



TOWN OF MARANA
COMPREHENSIVE

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017





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TOWN OF MARANA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Issued by:
Town of Marana Finance Department

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

TOWN OF MARANA, ARIZONA

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INTRODUCTORY SECTION



December 4, 2017

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, 2017.

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, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

Profile of the Town

The Town of Marana, incorporated in 1977, is located in 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 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 346 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 8% overall with growth in intergovernmental revenues of 17.3%. Transaction privilege taxes grew by \$1.1 million or 4.6% overall, which demonstrates continued growth and improvement in the economy. The Town has seen improvements in economically sensitive revenues over the past several years and the revenue forecast for fiscal year 2017-18 anticipates a continuation of revenue growth of 11%. Expenditures in the General Fund also grew by approximately 4.4% overall. The Town was able to provide team based merit increases to employees while maintaining costs in commodities and services received in order to stay within budget. The General Fund expenditures were \$6.2 million under budget. The Town's budget is structurally balanced with ongoing revenues supporting ongoing expenditures. One-time revenues like contracting transaction privilege taxes and building permits support one-time expenditures. The budget maintains the investment planning, which includes three investment priorities: current employees, resources and tools, and strategic positions.

Current Condition

As described above, key revenues including transaction privilege taxes and intergovernmental 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, 2017, the Town's governmental funds reported a combined fund balance of \$73.1 million, of which \$20.7 million is unassigned and available for spending at the Town's discretion.

The Town, like most municipalities, is significantly dependent upon transaction privilege tax revenues which are subject to economic fluctuations. Transaction privilege tax revenues comprised 59.2% of general fund revenues. Of those revenues, retail, construction and utilities comprised 74.9% of total transaction privilege tax revenues. Sales taxes and revenues related to the residential and commercial construction industry continued to improve during the fiscal year. The Council approved a temporary half-cent sales tax increase, which began on July 1, 2015, for the construction of a new police facility, which is expected to sunset by fiscal year 2019.

Future Economic Outlook

The Town of Marana has recovered from the recession in several key areas including most transaction privilege tax industry groups. The Town's goal in managing budgets is to structurally balance on-going revenues matched with on-going expenses and one-time revenues aligned with one-time expenses. The Town has been able to make strategic reinvestments in existing programs and minor investments in new programs that provide the opportunity to further position the Town as the place to live, work and play. In the past year, the construction of the sites for Home Goods, TJ Maxx, and Ross were completed. Developers are currently constructing a Top Golf facility, which is anticipated to bring more than 300 jobs to the Town as well as additional tax revenues. The Town is also in the process of constructing a new 18-acre park, Tangerine Sky Park.

Accomplishments and Initiatives

During fiscal year 2017, the Town had several significant accomplishments.

Creation of New Town Logo

Marana celebrated 40 years of being a city by choosing a new logo. Marana partnered with the University of Arizona to research and draft five different logo designs for the citizens to choose from. A voting process allowed citizens to narrow the choices to the top 3 logos. Town Council made the final selection. The new logo will replace the old as signs, vehicles, and other items bearing the logo are replaced.

Video Streaming Council Meetings

In alignment with the Town's Strategic Plan related to progress and innovation, the Town implemented video streaming of council meetings to enable the citizens to have better access to the information. This service began in March 2017.

Top 10 Digital City

Marana was named one of the top-10 Digital Cities in the United States with a population of 75,000 or less. The annual survey recognizes cities using technology to improve citizen services, enhance transparency and encourage citizen engagement. The Town is constantly looking at ways to improve residents' experience whether they are visiting the website, utilizing town apps, or interacting via social media.

All-America City Finalist

The Town of Marana was named one of the 20 finalists to be named an All-America City for a second consecutive year by the National Civic League. The distinction is given to 10 communities each year that have taken innovative action to engage residents in ensuring that all children are healthy and supported to succeed in school and life. The Town was also a finalist in 2008.

Expenditure Limitation

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

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

Single Audit

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

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

Certificate of Achievement

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Marana for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016. This was the ninth consecutive year that the Town has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

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

Respectfully submitted,



Jamsheed Mehta
Interim 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, 2016

Executive Director/CEO

TOWN OF MARANA, ARIZONA
PRINCIPAL OFFICIALS OF THE TOWN OF MARANA
FISCAL YEAR 2017

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

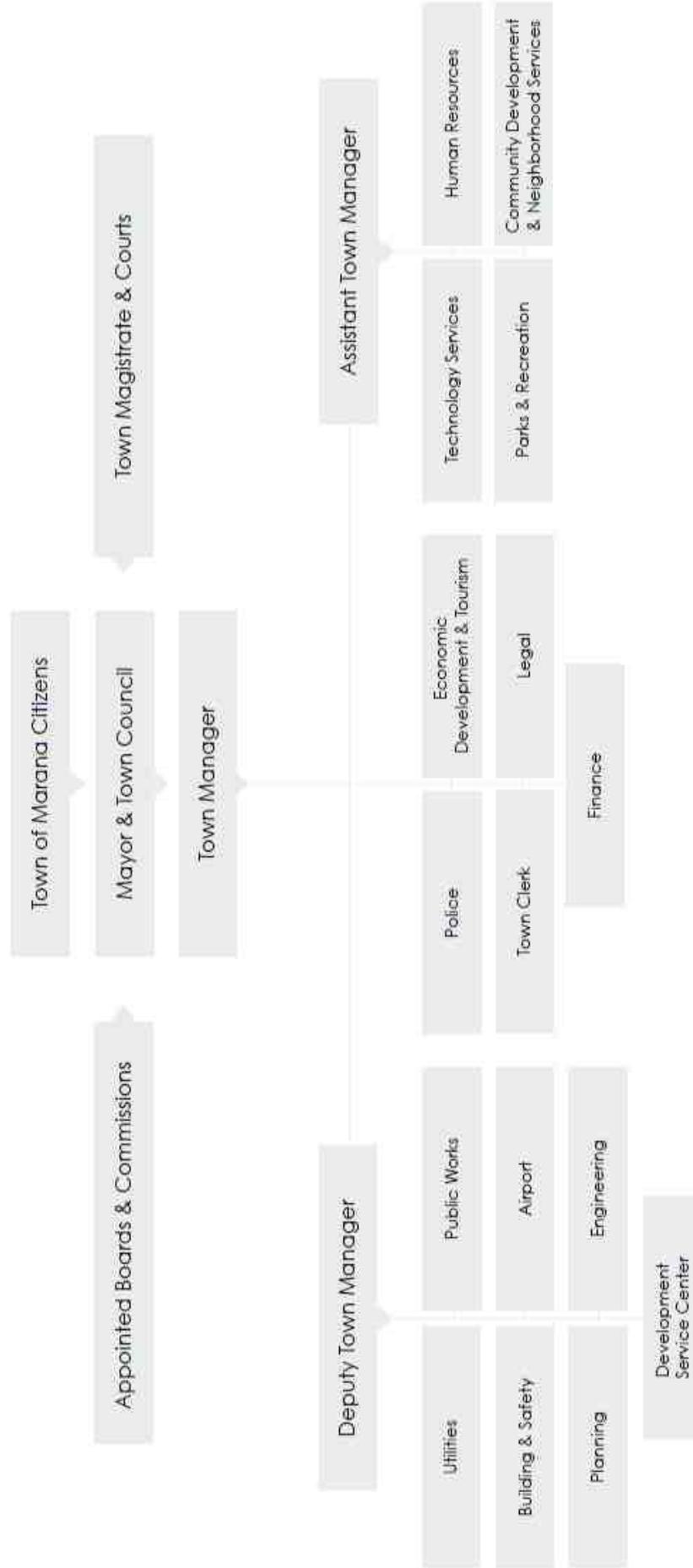
Jamsheed Mehta, Interim Town Manager

Steve Romero, Assistant Town Manager

DEPARTMENT HEADS

Jason Angell, Development Services 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 Director
Terry Rozema, Police Chief	Laine Sklar, Town Magistrate
Lisa Shafer, Community Development and Neighborhood Services Director	Carl Drescher, Technology Services Director
Jim Conroy, Parks and Recreation Director	John Kmiec, Utilities Director
Curt Woody, Director of Economic Development	

TOWN OF MARANA, ARIZONA
 ORGANIZATIONAL CHART
 FISCAL YEAR 2017





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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Marana, Arizona, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Highway User Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 7-21 and 84-93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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 4, 2017 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 4, 2017



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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, 2017

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, 2017. 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 \$20.1 million or 5.8 percent from the previous fiscal year 2015-16. The increase is primarily due to an increase in the cash position related to unspent bond proceeds, an increase in capital assets, and an increase in funds due from other governments. The increase in cash position is from unspent bond proceeds related to the expansion of the Marana Wastewater Reclamation Facility and construction of the groundwater recharge facility. The increase in capital assets is primarily due to the Tangerine Road Corridor project, Wastewater construction in progress projects, and additions to the infrastructure of the Marana Center. The increase in funds due from other governments is related to the increase in capital asset projects that are reimbursable by other governments.
- General revenues from governmental activities, excluding transfers, accounted for \$50.1 million in revenue, or 46.1 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$58.5 million or 53.9 percent of total revenues from governmental activities. The Town had \$12.3 million of program revenues related to business-type activities. Overall revenues have increased by 37.9 percent, which can be attributed to increases in all revenue sources. The largest increases in revenue in fiscal year 2016-17 have been in reimbursements for capital projects, a 5.8 percent increase in sales taxes, a 17.5 percent increase in state shared revenues, and a 9.2 percent increase in charges for services.
- The General Fund had \$42.7 million in fiscal year 2016-17 revenues, which primarily consisted of sales taxes, intergovernmental revenue and licenses, fees and permits. The General fund had \$36.7 million of expenditures and \$3.9 million in required transfers during the year. The \$2.2 million fund balance increase is attributed to higher than anticipated revenues in sales taxes and licenses, fees and permits as well as prudent use of Town funds for departmental expenditures.
- Highway User Revenue Fund revenues continue to grow in fiscal year 2016-17 at \$3.2 million. Expenditures were 30 percent higher than the previous year due to a continued focus of the pavement preservation program. Fund balance decreased by \$451,471 and ended the fiscal year at \$1.4 million.
- Tangerine Farms Road Improvement District Debt Service Fund, which accounts for special assessments, had a \$17,279 fund balance attributable to the accumulation of prepaid assessments and resources required for debt service payment. The debt for Tangerine Farms Road Improvement District was refinanced in fiscal year 2016-17 resulting in an economic gain of \$2.1 million and eliminating the July 2017 debt service payment.
- The PAG/RTA Capital Fund remains a major fund in fiscal year 2016-17 due to the continued increase in revenues and expenditures primarily related to the Tangerine Road Corridor project. The revenues increased 220.32 percent and the expenditures increased 253.49 percent.
- The Transportation Fund became a major fund in fiscal year 2016-17 due to the accumulation of dedicated tax revenues for the purpose of financing and constructing transportation improvement projects. Specifically, the Ina Road Bridge project has dedicated \$9.8 million for a joint ADOT/Marana project.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

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 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 27-29 of this report.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

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

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, PAG/RTA Capital, and Transportation Capital Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules. These statements are included as supplementary information after the basic financial statements starting on page 104.

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, PAG/RTA Capital, Transportation Capital, and other non-major governmental funds. Budgetary comparison statements are provided for the General Fund and Highway User Revenue fund within the basic financial statements on pages 40-41. Budgetary comparison schedules have been presented for the Town's major debt and capital funds on pages 99-101, and budgetary comparison schedules have been presented for the Town's non-major funds to demonstrate compliance with the annual budget.

The basic governmental fund financial statements can be found on pages 32-39 of this report.

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

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

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

Required supplementary information other than MD&A. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension and OPEB benefits to its employees. Governments are required to disclose certain information about employee pension funds. These disclosures are included within Note 9 Employee Retirement Systems beginning on page 64 in addition to the information on pages 84-93 reported as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$364.6 million as of June 30, 2017. Current and other assets increased \$18.9 million or 18.6 percent primarily due to a higher cash position. This is a result of bond proceeds for Wastewater projects and increased revenues, such as sales tax and intergovernmental revenue, which exceeded expenditures. The long-term liabilities increased by \$24.2 million or 19.6 percent, which is attributable to an issuance of debt for Wastewater projects and an increase in net pension liability for all pensions.

Net position. The majority of the Town's net position reflects its investment in capital assets (land, building and improvements, infrastructure, vehicles and equipment and construction in progress) net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the Town's net position represents resources that are subject to external restrictions on how they may be used.

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

The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

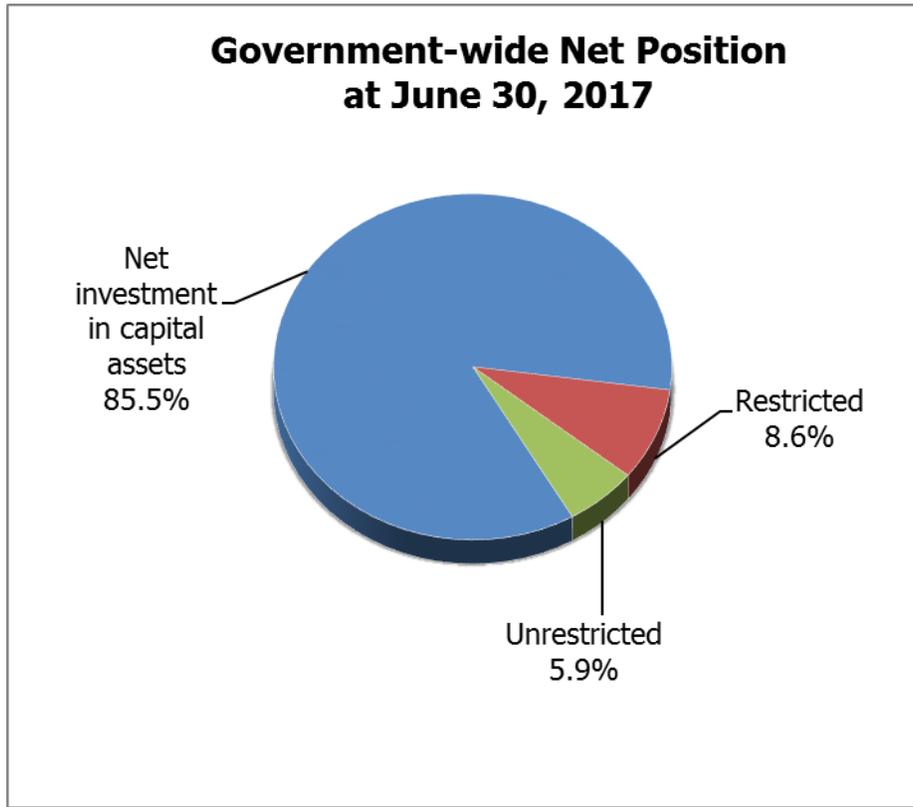
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$97,771,267	\$ 95,526,859	\$ 22,934,999	\$ 6,256,381	\$120,706,266	\$101,783,240
Capital assets, net	273,651,004	262,591,682	126,192,867	117,205,356	399,843,871	379,797,038
Total assets, net	371,422,271	358,118,541	149,127,866	123,461,737	520,550,137	481,580,278
Deferred outflows related to pensions	10,253,753	6,280,106	573,413	312,937	10,827,166	6,593,043
Deferred charge on refunding	1,879,822	-	-	-	1,879,822	-
Total deferred outflows of resources	12,133,575	6,280,106	573,413	312,937	12,706,988	6,593,043
Current and other liabilities	13,558,120	15,246,693	4,553,503	2,897,819	18,111,623	18,144,512
Long-term liabilities	120,641,925	116,451,409	26,657,272	6,674,648	147,299,197	123,126,057
Total liabilities	134,200,045	131,698,102	31,210,775	9,572,467	165,410,820	141,270,569
Deferred inflows related to pensions	2,936,513	2,220,581	282,195	167,137	3,218,708	2,387,718
Total deferred inflows of resources	2,936,513	2,220,581	282,195	167,137	3,218,708	2,387,718
Net position:						
Net investment in capital assets	210,137,199	193,845,100	101,523,564	112,357,140	311,660,763	306,202,240
Restricted	31,162,624	43,127,195	365,485	365,485	31,528,109	43,492,680
Unrestricted	5,119,465	(6,492,331)	16,319,260	1,312,445	21,438,725	(5,179,886)
Total net position	\$246,419,288	\$230,479,964	\$118,208,309	\$114,035,070	\$364,627,597	\$344,515,034

Net investment in capital assets of \$311.6 million or 85.5 percent represents the largest portion of net position. This portion of net position increased by \$5.5 million as of June 30, 2017, which is a result of depreciation, deferred charges on refunding, reduction of related outstanding debt, and additions of capital assets in the governmental activities offset by a decrease in net investment in capital assets in the business-type activities due to the addition of new debt for capital projects in the Wastewater fund.

The second portion of net position of \$31.5 million or 8.6 percent represents resources that are subject to external restrictions on how they may be utilized. The decrease of \$12 million or 27.5 percent is due to the reclassification of a portion of the Transportation fund, Downtown Reinvestment fund, and Sales Tax Capital fund to unrestricted net position as these funds are internally restricted.

The third portion consists of unrestricted net position of \$21.4 million or 5.9 percent. The unrestricted balance has increased by \$26.6 million as a result of the reclassification of Transportation fund, Downtown Reinvestment fund, and Sales Tax Capital fund net position as well as an increase in the General Fund ending fiscal year 2016-17 fund balance.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**



Changes in net position. The Town's total revenues for the fiscal year ended June 30, 2017, were \$121.1 million, which was an overall increase of \$33.3 million or 37.9 percent. A significant portion of the increase of \$27.9 million was in capital grants and contributions, which is due to reimbursable project costs. Specifically an increase of \$16.5 million in capital grants and contributions was related to the Tangerine Road Corridor project. Sales tax revenues overall have also continued to increase, which is largely due to new commercial development, such as the Tucson Premium Outlet Mall and an overall recovering economy. Additionally, state shared revenues continued to increase. The \$1.6 million or 17.5 percent increase in state shared revenues indicates that the State revenues are also seeing an upward trend.

The total cost of all programs and services was \$100.9 million. The increase of \$24.3 million or 31.7 percent is primarily attributable to the Tangerine Road Corridor project costs related to other jurisdictions. The Town of Marana is the project sponsor for the Tangerine Road Corridor project, however \$18.9 million of expenditures for the project were attributable to Oro Valley, Pima County, and utility companies. Additionally, increases in program costs are related to team based performance increases and development agreement reimbursements. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 9,550,903	\$9,078,618	\$ 6,380,137	\$ 5,506,685	\$15,931,040	\$14,585,303
Operating grants and contributions	4,619,454	4,507,508	-	-	4,619,454	4,507,508
Capital grants and contributions	44,370,835	17,157,378	5,940,747	5,213,843	50,311,582	22,371,221
General revenues:						
Sales taxes	37,500,219	35,441,585	-	-	37,500,219	35,441,585
Property taxes	508,819	481,368	-	-	508,819	481,368
Franchise taxes	488,477	446,702	-	-	488,477	446,702
State shared revenues	10,619,017	9,039,130	-	-	10,619,017	9,039,130
Investment income	237,809	173,412	42,545	16,169	280,354	189,581
Miscellaneous revenues	744,452	676,157	54,031	19,030	798,483	695,187
Total revenues	108,639,985	77,001,858	12,417,460	10,755,727	121,057,445	87,757,585
Expenses:						
General government	19,393,387	17,530,967	-	-	19,393,387	17,530,967
Public safety	16,735,675	14,423,483	-	-	16,735,675	14,423,483
Highways and streets	40,172,247	22,659,226	-	-	40,172,247	22,659,226
Health and welfare	277,906	-	-	-	277,906	-
Economic and community development	4,901,872	4,778,875	-	-	4,901,872	4,778,875
Culture and recreation	6,006,335	3,422,289	-	-	6,006,335	3,422,289
Interest on long-term debt	2,335,044	3,961,632	-	-	2,335,044	3,961,632
Water	-	-	5,367,466	4,404,767	5,367,466	4,404,767
Wastewater	-	-	3,982,665	3,662,534	3,982,665	3,662,534
Airport	-	-	1,772,285	1,828,619	1,772,285	1,828,619
Total expenses	89,822,466	66,776,472	11,122,416	9,895,920	100,944,882	76,672,392
Increase/(decrease) in net position before transfers	18,817,519	10,225,386	1,295,044	859,807	20,112,563	11,085,193
Transfers	(2,878,195)	(2,176,697)	2,878,195	2,176,697	-	-
Increase/(decrease) in net position	15,939,324	8,048,689	4,173,239	3,036,504	20,112,563	11,085,193
Net position, beginning of year	230,479,964	222,431,275	114,035,070	110,998,566	344,515,034	333,429,841
Net position, end of year	\$246,419,288	\$230,479,964	\$118,208,309	\$114,035,070	\$364,627,597	\$344,515,034

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

Governmental Activities. Governmental activities increased net position by \$15.9 million for fiscal year ended June 30, 2017. This increase is attributable to the increase in capital grants and contributions, sales tax revenue and state shared revenues. The capital grants and contributions increase of \$27.2 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 \$2 million from the prior year, which is a slight increase from the prior year due to continued development and economic growth.

Transfers increased by \$0.7 million from the prior year. This is due to a contribution from governmental funds to the Wastewater fund of \$3.2 million as part of the debt issuance to fund the Wastewater recharge facility. This increase was offset by contributions from Water and Wastewater to governmental activities for debt service payments.

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

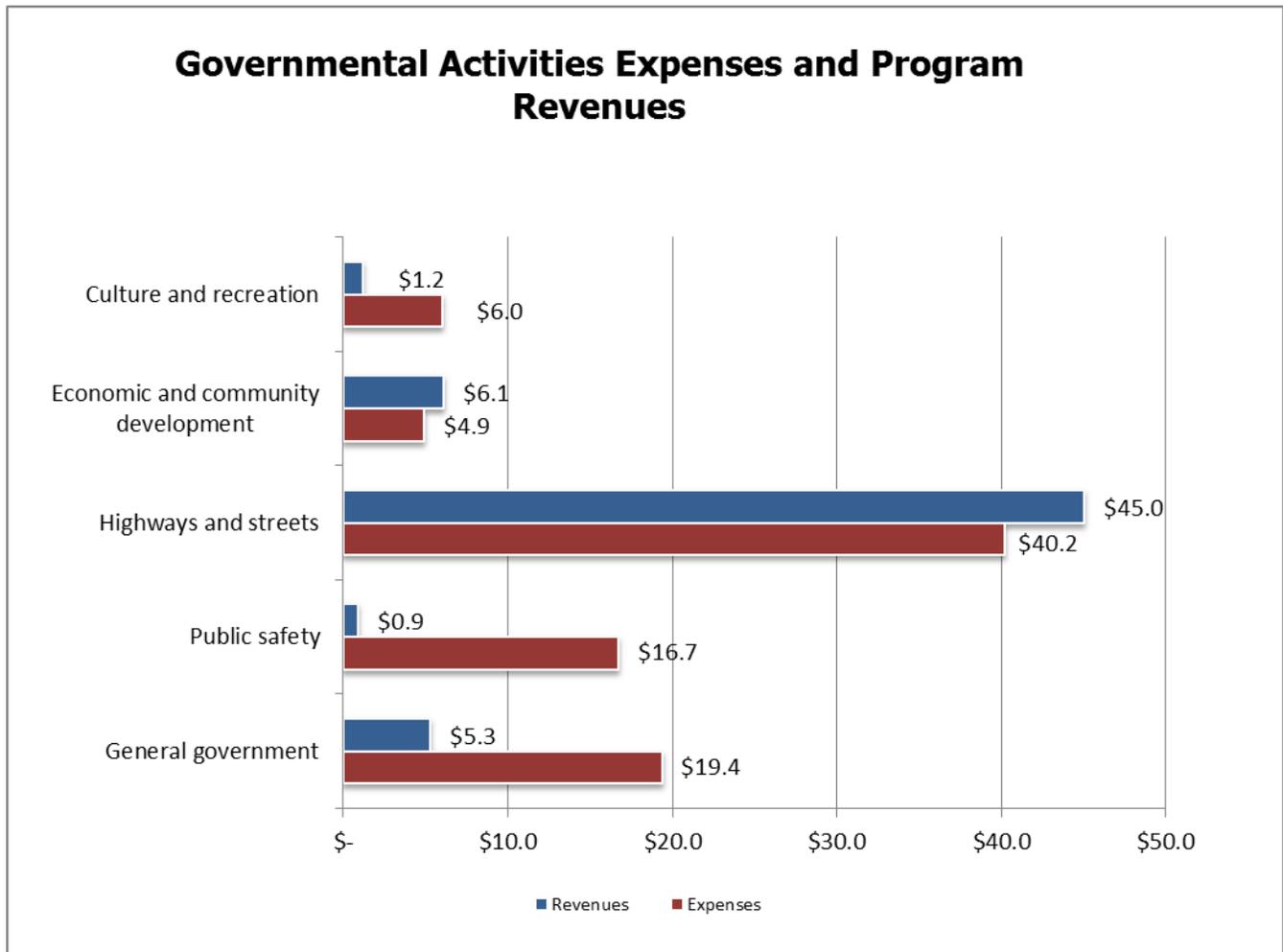
	Year Ended June 30, 2017		Year Ended June 30, 2016	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Governmental Activities				
General government	\$ 19,393,387	\$ (14,113,064)	\$ 17,530,967	\$(12,422,551)
Public safety	16,735,675	(15,805,657)	14,423,483	(13,542,295)
Highways and streets	40,172,247	4,836,412	22,659,226	(6,231,653)
Health and welfare	277,906	(256,595)	-	20,882
Economic and community development	4,901,872	1,190,122	4,778,875	2,195,899
Culture and recreation	6,006,335	(4,797,448)	3,422,289	(2,091,618)
Interest on long-term debt	2,335,044	(2,335,044)	3,961,632	(3,961,632)
Total	<u>\$ 89,822,466</u>	<u>\$ (31,281,274)</u>	<u>\$ 66,776,472</u>	<u>\$(36,032,968)</u>
Business-Type Activities				
Water	\$ 5,367,466	\$ 3,048,700	\$ 4,404,767	\$ 3,597,051
Wastewater	3,982,665	(1,153,624)	3,662,534	(1,483,289)
Airport	1,772,285	(696,608)	1,828,619	(1,289,154)
Total	<u>\$ 11,122,416</u>	<u>\$ 1,198,468</u>	<u>\$ 9,895,920</u>	<u>\$ 824,608</u>

- The cost of all governmental activities this year was \$89.8 million. The 37.3 percent increase in governmental activities expenses is primarily due to costs associated with the Tangerine Road Corridor project of \$18.9 million, an increase in expenses due to development agreements of \$1.1 million, an increase in expense related to the issuance of debt of \$1 million, and the cost of team based increases for employees.
- Net cost of governmental activities of \$31.3 million was largely financed by general revenues, which are made up of primarily sales taxes totaling \$37.5 million.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

- The general government expenses increased \$1.8 million or 10.6 percent. This is primarily due costs associated with the issuance of debt and with team based increases for employees.
- Highway and streets expenses increased \$17.5 million or 77.3 percent due to an increase in construction projects of \$18.9 million that was not eligible for capitalization and cost of living and merit increases for employees.

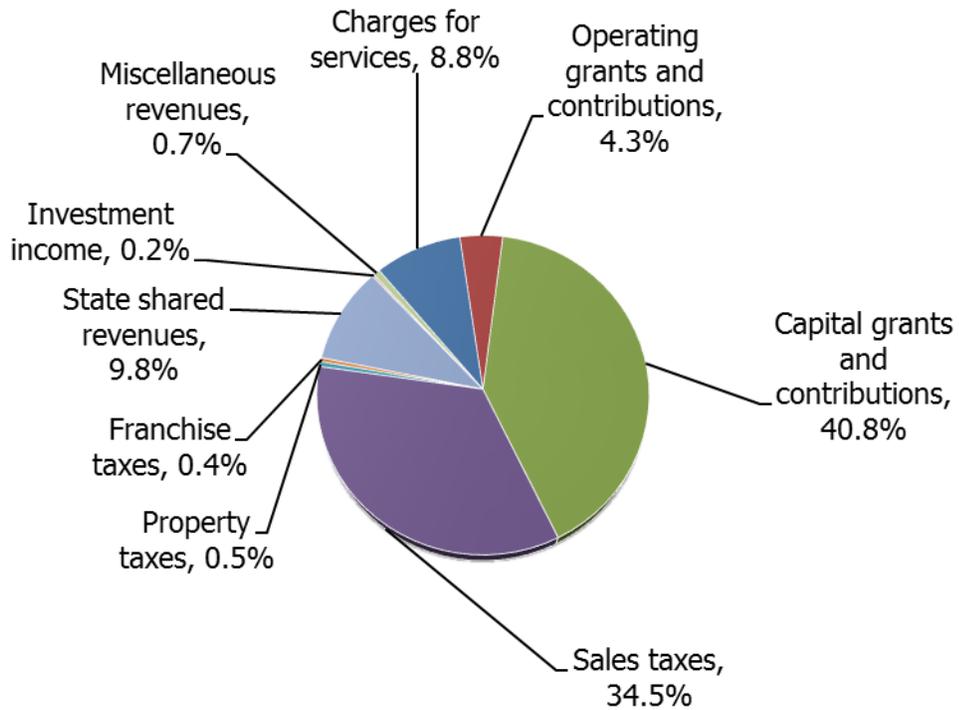
The following graph shows the functional revenues and expenses of the governmental activities in order to demonstrate the extent to which the governmental functions produce direct revenues to offset related program costs. It should be noted that this graph is not intended to represent a full allocation 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 \$58.5 million are 65.2 percent of expenses for fiscal year 2017, up from 45.8 percent a year earlier. As described earlier, this increase is attributable to higher collections in the capital grants and contributions revenues related to a one time reimbursements of major capital projects.



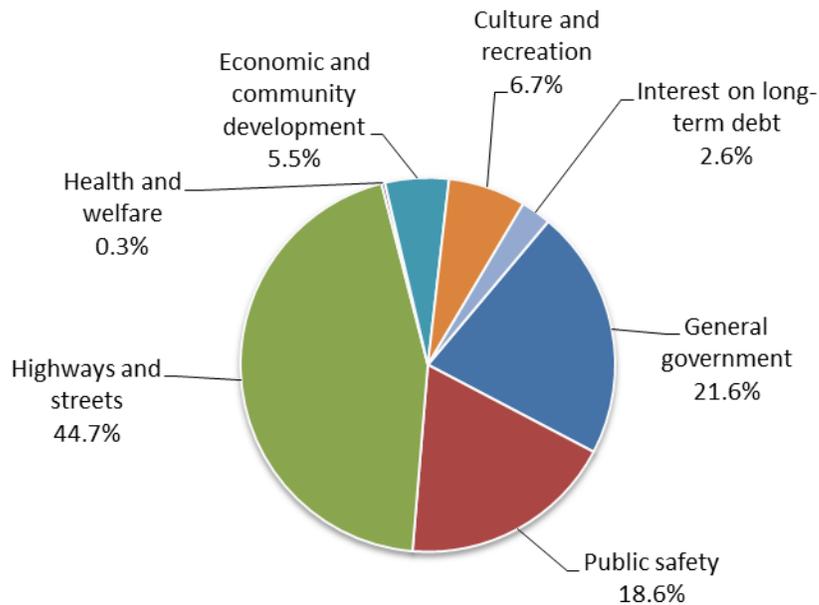
As seen on the following graphs, the largest revenue source for the Town's governmental activities is capital grants and contributions at 40.8 percent, followed by sales tax revenues at 34.5 percent, State shared revenues at 9.8 percent, and charges for services at 8.8 percent. The Town's largest expense category is highways and streets at 44.7 percent, followed by general government at 21.6 percent and public safety at 18.6 percent.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

Governmental Activities Revenues by Type



Governmental Activities Expenses by Function



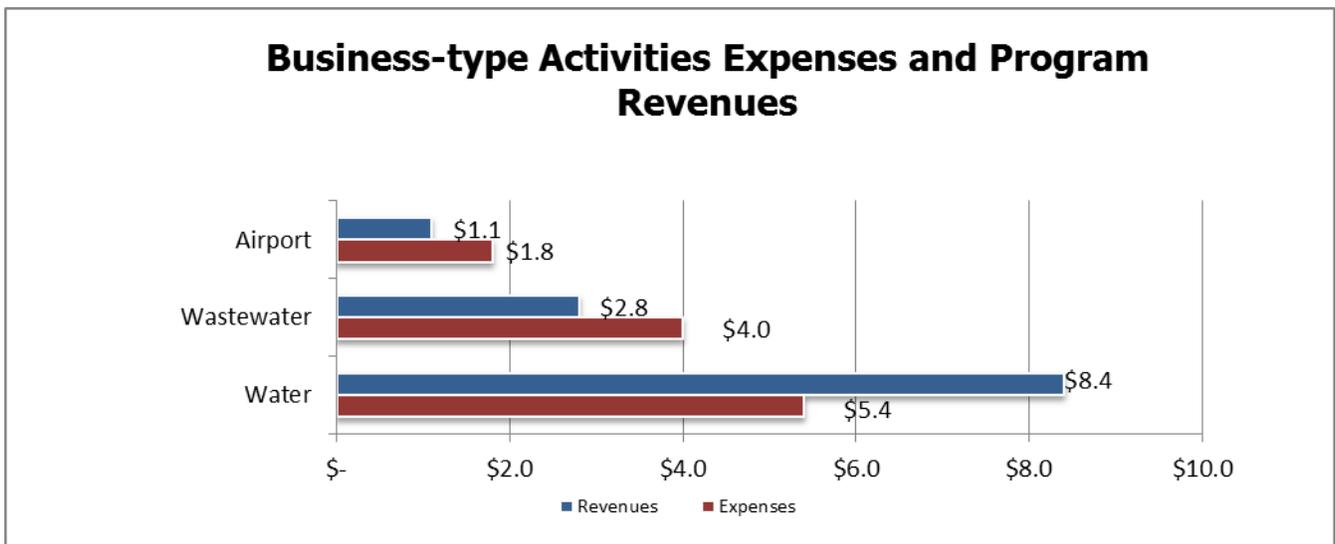
**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

Business-type Activities

Business-type activities' net position increased by \$4.2 million for fiscal year ended June 30, 2017. This increase is largely related to the transfer of funds from the General Fund to support functions and projects within the Airport and Wastewater funds. Charges for services increased slightly due to new water and wastewater customers.

Capital grants and contributions increased by \$0.7 million or 13.9 percent. This was primarily due to an increase in infrastructure contributed to the Town from developers largely for Water and Wastewater related infrastructure in Gladden Farms and Willow Vista.

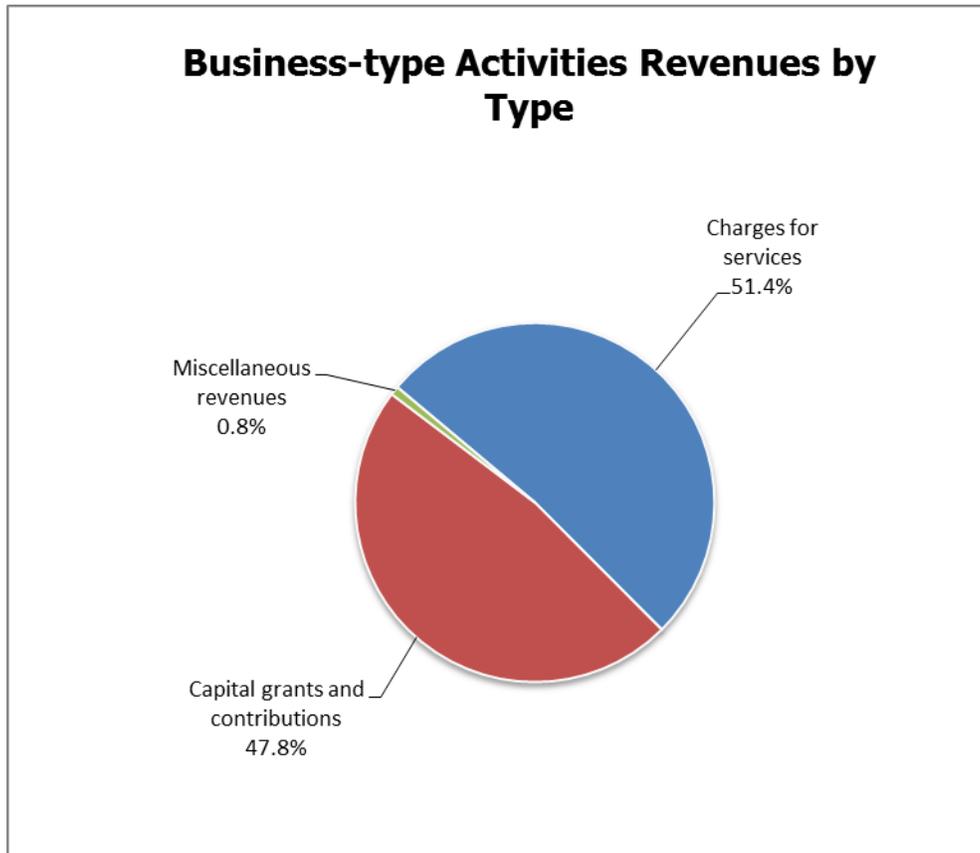
Business-type activity expenses increased by \$1.2 million or 12.4 percent as a result of bond issuance costs, increased costs for system repairs and upgrades, and cost of team based increases for employees.



The Town's largest overall business-type activity is the Water Utility with \$5.4 million in expenses and \$8.4 million in program revenues during the year. The second largest activity is the Wastewater Utility with \$4 million in expenses and \$2.8 million in program revenues, followed by the Airport with \$1.8 million in expenses and \$1.1 million in program revenues.

As seen on the following graph, the largest revenue source for the Town's business-type activities is charges for services revenues at 51.4 percent followed by capital grants and contributions at 47.8 percent.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**



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, 2017, the Town's governmental funds reported a combined fund balance of \$73.1 million, of which \$20.7 million is unassigned and undesignated and therefore available for spending at the Town's discretion.

The General Fund, which is the principal operating fund of the Town, had a fund balance of \$25 million. Revenues and expenditures increased slightly from the previous year. The primary increases in revenues were related to sales taxes, intergovernmental, and licenses, fees and permits. The increase in expenditures relates to team based increases for employees.

The Highway User Revenue Fund had a fund balance of \$1.3 million which reflected a decrease of \$0.5 million from a year earlier. Revenues increased slightly over the prior year. Expenditures increased due to the pavement preservation program.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

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 \$118 million, \$101.5 million comprised the funds' net investment in capital assets. \$0.4 million is restricted for debt service and unrestricted net position of \$16.3 million. The factors concerning the finances of these funds, as well as the changes in net position, have been addressed previously in the discussion of the Town's business-type activities.

BUDGETARY HIGHLIGHTS

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

Although agriculture remains a major force in Marana's economy, a recent influx of residential and commercial development has occurred due to the Town's location between Phoenix and Tucson along I-10 and the Union Pacific Railroad. The Town is also a business-friendly government, which does not impose a Marana property tax. General Fund revenues exceeded conservative budget projections in several key revenue sources like sales taxes and licenses, permits and fees. Departments maintained their conservative use of available resources. The prudent use of funds as well as higher than expected revenues resulted in an increase in fund balance of \$2.2 million. The General Fund budget and actual variances are shown on page 40.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2017 the Town had invested \$399.8 million in governmental and business-type capital assets (net of accumulated depreciation). Total depreciation expense for the year was \$23.1 million, with \$18.5 million attributed to governmental activities and \$4.6 million to business-type activities.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016. Additional information on the Town's capital assets can be found in Note 5.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Land	\$ 6,988,518	\$ 6,454,735	\$ 4,493,811	\$ 4,493,811	\$ 11,482,329	\$ 10,948,546
Water rights	-	-	4,430,930	3,910,572	4,430,930	3,910,572
Construction in progress	30,921,798	16,645,530	12,804,795	5,125,442	43,726,593	21,770,972
Buildings and improvements	45,283,387	45,328,901	134,089,117	128,848,242	179,372,504	174,177,143
Machinery and equipment	20,258,351	19,664,154	1,426,571	1,288,382	21,684,922	20,952,536
Infrastructure	356,969,064	343,590,031	-	-	356,969,064	343,590,031
Less: Accumulated depreciation	<u>(186,770,114)</u>	<u>(169,091,669)</u>	<u>(31,052,357)</u>	<u>(26,461,093)</u>	<u>(217,822,471)</u>	<u>(195,552,762)</u>
Total	<u>\$273,651,004</u>	<u>\$262,591,682</u>	<u>\$126,192,867</u>	<u>\$117,205,356</u>	<u>\$399,843,871</u>	<u>\$379,797,038</u>

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

- Completion of the Tangerine/Downtown Sewer Conveyance System Phase 1 of \$3.1 million.
- The purchase of various vehicles and equipment at a total cost of \$1.5 million
- Construction of the Tangerine/Downtown Sewer Conveyance System Phase 2 (construction in progress as of the close of the fiscal year had reached (\$2.1 million)
- Expansion of the wastewater reclamation facility to 1 Millions of Gallons per Day (MGD) (construction in progress as of the close of the fiscal year had reached \$5.8 million)
- Design and construction of the new Police Facility (construction in progress as of the close of the fiscal year had reached \$1.8 million)
- Widening of Tangerine Road (construction in progress as of the close of the fiscal year had reached \$20.4 million).

Debt Administration. At year-end, the Town had \$111 million in long-term debt obligations outstanding with \$2.6 million due within one year.

The Town's total debt increased by \$15.6 million during the current fiscal year. The reason for the increase is due to an issuance of debt for Wastewater related capital projects offset by decreases due to regularly scheduled principal reductions.

The following table presents a summary of the Town's outstanding debt for the fiscal years ended June 30, 2017 and June 30, 2016. Additional information on the Town's long-term obligations can be found in Note 6.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 7,955,000	\$ 7,835,000	\$ -	\$ -	\$ 7,955,000	\$ 7,835,000
Revenue bonds	57,840,000	64,090,000	20,858,000	1,214,000	78,698,000	65,304,000
Special assessment bonds	14,245,132	15,927,000	-	-	14,245,132	15,927,000
Loan payable	-	-	3,421,057	3,634,216	3,421,057	3,634,216
Deferred bond premium	6,253,495	2,624,582	390,246	-	6,643,741	2,624,582
Total	\$86,293,627	\$90,476,582	\$24,669,303	\$4,848,216	\$110,962,930	\$95,324,798

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Our Town has been a leader in residential construction activity in Pima County since the late 1990s. The Town continues to grow in residential and commercial development. The Town is committed to provide exceptional services and programs to our citizens. As a result, the Town adopted a fiscal year 2017-18 budget focused on the Strategic Plan III principles and goals. The 2016-17 budget increased by \$30.3 million or 17.8%. The majority of this increase is attributable to our investment in capital outlay for transportation, park, water, wastewater, 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. The budget is structurally balanced with ongoing revenues supporting ongoing program expenditures. The budget document is the comprehensive decision making tool resulting from the annual budget process. The budget is a long-range plan by which financial policy is implemented and controlled.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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



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BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 58,289,254	\$ 23,753,898	\$ 82,043,152
Property taxes receivable	1,924	-	1,924
Accounts receivable	298,533	929,493	1,228,026
Interest receivable	29,108	-	29,108
Due from other governments	11,522,584	85,599	11,608,183
Internal balances	150,000	(150,000)	-
Prepaid items	293,527	25,368	318,895
Total current assets	70,584,930	24,644,358	95,229,288
Noncurrent assets:			
Assessment receivable	14,245,132	-	14,245,132
Restricted cash and investments	10,866,361	365,485	11,231,846
Internal balances	2,074,844	(2,074,844)	-
Capital assets not depreciated	37,910,316	21,729,536	59,639,852
Capital assets (net of depreciation)	235,740,688	104,463,331	340,204,019
Total noncurrent assets	300,837,341	124,483,508	425,320,849
Total assets	371,422,271	149,127,866	520,550,137
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	10,253,753	573,413	10,827,166
Deferred charge on refunding	1,879,822	-	1,879,822
Total deferred outflows of resources	12,133,575	573,413	12,706,988
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	7,627,738	3,162,920	10,790,658
Accrued payroll and employee benefits	585,137	45,937	631,074
Unearned revenue	325,145	1,960	327,105
Deposits held for others	543,326	700,907	1,244,233
Due to other government	90,207	125,460	215,667
Claims payable	256,982	-	256,982
Accrued interest payable	934,434	64,405	998,839
Compensated absences	980,151	93,429	1,073,580
Loan payable	-	219,485	219,485
General obligation bonds - CFD	210,000	-	210,000
Revenue bonds	2,005,000	139,000	2,144,000
Total current liabilities	13,558,120	4,553,503	18,111,623
Noncurrent liabilities:			
Compensated absences	108,905	10,382	119,287
Net pension liability	36,454,393	2,336,072	38,790,465
Loan payable	-	3,201,572	3,201,572
General obligation bonds - CFD	7,745,000	-	7,745,000
Special assessment bonds - TRFID	14,245,132	-	14,245,132
Revenue bonds	62,088,495	21,109,246	83,197,741
Total non-current liabilities	120,641,925	26,657,272	147,299,197
Total liabilities	134,200,045	31,210,775	165,410,820
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	2,936,513	282,195	3,218,708
Total deferred inflows of resources	2,936,513	282,195	3,218,708
<u>NET POSITION</u>			
Net investment in capital assets	210,137,199	101,523,564	311,660,763
Restricted for:			
Capital projects	25,661,723	-	25,661,723
Debt service	-	365,485	365,485
General government	2,040,065	-	2,040,065
Public safety	1,879,344	-	1,879,344
Highways and streets	1,360,670	-	1,360,670
Economic and community development	220,822	-	220,822
Unrestricted	5,119,465	16,319,260	21,438,725
Total net position	\$ 246,419,288	\$ 118,208,309	\$ 364,627,597

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

**TOWN OF MARANA, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

<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	\$ 19,393,387	\$ 4,908,415	\$ 367,214	\$ 4,694
Public safety	16,735,675	-	842,952	87,066
Highways and streets	40,172,247	-	3,142,347	41,866,312
Health and welfare	277,906	-	21,311	-
Economic and community development	4,901,872	4,355,271	212,352	1,524,371
Culture and recreation	6,006,335	287,217	33,278	888,392
Interest on long-term debt	2,335,044	-	-	-
Total governmental activities	<u>89,822,466</u>	<u>9,550,903</u>	<u>4,619,454</u>	<u>44,370,835</u>
Business-type activities:				
Water	5,367,466	5,063,500	-	3,352,666
Wastewater	3,982,665	1,065,638	-	1,763,403
Airport	1,772,285	250,999	-	824,678
Total business-type activities	<u>11,122,416</u>	<u>6,380,137</u>	<u>-</u>	<u>5,940,747</u>
Total primary government	<u><u>\$ 100,944,882</u></u>	<u><u>\$ 15,931,040</u></u>	<u><u>\$ 4,619,454</u></u>	<u><u>\$ 50,311,582</u></u>

General revenues:

Taxes:

Sales taxes

Property taxes

Franchise taxes

State shared revenues, unrestricted

Investment income

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net position

Net position, beginning of year

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>
\$ (14,113,064)	\$ -	\$ (14,113,064)
(15,805,657)	-	(15,805,657)
4,836,412	-	4,836,412
(256,595)	-	(256,595)
1,190,122	-	1,190,122
(4,797,448)	-	(4,797,448)
(2,335,044)	-	(2,335,044)
<u>(31,281,274)</u>	<u>-</u>	<u>(31,281,274)</u>
-	3,048,700	3,048,700
-	(1,153,624)	(1,153,624)
-	(696,608)	(696,608)
-	1,198,468	1,198,468
<u>(31,281,274)</u>	<u>1,198,468</u>	<u>(30,082,806)</u>
37,500,219	-	37,500,219
508,819	-	508,819
488,477	-	488,477
10,619,017	-	10,619,017
237,809	42,545	280,354
744,452	54,031	798,483
(2,878,195)	2,878,195	-
<u>47,220,598</u>	<u>2,974,771</u>	<u>50,195,369</u>
15,939,324	4,173,239	20,112,563
<u>230,479,964</u>	<u>114,035,070</u>	<u>344,515,034</u>
<u>\$ 246,419,288</u>	<u>\$ 118,208,309</u>	<u>\$ 364,627,597</u>



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FUND FINANCIAL STATEMENTS

TOWN OF MARANA, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General Fund</u>	<u>Highway User Revenue</u>	<u>Tangerine Farms Improvement District Debt Service</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 18,744,514	\$ 1,611,613	\$ 18,220
Property taxes receivable	-	-	-
Accounts receivable	245,166	-	-
Special assessments receivable	-	-	14,245,132
Interest receivable	13	-	-
Development agreement receivable	-	-	-
Due from other governments	3,593,654	292,523	-
Due from other funds	5,272,795	-	-
Prepaid items	292,195	-	-
Restricted cash and investments	-	-	-
Total assets	<u><u>\$ 28,148,337</u></u>	<u><u>\$ 1,904,136</u></u>	<u><u>\$ 14,263,352</u></u>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,714,372	\$ 537,366	\$ 941
Accrued payroll and employee benefits	557,245	6,100	-
Due to other funds	-	-	-
Due to other governments	88,512	-	-
Deposits held for others	467,568	-	-
Unearned revenue	313,529	-	-
Total liabilities	<u><u>3,141,226</u></u>	<u><u>543,466</u></u>	<u><u>941</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	-	-	14,245,132
Total deferred inflows of resources	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>14,245,132</u></u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	2,367,039	-	-
Restricted	-	1,360,670	17,279
Unassigned	22,640,072	-	-
Total fund balances (deficits)	<u><u>25,007,111</u></u>	<u><u>1,360,670</u></u>	<u><u>17,279</u></u>
Total liabilities, deferred inflow of resources, and fund balances (deficits)	<u><u>\$ 28,148,337</u></u>	<u><u>\$ 1,904,136</u></u>	<u><u>\$ 14,263,352</u></u>

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

<u>PAG/RTA Capital</u>	<u>Transportation</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,674,827	\$ 34,277,331	\$ 57,326,505
-	-	1,924	1,924
-	-	1,436	246,602
-	-	-	14,245,132
-	21,765	7,330	29,108
-	-	51,931	51,931
4,986,146	878,832	1,771,429	11,522,584
-	-	-	5,272,795
-	-	1,332	293,527
-	9,844,826	1,021,535	10,866,361
<u>\$ 4,986,146</u>	<u>\$ 13,420,250</u>	<u>\$ 37,134,248</u>	<u>\$ 99,856,469</u>
\$ 3,756,078	\$ 591,398	\$ 977,190	\$ 7,577,345
-	-	21,792	585,137
3,035,622	-	12,329	3,047,951
-	-	-	88,512
51,547	-	75,758	594,873
-	-	11,616	325,145
<u>6,843,247</u>	<u>591,398</u>	<u>1,098,685</u>	<u>12,218,963</u>
51,115	-	281,380	14,577,627
<u>51,115</u>	<u>-</u>	<u>281,380</u>	<u>14,577,627</u>
-	-	1,332	2,368,371
-	12,828,852	35,752,851	49,959,652
(1,908,216)	-	-	20,731,856
<u>(1,908,216)</u>	<u>12,828,852</u>	<u>35,754,183</u>	<u>73,059,879</u>
<u>\$ 4,986,146</u>	<u>\$ 13,420,250</u>	<u>\$ 37,134,248</u>	<u>\$ 99,856,469</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, 2017**

Total governmental fund balances **\$ 73,059,879**

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	\$ 460,421,118	
Less accumulated depreciation	<u>(186,770,114)</u>	273,651,004

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

Compensated absences	(1,089,056)	
Revenue bonds payable	(57,840,000)	
General obligation bonds payable	(7,955,000)	
Special assessment bonds	(14,245,132)	
Net pension liability	(36,454,393)	
Accrued interest payable	<u>(934,434)</u>	(118,518,015)

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.

705,226

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	(6,253,495)	
Deferred charge on refunding	1,879,822	
Deferred inflows related to pensions	(2,936,513)	
Deferred outflows related to pensions	<u>10,253,753</u>	2,943,567

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	92,965	
Special assessments revenue	<u>14,484,662</u>	<u>14,577,627</u>

Net position of governmental activities **\$ 246,419,288**

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, 2017

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
Revenues:			
Sales taxes	\$ 25,288,246	\$ -	\$ -
Property taxes	-	-	-
Intergovernmental	10,716,725	3,142,347	-
Licenses, fees & permits	4,848,236	-	-
Fines, forfeitures & penalties	574,884	-	-
Charges for services	562,649	-	-
Lease income	113,298	-	-
Special assessments	-	-	2,340,225
Contributions	64,571	-	-
Investment income	81,908	6,181	-
Miscellaneous	447,622	7,508	-
Total revenues	<u>42,698,139</u>	<u>3,156,036</u>	<u>2,340,225</u>
Expenditures:			
Current -			
General government	11,796,946	-	-
Public safety	13,575,091	-	-
Highways and streets	2,215,090	3,591,157	-
Health and welfare	365,200	-	-
Economic and community development	4,242,792	-	-
Culture and recreation	3,940,874	-	-
Capital outlay	610,828	16,350	-
Debt service -			
Principal retirement	-	-	1,458,000
Interest and fiscal charges	-	-	731,949
Bond issuance costs	-	-	52,322
Total expenditures	<u>36,746,821</u>	<u>3,607,507</u>	<u>2,242,271</u>
Excess (deficiency) of revenues over expenditures	<u>5,951,318</u>	<u>(451,471)</u>	<u>97,954</u>
Other financing sources (uses):			
Face value of bonds issued	-	-	14,245,132
Refunded bond escrow payment	-	-	(14,801,787)
Premium on bonds issued	-	-	-
Proceeds from sale of capital assets	45,368	-	-
Transfers in	53,783	-	-
Transfers out	(3,886,141)	-	-
Total other financing sources (uses)	<u>(3,786,990)</u>	<u>-</u>	<u>(556,655)</u>
Changes in fund balances	<u>2,164,328</u>	<u>(451,471)</u>	<u>(458,701)</u>
Fund balances (deficits), beginning of year	22,842,783	1,812,141	475,980
Fund balances (deficits), end of year	<u>\$ 25,007,111</u>	<u>\$ 1,360,670</u>	<u>\$ 17,279</u>

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

<u>PAG/RTA Capital</u>	<u>Transportation</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 5,667,969	\$ 6,544,005	\$ 37,500,220
-	-	520,939	520,939
22,963,147	-	6,439,172	43,261,391
-	-	2,230,181	7,078,417
-	-	153,085	727,969
-	-	-	562,649
-	-	-	113,298
-	-	-	2,340,225
-	-	149,401	213,972
-	81,273	68,446	237,808
-	-	4,688	459,818
<u>22,963,147</u>	<u>5,749,242</u>	<u>16,109,917</u>	<u>93,016,706</u>
-	854,790	694,823	13,346,559
-	-	901,510	14,476,601
-	117,296	113,923	6,037,466
-	-	-	365,200
-	-	398,883	4,641,675
-	-	325,561	4,266,435
24,511,580	1,406,030	7,730,336	34,275,124
-	-	3,625,000	5,083,000
-	-	3,150,295	3,882,244
-	-	793,147	845,469
<u>24,511,580</u>	<u>2,378,116</u>	<u>17,733,478</u>	<u>87,219,773</u>
<u>(1,548,433)</u>	<u>3,371,126</u>	<u>(1,623,561)</u>	<u>5,796,933</u>
-	-	27,820,000	42,065,132
-	-	(32,063,864)	(46,865,651)
-	-	4,089,196	4,089,196
-	-	-	45,368
-	-	7,626,022	7,679,805
-	(437,399)	(6,234,460)	(10,558,000)
-	<u>(437,399)</u>	<u>1,236,894</u>	<u>(3,544,150)</u>
<u>(1,548,433)</u>	<u>2,933,727</u>	<u>(386,667)</u>	<u>2,252,783</u>
(359,783)	9,895,125	36,140,850	70,807,096
<u>\$ (1,908,216)</u>	<u>\$ 12,828,852</u>	<u>\$ 35,754,183</u>	<u>\$ 73,059,879</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, 2017

Net changes in fund balances - total governmental funds **\$ 2,252,783**

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	\$ 16,051,747	
Less current year depreciation	<u>(18,550,407)</u>	(2,498,660)

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

Debt issued	(42,242,917)	
Premium on bonds	(4,089,196)	
Payment to escrow agent for refunding	46,865,651	
Special assessment bond retirement	1,458,000	
General obligation bond retirement	265,000	
Revenue bond principal retirement	<u>3,360,000</u>	5,616,538

Contributions of infrastructure assets are not recorded as revenues in the governmental funds. 13,557,982

Some revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

Accrued interest	1,095,194	
Intergovernmental revenue	(694,769)	
Special assessments	(1,620,486)	
Compensated absences	(47,348)	
Proceeds from the sale of capital assets	(45,368)	
Gain on sale of assets	45,368	
Amortization of deferred charges	<u>446,239</u>	(821,170)

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	2,775,991	
Pension expense	<u>(5,149,012)</u>	(2,373,021)

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. 204,872

Change in net position in governmental activities **\$ 15,939,324**

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales taxes	\$ 24,156,385	\$ 24,156,385	\$ 25,288,246	\$ 1,131,861
Intergovernmental	10,805,072	10,805,072	10,716,725	(88,347)
Licenses, fees & permits	4,073,385	4,073,385	4,848,236	774,851
Fines, forfeitures & penalties	640,000	640,000	574,884	(65,116)
Charges for services	519,524	519,524	562,649	43,125
Lease income	125,000	125,000	113,298	(11,702)
Contributions	46,000	46,000	64,571	18,571
Investment income	200,000	200,000	81,908	(118,092)
Miscellaneous	502,819	502,819	447,622	(55,197)
Total revenues	<u>41,068,185</u>	<u>41,068,185</u>	<u>42,698,139</u>	<u>1,629,954</u>
Expenditures:				
General government:				
General government:				
Town council	6,278,097	5,683,523	2,345,442	3,338,081
Town clerk	289,572	289,572	267,108	22,464
Town manager	497,244	497,244	466,184	31,060
Human resources	1,650,390	1,650,390	1,501,093	149,297
Facilities	879,634	879,634	781,856	97,778
Finance	1,074,967	1,074,967	990,718	84,249
Legal	1,212,225	1,212,225	1,012,844	199,381
Technology services	832,495	852,495	850,003	2,492
Municipal courts	2,554,348	2,609,348	2,606,888	2,460
Public Safety:	1,033,015	1,033,015	955,007	78,008
Police	12,413,909	12,713,909	12,703,164	10,745
Building safety	1,121,615	1,121,615	864,693	256,922
Code Enforcement	66,095	58,675	7,234	51,441
Highways and streets:				
Public works	2,490,576	2,490,576	2,215,090	275,486
Health and welfare:				
Animal Services	222,000	367,733	365,200	2,533
Economic and community development:				
Development services	4,117,978	4,121,265	3,436,209	685,056
Economic development and tourism	200,285	196,998	195,039	1,959
Community development	705,765	713,185	611,544	101,641
Culture and recreation:				
Parks and recreation	4,709,900	4,783,741	3,940,874	842,867
Capital outlay	638,595	638,595	630,631	7,964
Total expenditures	<u>42,988,705</u>	<u>42,988,705</u>	<u>36,746,821</u>	<u>6,241,884</u>
Excess (deficiency) of revenues over expenditures	<u>(1,920,520)</u>	<u>(1,920,520)</u>	<u>5,951,318</u>	<u>7,871,838</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	150,000	150,000	45,368	(104,632)
Transfers in	-	-	53,783	53,783
Transfers out	(5,371,145)	(5,371,145)	(3,886,141)	1,485,004
Total other financing sources (uses)	<u>(5,221,145)</u>	<u>(5,221,145)</u>	<u>(3,786,990)</u>	<u>1,434,155</u>
Changes in fund balances	<u>(7,141,665)</u>	<u>(7,141,665)</u>	<u>2,164,328</u>	<u>9,305,993</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>22,842,783</u>	<u>22,842,783</u>
Fund balances, end of year	<u>\$ (7,141,665)</u>	<u>\$ (7,141,665)</u>	<u>\$ 25,007,111</u>	<u>\$ 32,148,776</u>

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY USER REVENUE FUND
YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,093,263	\$ 3,093,263	\$ 3,142,347	\$ 49,084
Investment income	7,500	7,500	6,181	(1,319)
Miscellaneous	-	-	7,508	7,508
Total revenues	<u>3,100,763</u>	<u>3,100,763</u>	<u>3,156,036</u>	<u>55,273</u>
Expenditures:				
Current -				
Highways and streets	3,368,300	3,375,520	3,591,157	(215,637)
Capital outlay	498,877	491,657	16,350	475,307
Total expenditures	<u>3,867,177</u>	<u>3,867,177</u>	<u>3,607,507</u>	<u>259,670</u>
Excess (deficiency) of revenues over expenditures	<u>(766,414)</u>	<u>(766,414)</u>	<u>(451,471)</u>	<u>314,943</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>1,812,141</u>	<u>1,812,141</u>
Fund balances, end of year	<u>\$ (766,414)</u>	<u>\$ (766,414)</u>	<u>\$ 1,360,670</u>	<u>\$ 2,127,084</u>

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, 2017

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Water	Wastewater	Airport		Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,805,577	\$ 19,889,949	\$ 58,372	\$ 23,753,898	\$ 962,749
Accounts receivable	698,849	174,504	56,140	929,493	-
Due from governments	-	-	85,599	85,599	-
Prepaid items	25,368	-	-	25,368	-
Total current assets	4,529,794	20,064,453	200,111	24,794,358	962,749
Noncurrent assets:					
Restricted cash	365,485	-	-	365,485	-
Capital assets not depreciated	8,183,408	10,737,684	2,808,444	21,729,536	-
Capital assets (net of depreciation)	23,796,441	65,932,875	14,734,015	104,463,331	-
Total noncurrent assets	32,345,334	76,670,559	17,542,459	126,558,352	-
Total assets	36,875,128	96,735,012	17,742,570	151,352,710	962,749
DEFERRED OUTFLOWS OF RESOURCES					
Employer contributions	139,710	22,307	19,568	181,585	-
Resources related to pensions	295,168	58,517	38,143	391,828	-
Total deferred outflows of resources	434,878	80,824	57,711	573,413	-
LIABILITIES					
Current liabilities:					
Accounts payable	690,364	2,442,324	30,232	3,162,920	541
Accrued payroll and employee benefits	33,590	7,192	5,155	45,937	-
Claims payable	-	-	-	-	256,982
Compensated absences	71,159	16,296	5,974	93,429	-
Due to other funds	-	-	150,000	150,000	-
Deposits held for others	700,907	-	-	700,907	-
Due to other governments	125,460	-	-	125,460	-
Bonds payable - current	139,000	-	-	139,000	-
Loan payable - current	219,485	-	-	219,485	-
Interest payable	64,405	-	-	64,405	-
Unearned revenue	-	-	1,960	1,960	-
Total current liabilities	2,044,370	2,465,812	193,321	4,703,503	257,523
Noncurrent liabilities:					
Due to other funds	-	-	2,074,844	2,074,844	-
Compensated absences	7,907	1,811	664	10,382	-
Bonds payable	939,000	20,170,246	-	21,109,246	-
Loan payable	3,201,572	-	-	3,201,572	-
Net pension liability	1,829,651	283,749	222,672	2,336,072	-
Total non-current liabilities	5,978,130	20,455,806	2,298,180	28,732,116	-
Total liabilities	8,022,500	22,921,618	2,491,501	33,435,619	257,523
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	226,127	26,832	29,236	282,195	-
Total deferred inflows of resources	226,127	26,832	29,236	282,195	-
NET POSITION					
Net investment in capital assets	27,480,792	56,500,313	17,542,459	101,523,564	-
Restricted for debt service	365,485	-	-	365,485	-
Unrestricted	1,215,102	17,367,073	(2,262,915)	16,319,260	705,226
Total net position	\$ 29,061,379	\$ 73,867,386	\$ 15,279,544	\$ 118,208,309	\$ 705,226

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, 2017

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Water	Wastewater	Airport		Internal Service Funds
Operating revenues:					
Licenses, fees & permits	\$ -	\$ 19,124	\$ -	\$ 19,124	\$ -
Charges for services	5,063,500	1,046,514	250,999	6,361,013	4,337,490
Miscellaneous	-	-	54,031	54,031	-
Total operating revenues	<u>5,063,500</u>	<u>1,065,638</u>	<u>305,030</u>	<u>6,434,168</u>	<u>4,337,490</u>
Operating expenses:					
Personnel costs	1,817,977	392,219	268,129	2,478,325	-
Contractual services	182,487	480,397	93,271	756,155	769,975
Commodities	1,342,669	239,505	41,176	1,623,350	-
Other	930,226	4,995	117,394	1,052,615	3,362,643
Depreciation expense	1,016,612	2,602,155	932,009	4,550,776	-
Total operating expenses	<u>5,289,971</u>	<u>3,719,271</u>	<u>1,451,979</u>	<u>10,461,221</u>	<u>4,132,618</u>
Operating gain (loss)	<u>(226,471)</u>	<u>(2,653,633)</u>	<u>(1,146,949)</u>	<u>(4,027,053)</u>	<u>204,872</u>
Nonoperating revenues (expenses):					
Development fees					
Investment income	19,582	22,963	-	42,545	-
Interest expense	(77,495)	-	-	(77,495)	-
Loss on disposal of capital assets	(320,308)	-	-	(320,308)	-
Bond issuance costs	-	(263,392)	-	(263,392)	-
Total nonoperating revenues (expenses)	<u>(378,221)</u>	<u>(240,429)</u>	<u>-</u>	<u>(618,650)</u>	<u>-</u>
Net gain (loss) before contributions and transfers	<u>(604,692)</u>	<u>(2,894,062)</u>	<u>(1,146,949)</u>	<u>(4,645,703)</u>	<u>204,872</u>
Development fees	1,867,827	1,120,578	-	2,988,405	-
Capital contributions	1,484,839	642,825	824,678	2,952,342	-
Transfers in	-	4,742,557	337,975	5,080,532	-
Transfers out	<u>(1,288,027)</u>	<u>(914,310)</u>	<u>-</u>	<u>(2,202,337)</u>	<u>-</u>
Changes in net position	<u>1,459,947</u>	<u>2,697,588</u>	<u>15,704</u>	<u>4,173,239</u>	<u>204,872</u>
Net position, beginning of year	27,601,432	71,169,798	15,263,840	114,035,070	500,354
Net position, end of year	<u>\$ 29,061,379</u>	<u>\$ 73,867,386</u>	<u>\$ 15,279,544</u>	<u>\$ 118,208,309</u>	<u>\$ 705,226</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, 2017**

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Received from customers	\$ 5,049,546	\$ 975,239	\$ 267,072	\$ 6,291,857	\$ 4,337,490
Payments to suppliers for goods and services	(2,473,615)	1,155,919	(273,823)	(1,591,519)	(4,132,370)
Payments to employees for services	(1,851,104)	(393,968)	(281,231)	(2,526,303)	-
Other receipts	-	19,124	54,031	73,155	-
Net cash provided by (used for) operating activities	<u>724,827</u>	<u>1,756,314</u>	<u>(233,951)</u>	<u>2,247,190</u>	<u>205,120</u>
Cash flows from non-capital activities:					
Interfund borrowing	-	-	(58,372)	(58,372)	-
Transfers in	-	4,742,557	337,975	5,080,532	-
Transfers out	(1,288,027)	(914,310)	-	(2,202,337)	-
Net cash provided by (used for) non-capital activities	<u>(1,288,027)</u>	<u>3,828,247</u>	<u>279,603</u>	<u>2,819,823</u>	<u>-</u>
Cash flows from capital activities and related financing activities:					
Capital grants received	552,000	-	722,671	1,274,671	-
Development fees received	1,867,827	1,120,578	-	2,988,405	-
Bond proceeds	-	20,170,246	-	20,170,246	-
Bond issuance costs	-	(263,392)	-	(263,392)	-
Principal payments	(349,159)	-	-	(349,159)	-
Interest paid on debt	(82,379)	-	-	(82,379)	-
Acquisition and construction of capital assets	(3,068,212)	(8,504,668)	(710,051)	(12,282,931)	-
Net cash provided by (used for) capital activities	<u>(1,079,923)</u>	<u>12,522,764</u>	<u>12,620</u>	<u>11,455,461</u>	<u>-</u>
Cash flows from investing activities:					
Interest on investments	19,582	22,963	-	42,545	-
Net cash provided by investing activities	<u>19,582</u>	<u>22,963</u>	<u>-</u>	<u>42,545</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,623,541)</u>	<u>18,130,288</u>	<u>58,272</u>	<u>16,565,019</u>	<u>205,120</u>
Cash and cash equivalents, beginning of year	<u>5,794,603</u>	<u>1,759,661</u>	<u>100</u>	<u>7,554,364</u>	<u>757,629</u>
Cash and cash equivalents, end of year	<u>\$ 4,171,062</u>	<u>\$ 19,889,949</u>	<u>\$ 58,372</u>	<u>\$ 24,119,383</u>	<u>\$ 962,749</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (226,471)	\$ (2,653,633)	\$ (1,146,949)	\$ (4,027,053)	\$ 204,872
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,016,612	2,602,155	932,009	4,550,776	-
Pension expense	152,148	33,564	20,526	206,238	-
Employer pension contributions	(139,710)	(22,307)	(19,568)	(181,585)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	12,658	(73,045)	(2,295)	(62,682)	-
Decrease in due from other governments	-	-	18,368	18,368	-
(Increase) decrease in prepaid items	(12,683)	1,770	-	(10,913)	-
Increase (decrease) in accounts payable	(18,233)	1,880,816	(21,982)	1,840,601	474
Decrease in claims payable	-	-	-	-	(226)
Increase in accrued payroll	(59,675)	(12,095)	(8,784)	(80,554)	-
Increase (decrease) in compensated absences payable	14,110	(911)	(5,276)	7,923	-
Increase in deposits held for others	40,549	-	-	40,549	-
Decrease in due to other governments	(54,478)	-	-	(54,478)	-
Net cash provided (used) by operating activities	<u>\$ 724,827</u>	<u>\$ 1,756,314</u>	<u>\$ (233,951)</u>	<u>\$ 2,247,190</u>	<u>\$ 205,120</u>
Noncash investing, capital and financing activities:					
Capital contributions	932,839	642,825	-	1,575,664	-

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

In accordance with generally accepted accounting principles, these financial statements present the Town and its component units, the 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 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.

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

external parties.

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

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

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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

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

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund types:

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

C. Measurement Focus and Basis of Accounting

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

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

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year. Compensated absences are recorded only when payment is due.

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

interest and trustee fees associated with the bond issues, retirement of principal balances, and to finance various capital projects.

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

H. Prepaid Items

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

I. Receivables and Payables

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

J. Interfund Activity

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

K. Capital Assets

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

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

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

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

TOWN OF MARANA, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

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

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

L. Long-term Obligations

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

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

M. Compensated Absences

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

N. Transactions Between Funds

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

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

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O. Use of Estimates

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

P. Seized Property

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

Q. Deferred Outflows/Inflows of Resources

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

R. Flow Assumption

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

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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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, 2017, the fund balance details by classification are listed below:

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service	PAG/RTA Capital Fund	Transportation Fund	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Prepaid expenditures	\$ 292,195	\$ -	\$ -	\$ -	\$ -	\$ 1,332
Long-term due from other funds	2,074,844	-	-	-	-	-
Restricted:						
Courts	-	-	-	-	-	1,115,408
Tourism promotion	-	-	-	-	-	924,657
Police	-	-	-	-	-	1,786,379
Highways and streets	-	1,360,670	-	-	-	-
Housing programs	-	-	-	-	-	220,822
Capital projects	-	-	-	-	12,828,852	27,523,433
Debt service	-	-	17,279	-	-	4,182,152
Unassigned:	22,640,072	-	-	(1,908,216)	-	-
Total fund balances:	<u>\$25,007,111</u>	<u>\$1,360,670</u>	<u>\$ 17,279</u>	<u>\$(1,908,216)</u>	<u>\$12,828,852</u>	<u>\$ 35,754,183</u>

NOTE 3 - BUDGETARY CONTROL

Excess Expenditures Over Budget – At June 30, 2017, the Town had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

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

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

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

The Town Council formally adopts the budget and legally allocates the available monies for the General Fund, the Highway User Revenue Fund, the Community Development Block Grant Fund, the Affordable Housing Revolving Fund, the Local JCEF Fund, the Local Technology Enhancement Fund, the Fill the Gap Fund, the Bed Tax Fund, the RICO Fund, the Emergency Telecommunications Fund, the Impound Fund, the Other Special Revenue Fund, the Gladden Farms CFD Debt Fund, the Tangerine Farms Improvement District Debt Fund, the Transportation Fund, the One-half Cent Sales Tax Fund, the Downtown Reinvestment Fund, the Impact Fee Funds, the Other Capital Projects Funds, the Regional Transportation Authority Fund, the Gladden Farms CFD Capital Fund, the Gladden Farms II CFD Capital Fund, the Vanderbilt CFD Capital Fund, the Saguaro Springs CFD Capital Fund, and the Tangerine Farms Improvement District Capital Fund. The enterprise funds, Water Utility, Wastewater Utility 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 4 - 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,

TOWN OF MARANA, ARIZONA
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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, 2017, the carrying amount of the Town's deposits was \$18,450,939 and the bank balance was \$16,390,170. The differences between the book and bank balances are due to timing of certain transactions like deposits in transit and outstanding checks. In addition to the regular timing of transactions, the Town had a transfer of \$2,787,584 in transit transferring funds from the Local Government Investment Pool to the General Operating Account. The funds were removed from the Local Government Investment Pool on June 30, 2017, but were not received in the General Operating Account until July 6, 2017.

Of the bank balance, \$584,744 was covered by Federal depository insurance and \$16,186,291 was covered by collateral held by the pledging financial institution's trust department but not in the Town's name; no portion of the balance was uninsured and uncollateralized. The Town had \$4,025 in petty cash funds, change drawers and other related items at year end. Additionally, the Town had deposits of \$1,363,154 held by Pima County by in a fiduciary capacity and \$432,955 held by Fidelity in an escrow account.

At June 30, 2017, the Town's investments, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair value measurement using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment by fair value level	Amount	(Level 1)	(Level 2)	(Level 3)
Federal Home Loan Mortgage Corp.	\$ 999,900	\$ -	\$ 999,900	\$ -
Federal National Mortgage Assn.	6,966,041	-	6,966,041	-
Total investments by fair value level		\$ -	\$ 7,965,941	\$ -
External investment pools measured at fair value				
State Treasurer's investment pool 5	26,535,746	18.25 days average maturities		
State Treasurer's investment pool 7	8,511,206	54.75 days average maturities		
Total investments measured at fair value	35,046,952			
Investments measured at amortized costs				
Money market investments	30,011,032			
Total investments measured at amortized costs	30,011,032			
Total investments	\$73,023,925			

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Investments categorized as Level 2 are valued using market-corroborated inputs by evaluating issues with its best-known market maker. The Town’s investment portfolio consisted of deposits in the State Treasurer’s Local Government Investment (LGI) Pools. The pools are not required to register (and are not registered) with the Securities and Exchange Commission under the 1940 Investment Advisors Act. The activity and performance of the pools are reviewed monthly by the State Board of Investment in accordance with Arizona Revised Statutes §35-311. The fair value of investments is measured on a monthly basis. Participant shares are purchased and sold based on the net asset value (NAV) of shares. The NAV is determined by dividing the fair value of the portfolio by the total shares outstanding. Those shares are not identified with specific investments, are not subject to custodial credit risk, and have no stated interest rate or maturity date. The State Treasurer does not contract with an outside insurer in order to guarantee the value of the portfolio or the price of shares redeemed.

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, 2017, the Town’s investment in the State Treasurer’s investment pool 5 and pool 7 are specifically limited to those securities that carry the full faith and credit of the United States Government. The net asset value per share of both pools at June 30, 2017 was \$1.00. Pool 5 has continued to maintain the highest credit rating of AAA f/S1+ by Standard & Poor’s. Pool 7 itself is unrated, but the securities in Pool 7 had 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. The Arizona State Treasurer has a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, AZ 85007 or at www.aztreasury.gov.

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

Concentration of Credit Risk. The Town places no limit on the amount it may invest in any one issuer. More than 5% of the Town’s investments are in U.S. Agencies. These investments are 11% of the Town’s total investments.

At June 30, 2017, the Town had the following investment in debt securities:

Investment Type	Amount	Investment maturities	
		Less than 1 Year	1-5 Years
Money market investments	\$ 30,011,032	\$ 30,011,032	\$ -
Federal Home Loan Mortgage Corp.	999,900		999,900
Federal National Mortgage Assn.	6,966,041	-	6,966,041
Total investments by fair value level		<u>\$ 30,011,032</u>	<u>\$ 7,965,941</u>

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NOTE 5 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for fiscal year ended June 30, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,454,735	\$ 533,783	\$ -	\$ 6,988,518
Construction in progress	16,645,530	14,355,285	(79,017)	30,921,798
Total capital assets, not being depreciated	<u>23,100,265</u>	<u>14,889,068</u>	<u>(79,017)</u>	<u>37,910,316</u>
Capital assets, being depreciated:				
Buildings and improvements	45,328,901	-	(45,514)	45,283,387
Machinery, equipment, and other assets	19,664,154	1,319,330	(725,133)	20,258,351
Infrastructure	343,590,031	13,379,033	-	356,969,064
Total capital assets being depreciated	<u>408,583,086</u>	<u>14,698,363</u>	<u>(770,647)</u>	<u>422,510,802</u>
Less accumulated depreciation for:				
Buildings and improvements	(15,951,291)	(1,434,116)	113,356	(17,272,051)
Machinery, equipment, and other assets	(15,436,020)	(919,565)	657,291	(15,698,294)
Infrastructure	(137,704,358)	(16,095,411)	-	(153,799,769)
Total accumulated depreciation	<u>(169,091,669)</u>	<u>(18,449,092)</u>	<u>770,647</u>	<u>(186,770,114)</u>
Total capital assets, being depreciated, net	<u>239,491,417</u>	<u>(3,750,729)</u>	<u>-</u>	<u>235,740,688</u>
Governmental activities capital assets, net	<u>\$262,591,682</u>	<u>\$11,138,339</u>	<u>\$(79,017)</u>	<u>\$273,651,004</u>

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

Governmental Activities:	
General government	\$ 868,554
Public safety	622,794
Highways and streets	14,404,524
Economic and community development	162,995
Health and Welfare	976
Culture and recreation	2,490,564
Total depreciation expense – governmental activities	<u>\$ 18,550,407</u>

The difference of \$101,315 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.

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

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 4,493,811	\$ -	\$ -	\$ 4,493,811
Water rights	3,910,572	848,276	(327,918)	4,430,930
Construction in progress	5,125,442	11,344,564	(3,665,211)	12,804,795
Total capital assets, not being depreciated	<u>13,529,825</u>	<u>12,192,840</u>	<u>(3,993,129)</u>	<u>21,729,536</u>
Capital assets, being depreciated:				
Buildings, improvements and infrastructure	128,848,242	5,240,875	-	134,089,117
Machinery, equipment, and other assets	1,288,382	199,016	(60,827)	1,426,571
Total capital assets being depreciated	<u>130,136,624</u>	<u>5,439,891</u>	<u>(60,827)</u>	<u>135,515,688</u>
Less accumulated depreciation for:				
Buildings, improvements and infrastructure	(25,645,706)	(4,423,765)		(30,069,471)
Machinery, equipment, and other assets	(815,387)	(228,326)	60,827	(982,886)
Total accumulated depreciation	<u>(26,461,093)</u>	<u>(4,652,091)</u>	<u>60,827</u>	<u>(31,052,357)</u>
Total capital assets, being depreciated, net	<u>103,675,531</u>	<u>787,800</u>	<u>-</u>	<u>104,463,331</u>
Business-type activities capital assets, net	<u>\$ 117,205,356</u>	<u>\$12,980,640</u>	<u>\$(3,993,129)</u>	<u>\$126,192,867</u>

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

Business-type Activities:	
Airport	\$ 932,009
Water	1,016,612
Wastewater	2,602,155
Total depreciation expense – business-type activities	<u>\$ 4,550,776</u>

The difference of \$101,315 between total increases to accumulated depreciation and total depreciation expense is due to the inclusion of transfers of capital assets from the government-type activities.

NOTE 6 – LONG-TERM LIABILITIES

A. Notes Payable

Business-type activities 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 loan is 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, 2017 on the outstanding balance is 1.468 percent.

TOWN OF MARANA, ARIZONA
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The following is a schedule by years of the debt service requirements for the loan as of June 30, 2017.

Fiscal Year	Principal	Interest	Total
2018	\$ 219,485	\$ 48,610	\$ 268,095
2019	226,000	45,340	271,340
2020	232,708	41,973	274,681
2021	239,614	38,506	278,120
2022	246,726	34,937	281,663
2023 – 2027	1,347,917	110,648	1,458,565
2028 – 2030	908,607	26,938	935,545
Totals	<u>\$ 3,421,057</u>	<u>\$ 346,952</u>	<u>\$ 3,768,009</u>

B. Community Facilities District (CFD) General Obligation Bonds

Gladden Farms Community Facilities District (a component unit) issued \$7,955,000 of general obligation bonds with an interest rate ranging from 2.0% to 4.0%. The proceeds were used to advance refund \$7,555,000 of outstanding general obligation bonds which had interest rates ranging from 3.6% to 6.0% and provide \$400,000 for additional capital infrastructure within the district. The net proceeds of \$7,935,148 (including \$852,472 premium and after payment of \$472,275 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result the 2004, 2006, 2007, and 2010 general obligation bonds are considered defeased and the liability for the refunded bonds has been removed from the statement of net position. At June 30, 2017, \$2,425,000 of defeased bonds were still outstanding for the 2007 Series and \$875,000 was still outstanding for the 2010 Series.

The District advance refunded the 2004, 2006, 2007, and 2010 Series general obligation bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,544,523.

The CFD general obligation bonds outstanding as reported in governmental activities as of June 30, 2017, were as follows:

	Outstanding June 30, 2017
\$7,955,000 CFD General Obligation Bonds, 2016 Series, due in annual installments of \$20,000 to \$640,000; through July 15, 2041; at a 2.0% to 4.0% interest rate.	7,955,000

TOWN OF MARANA, ARIZONA
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Annual debt service requirements to maturity on the CFD general obligation bonds at June 30, 2017, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2018	\$ 210,000	\$ 271,163	\$ 481,163
2019	205,000	267,013	472,013
2020	265,000	262,313	527,313
2021	410,000	255,563	665,563
2022	420,000	247,263	667,263
2023 – 2027	2,285,000	1,038,938	3,323,938
2028 – 2032	2,735,000	559,060	3,294,060
2033 – 2037	1,315,000	74,450	1,389,450
2038 – 2042	110,000	9,062	119,062
Totals	<u>\$ 7,955,000</u>	<u>\$ 2,984,825</u>	<u>\$ 10,939,825</u>

C. Tangerine Farms Road Improvement District Improvement Bonds

Tangerine Farms Road Improvement District (a component unit) issued \$14,245,132 of special assessment bonds with an interest rate of 1.96%. The proceeds were used to advance refund \$14,469,000 of outstanding special assessment bonds which had an interest rate of 4.6%. The net proceeds of \$14,801,787 (including \$652,280 in prepaid assessments and fees collected and after payment of \$95,625 in agent fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result the 2006 Series special assessment bond is considered defeased and the liability for the refunded bond has been removed from the statement of net position.

The District advance refunded the 2006 Series special assessment bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,129,724.

These bonds are paid through assessments made to the property owners within the Tangerine Farms Road Improvement District. The Town is responsible for the collection of the assessments and the disbursement of funds to retire the bonds. If a delinquency on an assessment occurs, the Town is required to cover the delinquency with other resources until foreclosure proceeds are received. The TFRID special assessment bonds outstanding as reported in governmental activities as of June 30, 2017, were as follows:

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

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Annual debt service requirements to maturity on the TFRID special assessment bonds at June 30, 2017, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2018		253,563	253,563
2019	1,618,132	359,205	1,977,337
2020	1,704,000	247,489	1,951,489
2021	1,736,000	214,091	1,950,091
2022	1,769,000	180,065	1,949,065
2023-2026	7,418,000	366,872	7,784,872
Totals	<u>\$ 14,245,132</u>	<u>\$ 1,621,285</u>	<u>\$ 15,866,417</u>

D. Revenue Bonds

The Town issued \$19,865,000 of pledged excise tax-revenue and refunding obligation bonds with an interest rate of 2% to 5%. Proceeds of \$22,912,387 were used of advance refund \$22,755,000 of outstanding 2008 Series revenue bonds which had interest rates ranging from 4.0% to 5.25%. The net proceeds of \$24,128,715 (including a \$3,216,239 premium, \$1,311,269 Town contribution, and after payment of \$263,794 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2008 Series revenue bonds are considered defeased and the liability for the refunded bonds has been removed from the statement of net position. As of June 30, 2017, \$20,485,000 of defeased bonds are still outstanding.

The Town advance refunded the 2008 Series revenue bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,481,567.

The Town issued \$19,780,000 of pledged excise tax-revenue bonds with an interest rate of 2.0% to 5.0%. The proceeds will be used to finance the expansion of the Marana Wastewater Reclamation Facility and construction of the groundwater Recharge Facility.

The Town has issued revenue bonds for acquiring water systems, wastewater systems, infrastructure upgrades, the design and construction of the new municipal complex and to refund prior issuances. These bonds are payable from the excise taxes collected by the Town, wastewater utility revenue, and water utility revenue. The revenue bonds outstanding as of June 30, 2017 were as follows:

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	Outstanding June 30, 2017	
	Governmental	Business-type
\$34,780,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2013 Series, due in annual installments of \$315,000 to \$2,570,000; through July 1, 2033; at a 2.0% to 5.0% interest rate.	\$ 32,215,000	
\$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.	5,760,000	
\$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.		\$ 1,078,000
\$17,215,000 Pledged Excise Tax Revenue Bonds, 2017 Series A, due in annual installments of \$1,920,000 to \$2,420,000; through July 1, 2042; at a 2.0% to 5.0% interest rate.		17,215,000
\$19,865,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2017 Series B, due in annual installments of \$840,000 to \$2,580,000; through July 1, 2028; at a 2.0% to 5.0% interest rate.	19,865,000	
\$2,565,000 Pledged Excise Tax Revenue Bonds, 2017 Series C, due in annual installments of \$30,000 to \$1,980,000; through July 1, 2034; at a 2.0% to 5.0% interest rate.		2,565,000
Total	\$ 57,840,000	\$ 20,858,000

Annual debt service requirements to maturity on revenue bonds at June 30, 2017, are summarized as follows:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 2,005,000	\$ 2,207,934	\$ 139,000	\$ 589,616
2019	3,184,000	2,402,294	179,000	830,561
2020	3,624,000	2,303,358	184,000	825,969
2021	3,726,000	2,185,415	186,000	821,289
2022	3,865,000	2,037,374	193,000	816,494
2023-2027	23,566,000	7,161,952	197,000	4,047,836
2028-2032	14,510,000	2,053,700	235,000	4,032,969
2033-2037	3,360,000	170,000	6,325,000	3,506,194
2038-2042	-	-	13,220,000	1,633,728
Totals	\$ 57,840,000	\$ 20,522,027	\$ 20,858,000	\$ 17,104,656

E. Pledged Revenues

The Town has pledged certain future revenues to repay specific bonded debt as follows. The Town has pledged future excise tax revenues to repay \$80.9 million in Excise Tax Revenue Bonds issued in 2013,

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2014, and 2017. The various bonds were issued for the expansion of the Marana Wastewater Reclamation Facility, construction of the groundwater Recharge Facility, construction of the municipal complex, the acquisition of certain water systems, acquisition of the Marana Wastewater Reclamation Facility, infrastructure upgrades and to refund prior debt issuances. At year end, \$75.6 million in bonds remain outstanding to be repaid by future excise tax revenues and the net revenues available for service of this debt were \$51.7 million. The debt principal and interest paid on this debt during fiscal year 2017 was \$6.2 million (12% 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, \$4.5 million remains outstanding to be repaid by future water revenues. For the fiscal year ended June 30, 2017, the net revenues available for service of this debt were \$1.7 million. The debt principal and interest paid on this debt during fiscal year 2017 was \$482,853.

F. Changes in Long-term Liabilities

The following is a summary of changes in long-term liability activity for fiscal year ended June 30, 2017.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 7,835,000	\$7,955,000	\$ (7,835,000)	\$ 7,955,000	\$ 210,000
Revenue bonds	64,090,000	19,865,000	(26,115,000)	57,840,000	2,005,000
Compensated absences	1,041,708	1,012,305	(964,957)	1,089,056	980,151
Net pension liability	30,823,657	5,630,736	-	36,454,393	-
Special assessment bonds	15,927,000	14,245,132	(15,927,000)	14,245,132	-
Deferred bond premium	2,624,582	4,089,196	(460,283)	6,253,495	-
Total	<u>\$122,341,947</u>	<u>\$52,797,369</u>	<u>\$(51,302,240)</u>	<u>\$123,837,076</u>	<u>\$3,195,151</u>
Business-type activities:					
Loan payable	\$ 3,634,216	\$ -	\$ (213,159)	\$ 3,421,057	\$ 219,485
Net pension liability	2,166,001	170,071	-	2,336,072	-
Revenue bonds	1,214,000	19,780,000	(136,000)	20,858,000	139,000
Compensated absences	95,888	82,907	(74,984)	103,811	93,429
Deferred bond premium	-	390,246	-	390,246	-
Total	<u>\$ 7,110,105</u>	<u>\$20,423,224</u>	<u>\$ (424,143)</u>	<u>\$ 27,109,186</u>	<u>\$ 451,914</u>

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NOTE 7 – DEFERRED AMOUNTS

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

Deferred revenue	Unavailable	Unearned
Program revenues (General Fund)	\$ -	\$ 313,529
Intergovernmental (PAG/RTA Capital Fund)	51,115	
Intergovernmental (Non-Major governmental funds)	281,380	11,616
Special assessments (Tangerine Farms Improvement District Debt Service Fund)	14,245,132	-
Total deferred amounts for governmental funds	\$ 14,577,627	\$ 325,145

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At June 30, 2017, 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 2017-2018, these interfund borrowing will be eliminated as sufficient resources become available. A portion of the amount due from the Airport Fund, \$2,074,844, is considered long term. Listed below is a summary of the interfund borrowing transactions.

Due To	Due From			
	PAG/RTA Capital Fund	Non-Major Governmental Funds	Airport Fund	Total
General Fund	\$ 3,035,622	\$ 12,329	\$2,224,844	\$5,272,795

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.

Transfer Out	Transfers In				Total
	General Fund	Non-Major Governmental Funds	Wastewater Fund	Airport Fund	
General Fund	\$ -	\$ 2,379,851	\$1,168,315	\$ 337,975	\$3,886,141
Transportation Non-Major Governmental		437,399			437,399
Water	53,783	2,980,152	3,200,525		6,234,460
Wastewater		914,310	373,717		1,288,027
		914,310			914,310
Total	\$ 53,783	\$ 7,626,022	\$4,742,557	\$ 337,975	\$12,760,337

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NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS

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

At June 30, 2017, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liabilities	\$ 36,454,393	\$ 2,336,072	\$ 38,790,465
Deferred outflows of resources	10,253,753	573,413	10,827,166
Deferred inflows of resources	2,936,513	282,195	3,218,708
Pension expense	5,149,012	206,238	5,355,250

The Town reported \$2,775,991 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 nine-member board appointed by the Governor and the State Legislature. The Board of Trustees is responsible for establishing contribution rates in accordance with an actuarial study.

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

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

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

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PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
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	
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%	

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CORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service	
Ordinary Disability Retirement	2.5% per year of credited service	
Survivor Benefit		
Retired Members	80% of retired member's pension benefit	
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earnings. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees covered by benefit terms—At June 30, 2017, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	26	-
Inactive employees entitled to but not yet receiving benefits	20	3
Active employees	78	7
Total	124	10

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, 2017, are indicated below. Rates are a percentage of active members' annual covered payroll.

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	PSPRS	CORP Dispatchers
Active members—Pension	11.65%	7.96%
Town		
Pension	24.97%	12.66%
Health insurance premium benefit	.24%	.39%

In addition, statute required the Town to contribute at the actuarially determined rate of 13.28 percent for the PSPRS of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the PSPRS would typically fill.

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, 2017, were:

	PSPRS	CORP Dispatchers
Pension Contributions	\$ 1,381,861	\$ 51,210
Health Insurance Premium Benefit	13,062	1,578
Total Contributions	\$ 1,394,923	\$ 52,788

During fiscal year 2017, the Town paid for PSPRS and CORP pension contributions as follows: 96% percent from the General Fund and 4% percent from other funds.

Pension liability—At June 30, 2017, the Town reported the following net pension liabilities:

	Net Pension Liability
PSPRS	14,524,676
CORP Dispatchers	532,300

The net pension liabilities were measured as of June 30, 2016, 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, 2016, reflect the following changes of benefit terms and actuarial assumptions.

-) In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS’ automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.
-) Laws 2016, Chapter 2, changed the benefit formula and contribution requirements for members hired on or after July 1, 2017.
-) The investment rate of return actuarial assumption was decreased from 7.85 percent to 7.5 percent for PSPRS and CORP plans.

The net pension liabilities measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the Town’s net pension liabilities as a result of these changes is not known.

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

<u>PSPRS and CORP—Pension</u>	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Individual entry age normal
Investment rate of return	7.50%
Projected salary increases	4.0%–8.0% for PSPRS and 4.0%–7.25% for CORP
Inflation	3.0%
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, 2016 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 7.50 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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>PSPRS and CORP Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	16%	6.23%
Non-U.S. Equity	14%	8.25%
Private Equity	11%	9.50%
Fixed Income	7%	2.92%
Credit Opportunities	13%	7.08%
Absolute Return	5%	4.11%
GTAA	10%	4.38%
Real Assets	8%	4.77%
Real Estate	10%	4.48%
Risk Parity	4%	5.13%
Short Term Inv	<u>2%</u>	0.75%
Total	<u>100%</u>	

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

	<u>PSPRS</u>	<u>CORP Dispatchers</u>
Discount rates	7.50%	7.50%
Change from prior year	(0.35)	(0.35)

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

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made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

PSPRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2016	25,634,888	15,408,969	10,225,919
Changes for the year:			
Service cost	994,058	-	994,058
Interest on the total pension liability	2,005,255	-	2,005,255
Changes of benefit terms	1,837,430	-	1,837,430
Differences between expected and actual experience in the measurement of the pension liability	536,692	-	536,692
Changes of assumptions or other inputs	1,226,081	-	1,226,081
Contributions—employer	-	1,323,677	(1,323,677)
Contributions—employee	-	672,181	(672,181)
Net investment income	-	95,438	(95,438)
Benefit payments, including refunds of employee contributions	(1,174,525)	(1,174,525)	-
Pension plan administrative expense	-	(14,134)	14,134
Other changes	-	223,597	(223,597)
Net changes	5,424,991	1,126,234	4,298,757
Balances at June 30, 2017	31,059,879	16,535,203	14,524,676

CORP	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2016	1,435,344	977,446	457,898
Changes for the year:			
Service cost	57,866	-	57,866
Interest on the total pension liability	113,075	-	113,075
Changes of benefit terms	15,002	-	15,002
Differences between expected and actual experience in the measurement of the pension liability	(25,358)	-	(25,358)
Changes of assumptions or other inputs	(136)	-	(136)
Benefit payments, including refunds of employee contributions	(47,673)	(47,673)	-

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CORP	Increase (Decrease)		
Contributions—employer	-	48,648	(48,648)
Contributions—employee	-	32,623	(32,623)
Net investment income	-	6,034	(6,034)
Pension plan administrative expense	-	(1,253)	1,253
Other changes	-	(5)	5
Net changes	<u>112,776</u>	<u>38,374</u>	<u>74,402</u>
Balances at June 30, 2017	<u>1,548,120</u>	<u>1,015,820</u>	<u>532,300</u>

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

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$19,075,515	\$14,524,676	\$10,821,055
CORP Dispatchers			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$773,990	\$532,300	\$332,549

Pension expense—For the year ended June 30, 2017, the Town recognized the following pension expense:

PSPRS	<u>Pension Expense</u> 3,540,057
CORP Dispatchers	83,669

Pension deferred outflows/inflows of resources—At June 30, 2017, 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	\$ 758,290	\$ -
Changes of assumptions or other inputs	2,042,088	
Net difference between projected and actual earnings on pension plan investments	1,288,786	285,622
Town contributions subsequent to the measurement date	<u>1,381,861</u>	
Total	<u>\$ 5,471,025</u>	<u>\$ 285,622</u>

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CORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 44,059
Changes of assumptions or other inputs	11,001	115
Net difference between projected and actual earnings on pension plan investments	80,587	17,216
Town contributions subsequent to the measurement date	51,210	
Total	\$ 142,798	\$ 61,390

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, 2018. 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		
2018	\$870,263	\$7,090
2019	870,261	7,092
2020	1,013,071	15,698
2021	646,876	8,027
2022	293,029	(6,185)
Thereafter	110,042	(1,524)

Agent plan OPEB actuarial assumptions—The health insurance premium benefit contribution requirements for the year ended June 30, 2017, were established by the June 30, 2015, 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

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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 2017 contribution requirements:

PSPRS and CORP—OPEB Contribution Requirements

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.00%–8.00% for PSPRS and 4.00%–7.25% for CORP
Wage growth	4.00% 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			
2017	\$13,062	100	\$ -
2016	19,742	100	-
2015	66,579	100	-
CORP Dispatchers			
2017	1,578	100	-
2016	1,475	100	-
2015	3,164	100	-

Agent plan OPEB funded status—The health insurance premium benefit plans’ funded status as of the most recent valuation date, June 30, 2016, along with the actuarial assumptions and methods used in those valuations follow.

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	PSPRS	CORP Dispatchers
Actuarial value of assets (a)	\$768,883	\$39,112
Actuarial accrued liability (b)	739,259	51,144
Unfunded actuarial accrued liability (funding excess)		
(b) – (a)	(29,624)	12,032
Funded ratio (a)/(b)	104.0%	76.5%
Annual covered payroll (c)		
	\$5,182,784	\$397,428
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll		
(b) – (a) / (c)	0.57%	3.03%

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, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.50%
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 website at www.azasrs.gov or by writing to ASRS, 3300 N. Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling 602-240-2000 or 1-800-621-3778.

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

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

*With actuarially reduced benefits.

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

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members’ annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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 9.47 percent (9.17 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that would typically be filled by an employee who contributes to the ASRS. The Town’s contributions to the pension plan for the year ended June 30, 2017, were \$1,593,612. 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:

Years ended <u>June 30,</u>	<u>Retirement</u>	<u>Health Insurance</u>	<u>Long-term Disability</u>	<u>Total</u>
2017	\$ 1,496,440	\$ 77,738	\$ 19,434	\$ 1,593,612
2016	1,426,881	65,755	15,780	1,508,416
2015	1,367,122	75,393	15,079	1,457,594

During fiscal year 2017, the Town paid for ASRS pension and OPEB contributions as follows: 86.76% percent from the General Fund, .59% percent from major funds, 12.13% from enterprise funds and .52% percent from other funds.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Pension liability—At June 30, 2017, the Town reported a liability of \$22,691,024 for its proportionate share of the ASRS’ net pension liability. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

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, 2016. The Town’s proportion measured as of June 30, 2016, was 0.140584 percent, which was an increase of 0.004075 percent from its proportion measured as of June 30, 2014

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2017, the Town recognized pension expense for ASRS of \$1,731,524. At June 30, 2017, 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	\$ 137,892	\$ 1,560,977
Changes of assumptions or other inputs	-	1,200,536
Net difference between projected and actual earnings on pension plan investments	2,458,952	-
Changes in proportion and differences between contributions and proportionate share of contributions	881,266	-
Town contributions subsequent to the measurement date	1,496,440	
Total	\$ 4,974,550	\$ 2,761,513

The \$1,496,440 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30,	
2018	\$(505,315)
2019	(511,375)
2020	1,043,803
2021	689,484

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

TOWN OF MARANA, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

<u>ASRS</u>	
Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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, 2015, 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 8.75 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:

<u>ASRS</u>	Target	Long-Term Expected
Asset Class	Allocation	Arithmetic Real Rate of Return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	<u>2%</u>	3.84%
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 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute.

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

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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Proportionate share of the net pension liability	\$28,932,779	\$22,691,024	\$17,686,501

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. At the time of issuance, the most recent report for EORP was unavailable. The report may be obtained on PSPRS’s website at www.psprs.com or by writing to EORP, 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

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

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

TOWN OF MARANA, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
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. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase’s effects on the plan.

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, 2017, statute required active EORP members with an initial membership date on or before July 19, 2011, to contribute 13 percent of the members’ annual covered payroll for July 2016 through March 2017 and 7 percent of the members’ annual covered payroll for April 2017 through June 2017. Statute required active EORP members with an initial membership date after July 19, 2011, 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 all active EORP members’ annual covered payroll. The Town’s contributions to the pension plan for the year ended June 30, 2017, was \$28,065. No OPEB contributions were required or made for the years ended June 30, 2015, 2016, and 2017.

During fiscal year 2017, the Town paid for EORP pension contributions 100 percent from the General Fund.

Pension liability—The most recent EORP Schedule of Employer Allocations, Schedule of Pension Amounts by Employer was unavailable. At June 30, 2017, Town reported the previous year’s liability for its proportionate share of the EORP’s net pension liability. 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	\$1,042,465
State’s proportionate share of the EORP net pension liability associated with the Town	<u>324,997</u>
Total	<u><u>\$1,367,462</u></u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2016, reflects a decrease in the investment rate of return actuarial assumption from 7.85 percent to 7.50 percent.

The Town’s proportion of the net pension liability as of June 30, 2015, 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, 2015. The Town’s proportion measured as of June 30, 2015, was .1334 percent, which was a decrease of .0324 percent from its proportion measured as of June 30, 2014.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The collective net pension liability measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the Town’s proportionate share of the collective net pension liability as a result of these changes is not known.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2017, the Town did not recognize pension expense for EORP due to the unavailability of the report. At June 30, 2017, the Town reported the June 30, 2016 deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,667	\$ 11,606
Changes of assumptions or other inputs	174,673	
Net difference between projected and actual earnings on pension plan investments	6,323	
Changes in proportion and differences between employer contributions and proportionate share of contributions		98,577
Town contributions subsequent to the measurement date	<u>28,065</u>	
Total	<u>\$ 210,728</u>	<u>\$ 110,183</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, 2018. 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	
2017	\$80,271
2018	(13,072)
2019	521
2020	4,760

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

EORP	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
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

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Actuarial assumptions used in the June 30, 2016, 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 7.50 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 arithmetic real rates of return for each major asset class are summarized in the following table:

EORP Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	<u>16%</u>	6.23%
Total	<u>100%</u>	

Discount rate—At June 30, 2016, the discount rate used to measure the EORP total pension liability was 3.68 percent, which was a decrease of 1.18 from the discount rate used as of June 30, 2015. 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 7.50 percent was applied to periods of projected benefit payments through the year ended June 30, 2027. A municipal bond rate of 2.85 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 30, 2016, was applied to periods of projected benefit payments after June 30, 2027.

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 3.68 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 (2.68 percent) or 1 percentage point higher (4.68 percent) than the current rate:

EORP	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
Town’s proportionate share of the net pension liability	\$1,213,560	\$1,042,465	\$1,212,998

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

NOTE 10 - RISK MANAGEMENT

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

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

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

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

Significant Contractual Commitments

At the end of fiscal year 2017, the Town was obligated to \$43.26 million in significant contractual commitments for airport, transportation, park, water facility, and wastewater facility related construction projects. The water reclamation expansion project accounted for \$22.6 million, Tangerine Corridor improvements accounted for \$17.8 million, Public Safety Facility accounted for \$831,000, Tangerine Sky Community Park accounted for \$385,000, and Ora Mae Harn Park improvements accounted for \$313,000. The remaining commitments were for other airport projects of \$30,000, transportation projects of \$372,000, water projects of \$669,000, and park related projects accounted for \$260,000.

NOTE 12 - LEASING ARRANGEMENTS

Land – State of Arizona

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

In conjunction with the Town assuming the long-term operating lease, a developer signed a non-cancelable agreement to reimburse the Town the annual rental payment for either a minimum of twenty

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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,	
2018	574,992
2019	574,992
2020	574,992
2021	632,491
2022	632,491
2023 - 2027	3,288,953
2028 - 2032	3,617,848
2033 - 2037	3,979,632
2038 - 2042	4,377,595
2043 - 2047	4,815,356
2048 - 2052	5,296,891
2053 - 2057	5,826,580
2058 - 2062	6,409,240
2063 - 2067	7,050,165
2068 - 2072	7,755,181
2073 - 2077	8,530,699
2078 - 2082	9,383,769
2083 - 2087	10,322,146
2088 - 2092	11,354,361
2093 - 2097	12,489,796
2098 - 2099	5,284,144
Total	<u>\$ 112,772,314</u>

Minimum annual rentals above excludes annual rental under the remaining renewal options as of June 30, 2017. Rent expense under the above leases for fiscal 2016-17 aggregated \$574,992.

REQUIRED SUPPLEMENTARY INFORMATION

**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, 2017**

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008
Town's proportion of the net pension liability	0.140584%	0.136510%	0.129998%	Information not available
Town's proportionate share of the net pension liability	\$ 22,691,024	\$ 21,263,376	\$ 19,235,271	
Town's covered payroll	\$ 13,150,962	\$ 12,565,464	\$ 11,714,615	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	172.54%	169.22%	164.20%	
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%	
Elected Officials Retirement Plan	Reporting Fiscal Year (Measurement Date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008
Town's proportion of the net pension liability	Information not available	.133401%	.1658860%	Information not available
Town's proportionate share of the net pension liability		\$1,042,465	\$ 1,112,385	
State's proportionate share of the net pension liability associated with the Town		324,997	341,068	
Total		<u>\$1,367,462</u>	<u>\$ 1,453,453</u>	
Town's covered payroll		\$119,424	\$ 119,423	
Town's proportionate share of the net pension liability as a percentage of its covered payroll		872.91%	931.15%	
Plan fiduciary net position as a percentage of the total pension liability		28.32%	31.91%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2017

PSPRS	Reporting Fiscal Year (Measurement Date)			2014 through 2008
	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability				Information not available
Service cost	\$ 994,058	\$ 891,324	\$ 876,619	
Interest on the total pension liability	2,005,255	1,844,654	1,551,602	
Changes of benefit terms	1,837,430	-	308,515	
Differences between expected and actual experience in the measurement of the pension liability	536,692	333,269	148,583	
Changes of assumptions or other inputs	1,226,081	-	1,933,583	
Benefit payments, including refunds of employee contributions	(1,174,525)	(974,950)	(1,211,258)	
Net change in total pension liability	5,424,991	2,094,297	3,607,644	
Total pension liability—beginning	25,634,888	23,540,591	19,932,947	
Total pension liability—ending (a)	<u>\$31,059,879</u>	<u>\$25,634,888</u>	<u>\$ 23,540,591</u>	
Plan fiduciary net position				
Contributions—employer	\$1,323,677	\$1,006,859	\$ 797,871	
Contributions—employee	672,181	579,390	578,596	
Net investment income	95,438	533,938	1,698,902	
Benefit payments, including refunds of employee contributions	(1,174,525)	(974,950)	(1,211,258)	
Pension plan administrative expense	(14,134)	(13,410)	-	
Other changes	223,597	46,032	(543,969)	
Net change in plan fiduciary net position	1,126,234	1,177,859	1,320,142	
Plan fiduciary net position—beginning	15,408,969	14,231,110	12,910,968	
Plan fiduciary net position—ending (b)	<u>\$16,535,203</u>	<u>\$15,408,969</u>	<u>\$ 14,231,110</u>	
Town's net pension liability (asset)—ending (a) – (b)	<u>\$14,524,676</u>	<u>\$10,225,919</u>	<u>\$ 9,309,481</u>	
Plan fiduciary net position as a percentage of the total pension liability	53.24%	60.11%	60.45%	
Covered payroll	\$5,182,784	\$4,900,569	\$ 4,638,415	
Town's net pension liability (asset) as a percentage of covered payroll	280.25%	208.67%	200.70%	

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, 2017

CORP – Dispatchers	Reporting Fiscal Year (Measurement Date)			2014 through 2008
	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability				Information not available
Service cost	\$ 57,866	\$ 64,307	\$ 63,474	
Interest on the total pension liability	113,075	105,144	94,360	
Changes of benefit terms	15,002	-	-	
Differences between expected and actual experience in the measurement of the pension liability	(25,358)	(18,303)	(16,512)	
Changes of assumptions or other inputs	(136)	-	18,699	
Benefit payments, including refunds of employee contributions	(47,673)	(46,131)	-	
Net change in total pension liability	112,776	105,017	160,021	
Total pension liability—beginning	1,435,344	1,330,327	1,170,306	
Total pension liability—ending (a)	\$ 1,548,120	<u>\$ 1,435,344</u>	<u>\$ 1,330,327</u>	
Plan fiduciary net position				
Contributions—employer	\$ 48,648	\$ 49,045	\$ 48,667	
Contributions—employee	32,623	35,981	36,306	
Net investment income	6,034	34,230	102,910	
Benefit payments, including refunds of employee contributions	(47,673)	(46,131)	-	
Pension plan administrative expense	(1,253)	(1,233)	-	
Other changes	(5)	(635)	(24,446)	
Net change in plan fiduciary net position	38,374	71,257	163,437	
Plan fiduciary net position—beginning	977,446	906,189	742,752	
Plan fiduciary net position—ending (b)	\$ 1,015,820	<u>\$ 977,446</u>	<u>\$ 906,189</u>	
Town's net pension liability (asset)— ending (a) – (b)	\$ 532,300	<u>\$ 457,898</u>	<u>\$ 424,138</u>	
Plan fiduciary net position as a percentage of the total pension liability	65.62%	68.10%	68.12%	
Covered payroll	\$ 397,428	\$ 430,892	\$ 456,107	
Town's net pension liability (asset) as a percentage of covered payroll	133.94%	106.27%	92.99%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2017**

**Arizona State
Retirement
System**

Reporting Fiscal Year

	2017	2016	2015	2014	2013
Statutorily required contribution	\$1,496,440	\$1,426,879	\$ 1,367,122	\$ 1,253,464	\$1,172,006
Town's contributions in relation to the statutorily required contribution	1,496,440	1,426,879	1,367,122	1,253,464	1,172,006
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$13,881,636	\$13,150,962	\$12,565,464	\$11,714,615	\$11,434,201
Town's contributions as a percentage of covered payroll	10.78%	10.85%	10.88%	10.70%	10.25%
	2012	2011	2010	2009	2008
Statutorily required contribution	\$1,095,471	\$934,621	\$929,807	\$961,911	Information not available
Town's contributions in relation to the statutorily required contribution	1,095,471	934,621	929,807	961,911	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
Town's covered payroll	\$11,098,998	\$10,373,156	\$11,148,776	\$12,038,936	
Town's contributions as a percentage of covered payroll	9.87%	9.00%	8.34%	7.99%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2017**

Elected Officials Retirement Plan	Reporting Fiscal Year				
	2017	2016	2015	2014	2013
Statutorily required contribution	\$28,065	\$28,065	\$28,065	\$38,431	\$43,518
Town's contributions in relation to the statutorily required contribution	28,065	28,065	28,065	38,431	43,518
Town's contribution deficiency (excess)	\$-	\$-	\$-	\$-	\$-
Town's covered payroll	\$119,423	\$119,423	\$119,424	\$119,423	\$119,423
Town's contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	32.18%	36.44%
	2012	2011	2010	2009 through 2008	
Statutorily required contribution	\$40,861	\$34,226	\$29,793	Information not available	
Town's contributions in relation to the statutorily required contribution	40,861	34,226	29,793		
Town's contribution deficiency (excess)	\$-	\$-	\$-		
Town's covered payroll	\$123,858	\$114,891	\$113,497		
Town's contributions as a percentage of covered payroll	32.99%	29.79%	26.25%		

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2017**

PSPRS	Reporting Fiscal Year				
	2017	2016	2015	2014	2013
Actuarially determined contribution	\$1,323,677	\$1,006,859	\$ 797,871	\$ 831,677	\$778,039
Town's contributions in relation to the actuarially determined contribution	1,323,677	1,006,859	797,871	831,677	778,039
Town's contribution deficiency (excess)	\$-	\$-	\$ -	\$ -	\$ -
Town's covered payroll	\$5,182,784	\$4,900,569	\$4,638,418	\$4,498,048	\$4,512,699
Town's contributions as a percentage of covered payroll	25.54%	20.55%	17.20%	18.49%	17.24%
	2012	2011	2010	2009 through 2008	
Actuarially determined contribution	\$644,505	\$554,133	\$457,749	Information not available	
Town's contributions in relation to the actuarially determined contribution	644,505	554,133	457,749		
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -		
Town's covered payroll	\$4,254,314	\$4,345,965	\$4,625,605		
Town's contributions as a percentage of covered payroll	15.15%	12.75%	9.90%		

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2017**

CORP - Dispatchers	Reporting Fiscal Year				
	2017	2016	2015	2014	2013
Actuarially determined contribution	\$48,648	\$49,045	\$ 48,667	\$ 32,506	\$ 25,550
Town's contributions in relation to the actuarially determined contribution	48,648	49,045	48,667	32,506	25,550
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 397,428	\$ 430,892	\$ 456,106	\$ 443,980	\$ 530,695
Town's contributions as a percentage of covered payroll	12.24%	11.38%	10.67%	7.32%	4.25%
	2012	2011	2010	2009 through 2008	
Actuarially determined contribution	\$ 24,843	\$ 22,805	\$ 28,540	Information not available	
Town's contributions in relation to the actuarially determined contribution	24,843	22,805	28,540		
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -		
Town's covered payroll	\$ 536,843	\$ 593,407	\$ 603,377		
Town's contributions as a percentage of covered payroll	4.63%	3.84%	4.73%		

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
JUNE 30, 2017**

Note 1 - Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2015 actuarial valuation	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market 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 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2 – Factors that affect trends

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 PSPRS and CORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases. These changes are included in the PSPRS' and CORP's changes in total pension liability for fiscal year 2015 (measurement date 2014) in the schedule of changes in the County's net pension liability and related ratios. These changes also increased the PSPRS and CORP required contributions beginning in fiscal 2016 in the schedule of town pension contributions year.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
JUNE 30, 2017**

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						
6/30/16	\$ 768,883	\$ 739,259	\$ (29,624)	104.0%	\$ 5,182,784	0.57%
6/30/15	\$ 724,917	\$ 607,586	\$ (117,331)	119.31%	\$ 4,900,569	2.39%
6/30/14	645,386	651,207	5,821	99.11%	4,638,418	0.13%
CORP Dispatchers						
6/30/16	\$ 39,112	\$ 51,144	\$ 12,032	76.5%	\$ 397,428	3.03%
6/30/15	\$ 35,178	\$ 47,755	\$ 12,577	73.66%	\$ 430,892	2.92%
6/30/14	30,453	44,111	13,658	69.04%	456,104	2.99%

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, 2017**

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.



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



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



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TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - TANGERINE FARMS
IMPROVEMENT DISTRICT DEBT SERVICE
YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		Actual	Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 2,111,776	\$ 2,111,776	\$ 2,340,225	\$ 228,449
Total revenues	<u>2,111,776</u>	<u>2,111,776</u>	<u>2,340,225</u>	<u>228,449</u>
Expenditures:				
Debt service -				
Principal retirement	1,374,000	1,374,000	1,458,000	(84,000)
Interest and fiscal charges	737,776	737,776	731,949	5,827
Bond issuance costs	-	-	230,107	(230,107)
Total expenditures	<u>2,111,776</u>	<u>2,111,776</u>	<u>2,420,056</u>	<u>(308,280)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(79,831)</u>	<u>(79,831)</u>
Other financing sources (uses):				
Face value of bonds issued	-	-	14,245,132	(14,245,132)
Refunded bond escrow payment	-	-	(14,801,787)	14,801,787
Capitalized interest	-	-	177,785	(177,785)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(378,870)</u>	<u>378,870</u>
Changes in fund balances	<u>-</u>	<u>-</u>	<u>(458,701)</u>	<u>(458,701)</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>475,980</u>	<u>475,980</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,279</u>	<u>\$ 17,279</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PAG CAPITAL
YEAR ENDED JUNE 30, 2017

	<u>PAG Capital</u>			Variance - Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$40,382,226	\$ 40,382,226	\$ 22,963,147	\$(17,419,079)
Miscellaneous	-	-	-	-
Total revenues	<u>40,382,226</u>	<u>40,382,226</u>	<u>22,963,147</u>	<u>(17,419,079)</u>
Expenditures:				
Capital outlay	<u>40,382,227</u>	<u>40,382,227</u>	<u>24,511,580</u>	<u>15,870,647</u>
Total expenditures	<u>40,382,227</u>	<u>40,382,227</u>	<u>24,511,580</u>	<u>15,870,647</u>
 Excess (deficiency) of revenues over expenditures	 <u>(1)</u>	 <u>(1)</u>	 <u>(1,548,433)</u>	 <u>(1,548,432)</u>
 Fund balance (deficit), beginning of year	 <u>-</u>	 <u>-</u>	 <u>(359,783)</u>	 <u>(359,783)</u>
 Fund balance (deficit), end of year	 <u>(1)</u>	 <u>(1)</u>	 <u>(1,908,216)</u>	 <u>(1,908,215)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION CAPITAL
YEAR ENDED JUNE 30, 2017

	Transportation Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales taxes	\$ 5,933,250	\$ 5,933,250	\$ 5,667,969	\$ (265,281)
Investment income	-	-	81,273	81,273
Total revenues	<u>5,933,250</u>	<u>5,933,250</u>	<u>5,749,242</u>	<u>(184,008)</u>
Expenditures:				
Current -				
General government	-	-	854,790	(854,790)
Highways and streets	169,186	169,186	117,296	51,890
Capital outlay	<u>14,857,522</u>	<u>14,857,522</u>	<u>1,406,030</u>	<u>13,451,492</u>
Total expenditures	<u>15,026,708</u>	<u>15,026,708</u>	<u>2,378,116</u>	<u>12,648,592</u>
Excess (deficiency) of revenues over expenditures	<u>(9,093,458)</u>	<u>(9,093,458)</u>	<u>3,371,126</u>	<u>12,464,584</u>
Other financing sources (uses):				
Transfers out	<u>(862,294)</u>	<u>(862,294)</u>	<u>(437,399)</u>	<u>424,895</u>
Total other financing sources (uses)	<u>(862,294)</u>	<u>(862,294)</u>	<u>(437,399)</u>	<u>424,895</u>
Changes in fund balances	<u>(9,955,752)</u>	<u>(9,955,752)</u>	<u>2,933,727</u>	<u>12,889,479</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>9,895,125</u>	<u>9,895,125</u>
Fund balances (deficits), June 30, 2017	<u><u>\$(9,955,752)</u></u>	<u><u>\$(9,955,752)</u></u>	<u><u>\$12,828,852</u></u>	<u><u>\$22,784,604</u></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, 2017

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,919,913	\$ 26,175,082	\$ 4,182,336	\$ 34,277,331
Taxes receivable	-	206	1,718	1,924
Accounts receivable	1,436	-	-	1,436
Interest receivable	-	7,232	98	7,330
Development agreement receivable	-	51,931	-	51,931
Due from governments	295,780	1,475,649	-	1,771,429
Prepaid items	-	1,332	-	1,332
Restricted cash and investments	-	1,021,535	-	1,021,535
Total assets	<u>\$ 4,217,129</u>	<u>\$ 28,732,967</u>	<u>\$ 4,184,152</u>	<u>\$ 37,134,248</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 31,161	\$ 944,029	\$ 2,000	\$ 977,190
Accrued payroll and employee benefits	21,792	-	-	21,792
Due to other funds	12,329	-	-	12,329
Deposits held for others	-	75,758	-	75,758
Unearned revenue	11,616	-	-	11,616
Total liabilities	<u>76,898</u>	<u>1,019,787</u>	<u>2,000</u>	<u>1,098,685</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	92,965	188,415	-	281,380
Total deferred inflows of resources	<u>92,965</u>	<u>188,415</u>	<u>-</u>	<u>281,380</u>
<u>FUND BALANCES (DEFICITS)</u>				
Fund balances:				
Nonspendable	-	1,332	-	1,332
Restricted	4,047,266	27,523,433	4,182,152	35,752,851
Unassigned	-	-	-	-
Total fund balances	<u>4,047,266</u>	<u>27,524,765</u>	<u>4,182,152</u>	<u>35,754,183</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,217,129</u>	<u>\$ 28,732,967</u>	<u>\$ 4,184,152</u>	<u>\$ 37,134,248</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, 2017

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Revenues:				
Sales tax	\$ 1,178,535	\$ 5,365,470	\$ -	\$ 6,544,005
Property tax	-	68,450	452,489	520,939
Intergovernmental	883,435	5,555,737	-	6,439,172
Licenses, fees & permits	-	2,230,181	-	2,230,181
Fines, forfeitures & penalties	153,085	-	-	153,085
Contributions	-	139,989	9,412	149,401
Investment income	10,423	56,955	1,068	68,446
Miscellaneous	4,688	-	-	4,688
Total revenues	<u>2,230,166</u>	<u>13,416,782</u>	<u>462,969</u>	<u>16,109,917</u>
Expenditures:				
Current -				
General government	676,879	17,944	-	694,823
Public safety	901,510	-	-	901,510
Highways and streets	-	113,923	-	113,923
Economic and community development	398,883	-	-	398,883
Culture and recreation	-	325,561	-	325,561
Capital outlay	-	7,730,336	-	7,730,336
Debt service -				
Principal retirement	-	-	3,625,000	3,625,000
Interest and fiscal charges	-	-	3,150,295	3,150,295
Bond issuance costs	-	47,823	745,324	793,147
Total expenditures	<u>1,977,272</u>	<u>8,235,587</u>	<u>7,520,619</u>	<u>17,733,478</u>
Excess (deficiency) of revenues over expenditures	<u>252,894</u>	<u>5,181,195</u>	<u>(7,057,650)</u>	<u>(1,623,561)</u>
Other financing sources (uses):				
Face value of bonds issued	-	400,000	27,420,000	27,820,000
Refunded bond escrow payment	-	-	(32,063,864)	(32,063,864)
Premium on bonds issued	-	-	4,089,196	4,089,196
Transfers in	-	416,682	7,209,340	7,626,022
Transfers out	(53,783)	(723,106)	(5,457,571)	(6,234,460)
Total other financing sources (uses)	<u>(53,783)</u>	<u>93,576</u>	<u>1,197,101</u>	<u>1,236,894</u>
Change in fund balances	<u>199,111</u>	<u>5,274,771</u>	<u>(5,860,549)</u>	<u>(386,667)</u>
Fund balances, beginning of year	<u>3,848,155</u>	<u>22,249,994</u>	<u>10,042,701</u>	<u>36,140,850</u>
Fund balances, end of year	<u>\$ 4,047,266</u>	<u>\$ 27,524,765</u>	<u>\$ 4,182,152</u>	<u>\$ 35,754,183</u>



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NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Community Development Block Grant	Affordable Housing	Bed Tax
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ 220,157	\$ 824,112
Accounts receivable	-	-	-
Due from governments	13,112	-	119,169
Prepaid	-	-	-
Total assets	<u>\$ 13,112</u>	<u>\$ 220,157</u>	<u>\$ 943,281</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 32	\$ -	\$ 16,894
Accrued payroll and employee benefits	86	-	1,730
Due to other funds	12,329	-	-
Unearned revenue	-	-	-
Total liabilities	<u>12,447</u>	<u>-</u>	<u>18,624</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	-	-	-
Restricted	665	220,157	924,657
Total fund balances	<u>665</u>	<u>220,157</u>	<u>924,657</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,112</u>	<u>\$ 220,157</u>	<u>\$ 943,281</u>

Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
\$ 143,696	\$ 84,937	\$ 891,718	\$ 1,755,293	\$ 3,919,913
-	1,436	-	-	1,436
-	-	-	163,499	295,780
-	-	-	-	-
<u>\$ 143,696</u>	<u>\$ 86,373</u>	<u>\$ 891,718</u>	<u>\$ 1,918,792</u>	<u>\$ 4,217,129</u>
\$ -	\$ -	\$ 5,433	\$ 8,802	\$ 31,161
-	-	946	19,030	21,792
-	-	-	-	12,329
-	-	-	11,616	11,616
-	-	6,379	39,448	76,898
-	-	-	92,965	92,965
-	-	-	92,965	92,965
-	-	-	-	-
143,696	86,373	885,339	1,786,379	4,047,266
<u>143,696</u>	<u>86,373</u>	<u>885,339</u>	<u>1,786,379</u>	<u>4,047,266</u>
<u>\$ 143,696</u>	<u>\$ 86,373</u>	<u>\$ 891,718</u>	<u>\$ 1,918,792</u>	<u>\$ 4,217,129</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Community Development Block Grant	Affordable Housing	Bed Tax	Judicial Collection Enhancement
Revenues:				
Sales taxes	\$ -	\$ -	\$ 1,178,535	\$ -
Intergovernmental	93,112	-	-	-
Fines, forfeitures & penalties	-	-	-	13,967
Investment income	-	-	-	-
Miscellaneous	-	2,218	-	-
Total revenues	<u>93,112</u>	<u>2,218</u>	<u>1,178,535</u>	<u>13,967</u>
Expenditures:				
Current -				
General government	-	-	615,932	6,013
Public safety	-	-	-	-
Economic and community development	92,447	-	246,436	-
Total expenditures	<u>92,447</u>	<u>-</u>	<u>862,368</u>	<u>6,013</u>
Excess (deficiency) of revenues over expenditures	<u>665</u>	<u>2,218</u>	<u>316,167</u>	<u>7,954</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(53,783)	-	-	-
Total other financing sources (uses)	<u>(53,783)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(53,118)</u>	<u>2,218</u>	<u>316,167</u>	<u>7,954</u>
Fund balances (deficits), beginning of year	<u>53,783</u>	<u>217,939</u>	<u>608,490</u>	<u>135,742</u>
Fund balances (deficits), end of year	<u>\$ 665</u>	<u>\$ 220,157</u>	<u>\$ 924,657</u>	<u>\$ 143,696</u>

<u>Fill-the-Gap</u>	<u>Local Technology</u>	<u>Other Special Revenue Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 1,178,535
-	-	790,323	883,435
4,666	89,602	44,850	153,085
-	-	10,423	10,423
-	-	2,470	4,688
<u>4,666</u>	<u>89,602</u>	<u>848,066</u>	<u>2,230,166</u>
-	48,913	6,021	676,879
-	-	901,510	901,510
-	-	60,000	398,883
<u>-</u>	<u>48,913</u>	<u>967,531</u>	<u>1,977,272</u>
<u>4,666</u>	<u>40,689</u>	<u>(119,465)</u>	<u>252,894</u>
-	-	-	-
-	-	-	(53,783)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,783)</u>
<u>4,666</u>	<u>40,689</u>	<u>(119,465)</u>	<u>199,111</u>
<u>81,707</u>	<u>844,650</u>	<u>1,905,844</u>	<u>3,848,155</u>
<u>\$ 86,373</u>	<u>\$ 885,339</u>	<u>\$ 1,786,379</u>	<u>\$ 4,047,266</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, 2017

	Community Development Block Grant Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 261,700	\$ 261,700	\$ 93,112	\$ (168,588)
Total revenues	<u>261,700</u>	<u>261,700</u>	<u>93,112</u>	<u>(168,588)</u>
Expenditures:				
Current -				
Economic and community development	261,700	261,700	92,447	169,253
Total expenditures	<u>261,700</u>	<u>261,700</u>	<u>92,447</u>	<u>169,253</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>665</u>	<u>665</u>
Other financing sources:				
Transfer out	-	-	(53,783)	(53,783)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(53,783)</u>	<u>(53,783)</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>(53,118)</u>	<u>(53,118)</u>
Fund balance, July 1, 2016	<u>-</u>	<u>-</u>	<u>53,783</u>	<u>53,783</u>
Fund balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665</u>	<u>\$ 54,448</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, 2017

	Affordable Housing Revolving Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 2,218	\$ (7,782)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>2,218</u>	<u>(7,782)</u>
Expenditures:				
Current -				
Economic and community development	215,720	215,720	-	215,720
Total expenditures	<u>215,720</u>	<u>215,720</u>	<u>-</u>	<u>215,720</u>
Excess (deficiency) of revenues over expenditures	<u>(205,720)</u>	<u>(205,720)</u>	<u>2,218</u>	<u>207,938</u>
Fund balance, July 1, 2016	<u>-</u>	<u>-</u>	<u>217,939</u>	<u>217,939</u>
Fund balance (deficits), June 30, 2017	<u>\$ (205,720)</u>	<u>\$ (205,720)</u>	<u>\$ 220,157</u>	<u>\$ 425,877</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, 2017

	Bed Tax Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales taxes	\$ 937,884	\$ 937,884	\$ 1,178,535	\$ 240,651
Total revenues	<u>937,884</u>	<u>937,884</u>	<u>1,178,535</u>	<u>240,651</u>
Expenditures:				
Current -				
General government	680,030	680,030	615,932	64,098
Economic and community development	260,619	260,619	246,436	14,183
Total expenditures	<u>940,649</u>	<u>940,649</u>	<u>862,368</u>	<u>78,281</u>
Excess (deficiency) of revenues over expenditures	<u>(2,765)</u>	<u>(2,765)</u>	<u>316,167</u>	<u>318,932</u>
Fund balance, July 1, 2016	<u>-</u>	<u>-</u>	<u>608,490</u>	<u>608,490</u>
Fund balance (deficits), June 30, 2017	<u>\$ (2,765)</u>	<u>\$ (2,765)</u>	<u>\$ 924,657</u>	<u>\$ 927,422</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, 2017

	Judicial Collection Enhancement Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 15,000	\$ 15,000	\$ 13,967	\$ (1,033)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>13,967</u>	<u>(1,033)</u>
Expenditures:				
Current -				
General government	82,000	82,000	6,013	75,987
Total expenditures	<u>82,000</u>	<u>82,000</u>	<u>6,013</u>	<u>75,987</u>
Excess (deficiency) of revenues over expenditures	<u>(67,000)</u>	<u>(67,000)</u>	<u>7,954</u>	<u>74,954</u>
Fund balance, July 1, 2016	<u>-</u>	<u>-</u>	<u>135,742</u>	<u>135,742</u>
Fund balance (deficits), June 30, 2017	<u>\$ (67,000)</u>	<u>\$ (67,000)</u>	<u>\$ 143,696</u>	<u>\$ 210,696</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, 2017

	Fill-the-Gap			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 6,000	\$ 6,000	\$ 4,666	\$ (1,334)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>4,666</u>	<u>(1,334)</u>
Expenditures:				
Current -				
General government	34,500	34,500	-	34,500
Total expenditures	<u>34,500</u>	<u>34,500</u>	<u>-</u>	<u>34,500</u>
Excess (deficiency) of revenues over expenditures	<u>(28,500)</u>	<u>(28,500)</u>	<u>4,666</u>	<u>33,166</u>
Fund balance, July 1, 2016	<u>-</u>	<u>-</u>	<u>81,707</u>	<u>81,707</u>
Fund balance (deficits), June 30, 2017	<u>\$ (28,500)</u>	<u>\$ (28,500)</u>	<u>\$ 86,373</u>	<u>\$ 114,873</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, 2017

	Local Technology Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, forfeitures & penalties	\$ 140,000	\$ 140,000	\$ 89,602	\$ (50,398)
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>89,602</u>	<u>(50,398)</u>
Expenditures:				
Current -				
General government	283,256	283,256	48,913	234,343
Total expenditures	<u>283,256</u>	<u>283,256</u>	<u>48,913</u>	<u>234,343</u>
 Change in fund balance	 <u>(143,256)</u>	 <u>(143,256)</u>	 <u>40,689</u>	 <u>183,945</u>
Fund balance, July 1, 2016	<u>-</u>	<u>-</u>	<u>844,650</u>	<u>844,650</u>
Fund balance (deficits), June 30, 2017	<u><u>\$ (143,256)</u></u>	<u><u>\$ (143,256)</u></u>	<u><u>\$ 885,339</u></u>	<u><u>\$ 1,028,595</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, 2017

	Other Special Revenue Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 1,253,704	\$ 1,253,704	\$ 790,323	\$ (463,381)
Fines, forfeitures & penalties	50,000	50,000	44,850	(5,150)
Contributions	789	789	-	(789)
Investment income	1,615	1,615	10,423	8,808
Miscellaneous	10,000	10,000	2,470	(7,530)
Total revenues	<u>1,316,108</u>	<u>1,316,108</u>	<u>848,066</u>	<u>(468,042)</u>
Expenditures:				
Current -				
General government	680,789	678,789	6,021	672,768
Public safety	1,638,126	1,640,126	901,510	738,616
Economic and community development	-	-	60,000	(60,000)
Total expenditures	<u>2,318,915</u>	<u>2,318,915</u>	<u>967,531</u>	<u>1,351,384</u>
Excess (deficiency) of revenues over expenditures	<u>(1,002,807)</u>	<u>(1,002,807)</u>	<u>(119,465)</u>	<u>883,342</u>
Other financing sources:				
Transfer in	100,000	100,000	-	(100,000)
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Change in fund balance	<u>(902,807)</u>	<u>(902,807)</u>	<u>(119,465)</u>	<u>783,342</u>
Fund balance, July 1, 2016	<u>-</u>	<u>-</u>	<u>1,905,844</u>	<u>1,905,844</u>
Fund balance (deficits), June 30, 2017	<u>\$ (902,807)</u>	<u>\$ (902,807)</u>	<u>\$ 1,786,379</u>	<u>\$ 2,689,186</u>

NON-MAJOR CAPITAL PROJECTS FUND

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

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

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

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

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

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, 2017

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,334,610	\$ 2,904,896	\$ 3,453,954	\$ 4,306,664
Taxes receivable	-	-	-	-
Interest receivable	-	-	1,788	-
Development agreement receivable	-	-	-	-
Due from governments	-	-	-	-
Prepaid items	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 1,334,610</u>	<u>\$ 2,904,896</u>	<u>\$ 3,455,742</u>	<u>\$ 4,306,664</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 4,498	\$ 4,022	\$ 1,191	\$ 348,339
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits held for others	-	-	-	-
Total liabilities	<u>4,498</u>	<u>4,022</u>	<u>1,191</u>	<u>348,339</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>				
Nonspendable	-	-	-	-
Restricted	1,330,112	2,900,874	3,454,551	3,958,325
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>1,330,112</u>	<u>2,900,874</u>	<u>3,454,551</u>	<u>3,958,325</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,334,610</u>	<u>\$ 2,904,896</u>	<u>\$ 3,455,742</u>	<u>\$ 4,306,664</u>

<u>Pima County Bond Capital</u>	<u>Sales Tax Capital</u>	<u>Downtown Reinvestment</u>	<u>Other Capital Projects</u>	<u>Gladden Farms Capital</u>	<u>Vanderbilt Farms Capital</u>
\$ -	\$ 7,809,818	\$ 577,365	\$ 5,104,310	\$ 548,029	\$ 54,563
-	-	-	-	206	-
-	5,074	-	370	-	-
-	-	-	51,931	-	-
-	653,153	29,531	792,965	-	-
-	-	-	1,332	-	-
-	-	-	1,021,535	-	-
<u>\$ -</u>	<u>\$ 8,468,045</u>	<u>\$ 606,896</u>	<u>\$ 6,972,443</u>	<u>\$ 548,235</u>	<u>\$ 54,563</u>
\$ -	\$ 57,294	\$ -	\$ 528,685	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	72,373	-	-
<u>-</u>	<u>57,294</u>	<u>-</u>	<u>601,058</u>	<u>-</u>	<u>-</u>
-	-	-	188,415	-	-
-	-	-	188,415	-	-
-	-	-	1,332	-	-
-	8,410,751	606,896	6,181,638	548,235	54,563
-	-	-	-	-	-
<u>-</u>	<u>8,410,751</u>	<u>606,896</u>	<u>6,182,970</u>	<u>548,235</u>	<u>54,563</u>
<u>\$ -</u>	<u>\$ 8,468,045</u>	<u>\$ 606,896</u>	<u>\$ 6,972,443</u>	<u>\$ 548,235</u>	<u>\$ 54,563</u>

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS (Concl'd)
YEAR ENDED JUNE 30, 2017

Saguaro Springs Capital	Totals
\$ 80,873	\$ 26,175,082
-	206
-	7,232
-	51,931
-	1,475,649
-	1,332
-	1,021,535
<u>\$ 80,873</u>	<u>\$ 28,732,967</u>
\$ -	\$ 944,029
-	-
-	-
-	-
3,385	75,758
<u>3,385</u>	<u>1,019,787</u>
-	\$ 188,415
-	188,415
-	\$ 1,332
77,488	27,523,433
-	-
<u>77,488</u>	<u>27,524,765</u>
<u>\$ 80,873</u>	<u>\$ 28,732,967</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, 2017

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
Revenues:				
Sales tax	\$ -	\$ -	\$ -	\$ -
Property tax	-	-	-	-
Intergovernmental	-	-	-	-
Licenses, fees & permits	-	364,842	776,159	888,392
Contributions	-	-	-	-
Investment income	7,461	14,040	2,848	19,759
Miscellaneous revenue	-	-	-	-
Total revenues	<u>7,461</u>	<u>378,882</u>	<u>779,007</u>	<u>908,151</u>
Expenditures:				
Current -				
General government	-	-	-	-
Highways and streets	11,432	84,218	11,431	-
Economic and community development	-	-	-	-
Culture and recreation	-	-	-	325,561
Capital outlay	174,921	3,018	745	857,873
Debt service				
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>186,353</u>	<u>87,236</u>	<u>12,176</u>	<u>1,183,434</u>
Excess (deficiency) of revenues over expenditures	<u>(178,892)</u>	<u>291,646</u>	<u>766,831</u>	<u>(275,283)</u>
Other financing sources (uses):				
Face value of bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(301,803)	(311,384)	(13,099)
Total other financing sources (uses)	<u>-</u>	<u>(301,803)</u>	<u>(311,384)</u>	<u>(13,099)</u>
Change in fund balances	<u>(178,892)</u>	<u>(10,157)</u>	<u>455,447</u>	<u>(288,382)</u>
Fund balances (deficits), beginning of year	<u>1,509,004</u>	<u>2,911,031</u>	<u>2,999,104</u>	<u>4,246,707</u>
Fund balances (deficits), end of year	<u>\$ 1,330,112</u>	<u>\$ 2,900,874</u>	<u>\$ 3,454,551</u>	<u>\$ 3,958,325</u>

<u>Pima County Bond Capital</u>	<u>Sales Tax Capital</u>	<u>Downtown Reinvestment</u>	<u>Other Capital Projects</u>	<u>Gladden Farms Capital</u>	<u>Vanderbilt Farms Capital</u>
\$ -	\$ 5,142,996	\$ 222,474	\$ -	\$ -	\$ -
-	-	-	-	54,472	1,858
-	-	-	5,555,737	-	-
-	-	-	200,788	-	-
-	-	-	139,989	-	-
-	5,626	-	7,167	50	4
-	-	-	-	-	-
<u>-</u>	<u>5,148,622</u>	<u>222,474</u>	<u>5,903,681</u>	<u>54,522</u>	<u>1,862</u>
-	-	-	-	17,762	91
-	-	-	6,842	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,370,185	-	4,928,114	395,480	-
-	-	-	43,303	4,520	-
<u>-</u>	<u>1,370,185</u>	<u>-</u>	<u>4,978,259</u>	<u>417,762</u>	<u>91</u>
-	3,778,437	222,474	925,422	(363,240)	1,771
-	-	-	-	400,000	-
-	-	-	-	-	-
-	-	-	-	-	-
165,157	-	-	251,525	-	-
-	-	-	(2)	(96,818)	-
<u>165,157</u>	<u>-</u>	<u>-</u>	<u>251,523</u>	<u>303,182</u>	<u>-</u>
<u>165,157</u>	<u>3,778,437</u>	<u>222,474</u>	<u>1,176,945</u>	<u>(60,058)</u>	<u>1,771</u>
<u>(165,157)</u>	<u>4,632,314</u>	<u>384,422</u>	<u>5,006,025</u>	<u>608,293</u>	<u>52,792</u>
<u>\$ -</u>	<u>\$ 8,410,751</u>	<u>\$ 606,896</u>	<u>\$ 6,182,970</u>	<u>\$ 548,235</u>	<u>\$ 54,563</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, 2017

Saguaro Springs Capital	Totals
\$ -	\$ 5,365,470
12,120	68,450
-	5,555,737
-	2,230,181
-	139,989
-	56,955
-	-
<u>12,120</u>	<u>13,416,782</u>
91	17,944
-	113,923
-	-
-	325,561
-	7,730,336
-	47,823
<u>91</u>	<u>8,235,587</u>
<u>12,029</u>	<u>5,181,195</u>
-	400,000
-	-
-	-
-	416,682
-	(723,106)
<u>-</u>	<u>93,576</u>
<u>12,029</u>	<u>5,274,771</u>
<u>65,459</u>	<u>22,249,994</u>
<u>\$ 77,488</u>	<u>\$ 27,524,765</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, 2017

	Northwest Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 38,500	\$ 38,500	\$ -	\$ (38,500)
Investment income	-	-	7,461	7,461
Total revenues	<u>38,500</u>	<u>38,500</u>	<u>7,461</u>	<u>(31,039)</u>
Expenditures:				
Current -				
Highways and streets	-	111,131	11,432	99,699
Capital outlay	1,353,399	1,242,268	174,921	1,067,347
Total expenditures	<u>1,353,399</u>	<u>1,353,399</u>	<u>186,353</u>	<u>1,167,046</u>
Excess (deficiency) of revenues over expenditures	<u>(1,314,899)</u>	<u>(1,314,899)</u>	<u>(178,892)</u>	<u>1,136,007</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(1,314,899)</u>	<u>(1,314,899)</u>	<u>(178,892)</u>	<u>1,136,007</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>1,509,004</u>	<u>1,509,004</u>
Fund balances (deficits), June 30, 2017	<u>\$ (1,314,899)</u>	<u>\$ (1,314,899)</u>	<u>\$ 1,330,112</u>	<u>\$ 2,645,011</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, 2017

	Northeast Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 297,820	\$ 297,820	\$ 364,842	\$ 67,022
Investment income	-	-	14,040	14,040
Total revenues	<u>297,820</u>	<u>297,820</u>	<u>378,882</u>	<u>81,062</u>
Expenditures:				
Current -				
Highways and streets	-	-	84,218	(84,218)
Capital outlay	3,642,682	3,642,682	3,018	3,639,664
Total expenditures	<u>3,642,682</u>	<u>3,642,682</u>	<u>87,236</u>	<u>3,555,446</u>
Excess (deficiency) of revenues over expenditures	<u>(3,344,862)</u>	<u>(3,344,862)</u>	<u>291,646</u>	<u>3,636,508</u>
Other financing sources (uses):				
Transfers out	(603,606)	(603,606)	(301,803)	301,803
Total other financing sources (uses)	<u>(603,606)</u>	<u>(603,606)</u>	<u>(301,803)</u>	<u>301,803</u>
Change in fund balances	<u>(3,948,468)</u>	<u>(3,948,468)</u>	<u>(10,157)</u>	<u>3,938,311</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>2,911,031</u>	<u>2,911,031</u>
Fund balances (deficits), June 30, 2017	<u>\$ (3,948,468)</u>	<u>\$ (3,948,468)</u>	<u>\$ 2,900,874</u>	<u>\$ 6,849,342</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, 2017

	South Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 599,445	\$ 599,445	\$ 776,159	\$ 176,714
Investment income	-	-	2,848	2,848
Total revenues	<u>599,445</u>	<u>599,445</u>	<u>779,007</u>	<u>179,562</u>
Expenditures:				
Current -				
Highways and streets	-	-	11,431	(11,431)
Capital outlay	-	-	745	(745)
Total expenditures	<u>-</u>	<u>-</u>	<u>12,176</u>	<u>(12,176)</u>
Excess (deficiency) of revenues over expenditures	<u>599,445</u>	<u>599,445</u>	<u>766,831</u>	<u>167,386</u>
Other financing sources (uses):				
Transfers out	(622,768)	(622,768)	(311,384)	311,384
Total other financing sources (uses)	<u>(622,768)</u>	<u>(622,768)</u>	<u>(311,384)</u>	<u>311,384</u>
Change in fund balances	<u>(23,323)</u>	<u>(23,323)</u>	<u>455,447</u>	<u>478,770</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>2,999,104</u>	<u>2,999,104</u>
Fund balances (deficits), June 30, 2017	<u>\$ (23,323)</u>	<u>\$ (23,323)</u>	<u>\$ 3,454,551</u>	<u>\$ 3,477,874</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, 2017

	Park Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 610,328	\$ 610,328	\$ 888,392	\$ 278,064
Investment income	-	-	19,759	19,759
Total revenues	<u>610,328</u>	<u>610,328</u>	<u>908,151</u>	<u>297,823</u>
Expenditures:				
Current -				
Culture and recreation	65,000	195,709	325,561	(129,852)
Capital outlay	4,322,053	4,191,344	857,873	3,333,471
Total expenditures	<u>4,387,053</u>	<u>4,387,053</u>	<u>1,183,434</u>	<u>3,203,619</u>
Excess (deficiency) of revenues over expenditures	<u>(3,776,725)</u>	<u>(3,776,725)</u>	<u>(275,283)</u>	<u>3,501,442</u>
Other financing sources:				
Transfers out	-	-	(13,099)	(13,099)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(13,099)</u>	<u>(13,099)</u>
Change in fund balances	<u>(3,776,725)</u>	<u>(3,776,725)</u>	<u>(288,382)</u>	<u>3,488,343</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>4,246,707</u>	<u>4,246,707</u>
Fund balances (deficits), June 30, 2017	<u>\$ (3,776,725)</u>	<u>\$ (3,776,725)</u>	<u>\$ 3,958,325</u>	<u>\$ 7,748,149</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, 2017

	Pima County Bond Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfers in	-	-	165,157	165,157
Total other financing sources	<u>-</u>	<u>-</u>	<u>165,157</u>	<u>165,157</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>165,157</u>	<u>165,157</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>(165,157)</u>	<u>(165,157)</u>
Fund balances (deficits), June 30, 2017	<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 CAPITAL PROJECTS FUNDS
SALES TAX CAPITAL
YEAR ENDED JUNE 30, 2017

	Sales Tax Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales tax	\$ 6,000,000	\$ 6,000,000	\$ 5,142,996	\$ (857,004)
Investment income	-	-	5,626	5,626
Total revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,148,622</u>	<u>(851,378)</u>
Expenditures:				
Capital outlay	7,092,271	7,092,271	1,370,185	5,722,086
Total expenditures	<u>7,092,271</u>	<u>7,092,271</u>	<u>1,370,185</u>	<u>5,722,086</u>
Excess (deficiency) of revenues over expenditures	<u>(1,092,271)</u>	<u>(1,092,271)</u>	<u>3,778,437</u>	<u>4,870,708</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>4,632,314</u>	<u>(4,632,314)</u>
Fund balances (deficits), June 30, 2017	<u>\$ (1,092,271)</u>	<u>\$ (1,092,271)</u>	<u>\$ 8,410,751</u>	<u>\$ 238,394</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, 2017

	Downtown Reinvestment			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales tax	\$ 180,165	\$ 180,165	222,474	\$ 42,309
Total revenues	<u>180,165</u>	<u>180,165</u>	<u>222,474</u>	<u>42,309</u>
Expenditures:				
Economic and community development	185,319	185,319	-	185,319
Total expenditures	<u>185,319</u>	<u>185,319</u>	<u>-</u>	<u>185,319</u>
Excess (deficiency) of revenues over expenditures	<u>(5,154)</u>	<u>(5,154)</u>	<u>222,474</u>	<u>227,628</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>384,422</u>	<u>(384,422)</u>
Fund balances (deficits), June 30, 2017	<u>\$ (5,154)</u>	<u>\$ (5,154)</u>	<u>\$ 606,896</u>	<u>\$ (156,794)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - OTHER CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2017

	Other Capital Projects			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 516,075	\$ 516,075	\$ 5,555,737	\$ 5,039,662
Licenses, fees & permits	-	-	200,788	200,788
Contributions	410,000	410,000	139,989	(270,011)
Investment income	-	-	7,167	7,167
Total revenues	<u>926,075</u>	<u>926,075</u>	<u>5,903,681</u>	<u>4,977,606</u>
Expenditures:				
Highways and streets	35,000	35,000	6,842	28,158
Capital outlay	3,073,238	3,073,238	4,928,114	(1,854,876)
Debt service - Bond issuance costs	-	-	43,303	(43,303)
Total expenditures	<u>3,108,238</u>	<u>3,108,238</u>	<u>4,978,259</u>	<u>(1,870,021)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,182,163)</u>	<u>(2,182,163)</u>	<u>925,422</u>	<u>3,107,585</u>
Other financing sources (uses):				
Transfers in	2,000,000	2,000,000	251,525	(1,748,475)
Transfers out	-	-	(2)	(2)
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>251,523</u>	<u>(1,748,477)</u>
Changes in fund balances	<u>(182,163)</u>	<u>(182,163)</u>	<u>1,176,945</u>	<u>1,359,108</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>5,006,025</u>	<u>5,006,025</u>
Fund balances (deficits), June 30, 2017	<u>\$ (182,163)</u>	<u>\$ (182,163)</u>	<u>\$ 6,182,970</u>	<u>\$ 6,365,133</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, 2017

	Gladden Farms Community Facilities District Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property tax	\$ 54,444	\$ 54,444	\$ 54,472	\$ 28
Investment income	-	-	50	50
Total revenues	<u>54,444</u>	<u>54,444</u>	<u>54,522</u>	<u>78</u>
Expenditures:				
Current -				
General government	531,485	531,485	17,762	513,723
Capital outlay	900,000	900,000	395,480	504,520
Debt service -				
Bond issuance costs	100,000	100,000	4,520	95,480
Total expenditures	<u>1,531,485</u>	<u>1,531,485</u>	<u>417,762</u>	<u>1,113,723</u>
Excess (deficiency) of revenues over expenditures	<u>(1,477,041)</u>	<u>(1,477,041)</u>	<u>(363,240)</u>	<u>1,113,801</u>
Other financing sources (uses):				
Bond proceeds	1,000,000	1,000,000	400,000	(600,000)
Transfers out	-	-	(96,818)	(96,818)
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>303,182</u>	<u>(696,818)</u>
Change in fund balances	<u>(477,041)</u>	<u>(477,041)</u>	<u>(60,058)</u>	<u>416,983</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>608,293</u>	<u>608,293</u>
Fund balances (deficits), June 30, 2017	<u>\$ (477,041)</u>	<u>\$ (477,041)</u>	<u>\$ 548,235</u>	<u>\$ 1,025,276</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, 2017

	Vanderbilt Farms Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 2,355	\$ 2,355	\$ 1,858	\$ (497)
Contributions	29,839	29,839	-	(29,839)
Investment income	-	-	4	4
Total revenues	<u>32,194</u>	<u>32,194</u>	<u>1,862</u>	<u>(30,332)</u>
Expenditures:				
Current -				
General government	32,194	32,194	91	32,103
Total expenditures	<u>32,194</u>	<u>32,194</u>	<u>91</u>	<u>32,103</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,771</u>	<u>1,771</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>52,792</u>	<u>52,792</u>
Fund balances (deficits), June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,563</u>	<u>\$ 54,563</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, 2017

	Saguaro Springs Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 12,150	\$ 12,150	\$ 12,120	\$ (30)
Contributions	384,086	384,086	-	(384,086)
Total revenues	<u>396,236</u>	<u>396,236</u>	<u>12,120</u>	<u>(384,116)</u>
Expenditures:				
Current -				
General government	442,000	442,000	91	441,909
Capital outlay	4,000,000	4,000,000	-	4,000,000
Debt service -				
Bond issuance costs	450,000	450,000	-	450,000
Total expenditures	<u>4,892,000</u>	<u>4,892,000</u>	<u>91</u>	<u>4,891,909</u>
Excess (deficiency) of revenues over expenditures	<u>(4,495,764)</u>	<u>(4,495,764)</u>	<u>12,029</u>	<u>4,507,793</u>
Other financing sources (uses):				
Bond proceeds	4,500,000	4,500,000	-	(4,500,000)
Total other financing sources (uses)	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>	<u>(4,500,000)</u>
Change in fund balances	<u>4,236</u>	<u>4,236</u>	<u>12,029</u>	<u>7,793</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>65,459</u>	<u>65,459</u>
Fund balances (deficits), June 30, 2017	<u>\$ 4,236</u>	<u>\$ 4,236</u>	<u>\$ 77,488</u>	<u>\$ 73,252</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.

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.

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

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

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2017

	<u>2008 Bond Debt Service</u>	<u>2013 Bond Debt Service</u>	<u>2014 Bond Debt Service</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ 2,339,362	\$ 463,440
Property taxes receivable	-	-	-
Interest receivable	-	98	-
Due from other governments	-	-	-
Prepaid items	-	-	-
Restricted cash and investments	-	-	-
Total assets	<u><u>\$ -</u></u>	<u><u>\$ 2,339,460</u></u>	<u><u>\$ 463,440</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 2,000	\$ -
Total liabilities	<u>-</u>	<u>2,000</u>	<u>-</u>
Fund balances:			
Reserved for:			
Prepaid items	-	-	-
Restricted	-	2,337,460	463,440
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>2,337,460</u>	<u>463,440</u>
 Total liabilities and fund balances	 <u><u>\$ -</u></u>	 <u><u>\$ 2,339,460</u></u>	 <u><u>\$ 463,440</u></u>

<u>2017 Bond Debt Service</u>	<u>Other Debt Service</u>	<u>Gladden Farms Debt Service</u>	<u>Totals</u>
\$ 949,108	\$ 45,514	\$ 384,912	\$ 4,182,336
-	-	1,718	1,718
-	-	-	98
-	-	-	-
-	-	-	-
<u>\$ 949,108</u>	<u>\$ 45,514</u>	<u>\$ 386,630</u>	<u>\$ 4,184,152</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
-	-	-	-
949,108	45,514	386,630	4,182,152
-	-	-	-
<u>949,108</u>	<u>45,514</u>	<u>386,630</u>	<u>4,182,152</u>
<u>\$ 949,108</u>	<u>\$ 45,514</u>	<u>\$ 386,630</u>	<u>\$ 4,184,152</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	2008 Bond Debt Service	2013 Bond Debt Service	2014 Bond Debt Service
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Property Taxes	\$ -	\$ -	\$ -
Contributions	-	-	-
Investment income	766	105	(237)
Total revenues	<u>766</u>	<u>105</u>	<u>(237)</u>
Expenditures:			
Debt service -			
Principal retirement	1,430,000	1,550,000	380,000
Interest and fiscal charges	1,207,788	1,481,725	153,725
Bond Issuance Costs	-	-	-
Total expenditures	<u>2,637,788</u>	<u>3,031,725</u>	<u>533,725</u>
 Excess (deficiency) of revenues over expenditures	 <u>(2,637,022)</u>	 <u>(3,031,620)</u>	 <u>(533,962)</u>
 Other financing sources (uses):			
Face value of bonds issued	-	-	-
Refunded bond escrow payment	-	-	-
Premium on bonds issued	-	-	-
Transfers in	1,252,891	3,063,718	538,867
Transfers out	<u>(5,457,571)</u>	<u>-</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(4,204,680)</u>	 <u>3,063,718</u>	 <u>538,867</u>
 Change in fund balances	 <u>(6,841,702)</u>	 <u>32,098</u>	 <u>4,905</u>
 Fund balances, beginning of year	 <u>6,841,702</u>	 <u>2,305,362</u>	 <u>458,535</u>
 Fund balances, end of year	 <u>\$ -</u>	 <u>\$ 2,337,460</u>	 <u>\$ 463,440</u>

2017 Bond Debt Service	Other Debt Service	Gladden Farms Debt Service	Totals
\$ -	\$ -	\$ 452,489	\$ 452,489
-	-	9,412	9,412
378	-	56	1,068
<u>378</u>	<u>-</u>	<u>461,957</u>	<u>462,969</u>
-	-	265,000	3,625,000
-	-	307,057	3,150,295
260,840	-	484,484	745,324
<u>260,840</u>	<u>-</u>	<u>1,056,541</u>	<u>7,520,619</u>
(260,462)	-	(594,584)	(7,057,650)
19,865,000	-	7,555,000	27,420,000
(24,128,715)	-	(7,935,149)	(32,063,864)
3,216,239	-	872,957	4,089,196
2,257,046	-	96,818	7,209,340
-	-	-	(5,457,571)
<u>1,209,570</u>	<u>-</u>	<u>589,626</u>	<u>1,197,101</u>
949,108	-	(4,958)	(5,860,549)
-	45,514	391,588	10,042,701
<u>\$ 949,108</u>	<u>\$ 45,514</u>	<u>\$ 386,630</u>	<u>\$ 4,182,152</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, 2017

	2008 Bond Debt Service			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	766	766
Total revenues	<u>-</u>	<u>-</u>	<u>766</u>	<u>766</u>
Expenditures:				
Debt service -				
Principal retirement	1,430,000	1,430,000	1,430,000	-
Interest and fiscal charges	1,207,788	1,207,788	1,207,788	-
Total expenditures	<u>2,637,788</u>	<u>2,637,788</u>	<u>2,637,788</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,637,788)</u>	<u>(2,637,788)</u>	<u>(2,637,022)</u>	<u>766</u>
Other financing sources:				
Face value of bonds issued	-	-	-	-
Refunded bond escrow payment	-	-	-	-
Transfers in	2,637,788	2,637,788	1,252,891	(1,384,897)
Transfers out	-	-	(5,457,571)	(5,457,571)
Total other financing sources	<u>2,637,788</u>	<u>2,637,788</u>	<u>(4,204,680)</u>	<u>(6,842,468)</u>
Change in fund balances	-	-	(6,841,702)	(6,841,702)
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>6,841,702</u>	<u>6,841,702</u>
Fund balances (deficits), June 30, 2017	<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 DEBT SERVICE FUNDS
2013 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2017

	2013 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	105	105
Total revenues	<u>-</u>	<u>-</u>	<u>105</u>	<u>105</u>
Expenditures:				
Debt service -				
Principal retirement	1,550,000	1,550,000	1,550,000	-
Interest and fiscal charges	1,481,725	1,481,725	1,481,725	-
Total expenditures	<u>3,031,725</u>	<u>3,031,725</u>	<u>3,031,725</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(3,031,725)</u>	<u>(3,031,725)</u>	<u>(3,031,620)</u>	<u>105</u>
Other financing sources (uses):				
Face value of bonds issued	-	-	-	-
Refunded bond escrow payment	-	-	-	-
Transfers in	3,031,725	3,031,725	3,063,718	(31,993)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,031,725</u>	<u>3,031,725</u>	<u>3,063,718</u>	<u>(31,993)</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>32,098</u>	<u>32,098</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>2,305,362</u>	<u>2,305,362</u>
Fund balances (deficits), June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,337,460</u>	<u>\$ 2,337,460</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, 2017

	2014 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	(237)	(237)
Total revenues	<u>-</u>	<u>-</u>	<u>(237)</u>	<u>(237)</u>
Expenditures:				
Debt service -				
Principal retirement	380,000	380,000	380,000	-
Interest and fiscal charges	151,725	151,725	153,725	(2,000)
Total expenditures	<u>531,725</u>	<u>531,725</u>	<u>533,725</u>	<u>(2,000)</u>
Excess (deficiency) of revenues over expenditures	<u>(531,725)</u>	<u>(531,725)</u>	<u>(533,962)</u>	<u>(2,237)</u>
Other financing sources (uses):				
Face value of bonds issued	-	-	-	-
Refunded bond escrow payment	-	-	-	-
Transfers in	531,725	531,725	538,867	(7,142)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>531,725</u>	<u>531,725</u>	<u>538,867</u>	<u>(7,142)</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>4,905</u>	<u>4,905</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>458,535</u>	<u>458,535</u>
Fund balances (deficits), June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,440</u>	<u>\$ 463,440</u>

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

	2017 Bond Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	378	378
Total revenues	<u>-</u>	<u>-</u>	<u>378</u>	<u>378</u>
Expenditures:				
Debt service -				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	260,840	(260,840)
Total expenditures	<u>-</u>	<u>-</u>	<u>260,840</u>	<u>(260,840)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(260,462)</u>	<u>(260,462)</u>
Other financing sources (uses):				
Face value of bonds issued	-	-	19,865,000	(19,865,000)
Refunded bond escrow payment	-	-	(24,128,715)	24,128,715
Premium on bonds issued	-	-	3,216,239	(3,216,239)
Transfers in	-	-	2,257,046	(2,257,046)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,209,570</u>	<u>(1,209,570)</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>949,108</u>	<u>949,108</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 949,108</u>	<u>\$ 949,108</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, 2017

	Gladden Farms Debt Service			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 452,269	\$ 452,269	\$ 452,489	\$ 220
Contributions	264,603	264,603	9,412	(255,191)
Investment income	-	-	56	56
Total revenues	<u>716,872</u>	<u>716,872</u>	<u>461,957</u>	<u>(254,915)</u>
Expenditures:				
Debt service -				
Principal retirement	265,000	265,000	265,000	-
Interest and fiscal charges	451,872	451,872	307,057	144,815
Bond issuance costs	-	-	484,484	(484,484)
Total expenditures	<u>716,872</u>	<u>716,872</u>	<u>1,056,541</u>	<u>(339,669)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(594,584)</u>	<u>(594,584)</u>
Other financing sources (uses):				
Face value of bonds issued	-	-	7,555,000	(7,555,000)
Refunded bond escrow payment	-	-	(7,935,149)	7,935,149
Premium on bonds issued	-	-	872,957	(872,957)
Transfers in	-	-	96,818	(96,818)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>589,626</u>	<u>(589,626)</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>(4,958)</u>	<u>(4,958)</u>
Fund balances (deficits), July 1, 2016	<u>-</u>	<u>-</u>	<u>391,588</u>	<u>391,588</u>
Fund balances (deficits), June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 386,630</u>	<u>\$ 386,630</u>

STATISTICAL INFORMATION



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**TOWN OF MARANA, ARIZONA
STATISTICAL SECTION
JUNE 30, 2017**

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	152
Changes in Net Position - Last Ten Fiscal Years	2	154
Governmental Activities Tax Revenues by Source - Last Ten Years	3	158
Fund Balances of Governmental Funds - Last Ten Fiscal Years	4	159
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	5	160
Revenue Capacity		
These schedules contain information to help users understand and assess the Town's local revenue source, the property tax.		
Assessed Value, Estimated Actual Value and Assessment Ratios of Taxable Property - Last Ten Years	6	162
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	7	163
Principal Property Taxpayers - Current Year and Nine Years Ago	8	164
Property Tax Levies and Collections - Last Ten Fiscal Years	9	165
Tangerine Farms Road Improvement District Active Assessments	10	166
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.		
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	11	174
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	12	175
Direct and Overlapping Governmental Activities Debt	13	176
Legal Debt Margin Information	14	177
Pledged-Revenue Coverage - Last Ten Fiscal Years	15	178
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.		
Demographic and Economic Statistics - Last Ten Fiscal Years	16	179
Principal Employers - Current Year and Nine Years Ago	17	180
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.		
Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years	18	181
Other Information		
These schedules present information to help users understand potential for growth and economic opportunities within the town.		
Sales Tax by Industry - Last Ten Years	19	182
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Single Family Residential Permits Issued - Last Ten Years	22	185
Capital Assets Statistics by Function	23	186

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

Schedule 1

	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 184,396	\$ 174,286	\$ 193,721	\$ 196,326
Restricted	25,465	45,727	25,459	28,136
Unrestricted	22,320	39,916	39,929	38,889
Total governmental activities net position	<u>232,181</u>	<u>259,929</u>	<u>259,109</u>	<u>263,351</u>
Business-type activities				
Net investment in capital assets	32,341	41,643	44,310	42,148
Restricted	1,297	-	-	73
Unrestricted	(1,242)	(4,714)	(5,813)	(2,683)
Total business-type activities net position	<u>32,396</u>	<u>36,929</u>	<u>38,497</u>	<u>39,538</u>
Primary government				
Net investment in capital assets	216,737	215,929	238,031	238,474
Restricted	26,762	45,727	25,459	28,209
Unrestricted	21,078	35,202	34,116	36,206
Total primary government net position	<u>\$ 264,577</u>	<u>\$ 296,858</u>	<u>\$ 297,606</u>	<u>\$ 302,889</u>

Source: Statement of Net Position

2012	2013	2014	2015 (as restated)	2016	2017
\$ 194,287	\$ 184,949	\$ 189,171	\$ 190,297	\$ 193,845	\$ 210,137
29,004	62,437	58,820	36,418	43,127	31,163
39,911	1,384	(283)	(4,283)	(6,492)	5,119
<u>263,202</u>	<u>248,770</u>	<u>247,708</u>	<u>222,432</u>	<u>230,480</u>	<u>246,419</u>
112,528	111,045	109,111	109,649	112,357	101,524
146	219	293	365	365	365
(17,519)	(2,677)	(208)	984	1,313	16,319
<u>95,155</u>	<u>108,587</u>	<u>109,196</u>	<u>110,998</u>	<u>114,035</u>	<u>118,208</u>
306,815	295,994	298,282	299,946	306,202	311,661
29,150	62,656	59,113	36,783	43,492	31,528
22,392	(1,293)	(491)	(3,299)	(5,179)	21,439
<u>\$ 358,357</u>	<u>\$ 357,357</u>	<u>\$ 356,904</u>	<u>\$ 333,430</u>	<u>\$ 344,515</u>	<u>\$ 364,628</u>

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

Schedule 2

	2008	2009	2010	2011
Expenses				
Governmental activities:				
General government	\$ 12,925	\$ 9,565	\$ 14,638	\$ 10,643
Development & planning services	-	1,304	-	-
Town Attorney *	-	917	-	-
Public safety	11,215	12,255	10,675	9,044
Magistrate court *	-	946	-	-
Highways and streets	10,269	6,734	14,986	15,425
Health & Welfare **	130	112	102	86
Culture & recreation	3,978	4,818	3,943	3,335
Economic & community development	8,643	12,751	4,835	4,596
Interest on long-term debt	2,500	2,530	865	5,173
Total governmental activities expenses	<u>49,660</u>	<u>51,932</u>	<u>50,044</u>	<u>48,302</u>
Business-type activities:				
Airport	1,196	2,546	3,803	3,392
Wastewater	N/A	N/A	N/A	N/A
Water	3,276	1,178	1,136	1,273
Total business-type activities expenses	<u>4,472</u>	<u>3,724</u>	<u>4,939</u>	<u>4,665</u>
Total primary government expenses	<u>\$ 54,132</u>	<u>\$ 55,656</u>	<u>\$ 54,983</u>	<u>\$ 52,967</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 899	\$ 918	\$ 939	\$ 830
Culture and recreation	200	315	211	140
Economic & community development	2,380	1,740	1,974	2,256
Operating grants and contributions	4,700	3,537	4,221	3,555
Capital grants and contributions	14,590	40,725	11,618	14,963
Total government activities program revenues	<u>22,768</u>	<u>47,235</u>	<u>18,963</u>	<u>21,744</u>
Business-type activities:				
Charges for services:				
Airport	221	227	235	238
Wastewater	N/A	N/A	N/A	N/A
Water	2,968	2,718	3,035	3,103
Capital grants and contributions	6,885	5,269	3,489	2,669
Total business-type activity program revenues	<u>10,074</u>	<u>8,214</u>	<u>6,759</u>	<u>6,010</u>
Total primary government program revenues	<u>32,842</u>	<u>55,449</u>	<u>25,722</u>	<u>27,754</u>
Net (expense)/revenue				
Governmental activities	(26,892)	(4,697)	(31,081)	(26,558)
Business-type activities	5,602	4,490	1,820	1,345
Total primary government net expense	<u>\$ (21,290)</u>	<u>\$ (207)</u>	<u>\$ (29,261)</u>	<u>\$ (25,213)</u>

2012	2013	2014	2015	2016	2017
\$ 10,833	\$ 9,532	\$ 10,662	\$ 14,707	\$ 17,531	\$ 19,393
-	-	-	-	-	-
-	-	-	-	-	-
10,206	11,777	12,134	14,324	14,423	16,736
-	-	-	-	-	-
17,233	18,327	19,053	18,522	22,659	40,172
23	23	23	-	-	278
2,173	3,831	3,131	4,433	3,422	6,006
4,258	4,123	4,691	4,796	4,779	4,902
4,721	4,312	4,543	4,106	3,962	2,335
49,447	51,925	54,237	60,888	66,776	89,822
1,112	1,179	1,197	1,289	1,829	1,772
3,831	2,599	2,756	3,431	3,662	3,983
3,074	3,779	5,244	4,150	4,405	5,368
8,017	7,557	9,197	8,870	9,896	11,123
\$ 57,464	\$ 59,482	\$ 63,434	\$ 69,758	\$ 76,672	\$ 100,945
\$ 881	\$ 975	\$ 941	\$ 4,490	\$ 4,787	\$ 4,909
134	216	200	305	265	287
2,513	3,906	3,386	4,585	4,027	4,355
3,202	3,747	4,442	4,360	4,507	4,619
9,017	12,373	10,268	11,281	17,157	44,371
15,747	21,217	19,237	25,021	30,743	58,541
233	239	248	239	247	251
241	730	834	933	1,016	1,065
3,281	3,455	3,766	4,146	4,243	5,064
60,207	1,958	2,534	4,015	5,214	5,941
63,962	6,382	7,382	9,333	10,720	12,321
79,709	27,599	26,619	34,354	41,463	70,862
(33,700)	(33,699)	(35,000)	(35,867)	(36,033)	(31,281)
55,945	55,944	(1,815)	463	824	1,198
\$ 22,245	\$ 22,245	\$ (36,815)	\$ (35,404)	\$ (35,209)	\$ (30,083)

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

Schedule 2

	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues				
City sales taxes	\$ 27,173	\$ 22,404	\$ 21,662	\$ 22,948
Property taxes	460	691	623	584
Franchise fees	309	315	313	322
State shared revenues	7,397	7,221	6,462	5,719
Investment income (loss)	3,024	595	135	105
Miscellaneous	459	1,227	774	814
Gain on sale of assets	-	-	-	-
Transfers	(160)	(8)	291	309
Total governmental activities	<u>38,661</u>	<u>32,445</u>	<u>30,260</u>	<u>30,801</u>
Business-type activities:				
General revenues				
Investment income	110	8	1	1
Miscellaneous	37	26	38	4
Transfers	160	8	(291)	(309)
Special item	-	-	-	-
Total business-type activities	<u>307</u>	<u>42</u>	<u>(252)</u>	<u>(304)</u>
Total primary government	<u><u>38,968</u></u>	<u><u>32,487</u></u>	<u><u>30,008</u></u>	<u><u>30,497</u></u>
Change in Net Position				
Governmental activities	11,769	27,748	(821)	4,243
Business-type activities	5,909	4,532	1,568	1,041
Total primary government	<u><u>\$ 17,678</u></u>	<u><u>\$ 32,280</u></u>	<u><u>\$ 747</u></u>	<u><u>\$ 5,284</u></u>

* In prior fiscal years, 2003 through 2009, 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.

Source: Statement of Activities

2012	2013	2014	2015	2016	2017
\$ 24,539	\$ 24,768	\$ 26,226	\$ 28,059	\$ 35,442	\$ 37,500
506	447	421	442	482	509
333	349	377	401	447	488
6,943	7,714	8,273	8,820	9,039	10,619
97	152	171	149	173	238
803	737	854	813	676	744
-	36	-	116	-	-
329	(15,912)	(2,384)	(404)	(2,177)	(2,878)
33,550	18,291	33,938	38,396	44,082	47,220
1	2	1	9	16	43
1	19	39	19	19	54
(329)	15,911	2,384	404	2,177	2,878
-	(1,326)	-	-	-	-
(327)	14,606	2,424	432	2,212	2,975
33,223	32,897	36,362	38,828	46,294	50,195
(150)	(15,408)	(1,062)	2,529	8,049	15,939
55,618	70,550	609	895	3,036	4,173
\$ 55,468	\$ 55,142	\$ (453)	\$ 3,424	\$ 11,085	\$ 20,112

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
2017	\$ 37,500	\$ 3,099	\$ 40,599
2016	35,442	2,623	38,065
2015	28,059	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

Source: Statement of Revenues

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

	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 286	\$ 185	\$ 313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	20,128	14,299	14,779	-	-	-	-	-	-	-
Nonspendable	-	-	-	229	293	2,803	2,540	2,282	2,418	2,367
Unassigned	-	-	-	16,149	18,004	18,115	21,123	22,309	20,425	22,640
Total general fund	20,414	14,484	15,092	16,378	18,297	20,918	23,663	24,591	22,843	25,007
All other governmental funds										
Reserved	\$ 257	\$ 7,221	\$ 7,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Major governmental funds	13,978	23,762	6,341	-	-	-	-	-	-	-
Special revenue funds	1,193	2,561	4,844	-	-	-	-	-	-	-
Capital revenue funds	6,438	4,648	7,174	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	33	-	3	1
Restricted	-	-	-	28,137	29,821	47,616	40,774	40,771	48,486	49,960
Unassigned	-	-	-	-	(816)	(444)	(472)	(863)	(525)	(1,908)
Total all other governmental funds	\$ 21,866	\$ 38,192	\$ 25,458	\$ 28,137	\$ 29,005	\$ 47,172	\$ 40,335	\$ 39,908	\$ 47,964	\$ 48,053
Total fund balance of governmental funds	\$ 42,280	\$ 52,676	\$ 40,550	\$ 44,515	\$ 47,302	\$ 68,090	\$ 63,998	\$ 64,499	\$ 70,807	\$ 73,060

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

Source: Governmental Fund Statements

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Sales taxes	\$ 27,173	\$ 22,404	\$ 21,662	\$ 22,948	\$ 24,539	\$ 24,768	\$ 26,226	\$ 28,058	\$ 35,442	\$ 37,500
Property taxes	460	692	622	584	506	497	424	447	489	521
Intergovernmental revenues	19,280	21,607	16,331	17,707	14,960	18,000	12,732	14,927	20,537	43,261
Licenses, fees and permits	3,341	2,521	3,681	4,361	4,906	8,586	6,549	7,048	6,243	7,078
Fines, forfeitures and penalties	808	869	879	730	752	871	831	889	750	728
Charges for services	980	706	621	430	456	379	509	692	500	563
Lease Income	987	543	555	647	92	105	99	96	90	113
Special assessments	-	2,136	2,352	2,239	2,302	2,337	2,176	2,050	2,129	2,340
Contributions	1,457	658	381	3,690	537	589	1,098	583	1,216	214
System development fees	-	-	-	-	-	-	-	-	-	-
Investment earnings	3,025	595	135	105	97	152	171	149	173	238
Miscellaneous	484	286	820	614	636	804	927	853	376	460
Total revenues	57,995	53,017	48,039	54,055	49,783	57,088	51,742	55,792	67,945	93,016
Expenditures										
General government	9,999	8,947	9,080	9,661	8,481	7,860	8,953	9,652	12,017	13,347
Public safety	10,500	11,204	10,164	9,334	10,590	12,067	11,952	13,886	14,068	14,477
Highways and streets	3,897	3,693	2,854	3,043	3,657	4,026	4,214	5,441	5,796	6,037
Health and welfare	130	113	75	59	-	-	-	-	-	365
Economic and community development	4,910	4,405	4,654	4,520	4,259	4,479	4,508	4,351	4,146	4,642
Culture and recreation	3,267	3,665	3,309	2,552	2,604	2,859	3,195	3,598	3,710	4,266
Town attorney	-	917	-	-	-	-	-	-	-	-
Magistrate Court	-	946	-	-	-	-	-	-	-	-
Community development	-	370	-	-	-	-	-	-	-	-
Capital outlay	57,213	35,888	29,420	13,800	7,040	3,700	4,453	9,885	11,840	34,275
Debt service										
Principal	2,129	2,535	3,191	3,490	6,059	4,177	10,338	3,412	3,992	5,083
Interest	3,121	2,313	4,931	4,832	4,635	4,408	4,522	4,491	4,212	3,882
Other charges	-	628	-	109	-	521	97	-	-	1,023
Total expenditures	95,165	75,624	67,678	51,400	47,325	44,097	52,232	54,716	59,781	87,397
Excess of revenues over (under) expenditures	(37,171)	(22,607)	(19,639)	2,655	2,458	12,991	(490)	1,076	8,164	5,619

	Fiscal Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Other financing sources (uses)											
Transfers in	4,195	15,978	8,492	5,297	5,998	19,700	14,155	6,380	6,498	7,680	
Transfers out	(4,355)	(15,987)	(8,201)	(4,988)	(5,669)	(35,611)	(16,540)	(6,955)	(8,675)	(10,558)	
Proceeds from sale of capital assets	-	-	-	-	-	57	-	-	321	45	
Capitalized interest	-	-	-	-	-	-	-	-	-	178	
Bonds issued	3,075	39,790	-	1,000	-	34,780	6,493	-	-	42,065	
Premium on bonds issued	-	443	-	-	-	3,031	-	-	-	4,089	
Payments to refunded bond escrow agent	-	-	-	-	-	(14,160)	(14,160)	-	-	(46,865)	
Total other financing sources (uses)	2,915	40,224	291	1,309	329	7,797	(10,052)	(575)	(1,856)	(3,366)	
Net change in fund balance	<u>\$ (19,692)</u>	<u>\$ 20,585</u>	<u>\$ 2,946</u>	<u>\$ 3,767</u>	<u>\$ 13,320</u>	<u>\$ 7,307</u>	<u>\$ (8,976)</u>	<u>\$ (575)</u>	<u>\$ 6,308</u>	<u>\$ 2,253</u>	
Debt service as a percentage of noncapital expenditures	16.1%	13.9%	27.0%	27.5%	26.5%	21.5%	31.3%	18.1%	16.5%	12.6%	

Source: Governmental Fund Statements

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

Schedule 6

Fiscal Year Ended June 30	Fiscal Year	Residential Property	Commercial Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2018	2017/18	\$ 20,719	\$ 182	\$ 1,264	\$ 19,637	2.8000	\$201,092	9.8%
2017	2016/17	19,250	42	1,202	18,091	2.8000	185,483	9.8%
2016	2015/16	18,274	5	1,228	17,051	2.8000	173,938	9.8%
2015	2014/15	17,078	4	1,359	15,724	2.8000	160,756	9.8%
2014	2013/14	16,176	5	1,354	14,826	2.8000	150,182	9.9%
2013	2012/13	17,851	4	1,343	16,512	2.8000	165,517	10.0%
2012	2011/12	18,920	10	1,339	17,591	2.8000	176,256	10.0%
2011	2010/11	21,859	7	1,251	20,616	2.8000	201,039	10.3%
2010	2009/10	23,438	9	1,190	22,257	2.8000	215,989	10.3%
2009	2008/09	24,964	23	406	24,581	2.8000	230,393	10.7%

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) The valuations shown are consistent with Gladden Farms CFD Property Tax Levy as adopted by the board of supervisors on the third Monday in August of each year.

Source: Pima County Assessor's Office

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

Schedule 7

Fiscal Year	Tax Year	State of Arizona	Pima County (General Fund)	Road Tax	County Library District	Debt Service	Flood Control District	State Education Equalization Assistance Tax	Flowing Wells School District	Community College District	Northwest Fire District
2017/18	2017	-	\$ 4.2096	\$ 0.2500	\$0.5053	\$ 0.7000	\$ 0.3135	0.4875	\$ 6.7539	\$ 1.3890	\$ 3.0734
2016/17	2016	-	4.2896	-	0.5153	0.7000	0.3335	0.5010	6.8971	1.3733	2.9920
2015/16	2015	-	4.3877	-	0.5153	0.7000	0.3135	0.5054	6.6292	1.3689	2.9138
2014/15	2014	-	4.2779	-	0.4353	0.7000	0.3035	0.5089	6.6135	1.3344	2.9272
2013/14	2013	-	3.6665	-	0.3753	0.7800	0.2635	0.5123	6.7146	1.2933	3.0213
2012/13	2012	-	3.4178	-	0.3460	0.7800	0.2635	0.4717	5.9778	1.1741	2.8339
2011/12	2011	-	3.4178	-	0.3460	0.7800	0.2635	0.4259	5.9689	1.1094	2.7109
2010/11	2010	-	3.3133	-	0.3100	0.7500	0.2635	0.3564	6.0407	1.0848	2.4646
2009/10	2009	-	3.3133	-	0.2643	0.7100	0.2635	0.3306	6.1239	1.0770	2.2077
2008/09	2008	-	3.3913	-	0.3393	0.6050	0.2935		6.2665	1.1355	2.2601

Fiscal Year	Tax Year	Fire District Assistance	Central Arizona Water Conservation District	Total Overlapping Rates	Town of Marana	Marana School District	Gladden Farms Community Facilities District	Vanderbilt Farms Community Facilities District	Saguaro Springs Community Facilities District	Total Direct Rates	Total Direct & Overlapping Rates
2017/18	2017	\$ 0.0459	\$ 0.1400	\$ 17.6822	-	\$ 6.2334	\$ 2.8000	\$ 0.3000	\$ 0.3000	\$ 9.6334	\$ 27.3156
2016/17	2016	0.0468	0.1400	17.6018	-	6.3871	2.8000	0.3000	0.3000	9.7871	27.3889
2015/16	2015	0.0467	0.1400	17.3338	-	6.3370	2.8000	0.3000	0.3000	9.7370	27.0708
2014/15	2014	0.0472	0.1400	17.1007	-	6.2288	2.8000	0.3000	0.3000	9.6288	26.7295
2013/14	2013	0.0456	0.1400	16.6268	-	6.0085	2.8000	0.3000	0.3000	9.4085	26.0353
2012/13	2012	0.0447	0.1000	15.2648	-	5.5863	2.8000	0.3000	0.3000	8.9863	24.2511
2011/12	2011	0.0418	0.1000	15.0224	-	5.2047	2.8000	0.3000	0.3000	8.6047	23.6271
2010/11	2010	0.0430	0.1000	14.5833	-	4.6995	2.8000	0.3000	0.3000	8.0995	22.6828
2009/10	2009	0.0406	0.1000	14.2903	-	4.9286	2.8000	0.3000	0.3000	8.3286	22.6189
2008/09	2008	0.0411	0.1000	14.2912	-	5.4815	2.8000	0.3000	0.3000	8.8815	23.1727

Notes:

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

Source: Pima County

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

Taxpayer	2017			2008		
	Full Cash Value	Rank	Percentage of Total taxable Assessed Value	Full Cash Value	Rank	Percentage of Total taxable Assessed Value
GLADDEN 25 LENDING LLC	\$ 171	1	19.3%	282	5	6.4%
SMITHS FOOD & DRUG CENTERS INC	125	2	14.1%	324	4	7.4%
WEINGARTEN NEWQUIST LLC	120	3	13.5%	224	6	5.1%
AMH 2014-1 BORROWER LLC	92	4	10.4%	-	-	-
AT&T MOBILITY LLC	89	5	10.0%	-	-	-
FIDELITY NATIONAL TITLE TR 60421	66	6	7.4%	-	-	-
TITLE SECURITY AGENCY OF AZ TR 201401-T	61	7	6.9%	-	-	-
GIGAFISH LLC	57	8	6.4%	-	-	-
KB HOME TUCSON INC	54	9	6.1%	-	-	-
TITLE SECURITY AGENCY LLC TR-201546S	52	10	5.9%	-	-	-
FIDELITY NATIONAL TITLE TR 30212				2,301	1	52.5%
FIDELITY NATIONAL TITLE TR 60360				339	2	7.7%
FIDELITY NATIONAL TITLE TR 60338				328	3	7.4%
FREEDBER BARRY & FREEDBRG BELLA				201	7	4.6%
MIRAMONTE GLADDEN FARMS LLC				171	8	3.9%
OS REALITY LLC				134	9	3.0%
TITLE SECURITY AGENCY OF AZ TR 891				103	10	2.3%
Totals	<u>\$ 887</u>			<u>\$ 4,407</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.

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
2017	\$ 521	515	98.85%	520	99.81%
2016	489	485	99.18%	438	99.80%
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	623	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%

Notes:

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

Source: Pima County Treasurer's Office

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2017

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2017 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
242-C1	215-01-003P	Tangerine/I-10, LLC	\$1,135,478.05	\$741,140.00	\$12,587.00	1,015,384	Commercial
242-A	215-01-003R	Tangerine/I-10, LLC	910,428.35	594,248.00	8,440.00	814,136	Commercial
242-B3-1	215-01-003S	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	87,681.70	57,231.00	2,678,258.00	78,565	Commercial
242-B1/2	215-01-003T	Tangerine/I-10, LLC	266,454.95	173,918.00	2,954.00	238,273	Commercial
242-B4/5	215-01-003U	Tangerine/I-10, LLC	620,104.49	404,750.00	6,788.00	554,519	Commercial
242-B1/2/4/5	215-01-003V	Tangerine/I-10, LLC	1,240,696.11	809,817.00	13,789.00	1,109,473	Commercial
242-B3-2	215-01-003W	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	82,323.38	53,733.00	985.00	73,738	Commercial
242-D1	216-12-0250	Tangerine/I-10, LLC	82,810.50	54,051.00	29,545.00	73,864	Commercial
242-D2	216-12-0260	Tangerine/I-10, LLC	430,127.46	280,749.00	159,923.00	384,808	Commercial
242-D3	216-12-0270	Tangerine/I-10, LLC	608,900.71	397,437.00	217,717.00	544,292	Commercial
242-D4	216-12-0300	Tangerine/I-10, LLC	29,227.23	19,077.00	10,409.00	26,023	Commercial
242-C2	216-12-0330	Tangerine/I-10, LLC	197,770.95	129,087.00	8,120.00	176,854	Commercial
237	217-53-040A	TOWN OF MARANA	119,965.96	78,303.23	2,106,900.00	1,019,740	Park
235	217-53-8060	KB Home Tucson Inc.	504,741.16	329,450.62	419,263.00	-	Residential
236	217-53-8070	KB Home Tucson Inc.	319,456.43	208,513.06	315,775.00	-	Residential
238/239-1	217-53-8080	WALGREEN CO.	47,073.12	30,725.19	238,512.00	79,504	Commercial
238/239-2	217-53-8090	GLADDEN 25 LLC	34,021.62	22,206.31	114,954.00	57,477	Residential and Commercial
238/239-3	217-53-8100	GLADDEN 25 LLC	36,317.24	23,704.69	122,704.00	61,352	Residential and Commercial
238/239-4	217-53-8110	GLADDEN 25 LLC	34,975.98	22,829.24	118,098.00	59,049	Residential and Commercial
238/239-5	217-53-8120	GLADDEN 25 LLC	31,674.41	20,674.28	107,006.00	53,503	Residential and Commercial
238/239-6	217-53-8130	GLADDEN 25 LLC	33,583.13	21,920.11	113,434.00	56,717	Residential and Commercial
238/239-7	217-53-8140	GLADDEN 25 LLC	25,767.70	16,818.89	87,048.00	43,524	Residential and Commercial
238/239-8	217-53-8150	GLADDEN 25 LLC	59,118.69	38,587.48	169,764.00	99,861	Residential and Commercial
238/239-9	217-53-8160	GLADDEN 25 LLC	54,733.79	35,725.41	157,140.00	92,435	Residential and Commercial
238/239-10	217-53-8170	GLADDEN 25 LLC	51,638.56	33,705.12	148,232.00	87,195	Residential and Commercial
230-1	217-54-0110	Gladden Phase II, LLC	511,130.62	333,621.10	13,295.00	1,072,482	Residential and Commercial
230-2	217-54-0120	Gladden Phase II, LLC	648,590.84	423,343.04	17,744.00	1,431,382	Residential and Commercial
230-3	217-54-0130	Gladden Phase II, LLC	550,694.98	359,445.24	15,066.00	1,215,324	Residential and Commercial
230-4	217-54-0140	Northwest Medical Center	1,140,957.82	744,716.90	31,212.00	2,517,768	Hospital
230-5	217-54-0150	Gladden Phase II, LLC	766,695.93	500,431.65	137,732.00	1,930,109	Residential and Commercial
230-6	217-54-0160	Gladden Phase II, LLC	626,135.01	408,685.86	11,961.00	964,854	Residential and Commercial
230-7	217-54-0180	Gladden Phase II, LLC	715,582.86	467,069.54	14,742.00	1,189,188	Residential and Commercial
230-8	217-54-0190	Gladden Phase II, LLC	597,781.67	390,179.28	16,351.00	1,318,997	Residential and Commercial
230-9	217-54-0200	Gladden Phase II, LLC	530,298.02	346,131.90	16,492.00	1,330,522	Residential and Commercial
230-10	217-54-0210	Gladden Phase II, LLC	690,026.33	450,388.49	13,970.00	1,126,897	Residential and Commercial
230-11	217-54-0220	Gladden Phase II, LLC	1,181,989.55	771,498.81	21,902.00	1,766,794	Residential and Commercial
230-12	217-54-0230	Gladden Phase II, LLC	659,991.24	430,784.22	18,052.00	1,456,211	Residential and Commercial
230-13	217-54-0240	Gladden Phase II, LLC	773,085.06	504,601.93	21,368.00	1,723,472	Residential and Commercial
230-14	217-54-0250	Gladden Phase II, LLC	779,474.19	508,772.18	14,602.00	1,177,862	Residential and Commercial
230-15	217-54-0260	Gladden Phase II, LLC	632,524.14	412,856.12	14,546.00	955,706	Residential and Commercial
230-16	217-54-0270	Gladden Phase II, LLC	894,478.58	583,836.94	17,809.00	1,436,609	Residential and Commercial
230-17	217-54-0280	Gladden Phase II, LLC	625,192.30	408,070.54	17,102.00	1,379,545	Residential and Commercial
231	217-55-012A	WESTCOR MARANA LLC	2,645,066.47	1,726,466.72	32,195.00	2,597,047	Commercial
99	217-56-2440	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
100	217-56-2450	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
101	217-56-2460	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
102	217-56-2470	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
103	217-56-2480	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
104	217-56-2490	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
106	217-56-2510	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2017

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2017 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
108	217-56-2530	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
109	217-56-2540	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
110	217-56-2550	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
111	217-56-2560	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
112	217-56-2570	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
113	217-56-2580	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
114	217-56-2590	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
115	217-56-2600	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
122	217-56-2670	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
123	217-56-2680	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
127	217-56-2720	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
128	217-56-2730	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
130	217-56-2750	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
131	217-56-2760	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
132	217-56-2770	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
133	217-56-2780	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
134	217-56-2790	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
135	217-56-2800	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
141	217-56-2860	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
142	217-56-2870	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
143	217-56-2880	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
144	217-56-2890	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
148	217-56-2930	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
162	217-56-3070	KB Home Tucson Inc.	6,389.13	4,170.26	163,500.00	-	Residential
163	217-56-3080	KB Home Tucson Inc.	6,389.13	4,170.26	190,429.00	-	Residential
164	217-56-3090	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
165	217-56-3100	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
166	217-56-3110	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
167	217-56-3120	KB Home Tucson Inc.	6,389.13	4,170.26	24,836.00	-	Residential
170-1	217-56-3900	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-2	217-56-3910	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-3	217-56-3920	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-4	217-56-3930	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-5	217-56-3940	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-6	217-56-3950	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-7	217-56-3960	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-8	217-56-3970	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-9	217-56-3980	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-10	217-56-3990	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-11	217-56-4000	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-12	217-56-4010	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-13	217-56-4020	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-14	217-56-4030	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-15	217-56-4040	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-16	217-56-4050	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-17	217-56-4060	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-18	217-56-4070	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-19	217-56-4080	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-20	217-56-4090	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-21	217-56-4100	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-22	217-56-4110	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-23	217-56-4120	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential

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Tangerine Farms Road Improvement District
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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2017 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
170-24	217-56-4130	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-25	217-56-4140	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-26	217-56-4150	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-27	217-56-4160	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-28	217-56-4170	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-29	217-56-4180	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-30	217-56-4190	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-31	217-56-4200	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-32	217-56-4210	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-33	217-56-4220	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-34	217-56-4230	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-35	217-56-4240	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-36	217-56-4250	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-37	217-56-4260	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-38	217-56-4270	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-39	217-56-4280	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-40	217-56-4290	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-41	217-56-4300	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-42	217-56-4310	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-43	217-56-4320	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-44	217-56-4330	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-45	217-56-4340	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-46	217-56-4350	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-47	217-56-4360	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-48	217-56-4370	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-49	217-56-4380	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-50	217-56-4390	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-51	217-56-4400	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-52	217-56-4410	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-53	217-56-4420	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-54	217-56-4430	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-55	217-56-4440	MERITAGE HOMES OF ARIZONA	6,389.13	4,170.26	5,501.00	-	Residential
170-56	217-56-4450	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-57	217-56-4460	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-58	217-56-4470	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-59	217-56-4480	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-60	217-56-4490	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-61	217-56-4500	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-62	217-56-4510	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-63	217-56-4520	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-64	217-56-4530	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-65	217-56-4540	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-66	217-56-4550	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-67	217-56-4560	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-68	217-56-4570	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-69	217-56-4580	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-70	217-56-4590	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-71	217-56-4600	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-72	217-56-4610	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-73	217-56-4620	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-74	217-56-4630	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-75	217-56-4640	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential

Town of Marana, Arizona
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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2017 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
170-76	217-56-4650	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-77	217-56-4660	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-78	217-56-4670	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-79	217-56-4680	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-80	217-56-4690	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-81	217-56-4700	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-82	217-56-4710	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-83	217-56-4720	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-84	217-56-4730	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-85	217-56-4740	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-86	217-56-4750	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-87	217-56-4760	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-88	217-56-4770	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
170-89	217-56-4780	MERITAGE HOMES OF ARIZONA	6,389.12	4,170.26	5,501.00	-	Residential
232/233-1	217-56-4830	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-2	217-56-4940	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-3	217-56-4950	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-4	217-56-4960	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-5	217-56-4970	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-6	217-56-4980	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-7	217-56-4990	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-8	217-56-5000	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-9	217-56-5010	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-10	217-56-5020	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-11	217-56-5030	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-12	217-56-5040	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-13	217-56-5050	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-14	217-56-5060	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-15	217-56-5070	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-16	217-56-5080	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-17	217-56-5090	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-18	217-56-5100	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-19	217-56-5110	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-20	217-56-5120	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-21	217-56-5130	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-22	217-56-5140	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-23	217-56-5150	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-24	217-56-5160	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-25	217-56-5170	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-26	217-56-5180	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-27	217-56-5190	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-28	217-56-5200	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-29	217-56-5210	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-30	217-56-5220	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-31	217-56-5230	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-32	217-56-5240	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-33	217-56-5250	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-34	217-56-5260	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-35	217-56-5270	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-36	217-56-5280	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-37	217-56-5290	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-38	217-56-5300	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2017 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
232/233-39	217-56-5310	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-40	217-56-5320	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-41	217-56-5330	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-42	217-56-5340	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-43	217-56-5350	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-44	217-56-5360	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-45	217-56-5370	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-46	217-56-5380	Gladden Phase I, LLC	6,389.13	4,170.26	5,501.00	-	Residential
232/233-47	217-56-5390	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-48	217-56-5400	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-49	217-56-5410	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-50	217-56-5420	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-51	217-56-5430	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-52	217-56-5440	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-53	217-56-5450	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-54	217-56-5460	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-55	217-56-5470	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-56	217-56-5480	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-57	217-56-5490	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-58	217-56-5500	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-59	217-56-5510	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-60	217-56-5520	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-61	217-56-5530	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-62	217-56-5540	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-63	217-56-5550	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-64	217-56-5560	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-65	217-56-5570	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-66	217-56-5580	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-67	217-56-5590	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-68	217-56-5600	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-69	217-56-5610	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-70	217-56-5620	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-71	217-56-5630	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-72	217-56-5640	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-73	217-56-5650	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-74	217-56-5660	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
232/233-75	217-56-5670	Gladden Phase I, LLC	6,389.12	4,170.26	5,501.00	-	Residential
218	217-57-3660	NP Investments LLC	30,562.80	19,948.70	260,465.00	52,093	Gladden Farms Commercial Center - Bank
219	217-57-3670	Weingarten Realty	20,712.16	13,519.08	70,606.00	35,303	Gladden Farms Commercial Center - Fast Food Restaurant
220	217-57-3680	Weingarten Realty	24,176.01	15,779.98	82,414.00	41,207	Gladden Farms Commercial Center - Fast Food Restaurant
221	217-57-3690	Weingarten Realty	19,133.95	12,488.96	65,226.00	32,613	Gladden Farms Commercial Center
222	217-57-3700	Weingarten Realty	45,150.43	29,470.24	153,914.00	76,957	Gladden Farms Commercial Center
224	217-57-3720	Weingarten Realty	69,415.04	45,308.03	201,136.00	118,315	Gladden Farms Commercial Center - Grocery
225	217-57-3730	Weingarten Realty	15,904.18	10,380.85	46,084.00	27,108	Gladden Farms Commercial Center
226	217-57-3740	Weingarten Realty	30,604.45	19,975.90	104,328.00	52,164	Gladden Farms Commercial Center
227	217-57-3750	Weingarten Realty	21,497.74	14,031.82	73,284.00	36,642	Gladden Farms Commercial Center
228/229-1	217-57-3760	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-2	217-57-3770	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-3	217-57-3780	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-4	217-57-3790	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-5	217-57-3800	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-6	217-57-3810	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2017

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2017 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
228/229-7	217-57-3820	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-8	217-57-3830	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-9	217-57-3840	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-10	217-57-3850	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-11	217-57-3860	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-12	217-57-3870	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-13	217-57-3880	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-14	217-57-3890	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-15	217-57-3900	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-16	217-57-3910	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-17	217-57-3920	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-18	217-57-3930	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-19	217-57-3940	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-20	217-57-3950	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-21	217-57-3960	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-22	217-57-3970	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-23	217-57-3980	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-24	217-57-3990	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-25	217-57-4000	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-26	217-57-4010	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-27	217-57-4020	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-28	217-57-4030	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-29	217-57-4040	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-30	217-57-4050	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-31	217-57-4060	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-32	217-57-4070	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-33	217-57-4080	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-34	217-57-4090	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-35	217-57-4100	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-36	217-57-4110	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-37	217-57-4120	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-38	217-57-4130	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-39	217-57-4140	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-40	217-57-4150	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-41	217-57-4160	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-42	217-57-4170	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-43	217-57-4180	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-44	217-57-4190	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-45	217-57-4200	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-46	217-57-4210	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-47	217-57-4220	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-48	217-57-4230	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-49	217-57-4240	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-50	217-57-4250	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-51	217-57-4260	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-52	217-57-4270	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-53	217-57-4280	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-54	217-57-4290	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-55	217-57-4300	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-56	217-57-4310	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-57	217-57-4320	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-58	217-57-4330	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2017

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2017 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
228/229-59	217-57-4340	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-60	217-57-4350	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-61	217-57-4360	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-62	217-57-4370	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-63	217-57-4380	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-64	217-57-4390	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-65	217-57-4400	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-66	217-57-4410	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-67	217-57-4420	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-68	217-57-4430	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-69	217-57-4440	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-70	217-57-4450	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-71	217-57-4460	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-72	217-57-4470	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-73	217-57-4480	Gladden Phase 22-24, LLC	6,389.13	4,170.26	5,501.00	-	Residential
228/229-74	217-57-4490	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-75	217-57-4500	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-76	217-57-4510	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-77	217-57-4520	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-78	217-57-4530	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-79	217-57-4540	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-80	217-57-4550	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-81	217-57-4560	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-82	217-57-4570	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-83	217-57-4580	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-84	217-57-4590	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-85	217-57-4600	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-86	217-57-4610	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-87	217-57-4620	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-88	217-57-4630	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-89	217-57-4640	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-90	217-57-4650	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-91	217-57-4660	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-92	217-57-4670	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-93	217-57-4680	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-94	217-57-4690	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-95	217-57-4700	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-96	217-57-4710	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-97	217-57-4720	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-98	217-57-4730	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-99	217-57-4740	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-100	217-57-4750	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-101	217-57-4760	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-102	217-57-4770	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-103	217-57-4780	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-104	217-57-4790	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-105	217-57-4800	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-106	217-57-4810	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-107	217-57-4820	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-108	217-57-4830	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-109	217-57-4840	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-110	217-57-4850	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2017

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2017 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
228/229-111	217-57-4860	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-112	217-57-4870	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-113	217-57-4880	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-114	217-57-4890	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-115	217-57-4900	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-116	217-57-4910	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-117	217-57-4920	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
228/229-118	217-57-4930	Gladden Phase 22-24, LLC	6,389.12	4,170.26	5,501.00	-	Residential
Residential Totals:			\$2,855,939.85	\$1,864,106.36	\$3,484,673.00	0	
Non-Residential Totals:			\$21,467,726.45	\$14,012,241.97	\$8,136,905.00	33,863,456	
Totals:			\$24,323,666.30	\$15,876,348.33	\$11,621,578.00	33,863,456 (4)	

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

(2) Amount remaining after billing for the 6/1/2016 assessment installment.

(3) The 2016 Full Cash Value is shown for all parcels except for parcels: 217-53-8060, 217-53-8070, 217-54-0150, 217-54-0200, and 217-54-0240.

As these parcels are currently undergoing valuation, the 2015 Full Cash Values were used instead for these five parcels.

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

TOWN OF MARANA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Schedule 11

(Amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income (4)	Per Capita
	Revenue Bonds(1)	General Obligation Bonds(2)	Special Assessment Bonds(3)	Capital Leases	Revenue Bonds	Loans Payable			
2017	\$ 57,840	\$ 7,955	\$ 14,245	\$ -	\$ 20,858	\$ 3,421	104,319	267.0%	2,400
2016	66,715	7,835	15,927	-	1,214	3,634	95,325	251.3%	2,307
2015	69,299	8,085	17,246	-	1,343	3,841	97,028	263.5%	2,406
2014	71,659	8,325	18,488	-	1,343	4,042	100,641	281.5%	2,628
2013	81,720	8,550	19,926	-	-	4,265	111,076	293.9%	3,022
2012	60,699	8,765	21,288	-	-	4,480	94,848	261.0%	2,645
2011	65,384	8,965	22,492	-	-	4,586	101,013	289.1%	2,931
2010	67,344	8,155	23,828	33	-	1,562.00	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

Notes:

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

Source: US Census Bureau, Bureau of Economic Analysis

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

Schedule 12

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of property	Per Capita
2017	\$ 7,955	\$ 1,021	\$ 6,934	0.15%	17.2%
2016	7,835	1,025	6,810	0.16%	16.9%
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	8,765	1,066	7,699	0.19%	23.1%
2010	8,965	963	8,002	0.24%	26.7%
2009	8,335	957	7,378	0.30%	27.6%
2008	8,385	968	7,417	0.38%	32.1%

Notes:

- 1) 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.

Source: General Obligation Bonds

TOWN OF MARANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
(Amounts expressed in thousands)

Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
State of Arizona	None	N/A	None
Pima County	\$ 336,954	6.30%	\$ 21,228
Pima County Community College District	None	N/A	None
Pima County Flood Control District	None	N/A	None
Northwest Fire District	23,641	46.80%	11,064
Flowing Wells Unified School District No. 8	14,585	100.00%	14,585
Marana Unified School District No. 6	134,064	63.07%	84,554
Total overlapping debt			<u>131,431</u>
Gladden Farms Community Facilities District	7,955	100.00%	7,955
Tangerine Farms Road Improvement District	14,245	100.00%	14,245
Town of Marana	64,093	100.00%	64,093
Total direct debt			<u>\$ 86,293</u>
Total direct and overlapping debt			<u><u>\$ 217,724</u></u>

Notes:

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

Sources: The various entities

TOWN OF MARANA
LEGAL DEBT MARGIN INFORMATION
 AS OF JUNE 30, 2017

Legal Debt Margin Calculation for Fiscal Year 2017

Full Cash Net Assessed	\$ 535,649,907
Debt Limit:	
6% of assessed value	32,138,994
20% of assessed value	107,129,981
Total debt limit:	<u>139,268,976</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>\$ 139,268,976</u>

	Fiscal Year		
	2009	2010	2011
2008			2012
Debt limit equal to 6% of assessed valuation	\$ 24,801,918	\$ 33,009,019	\$ 27,274,051
Debt limit equal to 20% of assessed valuation	413,365,306	110,030,063	201,747,448
Total net debt applicable to limit	-	-	-
Legal debt margin	<u>\$ 438,167,225</u>	<u>\$ 143,039,082</u>	<u>\$ 118,187,553</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%

	Fiscal Year		
	2013	2014	2015
2013			2016
Debt limit equal to 6% of assessed valuation	\$ 24,745,839	\$ 28,630,929	\$ 29,446,070
Debt limit equal to 20% of assessed valuation	82,486,130	95,436,430	98,153,568
Total net debt applicable to limit	-	-	-
Legal debt margin	<u>\$ 107,231,969</u>	<u>\$ 124,067,359</u>	<u>\$ 127,599,639</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%

	Fiscal Year		
	2016	2017	
Debt limit equal to 6% of assessed valuation	\$ 31,218,157	\$ 32,138,994	
Debt limit equal to 20% of assessed valuation	104,060,525	107,129,981	
Total net debt applicable to limit	-	-	
Legal debt margin	<u>\$ 135,278,682</u>	<u>\$ 139,268,976</u>	
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%

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.

Sources: Financial Statements; Pima County

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

Fiscal Year	Gladden Farms Community Facilities District General Obligation Bonds *			Tangerine Road Farms Improvement District Special Assessment Bonds **			
	Property Tax Collections	Debt Service		Special Assessment Collections	Debt Service		Coverage
		Principal	Interest		Principal	Interest	
2017	\$ 507	\$ 265	\$ 295	\$ 2,351	\$ 1,328	\$ 732	114.1%
2016	479	250	445	2,141	1,319	792	101.4%
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	-

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.

Source: Financial statements

TOWN OF MARANA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

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

Notes:

* Information published for census year only.

N/A indicates that the information is not available.

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

TOWN OF MARANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 17

Employer	2017		2008	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Marana Unified School District	1,404	9.2%	1,776	24.2%
Marana Health Center	356	2.3%	-	N/A
Town of Marana	347	2.3%	367	5.0%
Wal-Mart Cortaro Rd	343	2.2%	450	6.1%
The Ritz Carlton, Dove Mountain	320	2.1%	-	N/A
Sargent Aerospace & Defense	313	2.0%	244	N/A
Tucson Hauling & Transfer	300	2.0%	-	N/A
Costco	250	1.6%	275	N/A
FLSmith Krebs	239	1.6%	-	N/A
Northwest Fire District	230	1.5%	-	N/A
Coca-Cola Enterprises	185	1.2%	185	N/A
Home Depot	180	1.2%	125	N/A
Target	175	1.1%	225	3.1%
Fry's Food & Drug Thornydale Rd	165	1.1%	-	N/A
Cal Portland	160	1.0%	-	N/A
Fry's Food & Drug Ina Rd	150	1.0%	-	N/A
Wal-Mart Ina Rd	141	0.9%	-	N/A
Comcast Corporation	138	0.9%	189	N/A
Trico Electric Co-operative	131	0.9%	135	N/A
Cracker Barrel	130	0.8%	-	N/A
Kohls	123	0.8%	-	N/A
KOLD LLC	110	0.7%	-	N/A
Legacy Traditional School	110	0.7%	-	N/A
Lasertel Inc	109	0.7%	-	N/A

Source: PAG TRP

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
General Government	64.0	90.4	62.8	72.5	62.5	62.5	62.5	67.5	70.9	72.9
Public Safety										
Police										
Officers	84.0	81.0	78.0	80.0	79.0	80.0	80.0	81.0	83.0	85.0
Civilians	29.5	30.0	28.0	28.8	28.5	26.0	26.0	28.0	28.0	28.0
Building Safety	19.0	-	5.0	6.0	6.0	9.0	9.0	13.0	13.0	12.0
Highways and streets	-	24.0	31.0	32.0	32.0	36.0	36.0	35.0	35.0	34.0
Engineering	40.8	-	-	-	-	-	-	-	-	-
Maintenance	35.0	-	-	-	-	-	-	-	-	-
Culture and recreation	49.8	50.0	43.8	41.5	41.7	33.3	33.3	36.5	38.5	41.8
Community Development	-	3.0	3.0	4.0	3.0	-	-	-	-	-
Economic & Community Development	18.0	45.1	54.6	52.4	53.4	48.5	48.5	40.4	39.4	43.0
Water Utilities	19.0	17.4	15.4	18.1	20.1	19.1	19.1	22.0	23.0	23.0
Wastewater Utilities	N/A	N/A	N/A	N/A	-	4.0	4.0	4.0	4.0	4.0
Municipal Airport	3.0	2.0	-	-	-	1.0	1.0	1.0	3.0	3.0
Total	362.0	342.9	321.6	335.3	326.1	319.3	319.3	328.3	337.8	346.7

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

TOWN OF MARANA
SALES TAX BY INDUSTRY
LAST TEN FISCAL YEARS

Industry Group	FY 2008	%	FY 2009	%	FY 2010	%	FY 2011	%	FY 2012	%
Construction	\$ 9,885,086	36.18%	\$ 6,450,530	28.79%	\$ 4,448,469	20.54%	\$ 4,870,797	21.23%	\$ 5,782,644	23.57%
Manufacturing	183,545	0.67%	154,594	0.69%	138,817	0.64%	123,524	0.54%	128,089	0.52%
Transportation, Communications, & Utilities	2,459,656	9.00%	2,522,671	11.26%	2,768,198	12.78%	2,927,271	12.76%	2,985,979	12.17%
Wholesale Trade	528,937	1.94%	339,051	1.51%	184,203	0.85%	194,392	0.85%	233,850	0.95%
Retail Trade	9,380,087	34.33%	8,554,332	38.18%	8,673,055	40.04%	8,667,896	37.77%	8,804,206	35.88%
Restaurant & Bars	1,407,901	5.15%	1,384,914	6.18%	1,555,032	7.18%	1,658,180	7.23%	1,789,232	7.29%
Fire, Insurance & Real Estate	1,616,223	5.92%	903,810	4.03%	1,050,046	4.85%	1,253,481	5.46%	1,350,977	5.51%
Hotels & Other Lodging	626,656	2.29%	508,199	2.27%	1,378,271	6.36%	1,914,004	8.34%	1,991,767	8.12%
Services	1,056,309	3.87%	1,002,992	4.48%	1,057,433	4.88%	982,631	4.28%	1,026,443	4.18%
All Others	175,070	0.64%	583,330	2.60%	408,581	1.89%	355,642	1.55%	445,774	1.81%
	<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>	<u>\$ 22,947,818</u>	<u>100.00%</u>	<u>\$ 24,538,961</u>	<u>100.00%</u>

Industry Group	FY 2013	%	FY 2014	%	2015	%	2016*	%	2017	%
Construction	\$ 5,260,345	21.33%	\$ 6,411,509	24.45%	\$ 6,838,195	24.37%	\$ 6,883,116	19.42%	\$ 7,557,292	20.15%
Manufacturing	127,214	0.52%	97,014	0.37%	100,329	0.36%	-	0.00%	-	0.00%
Transportation, Communications, & Utilities	3,038,071	12.32%	3,182,854	12.14%	3,318,976	11.83%	3,919,633	11.06%	3,809,315	10.16%
Wholesale Trade	296,077	1.20%	213,657	0.81%	305,012	1.09%	-	0.00%	-	0.00%
Retail Trade	9,380,544	38.03%	9,593,163	36.58%	10,133,523	36.12%	16,305,878	46.01%	17,120,561	45.65%
Restaurant & Bars	1,819,588	7.38%	1,865,602	7.11%	2,038,788	7.27%	3,076,737	8.68%	3,295,734	8.79%
Fire, Insurance & Real Estate	1,234,426	5.00%	1,256,418	4.79%	1,240,196	4.42%	1,339,496	3.78%	1,540,358	4.11%
Hotels & Other Lodging	2,140,493	8.68%	2,064,986	7.87%	2,481,304	8.84%	2,292,705	6.47%	2,558,312	6.82%
Services	1,003,377	4.07%	1,031,325	3.93%	1,046,669	3.73%	-	0.00%	-	0.00%
All Others	363,807	1.47%	509,351	1.94%	555,522	1.98%	1,624,023	4.58%	1,618,648	4.32%
	<u>\$ 24,663,942</u>	<u>100.00%</u>	<u>\$ 26,225,881</u>	<u>100.00%</u>	<u>\$ 28,058,514</u>	<u>100.00%</u>	<u>\$ 35,441,588</u>	<u>100.00%</u>	<u>\$ 37,500,220</u>	<u>100.00%</u>

Note:

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

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

TOWN OF MARANA
 EXCISE TAX COLLECTIONS
 LAST TEN FISCAL YEARS

Industry Classification	2007/08	2008/09	2009/10	2010/11	2011/12
Town Sales Tax	\$ 27,172,921	\$ 22,404,422	\$ 21,662,077	\$ 22,947,818	\$ 24,538,961
State-shared Sales Taxes	2,458,329	2,126,326	1,961,225	2,099,083	2,731,863
State-shared Income Taxes	3,761,010	3,971,447	3,450,478	2,601,218	2,950,734
Licenses and permits	2,307,878	1,932,797	2,150,360	2,502,494	2,720,872
Fines and forfeitures and penalties	716,983	692,514	641,484	537,680	558,393
TOTAL	\$ 36,417,121	\$ 31,127,506	\$ 29,865,624	\$ 30,688,293	\$ 33,500,823

Industry Classification	2012/13	2013/14	2014/2015	2015/2016	2016/2017	Budgeted 2017/2018
Town Sales Tax	\$ 24,768,104	\$ 26,225,881	\$ 28,058,823	\$ 35,441,585	\$ 37,500,219	\$ 39,628,395
State-shared Sales Taxes	2,861,622	3,043,102	3,195,042	3,344,679	3,798,503	4,077,246
State-shared Income Taxes	3,571,191	3,896,487	4,232,245	4,209,300	5,054,592	5,384,087
Licenses and permits	4,323,155	3,932,108	4,813,378	4,468,910	4,848,237	4,490,185
Fines and forfeitures and penalties	661,341	635,869	664,955	579,369	574,884	625,000
TOTAL	\$ 36,185,413	\$ 37,733,447	\$ 40,964,443	\$ 48,043,843	\$ 51,776,435	\$ 54,204,913

Source: Statement of Revenues

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

Schedule 21

		Fiscal Year 2017			Fiscal Year 2008		
		Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments
<u>RETAIL</u>							
Taxpayer	A	\$ 2,254,976	1	6.0%	\$ 1,661,241	1	6.1%
Taxpayer	B	1,436,916	2	3.8%	1,156,655	2	4.2%
Taxpayer	C	981,515	3	2.6%	726,352	3	2.7%
Taxpayer	D	792,892	4	2.1%	376,993	8	1.4%
Taxpayer	E	674,296	5	1.8%	428,815	7	1.6%
Taxpayer	F	595,259	6	1.6%	550,143	5	2.0%
Taxpayer	G	555,277	7	1.5%	626,850	4	2.3%
Taxpayer	H	358,211	8	1.0%	258,204	10	0.9%
Taxpayer	I	282,777	9	0.8%	311,109	9	1.1%
Taxpayer	J	237,465	10	0.6%			0.0%
Taxpayer	K				431,408	6	1.6%
		\$ 8,169,584		21.8%	\$ 6,527,769		23.9%
<u>CONTRACTING</u>							
Taxpayer	A	\$ 1,559,815	1	4.2%	\$ 274,461	9	1.0%
Taxpayer	B	809,224	2	2.2%	339,564	6	1.2%
Taxpayer	C	773,023	3	2.1%			0.0%
Taxpayer	D	714,115	4	1.9%			0.0%
Taxpayer	E	372,300	5	1.0%			0.0%
Taxpayer	F	290,500	6	0.8%			0.0%
Taxpayer	G	272,521	7	0.7%			0.0%
Taxpayer	H	232,397	8	0.6%			0.0%
Taxpayer	I	186,095	9	0.5%			0.0%
Taxpayer	J	174,170	10	0.5%	734,093	3	2.7%
Taxpayer	K				798,749	1	2.9%
Taxpayer	L				759,376	2	2.8%
Taxpayer	M				498,395	4	1.8%
Taxpayer	N				392,242	5	1.4%
Taxpayer	O				329,339	7	1.2%
Taxpayer	P				280,875	8	1.0%
Taxpayer	Q				271,586	10	1.0%
		\$ 5,384,160		14.4%	\$ 4,678,679		17.1%

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

TOWN OF MARANA
SINGLE FAMILY RESIDENTIAL PERMITS
LAST TEN FISCAL YEARS

Schedule 22

Month	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	11	3	38	17	22	60	39	42	39	54
February	27	9	25	28	31	52	61	51	58	73
March	12	2	46	38	46	125	42	57	59	76
April	50	11	48	14	41	64	47	55	54	52
May	18	13	20	35	53	46	55	87	37	85
June	28	20	23	22	49	61	59	67	50	63
July	21	31	44	32	70	74	41	59	36	73
August	76	46	28	31	46	60	50	35	47	75
September	27	27	18	22	29	44	29	52	37	40
October	7	14	22	30	56	46	71	62	57	
November	5	12	12	22	35	27	88	22	51	
December	5	12	19	46	48	43	30	33	58	
Calendar Total	287	200	343	337	526	702	612	622	583	591
Fiscal Total	681	199	342	297	425	692	597	668	560	689

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

TOWN OF MARANA
 CAPITAL ASSET STATISTICS BY FUNCTION
 AS OF JUNE 30, 2017

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017		
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	2	1	1	1	1	1	1	1	1	1
Police Vehicles	113	113	113	99	118	129	128	129	129	129
Highways and Streets										
Street (miles)	300	300	300	494	494	511	518	520	520	520
Culture and Recreation										
Parks	7	7	7	8	8	8	9	9	9	9
Parks Acreage	84	84	84	139	139	139	157	157	157	157
Trails in Miles - Hiking	11	28	28	37	37	37	38	39	39	39
Trails in Miles - Paved	16	16	16	16	16	18	19	21	21	21
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	5	5	6	6	6	6	6	6	6
Senior/Community Center	1	1	1	1	1	1	1	1	1	1
Water Systems										
Miles of Water Mains	70	70	70	128	132	135	138	146	146	146
Number of Meters	4,755	5,556	5,734	6,002	6,272	6,429	6,745	7,205	7,205	7,205
Wastewater*										
Number of Manholes	N/A	N/A	841	863	863	891	909	978	978	978
Sewer Mains (miles)	N/A	N/A	46.4	47.5	47.5	48.33	49.2	53.6	53.6	53.6
Avg Daily Sewage Treated (MGD)	N/A	N/A	0.192	0.198	0.287	0.348	0.360	0.425	0.425	0.425

Notes:

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

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



TOWN OF MARANA
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