



TOWN OF MARANA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015



**TOWN OF MARANA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:
Finance Department

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



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TOWN OF MARANA, ARIZONA

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INTRODUCTORY SECTION



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December 11, 2015

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, 2015.

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

The Town's financial statements have been audited by Henry & Horne, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2015, 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 unqualified opinion that the Town's financial statements for the fiscal year ended June 30, 2015, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed 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 northern Pima County and has historically been one of the fastest growing communities in Arizona. Straddling Interstate 10, Marana is only 10 miles north of downtown Tucson and 90 miles south of downtown Phoenix. Marana's original incorporation covered approximately ten square miles. The Town's planning area currently occupies over 120 square miles and serves a population in excess of 40,000.

In its infancy, the Town was primarily a rural, agricultural community. However, through annexations and planned growth, the Town is now home to several residential, commercial and industrial developments, including Continental Ranch, Continental Reserve, Sunflower, Heritage Highlands, Dove Mountain, Saguaro Ranch, Sky Ranch, Saguaro Bloom, Continental Ranch Business Park, Arizona Pavilions, and the new 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 328 employees is responsible for the functions and operations of the Town government.

Economic Condition and Outlook

The local economy continued to improve during the current fiscal year. Revenues in the General Fund grew by approximately 9% overall with growth in intergovernmental revenues of 8% and licenses, fees and permits of 22%. Transaction privilege taxes grew by \$1.8 million or 7% overall, which demonstrates continued growth and improvement in the economy. The Town has seen improvements in economically sensitive revenues over the past few years and the revenue forecast for fiscal year 2015-16 anticipates a continuation of the recovery with estimated revenue growth of 5%. Expenditures in the General Fund also grew by approximately 12% overall. The Town was able to provide a market adjustment and merit increase to employees while reducing costs in commodities and services received in order to stay within budget. The General Fund expenditures were \$3.5 million under budget. The Town's budget is structurally balanced with ongoing revenues supporting ongoing expenditures. One-time revenues like contracting transaction privilege taxes and building permits support one-time expenditures. The budget maintains the investment planning, which includes three investment priorities: current employees, resources and tools, and strategic positions.

Current Condition

As described above, key revenues including transaction privilege taxes, intergovernmental and licenses, fees and permits revenues were higher from previous years. The Town established and maintains an investment plan as a way to guide decisions made during future year's budgetary processes. Even, as revenues grow in future years, the investment plan will serve as a guide in the allocation of resources as they become available. Both the current and future programs are measured for alignment with the Strategic Plan as well as the investment plan. Those programs that are more precisely aligned with those plans and those that are sustainable are more likely to receive funding. The financial performance of the Town as a whole is reflected in its governmental funds. As of June 30, 2015, the Town's governmental funds reported a combined fund balance of \$64.4 million, of which \$21.4 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 50% of general fund revenues. Of those revenues, retail, construction and utilities comprised 72% of total transaction privilege tax revenues. Sales taxes and revenues related to the residential and commercial construction industry continued their modest recovery during the fiscal year.

Future Economic Outlook

Despite the significant slowdown in development during the depths of the recession, several key activities and revenues associated with those activities have shown consistent recovery over the past several fiscal years. In fact, a number of key revenues are at or are approaching pre-recession highs. The Town's goal in managing budgets during the recession was to position the Town to take advantage of the eventual economic recovery. The Town has been able to make strategic reinvestments in existing programs and minor investments in new programs that provide the opportunity to further position the Town as the place to live, work and play. In the past year, the Town constructed a splash pad with an agrarian theme tied to the Town's heritage. Also, the new outlet mall development on a 46-acre site, completed in October 2015. This development will draw more interest for development and additional tax revenues, which will enable the Town to maintain a high level of service to the community. The Council approved a temporary sales tax increase, which began on July 1, 2015, for the construction of a new police facility. Many more exciting things are in store for Marana as it is uniquely positioned geographically with an abundance of developable commercial, industrial and residential land.

Accomplishments and Initiatives

During fiscal year 2015, the Town had several significant accomplishments.

Tortolita Trail System

The Tortolita Mountain trails range in elevation from 2,800 feet at the bottom of Wild Burro Canyon to 4,300 feet along the Ridgeline Trail. In FY 2015, 1.7 additional miles of backcountry trails were constructed in the Tortolita Trail System. The total of 32.7 miles of trails, which cross easements on a patchwork of private, town, county and state land, were constructed starting in 2004 in a cooperative venture by the Town, Pima County, and the Arizona State Land Department. This trail system and the ground they cross constitute a spectacular natural space open to southern Arizona residents and visitors.

Online Utilities Payments

In alignment with the Town's Strategic Plan related to progress and innovation, the Town implemented an online payment system to accept payment of utility bill payments. Approximately 39 percent of customers have signed up for online payments. 54 percent of customers utilizing the online payment system have gone paperless and signed up for online bills.

Purple Heart Town

The designation by the Military Order of the Purple Heart is an honor recognizing cities and towns that go above and beyond to support veterans. On December 16, 2014, the Town was declared a Purple Heart Town to become one of only three Arizona communities to share the distinction. The Town has long prided itself on being a pro-military community and has recently broken ground on the state's final veteran's cemetery and dedicated a veterans' memorial at Mountain View High School.

Expenditure Limitation

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

On May 21, 2013, the voters of the Town approved an alternative expenditure limitation, the effect of which is that the total budgeted expenditures of each yearly budget becomes the expenditure limitation for that year on a total budget basis. This alternative expenditure limitation is effective for four years.

Single Audit

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

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

Certificate of Achievement

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Marana for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. This was the seventh consecutive year that the Town has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

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

Respectfully submitted,



Gilbert Davidson
Town Manager



Erik Montague, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Marana
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

**TOWN OF MARANA, ARIZONA
PRINCIPAL OFFICIALS OF THE TOWN OF MARANA
FISCAL YEAR 2015**

MAYOR AND COUNCIL

Ed Honea, Mayor

Jon Post, Vice Mayor	Herb Kai, Councilmember
Carol McGorray, Councilmember	Roxanne Ziegler, Councilmember
Dave Bowen, Councilmember	Patti Comerford, Councilmember

MANAGEMENT STAFF

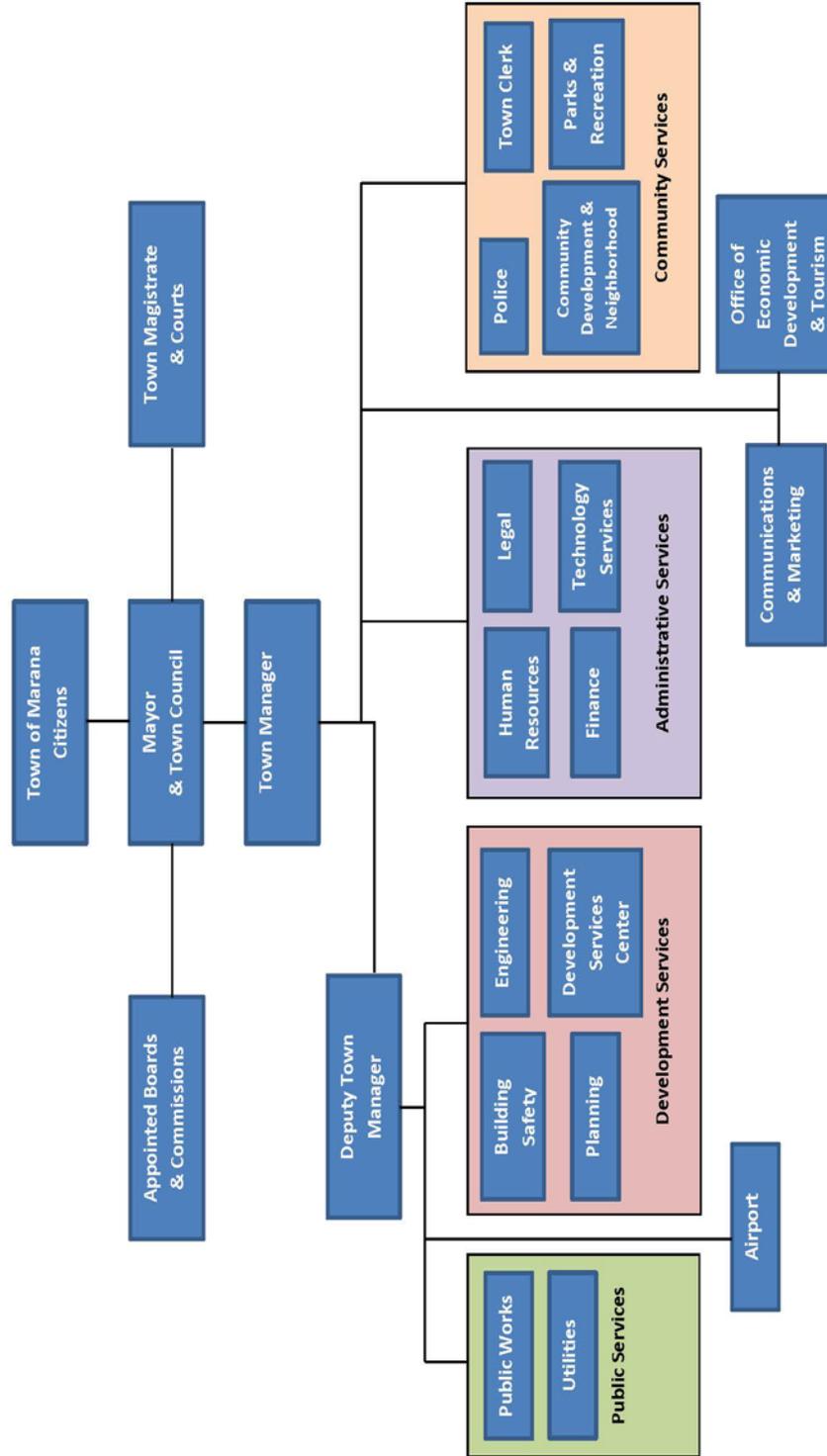
Gilbert Davidson, Town Manager

Jamsheed Mehta, Deputy Town Manager

DEPARTMENT HEADS

Ryan Mahoney, Planning Director	Curry C. Hale, Human Resources Director
Jocelyn Bronson, Town Clerk	Frank Cassidy, Town Attorney
Keith Brann, Town Engineer	Erik Montague, Finance Director
Ryan Benavides, Public Works Director	Steve Miller, Airport Manager
Terry Rozema, Police Chief	Laine Sklar, Town Magistrate
Lisa Shafer, Community Development and Neighborhood Services Director	Carl Drescher, Technology Services Director
Tom Ellis, Parks and Recreation Director	John Kmiec, Utilities Director

**TOWN OF MARANA, ARIZONA
ORGANIZATIONAL CHART
FISCAL YEAR 2015**





HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council
Town of Marana, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Casa Grande
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Fax (520) 426-9432

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, as of June 30, 2015, 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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* that could have a material impact on the financial statements. For the Town of Marana, GASB Statements No. 68 and No. 71 have impacted the presentation of the financial statements by establishing standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. The implementation of GASB Statements 68 and 71 resulted in the restatement of beginning net position for governmental activities, business-type activities and the related enterprise funds net position. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Marana, Arizona's, internal control over financial reporting and compliance.

Henry + Horne LLP

Casa Grande, Arizona
December 11, 2015



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



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**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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, 2015. 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 \$3.4 million or 1 percent from the restated previous fiscal year 2013-14. This increase is primarily due to an increase in the cash position related to decreased debt service requirements as a result of prior year debt retirement and refunding, timing of accounts payable payments, and the addition of an internal service fund. The restatement of net position resulted in a decrease of \$26.9 million. Additional information on the Town's restatement can be found in Note 2.
- General revenues from governmental activities, excluding transfers, accounted for \$38.8 million in revenue, or 60.8 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25 million or 39.2 percent of total revenues from governmental activities. The Town had \$9.3 million of program revenues related to business-type activities.
- The deferred outflows/inflows of resources both increased from the prior year due to the reporting of deferred outflows/inflows related to pensions. This is due to the implementation of GASB Statement No. 68 and GASB Statement No. 71. The deferred outflow related to pensions was \$5.6 million. The deferred inflow related to pensions was \$4 million. The deferred charge on refunding reported in previous years was eliminated due to the defeasance of the related debt.
- Among major funds, the General Fund had \$38 million in fiscal year 2014-15 revenues, which primarily consisted of sales taxes, intergovernmental revenue and licenses, fees and permits. The General fund had \$33.1 million of expenditures and \$3.9 million in required transfers during the year. The \$0.9 million fund balance growth was due to an increase in taxes and permits revenue due to commercial development, as well, as a spending level below budget.
- Highway User Revenue Fund revenues grew slightly in fiscal year 2014-15 at \$2.5 million. Expenditure growth remained consistent with the previous year due to the establishment of the pavement preservation program in fiscal year 2013-2014, which seeks to maximize pavement life. Fund balance decreased by \$1 million and ended the fiscal year at \$1.9 million.
- Tangerine Farms Road Improvement District Debt Service Fund, which accounts for special assessments, had a \$458,760 fund balance attributable to the accumulation of prepaid assessments and resources required for the July 2015 debt service payment.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015

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 include the Marana Municipal Property Corporation, a legally separate entity, for which the Town is financially accountable. The Corporation also has substantially the same governing board as the

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015

Town and provides services entirely to the Town. Financial information for this component unit is blended into the Town's financial statements. In addition, the Gladden Farms Community Facilities District, Gladden Farms Community Facilities District II, Vanderbilt Farms Community Facilities District and Saguaro Springs Community Facilities District are blended component units.

The government-wide financial statements can be found on pages 25-27 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, and Tangerine Farms Road Improvement District Debt Service all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules. These statements are included as supplementary information after the basic financial statements starting on page 108.

The Town adopts an annual budget and legally allocates (or appropriates) available monies for the General, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, and other non-major governmental funds. Budgetary comparison schedules have been presented for the Town's major funds (pages 86-88 and 105), 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 30-37 and 108-157 of this report.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015

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 budget process and progress in funding its obligation to provide pension and OPEB benefits to its employees. Governments have an option of including budgetary comparison statement of the General Fund and major special revenue funds as either part of the fund financial statements within the basic financial statements, or required supplementary information after the notes to the financial statements. The Town has elected to present these budgetary comparison schedules as required supplemental information immediately following the notes to the financial statements. Additionally, governments are required to disclose certain information about employee pension funds. These disclosures are included within Note 11 Employee Retirement Systems beginning on page 61 in addition to the information on pages 89-100 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 by \$333.4 million as of June 30, 2015. Current and other assets increased \$4.9 million or 5.4 percent primarily due to a higher cash position. This is a result of the addition of the internal service fund, which had a cash balance of \$745,419, timing of accounts payable payments, and increased revenues, such as sales tax and charges for service, which exceeded expenditures. The long-term liabilities increased by \$25.2 million or 25.1%, which is attributable to the net pension liability. As this is part of the restated net position, this did not have an effect on the change in net position reported on the Statement of Activities. The current and other liabilities increased by \$3.7 million or 30.5%, which is largely due to an increase in accounts payable as a result of timing of payments made for fiscal year 2014-2015 expenditures.

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

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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, 2015 and June 30, 2014.

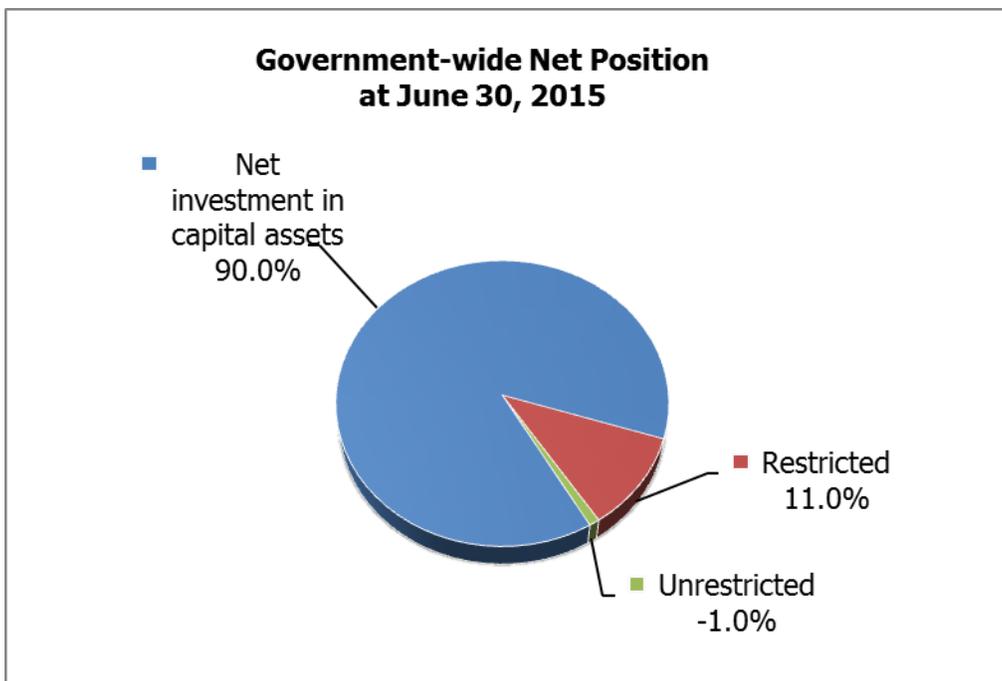
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 89,847,517	\$ 87,419,238	\$ 5,221,340	\$ 2,754,834	\$ 95,068,857	\$ 90,174,072
Capital assets, net	263,196,479	265,674,223	114,832,949	113,153,692	378,029,428	378,827,915
Total assets, net	353,043,996	353,093,461	120,054,289	115,908,526	473,098,285	469,001,987
Deferred outflows related to pensions	5,308,066	-	247,186	-	5,555,252	-
Deferred charge on refunding	-	238,732	-	-	-	238,732
Total deferred outflows of resources	5,308,066	238,732	247,186	-	5,555,252	238,732
Current and other liabilities	13,526,547	10,500,133	2,163,530	1,521,172	15,690,077	12,021,305
Long-term liabilities	118,743,548	95,123,626	6,799,651	5,191,562	125,543,199	100,315,188
Total liabilities	132,270,095	105,623,759	8,963,181	6,712,734	141,233,276	112,336,493
Deferred inflows related to pensions	3,650,692	-	339,728	-	3,990,420	-
Total deferred inflows of resources	3,650,692	-	339,728	-	3,990,420	-
Net position:						
Net investment in capital assets	190,296,792	189,170,947	109,648,718	107,768,414	299,945,510	296,939,361
Restricted	36,417,947	58,820,189	365,485	292,388	36,783,432	59,112,577
Unrestricted	(4,283,464)	(282,702)	984,363	1,134,990	(3,299,101)	852,288
Total net position	\$ 222,431,275	\$ 247,708,434	\$ 110,998,566	\$ 109,195,792	\$ 333,429,841	\$ 356,904,226

Net investment in capital assets of \$299.9 million or 90 percent represents the largest portion of net position. This reflects the Town's investment in capital assets, net of accumulated depreciation and related outstanding debt used to acquire those assets. These capital assets are used to provide services to the Town's citizens. Consequently, the Town does not intend to sell these assets and, therefore, they are not available for future spending. Although the capital assets are 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 are not intended to be used to liquidate these liabilities. This portion of net position increased by \$3 million as of June 30, 2015, which is a result of depreciation, reduction of related outstanding debt, and additions of capital assets.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

The second portion of net position of \$36.8 million or 11 percent represents resources that are subject to external restrictions on how they may be utilized. The decrease of \$22.3 million or 37.8 percent is primarily due to the classification of debt required to pay for business-type assets as restricted net position for debt service.

The third portion consists of unrestricted net position of \$(3.3) million. The unrestricted balance has decreased by \$4.2 million and has a deficit balance primarily due to the net pension liability reported as a result of the implementation of GASB 68 and GASB 71 related to pension reporting. The offset of the decrease is due to the reclassification of the debt required to pay for business-type assets, which is reported in the restricted debt service net position.



Changes in net position. The Town's total revenues for the fiscal year ended June 30, 2015, were \$73.2 million. A significant increase of \$4.9 million in charges for services is primarily attributable to premiums for the health and dental self-insurance fund. The health and dental fund is a newly created internal service fund. The total cost of all programs and services was \$69.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 9,380,637	\$ 4,526,911	5,318,443	\$ 4,848,598	\$ 14,699,080	\$ 9,375,509
Operating grants and contributions	4,360,329	4,442,275	-	-	4,360,329	4,442,275
Capital grants and contributions	11,280,860	10,267,832	4,014,494	2,533,707	15,295,354	12,801,539
General revenues:						
Sales taxes	28,058,823	26,225,881	-	-	28,058,823	26,225,881
Property taxes	442,194	421,004	-	-	442,194	421,004
Franchise taxes	400,812	377,069	-	-	400,812	377,069
State shared revenues	8,819,940	8,272,540	-	-	8,819,940	8,272,540
Investment income	148,571	170,812	9,157	1,446	157,728	172,258
Miscellaneous revenues	812,701	854,477	19,184	38,840	831,885	893,317
Gain on sale of capital assets	116,340	-	-	-	116,340	-
Total revenues	63,821,207	55,558,801	9,361,278	7,422,591	73,182,485	62,981,392
Expenses:						
General government	14,707,294	10,662,236	-	-	14,707,294	10,662,236
Public safety	14,324,387	12,134,034	-	-	14,324,387	12,134,034
Highways and streets	18,522,102	19,052,740	-	-	18,522,102	19,052,740
Health and welfare	-	23,371	-	-	-	23,371
Economic and community development	4,796,343	4,690,466	-	-	4,796,343	4,690,466
Culture and recreation	4,432,751	3,130,770	-	-	4,432,751	3,130,770
Interest on long-term debt	4,105,760	4,542,970	-	-	4,105,760	4,542,970
Water	-	-	4,149,910	5,244,262	4,149,910	5,244,262
Wastewater	-	-	3,430,666	2,756,375	3,430,666	2,756,375
Airport	-	-	1,289,272	1,197,076	1,289,272	1,197,076
Total expenses	60,888,637	54,236,587	8,869,848	9,197,713	69,758,485	63,434,300
Increase/(decrease) in net position before transfers	2,932,570	1,322,214	491,430	(1,775,122)	3,424,000	(452,908)
Transfers	(403,728)	(2,384,358)	403,728	2,384,358	-	-
Increase/(decrease) in net position	2,528,842	(1,062,144)	895,158	609,236	3,424,000	(452,908)
Net position, beginning of year, as restated	219,902,433	248,770,578	110,103,408	108,586,556	330,005,841	357,357,134
Net position, end of year	\$ 222,431,275	\$ 247,708,434	\$ 110,998,566	\$ 109,195,792	\$ 333,429,841	\$ 356,904,226

Governmental Activities. Governmental activities increased net position by \$2.5 million for fiscal year ended June 30, 2015. The capital grants and contributions increase of \$1 million is primarily due to the one time revenues received in intergovernmental revenue for reimbursement of project expenditures in the PAG Capital Fund. The sales tax revenue increased by \$1.8 million from the prior year, which is a steady year-over-year increase indicating an economic recovery in addition to new commercial developments within the Town. Additionally, license, fees, and permit revenue increased in the current year largely due to the development of a new mall within the Town.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

General revenues of governmental activities of \$38.8 million increased by \$2.5 million or 6.8 percent from the previous year. This increase is primarily attributable to increased sales taxes and State shared revenue collections in fiscal year 2015 from the year earlier.

Program revenues of \$25 million increased by \$5.8 million or 30 percent from the previous year. This increase is primarily attributable to the premiums collected for the internal service fund and an increase in the capital grants and contributions revenues related to a one time reimbursement of major capital projects.

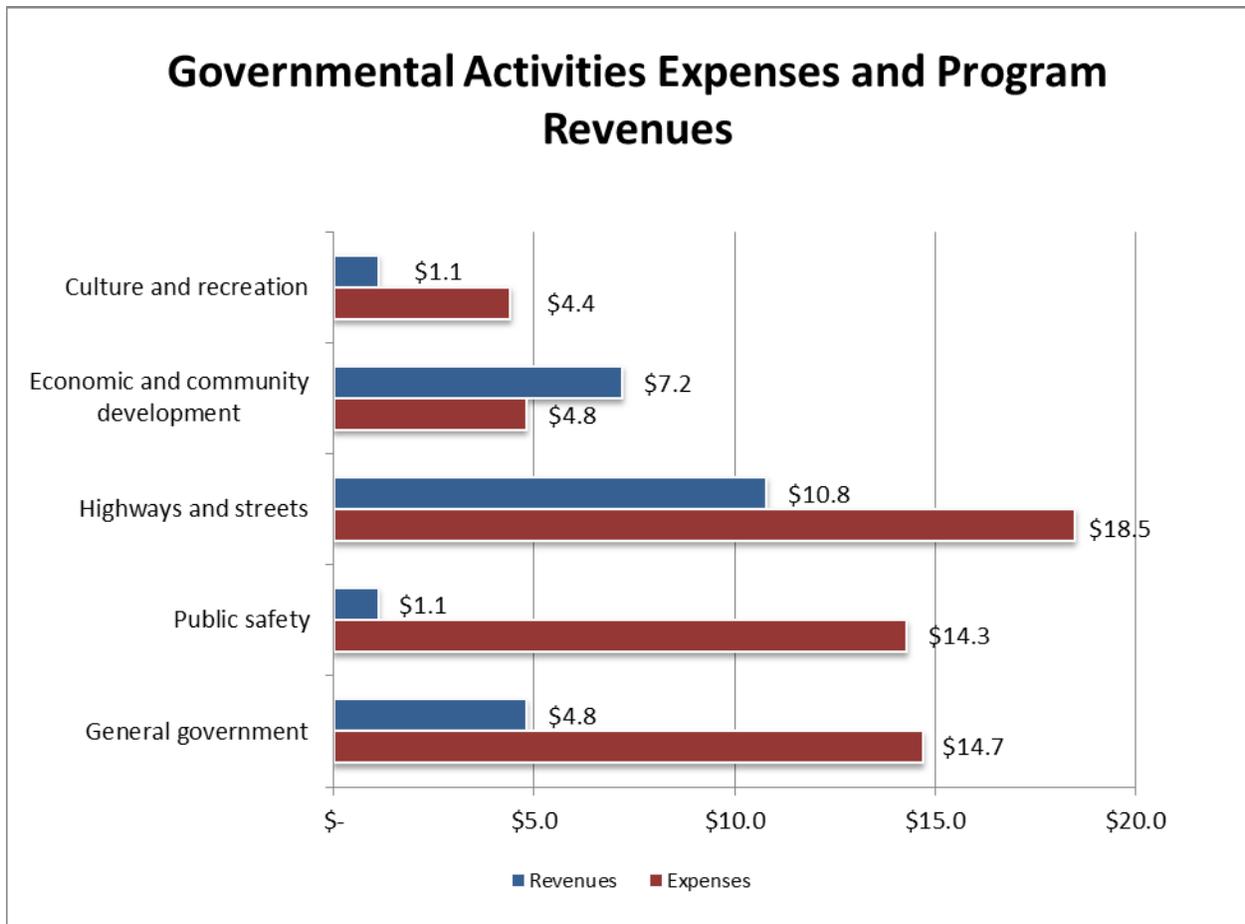
The following table presents the cost of the nine major Town functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was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

	Year Ended June 30, 2015		Year Ended June 30, 2014	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Governmental Activities				
General government	\$ 14,707,294	\$ (9,904,545)	\$ 10,662,236	\$ (9,273,723)
Public safety	14,324,387	(13,222,147)	12,134,034	(11,025,418)
Highways and streets	18,522,102	(7,754,037)	19,052,740	(9,159,056)
Health and welfare	-	20,199	23,371	(3,099)
Economic and community development	4,796,343	2,384,495	4,690,466	825,312
Culture and recreation	4,432,751	(3,285,016)	3,130,770	(1,820,615)
Interest on long-term debt	4,105,760	(4,105,760)	4,542,970	(4,542,970)
Total	\$ 60,888,637	\$ (35,866,811)	\$ 54,236,587	\$ (34,999,569)
Business-Type Activities				
Water	\$ 4,149,910	\$ 2,528,203	\$ 5,244,262	\$ 458,457
Wastewater	3,430,666	(1,495,785)	2,756,375	(1,325,108)
Airport	1,289,272	(569,329)	1,197,076	(948,757)
Total	\$ 8,869,848	\$ 463,089	\$ 9,197,713	\$ (1,815,408)

- The cost of all governmental activities this year was \$60.9 million and the cost of all business-type activities this year was \$8.9 million. The 12.2 percent increase in governmental activities expenses is primarily due to costs associated with the internal service fund of \$3.4 million, an increase in expenses for the pavement preservation program of \$1 million, and cost of living and merit increases for employees and an increase in depreciation expense. The decrease in business-type activity expenses is a result of a prior year loss on disposal of capital assets of \$1.2 million.
- Net cost of governmental activities of \$35.9 million was largely financed by general revenues, which are made up of primarily sales taxes totaling \$28.1 million.
- The general government expenses increased \$4 million or 37.9 percent. This is primarily due costs associated with the internal service fund of \$3.4 million and cost of living and merit increases for employees.
- Public safety expenses increased \$2.2 million or 18 percent due to the addition of 3 new positions coupled with cost of living and merit increases for employees.

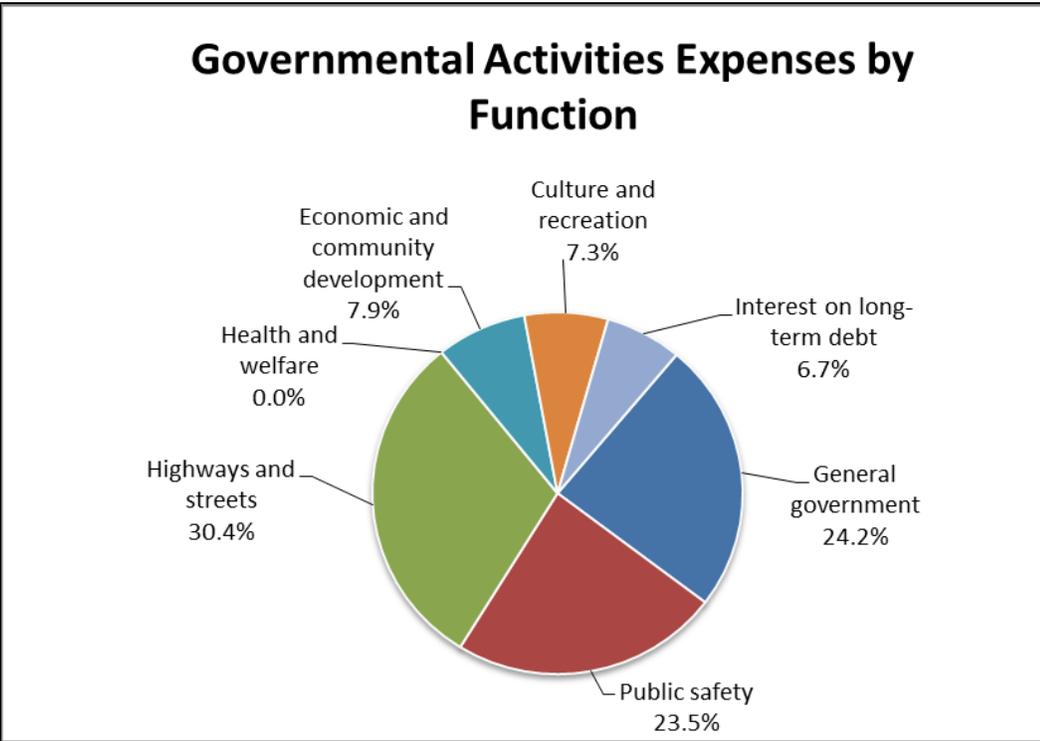
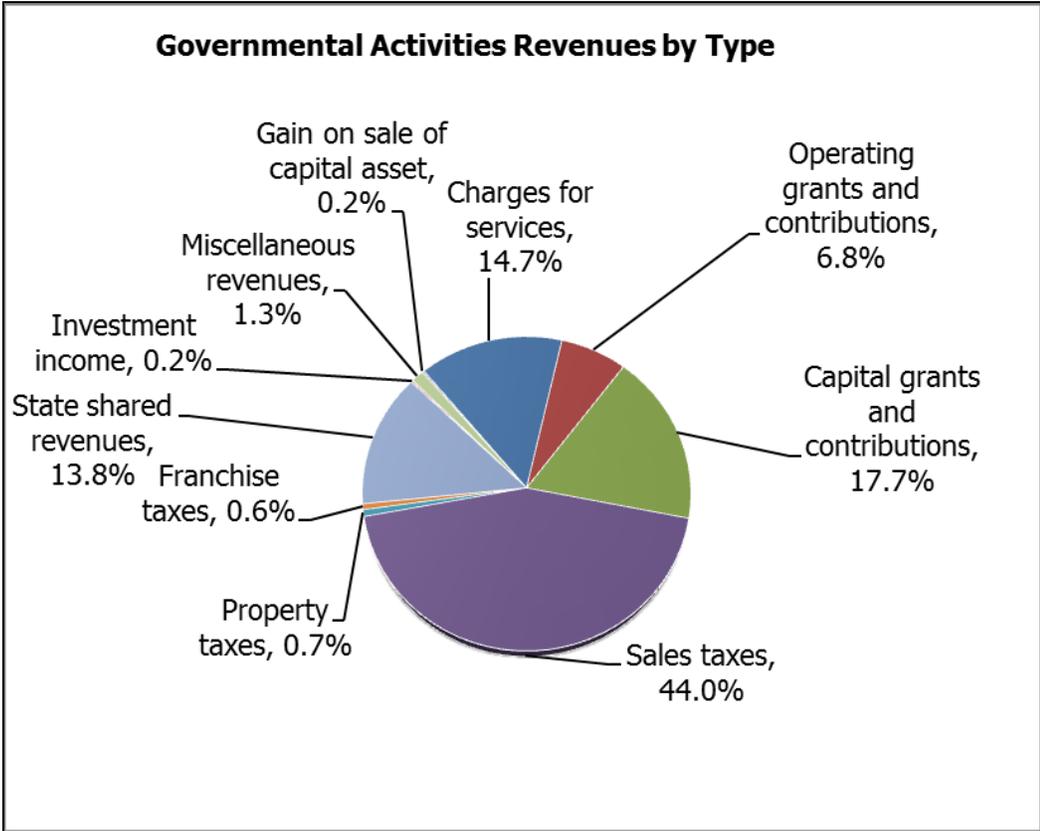
**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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 \$25 million are 41 percent of expenses for fiscal year 2015, up from 35.5 percent a year earlier. As described earlier, this increase is attributable to the addition of the internal service fund and higher collections in the capital grants and contributions revenues related to a one time reimbursements of major capital projects.



As seen on the following graphs, the largest revenue source for the Town's governmental activities is sales tax revenues at 44 percent followed by capital grants and contributions at 17.7 percent charges for services at 14.7 percent and State shared revenues at 13.8 percent. The Town's largest expense category is highways and streets at 30.4 percent, followed by general government at 24.2 percent and public safety at 23.5 percent.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

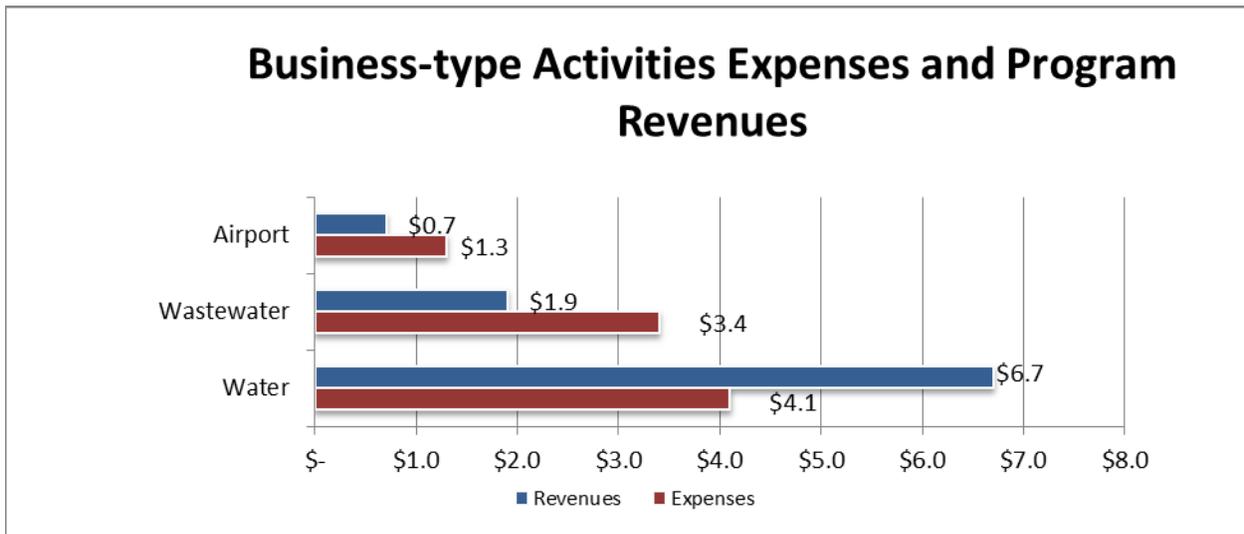


**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

Business-type Activities

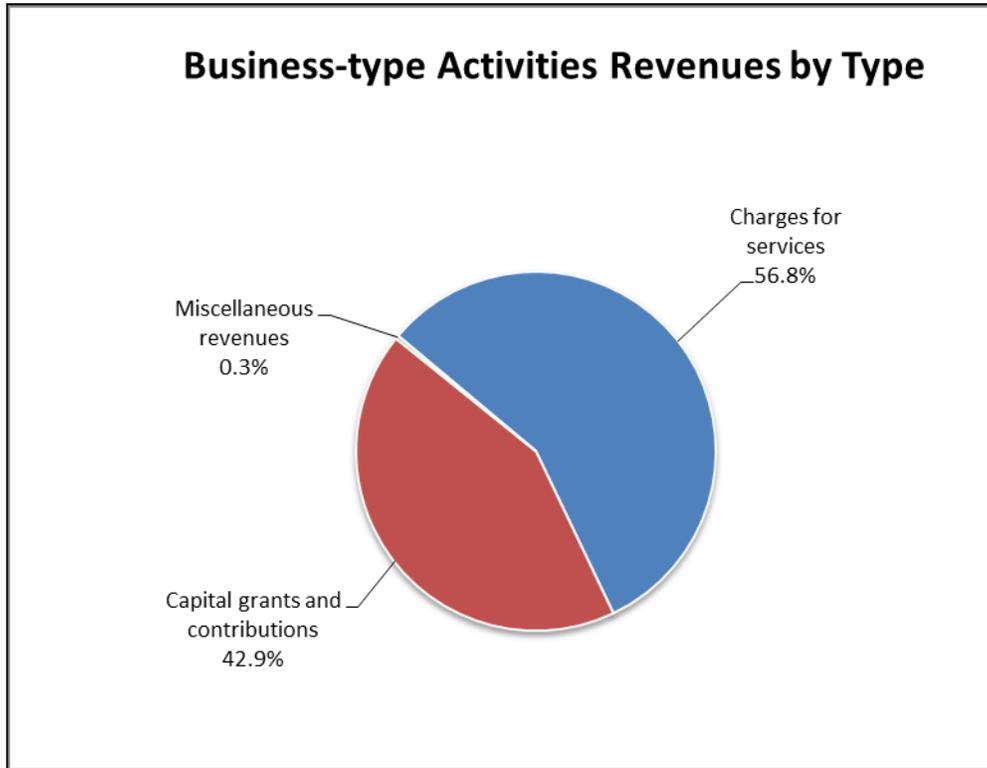
Business-type activities' net position increased by \$1.8 million for fiscal year ended June 30, 2015. This increase is largely due overall increased revenues and decreased expenses. Charges for services increased due to increased fees. As mentioned previously, the expense decreased from prior year due to a loss on capital assets that was reported in fiscal year 2013-2014.

Capital grants and contributions increased by \$1.5 million or 58 percent. This was partially due to a contribution of \$589,870 related to a public improvement participation agreement for the Tangerine Business Park water infrastructure improvements. Also, the Airport received funds to reimburse prior year capital projects as well as current year projects. Additionally, the Wastewater fund received contributions from developers of Wastewater related assets and there was a slight increase in the amount of Water related assets contributed in the current year.



The Town's largest overall business-type activity is the Water Utility with \$4.1 million in expenses and \$6.7 million in program revenues during the year. The second largest activity is the Wastewater Utility with \$3.4 million in expenses and \$1.9 million in program revenues, followed by the Airport with \$1.3 million in expenses and \$0.7 million in program revenues.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**



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, 2015, the Town's governmental funds reported a combined fund balance of \$64.5 million, of which \$21.4 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 \$24.6 million. Revenues and expenditures increased slightly from the previous year. The primary increases in revenues were related to sales taxes and licenses, fees and permits. The increase in expenditures relates to a land purchase of \$1.6 million and cost of living and merit increases for employees.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015

The Highway User Revenue Fund had a fund balance of \$1.9 million which reflected a decrease of \$1 million from a year earlier. Revenues increased slightly over the prior year. Expenditures remained consistent due to the establishment of pavement preservation program in the prior year. **Proprietary funds.** The proprietary funds in the financial statements are prepared on the same measurement focus and accounting basis as the government-wide financial statements, but they provide more detail since each major enterprise fund is presented discretely. Of the total proprietary funds net position of \$111 million, \$109.8 million comprised the funds' net investment in capital assets. \$0.4 million is restricted for debt service and unrestricted net position of \$0.9 million. The factors concerning the finances of these funds, as well as the changes in net position, have been addressed previously in the discussion of the Town's business-type activities.

BUDGETARY HIGHLIGHTS

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

The economy continued to improve modestly throughout the fiscal year. General Fund revenues exceeded conservative budget projections in several key revenue sources like sales taxes and licenses, permits and fees. Despite the improved revenue outlook, departments maintained their conservative use of available resources. The improved revenues along with the prudent use of resources allowed for fund balance in the General Fund to grow by \$928,098. The General Fund budget and actual variances are shown on page 86.

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 5 – Budgetary Control). Budget adjustments between departments in the General Fund did occur. However, none of the amendments were significant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2015, the Town had invested \$378 million in governmental and business-type capital assets (net of accumulated depreciation). Total depreciation expense for the year was \$21.1 million, with \$16.7 million attributed to governmental activities and \$4.4 million to business-type activities.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014. Additional information on the Town's capital assets can be found in Note 7.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Land	\$ 5,720,591	\$ 4,093,405	\$ 4,493,811	\$ 4,493,811	\$ 10,214,402	\$ 8,587,216
Water rights	-	-	3,593,015	3,278,839	3,593,015	3,278,839
Construction in progress	13,300,674	9,395,385	2,880,521	1,333,533	16,181,195	10,728,918
Buildings and improvements	44,613,814	46,473,837	124,706,859	115,653,660	169,320,673	162,127,497
Machinery and equipment	19,218,719	20,078,906	1,060,331	8,996,604	20,279,050	29,075,510
Infrastructure	333,053,064	323,548,227	-	-	333,053,064	323,548,227
Less: Accumulated depreciation	(152,710,383)	(137,915,537)	(21,901,588)	(20,602,755)	(174,611,971)	(158,518,292)
Total	\$ 263,196,479	\$ 265,674,223	\$ 114,832,949	\$ 113,153,692	\$ 378,029,428	\$ 378,827,915

Debt Administration. At year-end, the Town had \$100.9 million in long-term obligations outstanding with \$5.4 million due within one year. The Town did not issue any new debt in the current fiscal year.

The following table presents a summary of the Town's outstanding debt for the fiscal years ended June 30, 2015 and June 30, 2014. Additional information on the Town's long-term obligations can be found in Note 8.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
	General obligation bonds	\$ 8,085,000	\$ 8,325,000	\$ -	\$ -	\$ 8,085,000
Revenue bonds	66,513,000	68,443,000	1,343,000	1,343,000	67,856,000	69,786,000
Special assessment bonds	17,246,000	18,488,000	-	-	17,246,000	18,488,000
Loan payable	-	-	3,841,231	4,042,278	3,841,231	4,042,278
Compensated absences	964,535	935,957	86,707	73,315	1,051,242	1,009,272
Total	\$ 92,808,535	\$ 96,191,957	\$5,270,938	\$5,458,593	\$98,079,473	\$101,650,550

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Our Town is headed in a positive direction, our finances are in order and many beneficial projects are coming into focus. While we begin a new growth era, we remain committed to sound financial management and forward-thinking fiscal policies. As a result, the Town adopted a fiscal year 2015-16 budget focused on the Strategic Plan III principles and goals. Primarily due to the rapid growth in the Town of Marana, the 2015-16 budget increased by \$28 million or 24%. The majority of this increase is attributable to our investment in capital outlay for transportation, park, water, and airport capital improvement projects. Several key revenues like sales taxes, State shared revenues, building permits and planning fees increased modestly during the fiscal year. These key revenue sources are improving annually, however the Town has cautiously projected increases based on new developments and a slow economic recovery. In order to help better guide future decisions, the Town has maintained the investment planning concept. This plan is based on economic analysis that projects a slow, multi-year recovery.

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.marana.com.

BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 56,400,081	\$ 5,954,448	\$ 62,354,529
Property taxes receivable	731	-	731
Accounts receivable	1,544,809	938,634	2,483,443
Interest receivable	24,592	-	24,592
Due from other governments	6,186,802	22,181	6,208,983
Internal balances	150,000	(150,000)	-
Prepaid items	198,686	173,987	372,673
Total current assets	64,505,701	6,939,250	71,444,951
Noncurrent assets:			
Accounts receivable	16,211,439	-	16,211,439
Restricted cash and investments	7,046,982	365,485	7,412,467
Internal balances	2,083,395	(2,083,395)	-
Capital assets not depreciated	19,021,265	10,967,347	29,988,612
Capital assets (net of depreciation)	244,175,214	103,865,602	348,040,816
Total noncurrent assets	288,538,295	113,115,039	401,653,334
Total assets	353,043,996	120,054,289	473,098,285
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	5,308,066	247,186	5,555,252
Total deferred outflows of resources	5,308,066	247,186	5,555,252
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	3,754,314	803,390	4,557,704
Accrued payroll and employee benefits	1,020,006	89,355	1,109,361
Unearned revenue	300,125	15,632	315,757
Deposits held for others	891,999	628,509	1,520,508
Due to other government	106,119	138,600	244,719
Claims payable	353,354	-	353,354
Accrued interest payable	2,111,444	73,993	2,185,437
Compensated absences	868,081	78,036	946,117
Loan payable	-	207,015	207,015
General obligation bonds - CFD	250,000	-	250,000
Special assessment bonds - TRFID	1,287,000	-	1,287,000
Revenue bonds	2,584,105	129,000	2,713,105
Total current liabilities	13,526,547	2,163,530	15,690,077
Noncurrent liabilities:			
Compensated absences	96,454	8,671	105,125
Net pension liability	28,138,512	1,942,764	30,081,276
Loan payable	-	3,634,216	3,634,216
General obligation bonds - CFD	7,835,000	-	7,835,000
Special assessment bonds - TRFID	15,959,000	-	15,959,000
Revenue bonds	66,714,582	1,214,000	67,928,582
Total non-current liabilities	118,743,548	6,799,651	125,543,199
Total liabilities	132,270,095	8,963,181	141,233,276
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	3,650,692	339,728	3,990,420
Total deferred inflows of resources	3,650,692	339,728	3,990,420
<u>NET POSITION</u>			
Net investment in capital assets	190,296,792	109,648,718	299,945,510
Restricted for:			
Capital projects	24,888,641	-	24,888,641
Debt service	5,994,584	365,485	6,360,069
General government	1,481,991	-	1,481,991
Public safety	1,985,393	-	1,985,393
Highways and streets	1,799,387	-	1,799,387
Economic and community development	267,951	-	267,951
Unrestricted	(4,283,464)	984,363	(3,299,101)
Total net position	\$ 222,431,275	\$ 110,998,566	\$ 333,429,841

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

**TOWN OF MARANA, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental activities:				
General government	\$ 14,707,294	\$ 4,490,125	\$ 312,624	\$ -
Public safety	14,324,387	-	1,077,646	24,594
Highways and streets	18,522,102	-	2,483,705	8,284,360
Health and welfare	-	-	20,199	-
Economic and community development	4,796,343	4,585,388	444,934	2,150,516
Culture and recreation	4,432,751	305,124	21,221	821,390
Interest on long-term debt	4,105,760	-	-	-
Total governmental activities	<u>60,888,637</u>	<u>9,380,637</u>	<u>4,360,329</u>	<u>11,280,860</u>
Business-type activities:				
Water	4,149,910	4,145,891	-	2,532,222
Wastewater	3,430,666	933,408	-	1,001,473
Airport	1,289,272	239,144	-	480,799
Total business-type activities	<u>8,869,848</u>	<u>5,318,443</u>	<u>-</u>	<u>4,014,494</u>
Total primary government	<u>\$ 69,758,485</u>	<u>\$ 14,699,080</u>	<u>\$ 4,360,329</u>	<u>\$ 15,295,354</u>

General revenues:

Taxes:

Sales taxes

Property taxes

Franchise taxes

State shared revenues, unrestricted

Investment income

Miscellaneous

Gain on sale of assets

Transfers

Total general revenues and transfers

Changes in net position

Net position, beginning of year, as restated

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (9,904,545)	\$ -	\$ (9,904,545)
(13,222,147)	-	(13,222,147)
(7,754,037)	-	(7,754,037)
20,199	-	20,199
2,384,495	-	2,384,495
(3,285,016)	-	(3,285,016)
(4,105,760)	-	(4,105,760)
<u>(35,866,811)</u>	<u>-</u>	<u>(35,866,811)</u>
-	2,528,203	2,528,203
-	(1,495,785)	(1,495,785)
-	(569,329)	(569,329)
-	463,089	463,089
<u>(35,866,811)</u>	<u>463,089</u>	<u>(35,403,722)</u>
28,058,823	-	28,058,823
442,194	-	442,194
400,812	-	400,812
8,819,940	-	8,819,940
148,571	9,157	157,728
812,701	19,184	831,885
116,340	-	116,340
(403,728)	403,728	-
<u>38,395,653</u>	<u>432,069</u>	<u>38,827,722</u>
2,528,842	895,158	3,424,000
<u>219,902,433</u>	<u>110,103,408</u>	<u>330,005,841</u>
<u>\$ 222,431,275</u>	<u>\$ 110,998,566</u>	<u>\$ 333,429,841</u>



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FUND FINANCIAL STATEMENTS

TOWN OF MARANA, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
<u>ASSETS</u>			
Cash and cash equivalents	\$ 20,355,118	\$ 2,370,110	\$ 11,102
Property taxes receivable	-	-	-
Accounts receivable	212,730	-	-
Special assessments receivable	-	-	17,206,773
Interest receivable	13,916	-	-
Development agreement receivable	-	-	-
Due from other governments	3,199,284	233,537	-
Due from other funds	3,094,087	-	-
Prepaid items	198,455	-	-
Restricted cash and investments	-	-	447,658
Total assets	<u>\$ 27,073,590</u>	<u>\$ 2,603,647</u>	<u>\$ 17,665,533</u>
<u>LIABILITIES</u>			
Accounts payable	897,775	627,560	-
Accrued payroll and employee benefits	961,151	25,847	-
Due to other funds	-	-	-
Due to other governments	106,119	-	-
Deposits held for others	217,969	-	-
Unearned revenue	300,125	-	-
Total liabilities	<u>2,483,139</u>	<u>653,407</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	-	-	17,206,773
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>17,206,773</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	2,281,850	-	-
Restricted	-	1,950,240	458,760
Unassigned	22,308,601	-	-
Total fund balances (deficits)	<u>24,590,451</u>	<u>1,950,240</u>	<u>458,760</u>
Total liabilities, deferred inflow of resources, and fund balances (deficits)	<u>\$ 27,073,590</u>	<u>\$ 2,603,647</u>	<u>\$ 17,665,533</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 32,918,332	\$ 55,654,662
731	731
3,352	216,082
-	17,206,773
10,676	24,592
333,393	333,393
2,753,981	6,186,802
-	3,094,087
231	198,686
6,599,324	7,046,982
<u>\$ 42,620,020</u>	<u>\$ 89,962,790</u>
2,369,263	3,894,598
33,008	1,020,006
860,692	860,692
-	106,119
674,030	891,999
-	300,125
<u>3,936,993</u>	<u>7,073,539</u>
<u>1,183,503</u>	<u>18,390,276</u>
<u>1,183,503</u>	<u>18,390,276</u>
231	2,282,081
38,362,619	40,771,619
(863,326)	21,445,275
<u>37,499,524</u>	<u>64,498,975</u>
<u>\$ 42,620,020</u>	<u>\$ 89,962,790</u>



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**TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2015**

Total governmental fund balances **\$ 64,498,975**

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	\$ 415,906,862	
Less accumulated depreciation	<u>(152,710,383)</u>	263,196,479

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

Compensated absences	(964,535)	
Revenue bonds payable	(66,513,000)	
General obligation bonds payable	(8,085,000)	
Special assessment bonds	(17,246,000)	
Net pension liability	(28,138,512)	
Accrued interest payable	<u>(2,111,444)</u>	(123,058,491)

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.

532,349

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	(2,785,687)	
Deferred inflows related to pensions	(3,650,692)	
Deferred outflows related to pensions	<u>5,308,066</u>	(1,128,313)

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	1,183,503	
Special assessments revenue	<u>17,206,773</u>	<u>18,390,276</u>

Net position of governmental activities **\$ 222,431,275**

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
Revenues:			
Sales taxes	\$ 21,827,358	\$ -	\$ -
Property taxes	-	-	-
Intergovernmental	8,914,171	2,483,705	-
Licenses, fees & permits	4,813,378	-	-
Fines, forfeitures & penalties	664,955	-	-
Charges for services	691,661	-	-
Lease income	96,012	-	-
Special assessments	-	-	2,050,408
Contributions	59,051	-	-
Investment income	70,008	2,027	-
Miscellaneous	818,157	3,702	-
Total revenues	<u>37,954,751</u>	<u>2,489,434</u>	<u>2,050,408</u>
Expenditures:			
Current -			
General government	8,731,343	-	-
Public safety	13,157,599	-	-
Highways and streets	1,793,158	3,400,761	-
Economic and community development	4,072,920	-	-
Culture and recreation	3,573,264	-	-
Capital outlay	1,819,599	34,463	-
Debt service -			
Principal retirement	-	-	1,242,000
Interest and fiscal charges	-	-	849,498
Total expenditures	<u>33,147,883</u>	<u>3,435,224</u>	<u>2,091,498</u>
Excess (deficiency) of revenues over expenditures	<u>4,806,868</u>	<u>(945,790)</u>	<u>(41,090)</u>
Other financing sources (uses):			
Transfers in	2,201	-	-
Transfers out	(3,880,971)	-	-
Total other financing sources (uses)	<u>(3,878,770)</u>	<u>-</u>	<u>-</u>
Changes in fund balances	<u>928,098</u>	<u>(945,790)</u>	<u>(41,090)</u>
Fund balances (deficits), beginning of year	23,662,353	2,896,030	499,850
Fund balances (deficits), end of year	<u>\$ 24,590,451</u>	<u>\$ 1,950,240</u>	<u>\$ 458,760</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 6,231,465	\$ 28,058,823
447,222	447,222
3,528,625	14,926,501
2,234,284	7,047,662
223,704	888,659
-	691,661
-	96,012
-	2,050,408
524,228	583,279
76,536	148,571
31,467	853,326
<u>13,297,531</u>	<u>55,792,124</u>
990,730	9,722,073
728,581	13,886,180
96,103	5,290,022
278,193	4,351,113
105,780	3,679,044
8,031,171	9,885,233
2,170,000	3,412,000
3,641,228	4,490,726
<u>16,041,786</u>	<u>54,716,391</u>
<u>(2,744,255)</u>	<u>1,075,733</u>
6,378,689	6,380,890
<u>(3,074,543)</u>	<u>(6,955,514)</u>
<u>3,304,146</u>	<u>(574,624)</u>
<u>559,891</u>	<u>501,109</u>
36,939,633	63,997,866
<u>\$ 37,499,524</u>	<u>\$ 64,498,975</u>



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TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net changes in fund balances - total governmental funds **\$ 501,109**

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	\$ 10,958,695	
Less current year depreciation	<u>(16,694,408)</u>	(5,735,713)

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.

Special assessment bond retirement	1,242,000	
General obligation bond retirement	240,000	
Revenue bond principal retirement	<u>1,930,000</u>	3,412,000

Contributions of infrastructure assets are not recorded as revenues in the governmental funds. 5,533,084

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	188,017	
Developer contributions	(166,666)	
Intergovernmental revenue	289,107	
Special assessments	(1,237,204)	
Compensated absences	(28,578)	
Proceeds from the sale of capital assets	(387,558)	
Gain on sale of assets	116,340	
Amortization of deferred charges	<u>191,589</u>	(1,034,953)

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	2,266,603	
Pension expense	<u>(2,945,637)</u>	(679,034)

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. 532,349

Change in net position in governmental activities **\$ 2,528,842**

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

TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities			Governmental Activities	
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,268,771	\$ 685,576	\$ 101	\$ 5,954,448	\$ 745,419
Accounts receivable	758,532	125,379	54,723	938,634	-
Due from governments	-	-	22,181	22,181	-
Prepaid items	20,351	-	153,636	173,987	-
Total current assets	6,047,654	810,955	230,641	7,089,250	745,419
Noncurrent assets:					
Restricted cash	365,485	-	-	365,485	-
Capital assets not depreciated	5,645,481	3,270,056	2,051,810	10,967,347	-
Capital assets (net of depreciation)	20,374,135	66,934,834	16,556,633	103,865,602	-
Total noncurrent assets	26,385,101	70,204,890	18,608,443	115,198,434	-
Total assets	32,432,755	71,015,845	18,839,084	122,287,684	745,419
DEFERRED OUTFLOWS OF RESOURCES					
Employer contributions	108,238	15,289	13,124	136,651	-
Resources related to pensions	87,552	12,367	10,616	110,535	-
Total deferred outflows of resources	195,790	27,656	23,740	247,186	-
LIABILITIES					
Current liabilities:					
Accounts payable	615,883	110,354	77,153	803,390	-
Accrued payroll and employee benefits	67,804	14,041	7,510	89,355	-
Claims payable	-	-	-	-	213,070
Compensated absences	60,477	9,436	8,123	78,036	-
Due to other funds	-	-	150,000	150,000	-
Deposits held for others	628,509	-	-	628,509	-
Due to other governments	138,600	-	-	138,600	-
Bonds payable - current	129,000	-	-	129,000	-
Loan payable - current	207,015	-	-	207,015	-
Interest payable	73,993	-	-	73,993	-
Unearned revenue	-	-	15,632	15,632	-
Total current liabilities	1,921,281	133,831	258,418	2,313,530	213,070
Noncurrent liabilities:					
Due to other funds	-	-	2,083,395	2,083,395	-
Compensated absences	6,720	1,048	903	8,671	-
Bonds payable	1,214,000	-	-	1,214,000	-
Loan payable	3,634,216	-	-	3,634,216	-
Net pension liability	1,538,822	217,359	186,583	1,942,764	-
Total non-current liabilities	6,393,758	218,407	2,270,881	8,883,046	-
Total liabilities	8,315,039	352,238	2,529,299	11,196,576	213,070
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	269,092	38,009	32,627	339,728	-
Total deferred inflows of resources	269,092	38,009	32,627	339,728	-
NET POSITION					
Net investment in capital assets	20,964,385	70,204,890	18,608,443	109,777,718	-
Restricted for debt service	365,485	-	-	365,485	-
Unrestricted	2,714,544	448,364	(2,307,545)	855,363	532,349
Total net position	\$ 24,044,414	\$ 70,653,254	\$ 16,300,898	\$ 110,998,566	\$ 532,349

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Water	Wastewater	Airport		Internal Service Funds
Operating revenues:					
Licenses, fees & permits	\$ -	\$ 10,242	\$ -	\$ 10,242	\$ -
Charges for services	4,145,891	919,911	239,144	5,304,946	3,788,862
Lease income	-	3,255	-	3,255	-
Miscellaneous	10	-	19,174	19,184	-
Total operating revenues	<u>4,145,901</u>	<u>933,408</u>	<u>258,318</u>	<u>5,337,627</u>	<u>3,788,862</u>
Operating expenses:					
Personnel costs	1,489,007	349,762	166,275	2,005,044	-
Contractual services	90,847	280,058	48,397	419,302	665,597
Commodities	789,778	215,109	23,259	1,028,146	-
Other	771,788	3,861	96,086	871,735	2,761,812
Depreciation expense	915,480	2,578,661	926,268	4,420,409	-
Total operating expenses	<u>4,056,900</u>	<u>3,427,451</u>	<u>1,260,285</u>	<u>8,744,636</u>	<u>3,427,409</u>
Operating gain (loss)	<u>89,001</u>	<u>(2,494,043)</u>	<u>(1,001,967)</u>	<u>(3,407,009)</u>	<u>361,453</u>
Nonoperating revenues (expenses):					
Investment income	7,552	1,605	-	9,157	-
Interest expense	(93,010)	-	-	(93,010)	-
Loss on disposal of capital assets	-	(3,215)	(28,987)	(32,202)	-
Total nonoperating revenues (expenses)	<u>(85,458)</u>	<u>(1,610)</u>	<u>(28,987)</u>	<u>(116,055)</u>	<u>-</u>
Net gain (loss) before contributions, special items, and transfers	<u>3,543</u>	<u>(2,495,653)</u>	<u>(1,030,954)</u>	<u>(3,523,064)</u>	<u>361,453</u>
Development fees	1,190,715	699,771	-	1,890,486	-
Capital contributions	1,341,507	301,702	480,799	2,124,008	-
Transfers in	-	-	403,728	403,728	170,896
Changes in net position	<u>2,535,765</u>	<u>(1,494,180)</u>	<u>(146,427)</u>	<u>895,158</u>	<u>532,349</u>
Net position, beginning of year restated	21,508,649	72,147,434	16,447,325	110,103,408	-
Net position, end of year	<u>\$ 24,044,414</u>	<u>\$ 70,653,254</u>	<u>\$ 16,300,898</u>	<u>\$ 110,998,566</u>	<u>\$ 532,349</u>

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

**TOWN OF MARANA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-type Activities			Governmental Activities	
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Received from customers	\$ 4,138,452	\$ 888,902	\$ 221,854	\$ 5,249,208	\$ 3,788,862
Payments to suppliers for goods and services	(1,278,167)	(443,801)	(114,701)	(1,836,669)	(3,214,339)
Payments to employees for services	(1,464,435)	(351,053)	(159,819)	(1,975,307)	-
Other receipts	10	13,497	19,174	32,681	-
Net cash provided by (used for) operating activities	<u>1,395,860</u>	<u>107,545</u>	<u>(33,492)</u>	<u>1,469,913</u>	<u>574,523</u>
Cash flows from non-capital activities:					
Interfund borrowing	-	-	(728,788)	(728,788)	-
Transfers in	-	-	403,728	403,728	170,896
Net cash provided by (used for) non-capital activities	<u>-</u>	<u>-</u>	<u>(325,060)</u>	<u>(325,060)</u>	<u>170,896</u>
Cash flows from capital activities and related financing activities:					
Capital grants received	-	-	478,093	478,093	-
Development fees received	1,190,715	699,771	-	1,890,486	-
Principal payments	(201,047)	-	-	(201,047)	-
Interest paid on debt	(79,004)	-	-	(79,004)	-
Acquisition and construction of capital assets	(1,001,459)	(397,449)	(124,815)	(1,523,723)	-
Net cash provided by (used for) capital activities	<u>(90,795)</u>	<u>302,322</u>	<u>353,278</u>	<u>564,805</u>	<u>-</u>
Cash flows from investing activities:					
Interest on investments	7,552	1,605	-	9,157	-
Net cash provided by investing activities	<u>7,552</u>	<u>1,605</u>	<u>-</u>	<u>9,157</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>1,312,617</u>	<u>411,472</u>	<u>(5,274)</u>	<u>1,718,815</u>	<u>745,419</u>
Cash and cash equivalents, beginning of year	<u>4,321,639</u>	<u>274,104</u>	<u>5,375</u>	<u>4,601,118</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 5,634,256</u>	<u>\$ 685,576</u>	<u>\$ 101</u>	<u>\$ 6,319,933</u>	<u>\$ 745,419</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 89,001	\$ (2,494,043)	\$ (1,001,967)	\$ (3,407,009)	\$ 361,453
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	915,480	2,578,661	926,268	4,420,409	-
Pension expense	181,540	25,641	22,011	229,192	-
Employer pension contributions	(108,238)	(15,289)	(13,124)	(136,651)	-
Expenses incurred but not reported	-	-	-	-	213,070
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	49,747	(31,009)	4,891	23,629	-
(Increase) in due from other governments	-	-	(22,181)	(22,181)	-
(Increase) in prepaid items	(20,351)	-	-	(20,351)	-
Increase in accounts payable	374,246	55,227	53,041	482,514	-
(Decrease) in accrued payroll	(60,219)	(8,311)	(7,666)	(76,196)	-
Increase (decrease) in compensated absences payable	11,489	(3,332)	5,235	13,392	-
Increase in deposits held for others	48,610	-	-	48,610	-
(Decrease) in due to other governments	(85,445)	-	-	(85,445)	-
Net cash provided (used) by operating activities	<u>\$ 1,395,860</u>	<u>\$ 107,545</u>	<u>\$ (33,492)</u>	<u>\$ 1,469,913</u>	<u>\$ 574,523</u>
Noncash investing, capital and financing activities:					
Capital contributions	751,635	301,702	-	1,053,337	-
Transfer in (out) governmental capital asset	-	-	(10,649)	(10,649)	-

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For the year ended June 30, 2015, the Town implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement No. 68 and 71 establish standards for measuring and recognizing net pension (assets and) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pension benefits provided through defined benefit pension plans. In addition Statement No. 68 requires disclosure of information related to pension benefits.

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 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 Town of Marana Municipal Property Corporation (MMPC), the Gladden Farms Community Facilities District (GFCFD), Gladden Farms Community Facilities District II (GFCFD II), the Vanderbilt Farms Community Facilities District (VFCFD), the Saguaro Springs Community Facilities District (SSCFD) and the Tangerine Farms Road Improvement District (TFRID). The MMPC, GFCFD, GFCFD II, VFCFD, SSCFD and TFRID are blended component units with the Town in these financial statements as all five were established by the Town in order to fund the debt incurred to finance the purchase of the Town hall, various capital projects, and capital assets used by the water fund. In addition, the MMPC only provides services to the Town.

The MMPC, GFCFD, GFCFD II, VFCFD, SSCFD and TFRID component units each have a June 30 year-end and are included in the 1997 Bond, 2003 Bond, 2004 Bond Debt Service Funds, and 2008 Bond Debt Service Funds, the Gladden Farms Capital Projects and Debt Service Funds, the Vanderbilt Farms Capital Projects and Debt Service Funds, the Saguaro Springs Capital Projects Fund, the Tangerine Farms Improvement District Debt Service Fund, and the Other Capital Projects Funds, respectively. Separate financial statements of the MMPC, the GFCFD, the GFCFD II, the VFCFD, the SSCFD and the TFRID are not prepared on a stand-alone basis.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation

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

Government-wide Financial Statements

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

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

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

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

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund types:

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

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Sales taxes, licenses and permits, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash.

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

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

Proceeds of long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

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.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Investments

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

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

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

F. Pensions

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.

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.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. Receivables and Payables

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

J. Interfund Activity

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

K. Capital Assets

Capital assets, including public domain infrastructure such as roads, bridges, curbs and sidewalks, lighting system, water distribution system and other assets that are immovable and of value to the Town, are defined as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at estimated fair value on the date donated. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. No long-term assets or depreciation are shown in the governmental funds financial statements.

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

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

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

L. Long-term Obligations

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

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

M. Compensated Absences

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

N. Transactions Between Funds

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

O. Use of Estimates

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

P. Seized Property

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet.

R. Flow Assumption

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND CORRECTION OF AN ERROR

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Also, net position has been restated due to a recalculation of accumulated depreciation due to a change in financial systems reporting capital assets. The previous system had incorrectly calculated depreciation for some assets, which the new system has rectified.

	Governmental Activities	Business-type Activities	Water Fund	Wastewater Fund	Airport Fund
Net Position as previously reported at June 30, 2014	\$ 247,708,434	\$ 109,195,792	\$21,607,730	\$71,374,315	\$16,213,747
Prior period adjustment—implementation of GASB 68:					
Net pension liability (measurement date as of June 30, 2013)	(27,811,216)	(2,165,625)	(1,715,346)	(242,293)	(207,986)
Deferred outflows—contributions made during fiscal year 2014	<u>2,009,112</u>	<u>126,642</u>	<u>100,310</u>	<u>14,169</u>	<u>12,163</u>
Total prior period adjustment	<u>(25,802,104)</u>	<u>(2,038,983)</u>	<u>(1,615,036)</u>	<u>(228,124)</u>	<u>(195,823)</u>
Correction of error – depreciation recalculation	<u>(2,003,897)</u>	<u>2,946,599</u>	<u>1,515,955</u>	<u>1,001,243</u>	<u>429,401</u>
Net position as restated, July 1, 2014	<u>\$219,902,433</u>	<u>\$110,103,408</u>	<u>\$21,508,649</u>	<u>\$72,147,434</u>	<u>\$16,447,325</u>

NOTE 3 – 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.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – FUND BALANCE CLASSIFICATIONS, (Cont'd)

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

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

As of June 30, 2015, the fund balance details by classification are listed below:

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Prepaid expenditures	\$ 198,455	\$ -	\$ -	\$ 231
Long-term due from other funds	2,083,395	-	-	-
Restricted:				
Courts	-	-	-	985,456
Tourism promotion	-	-	-	496,535
Police	-	-	-	1,948,088
Highways and streets	-	1,950,240	-	-
Housing programs	-	-	-	267,951
Capital projects	-	-	-	25,615,699
Debt service	-	-	458,760	9,048,890
Unassigned:	22,308,601	-	-	(863,326)
Total fund balances:	\$24,590,451	\$1,950,240	\$ 458,760	\$ 37,499,524

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At June 30, 2015, the PAG Capital Fund, the Pima County Bond Capital Fund, and the 2004 Bond Debt Service Fund all non-major governmental funds, reported deficits in fund balance of \$687,865, \$165,157, and \$10,304, respectively.

All funds with deficit fund balance account for the activity of cost/reimbursement programs. The deficits are as a result of the timing difference between the expenditures and the receipt of reimbursement. The Town expects reimbursement for these expenditures early in fiscal year 2015-16, which are expected to eliminate the deficits.

NOTE 5 - BUDGETARY CONTROL

Excess Expenditures Over Budget – At June 30, 2015, the Town had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

The voters of the State of Arizona, on June 3, 1980, approved an expenditure limitation that is applicable to all local governments. This limitation, based on expenditures of the 1979-80 fiscal year, restricts the growth of expenditures based on a factor of increases in population and inflation. Certain expenditures are held to be excludable. The limitation is set by the State Economic Estimates Commission prior to April 1 of each year for the following fiscal year. As allowed, the voters of the Town of Marana, on May 21, 2013, 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, 2014. 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 Other Special Revenue Fund, the Saguaro Springs CFD Debt Service Fund, the Gladden Farms CFD Debt

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - BUDGETARY CONTROL (Cont'd)

Fund, the Tangerine Farms Improvement District Debt Fund, the Transportation Fund, the Pima County Bond Fund, the Downtown Reinvestment Fund, the Impact Fee Funds, the Other Capital Projects Funds, the Regional Transportation Authority Fund, the Gladden Farms CFD Capital Fund, the Gladden Farms II CFD Capital Fund, the Vanderbilt CFD Capital Fund, the Saguaro Springs CFD Capital Fund, and the Tangerine Farms Improvement District Capital Fund. The enterprise funds, Water Department, Wastewater Department and Airport Authority, are subject to flexible budgets.

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

NOTE 6 - CASH AND INVESTMENTS

A.R.S. authorize the Town to invest public monies 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; 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 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, 2015, the carrying amount of the Town's deposits was \$2,797,389 and the bank balance was \$3,001,584. 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, \$870,743 was covered by Federal depository insurance and \$2,200,485 was covered by collateral; no portion of the balance was uninsured and uncollateralized. The Town had \$2,575 in petty cash funds, change drawers and other related items at year end. Additionally, the Town had deposits of \$1,451,146 held by Pima County in a fiduciary capacity. In addition to the regular timing of transactions, the Town had a transfer of \$189,118 in transit transferring funds from the Gladden Farms Operating Account to the Gladden Farms Debt Service Account. The funds were removed from the Gladden Farms Operating Account on June 29, 2015, but were not received in the Gladden Farms Debt Service Account until July 1, 2015.

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 - CASH AND INVESTMENTS (Cont'd)

At June 30, 2015, the Town's investments consisted of the following.

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
Money Market Investments	\$ 9,019,494	\$ 9,019,494	\$ -
Repurchase Agreement	12,833,769	12,833,769	-
Federal Home Loan Mortgage Corp.	2,099,386	-	2,099,386
Federal National Mortgage Assn.	5,935,574	-	5,935,574
		<u>\$ 21,853,263</u>	<u>\$ 8,034,960</u>
State Treasurer's investment pool 5	19,025,794	40 days average maturities	
State Treasurer's investment pool 7	<u>16,412,751</u>	47 days average maturities	
	<u>\$ 65,326,768</u>		

Interest Rate Risk. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Town has no investment policy that would further limit its investment choices. As of June 30, 2015, 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, having a weighted average credit rating of AAA by Standard & Poor's. The Town's investments in U.S. Agencies were rated Aaa by Moody's Investors Service and AA+ by Standard & Poor's.

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

Concentration of Credit Risk. The Town places no limit on the amount it may invest in any one issuer. More than 5 percent of the Town's investments are in U.S. Agencies. These investments are 12% of the Town's total investments.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for fiscal year ended June 30, 2015.

	Beginning Balance (as restated)	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,093,405	\$ 1,627,186	\$ -	\$ 5,720,591
Construction in progress	9,395,385	5,437,083	(1,531,794)	13,300,674
Total capital assets, not being depreciated	<u>13,488,790</u>	<u>7,064,269</u>	<u>(1,531,794)</u>	<u>19,021,265</u>
Capital assets, being depreciated:				
Buildings and improvements	44,413,214	200,600	-	44,613,814
Machinery, equipment, and other assets	21,888,217	1,269,997	(3,939,495)	19,218,719
Infrastructure	323,799,539	9,552,371	(298,846)	333,053,064
Total capital assets being depreciated	<u>390,100,970</u>	<u>11,022,968</u>	<u>(4,238,341)</u>	<u>396,885,597</u>
Less accumulated depreciation for:				
Buildings and improvements	(13,249,666)	(1,341,627)	-	(14,591,293)
Machinery, equipment, and other assets	(17,444,019)	(1,300,721)	3,925,344	(14,819,396)
Infrastructure	(109,225,749)	(14,105,075)	31,130	(123,299,694)
Total accumulated depreciation	<u>(139,919,434)</u>	<u>(16,747,423)</u>	<u>3,956,474</u>	<u>(152,710,383)</u>
Total capital assets, being depreciated, net	<u>250,181,536</u>	<u>(5,724,455)</u>	<u>(281,867)</u>	<u>244,175,214</u>
Governmental activities capital assets, net	<u>\$263,670,326</u>	<u>\$1,339,814</u>	<u>\$(1,813,661)</u>	<u>\$263,196,479</u>

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

Governmental Activities:	
General government	\$ 834,841
Public safety	885,195
Highways and streets	13,560,576
Economic and community development	157,721
Culture and recreation	1,256,075
Total depreciation expense – governmental activities	<u>\$ 16,694,408</u>

The difference of \$53,015 between total increases to accumulated depreciation and total depreciation expense is due to the inclusion of transfers of capital assets from the business-type activities.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 – CAPITAL ASSETS (Cont'd)

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

Business-type Activities	Beginning Balance (as restated)	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,493,811	\$ -	\$ -	\$ 4,493,811
Water rights	3,278,839	314,176	-	3,593,015
Construction in progress	<u>1,333,533</u>	<u>1,546,988</u>	-	<u>2,880,521</u>
Total capital assets, not being depreciated	<u>9,106,183</u>	<u>1,861,164</u>	-	<u>10,967,347</u>
Capital assets, being depreciated:				
Buildings, improvements and infrastructure	123,602,671	1,104,188	-	124,706,859
Machinery, equipment, and other assets	<u>1,047,593</u>	<u>201,578</u>	<u>(188,840)</u>	<u>1,060,331</u>
Total capital assets being depreciated	<u>124,650,264</u>	<u>1,305,766</u>	<u>(188,840)</u>	<u>125,767,190</u>
Less accumulated depreciation for:				
Buildings, improvements and infrastructure	(17,003,508)	(4,304,326)		(21,307,834)
Machinery, equipment, and other assets	<u>(652,648)</u>	<u>(116,083)</u>	<u>174,977</u>	<u>(593,754)</u>
Total accumulated depreciation	<u>(17,656,156)</u>	<u>(4,420,409)</u>	<u>174,977</u>	<u>(21,901,588)</u>
Total capital assets, being depreciated, net	<u>106,994,108</u>	<u>(3,114,643)</u>	<u>(13,863)</u>	<u>103,865,602</u>
Business-type activities capital assets, net	<u>\$ 116,100,291</u>	<u>\$(1,253,479)</u>	<u>\$(13,863)</u>	<u>\$114,832,949</u>

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

Business-type Activities:	
Airport	\$ 926,268
Water	915,480
Wastewater	<u>2,578,661</u>
Total depreciation expense – business-type activities	<u>\$ 4,420,409</u>

NOTE 8 – LONG-TERM DEBT

A. Notes Payable

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

During 2010, the Town obtained \$5,250,000 in financing from WIFA for the acquisition and construction of a new water infrastructure. As of year-end, the Town has drawn on \$4,690,128 of the loan and returned \$559,872. The interest rate at June 30, 2015 on the outstanding balance is 1.468 percent.

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – LONG-TERM DEBT (Cont'd)

The following is a schedule by years of the debt service requirements for the loan as of June 30, 2015.

Fiscal Year	Principal	Interest	Total
2016	\$ 207,015	\$ 54,870	\$ 261,885
2017	213,159	51,786	264,945
2018	219,485	48,610	268,095
2019	226,000	45,340	271,340
2020	232,707	41,973	274,680
2021 – 2025	1,271,331	155,760	1,427,091
2026 – 2030	1,471,534	55,268	1,526,802
Totals	<u>\$ 3,841,231</u>	<u>\$ 453,607</u>	<u>\$ 4,294,838</u>

B. Community Facilities District (CFD) General Obligation Bonds

Gladden Farms Community Facilities District (a component unit) issued general obligation bonds for infrastructure improvements. The CFD general obligation bonds outstanding as reported in governmental activities as of June 30, 2015, were as follows.

	Outstanding June 30, 2015
\$2,105,000 CFD General Obligation Bonds, 2004 Series, due in annual installments of \$45,000 to \$165,000; through July 15, 2029; at a 5.0% to 6.5% interest rate.	\$ 1,665,000
\$3,250,000 CFD General Obligation Bonds, 2006 Series, due in annual installments of \$70,000 to \$395,000; through July 15, 2031; at a 4.9% to 5.5% interest rate.	2,775,000
\$3,075,000 CFD General Obligation Bonds, 2007 Series, due in annual installments of \$60,000 to \$605,000; through July 15, 2032; at a 4.4% to 5.45% interest rate.	2,675,000
\$1,000,000 CFD General Obligation Bonds, 2010 Series, due in annual installments of \$10,000 to \$665,000; through July 15, 2033; at a 2.7% to 5.75% interest rate.	970,000
Total	<u>\$ 8,085,000</u>

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – LONG-TERM DEBT (Cont'd)

Annual debt service requirements to maturity on the CFD general obligation bonds at June 30, 2015, are summarized as follows.

Year ending June 30	Principal	Interest	Total
2016	\$ 250,000	\$ 445,273	\$ 695,273
2017	265,000	431,872	696,872
2018	280,000	417,568	697,568
2019	295,000	402,231	697,231
2020	310,000	385,711	695,711
2021 – 2025	1,825,000	1,644,669	3,469,669
2026 – 2030	2,405,000	1,043,044	3,448,044
2031 - 2034	2,455,000	284,298	2,739,298
Totals	<u>\$ 8,085,000</u>	<u>\$ 5,054,666</u>	<u>\$ 13,139,666</u>

C. Tangerine Farms Road Improvement District Improvement Bonds

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. The TFRID special assessment bonds outstanding as reported in governmental activities as of June 30, 2015, were as follows.

<p>\$25,774,000 TFRID Special Assessment Bonds, due in annual installments of \$951,000 to \$1,939,000; through January 1, 2026; at an interest rate of 4.6%.</p>	<p style="text-align: center;">Outstanding <u>June 30, 2015</u></p> <p>\$ 17,246,000</p>
<p>Total</p>	<p><u>\$ 17,246,000</u></p>

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG-TERM DEBT (Cont'd)

Annual debt service requirements to maturity on the TFRID special assessment bonds at June 30, 2015, are summarized as follows.

Year ending June 30	Principal	Interest	Total
2016	1,287,000	792,143	2,079,143
2017	1,293,000	734,114	2,027,114
2018	1,352,000	674,636	2,026,636
2019	1,414,000	612,444	2,026,444
2020	1,479,000	547,400	2,026,400
2021-2025	8,482,000	1,651,676	10,133,676
2026	1,939,000	89,194	2,028,194
Totals	<u>\$ 17,246,000</u>	<u>\$ 5,101,607</u>	<u>\$ 22,347,607</u>

D. Revenue Bonds

The Town has issued revenue bonds for acquiring water 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 revenue bonds outstanding as reported in governmental activities as of June 30, 2015 were as follows.

	Outstanding June 30, 2015	
	Governmental	Business-type
\$31,090,000 Revenue Bonds, 2008 Series A, due in bi-annual installments of \$570,000 to \$1,275,000; through July 1, 2028; at a 4.0% to 5.25% interest rate.	25,555,000	
\$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.	34,465,000	
\$6,493,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2014 Series, due in annual installments of \$353,000 to \$735,000; through July 1, 2025; at a 2.55% interest rate.	\$6,493,000	
\$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.		\$ 1,343,000
Totall	<u>\$ 66,513,000</u>	<u>\$ 1,343,000</u>

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG-TERM DEBT (Cont'd)

Annual debt service requirements to maturity on revenue bonds at June 30, 2015, are summarized as follows.

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 2,423,000	\$ 2,948,571	\$ 129,000	\$ 32,346
2017	3,360,000	2,836,238	136,000	28,994
2018	3,510,000	2,692,495	139,000	25,515
2019	3,914,000	2,537,157	179,000	21,492
2020	4,079,000	2,385,121	184,000	16,900
2021-2025	22,749,000	9,200,423	576,000	22,138
2026-2030	20,053,000	3,645,298	-	-
2031-2034	6,425,000	653,100	-	-
Totals	<u>\$ 66,513,000</u>	<u>\$ 26,898,403</u>	<u>\$ 1,343,000</u>	<u>\$ 147,385</u>

E. Pledged Revenues

The Town has pledged certain future revenues to repay specific bonded debt as follows. The Town has pledged future excise tax revenues to repay \$72.4 million in Excise Tax Revenue Bonds issued in 2008, 2013, and 2014. The various bonds were issued for the construction of the municipal complex, the acquisition of certain water systems, acquisition of the Marana Wastewater Reclamation Facility, infrastructure upgrades and to refund prior debt issuances. At year end, \$66.5 million in bonds remain outstanding to be repaid by future excise tax revenues and the net revenues available for service of this debt were \$41 million. The debt principal and interest paid on this debt during fiscal year 2015 was \$4.6 million (11% of available net pledged revenues).

In addition, the Town has pledged future water utility revenues to repay a \$4.7 million Water Infrastructure Financing Authority loan 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, \$5.2 million remains outstanding to be repaid by future water revenues. For the fiscal year ended June 30, 2015, the net revenues available for service of this debt were \$3.1 million. The debt principal and interest paid on this debt during fiscal year 2015 was \$294,058.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG-TERM DEBT (Cont'd)

F. Changes in Long-term Debt

The following is a summary of changes in long-term debt activity for fiscal year ended June 30, 2015.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation Bonds	\$ 8,325,000	\$ -	\$ (240,000)	\$ 8,085,000	\$ 250,000
Revenue bonds	68,443,000	-	(1,930,000)	66,513,000	2,423,000
Compensated Absences	935,957	1,052,634	(1,024,056)	964,535	868,081
Special assessment Bonds	18,488,000	-	(1,242,000)	17,246,000	1,287,000
Deferred bond Premium	3,282,522	-	(496,835)	2,785,687	161,105
Deferred bond Discount	(66,514)	-	66,514	-	-
Total	<u>\$99,407,965</u>	<u>\$1,052,634</u>	<u>\$(4,866,377)</u>	<u>\$95,594,222</u>	<u>\$4,989,186</u>
Business-type activities:					
Loan payable	\$ 4,042,278	\$ -	\$ (201,047)	\$ 3,841,231	\$ 207,015
Revenue bonds	1,343,000	-	-	1,343,000	129,000
Compensated Absences	73,315	101,750	(88,358)	86,707	78,036
Total	<u>\$ 5,458,593</u>	<u>\$ 101,750</u>	<u>\$ (289,405)</u>	<u>\$ 5,270,938</u>	<u>\$ 414,051</u>

NOTE 9 – DEFERRED AMOUNTS

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

<u>Deferred revenue</u>	<u>Unavailable</u>	<u>Unearned</u>
Program revenues (General Fund)	\$ -	\$ 300,125
Intergovernmental (Non-Major governmental funds)	1,183,503	-
Special assessments (Tangerine Farms Improvement District Debt Service Fund)	17,206,773	-
Total deferred amounts for governmental funds	<u>\$ 18,390,276</u>	<u>\$ 300,125</u>

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At June 30, 2015, 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 2015-2016, these interfund borrowing will be eliminated as sufficient resources become available. Listed below is a summary of the interfund borrowing transactions.

	Due From		
Due To	Non-Major Governmental Funds	Airport Fund	Total
General Fund	\$ 860,692	\$2,233,395	\$3,094,087
Total	\$ 860,692	\$2,233,395	\$3,094,087

Interfund transfers:

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

	Transfers In				
Transfer Out	General Fund	Non-Major Governmental Funds	Airport Fund	Internal Service Fund	Total
General Fund	\$ -	\$ 3,306,347	\$403,728	\$ 170,896	\$3,880,971
Non-Major Governmental	2,201	3,072,342			3,074,543
Total	\$ 2,201	\$ 6,378,689	\$403,728	\$ 170,896	\$6,955,514

NOTE 11 - 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).

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

At June 30, 2015, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net pension liabilities	\$ 28,138,512	\$ 1,942,764	\$ 30,081,276
Deferred outflows of resources	5,308,066	247,186	5,555,252
Deferred inflows of resources	3,650,692	339,728	3,990,420
Pension expense	3,046,733	132,974	3,179,707

The Town reported \$2,429,669 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. 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 seven-member board appointed by the Governor and the State Legislature. The Board of Trustees is responsible for establishing contribution rates in accordance with an actuarial study.

All full-time and permanent part-time employees employed as police dispatchers or communications operators are eligible to participate in the Corrections Officers Retirement Plan (CORP), a multiple-employer cost-sharing defined benefit plan. The CORP is governed by the PSPRS Board of Trustees and the local participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

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

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

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

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

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

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

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

Employees covered by benefit terms—At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	21	-
Inactive employees entitled to but not yet receiving benefits	18	3
Active employees	73	9
Total	112	12

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, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS	CORP Dispatchers
Active members—Pension	11.05%	7.96%
Town		
Pension	19.39%	10.85%
Health insurance premium benefit	1.27%	.70%

In addition, the Town was required by statute to contribute at the actuarially determined rate of 19.65 percent for the PSPRS 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 PSPRS.

For the agent plans, the Town's contributions to the pension plan and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

	PSPRS	CORP Dispatchers
Pension Contributions	\$ 985,437	\$ 49,045
Health Insurance Premium Benefit	64,544	3,164
Total Contributions	\$ 1,049,981	\$ 52,209

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

During fiscal year 2015, the Town paid for PSPRS and CORP pension contributions as follows: 95% percent from the General Fund and 5% percent from other funds.

Pension liability—At June 30, 2015, the Town reported the following net pension liabilities:

	Net Pension Liability
PSPRS	9,309,481
CORP Dispatchers	424,138

The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2014, reflect the following changes of benefit terms and actuarial assumptions.

- In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, the plans changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases.
- The wage growth actuarial assumption was decreased from 4.5 percent to 4.0 percent.
- Pension actuarial assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS and CORP—Pension	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0%–8.0% for PSPRS and 4.0%–7.25% for CORP
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.85 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
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

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 Real Rate of Return
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Pension discount rates—The following discount rates were used to measure the total pension liabilities:

	PSPRS	CORP Dispatchers
Discount rates	7.85%	7.85%

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
JUNE 30, 2015

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

Changes in the Net Pension Liability (Asset)

PSPRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2014	19,932,947	12,383,105	7,549,842
Changes for the year:			
Service cost	876,619	-	876,619
Interest on the total pension liability	1,551,602	-	1,551,602
Changes of benefit terms	308,515	-	308,515
Differences between expected and actual experience in the measurement of the pension liability	148,583	-	148,583
Changes of assumptions or other inputs	1,933,583	-	1,933,583
Contributions—employer	-	797,871	(797,871)
Contributions—employee	-	578,596	(578,596)
Net investment income	-	1,698,902	(1,698,902)
Benefit payments, including refunds of employee contributions	(1,211,258)	(1,211,258)	-
Health insurance fund transfer	-	527,863	(527,863)
Other changes	-	(543,969)	543,969
Net changes	3,607,644	1,848,005	1,759,639
Balances at June 30, 2015	23,540,591	14,231,110	9,309,481

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

CORP	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2014	1,170,306	718,306	452,000
Changes for the year:			
Service cost	63,474		63,474
Interest on the total pension liability	94,360		94,360
Differences between expected and actual experience in the measurement of the pension liability	(16,512)		(16,512)
Changes of assumptions or other inputs	18,699		18,699
Contributions—employer		48,667	(48,667)
Contributions—employee		36,306	(36,306)
Net investment income		102,910	(102,910)
Health insurance fund transfer		24,446	(24,446)
Other changes		(24,446)	24,446
Net changes	160,021	187,883	(27,862)
Balances at June 30, 2015	1,330,327	906,189	424,138

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:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$12,505,450	\$9,309,481	\$6,671,204
CORP Dispatchers			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$669,370	\$424,138	\$222,880

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.

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

Pension expense—For the year ended June 30, 2015, the Town recognized the following pension expense:

	Pension Expense
PSPRS	1,378,967
CORP Dispatchers	53,352

Pension deferred outflows/inflows of resources—At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 124,864	\$ -
Changes of assumptions or other inputs	1,624,921	
Net difference between projected and actual earnings on pension plan investments		560,206
Adjustment to deferred inflows of resources for administrative expenses		11,036
Town contributions subsequent to the measurement date	985,437	
Total	<u>\$ 2,735,222</u>	<u>\$ 571,242</u>

CORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ (14,246)	\$ -
Changes of assumptions or other inputs	16,133	
Net difference between projected and actual earnings on pension plan investments		33,782
Adjustment to deferred inflows of resources for administrative expenses		652
Town contributions subsequent to the measurement date	49,045	
Total	<u>\$ 50,932</u>	<u>\$ 34,434</u>

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS	CORP Dispatchers
Year ending June 30		
2016	\$192,329	\$(8,145)
2017	192,329	(8,145)
2018	192,329	(8,145)
2019	192,329	(8,145)
2020	332,381	300
Thereafter	87,881	385

Agent plan OPEB actuarial assumptions—The health insurance premium benefit contribution requirements for the year ended June 30, 2015, were established by the June 30, 2013, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as the Town and plans' members understand them and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the Town and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS and CORP plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2015 contribution requirements:

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

PSPRS and CORP—OPEB Contribution Requirements	
Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	5.00%–9.00% for PSPRS and 5.00%–8.25% for CORP
Wage growth	5.00% for PSPRS and CORP

Agent plan OPEB trend information—Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS			
2015	\$66,579	100	\$ -
2014	52,614	100	-
2013	56,830	100	-
CORP Dispatchers			
2015	3,164	100	-
2014	2,372	100	-
2013	2,401	100	-

Agent plan OPEB funded status—The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2014, along with the actuarial assumptions and methods used in those valuations follow.

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

	PSPRS	CORP Dispatchers
Actuarial value of assets (a)	\$645,386	\$30,453
Actuarial accrued liability (b)	651,207	44,111
Unfunded actuarial accrued liability (funding excess) (b) - (a)	5,821	13,658
Funded ratio (a)/(b)	99.1%	69.04%
Annual covered payroll (c)	\$4,638,418	\$456,104
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / (c)	0.13%	2.99%

The actuarial methods and assumptions used are the same for all the PSPRS and CORP health insurance premium benefit plans (unless noted), and for the most recent valuation date are as follows:

PSPRS and CORP—OPEB Funded Status	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
Wage growth	4% for PSPRS and CORP

B. Arizona State Retirement System

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

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

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

ASRS	Retirement Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

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

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the Town was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 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 9.57 percent (9.31 percent for retirement, 0.20 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that would typically be filled by an employee who contributes to the ASRS. The Town's contributions to the pension plan for the year ended June 30, 2015, were \$1,457,594. The Town's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

Years ended <u>June 30,</u>	<u>Retirement</u>	<u>Health Insurance</u>	<u>Long-term Disability</u>	<u>Total</u>
2015	\$ 1,367,122	\$ 75,393	\$ 15,079	\$ 1,457,594
2014	1,253,464	70,288	28,115	1,351,867
2013	1,172,006	74,322	27,442	1,273,770

During fiscal year 2015, the Town paid for ASRS pension and OPEB contributions as follows: 88.35% percent from the General Fund, .21% percent from major funds, 11.01% from enterprise funds and .43% percent from other funds.

Pension liability—At June 30, 2015, the Town reported a liability of \$19,235,272 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. 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, 2013, to the measurement date of June 30, 2014. 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, 2014. The Town's proportion measured as of June 30, 2014, was .1299% percent, which was an increase of .0010 percent from its proportion measured as of June 30, 2013.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2015, the Town recognized pension expense for ASRS of \$1,316,568. At June 30, 2015, 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	\$ 977,593	\$ -
Net difference between projected and actual earnings on pension plan investments		3,363,654
Changes in proportion and differences between contributions and proportionate share of contributions	116,808	
Town contributions subsequent to the measurement date	<u>1,340,707</u>	
Total	<u>\$ 2,435,108</u>	<u>\$ 3,363,654</u>

The \$1,340,707 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, 2016. 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:

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

Year ending June 30	
2016	\$(365,087)
2017	(365,087)
2018	(698,166)
2019	(840,914)

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

ASRS	
Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 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 arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS	Target	Long-Term
Asset Class	Allocation	Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.75%
Commodities	4%	4.50%
Total	<u>100%</u>	

Discount Rate—The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute.

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 8 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 (7 percent) or 1 percentage point higher (9 percent) than the current rate:

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Proportionate share of the net pension liability	\$24,312,397	\$19,235,271	\$16,480,676

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

C. Elected Officials’ Retirement Plan

The Town’s Mayor and Council Members are eligible to participate in the Elected Officials’ Retirement Plan (EORP), a multiple employer cost-sharing defined benefit plan. The EORP 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. The report may be obtained on PSPRS’s Web site at www.psprs.com or by writing to EORP, 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

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

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

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

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

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning.

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, 2015, active EORP members were required by statute to contribute 13 percent of the members' annual covered payroll, and the Town was required to contribute 23.5 percent for retirement and 0 percent for health insurance premium benefit of active EORP members' annual covered payroll. The Town's contributions to the pension plan for the year ended June 30, 2015, was \$28,065. The Town has not contributed for the current year or 2 preceding years for OPEB, as the plan is currently overfunded.

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

During fiscal year 2015, the Town paid for EORP pension contributions 100 percent from the General Fund.

Pension liability—At June 30, 2015, the Town reported a liability for its proportionate share of the EORP’s net pension liability that reflected an increase 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	\$1,112,385
State’s proportionate share of the EORP net pension liability associated with the Town	<u>3,181,625</u>
Total	<u>\$4,294,010</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, for the June 30, 2014, actuarial valuation, the plan changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases.

The Town’s proportion of the net pension liability as of June 30, 2013 and 2014, was based on the Town’s actual contributions to the plan relative to the total of all participating employers’ actual contributions for the year ended June 30, 2014. The Town’s proportion measured as of June 30, 2013 and 2014, was .1659 percent.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2015, the Town recognized pension expense for EORP of \$ 430,820 and revenue of \$101,096 for the Town’s proportionate share of the State’s appropriation to EORP. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$4,888	\$ -
Changes of assumptions or other inputs	301,037	
Net difference between projected and actual earnings on pension plan investments		21,090
Town contributions subsequent to the measurement date	<u>28,065</u>	
Total	<u>\$333,990</u>	<u>\$21,090</u>

The \$28,065 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, 2016. 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	
2016	\$170,910
2017	124,469
2018	(5,272)
2019	(5,272)

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

EORP	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.25%
Inflation	4.0%
Permanent benefit increase	Members retired on or before July 1, 2011: 3% of benefit Members retired on or after August 1, 2011: 0.5% of benefit
Mortality rates	RP-2000 mortality table projected to 2025 with projection scale AA

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (Cont'd)

EORP	Target	Long-Term
Asset Class	Allocation	Expected Real Rate of Return
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Discount rate—At June 30, 2014, the discount rate used to measure the EORP total pension liability was 5.67 percent, which was a decrease of 2.18 from the discount rate used as of June 30, 2013. 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 statutorily set 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 insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.85 percent was applied to periods of projected benefit payments through the year ended June 30, 2030. A municipal bond rate of 4.29 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 30, 2014, was applied to periods of projected benefit payments after June 30, 2030.

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 5.67 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 (4.67 percent) or 1 percentage point higher (6.67 percent) than the current rate:

EORP	1% Decrease (4.67%)	Current Discount Rate (5.67%)	1% Increase (6.67%)
Town's proportionate share of the net pension liability	\$1,298,617	\$1,112,385	\$955,142

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 - 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 13 - 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 2015, the Town was obligated to \$4 million in significant contractual commitments for airport, transportation, park, water facility, and wastewater facility related construction projects. Tangerine Corridor improvements accounted for \$1.95 million, Lockett Road extension accounted for \$539,000, Tangerine Reservoir and Booster Upgrade accounted for \$720,000 and Twin Peaks Well accounted for \$152,000 in commitments. The remaining commitments were for other airport projects of \$55,000, transportation projects of \$272,000, water projects of \$80,000, wastewater projects of \$35,000 and park related projects accounted for \$238,000.

NOTE 14 - 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.

**TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 - LEASING ARRANGEMENTS (Cont'd)

In conjunction with the Town assuming the long-term operating lease, a developer signed a non-cancelable agreement to reimburse the Town the annual rental payment for either a minimum of twenty years or until the first twelve consecutive months the developer generates more than \$1,000,000 in resort sales tax to the Town from the development project known as "Dove Mountain".

This threshold was reached on June 30, 2011, and therefore the developer ceased reimbursing the Town for the annual rent payment. These leases provide for payments of minimum annual rentals as follows, excluding real estate taxes, common area charges, management fees, and sales taxes.

Years Ending June 30,		
2016	\$	574,992
2017		574,992
2018		574,992
2019		574,992
2020		574,992
2021 - 2025		3,162,455
2026 - 2030		3,478,700
2031 - 2035		3,826,570
2036 - 2040		4,209,225
2041 - 2045		4,630,150
2046 - 2050		5,093,165
2051 - 2055		5,602,480
2056 - 2060		6,162,730
2061 - 2065		6,779,005
2066 - 2070		7,456,905
2071 - 2075		8,202,595
2076 - 2080		9,022,855
2081 - 2085		9,925,140
2086 - 2090		10,917,655
2091 - 2095		12,009,420
2096 - 2099		10,568,288
Total	\$	<u>113,922,298</u>

Minimum annual rentals above excludes annual rental under the remaining renewal options as of June 30, 2015. Rent expense under the above leases for fiscal 2014-15 aggregated \$522,720.



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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
(REQUIRED SUPPLEMENTARY INFORMATION)**

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 21,034,795	\$ 21,034,795	\$ 21,827,358	\$ 792,563
Intergovernmental	8,793,736	8,793,736	8,914,171	120,435
Licenses, fees & permits	3,734,453	3,734,453	4,813,378	1,078,925
Fines, forfeitures & penalties	595,000	595,000	664,955	69,955
Charges for services	370,850	370,850	691,661	320,811
Lease income	134,000	134,000	96,012	(37,988)
Contributions	20,400	20,400	59,051	38,651
Investment income	175,000	175,000	70,008	(104,992)
Miscellaneous	547,820	547,820	818,157	270,337
Total revenues	<u>35,406,054</u>	<u>35,406,054</u>	<u>37,954,751</u>	<u>2,548,697</u>
Expenditures:				
General government:				
General government	5,567,535	2,642,443	659,399	1,983,044
Town council	291,166	291,166	258,063	33,103
Town clerk	273,052	273,052	260,085	12,967
Town manager	1,403,427	1,403,427	1,291,310	112,117
Human resources	747,182	747,182	667,890	79,292
Facilities	1,030,395	1,030,395	828,718	201,677
Finance	1,065,646	1,065,646	961,220	104,426
Legal	768,292	768,292	713,221	55,071
Technology services	2,130,538	2,130,538	2,080,915	49,623
Municipal courts	1,019,116	1,019,116	1,010,522	8,594
Public Safety:				
Police	12,182,258	12,232,258	12,164,163	68,095
Building safety	850,989	1,060,392	993,436	66,956
Highways and streets				
Public works	1,907,900	1,907,900	1,793,158	114,742
Economic and community development				
Development services	3,827,534	3,618,131	3,375,382	242,749
Economic development and tourism	168,770	168,770	149,493	19,277
Community development	358,287	558,287	548,045	10,242
Culture and recreation				
Parks and recreation	3,959,952	3,925,102	3,573,264	351,838
Capital outlay	154,619	1,814,469	1,819,599	(5,130)
Total expenditures	<u>37,706,658</u>	<u>36,656,566</u>	<u>33,147,883</u>	<u>3,508,683</u>
Excess (deficiency) of revenues over expenditures	<u>(2,300,604)</u>	<u>(1,250,512)</u>	<u>4,806,868</u>	<u>6,057,380</u>
Other financing sources (uses):				
Transfers in	-	-	2,201	2,201
Transfers out	(1,923,156)	(1,923,156)	(3,880,971)	(1,957,815)
Total other financing sources (uses)	<u>(1,923,156)</u>	<u>(1,923,156)</u>	<u>(3,878,770)</u>	<u>(1,955,614)</u>
Changes in fund balances	<u>(4,223,760)</u>	<u>(3,173,668)</u>	<u>928,098</u>	<u>4,101,766</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>23,662,353</u>	<u>23,662,353</u>
Fund balances, end of year	<u>\$ (4,223,760)</u>	<u>\$ (3,173,668)</u>	<u>\$ 24,590,451</u>	<u>\$ 27,764,119</u>

See accompanying notes to this schedule.

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY USER REVENUE FUND
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 2,457,223	\$ 2,457,223	\$ 2,483,705	\$ 26,482
Investment income	7,500	7,500	2,027	(5,473)
Miscellaneous	-	-	3,702	3,702
Total revenues	<u>2,464,723</u>	<u>2,464,723</u>	<u>2,489,434</u>	<u>24,711</u>
Expenditures:				
Current -				
Highways and streets	4,029,977	4,029,977	3,400,761	629,216
Capital outlay	831,197	831,197	34,463	796,734
Total expenditures	<u>4,861,174</u>	<u>4,861,174</u>	<u>3,435,224</u>	<u>1,425,950</u>
Excess (deficiency) of revenues over expenditures	<u>(2,396,451)</u>	<u>(2,396,451)</u>	<u>(945,790)</u>	<u>1,450,661</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>2,896,030</u>	<u>2,896,030</u>
Fund balances, end of year	<u><u>\$ (2,396,451)</u></u>	<u><u>\$ (2,396,451)</u></u>	<u><u>\$ 1,950,240</u></u>	<u><u>\$ 4,346,691</u></u>

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2015**

NOTE 1 - 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.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST-SHARING PENSION PLANS
JUNE 30, 2015**

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Town's proportion of the net pension liability	0.129998%	Information
Town's proportionate share of the net pension liability	\$ 19,235,271	not available
Town's covered-employee payroll	\$ 11,714,615	
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	164.20%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

Elected Officials Retirement Plan	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Town's proportion of the net pension liability	.1658860%	Information
Town's proportionate share of the net pension liability	\$ 1,112,385	not available
State's proportionate share of the net pension liability associated with the Town	3,181,625	
Total	\$ 4,294,010	
Town's covered-employee payroll	\$ 119,423	
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	931.15%	
Plan fiduciary net position as a percentage of the total pension liability	31.91%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2015**

PSPRS	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Total pension liability		Information
Service cost	\$ 876,619	not
Interest on the total pension liability	1,551,602	available
Changes of benefit terms	308,515	
Differences between expected and actual experience in the measurement of the pension liability	148,583	
Changes of assumptions or other inputs	1,933,583	
Benefit payments, including refunds of employee contributions	<u>(1,211,258)</u>	
Net change in total pension liability	3,607,644	
Total pension liability—beginning	<u>19,932,947</u>	
Total pension liability—ending (a)	<u>\$ 23,540,591</u>	
 Plan fiduciary net position		
Contributions—employer	\$ 797,871	
Contributions—employee	578,596	
Net investment income	1,698,902	
Benefit payments, including refunds of employee contributions	(1,211,258)	
Other changes	<u>(543,969)</u>	
Net change in plan fiduciary net position	1,320,142	
Plan fiduciary net position—beginning	<u>12,910,968</u>	
Plan fiduciary net position—ending (b)	<u>\$ 14,231,110</u>	
 Town's net pension liability (asset)—ending (a) – (b)	<u>\$ 9,309,481</u>	
 Plan fiduciary net position as a percentage of the total pension liability	60.45%	
 Covered-employee payroll	\$ 4,615,299	
 Town's net pension liability (asset) as a percentage of covered-employee payroll	201.71%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2015**

CORP – Dispatchers	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Total pension liability		Information
Service cost	\$ 63,474	not
Interest on the total pension liability	94,360	available
Changes of benefit terms	-	
Differences between expected and actual experience in the measurement of the pension liability	(16,512)	
Changes of assumptions or other inputs	18,699	
Benefit payments, including refunds of employee contributions	-	
Net change in total pension liability	160,021	
Total pension liability—beginning	1,170,306	
Total pension liability—ending (a)	\$ 1,330,327	
Plan fiduciary net position		
Contributions—employer	\$ 48,667	
Contributions—employee	36,306	
Net investment income	102,910	
Benefit payments, including refunds of employee contributions	-	
Other changes	(24,446)	
Net change in plan fiduciary net position	163,437	
Plan fiduciary net position—beginning	742,752	
Plan fiduciary net position—ending (b)	\$ 906,189	
Town's net pension liability (asset)—ending (a) – (b)	\$ 424,138	
Plan fiduciary net position as a percentage of the total pension liability	68.12%	
Covered-employee payroll	\$ 456,107	
Town's net pension liability (asset) as a percentage of covered-employee payroll	92.99%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE TOWN PENSION CONTRIBUTIONS
JUNE 30, 2015**

	Reporting Fiscal Year										2008 through 2006 Information not available	
	2015	2014	2013	2012	2011	2010	2009					
Arizona State Retirement System												
Statutorily required contribution	\$ 1,367,122	\$ 1,253,464	\$ 1,172,006	\$ 1,095,471	\$ 934,621	\$ 929,807	\$ 961,911					
Town's contributions in relation to the statutorily required contribution	1,367,122	1,253,464	1,172,006	1,095,471	934,621	929,807	961,911					
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
Town's covered-employee payroll	\$12,565,464	\$11,714,615	\$11,434,201	\$11,098,998	\$10,373,156	\$11,148,776	\$12,038,936					
Town's contributions as a percentage of covered-employee payroll	10.88%	10.70%	10.25%	9.87%	9.00%	8.34%	7.99%					

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE TOWN PENSION CONTRIBUTIONS
JUNE 30, 2015**

	Reporting Fiscal Year						2009 through 2006 Information not available
	2015	2014	2013	2012	2011	2010	
Elected Officials Retirement Plan							
Statutorily required contribution	\$28,065	\$38,431	\$43,518	\$40,861	\$34,226	\$29,793	
Town's contributions in relation to the statutorily required contribution	28,065	38,431	43,518	40,861	34,226	29,793	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Town's covered-employee payroll	\$119,424	\$119,423	\$119,423	\$123,858	\$114,891	\$113,497	
Town's contributions as a percentage of covered-employee payroll	23.50%	32.18%	36.44%	32.99%	29.79%	26.25%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE TOWN PENSION CONTRIBUTIONS
JUNE 30, 2015**

PSPRS	Reporting Fiscal Year						2009 through 2006 Information not available
	2015	2014	2013	2012	2011	2010	
Actuarially determined contribution	\$ 1,016,515	\$ 831,677	\$ 778,039	\$ 644,505	\$ 554,133	\$ 457,749	
Town's contributions in relation to the actuarially determined contribution	1,016,515	831,677	778,039	644,505	554,133	457,749	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Town's covered-employee payroll	\$5,242,473	\$4,615,299	\$4,510,370	\$4,444,861	\$4,185,294	\$4,444,167	
Town's contributions as a percentage of covered-employee payroll	19.39%	18.02%	17.25%	14.50%	13.24%	10.30%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE TOWN PENSION CONTRIBUTIONS
JUNE 30, 2015**

	Reporting Fiscal Year					2009 through 2006 Information not available
	2015	2014	2013	2012	2011	
CORP - Dispatchers						
Actuarially determined contribution	\$ 49,045	\$ 48,667	\$ 32,506	\$ 25,550	\$ 24,843	\$ 22,805
Town's contributions in relation to the actuarially determined contribution	49,045	48,667	32,506	25,550	24,843	22,805
Town's contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's contribution deficiency (excess)	\$ 452,030	\$ 456,107	\$ 480,142	\$ 535,649	\$ 571,104	\$ 609,764
Town's covered-employee payroll	10.85%	10.67%	6.77%	4.77%	4.35%	3.74%
Town's contributions as a percentage of covered-employee payroll						

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE TOWN PENSION CONTRIBUTIONS
 JUNE 30, 2015**

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 valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP
Wage growth	In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial valuation date	June 30, 2012
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	5.0%-9.0% for PSPRS and 5.0%–8.25% for CORP
Wage growth	5.0% for PSPRS and CORP
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE TOWN PENSION CONTRIBUTIONS
JUNE 30, 2015**

Note 1 (Cont'd) – Actuarially Determined Contribution Rates

Actuarial valuation date	June 30, 2011
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	25 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	8.25%
Projected salary increases	5.0%–8.0%
Wage growth	5.0%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table

Actuarial valuation date	June 30, 2010
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	26 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	5.5%–8.5
Wage growth	5.5%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition.
Mortality	RP-2000 mortality table

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE TOWN PENSION CONTRIBUTIONS
JUNE 30, 2015**

Note 1 (Cont'd) – Actuarially Determined Contribution Rates

Actuarial valuation date	June 30, 2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	27 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	5.5%–8.5%
Wage growth	5.5%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition.
Mortality	RP-2000 mortality table

Actuarial valuation date	June 30, 2008
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	28 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	5.5%-8.5%
Wage growth	5.0%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition.
Mortality	RP-2000 mortality table

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
JUNE 30, 2015**

Health Insurance Premium Benefit

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) – (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) – (a)/c
PSPRS						
6/30/14	\$ 645,386	\$ 651,207	\$ 5,821	99.11%	\$ 4,615,299	0.13%
6/30/13	-	651,978	651,978	0%	4,510,370	14.46%
6/30/12	-	611,387	611,387	0%	4,444,861	13.75%
CORP Dispatchers						
6/30/14	\$ 30,453	\$ 44,111	\$ 13,658	69.03%	\$ 456,107	2.99%
6/30/13	-	38,208	38,208	0%	480,142	7.96%
6/30/12	-	33,773	33,773	0%	535,649	6.36%

See accompanying notes to schedule of agent OPEB plans' funding progress.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
JUNE 30, 2015**

Note 1 – Factors That Affect the Identification of Trends

Beginning in fiscal year 2014, PSPRS and CORP established separate funds for pension benefits and health insurance premium benefits. Previously, the plans recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's Pension Fund to the new Health Insurance Fund.

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



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



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TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - TANGERINE FARMS
IMPROVEMENT DISTRICT DEBT SERVICE
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 2,155,388	\$ 2,155,388	\$ 2,050,408	\$ (104,980)
Total revenues	<u>2,155,388</u>	<u>2,155,388</u>	<u>2,050,408</u>	<u>(104,980)</u>
Expenditures:				
Debt service -				
Principal retirement	1,197,000	1,197,000	1,242,000	(45,000)
Interest and fiscal charges	958,388	958,388	849,498	108,890
Total expenditures	<u>2,155,388</u>	<u>2,155,388</u>	<u>2,091,498</u>	<u>63,890</u>
 Excess (deficiency) of revenues over expenditures	 <u>-</u>	 <u>-</u>	 <u>(41,090)</u>	 <u>(41,090)</u>
 Fund balances, beginning of year	 <u>-</u>	 <u>-</u>	 <u>499,850</u>	 <u>499,850</u>
 Fund balances, end of year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 458,760</u>	 <u>\$ 458,760</u>



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NON-MAJOR GOVERNMENTAL FUNDS

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE
JUNE 30, 2015

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,649,825	\$ 25,055,652	\$ 4,212,855	\$ 32,918,332
Taxes receivable	-	78	653	731
Accounts receivable	3,352	-	-	3,352
Interest receivable	-	10,669	7	10,676
Development agreement receivable	-	333,393	-	333,393
Due from governments	199,881	2,554,100	-	2,753,981
Prepaid items	231	-	-	231
Restricted cash and investments	-	1,117,287	5,482,037	6,599,324
Total assets	<u>\$ 3,853,289</u>	<u>\$ 29,071,179</u>	<u>\$ 9,695,552</u>	<u>\$ 42,620,020</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 84,946	\$ 2,284,317	\$ -	\$ 2,369,263
Accrued payroll and employee benefits	33,008	-	-	33,008
Due to other funds	-	850,388	10,304	860,692
Deposits held for others	-	27,368	646,662	674,030
Total liabilities	<u>117,954</u>	<u>3,162,073</u>	<u>656,966</u>	<u>3,936,993</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	37,074	1,146,429	-	1,183,503
Total deferred inflows of resources	<u>37,074</u>	<u>1,146,429</u>	<u>-</u>	<u>1,183,503</u>
<u>FUND BALANCES (DEFICITS)</u>				
Fund balances:				
Nonspendable	231	-	-	231
Restricted	3,698,030	25,615,699	9,048,890	38,362,619
Unassigned	-	(853,022)	(10,304)	(863,326)
Total fund balances	<u>3,698,261</u>	<u>24,762,677</u>	<u>9,038,586</u>	<u>37,499,524</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,853,289</u>	<u>\$ 29,071,179</u>	<u>\$ 9,695,552</u>	<u>\$ 42,620,020</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2015

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Revenues:				
Sales tax	\$ 944,186	\$ 5,287,279	\$ -	\$ 6,231,465
Property tax	-	54,070	393,152	447,222
Intergovernmental	1,044,775	2,483,850	-	3,528,625
Licenses, fees & permits	-	2,234,284	-	2,234,284
Fines, forfeitures & penalties	223,704	-	-	223,704
Contributions	-	191,770	332,458	524,228
Investment income	8,387	68,041	109	76,537
Miscellaneous	31,467	-	-	31,467
Total revenues	<u>2,252,519</u>	<u>10,319,294</u>	<u>725,719</u>	<u>13,297,532</u>
Expenditures:				
Current -				
General government	780,984	209,746	-	990,730
Public safety	728,581	-	-	728,581
Highways and streets	90,448	5,655	-	96,103
Economic and community development	129,043	149,150	-	278,193
Culture and recreation	-	105,780	-	105,780
Capital outlay	-	8,031,171	-	8,031,171
Debt service -				
Principal retirement	-	-	2,170,000	2,170,000
Interest and fiscal charges	-	-	3,641,229	3,641,229
Total expenditures	<u>1,729,056</u>	<u>8,501,502</u>	<u>5,811,229</u>	<u>16,041,787</u>
Excess (deficiency) of revenues over expenditures	<u>523,463</u>	<u>1,817,792</u>	<u>(5,085,510)</u>	<u>(2,744,255)</u>
Other financing sources (uses):				
Transfers in	180,671	800,000	5,398,018	6,378,689
Transfers out	(2,201)	(3,072,342)	-	(3,074,543)
Total other financing sources (uses)	<u>178,470</u>	<u>(2,272,342)</u>	<u>5,398,018</u>	<u>3,304,146</u>
Change in fund balances	<u>701,933</u>	<u>(454,550)</u>	<u>312,508</u>	<u>559,891</u>
Fund balances, beginning of year	<u>2,996,328</u>	<u>25,217,227</u>	<u>8,726,078</u>	<u>36,939,633</u>
Fund balances, end of year	<u>\$ 3,698,261</u>	<u>\$ 24,762,677</u>	<u>\$ 9,038,586</u>	<u>\$ 37,499,524</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 Transportation Assistance Fund – This fund accounts for special distributions of state lottery monies which are restricted for transportation and/or transit related projects and programs.

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

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

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Community Development Block Grant	Affordable Housing	Bed Tax
<u>ASSETS</u>			
Cash and cash equivalents	\$ 57,522	\$ 215,720	\$ 442,412
Accounts receivable	-	-	-
Due from governments	3,279	-	107,717
Prepaid	-	-	-
Total assets	<u>\$ 60,801</u>	<u>\$ 215,720</u>	<u>\$ 550,129</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 2,217	\$ -	\$ 48,894
Accrued payroll and employee benefits	4,146	-	4,700
Total liabilities	<u>6,363</u>	<u>-</u>	<u>53,594</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	2,207	-	-
Total deferred inflows of resources	<u>2,207</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	-	-	-
Restricted	52,231	215,720	496,535
Total fund balances	<u>52,231</u>	<u>215,720</u>	<u>496,535</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 60,801</u>	<u>\$ 215,720</u>	<u>\$ 550,129</u>

Judicial Collection Enhancement	Fill-the-Gap	Local Transportation Assistance	Local Technology	Other Special Revenue Fund	Totals
\$ 124,310	\$ 73,068	\$ 22,612	\$ 787,929	\$ 1,926,252	\$ 3,649,825
-	1,906	-	-	1,446	3,352
-	-	-	-	88,885	199,881
-	-	-	-	231	231
<u>\$ 124,310</u>	<u>\$ 74,974</u>	<u>\$ 22,612</u>	<u>\$ 787,929</u>	<u>\$ 2,016,814</u>	<u>\$ 3,853,289</u>
\$ -	\$ -	\$ 22,612	\$ 114	\$ 11,109	\$ 84,946
-	-	-	1,643	22,519	33,008
-	-	22,612	1,757	33,628	117,954
-	-	-	-	34,867	37,074
-	-	-	-	34,867	37,074
-	-	-	-	231	231
124,310	74,974	-	786,172	1,948,088	3,698,030
<u>124,310</u>	<u>74,974</u>	<u>-</u>	<u>786,172</u>	<u>1,948,319</u>	<u>3,698,261</u>
<u>\$ 124,310</u>	<u>\$ 74,974</u>	<u>\$ 22,612</u>	<u>\$ 787,929</u>	<u>\$ 2,016,814</u>	<u>\$ 3,853,289</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Community Development Block Grant	Affordable Housing	Bed Tax	Judicial Collection Enhancement
Revenues:				
Sales taxes	\$ -	\$ -	\$ 944,186	\$ -
Intergovernmental	13,217	-	-	-
Fines, forfeitures & penalties	-	-	-	14,414
Investment income	-	-	-	-
Miscellaneous	-	22,864	-	-
Total revenues	<u>13,217</u>	<u>22,864</u>	<u>944,186</u>	<u>14,414</u>
Expenditures:				
Current -				
General government	-	-	722,668	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Economic and community development	15,301	123	113,619	-
Total expenditures	<u>15,301</u>	<u>123</u>	<u>836,287</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,084)</u>	<u>22,741</u>	<u>107,899</u>	<u>14,414</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(2,084)</u>	<u>22,741</u>	<u>107,899</u>	<u>14,414</u>
Fund balances (deficits), beginning of year	<u>54,315</u>	<u>192,979</u>	<u>388,636</u>	<u>109,896</u>
Fund balances (deficits), end of year	<u>\$ 52,231</u>	<u>\$ 215,720</u>	<u>\$ 496,535</u>	<u>\$ 124,310</u>

Fill-the-Gap	Local Transportation Assistance	Local Technology	Other Special Revenue Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ 944,186
-	-	-	1,031,558	1,044,775
6,424	-	136,270	66,596	223,704
-	-	-	8,387	8,387
-	-	-	8,603	31,467
<u>6,424</u>	<u>-</u>	<u>136,270</u>	<u>1,115,144</u>	<u>2,252,519</u>
-	-	56,828	1,488	780,984
-	-	-	728,581	728,581
-	90,448	-	-	90,448
-	-	-	-	129,043
<u>-</u>	<u>90,448</u>	<u>56,828</u>	<u>730,069</u>	<u>1,729,056</u>
<u>6,424</u>	<u>(90,448)</u>	<u>79,442</u>	<u>385,075</u>	<u>523,463</u>
-	180,671	-	-	180,671
-	-	-	(2,201)	(2,201)
<u>-</u>	<u>180,671</u>	<u>-</u>	<u>(2,201)</u>	<u>178,470</u>
<u>6,424</u>	<u>90,223</u>	<u>79,442</u>	<u>382,874</u>	<u>701,933</u>
<u>68,550</u>	<u>(90,223)</u>	<u>706,730</u>	<u>1,565,445</u>	<u>2,996,328</u>
<u>\$ 74,974</u>	<u>\$ -</u>	<u>\$ 786,172</u>	<u>\$ 1,948,319</u>	<u>\$ 3,698,261</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2015

	Community Development Block Grant Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 215,000	\$ 215,000	\$ 13,217	\$ (201,783)
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>13,217</u>	<u>(201,783)</u>
Expenditures:				
Current -				
Economic and community development	215,000	215,000	15,301	199,699
Total expenditures	<u>215,000</u>	<u>215,000</u>	<u>15,301</u>	<u>199,699</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,084)</u>	<u>(2,084)</u>
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>54,315</u>	<u>54,315</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,231</u>	<u>\$ 52,231</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
AFFORDABLE HOUSING REVOLVING FUND
YEAR ENDED JUNE 30, 2015

	Affordable Housing Revolving Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Miscellaneous	\$ 100,000	\$ 100,000	\$ 22,864	\$ (77,136)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>22,864</u>	<u>(77,136)</u>
Expenditures:				
Current -				
Economic and community development	70,000	70,000	123	69,877
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>123</u>	<u>69,877</u>
Excess (deficiency) of revenues over expenditures	<u>30,000</u>	<u>30,000</u>	<u>22,741</u>	<u>(7,259)</u>
Fund balance (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>192,979</u>	<u>192,979</u>
Fund balance (deficits), June 30, 2015	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 215,720</u>	<u>\$ 185,720</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
BED TAX FUND
YEAR ENDED JUNE 30, 2015

	Bed Tax Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales taxes	\$ 919,413	\$ 919,413	\$ 944,186	\$ 24,773
Total revenues	<u>919,413</u>	<u>919,413</u>	<u>944,186</u>	<u>24,773</u>
Expenditures:				
Current -				
General government	843,818	843,818	722,668	121,150
Economic and community development	244,884	244,884	113,619	131,265
Total expenditures	<u>1,088,702</u>	<u>1,088,702</u>	<u>836,287</u>	<u>252,415</u>
Excess (deficiency) of revenues over expenditures	<u>(169,289)</u>	<u>(169,289)</u>	<u>107,899</u>	<u>277,188</u>
Fund balance (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>388,636</u>	<u>388,636</u>
Fund balance (deficits), June 30, 2015	<u><u>\$ (169,289)</u></u>	<u><u>\$ (169,289)</u></u>	<u><u>\$ 496,535</u></u>	<u><u>\$ 665,824</u></u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
JUDICIAL COLLECTION ENHANCEMENT FUND
YEAR ENDED JUNE 30, 2015

	Judicial Collection Enhancement Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 14,000	\$ 14,000	\$ 14,414	\$ 414
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>14,414</u>	<u>414</u>
Expenditures:				
Current -				
General government	57,000	57,000	-	57,000
Capital outlay	10,000	10,000	-	10,000
Total expenditures	<u>67,000</u>	<u>67,000</u>	<u>-</u>	<u>67,000</u>
Excess (deficiency) of revenues over expenditures	<u>(53,000)</u>	<u>(53,000)</u>	<u>14,414</u>	<u>67,414</u>
Fund balance (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>109,896</u>	<u>109,896</u>
Fund balance (deficits), June 30, 2015	<u><u>\$ (53,000)</u></u>	<u><u>\$ (53,000)</u></u>	<u><u>\$ 124,310</u></u>	<u><u>\$ 177,310</u></u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
FILL-THE-GAP FUND
YEAR ENDED JUNE 30, 2015

	Fill-the-Gap			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 4,000	\$ 4,000	\$ 6,424	\$ 2,424
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>6,424</u>	<u>2,424</u>
Expenditures:				
Current -				
General government	38,500	38,500	-	38,500
Total expenditures	<u>38,500</u>	<u>38,500</u>	<u>-</u>	<u>38,500</u>
Excess (deficiency) of revenues over expenditures	<u>(34,500)</u>	<u>(34,500)</u>	<u>6,424</u>	<u>40,924</u>
Fund balance (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>68,550</u>	<u>68,550</u>
Fund balance (deficits), June 30, 2015	<u>\$ (34,500)</u>	<u>\$ (34,500)</u>	<u>\$ 74,974</u>	<u>\$ 109,474</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
LOCAL TRANSPORTATION ASSISTANCE FUND
YEAR ENDED JUNE 30, 2015

	Local Transportation Assistance Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current -				
Highways and streets	100,000	100,000	90,448	9,552
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>90,448</u>	<u>9,552</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>(90,448)</u>	<u>9,552</u>
Other financing sources:				
Transfer in	100,000	100,000	180,671	80,671
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>180,671</u>	<u>80,671</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>90,223</u>	<u>90,223</u>
Fund balance (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>(90,223)</u>	<u>(90,223)</u>
Fund balance (deficits), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
LOCAL TECHNOLOGY
YEAR ENDED JUNE 30, 2015

	Local Technology Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 118,000	\$ 118,000	\$ 136,270	\$ 18,270
Total revenues	<u>118,000</u>	<u>118,000</u>	<u>136,270</u>	<u>18,270</u>
Expenditures:				
Current -				
General government	434,282	434,282	56,828	377,454
Total expenditures	<u>434,282</u>	<u>434,282</u>	<u>56,828</u>	<u>377,454</u>
 Change in fund balance	 <u>(316,282)</u>	 <u>(316,282)</u>	 <u>79,442</u>	 <u>395,724</u>
Fund balance (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>706,730</u>	<u>706,730</u>
 Fund balance (deficits), June 30, 2015	 <u><u>\$ (316,282)</u></u>	 <u><u>\$ (316,282)</u></u>	 <u><u>\$ 786,172</u></u>	 <u><u>\$ 1,102,454</u></u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2015

	Other Special Revenue Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 1,147,998	\$ 1,147,998	\$ 1,031,558	\$ (116,440)
Fines, forfeitures & penalties	50,000	50,000	66,596	16,596
Contributions	51,000	51,000	-	(51,000)
Investment income	1,615	1,615	8,387	6,772
Miscellaneous	20,000	20,000	8,603	(11,397)
Total revenues	<u>1,270,613</u>	<u>1,270,613</u>	<u>1,115,144</u>	<u>(155,469)</u>
Expenditures:				
Current -				
General government	1,051,000	1,057,711	1,488	1,056,223
Public safety	565,193	558,482	728,581	(170,099)
Capital outlay	39,606	39,606	-	39,606
Total expenditures	<u>1,655,799</u>	<u>1,655,799</u>	<u>730,069</u>	<u>925,730</u>
Excess (deficiency) of revenues over expenditures	<u>(385,186)</u>	<u>(385,186)</u>	<u>385,075</u>	<u>770,261</u>
Other financing sources:				
Transfer in	100,000	100,000	-	(100,000)
Transfer out	-	-	(2,201)	(2,201)
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>(2,201)</u>	<u>(102,201)</u>
Change in fund balance	<u>(285,186)</u>	<u>(285,186)</u>	<u>382,874</u>	<u>668,060</u>
Fund balance (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>1,565,445</u>	<u>1,565,445</u>
Fund balance (deficits), June 30, 2015	<u>\$ (285,186)</u>	<u>\$ (285,186)</u>	<u>\$ 1,948,319</u>	<u>\$ 2,233,505</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 the Twin Peaks Interchange Project.

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

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

PAG Capital Fund – This fund accounts for proceeds from Pima Association of Governments which are used for the Thornydale Road and Silverbell Road Improvements Projects.

Pima County Bond Capital Fund – This fund accounts for the financing and construction of projects funded through Pima County Bond program.

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

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

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

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

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

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

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS (Cont'd)
YEAR ENDED JUNE 30, 2015

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Transportation
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,653,112	\$ 3,421,249	\$ 3,003,710	\$ 6,963,624
Taxes receivable	-	-	-	-
Interest receivable	-	-	597	7,272
Development agreement receivable	-	-	-	-
Due from governments	-	-	-	921,650
Restricted cash	-	-	-	-
Total assets	<u>\$ 1,653,112</u>	<u>\$ 3,421,249</u>	<u>\$ 3,004,307</u>	<u>\$ 7,892,546</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 303,532	\$ 7,173	\$ 508,744
Due to other funds	-	-	-	-
Deposits held for others	-	-	-	-
Total liabilities	<u>-</u>	<u>303,532</u>	<u>7,173</u>	<u>508,744</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS)</u>				
Restricted	1,653,112	3,117,717	2,997,134	7,383,802
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>1,653,112</u>	<u>3,117,717</u>	<u>2,997,134</u>	<u>7,383,802</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,653,112</u>	<u>\$ 3,421,249</u>	<u>\$ 3,004,307</u>	<u>\$ 7,892,546</u>

Park Impact Fees	PAG Capital	Pima County Bond Capital	Sales Tax Capital	Downtown Reinvestment	Other Capital Projects	Gladden Farms Capital
\$ 5,067,938	\$ -	\$ -	\$ 71,992	\$ 118,625	\$ 4,184,719	\$ 459,658
-	-	-	-	-	-	78
-	-	-	2,786	-	14	-
-	-	-	-	-	333,393	-
-	1,610,679	-	-	21,771	-	-
-	-	-	-	-	1,020,469	96,818
<u>\$ 5,067,938</u>	<u>\$ 1,610,679</u>	<u>\$ -</u>	<u>\$ 74,778</u>	<u>\$ 140,396</u>	<u>\$ 5,538,595</u>	<u>\$ 556,554</u>
\$ 353,925	\$ 758,551	\$ -	\$ -	\$ 10,182	\$ 342,210	\$ -
-	685,231	165,157	-	-	-	-
-	-	-	-	-	23,983	-
<u>353,925</u>	<u>1,443,782</u>	<u>165,157</u>	<u>-</u>	<u>10,182</u>	<u>366,193</u>	<u>-</u>
-	854,762	-	-	-	291,667	-
-	854,762	-	-	-	291,667	-
4,714,013	-	-	74,778	130,214	4,880,735	556,554
-	(687,865)	(165,157)	-	-	-	-
<u>4,714,013</u>	<u>(687,865)</u>	<u>(165,157)</u>	<u>74,778</u>	<u>130,214</u>	<u>4,880,735</u>	<u>556,554</u>
<u>\$ 5,067,938</u>	<u>\$ 1,610,679</u>	<u>\$ -</u>	<u>\$ 74,778</u>	<u>\$ 140,396</u>	<u>\$ 5,538,595</u>	<u>\$ 556,554</u>

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS (Concl'd)
YEAR ENDED JUNE 30, 2015

Vanderbilt Farms Capital	Saguaro Springs Capital	Totals
\$ 50,082	\$ 60,943	\$ 25,055,652
-	-	78
-	-	10,669
-	-	333,393
-	-	2,554,100
-	-	1,117,287
<u>\$ 50,082</u>	<u>\$ 60,943</u>	<u>\$ 29,071,179</u>
\$ -	\$ -	\$ 2,284,317
-	-	850,388
-	3,385	27,368
<u>-</u>	<u>3,385</u>	<u>3,162,073</u>
-	-	\$ 1,146,429
-	-	1,146,429
50,082	57,558	25,615,699
-	-	(853,022)
<u>50,082</u>	<u>57,558</u>	<u>24,762,677</u>
<u>\$ 50,082</u>	<u>\$ 60,943</u>	<u>\$ 29,071,179</u>



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TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECT FUNDS (Cont'd)
YEAR ENDED JUNE 30, 2015

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Transportation
Revenues:				
Sales tax	\$ -	\$ -	\$ -	\$ 5,128,646
Property tax	-	-	-	-
Intergovernmental	-	-	-	151,518
Licenses, fees & permits	10,422	226,475	1,002,089	-
Contributions	-	-	-	-
Investment income	2	4,786	13,510	33,010
Total revenues	<u>10,424</u>	<u>231,261</u>	<u>1,015,599</u>	<u>5,313,174</u>
Expenditures:				
Current -				
General government	-	-	-	209,618
Highways and streets	-	-	-	-
Economic and community development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	1,560	3,088,815
Total expenditures	<u>-</u>	<u>-</u>	<u>1,560</u>	<u>3,298,433</u>
Excess (deficiency) of revenues over expenditures	<u>10,424</u>	<u>231,261</u>	<u>1,014,039</u>	<u>2,014,741</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(624,470)	(605,255)	(864,651)
Total other financing sources (uses)	<u>-</u>	<u>(624,470)</u>	<u>(605,255)</u>	<u>(864,651)</u>
Change in fund balances	<u>10,424</u>	<u>(393,209)</u>	<u>408,784</u>	<u>1,150,090</u>
Fund balances (deficits), beginning of year	<u>1,642,688</u>	<u>3,510,926</u>	<u>2,588,350</u>	<u>6,233,712</u>
Fund balances (deficits), end of year	<u>\$ 1,653,112</u>	<u>\$ 3,117,717</u>	<u>\$ 2,997,134</u>	<u>\$ 7,383,802</u>

Park Impact Fees	PAG Capital	Pima County Bond Capital	Sales Tax Capital	Downtown Reinvestment	Other Capital Projects	Gladden Farms Capital
\$ -	\$ -	\$ -	\$ -	\$ 158,633	\$ -	\$ -
-	-	-	-	-	-	47,363
-	2,332,332	-	-	-	-	-
821,390	-	-	-	-	173,908	-
-	10,519	-	-	-	181,251	-
6,712	-	-	6,611	-	2,971	415
<u>828,102</u>	<u>2,342,851</u>	<u>-</u>	<u>6,611</u>	<u>158,633</u>	<u>358,130</u>	<u>47,778</u>
-	-	-	-	-	-	128
-	-	-	-	-	5,655	-
-	-	-	-	148,973	-	-
105,780	-	-	-	-	-	-
814,926	2,814,372	-	685,825	-	625,673	-
<u>920,706</u>	<u>2,814,372</u>	<u>-</u>	<u>685,825</u>	<u>148,973</u>	<u>631,328</u>	<u>128</u>
<u>(92,604)</u>	<u>(471,521)</u>	<u>-</u>	<u>(679,214)</u>	<u>9,660</u>	<u>(273,198)</u>	<u>47,650</u>
-	-	-	-	-	800,000	-
-	-	-	-	-	(977,966)	-
-	-	-	-	-	(177,966)	-
<u>(92,604)</u>	<u>(471,521)</u>	<u>-</u>	<u>(679,214)</u>	<u>9,660</u>	<u>(451,164)</u>	<u>47,650</u>
<u>4,806,617</u>	<u>(216,344)</u>	<u>(165,157)</u>	<u>753,992</u>	<u>120,554</u>	<u>5,331,899</u>	<u>508,904</u>
<u>\$ 4,714,013</u>	<u>\$ (687,865)</u>	<u>\$ (165,157)</u>	<u>\$ 74,778</u>	<u>\$ 130,214</u>	<u>\$ 4,880,735</u>	<u>\$ 556,554</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECT FUNDS (Concl'd)
YEAR ENDED JUNE 30, 2015

Vanderbilt Farms Capital	Saguaro Springs Capital	Totals
\$ -	\$ -	\$ 5,287,279
1,679	5,028	54,070
-	-	2,483,850
-	-	2,234,284
-	-	191,770
24	-	68,041
<u>1,703</u>	<u>5,028</u>	<u>10,319,294</u>
-	-	209,746
-	-	5,655
-	177	149,150
-	-	105,780
-	-	8,031,171
<u>-</u>	<u>177</u>	<u>8,501,502</u>
<u>1,703</u>	<u>4,851</u>	<u>1,817,792</u>
-	-	800,000
<u>-</u>	<u>-</u>	<u>(3,072,342)</u>
<u>-</u>	<u>-</u>	<u>(2,272,342)</u>
<u>1,703</u>	<u>4,851</u>	<u>(454,550)</u>
<u>48,379</u>	<u>52,707</u>	<u>25,217,227</u>
<u>\$ 50,082</u>	<u>\$ 57,558</u>	<u>\$ 24,762,677</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
NORTHWEST TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2015

	Northwest Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	\$ 25,000	\$ 25,000	\$ 10,422	\$ (14,578)
Investment income	-	-	2	2
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>10,424</u>	<u>(14,576)</u>
Expenditures:				
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Excess (deficiency) of revenues over expenditures	<u>(75,000)</u>	<u>(75,000)</u>	<u>10,424</u>	<u>85,424</u>
Change in fund balances	<u>(75,000)</u>	<u>(75,000)</u>	<u>10,424</u>	<u>(114,576)</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>1,642,688</u>	<u>1,642,688</u>
Fund balances (deficits), June 30, 2015	<u>\$ (75,000)</u>	<u>\$ (75,000)</u>	<u>\$ 1,653,112</u>	<u>\$ 1,728,112</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
NORTHEAST TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2015

	Northeast Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 959,785	\$ 959,785	\$ 226,475	\$ (733,310)
Investment income	-	-	4,786	4,786
Total revenues	<u>959,785</u>	<u>959,785</u>	<u>231,261</u>	<u>(728,524)</u>
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>959,785</u>	<u>959,785</u>	<u>231,261</u>	<u>(728,524)</u>
Other financing sources (uses):				
Transfers out	(624,470)	(624,470)	(624,470)	-
Total other financing sources (uses)	<u>(624,470)</u>	<u>(624,470)</u>	<u>(624,470)</u>	<u>-</u>
Change in fund balances	<u>335,315</u>	<u>335,315</u>	<u>(393,209)</u>	<u>(728,524)</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>3,510,926</u>	<u>3,510,926</u>
Fund balances (deficits), June 30, 2015	<u>\$ 335,315</u>	<u>\$ 335,315</u>	<u>\$ 3,117,717</u>	<u>\$ 2,782,402</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SOUTH TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2015

	South Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 650,740	\$ 650,740	\$ 1,002,089	\$ 351,349
Investment income	-	-	13,510	13,510
Total revenues	<u>650,740</u>	<u>650,740</u>	<u>1,015,599</u>	<u>364,859</u>
Expenditures:				
Capital outlay	<u>763,185</u>	<u>763,185</u>	<u>1,560</u>	<u>761,625</u>
Total expenditures	<u>763,185</u>	<u>763,185</u>	<u>1,560</u>	<u>761,625</u>
Excess (deficiency) of revenues over expenditures	<u>(112,445)</u>	<u>(112,445)</u>	<u>1,014,039</u>	<u>1,126,484</u>
Other financing sources (uses):				
Transfers out	<u>(605,255)</u>	<u>(605,255)</u>	<u>(605,255)</u>	<u>-</u>
Total other financing sources (uses)	<u>(605,255)</u>	<u>(605,255)</u>	<u>(605,255)</u>	<u>-</u>
 Change in fund balances	 <u>(717,700)</u>	 <u>(717,700)</u>	 <u>408,784</u>	 <u>1,126,484</u>
 Fund balances (deficits), July 1, 2014	 <u>-</u>	 <u>-</u>	 <u>2,588,350</u>	 <u>2,588,350</u>
 Fund balances (deficits), June 30, 2015	 <u>\$ (717,700)</u>	 <u>\$ (717,700)</u>	 <u>\$ 2,997,134</u>	 <u>\$ 3,714,834</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
TRANSPORTATION CAPITAL
YEAR ENDED JUNE 30, 2015

	Transportation Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales taxes	\$ 5,248,500	\$ 5,248,500	\$ 5,128,646	\$ (119,854)
Intergovernmental	-	-	151,518	151,518
Investment income	-	-	33,010	33,010
Total revenues	<u>5,248,500</u>	<u>5,248,500</u>	<u>5,313,174</u>	<u>64,674</u>
Expenditures:				
Current -				
General government	-	-	209,618	(209,618)
Capital outlay	<u>5,728,389</u>	<u>5,728,389</u>	<u>3,088,815</u>	<u>2,639,574</u>
Total expenditures	<u>5,728,389</u>	<u>5,728,389</u>	<u>3,298,433</u>	<u>2,429,956</u>
Excess (deficiency) of revenues over expenditures	<u>(479,889)</u>	<u>(479,889)</u>	<u>2,014,741</u>	<u>2,494,630</u>
Other financing sources (uses):				
Transfers out	<u>(864,651)</u>	<u>(864,651)</u>	<u>(864,651)</u>	<u>-</u>
Total other financing sources (uses)	<u>(864,651)</u>	<u>(864,651)</u>	<u>(864,651)</u>	<u>-</u>
Changes in fund balances	<u>(1,344,540)</u>	<u>(1,344,540)</u>	<u>1,150,090</u>	<u>2,494,630</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>6,233,712</u>	<u>6,233,712</u>
Fund balances (deficits), June 30, 2015	<u>\$ (1,344,540)</u>	<u>\$ (1,344,540)</u>	<u>\$ 7,383,802</u>	<u>\$ 8,728,342</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
PARK IMPACT FEES
YEAR ENDED JUNE 30, 2015

	Park Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 1,008,450	\$ 1,008,450	\$ 821,390	\$ (187,060)
Investment income	-	-	6,712	6,712
Total revenues	<u>1,008,450</u>	<u>1,008,450</u>	<u>828,102</u>	<u>(180,348)</u>
Expenditures:				
Current -				
Culture and recreation	-	-	105,780	(105,780)
Capital outlay	1,829,496	1,829,496	814,926	1,014,570
Total expenditures	<u>1,829,496</u>	<u>1,829,496</u>	<u>920,706</u>	<u>908,790</u>
Excess (deficiency) of revenues over expenditures	<u>(821,046)</u>	<u>(821,046)</u>	<u>(92,604)</u>	<u>728,442</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>4,806,617</u>	<u>4,806,617</u>
Fund balances (deficits), June 30, 2015	<u>\$ (821,046)</u>	<u>\$ (821,046)</u>	<u>\$ 4,714,013</u>	<u>\$ 5,535,059</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PAG CAPITAL
YEAR ENDED JUNE 30, 2015

	PAG Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Contributions	\$ 16,526,839	\$ 16,526,839	\$ 2,332,332	\$ (14,194,507)
	-	-	10,519	10,519
Total revenues	<u>16,526,839</u>	<u>16,526,839</u>	<u>2,342,851</u>	<u>(14,183,988)</u>
Expenditures:				
Capital outlay	16,140,892	16,140,892	2,814,372	13,326,520
Total expenditures	<u>16,140,892</u>	<u>16,140,892</u>	<u>2,814,372</u>	<u>13,326,520</u>
Excess (deficiency) of revenues over expenditures	<u>385,947</u>	<u>385,947</u>	<u>(471,521)</u>	<u>(857,468)</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>(216,344)</u>	<u>(216,344)</u>
Fund balances (deficits), June 30, 2015	<u>\$ 385,947</u>	<u>\$ 385,947</u>	<u>\$ (687,865)</u>	<u>\$ (1,073,812)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
PIMA COUNTY BOND CAPITAL
YEAR ENDED JUNE 30, 2015

	Pima County Bond Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Expenditures:				
Capital outlay	35,000	35,000	-	35,000
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>(165,157)</u>	<u>(165,157)</u>
Fund balances (deficits), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (165,157)</u>	<u>\$ (165,157)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SALES TAX CAPITAL
YEAR ENDED JUNE 30, 2015

	Sales Tax Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment income	\$ -	\$ -	\$ 6,611	\$ 6,611
Total revenues	<u>-</u>	<u>-</u>	<u>6,611</u>	<u>6,611</u>
Expenditures:				
Capital outlay	685,825	685,825	685,825	-
Total expenditures	<u>685,825</u>	<u>685,825</u>	<u>685,825</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(685,825)</u>	<u>(685,825)</u>	<u>(679,214)</u>	<u>6,611</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>753,992</u>	<u>(753,992)</u>
Fund balances (deficits), June 30, 2015	<u>\$ (685,825)</u>	<u>\$ (685,825)</u>	<u>\$ 74,778</u>	<u>\$ (747,381)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
DOWNTOWN REINVESTMENT
YEAR ENDED JUNE 30, 2015

	Downtown Reinvestment			Variance - Positive - (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales tax	\$ 125,000	\$ 125,000	158,633	\$ 33,633
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>158,633</u>	<u>33,633</u>
Expenditures:				
Economic and community development	223,250	223,250	148,973	74,277
Total expenditures	<u>223,250</u>	<u>223,250</u>	<u>148,973</u>	<u>74,277</u>
Excess (deficiency) of revenues over expenditures	<u>(98,250)</u>	<u>(98,250)</u>	<u>9,660</u>	<u>107,910</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>120,554</u>	<u>(120,554)</u>
Fund balances (deficits), June 30, 2015	<u>\$ (98,250)</u>	<u>\$ (98,250)</u>	<u>\$ 130,214</u>	<u>\$ (12,644)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - OTHER CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2015

	Other Capital Projects			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 9,950,030	\$ 9,950,030	\$ -	\$ (9,950,030)
Licenses, fees & permits	195,000	195,000	173,908	(21,092)
Contributions	410,000	410,000	181,251	(228,749)
Investment income	-	-	2,971	2,971
Total revenues	<u>10,555,030</u>	<u>10,555,030</u>	<u>358,130</u>	<u>(10,196,900)</u>
Expenditures:				
Highways and streets	35,000	35,000	5,655	29,345
Capital outlay	10,042,961	10,842,961	625,673	10,217,288
Total expenditures	<u>10,077,961</u>	<u>10,877,961</u>	<u>631,328</u>	<u>10,246,633</u>
Excess (deficiency) of revenues over expenditures	<u>477,069</u>	<u>(322,931)</u>	<u>(273,198)</u>	<u>49,733</u>
Other financing sources (uses):				
Transfers in	-	-	800,000	800,000
Transfers out	(355,779)	(355,779)	(977,966)	(622,187)
Total other financing sources (uses)	<u>(355,779)</u>	<u>(355,779)</u>	<u>(177,966)</u>	<u>177,813</u>
Changes in fund balances	<u>121,290</u>	<u>(678,710)</u>	<u>(451,164)</u>	<u>227,546</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>5,331,899</u>	<u>5,331,899</u>
Fund balances (deficits), June 30, 2015	<u>\$ 121,290</u>	<u>\$ (678,710)</u>	<u>\$ 4,880,735</u>	<u>\$ 5,559,445</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
GLADDEN FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2015

	Gladden Farms Community Facilities District Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 47,368	\$ 47,368	\$ 47,363	\$ (5)
Contributions	80,500	80,500	-	(80,500)
Investment income	-	-	415	415
Total revenues	<u>127,868</u>	<u>127,868</u>	<u>47,778</u>	<u>(80,090)</u>
Expenditures:				
Current -				
General government	128,162	128,162	128	128,034
Capital outlay	900,000	900,000	-	900,000
Debt service -				
Bond issuance costs	100,000	100,000	-	100,000
Total expenditures	<u>1,128,162</u>	<u>1,128,162</u>	<u>128</u>	<u>1,128,034</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,294)</u>	<u>(1,000,294)</u>	<u>47,650</u>	<u>1,047,944</u>
Other financing sources (uses):				
Bond proceeds	1,000,000	1,000,000	-	(1,000,000)
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Change in fund balances	<u>(294)</u>	<u>(294)</u>	<u>47,650</u>	<u>47,944</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>508,904</u>	<u>508,904</u>
Fund balances (deficits), June 30, 2015	<u>\$ (294)</u>	<u>\$ (294)</u>	<u>\$ 556,554</u>	<u>\$ 556,848</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2015

	Vanderbilt Farms Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 2,689	\$ 2,689	\$ 1,679	\$ (1,010)
Contributions	27,500	27,500	-	(27,500)
Investment income	-	-	24	24
Total revenues	<u>30,189</u>	<u>30,189</u>	<u>1,703</u>	<u>(28,486)</u>
Expenditures:				
Current -				
General government	30,189	30,189	-	30,189
Total expenditures	<u>30,189</u>	<u>30,189</u>	<u>-</u>	<u>30,189</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,703</u>	<u>1,703</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>48,379</u>	<u>48,379</u>
Fund balances (deficits), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,082</u>	<u>\$ 50,082</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2015

	Saguaro Springs Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 5,064	\$ 5,064	\$ 5,028	\$ (36)
Contributions	133,239	133,239	-	(133,239)
Total revenues	<u>138,303</u>	<u>138,303</u>	<u>5,028</u>	<u>(133,275)</u>
Expenditures:				
Current -				
Economic and community development	143,303	143,303	177	143,126
Capital outlay	1,795,000	1,795,000	-	1,795,000
Debt service -				
Bond issuance costs	200,000	200,000	-	200,000
Total expenditures	<u>2,138,303</u>	<u>2,138,303</u>	<u>177</u>	<u>2,138,126</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>4,851</u>	<u>2,004,851</u>
Other financing sources (uses):				
Bond proceeds	2,000,000	2,000,000	-	(2,000,000)
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>4,851</u>	<u>4,851</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>52,707</u>	<u>52,707</u>
Fund balances (deficits), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,558</u>	<u>\$ 57,558</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.

1997 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 1997 revenue bonds. The Town has pledged Town sales tax revenue, state shared revenues licenses, fees and permits revenue, and fines, forfeitures and penalties revenue to make the required payments for this series.

2004 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2004 revenue bonds. The Town has pledged Town sales tax revenue, state shared revenues, licenses, fees and permits revenue, and fines, forfeitures and penalties revenue to make the required payments for this series.

2008 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2008 revenue bonds. The Town has pledged Town sales tax revenue, state shared revenues, licenses, fees and permits revenue, and fines, forfeitures and penalties revenue to make the required payments for this series.

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.

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.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2015

	1997 Bond Debt Service	2004 Bond Debt Service	2008 Bond Debt Service
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ -	\$ 2,265,544
Property taxes receivable	-	-	-
Interest receivable	-	-	-
Restricted cash and investments	-	-	4,582,133
Total assets	\$ -	\$ -	\$ 6,847,677
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$ -	\$ 10,304	-
Deposits held for others	-	-	-
Total liabilities	-	10,304	-
Fund balances:			
Reserved for:			
Restricted	-	-	6,847,677
Unassigned	-	(10,304)	-
Total fund balances	-	(10,304)	6,847,677
Total liabilities and fund balances	\$ -	\$ -	\$ 6,847,677

<u>2013 Bond Debt Service</u>	<u>2014 Bond Debt Service</u>	<u>Other Debt Service</u>	<u>Gladden Farms Debt Service</u>	<u>Totals</u>
\$ 1,463,862	\$ 437,435	\$ 45,514	\$ 500	\$ 4,212,855
-	-	-	653	653
-	-	-	7	7
-	-	-	899,904	5,482,037
<u>\$ 1,463,862</u>	<u>\$ 437,435</u>	<u>\$ 45,514</u>	<u>\$ 901,064</u>	<u>\$ 9,695,552</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,304
-	-	-	646,662	646,662
-	-	-	646,662	656,966
1,463,862	437,435	45,514	254,402	9,048,890
-	-	-	-	(10,304)
<u>1,463,862</u>	<u>437,435</u>	<u>45,514</u>	<u>254,402</u>	<u>9,038,586</u>
<u>\$ 1,463,862</u>	<u>\$ 437,435</u>	<u>\$ 45,514</u>	<u>\$ 901,064</u>	<u>\$ 9,695,552</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	1997 Bond Debt Service	2004 Bond Debt Service	2008 Bond Debt Service
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Property Taxes	\$ -	\$ -	\$ -
Contributions	-	-	-
Investment income	-	-	39
Total revenues	<u>-</u>	<u>-</u>	<u>39</u>
Expenditures:			
Debt service -			
Principal retirement	110,000	185,000	1,320,000
Interest and fiscal charges	61,389	144,412	1,324,988
Total expenditures	<u>171,389</u>	<u>329,412</u>	<u>2,644,988</u>
 Excess (deficiency) of revenues over expenditures	 <u>(171,389)</u>	 <u>(329,412)</u>	 <u>(2,644,949)</u>
 Other financing sources (uses):			
Transfers in	94	-	2,634,750
Transfers out	-	-	-
 Total other financing sources (uses)	 <u>94</u>	 <u>-</u>	 <u>2,634,750</u>
 Change in fund balances	 <u>(171,295)</u>	 <u>(329,412)</u>	 <u>(10,199)</u>
 Fund balances, beginning of year	 <u>171,295</u>	 <u>319,108</u>	 <u>6,857,876</u>
 Fund balances, end of year	 <u>\$ -</u>	 <u>\$ (10,304)</u>	 <u>\$ 6,847,677</u>

<u>2013 Bond Debt Service</u>	<u>2014 Bond Debt Service</u>	<u>Other Debt Service</u>	<u>Gladden Farms Debt Service</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 393,152	\$ 393,152
-	-	-	332,458	332,458
-	-	-	70	109
<u>-</u>	<u>-</u>	<u>-</u>	<u>725,680</u>	<u>725,719</u>
315,000	-	-	240,000	2,170,000
1,536,875	95,662	-	477,903	3,641,229
<u>1,851,875</u>	<u>95,662</u>	<u>-</u>	<u>717,903</u>	<u>5,811,229</u>
<u>(1,851,875)</u>	<u>(95,662)</u>	<u>-</u>	<u>7,777</u>	<u>(5,085,510)</u>
2,231,725	531,449	-	-	5,398,018
-	-	-	-	-
<u>2,231,725</u>	<u>531,449</u>	<u>-</u>	<u>-</u>	<u>5,398,018</u>
379,850	435,787	-	7,777	312,508
1,084,012	1,648	45,514	246,625	8,726,078
<u>\$ 1,463,862</u>	<u>\$ 437,435</u>	<u>\$ 45,514</u>	<u>\$ 254,402</u>	<u>\$ 9,038,586</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
1997 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2015

	1997 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service -				
Principal retirement	225,000	225,000	110,000	115,000
Interest and fiscal charges	121,400	121,400	61,389	60,011
Total expenditures	<u>346,400</u>	<u>346,400</u>	<u>171,389</u>	<u>175,011</u>
Excess (deficiency) of revenues over expenditures	<u>(346,400)</u>	<u>(346,400)</u>	<u>(171,389)</u>	<u>175,011</u>
Other financing sources (uses):				
Transfers in	344,243	344,243	94	(344,149)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>344,243</u>	<u>344,243</u>	<u>94</u>	<u>(344,149)</u>
Change in fund balances	<u>(2,157)</u>	<u>(2,157)</u>	<u>(171,295)</u>	<u>(169,138)</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>171,295</u>	<u>171,295</u>
Fund balances (deficits), June 30, 2015	<u>\$ (2,157)</u>	<u>\$ (2,157)</u>	<u>\$ -</u>	<u>\$ 2,157</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2004 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2015

	2004 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service -				
Principal retirement	380,000	380,000	185,000	195,000
Interest and fiscal charges	287,625	287,625	144,412	143,213
Total expenditures	<u>667,625</u>	<u>667,625</u>	<u>329,412</u>	<u>338,213</u>
Excess (deficiency) of revenues over expenditures	<u>(667,625)</u>	<u>(667,625)</u>	<u>(329,412)</u>	<u>338,213</u>
Other financing sources (uses):				
Transfers in	665,128	665,128	-	665,128
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>665,128</u>	<u>665,128</u>	<u>-</u>	<u>665,128</u>
Change in fund balances	<u>(2,497)</u>	<u>(2,497)</u>	<u>(329,412)</u>	<u>(326,915)</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>319,108</u>	<u>319,108</u>
Fund balances (deficits), June 30, 2015	<u>\$ (2,497)</u>	<u>\$ (2,497)</u>	<u>\$ (10,304)</u>	<u>\$ (7,807)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2008 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2015

	2008 Bond Debt Service			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	39	39
Total revenues	<u>-</u>	<u>-</u>	<u>39</u>	<u>39</u>
Expenditures:				
Debt service -				
Principal retirement	1,320,000	1,320,000	1,320,000	-
Interest and fiscal charges	1,324,988	1,324,988	1,324,988	-
Total expenditures	<u>2,644,988</u>	<u>2,644,988</u>	<u>2,644,988</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,644,988)</u>	<u>(2,644,988)</u>	<u>(2,644,949)</u>	<u>39</u>
Other financing sources:				
Transfers in	2,641,988	2,641,988	2,634,750	(7,238)
Transfers out	-	-	-	-
Total other financing sources	<u>2,641,988</u>	<u>2,641,988</u>	<u>2,634,750</u>	<u>(7,238)</u>
Change in fund balances	(3,000)	(3,000)	(10,199)	(7,199)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>6,857,876</u>	<u>6,857,876</u>
Fund balances, end of year	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ 6,847,677</u>	<u>\$ 6,850,677</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2013 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2015

	2013 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service -				
Principal retirement	315,000	315,000	315,000	-
Interest and fiscal charges	1,534,875	1,534,875	1,536,875	(2,000)
Total expenditures	<u>1,849,875</u>	<u>1,849,875</u>	<u>1,851,875</u>	<u>(2,000)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,849,875)</u>	<u>(1,849,875)</u>	<u>(1,851,875)</u>	<u>(2,000)</u>
Other financing sources (uses):				
Transfers in	872,150	872,150	2,231,725	(1,359,575)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>872,150</u>	<u>872,150</u>	<u>2,231,725</u>	<u>(1,359,575)</u>
Change in fund balances	<u>(977,725)</u>	<u>(977,725)</u>	<u>379,850</u>	<u>1,357,575</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>1,084,012</u>	<u>1,084,012</u>
Fund balances (deficits), June 30, 2015	<u>\$ (977,725)</u>	<u>\$ (977,725)</u>	<u>\$ 1,463,862</u>	<u>\$ 2,441,587</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2014 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2015

	2014 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service -				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	95,662	(95,662)
Total expenditures	<u>-</u>	<u>-</u>	<u>95,662</u>	<u>(95,662)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(95,662)</u>	<u>(95,662)</u>
Other financing sources (uses):				
Transfers in	-	-	531,449	(531,449)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>531,449</u>	<u>(531,449)</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>435,787</u>	<u>435,787</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>1,648</u>	<u>1,648</u>
Fund balances (deficits), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,435</u>	<u>\$ 437,435</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
GLADDEN FARMS DEBT SERVICE
YEAR ENDED JUNE 30, 2015

	Gladden Farms Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 393,196	\$ 393,196	\$ 393,152	\$ (44)
Contributions	310,707	310,707	332,458	21,751
Investment income	-	-	70	70
Total revenues	<u>703,903</u>	<u>703,903</u>	<u>725,680</u>	<u>21,777</u>
Expenditures:				
Debt service -				
Principal retirement	240,000	240,000	240,000	-
Interest and fiscal charges	463,903	463,903	477,903	(14,000)
Total expenditures	<u>703,903</u>	<u>703,903</u>	<u>717,903</u>	<u>(14,000)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>7,777</u>	<u>7,777</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>7,777</u>	<u>7,777</u>
Fund balances (deficits), July 1, 2014	<u>-</u>	<u>-</u>	<u>246,625</u>	<u>246,625</u>
Fund balances (deficits), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,402</u>	<u>\$ 254,402</u>



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STATISTICAL INFORMATION



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**TOWN OF MARANA, ARIZONA
STATISTICAL SECTION
JUNE 30, 2015**

Statistical Section

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

	Schedule	Page
Financial Trends		
These schedules contain trend information to help users understand and assess how the Town's financial position has changed over time.		
Net Position by Component - Last Ten Fiscal Years	1	162
Changes in Net Position - Last Ten Fiscal Years	2	164
Governmental Activities Tax Revenues by Source - Last Ten Years	3	168
Fund Balances of Governmental Funds - Last Ten Fiscal Years	4	169
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Revenue Capacity		
These schedules contain information to help users understand and assess the Town's local revenue source, the property tax.		
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Debt Capacity		
These schedules present information to help users understand and assess the Town's debt burden and its ability to service current debt and to issue additional debt in the future.		
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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.		
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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.		
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These schedules present information to help users understand potential for growth and economic opportunities within the town.		
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TOWN OF MARANA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

Schedule 1

	2006 (as restated)	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 73,954	\$ 159,963	\$ 184,396	\$ 174,286
Restricted	11,939	59,313	25,465	45,727
Unrestricted	33,018	(279)	22,320	39,916
Total governmental activities net position	<u>118,912</u>	<u>218,998</u>	<u>232,181</u>	<u>259,929</u>
Business-type activities				
Net investment in capital assets	14,990	25,522	32,341	41,643
Restricted	-	-	1,297	-
Unrestricted	131	966	(1,242)	(4,714)
Total business-type activities net position	<u>15,122</u>	<u>26,488</u>	<u>32,396</u>	<u>36,929</u>
Primary government				
Net investment in capital assets	88,944	185,485	216,737	215,929
Restricted	11,939	59,313	26,762	45,727
Unrestricted	33,149	687	21,078	35,202
Total primary government net position	<u>\$ 134,033</u>	<u>\$ 245,485</u>	<u>\$ 264,577</u>	<u>\$ 296,858</u>

2010	2011	2012	2013	2014	2015 (as restated)
\$ 193,721	\$ 196,326	\$ 194,287	\$ 184,949	\$ 189,171	\$ 190,297
25,459	28,136	29,004	62,437	58,820	36,418
39,929	38,889	39,911	1,384	(283)	(4,283)
<u>259,109</u>	<u>263,351</u>	<u>263,202</u>	<u>248,770</u>	<u>247,708</u>	<u>222,432</u>
44,310	42,148	112,528	111,045	109,111	109,649
-	73	146	219	293	365
(5,813)	(2,683)	(17,519)	(2,677)	(208)	984
<u>38,497</u>	<u>39,538</u>	<u>95,155</u>	<u>108,587</u>	<u>109,196</u>	<u>110,998</u>
238,031	238,474	306,815	295,994	298,282	299,946
25,459	28,209	29,150	62,656	59,113	36,783
34,116	36,206	22,392	(1,293)	(491)	(3,299)
<u>\$ 297,606</u>	<u>\$ 302,889</u>	<u>\$ 358,357</u>	<u>\$ 357,357</u>	<u>\$ 356,904</u>	<u>\$ 333,430</u>

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

Schedule 2

	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 8,740	\$ 10,134	\$ 12,925	\$ 9,565
Development & planning services	6,438	3,442	-	1,304
Town Attorney *	489	-	-	917
Public safety	8,948	9,187	11,215	12,255
Magistrate court *	807	-	-	946
Highways and streets	5,510	15,898	10,269	6,734
Health & Welfare **	-	-	130	112
Culture & recreation	3,307	3,557	3,978	4,818
Economic & community development ***	256	375	8,643	12,751
Interest on long-term debt	1,816	2,297	2,500	2,530
Total governmental activities expenses	<u>36,311</u>	<u>44,891</u>	<u>49,660</u>	<u>51,932</u>
Business-type activities:				
Airport	837	1,028	1,196	2,546
Wastewater	N/A	N/A	N/A	N/A
Water	2,629	3,227	3,276	1,178
Total business-type activities expenses	<u>3,466</u>	<u>4,255</u>	<u>4,472</u>	<u>3,724</u>
Total primary government expenses	<u>\$ 39,777</u>	<u>\$ 49,146</u>	<u>\$ 54,132</u>	<u>\$ 55,656</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 472	\$ 1,108	\$ 899	\$ 918
Development & planning services	5,969	4,718	-	-
Town attorney	13	-	-	-
Public safety	192	19	-	-
Magistrate court	648	-	-	-
Highways and streets ****	590	5	-	-
Culture and recreation	191	208	200	315
Economic & community development	51	-	2,380	1,740
Operating grants and contributions	450	1,404	4,700	3,537
Capital grants and contributions	26,036	5,904	14,590	40,725
Total government activities program revenues	<u>34,614</u>	<u>13,365</u>	<u>22,768</u>	<u>47,235</u>
Business-type activities:				
Charges for services:				
Airport	144	185	221	227
Wastewater	N/A	N/A	N/A	N/A
Water	3,216	2,905	2,968	2,718
Capital grants and contributions	3,531	9,073	6,885	5,269
Total business-type activity program revenues	<u>6,891</u>	<u>12,163</u>	<u>10,074</u>	<u>8,214</u>
Total primary government program revenues	<u>41,506</u>	<u>25,528</u>	<u>32,842</u>	<u>55,449</u>
Net (expense)/revenue				
Governmental activities	(1,697)	(31,525)	(26,892)	(4,697)
Business-type activities	3,426	7,908	5,602	4,490
Total primary government net expense	<u>\$ 1,729</u>	<u>\$ (23,618)</u>	<u>\$ (21,290)</u>	<u>\$ (207)</u>

2010	2011	2012	2013	2014	2015
\$ 14,638	\$ 10,643	\$ 10,833	\$ 9,532	\$ 10,662	\$ 14,707
-	-	-	-	-	-
-	-	-	-	-	-
10,675	9,044	10,206	11,777	12,134	14,324
-	-	-	-	-	-
14,986	15,425	17,233	18,327	19,053	18,522
102	86	23	23	23	-
3,943	3,335	2,173	3,831	3,131	4,433
4,835	4,596	4,258	4,123	4,691	4,796
865	5,173	4,721	4,312	4,543	4,106
50,044	48,302	49,447	51,925	54,237	60,888
3,803	3,392	1,112	1,179	1,197	1,289
N/A	N/A	3,831	2,599	2,756	3,431
1,136	1,273	3,074	3,779	5,244	4,150
4,939	4,665	8,017	7,557	9,197	8,870
\$ 54,983	\$ 52,967	\$ 57,464	\$ 59,482	\$ 63,434	\$ 69,758

\$ 939	\$ 830	\$ 881	\$ 975	\$ 941	\$ 4,490
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
211	140	134	216	200	305
1,974	2,256	2,513	3,906	3,386	4,585
4,221	3,555	3,202	3,747	4,442	4,360
11,618	14,963	9,017	12,373	10,268	11,281
18,963	21,744	15,747	21,217	19,237	25,021

235	238	233	239	248	239
N/A	N/A	241	730	834	933
3,035	3,103	3,281	3,455	3,766	4,146
3,489	2,669	60,207	1,958	2,534	4,015
6,759	6,010	63,962	6,382	7,382	9,333
25,722	27,754	79,709	27,599	26,619	34,354

(31,081)	(26,558)	(33,699)	(30,708)	(35,000)	(35,867)
1,820	1,345	55,944	(1,175)	(1,815)	463
\$ (29,261)	\$ (25,213)	\$ 22,245	\$ (31,883)	\$ (36,815)	\$ (35,404)

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

Schedule 2

	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues				
City sales taxes	\$ 34,167	\$ 30,900	\$ 27,173	\$ 22,404
Property taxes	-	-	460	691
Franchise fees	-	-	309	315
Highway Users/Local Transit Assistance Funding	1,253	2,068	-	-
State shared revenues	3,634	6,894	7,397	7,221
Intergovernmental	-	4,810	-	-
System development fees	3,588	231	-	-
Investment income (loss)	1,835	4,463	3,024	595
Miscellaneous	-	221	459	1,227
Gain on sale of assets	-	-	-	-
Transfers	-	470	(160)	(8)
Total governmental activities	<u>44,476</u>	<u>50,057</u>	<u>38,661</u>	<u>32,445</u>
Business-type activities:				
General revenues				
Investment income	-	-	110	8
Miscellaneous	-	-	37	26
Transfers	-	(470)	160	8
Special item	-	-	-	-
Total business-type activities	<u>-</u>	<u>(470)</u>	<u>307</u>	<u>42</u>
Total primary government	<u>44,476</u>	<u>49,586</u>	<u>38,968</u>	<u>32,487</u>
Change in Net Position				
Governmental activities	42,779	18,531	11,769	27,748
Business-type activities	3,426	7,437	5,909	4,532
Total primary government	<u>\$ 46,204</u>	<u>\$ 25,968</u>	<u>\$ 17,678</u>	<u>\$ 32,280</u>

* In prior fiscal years, 2003 through 2006, the functions of Town Attorney and Magistrate Court were reported separately. However, both functions have been consolidated as part of the General Government function, as per General Accounting and Financial Reporting standards.

**In prior fiscal years, 2003 through 2008, programs and services offered by the Senior Center were included in the function of Culture and Recreation. Effective fiscal year 2008, these programs and services are reported under the function of Health and Welfare.

***In prior fiscal years, 2003 through 2007, the functions of Development and Planning Services and Economic Development were reported separately. Effective fiscal year 2008, the functions were consolidated under one function, Economic and Community Development.

In prior fiscal years, Highway Users Revenues and Local Transportation Assistance Funds were reported as general revenues. Effective fiscal year 2008, these revenues are being reported as program revenues.

2010	2011	2012	2013	2014	2015
\$ 21,662	\$ 22,948	\$ 24,539	\$ 24,768	\$ 26,226	\$ 28,059
623	584	506	447	421	442
313	322	333	349	377	401
-	-	-	-	-	-
6,462	5,719	6,943	7,714	8,273	8,820
-	-	-	-	-	-
-	-	-	-	-	-
135	105	97	152	171	149
774	814	803	737	854	813
-	-	-	36	-	116
291	309	329	(15,912)	(2,384)	(404)
<u>30,260</u>	<u>30,801</u>	<u>33,550</u>	<u>18,291</u>	<u>33,938</u>	<u>38,396</u>
1	1	1	2	1	9
38	4	1	19	39	19
(291)	(309)	(329)	15,911	2,384	404
-	-	-	(1,326)	-	-
<u>(252)</u>	<u>(304)</u>	<u>(327)</u>	<u>14,606</u>	<u>2,424</u>	<u>432</u>
<u>30,008</u>	<u>30,497</u>	<u>33,223</u>	<u>32,897</u>	<u>36,362</u>	<u>38,828</u>
(821)	4,243	(149)	(12,417)	(1,062)	2,529
1,568	1,041	55,617	13,431	609	895
<u>\$ 747</u>	<u>\$ 5,284</u>	<u>\$ 55,468</u>	<u>\$ 1,014</u>	<u>\$ (453)</u>	<u>\$ 3,424</u>

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

Schedule 3

Fiscal Year	Sales Tax	Highway User Revenue taxes	Total
2015	\$ 27,974	\$ 2,484	\$ 30,458
2014	25,958	2,286	28,244
2013	24,618	2,257	26,875
2012	24,300	2,061	26,361
2011	22,800	1,869	24,669
2010	21,578	1,806	23,384
2009	22,718	1,936	24,654
2008	27,173	2,036	29,209
2007	30,900	2,068	32,968
2006	34,167	1,253	35,420

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

	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General Fund										
Reserved	\$ -	\$ 213	\$ 286	\$ 185	\$ 313	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	13,718	19,035	20,128	14,299	14,779	-	-	-	-	-
Nonspendable	-	-	-	-	-	229	293	2,803	2,540	2,282
Unassigned	-	-	-	-	-	16,149	18,004	18,115	21,123	22,309
Total general fund	<u>13,718</u>	<u>19,248</u>	<u>20,414</u>	<u>14,484</u>	<u>15,092</u>	<u>16,378</u>	<u>18,297</u>	<u>20,918</u>	<u>23,663</u>	<u>24,591</u>
All other governmental funds										
Reserved	\$ -	\$ 17,910	\$ 257	\$ 7,221	\$ 7,099	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Major governmental funds	33,274	37,903	13,978	23,762	6,341	-	-	-	-	-
Special revenue funds	650	12	1,193	2,561	4,844	-	-	-	-	-
Capital revenue funds	2,633	49	6,438	4,648	7,174	-	-	-	-	-
Debt service funds	567	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	33	-
Restricted	-	-	-	-	-	28,137	29,821	47,616	40,774	40,771
Unassigned	-	-	-	-	-	-	(816)	(444)	(472)	(863)
Total all other governmental funds	<u>\$ 37,124</u>	<u>\$ 55,874</u>	<u>\$ 21,866</u>	<u>\$ 38,192</u>	<u>\$ 25,458</u>	<u>\$ 28,137</u>	<u>\$ 29,005</u>	<u>\$ 47,172</u>	<u>\$ 40,335</u>	<u>\$ 39,908</u>
Total fund balance of governmental funds	<u>\$ 50,842</u>	<u>\$ 75,121</u>	<u>\$ 42,280</u>	<u>\$ 52,676</u>	<u>\$ 40,550</u>	<u>\$ 44,515</u>	<u>\$ 47,302</u>	<u>\$ 68,090</u>	<u>\$ 63,998</u>	<u>\$ 64,499</u>

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

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Sales taxes	\$ 34,167	\$ 30,900	\$ 27,173	\$ 22,404	\$ 21,662	\$ 22,948	\$ 24,539	\$ 24,768	\$ 26,226	\$ 28,058
Property taxes	-	-	460	692	622	584	506	497	424	447
Intergovernmental revenues	11,227	14,690	19,280	21,607	16,331	17,707	14,960	18,000	12,732	14,927
Licenses, fees and permits	6,201	10,109	3,341	2,521	3,681	4,361	4,906	8,586	6,549	7,048
Fines, forfeitures and penalties	628	767	808	869	879	730	752	871	831	889
Charges for services	220	380	980	706	621	430	456	379	509	692
Lease Income	498	20	987	543	555	647	92	105	99	96
Special assessments	-	-	-	2,136	2,352	2,239	2,302	2,337	2,176	2,050
Contributions	-	379	1,457	658	381	3,690	537	589	1,098	583
System development fees	3,588	355	-	-	-	-	-	-	-	-
Investment earnings	1,835	4,445	3,025	595	135	105	97	152	171	149
Miscellaneous	511	1,054	484	286	820	614	636	804	927	853
Total revenues	58,874	63,096	57,995	53,017	48,039	54,055	49,783	57,088	51,742	55,792
Expenditures										
General government	6,533	8,485	9,999	8,947	9,080	9,661	8,481	7,860	8,953	9,652
Public safety	7,125	7,910	10,500	11,204	10,164	9,334	10,590	12,067	11,952	13,886
Highways and streets	3,152	5,868	3,897	3,693	2,854	3,043	3,657	4,026	4,214	5,441
Health and welfare	-	-	130	113	75	59	-	-	-	-
Economic and community development	5,615	3,345	4,910	4,405	4,654	4,520	4,259	4,479	4,508	4,351
Culture and recreation	2,574	2,894	3,267	3,665	3,309	2,552	2,604	2,859	3,195	3,598
Town attorney	427	-	-	917	-	-	-	-	-	-
Magistrate Court	704	-	-	946	-	-	-	-	-	-
Community development	217	343	-	370	-	-	-	-	-	-
Capital outlay	13,062	32,710	57,213	35,888	29,420	13,800	7,040	3,700	4,453	9,885
Debt service										
Principal	3,450	3,477	2,129	2,535	3,191	3,490	6,059	4,177	10,338	3,412
Interest	1,785	2,453	3,121	2,313	4,931	4,832	4,635	4,408	4,522	4,491
Other charges	-	1,184	-	628	-	109	-	521	97	-
Total expenditures	44,644	68,670	95,165	75,624	67,678	51,400	47,325	44,097	52,232	54,716
Excess of revenues over (under) expenditures	14,230	(5,574)	(37,171)	(22,607)	(19,639)	2,655	2,458	12,991	(490)	1,076

Schedule 5

	Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Other financing sources (uses)											
Transfers in	4,698	2,826	4,195	15,978	8,492	5,297	5,998	19,700	14,155	6,380	
Transfers out	(4,698)	(2,355)	(4,355)	(15,987)	(8,201)	(4,988)	(5,669)	(35,611)	(16,540)	(6,955)	
Proceeds from sale of capital asset	-	-	-	-	-	-	-	57	-	-	
Bonds issued	-	29,024	3,075	39,790	-	1,000	-	34,780	6,493	-	
Premium on bonds issued	-	-	-	443	-	-	-	3,031	-	-	
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	(14,160)	(14,160)	-	
Total other financing sources (uses)	-	29,494	2,915	40,224	291	1,309	329	7,797	(10,052)	(575)	
Net change in fund balance	\$ 14,230	\$ 23,920	\$ (34,256)	\$ 17,617	\$ (19,348)	\$ 3,964	\$ 2,787	\$ 20,788	\$ (10,542)	\$ 501	
Debt service as a percentage of noncapital expenditures	19.9%	19.7%	16.1%	13.9%	27.0%	27.5%	26.5%	21.5%	31.3%	18.1%	

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

Fiscal Year Ended June 30	Residential Property	Commercial Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2015	\$ 18,289	\$ 4	\$ 1,227	\$ 17,066	\$ 2.8000	\$ 174,023	9.8%
2014	17,078	4	1,359	15,723	2.8000	160,756	9.8%
2013	16,176	5	1,354	14,827	2.8000	150,182	9.9%
2012	17,850	4	1,342	16,512	2.8000	165,517	10.0%
2011	18,920	10	1,338	17,592	2.8000	176,256	10.0%
2010	21,859	7	1,250	20,616	2.8000	201,038	10.3%
2009	23,441	8	1,190	22,259	2.8000	215,989	10.3%
2008	24,964	23	405	24,582	2.8000	230,393	10.7%
2007	10,329	35	68	10,296	2.8000	94,390	10.9%
2006	2,285	2	9	2,278	2.8000	14,286	15.9%

SOURCE: Pima County Assessor's Office

NOTES:

- 1) The Town of Marana does not impose a property tax; principal property taxpayers represented above reflect those properties within the boundaries of the Gladden Farms Community Facilities District, which does impose a property tax.

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

Fiscal Year	State of Arizona	Pima County	County Library District	Flood Control District	Flowing Wells School District	Community College District	Fire Assistance Districts	Central Arizona Water Conservation District	Total Overlapping Rates	Town of Marana	Marana School District	Gladden Farms Community Facilities District	Vanderbilt Farms Community Facilities District	Total Direct Rates	Total Direct & Overlapping Rates
2015	-	\$ 5,5931	\$0.5153	\$0.3135	\$6.6292	\$ 1,3689	\$ 2,9138	\$ 0,1400	17,4738	-	\$6,3370	\$ 2,8000	\$ 0,3000	\$ 9,4370	26,9108
2014	-	5,4868	0,4353	0,3035	6,6135	1,3344	2,9744	0,1400	17,2879	-	6,2288	2,8000	0,3000	9,3288	26,6167
2013	-	4,9588	0,3753	0,2635	6,7146	1,2933	3,0668	0,1400	16,8123	-	4,3127	2,8000	0,3000	7,4127	24,2250
2012	-	5,2332	0,3460	0,2635	5,9689	1,1484	3,2395	0,1000	16,2995	-	5,2047	2,8000	0,3000	8,3047	24,6042
2011	-	4,6798	0,3100	0,2635	6,0407	1,0848	3,2368	0,1000	15,7156	-	4,6995	2,8000	0,3000	7,7995	23,5151
2010	-	4,4197	0,3100	0,2635	6,0407	1,0848	3,2393	0,1000	15,4580	-	4,6995	2,8000	0,3000	7,7995	23,2575
2009	-	4,8817	0,2643	0,2935	6,1239	1,0770	3,3224	0,1000	16,0628	-	4,9286	2,8000	0,3000	8,0286	24,0914
2008	-	4,0374	0,3393	0,3446	6,2665	1,1136	3,0808	0,1000	15,2822	-	5,4815	2,8000	0,3000	8,5815	23,8637
2007	-	4,3253	0,3975	0,3446	6,8677	1,1845	3,0383	0,1200	16,2779	-	5,9117	2,8000	0,3000	9,0117	25,2896
2006	-	4,5985	0,3675	0,3746	7,0032	1,2515	3,0415	0,1200	16,7568	-	6,0991	2,8000	0,3000	9,1991	25,9559

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 EIGHT YEARS AGO
(Amounts expressed in thousands)**

Taxpayer	2015			2007		
	Full Cash Value	Rank	Percentage of Total taxable Assessed Value	Full Cash Value	Rank	Percentage of Total taxable Assessed Value
Fidelity National Title TR 60421	\$ 1,576	1	16.7%			
KB Home Tucson Inc	1,467	2	15.6%			
Gladden 25 LLC	1,180	3	12.5%	282	5	6.0%
AH4R 2014-1 Borrower LLC	988	4	10.5%			
Smith Food & Drug Centers Inc	953	5	10.1%	324	4	6.9%
Weingarten Newquist LLC	797	6	8.5%	224	7	4.8%
Title Security Agency TR 891	735	7	7.8%	234	6	4.9%
Walgreen Arizona Drug Co	636	8	6.8%			
Gigafish LLC	609	9	6.5%			
Rock Michael E & Theresa A JT/RS	480	10	5.1%			
Fidelity National Title TR 30212				2,659	1	56.3%
Fidelity National Title TR 60338				352	2	7.5%
Bank of America				339	3	7.2%
Fidelity National Title TR 60183				144	8	3.0%
Wells Fargo Bank National Assn				83	9	1.8%
First American Title TR 9170				79	10	1.7%
Totals	<u>\$ 9,421</u>			<u>\$ 4,720</u>		

Notes:

- 1) The Town of Marana does not impose a property tax; principal property taxpayers represented above reflect those properties within the boundaries of the Gladden Farms Community Facilities District, which does impose a property tax.
- 2) Due to cost considerations for the accumulation of data, the Town has elected to present less than ten years of data for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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

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

Schedule 9

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2015	\$ 440	436	99.09%	438	99.55%
2014	415	411	99.04%	412	99.28%
2013	462	456	98.65%	456	98.65%
2012	492	489	99.39%	491	99.80%
2011	577	563	97.57%	563	97.57%
2010	623	623	100.00%	623	100.00%
2009	688	681	98.98%	687	99.85%
2008	544	532	97.79%	543	99.82%
2007	287	286	99.70%	287	100.00%
2006	64	62	97.54%	64	100.00%

Notes:

The Town does not impose a property tax; levies and collections presented above reflect assessments directly related to the Gladden Farms Community Facilities District.

Source: Pima County Treasurer's Office

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

Schedule 10

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income ***	Per Capita
	Revenue Bonds	General Obligation Bonds*	Special Assessment Bonds**	Capital Leases	Revenue Bonds	Loans Payable			
2015	\$ 66,513	\$ 8,085	\$ 17,246		\$ 1,343	\$ 3,841	97,028	237.3%	2,406
2014	68,443	8,325	18,488	-	1,343	4,042	100,641	256.0%	2,628
2013	78,335	8,550	19,926	-	-	4,265	111,076	293.9%	3,022
2012	60,315	8,765	21,288	-	-	4,480	94,848	261.0%	2,645
2011	64,970	8,965	22,492	-	-	4,586	101,013	289.1%	2,931
2010	66,900	8,155	23,828	33	-	1,562	100,478	299.0%	2,944
2009	67,975	8,335	24,823	75	-	-	101,208	313.3%	3,039
2008	29,225	8,385	-	115	-	-	37,725	151.6%	1,258
2007	30,460	5,355	-	154	-	-	35,969	134.7%	1,199
2006	31,835	2,105	-	-	-	-	33,940	118.2%	1,131

Notes:

* Bonds issued for Gladden Farms Facilities District fiscal year 2005, a component unit of the Town. Principal debt payoff does not begin until fiscal year 2008.

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

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

Source: US Census Bureau, Bureau of Economic Analysis

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

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of property	Per Capita
2015	\$ 8,085	\$ 900	\$ 7,185	0.18%	17.8%
2014	8,325	881	7,444	0.19%	19.4%
2013	8,550	689	7,861	0.22%	21.4%
2012	8,765	886	7,879	0.21%	22.0%
2011	8,965	1,066	7,899	0.20%	23.7%
2010	8,155	963	7,192	0.22%	24.0%
2009	8,335	957	7,378	0.30%	27.6%
2008	8,385	968	7,417	0.38%	32.1%
2007	5,355	622	4,733	0.29%	23.2%
2006	2,105	531	1,574	0.12%	8.7%

Notes:

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.

TOWN OF MARANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(Amounts expressed in thousands)

Schedule 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
State of Arizona	None	0.58%	None
Pima County	\$ 391,298	5.03%	\$ 19,682
Pima County Community College District	None	5.03%	None
Pima County Flood Control District	None	5.58%	None
Northwest Fire District	27,984	41.48%	11,608
Marana Unified School District No. 6	73,100	55.08%	40,263
Total overlapping debt			<u>71,554</u>
Red Hawk Community Facilities District No. 1	None	100.00%	None
Red Hawk Community Facilities District No. 2	None	100.00%	None
Gladden Farms Community Facilities District	8,085	100.00%	8,085
Flowing Wells Unified School District No. 8	17,514	100.00%	17,514
Town of Marana *	42,301	100.00%	42,301
Total direct debt			<u>\$ 67,900</u>
Total direct and overlapping debt			<u><u>\$ 139,454</u></u>

Notes:

* Does not include the Municipal Property Corporation municipal facilities revenue bonds outstanding in the aggregate principal amount of \$25,555,000. In addition, the above schedule does not include the Tangerine Farms Road Improvement Special Assessment bonds outstanding in the amount of \$17,246,000.

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

Sources: The various entities

TOWN OF MARANA
 LEGAL DEBT MARGIN INFORMATION
 AS OF JUNE 30, 2015

Legal Debt Margin Calculation for Fiscal Year 2015

Secondary Assessed Value	\$ 490,767,841
Debt Limit:	
6% of assessed value	29,446,070
20% of assessed value	98,153,568
Total debt limit:	<u>127,599,639</u>
Debt applicable to limit:	-
General obligation bonds	-
Less: Amount set aside for the repayment of general obligation debt	-
Total net debt applicable to limit	<u>\$ 127,599,639</u>

	Fiscal Year		
	2006	2007	2008
Debt limit equal to 6% of assessed valuation	\$ 15,753,591	\$ 19,500,763	\$ 24,801,918
Debt limit equal to 20% of assessed valuation	52,511,969	65,002,545	413,365,306
Total net debt applicable to limit	-	-	-
Legal debt margin	<u>\$ 68,265,560</u>	<u>\$ 84,503,308</u>	<u>\$ 438,167,225</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%

	Fiscal Year		
	2011	2012	2013
Debt limit equal to 6% of assessed valuation	\$ 27,274,051	\$ 25,992,985	\$ 24,745,839
Debt limit equal to 20% of assessed valuation	90,913,503	86,643,283	82,486,130
Total net debt applicable to limit	-	-	-
Legal debt margin	<u>\$ 118,187,553</u>	<u>\$ 112,636,268</u>	<u>\$ 107,231,969</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%

Sources: The source of this information is the Town's financial records; Pima County.

Notes: * The Gladden Farms Community Facilities District, a legally separate entity, is a special taxing district 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.

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

Fiscal Year	Gladden Farms Community Facilities District General			Tangerine Road Farms Improvement District Special Assessment Bonds **			
	Property Tax Collections	Obligation Bonds *		Special Assessment Collections	Debt Service		Coverage
		Principal	Interest		Principal	Interest	
2015	\$ 441	\$ 240	\$ 458	\$ 2,065	\$ 1,242	\$ 849	98.8%
2014	418	225	470	2,210	1,438	913	94.0%
2013	444	215	481	2,337	1,362	976	100.0%
2012	503	200	490	2,302	1,204	1,035	102.8%
2011	576	190	477	2,239	1,336	1,096	92.1%
2010	609	180	455	2,352	995	1,142	110.1%
2009	616	-	233	2,136	951	593	138.3%
2008	423	50	448	-	-	1,186	-
2007	-	-	128	-	-	186	-
2006	-	-	-	-	-	-	-

Notes:

* Bonds issued for Gladden Farms Facilities District FY 05, a component unit of the Town. Principal debt payoff did not begin until FY 2008. Collection of property tax revenues to begin fiscal year 2008. Shortfalls are covered by a standby contribution agreement.

**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.

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	40,324	N/A	\$ 34,026	39.6	12,326	5.9%
2014	38,290	N/A	33,196	39.4	12,476	6.9%
2013	36,756	N/A	29,626	37.7	12,361	6.1%
2012	35,858	N/A	31,085	37.6	12,576	9.7%
2011	35,124	N/A	N/A	37.4	12,314	7.9%
2010	34,961	35,172,000	N/A	37.4	12,426	8.7%
2009	34,466	34,516,000	31,648	37.4	12,546	4.7%
2008	34,133	34,392,945	34,058	34.5	12,760	4.1%
2007	33,300	31,646,777	33,225	34.5	13,194	3.2%
2006	30,000	29,806,619	30,111	34.5	13,343	4.0%

* Information published for census year only.

Note: N/A indicates that the information is not available.

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

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

Schedule 16

Employer	2015		2007	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Marana Unified School District	1,800	11.8%	1,660	22.6%
Wal-Mart	450	2.9%	450	6.1%
Marana Health Center	350	2.3%	N/A	N/A
The Ritz Carlton, Dove Mountain	350	2.3%	N/A	N/A
Town of Marana	328	2.1%	330	4.5%
Sargent Aerospace & Defense	255	1.7%	240	3.3%
FLSmith Krebs	250	1.6%	N/A	N/A
Fry's Food & Drug	240	1.6%	N/A	N/A
Northwest Fire District	235	1.5%	N/A	N/A
Hunter Construction	200	1.3%	N/A	N/A
Coca-Cola Enterprises	173	1.1%	185	2.5%
Comcast	150	1.0%	209	2.8%
Trico Electric Cooperative	130	0.8%	N/A	N/A
Costco	130	0.8%	275	3.7%
The Home Depot	125	0.8%	N/A	N/A
Lowe's	125	0.8%	N/A	N/A
KOLD-TV 13	100	0.7%	N/A	N/A
Lasertel	100	0.7%	N/A	N/A
Target	100	0.7%	225	3.1%
Texas Roadhouse	100	0.7%		
Sprouts Market	100	0.7%		

Source: "Star 200" published in the Arizona Daily Star; Marana.com/950/Major-Employers

Notes:

- 1) Due to cost considerations for the accumulation of data, the Town has elected to present less than ten year of data, or data from nine years prior for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
General Government	54.5	58.0	64.0	90.4	62.8	72.5	62.5	62.5	62.5	67.5
Public Safety										
Police										
Officers	82.0	84.0	84.0	81.0	78.0	80.0	79.0	80.0	80.0	81.0
Civilians	27.0	29.0	29.5	30.0	28.0	28.8	28.5	26.0	26.0	28.0
Building Safety	-	-	19.0	-	5.0	6.0	6.0	9.0	9.0	13.0
Highways and streets	35.0	36.0	-	24.0	31.0	32.0	32.0	36.0	36.0	35.0
Engineering	20.5	22.0	40.8	-	-	-	-	-	-	-
Maintenance	-	-	35.0	-	-	-	-	-	-	-
Culture and recreation	41.0	49.3	49.8	50.0	43.8	41.5	41.7	33.3	33.3	36.5
Community Development	1.0	3.0	-	3.0	3.0	4.0	3.0	-	-	-
Economic & Community Development	51.5	51.5	18.0	45.1	54.6	52.4	53.4	48.5	48.5	40.4
Water Utilities	18.5	18.0	19.0	17.4	15.4	18.1	20.1	19.1	19.1	22.0
Wastewater Utilities	N/A	N/A	N/A	N/A	N/A	N/A	-	4.0	4.0	4.0
Municipal Airport	2.0	2.0	3.0	2.0	-	-	-	1.0	1.0	1.0
Total	333.0	352.8	362.0	342.9	321.6	335.3	326.1	319.3	319.3	328.3

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

TOWN OF MARANA
SALES TAX BY INDUSTRY
LAST TEN FISCAL YEARS

Industry Group	FY 2006*	%	FY 2007	%	FY 2008	%	FY 2009	%	FY 2009	%
Construction	\$ 16,026,041	46.91%	\$ 12,010,339	39.15%	\$ 9,885,086	36.18%	\$ 6,450,530	28.79%	\$ 4,448,469	20.54%
Manufacturing	91,393	0.27%	898,768	2.93%	183,545	0.67%	154,594	0.69%	138,817	0.64%
Transportation, Communications, & Utilities	2,440,989	7.14%	2,617,876	8.53%	2,459,656	9.00%	2,522,671	11.26%	2,768,198	12.78%
Wholesale Trade	187,311	0.55%	482,350	1.57%	528,937	1.94%	339,051	1.51%	184,203	0.85%
Retail Trade	11,020,868	32.26%	8,849,138	28.85%	9,380,087	34.33%	8,554,332	38.18%	8,673,055	40.04%
Restaurant & Bars	1,567,128	4.59%	1,288,922	4.20%	1,407,901	5.15%	1,384,914	6.18%	1,555,032	7.18%
Fire, Insurance & Real Estate	1,119,414	3.28%	3,111,424	10.14%	1,616,223	5.92%	903,810	4.03%	1,050,046	4.85%
Hotels & Other Lodging	771,172	2.26%	742,502	2.42%	626,656	2.29%	508,199	2.27%	1,378,271	6.36%
Services	712,776	2.09%	559,951	1.83%	1,056,309	3.87%	1,002,992	4.48%	1,057,433	4.88%
All Others	229,557	0.67%	112,804	0.37%	175,070	0.64%	583,330	2.60%	408,581	1.89%
	<u>\$ 34,166,649</u>	<u>100.00%</u>	<u>\$ 30,674,073</u>	<u>100.00%</u>	<u>\$ 27,319,468</u>	<u>100.00%</u>	<u>\$ 22,404,422</u>	<u>100.00%</u>	<u>\$ 21,662,105</u>	<u>100.00%</u>

Industry Group	FY 2011	%	FY 2012	%	FY 2013	%	FY 2014	%	2015	%
Construction	\$ 4,870,797	21.23%	\$ 5,782,644	23.57%	\$ 5,260,345	21.33%	\$ 6,411,509	24.45%	\$ 6,838,195	24.37%
Manufacturing	123,524	0.54%	128,089	0.52%	127,214	0.52%	97,014	0.37%	100,329	0.36%
Transportation, Communications, & Utilities	2,927,271	12.76%	2,985,979	12.17%	3,038,071	12.32%	3,182,854	12.14%	3,318,976	11.83%
Wholesale Trade	194,392	0.85%	233,850	0.95%	296,077	1.20%	213,657	0.81%	305,012	1.09%
Retail Trade	8,667,896	37.77%	8,804,206	35.88%	9,380,544	38.03%	9,593,163	36.58%	10,133,523	36.12%
Restaurant & Bars	1,658,180	7.23%	1,789,232	7.29%	1,819,588	7.38%	1,865,602	7.11%	2,038,788	7.27%
Fire, Insurance & Real Estate	1,253,481	5.46%	1,350,977	5.51%	1,234,426	5.00%	1,256,418	4.79%	1,240,196	4.42%
Hotels & Other Lodging	1,914,004	8.34%	1,991,767	8.12%	2,140,493	8.68%	2,064,986	7.87%	2,481,304	8.84%
Services	982,631	4.28%	1,026,443	4.18%	1,003,377	4.07%	1,031,325	3.93%	1,046,669	3.73%
All Others	355,642	1.55%	445,774	1.81%	363,807	1.47%	509,351	1.94%	555,522	1.98%
	<u>\$ 22,947,818</u>	<u>100.00%</u>	<u>\$ 24,538,961</u>	<u>100.00%</u>	<u>\$ 24,663,942</u>	<u>100.00%</u>	<u>\$ 26,225,881</u>	<u>100.00%</u>	<u>\$ 28,058,514</u>	<u>100.00%</u>

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

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

Industry Classification	2005/06	2006/07	2007/08	2008/09	2009/10
Town Sales Tax	\$ 34,166,649	\$ 30,899,549	\$ 27,172,921	\$ 22,404,422	\$ 21,662,077
State-shared Sales Taxes	1,435,175	2,540,072	2,458,329	2,126,326	1,961,225
State-shared Income Taxes	1,419,305	3,034,241	3,761,010	3,971,447	3,450,478
Licenses and permits	6,201,448	4,865,395	2,307,878	1,932,797	2,150,360
Fines and forfeitures and penalties	573,242	676,838	716,983	692,514	641,484
TOTAL	\$ 43,795,819	\$ 42,016,095	\$ 36,417,121	\$ 31,127,506	\$ 29,865,624

Industry Classification	2010/11	2011/12	2012/13	2013/14	2014/2015	Budgeted 2015/2016
Town Sales Tax	\$ 22,947,818	\$ 24,538,961	\$ 24,768,104	\$ 26,225,881	\$ 28,058,823	\$ 33,766,825
State-shared Sales Taxes	2,099,083	2,731,863	2,861,622	3,043,102	3,195,042	3,339,932
State-shared Income Taxes	2,601,218	2,950,734	3,571,191	3,896,487	4,232,245	4,209,300
Licenses and permits	2,502,494	2,720,872	4,323,155	3,932,108	4,813,378	3,552,500
Fines and forfeitures and penalties	537,680	558,393	661,341	635,869	664,955	630,000
TOTAL	\$ 30,688,293	\$ 33,500,823	\$ 36,185,413	\$ 37,733,447	\$ 40,964,443	\$ 45,498,557

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

Schedule 20

	Fiscal Year 2015			Fiscal Year 2006		
	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments
RETAIL						
Taxpayer A	\$ 1,674,147	1	6.0%	\$ 1,994,378	1	5.8%
Taxpayer B	1,127,383	2	4.0%	1,406,299	2	4.1%
Taxpayer C	683,766	3	2.4%	990,392	3	2.9%
Taxpayer D	616,745	4	2.2%			
Taxpayer E	543,699	5	1.9%	711,421	5	2.1%
Taxpayer F	455,623	6	1.6%	232,164	9	0.7%
Taxpayer G	431,110	7	1.5%	829,501	4	2.4%
Taxpayer H	291,740	8	1.0%	218,205	10	0.6%
Taxpayer I	287,286	9	1.0%			
Taxpayer J	259,716	10	0.9%	475,066	7	1.4%
Taxpayer K				488,373	6	1.4%
Taxpayer L				270,634	8	0.8%
	\$ 6,371,215		22.7%	\$ 7,616,433		22.3%
CONTRACTING						
Taxpayer A	\$ 868,983	1	3.1%	\$ 971,712	4	2.8%
Taxpayer B	862,128	2	3.1%	749,878	5	2.2%
Taxpayer C	807,879	3	2.9%	1,554,691	3	4.6%
Taxpayer D	638,282	4	2.3%			
Taxpayer E	422,762	5	1.5%	1,650,011	2	4.8%
Taxpayer F	417,286	6	1.5%	484,577	6	1.4%
Taxpayer G	313,021	7	1.1%			
Taxpayer H	221,520	8	0.8%			
Taxpayer I	218,568	9	0.8%			
Taxpayer J	157,319	10	0.6%			
Taxpayer K				4,315,090	1	12.6%
Taxpayer L				473,513	7	1.4%
Taxpayer M				449,724	8	1.3%
Taxpayer N				434,293	9	1.3%
Taxpayer O				351,311	10	1.0%
	\$ 4,927,748		17.6%	\$ 11,434,799		33.5%

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

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

Schedule 21

Month	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
January	52	35	11	3	38	17	22	60	39	42
February	44	83	27	9	25	28	31	52	61	51
March	134	53	12	2	46	38	46	125	42	57
April	68	55	50	11	48	14	41	64	47	55
May	61	81	18	13	20	35	53	46	55	87
June	75	65	28	20	23	22	49	61	59	67
July	92	51	21	31	44	32	70	74	41	
August	99	50	76	46	28	31	46	60	50	
September	27	30	27	27	18	22	29	44	29	
October	34	35	7	14	22	30	56	46	71	
November	61	13	5	12	12	22	35	27	88	
December	59	28	5	12	19	46	48	43	30	
Calendar Total	806	579	287	200	343	337	526	702	612	359
Fiscal Total	1,218	744	353	199	342	297	425	692	597	668

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

**TOWN OF MARANA
CAPITAL ASSET STATISTICS BY FUNCTION
AS OF JUNE 30, 2015**

Schedule 22

Function	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Public Safety						
Police:						
Stations	1	1	1	1	1	1
Substations	1	1	1	1	1	1
Police Vehicles	113	113	113	99	118	129
Highways and Streets						
Street (miles)	300	300	300	494	494	511
Culture and Recreation						
Parks	7	7	7	8	8	8
Parks Acreage	84	84	84	139	139	139
Trails in Miles - Hiking	11	28	28	37	37	37
Trails in Miles - Paved	16	16	16	16	16	18
Swimming Pools	1	1	1	1	1	1
Tennis Courts	5	5	5	6	6	6
Senior Center	1	1	1	1	1	1
Water Systems						
Miles of Water Mains	70	70	70	128	132	135
Number of Meters	4,755	5,556	5,734	6,002	6,272	6,542
Wastewater						
Number of Manholes	N/A	N/A	841	863	863	891
Sewer Mains (miles)	N/A	N/A	46.4	47.5	47.5	48.33
Avg Daily Sewage Treated (MGD)	N/A	N/A	0.192	0.198	0.287	0.348

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

Notes:

*Due to cost considerations for the accumulation of data, the Town has elected to present less than ten years of data for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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



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