



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

>> FOR THE FISCAL YEAR  
ENDED JUNE 30, 2022

2022/06/30



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**TOWN OF MARANA, ARIZONA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**



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Town of Marana, Arizona

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## **INTRODUCTORY SECTION**



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December 20, 2022

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, 2022.

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

The Town's financial statements have been audited by Baker Tilly US, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2022, 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, 2022, 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 121.8 square miles and serves a population of 54,895 according to the 2021 US Census Bureau survey.

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, Gladden Farms II, Sunflower, Heritage Highlands, Dove Mountain, Lazy K, Saguaro Ranch, Sky Ranch, Saguaro Bloom, Continental Ranch Business Park, Arizona Pavilions, and the Marana Center.

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

The Council fixes the duties and compensation of Town officials and employees, and enacts ordinances and resolutions relating to Town services, taxes, appropriating and borrowing monies, licensing and regulating businesses and trades and other municipal purposes. The Town Council appoints the Town Manager who has full responsibility for executing Council policies and administering Town operations. Town employees are hired under personnel rules approved by the Council. A staff of approximately 429 full-time equivalent positions is responsible for the functions and operations of the Town government.

## **Economic Condition and Outlook**

### **Current Condition**

As we are all aware, 2020 and 2021 were unprecedented years 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. In fiscal year 2022, the pandemic continued to be felt both individually and collectively across the region, nation, and world. Despite these ripple effects, the local, state, and national economies grew at near record pace. This economic growth, paired with accelerated housing development, and federal stimulus funds from the American Rescue Plan Act, encapsulate the strong financial performance of the Town.

In fiscal year 2022, the Town has not only seen higher than anticipated projections and collections for key revenue streams that fund essential services, but also, significant gains in one-time revenues tied to commercial development throughout the community. Revenues in the General Fund grew by approximately 13.1% overall with growth in transaction privilege taxes of \$3.8 million or 11.1% overall, which demonstrates continued growth and improvement in the economy. The Town was able to provide team based merit increases to employees while maintaining costs in commodities and services received in order to stay within budget. The General Fund expenditures were approximately \$10 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, 2022, the Town's governmental funds reported a combined fund balance of \$166.3 million, of which \$95.0 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 49.8% of general fund revenues. Of those revenues, retail comprised 55.9% and restaurants and bars, construction, and utilities comprised 29.8% of total transaction privilege tax revenues. Sales taxes and other revenues continued to show improvement compared to the prior fiscal year.

### **Future Economic Outlook**

The Town's goal in managing budgets is to structurally balance on-going revenues 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 has used the following assumptions to develop the fiscal year 2022-2023 budget.

- Cautious, moderated growth compared to fiscal year 2021-2022.
- Inflation rate at 8.5% (40 year high).
- Low unemployment rate of 3.6%
- Population growth rate of 6.3% with 1,250 new residential home permits.
- Continued growth in commercial development.

### **Accomplishments and Initiatives**

During fiscal year 2022, the Town had several significant accomplishments and initiatives.

#### Multigenerational Community & Aquatic Facility

On October 19, 2021 the Town of Marana Council passed Ordinance No. 2021.022, amending the Town Tax Code by increasing the rate on certain business activities from 2.0% to 2.5% to fund the design and construction of a new multigenerational community and aquatic facility in North Marana.

#### Formation of Strategic Plan V

Strategic Plan V is the latest iteration of Town's strategic planning process. Town leadership worked to outline specific goals and strategies to be taken by the Town for the next 2-to-3 years in order to reach long-term goals established in long-term planning documents. Strategic Plan V is built upon five focus areas that reflect Council's vision for Marana. They are: Cherished Heritage, Vibrant Community, Thriving Commerce, Healthy Lifestyles, and Proactive Public Services. These focus areas, with their corresponding goals, create a strong approach to achieving Marana's desired vision.

#### Market Study and Employee Compensation

The Town engaged with an outside consultant to complete a market and employee compensation study to ensure the Town remains competitive and equitable with recruitment, pay, and compensation-related benefits in the labor market. The culmination of this study led to adjustments in Town pay grades, ranges, and employee salaries effective July 1, 2022.

### **Expenditure Limitation**

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

On August 4, 2020, 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, 2021 and encompasses fiscal year ending June 30, 2022. On November 8, 2022, voters approved a permanent base adjustment which is schedule to take effect in future fiscal years.

## Single Audit

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

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

## Certificate of Achievement

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Marana for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021. This was the 14th consecutive year that the Town has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## 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  
Town Manager



Yiannis Kalaitzidis  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Marana  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**TOWN OF MARANA, ARIZONA  
PRINCIPAL OFFICIALS OF THE TOWN OF MARANA  
FISCAL YEAR 2022**

**MAYOR AND COUNCIL**

Ed Honea, Mayor

Jon Post, Vice Mayor

Herb Kai, Councilmember

John Officer, Councilmember

Roxanne Ziegler, Councilmember

Jackie Craig, Councilmember

Patti Comerford, Councilmember

**MANAGEMENT STAFF**

Terry Rozema, Town Manager

Erik Montague, Deputy Town Manager

**DEPARTMENT HEADS**

Jason Angell, Development Services Director

Curry C. Hale, Human Resources Director

Jim Conroy, Parks and Recreation Director

Jane Fairall, Town Attorney

Reuben Nunez, Police Chief

Laine McDonald, Town Magistrate

Fausto Burruel, Public Works Director

Lisa Shafer, Community and Neighborhood Services  
Director

Yiannis Kalaitzidis, Finance Director

Ricardo Carlos, Technology Services Director

David Udall, Town Clerk

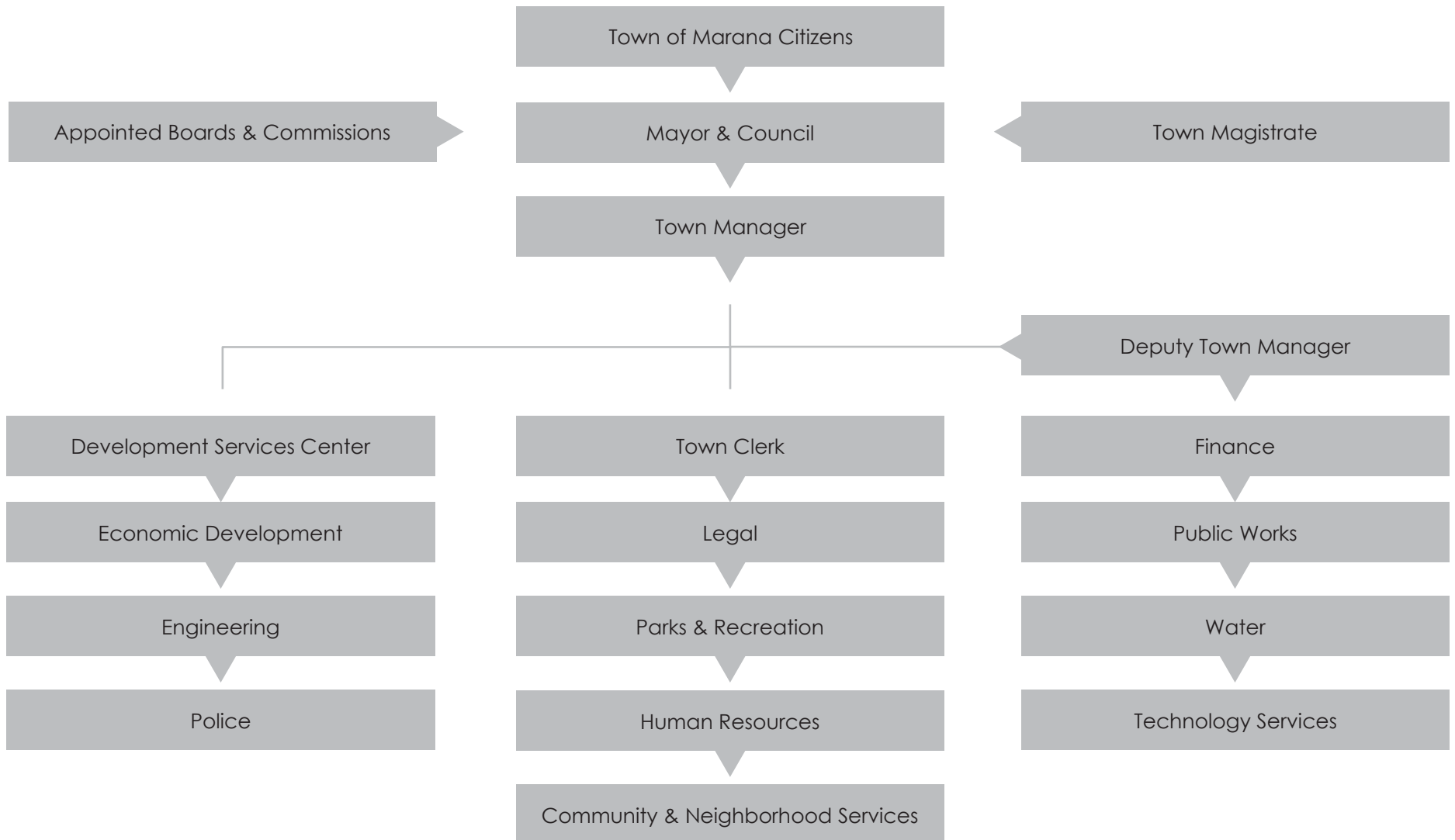
Jing Luo, Utilities Director

Curt Woody, Director of Economic Development





# ORGANIZATIONAL CHART





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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Marana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

#### ***Other Matter***

##### *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 failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for Highway User Revenue Fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated State transportation revenues it received. 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's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022 on our consideration of the Town of Marana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Marana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Marana's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Tempe, Arizona  
December 20, 2022



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



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TOWN OF MARANA, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2022

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, 2022. 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 \$50.6 million or 11.8 percent from the previous fiscal year 2020-21. The increase is primarily due to an increase in cash, receivables due from other governments, and the recognition of leases receivable. The increase in cash is due to revenue collections in excess of projections, while expenses were below projections. This was a result of cautious budgeting for fiscal year 2021-22, due to the continued uncertainty surrounding the global pandemic. The increase in receivables due from other governments is attributable to local transaction privilege taxes collected by the State and due to the Town for activity during June 2022. The addition of leases receivable is associated with existing lease agreements now recognized under GASB 87.
- General revenues from governmental activities, excluding transfers, accounted for \$71.7 million in revenue, or 57.8 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$52.5 million or 42.2 percent of total revenues from governmental activities. The Town had \$28.3 million of program revenues related to business-type activities. Overall revenues have increased by 23.9 percent, with increases in all categories except investment income due to mark to market adjustments. Revenue categories that saw the largest increases for fiscal year 2021-22 were \$13.6 million additional in capital grants and contributions, \$9.3 million additional in sales taxes, and \$5.3 million additional in charges for services, as compared to the prior fiscal year.
- The General Fund had \$75.9 million in revenue for fiscal year 2021-22, which primarily consisted of sales taxes, intergovernmental revenue, and licenses, fees and permits. This was an increase of \$8.8 million compared to the prior fiscal year. This increase was a primarily result of increased activity across most areas, including strong growth in local sales tax collections and revenues related to residential and commercial development. The General fund had \$44.6 million of expenditures and \$4.1 million in required transfers out during the year. This is an increase of \$4.2 million compared to the prior fiscal year. The increase in expenditures is a return to more normal expenditure levels as the global pandemic began to subside. Fund balance for the General Fund increased \$27.2 million, and is attributed to higher than anticipated revenues in sales taxes, intergovernmental revenue, and licenses, fees and permits, as well as cautious and prudent uses of Town funds for departmental expenditures.
- Highway User Revenue Fund revenues increased slightly compared to the prior fiscal year 2020-21 to \$4.4 million. Expenditures were less than the previous year due to supply chain shortages disrupting normal operations for the fund. The decrease in expenditures was 13.7 percent.
- Tangerine Farms Road Improvement District Debt Service Fund, which accounts for special assessments, had a \$367,265 fund balance attributable to the accumulation of prepaid assessments and resources required for debt service payments.
- The Transportation Fund saw an increase in revenue of 29.4 percent in fiscal year 2021-22 due to increased construction tax revenues. There was a large decrease of 81.7 percent in expenditures due to delays with several large capital projects, such as the Tangerine Road Widening Phase II, and Twin Peaks Rattlesnake Pass Widening projects.

## 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, and Saguaro Springs Community Facilities District are blended component units.

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

**Fund financial statements.** Also presented are the financial statements for governmental funds and proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements and determining what financial resources are available in the near future to fund Town programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decision. To facilitate this comparison, reconciliations of the differences between the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances and government-wide statement of net position and statement of activities are provided immediately following the respective governmental fund statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, and Transportation Capital Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules. These statements are included as supplementary information after the basic financial statements starting on page 106.

The Town adopts an annual budget and legally allocates (or appropriates) available monies for the General, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, 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 103-104, 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.

**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 86-97 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 \$479.0 million as of June 30, 2022. Noncurrent assets decreased by \$10.5 million or 2.3 percent due to the reduction of capital assets and non-current accounts receivable. The current assets increased by \$67.6 million or 51.1 percent primarily due to an increase in cash, and the addition of leases receivable. Increases in cash is primarily due to relatively conservative spending and higher than expected revenue collections from a strong economy. The addition of lease receivable is related to the implementation of GASB 87 for pre-existing Town leases. Current liabilities decreased slightly from \$22.5 million to \$21.6 million. Long-term liabilities decreased by \$11.9 million or 7.8 percent primarily due to a decrease in net pension liability.

**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, 2022 and June 30, 2021.

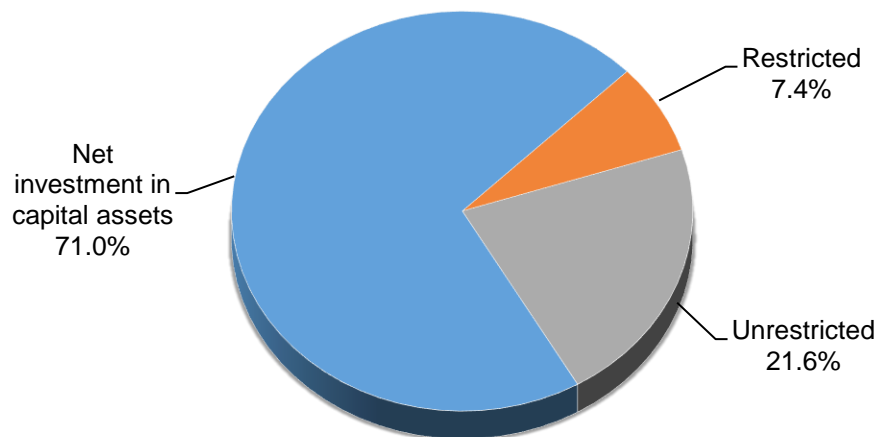
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$185,080,318	\$131,599,536	\$ 26,657,212	\$ 14,023,513	\$211,737,530	\$145,623,049
Capital assets, net	289,081,688	301,486,932	147,459,195	144,117,321	436,540,883	445,604,253
<b>Total assets, net</b>	<b>474,162,006</b>	<b>433,086,468</b>	<b>174,116,407</b>	<b>158,140,834</b>	<b>648,278,413</b>	<b>591,227,302</b>
Deferred outflows related to refunding	1,159,718	1,307,614	-	-	1,159,718	1,307,614
Deferred outflows related to pensions	9,119,870	10,931,378	584,139	575,075	9,704,009	11,506,453
<b>Total deferred outflows of resources</b>	<b>10,279,588</b>	<b>12,238,992</b>	<b>584,139</b>	<b>575,075</b>	<b>10,863,727</b>	<b>12,814,067</b>
Current and other liabilities	17,279,281	17,749,513	4,327,709	4,768,257	21,606,990	22,517,770
Long-term liabilities	102,439,115	113,621,944	38,188,286	38,972,319	140,627,401	152,594,263
<b>Total liabilities</b>	<b>119,718,396</b>	<b>131,371,457</b>	<b>42,515,995</b>	<b>43,740,576</b>	<b>162,234,391</b>	<b>175,112,033</b>
Deferred inflows related to pensions	9,296,687	467,204	815,581	-	10,112,268	467,204
Deferred inflows related to leases	3,045,820	-	4,705,078	-	7,750,898	-
<b>Total deferred inflows of resources</b>	<b>12,342,507</b>	<b>467,204</b>	<b>5,520,659</b>	<b>-</b>	<b>17,863,166</b>	<b>467,204</b>
<b>Net position:</b>						
Net investment in capital assets	229,747,427	243,691,969	110,451,894	106,165,559	340,199,321	349,857,528
Restricted	34,401,328	21,674,530	818,271	1,128,549	35,219,599	22,803,079
Unrestricted	88,231,936	48,120,299	15,393,727	7,673,224	103,625,663	55,793,523
<b>Total net position</b>	<b>\$352,380,691</b>	<b>\$313,486,798</b>	<b>\$126,663,892</b>	<b>\$114,967,332</b>	<b>\$479,044,583</b>	<b>\$428,454,130</b>

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 \$340.2 million or 71.0 percent, which represents the largest portion of net position. This portion of net position decreased by \$9.7 million as of June 30, 2022.

The second portion of net position of \$35.2 million or 7.4 percent represents resources that are subject to external restrictions on how they may be utilized. This category increased \$12.4 million from as of June 30, 2022 primarily due to increases related to capital projects.

The third portion consists of unrestricted net position of \$103.6 million or 21.6 percent. The unrestricted balance has increased by \$47.8 million. The increase in governmental activities accounts for \$40.1 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 stronger than anticipated revenues. The business-type activities increase in unrestricted net position was \$7.7 million. The increase in business-type activities was due to an overall increase in cash as a result of increased charges for services and development fees.

### Government-wide Net Position at June 30, 2022



**Changes in net position.** The Town's total revenues for the fiscal year ended June 30, 2022, were \$152.9 million, which was an overall increase of \$24.5 million or 24.6 percent. While most categories experienced growth from the prior fiscal year, the large increases are mainly related to capital grants and contributions, and sales taxes. Capital grants and contributions increased by \$10.0 million due to increased developer and other agency contributions towards capital projects. Sales tax collections increased by \$9.3 million due to strong economic conditions and the Town increasing its tax rate from 2.0 percent to 2.5 percent mid-way through the fiscal year to help fund the construction of capital projects.

The total cost of all programs and services was \$102.3 million. This is an increase of \$5.3 million or 6.6 percent. This increase is primarily attributable to increased spending in General Government, Culture and Recreation, and Water. The increase in spending within the General Government function is due to increased construction expenses. The increase in spending within the Culture and Recreation function is due to an increase in wages and depreciation expense. Water had increases in numerous operating categories as well as capital related expenses.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 16,874,628	\$ 12,667,676	11,297,598	\$ 10,157,583	\$ 28,172,226	\$ 22,825,259
Operating grants and contributions	14,710,958	14,465,174	-	-	14,710,958	14,465,174
Capital grants and contributions	20,876,971	10,839,877	17,045,660	13,461,844	37,922,631	24,301,721
General revenues:						
Sales taxes	52,111,536	42,846,634	-	-	52,111,536	42,846,634
Property taxes	1,697,968	1,420,127	-	-	1,697,968	1,420,127
Franchise taxes	608,355	584,762	-	-	608,355	584,762
State shared revenues	16,513,277	15,371,517	-	-	16,513,277	15,371,517
Investment income	(217,907)	484,181	8,912	4,158	(208,995)	488,339
Gain on sale of capital assets	77,345	-	-	-	77,345	-
Miscellaneous revenues	956,000	1,002,901	369,854	122,960	1,325,854	1,125,861
Contributions	-	-	-	-	-	-
<b>Total revenues</b>	<b>124,209,131</b>	<b>99,682,849</b>	<b>28,722,024</b>	<b>23,746,545</b>	<b>152,931,155</b>	<b>123,429,394</b>
<b>Expenses:</b>						
General government	28,538,663	22,578,082	-	-	28,538,663	22,578,082
Public safety	17,852,105	19,223,164	-	-	17,852,105	19,223,164
Highways and streets	25,480,792	25,728,785	-	-	25,480,792	25,728,785
Health and welfare	489,357	460,865	-	-	489,357	460,865
Economic and community development	4,113,481	4,158,387	-	-	4,113,481	4,158,387
Culture and recreation	6,950,406	5,861,170	-	-	6,950,406	5,861,170
Interest on long-term debt	2,257,780	2,346,385	-	-	2,257,780	2,346,385
Water	-	-	9,751,629	7,795,647	9,751,629	7,795,647
Wastewater	-	-	5,103,996	5,345,902	5,103,996	5,345,902
Airport	-	-	1,802,493	1,645,801	1,802,493	1,645,801
<b>Total expenses</b>	<b>85,682,584</b>	<b>80,356,838</b>	<b>16,658,118</b>	<b>14,787,350</b>	<b>102,340,702</b>	<b>95,144,188</b>
<b>Increase/(decrease) in net position before transfers</b>	<b>38,526,547</b>	<b>19,326,011</b>	<b>12,063,906</b>	<b>8,959,195</b>	<b>50,590,453</b>	<b>28,285,206</b>
<b>Transfers</b>	<b>367,346</b>	<b>4,589</b>	<b>(367,346)</b>	<b>(4,589)</b>	<b>-</b>	<b>-</b>
<b>Increase/(decrease) in net position</b>	<b>38,893,893</b>	<b>19,330,600</b>	<b>11,696,560</b>	<b>8,954,606</b>	<b>50,590,453</b>	<b>28,285,206</b>
<b>Net position, beginning of year</b>	<b>313,486,798</b>	<b>294,156,198</b>	<b>114,967,332</b>	<b>106,012,726</b>	<b>428,454,130</b>	<b>400,168,924</b>
<b>Net position, end of year</b>	<b>\$352,380,691</b>	<b>\$313,486,798</b>	<b>\$126,663,892</b>	<b>\$114,967,332</b>	<b>\$479,044,583</b>	<b>\$428,454,130</b>

**Governmental Activities.** Governmental activities increased net position by \$9.2 million for fiscal year ended June 30, 2022. This increase is attributable to increased collections of revenues greater than projected. 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 \$4.9 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.



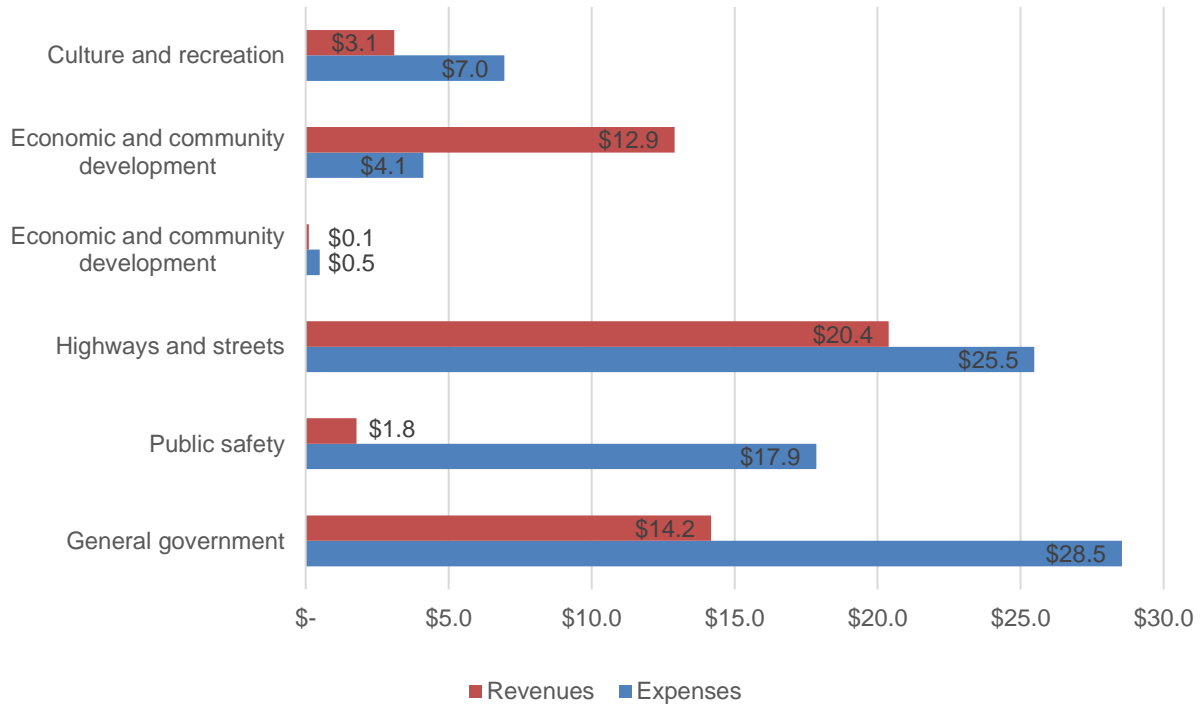
	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
<b>Governmental Activities</b>				
General government	\$ 28,538,663	\$ (14,360,178)	\$ 22,578,082	\$ (8,189,953)
Public safety	17,852,105	(16,074,351)	19,223,164	(15,247,020)
Highways and streets	25,480,792	(5,090,084)	25,728,785	(15,967,280)
Health and welfare	489,357	(375,222)	460,865	(373,570)
Economic and community development	4,113,481	8,790,812	4,158,387	4,928,238
Culture and recreation	6,950,406	(3,853,224)	5,861,170	(5,188,141)
Interest on long-term debt	2,257,780	(2,257,780)	2,346,385	(2,346,385)
<b>Total</b>	<b>\$ 85,682,584</b>	<b>\$ (33,220,027)</b>	<b>\$ 80,356,838</b>	<b>\$ (42,384,111)</b>
<b>Business-Type Activities</b>				
Water	\$ 9,751,629	\$ 9,108,081	\$ 7,795,647	\$ 7,287,051
Wastewater	5,103,996	3,309,148	5,345,902	2,524,629
Airport	1,802,493	(765,624)	1,645,801	(979,603)
<b>Total</b>	<b>\$ 16,658,118</b>	<b>\$ 11,651,605</b>	<b>\$ 14,787,350</b>	<b>\$ 8,832,077</b>

The cost of all governmental activities this year was \$85.7 million. There was a 6.6 percent increase in governmental activities expenses, which as previously mentioned is due to increased spending levels and the pandemic subsidies.

- Net cost of governmental activities of \$33.2 million was largely financed by general revenues, which are made up of primarily sales taxes totaling \$52.1 million and state shared revenues of \$16.5 million.
- The Water fund expenses increased \$2.0 million or 25.1 percent. This is primarily due to increased costs as inflationary pressures increased operating expenses, as well as increased expenses related to planned capital projects.
- Expenses in the Wastewater fund remained relatively similar to the prior fiscal year, with a small overall decrease of \$241,906 or 4.5 percent.
- The Airport fund expenses increased \$156,692 or 9.5 percent. The increases were primarily related to the Airport Control Tower siting study and various runway light replacements.

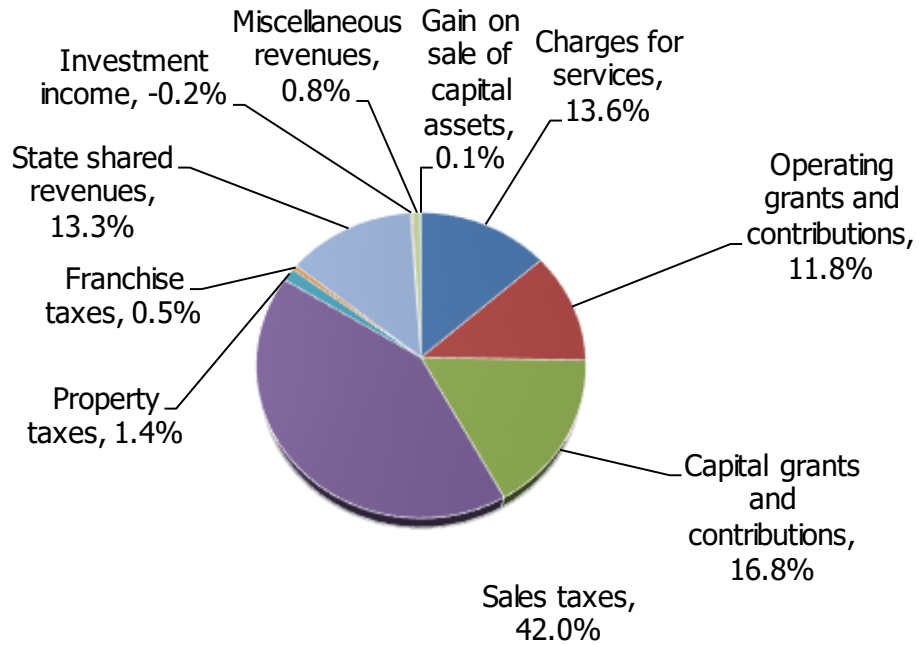
The following graph shows the functional revenues and expenses of the governmental activities in order to demonstrate the extent to which the governmental functions produce direct revenues to offset related program costs. It should be noted that this graph is not intended to represent a full allocation to these functions. As described above, expenses not covered by direct program revenues are covered by the Town's general revenues which consist primarily of taxes and unrestricted State shared revenues. In governmental activities, the functional revenues of \$52.5 million are 62.9 percent of expenses for fiscal year 2022, up from 47.3 percent a year earlier. As described earlier, this increase is attributable to higher collections for charges for services and operating grants and contributions.

## Governmental Activities Expenses and Program Revenues

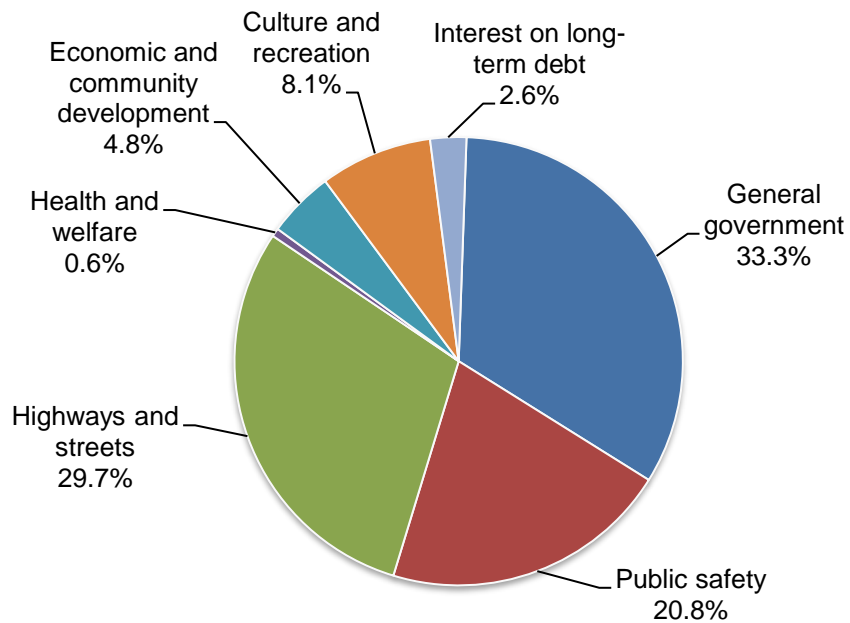


As seen on the following graphs, the largest revenue source for the Town’s governmental activities is sales tax revenues at 42.0 percent, followed by capital grants and contributions at 16.8 percent, charges for services at 13.6 percent, and state shared revenues at 13.3 percent. The Town’s largest expense category is general government at 33.3 percent, followed by highways and streets at 29.7 percent, and public safety at 20.8 percent. This is largely consistent with the allocation of expenses in the previous fiscal year.

## Governmental Activities Revenues by Type



## Governmental Activities Expenses by Function



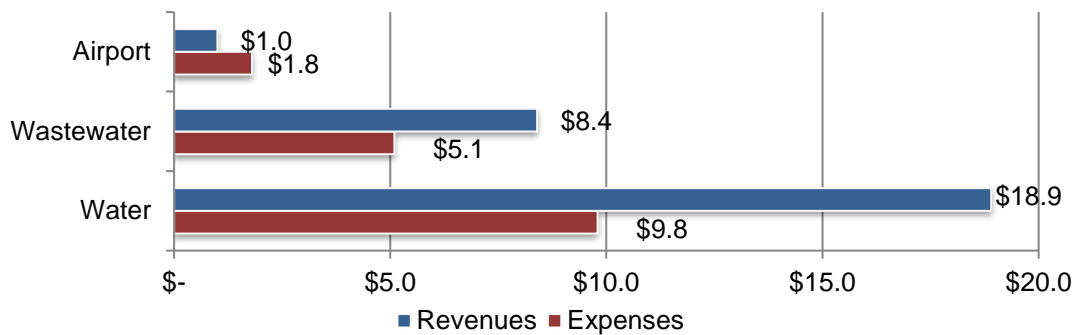
## Business-type Activities

Business-type activities' net position increased by \$2.8 million for fiscal year ended June 30, 2022. This increase is largely related to higher than projected revenue collections.

Charges for services continued to increase due to continued growth. This correlates with the increases mentioned previously for development related activity.

Overall, business-type activity expenses increased by \$2.0 million or 12.7 percent from the prior fiscal year. Water expenses increased by \$1.9 million, while Airport saw a modest increase of \$156,692 and Wastewater saw a decrease of \$241,906.

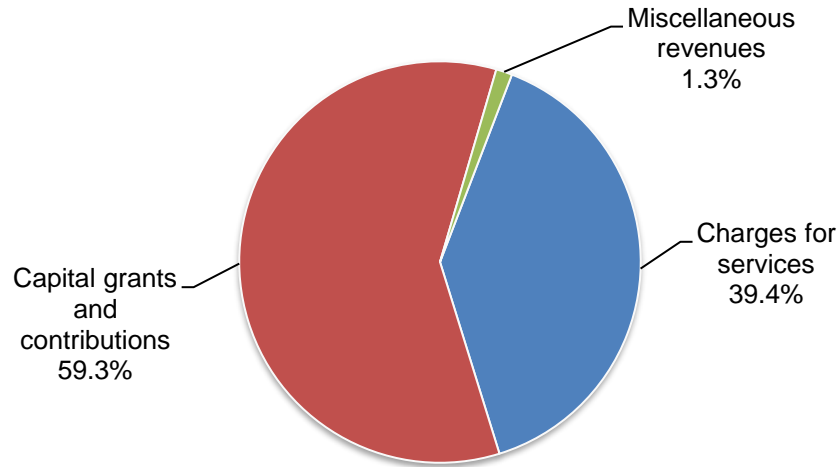
### Business-type Activities Expenses and Program Revenues



The Town's largest overall business-type activity is the Water Utility with \$9.8 million in expenses and \$18.9 million in program revenues during the year. The second largest activity is the Wastewater Utility with \$5.1 million in expenses and \$8.4 million in program revenues, followed by the Airport with \$1.8 million in expenses and \$1.0 million in program revenues.

As seen on the following graph, the largest revenue source for the Town's business-type activities is capital grants and contributions at 59.2 percent followed by charges for services revenues at 39.3 percent. Miscellaneous revenues make up the remaining portion at 1.3 percent.

## Business-type Activities Revenues by Type



### 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, 2022, the Town's governmental funds reported a combined fund balance of \$166.3 million, of which \$92.7 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 \$98.6 million. Revenues increased by 13.1 percent and expenditures increased by 11.1 percent compared to the prior fiscal year. The primary increases in revenues were related to sales taxes and licenses, fees and permits. The increase in expenditures is related to increase spending as the pandemic subsides, as well as inflationary pressures.

The Transportation Fund had a fund balance of \$19.5 million which reflects an increase of \$6.7 million from a year earlier. This is attributable to increased construction sales tax collections, and reduced expenditures due to capital project delays.

**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 \$126.4 million. Of this amount, \$110.5 million comprised the funds' net investment in capital assets, \$0.8 million is restricted debt service, and unrestricted net position is \$15.2 million. The factors concerning the finances of these funds, as well as the changes in net position, have been addressed previously in the discussion of the Town's business-type activities.

The governmental activities net position increased by \$394,412 with a total net position of \$2.4 million. This balance remains unrestricted for dental and medical benefits.

## BUDGETARY HIGHLIGHTS

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

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

General Fund revenues exceeded budget projections in several key revenue sources like sales taxes, intergovernmental, and licenses, permits and fees. At the same time, departments maintained their prudent use of available resources. As mentioned previously, ARPA funds and a robust economy resulted in higher than budgeted revenue collections. The judicious use of funds as well as higher than expected revenues resulted in an increase in fund balance of \$27.2 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, as well as between funds did occur. Two budget amendments of note were a transfer of \$333,195 of budget authority from the General Fund to the Water Fund, and a \$425,000 amendment from the General Fund to the Wastewater Fund.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** As of June 30, 2022 the Town had invested \$432.2 million in governmental and business-type capital assets (net of accumulated depreciation). Total depreciation expense for the year was \$27.2 million, with \$22.1 million attributed to governmental activities and \$5.1 million to business-type activities respectively.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2022 and June 30, 2021.

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

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Land	\$ 9,541,148	\$ 9,478,747	\$ 4,167,618	\$ 4,167,618	\$ 13,708,766	\$ 13,646,365
Water rights	-	-	4,262,697	4,262,697	4,262,697	4,262,697
Construction in progress	6,790,444	6,153,645	19,290,665	19,290,665	26,081,109	25,444,310
Right of use assets - land	368,153	-	-	-	368,153	-
Buildings and improvements	65,945,662	65,945,662	153,410,834	153,410,834	219,356,496	219,356,496
Machinery and equipment	26,627,533	26,199,233	3,920,889	3,920,889	30,548,422	30,120,122
Infrastructure	462,629,861	455,182,556	-	-	462,629,861	455,182,556
Less: Accumulated depreciation/ amortization	(282,821,113)	(261,472,912)	(40,935,382)	(40,935,382)	(323,756,495)	(302,408,294)
<b>Total</b>	<b>\$289,081,688</b>	<b>\$301,486,931</b>	<b>\$144,117,321</b>	<b>\$144,117,321</b>	<b>\$433,199,009</b>	<b>\$445,604,252</b>

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

- Completion of the Court Jury Assembly Room for \$0.5 million.
- Rehabilitation of Cortaro Road for \$0.4 million.
- Design and land acquisition for the Twin Peaks Road, Rattlesnake Pass widening project (construction in progress as of the close of the fiscal year had reached \$0.4 million).
- Completion of construction of the Airline/Lambert water treatment campus for \$8.0 million.
- Completion of construction of the Picture Rocks water treatment campus for \$8.0 million.
- Completion of construction of the Tangerine X-Zone Booster & PRV Station for \$1.4 million.
- Completion of the Clark Farms Flow Split for \$0.4 million.

**Debt Administration.** At year-end, the Town had \$113.6 million in long-term debt obligations outstanding with \$8.1 million due within one year.

The Town had new debt adding \$8.4 million. The Town also had reductions of \$7.9 million during the current fiscal year due to regularly scheduled principal payments and premium amortizations. This resulted in an overall increase to debt of \$0.5 million.

The following table presents a summary of the Town's outstanding debt for fiscal years ended June 30, 2022 and June 30, 2021. Additional information on the Town's long-term obligations can be found in Note 6.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 24,000,000	\$ 17,800,000	\$ -	\$ -	\$ 24,000,000	\$ 17,800,000
Revenue bonds	38,820,000	41,970,000	19,780,000	19,780,000	58,600,000	61,750,000
Revenue bonds - Direct Placements	2,616,000	3,331,000	197,000	390,000	2,813,000	3,721,000
Special assessment bonds	5,695,000	7,529,000	-	-	5,695,000	7,529,000
Loan payable	-	-	16,729,659	16,776,531	16,729,659	16,776,531
Bond Premium	5,464,506	4,766,981	291,807	311,494	5,756,313	5,078,475
Total	<u>\$ 76,595,506</u>	<u>\$ 75,396,981</u>	<u>\$36,998,466</u>	<u>\$37,258,025</u>	<u>\$113,593,972</u>	<u>\$112,655,006</u>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While some effects of the pandemic still linger, the Town and the economy has recovered from the initial disruption caused by the pandemic. Due to stimulus provided by the CARES and ARPA Acts, in addition to individual stimulus checks to citizens, the economy grew at near record pace for fiscal 2021-22. Because of these efforts, the Town saw strong growth in sales taxes and development related revenues which is forecasted to continue into fiscal year 2022-23.

However, with rapid recovery and revenue growth throughout the economy, inflationary pressures and a tight labor market are projected in the fiscal year 2022-23 budget. This is anticipated to limit the availability of funding available to accomplish goals and initiative in the Town's Strategic Plan.

The 2022-23 budget increased by \$74.6 million or 46.9%. This large increase is due in part to projected revenue growth from the prior fiscal year, as well as increased expenditures as global pandemic subsides. Revenues and other financing sources for the fiscal year 2022-2023 budget are \$161.7 million, while expenditures total \$233.5 million. The financial plan assumes that \$71.8 million in fund balance/equity will be 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 and provides detail for the upcoming fiscal year. The budget is a long-range plan by which financial policy is implemented and controlled and serves as a funding plan for policies, goals, and service-levels provided to the citizens of Marana.

### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

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



**BASIC FINANCIAL STATEMENTS**



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**GOVERNMENTAL-WIDE FINANCIAL STATEMENTS**

TOWN OF MARANA, ARIZONA  
STATEMENT OF NET POSITION  
June 30, 2022

	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 146,395,450	\$ 24,125,953	\$ 170,521,403
Property taxes receivable	20,664	-	20,664
Accounts receivable	2,124,518	1,610,385	3,734,903
Leases receivable	3,138,055	4,777,097	7,915,152
Interest receivable	231,302	-	231,302
Due from other governments	16,567,998	545,010	17,113,008
Internal balances	352,436	(352,436)	-
Inventories	84,137	-	84,137
Prepaid items	289,870	1,221	291,091
<b>Total current assets</b>	<b>169,204,430</b>	<b>30,707,230</b>	<b>199,911,660</b>
Noncurrent assets:			
Accounts receivable	3,820,000	-	3,820,000
Restricted cash and investments	7,187,599	818,271	8,005,870
Advances	4,868,289	(4,868,289)	-
Capital assets not being depreciated/amortized	16,331,592	11,657,050	27,988,642
Capital assets, being depreciated/amortized, net	272,750,096	135,802,145	408,552,241
<b>Total noncurrent assets</b>	<b>304,957,576</b>	<b>143,409,177</b>	<b>448,366,753</b>
<b>Total assets</b>	<b>474,162,006</b>	<b>174,116,407</b>	<b>648,278,413</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows related to pensions	9,119,870	584,139	9,704,009
Deferred charge on refunding	1,159,718	-	1,159,718
<b>Total deferred outflows of resources</b>	<b>10,279,588</b>	<b>584,139</b>	<b>10,863,727</b>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	4,134,756	836,867	4,971,623
Retainage payable	283,479	8,835	292,314
Accrued payroll and employee benefits	1,381,793	123,039	1,504,832
Unearned revenue	673,667	-	673,667
Deposits held for others	861,594	1,049,858	1,911,452
Due to other government	61,540	221,660	283,200
Claims payable	280,354	-	280,354
Accrued interest payable	1,390,642	613,698	2,004,340
Compensated absences	1,236,796	121,806	1,358,602
Leases payable	5,660	-	5,660
Water agreement payable	-	202,035	202,035
Loan payable	-	952,911	952,911
General obligation bonds - CFD	865,000	-	865,000
Special assessment bonds - TFRID	1,569,000	-	1,569,000
Revenue bonds	4,535,000	197,000	4,732,000
<b>Total current liabilities</b>	<b>17,279,281</b>	<b>4,327,709</b>	<b>21,606,990</b>

Noncurrent liabilities:			
Compensated absences	137,421	13,534	150,955
Leases payable	357,473	-	357,473
Net pension liability	32,808,935	1,720,092	34,529,027
Water agreement payable	-	606,105	606,105
Loan payable	-	15,776,749	15,776,749
General obligation bonds - CFD	24,716,539	-	24,716,539
Special assessment bonds - TFRID	4,126,000	-	4,126,000
Revenue bonds	40,292,747	20,071,806	60,364,553
Total non-current liabilities	<u>102,439,115</u>	<u>38,188,286</u>	<u>140,627,401</u>
<b>Total liabilities</b>	<b><u>119,718,396</u></b>	<b><u>42,515,995</u></b>	<b><u>162,234,391</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows related to pensions	9,296,687	815,581	10,112,268
Deferred inflows related to leases	3,045,820	4,705,078	7,750,898
<b>Total deferred inflows of resources</b>	<b><u>12,342,507</u></b>	<b><u>5,520,659</u></b>	<b><u>17,863,166</u></b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	229,747,427	110,451,894	340,199,321
Restricted for:			
Capital projects	23,840,307	-	23,840,307
Debt service	-	818,271	818,271
General government	4,163,747	-	4,163,747
Public safety	1,299,411	-	1,299,411
Highways and streets	5,005,197	-	5,005,197
Economic and community development	92,666	-	92,666
Unrestricted	88,231,936	15,393,727	103,625,663
<b>Total net position</b>	<b><u>\$ 352,380,691</u></b>	<b><u>\$ 126,663,892</u></b>	<b><u>\$ 479,044,583</u></b>

TOWN OF MARANA, ARIZONA  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 28,538,663	\$ 5,579,764	\$ 8,593,453	\$ 5,268
Public safety	17,852,105	-	1,733,156	44,598
Highways and streets	25,480,792	-	4,272,741	16,117,967
Health and welfare	489,357	82,831	31,304	-
Economic and community development	4,113,481	10,934,975	78,972	1,890,346
Culture and recreation	6,950,406	277,058	1,332	2,818,792
Interest on long-term debt	2,257,780	-	-	-
Total governmental activities	<u>85,682,584</u>	<u>16,874,628</u>	<u>14,710,958</u>	<u>20,876,971</u>
Business-type activities:				
Water	9,751,629	8,022,044	-	10,871,201
Wastewater	5,103,996	2,839,117	-	5,574,027
Airport	1,802,493	436,437	-	600,432
Total business-type activities	<u>16,658,118</u>	<u>11,297,598</u>	<u>-</u>	<u>17,045,660</u>
<b>Total primary government</b>	<u>\$ 102,340,702</u>	<u>\$ 28,172,226</u>	<u>\$ 14,710,958</u>	<u>\$ 37,922,631</u>

**General revenues:**

Taxes:
Sales taxes
Property taxes
Franchise taxes
State shared revenues, unrestricted
Investment income
Interest earnings
Change in fair value of investments
Gain on sale of capital assets
Miscellaneous
Transfers
<b>Total general revenues and transfers</b>

**Changes in net position**

**Net position, beginning of year**

**Net position, end of year**

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (14,360,178)	\$ -	\$ (14,360,178)
(16,074,351)	-	(16,074,351)
(5,090,084)	-	(5,090,084)
(375,222)	-	(375,222)
8,790,812	-	8,790,812
(3,853,224)	-	(3,853,224)
<u>(2,257,780)</u>	<u>-</u>	<u>(2,257,780)</u>
<u>(33,220,027)</u>	<u>-</u>	<u>(33,220,027)</u>
-	9,141,616	9,141,616
-	3,309,148	3,309,148
-	<u>(765,624)</u>	<u>(765,624)</u>
-	11,685,140	11,685,140
<u>(33,220,027)</u>	<u>11,685,140</u>	<u>(21,534,887)</u>
52,111,536	-	52,111,536
1,697,968	-	1,697,968
608,355	-	608,355
16,513,277	-	16,513,277
957,026	8,912	965,938
(1,174,933)	-	(1,174,933)
77,345	-	77,345
956,000	369,854	1,325,854
367,346	<u>(367,346)</u>	<u>-</u>
<u>72,113,920</u>	<u>11,420</u>	<u>72,125,340</u>
38,893,893	11,696,560	50,590,453
<u>313,486,798</u>	<u>114,967,332</u>	<u>428,454,130</u>
<u>\$ 352,380,691</u>	<u>\$ 126,663,892</u>	<u>\$ 479,044,583</u>



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**FUND FINANCIAL STATEMENTS**

TOWN OF MARANA, ARIZONA  
BALANCE SHEET – GOVERNMENTAL FUNDS  
June 30, 2022

	General Fund	Highway User Revenue
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 85,689,304	\$ 4,808,453
Property taxes receivable	-	-
Accounts receivable	281,480	-
Leases receivable	3,138,055	-
Special assessments receivable	-	-
Interest receivable	134,502	-
Development agreement receivable	-	-
Due from other governments	13,176,858	473,701
Due from other funds	897,445	-
Inventories	84,137	-
Prepaid items	284,285	-
Advances	2,568,289	-
Restricted cash and investments	-	-
<b>Total assets</b>	<b>\$ 106,254,355</b>	<b>\$ 5,282,154</b>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 1,795,273	\$ 276,957
Retainage payable	4,453	89,151
Accrued payroll and employee benefits	1,347,625	-
Due to other funds	-	-
Due to other governments	61,540	-
Deposits held for others	764,384	-
Unearned revenue	660,438	-
<b>Total liabilities</b>	<b>4,633,713</b>	<b>366,108</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Unavailable revenue	-	-
Deferred inflows related to leases	3,045,820	-
<b>Total deferred inflows of resources</b>	<b>3,045,820</b>	<b>-</b>
<b><u>FUND BALANCES (DEFICITS)</u></b>		
Nonspendable	2,936,711	-
Restricted	-	4,916,046
Committed	-	-
Unassigned	95,638,111	-
<b>Total fund balances (deficits)</b>	<b>98,574,822</b>	<b>4,916,046</b>
<b>Total liabilities, deferred inflow of resources, and fund balances (deficits)</b>	<b>\$ 106,254,355</b>	<b>\$ 5,282,154</b>

Tangerine Farms Improvement District Debt Service	Transportation	Non-Major Governmental Funds	Total Governmental Funds
\$ 367,265	\$ 16,287,378	\$ 36,332,846	\$ 143,485,246
-	-	20,664	20,664
-	-	828	282,308
-	-	-	3,138,055
5,591,342	-	-	5,591,342
-	79,684	17,116	231,302
-	-	70,868	70,868
-	1,575,158	1,342,281	16,567,998
-	50,000	-	947,445
-	-	-	84,137
-	-	5,585	289,870
-	2,300,000	-	4,868,289
-	332,487	6,855,112	7,187,599
<u>\$ 5,958,607</u>	<u>\$ 20,624,707</u>	<u>\$ 44,645,300</u>	<u>\$ 182,765,123</u>
\$ -	\$ 966,595	\$ 832,255	\$ 3,871,080
-	151,558	38,317	283,479
-	-	34,168	1,381,793
-	-	595,009	595,009
-	-	-	61,540
-	-	97,210	861,594
-	-	13,229	673,667
<u>-</u>	<u>1,118,153</u>	<u>1,610,188</u>	<u>7,728,162</u>
5,591,342	-	79,357	5,670,699
-	-	-	3,045,820
<u>5,591,342</u>	<u>-</u>	<u>79,357</u>	<u>8,716,519</u>
-	-	5,585	2,942,296
367,265	332,487	41,953,657	47,569,455
-	19,174,067	1,628,523	20,802,590
-	-	(632,010)	95,006,101
<u>367,265</u>	<u>19,506,554</u>	<u>42,955,755</u>	<u>166,320,442</u>
<u>\$ 5,958,607</u>	<u>\$ 20,624,707</u>	<u>\$ 44,645,300</u>	<u>\$ 182,765,123</u>

See accompanying notes.

TOWN OF MARANA, ARIZONA  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF  
NET POSITION  
June 30, 2022

**Total governmental fund balances** **\$ 166,320,442**

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	\$ 571,534,649	
Governmental right of use assets	368,153	
Less accumulated depreciation/amortization	<u>(282,821,114)</u>	289,081,688

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

Compensated absences	(1,374,217)	
Leases payable	(363,133)	
Revenue bonds payable	(41,436,000)	
General obligation bonds payable	(24,000,000)	
Special assessment bonds	(5,695,000)	
Net pension liability	(32,808,935)	
Accrued interest payable	<u>(1,390,642)</u>	(107,067,927)

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.

2,366,174

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

Bond premium	(4,973,286)	
Deferred charge on refunding	1,159,718	
Deferred inflows related to pensions	(9,296,687)	
Deferred outflows related to pensions	<u>9,119,870</u>	(3,990,385)

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	79,357	
Special assessments revenue	<u>5,591,342</u>	<u>5,670,699</u>

**Net position of governmental activities** **\$ 352,380,691**



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TOWN OF MARANA, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2022

	General Fund	Highway User Revenue
<b>Revenues:</b>		
Sales taxes	\$ 37,758,894	\$ -
Property taxes	-	-
Intergovernmental	24,710,836	4,271,391
Licenses, fees & permits	11,190,988	48,098
Fines, forfeitures & penalties	382,476	-
Charges for services	988,782	-
Lease income	264,148	-
Contributions	500	-
Investment income		
Interest earnings	779,086	6,691
Change in fair value of investments	(959,247)	-
Miscellaneous	758,188	31,053
<b>Total revenues</b>	<u>75,874,651</u>	<u>4,357,233</u>
<b>Expenditures:</b>		
Current -		
General government	14,160,004	-
Public safety	16,341,432	-
Highways and streets	2,714,642	3,173,692
Health and welfare	318,004	-
Economic and community development	4,126,391	-
Culture and recreation	5,714,361	-
Capital outlay	1,183,638	21,147
Debt service -		
Principal retirement	5,020	-
Interest and fiscal charges	10,978	-
Bond issuance costs	-	-
<b>Total expenditures</b>	<u>44,574,470</u>	<u>3,194,839</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>31,300,181</u>	<u>1,162,394</u>
<b>Other financing sources (uses):</b>		
Issuance of debt	-	-
Premium on bonds issued	-	-
Transfers in	11,708	-
Transfers out	(4,093,861)	-
<b>Total other financing sources (uses)</b>	<u>(4,082,153)</u>	<u>-</u>
<b>Changes in fund balances</b>	27,218,028	1,162,394
<b>Fund balances (deficits), beginning of year</b>	71,356,794	3,753,652
<b>Fund balances (deficits), end of year</b>	<u>\$ 98,574,822</u>	<u>\$ 4,916,046</u>

Tangerine Farms Improvement District Debt Service	Transportation	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 8,395,919	\$ 5,956,723	\$ 52,111,536
-	-	1,697,968	1,697,968
-	-	6,887,524	35,869,751
-	-	9,710,243	20,949,329
-	-	45,734	428,210
-	-	-	988,782
-	-	-	264,148
1,801,409	1,197,199	32,992	3,032,100
-	97,552	73,697	957,026
-	(137,107)	(78,579)	(1,174,933)
-	-	6,120	795,361
<u>1,801,409</u>	<u>9,553,563</u>	<u>24,332,422</u>	<u>115,919,278</u>
-	977,461	1,081,207	16,218,672
-	-	1,506,917	17,848,349
-	-	117,422	6,005,756
-	-	-	318,004
-	-	370,884	4,497,275
-	-	1,290	5,715,651
-	987,938	8,456,210	10,648,933
1,834,000	-	4,465,000	6,304,020
145,001	-	2,719,626	2,875,605
-	-	510,765	510,765
<u>1,979,001</u>	<u>1,965,399</u>	<u>19,229,321</u>	<u>70,943,030</u>
<u>(177,592)</u>	<u>7,588,164</u>	<u>5,103,101</u>	<u>44,976,248</u>
-	-	6,800,000	6,800,000
-	-	697,524	697,524
25,616	-	6,540,207	6,577,531
-	(858,375)	(1,257,949)	(6,210,185)
<u>25,616</u>	<u>(858,375)</u>	<u>12,779,782</u>	<u>7,864,870</u>
(151,976)	6,729,789	17,882,883	52,841,118
519,241	12,776,765	25,072,872	113,479,324
<u>\$ 367,265</u>	<u>\$ 19,506,554</u>	<u>\$ 42,955,755</u>	<u>\$ 166,320,442</u>

See accompanying notes.

TOWN OF MARANA, ARIZONA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGED IN FUND  
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

**Net changes in fund balances - total governmental funds** **\$ 52,841,118**

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	\$ 4,437,650	
Less current year depreciation/amortization	<u>(22,117,793)</u>	(17,680,143)

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

Issuance of general obligation bonds	(6,800,000)	
Issuance of premium on bonds	(697,525)	
Lease principal	5,020	
Special assessment bond retirement	1,834,000	
General obligation bond retirement	600,000	
Revenue bond principal retirement	<u>3,865,000</u>	(1,193,505)

Contributions of infrastructure assets are not recorded as revenues  
in the governmental funds. 4,930,982

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	47,050	
Intergovernmental revenue	32,300	
Special assessments	(1,625,898)	
Compensated absences	72,080	
Loss on sale of assets	(24,234)	
Amortization of bond premiums	491,219	
Amortization of deferred charges	<u>(147,896)</u>	(1,155,379)

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	4,275,641	
Pension revenue	22,534	
Pension expense	<u>(3,541,767)</u>	756,408

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. 394,412

**Change in net position in governmental activities** **\$ 38,893,893**



**PROPRIETARY FUNDS FINANCIAL STATEMENTS**

TOWN OF MARANA, ARIZONA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 15,906,533	\$ 8,219,320	\$ 100	\$ 24,125,953	\$ 2,910,204
Accounts receivable	1,225,978	307,233	77,174	1,610,385	-
Lease receivable	-	-	4,777,097	4,777,097	-
Due from governments	184,940	-	360,070	545,010	-
Prepaid items	1,071	-	150	1,221	-
<b>Total current assets</b>	<b>17,318,522</b>	<b>8,526,553</b>	<b>5,214,591</b>	<b>31,059,666</b>	<b>2,910,204</b>
Noncurrent assets:					
Restricted cash	413,737	404,534	-	818,271	-
Capital assets not being depreciated/amortized	6,938,773	3,045,452	1,672,825	11,657,050	-
Capital assets being depreciated/amortized, net	55,770,319	63,706,101	16,325,725	135,802,145	-
<b>Total noncurrent assets</b>	<b>63,122,829</b>	<b>67,156,087</b>	<b>17,998,550</b>	<b>148,277,466</b>	<b>-</b>
<b>Total assets</b>	<b>80,441,351</b>	<b>75,682,640</b>	<b>23,213,141</b>	<b>179,337,132</b>	<b>2,910,204</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	433,532	94,875	55,732	584,139	-
<b>Total deferred outflows of resources</b>	<b>433,532</b>	<b>94,875</b>	<b>55,732</b>	<b>584,139</b>	<b>-</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	471,034	121,441	244,392	836,867	263,676
Retainage payable	-	-	8,835	8,835	-
Accrued payroll and employee benefits	94,240	19,274	9,525	123,039	-
Claims payable	-	-	-	-	280,354
Compensated absences	82,333	27,079	12,394	121,806	-
Due to other funds	-	250,000	102,436	352,436	-
Deposits held for others	1,049,858	-	-	1,049,858	-
Due to other governments	221,660	-	-	221,660	-
Water agreement payable	202,035	-	-	202,035	-
Bonds payable - current	197,000	-	-	197,000	-
Loan payable - current	913,510	39,401	-	952,911	-
Interest payable	199,435	414,263	-	613,698	-
<b>Total current liabilities</b>	<b>3,431,105</b>	<b>871,458</b>	<b>377,582</b>	<b>4,680,145</b>	<b>544,030</b>
Noncurrent liabilities:					
Advances	-	4,868,289	-	4,868,289	-
Compensated absences	9,148	3,009	1,377	13,534	-
Water agreement payable	606,105	-	-	606,105	-
Bonds payable	-	20,071,806	-	20,071,806	-
Loan payable	14,986,723	790,026	-	15,776,749	-
Net pension liability	1,368,106	176,709	175,277	1,720,092	-
<b>Total non-current liabilities</b>	<b>16,970,082</b>	<b>25,909,839</b>	<b>176,654</b>	<b>43,056,575</b>	<b>-</b>
<b>Total liabilities</b>	<b>20,401,187</b>	<b>26,781,297</b>	<b>554,236</b>	<b>47,736,720</b>	<b>544,030</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Resources related to pensions	607,419	138,359	69,803	815,581	-
Resources related to leases	-	-	4,705,078	4,705,078	-
<b>Total deferred inflows of resources</b>	<b>607,419</b>	<b>138,359</b>	<b>4,774,881</b>	<b>5,520,659</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	46,611,859	45,850,320	17,989,715	110,451,894	-
Restricted for debt service	413,737	404,534	-	818,271	-
Unrestricted	12,840,681	2,603,005	(49,959)	15,393,727	2,366,174
<b>Total net position</b>	<b>\$ 59,866,277</b>	<b>\$ 48,857,859</b>	<b>\$ 17,939,756</b>	<b>\$ 126,663,892</b>	<b>\$ 2,366,174</b>

TOWN OF MARANA, ARIZONA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2022

	Business-type Activities				Governmental
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
<b>Operating revenues:</b>					
Licenses, fees & permits	\$ 246,318	\$ 172,386	\$ -	\$ 418,704	\$ -
Charges for services	7,775,726	2,666,731	290,100	10,732,557	4,933,037
Miscellaneous	116,499	244,700	8,655	369,854	-
<b>Total operating revenues</b>	<u>8,138,543</u>	<u>3,083,817</u>	<u>298,755</u>	<u>11,521,115</u>	<u>4,933,037</u>
<b>Operating expenses:</b>					
Personnel costs	2,306,109	596,580	244,255	3,146,944	-
Contractual services	1,398,765	553,134	306,922	2,258,821	1,013,778
Commodities	2,533,632	695,304	35,186	3,264,122	-
Other	1,423,362	147,815	60,611	1,631,788	3,524,847
Depreciation expense	1,688,156	2,302,325	1,153,810	5,144,291	-
<b>Total operating expenses</b>	<u>9,350,024</u>	<u>4,295,158</u>	<u>1,800,784</u>	<u>15,445,966</u>	<u>4,538,625</u>
<b>Operating income (loss)</b>	<u>(1,211,481)</u>	<u>(1,211,341)</u>	<u>(1,502,029)</u>	<u>(3,924,851)</u>	<u>394,412</u>
<b>Nonoperating revenues (expenses):</b>					
Contributions	184,940	-	186,622	371,562	-
Investment income	8,899	13	146,337	155,249	-
Interest expense	(160,935)	(808,838)	-	(969,773)	-
Gain (loss) on disposal of capital assets	(240,670)	-	(1,709)	(242,379)	-
<b>Total nonoperating revenues (expenses)</b>	<u>(207,766)</u>	<u>(808,825)</u>	<u>331,250</u>	<u>(685,341)</u>	<u>-</u>
<b>Net income (loss) before contributions and transfers</b>	<u>(1,419,247)</u>	<u>(2,020,166)</u>	<u>(1,170,779)</u>	<u>(4,610,192)</u>	<u>394,412</u>
<b>Development fees</b>	6,778,108	2,856,699	-	9,634,807	-
<b>Capital contributions</b>	3,908,153	2,717,328	413,810	7,039,291	-
<b>Transfers in</b>	1,055,852	404,527	387,965	1,848,344	-
<b>Transfers out</b>	<u>(1,310,109)</u>	<u>(905,581)</u>	<u>-</u>	<u>(2,215,690)</u>	<u>-</u>
<b>Changes in net position</b>	9,012,757	3,052,807	(369,004)	11,696,560	394,412
<b>Net position, beginning of year</b>	50,853,520	45,805,052	18,308,760	114,967,332	1,971,762
<b>Net position, end of year</b>	<u>\$ 59,866,277</u>	<u>\$ 48,857,859</u>	<u>\$ 17,939,756</u>	<u>\$ 126,663,892</u>	<u>\$ 2,366,174</u>

TOWN OF MARANA, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2022

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Received from customers	\$ 8,158,069	\$ 2,955,970	\$ 215,133	\$ 11,329,172	\$ 4,933,037
Payments to suppliers for goods and services	(4,867,153)	(1,324,958)	(168,132)	(6,360,243)	(4,557,709)
Payments to employees for services	(2,354,704)	(605,398)	(246,400)	(3,206,502)	-
Other receipts/payments	116,499	244,700	8,655	369,854	-
Net cash provided by (used for) operating activities	1,052,711	1,270,314	(190,744)	2,132,281	375,328
<b>Cash flows from non-capital activities:</b>					
Interfund borrowing	-	(248,204)	(306,229)	(554,433)	-
Contributions	184,940	-	186,622	371,562	-
Transfers in	1,055,852	404,527	387,965	1,848,344	-
Transfers out activities	(1,310,109)	(905,581)	-	(2,215,690)	-
	(69,317)	(749,258)	268,358	(550,217)	-
<b>Cash flows from capital activities and related financing activities:</b>					
Capital grants received	-	-	106,899	106,899	-
Development fees received	6,778,108	2,856,699	-	9,634,807	-
Loan proceeds	797,923	-	-	797,923	-
Principal payments	(1,083,612)	(276,823)	-	(1,360,435)	-
Interest paid on debt	(135,927)	(827,953)	-	(963,880)	-
Proceeds from sale of capital assets	15,527	-	9,787	25,314	-
Acquisition and construction of capital assets	(1,750,014)	(632,628)	(430,637)	(2,813,279)	-
Net cash provided by (used for) capital activities	4,622,005	1,119,295	(313,951)	5,427,349	-
<b>Cash flows from investing activities:</b>					
Interest on investments	8,899	13	146,337	155,249	-
Net cash provided by investing activities	8,899	13	146,337	155,249	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,614,298</b>	<b>1,640,364</b>	<b>(90,000)</b>	<b>7,164,662</b>	<b>375,328</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>10,705,972</b>	<b>6,983,490</b>	<b>90,100</b>	<b>17,779,562</b>	<b>2,534,876</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 16,320,270</b>	<b>\$ 8,623,854</b>	<b>\$ 100</b>	<b>\$ 24,944,224</b>	<b>\$ 2,910,204</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>					
Operating income (loss)	\$ (1,211,481)	\$ (1,211,341)	\$ (1,502,029)	\$ (3,924,851)	\$ 394,412

**Adjustments to reconcile operating income (loss)  
to net cash provided by (used for) operating  
activities:**

Depreciation	1,688,156	2,302,325	1,153,810	5,144,291	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	97,331	116,853	(2,948)	211,236	-
(Increase) decrease in leases receivable		-	(4,777,097)	(4,777,097)	-
(Increase) decrease in prepaid items	48,461	-	(150)	48,311	-
(Increase) in deferred outflows of resources related to pensions	(9,186)	(4,033)	(3,846)	(17,065)	-
Increase (decrease) in accounts payable	(353,579)	71,295	234,737	(47,547)	(13,076)
Increase (decrease) in claims payable	-	-	-	-	(6,008)
Increase (decrease) in accrued payroll payable	16,612	826	591	18,029	-
Increase (decrease) in compensated absences	(10,943)	4,657	6,290	4	-
Increase (decrease) in water agreement payable	808,140	-	-	808,140	-
Increase (decrease) in deposits held for others	38,694	-	-	38,694	-
Increase (decrease) in due to other governments	(14,416)	-	-	(14,416)	-
Increase (decrease) in net pension liability	(652,497)	(148,627)	(74,983)	(876,107)	-
Increase (decrease) in deferred inflows of resources related to pensions	607,419	138,359	69,803	815,581	-
Increase (decrease) in deferred inflows of resources related to leases		-	4,705,078	4,705,078	-
Net cash provided (used) by operating activities	<u>\$ 1,052,711</u>	<u>\$ 1,270,314</u>	<u>\$ (190,744)</u>	<u>\$ 2,132,281</u>	<u>\$ 375,328</u>
<b>Noncash investing, capital and financing</b>					
Capital contributions	3,908,153	2,717,328	-	6,625,481	-
Amortization of bond premium	-	19,689	-	-	-
Loss on disposal of capital assets	256,197	-	11,496	267,693	-
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>					
Cash and cash equivalents	\$ 15,906,533	\$ 8,219,320	\$ 100	\$ 24,125,953	\$ 2,910,204
Restricted cash	413,737	404,534	-	818,271	-
Total cash and cash equivalents	<u>\$ 16,320,270</u>	<u>\$ 8,623,854</u>	<u>\$ 100</u>	<u>\$ 24,944,224</u>	<u>\$ 2,910,204</u>



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**NOTES TO FINANCIAL STATEMENTS**

#### 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 Saguaro Springs Community Facilities District (SSCFD) and the Tangerine Farms Road Improvement District (TFRID). The GFCFD, GFCFD II, SSCFD and TFRID are blended component units with the Town in these financial statements as all four 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, 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 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. Separate financial statements of the TFRID are not prepared on a stand-alone basis.

##### B. Basis of Presentation

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

##### Government-wide Financial Statements

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

These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which are financed in whole or part by fees charged to external parties.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function of the Town's governmental activities or segment of its business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not currently have an indirect cost allocation system. However, the General Fund does allocate administrative charges to the Enterprise funds to support general services used by those funds (like purchasing, accounting, administration, etc.). These fees are included in the expense column on the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income, and other items not included among program revenues are reported instead as general revenues.

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

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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  
Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022 in accordance with GASB 75, due to the relative insignificance to the Town's financial statements.

G. Restricted Assets

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

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

H. Prepaid Items

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

I. Receivables and Payables

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

J. Interfund Activity

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

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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/amortization are shown in the governmental funds financial statements.

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

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

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.

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

N. Leases

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

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

At the commencement of the lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

O. 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.

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. 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.

Q. 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.

R. Deferred Outflows/Inflows of Resources

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

S. 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.

T. Change in Accounting Principle

For the year ended June 30, 2022, the Town implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the Town's financial statements have been modified to reflect the recognition of certain lease assets for leases that were previously classified as rental income and recognized as inflows of resources based on the contract payment provisions.

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.



TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Continued)

As of June 30, 2022, the fund balance details by classification are listed below:

	General Fund	Highway User Revenue	Tangerine Farms Road Improvement District Debt Service	Transportation	Non-Major Governmental Funds
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventories	\$ 84,137	\$ -	\$ -	\$ -	\$ -
Prepaid expenditures	284,285	-	-	-	5,585
Long-term advance	2,568,289	-	-	-	-
<b>Restricted:</b>					
Debt service	-	-	367,265	-	6,874,420
Public Safety	-	-	-	-	1,217,394
Capital projects	-	-	-	332,487	29,608,355
Streets and highways	-	4,916,046	-	-	-
Courts	-	-	-	-	688,480
Affordable housing	-	-	-	-	92,666
Tourism promotion	-	-	-	-	3,472,342
<b>Committed:</b>					
Capital projects	-	-	-	19,174,067	1,628,523
<b>Unassigned:</b>	95,638,111	-	-	-	(632,010)
Total fund balances:	\$ 98,574,822	\$ 4,916,046	\$ 367,265	\$ 19,506,554	\$ 42,955,755

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 3 - BUDGETARY CONTROL

Excess Expenditures Over Budget – At June 30, 2022, the Town had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

The voters of the State of Arizona, on June 30, 1980, approved an expenditure limitation that is applicable to all local governments. This limitation, based on expenditures of the 1979-80 fiscal year, restricts the growth of expenditures based on a factor of increases in population and inflation. Certain expenditures are held to be excludable. The limitation is set by the State Economic Estimates Commission prior to April 1 of each year for the following fiscal year. As allowed, the voters of the Town of Marana, on August 4, 2020, approved an alternative expenditure limitation - home rule option to be applicable to the Town. This alternative expenditure limitation is free from any ties to the state imposed limitations and is in effect for four consecutive years beginning with the fiscal year ended June 30, 2022. This limitation provides for the Town to allow the Mayor and Council to adopt an annual expenditure limitation each year with no expenditures held to be excludable. Therefore, the annual expenditure limitation equals the adopted budget.

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

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

The Town Council formally adopts the budget and legally allocates the available monies for the General Fund, the Highway User Revenue Fund, the Community Development Block Grant Fund, the Affordable Housing Revolving Fund, the Local JCEF Fund, the Local Technology Enhancement Fund, the Fill the Gap Fund, the Bed Tax Fund, the RICO Fund, the Impound Fund, the Other Grants and Contributions Fund, the Series 2013 Debt Fund, the Series 2014 Debt Fund, the 2017 Debt Fund, the Gladden Farms CFD Debt Fund, the Gladden Farms II CFD Debt Fund, the Saguaro Springs CFD Debt Fund, the Tangerine Farms Improvement District Debt Fund, the Transportation Fund, the Downtown Reinvestment Fund, the Impact Fee Funds, the Other Capital Projects Funds, the Regional Transportation Authority Fund, the Pima Association of Governments Fund, the Gladden Farms CFD Capital Fund, the Gladden Farms II 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  
Year Ended June 30, 2022

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; commercial paper rated in the highest tier by a NRSRO; 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, 2022, the carrying amount of the Town's deposits was \$12,048,749 and the bank balance was \$58,830,903. 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, \$2,092,058 was covered by Federal depository insurance and \$57,973,679 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 had deposits of \$706,761 held by Pima County in a fiduciary capacity.

At June 30, 2022, the Town's investments, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair value measurement using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Investment by fair value level</b>				
Federal Home Loan Mortgage Corp	\$ 4,581,185	\$ -	\$ 4,581,185	\$ -
Federal National Mortgage Assoc	1,983,729	-	1,983,729	-
Federal Home Loan Banks	2,429,812	-	2,429,812	-
U.S. Treasuries	38,404,007	38,404,007	-	-
Corporate Bonds	68,936,466	68,936,466	-	-
Total investments by fair value level	116,335,199	<u>\$ 107,340,473</u>	<u>\$ 8,994,726</u>	<u>\$ -</u>
<b>External investment pools measured at fair value</b>				
State Treasurer's investment pool 5	29,041,765			
State Treasurer's investment pool 7	1,947,200			
Total investments measured at fair value	<u>30,988,965</u>			
<b>Investments measured at amortized costs</b>				
Money market investments	<u>18,443,224</u>			
Total investments	<u>\$ 165,767,388</u>			

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 4 - CASH AND INVESTMENTS (Continued)

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, 2022 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, 2022, 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, 2022 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](http://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 23% of the Town's investments are in U.S. Agencies. These investments are 54% of the Town's total investments.

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 4 - CASH AND INVESTMENTS (Continued)

At June 30, 2022, the Town had the following investment in debt securities:

Investment Type	Amount	Investment Maturities	
		Less than 1 Year	1-5 Years
Money market investments	\$ 18,443,224	\$ 18,443,224	\$ -
State Treasurer's Investment Pool 5	29,041,765	29,041,765	-
State Treasurer's Investment Pool 7	1,947,200	1,947,200	-
Federal Home Loan Mortgage Corp	4,581,185	-	4,581,185
Federal National Mortgage Assoc	1,983,729	1,004,307	979,422
Federal Home Loan Banks	2,429,812	-	2,429,812
U.S. Treasuries	38,404,007	26,588,769	11,815,238
Corporate Bonds	68,936,466	-	68,936,466
Total investments	<u>\$ 165,767,388</u>	<u>\$ 77,025,265</u>	<u>\$ 88,742,123</u>

NOTE 5 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for fiscal year ended June 30, 2022:

Governmental Activities	Beginning Balance, restated	Additions	Deletions	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 9,478,747	\$ 62,401	\$ -	\$ 9,541,148
Construction in progress	6,153,645	3,133,659	2,496,860	6,790,444
Total capital assets, not being depreciated/amortized	<u>15,632,392</u>	<u>3,196,060</u>	<u>2,496,860</u>	<u>16,331,592</u>
Capital assets, being depreciated/amortized:				
Right of use lease assets - land	368,153	-	-	368,153
Buildings and improvements	65,945,662	-	-	65,945,662
Machinery, equipment, and other assets	26,199,233	1,222,126	793,825	26,627,534
Infrastructure	455,182,556	7,447,305	-	462,629,861
Total capital assets being depreciated	<u>547,695,604</u>	<u>8,669,431</u>	<u>793,825</u>	<u>555,571,210</u>
Less accumulated depreciation/amortization for:				
Right of use lease assets - land	-	(15,666)	-	(15,666)
Buildings and improvements	(23,957,409)	(1,933,738)	-	(25,891,147)
Machinery, equipment, and other assets	(17,598,002)	(1,753,957)	(769,591)	(18,582,368)
Infrastructure	(219,917,501)	(18,414,432)	-	(238,331,933)
Total accumulated depreciation/amortization	<u>(261,472,912)</u>	<u>(22,117,793)</u>	<u>(769,591)</u>	<u>(282,821,114)</u>
Total capital assets, being depreciated/amortized, net	<u>286,222,692</u>	<u>(13,448,362)</u>	<u>24,234</u>	<u>272,750,096</u>
Governmental activities capital assets, net	<u>\$ 301,855,084</u>	<u>\$(10,252,302)</u>	<u>\$ 2,521,094</u>	<u>\$289,081,688</u>

The beginning balances for the right-to-use lease assets – land have been restated due to implementation of GASB 87.

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 5 - CAPITAL ASSETS (Continued)

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

Governmental Activities	
General government	\$ 928,624
Public safety	1,043,807
Highways and streets	17,991,667
Economic and community development	151,787
Health and welfare	28,800
Culture and recreation	1,973,108
Total depreciation expense - governmental activities	<u>\$ 22,117,793</u>

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

<b>Business-type Activities</b>	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 4,167,618	\$ 10,500	\$ 8,000	\$ 4,170,118
Water rights	4,262,697	127,983	79,398	4,311,282
Construction in progress	19,290,665	2,215,723	18,330,738	3,175,650
Total capital assets, not being depreciated/amortized	<u>27,720,980</u>	<u>2,354,206</u>	<u>18,418,136</u>	<u>11,657,050</u>
Capital assets, being depreciated/amortized:				
Buildings, improvements and infrastructure	153,410,834	24,550,823	294,345	177,667,312
Machinery, equipment, and other assets	3,920,889	179,565	77,701	4,022,753
Total capital assets being depreciated/amortized	<u>157,331,723</u>	<u>24,730,388</u>	<u>372,046</u>	<u>181,690,065</u>
Less accumulated depreciation/amortization for:				
Buildings, improvements and infrastructure	(39,155,688)	(4,695,434)	(117,549)	(43,733,573)
Machinery, equipment, and other assets	(1,779,694)	(448,857)	(74,204)	(2,154,347)
Total accumulated depreciation/amortization	<u>(40,935,382)</u>	<u>(5,144,291)</u>	<u>(191,753)</u>	<u>(45,887,920)</u>
Total capital assets, being depreciated/amortized, net	<u>116,396,341</u>	<u>19,586,097</u>	<u>180,293</u>	<u>135,802,145</u>
Business-type activities capital assets, net	<u>\$ 144,117,321</u>	<u>\$ 21,940,303</u>	<u>\$18,598,429</u>	<u>\$147,459,195</u>

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

Business-type Activities	
Airport	\$ 1,153,810
Water	1,688,156
Wastewater	2,302,325
Total depreciation expense - business-type activities	<u>\$ 5,144,291</u>

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 6 – LEASES

In accordance with the provisions of GASB No. 87, each lease was retroactively measured as of July 1, 2021 at an interest rate of 3.0%, the Town's incremental borrowing rate used for lease measurements.

*Lessee*

Effective January 1, 2015, the Town renewed a lease for land. Based on this agreement the Town will make variable monthly payments through fiscal year 2025. The Town has acquired land as a right-to-use asset by under the provisions of a lease agreement. There is no purchase option included in the agreement for the land.

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

Total Intangible right-to-use lease asset	\$ 368,153
Less: accumulated amortization	<u>(15,666)</u>
Carrying value	<u>\$ 352,487</u>

The following schedule details minimum lease payments to maturity for the Town's leases payable at June 30, 2022:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	\$ 5,660	\$ 10,818	\$ 16,478
2024	6,333	10,639	16,972
2025	7,042	10,440	17,482
2026	7,788	10,218	18,006
2027	8,572	9,974	18,546
2028-2032	56,101	45,319	101,420
2033-2037	82,541	35,034	117,575
2038-2042	116,023	20,281	136,304
2043-2047	73,073	2,899	75,972
	<u>\$ 363,133</u>	<u>\$ 155,622</u>	<u>\$ 518,755</u>

*Lessor*

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

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 6 – LEASES (Continued)

As of June 30, 2022, the Town is reporting the following lease receivables, deferred inflows related to leases, lease revenue, and interest revenue:

<u>Governmental Activities</u>				
<u>Lease</u>	<u>Lease Receivable</u>	<u>Deferred Inflows Related to Leases</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Communication Tower Land Leases	\$ 2,989,439	\$ 2,901,561	\$ 144,894	\$ 90,626
Building Lease	148,616	144,260	6,412	4,493
Totals	<u>\$ 3,138,055</u>	<u>\$ 3,045,821</u>	<u>\$ 151,306</u>	<u>\$ 95,119</u>
<u>Business-type Activities</u>				
<u>Lease</u>	<u>Lease Receivable</u>	<u>Deferred Inflows Related to Leases</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Airport Land Leases	<u>\$ 4,777,097</u>	<u>\$ 4,705,078</u>	<u>\$ 193,801</u>	<u>\$ 146,336</u>

The Town's leases are summarized as follows:

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

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

*Other 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. This lease does not meet the definition of a lease under GASB 87 as the lease does not provide the Town with exclusive rights to the property.



TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 6 – LEASES (Continued)

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:

<u>Years Ending June 30,</u>	
2023	\$ 632,491
2024	632,491
2025	632,491
2026	695,740
2027	695,740
2028 - 2032	3,617,848
2033 - 2037	3,979,632
2038 - 2042	4,377,595
2043 - 2047	4,815,356
2048 - 2052	5,296,891
2053 - 2057	5,826,580
2058 - 2062	6,409,240
2063 - 2067	7,050,165
2068 - 2072	7,755,181
2073 - 2077	8,530,699
2078 - 2082	9,383,769
2083 - 2087	10,322,146
2088 - 2092	11,354,361
2093 - 2097	12,489,796
2098 - 2099	5,284,144
Total	<u>\$ 109,782,356</u>

Minimum annual rentals above excludes annual rental under the remaining renewal options as of June 30, 2022. Rent expense under the above leases for fiscal 2021-22 aggregated \$632,491.

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 7 – 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, 2022 on the outstanding balance is 1.468 percent.

During 2019, the Town obtained \$15,000,000 in financing from WIFA for the design and construction of two water treatment campuses. As of year-end, the Town has drawdown the entire balance of the loan. The interest rate at June 30, 2022 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 had drawn the entire forgivable portion plus \$711,230 of the loan and returned \$29,764. The interest rate at June 30, 2022 on the outstanding balance is 2.508 percent.

During 2020, the Town obtained \$1,100,000 in additional financing from WIFA for the two water treatment campuses. \$525,500 of the principal amount is forgivable. As of year-end, the Town has drawn the entire forgivable portion plus \$483,534 of the loan, leaving \$90,966 available for drawdown.

During 2020, the Town obtained \$475,000 in additional financing from WIFA for the Adonis Mobile Home Park wastewater infrastructure. Fifty percent of the principal amount is forgivable. As of year-end, the Town has drawn the entire forgivable portion plus \$221,216 of the loan and returned \$16,283.

	<u>Outstanding June 30, 2022</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.	\$ 2,256,524
\$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.	13,184,119
\$711,231 Water Infrastructure Finance Authority loan, Adonis, due in annual installments of \$28,985 to \$46,405; through July 1, 2038; at a 2.508% interest rate.	617,430
\$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.	459,590
\$221,216 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.	211,997
Total	<u>\$ 16,729,660</u>

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

The following is a schedule by years of the debt service requirements for the loan as of June 30, 2022.

Fiscal Year	Principal	Interest	Total
2023	\$ 952,911	\$ 402,828	\$ 1,355,739
2024	973,940	379,818	1,353,758
2025	998,931	354,504	1,353,435
2026	1,024,569	328,533	1,353,102
2027	1,050,873	301,888	1,352,761
2028-2032	5,021,864	1,104,124	6,125,988
2033-2037	4,635,489	534,584	5,170,073
2038-2042	2,071,083	52,207	2,123,290
Totals	<u>\$ 16,729,660</u>	<u>\$ 3,458,486</u>	<u>\$ 20,188,146</u>

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.

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.

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

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

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

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

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, 2022, were as follows:

	<u>Outstanding June 30, 2022</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.	\$ 6,445,000
\$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.	3,535,000
\$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	1,215,000
\$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.	1,850,000
\$4,155,000 Gladden Farms CFD General Obligation Bonds, 2020 Series, due in annual installments of \$100,000 to \$405,000; through July 15, 2041; at a 2.375% to 3.0% interest rate.	4,155,000
\$4,080,000 Gladden Farms CFD General Obligation Bonds, 2021 Series, due in annual installments of \$110,000 to \$330,000; through July 15, 2047; at a 3.0% interest rate.	4,080,000
\$2,720,000 Saguaro Springs CFD General Obligation Bonds, 2021 Series, due in annual installments of \$50,000 to \$460,000; through July 15, 2047; at a 3.0% interest rate.	2,720,000
Total	<u><u>\$24,000,000</u></u>

Annual debt service requirements to maturity on the CFD general obligation bonds at June 30, 2022, are summarized as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 865,000	\$ 812,125	\$ 1,677,125
2024	750,000	787,550	1,537,550
2025	915,000	762,225	1,677,225
2026	950,000	731,525	1,681,525
2027	985,000	696,700	1,681,700
2028-2032	5,490,000	2,903,581	8,393,581
2033-2037	5,220,000	1,878,269	7,098,269
2038-2042	5,130,000	1,081,869	6,211,869
2043-2047	3,695,000	236,931	3,931,931
Totals	<u><u>\$ 24,000,000</u></u>	<u><u>\$ 9,890,775</u></u>	<u><u>\$ 33,890,775</u></u>

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. 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, 2022, were as follows:

	<u>Outstanding June 30, 2022</u>
\$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%.	\$ 5,695,000

Annual debt service requirements to maturity on the TFRID special assessment bonds at June 30, 2022, are summarized as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,569,000	\$ 109,231	\$ 1,678,231
2024	1,350,000	80,870	1,430,870
2025	1,375,000	54,410	1,429,410
2026	1,401,000	27,460	1,428,460
Totals	<u>\$ 5,695,000</u>	<u>\$ 271,971</u>	<u>\$ 5,966,971</u>

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

C. Revenue Bonds – Public Placement

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, 2022, were as follows:

	<u>Outstanding June 30, 2022</u>	
	<u>Governmental</u>	<u>Business-type</u>
\$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.	\$ 23,520,000	
\$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.	15,300,000	
\$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
Totals	<u>\$ 38,820,000</u>	<u>\$ 19,780,000</u>

Annual debt service requirements to maturity on revenue bonds at June 30, 2022, are summarized as follows:

Fiscal Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	4,395,000	1,204,625	-	809,069
2027	4,615,000	979,375	-	809,069
2028-2032	14,510,000	2,053,700	235,000	4,032,969
2033-2037	3,360,000	170,000	6,325,000	2,506,194
2038-2042	-	-	10,800,000	1,585,328
2043	-	-	2,420,000	48,400
Totals	<u>\$ 38,820,000</u>	<u>\$ 9,255,500</u>	<u>\$ 19,780,000</u>	<u>\$ 12,218,236</u>

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

D. 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, 2022 were as follows:

	<u>Outstanding June 30, 2022</u>	
	<u>Governmental</u>	<u>Business-type</u>
\$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	\$ 2,616,000	
\$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.		\$ 197,000
Totals	<u>\$ 2,616,000</u>	<u>\$ 197,000</u>

Annual debt service requirements to maturity on direct placement revenue bonds at June 30, 2022, are summarized as follows:

Fiscal Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	<u>\$ 2,616,000</u>	<u>\$ 130,152</u>	<u>\$ 197,000</u>	<u>\$ 2,492</u>

E. Water Agreement Payable

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

Annual debt service requirements to maturity on the water agreement payable at June 30, 2022, is summarized as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 202,035	\$ 8,384	\$ 210,419
2024	202,035	8,384	210,419
2025	202,035	8,384	210,419
2026	202,035	8,384	210,419
Total	<u>\$ 808,140</u>	<u>\$ 33,536</u>	<u>\$ 841,676</u>

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

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 \$16.5 million in Water Infrastructure Financing Authority loans issued in 2019 and 2020. The loans were issued for wastewater improvements in the Adonis neighborhood and water quality treatment campuses. At year end, \$61.4 million in bonds remain outstanding and \$14.4 million in loans remain outstanding to be repaid by future excise tax revenues. The net revenues available for service of this debt were \$75.3 million. The debt principal and interest paid on this debt during fiscal year 2022 was \$7.7 million (10.2% of available net pledged revenues).

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, \$2.4 million remains outstanding to be repaid by future water revenues. For the fiscal year ended June 30, 2022, the net revenues available for service of this debt were \$6.3 million. The debt principal and interest paid, including fees, on this debt during fiscal year 2022 was \$517,787.

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, 2022, the total legal debt limit was \$186,911,137. As of June 30, 2022, the total outstanding debt applicable to the limit was zero.



TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

G. Changes in Long-term Liabilities

The following is a summary of changes in long-term liability activity for fiscal year ended June 30, 2022.

	Beginning Balance, restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 17,800,000	\$ 6,800,000	\$ (600,000)	\$ 24,000,000	\$ 865,000
Revenue bonds- Public Placements	41,970,000	-	(3,150,000)	38,820,000	3,800,000
Revenue bonds- Direct Placements	3,331,000	-	(715,000)	2,616,000	735,000
Compensated absences	1,446,297	1,107,005	(1,179,085)	1,374,217	1,236,796
Net pension liability	44,206,334		(11,397,399)	32,808,935	-
Special assessment bonds	7,529,000		(1,834,000)	5,695,000	1,569,000
Bond premium	4,766,981	697,524	(491,219)	4,973,286	-
Leases payable	368,153	-	(5,020)	363,133	5,660
<b>Total</b>	<b>\$ 121,417,765</b>	<b>\$ 8,604,529</b>	<b>\$ (19,371,723)</b>	<b>\$ 110,650,571</b>	<b>\$ 8,211,456</b>
<b>Business-type activities:</b>					
Loan payable	\$ 16,776,531	\$ 888,065	\$ (934,936)	\$ 16,729,660	\$ 952,911
Net pension liability	2,596,199		(876,107)	1,720,092	-
Revenue bonds - Public Placement	19,780,000	-	-	19,780,000	-
Revenue bonds - Direct Placement	390,000	-	(193,000)	197,000	197,000
Compensated absences	135,335	94,330	(94,325)	135,340	121,806
Bond premium	311,494	-	(19,688)	291,806	-
Water agreement payable	-	1,018,559	(210,419)	808,140	202,035
<b>Total</b>	<b>\$ 39,989,559</b>	<b>\$ 2,000,954</b>	<b>\$ (2,328,475)</b>	<b>\$ 39,662,038</b>	<b>\$ 1,473,752</b>

The beginning balances for the leases payable have been restated due to implementation of GASB 87.

NOTE 8 – UNAVAILABLE AND UNEARNED AMOUNTS

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

Deferred revenue	Unavailable	Unearned
Program revenues (General Fund)	\$ -	\$ 660,438
Intergovernmental (Non-Major Governmental Funds)	79,357	13,229
Special assessments (Tangerine Farms Improvement District Debt Service Fund)	5,591,342	-
<b>Total deferred amounts for governmental funds</b>	<b>\$ 5,670,699</b>	<b>\$ 673,667</b>

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At June 30, 2022, 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 2021-2022, these interfund borrowing will be eliminated as sufficient resources become available. A portion of the amount due from the Wastewater Fund, \$2,300,000 to the Transportation Fund and \$2,568,289 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	\$ 595,009	\$ 2,768,289	\$ 102,436	\$ 3,465,734
Transportation Fund	-	2,350,000	-	2,350,000
Total	\$ 595,009	\$ 5,118,289	\$ 102,436	\$ 5,815,734

Interfund transfers:

Interfund transfers were made by the Town during the fiscal year to ensure that sufficient resources were available to cover expenditures in the applicable funds. These were direct transfers between funds and will not be eliminated as sufficient resources become available in the receiving funds. Specifically, the General Fund and select Non-Major Governmental funds transferred funds to provide the resources for debt service payments. Listed below is a summary of transfers between funds.

Transfer Out	Transfers In					
	Governmental Funds			Enterprise Funds		
	General Fund	Transportation	Non-Major Governmental Funds	Water Fund	Wastewater Fund	Total
General Fund	\$ -	\$ -	\$ 11,708	\$ -	\$ -	\$ 11,708
Tangerine Farms Improvement District Debt Service	-	-	25,616	-	-	25,616
Non-Major Governmental	2,650,044	858,375	1,220,625	905,582	905,581	6,540,207
Water Fund	1,055,852	-	-	-	-	1,055,852
Wastewater Fund	-	-	-	404,527	-	404,527
Airport Fund	387,965	-	-	-	-	387,965
Total	\$ 4,093,861	\$ 858,375	\$ 1,257,949	\$ 1,310,109	\$ 905,581	\$ 8,425,875

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

All full-time and permanent part-time employees participate in one of four different retirement plans. With the exception of public safety personnel, police dispatchers and elected officials, all other employees participate in the Arizona State Retirement System (ASRS). Certified public safety personnel participate in the Public Safety Retirement Systems (PSPRS). Police dispatch and communication staff 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, 2022, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activities	Total
Net pension liabilities	32,808,935	1,720,092	\$ 34,529,027
Deferred outflows of resources	9,119,870	584,139	9,704,009
Deferred inflows of resources	9,296,687	815,581	10,112,268
Pension expense	3,541,767	204,900	3,746,667

The Town reported \$4,275,641 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

All full-time and permanent part-time employees not in the Public Safety Retirement System, Corrections Officers Retirement System or Elected Officials Retirement System are eligible to participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost sharing multiple-employer defined benefit plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2 and 2.1. ASRS net OPEB liabilities have not been recorded, or further disclosed at June 30, 2021 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](http://www.azasrs.gov).

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 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 10.22 percent (10.13 percent for retirement and 0.09 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, 2022, were \$1,992,666.

During fiscal year 2022, the Town paid for ASRS pension contributions as follows: 86% percent from the General Fund and 14% from enterprise funds.

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension liability—At June 30, 2022, the Town reported a liability of \$18,165,436 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

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, 2021. The Town's proportion measured as of June 30, 2021, was 0.13825 percent, which was a decrease of 0.00448 percent from its proportion measured as of June 30, 2020.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2022, the Town recognized pension expense for ASRS of \$1,463,575. At June 30, 2022, 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	\$ 276,915	\$ -
Changes of assumptions or other inputs	2,364,377	-
Net difference between projected and actual earnings on pension plan investments	-	5,755,449
Changes in proportion and differences between Town contributions and proportionate share of contributions	124,959	456,492
Town contributions subsequent to the measurement date	<u>1,992,666</u>	<u>-</u>
Total	<u>\$ 4,758,917</u>	<u>\$ 6,211,941</u>

The \$1,992,666 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, 2023. 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	
2023	\$ (42,537)
2024	(151,000)
2025	(1,268,782)
2026	(1,983,371)
2027	-
Thereafter	-

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

<u>ASRS</u>	
Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions /not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not Applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage 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>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected arithmetic real rate of return</u>
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	20%	5.70%
Total	<u>100%</u>	

Discount Rate—At June 30, 2021, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. 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.

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Sensitivity of the Town's proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

ASRS	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% increase (8.5%)
Town's proportionate share of the net pension liability	\$ 28,572,710	\$ 18,165,436	\$ 9,488,660

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, 2022 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](http://www.psprs.com) or by writing to 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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:

<b>PSPRS</b>	<b>Initial membership date:</b>	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012 and before July 1, 2017</u>
<b><u>Retirement and Disability</u></b>		
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 months of last 20 years	Highest 60 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	
<b><u>Survivor Benefits</u></b>		
Retired Members	80% 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	



TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

CORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	25 years of service, any age 10 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 months of last 10 years	Highest 60 months of last 10 years
Benefit percent		
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service
Total and permanent disability retirement	50% or normal retirement if more than 25 years of credited service	
Ordinary Disability Retirement	2.5% per year of credited service	
<b>Survivor Benefits</b>		
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.

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employees covered by benefit terms—At June 30, 2022, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	CORP
Inactive employees or beneficiaries		
currently receiving benefits	36	1
Inactive employees entitled to		
but not yet receiving benefits	17	2
Active employees	<u>72</u>	<u>6</u>
Total	<u><u>125</u></u>	<u><u>9</u></u>

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, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	CORP
Active members - Pension	<u>7.65% - 11.65%</u>	<u>7.96%</u>
Town		
Pension	36.71%	27.33%
Health insurance permium benefit	0.16%	0.32%

Also, the PSPRS Board of Trustees required an additional employer contribution of 21.45 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 21.45 percent for the PSPRS of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the PSPRS would typically fill.

The Town's contributions to the pension plan for the year ended June 30, 2022, were:

	PSPRS Police	CORP
Pension		
Contributions made	<u>\$ 2,442,651</u>	<u>\$ 66,152</u>

During fiscal year 2022, the Town paid for PSPRS and CORP pension contributions with 89.7% percent from the General Fund and 10.3% from non-major governmental funds.

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension liability—At June 30, 2022, the Town reported the following net pension liabilities:

	<u>Net Pension Liability</u>
PSPRS	\$14,574,051
CORP Dispatchers	839,557
Total	<u>\$15,413,608</u>

The net pension liabilities were measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

<u>PSPRS and CORP - Pension</u>	
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions
Price inflation	2.5% for pensions
Cost of living adjustment	1.75% for pensions
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

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.

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	1%	-0.31%
Total	<u>100%</u>	

Pension discount rates—At June 30, 2021, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.3 percent. The projection of cash flows used to determine the PSPRS and CORP discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability (Asset)

PSPRS - Police	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 43,354,440	\$ 23,495,820	\$ 19,858,620
Adjustments to beginning of year	-	-	-
Changes for the year:			
Service Cost	1,124,761	-	1,124,761
Interest on the total pension liability	3,180,634	-	3,180,634
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	128,853	-	128,853
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	2,216,029	(2,216,029)
Contributions - employee	-	503,893	(503,893)
Net investment income	-	7,031,611	(7,031,611)
Benefit payments, including refunds of employee contributions	(1,817,754)	(1,817,754)	-
Hall/Parker Settlement	-	-	-
Administrative expense	-	(32,716)	32,716
Other changes	-	-	-
Net changes	2,616,494	7,901,063	(5,284,569)
Balances at June 30, 2022	\$ 45,970,934	\$ 31,396,883	\$ 14,574,051

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

CORP	Increase (Decrease)		
	Total Pension Liability (a)	Plan	
		Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 2,874,535	\$ 1,695,002	\$ 1,179,533
Adjustments to beginning of year	-	-	-
Changes for the year:			
Service Cost	40,973	-	40,973
Interest on the total pension liability	211,853	-	211,853
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	(2,539)	-	(2,539)
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	91,440	(91,440)
Contributions - employee	-	29,136	(29,136)
Net investment income	-	471,853	(471,853)
Benefit payments, including refunds of employee contributions	(26,829)	(26,829)	-
Administrative expense	-	(2,166)	2,166
Other changes	-	-	-
Net changes	223,458	563,434	(339,976)
Balances at June 30, 2022	\$ 3,097,993	\$ 2,258,436	\$ 839,557

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 (6.30%)	Current Discount Rate (7.30%)	1% increase (8.30%)
<u>PSPRS - Police</u>			
Total pension liability	\$ 21,547,070	\$ 14,574,051	\$ 8,938,974
<u>CORP</u>			
Total pension liability	\$ 1,233,904	\$ 839,557	\$ 509,954

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension expense/(income)—For the year ended June 30, 2022, the Town recognized the following pension expense/(income):

	<u>Pension Expense/(Income)</u>
PSPRS	\$2,006,920
CORP Dispatchers	120,410

Pension deferred outflows/inflows of resources—At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>PSPRS - Police</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,278,617	\$ 255,731
Changes of assumptions or other inputs	878,046	-
Net difference between projected and actual earnings on pension plan investments	-	3,257,924
Town contributions subsequent to the measurement date	<u>2,442,651</u>	<u>-</u>
Total	<u>\$ 4,599,314</u>	<u>\$ 3,513,655</u>

<u>CORP</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 110,572	\$ 14,857
Changes of assumptions or other inputs	14,011	147
Net difference between projected and actual earnings on pension plan investments	-	218,310
Town contributions subsequent to the measurement date	<u>66,152</u>	<u>-</u>
Total	<u>\$ 190,735</u>	<u>\$ 233,314</u>

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	PSPRS	
	Police	CORP
2023	\$ (99,538)	\$ 39,737
2024	(335,212)	(25,172)
2025	(461,039)	(54,341)
2026	(678,221)	(68,955)
2027	198,610	-
Thereafter	18,408	-

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](http://www.psprs.com) or by writing to EORP, 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.



TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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:

<b>Retirement and Disability</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012</b>
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 months of last 10 years	Highest 60 months of last 10 years
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5-10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5 with 5-10 years of service 18.75% with less than 5 years of service
<b>Survivor Benefits</b>		
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%

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Contributions—State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability. For the year ended June 30, 2022, 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 49.21 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, 2022, was \$53,207.

During fiscal year 2022, the Town paid for EORP pension contributions 100 percent from the General Fund.

Pension liability—At June 30, 2022, 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	\$ 949,986
State's proportionate share of the EORP	
net pension liability associated with the Town	<u>95,489</u>
Total	<u>\$ 1,045,475</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Town's proportion of the net pension liability was based on the Town's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2021. The Town's proportion measured as of June 30, 2021, was .1561 percent, which was an increase of .0029 percent from its proportion measured as of June 30, 2020.

Pension expense/income and deferred outflows/inflows of resources—For the year ended June 30, 2022, the Town recognized pension income of \$22,534 and pension expense of \$94,148.

TOWN OF MARANA, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,642
Changes of assumptions or other inputs	-	48,400
Changes in proportion and differences between Town contributions and proportionate share of contributions	9,521	
Town contributions subsequent to the measurement date	<u>53,207</u>	<u>-</u>
Total	<u>\$ 62,728</u>	<u>\$ 61,042</u>

The \$53,207 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30,	EORP
2023	\$ (13,058)
2024	(10,079)
2025	(11,904)
2026	(16,480)
2027	-
Thereafter	-

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

EORP	
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75% for pensions
Price inflation	2.5% for pensions
Cost-of-living adjustment	1.75% for pensions
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

TOWN OF MARANA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

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:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	1%	-0.31%
Total	100.00%	

Discount rate—At June 30, 2021, the discount rate used to measure the EORP total pension liability was 7.3 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the EORP net pension liability to changes in the discount rate—The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.3 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:

	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% increase (8.3%)
Town's proportionate share of the net pension liability	\$ 1,091,608	\$ 949,986	\$ 828,442

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 11 - RISK MANAGEMENT

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

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

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

#### NOTE 12 - COMMITMENTS AND CONTINGENCIES

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

##### Significant Contractual Commitments

At the end of fiscal year 2022, the Town was obligated to \$8.8 million in significant contractual commitments for vehicles, airport, transportation, park, street, and water and wastewater facility related construction projects.

#### NOTE 13 – SUBSEQUENT EVENTS

##### Town of Marana Water Fund – Loan Issuance

In October 2022, the Town issued a WIFA Loan in the amount of \$1,000,000 of which \$512,500 as forgivable principal. The loan has a combined interest and fee payment of 3.204%, maturing in fiscal year 2043. The loan was issued to finance the costs of water infrastructure.

##### Gladden Farms Community Phase II Facilities District – Debt Issuance

In October 2022, the District issued the Series 2022 General Obligation Bonds (Bonds) in the amount of \$6,220,000, maturing in 2047, with an interest rate of 5.0%. The Bonds were issued to finance the costs to acquire and construct certain public infrastructure benefiting the District and to pay costs of issuance related to the Bonds.



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**REQUIRED SUPPLEMENTARY INFORMATION**



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**BUDGETARY COMPARISON SCHEDULES**

General Fund

Highway User Revenue Fund



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TOWN OF MARANA, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO  
ACTUAL – GENERAL FUND  
Year Ended June 30, 2022

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Sales taxes	\$ 30,950,841	\$ 30,950,841	\$ 37,758,894	\$ 6,808,053
Intergovernmental	14,629,322	14,629,322	24,710,836	10,081,514
Licenses, fees & permits	5,865,800	5,865,800	11,190,988	5,325,188
Fines, forfeitures & penalties	391,000	391,000	382,476	(8,524)
Charges for services	622,500	622,500	988,782	366,282
Lease income	145,000	145,000	264,148	119,148
Contributions	-	-	500	500
Investment income				
Interest earnings	508,508	508,508	779,086	270,578
Change in fair value of investments	-	-	(959,247)	(959,247)
Miscellaneous	622,371	622,371	758,188	135,817
<b>Total revenues</b>	<b>53,635,342</b>	<b>53,735,342</b>	<b>75,874,651</b>	<b>22,139,309</b>
<b>Expenditures:</b>				
General government:				
General government	7,647,527	6,797,332	2,777,523	4,019,809
Town council	374,098	374,098	326,725	47,373
Town clerk	501,892	501,892	369,375	132,517
Town manager	2,129,569	1,770,420	1,407,226	363,194
Human resources	1,073,177	1,073,177	1,025,702	47,475
Facilities	1,652,815	1,644,815	1,302,382	342,433
Finance	1,571,532	1,571,532	1,417,753	153,779
Legal	1,112,888	1,112,888	1,067,073	45,815
Technology services	3,583,367	3,583,367	3,345,519	237,848
Municipal courts	1,247,301	1,247,301	1,120,726	126,575
Public Safety:				
Police	16,141,711	16,141,711	15,313,361	828,350
Building safety	1,081,440	1,153,440	1,010,061	143,379
Code Enforcement	23,150	22,150	18,010	4,140
Highways and streets:				
Public works	3,170,327	3,170,327	2,714,642	455,685
Health and welfare:				
Animal Services	310,989	318,009	318,004	5
Economic and community development:				
Development services	3,290,588	3,306,588	3,045,397	261,191
Economic development and tourism	311,435	311,435	291,362	20,073
Community development	838,180	832,160	789,632	42,528
Culture and recreation:				
Parks and recreation	6,336,557	6,695,706	5,714,361	981,345
Capital outlay	2,753,778	2,765,778	1,183,638	1,582,140
Debt service -				
Principal retirement	-	-	5,020	(5,020)
Interest and fiscal charges	-	-	10,978	(10,978)
<b>Total expenditures</b>	<b>55,152,321</b>	<b>54,394,126</b>	<b>44,574,470</b>	<b>9,819,656</b>

TOWN OF MARANA, ARIZONA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET  
 AND ACTUAL – GENERAL FUND  
 Year Ended June 30, 2022

<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,516,979)</u>	<u>(658,784)</u>	<u>31,300,181</u>	<u>31,958,965</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	11,708	11,708
Transfers out	<u>(4,286,035)</u>	<u>(4,286,035)</u>	<u>(4,093,861)</u>	<u>192,174</u>
<b>Total other financing sources (uses)</b>	<u>(4,286,035)</u>	<u>(4,286,035)</u>	<u>(4,082,153)</u>	<u>203,882</u>
<b>Changes in fund balances</b>	(5,803,014)	(4,944,819)	27,218,028	32,162,847
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>71,356,794</u>	<u>71,356,794</u>
<b>Fund balances, end of year</b>	<u>\$ (5,803,014)</u>	<u>\$ (4,944,819)</u>	<u>\$ 98,574,822</u>	<u>\$ 103,519,641</u>

TOWN OF MARANA, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO  
ACTUAL – HIGHWAY USER REVENUE FUND  
Year Ended June 30, 2022

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 3,912,106	\$ 3,912,106	\$ 4,271,391	\$ 359,285
Licenses, fees & permits	-	-	48,098	48,098
Interest earnings	5,000	5,000	6,691	1,691
Miscellaneous	-	-	31,053	31,053
<b>Total revenues</b>	3,917,106	3,917,106	4,357,233	440,127
<b>Expenditures:</b>				
Current -				
Highways and streets	4,348,548	4,348,548	3,173,692	1,174,856
Capital outlay	-	-	21,147	(21,147)
<b>Total expenditures</b>	4,348,548	4,348,548	3,194,839	1,153,709
<b>Excess (deficiency) of revenues over expenditures</b>	(431,442)	(431,442)	1,162,394	1,593,836
<b>Fund balances, beginning of year</b>	-	-	3,753,652	3,753,652
<b>Fund balances, end of year</b>	\$ (431,442)	\$ (431,442)	\$ 4,916,046	\$ 5,347,488

TOWN OF MARANA, ARIZONA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
Year Ended June 30, 2022

NOTE 1 – BUDGETING AND BUDGETARY CONTROL

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

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

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

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

**PENSION PLAN SCHEDULES**



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TOWN OF MARANA, ARIZONA  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
COST SHARING PLANS  
June 30, 2022

Arizona Retirement System	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Town's proportion of the net pension liability	0.138250%	0.14273%	0.140040%	0.142210%	0.142860%	0.140584%	0.136510%	0.129998%	Information not available
Town's proportionate share of the net pension liability	\$ 18,165,436	\$ 24,730,142	\$ 20,377,449	\$ 19,833,290	\$ 22,254,803	\$ 22,691,024	\$ 21,263,376	\$ 19,235,271	
Town's covered payroll	\$ 15,163,886	\$ 15,605,818	\$ 14,773,437	\$ 14,143,225	\$ 13,881,636	\$ 13,150,962	\$ 12,565,464	\$ 11,714,615	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	119.79%	158.47%	137.93%	140.23%	160.32%	172.54%	169.22%	164.20%	
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

Elected Officials Retirement Plan	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Town's proportion of the net pension liability	0.156103%	0.153230%	0.148366%	0.155545%	0.150480%	0.148768%	0.133401%	0.165886%	Information not available*
Town's proportionate share of the net pension liability	\$ 949,986	\$ 1,034,238	\$ 983,931	\$ 980,148	\$ 1,833,747	\$ 1,405,489	\$ 1,042,465	\$ 1,112,385	
State's proportionate share of the net pension liability associated with the Town	95,489	89,765	88,985	167,942	380,586	290,197	324,997	341,068	
Total	\$ 1,045,475	\$ 1,124,003	\$ 1,072,916	\$ 1,148,090	\$ 2,214,333	\$ 1,695,686	\$ 1,367,462	\$ 1,453,453	
Town's covered payroll	\$ 119,423	\$ 119,423	\$ 119,423	\$ 116,021	\$ 119,424	\$ 119,424	\$ 119,424	\$ 119,423	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	795.48%	866.03%	823.90%	844.80%	1535.49%	1176.89%	872.91%	831.15%	
Plan fiduciary net position as a percentage of the total pension liability	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%	

\* Additional years' information will be displayed as it becomes available

TOWN OF MARANA, ARIZONA  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
AGENT PENSION PLANS  
June 30, 2022

PSPRS	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability									
Service cost	\$ 1,124,761	\$ 1,130,556	\$ 1,116,409	\$ 1,100,133	\$ 1,213,757	\$ 994,058	\$ 891,324	\$ 876,619	Information not available
Interest on the total pension liability	3,180,634	2,922,105	2,689,703	2,538,335	2,322,987	2,005,255	1,844,654	1,551,602	
Changes on benefit terms	-	-	-	-	367,673	1,837,430	-	308,515	
Differences between expected and actual experience in the measurement of the pension liability	128,853	1,261,412	284,100	(566,255)	340,373	536,692	333,269	148,583	
Changes of assumptions or other inputs	-	-	1,136,498	-	725,862	1,226,081	-	1,933,583	
Benefit payments, including refunds of employee contributions	(1,817,754)	(1,715,812)	(1,402,911)	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)	(1,211,258)	
Net change in total pension liability	2,616,494	3,598,261	3,823,799	1,289,041	3,583,460	5,424,991	2,094,297	3,607,644	
Total pension liability - beginning	43,354,440	39,756,179	35,932,380	34,643,339	31,059,879	25,634,888	23,540,591	19,932,947	
Total pension liability - ending (a)	<u>\$ 45,970,934</u>	<u>\$ 43,354,440</u>	<u>\$ 39,756,179</u>	<u>\$ 35,932,380</u>	<u>\$ 34,643,339</u>	<u>\$ 31,059,879</u>	<u>\$ 25,634,888</u>	<u>\$ 23,540,591</u>	
Plan fiduciary net position									
Contributions - employer	\$ 2,216,029	\$ 2,024,395	\$ 2,011,933	\$ 1,904,911	\$ 1,384,924	\$ 1,323,677	\$ 1,006,859	\$ 797,871	
Contributions - employee	503,893	467,180	406,546	488,777	621,583	672,181	579,390	578,596	
Net investment income	7,031,611	305,606	1,190,198	1,355,793	2,081,790	95,438	533,938	1,698,902	
Benefit payments, including refunds of employee contributions	(1,817,754)	(1,715,812)	(1,402,911)	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)	(1,211,258)	
Hall/Parker settlement	-	-	-	(780,563)	-	-	-	-	
Administrative expense	(32,716)	(24,918)	(21,675)	(21,335)	(18,820)	(14,134)	(13,410)	-	
Other changes	-	-	-	227	2,417	223,597	46,032	(543,969)	
Net change in plan fiduciary net position	7,901,063	1,056,451	2,184,091	1,164,638	2,684,702	1,126,234	1,177,859	1,320,142	
Plan fiduciary net position - beginning	23,495,820	22,557,297	20,384,543	19,219,905	16,535,203	15,408,969	14,231,110	12,910,968	
Adjustment to beginning of year	-	(117,928)	(11,337)	-	-	-	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 31,396,883</u>	<u>\$ 23,495,820</u>	<u>\$ 22,557,297</u>	<u>\$ 20,384,543</u>	<u>\$ 19,219,905</u>	<u>\$ 16,535,203</u>	<u>\$ 15,408,969</u>	<u>\$ 14,231,110</u>	
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ 14,574,051</u>	<u>\$ 19,858,620</u>	<u>\$ 17,198,882</u>	<u>\$ 15,547,837</u>	<u>\$ 15,423,434</u>	<u>\$ 14,524,676</u>	<u>\$ 10,225,919</u>	<u>\$ 9,309,481</u>	
Plan fiduciary net position as a percentage of the total pension liability	68.30%	54.19%	56.74%	56.73%	55.48%	53.24%	60.11%	60.45%	
Covered payroll	\$ 5,617,205	\$ 5,207,363	\$ 5,272,202	\$ 5,121,661	\$ 5,318,831	\$ 5,182,784	\$ 4,900,569	\$ 4,638,415	
Town's net pension liability (asset) as a percentage of covered payroll	259.45%	381.36%	326.22%	303.57%	289.98%	280.25%	208.67%	200.70%	

CORP - Dispatchers	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability									
Service cost	\$ 40,973	\$ 41,671	\$ 60,952	\$ 62,894	\$ 59,139	\$ 57,866	\$ 64,307	\$ 63,474	Information
Interest on the total pension liability	211,853	189,052	157,366	150,833	118,108	113,075	105,144	94,360	not available
Changes on benefit terms	-	-	-	(111,265.00)	312,169	15,002	-	-	
Differences between expected and actual experience in the measurement of the pension liability	(2,539)	108,881	224,526	(40,404)	(18,913)	(25,358)	(18,303)	(16,512)	
Changes of assumptions or other inputs	-	-	56,044	-	(5,967)	(136)	-	18,699	
Benefit payments, including refunds of employee contributions	(26,829)	(26,303)	(6,543)	-	(5,825)	(47,673)	(46,131)	-	
Net change in total pension liability	223,458	313,301	492,345	62,058	458,711	112,776	105,017	160,021	
Total pension liability - beginning	2,874,535	2,561,234	2,068,889	2,006,831	1,548,120	1,435,344	1,330,327	1,170,306	
Total pension liability - ending (a)	<u>\$ 3,097,993</u>	<u>\$ 2,874,535</u>	<u>\$ 2,561,234</u>	<u>\$ 2,068,889</u>	<u>\$ 2,006,831</u>	<u>\$ 1,548,120</u>	<u>\$ 1,435,344</u>	<u>\$ 1,330,327</u>	
Plan fiduciary net position									
Contributions - employer	\$ 91,440	\$ 70,986	\$ 83,517	\$ 57,269	\$ 51,162	\$ 48,648	\$ 49,045	\$ 48,667	
Contributions - employee	29,136	29,446	31,930	32,445	32,199	32,623	35,981	36,306	
Net investment income	471,853	41,793	79,174	90,441	124,809	6,034	34,230	102,910	
Benefit payments, including refunds of employee contributions	(26,829)	(26,303)	(6,543)	-	(5,825)	(47,673)	(46,131)	-	
Administrative expense	(2,166)	(1,618)	(2,113)	(2,068)	(1,491)	(1,253)	(1,233)	-	
Other changes	-	-	-	(22)	(6)	(5)	(635)	(24,446)	
Net change in plan fiduciary net position	563,434	114,304	185,965	178,065	200,848	38,374	71,257	163,437	
Plan fiduciary net position - beginning	1,695,002	1,580,698	1,394,733	1,216,668	1,015,820	977,446	906,189	742,752	
Adjustment to beginning of year									
Plan fiduciary net position - ending (b)	<u>\$ 2,258,436</u>	<u>\$ 1,695,002</u>	<u>\$ 1,580,698</u>	<u>\$ 1,394,733</u>	<u>\$ 1,216,668</u>	<u>\$ 1,015,820</u>	<u>\$ 977,446</u>	<u>\$ 906,189</u>	
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ 839,557</u>	<u>\$ 1,179,533</u>	<u>\$ 980,536</u>	<u>\$ 674,156</u>	<u>\$ 790,163</u>	<u>\$ 532,300</u>	<u>\$ 457,898</u>	<u>\$ 424,138</u>	
Plan fiduciary net position as a percentage of the total pension liability	72.90%	58.97%	61.72%	67.41%	60.63%	65.62%	68.10%	68.12%	
Covered payroll									
Town's net pension liability (asset) as a percentage of covered payroll	\$ 358,783	\$ 369,922	\$ 401,139	\$ 407,607	\$ 404,506	\$ 397,428	\$ 430,892	\$ 456,107	
	234.00%	318.86%	274.56%	165.39%	195.34%	133.94%	106.27%	92.99%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA  
SCHEDULE OF THE TOWN'S PENSION CONTRIBUTIONS  
June 30, 2022

Arizona Retirement System	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 1,992,666	\$ 1,810,568	\$ 1,786,018	\$ 1,645,597	\$ 1,536,196	\$ 1,496,440	\$ 1,426,879	\$ 1,367,122	\$ 1,253,464	Information not available
Town's contributions in relation to the statutorily required contribution	<u>1,992,666</u>	<u>1,856,449</u>	<u>1,786,018</u>	<u>1,645,597</u>	<u>1,536,196</u>	<u>1,496,440</u>	<u>1,426,879</u>	<u>1,367,122</u>	<u>1,253,464</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 16,591,724	\$ 15,163,886	\$ 15,605,818	\$ 14,773,437	\$ 14,143,225	\$ 13,881,636	\$ 13,150,962	\$ 12,565,464	\$ 11,714,615	
Town's contributions as a percentage of covered payroll	12.01%	11.94%	11.44%	11.14%	10.86%	10.78%	10.85%	10.88%	10.70%	

Elected Officials Retirement Plan	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 53,207	\$ 69,196	\$ 69,800	\$ 63,358	\$ 27,266	\$ 28,065	\$ 28,065	\$ 28,065	\$ 38,431	Information not available
Town's contributions in relation to the statutorily required contribution	<u>53,207</u>	<u>69,196</u>	<u>69,800</u>	<u>63,358</u>	<u>27,266</u>	<u>28,065</u>	<u>28,065</u>	<u>28,065</u>	<u>38,431</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 75,557	\$ 119,423	\$ 119,423	\$ 119,423	\$ 116,021	\$ 119,424	\$ 119,424	\$ 119,424	\$ 119,423	
Town's contributions as a percentage of covered payroll	70.42%	57.94%	58.45%	53.05%	23.50%	23.50%	23.50%	23.50%	32.18%	

PSPRS	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 2,442,651	\$ 2,216,029	\$ 2,110,954	\$ 2,003,419	\$ 1,782,576	\$ 1,381,861	\$ 1,322,941	\$ 1,006,859	\$ 797,871	Information not available
Town's contributions in relation to the actuarially required contribution	<u>2,442,651</u>	<u>2,216,029</u>	<u>2,110,954</u>	<u>2,003,419</u>	<u>1,782,576</u>	<u>1,381,861</u>	<u>1,322,941</u>	<u>1,006,859</u>	<u>797,871</u>	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Town's covered payroll	\$ 6,653,912	\$ 5,617,205	\$ 6,402,828	\$ 6,270,642	\$ 5,542,238	\$ 5,614,773	\$ 5,315,870	\$ 4,900,569	\$ 4,638,415	
Town's contributions as a percentage of covered payroll	36.71%	39.45%	32.97%	31.95%	32.16%	24.61%	24.89%	20.55%	17.20%	

CORP - Dispatchers	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 66,152	\$ 91,440	\$ 70,988	\$ 83,517	\$ 57,269	\$ 51,210	\$ 48,648	\$ 49,045	\$ 48,667	Information not available
Town's contributions in relation to the actuarially required contribution		<u>91,440</u>	<u>70,988</u>	<u>83,517</u>	<u>57,269</u>	<u>51,210</u>	<u>48,648</u>	<u>49,045</u>	<u>48,667</u>	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Town's covered payroll	\$ 242,049	\$ 358,783	\$ 369,921	\$ 401,139	\$ 407,607	\$ 404,507	\$ 409,843	\$ 430,892	\$ 456,106	
Town's contributions as a percentage of covered payroll	27.33%	25.49%	19.19%	20.82%	14.05%	12.66%	11.87%	11.38%	10.67%	

TOWN OF MARANA, ARIZONA  
 NOTES TO PENSION PLAN SCHEDULES  
 June 30, 2022

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 2020 actuarial valuation	19 years for underfunded 20 years for overfunded
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0% - 8.0% to 3.5% - 7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, change RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

NOTE 2 – FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, CORP, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS and CORP required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS and CORP required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP required contributions are not based on actuarial valuations, and therefore, these changes did not affect them.

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



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**OTHER SUPPLEMENTARY INFORMATION**



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**BUDGETARY COMPARISON SCHEDULES**

Tangerine Farms Improvement Debt District  
Transportation Capital Fund

TOWN OF MARANA, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO  
ACTUAL – TANGERINE FARMS IMPROVEMENT DISTRICT DEBT FUND  
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Special assessments	<u>\$ 2,664,488</u>	<u>\$ 2,664,488</u>	<u>\$ 1,801,409</u>	<u>\$ (863,079)</u>
<b>Total revenues</b>	<u>2,664,488</u>	<u>2,664,488</u>	<u>1,801,409</u>	<u>(863,079)</u>
<b>Expenditures:</b>				
Current -				
Debt service -				
Principal retirement	2,508,000	2,508,000	1,834,000	674,000
Interest and fiscal charges	156,488	156,488	145,001	11,487
<b>Total expenditures</b>	<u>2,664,488</u>	<u>2,664,488</u>	<u>1,979,001</u>	<u>685,487</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>(177,592)</u>	<u>(177,592)</u>
<b>Other financing sources (uses):</b>				
Transfers in			25,616	(25,616)
<b>Changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>(151,976)</u>	<u>(151,976)</u>
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>519,241</u>	<u>519,241</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367,265</u>	<u>\$ 367,265</u>

TOWN OF MARANA, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO  
ACTUAL – TRANSPORTATION CAPITAL FUND  
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Sales taxes	\$ 7,500,000	\$ 7,500,000	\$ 8,395,919	\$ 895,919
Contributions	-	-	1,197,199	1,197,199
Investment income				
Interest earnings	50,000	50,000	97,552	47,552
Change in fair value of investments	-	-	(137,107)	(137,107)
<b>Total revenues</b>	<u>7,550,000</u>	<u>7,550,000</u>	<u>9,553,563</u>	<u>2,003,563</u>
<b>Expenditures:</b>				
Current -				
General government	1,187,000	1,187,000	977,461	209,539
Capital outlay	14,670,602	14,170,602	987,938	13,182,664
<b>Total expenditures</b>	<u>15,857,602</u>	<u>15,357,602</u>	<u>1,965,399</u>	<u>13,392,203</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(8,307,602)</u>	<u>(7,807,602)</u>	<u>7,588,164</u>	<u>15,395,766</u>
<b>Other financing sources (uses):</b>				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(859,029)	(859,029)	(858,375)	654
<b>Total other financing sources (uses)</b>	<u>(809,029)</u>	<u>(809,029)</u>	<u>(858,375)</u>	<u>(49,346)</u>
<b>Changes in fund balances</b>	(9,116,631)	(8,616,631)	6,729,789	15,346,420
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>12,776,765</u>	<u>12,776,765</u>
<b>Fund balances, end of year</b>	<u>\$ (9,116,631)</u>	<u>\$ (8,616,631)</u>	<u>\$19,506,554</u>	<u>\$28,123,185</u>



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

TOWN OF MARANA, ARIZONA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET – ALL MAJOR GOVERNMENTAL FUNDS – BY FUND TYPE  
June 30, 2022

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 5,376,980	\$ 30,955,866	\$ -	\$ 36,332,846
Property taxes receivable	-	2,213	18,451	20,664
Accounts receivable	828	-	-	828
Interest receivable	-	16,259	857	17,116
Development agreement receivable	-	70,868	-	70,868
Due from other governments	440,054	902,227	-	1,342,281
Prepaid items	5,585	-	-	5,585
Restricted cash and investments	-	-	6,855,112	6,855,112
<b>Total assets</b>	<b>\$ 5,823,447</b>	<b>\$ 31,947,433</b>	<b>\$ 6,874,420</b>	<b>\$ 44,645,300</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 230,573	\$ 601,682	\$ -	\$ 832,255
Retainage payable	-	38,317	-	38,317
Accrued payroll and employee benefits	34,168	-	-	34,168
Due to other funds	2,882	592,127	-	595,009
Deposits held for others	-	97,210	-	97,210
Unearned revenue	-	13,229	-	13,229
<b>Total liabilities</b>	<b>267,623</b>	<b>1,342,565</b>	<b>-</b>	<b>1,610,188</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	79,357	-	-	79,357
<b>Total deferred inflows of resources</b>	<b>79,357</b>	<b>-</b>	<b>-</b>	<b>79,357</b>
<b><u>FUND BALANCES (DEFICITS)</u></b>				
Fund balances:				
Nonspendable	5,585	-	-	5,585
Restricted	5,470,882	29,608,355	6,874,420	41,953,657
Committed	-	1,628,523	-	1,628,523
Unassigned	-	(632,010)	-	(632,010)
<b>Total fund balances</b>	<b>5,476,467</b>	<b>30,604,868</b>	<b>6,874,420</b>	<b>42,955,755</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,823,447</b>	<b>\$ 31,947,433</b>	<b>\$ 6,874,420</b>	<b>\$ 44,645,300</b>



TOWN OF MARANA, ARIZONA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
ALL MAJOR GOVERNMENTAL FUNDS – BY FUND TYPE  
Year Ended June 30, 2022

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Sales tax	\$ 1,901,388	\$ 4,055,335	\$ -	\$ 5,956,723
Property tax	-	181,925	1,516,043	1,697,968
Intergovernmental	1,883,024	5,004,500	-	6,887,524
Licenses, fees & permits	-	9,710,243	-	9,710,243
Fines, forfeitures & penalties	45,734	-	-	45,734
Contributions	-	32,224	768	32,992
Investment income				
Interest earnings	2,660	70,160	877	73,697
Change in fair value of investments	-	(78,579)	-	(78,579)
Miscellaneous	6,120	-	-	6,120
<b>Total revenues</b>	<u>3,838,926</u>	<u>18,975,808</u>	<u>1,517,688</u>	<u>24,332,422</u>
<b>Expenditures:</b>				
Current -				
General government	1,077,135	4,072	-	1,081,207
Public safety	1,506,917	-	-	1,506,917
Highways and streets	-	117,422	-	117,422
Economic and community development	368,281	2,603	-	370,884
Culture and recreation	-	1,290	-	1,290
Capital outlay	111,611	1,417,046	6,927,553	8,456,210
Debt service -				
Principal retirement	-	-	4,465,000	4,465,000
Interest and fiscal charges	-	-	2,719,626	2,719,626
Bond issuance costs	-	-	510,765	510,765
<b>Total expenditures</b>	<u>3,063,944</u>	<u>1,542,433</u>	<u>14,622,944</u>	<u>19,229,321</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>774,982</u>	<u>17,433,375</u>	<u>(13,105,256)</u>	<u>5,103,101</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	-	-	6,800,000	6,800,000
Premium on bonds issued	-	-	697,524	697,524
Transfers in	44,411	-	6,495,796	6,540,207
Transfers out	(11,708)	(1,246,241)	-	(1,257,949)
<b>Total other financing sources (uses)</b>	<u>32,703</u>	<u>(1,246,241)</u>	<u>13,993,320</u>	<u>12,779,782</u>
<b>Change in fund balances</b>	807,685	16,187,134	888,064	17,882,883
<b>Fund balances, beginning of year</b>	<u>4,668,782</u>	<u>14,417,734</u>	<u>5,986,356</u>	<u>25,072,872</u>
<b>Fund balances, end of year</b>	<u>\$ 5,476,467</u>	<u>\$ 30,604,868</u>	<u>\$ 6,874,420</u>	<u>\$ 42,955,755</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.

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



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TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
Year Ended June 30, 2022

	Community Development Block Grant	Affordable Housing	Bed Tax	Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
<b><u>ASSETS</u></b>								
Cash and cash equivalents	\$ -	\$ 92,666	\$ 3,501,743	\$ 126,508	\$ 107,411	\$ 454,033	\$ 1,094,619	\$ 5,376,980
Accounts receivable	-	-	-	-	828	-	-	828
Due from governments	2,882	-	175,980	-	-	-	261,192	440,054
Prepaid	-	-	2,925	-	-	-	2,660	5,585
<b>Total assets</b>	<b>\$ 2,882</b>	<b>\$ 92,666</b>	<b>\$ 3,680,648</b>	<b>\$ 126,508</b>	<b>\$ 108,239</b>	<b>\$ 454,033</b>	<b>\$ 1,358,471</b>	<b>\$ 5,823,447</b>
<b><u>LIABILITIES</u></b>								
Accounts payable	\$ -	\$ -	\$ 203,988	\$ -	\$ -	\$ 300	\$ 26,285	\$ 230,573
Accrued payroll and employee benefits	-	-	1,393	-	-	-	32,775	34,168
Due to other funds	2,882	-	-	-	-	-	-	2,882
<b>Total liabilities</b>	<b>2,882</b>	<b>-</b>	<b>205,381</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>59,060</b>	<b>267,623</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>								
Unavailable revenue	-	-	-	-	-	-	79,357	79,357
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,357</b>	<b>79,357</b>
<b><u>FUND BALANCES (DEFICITS)</u></b>								
Nonspendable	-	-	2,925	-	-	-	2,660	5,585
Restricted	-	92,666	3,472,342	126,508	108,239	453,733	1,217,394	5,470,882
<b>Total fund balances</b>	<b>-</b>	<b>92,666</b>	<b>3,475,267</b>	<b>126,508</b>	<b>108,239</b>	<b>453,733</b>	<b>1,220,054</b>	<b>5,476,467</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,882</b>	<b>\$ 92,666</b>	<b>\$ 3,680,648</b>	<b>\$ 126,508</b>	<b>\$ 108,239</b>	<b>\$ 454,033</b>	<b>\$ 1,358,471</b>	<b>\$ 5,823,447</b>

TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
Year Ended June 30, 2022

	Community Development Block Grant	Affordable Housing	Bed Tax	Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
<b>Revenues:</b>								
Sales taxes	\$ -	\$ -	\$ 1,901,388	\$ -	\$ -	\$ -	\$ -	\$ 1,901,388
Intergovernmental	78,972	-	-	-	-	-	1,804,052	1,883,024
Fines, forfeitures & penalties	-	-	-	5,399	3,009	25,776	11,550	45,734
Investment income								
Interest earnings	-	-	-	-	-	-	2,660	2,660
Miscellaneous	-	1,924	-	-	-	-	4,196	6,120
<b>Total revenues</b>	<u>78,972</u>	<u>1,924</u>	<u>1,901,388</u>	<u>5,399</u>	<u>3,009</u>	<u>25,776</u>	<u>1,822,458</u>	<u>3,838,926</u>
<b>Expenditures:</b>								
Current -								
General government	-	-	830,880	2,424	-	238,249	5,582	1,077,135
Public safety	-	-	-	-	-	-	1,506,917	1,506,917
Economic and community development	66,674	10,410	291,197	-	-	-	-	368,281
Capital outlay	-	-	-	-	-	-	111,611	111,611
<b>Total expenditures</b>	<u>66,674</u>	<u>10,410</u>	<u>1,122,077</u>	<u>2,424</u>	<u>-</u>	<u>238,249</u>	<u>1,624,110</u>	<u>3,063,944</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>12,298</u>	<u>(8,486)</u>	<u>779,311</u>	<u>2,975</u>	<u>3,009</u>	<u>(212,473)</u>	<u>198,348</u>	<u>774,982</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	44,411	44,411
Transfers out	-	-	-	-	-	-	(11,708)	(11,708)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,703</u>	<u>32,703</u>
<b>Change in fund balances</b>	12,298	(8,486)	779,311	2,975	3,009	(212,473)	231,051	807,685
<b>Fund balances (deficits), beginning of year</b>	<u>(12,298)</u>	<u>101,152</u>	<u>2,695,956</u>	<u>123,533</u>	<u>105,230</u>	<u>666,206</u>	<u>989,003</u>	<u>4,668,782</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ -</u>	<u>\$ 92,666</u>	<u>\$ 3,475,267</u>	<u>\$ 126,508</u>	<u>\$ 108,239</u>	<u>\$ 453,733</u>	<u>\$ 1,220,054</u>	<u>\$ 5,476,467</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND  
ACTUAL – COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
Year Ended June 30, 2022

	Community Development Block Grant Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 78,972	\$ (101,028)
<b>Total revenues</b>	<u>180,000</u>	<u>180,000</u>	<u>78,972</u>	<u>(101,028)</u>
<b>Expenditures:</b>				
Current -				
Economic and community development	180,000	180,000	66,674	113,326
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>180,000</u>	<u>180,000</u>	<u>66,674</u>	<u>113,326</u>
<b>Change in fund balance</b>	-	-	12,298	12,298
<b>Fund balance, July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>(12,298)</u>	<u>(12,298)</u>
<b>Fund balance (deficits), June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND  
ACTUAL – AFFORDABLE HOUSING REVOLVING FUND  
Year Ended June 30, 2022

	Affordable Housing Revolving Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 1,924	\$ (8,076)
<b>Total revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>1,924</u>	<u>(8,076)</u>
<b>Expenditures:</b>				
Current -				
Economic and community development	137,410	137,410	10,410	127,000
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>137,410</u>	<u>137,410</u>	<u>10,410</u>	<u>127,000</u>
<b>Change in fund balance</b>	(127,410)	(127,410)	(8,486)	118,924
<b>Fund balance, July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>101,152</u>	<u>101,152</u>
<b>Fund balance (deficits), June 30, 2022</b>	<u>\$ (127,410)</u>	<u>\$ (127,410)</u>	<u>\$ 92,666</u>	<u>\$ 220,076</u>



TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND  
ACTUAL – BED TAX FUND  
Year Ended June 30, 2022

	Bed Tax Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Sales taxes	\$ 1,243,341	\$ 1,243,341	\$ 1,901,388	\$ 658,047
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>1,243,341</u>	<u>1,243,341</u>	<u>1,901,388</u>	<u>658,047</u>
<b>Expenditures:</b>				
Current -				
General government	748,418	748,418	830,880	(82,462)
Economic and community development	494,923	494,923	291,196	203,727
<b>Total expenditures</b>	<u>1,243,341</u>	<u>1,243,341</u>	<u>1,122,076</u>	<u>121,265</u>
 <b>Change in fund balance</b>	-	-	779,312	779,312
 <b>Fund balance, July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>2,695,955</u>	<u>2,695,955</u>
 <b>Fund balance (deficits), June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,475,267</u>	<u>\$ 3,475,267</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND  
ACTUAL – JUDICIAL COLLECTION ENHANCEMENT FUND  
Year Ended June 30, 2022

	Judicial Collection Enhancement Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines, forfeitures & penalties	\$ 8,000	\$ 8,000	\$ 5,399	\$ (2,601)
<b>Total revenues</b>	<u>8,000</u>	<u>8,000</u>	<u>5,399</u>	<u>(2,601)</u>
<b>Expenditures:</b>				
Current -				
General government	131,805	131,805	2,424	129,381
<b>Total expenditures</b>	<u>131,805</u>	<u>131,805</u>	<u>2,424</u>	<u>129,381</u>
 <b>Change in fund balance</b>	 (123,805)	 (123,805)	 2,975	 126,780
 <b>Fund balance, July 1, 2021</b>	 <u>-</u>	 <u>-</u>	 <u>123,533</u>	 <u>123,533</u>
 <b>Fund balance (deficits), June 30, 2022</b>	 <u>\$ (123,805)</u>	 <u>\$ (123,805)</u>	 <u>\$ 126,508</u>	 <u>\$ 250,313</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND  
ACTUAL – FILL-THE-GAP FUND  
Year Ended June 30, 2022

	Fill-the-Gap			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines, forfeitures & penalties	\$ 4,500	\$ 4,500	\$ 3,009	\$ (1,491)
<b>Total revenues</b>	<u>4,500</u>	<u>4,500</u>	<u>3,009</u>	<u>(1,491)</u>
<b>Expenditures:</b>				
Current -				
General government	34,500	34,500	-	34,500
<b>Total expenditures</b>	<u>34,500</u>	<u>34,500</u>	<u>-</u>	<u>34,500</u>
 <b>Change in fund balance</b>	 (30,000)	 (30,000)	 3,009	 33,009
<b>Fund balance, July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>105,230</u>	<u>105,230</u>
 <b>Fund balance (deficits), June 30, 2022</b>	 <u>\$ (30,000)</u>	 <u>\$ (30,000)</u>	 <u>\$ 108,239</u>	 <u>\$ 138,239</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND  
ACTUAL – LOCAL TECHNOLOGY  
Year Ended June 30, 2022

	Local Technology Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines, forfeitures & penalties	\$ 50,000	\$ 50,000	\$ 25,776	\$ (24,224)
<b>Total revenues</b>	<u>50,000</u>	<u>50,000</u>	<u>25,776</u>	<u>(24,224)</u>
<b>Expenditures:</b>				
Current -				
General government	437,500	437,500	238,249	199,251
<b>Total expenditures</b>	<u>437,500</u>	<u>437,500</u>	<u>238,249</u>	<u>199,251</u>
 <b>Change in fund balance</b>	 (387,500)	 (387,500)	 (212,473)	 175,027
 <b>Fund balance, July 1, 2021</b>	 <u>-</u>	 <u>-</u>	 <u>666,206</u>	 <u>666,206</u>
 <b>Fund balance (deficits), June 30, 2022</b>	 <u>\$ (387,500)</u>	 <u>\$ (387,500)</u>	 <u>\$ 453,733</u>	 <u>\$ 841,233</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND  
ACTUAL – OTHER SPECIAL REVENUE  
Year Ended June 30, 2022

	Other Special Revenue Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 3,463,154	\$ 3,463,154	\$ 1,804,052	\$ (1,659,102)
Fines, forfeitures & penalties	50,000	50,000	11,550	(38,450)
Investment income	5,000	5,000	2,660	(2,340)
Miscellaneous	10,000	10,000	4,196	(5,804)
<b>Total revenues</b>	<u>3,528,154</u>	<u>3,528,154</u>	<u>1,822,458</u>	<u>(1,705,696)</u>
<b>Expenditures:</b>				
Current -				
General government	2,390,000	1,974,698	5,582	1,969,117
Public safety	1,630,381	1,870,883	1,506,917	363,966
Capital outlay	-	99,800	111,611	(11,811)
<b>Total expenditures</b>	<u>4,020,381</u>	<u>3,945,381</u>	<u>1,624,109</u>	<u>2,321,272</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(492,227)	(417,227)	198,349	(4,026,968)
<b>Other financing sources (uses):</b>				
Transfers in	100,000	100,000	44,411	55,589
Transfers out	-	-	(11,708)	11,708
<b>Total other financing sources (uses)</b>	<u>100,000</u>	<u>100,000</u>	<u>32,703</u>	<u>67,297</u>
<b>Change in fund balance</b>	(392,227)	(317,227)	231,052	(3,959,671)
<b>Fund balance, July 1, 2021</b>	-	-	989,003	989,002
<b>Fund balance (deficits), June 30, 2022</b>	<u>\$ (392,227)</u>	<u>\$ (317,227)</u>	<u>\$ 1,220,054</u>	<u>\$ (2,970,669)</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.

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

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.

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

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2022

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,233,457	\$ -	\$ 12,075,048	\$ 5,916,161
Property taxes receivable	-	-	-	-
Interest receivable	-	-	14,822	-
Development agreement receivable	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 1,233,457</b>	<b>\$ -</b>	<b>\$ 12,089,870</b>	<b>\$ 5,916,161</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 908	\$ 26,654	\$ 113,301	\$ 20,326
Retainage payable	-	-	-	-
Due to other funds	-	590,775	-	-
Deposits held for others	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>908</b>	<b>617,429</b>	<b>113,301</b>	<b>20,326</b>
<b><u>FUND BALANCES (DEFICITS)</u></b>				
Restricted	1,232,549	-	11,976,569	5,895,835
Committed	-	-	-	-
Unassigned	-	(617,429)	-	-
<b>Total fund balances (deficits)</b>	<b>1,232,549</b>	<b>(617,429)</b>	<b>11,976,569</b>	<b>5,895,835</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,233,457</b>	<b>\$ -</b>	<b>\$ 12,089,870</b>	<b>\$ 5,916,161</b>



PAG/RTA Capital	Downtown Reinvestment	Sales Tax Capital Projects Fund	Other Capital Projects	Gladden Farms Capital	Saguaro Springs Capital	Totals
\$ -	\$ 1,740,998	\$ 2,774,699	\$ 5,977,448	\$ 951,598	\$ 286,457	\$ 30,955,866
-	-	-	-	1,247	966	2,213
-	-	-	1,437	-	-	16,259
-	-	-	70,868	-	-	70,868
13,229	55,627	833,371	-	-	-	902,227
<u>\$ 13,229</u>	<u>\$ 1,796,625</u>	<u>\$ 3,608,070</u>	<u>\$ 6,049,753</u>	<u>\$ 952,845</u>	<u>\$ 287,423</u>	<u>\$ 31,947,433</u>
\$ 13,229	\$ 132,800	\$ -	\$ 294,143	\$ 215	\$ 106	\$ 601,682
-	35,302	-	3,015	-	-	38,317
1,352	-	-	-	-	-	592,127
-	-	-	97,210	-	-	97,210
13,229	-	-	-	-	-	13,229
<u>27,810</u>	<u>168,102</u>	<u>-</u>	<u>394,368</u>	<u>215</u>	<u>106</u>	<u>1,342,565</u>
-	-	3,608,070	5,655,385	952,630	287,317	29,608,355
-	1,628,523	-	-	-	-	1,628,523
(14,581)	-	-	-	-	-	(632,010)
<u>(14,581)</u>	<u>1,628,523</u>	<u>3,608,070</u>	<u>5,655,385</u>	<u>952,630</u>	<u>287,317</u>	<u>30,604,868</u>
<u>\$ 13,229</u>	<u>\$ 1,796,625</u>	<u>\$ 3,608,070</u>	<u>\$ 6,049,753</u>	<u>\$ 952,845</u>	<u>\$ 287,423</u>	<u>\$ 31,947,433</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
Year Ended June 30, 2022

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
<b>Revenues:</b>				
Sales tax	\$ -	\$ -	\$ -	\$ -
Property tax	-	-	-	-
Intergovernmental	-	-	-	-
Licenses, fees & permits	591,130	1,010,036	5,014,519	2,818,792
Contributions	-	-	-	-
Investment income				
Interest earnings	304	-	47,136	3,960
Change in fair value of investments	-	-	(67,455)	-
<b>Total revenues</b>	<u>591,434</u>	<u>1,010,036</u>	<u>4,994,200</u>	<u>2,822,752</u>
<b>Expenditures:</b>				
Current -				
General government	-	-	-	-
Highways and streets	-	64,365	-	-
Economic and community development	-	-	-	-
Culture and recreation	-	-	-	1,290
Capital outlay	8,382	8,382	441,647	55,317
<b>Total expenditures</b>	<u>8,382</u>	<u>72,747</u>	<u>441,647</u>	<u>56,607</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>583,052</u>	<u>937,289</u>	<u>4,552,553</u>	<u>2,766,145</u>
<b>Other financing sources (uses):</b>				
Face value of bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers out	-	(601,125)	(619,500)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(601,125)</u>	<u>(619,500)</u>	<u>-</u>
<b>Change in fund balances</b>	583,052	336,164	3,933,053	2,766,145
<b>Fund balances (deficits), beginning of year</b>	<u>649,497</u>	<u>(953,593)</u>	<u>8,043,516</u>	<u>3,129,690</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 1,232,549</u>	<u>\$ (617,429)</u>	<u>\$ 11,976,569</u>	<u>\$ 5,895,835</u>

<u>PAG/RTA Capital</u>	<u>Downtown Reinvestment</u>	<u>Sales Tax Capital Projects Fund</u>	<u>Other Capital Projects</u>	<u>Gladden Farms Capital</u>	<u>Saguaro Springs Capital</u>	<u>Totals</u>
\$ -	\$ 447,265	\$ 3,608,070	\$ -	\$ -	\$ -	\$ 4,055,335
-	-	-	-	114,690	67,235	181,925
4,500	-	-	5,000,000	-	-	5,004,500
-	-	-	275,766	-	-	9,710,243
-	-	-	32,224	-	-	32,224
-	-	-	18,760	-	-	70,160
-	-	-	(11,124)	-	-	(78,579)
<u>4,500</u>	<u>447,265</u>	<u>3,608,070</u>	<u>5,315,626</u>	<u>114,690</u>	<u>67,235</u>	<u>18,975,808</u>
-	-	-	-	2,715	1,357	4,072
1,352	-	-	51,705	-	-	117,422
-	2,603	-	-	-	-	2,603
-	-	-	-	-	-	1,290
<u>15,229</u>	<u>340,673</u>	<u>-</u>	<u>547,416</u>	<u>-</u>	<u>-</u>	<u>1,417,046</u>
<u>16,581</u>	<u>343,276</u>	<u>-</u>	<u>599,121</u>	<u>2,715</u>	<u>1,357</u>	<u>1,542,433</u>
<u>(12,081)</u>	<u>103,989</u>	<u>3,608,070</u>	<u>4,716,505</u>	<u>111,975</u>	<u>65,878</u>	<u>17,433,375</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(25,616)	-	-	(1,246,241)
-	-	-	<u>(25,616)</u>	-	-	<u>(1,246,241)</u>
(12,081)	103,989	3,608,070	4,690,889	111,975	65,878	16,187,134
(2,500)	1,524,534	-	964,496	840,655	221,439	14,417,734
<u>\$ (14,581)</u>	<u>\$ 1,628,523</u>	<u>\$ 3,608,070</u>	<u>\$ 5,655,385</u>	<u>\$ 952,630</u>	<u>\$ 287,317</u>	<u>\$ 30,604,868</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL – NORTHWEST TRANSPORTATION IMPACT FEES  
Year Ended June 30, 2022

	Northwest Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Licenses, fees & permits	\$ 310,780	\$ 310,780	\$ 591,130	\$ 280,350
Investment income	-	-	304	304
<b>Total revenues</b>	<u>310,780</u>	<u>310,780</u>	<u>591,434</u>	<u>280,654</u>
<b>Expenditures:</b>				
Current -				
Highways and streets	-	-	-	-
Capital outlay	23,754	23,754	8,382	15,372
<b>Total expenditures</b>	<u>23,754</u>	<u>23,754</u>	<u>8,382</u>	<u>15,372</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>287,026</u>	<u>287,026</u>	<u>583,052</u>	<u>296,026</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balances</b>	287,026	287,026	583,052	296,026
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>649,497</u>	<u>649,497</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ 287,026</u>	<u>\$ 287,026</u>	<u>\$ 1,232,549</u>	<u>\$ 945,523</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL – NORTHEAST TRANSPORTATION IMPACT FEES  
Year Ended June 30, 2022

	Northeast Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Licenses, fees & permits	\$ 768,518	\$ 768,518	\$ 1,010,036	\$ 241,518
Investment income	-	-	-	-
<b>Total revenues</b>	<u>768,518</u>	<u>768,518</u>	<u>1,010,036</u>	<u>241,518</u>
<b>Expenditures:</b>				
Current -				
Highways and streets	8,582	8,582	64,365	(55,783)
Capital outlay	23,754	23,754	8,382	15,372
<b>Total expenditures</b>	<u>32,336</u>	<u>32,336</u>	<u>72,747</u>	<u>(40,411)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>736,182</u>	<u>736,182</u>	<u>937,289</u>	<u>201,107</u>
<b>Other financing sources (uses):</b>				
Transfers out	(601,583)	(601,583)	(601,125)	458
<b>Total other financing sources (uses)</b>	<u>(601,583)</u>	<u>(601,583)</u>	<u>(601,125)</u>	<u>458</u>
<b>Change in fund balances</b>	134,599	134,599	336,164	201,565
<b>Fund balances (deficits), July 1, 2021</b>	-	-	(953,593)	(953,593)
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ 134,599</u>	<u>\$ 134,599</u>	<u>\$ (617,429)</u>	<u>\$ (752,028)</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL – SOUTH TRANSPORTATION IMPACT FEES  
Year Ended June 30, 2022

	South Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Licenses, fees & permits	\$ 856,746	\$ 856,746	\$ 5,014,519	\$ 4,157,773
Investment income	-	-	47,136	47,136
Change in fair value of investments	-	-	(67,455)	(67,455)
<b>Total revenues</b>	<u>856,746</u>	<u>856,746</u>	<u>4,994,200</u>	<u>4,137,454</u>
<b>Expenditures:</b>				
Current -				
Highways and streets	-	-	-	-
Capital outlay	5,573,071	5,573,071	441,647	5,131,424
<b>Total expenditures</b>	<u>5,573,071</u>	<u>5,573,071</u>	<u>441,647</u>	<u>5,131,424</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,716,325)</u>	<u>(4,716,325)</u>	<u>4,552,553</u>	<u>9,268,878</u>
<b>Other financing sources (uses):</b>				
Transfers out	(619,972)	(619,972)	(619,500)	472
<b>Total other financing sources (uses)</b>	<u>(619,972)</u>	<u>(619,972)</u>	<u>(619,500)</u>	<u>472</u>
<b>Change in fund balances</b>	(5,336,297)	(5,336,297)	3,933,053	9,269,350
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>8,043,516</u>	<u>8,043,516</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ (5,336,297)</u>	<u>\$ (5,336,297)</u>	<u>\$ 11,976,569</u>	<u>\$ 17,312,866</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL – PARK IMPACT FEES  
Year Ended June 30, 2022

	Park Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses, fees & permits	739,777	739,777	2,818,792	2,079,015
Investment income	-	-	3,960	3,960
<b>Total revenues</b>	<u>739,777</u>	<u>739,777</u>	<u>2,822,752</u>	<u>2,082,975</u>
<b>Expenditures:</b>				
Current -				
Culture and recreation	12,900	12,900	1,290	11,610
Capital outlay	2,174,289	2,174,289	55,317	2,118,972
<b>Total expenditures</b>	<u>2,187,189</u>	<u>2,187,189</u>	<u>56,607</u>	<u>2,130,582</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,447,412)</u>	<u>(1,447,412)</u>	<u>2,766,145</u>	<u>4,213,557</u>
<b>Other financing sources:</b>				
Transfers in	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balances</b>	<u>(1,447,412)</u>	<u>(1,447,412)</u>	<u>2,766,145</u>	<u>4,213,557</u>
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>3,129,690</u>	<u>3,129,690</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ (1,447,412)</u>	<u>\$ (1,447,412)</u>	<u>\$ 5,895,835</u>	<u>\$ 7,343,247</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL - PAG CAPITAL  
Year Ended June 30, 2022

	PAG Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 939,000	\$ 939,000	\$ 4,500	\$ (934,500)
<b>Total revenues</b>	<u>939,000</u>	<u>939,000</u>	<u>4,500</u>	<u>(934,500)</u>
<b>Expenditures:</b>				
Current -				
Highways and streets	-	-	1,352	(1,352)
Capital outlay	956,500	956,500	15,229	941,271
<b>Total expenditures</b>	<u>956,500</u>	<u>956,500</u>	<u>16,581</u>	<u>939,919</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(17,500)</u>	<u>(17,500)</u>	<u>(12,081)</u>	<u>5,419</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balances</b>	(17,500)	(17,500)	(12,081)	5,419
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ (17,500)</u>	<u>\$ (17,500)</u>	<u>\$ (14,581)</u>	<u>\$ 2,919</u>



TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL – DOWNTOWN REINVESTMENT  
Year Ended June 30, 2022

	Downtown Reinvestment			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Sales tax	\$ 228,500	\$ 228,500	447,265	\$ 218,765
<b>Total revenues</b>	<u>228,500</u>	<u>228,500</u>	<u>447,265</u>	<u>218,765</u>
<b>Expenditures:</b>				
Current -				
Economic and community development	425,000	345,000	2,603	342,397
Capital outlay	333,555	413,555	340,673	72,882
<b>Total expenditures</b>	<u>758,555</u>	<u>758,555</u>	<u>343,276</u>	<u>415,279</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(530,055)</u>	<u>(530,055)</u>	<u>103,989</u>	<u>634,044</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balances</b>	<u>(530,055)</u>	<u>(530,055)</u>	<u>103,989</u>	<u>634,044</u>
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>1,524,534</u>	<u>(1,524,534)</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ (530,055)</u>	<u>\$ (530,055)</u>	<u>\$ 1,628,523</u>	<u>\$ (890,490)</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL – SALES TAX CAPITAL PROJECT FUND  
Year Ended June 30, 2022

	Sales Tax Captial Projects			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Sales tax	\$ -	\$ -	\$ 3,608,070	\$ 3,608,070
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>3,608,070</u>	<u>3,608,070</u>
<b>Expenditures:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>3,608,070</u>	<u>3,608,070</u>
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,608,070</u>	<u>\$ -</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL -OTHER CAPITAL PROJECTS  
Year Ended June 30, 2022

	Other Capital Projects			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 8,510,000	\$ 8,510,000	\$ 5,000,000	\$ (3,510,000)
Licenses, fees & permits	250,000	250,000	275,766	25,766
Contributions	35,000	35,000	32,224	(2,776)
Investment income	-	-	18,760	18,760
Change in fair value of investments	-	-	(11,124)	(11,124)
<b>Total revenues</b>	<u>8,795,000</u>	<u>8,795,000</u>	<u>5,315,626</u>	<u>(3,468,250)</u>
<b>Expenditures:</b>				
Highways and streets	35,000	35,000	51,705	(16,705)
Culture and recreation	-	-	-	-
Capital outlay	11,129,149	11,129,149	547,416	10,581,733
<b>Total expenditures</b>	<u>11,164,149</u>	<u>11,164,149</u>	<u>599,121</u>	<u>10,565,028</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,369,149)</u>	<u>(2,369,149)</u>	<u>4,716,505</u>	<u>7,096,778</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	(1,673,243)	(1,673,243)
Transfers out	-	-	1,647,627	1,647,627
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(25,616)</u>	<u>(25,616)</u>
<b>Changes in fund balances</b>	<u>(2,369,149)</u>	<u>(2,369,149)</u>	<u>4,690,889</u>	<u>7,071,162</u>
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>964,496</u>	<u>964,496</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ (2,369,149)</u>	<u>\$ (2,369,149)</u>	<u>\$ 5,655,385</u>	<u>\$ 8,035,658</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL – GLADDEN FARMS COMMUNITY FACILITIES DISTRICT CAPITAL  
Year Ended June 30, 2022

	Gladden Farms Community Facilities District Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>				
Property tax	\$ 115,361	\$ 115,361	\$ 114,690	\$ (671)
<b>Total revenues</b>	<u>115,361</u>	<u>115,361</u>	<u>114,690</u>	<u>(671)</u>
<b>Expenditures:</b>				
Current -				
General government	945,739	945,739	2,715	943,024
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>945,739</u>	<u>945,739</u>	<u>2,715</u>	<u>943,024</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(830,378)</u>	<u>(830,378)</u>	<u>111,975</u>	<u>942,353</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balances</b>	(830,378)	(830,378)	111,975	942,353
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>840,655</u>	<u>840,655</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ (830,378)</u>	<u>\$ (830,378)</u>	<u>\$ 952,630</u>	<u>\$ 1,783,008</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL – SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT CAPITAL  
Year Ended June 30, 2022

	Saguaro Springs Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>				
Property tax	\$ 67,035	\$ 67,035	\$ 67,235	\$ 200
Contributions	-	-	-	-
<b>Total revenues</b>	<u>67,035</u>	<u>67,035</u>	<u>67,235</u>	<u>200</u>
<b>Expenditures:</b>				
Current -				
General government	274,500	274,500	1,357	273,143
Capital outlay	-	-	-	-
Debt service -				
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>274,500</u>	<u>274,500</u>	<u>1,357</u>	<u>273,143</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(207,465)</u>	<u>(207,465)</u>	<u>65,878</u>	<u>273,343</u>
<b>Other financing sources (uses):</b>				
Bond proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balances</b>	(207,465)	(207,465)	65,878	273,343
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	221,439	221,439
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ (207,465)</u>	<u>\$ (207,465)</u>	<u>\$ 287,317</u>	<u>\$ 494,782</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  
NON-MAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
Year Ended June 30, 2022

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service	Gladden Farms Debt Service	Saguaro Springs Debt Service	Totals
<b><u>ASSETS</u></b>						
Property taxes receivable	\$ -	\$ -	\$ -	\$ 10,404	\$ 8,047	\$ 18,451
Interest receivable	857	-	-	-	-	857
Restricted cash and investments	2,503,550	768,354	2,242,500	764,404	576,304	6,855,112
<b>Total assets</b>	<b><u>\$ 2,504,407</u></b>	<b><u>\$ 768,354</u></b>	<b><u>\$ 2,242,500</u></b>	<b><u>\$ 774,808</u></b>	<b><u>\$ 584,351</u></b>	<b><u>\$ 6,874,420</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Liabilities:						
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>FUND BALANCES</u></b>						
Restricted	2,504,407	768,354	2,242,500	774,808	584,351	6,874,420
<b>Total fund balances</b>	<b><u>2,504,407</u></b>	<b><u>768,354</u></b>	<b><u>2,242,500</u></b>	<b><u>774,808</u></b>	<b><u>584,351</u></b>	<b><u>6,874,420</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,504,407</u></b>	<b><u>\$ 768,354</u></b>	<b><u>\$ 2,242,500</u></b>	<b><u>\$ 774,808</u></b>	<b><u>\$ 584,351</u></b>	<b><u>\$ 6,874,420</u></b>



TOWN OF MARANA, ARIZONA  
NON-MAJOR DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
Year Ended June 30, 2022

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service	Gladden Farms Debt Service	Saguaro Springs Debt Service	Totals
<b>Revenues:</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ 955,770	\$ 560,273	\$ 1,516,043
Contributions	-	-	-	768	-	768
Investment income						
Interest earnings	859	1	-	17	-	877
<b>Total revenues</b>	<u>859</u>	<u>1</u>	<u>-</u>	<u>956,555</u>	<u>560,273</u>	<u>1,517,688</u>
<b>Expenditures:</b>						
Capital Outlay	-	-	-	4,300,000	2,627,553	6,927,553
Debt service -						
Principal retirement	1,860,000	715,000	1,290,000	450,000	150,000	4,465,000
Interest and fiscal charges	1,166,300	77,824	799,250	452,800	223,452	2,719,626
Bond Issuance Costs	-	-	-	254,214	256,551	510,765
<b>Total expenditures</b>	<u>3,026,300</u>	<u>792,824</u>	<u>2,089,250</u>	<u>5,457,014</u>	<u>3,257,556</u>	<u>14,622,944</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,025,441)</u>	<u>(792,823)</u>	<u>(2,089,250)</u>	<u>(4,500,459)</u>	<u>(2,697,283)</u>	<u>(13,105,256)</u>
<b>Other financing sources (uses):</b>						
Issuance of debt	-	-	-	4,080,000	2,720,000	6,800,000
Premium on bonds issued	-	-	-	530,895	166,629	697,524
Transfers in	3,067,089	803,707	2,625,000	-	-	6,495,796
<b>Total other financing sources (uses)</b>	<u>3,067,089</u>	<u>803,707</u>	<u>2,625,000</u>	<u>4,610,895</u>	<u>2,886,629</u>	<u>13,993,320</u>
<b>Change in fund balances</b>	41,648	10,884	535,750	110,436	189,346	888,064
<b>Fund balances, beginning of year</b>	<u>2,462,759</u>	<u>757,470</u>	<u>1,706,750</u>	<u>664,372</u>	<u>395,005</u>	<u>5,986,356</u>
<b>Fund balances, end of year</b>	<u>\$ 2,504,407</u>	<u>\$ 768,354</u>	<u>\$ 2,242,500</u>	<u>\$ 774,808</u>	<u>\$ 584,351</u>	<u>\$ 6,874,420</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR DEBT SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET  
AND ACTUAL – 2013 BOND DEBT SERVICE  
Year Ended June 30, 2022

	2013 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	859	859
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>859</u>	<u>859</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	1,860,000	1,860,000	1,860,000	-
Interest and fiscal charges	1,166,300	1,166,300	1,166,300	-
<b>Total expenditures</b>	<u>3,026,300</u>	<u>3,026,300</u>	<u>3,026,300</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,026,300)</u>	<u>(3,026,300)</u>	<u>(3,025,441)</u>	<u>859</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,069,100	3,069,100	3,067,089	2,011
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>3,069,100</u>	<u>3,069,100</u>	<u>3,067,089</u>	<u>2,011</u>
<b>Change in fund balances</b>	42,800	42,800	41,648	(1,152)
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>2,462,759</u>	<u>2,462,759</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ 42,800</u>	<u>\$ 42,800</u>	<u>\$ 2,504,407</u>	<u>\$ 2,461,607</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR DEBT SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET  
AND ACTUAL – 2014 BOND DEBT SERVICE  
Year Ended June 30, 2022

	2014 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	1	1
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	715,000	715,000	715,000	-
Interest and fiscal charges	77,825	77,825	77,824	1
<b>Total expenditures</b>	<u>792,825</u>	<u>792,825</u>	<u>792,824</u>	<u>1</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(792,825)</u>	<u>(792,825)</u>	<u>(792,823)</u>	<u>2</u>
<b>Other financing sources (uses):</b>				
Transfers in	803,708	803,708	803,707	1
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>803,708</u>	<u>803,708</u>	<u>803,707</u>	<u>1</u>
<b>Change in fund balances</b>	10,883	10,883	10,884	1
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>757,470</u>	<u>757,470</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ 10,883</u>	<u>\$ 10,883</u>	<u>\$ 768,354</u>	<u>\$ 757,471</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR DEBT SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET  
AND ACTUAL – 2017 BOND DEBT SERVICE  
Year Ended June 30, 2022

	2017 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	1,290,000	1,290,000	1,290,000	-
Interest and fiscal charges	799,250	799,250	799,250	-
<b>Total expenditures</b>	<u>2,089,250</u>	<u>2,089,250</u>	<u>2,089,250</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,089,250)</u>	<u>(2,089,250)</u>	<u>(2,089,250)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,627,000	2,627,000	2,625,000	2,000
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>2,627,000</u>	<u>2,627,000</u>	<u>2,625,000</u>	<u>2,000</u>
<b>Change in fund balances</b>	537,750	537,750	535,750	(2,000)
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>1,706,750</u>	<u>1,706,750</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ 537,750</u>	<u>\$ 537,750</u>	<u>\$ 2,242,500</u>	<u>\$ 1,704,750</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR DEBT SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET  
AND ACTUAL – GLADDEN FARMS DEBT SERVICE  
Year Ended June 30, 2022

	Gladden Farms Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 961,335	\$ 961,335	\$ 955,770	\$ (5,565)
Contributions	70,000	70,000	768	(69,232)
Investment income	-	-	17	17
<b>Total revenues</b>	<u>1,031,335</u>	<u>1,031,335</u>	<u>956,555</u>	<u>(74,780)</u>
<b>Expenditures:</b>				
Capital Outlay	4,000,000	4,000,000	4,300,000	(300,000)
Debt service -				
Principal retirement	450,000	450,000	450,000	-
Interest and fiscal charges	468,163	468,163	452,800	15,363
Bond Issuance Costs	250,000	250,000	254,214	(4,214)
<b>Total expenditures</b>	<u>5,168,163</u>	<u>5,168,163</u>	<u>5,457,014</u>	<u>(288,851)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,136,828)</u>	<u>(4,136,828)</u>	<u>(4,500,459)</u>	<u>(363,631)</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	4,250,000	4,250,000	4,080,000	170,000
Premium on bonds issued	-	-	530,895	(530,895)
<b>Total other financing sources (uses)</b>	<u>4,250,000</u>	<u>4,250,000</u>	<u>4,610,895</u>	<u>(360,895)</u>
<b>Change in fund balances</b>	113,172	113,172	110,436	(2,736)
<b>Fund balances (deficits), July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>664,372</u>	<u>664,372</u>
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ 113,172</u>	<u>\$ 113,172</u>	<u>\$ 774,808</u>	<u>\$ 661,636</u>

TOWN OF MARANA, ARIZONA  
NON-MAJOR DEBT SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET  
AND ACTUAL – SAGUARO SPRINGS DEBT SERVICE  
Year Ended June 30, 2022

	Saguaro Springs Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 558,622	\$ 558,622	\$ 560,273	\$ 1,651
Contributions	-	-	-	-
Investment income	-	-	-	-
<b>Total revenues</b>	<u>558,622</u>	<u>558,622</u>	<u>560,273</u>	<u>1,651</u>
<b>Expenditures:</b>				
Capital Outlay	3,200,000	3,200,000	2,627,553	572,447
Debt service -				
Principal retirement	180,000	180,000	150,000	30,000
Interest and fiscal charges	378,622	378,622	223,452	155,170
Bond Issuance Costs	225,000	225,000	256,551	(31,551)
<b>Total expenditures</b>	<u>3,983,622</u>	<u>3,983,622</u>	<u>3,257,556</u>	<u>726,066</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,425,000)</u>	<u>(3,425,000)</u>	<u>(2,697,283)</u>	<u>727,717</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	3,425,000	3,425,000	2,720,000	705,000
Premium on bonds issued	-	-	166,629	(166,629)
<b>Total other financing sources (uses)</b>	<u>3,425,000</u>	<u>3,425,000</u>	<u>2,886,629</u>	<u>538,371</u>
<b>Change in fund balances</b>	-	-	189,346	189,346
<b>Fund balances (deficits), July 1, 2021</b>	-	-	395,005	395,005
<b>Fund balances (deficits), June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 584,351</u>	<u>\$ 584,351</u>

**STATISTICAL SECTION**



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TOWN OF MARANA, ARIZON  
STATISTICAL SECTION  
June 30, 2022

**Fiscal Trends**

These schedules contain trend information to help users understand and assess how the Town's financial position has changed over time.

**Revenue Capacity**

These schedules contain information to help users understand and assess the Town's local revenue source, the property tax.

**Debt Capacity**

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

**Demographic and Economic Information**

These schedules present economic and demographic indicators to help users understand the environment within which the Town's financial activities take place

**Operating Information**

These schedules present information to help users understand the Town's operations and resources as well as to provide a context for understanding and assessing the Town's economic condition.

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

	2013	2014	2015 (as restated)	2016
Governmental activities				
Net investment in capital assets	\$ 184,949	\$ 189,171	\$ 190,297	\$ 193,845
Restricted	62,437	58,820	36,418	43,127
Unrestricted	1,384	(283)	(4,283)	(6,492)
Total governmental activities net position	<u>248,770</u>	<u>247,708</u>	<u>222,432</u>	<u>230,480</u>
Business-type activities				
Net investment in capital assets	111,045	109,111	109,649	112,357
Restricted	219	293	365	365
Unrestricted	(2,677)	(208)	984	1,313
Total business-type activities net position	<u>108,587</u>	<u>109,196</u>	<u>110,998</u>	<u>114,035</u>
Primary government				
Net investment in capital assets	295,994	298,282	299,946	306,202
Restricted	62,656	59,113	36,783	43,492
Unrestricted	(1,293)	(491)	(3,299)	(5,179)
Total primary government net position	<u>\$ 357,357</u>	<u>\$ 356,904</u>	<u>\$ 333,430</u>	<u>\$ 344,515</u>

2017 (as restated)	2018	2019 (as restated)	2020	2021	2022
\$ 210,137	\$ 236,208	\$ 243,685	\$ 244,996	\$ 243,692	\$ 229,747
31,163	17,242	19,985	21,837	21,675	34,402
5,119	16,272	16,827	27,323	48,120	88,232
<u>246,419</u>	<u>269,722</u>	<u>280,497</u>	<u>294,156</u>	<u>313,487</u>	<u>352,381</u>
101,524	95,777	97,435	102,911	106,166	110,452
365	365	366	770	1,128	818
16,319	(4,285)	(2,176)	2,332	7,673	15,393
<u>118,208</u>	<u>91,857</u>	<u>95,625</u>	<u>106,013</u>	<u>114,967</u>	<u>126,663</u>
311,661	331,985	341,120	347,907	349,858	340,199
31,528	17,607	20,351	22,607	22,803	35,220
21,439	11,987	14,651	29,655	55,793	103,625
<u>\$ 364,628</u>	<u>\$ 361,579</u>	<u>\$ 376,122</u>	<u>\$ 400,169</u>	<u>\$ 428,454</u>	<u>\$ 479,044</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
General revenues				
City sales taxes	\$ 24,768	\$ 26,226	\$ 28,059	\$ 35,442
Property taxes	447	421	442	482
Franchise fees	349	377	401	447
State shared revenues	7,714	8,273	8,820	9,039
Investment income (loss)	152	171	149	173
Miscellaneous	737	854	813	676
Gain on sale of assets	36	-	116	-
Transfers	(15,912)	(2,384)	(404)	(2,177)
Total governmental activities	<u>18,291</u>	<u>33,938</u>	<u>38,396</u>	<u>44,082</u>
Business-type activities:				
General revenues				
Investment income	2	1	9	16
Miscellaneous	19	39	19	19
Transfers	15,911	2,384	404	2,177
Special item	(1,326)	-	-	-
Total business-type activities	<u>14,606</u>	<u>2,424</u>	<u>432</u>	<u>2,212</u>
Total primary government	<u><u>32,897</u></u>	<u><u>36,362</u></u>	<u><u>38,828</u></u>	<u><u>46,294</u></u>
<b>Change in Net Position</b>				
Governmental activities	(12,417)	(1,062)	2,529	8,049
Business-type activities	13,431	609	895	3,036
Total primary government	<u><u>\$ 1,014</u></u>	<u><u>\$ (453)</u></u>	<u><u>\$ 3,424</u></u>	<u><u>\$ 11,085</u></u>

2017	2018	2019	2020	2021	2022
\$ 37,500	\$ 41,689	\$ 41,680	\$ 40,705	\$ 42,847	\$ 52,112
509	553	834	1,161	1,420	1,698
488	507	513	549	585	608
10,619	11,506	12,013	13,098	15,372	16,513
238	663	1,954	1,965	484	(218)
744	885	1,163	1,001	1,002	956
-	-	-	-	-	77
(2,878)	1,875	(688)	(136)	5	367
<u>47,220</u>	<u>57,678</u>	<u>57,469</u>	<u>58,343</u>	<u>61,715</u>	<u>72,113</u>
43	187	77	57	4	9
54	30	21	364	123	370
2,878	(1,875)	688	136	(5)	(367)
-	-	-	-	-	-
<u>2,975</u>	<u>(1,658)</u>	<u>786</u>	<u>557</u>	<u>122</u>	<u>12</u>
<u>50,195</u>	<u>56,020</u>	<u>58,255</u>	<u>58,900</u>	<u>61,837</u>	<u>72,125</u>
15,939	23,302	10,776	13,658	19,330	38,894
4,173	3,244	4,619	10,388	8,955	11,697
<u>\$ 20,112</u>	<u>\$ 26,546</u>	<u>\$ 15,395</u>	<u>\$ 24,046</u>	<u>\$ 28,285</u>	<u>\$ 50,557</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 9,532	\$ 10,662	\$ 14,707	\$ 17,531
Public safety	11,777	12,134	14,324	14,423
Highways and streets	18,327	19,053	18,522	22,659
Health & Welfare	23	23	-	-
Culture & recreation	3,831	3,131	4,433	3,422
Economic & community development	4,123	4,691	4,796	4,779
Interest on long-term debt	4,312	4,543	4,106	3,962
Total governmental activities expenses	<u>51,925</u>	<u>54,237</u>	<u>60,888</u>	<u>66,776</u>
Business-type activities:				
Airport	1,179	1,197	1,289	1,829
Wastewater	2,599	2,756	3,431	3,662
Water	3,779	5,244	4,150	4,405
Total business-type activities expenses	<u>7,557</u>	<u>9,197</u>	<u>8,870</u>	<u>9,896</u>
Total primary government expenses	<u>\$ 59,482</u>	<u>\$ 63,434</u>	<u>\$ 69,758</u>	<u>\$ 76,672</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 975	\$ 941	\$ 4,490	\$ 4,787
Culture and recreation	216	200	305	265
Economic & community development	3,906	3,386	4,585	4,027
Health and welfare	-	-	-	-
Operating grants and contributions	3,747	4,442	4,360	4,507
Capital grants and contributions	12,373	10,268	11,281	17,157
Total government activities program revenues	<u>21,217</u>	<u>19,237</u>	<u>25,021</u>	<u>30,743</u>
Business-type activities:				
Charges for services:				
Airport	239	248	239	247
Wastewater	730	834	933	1,016
Water	3,455	3,766	4,146	4,243
Capital grants and contributions	1,958	2,534	4,015	5,214
Total business-type activity program revenues	<u>6,382</u>	<u>7,382</u>	<u>9,333</u>	<u>10,720</u>
Total primary government program revenues	<u>27,599</u>	<u>26,619</u>	<u>34,354</u>	<u>41,463</u>
Net (expense)/revenue				
Governmental activities	(30,708)	(35,000)	(35,867)	(36,033)
Business-type activities	(1,175)	(1,815)	463	824
Total primary government net expense	<u>\$ (31,883)</u>	<u>\$ (36,815)</u>	<u>\$ (35,404)</u>	<u>\$ (35,209)</u>

2017	2018	2019	2020	2021	2022
\$ 19,393	\$ 18,492	\$ 23,846	\$ 21,040	\$ 22,578	\$ 28,539
16,736	16,114	16,059	19,981	19,223	17,852
40,172	27,893	21,629	25,004	25,729	25,481
278	236	453	442	461	489
6,006	5,147	5,294	6,122	5,861	6,950
4,902	4,328	4,076	4,174	4,159	4,113
2,335	3,077	1,858	2,485	2,346	2,258
89,822	75,287	73,215	79,248	80,357	85,682
1,772	1,816	1,395	1,393	1,645	1,803
3,983	4,598	5,276	4,136	5,346	5,104
5,368	5,979	6,178	6,750	7,796	9,752
11,123	12,393	12,849	12,279	14,787	16,692
<u>\$ 100,945</u>	<u>\$ 87,680</u>	<u>\$ 86,064</u>	<u>\$ 91,527</u>	<u>\$ 95,144</u>	<u>\$ 102,374</u>
\$ 4,909	\$ 5,073	\$ 5,007	\$ 5,453	\$ 5,863	\$ 5,580
287	324	317	197	179	277
4,355	4,993	5,260	5,396	6,626	10,935
-	-	-	-	-	83
4,619	4,665	2,259	8,470	14,465	14,711
44,371	25,856	13,679	15,047	10,839	20,877
58,541	40,911	26,522	34,563	37,972	52,463
251	294	329	373	420	436
1,065	1,502	1,626	1,873	2,365	2,839
5,064	5,609	5,750	6,260	7,373	8,022
5,941	9,890	8,977	13,604	13,462	17,046
12,321	17,295	16,682	22,110	23,620	28,343
70,862	58,206	43,204	56,673	61,592	80,806
(31,281)	(34,376)	(46,693)	(44,685)	(42,385)	(33,219)
1,198	4,902	3,833	9,831	8,833	11,651
<u>\$ (30,083)</u>	<u>\$ (29,474)</u>	<u>\$ (42,860)</u>	<u>\$ (34,854)</u>	<u>\$ (33,552)</u>	<u>\$ (21,568)</u>



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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund					
Nonspendable	\$ 2,803	\$ 2,540	\$ 2,282	\$ 2,418	\$ 2,367
Unassigned	18,115	21,123	22,309	20,425	22,640
Total general fund	<u>20,918</u>	<u>23,663</u>	<u>24,591</u>	<u>22,843</u>	<u>25,007</u>
All other governmental funds					
Nonspendable	\$ -	\$ 33	\$ -	\$ 3	\$ 1
Restricted	47,616	40,774	40,771	48,486	49,960
Committed	-	-	-	-	-
Unassigned	(444)	(472)	(863)	(525)	(1,908)
Total all other governmental funds	<u>\$ 47,172</u>	<u>\$ 40,335</u>	<u>\$ 39,908</u>	<u>\$ 47,964</u>	<u>\$ 48,053</u>
Total fund balance of governmental funds	<u><u>\$ 68,090</u></u>	<u><u>\$ 63,998</u></u>	<u><u>\$ 64,499</u></u>	<u><u>\$ 70,807</u></u>	<u><u>\$ 73,060</u></u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund					
Nonspendable	\$ 4,853	\$ 4,513	\$ 4,103	\$ 3,029	\$ 2,937
Unassigned	24,735	32,043	42,008	68,327	95,638
Total general fund	<u>29,588</u>	<u>36,556</u>	<u>46,111</u>	<u>71,356</u>	<u>98,575</u>
All other governmental funds					
Nonspendable	\$ 261	\$ 1	\$ 4	\$ 13	\$ 6
Restricted	44,989	42,068	31,001	29,108	47,569
Committed	-	-	14,862	13,970	20,802
Unassigned	(2,405)	(562)	(873)	(968)	(632)
Total all other governmental funds	<u>\$ 42,845</u>	<u>\$ 41,507</u>	<u>\$ 44,994</u>	<u>\$ 42,123</u>	<u>\$ 67,745</u>
Total fund balance of governmental funds	<u><u>\$ 72,433</u></u>	<u><u>\$ 78,063</u></u>	<u><u>\$ 91,105</u></u>	<u><u>\$ 113,479</u></u>	<u><u>\$ 166,320</u></u>

Source: Governmental Fund Statements

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Revenues</b>				
Sales taxes	\$ 24,768	\$ 26,226	\$ 28,058	\$ 35,442
Property taxes	497	424	447	489
Intergovernmental revenues	18,000	12,732	14,927	20,537
Licenses, fees and permits	8,586	6,549	7,048	6,243
Fines, forfeitures and penalties	871	831	889	750
Charges for services	379	509	692	500
Lease Income	105	99	96	90
Special assessments	2,337	2,176	2,050	2,129
Contributions	589	1,098	583	1,216
Investment earnings	152	171	149	173
Miscellaneous	804	927	853	376
Total revenues	<u>57,088</u>	<u>51,742</u>	<u>55,792</u>	<u>67,945</u>
<b>Expenditures</b>				
General government	7,860	8,953	9,652	12,017
Public safety	12,067	11,952	13,886	14,068
Highways and streets	4,026	4,214	5,441	5,796
Health and welfare	-	-	-	-
Economic and community development	4,479	4,508	4,351	4,146
Culture and recreation	2,859	3,195	3,598	3,710
Capital outlay	3,700	4,453	9,885	11,840
Debt service				
Principal	4,177	10,338	3,412	3,992
Interest	4,408	4,522	4,491	4,212
Other charges	521	97	-	-
Total expenditures	<u>44,097</u>	<u>52,232</u>	<u>54,716</u>	<u>59,781</u>
Excess of revenues over (under) expenditures	12,991	(490)	1,076	8,164

2017	2018	2019	2020	2021	2022
\$ 37,500	\$ 41,689	\$ 41,680	\$ 40,705	\$ 42,847	\$ 52,112
521	572	834	1,161	1,420	1,698
43,261	30,919	20,040	22,967	31,527	35,870
7,078	8,617	10,034	9,092	10,749	20,949
728	750	637	591	496	428
563	684	718	535	541	989
113	136	148	157	159	264
2,340	989	2,869	2,091	2,298	1,801
214	87	49	65	66	1,231
238	663	1,954	1,965	484	(218)
460	512	757	667	643	795
93,016	85,618	79,720	79,996	91,230	115,919
13,347	12,949	14,021	14,927	14,416	16,219
14,477	14,774	15,502	18,352	16,967	17,848
6,037	4,893	5,031	6,821	6,222	6,006
365	229	290	284	350	318
4,642	4,452	4,744	4,605	4,540	4,497
4,266	4,903	4,613	4,207	4,225	5,715
34,275	40,960	24,478	11,094	17,097	10,649
5,083	2,260	5,463	6,563	6,319	6,304
3,882	2,745	3,105	2,984	2,910	2,876
1,023	-	314	385	216	511
87,397	88,165	77,561	70,222	73,262	70,943
5,619	(2,547)	2,159	9,774	17,968	44,976

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Other financing sources (uses)</b>				
Transfers in	19,700	14,155	6,380	6,498
Transfers out	(35,611)	(16,540)	(6,955)	(8,675)
Proceeds from sale of capital assets	57	-	-	321
Capitalized interest	-	-	-	-
Issuance of debt	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>7,797</u>	<u>(10,052)</u>	<u>(575)</u>	<u>(1,856)</u>
Net change in fund balance	<u>\$ 20,788</u>	<u>\$ (10,542)</u>	<u>\$ 501</u>	<u>\$ 6,308</u>
Debt service as a percentage of noncapital expenditures	27.0%	49.1%	19.5%	14.7%

2017	2018	2019	2020	2021	2022
7,680	12,607	6,082	11,401	8,471	6,577
(10,558)	(10,732)	(6,770)	(11,532)	(8,467)	(6,210)
45	46	226	135	132	-
178	-	-	-	-	-
42,065	-	3,845	3,195	4,155	6,800
4,089	-	88	69	115	698
(46,865)	-	-	-	-	-
(3,366)	1,921	3,471	3,268	4,406	7,865
<u>\$ 2,253</u>	<u>\$ (626)</u>	<u>\$ 5,630</u>	<u>\$ 13,042</u>	<u>\$ 22,374</u>	<u>\$ 52,841</u>
10.8%	6.5%	12.7%	17.6%	14.5%	16.0%

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

Fiscal Year	Sales Tax	Highway User Revenue taxes	Total
2022	\$ 52,112	\$ 4,271	\$ 56,383
2021	42,846	3,956	46,802
2020	40,705	3,826	44,531
2019	41,681	3,608	45,289
2018	41,672	3,316	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

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)

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
2023	2022	\$ 517,595	\$ 246,095	\$ 44,801	718,889	8.4000	6,665,336	10.8%
2022	2021	480,657	233,235	42,820	671,072	8.4000	6,187,303	10.8%
2021	2020	438,390	224,390	42,530	620,250	8.4000	5,715,806	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%

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

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

Fiscal Year	Tax Year	Pima County (General Fund)	Road Tax	County Library District	Debt Service	Flood Control District	State Education Equalization Assistance Tax	Flowing Wells School District	Community College District	Northwest Fire District	Fire District Assistance
2022/23	2022	3.8764	-	0.5453	0.3200	0.3235	0.0000	6.5638	1.2878	3.1695	0.0384
2021/22	2021	3.8764	-	0.5353	0.4500	0.3335	0.4263	6.4855	1.2733	3.0495	0.0394
2020/21	2020	3.9220	-	0.5353	0.5200	0.3335	0.4426	6.6839	1.3359	2.9995	0.0416
2019/20	2019	3.9996	-	0.5353	0.6900	0.3335	0.4566	6.8539	1.3758	3.0049	0.0430
2018/19	2018	4.0696	-	0.5153	0.6900	0.3335	0.4741	6.8860	1.3983	3.0501	0.0441
2017/18	2017	4.2096	0.2500	0.5053	0.7000	0.3135	0.4875	6.7539	1.389	3.0734	0.0459
2016/17	2016	4.2896	-	0.5153	0.7000	0.3335	0.5010	6.8971	1.3733	2.9920	0.0468
2015/16	2015	4.3877	-	0.5153	0.7000	0.3135	0.5054	6.6292	1.3689	2.9138	0.0467
2014/15	2014	4.2779	-	0.4353	0.7000	0.3035	0.5089	6.6135	1.3344	2.9272	0.0472
2013/14	2013	3.6665	-	0.3753	0.7800	0.2635	0.5123	6.7146	1.2933	3.0213	0.0456

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	Vanderbilt Farms Community Facilities District	Saguaro Springs Community Facilities District	Total Direct Rates	Total Direct & Overlapping Rates
2022/23	2022	0.1400	5.4689	21.7336	-	2.8000	2.8000	-	2.8000	8.4000	30.1336
2021/22	2021	0.1400	5.9491	22.5583	-	2.8000	2.8000	-	2.8000	8.4000	30.9583
2020/21	2020	0.1400	5.7594	22.7137	-	2.8000	2.8000	-	2.8000	8.4000	31.1137
2019/20	2019	0.1400	5.8650	23.2976	-	2.8000	2.8000	0.3000	2.8000	8.7000	31.9976
2018/19	2018	0.1400	6.0840	23.6850	-	2.4400	0.3000	0.3000	2.8000	5.8400	29.5250
2017/18	2017	0.1400	6.2334	24.1015	-	2.8000	0.3000	0.3000	0.3000	3.7000	27.8015
2016/17	2016	0.1400	6.3871	24.1757	-	2.8000	0.3000	0.3000	0.3000	3.7000	27.8757
2015/16	2015	0.1400	6.3370	23.8575	-	2.8000	0.3000	0.3000	0.3000	3.7000	27.5575
2014/15	2014	0.1400	6.2288	23.5167	-	2.8000	0.3000	0.3000	0.3000	3.7000	27.2167
2013/14	2013	0.1400	6.0085	22.8209	-	2.8000	0.3000	0.3000	0.3000	3.7000	26.5209

**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



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

Taxpayer	2022			2013		
	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value
UNISOURCE ENERGY CORPORATION	13,468	1	26.7%	-	-	-
HSL COTTONWOOD RC HOTEL LLC	6,895	2	13.7%	-	-	-
TUCSON PREMIUM OUTLETS LLC	6,852	3	13.6%	-	-	-
SOUTHWEST GAS CORPORATION	4,021	4	8.0%	-	-	-
TRICO ELECTRIC COOP INC	3,799	5	7.5%	-	-	-
HSL ENCANTADA CONTINENTAL RESEF	3,518	6	7.0%	-	-	-
SMITHS FOOD AND DRUG CENTERS	3,384	7	6.7%	1,907	-	19.1%
WAL-MART STORES INC	3,002	8	6.0%	-	-	-
UNION PACIFIC RAILROAD #	2,968	9	5.9%	-	-	-
MARANA MARKETPLACE PARTNERS I #	2,519	10	5.0%	-	-	-
FIDELITY NATIONAL TITLE TR 60421				1,445	2	14.5%
GLADDEN 25 LLC				1,180	3	11.8%
WEINGARTEN NEWQUIST LLC				903	4	9.0%
FIDELITY NATIONAL TITLE TR 60423				865	5	8.7%
WALGREEN ARIZONA DRUG CO				795	6	8.0%
AH4R				779	7	7.8%
FIDELITY NATIONAL TITLE TR 60360				761	8	7.6%
FREEDBERG BARRY & FREEDBERG BELLA				700	9	7.0%
FIDELITY NATIONAL TITLE TR 60422				660	10	6.6%
Totals	<u>\$ 50,426</u>			<u>\$ 9,995</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)

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
2022	\$ 1,702	1,695	99.59%	1,695	99.59%
2021	1,426	1,420	99.58%	1,420	99.58%
2020	1,163	1,158	99.57%	1,163	100.00%
2019	834	830	99.52%	832	99.76%
2018	571	569	99.65%	570	99.82%
2017	521	517	99.23%	521	100.00%
2016	489	485	99.18%	488	99.80%
2015	448	444	99.11%	448	100.00%
2014	423	419	99.05%	422	99.76%
2013	471	463	98.30%	469	99.58%

Notes:

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

Source: Pima County Treasurer's Office

**TOWN OF MARANA  
TANGERINE FARMS ROAD IMPROVEMENT DISTRICT  
All Active Assessments As of June 30, 2022**

<b>District Assessment Number (1)</b>	<b>Tax Assessor's Parcel Number</b>	<b>Owner</b>	<b>Original Assessment Amount (2)</b>	<b>Remaining Assessment Amount (3)</b>	<b>2020 Full Cash Value (4)</b>	<b>Non-Residential Square Footage (5)</b>	<b>Expected Future Use</b>
242-B3-1	215-01-003S	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	\$52,594.14	\$27,387.83	\$3,778,800.00	78,565	Commercial
242-B3-2	215-01-003W	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	49,379.55	25,713.87	1,634,851.00	73,738	Commercial
242-11	215-01-011A	Tangerine/I-10, LLC	164,906.77	85,873.43	5,020.00	242,954	Residential and Commercial
242-01	215-01-0130	VM Building Two Corporation	134,077.64	69,819.50	1,004,090.00	200,818	Residential and Commercial
242-02	215-01-0140	Southwest Gas Corporation	727,102.17	378,630.66	4,356,036.00	1,089,009	Commercial
242-03	215-01-0150	Tangerine/I-10, LLC	215,513.08	112,226.13	4,001.00	322,893	Residential and Commercial
242-04	215-01-0160	Tangerine/I-10, LLC	227,728.40	118,587.13	4,228.00	341,014	Residential and Commercial
242-05	215-01-0170	CTI, Inc.	567,430.53	295,483.36	24,375.00	850,047	Commercial
242-06	215-01-0180	Tangerine/I-10, LLC	341,156.34	177,653.51	2,554,970.00	510,994	Residential and Commercial
242-07	215-01-0190	U-Haul International Inc.	344,646.43	179,470.93	2,581,025.00	516,205	Commercial
242-08	215-01-0200	Tangerine/I-10, LLC	378,674.81	197,190.85	8,700.00	567,141	Residential and Commercial
242-09	215-01-0210	Tangerine/I-10, LLC	80,562.92	41,952.27	1,496.00	120,700	Residential and Commercial
242-10	215-01-0220	Tangerine/I-10, LLC	28,793.25	14,993.77	540.00	43,192	Residential and Commercial
242-12	215-01-0230	VM Building Two Corporation	38,681.84	20,143.15	1,100.00	58,054	Residential and Commercial
237	217-53-040A	TOWN OF MARANA	71,959.10	37,471.94	34,000.00	1,019,740	Park
238/239-2	217-53-8090	GLADDEN 25 LLC	20,407.15	10,626.80	129,323.00	57,477	Residential and Commercial
238/239-3	217-53-8100	GLADDEN 25 LLC	21,784.14	11,343.86	138,042.00	61,352	Residential and Commercial
238/239-4	217-53-8110	GLADDEN 25 LLC	20,979.61	10,924.90	132,860.00	59,049	Residential and Commercial
238/239-5	217-53-8120	GLADDEN 25 LLC	18,999.25	9,893.65	120,382.00	53,503	Residential and Commercial
238/239-6	217-53-8130	GLADDEN 25 LLC	20,144.14	10,489.84	127,613.00	56,717	Residential and Commercial
238/239-7	217-53-8140	GLADDEN 25 LLC	15,456.22	8,048.66	97,929.00	43,524	Residential and Commercial
238/239-8	217-53-8150	GLADDEN 25 LLC	35,461.12	18,466.00	224,687.00	99,861	Residential and Commercial
238/239-9	217-53-8160	GLADDEN 25 LLC	32,830.94	17,096.36	184,870.00	92,435	Residential and Commercial
238/239-10	217-53-8170	GLADDEN 25 LLC	30,974.33	16,129.56	174,390.00	87,195	Residential and Commercial
230-3	217-54-0130	KB Home Tucson Inc.	330,322.98	172,012.16	15,066.00	1,215,324	Residential and Commercial
230-4	217-54-0140	Northwest Medical Center	684,379.91	356,383.51	31,212.00	2,517,768	Hospital
230-8	217-54-0190	MERITAGE HOMES OF ARIZONA	358,566.94	186,719.89	16,351.00	1,318,997	Residential and Commercial
446	217-54-026A	Gladden Phase II, LLC	268,326.10	139,727.93	232,650.00	675,616	Residential and Commercial
347	217-54-0570	Richmond American Homes	3,770.07	1,963.23	268,946.00	-	Residential





623	217-54-3080	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
624	217-54-3090	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
625	217-54-3100	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
626	217-54-3110	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
627	217-54-3120	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
628	217-54-3130	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
629	217-54-3140	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
630	217-54-3150	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
631	217-54-3160	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
632	217-54-3170	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
633	217-54-3180	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
634	217-54-3190	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
635	217-54-3200	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
636	217-54-3210	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
637	217-54-3220	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
638	217-54-3230	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
639	217-54-3240	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
640	217-54-3250	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
641	217-54-3260	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
642	217-54-3270	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
643	217-54-3280	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
644	217-54-3290	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
645	217-54-3300	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
646	217-54-3310	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
647	217-54-3320	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
648	217-54-3330	Pulte Home Company, LLC	3,193.66	1,663.06	30,435.00	-	Residential
826	217-54-342A	Gladden Phase II, LLC	205,307.14	106,911.49	28,000.00	606,791	Residential and Commercial
825	217-54-342B	Marana Unified School District	190,574.93	99,239.85	8,105.00	653,836	Residential and Commercial
1583	217-54-343A	Gladden 2021, LLC	421,560.82	219,523.28	1,732,640.00	1,155,093	Residential and Commercial
1584	217-54-344A	Gladden Phase II, LLC	139,574.21	72,681.77	0.00	-	Residential and Commercial
1585	217-54-344B	HSL Gladden Farms, LLC	202,752.92	105,581.41	0.00	-	Residential and Commercial
455	217-54-3520	Richmond American Homes	3,029.41	1,577.53	30,435.00	-	Residential
457	217-54-3540	Richmond American Homes	3,029.41	1,577.53	30,435.00	-	Residential
491	217-54-3880	Richmond American Homes	3,029.41	1,577.53	30,435.00	-	Residential
492	217-54-3890	Richmond American Homes	3,029.41	1,577.53	30,435.00	-	Residential

494	217-54-3910	Richmond American Homes	3,029.41	1,577.53	30,435.00	-	Residential
495	217-54-3920	Richmond American Homes	3,029.41	1,577.53	30,435.00	-	Residential
496	217-54-3930	Richmond American Homes	3,029.41	1,577.53	30,435.00	-	Residential
510	217-54-4070	Richmond American Homes	3,029.41	1,577.53	244,043.00	-	Residential
544	217-54-4410	Richmond American Homes	3,029.42	1,577.54	30,435.00	-	Residential
547	217-54-4440	Richmond American Homes	3,029.42	1,577.54	30,435.00	-	Residential
551	217-54-4480	Richmond American Homes	3,029.42	1,577.54	233,062.00	-	Residential
827	217-54-5730	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
828	217-54-5740	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
829	217-54-5750	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
830	217-54-5760	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
831	217-54-5770	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
832	217-54-5780	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
833	217-54-5790	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
834	217-54-5800	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
835	217-54-5810	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
836	217-54-5820	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
837	217-54-5830	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
838	217-54-5840	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
839	217-54-5850	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
840	217-54-5860	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
841	217-54-5870	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
842	217-54-5880	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
843	217-54-5890	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
844	217-54-5900	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
845	217-54-5910	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
846	217-54-5920	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
847	217-54-5930	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
848	217-54-5940	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
849	217-54-5950	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
850	217-54-5960	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
851	217-54-5970	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
852	217-54-5980	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
853	217-54-5990	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential
854	217-54-6000	Richmond American Homes	3,381.52	1,760.89	30,435.00	-	Residential





908	217-54-6540	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
909	217-54-6550	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
910	217-54-6560	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
911	217-54-6570	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
912	217-54-6580	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
913	217-54-6590	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
914	217-54-6600	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
915	217-54-6610	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
916	217-54-6620	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
917	217-54-6630	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
918	217-54-6640	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
919	217-54-6650	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
925	217-54-6710	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
929	217-54-6750	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
934	217-54-6800	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
935	217-54-6810	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
936	217-54-6820	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
937	217-54-6830	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
938	217-54-6840	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
939	217-54-6850	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
940	217-54-6860	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
943	217-54-6890	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
944	217-54-6900	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
946	217-54-6920	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
947	217-54-6930	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
948	217-54-6940	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
949	217-54-6950	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
950	217-54-6960	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
951	217-54-6970	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
952	217-54-6980	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
953	217-54-6990	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
954	217-54-7000	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
955	217-54-7010	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
956	217-54-7020	Lennar Homes	3,381.52	1,760.89	30,435.00	-	Residential
957	217-54-7030	Lennar Homes	3,381.51	1,760.88	30,435.00	-	Residential
958	217-54-7040	Lennar Homes	3,381.51	1,760.88	30,435.00	-	Residential
959	217-54-7050	Lennar Homes	3,381.51	1,760.88	30,435.00	-	Residential
960	217-54-7060	Lennar Homes	3,381.51	1,760.88	30,435.00	-	Residential
961	217-54-7070	Lennar Homes	3,381.51	1,760.88	30,435.00	-	Residential
962	217-54-7080	Lennar Homes	3,381.51	1,760.88	30,435.00	-	Residential
218	217-57-3660	NP Investments LLC	18,332.46	9,546.43	364,651.00	52,093	Gladden Farms Commercial Center - Bank
219	217-57-3670	Weingarten Realty	12,423.76	6,469.53	79,432.00	35,303	Gladden Farms Commercial Center - Fast Food Restaurant
220	217-57-3680	Weingarten Realty	14,501.49	7,551.49	92,716.00	41,207	Gladden Farms Commercial Center - Fast Food Restaurant
221	217-57-3690	Weingarten Realty	11,477.10	5,976.57	73,379.00	32,613	Gladden Farms Commercial Center
222	217-57-3700	Weingarten Realty	27,082.56	14,102.95	173,153.00	76,957	Gladden Farms Commercial Center
224	217-57-3720	Weingarten Realty	41,637.17	21,682.11	236,630.00	118,315	Gladden Farms Commercial Center - Grocery











1299	217-61-0480	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1300	217-61-0490	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1301	217-61-0500	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1302	217-61-0510	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1303	217-61-0520	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1304	217-61-0530	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1305	217-61-0540	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1306	217-61-0550	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1307	217-61-0560	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1308	217-61-0570	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1309	217-61-0580	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1310	217-61-0590	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1311	217-61-0600	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1312	217-61-0610	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1313	217-61-0620	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1314	217-61-0630	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1315	217-61-0640	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1316	217-61-0650	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1317	217-61-0660	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1318	217-61-0670	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1319	217-61-0680	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1320	217-61-0690	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1321	217-61-0700	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1322	217-61-0710	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1323	217-61-0720	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1324	217-61-0730	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1325	217-61-0740	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1326	217-61-0750	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1327	217-61-0760	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1328	217-61-0770	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1329	217-61-0780	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential





1365	217-61-1140	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1366	217-61-1150	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1367	217-61-1160	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1368	217-61-1170	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1369	217-61-1180	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1370	217-61-1190	Richmond American Homes	3,439.32	1,790.99	0.00	-	Residential
1371	217-62-0010	Lennar Homes	3,886.64	2,023.93	0.00	-	Residential
1372	217-62-0020	Lennar Homes	3,886.64	2,023.93	0.00	-	Residential
1373	217-62-0030	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1374	217-62-0040	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1375	217-62-0050	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1376	217-62-0060	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1377	217-62-0070	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1378	217-62-0080	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1379	217-62-0090	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1380	217-62-0100	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1381	217-62-0110	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1382	217-62-0120	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1383	217-62-0130	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1384	217-62-0140	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1385	217-62-0150	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1386	217-62-0160	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1387	217-62-0170	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1388	217-62-0180	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1389	217-62-0190	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1390	217-62-0200	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1391	217-62-0210	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1392	217-62-0220	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1393	217-62-0230	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1394	217-62-0240	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1395	217-62-0250	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1396	217-62-0260	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1397	217-62-0270	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1398	217-62-0280	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1399	217-62-0290	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1400	217-62-0300	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1401	217-62-0310	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1402	217-62-0320	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1403	217-62-0330	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1404	217-62-0340	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1405	217-62-0350	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1406	217-62-0360	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1407	217-62-0370	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1408	217-62-0380	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1409	217-62-0390	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential







1558	217-62-1880	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1559	217-62-1890	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1560	217-62-1900	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1561	217-62-1910	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1562	217-62-1920	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1563	217-62-1930	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1564	217-62-1940	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1565	217-62-1950	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1566	217-62-1960	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1567	217-62-1970	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1568	217-62-1980	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1569	217-62-1990	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1570	217-62-2000	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1571	217-62-2010	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1572	217-62-2020	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1573	217-62-2030	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1574	217-62-2040	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1575	217-62-2050	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1576	217-62-2060	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1577	217-62-2070	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1578	217-62-2080	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1579	217-62-2090	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1580	217-62-2100	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1581	217-62-2110	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1582	217-62-2120	Lennar Homes	3,886.63	2,023.92	0.00	-	Residential
1586	217-55-0170	Tangerine 2021, LLC	347,856.32	181,142.45	0.00	-	Residential and Commercial
1587	217-55-0180	Tangerine 2021, LLC	400,579.47	208,597.47	0.00	-	Residential and Commercial
1588	217-55-0190	Tangerine 2021, LLC	130,846.64	68,136.99	0.00	-	Residential and Commercial
1589	217-55-0200	Tangerine 2021, LLC	60,995.74	31,762.88	0.00	-	Residential and Commercial
1590	217-55-0210	Tangerine 2021, LLC	8,913.42	4,641.57	0.00	-	Residential and Commercial
1591	217-55-0220	Tangerine 2021, LLC	473,459.77	246,549.10	0.00	-	Residential and Commercial
1592	217-55-0230	Tangerine 2021, LLC	16,952.97	8,828.08	0.00	-	Residential and Commercial
1593	217-55-0240	Tangerine 2021, LLC	146,984.00	76,540.34	0.00	-	Residential and Commercial
<b>Residential Totals:</b>		<b>757 Active Assessments</b>	<b>\$2,542,873.13</b>	<b>\$1,324,173.15</b>	<b>\$12,118,269.00</b>	<b>0</b>	
<b>Non-Residential Totals:</b>		<b>50 Active Assessments</b>	<b>\$8,194,444.89</b>	<b>\$4,267,169.32</b>	<b>\$20,661,342.00</b>	<b>15,262,002</b>	
<b>Totals:</b>		<b>807 Active Assessments</b>	<b>\$10,737,318.02</b>	<b>\$5,591,342.47</b>	<b>\$32,779,611.00</b>	<b>15,262,002</b>	(4)

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

(2) Amount remaining after billing for the 6/1/2022 assessment installment.

(3) As current Full Cash Value data is not available from Pima County for certain parcels that have changed during Fiscal Year 2021/22, prior year Full Cash Value data has been supplemented where applicable.

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

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

Industry Group	FY 2013	%	FY 2014	%	FY 2015	%	2016*	%	2017	%
Construction	\$ 5,260,345	21.33%	\$ 6,411,509	24.45%	\$ 6,838,195	24.37%	\$ 6,883,116	19.42%	\$ 7,557,292	20.15%
Manufacturing	127,214	0.52%	97,014	0.37%	100,329	0.36%	-	0.00%	-	0.00%
Transportation, Communications, & Utilities	3,038,071	12.32%	3,182,854	12.14%	3,318,976	11.83%	3,919,633	11.06%	3,809,315	10.16%
Wholesale Trade	296,077	1.20%	213,657	0.81%	305,012	1.09%	-	0.00%	-	0.00%
Retail Trade	9,380,544	38.03%	9,593,163	36.58%	10,133,523	36.12%	16,305,878	46.01%	17,120,561	45.65%
Restaurant & Bars	1,819,588	7.38%	1,865,602	7.11%	2,038,788	7.27%	3,076,737	8.68%	3,295,734	8.79%
Fire, Insurance & Real Estate	1,234,426	5.00%	1,256,418	4.79%	1,240,196	4.42%	1,339,496	3.78%	1,540,358	4.11%
Hotels & Other Lodging	2,140,493	8.68%	2,064,986	7.87%	2,481,304	8.84%	2,292,705	6.47%	2,558,312	6.82%
Services	1,003,377	4.07%	1,031,325	3.93%	1,046,669	3.73%	-	0.00%	-	0.00%
All Others	363,807	1.48%	509,351	1.94%	555,522	1.98%	1,624,023	4.58%	1,618,648	4.32%
	<u>\$ 24,663,942</u>	<u>100.00%</u>	<u>\$ 26,225,881</u>	<u>100.00%</u>	<u>\$ 28,058,514</u>	<u>100.00%</u>	<u>\$ 35,441,588</u>	<u>100.00%</u>	<u>\$ 37,500,220</u>	<u>100.00%</u>

Industry Group	2018	%	2019	%	2020	%	2021	%	2022	%
Construction	\$ 9,825,265	23.57%	\$ 10,817,479	25.95%	11,599,116	28.50%	9,869,708	23.03%	11,299,816	21.68%
Transportation, Communications, & Utilities	4,234,220	10.16%	3,987,389	9.57%	3,835,802	9.42%	4,071,000	9.50%	4,373,856	8.39%
Retail Trade	17,757,284	42.59%	16,403,992	39.36%	16,210,073	39.82%	19,308,702	45.06%	23,737,350	45.55%
Restaurant & Bars	3,616,110	8.67%	3,514,494	8.43%	3,146,078	7.73%	3,489,065	8.14%	4,819,803	9.25%
Fire, Insurance & Real Estate	1,661,010	3.98%	1,648,738	3.96%	1,436,817	3.53%	1,515,124	3.54%	1,711,996	3.29%
Hotels & Other Lodging	2,827,338	6.78%	2,913,545	6.99%	2,566,127	6.30%	2,496,865	5.83%	3,957,813	7.59%
All Others	1,768,256	4.24%	2,394,706	5.75%	1,910,780	4.69%	2,096,172	4.89%	2,210,898	4.24%
	<u>\$ 41,689,483</u>	<u>100.00%</u>	<u>\$ 41,680,343</u>	<u>100.00%</u>	<u>\$ 40,704,792</u>	<u>100.00%</u>	<u>\$ 42,846,635</u>	<u>100.00%</u>	<u>\$ 52,111,532</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

TOWN OF MARANA  
EXCISE TAX COLLECTIONS  
LAST TEN FISCAL YEARS

Industry Classification	2012/13	2013/14	2014/15	2015/2016	2016/2017
Town Sales Tax	\$ 24,768,104	\$ 26,225,881	\$ 28,058,823	\$ 35,441,585	\$ 37,500,219
State-shared Sales Taxes	2,861,622	3,043,102	3,195,042	3,344,679	3,798,503
State-shared Income Taxes	3,571,191	3,896,487	4,232,245	4,209,300	5,054,592
Licenses and permits	4,323,155	3,932,108	4,813,378	4,468,910	4,848,237
Fines and forfeitures and penalties	661,341	635,869	664,955	579,369	574,884
TOTAL	<u>\$ 36,185,413</u>	<u>\$ 37,733,447</u>	<u>\$ 40,964,443</u>	<u>\$ 48,043,843</u>	<u>\$ 51,776,435</u>

Industry Classification	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Town Sales Tax	\$ 41,689,483	\$ 41,680,343	\$ 41,629,398	\$ 42,846,635	\$ 52,111,532
State-shared Sales Taxes	4,186,856	4,524,009	4,872,825	5,816,852	7,324,638
State-shared Income Taxes	5,384,669	5,424,305	6,078,686	7,007,072	6,771,044
Licenses and permits	5,573,620	5,774,930	6,021,017	7,248,432	11,190,222
Fines and forfeitures and penalties	612,638	527,447	515,514	436,491	383,241
TOTAL	<u>\$ 57,447,266</u>	<u>\$ 57,931,034</u>	<u>\$ 59,117,440</u>	<u>\$ 63,355,482</u>	<u>\$ 77,780,677</u>

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

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

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			
2022	\$ 44,828	\$ 20,991	\$ 5,695	\$ 20,269	\$ 16,730	108,513	195.0%	2,090
2021	49,112	18,756	7,529	20,481	16,777	112,655	200.6%	2,170
2020	53,258	15,100	9,552	20,687	9,561	108,159	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

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 Tucson Metropolitan Service Area.

Source: US Census Bureau, Economic and Business Research Center, The University of Arizona



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

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of property (3)	Net Bonded Debt Per Capita
2022	\$ 20,991	\$ 1,359	19,632	0.29%	35.8%
2021	18,756	876	17,880	0.29%	34.4%
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%

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, 2022  
(Amounts expressed in thousands)

Governmental Unit	Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Pima County *	\$ 133,965	7.09%	\$ 9,505
Pima County Community College District	2,969	7.09%	211
Northwest Fire District	32,597	49.91%	16,270
Flowing Wells Unified School District No. 8	28,040	100.00%	28,040
Marana Unified School District No. 6	137,850	65.58%	90,400
Total overlapping debt			<u>144,425</u>
Gladden Farms Community Facilities District	11,377	100.00%	11,377
Saguaro Springs Community Facilities District	8,383	100.00%	8,383
Gladden Farms Phase II Community Facilities District	5,822	100.00%	5,822
Tangerine Farms Road Improvement District	5,695	100.00%	5,695
Town of Marana	44,828	100.00%	44,828
Total direct debt			<u>\$ 76,105</u>
Total direct and overlapping debt			<u><u>\$ 220,529</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 percentage of the secondary assessed valuation of the overlapping jurisdiction.

\* Excludes improvement districts

Sources: The various entities

**TOWN OF MARANA  
LEGAL DEBT MARGIN INFORMATION  
As of June 30, 2022**

**Legal Debt Margin Calculation for Fiscal Year 2022**

Limited Assessed Value	\$ 718,888,990
Debt Limit:	-
6% of assessed value	43,133,339
20% of assessed value	143,777,798
Total debt limit:	<u>186,911,137</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>\$ 186,911,137</u></u>

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit equal to 6% of assessed	\$ 24,745,839	\$ 28,630,929	\$ 29,446,070	\$ 31,218,157	\$ 32,138,944
Debt limit equal to 20% of assessed	82,486,130	95,436,430	98,153,568	104,060,525	107,129,981
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 107,231,969</u></u>	<u><u>\$ 124,067,359</u></u>	<u><u>\$ 127,599,639</u></u>	<u><u>\$ 135,278,682</u></u>	<u><u>\$ 139,268,925</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt limit equal to 6% of assessed	\$ 34,553,958	\$ 34,749,542	\$ 37,383,083	\$ 40,264,323	\$ 43,133,339
Debt limit equal to 20% of assessed	115,179,860	115,831,808	124,610,278.20	134,214,411.00	143,777,798.00
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 149,733,818</u></u>	<u><u>\$ 150,581,351</u></u>	<u><u>\$ 161,993,362</u></u>	<u><u>\$ 174,478,734</u></u>	<u><u>\$ 186,911,137</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	
2022	\$ 956	\$ 420	\$ 358	122.9%
2021	798	410	328	108.1%
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%

**Saguaro Springs Community Facilities District General Obligation Bonds \*\***

Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2022	\$ 560	\$ 150	\$ 223	150.1%
2021	470	160	203	129.5%
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

**Tangerine Road Farms Improvement District Special Assessment Bonds \*\*\***

Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2022	\$ 1,801	\$ 1,834	\$ 145	91.0%
2021	2,298	2,023	185	104.1%
2020	2,091	2,574	228	74.6%
2019	2,869	2,074	357	118.0%
2018	989	45	254	330.8%
2017	2,351	1,328	732	114.1%
2016	2,141	1,319	792	101.4%
2015	2,065	1,242	849	98.8%
2014	2,210	1,438	913	94.0%
2013	2,337	1,362	976	100.0%

Notes:

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

\*\* Bonds issued for Saguaro Springs Community Facilities District, a component unit of the Town.

\*\*\*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 STATUS  
 LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2022	54,895	55,643,600	\$ 39,007	39.6	12,627	4.0%
2021	51,908	56,168,200	36,182	39.4	12,567	4.9%
2020	49,323	49,961,000	36,282	39.0	12,202	7.7%
2019	47,007	48,185,000	33,488	37.6	12,782	2.8%
2018	44,792	39,063,898	33,111	37.9	12,290	2.8%
2017	43,474	37,926,114	32,646	48.1	12,152	4.3%
2016	41,315	36,821,470	37,107	29.7	12,227	4.7%
2015	40,324	35,749,000	34,026	39.6	12,625	5.9%
2014	38,290	37,796,193	33,196	39.4	12,476	6.9%
2013	36,756	36,342,493	29,626	37.7	12,323	6.1%

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

TOWN OF MARANA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2022		2013	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Marana Unified School District	922	3.7%	1,657	22.6%
Town of Marana	403	1.6%	319	4.3%
Marana Main Health Center	356	1.4%	320	4.4%
Wal-Mart	343	1.4%	450	6.1%
The Ritz-Carlton Dove Mountain	320	1.3%	350	4.8%
Fry's Food & Drug	315	1.2%	240	3.3%
Sargeant Aerospace & Defense	311	1.2%	313	4.3%
Northwest Fire District	278	1.1%	235	3.2%
Costco	250	1.0%		
FLSmith Krebs	239	0.9%	306	4.2%
Hunter Contracting			200	2.7%

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

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

		Fiscal Year 2022			Fiscal Year 2013		
		Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments
<b>RETAIL</b>							
Taxpayer	A	\$ 2,719,479	1	5.4%	\$ 1,555,075	1	6.3%
Taxpayer	B	1,517,548	2	3.0%			0.0%
Taxpayer	C	1,384,123	3	2.7%	1,117,537	2	4.5%
Taxpayer	D	1,265,966	4	2.5%	642,083	3	2.6%
Taxpayer	E	882,665	5	1.7%	490,567	5	2.0%
Taxpayer	F	844,128	6	1.7%	559,463	4	2.3%
Taxpayer	G	827,208	7	1.6%	484,348	6	2.0%
Taxpayer	H	484,626	8	1.0%			0.0%
Taxpayer	I	406,103	9	0.8%			0.0%
Taxpayer	J	257,814	10	0.5%			0.0%
Taxpayer	K				280,275	7	
Taxpayer	L				249,075	8	
Taxpayer	M			0.0%	183,245	9	0.7%
Taxpayer	N			0.0%	168,764	10	0.7%
		\$ 10,589,659		20.9%	\$ 5,730,431		21.1%
<b>CONTRACTING</b>							
Taxpayer	A	\$ 1,332,344	1	2.6%	\$ 517,893	3	2.1%
Taxpayer	B	900,703	2	1.8%			0.0%
Taxpayer	C	884,082	3	1.8%	411,027	4	1.7%
Taxpayer	D	757,026	4	1.5%	635,476	2	2.6%
Taxpayer	E	702,430	5	1.4%			0.0%
Taxpayer	F	550,740	6	1.1%	402,931	5	1.6%
Taxpayer	G	457,501	7	0.9%			0.0%
Taxpayer	H	437,915	8	0.9%			0.0%
Taxpayer	I	288,544	9	0.6%			0.0%
Taxpayer	J	284,303	10	0.6%	142,907	8	0.6%
Taxpayer	K			0.00%	639,589	1	2.6%
Taxpayer	L			0.00%	308,221	6	1.2%
Taxpayer	M			0.00%	205,825	7	0.8%
Taxpayer	N			0.00%	112,464	9	0.5%
Taxpayer	O			0.00%	99,625	10	0.4%
		\$ 6,595,588		13.2%	\$ 3,475,958		14.1%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Function</b>										
General Government	62.5	62.5	67.5	70.9	72.9	73.3	73.3	75.3	75.3	78.3
Public Safety										
Police										
Officers	80.0	80.0	81.0	83.0	85.0	87.0	87.0	90.0	90.0	96.0
Civilians	26.0	26.0	28.0	28.0	28.0	28.0	31.0	31.0	31.0	31.0
Building Safety	9.0	9.0	13.0	13.0	12.0	12.0	13.0	13.0	13.0	14.0
Highways and streets	36.0	36.0	35.0	35.0	34.0	36.0	39.0	44.0	44.0	46.0
Health and Safety	-	-	-	-	-	2.0	3.0	3.0	3.0	3.0
Culture and recreation	33.3	33.3	36.5	38.5	41.8	41.0	40.0	42.0	42.0	53.0
Community Development	-	-	-	-	-	-	-	-	-	-
Economic & Community Development	48.5	48.5	40.4	39.4	43.0	44.5	42.5	39.5	39.5	40.5
Water Utilities	19.1	19.1	22.0	23.0	23.0	24.0	25.2	27.6	29.6	31.6
Wastewater Utilities	4.0	4.0	4.0	4.0	4.0	5.0	7.0	7.0	7.0	7.0
Municipal Airport	1.0	1.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>326.1</b>	<b>319.3</b>	<b>319.3</b>	<b>328.3</b>	<b>346.7</b>	<b>355.8</b>	<b>364.0</b>	<b>375.4</b>	<b>377.4</b>	<b>403.4</b>

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



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

<b>Month</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
January	60	39	42	39	54	82	42	76	99	198
February	52	61	51	58	73	65	43	80	100	102
March	125	42	57	59	76	58	61	88	77	146
April	64	47	55	54	52	60	88	37	100	81
May	46	55	87	37	85	79	71	57	82	59
June	61	59	67	50	63	80	97	111	143	63
July	74	41	59	36	73	79	83	103	99	37
August	60	50	35	47	75	67	62	82	86	36
September	44	29	51	37	40	58	65	73	159	38
October	46	71	62	57	62	63	79	82	128	39
November	27	88	22	51	75	74	67	62	86	
December	43	30	33	56	45	59	50	64	96	
<b>Calendar Total</b>	<b>702</b>	<b>612</b>	<b>621</b>	<b>581</b>	<b>773</b>	<b>824</b>	<b>808</b>	<b>915</b>	<b>1,255</b>	<b>799</b>
<b>Fiscal Total</b>	<b>591</b>	<b>597</b>	<b>668</b>	<b>559</b>	<b>687</b>	<b>794</b>	<b>802</b>	<b>855</b>	<b>1,067</b>	<b>1,303</b>

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

**TOWN OF MARANA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
As of June 30, 2022

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Public Safety</b>										
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	99	118	129	128	129	129	131	132	131	135
<b>Highways and Streets</b>										
Street (miles)	494	494	511	518	520	524	540	570	591	618
<b>Culture and Recreation</b>										
Parks	8	8	8	9	9	11	13	14	14	14
Parks Acreage	139	139	139	146	146	158	182	182	182	182
Trails in Miles - Hiking	37	37	37	38	39	39	41	41	41	51
Trails in Miles - Paved	16	16	18	19	21	21	21	24	27	27
Splash Pads	-	-	-	-	1	1	2	2	2	2
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6	5	4	5
Pickleball Courts	-	-	-	-	-	-	-	-	3	7
Senior/Community Center	1	1	1	1	1	1	1	1	1	1
<b>Water Systems</b>										
Miles of Water Mains	128	132	135	138	146	149	157	162	169	189
Service Connections	6,002	6,272	6,429	6,745	7,205	7,850	8,533	9,166	9,528	10,292
Water Treatment Campus	-	-	-	-	-	-	-	-	-	2
<b>Wastewater</b>										
Number of Manholes	863	863	891	909	978	1,066	1,235	1313	1379	1990
Sewer Mains (miles)	47.5	47.5	48.33	49.2	53.6	58.5	62.9	66	69	89
Avg Daily Sewage Treated (MGD)	0.198	0.287	0.348	0.360	0.425	0.480	0.520	0.600	0.659	0.739

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



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