</u>	<u>\$ 842,044</u>	<u>\$ 3,570,262</u>
\$ -	\$ -	\$ 287	\$ 10,230
-	-	-	3,757
-	-	-	33,948
-	-	287	47,935
-	-	-	9,060
-	-	-	9,060
-	-	-	-
116,805	100,877	841,757	3,522,327
-	-	-	(9,060)
<u>116,805</u>	<u>100,877</u>	<u>841,757</u>	<u>3,513,267</u>
<u>\$ 116,805</u>	<u>\$ 100,877</u>	<u>\$ 842,044</u>	<u>\$ 3,570,262</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	Community Development Block Grant	Affordable Housing	Bed Tax	Judicial Collection Enhancement
Revenues:				
Sales taxes	\$ -	\$ -	\$ 1,288,972	\$ -
Intergovernmental	45,122	-	-	-
Fines, forfeitures & penalties	-	-	-	8,960
Miscellaneous	-	10,730	-	-
Total revenues	<u>45,122</u>	<u>10,730</u>	<u>1,288,972</u>	<u>8,960</u>
Expenditures:				
Current -				
General government	-	-	574,992	39,981
Economic and community development	50,395	23,473	245,784	-
Capital outlay	-	43,206	-	-
Total expenditures	<u>50,395</u>	<u>66,679</u>	<u>820,776</u>	<u>39,981</u>
Excess (deficiency) of revenues over expenditures	<u>(5,273)</u>	<u>(55,949)</u>	<u>468,196</u>	<u>(31,021)</u>
Change in fund balances	(5,273)	(55,949)	468,196	(31,021)
Fund balances (deficits), beginning of year	<u>(3,787)</u>	<u>181,434</u>	<u>1,869,207</u>	<u>147,826</u>
Fund balances (deficits), end of year	<u>\$ (9,060)</u>	<u>\$ 125,485</u>	<u>\$ 2,337,403</u>	<u>\$ 116,805</u>

<u>Fill-the-Gap</u>	<u>Local Technology</u>	<u>Totals</u>
\$ -	\$ -	\$ 1,288,972
-	-	45,122
4,001	46,318	59,279
-	-	10,730
<u>4,001</u>	<u>46,318</u>	<u>1,404,103</u>
-	46,596	661,569
-	-	319,652
-	-	43,206
<u>-</u>	<u>46,596</u>	<u>1,024,427</u>
<u>4,001</u>	<u>(278)</u>	<u>379,676</u>
4,001	(278)	379,676
<u>96,876</u>	<u>842,035</u>	<u>3,133,591</u>
<u>\$ 100,877</u>	<u>\$ 841,757</u>	<u>\$ 3,513,267</u>

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, 2020

	Community Development Block Grant Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 45,122	\$ (104,878)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>45,122</u>	<u>(104,878)</u>
Expenditures:				
Current -				
Economic and community development	150,000	150,000	50,395	99,605
Capital outlay	-	-	-	-
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>50,395</u>	<u>99,605</u>
Change in fund balance	-	-	(5,273)	(5,273)
Fund balance, July 1, 2019	-	-	(3,787)	(3,787)
Fund balance (deficits), June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,060)</u>	<u>\$ (9,060)</u>

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, 2020

	Affordable Housing Revolving Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 10,730	\$ 730
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,730</u>	<u>730</u>
Expenditures:				
Current -				
Economic and community development	50,000	56,723	23,473	33,250
Capital outlay	43,206	36,483	43,206	(6,723)
Total expenditures	<u>93,206</u>	<u>93,206</u>	<u>66,679</u>	<u>26,527</u>
 Change in fund balance	 (83,206)	 (83,206)	 (55,949)	 27,257
Fund balance, July 1, 2019	<u>-</u>	<u>-</u>	<u>181,434</u>	<u>181,434</u>
Fund balance (deficits), June 30, 2020	<u>\$ (83,206)</u>	<u>\$ (83,206)</u>	<u>\$ 125,485</u>	<u>\$ 208,691</u>

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, 2020

	Bed Tax Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales taxes	\$ 1,227,600	\$ 1,227,600	\$ 1,288,972	\$ 61,372
Miscellaneous	-	-	-	-
Total revenues	<u>1,227,600</u>	<u>1,227,600</u>	<u>1,288,972</u>	<u>61,372</u>
Expenditures:				
Current -				
General government	912,792	912,792	574,992	337,800
Economic and community development	314,808	314,808	245,784	69,024
Total expenditures	<u>1,227,600</u>	<u>1,227,600</u>	<u>820,776</u>	<u>406,824</u>
 Change in fund balance	 -	 -	 468,196	 468,196
 Fund balance, July 1, 2019	 <u>-</u>	 <u>-</u>	 <u>1,869,207</u>	 <u>1,869,207</u>
 Fund balance (deficits), June 30, 2020	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 2,337,403</u>	 <u>\$ 2,337,403</u>

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, 2020

	Judicial Collection Enhancement Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 8,000	\$ 8,000	\$ 8,960	\$ 960
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>8,960</u>	<u>960</u>
Expenditures:				
Current -				
General government	166,000	166,000	39,981	126,019
Total expenditures	<u>166,000</u>	<u>166,000</u>	<u>39,981</u>	<u>126,019</u>
 Change in fund balance	 (158,000)	 (158,000)	 (31,021)	 126,979
 Fund balance, July 1, 2019	 <u>-</u>	 <u>-</u>	 <u>147,826</u>	 <u>147,826</u>
 Fund balance (deficits), June 30, 2020	 <u>\$ (158,000)</u>	 <u>\$ (158,000)</u>	 <u>\$ 116,805</u>	 <u>\$ 274,805</u>

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, 2020

	Fill-the-Gap			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 4,500	\$ 4,500	\$ 4,001	\$ (499)
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>4,001</u>	<u>(499)</u>
Expenditures:				
Current -				
General government	34,500	34,500	-	34,500
Total expenditures	<u>34,500</u>	<u>34,500</u>	<u>-</u>	<u>34,500</u>
 Change in fund balance	 (30,000)	 (30,000)	 4,001	 34,001
Fund balance, July 1, 2019	<u>-</u>	<u>-</u>	<u>96,876</u>	<u>96,876</u>
 Fund balance (deficits), June 30, 2020	 <u>\$ (30,000)</u>	 <u>\$ (30,000)</u>	 <u>\$ 100,877</u>	 <u>\$ 130,877</u>

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, 2020

	Local Technology Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 45,000	\$ 45,000	\$ 46,318	\$ 1,318
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>46,318</u>	<u>1,318</u>
Expenditures:				
Current -				
General government	430,000	430,000	46,596	383,404
Total expenditures	<u>430,000</u>	<u>430,000</u>	<u>46,596</u>	<u>383,404</u>
 Change in fund balance	 (385,000)	 (385,000)	 (278)	 384,722
Fund balance, July 1, 2019	<u>-</u>	<u>-</u>	<u>842,035</u>	<u>842,035</u>
Fund balance (deficits), June 30, 2020	<u><u>\$ (385,000)</u></u>	<u><u>\$ (385,000)</u></u>	<u><u>\$ 841,757</u></u>	<u><u>\$ 1,226,757</u></u>



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NON-MAJOR CAPITAL PROJECTS FUND

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

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

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

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

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

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

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

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

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

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

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

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
<u>ASSETS</u>				
Cash and cash equivalents	\$ 443,625	\$ -	\$ 6,782,397	\$ 2,955,953
Taxes receivable	-	-	-	-
Interest receivable	-	-	7,553	-
Development agreement receivable	-	-	-	-
Due from governments	-	-	-	-
Total assets	<u>\$ 443,625</u>	<u>\$ -</u>	<u>\$ 6,789,950</u>	<u>\$ 2,955,953</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 954	\$ 83,324
Retainage payable	-	-	-	-
Due to other funds	-	863,116	-	-
Deposits held for others	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>863,116</u>	<u>954</u>	<u>83,324</u>
<u>FUND BALANCES (DEFICITS)</u>				
Restricted	443,625	-	6,788,996	2,872,629
Committed	-	-	-	-
Unassigned	-	(863,116)	-	-
Total fund balances (deficits)	<u>443,625</u>	<u>(863,116)</u>	<u>6,788,996</u>	<u>2,872,629</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 443,625</u>	<u>\$ -</u>	<u>\$ 6,789,950</u>	<u>\$ 2,955,953</u>

PAG/RTA Capital	Downtown Reinvestment	Other Capital Projects	Gladden Farms Capital	Vanderbilt Farms Capital	Saguaro Springs Capital	Totals
\$ -	\$ 1,287,329	\$ 2,716,068	\$ 747,231	\$ -	\$ 166,304	\$ 15,098,907
-	-	-	476	-	88	564
-	-	759	-	-	-	8,312
-	-	60,397	-	-	-	60,397
1,060	26,752	1,870	-	-	-	29,682
<u>\$ 1,060</u>	<u>\$ 1,314,081</u>	<u>\$ 2,779,094</u>	<u>\$ 747,707</u>	<u>\$ -</u>	<u>\$ 166,392</u>	<u>\$ 15,197,862</u>
\$ -	\$ -	\$ 4,957	\$ -	\$ -	\$ -	\$ 89,235
625	-	-	-	-	-	625
1,060	-	-	-	-	-	864,176
-	-	62,400	-	-	-	62,400
-	-	846	-	-	-	846
<u>1,685</u>	<u>-</u>	<u>68,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,017,282</u>
-	-	2,710,891	747,707	-	166,392	13,730,240
-	1,314,081	-	-	-	-	1,314,081
(625)	-	-	-	-	-	(863,741)
<u>(625)</u>	<u>1,314,081</u>	<u>2,710,891</u>	<u>747,707</u>	<u>-</u>	<u>166,392</u>	<u>14,180,580</u>
<u>\$ 1,060</u>	<u>\$ 1,314,081</u>	<u>\$ 2,779,094</u>	<u>\$ 747,707</u>	<u>\$ -</u>	<u>\$ 166,392</u>	<u>\$ 15,197,862</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2020

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
Revenues:				
Sales tax	\$ -	\$ -	\$ -	\$ -
Property tax	-	-	-	-
Intergovernmental	-	-	-	-
Licenses, fees & permits	175,568	134,742	1,499,954	851,506
Contributions	-	-	-	-
Investment income	2,734	470	126,601	23,980
Total revenues	<u>178,302</u>	<u>135,212</u>	<u>1,626,555</u>	<u>875,486</u>
Expenditures:				
Current -				
General government	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	32,369
Capital outlay	-	-	5,427	414,225
Total expenditures	<u>-</u>	<u>-</u>	<u>5,427</u>	<u>446,594</u>
Excess (deficiency) of revenues over expenditures	<u>178,302</u>	<u>135,212</u>	<u>1,621,128</u>	<u>428,892</u>
Other financing sources (uses):				
Transfers in	-	-	-	425,676
Transfers out	-	(484,541)	(499,352)	-
Total other financing sources (uses)	<u>-</u>	<u>(484,541)</u>	<u>(499,352)</u>	<u>425,676</u>
Change in fund balances	178,302	(349,329)	1,121,776	854,568
Fund balances (deficits), beginning of year	<u>265,323</u>	<u>(513,787)</u>	<u>5,667,220</u>	<u>2,018,061</u>
Fund balances (deficits), end of year	<u>\$ 443,625</u>	<u>\$ (863,116)</u>	<u>\$ 6,788,996</u>	<u>\$ 2,872,629</u>

<u>PAG/RTA Capital</u>	<u>Downtown Reinvestment</u>	<u>Other Capital Projects</u>	<u>Gladden Farms Capital</u>	<u>Vanderbilt Farms Capital</u>	<u>Saguaro Springs Capital</u>	<u>Totals</u>
\$ -	\$ 260,075	\$ -	\$ -	\$ -	\$ -	\$ 260,075
-	-	-	80,946	5,736	43,707	130,389
92,189	-	94,177	-	-	-	186,366
-	-	239,907	-	-	-	2,901,677
-	-	12,610	-	-	-	12,610
-	-	53,506	-	-	-	207,291
<u>92,189</u>	<u>260,075</u>	<u>400,200</u>	<u>80,946</u>	<u>5,736</u>	<u>43,707</u>	<u>3,698,408</u>
-	-	-	3,930	1,526	2,737	8,193
-	-	21,596	-	-	-	21,596
-	-	7,244	-	-	-	39,613
48,163	-	1,014,596	-	-	-	1,482,411
<u>48,163</u>	<u>-</u>	<u>1,043,436</u>	<u>3,930</u>	<u>1,526</u>	<u>2,737</u>	<u>1,551,813</u>
<u>44,026</u>	<u>260,075</u>	<u>(643,236)</u>	<u>77,016</u>	<u>4,210</u>	<u>40,970</u>	<u>2,146,595</u>
-	-	307,465	-	-	-	733,141
(100)	-	(1,923,885)	-	(33,883)	-	(2,941,761)
<u>(100)</u>	<u>-</u>	<u>(1,616,420)</u>	<u>-</u>	<u>(33,883)</u>	<u>-</u>	<u>(2,208,620)</u>
43,926	260,075	(2,259,656)	77,016	(29,673)	40,970	(62,025)
<u>(44,551)</u>	<u>1,054,006</u>	<u>4,970,547</u>	<u>670,691</u>	<u>29,673</u>	<u>125,422</u>	<u>14,242,605</u>
<u>\$ (625)</u>	<u>\$ 1,314,081</u>	<u>\$ 2,710,891</u>	<u>\$ 747,707</u>	<u>\$ -</u>	<u>\$ 166,392</u>	<u>\$ 14,180,580</u>

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, 2020

	Northwest Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 83,894	\$ 83,894	\$ 175,568	\$ 91,674
Investment income	-	-	2,734	2,734
Total revenues	<u>83,894</u>	<u>83,894</u>	<u>178,302</u>	<u>94,408</u>
Expenditures:				
Current -				
Highways and streets	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>83,894</u>	<u>83,894</u>	<u>178,302</u>	<u>94,408</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	83,894	83,894	178,302	94,408
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>265,323</u>	<u>265,323</u>
Fund balances (deficits), June 30, 2020	<u>\$ 83,894</u>	<u>\$ 83,894</u>	<u>\$ 443,625</u>	<u>\$ 359,731</u>

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, 2020

	Northeast Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 138,240	\$ 138,240	\$ 134,742	\$ (3,498)
Investment income	-	-	470	470
Total revenues	<u>138,240</u>	<u>138,240</u>	<u>135,212</u>	<u>(3,028)</u>
Expenditures:				
Current -				
Highways and streets	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>138,240</u>	<u>138,240</u>	<u>135,212</u>	<u>(3,028)</u>
Other financing sources (uses):				
Transfers out	(484,541)	(484,541)	(484,541)	-
Total other financing sources (uses)	<u>(484,541)</u>	<u>(484,541)</u>	<u>(484,541)</u>	<u>-</u>
Change in fund balances	(346,301)	(346,301)	(349,329)	(3,028)
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>(513,787)</u>	<u>(513,787)</u>
Fund balances (deficits), June 30, 2020	<u>\$ (346,301)</u>	<u>\$ (346,301)</u>	<u>\$ (863,116)</u>	<u>\$ (516,815)</u>

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, 2020

	South Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 907,555	\$ 907,555	\$ 1,499,954	\$ 592,399
Investment income	-	-	126,601	126,601
Total revenues	<u>907,555</u>	<u>907,555</u>	<u>1,626,555</u>	<u>719,000</u>
Expenditures:				
Current -				
Highways and streets	-	-	-	-
Capital outlay	500,000	500,000	5,427	494,573
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>5,427</u>	<u>494,573</u>
Excess (deficiency) of revenues over expenditures	<u>407,555</u>	<u>407,555</u>	<u>1,621,128</u>	<u>1,213,573</u>
Other financing sources (uses):				
Transfers out	(499,352)	(499,352)	(499,352)	-
Total other financing sources (uses)	<u>(499,352)</u>	<u>(499,352)</u>	<u>(499,352)</u>	<u>-</u>
Change in fund balances	(91,797)	(91,797)	1,121,776	1,213,573
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>5,667,220</u>	<u>5,667,220</u>
Fund balances (deficits), June 30, 2020	<u>\$ (91,797)</u>	<u>\$ (91,797)</u>	<u>\$ 6,788,996</u>	<u>\$ 6,880,793</u>

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, 2020

	Park Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses, fees & permits	1,056,507	1,056,507	851,506	(205,001)
Investment income	-	-	23,980	23,980
Total revenues	<u>1,056,507</u>	<u>1,056,507</u>	<u>875,486</u>	<u>(181,021)</u>
Expenditures:				
Current -				
Culture and recreation	-	20,278	32,369	(12,091)
Capital outlay	678,491	658,213	414,225	243,988
Total expenditures	<u>678,491</u>	<u>678,491</u>	<u>446,594</u>	<u>231,897</u>
Excess (deficiency) of revenues over expenditures	<u>378,016</u>	<u>378,016</u>	<u>428,892</u>	<u>50,876</u>
Other financing sources:				
Transfers in	-	-	425,676	425,676
Total other financing sources	<u>-</u>	<u>-</u>	<u>425,676</u>	<u>425,676</u>
Change in fund balances	378,016	378,016	854,568	476,552
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>2,018,061</u>	<u>2,018,061</u>
Fund balances (deficits), June 30, 2020	<u>\$ 378,016</u>	<u>\$ 378,016</u>	<u>\$ 2,872,629</u>	<u>\$ 2,068,937</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PAG CAPITAL
YEAR ENDED JUNE 30, 2020

	PAG Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 110,000	\$ 110,000	\$ 92,189	\$ (17,811)
Contributions	-	-	-	-
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>92,189</u>	<u>(17,811)</u>
Expenditures:				
Current -				
Highways and streets				
Capital outlay	119,996	119,996	48,163	71,833
Total expenditures	<u>119,996</u>	<u>119,996</u>	<u>48,163</u>	<u>71,833</u>
Excess (deficiency) of revenues over expenditures	<u>(9,996)</u>	<u>(9,996)</u>	<u>44,026</u>	<u>54,022</u>
Other financing sources (uses):				
Transfers out	-	-	(100)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(100)</u>	<u>(100)</u>
Change in fund balances	(9,996)	(9,996)	43,926	53,922
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>(44,551)</u>	<u>(44,551)</u>
Fund balances (deficits), June 30, 2020	<u>\$ (9,996)</u>	<u>\$ (9,996)</u>	<u>\$ (625)</u>	<u>\$ 9,371</u>

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, 2020

	Downtown Reinvestment			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales tax	\$ 234,000	\$ 234,000	260,075	\$ 26,075
Total revenues	<u>234,000</u>	<u>234,000</u>	<u>260,075</u>	<u>26,075</u>
Expenditures:				
Current -				
Economic and community development	125,000	125,000	-	125,000
Capital outlay	349,125	349,125	-	349,125
Total expenditures	<u>474,125</u>	<u>474,125</u>	<u>-</u>	<u>474,125</u>
Excess (deficiency) of revenues over expenditures	<u>(240,125)</u>	<u>(240,125)</u>	<u>260,075</u>	<u>500,200</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(240,125)</u>	<u>(240,125)</u>	<u>260,075</u>	<u>500,200</u>
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>1,054,006</u>	<u>(1,054,006)</u>
Fund balances (deficits), June 30, 2020	<u>\$ (240,125)</u>	<u>\$ (240,125)</u>	<u>\$ 1,314,081</u>	<u>\$ (553,806)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - OTHER CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2020

	Other Capital Projects			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 709,275	\$ 709,275	\$ 94,177	\$ (615,098)
Licenses, fees & permits	228,312	228,312	239,907	11,595
Contributions	35,000	35,000	12,610	(22,390)
Investment income	-	-	53,506	53,506
Total revenues	<u>972,587</u>	<u>972,587</u>	<u>400,200</u>	<u>(572,387)</u>
Expenditures:				
Highways and streets	35,000	35,000	21,596	13,404
Culture and recreation	17,000	17,000	7,244	9,756
Capital outlay	3,827,812	3,945,282	1,014,596	2,930,686
Total expenditures	<u>3,879,812</u>	<u>3,997,282</u>	<u>1,043,436</u>	<u>2,953,846</u>
Excess (deficiency) of revenues over expenditures	<u>(2,907,225)</u>	<u>(3,024,695)</u>	<u>(643,236)</u>	<u>2,381,459</u>
Other financing sources (uses):				
Transfers in	234,316	234,316	307,465	73,149
Transfers out	-	-	(1,923,885)	(1,923,885)
Total other financing sources (uses)	<u>234,316</u>	<u>234,316</u>	<u>(1,616,420)</u>	<u>(1,850,736)</u>
Changes in fund balances	<u>(2,672,909)</u>	<u>(2,790,379)</u>	<u>(2,259,656)</u>	<u>530,723</u>
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>4,970,547</u>	<u>4,970,547</u>
Fund balances (deficits), June 30, 2020	<u>\$ (2,672,909)</u>	<u>\$ (2,790,379)</u>	<u>\$ 2,710,891</u>	<u>\$ 5,501,270</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
GLADDEN FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2020

	Gladden Farms Community Facilities District Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property tax	\$ 82,309	\$ 82,309	\$ 80,946	\$ (1,363)
Total revenues	<u>82,309</u>	<u>82,309</u>	<u>80,946</u>	<u>(1,363)</u>
Expenditures:				
Current -				
General government	682,050	682,050	3,930	678,120
Capital outlay	-	-	-	-
Total expenditures	<u>682,050</u>	<u>682,050</u>	<u>3,930</u>	<u>678,120</u>
Excess (deficiency) of revenues over expenditures	<u>(599,741)</u>	<u>(599,741)</u>	<u>77,016</u>	<u>676,757</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(599,741)</u>	<u>(599,741)</u>	<u>77,016</u>	<u>676,757</u>
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>670,691</u>	<u>670,691</u>
Fund balances (deficits), June 30, 2020	<u>\$ (599,741)</u>	<u>\$ (599,741)</u>	<u>\$ 747,707</u>	<u>\$ 1,347,448</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2020

	Vanderbilt Farms Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 5,736	\$ 5,736	\$ 5,736	\$ -
Contributions	27,500	27,500	-	(27,500)
Total revenues	<u>33,236</u>	<u>33,236</u>	<u>5,736</u>	<u>(27,500)</u>
Expenditures:				
Current -				
General government	28,100	28,100	1,526	26,574
Total expenditures	<u>28,100</u>	<u>28,100</u>	<u>1,526</u>	<u>26,574</u>
Excess (deficiency) of revenues over expenditures	<u>5,136</u>	<u>5,136</u>	<u>4,210</u>	<u>(926)</u>
Other financing sources (uses):				
Transfers out	(34,727)	(34,727)	(33,883)	(844)
Total other financing sources (uses)	<u>(34,727)</u>	<u>(34,727)</u>	<u>(33,883)</u>	<u>(844)</u>
Change in fund balances	(29,591)	(29,591)	(29,673)	(82)
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>29,673</u>	<u>29,673</u>
Fund balances (deficits), June 30, 2020	<u>\$ 5,136</u>	<u>\$ 5,136</u>	<u>\$ -</u>	<u>\$ 29,591</u>

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, 2020

	Saguaro Springs Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 43,810	\$ 43,810	\$ 43,707	\$ (103)
Contributions	-	-	-	-
Total revenues	<u>43,810</u>	<u>43,810</u>	<u>43,707</u>	<u>(103)</u>
Expenditures:				
Current -				
General government	139,500	139,500	2,737	136,763
Capital outlay	-	-	-	-
Debt service -				
Bond issuance costs	-	-	-	-
Total expenditures	<u>139,500</u>	<u>139,500</u>	<u>2,737</u>	<u>136,763</u>
Excess (deficiency) of revenues over expenditures	<u>(95,690)</u>	<u>(95,690)</u>	<u>40,970</u>	<u>136,660</u>
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	(95,690)	(95,690)	40,970	136,660
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>125,422</u>	<u>125,422</u>
Fund balances (deficits), June 30, 2020	<u>\$ (95,690)</u>	<u>\$ (95,690)</u>	<u>\$ 166,392</u>	<u>\$ 262,082</u>



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NON-MAJOR DEBT SERVICE FUNDS

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

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

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

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

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

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

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2020

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service
<u>ASSETS</u>			
Property taxes receivable	\$ -	\$ -	\$ -
Interest receivable	8	-	-
Prepaid items	2,000	-	2,000
Restricted cash and investments	2,429,650	747,346	1,672,450
Total assets	\$ 2,431,658	\$ 747,346	\$ 1,674,450
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Total liabilities	-	-	-
 <u>FUND BALANCES</u>			
Nonspendable	2,000	-	2,000
Restricted	2,429,658	747,346	1,672,450
Total fund balances	2,431,658	747,346	1,674,450
 Total liabilities and fund balances	 \$ 2,431,658	 \$ 747,346	 \$ 1,674,450

Gladden Farms Debt Service	Saguaro Springs Debt Service	Totals
\$ 3,965	\$ 737	\$ 4,702
-	-	8
-	-	4,000
<u>584,864</u>	<u>287,002</u>	<u>5,721,312</u>
<u>\$ 588,829</u>	<u>\$ 287,739</u>	<u>\$ 5,730,022</u>
-	-	-
-	-	4,000
<u>588,829</u>	<u>287,739</u>	<u>5,726,022</u>
<u>588,829</u>	<u>287,739</u>	<u>5,730,022</u>
<u>\$ 588,829</u>	<u>\$ 287,739</u>	<u>\$ 5,730,022</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>2013 Bond Debt Service</u>	<u>2014 Bond Debt Service</u>	<u>2017 Bond Debt Service</u>
Revenues:			
Property Taxes	\$ -	\$ -	\$ -
Contributions	-	-	-
Investment income	371	262	-
Total revenues	<u>371</u>	<u>262</u>	<u>-</u>
Expenditures:			
Capital Outlay	-	-	-
Debt service -			
Principal retirement	1,745,000	679,000	1,200,000
Interest and fiscal charges	1,297,112	113,346	898,900
Bond Issuance Costs	-	-	-
Total expenditures	<u>3,042,112</u>	<u>792,346</u>	<u>2,098,900</u>
Excess (deficiency) of revenues over expenditures	<u>(3,041,741)</u>	<u>(792,084)</u>	<u>(2,098,900)</u>
Other financing sources (uses):			
Issuance of debt	-	-	-
Premium on bonds issued	-	-	-
Transfers in	3,068,150	800,424	2,113,900
Total other financing sources (uses)	<u>3,068,150</u>	<u>800,424</u>	<u>2,113,900</u>
Change in fund balances	26,409	8,340	15,000
Fund balances, beginning of year	<u>2,405,249</u>	<u>739,006</u>	<u>1,659,450</u>
Fund balances, end of year	<u>\$ 2,431,658</u>	<u>\$ 747,346</u>	<u>\$ 1,674,450</u>

Gladden Farms Debt Service	Saguaro Springs Debt Service	Totals
\$ 666,510	\$ 364,225	\$ 1,030,735
13,627	-	13,627
1,871	-	2,504
<u>682,008</u>	<u>364,225</u>	<u>1,046,866</u>
1,050,670	1,771,197	2,821,867
265,000	100,000	3,989,000
283,192	161,293	2,753,843
159,736	226,148	385,884
<u>1,758,598</u>	<u>2,258,638</u>	<u>9,950,594</u>
<u>(1,076,590)</u>	<u>(1,894,413)</u>	<u>(8,903,728)</u>
1,245,000	1,950,000	3,195,000
19,114	49,346	68,460
-	-	5,982,474
<u>1,264,114</u>	<u>1,999,346</u>	<u>9,245,934</u>
187,524	104,933	342,206
<u>401,305</u>	<u>182,806</u>	<u>5,387,816</u>
<u>\$ 588,829</u>	<u>\$ 287,739</u>	<u>\$ 5,730,022</u>

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, 2020

	2013 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	371	371
Total revenues	<u>-</u>	<u>-</u>	<u>371</u>	<u>371</u>
Expenditures:				
Debt service -				
Principal retirement	1,745,000	1,745,000	1,745,000	-
Interest and fiscal charges	1,297,113	1,297,113	1,297,112	1
Total expenditures	<u>3,042,113</u>	<u>3,042,113</u>	<u>3,042,112</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(3,042,113)</u>	<u>(3,042,113)</u>	<u>(3,041,741)</u>	<u>372</u>
Other financing sources (uses):				
Transfers in	3,070,300	3,070,300	3,068,150	2,150
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,070,300</u>	<u>3,070,300</u>	<u>3,068,150</u>	<u>2,150</u>
Change in fund balances	28,187	28,187	26,409	(1,778)
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>2,405,249</u>	<u>2,405,249</u>
Fund balances (deficits), June 30, 2020	<u>\$ 28,187</u>	<u>\$ 28,187</u>	<u>\$ 2,431,658</u>	<u>\$ 2,403,471</u>

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, 2020

	2014 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	262	262
Total revenues	<u>-</u>	<u>-</u>	<u>262</u>	<u>262</u>
Expenditures:				
Debt service -				
Principal retirement	679,000	679,000	679,000	-
Interest and fiscal charges	113,346	113,346	113,346	-
Total expenditures	<u>792,346</u>	<u>792,346</u>	<u>792,346</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(792,346)</u>	<u>(792,346)</u>	<u>(792,084)</u>	<u>262</u>
Other financing sources (uses):				
Transfers in	800,689	800,689	800,424	265
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>800,689</u>	<u>800,689</u>	<u>800,424</u>	<u>265</u>
Change in fund balances	8,343	8,343	8,340	(3)
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>739,006</u>	<u>739,006</u>
Fund balances (deficits), June 30, 2020	<u>\$ 8,343</u>	<u>\$ 8,343</u>	<u>\$ 747,346</u>	<u>\$ 739,003</u>

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, 2020

	2017 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service -				
Principal retirement	1,200,000	1,200,000	1,200,000	-
Interest and fiscal charges	898,900	898,900	898,900	-
Total expenditures	<u>2,098,900</u>	<u>2,098,900</u>	<u>2,098,900</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,098,900)</u>	<u>(2,098,900)</u>	<u>(2,098,900)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	2,115,899	2,115,899	2,113,900	1,999
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>2,115,899</u>	<u>2,115,899</u>	<u>2,113,900</u>	<u>1,999</u>
Change in fund balances	16,999	16,999	15,000	(1,999)
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>1,659,450</u>	<u>1,659,450</u>
Fund balances (deficits), June 30, 2020	<u>\$ 16,999</u>	<u>\$ 16,999</u>	<u>\$ 1,674,450</u>	<u>\$ 1,657,451</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
GLADDEN FARMS DEBT SERVICE
YEAR ENDED JUNE 30, 2020

	Gladden Farms Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 685,903	\$ 685,903	\$ 666,510	\$ (19,393)
Contributions	33,180	33,180	13,627	(19,553)
Investment income	-	-	1,871	1,871
Total revenues	<u>719,083</u>	<u>719,083</u>	<u>682,008</u>	<u>(37,075)</u>
Expenditures:				
Capital Outlay	1,101,000	1,101,000	1,050,670	50,330
Debt service -				
Principal retirement	265,000	265,000	265,000	-
Interest and fiscal charges	302,870	302,870	283,192	19,678
Bond Issuance Costs	125,200	125,200	159,736	(34,536)
Total expenditures	<u>1,794,070</u>	<u>1,794,070</u>	<u>1,758,598</u>	<u>35,472</u>
Excess (deficiency) of revenues over expenditures	<u>(1,074,987)</u>	<u>(1,074,987)</u>	<u>(1,076,590)</u>	<u>(1,603)</u>
Other financing sources (uses):				
Issuance of debt	1,255,000	1,255,000	1,245,000	10,000
Premium on bonds issued	-	-	19,114	(19,114)
Total other financing sources (uses)	<u>1,255,000</u>	<u>1,255,000</u>	<u>1,264,114</u>	<u>(9,114)</u>
Change in fund balances	180,013	180,013	187,524	7,511
Fund balances (deficits), July 1, 2019	<u>-</u>	<u>-</u>	<u>401,305</u>	<u>401,305</u>
Fund balances (deficits), June 30, 2020	<u>\$ 180,013</u>	<u>\$ 180,013</u>	<u>\$ 588,829</u>	<u>\$ 408,816</u>

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, 2020

	Saguaro Springs Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 365,087	\$ 365,087	\$ 364,225	\$ (862)
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	<u>365,087</u>	<u>365,087</u>	<u>364,225</u>	<u>(862)</u>
Expenditures:				
Capital Outlay	1,125,000	1,125,000	1,771,197	(646,197)
Debt service -				
Principal retirement	171,575	171,575	100,000	71,575
Interest and fiscal charges	103,075	103,075	161,293	(58,218)
Bond Issuance Costs	125,000	125,000	226,148	(101,148)
Total expenditures	<u>1,524,650</u>	<u>1,524,650</u>	<u>2,258,638</u>	<u>(733,988)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,159,563)</u>	<u>(1,159,563)</u>	<u>(1,894,413)</u>	<u>(734,850)</u>
Other financing sources (uses):				
Issuance of debt	(1,250,000)	1,250,000	1,950,000	(700,000)
Premium on bonds issued	-	-	49,346	(49,346)
Total other financing sources (uses)	<u>(1,250,000)</u>	<u>1,250,000</u>	<u>1,999,346</u>	<u>(749,346)</u>
Change in fund balances	(2,409,563)	90,437	104,933	14,496
Fund balances (deficits), July 1, 2019	-	-	182,806	182,806
Fund balances (deficits), June 30, 2020	<u>\$ (2,409,563)</u>	<u>\$ 90,437</u>	<u>\$ 287,739</u>	<u>\$ 197,302</u>

STATISTICAL INFORMATION



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**TOWN OF MARANA, ARIZONA
STATISTICAL SECTION
JUNE 30, 2020**

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.

	<u>Schedule</u>	<u>Page</u>
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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TOWN OF MARANA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

Schedule 1

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 196,326	\$ 194,287	\$ 184,949	\$ 189,171
Restricted	28,136	29,004	62,437	58,820
Unrestricted	38,889	39,911	1,384	(283)
Total governmental activities net position	<u>263,351</u>	<u>263,202</u>	<u>248,770</u>	<u>247,708</u>
Business-type activities				
Net investment in capital assets	42,148	112,528	111,045	109,111
Restricted	73	146	219	293
Unrestricted	(2,683)	(17,519)	(2,677)	(208)
Total business-type activities net position	<u>39,538</u>	<u>95,155</u>	<u>108,587</u>	<u>109,196</u>
Primary government				
Net investment in capital assets	238,474	306,815	295,994	298,282
Restricted	28,209	29,150	62,656	59,113
Unrestricted	36,206	22,392	(1,293)	(491)
Total primary government net position	<u>\$ 302,889</u>	<u>\$ 358,357</u>	<u>\$ 357,357</u>	<u>\$ 356,904</u>

Source: Statement of Net Position

2015 (as restated)	2016	2017 (as restated)	2018	2019 (as restated)	2020
\$ 190,297	\$ 193,845	\$ 210,137	\$ 236,208	\$ 243,685	\$ 244,996
36,418	43,127	31,163	17,242	19,985	21,837
(4,283)	(6,492)	5,119	16,272	16,827	27,323
<u>222,432</u>	<u>230,480</u>	<u>246,419</u>	<u>269,722</u>	<u>280,497</u>	<u>294,156</u>
109,649	112,357	101,524	95,777	97,435	102,911
365	365	365	365	366	770
984	1,313	16,319	(4,285)	(2,176)	2,332
<u>110,998</u>	<u>114,035</u>	<u>118,208</u>	<u>91,857</u>	<u>95,625</u>	<u>106,013</u>
299,946	306,202	311,661	331,985	341,120	347,907
36,783	43,492	31,528	17,607	20,351	22,607
(3,299)	(5,179)	21,439	11,987	14,651	29,655
<u>\$ 333,430</u>	<u>\$ 344,515</u>	<u>\$ 364,628</u>	<u>\$ 361,579</u>	<u>\$ 376,122</u>	<u>\$ 400,169</u>

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

Schedule 2

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 10,643	\$ 10,833	\$ 9,532	\$ 10,662
Public safety	9,044	10,206	11,777	12,134
Highways and streets	15,425	17,233	18,327	19,053
Health & Welfare	86	23	23	23
Culture & recreation	3,335	2,173	3,831	3,131
Economic & community development	4,596	4,258	4,123	4,691
Interest on long-term debt	5,173	4,721	4,312	4,543
Total governmental activities expenses	48,302	49,447	51,925	54,237
Business-type activities:				
Airport	3,392	1,112	1,179	1,197
Wastewater	N/A	3,831	2,599	2,756
Water	1,273	3,074	3,779	5,244
Total business-type activities expenses	4,665	8,017	7,557	9,197
Total primary government expenses	<u>\$ 52,967</u>	<u>\$ 57,464</u>	<u>\$ 59,482</u>	<u>\$ 63,434</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 830	\$ 881	\$ 975	\$ 941
Culture and recreation	140	134	216	200
Economic & community development	2,256	2,513	3,906	3,386
Operating grants and contributions	3,555	3,202	3,747	4,442
Capital grants and contributions	14,963	9,017	12,373	10,268
Total government activities program revenues	21,744	15,747	21,217	19,237
Business-type activities:				
Charges for services:				
Airport	238	233	239	248
Wastewater	N/A	241	730	834
Water	3,103	3,281	3,455	3,766
Capital grants and contributions	2,669	60,207	1,958	2,534
Total business-type activity program revenues	6,010	63,962	6,382	7,382
Total primary government program revenues	<u>27,754</u>	<u>79,709</u>	<u>27,599</u>	<u>26,619</u>
Net (expense)/revenue				
Governmental activities	(26,558)	(33,700)	(33,699)	(35,000)
Business-type activities	1,345	55,945	55,944	(1,815)
Total primary government net expense	<u>\$ (25,213)</u>	<u>\$ 22,245</u>	<u>\$ 22,245</u>	<u>\$ (36,815)</u>

2015	2016	2017	2018	2019	2020
\$ 14,707	\$ 17,531	\$ 19,393	\$ 18,492	\$ 23,846	\$ 21,040
14,324	14,423	16,736	16,114	16,059	19,981
18,522	22,659	40,172	27,893	21,629	25,004
-	-	278	236	453	442
4,433	3,422	6,006	5,147	5,294	6,122
4,796	4,779	4,902	4,328	4,076	4,174
4,106	3,962	2,335	3,077	1,858	2,485
60,888	66,776	89,822	75,287	73,215	79,248
1,289	1,829	1,772	1,816	1,395	1,393
3,431	3,662	3,983	4,598	5,276	4,136
4,150	4,405	5,368	5,979	6,178	6,750
8,870	9,896	11,123	12,393	12,849	12,279
<u>\$ 69,758</u>	<u>\$ 76,672</u>	<u>\$ 100,945</u>	<u>\$ 87,680</u>	<u>\$ 86,064</u>	<u>\$ 91,527</u>
\$ 4,490	\$ 4,787	\$ 4,909	\$ 5,073	\$ 5,007	\$ 5,453
305	265	287	324	317	197
4,585	4,027	4,355	4,993	5,260	5,396
4,360	4,507	4,619	4,665	2,259	8,470
11,281	17,157	44,371	25,856	13,679	15,047
25,021	30,743	58,541	40,911	26,522	34,563
239	247	251	294	329	373
933	1,016	1,065	1,502	1,626	1,873
4,146	4,243	5,064	5,609	5,750	6,260
4,015	5,214	5,941	9,890	8,977	13,604
9,333	10,720	12,321	17,295	16,682	22,110
<u>34,354</u>	<u>41,463</u>	<u>70,862</u>	<u>58,206</u>	<u>43,204</u>	<u>56,673</u>
(35,867)	(36,033)	(31,281)	(34,376)	(46,693)	(44,685)
463	824	1,198	4,902	3,833	9,831
<u>\$ (35,404)</u>	<u>\$ (35,209)</u>	<u>\$ (30,083)</u>	<u>\$ (29,474)</u>	<u>\$ (42,860)</u>	<u>\$ (34,854)</u>

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

Schedule 2

	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues				
City sales taxes	\$ 22,948	\$ 24,539	\$ 24,768	\$ 26,226
Property taxes	584	506	447	421
Franchise fees	322	333	349	377
State shared revenues	5,719	6,943	7,714	8,273
Investment income (loss)	105	97	152	171
Miscellaneous	814	803	737	854
Gain on sale of assets	-	-	36	-
Transfers	309	329	(15,912)	(2,384)
Total governmental activities	<u>30,801</u>	<u>33,550</u>	<u>18,291</u>	<u>33,938</u>
Business-type activities:				
General revenues				
Investment income	1	1	2	1
Miscellaneous	4	1	19	39
Transfers	(309)	(329)	15,911	2,384
Special item	-	-	(1,326)	-
Total business-type activities	<u>(304)</u>	<u>(327)</u>	<u>14,606</u>	<u>2,424</u>
Total primary government	<u><u>30,497</u></u>	<u><u>33,223</u></u>	<u><u>32,897</u></u>	<u><u>36,362</u></u>
Change in Net Position				
Governmental activities	4,243	(150)	(15,408)	(1,062)
Business-type activities	1,041	55,618	70,550	609
Total primary government	<u><u>\$ 5,284</u></u>	<u><u>\$ 55,468</u></u>	<u><u>\$ 55,142</u></u>	<u><u>\$ (453)</u></u>

Source: Statement of Activities

2015	2016	2017	2018	2019	2020
\$ 28,059	\$ 35,442	\$ 37,500	\$ 41,689	\$ 41,680	\$ 40,705
442	482	509	553	834	1,161
401	447	488	507	513	549
8,820	9,039	10,619	11,506	12,013	13,098
149	173	238	663	1,954	1,965
813	676	744	885	1,163	1,001
116	-	-	-	-	-
(404)	(2,177)	(2,878)	1,875	(688)	(136)
<u>38,396</u>	<u>44,082</u>	<u>47,220</u>	<u>57,678</u>	<u>57,469</u>	<u>58,343</u>
9	16	43	187	77	57
19	19	54	30	21	364
404	2,177	2,878	(1,875)	688	136
-	-	-	-	-	-
<u>432</u>	<u>2,212</u>	<u>2,975</u>	<u>(1,658)</u>	<u>786</u>	<u>557</u>
<u>38,828</u>	<u>46,294</u>	<u>50,195</u>	<u>56,020</u>	<u>58,255</u>	<u>58,900</u>
2,529	8,049	15,939	23,302	10,776	13,658
895	3,036	4,173	3,244	4,619	10,388
<u>\$ 3,424</u>	<u>\$ 11,085</u>	<u>\$ 20,112</u>	<u>\$ 26,546</u>	<u>\$ 15,395</u>	<u>\$ 24,046</u>

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

Schedule 3

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 229	\$ 293	\$ 2,803	\$ 2,540	\$ 2,282
Unassigned	16,149	18,004	18,115	21,123	22,309
Total general fund	<u>16,378</u>	<u>18,297</u>	<u>20,918</u>	<u>23,663</u>	<u>24,591</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ 33	\$ -
Restricted	28,137	29,821	47,616	40,774	40,771
Unassigned	-	(816)	(444)	(472)	(863)
Total all other governmental funds	<u>\$ 28,137</u>	<u>\$ 29,005</u>	<u>\$ 47,172</u>	<u>\$ 40,335</u>	<u>\$ 39,908</u>
Total fund balance of governmental funds	<u><u>\$ 44,515</u></u>	<u><u>\$ 47,302</u></u>	<u><u>\$ 68,090</u></u>	<u><u>\$ 63,998</u></u>	<u><u>\$ 64,499</u></u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund					
Nonspendable	\$ 2,418	\$ 2,367	\$ 4,853	\$ 4,513	\$ 4,103
Unassigned	20,425	22,640	24,735	32,043	42,008
Total general fund	<u>22,843</u>	<u>25,007</u>	<u>29,588</u>	<u>36,556</u>	<u>46,111</u>
All other governmental funds					
Nonspendable	\$ 3	\$ 1	\$ 261	\$ 1	\$ 4
Restricted	48,486	49,960	44,989	42,068	31,001
Committed	-	-	-	-	14,862
Unassigned	(525)	(1,908)	(2,405)	(562)	(873)
Total all other governmental funds	<u>\$ 47,964</u>	<u>\$ 48,053</u>	<u>\$ 42,845</u>	<u>\$ 41,507</u>	<u>\$ 44,994</u>
Total fund balance of governmental funds	<u><u>\$ 70,807</u></u>	<u><u>\$ 73,060</u></u>	<u><u>\$ 72,433</u></u>	<u><u>\$ 78,063</u></u>	<u><u>\$ 91,105</u></u>

Source: Governmental Fund Statements



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

Schedule 4

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Sales taxes	\$ 22,948	\$ 24,539	\$ 24,768	\$ 26,226
Property taxes	584	506	497	424
Intergovernmental revenues	17,707	14,960	18,000	12,732
Licenses, fees and permits	4,361	4,906	8,586	6,549
Fines, forfeitures and penalties	730	752	871	831
Charges for services	430	456	379	509
Lease Income	647	92	105	99
Special assessments	2,239	2,302	2,337	2,176
Contributions	3,690	537	589	1,098
Investment earnings	105	97	152	171
Miscellaneous	614	636	804	927
Total revenues	54,055	49,783	57,088	51,742
Expenditures				
General government	9,661	8,481	7,860	8,953
Public safety	9,334	10,590	12,067	11,952
Highways and streets	3,043	3,657	4,026	4,214
Health and welfare	59	-	-	-
Economic and community development	4,520	4,259	4,479	4,508
Culture and recreation	2,552	2,604	2,859	3,195
Capital outlay	13,800	7,040	3,700	4,453
Debt service				
Principal	3,490	6,059	4,177	10,338
Interest	4,832	4,635	4,408	4,522
Other charges	109	-	521	97
Total expenditures	51,400	47,325	44,097	52,232
Excess of revenues over (under) expenditures	2,655	2,458	12,991	(490)

2015	2016	2017	2018	2019	2020
\$ 28,058	\$ 35,442	\$ 37,500	\$ 41,689	\$ 41,680	\$ 40,705
447	489	521	572	834	1,161
14,927	20,537	43,261	30,919	20,040	22,967
7,048	6,243	7,078	8,617	10,034	9,092
889	750	728	750	637	591
692	500	563	684	718	535
96	90	113	136	148	157
2,050	2,129	2,340	989	2,869	2,091
583	1,216	214	87	49	65
149	173	238	663	1,954	1,965
853	376	460	512	757	667
<u>55,792</u>	<u>67,945</u>	<u>93,016</u>	<u>85,618</u>	<u>79,720</u>	<u>79,996</u>
9,652	12,017	13,347	12,949	14,021	14,927
13,886	14,068	14,477	14,774	15,502	18,352
5,441	5,796	6,037	4,893	5,031	6,821
-	-	365	229	290	284
4,351	4,146	4,642	4,452	4,744	4,605
3,598	3,710	4,266	4,903	4,613	4,207
9,885	11,840	34,275	40,960	24,478	11,094
3,412	3,992	5,083	2,260	5,463	6,563
4,491	4,212	3,882	2,745	3,105	2,984
-	-	1,023	-	314	385
<u>54,716</u>	<u>59,781</u>	<u>87,397</u>	<u>88,165</u>	<u>77,561</u>	<u>70,222</u>
1,076	8,164	5,619	(2,547)	2,159	9,774

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

Schedule 4

	Fiscal Year			
	2011	2012	2013	2014
Other financing sources (uses)				
Transfers in	5,297	5,998	19,700	14,155
Transfers out	(4,988)	(5,669)	(35,611)	(16,540)
Proceeds from sale of capital assets	-	-	57	-
Capitalized interest	-	-	-	-
Issuance of debt	1,000	-	34,780	6,493
Premium on bonds issued	-	-	3,031	-
Payments to refunded bond escrow agent	-	-	(14,160)	(14,160)
Total other financing sources (uses)	<u>1,309</u>	<u>329</u>	<u>7,797</u>	<u>(10,052)</u>
Net change in fund balance	<u>\$ 3,767</u>	<u>\$ 13,320</u>	<u>\$ 7,307</u>	<u>\$ (8,976)</u>
 Debt service as a percentage of noncapital expenditures	 28.4%	 35.4%	 21.2%	 30.9%

Source: Governmental Fund Statements

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
6,380	6,498	7,680	12,607	6,082	11,401
(6,955)	(8,675)	(10,558)	(10,732)	(6,770)	(11,532)
-	321	45	46	226	135
-	-	178	-	-	-
-	-	42,065	-	3,845	3,195
-	-	4,089	-	88	69
-	-	(46,865)	-	-	-
<u>(575)</u>	<u>(1,856)</u>	<u>(3,366)</u>	<u>1,921</u>	<u>3,471</u>	<u>3,268</u>
<u>\$ (575)</u>	<u>\$ 6,308</u>	<u>\$ 2,253</u>	<u>\$ (626)</u>	<u>\$ 5,630</u>	<u>\$ 13,042</u>
15.8%	16.8%	11.6%	6.9%	20.2%	15.7%

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

Schedule 5

Fiscal Year	Sales Tax	Highway User Revenue taxes	Total
2020	\$ 40,705	\$ 3,826	\$ 44,531
2019	41,681	3,608	45,289
2018	41,672	3,316	45,005
2017	37,418	3,099	40,599
2016	35,374	2,623	38,065
2015	27,974	2,484	30,458
2014	25,958	2,286	28,244
2013	24,618	2,257	26,875
2012	24,300	2,061	26,361
2011	22,800	1,869	24,669

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

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

Schedule 6

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
2021	2020	\$ 438,390	\$ 224,390	\$ 42,530	620,250	8.4000	5,702,339	10.9%
2020	2019	399,814	\$ 222,348	42,749	579,413	8.7000	5,319,890	10.9%
2019	2018	362,265	214,295	41,518	535,042	5.8400	4,898,582	10.9%
2018	2017	333,217	217,618	45,746	505,089	3.7000	4,641,025	10.9%
2017	2016	310,243	210,060	46,818	473,485	3.7000	4,360,394	10.9%
2016	2015	238,994	251,902	45,889	445,007	3.7000	4,036,488	11.0%
2015	2014	259,179	210,256	43,910	425,525	3.7000	3,787,907	11.2%
2014	2013	239,380	197,401	40,974	395,807	3.7000	3,499,549	11.3%
2013	2012	247,654	216,410	34,642	429,422	3.7000	3,676,365	11.7%
2012	2011	254,719	221,737	30,432	446,024	3.7000	3,784,297	11.8%

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

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

Schedule 7

Fiscal Year	Tax Year	Pima County (General Fund)	Road Tax	County Library District	Debt Service	Flood Control District	State Education Equalization Assistance Tax
2020/21	2020	3.9220	-	0.5353	0.5200	0.3335	0.4426
2019/20	2019	3.9996	-	0.5353	0.6900	0.3335	0.4566
2018/19	2018	4.0696	-	0.5153	0.6900	0.3335	0.4741
2017/18	2017	4.2096	0.2500	0.5053	0.7000	0.3135	0.4875
2016/17	2016	4.2896	-	0.5153	0.7000	0.3335	0.5010
2015/16	2015	4.3877	-	0.5153	0.7000	0.3135	0.5054
2014/15	2014	4.2779	-	0.4353	0.7000	0.3035	0.5089
2013/14	2013	3.6665	-	0.3753	0.7800	0.2635	0.5123
2012/13	2012	3.4178	-	0.3460	0.7800	0.2635	0.4717
2011/12	2011	3.4178	-	0.3460	0.7800	0.2635	0.4259

Fiscal Year	Tax Year	Central Arizona Water Conservation District	Marana School District	Total Overlapping Rates	Town of Marana	Gladden Farms Community Facilities District	Gladden Farms II Community Facilities District
2020/21	2020	0.1400	5.7594	22.7137	-	2.8000	2.8000
2019/20	2019	0.1400	5.8650	23.2976	-	2.8000	2.8000
2018/19	2018	0.1400	6.0840	23.6850	-	2.4400	0.3000
2017/18	2017	0.1400	6.2334	24.1015	-	2.8000	0.3000
2016/17	2016	0.1400	6.3871	24.1757	-	2.8000	0.3000
2015/16	2015	0.1400	6.3370	23.8575	-	2.8000	0.3000
2014/15	2014	0.1400	6.2288	23.5167	-	2.8000	0.3000
2013/14	2013	0.1400	6.0085	22.8209	-	2.8000	0.3000
2012/13	2012	0.1000	5.5863	20.9958	-	2.8000	0.3000
2011/12	2011	0.1000	5.2047	20.3689	-	2.8000	0.3000

Notes:

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

Source: Pima County

Flowing Wells School District	Community College District	Northwest Fire District	Fire District Assistance
6.6839	1.3359	2.9995	0.0416
6.8539	1.3758	3.0049	0.0430
6.8860	1.3983	3.0501	0.0441
6.7539	1.389	3.0734	0.0459
6.8971	1.3733	2.9920	0.0468
6.6292	1.3689	2.9138	0.0467
6.6135	1.3344	2.9272	0.0472
6.7146	1.2933	3.0213	0.0456
5.9778	1.1741	2.8339	0.0447
5.9689	1.1094	2.7109	0.0418

Vanderbilt Farms Community Facilities District	Saguaro Springs Community Facilities District	Total Direct Rates	Total Direct & Overlapping Rates
-	2.8000	8.4000	31.1137
0.3000	2.8000	8.7000	31.9976
0.3000	2.8000	5.8400	29.5250
0.3000	0.3000	3.7000	27.8015
0.3000	0.3000	3.7000	27.8757
0.3000	0.3000	3.7000	27.5575
0.3000	0.3000	3.7000	27.2167
0.3000	0.3000	3.7000	26.5209
0.3000	0.3000	3.7000	24.6958
0.3000	0.3000	3.7000	24.0689

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

Taxpayer	2020			2011		
	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value
UNISOURCE ENERGY CORPORATION	11,367,234	1	25.7%	-	-	-
HSL COTTONWOOD RC HOTEL LLC	6,552,265	2	14.8%	-	-	-
TUCSON PREMIUM OUTLETS LLC	6,416,083	3	14.5%	-	-	-
FRYS FOOD STORE OF ARIZONA	4,100,905	4	9.3%	-	-	-
TRICO ELECTRIC COOP INC	3,156,191	5	7.1%	-	-	-
KREBS FLSMIDT INC	2,686,086	6	6.1%	-	-	-
SOUTHWEST GAS CORPORATION	2,499,337	7	5.7%	-	-	-
VERIZON WIRELESS	2,417,173	8	5.5%	-	-	-
WALMART STORES INCORPORATED	2,593,201	9	5.9%	-	-	-
MARANA MARKETPLACE PARTNERS LLC	2,357,889	10	5.3%	-	-	-
FIDELITY NATIONAL TITLE TR 30212				3,350	1	24.7%
SMITH FOOD & DRUG CENTERS				1,907	2	14.1%
PULTE HOME CORPORATION				1,501	3	11.1%
GLADDEN 25 LLC				1,388	4	10.2%
FEDERAL NATIONAL MORTGAGE ASSN				1,262	5	9.3%
WEINGARTEN NEWQUIST LLC				1,113	6	8.2%
FREEDBER BARRY & FREEDBRG BELLA				871	7	6.4%
WALGREEN ARIZONA DRUG CO				795	8	5.9%
FIDELITY NATIONAL TITLE TR 60360				765	9	5.6%
OS REALTY LLC				595	10	4.4%
Totals	<u>\$ 44,146,364</u>			<u>\$ 13,547</u>		

Notes:

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

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

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

Schedule 9

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2020	\$ 1,162	1,157	99.57%	1,160	99.83%
2019	834	830	99.52%	831	99.64%
2018	571	568	99.47%	572	99.65%
2017	521	515	98.85%	521	99.81%
2016	488	474	99.18%	488	99.80%
2015	448	448	99.09%	448	99.55%
2014	422	415	99.04%	422	99.28%
2013	470	462	98.65%	488	98.65%
2012	514	492	99.39%	468	99.80%
2011	602	562	97.57%	502	97.57%

Notes:

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

Source: Pima County Treasurer's Office

**Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020**

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
242-C1	215-01-003P	Tangerine/I-10, LLC	\$681,092.81	\$522,253.96	\$12,587.00	1,015,268	Commercial
242-A	215-01-003R	Tangerine/I-10, LLC	546,102.01	418,744.60	8,440.00	814,343	Commercial
242-B3-1	215-01-003S	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	52,594.14	40,328.57	3,545,400.00	78,565	Commercial
242-B1/2	215-01-003T	Tangerine/I-10, LLC	159,827.16	122,553.59	2,954.00	238,323	Commercial
242-B4/5	215-01-003U	Tangerine/I-10, LLC	371,957.14	285,212.36	6,874.00	554,526	Commercial
242-B1/2/4/5	215-01-003V	Tangerine/I-10, LLC	744,205.60	570,648.10	13,759.00	1,109,796	Commercial
242-B3-2	215-01-003W	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	49,379.55	37,863.66	296,239.00	73,738	Commercial
242-D1	216-12-0250	Tangerine/I-10, LLC	49,671.79	38,087.74	29,546.00	73,864	Commercial
242-D2	216-12-0260	Tangerine/I-10, LLC	258,002.71	197,833.45	153,923.00	384,808	Commercial
242-D3	216-12-0270	Tangerine/I-10, LLC	365,236.64	280,059.16	217,717.00	544,292	Commercial
242-D4	216-12-0300	Tangerine/I-10, LLC	17,531.38	13,442.86	10,409.00	26,023	Commercial
242-C2	216-12-0330	Tangerine/I-10, LLC	118,628.37	90,962.84	10,000.00	176,824	Commercial
237	217-53-040A	TOWN OF MARANA	71,959.10	55,177.40	504,000.00	1,019,781	Park
238/239-1	217-53-8080	CIRCLE K STORES INC	28,235.83	21,650.91	405,470.00	79,504	Commercial
238/239-2	217-53-8090	GLADDEN 25 LLC	20,407.15	15,647.96	100,585.00	57,477	Residential and Commercial
238/239-3	217-53-8100	GLADDEN 25 LLC	21,784.14	16,703.82	107,366.00	61,352	Residential and Commercial
238/239-4	217-53-8110	GLADDEN 25 LLC	20,979.61	16,086.92	103,336.00	59,049	Residential and Commercial
238/239-5	217-53-8120	GLADDEN 25 LLC	18,999.25	14,568.40	93,630.00	53,503	Residential and Commercial
238/239-6	217-53-8130	GLADDEN 25 LLC	20,144.14	15,446.29	99,255.00	56,717	Residential and Commercial
238/239-7	217-53-8140	GLADDEN 25 LLC	15,456.22	11,851.65	76,167.00	43,524	Residential and Commercial
238/239-8	217-53-8150	GLADDEN 25 LLC	35,461.12	27,191.17	174,757.00	99,861	Residential and Commercial
238/239-9	217-53-8160	GLADDEN 25 LLC	32,830.94	25,174.38	161,761.00	92,435	Residential and Commercial
238/239-10	217-53-8170	GLADDEN 25 LLC	30,974.33	23,750.76	152,591.00	87,195	Residential and Commercial
230-2	217-54-0120	Gladden Phase II, LLC	389,043.77	298,314.19	17,744.00	1,431,174	Residential and Commercial
230-3	217-54-0130	Gladden Phase II, LLC	330,322.98	253,287.78	15,066.00	1,215,324	Residential and Commercial

**Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020**

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
230-4	217-54-0140	Northwest Medical Center	684,379.91	524,774.47	31,212.00	2,517,626	Hospital
230-5	217-54-0150	Gladden Phase II, LLC	459,886.66	352,635.69	137,732.00	1,930,109	Residential and Commercial
230-6	217-54-0160	Gladden Phase II, LLC	375,574.12	287,985.82	11,961.00	964,854	Residential and Commercial
230-7	217-54-0180	Gladden Phase II, LLC	429,227.55	329,126.63	14,742.00	1,189,188	Residential and Commercial
230-8	217-54-0190	Gladden Phase II, LLC	358,566.94	274,944.91	16,351.00	1,318,997	Residential and Commercial
230-11	217-54-0220	Gladden Phase II, LLC	708,991.95	543,646.69	21,902.00	1,766,794	Residential and Commercial
446	217-54-026A	Gladden Phase II, LLC	268,326.10	205,749.29	8,375.00	675,766	Residential and Commercial
230-16	217-54-0270	Gladden Phase II, LLC	536,534.45	411,408.30	17,809.00	1,436,609	Residential and Commercial
443	217-54-028B	Northwest Fire District	32,681.52	25,059.80	721,410.00	120,235	Residential and Commercial
319	217-54-0290	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
320	217-54-0300	Lennar Homes	3,770.07	2,890.85	226,976.00	-	Residential
321	217-54-0310	Lennar Homes	3,770.07	2,890.85	275,326.00	-	Residential
322	217-54-0320	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
323	217-54-0330	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
324	217-54-0340	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
325	217-54-0350	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
326	217-54-0360	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
327	217-54-0370	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
328	217-54-0380	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
329	217-54-0390	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
330	217-54-0400	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
331	217-54-0410	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
332	217-54-0420	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
345	217-54-0550	Richmond American Homes	3,770.07	2,890.85	31,046.00	-	Residential
347	217-54-0570	Richmond American Homes	3,770.07	2,890.85	31,046.00	-	Residential
369	217-54-0790	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
373	217-54-0830	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
374	217-54-0840	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
375	217-54-0850	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
376	217-54-0860	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
377	217-54-0870	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
378	217-54-0880	Lennar Homes	3,770.07	2,890.85	31,046.00	-	Residential
393	217-54-1030	Richmond American Homes	3,770.07	2,890.85	31,046.00	-	Residential
394	217-54-1040	Richmond American Homes	3,770.07	2,890.85	31,046.00	-	Residential
395	217-54-1050	Richmond American Homes	3,770.07	2,890.85	31,046.00	-	Residential
396	217-54-1060	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
397	217-54-1070	Lennar Homes	3,770.08	2,890.85	31,046.00	-	Residential
398	217-54-1080	Lennar Homes	3,770.08	2,890.85	31,046.00	-	Residential
399	217-54-1090	Lennar Homes	3,770.08	2,890.85	31,046.00	-	Residential
400	217-54-1100	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
401	217-54-1110	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
402	217-54-1120	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
403	217-54-1130	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
404	217-54-1140	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
405	217-54-1150	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
409	217-54-1190	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
410	217-54-1200	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
412	217-54-1220	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
415	217-54-1250	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
420	217-54-1300	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
425	217-54-1350	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
426	217-54-1360	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
434	217-54-2260	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
436	217-54-2280	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
437	217-54-2290	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
438	217-54-2300	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
439	217-54-2310	Richmond American Homes	3,770.08	2,890.85	252,675.00	-	Residential
440	217-54-2320	Richmond American Homes	3,770.08	2,890.85	240,014.00	-	Residential
441	217-54-2330	Richmond American Homes	3,770.08	2,890.85	31,046.00	-	Residential
553	217-54-2380	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
554	217-54-2390	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
555	217-54-2400	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
556	217-54-2410	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
557	217-54-2420	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
558	217-54-2430	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
559	217-54-2440	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
560	217-54-2450	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
561	217-54-2460	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
562	217-54-2470	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
563	217-54-2480	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
564	217-54-2490	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
565	217-54-2500	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
566	217-54-2510	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
567	217-54-2520	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
568	217-54-2530	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
569	217-54-2540	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
570	217-54-2550	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
571	217-54-2560	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
572	217-54-2570	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
573	217-54-2580	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
574	217-54-2590	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
575	217-54-2600	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
576	217-54-2610	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
577	217-54-2620	Gladden Phase II, LLC	3,193.65	2,448.85	8,001.00	-	Residential
578	217-54-2630	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
579	217-54-2640	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
580	217-54-2650	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
581	217-54-2660	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
582	217-54-2670	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
583	217-54-2680	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
584	217-54-2690	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
585	217-54-2700	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
586	217-54-2710	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
587	217-54-2720	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
588	217-54-2730	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
589	217-54-2740	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
590	217-54-2750	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
591	217-54-2760	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
592	217-54-2770	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
593	217-54-2780	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
594	217-54-2790	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
595	217-54-2800	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
596	217-54-2810	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
597	217-54-2820	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
598	217-54-2830	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
599	217-54-2840	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
600	217-54-2850	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
601	217-54-2860	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
602	217-54-2870	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
603	217-54-2880	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
604	217-54-2890	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
605	217-54-2900	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
606	217-54-2910	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
607	217-54-2920	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
608	217-54-2930	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
609	217-54-2940	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
610	217-54-2950	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
611	217-54-2960	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
612	217-54-2970	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
613	217-54-2980	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
614	217-54-2990	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
615	217-54-3000	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
616	217-54-3010	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
617	217-54-3020	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
618	217-54-3030	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
619	217-54-3040	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
620	217-54-3050	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
621	217-54-3060	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
622	217-54-3070	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
623	217-54-3080	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
624	217-54-3090	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
625	217-54-3100	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
626	217-54-3110	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
627	217-54-3120	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
628	217-54-3130	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
629	217-54-3140	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
630	217-54-3150	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
631	217-54-3160	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
632	217-54-3170	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
633	217-54-3180	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
634	217-54-3190	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
635	217-54-3200	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
636	217-54-3210	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
637	217-54-3220	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
638	217-54-3230	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
639	217-54-3240	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
640	217-54-3250	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
641	217-54-3260	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
642	217-54-3270	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
643	217-54-3280	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
644	217-54-3290	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
645	217-54-3300	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
646	217-54-3310	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
647	217-54-3320	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
648	217-54-3330	Gladden Phase II, LLC	3,193.66	2,448.86	8,001.00	-	Residential
826	217-54-342A	Gladden Phase II, LLC	205,307.14	157,427.10	7,522.00	606,889	Residential and Commercial
825	217-54-342B	Gladden Phase II, LLC	190,574.93	146,130.61	8,105.00	653,774	Residential and Commercial
442	217-54-3440	Gladden Phase II, LLC	342,327.13	262,492.41	578,000.00	1,252,529	Residential and Commercial
448	217-54-3450	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
449	217-54-3460	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential

**Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020**

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
450	217-54-3470	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
451	217-54-3480	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
452	217-54-3490	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
453	217-54-3500	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
454	217-54-3510	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
455	217-54-3520	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
456	217-54-3530	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
457	217-54-3540	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
458	217-54-3550	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
459	217-54-3560	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
460	217-54-3570	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
461	217-54-3580	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
462	217-54-3590	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
463	217-54-3600	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
464	217-54-3610	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
465	217-54-3620	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
466	217-54-3630	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
467	217-54-3640	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
468	217-54-3650	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
469	217-54-3660	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
470	217-54-3670	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
471	217-54-3680	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
472	217-54-3690	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
473	217-54-3700	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
474	217-54-3710	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
475	217-54-3720	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
476	217-54-3730	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
477	217-54-3740	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
478	217-54-3750	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
479	217-54-3760	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
480	217-54-3770	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
481	217-54-3780	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
482	217-54-3790	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
483	217-54-3800	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
484	217-54-3810	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
485	217-54-3820	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
486	217-54-3830	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential

**Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020**

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
487	217-54-3840	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
488	217-54-3850	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
489	217-54-3860	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
490	217-54-3870	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
491	217-54-3880	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
492	217-54-3890	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
493	217-54-3900	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
494	217-54-3910	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
495	217-54-3920	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
496	217-54-3930	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
497	217-54-3940	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
498	217-54-3950	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
499	217-54-3960	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
500	217-54-3970	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
501	217-54-3980	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
502	217-54-3990	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
503	217-54-4000	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
504	217-54-4010	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
505	217-54-4020	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
506	217-54-4030	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
507	217-54-4040	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
510	217-54-4070	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
516	217-54-4130	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
517	217-54-4140	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
518	217-54-4150	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
519	217-54-4160	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
520	217-54-4170	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
521	217-54-4180	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
522	217-54-4190	Richmond American Homes	3,029.41	2,322.91	31,046.00	-	Residential
531	217-54-4280	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
532	217-54-4290	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
533	217-54-4300	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
534	217-54-4310	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
537	217-54-4340	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
538	217-54-4350	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
539	217-54-4360	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
540	217-54-4370	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential

**Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020**

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
541	217-54-4380	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
542	217-54-4390	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
543	217-54-4400	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
544	217-54-4410	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
545	217-54-4420	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
546	217-54-4430	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
547	217-54-4440	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
548	217-54-4450	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
549	217-54-4460	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
550	217-54-4470	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
551	217-54-4480	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
552	217-54-4490	Richmond American Homes	3,029.42	2,322.92	31,046.00	-	Residential
231	217-55-012A	WESTCOR MARANA LLC	1,586,588.33	1,216,577.27	32,195.00	2,597,047	Commercial
218	217-57-3660	NP Investments LLC	18,332.46	14,057.11	265,674.00	52,093	Gladden Farms Commercial Center - Bank
219	217-57-3670	Weingarten Realty	12,423.76	9,526.39	67,076.00	35,303	Gladden Farms Commercial Center - Fast Food Restaurant
220	217-57-3680	Weingarten Realty	14,501.49	11,119.57	78,293.00	41,207	Gladden Farms Commercial Center - Fast Food Restaurant
221	217-57-3690	Weingarten Realty	11,477.10	8,800.50	61,965.00	32,613	Gladden Farms Commercial Center
222	217-57-3700	Weingarten Realty	27,082.56	20,766.59	146,218.00	76,957	Gladden Farms Commercial Center
224	217-57-3720	Weingarten Realty	41,637.17	31,926.89	189,304.00	118,315	Gladden Farms Commercial Center - Grocery
225	217-57-3730	Weingarten Realty	9,539.79	7,315.00	43,373.00	27,108	Gladden Farms Commercial Center
226	217-57-3740	Weingarten Realty	18,357.45	14,076.28	99,112.00	52,164	Gladden Farms Commercial Center
227	217-57-3750	Weingarten Realty	12,894.96	9,887.71	69,620.00	36,642	Gladden Farms Commercial Center
649	217-58-0010	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
650	217-58-0020	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
651	217-58-0030	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
652	217-58-0040	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
653	217-58-0050	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
654	217-58-0060	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
655	217-58-0070	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
656	217-58-0080	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
657	217-58-0090	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
658	217-58-0100	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
659	217-58-0110	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
660	217-58-0120	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
661	217-58-0130	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
662	217-58-0140	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
663	217-58-0150	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
664	217-58-0160	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
665	217-58-0170	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
666	217-58-0180	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
667	217-58-0190	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
668	217-58-0200	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
669	217-58-0210	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
670	217-58-0220	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
671	217-58-0230	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
672	217-58-0240	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
673	217-58-0250	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
674	217-58-0260	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
675	217-58-0270	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
676	217-58-0280	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
677	217-58-0290	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
678	217-58-0300	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
679	217-58-0310	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
680	217-58-0320	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
681	217-58-0330	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
682	217-58-0340	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
683	217-58-0350	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
684	217-58-0360	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
685	217-58-0370	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
686	217-58-0380	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
687	217-58-0390	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
688	217-58-0400	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
689	217-58-0410	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
690	217-58-0420	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
691	217-58-0430	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
692	217-58-0440	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
693	217-58-0450	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
694	217-58-0460	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
695	217-58-0470	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
696	217-58-0480	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
697	217-58-0490	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
698	217-58-0500	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
699	217-58-0510	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
700	217-58-0520	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
701	217-58-0530	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
702	217-58-0540	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
703	217-58-0550	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
704	217-58-0560	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
705	217-58-0570	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
706	217-58-0580	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
707	217-58-0590	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
708	217-58-0600	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
709	217-58-0610	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
710	217-58-0620	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
711	217-58-0630	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
712	217-58-0640	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
713	217-58-0650	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
714	217-58-0660	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
715	217-58-0670	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
716	217-58-0680	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
717	217-58-0690	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
718	217-58-0700	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
719	217-58-0710	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
720	217-58-0720	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
721	217-58-0730	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
722	217-58-0740	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
723	217-58-0750	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
724	217-58-0760	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
725	217-58-0770	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
726	217-58-0780	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
727	217-58-0790	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
728	217-58-0800	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
729	217-58-0810	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
730	217-58-0820	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
731	217-58-0830	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
732	217-58-0840	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
733	217-58-0850	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
734	217-58-0860	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
735	217-58-0870	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
736	217-58-0880	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
737	217-58-0890	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
738	217-58-0900	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
739	217-58-0910	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
740	217-58-0920	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
741	217-58-0930	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
742	217-58-0940	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
743	217-58-0950	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
744	217-58-0960	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
745	217-58-0970	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
746	217-58-0980	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
747	217-58-0990	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
748	217-58-1000	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
749	217-58-1010	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
750	217-58-1020	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
751	217-58-1030	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
752	217-58-1040	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
753	217-58-1050	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
754	217-58-1060	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
755	217-58-1070	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
756	217-58-1080	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
757	217-58-1090	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
758	217-58-1100	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
759	217-58-1110	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
760	217-58-1120	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
761	217-58-1130	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
762	217-58-1140	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
763	217-58-1150	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
764	217-58-1160	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
765	217-58-1170	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
766	217-58-1180	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
767	217-58-1190	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
768	217-58-1200	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
769	217-58-1210	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
770	217-58-1220	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
771	217-58-1230	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
772	217-58-1240	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
773	217-58-1250	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
774	217-58-1260	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
775	217-58-1270	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
776	217-58-1280	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
777	217-58-1290	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
778	217-58-1300	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
779	217-58-1310	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
780	217-58-1320	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
781	217-58-1330	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
782	217-58-1340	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
783	217-58-1350	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
784	217-58-1360	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
785	217-58-1370	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
786	217-58-1380	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
787	217-58-1390	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
788	217-58-1400	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
789	217-58-1410	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
790	217-58-1420	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
791	217-58-1430	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
792	217-58-1440	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
793	217-58-1450	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2020

District Assessment Number (1)	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (2)	Remaining Assessment Amount (3)	2020 Full Cash Value (4)	Non-Residential Square Footage (5)	Expected Future Use
794	217-58-1460	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
795	217-58-1470	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
796	217-58-1480	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
797	217-58-1490	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
798	217-58-1500	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
799	217-58-1510	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
800	217-58-1520	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
801	217-58-1530	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
802	217-58-1540	MERITAGE HOMES OF ARIZONA	3,281.65	2,516.33	0.00	-	Residential
803	217-58-1550	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
804	217-58-1560	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
805	217-58-1570	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
806	217-58-1580	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
807	217-58-1590	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
808	217-58-1600	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
809	217-58-1610	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
810	217-58-1620	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
811	217-58-1630	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
812	217-58-1640	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
813	217-58-1650	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
814	217-58-1660	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
815	217-58-1670	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
816	217-58-1680	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
817	217-58-1690	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
818	217-58-1700	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
819	217-58-1710	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
820	217-58-1720	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
821	217-58-1730	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
822	217-58-1740	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
823	217-58-1750	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
824	217-58-1760	KB Home Tucson Inc.	3,281.65	2,516.33	0.00	-	Residential
Residential Totals:		410 Active Assessments	\$1,339,253.53	\$1,026,923.17	\$5,923,251.00	0	
Non-Residential Totals:		47 Active Assessments	\$10,796,041.35	\$8,278,277.55	\$8,947,527.00	26,950,084	
Totals:		457 Active Assessments	\$12,135,294.88	\$9,305,200.72	\$14,870,778.00	26,950,084	(5)

(1) During Fiscal Year 2019/20, District Assessment Numbers 649 through 824 were created via apportionment.

Due to the timing of the apportionment, the 2020 Full Cash Value information is unavailable from Pima County associated with the newly created parcels that are now in

(2) Includes capitalized interest on the Bonds as sold.

(3) Amount remaining after billing for the 6/1/2020 assessment installment.

(4) As current Full Cash Value data is not available from Pima County for certain parcels that have changed during Fiscal Year 2019/20, prior year Full Cash Value data has been supplemented where applicable.

(5) The Pima County Assessor does not provide the square footage for most residential properties.



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**TOWN OF MARANA
SALES TAX BY INDUSTRY
LAST TEN FISCAL YEARS**

Industry Group	FY 2011	%	FY 2012	%	FY 2013	%
Construction	\$ 4,870,797	21.23%	\$ 5,782,644	23.57%	\$ 5,260,345	21.33%
Manufacturing	123,524	0.54%	128,089	0.52%	127,214	0.52%
Transportation, Communications, & Utilities	2,927,271	12.76%	2,985,979	12.17%	3,038,071	12.32%
Wholesale Trade	194,392	0.85%	233,850	0.95%	296,077	1.20%
Retail Trade	8,667,896	37.77%	8,804,206	35.88%	9,380,544	38.03%
Restaurant & Bars	1,658,180	7.23%	1,789,232	7.29%	1,819,588	7.38%
Fire, Insurance & Real Estate	1,253,481	5.46%	1,350,977	5.51%	1,234,426	5.00%
Hotels & Other Lodging	1,914,004	8.34%	1,991,767	8.12%	2,140,493	8.68%
Services	982,631	4.28%	1,026,443	4.18%	1,003,377	4.07%
All Others	355,642	1.55%	445,774	1.82%	363,807	1.48%
	<u>\$ 22,947,818</u>	<u>100.00%</u>	<u>\$ 24,538,961</u>	<u>100.00%</u>	<u>\$ 24,663,942</u>	<u>100.00%</u>

Industry Group	2016*	%	2017	%	2018	%
Construction	\$ 6,883,116	19.42%	\$ 7,557,292	20.15%	\$ 9,825,265	23.57%
Transportation, Communications, & Utilities	3,919,633	11.06%	3,809,315	10.16%	4,234,220	10.16%
Retail Trade	16,305,878	46.01%	17,120,561	45.65%	17,757,284	42.59%
Restaurant & Bars	3,076,737	8.68%	3,295,734	8.79%	3,616,110	8.67%
Fire, Insurance & Real Estate	1,339,496	3.78%	1,540,358	4.11%	1,661,010	3.98%
Hotels & Other Lodging	2,292,705	6.47%	2,558,312	6.82%	2,827,338	6.78%
All Others	1,624,023	4.58%	1,618,648	4.32%	1,768,256	4.24%
	<u>\$ 35,441,588</u>	<u>100.00%</u>	<u>\$ 37,500,220</u>	<u>100.00%</u>	<u>\$ 41,689,483</u>	<u>100.00%</u>

Note:

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

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

<u>FY 2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
\$ 6,411,509	24.45%	\$ 6,838,195	24.37%
97,014	0.37%	100,329	0.36%
3,182,854	12.14%	3,318,976	11.83%
213,657	0.81%	305,012	1.09%
9,593,163	36.58%	10,133,523	36.12%
1,865,602	7.11%	2,038,788	7.27%
1,256,418	4.79%	1,240,196	4.42%
2,064,986	7.87%	2,481,304	8.84%
1,031,325	3.93%	1,046,669	3.73%
509,351	1.94%	555,522	1.98%
<u>\$ 26,225,881</u>	<u>100.00%</u>	<u>\$ 28,058,514</u>	<u>100.00%</u>

<u>2019</u>	<u>%</u>	<u>2020</u>	<u>%</u>
\$ 10,817,479	25.95%	11,599,116	28.50%
3,987,389	9.57%	3,835,802	9.42%
16,403,992	39.36%	16,210,073	39.82%
3,514,494	8.43%	3,146,078	7.73%
1,648,738	3.96%	1,436,817	3.53%
2,913,545	6.99%	2,566,127	6.30%
2,394,706	5.75%	1,910,780	4.69%
<u>\$ 41,680,343</u>	<u>100.00%</u>	<u>\$ 40,704,792</u>	<u>100.00%</u>

**TOWN OF MARANA
EXCISE TAX COLLECTIONS
LAST TEN FISCAL YEARS**

Industry Classification	2010/11	2011/12	2012/13	2013/14
Town Sales Tax	\$ 22,947,818	\$ 24,538,961	\$ 24,768,104	\$ 26,225,881
State-shared Sales Taxes	2,099,083	2,731,863	2,861,622	3,043,102
State-shared Income Taxes	2,601,218	2,950,734	3,571,191	3,896,487
Licenses and permits	2,502,494	2,720,872	4,323,155	3,932,108
Fines and forfeitures and penalties	537,680	558,393	661,341	635,869
TOTAL	<u>\$ 30,688,293</u>	<u>\$ 33,500,823</u>	<u>\$ 36,185,413</u>	<u>\$ 37,733,447</u>

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

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

<u>2014/2015</u>
\$ 28,058,823
3,195,042
4,232,245
4,813,378
<u>664,955</u>
<u>\$ 40,964,443</u>

<u>2019/2020</u>	<u>Budgeted 2020/2021</u>
\$ 40,704,792	\$ 31,472,804
4,872,825	4,444,645
6,078,686	7,007,072
6,021,017	4,453,112
<u>515,514</u>	<u>408,500</u>
<u>\$ 58,192,834</u>	<u>\$ 47,786,133</u>

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

Schedule 13

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (4)	Per Capita
	Revenue Bonds (1)	General Obligation Bonds (2)	Special Assessment Bonds (3)	Revenue Bonds	Loans Payable			
2020	\$ 53,258	\$ 15,100	\$ 9,552	\$ 20,687	\$ 9,561	108,159	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
2015	69,299	8,085	17,246	1,343	3,841	99,814	279.2%	2,475
2014	71,659	8,325	18,488	1,343	4,042	103,857	274.8%	2,712
2013	81,720	8,550	19,926	-	4,265	114,461	315.0%	3,114
2012	60,699	8,765	21,288	-	4,480	95,232	272.5%	2,656
2011	65,384	8,965	22,492	-	4,586	101,427	301.9%	2,888

Notes:

- (1) Presented net of original issuance discounts and premiums
- (2) Bonds issued for Gladden 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 FY 2008, a component unit of the Town.
- (4) Individual statistics not available for Marana, included in figures for Pima County and Tucson Metropolitan area.

Source: US Census Bureau, Bureau of Economic Analysis

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

Schedule 14

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of property (3)	Net Bonded Debt Per Capita
2020	\$ 15,100	\$ 872	\$ 14,228	0.25%	28.8%
2019	12,242	584	11,658	0.22%	24.8%
2018	8,551	393	8,158	0.17%	18.2%
2017	8,794	387	8,407	0.18%	19.3%
2016	7,835	392	7,443	0.17%	18.0%
2015	8,085	254	7,831	0.19%	19.4%
2014	8,325	247	8,078	0.21%	21.1%
2013	8,550	244	8,306	0.24%	22.6%
2012	8,765	240	8,525	0.23%	23.8%
2011	8,965	389	8,576	0.23%	24.4%

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
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
(Amounts expressed in thousands)

Schedule 15

Governmental Unit	Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Pima County *	\$ 181,428	6.79%	\$ 12,311
Pima County Community College District	2,952	6.79%	200
Northwest Fire District	36,030	48.79%	17,577
Flowing Wells Unified School District No. 8	22,835	100.00%	22,835
Marana Unified School District No. 6	162,372	64.79%	105,207
Total overlapping debt			<u>158,131</u>
Gladden Farms Community Facilities District	8,014	100.00%	8,014
Saguaro Springs Community Facilities District	5,823	100.00%	5,823
Gladden Farms Phase II Community Facilities District	1,263	100.00%	1,263
Tangerine Farms Road Improvement District	9,552	100.00%	9,552
Town of Marana	83,506	100.00%	83,506
Total direct debt			<u>\$ 108,158</u>
Total direct and overlapping debt			<u><u>\$ 266,289</u></u>

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 percentatge 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, 2020**

Schedule 16

Legal Debt Margin Calculation for Fiscal Year 2020

Limited Assessed Value	\$ 623,051,391
Debt Limit:	-
6% of assessed value	37,383,083
20% of assessed value	124,610,278
Total debt limit:	<u>161,993,362</u>
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for the repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal Debt Margin	<u><u>\$ 161,993,362</u></u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit equal to 6% of assessed	\$ 27,274,051	\$ 25,992,985	\$ 24,745,839	\$ 28,630,929	\$ 29,446,070
Debt limit equal to 20% of assessed	90,913,503	86,643,283	82,486,130	95,436,430	98,153,568
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 118,187,553</u></u>	<u><u>\$ 112,636,268</u></u>	<u><u>\$ 107,231,969</u></u>	<u><u>\$ 124,067,359</u></u>	<u><u>\$ 127,599,639</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	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	115,831,808.20	124,610,278.20
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 135,278,682</u></u>	<u><u>\$ 139,268,925</u></u>	<u><u>\$ 149,733,818</u></u>	<u><u>\$ 150,581,351</u></u>	<u><u>\$ 161,993,362</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Notes:

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

Sources: Financial Statements; Pima County

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

Gladden Farms Community Facilities District General
 Obligation Bonds*

Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2020	\$ 667	\$ 265	\$ 282	121.9%
2019	479	210	271	99.6%
2018	492	210	271	102.3%
2017	452	265	295	80.7%
2016	427	250	445	61.4%
2015	393	240	458	56.3%
2014	373	225	470	53.7%
2013	397	215	481	57.0%
2012	449	200	490	65.1%
2011	515	190	477	77.2%

Saguaro Springs Community Facilities District General
 Obligation Bonds **

Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
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
2015	N/A	-	-	N/A
2014	N/A	-	-	N/A
2013	N/A	-	-	N/A
2012	N/A	-	-	N/A
2011	N/A	-	-	N/A

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

Schedule 17

Tangerine Road Farms Improvement District Special
 Assessment Bonds ***

Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
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%
2015	2,065	1,242	849	98.8%
2014	2,210	1,438	913	94.0%
2013	2,337	1,362	976	100.0%
2012	2,302	1,204	1,035	102.8%
2011	2,239	1,336	1,096	92.1%

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 governmental 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
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Schedule 18

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income*</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2020	49,323	N/A	\$ 36,282	39.0	12,536	7.7%
2019	47,007	N/A	33,488	37.6	12,782	2.8%
2018	44,792	N/A	33,111	37.9	12,470	2.8%
2017	43,474	N/A	32,646	48.1	12,050	4.3%
2016	41,315	N/A	37,107	29.7	12,350	4.7%
2015	40,324	N/A	34,026	39.6	12,326	5.9%
2014	38,290	N/A	33,196	39.4	12,476	6.9%
2013	36,756	N/A	29,626	37.7	12,361	6.1%
2012	35,858	N/A	31,085	37.6	12,576	9.7%
2011	35,124	N/A	N/A	37.4	12,314	7.9%

Notes:

* Information published for census year only.

N/A indicates that the information is not available.

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

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

Schedule 19

Employer	2020		2011	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Marana Unified School District	1,657	7.2%	1,606	24.0%
Ascent Aviation	525	2.3%		
Top Golf	435	1.9%		
Town of Marana	375	1.6%	335	5.0%
Wal-Mart	343	1.5%	450	6.7%
The Ritz-Carlton Dove Mountain	320	1.4%		
Sargeant Aerospace & Defense	313	1.4%	256	3.8%
Tucson Hauling & Transfer	300	1.3%		
Costco	250	1.1%	275	4.1%
Northwest Fire District	249	1.1%		
Army Reserve/National Guard			635	9.5%
Evergreen Air Center			351	5.2%
Marana Main Health Center			320	4.8%
Fry's Food & Drug			240	3.6%
FLSmith Krebs			230	3.4%

Source: AZCommerce.com, Marana Chamber of Commerce, Pima County, Northwest Fire District

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

Schedule 20

		Fiscal Year 2020			Fiscal Year 2011		
		Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments
RETAIL							
Taxpayer	A	\$ 2,089,777	1	5.2%	\$ 1,709,768	1	7.5%
Taxpayer	B	1,249,646	2	3.1%	1,061,493	2	4.6%
Taxpayer	C	981,046	3	2.4%	588,028	3	2.6%
Taxpayer	D	791,532	4	2.0%	479,215	4	2.1%
Taxpayer	E	478,288	5	1.2%	397,261	7	1.7%
Taxpayer	F	498,269	6	1.2%	474,394	5	2.1%
Taxpayer	G	643,771	7	1.6%	465,141	6	2.0%
Taxpayer	H	416,471	8	1.0%			0.0%
Taxpayer	I	322,423	9	0.8%	251,514	9	1.1%
Taxpayer	J	251,844	10	0.6%			0.0%
Taxpayer	K			0.0%	295,668	8	1.3%
Taxpayer	L			0.0%	232,352	10	1.0%
		\$ 7,723,066		19.1%	\$ 5,954,832		26.0%
CONTRACTING							
Taxpayer	A	\$ 2,608,562	1	6.5%	\$ -		0.0%
Taxpayer	B	1,472,079	2	3.7%	390,917	4	1.7%
Taxpayer	C	783,956	3	2.0%	487,617	2	2.1%
Taxpayer	D	703,609	4	1.8%			0.0%
Taxpayer	E	554,652	5	1.4%			0.0%
Taxpayer	F	525,955	6	1.3%	352,420	5	1.5%
Taxpayer	G	316,067	7	0.8%			0.0%
Taxpayer	H	278,300	8	0.7%			0.0%
Taxpayer	I	275,995	9	0.7%			0.0%
Taxpayer	J	231,986	10	0.6%			0.0%
Taxpayer	K			0.00%	1,174,641	1	5.1%
Taxpayer	L			0.00%	392,508	3	1.7%
Taxpayer	M			0.00%	217,047	6	0.9%
Taxpayer	N			0.00%	148,405	7	0.6%
Taxpayer	O			0.00%	135,975	8	0.6%
Taxpayer	P			0.00%	127,177	9	0.6%
Taxpayer	Q			0.00%	117,749	10	0.5%
		\$ 7,751,162		19.5%	\$ 3,544,456		15.3%

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General Government	72.5	62.5	62.5	62.5	67.5	70.9	72.9	73.3	73.3	75.3
Public Safety										
Police										
Officers	80.0	79.0	80.0	80.0	81.0	83.0	85.0	87.0	87.0	90.0
Civilians	28.8	28.5	26.0	26.0	28.0	28.0	28.0	28.0	31.0	31.0
Building Safety	6.0	6.0	9.0	9.0	13.0	13.0	12.0	12.0	13.0	13.0
Highways and streets	32.0	32.0	36.0	36.0	35.0	35.0	34.0	36.0	39.0	44.0
Culture and recreation	41.5	41.7	33.3	33.3	36.5	38.5	41.8	41.0	40.0	42.0
Community Development	4.0	3.0	-	-	-	-	-	-	-	-
Economic & Community Development	52.4	53.4	48.5	48.5	40.4	39.4	43.0	46.5	45.5	42.5
Water Utilities	18.1	20.1	19.1	19.1	22.0	23.0	23.0	24.0	25.2	27.6
Wastewater Utilities	N/A	-	4.0	4.0	4.0	4.0	4.0	5.0	7.0	7.0
Municipal Airport	-	-	1.0	1.0	1.0	3.0	3.0	3.0	3.0	3.0
Total	321.6	335.3	326.1	319.3	319.3	328.3	346.7	355.8	364.0	375.4

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

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

Schedule 22

Month	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
January	17	22	60	39	42	39	54	82	42	76
February	28	31	52	61	51	58	73	65	43	80
March	38	46	125	42	57	59	76	58	61	88
April	14	41	64	47	55	54	52	60	88	37
May	35	53	46	55	87	37	85	79	71	57
June	22	49	61	59	67	50	63	80	97	111
July	32	70	74	41	59	36	73	79	83	103
August	31	46	60	50	35	47	75	67	62	82
September	22	29	44	29	51	37	40	58	65	73
October	30	56	46	71	62	57	62	63	79	
November	22	35	27	88	22	51	75	74	67	
December	46	48	43	30	33	56	45	59	50	
Calendar Total	337	526	702	612	621	581	773	824	808	707
Fiscal Total	295	425	692	597	668	559	687	794	802	855

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

**TOWN OF MARANA
CAPITAL ASSET STATISTICS BY FUNCTION
AS OF JUNE 30, 2020**

Schedule 23

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	113	113	99	118	129	128	129	129	131	133
Highways and Streets										
Street (miles)	300	300	494	494	511	518	520	524	540	570
Culture and Recreation										
Parks	7	7	8	8	8	9	9	11	13	14
Parks Acreage	84	84	139	139	139	146	146	158	182	182
Trails in Miles - Hiking	28	28	37	37	37	38	39	39	41	41
Trails in Miles - Paved	16	16	16	16	18	19	21	21	21	24
Splash Pads	-	-	-	-	-	-	1	1	2	2
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	5	6	6	6	6	6	6	6	5
Senior/Community Center	1	1	1	1	1	1	1	1	1	1
Water Systems										
Miles of Water Mains	70	70	128	132	135	138	146	149	157	162
Number of Meters	5,556	5,734	6,002	6,272	6,429	6,745	7,205	7,850	8,533	9,166
Wastewater*										
Number of Manholes	N/A	841	863	863	891	909	978	1,066	1,235	1313
Sewer Mains (miles)	N/A	46.4	47.5	47.5	48.33	49.2	53.6	58.5	62.9	66
Avg Daily Sewage Treated (MGD)	N/A	0.192	0.198	0.287	0.348	0.360	0.425	0.480	0.520	0.600

Notes:

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

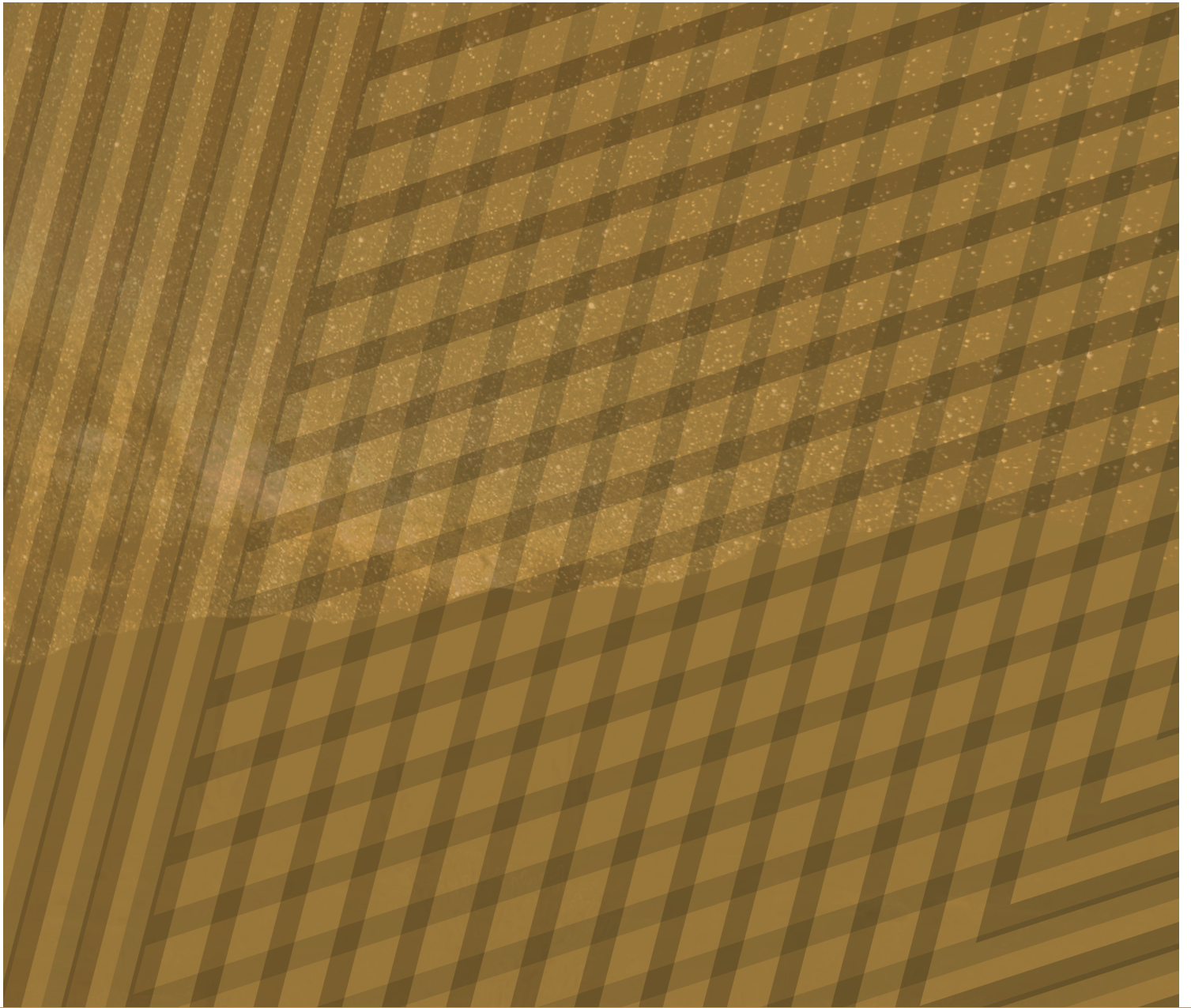
Source: This information is provided from the Town's facility records.



Town of Marana, Arizona
11555 W. Civic Center Drive
Marana, Arizona 85653

Phone: (520)382-1900
Fax: (520)382-1902

www.maranaaz.gov



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