



CITY OF SURPRISE
Regular City Council Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Tuesday, April 20, 2021 @ 6:00 PM
COUNCIL CHAMBERS

A. Call To Order

Any prayer or invocation that may be offered before the start of the Regular Council Meeting is a voluntary offering by a private resident of Surprise; has not been previously reviewed or approved by City Council or City staff; should not be considered an endorsement of any particular religion by the City or its officials, as the beliefs, viewpoint, and content are personal to the speaker; and no participation by any person in attendance is required. A list of volunteers is maintained by the office of the City Clerk and interested persons should contact the Clerk's Office for further information.

B. Roll Call

C. Pledge of Allegiance

D. Proclamation and Community Acknowledgements

Fair Housing Month - 2021 Proclamation

E. City Manager Report

1. Staff Update

F. City Clerk Report

G. Call To The Public

INSTRUCTIONS: In order to address the City Council, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the City Clerk before the meeting begins.

[Download the Call to the Public form](#) (PDF download requires Adobe Acrobat Reader)

[Fill out the Call to the Public form online](#) If submitting form electronically, please submit to City Clerk at least one hour before the meeting start time.

The Call to the Public form is also available at the front counter.

Note: A.R.S. 38-431.01(H)- During this time members of the public may address City Council only on issues within the jurisdiction of the City Council which are not an item on the agenda. At the conclusion of the open call, City Council may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

Please be aware that Council Members may not discuss or respond to matters raised during call to the public that are not specifically identified on the agenda. Council Members may however, in their discretion, discuss or respond to relevant matters raised during a noticed public hearing or agenda item.

H. Regular City Council Meeting Agenda

CONSENT AGENDA:

2.	Citywide	Consideration and action on the minutes of the Regular City Council Work Session and the Regular City Council Meeting of April 6, 2021.	None Sherry Aguilar City Clerk
3.	Citywide	Consideration and action pertaining to the funding priorities for the Community Development Block Grant Program Annual Action Plan for Program Year 2021-2022.	None Adam Lane Human Svcs and Comm Vitality
4.	District 3	Consideration and action pertaining to approval of the Final Plat entitled, "Toll at Prasada, Phase 1 Re-Plat" and dated March 4, 2021, an approximately 93.85 acre property generally located south of Cactus Road and west of Cotton Lane. (Case FS20-717)	None Joshua Mike Community Development
5.	District 3	Consideration and action pertaining to approval of the Final Plat entitled, "Final Re-Plat Toll at Prasada, Unit N - Phase 1" and dated March 8, 2021, an approximately 15.84 acre property generally located west of Cotton Lane, between Peoria Avenue and Cactus Road. (Case FS20-586)	None Joshua Mike Community Development

- | | | | |
|----|------------|---|--|
| 6. | District 3 | Consideration and action pertaining to approval of Final Plat entitled, "Replat of Lot 4" and dated March 24, 2021, an approximately 23.9 acre property generally located north of Waddell Road and east of Cotton Lane. (Case FS20-241) | None

Robert Kuhfuss
Community Development |
| 7. | Citywide | Consideration and action pertaining to approval of a Fiscal Year 2021 budget amendment moving budget authority in the amount of \$275,000 from the Sewer Operations Fund to complete the SPA 2 Influent Pipeline project (P71400) and the Fiscal Year 2021 Contract Awarding Authority List; Resolution # 2021-50. | None

Lee Lambert
Water Resource Management |
| 8. | District 4 | Consideration and action declaring the City's intention to establish a street lighting improvement district known as, "City of Surprise, Arizona, SU-Comrceprkwest196 Lighting Improvement District" pursuant to A.R.S. § 48-616 for the purpose of purchasing facilities and energy for lighting the public streets and parks; Resolution # 2021-48. | None

Mike Gent
Public Works |

REGULAR AGENDA ITEM - PUBLIC HEARING:

- | | | | |
|-----|------------|--|--|
| 9. | District 3 | Consideration and action pertaining to approval the Preliminary Plat entitled, "Fulton Homes at Prasada" an approximately 110.96 acre property generally located at the southwest corner of Waddell and Reems Roads. (Case FS20-363) | None

Joshua Mike
Community Development |
| 10. | District 1 | Presentation and discussion pertaining to the proposed annexation of Enclave III at Paloma Creek. (Case FS20-732) | None

Joshua Mike
Community Development |
| 11. | District 1 | Presentation and discussion pertaining to the proposed annexation of Enclave IV at Paloma Creek. (Case FS20-739) | None

Joshua Mike
Community Development |

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- | | | | |
|-----|----------|---|--|
| 12. | Internal | Presentation and discussion pertaining to the fiscal year 2020 annual audit and Comprehensive Annual Financial Report, and associated reports. | None

Andrea Davis
Finance |
| 13. | Citywide | Consideration and action pertaining to approval of a budget amendment to the Fiscal Year 2021 budget moving authority in the amount of \$60,000 from Economic Development Contingency to Services for reimbursement to National Indoor RV Centers for job creation; Resolution # 2021-53. | None

Jeanine Jerkovic
Economic Development |

14.	Citywide	Consideration and action pertaining to approval of an amendment to the Fiscal Year 2021 budget moving authority in the amount of \$150,000 from Economic Development Contingency to Services for a digital marketing pilot program and three feasibility studies; Resolution # 2021-52.	None Jeanine Jerkovic Economic Development
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I. Other Business and Future Agenda Items

J. City Council Reports

K. Executive Session

For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));
- discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (a)(4));
- discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- discussion, consultation or consideration for international and interstate negotiations or for negotiations by a city or town, or its designated representatives, with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city or town. A.R.S. §38-401.03 (A)(6)).
- discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03(C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.

The council may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

L. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: April 15, 2021 at 12:07 PM

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE

PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: April 20, 2021
Submitting Department: City Clerk
Staff Recommendations:

Contact Person:
District: Internal

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Invocation

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: April 20, 2021 Contact Person:
Submitting Department: Human Svcs and Comm District: Citywide
Vitality
Staff Recommendations:

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Fair Housing Month - 2021 Proclamation

Motion:

Proclamation only; no action.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: April 20, 2021
Submitting Department: City Manager Office
Staff Recommendations: None

Contact Person:
District: Citywide

Consent: No Regular: No Public Hearing: No Report/Discussion: Yes

Agenda Wording:

Staff Update

Motion:

None

Background:

Parks and Recreation Director has announced her plans to retire.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: April 20, 2021
Submitting Department: City Clerk
Staff Recommendations: None

Contact Person: Sherry Aguilar, City Clerk
District: Citywide

Consent: Yes Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action on the minutes of the Regular City Council Work Session and the Regular City Council Meeting of April 6, 2021.

Motion:

I move to approve the meeting minutes.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. 4621 WKS

CITY OF SURPRISE
Regular City Council Work Session Minutes
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, April 6, 2021 @ 4:30PM

Call To Order

Roll Call

Mayor Hall called to order the Regular City Council Work Session of April 6, 2021 at 4:30 PM at Surprise City Hall Council Chambers, 16000 N Civic Center Plaza, Surprise, Arizona 85374. Also in attendance with Mayor Hall were Vice Mayor Duffy and Council Members Hastings, Remley, Judd, Winters and Cline.

Staff Present: City Manager, Michael Frazier; City Attorney, Robert Wingo and City Clerk, Sherry Aguilar.

Pledge of Allegiance

Call To The Public

Regular City Council Work Session Agenda

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

1. Presentation and discussion pertaining to the feasibility of future city parks - NO ACTION

Parks Director, Donna Miller and Kendra Pettis, Sports and Tourism Director gave a powerpoint presentation on this item.

Considerations for sports complex usage were discussed.

Council Member Judd - thank you this is exciting, we have a huge need for parks. Would like to see more team sports options. Where specifically in the County are you referring too? Partnerships with various agencies for Club Sports, etc. I would like to see some type of hybrid model, incorporate both

presentation. It would be nice to acquire the size and grow into this. Also referred to Paloma Park, initial CIP funding, what is this?

Ms. Miller commented on the McMicken dam area, to Peoria.

Council Member Hasting - I like how you did a hybrid of this plan, you mentioned Economic Impact and how is this calculated?

Ms. Pettis - Destination Impact Calculator, Sports Tourism Events. 90% of the spending is done out side of the tourism event, this is considered into the total figure. Daily average spend, based on the number of teams we want, etc.

Council Member Remley - Referred to the property owner at McMicken Dam area, whatever land is available to us, let's grab as much as we can for future plans of Surprise. Also mentioned a golf driving range, it is very important in other cities and provides serious revenue. They can be built inside a million dollars.

Vice Mayor Duffy commented that everyone knows how he feels about this, it's exactly what we need here.

Council Member Cline - thank you very much, great job! Donna, thank you for all of the years that I have worked with you. I think that by working with the County Flood Control District, we will save. The location is appropriate. She also referred to golf revenue, an economic perspective it makes sense.

Mayor Hall - thanked staff on their presentation and commented, let's get started.

2. Presentation and discussion pertaining to A-Frame signs - NO ACTION

City Planner, Robert Kuhfuss gave a powerpoint presentation on this item.

Council Member Hastings - District 5 has a lot of businesses, but many that are tucked away from the main road, are we currently allowing A-Frame signs today?

Mr. Kuhfuss commented that it has expired.

Council Member Hastings further commented that he's not sure why the Planning & Zoning commission was not in favor of this, but we need to help

out our small businesses in our community.

Council Member Remley commented that we went through a lot of soul searching when we put this together, there were tough decisions made. The one thing I got from the public and business community, not everyone of the businesses can afford to be on the kiosks, not feasible. A lot of time the businesses do not have visibility to the main roads at all. If they are located in a commercial center, they should be able to have an A-Frame sign, even if it's just one.

Council Member Judd - I have always disliked this part of our sign ordinance, so glad this has come up. It was too restrictive, we should support our small businesses.

Council Member Cline - I don't have a lot of businesses in my community but they do patronize businesses out side of our community. The comments are that the A-Frame signs helped especially during COVID to know which businesses were open. The frames can be well done, make the owners responsible on them to remove signs at the end of the day. We need to support our small businesses, whatever we need to do to make this happen.

Mayor Hall - in District 4, there is no anchor to some of these business areas, there is no reason to go in there unless you know what's there. 15 feet from the door just doesn't work for these types of layouts. Also, in District 1 at 303 & Greenway, there is no anchor business bringing people in. The biggest problem is along Grand south of Trader Joe's, so difficult to find the businesses in the back. This is a problem throughout our City. I can see to a point why Planning & Zoning didn't like this, especially for the areas that would have multiple signs.

Executive Session

Adjournment

Council Member Winters made the motion to adjourn the Regular City Council Work Session Meeting of April 6, 2021 at 5:36 PM. Vice Mayor Duffy seconded the motion. Seven yes votes, motion carried.

Skip Hall, Mayor

ATTEST:

Sherry Ann Aguilar, City Clerk, MMC

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Work Session of **Tuesday, April 6, 2021.**

Sherry Ann Aguilar, City Clerk, MMC



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021 Contact Person: Adam Lane
Submitting Department: Human Svcs and Comm District: Citywide
Vitality
Staff Recommendations: None

Consent: Yes	Regular: No	Public Hearing: No	Report/Discussion: No
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Agenda Wording:

Consideration and action pertaining to the funding priorities for the Community Development Block Grant Program Annual Action Plan for Program Year 2021-2022.

Motion:

I move to approve the funding priorities for the Community Development Block Grant Program Annual Action Plan for Program Year 2021-2022 as presented.

Background:

As a recipient of Community Development Block Grant (CDBG) and HOME Investment Partnership funds, the City of Surprise is required to complete an Annual Action Plan to allocate anticipated funding from the Department of Housing and Urban Development (HUD), and to prioritize goals and projects that will be addressed with the annual allocation.

The Program Year 2021 Annual Action Plan, is the second year of the 2020-2024 Consolidated Plan. The Action Plan will set funding priorities for the Program Year 2021 (July 1, 2021 – June 30, 2022) based on the Goals and Objectives set in the Consolidated Plan.

Objective Analysis:

Approval of this item will result in a submission of the Annual Action Plan to the Department of Housing and Urban Development (HUD) for approval.

Policy Compliant:

This action is compliant with City and Council policies as well as federal guidelines

Financial Impact:

This item will allow for one-time expenditure of up to \$656,411 in CDBG grant funding. There is no match requirement. All CDBG related expenditures will be reimbursed within the same fiscal year expenses are incurred.

Budget Impact:

Budget authority for FY2022 CDBG projects will be included in the FY2022 Budget adoption process.

FTE Impact:

None

ATTACHMENTS:

1. 2021 AAP COUNCIL Staff Report
 2. PY2021 Action Plan
 3. 2021 AAP COUNCIL Presentation
-



Date: April 20, 2021

To: Mayor and City Council Members

From: Adam Lane, Neighborhood Services Supervisor

Re: Program Year 2021 CDBG Annual Action Plan – Presentation and Approval

Introduction

As a recipient of Community Development Block Grant (CDBG) and HOME Investment Partnership funds, the City of Surprise is required to complete an Annual Action Plan to allocate anticipated funding from the Department of Housing and Urban Development, and to prioritize goals and projects that will be addressed with the annual allocation.

The Program Year 2021 Annual Action Plan, is the second year of the 2020-2024 Consolidated Plan. The Action Plan will set funding priorities for the Program Year 2021 (July 1, 2021 – June 30, 2022) based on the Goals and Objectives set in the Consolidated Plan.

Background

A key feature to these grants from the Department of Housing and Urban Development (HUD), is the City's ability to choose how the funds will be used. HUD provides a wide range of eligible activities that can be utilized with funding. The Consolidated Plan helped to determine the most pressing needs of the community, and develop effective, market-driven strategies to meet those needs. As a review, the high priority needs and goals identified in the Consolidated Plan are as follows:

1. Maintain and increase the availability of **Affordable Housing**.
2. Invest in **Public Facility Improvements**.
3. Support **Public Services**.
4. Continue **Planning & Administration** of HUD funded programs.

Over the course of the Plan, the following **Goals** and Outcomes were established:

1. Housing Rehabilitation for homeowners.
2. Tenant Based Rental Assistance (HOME)

3. Develop Affordable Rental Housing (CDBG & HOME)
4. Housing Services in support of the HOME program.
5. Public Facility Improvements
6. Public Services
7. Administration & Planning

Analysis of Impediments to Fair Housing Choice (AI)

In accordance with the applicable statutes and regulations governing the Consolidated Plan, the City of Surprise certifies that they will affirmatively further fair housing, by taking appropriate actions to overcome the effects of any impediments identified in the Analysis of Impediments to Fair Housing Choice and maintaining records that reflect the analysis and actions in this regard.

Affirmatively furthering fair housing is defined in the Fair Housing Act as taking “meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics”.

Fair Housing Goals:

1. Review zoning and municipal codes for barriers to housing choice.
2. Increase availability of accessible housing.
3. Promote homeownership and rental opportunities in areas outside of racially or ethnically concentrated areas of poverty (R/ECAPs).
4. Enhance community services in R/ECAPs.
5. Promote community and service provider knowledge of fair housing and ADA laws.

Program Year 2021 Annual Action Plan

The CDBG allocation for Program Year 2021 is **\$656,411**. There are no match or leverage requirements for CDBG, however the City has allocated approximately \$75,000 for program administration and program service delivery. Funding requirements cap Administration and Planning at 20% of the allocation, as well as 15% for Public Service activities.

To meet the Goals and Objectives identified in the 2020-2024 Consolidated Plan and AI, the following projects are recommended:

1. **Housing Rehabilitation – \$220,206**
Deferred loans and grants to help Surprise homeowners make necessary health and safety repairs to their homes.
2. **Tenant Based Rental Assistance (*HOME funding) – \$220,127.80**
Rent and utility subsidy for LMI households.

3. **Housing Services – \$35,000**

Services in support of the HOME program.

4. **Public Facility Improvements – \$175,000**

Improvements to public facilities that serve LMI persons or located in LMI areas.

5. **Public Services (14.5%) – \$94,923**

Services for LMI persons who are seniors, disabled, homeless, or at risk of becoming homeless, and eligible activities in response to the COVID-19 pandemic.

6. **Planning & Administration (20%) – \$131,282**

Expenses related to administering the program, preparing planning documents, and Fair Housing activities.

*HOME funds will be approved through the Maricopa HOME Consortium Annual Action Plan process.

2021 Subrecipients

HUD allows the City to evaluate its own institutional capacity, and make decisions on how to best administer the program. The City can select nonprofit organization's or entities, as defined in 24 CFR 570.204(c), to act as a subrecipient to carry out eligible activities that address the 2020-2024 Consolidated Plan Highest Priority Needs.

For Program Year 2021, City staff evaluated existing subrecipients as well as past subrecipients whose projects aligned with high priority needs and organizational capacity. Reviewers utilized a rubric that evaluated each subrecipient based on a PASS or FAIL threshold, as well as a scaled scoring threshold that determined projects that are low risk, more closely aligned with identified needs, and most beneficial to the city in carrying out objectives.

Subrecipient Scoring Matrix

Threshold Criteria

Subrecipients that do not meet the PASS threshold criteria will not be considered further.

- ✓ Meet CDBG National Objective
- ✓ Anticipated to be completed within Action Year
- ✓ Meets eligibility requirements applicable to proposed project
- ✓ Meets definition of a Subrecipient
- ✓ *Returning Subrecipient- In Compliance with current agreement and on track to spend 50% of allocation

Scoring Evaluation

Subrecipients were scored based on the following factors;

- ✓ "Organizational Capacity (20 points)"
- ✓ "Cost (10 points)"

- ✓ "Experience working with HUD Funded Programs (20 points)"
- ✓ "Method of Approach (15 points)"
- ✓ "Partnering/Complementing/Duplicating Services (5 points)"
- ✓ "Consistency with Identified Priority Needs (25 points)"
- ✓ "Pledge of Leveraging Resources (5 points)"

To meet the **Goals and Objectives** identified in the 2020-2024 Consolidated Plan and AI, the following Subrecipient activities are recommended:

1. **A New Leaf**

Tenant Based Rental Assistance – \$35,000

Housing services in support of the TBRA program - (14) LMI households.

Housing Support Center Operations - \$50,000

Management and operations of Housing Support Center - (150) LMI persons.

2. **Lutheran Social Services**

IHELP- \$24,000

Services for (65) LMI persons who are homeless including case management and emergency overnight shelter.

Recommendations

Staff recommends approval of the Program Year 2021 Annual Action Plan for submittal to HUD.

Staff recommends approval of the Subrecipient projects proposed for the Program Year 2021 Annual Action Plan.

Previous Actions

- 30-Day Public Comment Period – March 11, 2021 – April 14, 2021
- Public Hearing – April 14, 2021
- VDHS Commission review and recommendation for approval – April 14, 2021

Future Actions

- Submission of Plans to HUD – May 15, 2021

CITY OF SURPRISE, ARIZONA

ANNUAL ACTION PLAN

Program Year 2021

July 1, 2021 – June 30, 2022



Year 2 of the 2020-2024 Consolidated Plan

ON REQUEST THIS DOCUMENT CAN BE MADE AVAILABLE IN ALTERNATE FORMATS



City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

Annual Action Plan – Year Two of the 2020-2024 Consolidated Plan

Prepared for:

City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

www.surpriseaz.gov

Skip Hall, Mayor

Roland F. Winters, Jr., Councilmember

Aly Cline, Councilmember

Patrick Duffy, Vice Mayor

Ken Remley, Councilmember

Jack Hastings, Councilmember

Chris Judd, Councilmember

Michael Frazier, City Manager

Prepared by:

City of Surprise
Human Service & Community Vitality
Neighborhood Services Division

16000 N. Civic Center Plaza

Surprise, AZ 85374

623.222.1550

www.surpriseaz.gov

Table of Contents

Executive Summary AP-05.....	4
Lead & Responsible Agencies PR-05.....	8
Consultation AP-10	9
Citizen Participation AP-12 -	18
Expected Resources AP-15	20
Annual Goals & Objectives AP-20	22
Projects AP- 35	25
Project Summary AP-35	26
Geographical Distribution AP- 50	30
Barriers to Affordable Housing AP-75	31
Other Actions AP-85	32
Program Specific Requirements AP-90	37
Appendix	38
List of Attachments.....	38
A- Letter of Submission to HUD	38
B- City of Surprise Program Year 2021 Alternative Version.....	38
C- Program Year 2021 Spending Synopsis.....	38
D- Citizen Participation Documents	38
E- SF424 and Certifications	38

Introduction

The City of Surprise, Arizona, receives an annual entitlement allocation from the U.S. Department of Housing and Urban Development (HUD) the Community Development Block Grant (CDBG) program and HOME Investment Partnership Program (HOME).

A key feature of these grants is the City's ability to choose how the funds will be used. HUD provides a broad range of eligible activities that can be utilized with CDBG funding. The City must determine which of the eligible activities will best serve the needs of the community. In order to determine the most pressing needs and develop effective, place-based market-driven strategies to meet those needs, HUD requires grantees to develop a Five-Year Consolidated Plan.

The City of Surprise 2020-2024 Consolidated Plan identifies priority needs and goals to which CDBG funds should be allocated. The 2021 Program Year (PY) will be the second year of the current five-year Consolidated Plan. The Program Year will start on July 1, 2021 and end on June 30, 2022. This Annual Action Plan will identify available resources, and outline the use of the available resources during the Program year to meet the needs of the community. The available resource for Program Year 2021 includes CDBG Entitlement funding. As a member of the Maricopa HOME Consortium, the City will receive HOME funding through an agreement with the Consortium. Although the funding is allocated in the Consortium 2021 Annual Action Plan, the City will consider that funding when making decisions for its Annual Action Plan. For Program Year 2021, the City does not anticipate any Program Income to be received.

Summary of the objectives and outcomes identified in the Plan

The Surprise's 2020-2024 Consolidated Plan is a five-year strategic plan that provides an outline of actions for the community as it works toward meeting the housing and community development needs of its low and moderate-income and special needs households. The plan identified the following high priority needs:

1. Increase access to and support the development of affordable housing.
2. Support public facility improvements in the Original Town Site.
3. Support public services for low- and moderate-income persons who are disabled, homeless, at risk of becoming homeless, as well as life skill training for youth.
4. Continue providing planning, and administrative support to deliver HUD-funded programs, and fair housing activities.

The City of Surprise will allocate funding to meet the goals and objectives outlined in the Consolidated Plan. In Program Year 2021, projects will invest entitlement funds to continue to supporting the following:

1. Housing Rehabilitation
2. Housing Services
3. Public Facility Improvements
4. Public Services
5. Planning & Administration

The City of Surprise has an experienced and dedicated staff to oversee and administer the requirements of the Community Development Block Grant and HOME funding. The City will continue to make affordable housing one of its highest priorities in PY2021 by continuing to administer its Homeowner Occupied Housing Rehabilitation program. Through small grants and deferred loans, the City will help to preserve existing affordable housing stock by helping homeowners make necessary health and safety repairs to their homes. With some of the fastest rising rents in the nation, the City will help to alleviate the burden of high rental rates by supporting the City's Tenant Based Rental Assistance program. This program will help homeless or at risk of becoming homeless families achieve stable housing.

Program Year 2021 will be the second year of the program during the unprecedented COVID-19 Pandemic. The national crisis has driven an already vulnerable and unaffordable housing market into uncharted territory. Low-and Moderate Income families have continued to be placed at risk of becoming homeless, and becoming homeless. The City of Surprise will leverage additional federal resources received in Program Year 2020 to make Public Facility Improvements to privately or publically owned facilities to help persons who are homeless or at risk of becoming homeless. These facilities will provide emergency housing, access to housing resources and other public services to help households achieve housing stability. The City will also continue to support its most vulnerable populations by funding Public Services. Through non-profit partnerships and program sub-grantees, the City will help to provide essential services to seniors, disabled, homeless and persons at risk of becoming homeless.

Finally, the City is committed to administering the program efficiently, and in compliance with the requirements of the funding source. To that end, the City will allocate funding for Planning & Administration of the program and its projects. The effective planning of projects is essential to maintaining program compliance, leveraging funding, and project underwriting that ensures the City's investments are protected and create valuable outcomes for the community.

Evaluation of past performance

The City is building upon the previous experience and success that the City had with utilizing HUD funding for housing rehabilitation, public services, and public facility improvements. In addition to the five-year Consolidated Plan and Annual Action Plan, the City must complete a Consolidated Annual Performance and Evaluation Report (CAPER) to maintain compliance with the grant program. To date, the City of Surprise has successfully completed all the regulatory

reporting requirements, and successfully reported the accomplishments of previous Annual Action Plans for the planned expenditures. During the first year of the Consolidated Plan, the City enacted its goal to support affordable housing by supporting the Housing Rehab program, and housing services for the Tenant-Based Rental Assistance Program. Additionally the City funded Public Facility Improvements that helped to complete a youth baseball field in the Original Town Site of Surprise. Public services were supported through non-profit partners and other City Departments to provide essential services to the most vulnerable residents.

And finally, the City received CDBG-CV funding through the CARES Act, and was able to quickly plan and administer the funding to help low and moderate income residents who had been impacted by the COVID-19 Pandemic. The City created and administered a mortgage assistance program that helped Surprise homeowners who had lost their jobs make their mortgage payments. The City worked with non-profit partners to prepare and deliver meals to seniors and disabled persons who were homebound due to the pandemic. The City will continue to administer the CDBG-CV funding in Program Year 2021 to help those impacted by the pandemic.

Summary of citizen participation process and consultation process

Citizen participation plays an integral role throughout the planning and development of the Annual Action Plan. Participation of its Citizens in the process is desired to ensure the City is utilizing the resources towards projects that its residents have identified as a high priority. Additionally, effective citizen participation helps to better inform the public, identify hidden community needs, bring forward citizen ideas, and generate involvement and commitment to proposed solutions.

Citizen participation began with the creation of the five-year Consolidated Plan. During the formation of the Consolidated Plan, the City conducted extensive community outreach and participation. The outreach included community forums conducted in the City's Original Town Site, a targeted area. Additionally, a Consolidated Plan questionnaire was provided to gain input from the community. A total of two hundred twenty-three (223) residents responded to the questionnaire.

The Community Needs Assessment included nine (9) focus groups with over one hundred twenty (120) participants. Group interviews were conducted with thirty-nine (39) individuals, each of whom was a recent receiver of public services. The results of the Needs Assessment was a guiding document which assists in prioritizing plans, initiatives and programs to meet growing or unmet human service needs in our city.

For the PY2021 Annual Action Plan, the City continued to build on the successful Citizen participation that helped to formulate the Consolidated Plan. On February 10, 2021, the City conducted the first of two (2) public hearings held during the formation of the Annual Action Plan. This "Needs" hearing, gave citizens and local stakeholders an opportunity to comment on the needs of the community, and bring forward ideas to meet those needs. A second public hearing was held on April 14, 2021. The final public hearing allowed citizens and stakeholders to

comment on the draft Annual Action Plan. All public hearings were publically noticed with a legal advertisement placed in the local newspaper, a Public Notice posted to the City website, and social media posts were made prior to the public meetings. As allowed by HUD waivers, and the City's amended Citizen Participation Plan, the public hearings were held virtually. The virtual hearings allowed for open public access to the meetings, facilitated public access to all questions and responses, and provided timely responses from local officials. The platform for the public hearing ensured equal access and opportunity for all residents to participate in the process.

Prior to the second public hearing, a thirty (30) day review and comment period was conducted from March 11, 2021 through April 14, 2021. This comment period allowed citizens and stakeholders to review the draft plan, and submit written comment on the draft. The draft plan was made available for review on the City's website, at City Hall, the Senior Center, and the Surprise Resource Center. Typically the plan would be made available in additional locations, however due to COVID-19 concerns, the City did not make available the plan in locations that could not guarantee social distancing guidelines could be followed.

Summary of Public Comments

During the Public Hearing held on February 10, 2021, three comments were received. A representative from A New Leaf commented on the need for additional housing services to support the TBRA program. A representative from Lutheran Social Services of the Southwest commented on the growing need for homeless shelter services. A representative from the City Resource Center commented on the need for additional rental assistance.

*Additional comments will be added if received during the process.

Summary of comments or views not accepted and the reasons for not accepting them

All comments were recorded and accepted.

Summary

The City is committed to providing a meaningful way for residents to communicate their needs. The Veterans, Disability and Human Services Commission was created to assist in the development and/or expansion of city programming related to veterans; people with special needs; and those in need of general human services and workforce development. The Commission also serves as an advisory board for the CDBG and HOME funding.

The Commission holds monthly public meetings and provides an avenue for the community and stakeholders to communicate with the Commission and city staff. City staff will continue to update the commission on progress of the program, and solicit feedback and guidance from the Commission to help meet current program needs, and to anticipate future needs of the community.

Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding Source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department
CDBG Administrator	City of Surprise	Human Service & Community Vitality (HSCV)

Table 1 – Responsible Agencies

Narrative

The City of Surprise Human Services and Community Vitality Department serves as the lead agency for the CDBG and HOME grants. The Surprise Human Service & Community Vitality Department houses the Neighborhood Services Division. The department is designed to strengthen community, non-profits, and government partnerships to better serve Surprise residents.

During the preparation of the plan, the City solicited input from other governmental agencies as well as various public and private agencies providing housing, social services, and other community development activities within the community. The City will continue to form new partnerships with non-profit organizations, the private sector, and other local resources.

Consolidated Plan Public Contact Information**Adam Lane**

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Introduction

The City of Surprise believes that input from residents and stakeholders is vital to identifying the City's housing, community development, and human service needs. The Consolidated Plan, Analysis of Impediments to Fair Housing Choice, and the Annual Action Plan are developed with an emphasis on community and stakeholder input. In 2019, the Veterans, Disability and Human Services Commission (VDHS) completed a Community Needs Assessment, *Surprise a Community That Cares*.

This needs assessment is the first of its kind for the City to be commissioned in conjunction with the City's Veterans, Disability and Human Services Commission and the City Council for use in the City's planning process. The assessment includes long-term and short-term goals, program and fiscal considerations, prioritization of needed services, and program/resource decision making. The community needs assessment will assist the VDHS Commission in aligning a strategic plan with the identification of data-driven needs and opportunities. The initial population groups the City chose to explore as a part of this study to determine the human services needs in Surprise are as follows (in alphabetical order): homeless individuals and families/youth, individuals with disabilities and special needs, low- to moderate-income individuals and families/youth, seniors, survivors of violence (domestic, sexual, and hate crimes), and veterans.

During the formation of the City's Consolidated Plan and the Needs Assessment, the City brought together community stakeholders, residents, community leaders, and faith-based leaders to help identify the highest priority community needs, and set goals to meet those needs. The City held nine (9) focus groups with over one hundred twenty (120) participants. A community stakeholder meeting brought together one hundred forty (140) community members. The City also held target outreach meetings in the Original Town Site with residents of the target area.

Many of the stakeholders who participated in the Consolidated Plan process were consulted for this Annual Action Plan. The City also held a homeless coalition forum, bring together local homeless and housing service providers, and City departments and staff to discuss homelessness and affordable housing in Surprise. During the COVID-19 crisis, this forum focused on the rental eviction crisis, and residents being forced from stable housing due to the Pandemic.

The City also hosted two public meetings during the formation of the Annual Action Plan. These public hearings held at the regular meetings of the VDHS Commission, gave community stakeholders and residents opportunity to review the draft plan and budget, and give input into the draft plan.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City of Surprise consulted with the Housing Authority of Maricopa County regarding the creation of additional affordable rental units, the need of rental assistance, and new rental housing construction in the city of Surprise. Additionally, Surprise has consulted with other housing, health, and service providers to provide services at the Heritage at Surprise developed by the Housing Authority.

The City of Surprise collaborates with other West Valley cities through the West Valley Municipal Human Services Collaborative meeting on a monthly basis to discuss needs and funding priorities.

In January of 2021 the Veterans, Disability & Human Services Commission finalized their Strategic Plan. The Strategic Plan aligns with the Community Needs Assessment, and will provide recommendations to the Surprise City Council for prioritization of enhanced serviced delivery infrastructure with the City of Surprise. These recommendations will be based on the expertise of the Commission, as well as the data and highlighted needs outlined in the assessment.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

Surprise Staff members continuously consult with the regions CoC and support regional efforts to address the needs of homeless persons and persons at risk of homelessness. City staff has participated with MAG and its regional homelessness initiatives. The City is committed to working with the Maricopa Association of Governments and the CoC to end functional homelessness, and finding a regional strategy to move people from homelessness into housing. The City will work with MAG members and a diverse mix of regional stakeholders to develop a robust regional response to homelessness.

For Surprise low-income renters in 2020, 83% were severely housing cost burdened spending more than 50% of their incomes on rent alone. Severely Cost Burdened Households are being pushed to the brink of homelessness every day and cannot withstand national disaster or crisis situations. The COVID-19 Pandemic has driven residents from stable housing into homelessness. The rental eviction crisis will see thousands of residents at risk of becoming homeless.

In Program Year 2021, in response to the COVID-19 Pandemic and the resulting affordable housing and eviction crisis, the City will partner with a regional non-profit, regional partners and Maricopa County to establish a Housing Support Center. This regional housing center is to

prevent and respond to increased homelessness among individuals and families impacted by the COVID-19 pandemic, and to mitigate the spread of the Coronavirus among unsheltered persons, and the community at large. The center will provide socially distanced short term emergency housing, access to Coordinated Entry, rapid re-housing and tenant-based rental assistance. Access to other services will be provided to help move persons into stable housing in under thirty days. This strategy aligns with the CoC's priority goals for regional strategies to address homelessness.

Typically, Surprise participates in the annual Point in Time Count to reach out to sheltered and unsheltered homeless persons in our region to assess needs. Surprise coordinates volunteers through various partnerships with city departments and community organizations. Due to the COVID-19 Pandemic, there was no annual Point in Time count for the City of Surprise or Maricopa County in 2021. However, the 2020 Surprise Point in Time Count was 29 persons unsheltered. The West Valley Unsheltered Homeless count has risen from 135 in 2016 to 435 in 2020. According to MAG, from 2016 to 2019, unsheltered homelessness in the Maricopa County region increased by 94% with the unsheltered homeless rate in the West Valley by 213%.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop policies and procedures for the administration of HMIS

Discussions on the allocation of ESG funds are discussed at Maricopa Regional Continuum of Care meetings. Surprise currently does not receive ESG funds however, frequents the continuum of care ESG subcommittee to participate in discussions about determining resource allocation, performance standards and policies and procedures.

Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

1	Agency/Group/Organization	A New Leaf
Agency/Group/Organization Type		
☐ Services ☒ Housing ☒ Victims of DV ☒ Homeless ☒ Educations ☒ Victims ☐ Child Welfare Agency		
What Section of the Plan was addressed by Consultation?		
☒ Housing Needs Assessment ☒ Homeless Strategy ☒ Homeless Needs ☒ Chronically Homeless ☒ Families with children		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		

A New Leaf serves over 25,000 individuals with resources, including homeless and domestic violence shelters with services, affordable housing solutions, youth services, foster care, counseling, financial literacy, neighborhood economic development, workforce support, and community services. Discussed needs include: Domestic violence shelters, transitional homes, programming, temporary shelter and basic needs, helping the homeless, youth, individuals and families Affordable housing support Community assistance programs Neighborhood economic development Workforce support, Early Childhood Education. For PY2021, the City will continue to partner with ANL for the TBRA program, and discuss partnership for the housing support center.

2	Agency/Group/Organization	The Society of St. Vincent de Paul
Agency/Group/Organization Type		
☐ Housing ☐ Services ☒ Housing		
What Section of the Plan was addressed by Consultation?		
☒ Homeless Strategy ☒ Homeless Needs – Chronically homeless ☒ Homeless Needs – Families with children ☒ Homelessness – Veterans ☒ Homelessness – Unaccompanied youth		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
The Society of St. Vincent de Paul is an international non-profit organization dedicated to serving the poor and providing others with the opportunity to serve. St. Vincent de Paul provides one-time assistance for rent, mortgage and utility bills. SVP participated in the homeless collaborative meeting held on January 27, 2021. SVP reported the need for eviction prevention and the prevention of homelessness.		
3	Agency/Group/Organization	Benevilla
Agency/Group/Organization Type		
☐ Services ☒ Elderly Persons ☒ Persons with disabilities		
What Section of the Plan was addressed by Consultation?		
☒ Non-homeless special needs		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
Benevilla enriches lives of West Valley residents by serving older adults, adults with disabilities, children and the families who care for them. Each Benevilla Life Enrichment Day Program features specialized programming to meet specific needs from memory care, to physical therapy, to intellectual challenges. Members benefit from a person-centered care philosophy and the support they need, while caregivers receive the resources they need to energize themselves. During COVID-19, Benevilla's services have been greatly reduced. Focus has been on essential needs like childcare and meal delivery for vulnerable seniors.		
4	Agency/Group/Organization	Arizona Department of Economic Security
Agency/Group/Organization Type		
☐ Services ☒ Children ☒ Elderly Persons ☒ Persons with disabilities ☒ Employment ☐ Other Government - State		
What Section of the Plan was addressed by Consultation?		
☒ Housing Needs Assessment ☒ Economic Development ☒ Market Analysis		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
Arizona Department of Economic Security (DES) works with families, community organizations, advocates and state and federal partners to realize our collective vision that every child, adult, and family in Arizona will be safe and economically secure. DES works to promote enhanced safety and well-being for Arizonans by focusing on three primary goals: strengthening individuals and families; increasing self-sufficiency; and, developing the capacity of communities. Discussions with DES staff are for critical needs for emergency shelter and shelter services. With the increase in federal COVID relief for homeless needs, staff has ongoing discussions with DES to fund critical needs.		

5	Agency/Group/Organization	City of Peoria
Agency/Group/Organization Type		
☐ Other government - Local		
What Section of the Plan was addressed by Consultation?		
☒ Housing Needs Assessment ☒ Economic Development ☒ Market Analysis		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
Peoria is a city in Maricopa and Yavapai counties in the state of Arizona. Most of the city is located in Maricopa County, while a tiny portion in the north is in Yavapai County. It is a major suburb of Phoenix. According to 2017 Census Bureau estimates, the population of the city is 168,181. Staff is in regular communication with Peoria for ongoing coordination of needs and services.		
6	Agency/Group/Organization	City of Avondale
Agency/Group/Organization Type		
☐ Other government - Local		
What Section of the Plan was addressed by Consultation?		
☒ Housing Needs Assessment ☒ Economic Development ☒ Market Analysis		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
Avondale is a city in Maricopa County, Arizona, United States, adjacent to Phoenix. According to the 2017 U.S. Census estimates, the population of the city is 84,025. Avondale, incorporated in 1946, experienced rapid residential and commercial growth in the years since 1980. Staff is in regular communication with Avondale for ongoing consultation of needs and services.		
7	Agency/Group/Organization	Salvation Army – Sun Cities/WV Corps
Agency/Group/Organization Type		
☐ Services ☒ Housing ☒ Victims of DV ☒ Homeless ☒ Education ☒ Health ☒ Persons with disabilities ☒ Persons with HIV/AIDs ☒ Employment		
What Section of the Plan was addressed by Consultation?		
☒ Housing Needs Assessment ☒ Non-homeless Special Needs ☒ Market Analysis		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
The Salvation Army, an international movement, is an evangelical part of the universal Christian Church. Salvation Army provides services and programs centered around youth programs, family programs, adult rehabilitation, senior programs, homeless services, educational programs, disaster services, missing persons, and human trafficking. The City has ongoing consultation with Salvation Army for the development of new services in Surprise.		
8	Agency/Group/Organization	Phoenix Rescue Mission
Agency/Group/Organization Type		
☐ Services ☒ Housing ☒ Health ☒ Homeless ☒ Employment		
What Section of the Plan was addressed by Consultation?		
☒ Housing Needs Assessment ☒ Homeless Strategy ☒ Market Analysis		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
The Phoenix Rescue Mission is a place of hope, healing, and new beginnings for men, women and children in our community struggling with homelessness, addiction, and trauma. Changing Lives Center, houses up to 200 women and children, whether battling addiction, escaping domestic violence or suffering other trauma. B.R.I.D.G.E stands for Building Relationships with Incarcerated men and women to Direct them toward the God who transforms lives, and to Empower them for healthy, independent living. This program is designed to reach		

out to inmates. R.A.P. is the first step of a admission into our residential recovery program. Through a structured 7-day temporary shelter program, we assess men and women who are motivated for change and place them in the best solution pathway for their situation. Phoenix Rescue Mission serves over 2 million meals a year in our dining room and through our Mission Sharing program. We believe that hope begins with a meal, and that we are called to meet the basic needs of the hungry and homeless. Hope Coach is Phoenix Rescue Mission's mobile street outreach program. The goal is to bring the unsheltered homeless into the R.A.P. Program. Nearly every day of the year, our marked Hope Coach vans drive the streets of Phoenix to hand out life-saving items, including hygiene kits, water, and socks. Our Vocational Development program provides solutions to help homeless men and women obtain and retain jobs. Our classes and one-on-one counseling allow us to tailor solutions to equip clients with confidence and practical skills needed to land gainful employment. Phoenix Rescue Mission participated in the homeless coalition meeting on January 27, 2021. The reported increased persons living in cars and the need for additional shelter services. Increase in persons losing their stable housing. Need for better access to emergency shelter, rapid-rehousing and permanent supportive housing.

9	Agency/Group/Organization	Lutheran Social Services of the Southwest
Agency/Group/Organization Type		
☐ Services ☒ Housing ☐ Children ☐ Homeless ☐ Persons with disabilities ☐ Elderly persons ☐ Housing		
What Section of the Plan was addressed by Consultation?		
☒ Homeless Strategy ☐ Homeless Needs ☐ Chronically homeless ☐ Families with children ☐ Veterans ☐ Unaccompanied Youth		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
Lutheran Social Services of the Southwest is a 501(c)(3) nonprofit organization, an Arizona Qualifying Charity, and is affiliated with the Evangelical Lutheran Church in America, and recognized by the Lutheran Church-Missouri Synod. I-HELP is a unique, cost effective program that uses what churches have in abundance (space, volunteers, the desire to help the stranger) to provide overnight emergency shelter to those experiencing homelessness and case management to help them move from crisis to stability. I-HELP currently operates in Mesa and the Southwest Valley, including Avondale and Goodyear. LSS participated in the homeless collaborative meeting on January 27, 2021. LSS reported they had to reduce the number served due to COVID-19 concerns, but see an increase in need for shelter services. They have a need for additional space and better access to other services.		
10	Agency/Group/Organization	Habitat for Humanity
Agency/Group/Organization Type		
☐ Housing ☐ Services - Housing		
What Section of the Plan was addressed by Consultation?		
☒ Housing Needs Assessment ☐ Homeless Strategy ☐ Market Analysis		
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?		
Habitat for Humanity Central Arizona (Habitat), an affiliate of Habitat for Humanity International, is an independent, locally run, nonprofit 501(c)(3) organization. They work in partnership with low-income families, volunteers and sponsors to build, renovate and repair homes.		
11	Agency/Group/Organization	Veterans, Disability & Human Service Commission
Agency/Group/Organization Type		
☐ Services ☒ Housing ☐ Victims of DV ☐ Homeless ☐ Employment ☐ Persons with disabilities ☐ Grantee Department		
What Section of the Plan was addressed by Consultation?		
☒ Housing Needs Assessment ☐ Economic Development ☐ Market Analysis		

How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
The City of Surprise, Veterans, Disability and Human Services Commission is charged with assisting in the development and/or expansion of city programming related to veterans; people with special needs; and those in need of general human services and workforce development. Staff consults with the Commission on the progress of the CDBG program and the formation of the AAP.	
12	Agency/Group/Organization Dysart Unified School District
Agency/Group/Organization Type	
☐ Services ☒ Housing ☐ Homeless ☐ Employment	
What Section of the Plan was addressed by Consultation?	
☒ Housing Needs Assessment	
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
The Dysart Unified School District participated in the City's Homeless Collaborative meeting on January 27, 2021. This discussion helped to identify needs of the homeless community. DUSD reported increased evictions, students leaving families, and the need to focus on connecting homeless with employment services.	
13	Agency/Group/Organization New Beginning Worship Center
Agency/Group/Organization Type	
☐ Services ☒ Housing ☐ Homeless ☐ Employment	
What Section of the Plan was addressed by Consultation?	
☒ Housing Needs Assessment	
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
New Beginning Worship Center, a faith-based organization participated in the City's Homeless Collaborative meeting on January 27, 2021. This discussion helped to identify needs of the homeless community. Staff reported increased need for tracking homeless persons, connecting them to resources, and regional concerns. They are tracking individuals across the west valley of Maricopa County.	
14	Agency/Group/Organization Surprise Police Department
Agency/Group/Organization Type	
☐ Services ☒ Homeless	
What Section of the Plan was addressed by Consultation?	
☒ Housing Needs Assessment	
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
The Surprise Police Department participated in the City's Homeless Collaborative meeting on January 27, 2021. This discussion helped to identify needs of the homeless community. PD reported on status of street homeless, need for supplies, mental health issues increasing, and need for emergency shelter.	
15	Agency/Group/Organization Newtown CDC
Agency/Group/Organization Type	
☐ Housing ☐ Services - Housing	
What Section of the Plan was addressed by Consultation?	
☒ Housing Needs Assessment ☒ Homeless Strategy	
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
Newtown CDC is a local non-profit that works to develop new homeownership opportunities for low-income families. The City consulted with Newtown staff to explore possible projects in Surprise.	
16	Agency/Group/Organization Chicanos Por La Causa

Agency/Group/Organization Type	
☐ Housing	☐ Services - Housing
What Section of the Plan was addressed by Consultation?	
☒ Housing Needs Assessment ☒ Homeless Strategy	
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
CPLC is a local non-profit that works to develop new homeownership opportunities for low-income families. The City consulted with CPLC staff to explore possible projects in Surprise, and the need for affordable housing units.	
17	Agency/Group/Organization Housing Authority of Maricopa County
Agency/Group/Organization Type	
☐ Housing	☐ PHA
What Section of the Plan was addressed by Consultation?	
☒ Housing Needs Assessment ☒ Public Housing Needs	
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
The Housing Authority is a HUD-designated agency responsible for housing programs in Maricopa County, Arizona. The Housing Authority's primary jurisdiction includes 22 communities and all unincorporated portions of the Metropolitan Phoenix area and surrounding cities as a service area larger than 5 states with a population in excess of 4 million people. HAMC was consulted for the need for additional affordable units in Surprise. A possible senior facility is being explored.	

Identify any Agency types not consulted and provide rationale for not consulting

The City of Surprise invited all area Agencies, groups and organizations to participate in the community needs assessment. During the PY2021 Annual Action Plan, the City consulted with a cross section of area stakeholders to help identify solutions. No Agency types were intentionally omitted from consultation.

Describe other local/regional/state/federal planning efforts considered when preparing the plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Maricopa Regional Continuum of Care	The City's goals to help residents at risk of becoming homeless also align with the Maricopa Regional Continuum of Care's goals.
Municipal Responses to Homelessness 2020	Maricopa Association of Governments	Homelessness is an issue that reaches across municipal boundaries. A cohesive regional response is necessary to address the strategic plan goals of addressing affordable housing, and helping person who are homeless or at risk of becoming homeless.
Growth Plan 2035	City of Surprise	The Consolidated Plans goals align with the economic development, housing, and infrastructure goals outlined in the Surprise Growth Plan 2035.
Maricopa HOME Consortium Analysis of Impediments to Fair Housing Choice	Maricopa County HOME Consortium	The Consolidated Plan works to directly address the high priority impediments outlined in the 2020 Analysis of Impediments to Fair Housing Choice (AI).

Narrative (optional)

DRAFT

Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal setting

Citizen participation plays an integral role throughout the planning and development of the City's Consolidated Plan and Annual Action Plan. The City conducted a Community Needs Assessment in 2019, held multiple public meetings, provided outreach in the Original Town Site (geographic priority area), conducted a survey, and met with stakeholders.

The results of the community outreach during the formation of the Consolidated Plan provided a foundation to be applied during the Annual Action Plan Citizen Participation process. Staff continues to find ways to inform and engage the community. During COVID-19, methods for outreach have been limited to traditional and online media, as well as virtual events.

For Program Year 2021, Citizen Participation began with technical assistance and application process for eligible Subrecipients. The TA workshop and discussion was held on February 2, 2021 with potential applicants. The application was open from February 22, 2021 through March 19, 2021. On February 10, 2021, a public "needs" hearing was held at the regular meeting of the Veterans, Disability and Human Services Commission. This hearing allowed opportunity for citizens and stakeholders to comment on the formation of the plan. On March 11, 2021, a 30-day comment period was opened. The comment period gave the public opportunity to review the draft plan, and make written comments. A final public hearing was held on April 14, 2021 at the regular meeting of the VDHS Commission meeting. This final public hearing allowed citizens to make comment on the draft Annual Action Plan before it was presented to City Council for approval. Any comments received are accepted and summarized in this plan.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of Comments Not Accepted	URL
1	Newspaper Ad/Public Notice/Social media	Non-targeted/broad community	All comments were accepted and recorded.	
Summary of response/attendance				
A 30-day comment period began on March 11, 2021 and ended April 14, 2021. No comments were received.				
Summary of comments received				

One written comment was received in support of more accessible housing units, and services for persons with disabilities. One oral comment was received in support of affordable rental housing.				
Sort Order	Mode of Outreach	Target of Outreach	Summary of Comments Not Accepted	URL
2	TA/Application process.	Eligible Subrecipients	2 Applications received.	
Summary of response/attendance				
The technical assistance and application process began on February 2, 2021, and closed on March 19, 2021.				
Summary of comments received				
N/A				
Sort Order	Mode of Outreach	Target of Outreach	Summary of Comments Not Accepted	URL
3	Newspaper Ad/public notice	Non-targeted/broad community	All comments were accepted and recorded.	
Summary of response/attendance				
The public "needs" hearing was held at the Veterans, Disability & Human Services Commission meeting held on February 10, 2021. Due to COVID-19 and the City Hall being closed to the public, the public hearing was held virtually. A notice of the use of waiver was sent to HUD on May 11, 2020.				
Summary of comments received				
Three oral comments were received in support of rental assistance and homeless services.				
Sort Order	Mode of Outreach	Target of Outreach	Summary of Comments Not Accepted	URL
4	Newspaper Ad/public notice	Non-targeted/broad community	All comments were accepted and recorded.	
Summary of response/attendance				
This public hearing was held at the regular VDHS meeting held on April 19, 2021. Due to COVID-19 and the City Hall being closed to the public, the public hearing was held virtually. A notice of the use of waiver was sent to HUD on May 11, 2020.				
Summary of comments received				
No comments were received during the public hearing.				

Introduction

The City of Surprise prioritized goals and objectives for using CDBG funding to strategically and effectively benefit low- and moderate-income residents by supporting the creation of affordable housing, investing in public facility improvements, and supporting public services. The City will receive a CDBG allocation in the amount of \$656,411 for PY2021. The City will receive HOME funding through the Maricopa HOME Consortium. Those funds are allocated in the Consortium's AAP, however the funds are considered here when making funding allocations.

The City does have CDBG and HOME funding from previous program years that is unspent as of the date of this Annual Action Plan submittal. These funds are fully allocated to projects in previous Action Plans, and are not being reallocated to different activities. Therefore, previous years funds are not accounted for in this Annual Action Plan.

Anticipated Resources

Program	CDBG	Source of Funds	Public - Federal
Use of Funds: Affordable Housing, Public Facility Improvements, Public Services, Administration & Planning			
Expected Amount Available Year 1		Narrative Description	
Annual Allocation: \$	\$656,411	The City's CDBG allocation for Program Year 2021 is \$656,411. The City does not anticipate any program income in PY2021.	
Program Income: \$	\$0		
Prior Year Resources: \$	\$0		
Total: \$	\$656,411		
Expected Amount Available Remainder of ConPlan: \$	\$1,969,233		

Program	General Fund	Source of Funds	Public - Local
Use of Funds: Administration & Planning, Affordable Housing, Public Services, Public Facility Improvements			
Expected Amount Available Year 1		Narrative Description	
Annual Allocation: \$	\$75,000	The City of Surprise allocates approximately \$75,000 annually of City General Funds for CDBG staff salary in support of program administration and project delivery.	
Program Income: \$	\$0		
Prior Year Resources: \$	\$0		
Total: \$	\$75,000		
Expected Amount Available Remainder of ConPlan: \$	\$225,000		

TABLE 1 - EXPECTED RESOURCES – PRIORITY TABLE

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City of Surprise allocates approximately \$75,000 annually from the City General Funds for CDBG staff salary in support of program administration and project delivery.

The projects outlined in the Strategic Plan which are implemented by outside agencies are anticipated to use CDBG funding to leverage their initial financial resources. Match is not a requirement for funding to be awarded, however match and leverage is considered in funding awards.

Many of the development activities outlined in the Strategic Plan and Annual Action Plan receive substantial leverage from the City's general fund, development incentive programs, and other programs designed to encourage economic growth. Leveraged resources are reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

The City of Surprise offers incentives for new affordable housing developments in the Original Town Site. Surprise provided over \$275,000 in development fee reduction in the Heritage at Surprise project. Surprise continues to find ways to leverage funding for matching requirements.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City is looking to improve public facilities in low- and moderate-income in the Original Town Site. The City will continue to evaluate locations on public owned property over the course of the Consolidated Plan. In general, the areas of needs described in the *General Plan 2035*, *Parks and Recreation Master Plan*, and *Human Services and Community Vitality in Surprise - A Community that Cares* will help to guide the locations of investment. As the City continues to grow, additional property may be identified that would be suitable for utilizing HUD funding.

The City of Surprise owns the land for the Heritage at Surprise project. Additionally, Surprise owns 17 acres in the Heritage District of the Original Town Site, and is actively seeking partners to develop the property that could include new affordable rental units and community services centers.

In PY2020, the City budgeted more than \$2,000,000 in General Funds to acquire property that could be developed for public benefit and use.

Discussion

The City does not anticipate any program income in excess of \$25,000 during the program year.

Annual Goals & Objectives

AP-20

Annual Goals & Objectives AP-20 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	1	Goal Name	Housing Rehabilitation	Start Year	2021	End Year	2022
Category		Geographic Area		Needs Addressed		Funding	
Affordable Housing		Surprise Citywide		Affordable Housing		CDBG \$220,206	
Goal Outcome Indicator	Homeowner housing rehabilitated: 25 household housing unit						
Goal Description	The City of Surprise has a robust housing rehabilitation program that provides deferred loan for low- and moderate-income residents for residential improvements to (1) health, safety, and livability improvements and (2) home weatherization and energy efficiency. Projects include rehabilitation of privately owned, single-unit homes and all delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities.						
Activity Matrix: 14A, 14H							
Sort Order	2	Goal Name	Housing Services	Start Year	2021	End Year	2022
Category		Geographic Area		Needs Addressed		Funding	
Affordable Housing		Surprise Citywide		Affordable Housing		CDBG \$35,000	
Goal Outcome Indicator	Tenant based rental assistance/Rapid Rehousing: 26 Households assisted						
Goal Description	Funds will be used to provide direct assistance to low-income households who need help paying their rent. Tenant-Based Rental Assistance (TBRA) is a rental subsidy that helps make up the difference between what a renter can afford to pay and the actual rent for a home. These services are in support of the HOME program.						
Activity Matrix: 14J							
Sort Order	3	Goal Name	Public Facility Improvements	Start Year	2021	End Year	2022
Category		Geographic Area		Needs Addressed		Funding	
Non-Housing Community Development		Surprise Citywide		Public Facility Improvements		CDBG \$175,000	
Goal Outcome Indicator	Public Facility or Infrastructure activities other than Low/Moderate Income LMC Benefit: 200 Persons assisted						
Goal Description	Public facility improvements may include: 1. Acquisition, construction, or rehabilitation of facilities (except permanent housing) for seniors						
Activity Matrix: 3A, 3E, 3L, 3C							

22

	- Acquisition, construction, or rehabilitation of facilities that are principally designed to serve a neighborhood and that will be used for social services or for multiple purposes (including recreation) - Development of open space areas or facilities intended primarily for recreational use - Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. - Improvements to sidewalks including the installation of trash receptacles, lighting, benches, and trees. - Acquisition, construction, conversion of buildings, or rehabilitation of temporary shelters and transitional housing for the homeless, including victims of domestic violence, dating violence, sexual assault or stalking, disaster victims, runaway children, drug offenders, and parolees.
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Sort Order	4	Goal Name	PublicServices	Start Year	2021	End Year	2022
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Category	Geographic Area	Needs Addressed	Funding
Homeless Non-homeless Special Needs Non-Housing Community Development	Surprise Citywide	PublicServices	CDBG \$94,923

Goal Outcome Indicator	Publicservice activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted
-------------------------------	--

Goal Description	Projects may include:
Activity Matrix: 5A, 5B, 5Q, 3T	Subsistence Payments. One-time or short-term (no more than three months) emergency payments on behalf of individuals or families, generally for the purpose of preventing homelessness. Examples include utility payments to prevent cutoff of service, and rent/mortgage payments to prevent eviction. Homeless/AIDS Patients Programs - Costs associated with the operation of programs for the homeless or for AIDS patients, such as staff costs, utilities, maintenance, and insurance. Services for Persons with Disabilities - Services for the persons with disabilities, regardless of age. Pandemic Responses - Eligible activities to support local pandemic response such as the COVID-19 infectious disease.

Sort Order	5	Goal Name	Planning & Administration	Start Year	2021	End Year	2022
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Category	Geographic Area	Needs Addressed	Funding
Affordable Housing Homeless Non-homeless Special Needs Non-Housing Community Development	Surprise Citywide	Affordable Housing	CDBG \$131,282 General Fund \$75,000

Goal Outcome Indicator	Other: 1
Goal Description	Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category.
Activity Matrix: 20, 21A, 21D, 21H	

Table 25 – Goals Summary

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Introduction

The strategies listed in this plan address the first-year allocation for the City of Surprise in Program Year 2021. The City will be managing the majority of the CDBG funding directly. Projects align with the priority needs of the community: create and support existing affordable housing, invest in public facility improvements in the Original Town Site, support public services, and maintain the administration/planning of HUD funded programs.

#	Project Name
1	Housing Rehabilitation
2	Housing Services
3	Public Facility Improvements
4	Public Services
5	Planning & Administration

Table 26 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The City of Surprise chose first-year action plan projects based upon the needs of the community identified in *Human Services & Community Vitality - A Community That Cares* (2019), input from stakeholders and residents, and the recommendation identified in the *Maricopa HOME Consortium - Assessment of Impediments to Fair and Affordable Housing*. The City continues to evaluate past and present projects to ensure that money is being utilized in an efficient manner that best helps solve the challenges faced by Surprise's low- and moderate-income residents.

Project Summary Information

1

Project Name	Housing Rehabilitation
Target Area	Surprise Citywide
Goals Supported	Housing Rehabilitation
Needs Addressed	Affordable Housing
Funding	CDBG: \$220,206
Description	City of Surprise housing rehabilitation program. Deferred loans and small grants made to eligible Surprise homeowners to make health and safety repairs, as well as weatherization and accessibility modifications to their homes.
Target Date	June 30, 2022
Estimate the number and type of families that will benefit from the proposed activities	A total of 25 LMI households will receive assistance for housing rehabilitation projects.
Location Description	Surprise Citywide
Planned Activities Activity Matrix: 14A, 14H <i>24 CFR</i> <i>570.202(a)(1), 24 CFR 570.202(b)(9) or 42 USC 5305(a)(4)</i>	The City provides a Housing Rehabilitation Program for privately owned, single-unit homes for LMI households. This also includes all delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. This may include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing and underwriting; survey, site and utility plans; application processing and other eligible activities.

2

Project Name	Housing Services
Target Area	Surprise Citywide
Goals Supported	Housing Services
Needs Addressed	Affordable Housing
Funding	CDBG: \$35,000
Description	Activities will be in support of the HOME program.

Target Date	June 30, 2022
Estimate the number and type of families that will benefit from the proposed activities	Tenant-based rental assistance will be utilized by 11 households.
Location Description	Surprise Citywide
Planned Activities Activity Matrix: 14J <i>24 CFR 570.201(k) or</i> <i>42 USC 5305(a)(20)</i>	Funds will be used to provide direct assistance to low-income households who need help paying their rent. Tenant-Based Rental Assistance (TBRA) is a rental subsidy that helps make up the difference between what a renter can afford to pay and the actual rent for a home.

3

Project Name	Public Facility Improvements
Target Area	Original Town Site
Goals Supported	Public Facility Improvements
Needs Addressed	Public Facility Improvements
Funding	CDBG: \$175,000
Description	Improvements to public facilities that serve low- and moderate income persons, or facilities located in LMA areas.
Target Date	June 30, 2022
Estimate the number and type of families that will benefit from the proposed activities	Approximately 200 LMC persons will benefit from the project.
Location Description	Original Town Site
Planned Activities Activity Matrix: 03A, 03C, 03E, 03L <i>24 CFR 570.201(c) or</i> <i>42 USC 5305(a)(2)</i>	The City will provide improvements to public facilities that serve homeless or persons at risk of becoming homeless. As well as other eligible expenses under this category.

4

Project Name	Public Services
Target Area	Surprise Citywide

Goals Supported	PublicServices
Needs Addressed	PublicServices
Funding	CDBG: \$94,923
Description	Services to low- and moderate-income persons who are Seniors, disabled, homeless, or at risk of becoming homeless.
Target Date	June 30, 2022
Estimate the number and type of families that will benefit from the proposed activities	Approximately 100 LMC persons will benefit from the public services.
Location Description	Surprise Citywide
Planned Activities Activity Matrix: 05Q, 05A, 03T, 05B <i>24 CFR 570.201(e) or</i> <i>42 USC 5305(a)(8) +</i> <i>24 CFR 570.482(c)(2)</i> <i>+ 24 CFR</i> <i>570.207(b)(4)</i>	Activities may include funding for Lutheran Social Services - IHELP, crisis assistance, homelessness services. The City will also fund eligible activities to support local pandemic response such as the COVID-19 infectious disease.

5

Project Name	Planning & Administration
Target Area	Surprise Citywide
Goals Supported	Planning & Administration
Needs Addressed	Planning & Administration
Funding	CDBG: \$131,282 General Fund: \$75,000
Description	Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category.
Target Date	June 30, 2022
Estimate the number and type of families that will benefit from the proposed activities	Planning and administration of HUD programs provides a benefit to all persons in Surprise.
Location Description	Surprise Citywide

Planned Activities**Activity Matrix:****20, 21A, 21D, 21H***24 CFR 570.206 or
24 CFR**570.489(a)(3) + 24**CFR 570.206 or 24**CFR 570.205 + 24**CFR 570.206(i)(2) or**42 USC 5305(a)(13)*

Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category.

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Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City will limit low mod area benefit (LMA) to public facility improvements in the Original Town Site (OTS). All of other projects in the 2021 Action Plan will occur citywide.

The **Original Town Site (OTS)** is the historic center of Surprise. It is just over one square mile, 664 acres in area -- bounded by Bell Road on the north, Dysart Road on the west, Greenway on the south and El Mirage on the east. Grand Avenue (U.S. 60) and the Santa Fe railroad tracks angle through the area, separating the north and south portions of the neighborhood.

The OTS is remarkable in its variety. Existing conditions range from the oldest, original residences and businesses in the City to the Bell Road Corridor shops, restaurants, hotels and offices as well as public facilities, commercial development and new housing within the neighborhood. There are also vacant parcels, properties in need of rehabilitation and marginal land uses that are prime candidates for redevelopment.

Geographic Distribution

Target Area	Percentage of Funds
Original Town Site (OTS)	75

Table 27 – Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City is actively working to improve the Original Town Site (OTS) and has identified the high priority need for public facility improvements.

The Original Town Site (OTS) of Surprise currently includes over 16% of undeveloped lands within its boundaries, in addition to many vacant properties. The ultimate pattern of revitalization supports design strategies and public improvements that capitalize on the cultural aspects of walkability and “front yard-living” that provide the basis for a vibrant, culturally diverse community, while providing regional connectivity and expanded services. Current planning efforts for this area include the Village 1 Plan and the Specific Plan for the revitalization of the OTS. The OTS is also a designated Opportunity Zone.

Discussion

The City will limit low mod area benefit (LMA) to public facility improvements in the Original Town Site (OTS). All of other projects in the 2021 Action Plan will occur citywide.

Introduction

The City has made affordable housing one of its highest priority needs for the Consolidated Plan year. Actions over the five-year period include the preservation of affordable units through owner-occupied housing rehabilitation, providing rental assistance through tenant-based rental assistance, and the development of new affordable rental units. The lack of multi-family housing in Surprise is one of the biggest contributing factors to the high rental rates in Surprise.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City of Surprise strategy to remove or ameliorate barriers to affordable housing is to leverage resources and develop partnerships to create new affordable housing units. For instance, in the Surprise Heritage District, the City's provides financial incentives to promote both residential and commercial development that will aid in the revitalization of the Original Town Site. Incentives include:

- New residential development on parcels zoned either SHD-RO or SHD-CO shall receive a 100% waiver of the City of Surprise Development Impact Fees
- New, expanding qualifying commercial development may request a 100% waiver of Building Plan Review, Building Permit, and City of Surprise Development Impact Fees at the approval of City Council.

In accordance with the Analysis of Impediment Fair Housing Goals, the City of Surprise will review zoning ordinances for areas that restrict housing development. For instance, the City has a lack of multi-family housing with less than 1% of existing residential units being multi-family. Currently, less than .1% of land in Surprise is zoned for multi-family housing. This may be a barrier to the development of new multi-family housing units in Surprise. The City will work with city officials, developers and housing stakeholders to review and develop the zoning ordinances to support more multi-family housing.

Discussion

Introduction

The City of Surprise continue to focus on the needs of low- and moderate-income residents and to provide needed services that will help improve their lives.

Veterans, Disability and Human Services Commission

In 2018, the City Council voted to disband the Disability and Advisory Commission and expand it into a new commission, the Veterans, Disability and Human Services Commission. The expanded commission is charged with assisting in the development and/or expansion of city programming related to veterans; people with special needs; and those in need of general human services and workforce development.

In January of 2021 the Veterans, Disability & Human Services Commission finalized their Strategic Plan. The Strategic Plan aligns with the Community Needs Assessment, and will provide recommendations to the Surprise City Council for prioritization of enhanced service delivery infrastructure with the City of Surprise. These recommendations will be based on the expertise of the Commission, as well as the data and highlighted needs outlined in the assessment.

Surprise Community Outreach Program

In an effort to support and grow the quality of life in Surprise, the Mayor and City Council offer the Surprise Community Outreach Program (SCOP). The program provides financial assistance to qualified nonprofits that provide direct services to City of Surprise residents. The Surprise City Council set aside up to \$100,000 for FY21. Applicants must provide direct services which improve the health and welfare of Surprise residents.

Actions planned to address obstacles to meeting underserved needs

The City has partnered with Lutheran Social Services for their I-Help program to provide emergency overnight shelter, and homeless services in Surprise. The City of Surprise Police Department has also entered into an agreement with Phoenix Rescue Mission to provide street outreach and case management for Surprise homeless.

The City of Surprise Resource Center provides a central location for local service providers to reach out to persons experiencing homelessness. The Surprise Resource Center is a one-stop-shop for social services. Through strategic partnerships with a growing number of community-based organizations and government agencies, the Center offers Surprise residents connections to services that include everything from rent and utility assistance to employment support to food and nutrition resources. During COVID-19, the Resource Center has administered the federal rental and utility assistance received from Maricopa County, for Surprise and El Mirage

residents.

Program offered at the Resource Center include:

- Community Action Program (CAP) for Surprise and El Mirage
- Arizona@Work Maricopa County, All Employment Assistance
- Eve's Place - mobile domestic violence advocacy services, A New Life Center – DV support groups
- Adelante Healthcare – WIC Services
- Helping Families in Need (SNAP, TANF, AHCCCS)
- St. Mary's Food Bank (TEFAP), and Kidsafe
- Medicare and Medicaid support counseling
- Benevilla- parent support and education
- LSS I-HELP – homeless services
- Veteran Support

In January of 2021, the VDHS Commission completed a Strategic Plan for addressing the needs identified in the Needs Assessment. The City will work with the Commission to enact the Strategic Plan in Program Year 2021.

Actions planned to foster and maintain affordable housing

The City plans to continue providing owner occupied housing rehabilitation for low- and moderate-income residents in need of health and safety rehabilitation to their homes. The preservation of existing affordable housing is one of the most impactful investments the City can make in fostering affordable housing. In 2020, the City partnered with A New Leaf to administer the City's tenant-based rental assistance (TBRA) program to help eligible residents gain stable and affordable housing.

The development of new affordable rental units remains a high priority for the City. The City will continue to seek out partnerships with housing developers to create new rental unit opportunities.

Actions planned to reduce lead-based paint hazards

The health risks to young children posed by lead-based paint in residential dwellings remains an important issue for both the housing industry and the public health community to address. The City is committed to addressing the challenges faced by young families living in homes with lead-based paint.

Housing Rehabilitation Lead-based Paint

The City of Surprise lead-based paint evaluation and reduction of lead-based paints involves the following areas: notification, lead hazard evaluation; lead hazard reduction, and clearance. All projects are evaluated for applicability to the Lead-Safe Housing Rule, and managed per the standards of the rule. A Neighborhood Services staff member is required to be an EPA certified

Risk Assessor in order to be qualified to evaluate homes for lead hazards, and review third-party testing when developing projects when lead hazards are present. The City is committed to addressing the challenges faced by young families living in homes with lead-based paint.

TBRA Lead-based Paint

TBRA lead-based paint requirements apply to dwelling units occupied or to be occupied by families or households that have one or more children under age six, the common areas servicing the units, exterior painted surfaces associated with such units, and other areas used by unit residents and frequented by children under age six.

Units with tenant-based rental assistance and households with no children under the age of six are exempt from the requirements, except families and households in all tenant-based rental assistance pre-1978 units must receive the lead hazard information pamphlet and disclosure information.

The City of Surprise TBRA activities for units with families or households that have one or more children under age six must include: notification, lead hazard evaluation, lead hazard reduction, ongoing maintenance, and responding to children with environmental intervention blood lead levels.

Actions planned to reduce the number of poverty-level families

The Surprise Resource Center will continue to be a cornerstone of the support structure for poverty level families in Surprise. The Resource Center is a one-stop-shop for social services. Through strategic partnerships with a growing number of community-based organizations and government agencies, the Center offers Surprise residents connections to services that include everything from rent and utility assistance to employment support to food and nutrition resources.

The City of Surprise will provide short and long term rental and utility assistance utilizing HOME and CDBG funding to assist families who are homeless or at risk of becoming homeless to access stable affordable housing. The City's partnership with Lutheran Social Services and HAMC will help families make the transition, and provide stable housing opportunities.

The City is committed to the best practice that safe and stable housing is the first step to achieving self-sufficiency and elevating out of poverty. In response to the COVID-19 Pandemic and the resulting affordable housing and eviction crisis, the City will partner with a regional non-profit, regional partners, and Maricopa County to establish a Housing Support Center. This regional housing center is to prevent and respond to increased homelessness among individuals and families impacted by the COVID-19 pandemic, and to mitigate the spread of the Coronavirus among unsheltered persons, and the community at large. The center will provide socially distanced short term emergency housing, access to Coordinated Entry, rapid re-housing and tenant-based rental assistance. Access to other services will be provided to help move persons into stable housing in under thirty days.

Actions planned to develop institutional structure

The City of Surprise is deeply committed to understanding and providing services to the City's residents. In 2019, the city conducted a Community Needs Assessment with the goal of creating a guiding document which can assist in prioritizing plans, initiatives and programs to meet growing or unmet human service needs in our city. The Community Needs Assessment was used to help determine needs, goals, and projects for the 2020-2024 Consolidated Plan. The VDHS Commission utilized the Assessment to formulate a strategic plan, which was adopted in January 2021.

The City of Surprise Human Service & Community Vitality (HSCV) Department, Neighborhood Services Division, is responsible for the development of the Consolidated Plan, the Annual Action Plan, and the annual CAPER. Neighborhood Services is adequately staffed to manage the complexities of the program, and has a plan of succession when staffing changes. Neighborhood services will work with HSCV staff, other city departments, and Sub-grantees to carry out the Annual Action Plan goals and projects. Neighborhood Services is responsible for monitoring sub-grantee performance and program compliance.

HSCV and Neighborhood Services will work closely with the VDHS Commission to monitor the progress of the Consolidated Plan through annual reviews of the CAPER reporting, and comprehensive review of Annual Action Plans, making adjustments when needed to meet evolving needs.

When funding allows, staff will attend Community Planning & Development program trainings, seminars, and conferences, to grow institutional knowledge and capacity. Training will also be offered to sub-grantees and partners to further strengthen the community's service provider capacity, helping to ensure success.

Actions planned to enhance coordination between public and private housing and social service agencies

City staff participate and are members of the West Valley Municipal Human Services Collaborative, Maricopa Regional Continuum of Care, and West Valley Human Services Collective. Staff also regularly meet with the Housing Authority of Maricopa County. The regional stakeholders have a strong history of working together to achieve shared community goals. The City of Surprise Resource Center holds quarterly partner meetings to share available resources and coordinate efforts.

The City is a member of Arizona Housing Coalition, and is committed to the goal of ensuring safe, affordable homes for all Arizonans. These goals include a functional end to homelessness, and providing adequate housing supply. The development of new affordable rental units remains a high priority for the City. The City will continue to seek out partnerships with housing developers and stakeholders to create new affordable housing opportunities.

Discussion

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Introduction

Projects planned with CDBG and HOME funds for PY2020 are identified in the Projects Table located earlier in the Consolidated/Annual Plan Process. The City does not anticipate receiving program income in excess of \$25,000.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

- | | |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 0 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 0 |

Other CDBG Requirements

- | | |
|---|---------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 100.00% |

Discussion

APPENDIX

Appendix

List of Attachments

- A- Letter of Submission to HUD
- B- City of Surprise Program Year 2021 Alternative Version
- C- Program Year 2021 Spending Synopsis
- D- Citizen Participation Documents
- E- SF424 and Certifications

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CITY OF SURPRISE PY2021 CDBG Annual Action Plan Spending Summary			Original Funding Request	VDHS Commission Changes	PY2021 Final Allocation
AFFORDABLE HOUSING					
City of Surprise Housing Rehab/HQS			\$195,206		\$195,206
Matrix <u>14A</u>	Original Funding Request	Match	Citations: 570.202(a)(1), 570.202(b)(9) Associated Goal: Housing Rehabilitation Outcome: 20 LMH		
Activity Delivery	\$50,000	\$40,000			
Capital	\$145,206	\$0			
Homeowner Accessibilty Modifications			\$25,000		\$25,000
Matrix <u>14A</u>	Original Funding Request	Match	Citations: 570.202(a)(1), 570.202(b)(9) Associated Goal: Housing Rehabilitation Outcome: 5 LMH		
Activity Delivery	\$5,000	\$0			
Capital	\$20,000	\$0			
Support for HOME Tenant Based Rental Assistance			\$35,000		\$35,000
Matrix <u>14J</u>	Original Funding Request	Leverage	Citation: 570.201(k) Associated Goal: Housing Services Outcome: 11 LMH		
Capital	\$0	\$185,000			
Activity Delivery	\$35,000				
SUBTOTAL - Housing Activities			\$255,206	\$0	\$255,206
PUBLIC FACILITY IMPROVEMENTS					
Public Facility Improvements			\$175,000		\$175,000
Matrix <u>03E, 03F, 03L</u>	Original Funding Request	Leverage	Citation:570.201(c) Associated Goal: Public Facility Improvements Outcome: 200 LMC		
Capital	\$165,000	\$500,000			
Activity Delivery	\$10,000				
SUBTOTAL - PUBLIC FACILITIES			\$175,000	\$0	\$175,000
PUBLIC SERVICES - 15%					
Subrecipient - Homeless Services			\$94,923		\$94,923
Matrix <u>03T</u>	Original Funding Request	Applicant Leverage	Citations: 570.201(e), 570.207(b)(4) Associated Goal: Public Services Outcome: 100 LMC		
Capital	\$59,923	\$200,000			
City Program - Short term rental assistance			\$0		\$0
Matrix <u>05Q</u>	Original Funding Request	Match	Citations: 570.201(e), 570.207(b)(4) Associated Goal: Public Services Outcome: 0 LMC		
Capital	\$0	\$0			
Pandemic Response			\$0		\$0
Matrix <u>05</u>	Original Funding Request	Match	Citations: 570.201(e), 570.207(b)(4) Associated Goal: Public Services Outcome: 0 LMC		
Capital	\$0	\$0			
SUBTOTAL - PUBLIC SERVICES (HUD maximum 15%)			\$94,923	\$0	\$94,923
City of Surprise General Program Administration (all new funds)			\$131,282		\$131,282
SUBTOTAL - PLANNING & ADMINISTRATION (HUD Max. 20%)			\$131,282	\$0	\$131,282
GRAND TOTAL W/ ADMINISTRATION & PLANNING			\$656,411		\$656,411
FUNDS AVAILABLE	2021 New CDBG Funds		\$656,411		\$656,411
	Program Income - City		\$0		\$0
TOTAL FUNDS AVAILABLE			\$656,411		\$656,411
TOTAL REQUESTS IN EXCESS OF FUNDING			\$0	\$0	\$0



Program Year 2021 Annual Action Plan

Year two of the 2020-2024 Consolidated Plan

Council Review and Approval

Human Service & Community Vitality | April 20, 2021



Introduction

The City of Surprise is a recipient of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funding.

The City receives an annual allocation of CDBG as a direct entitlement.

The City receives an annual allocation of HOME funding as a member of the Maricopa HOME Consortium.



Introduction

Each Entitlement City must complete an Annual Action Plan to:

1. Review priority needs and goals
 2. Review progress made in past years
 3. Select projects to address goals
 4. Allocate anticipated funding
- 



Today's Objectives

- ❖ Review the Needs and Goals identified in the Consolidated Plan
 - ❖ Review PY2021 Annual Action Plan (AAP) and Spending Priorities
 - ❖ Review the selection of Subrecipients
 - ❖ Provide opportunity for public comment and input
 - ❖ Approve the PY2021 Annual Action Plan for submission to HUD
- 



HUD Funding

Funding involved:

Community Development Block Grant (CDBG)

Program Year 2021 = \$656,411

HOME funding is approved through the Maricopa County HOME Annual Action Plan. However, we consider HOME funding when creating our plan.

Program Year 2021 = \$220,127.80 (Includes Program Income)



Con Plan Identified Needs

High Priority Needs:

1. Maintain and increase the availability of **Affordable Housing**
2. Invest in **Public Facility Improvements**
3. Support **Public Services**
4. Continue the **Planning & Administration** of HUD funded programs

Affordable Housing

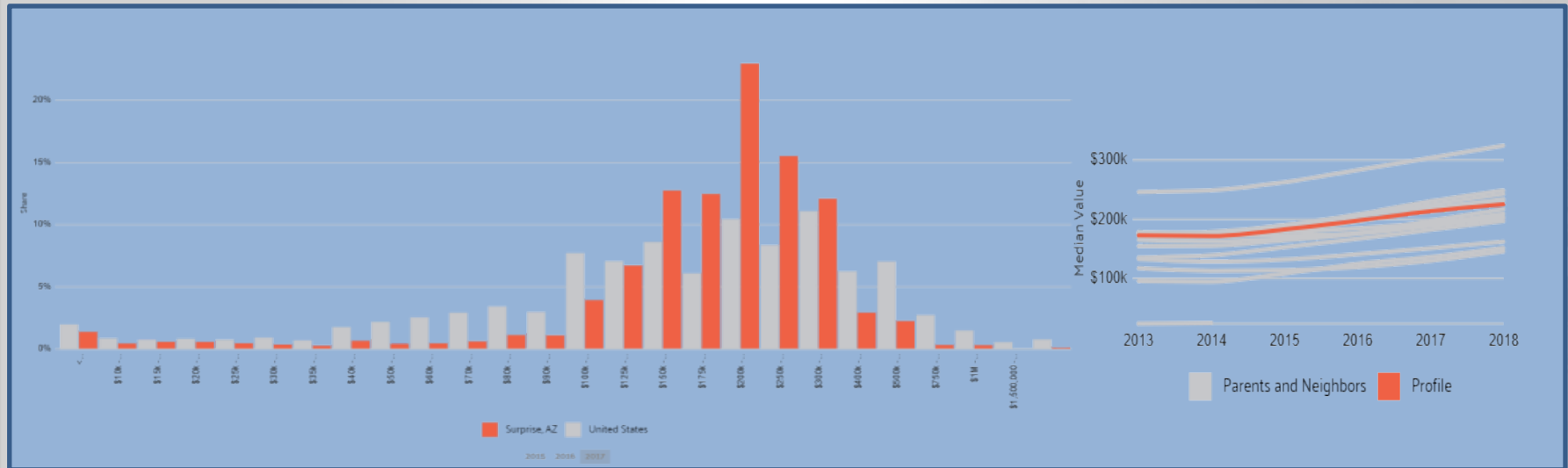
Property Values

2019 Median

\$300,625

2018 Median

\$225,200



Affordable Housing

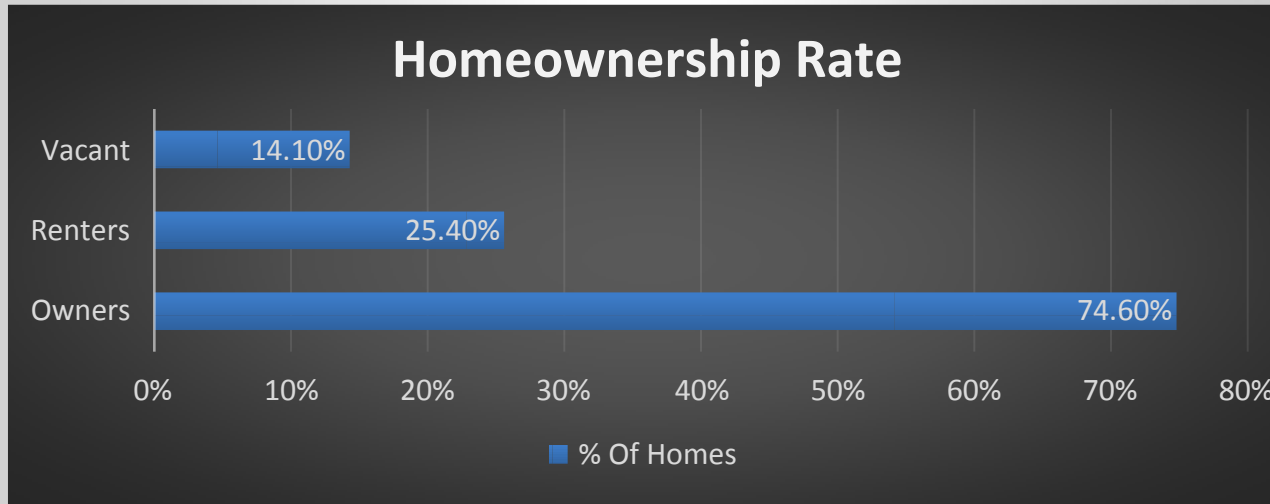
Rent vs Own

Surprise

74.6% Homeownership

Phoenix-Mesa-Scottsdale

62.4% Homeownership



Affordable Housing

KEY FACTS

183,343
OR
20%

Renter Households that are extremely low income

\$25,100

Maximum income of 4-person extremely low income households (state level)

-134,758

Shortage of rental homes affordable and available for extremely low income renters

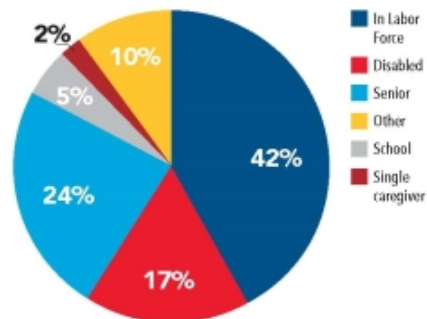
\$43,892

Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.

73%

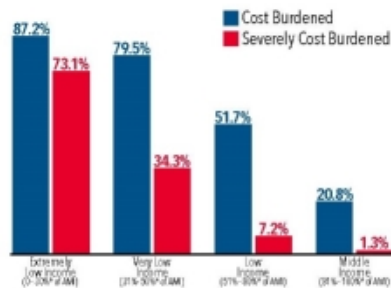
Percent of extremely low income renter households with severe cost burden

EXTREMELY LOW INCOME RENTER HOUSEHOLDS



Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or a person with a disability, and other. Fifteen percent of extremely low income renter households include a single adult caregiver, more than half of whom usually work more than 20 hours per week. Eleven percent of extremely low income renter households are enrolled in school, 48% of whom usually work more than 20 hours per week. Source: 2018 ACS PUMS

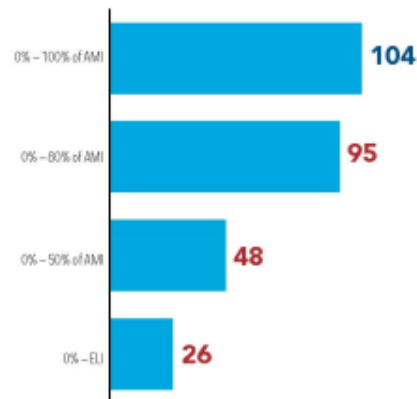
HOUSING COST BURDEN BY INCOME GROUP



Note: Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened. Source: HUD's tabulations of 2018 ACS PUMS.

Extremely Low Income = 0-30% of AMI
Very Low Income = 31%-50% of AMI
Low Income = 51-80% of AMI
Middle Income = 81%-100% of AMI
Note: *Or poverty guideline, if higher.

AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: HUD's tabulations of 2018 ACS PUMS.



Affordable Housing

Program Year 2021 Projects to Address Affordable Housing

1. **Housing Rehabilitation** – Preserve existing affordable housing stock
2. **Tenant-Based Rental Assistance** – Rent and utility assistance for LMI households
3. **Housing Support Services** – provide housing services for persons who are homeless or at risk of becoming homeless

Public Facilities & Improvements

Improve access to housing, resources, and community programs

CDBG funds may be used to undertake a variety of public facilities and improvement projects.

- Infrastructure improvements
- Neighborhood facilities
- Facilities for person with special needs
- Typically publically owned or;
- Owned by a non-profit and open to the general public

Eligible activities include: Acquisition, construction, rehabilitation or installation of public facilities that serve LMI persons.

Public Facilities & Improvements

Program Year 2021 Projects to Improve Public Facilities

1. Acquisition and rehabilitation of a public facility for housing support and access to resources.
2. Improvements to public infrastructure in support of housing development.
3. Neighborhood facility improvements in low – and moderate income areas.



Public Services

The Surprise Community Needs Assessment - The *Human Services and Community Vitality in Surprise - A Community that Cares*, identified critical human service needs for:

- Homeless individuals, families with children, and youth
- Individuals with disabilities and special needs
- LMI individuals and families/youth
- Seniors
- Survivors of Domestic Violence

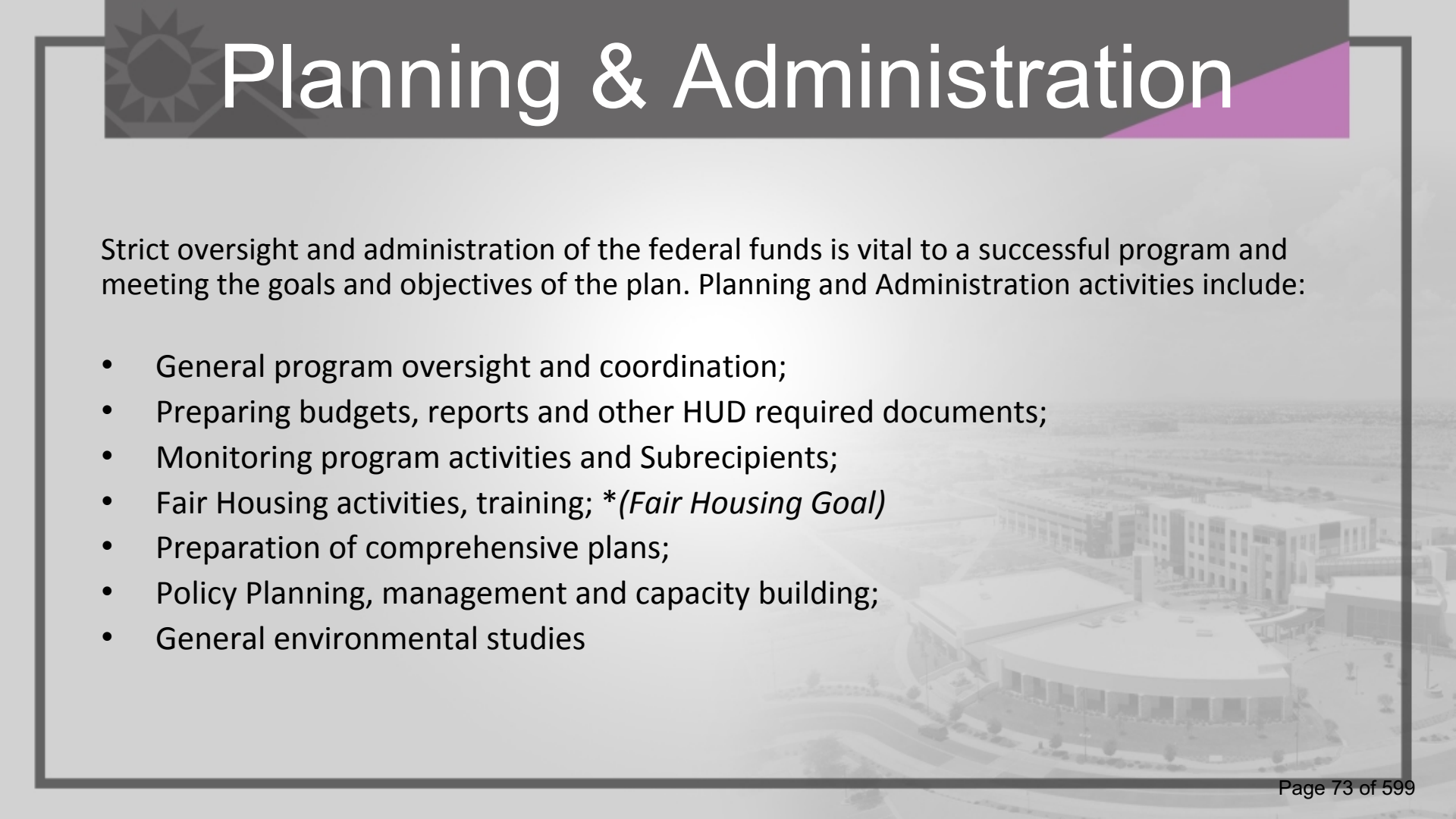


Public Services

Program Year 2021

Public Services

1. **Homeless Services** – services for persons who are homeless or at risk of becoming homeless.
2. **Housing Support Center Operations** – improve access to housing services and resources.
3. **COVID-19 Response** – public services in response to COVID-19 Pandemic



Planning & Administration

Strict oversight and administration of the federal funds is vital to a successful program and meeting the goals and objectives of the plan. Planning and Administration activities include:

- General program oversight and coordination;
- Preparing budgets, reports and other HUD required documents;
- Monitoring program activities and Subrecipients;
- Fair Housing activities, training; **(Fair Housing Goal)*
- Preparation of comprehensive plans;
- Policy Planning, management and capacity building;
- General environmental studies



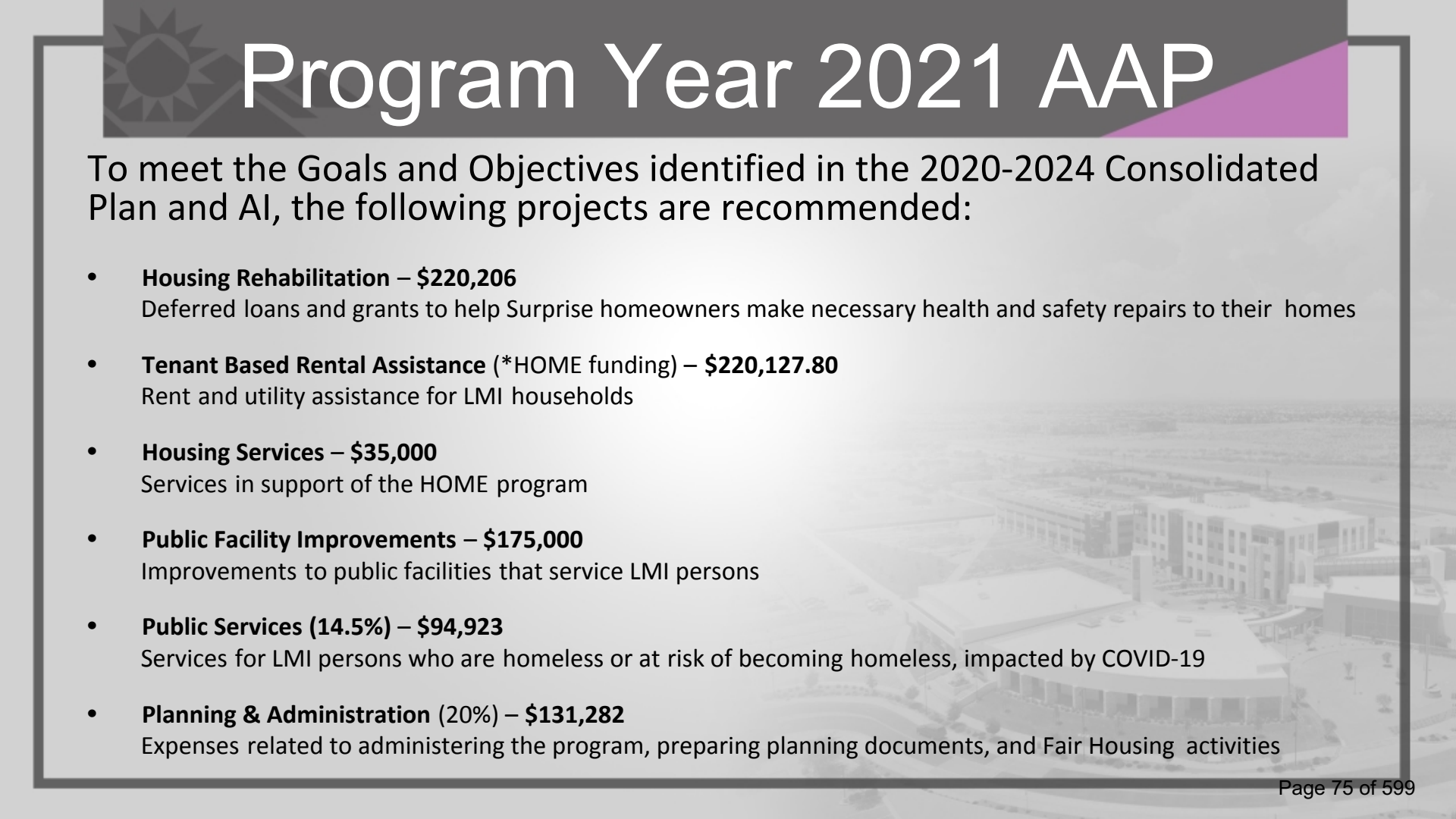
Program Year 2021 AAP

Program Year 2021 is the second year of the 2020-2024 Consolidated Plan.
The CDBG allocation for Program Year 2020 is **\$656,411**

Conditions of Funding:

Planning and Administration is capped at 20% of allocation

Public Services is capped at 15% of allocation



Program Year 2021 AAP

To meet the Goals and Objectives identified in the 2020-2024 Consolidated Plan and AI, the following projects are recommended:

- **Housing Rehabilitation – \$220,206**
Deferred loans and grants to help Surprise homeowners make necessary health and safety repairs to their homes
- **Tenant Based Rental Assistance (*HOME funding) – \$220,127.80**
Rent and utility assistance for LMI households
- **Housing Services – \$35,000**
Services in support of the HOME program
- **Public Facility Improvements – \$175,000**
Improvements to public facilities that service LMI persons
- **Public Services (14.5%) – \$94,923**
Services for LMI persons who are homeless or at risk of becoming homeless, impacted by COVID-19
- **Planning & Administration (20%) – \$131,282**
Expenses related to administering the program, preparing planning documents, and Fair Housing activities

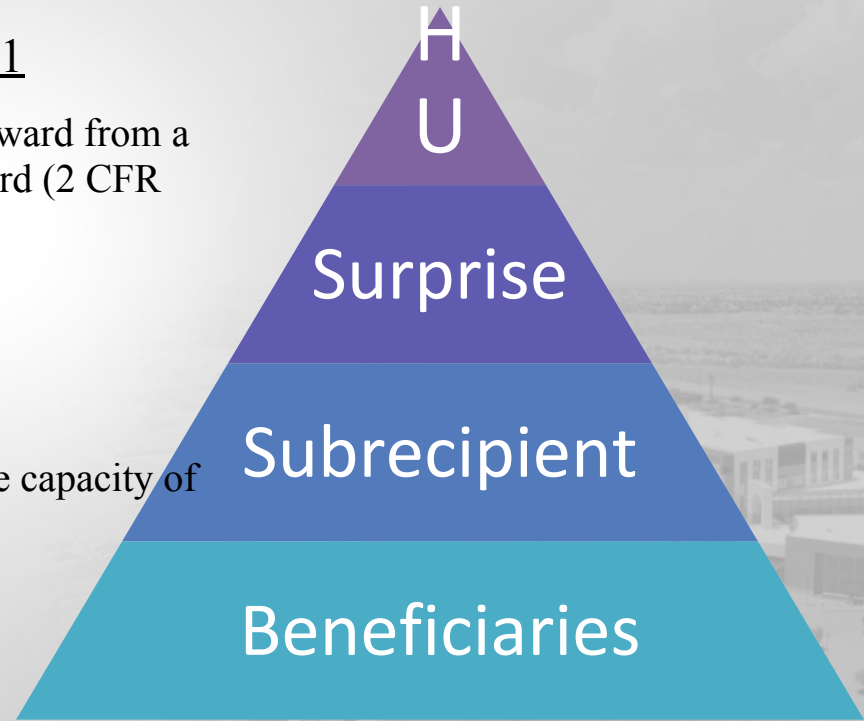
PY2021 Subrecipients

Subrecipient Determination – 2 CFR 200.301

Subrecipient – means an entity...that receives a subaward from a pass-through entity to carry out part of a Federal award (2 CFR 200.201)

Evaluating the Subrecipient

Factors are based on the quality of the project and the capacity of the subrecipient to carry it out.



PY2021 Subrecipients

Subrecipient's for CDBG and HOME funding are evaluated and scored with a set of written criteria

Threshold Criteria

Subrecipient's that do not meet the PASS threshold criteria will not be considered further.

Meet CDBG National Objective	Anticipated to be completed within Action Year	Applicant meets eligibility requirements applicable to proposed project	Applicant meets definition of a Subrecipient	*Returning Subrecipient- In Compliance with current agreement
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Scoring Factors

Subrecipients were scored based on the following factors;

Organizational Capacity (20 points)	Cost (10 points)	Experience working with HUD Funded Programs (20 points)	Method of Approach (15 points)	Partnering/Complementin g/Duplicating (5 points)	Consistency with Identified Priority Needs (25 points)	Pledge of Leveraging Resources (5 points)
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PY2021 Subrecipients

Staff recommends the following Subrecipient projects for Program Year 2021:

PY2021 Activities	Priority Need	Outcomes
Lutheran Social Services IHELP	Homeless Services	65 (LMC)
A New Leaf - TBRA	Housing Services in Support of HOME	14 (LMC)
A New Leaf – Housing Support	Housing/Homeless Services	150 (LMC)



Citizen Participation

Summary of Citizen Participation and Outreach:

- Stakeholder Meetings
- Community Organization Consultation
- Subrecipient Technical Assistance
- Public Notices
- Press Releases
- Social Media
- Public Hearing on “Needs”



Staff Recommendations

Staff recommends approval of the Program Year 2021 Annual Action Plan for submission to HUD

What's Next?

March 11 – April 14

30-Day Review &
Comment Period

April 14, 2021

Public Hearing

April 20, 2021

City Council
Approves Plan

May 15, 2021

Plan submitted to HUD



SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Adam Lane
Human Service & Community Vitality
Neighborhood Services Supervisor

Seth Dyson
Human Service & Community Vitality
Director



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021 Contact Person: Joshua Mike
Submitting Department: Community Development District: District 3
Staff Recommendations: None

Consent: Yes Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval of the Final Plat entitled, "Toll at Prasada, Phase 1 Re-Plat" and dated March 4, 2021, an approximately 93.85 acre property generally located south of Cactus Road and west of Cotton Lane. (Case FS20-717)

Motion:

I move to approve the Final Plat entitled, "Toll at Prasada, Phase 1 Re-Plat"

Background:

Toll Brothers AZ Construction Company, seeks approval of a Re-Plat of the subject property. The original Final Plat, (Case FS18-290) approved in January 2019, was recorded under Book 1435, Page 36 MCR20190046662. This Re-Plat intends to adjust the legal boundaries of the clubhouse and golf holes 1, 6, 7, and 18 to reflect the limits that were adjusted during construction. This re-plat also seeks to create new multi-family parcels that will incorporate condo units.

Objective Analysis:

The adjustment of parcel boundaries within this Re-Plat reflects the proper use and limits for ownership and maintenance of the golf course and HOA owned open space tracts. The new multi-family parcels will continue to implement the density approved for the entirety of the Toll at Prasada Project.

Policy Compliant:

The requested Re-Plat is consistent with the Prasada PAD and advances the goals and policies of the General Plan.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

1. 00 FS20-717 Toll at Prasada Phase 1 Replat CC Staff Report 4.20.2021
 2. 01 FS20-717 Toll at Prasada Phse 1 Infra Replat Vicinity Map
 3. 02 FS20-717 Toll at Prasada Phse 1 Infra Replat Case Map
 4. 03 FS20-717 Ph1 Onsite Infra RePlat Final Plat
 5. 04 FS20-717 Luke AFB Comments
 6. FS20-717 Toll at Prasada Phase 1 Infra Replat Presentation
-

RE-PLAT

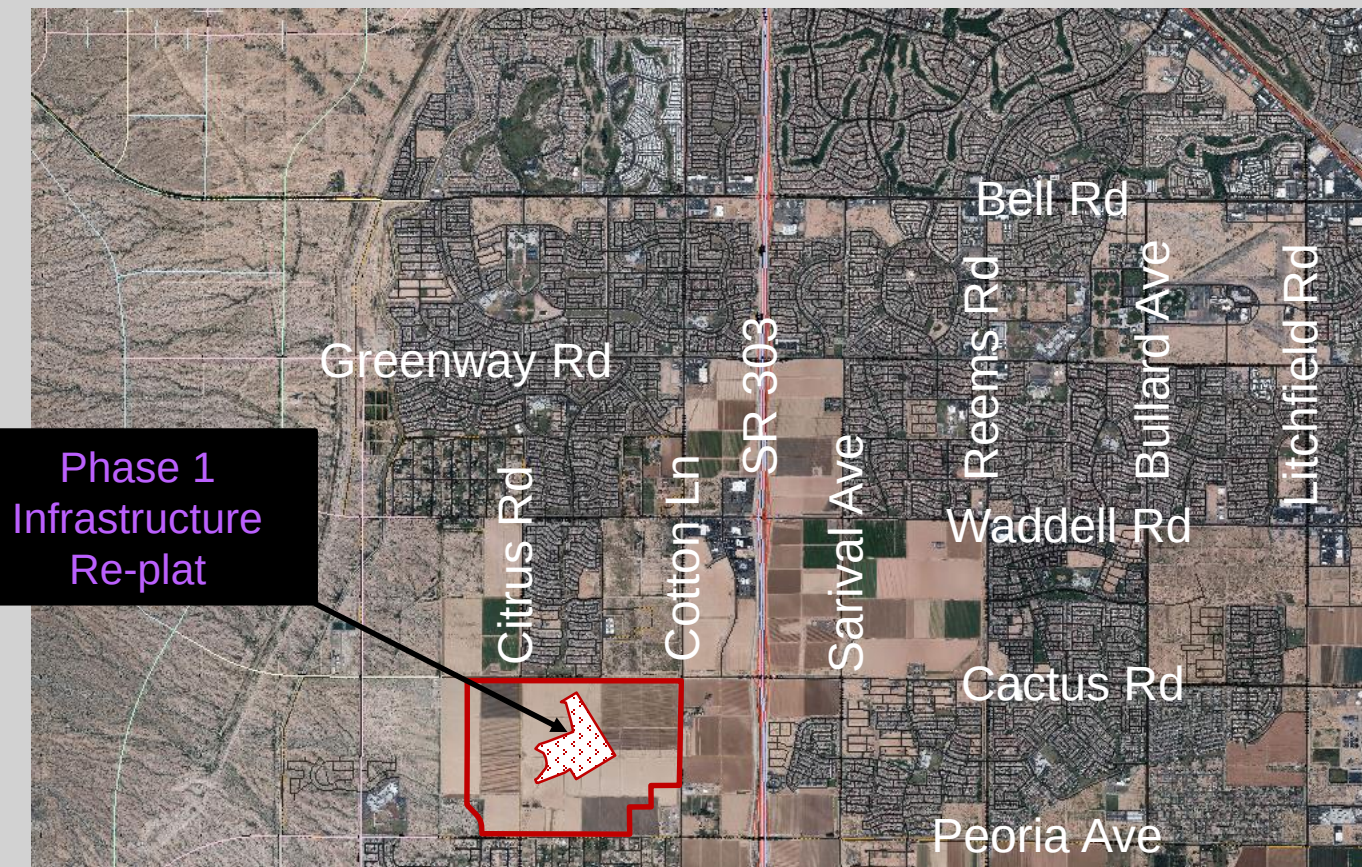
1	Case:	FS20-717	REPORT TO CITY COUNCIL
2			
3	Project Name:	Toll at Prasada Phase 1 Re-plat	
4			
5	Council District:	3 - Mesquite	
6			
7	City Council Date:	April 20, 2021	
8			
9	Planner:	Joshua Mike, AICP	
10			
11			
12	Owner:	Toll at Prasada, LLC.	
13			
14	Applicant:	Toll Brothers AZ Construction Co.	
15			
16	Request:	Re-Plat of a portion of the Prasada Phase 1 Onsite Infrastructure Plat	
17			
18	Site Location:	Generally located south of Cactus Road and west of Cotton Lane	
19			
20	Site Size:	93.85 acres (approx.)	
21			
22	Density:	N/A	
23			
24	General Plan Conformance:	The proposal is consistent with the Surprise General Plan 2035	
25			
26	Support/Opposition:	None known	
27			
28	Findings:		
29		The proposed Re-Plat is consistent with the Prasada PAD.	
30		The proposed Re-Plat is consistent with the applicable City of Surprise regulations.	
31		The reviewing agencies have indicated no objections to the request.	
32			
33	Alternative Actions:	Approval of the requested Re-Plat will adjust certain parcel boundaries to reflect the defined use and limits of ownership for maintenance of the golf course and HOA owned open space tracts. Additionally, it will create a "Cottages Parcel" for a future 8-unit condo site plan and a "Condo A Parcel" for a future 128-unit condo site plan.	
34			
35			
36			
37			
38			
39			
40		Denial of the requested Re-Plat will deny the applicant the adjustment of boundaries within the property as proposed.	
41			

Additional Information:

The City approved the Phase 1 Onsite Infrastructure Plat for Toll at Prasada (Case FS18-290) in January 2019, which included boundaries of Golf Course and HOA maintained open space tracts. This re-plat intends to adjust the legal boundaries of the Golf Holes 1, 6, 7, and 18, the Driving Range, and Golf Club House to reflect the limits that were adjusted during construction. Parcel Q will be split to create a “Condo A Parcel” as part of this re-plat.

Attachments:

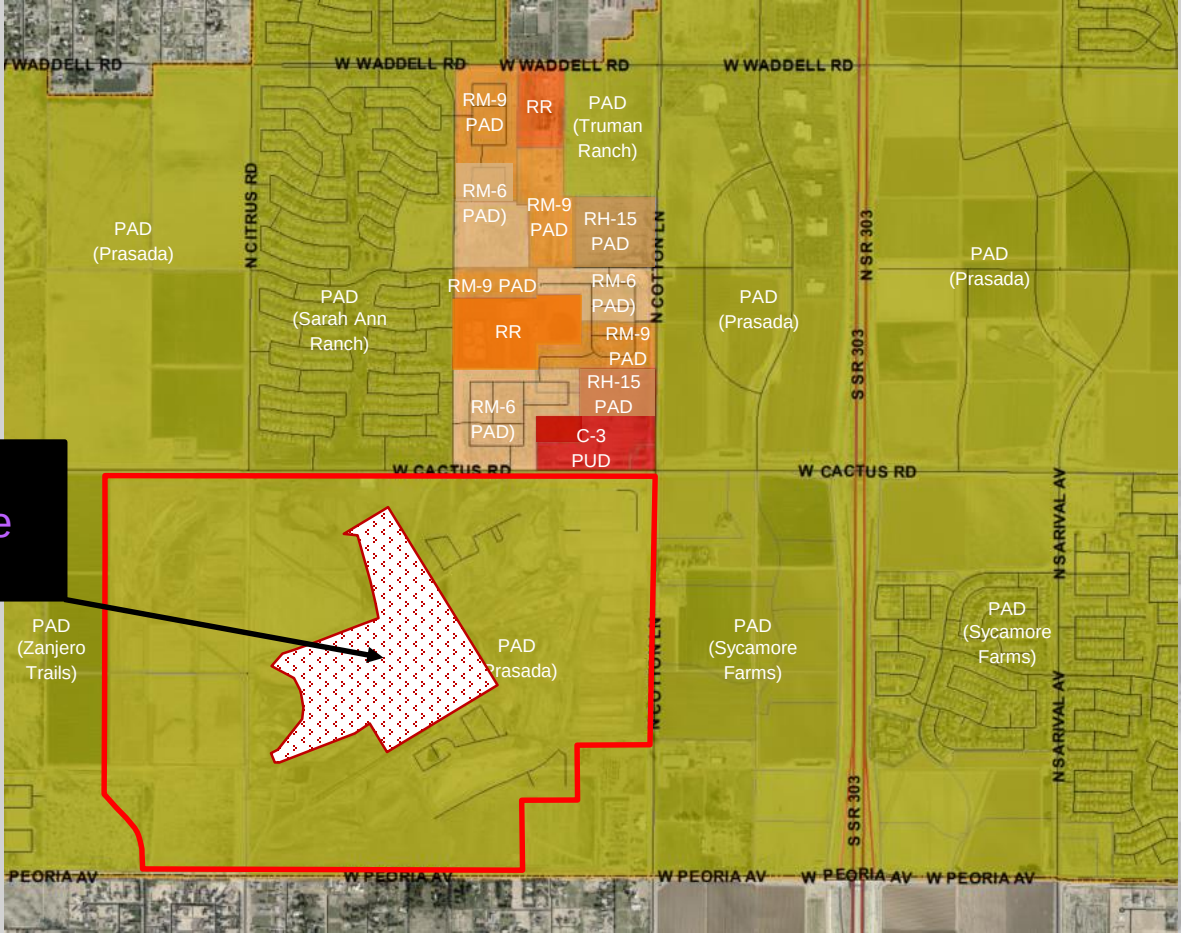
- 01 Vicinity Map
- 02 Case Map
- 03 Final Plat
- 04 LAFB Comments



FS20-717 Vicinity Map

FS20-717 Case Map

Phase 1
Infrastructure
Re-plat



DEDICATION

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS

KNOW ALL PERSONS BY THESE PRESENTS: THAT TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND TOLL AT PRASADA COMMUNITY ASSOCIATION, INC., AN ARIZONA NON-PROFIT CORPORATION, "OWNERS" OF TOLL AT PRASADA, PHASE I RE-PLAT HEREBY PUBLISHES THIS FINAL PLAT OF TOLL AT PRASADA, PHASE I RE-PLAT, BEING A RE-PLAT OF TOLL AT PRASADA, PHASE I ONSITE INFRASTRUCTURE TRACT B, HOLE 1, HOLE 6, HOLE 7, HOLE 18, DRIVING RANGE, PARCEL Q AND GOLF CLUB HOUSE & HOA PARCEL AS RECORDED IN BOOK 1435 OF MAPS, PAGE 36, M.C.R., LOCATED IN A PORTION OF SECTION 23, TOWNSHIP 3 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF EACH LOT, TRACT AND EASEMENT, AND THAT EACH LOT AND TRACT SHALL BE KNOWN BY THE NUMBER, AND LETTER GIVEN TO EACH RESPECTIVELY. THE PURPOSES OF THE EASEMENTS ARE SHOWN HEREON.

OWNERS HEREBY DEDICATES TO THE CITY OF SURPRISE FEE TITLE TO ALL PUBLIC RIGHTS-OF-WAY AS SHOWN ON THE PLAT.

OWNERS HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL EASEMENT ACROSS THE PLAT INCLUDING ROADS AND STREETS, OPEN SPACES, COMMUNITY FACILITIES, TRACTS, SIDEWALKS, DRAINAGE BASINS AND ANY PROPERTY WITHIN THE PLAT OWNED BY THE HOMEOWNERS ASSOCIATION FOR THE PURPOSE OF PROVIDING CONTINUOUS AND UNINTERRUPTED INGRESS AND EGRESS FOR TRASH COLLECTION VEHICLES.

OWNERS HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL EXCLUSIVE EASEMENT OVER, UNDER, UPON AND ACROSS ALL AREAS DESIGNATED ON THE PLAT AS APPLICABLE: SEWER LINES AND MANHOLES, FOR THE PURPOSE OF INSTALLING, CONSTRUCTING, MAINTAINING, REPAIRING, REPLACING AND UTILIZING THE SEWER LINES AND MANHOLES.

OWNERS HEREBY GRANTS TO THE PUBLIC A PERPETUAL NON-EXCLUSIVE EASEMENT IN, UPON, OVER, UNDER, THROUGH, AND ACROSS THE AREAS DESIGNATED AS PUBLIC UTILITY EASEMENTS AS SHOWN ON THE PLAT FOR THE PURPOSE OF ACCESSING, INSTALLING, CONSTRUCTING, MAINTAINING, REPAIRING, REPLACING AND UTILIZING PUBLIC UTILITIES.

OWNERS HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL NON-EXCLUSIVE EASEMENT OVER, UPON AND ACROSS THE AREAS DESIGNATED AS SIGHT VISIBILITY TRIANGLES FOR THE PURPOSE OF ENSURING THAT THESE AREAS REMAIN FREE OF SIGHT VISIBILITY OBSTRUCTIONS.

OWNERS HEREBY GRANTS TO THE UNITED STATES OF AMERICA DEPARTMENT OF THE AIR FORCE ("USAF") AN AVIGATION EASEMENT OVER AND ACROSS THIS PLAT AND EVERY LOT AND PARCEL THEREOF, WHICH EASEMENT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE RIGHT OF FLIGHT OF AIRCRAFT OVER THIS PLAT, TOGETHER WITH ITS ATTENDANT NOISE, VIBRATIONS, FUMES, DUST, FUEL AND LUBRICANT PARTICLES, AND ALL OTHER EFFECTS THAT MAY BE CAUSED BY THE OPERATION OF AIRCRAFT LANDING AT, OR TAKING OFF FROM, OR OPERATING AT OR ON LUKE AIR FORCE BASE AND AUXILIARY FIELD.

OWNERS HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL CROSS ACCESS EASEMENT ACROSS THE PLAT INCLUDING ROADS AND STREETS, OPEN SPACES, COMMUNITY FACILITIES, TRACTS, SIDEWALKS, DRAINAGE BASINS AND ANY PROPERTY WITHIN THE PLAT OWNED BY THE HOMEOWNERS ASSOCIATION FOR THE PURPOSES OF PROVIDING CONTINUOUS AND UNINTERRUPTED INGRESS AND EGRESS FOR EMERGENCY VEHICLES.

ALL IMPROVEMENTS, FOR STREETS AND PUBLIC UTILITIES OWNED AND OPERATED BY THE CITY, INSTALLED OR CONSTRUCTED BY OWNERS WITHIN THE PUBLIC RIGHTS-OF-WAY, THE EASEMENTS, OR ANY TRACTS OR PARCELS HEREBY DEDICATED TO THE CITY OF SURPRISE SHALL BE DEEMED TO HAVE BEEN DEDICATED BY OWNER TO THE CITY UPON THEIR COMPLETION; HOWEVER, SUCH TRANSFER SHALL NOT OCCUR UNTIL THE CITY COUNCIL FOR THE CITY OF SURPRISE MANIFESTS ITS ACCEPTANCE BY SEPARATE FORMAL COUNCIL ACTION.

THE EASEMENTS GRANTED WITHIN THIS DEDICATION ARE PERMANENT AND PERPETUAL AND SHALL RUN WITH THE LAND AND BE BINDING UPON OWNER AND ITS HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF.

TRACTS A THROUGH D, INCLUSIVE, ARE NOT DEDICATED TO THE PUBLIC, BUT ARE PLATTED AS COMMON PROPERTY FOR THE USE AND ENJOYMENT OF TOLL AT PRASADA COMMUNITY ASSOCIATION, INC., AN ARIZONA NON-PROFIT CORPORATION AS MORE FULLY SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS. HOA IS RESPONSIBLE FOR MAINTENANCE OF SAID TRACTS.

EXCEPT AS TO ANY AREA SUBJECT TO THE EASEMENT OR EASEMENTS GRANTED TO MARICOPA WATER DISTRICT, AS DEPICTED ON THIS PLAT AND RECORDED IN THE OFFICE OF THE RECORDER, MARICOPA COUNTY ARIZONA, A PERPETUAL WATER EASEMENT AS DESCRIBED IN THIS PLAT IS GRANTED TO EPOR WATER ARIZONA INC. AND ITS SUCCESSORS AND ASSIGNS (COLLECTIVELY, "GRANTEE"), TO CONSTRUCT, OPERATE, AND MAINTAIN WATER LINES AND APPURTENANT FACILITIES (COLLECTIVELY, "FACILITIES") UPON, ACROSS, OVER AND UNDER THE SURFACE OF THE EASEMENTS, TOGETHER WITH THE RIGHT TO OPERATE, REPAIR, REPLACE, MAINTAIN, AND REMOVE THE FACILITIES FROM THE PREMISES; TO ADD OR TO ALTER THE FACILITIES, AND TO PROVIDE GRANTEE WITH REASONABLE INGRESS AND EGRESS TO THE FACILITIES. GRANTEE WILL HAVE UNRESTRICTED ACCESS TO THE EASEMENT FOR THE ACTIVITIES DESCRIBED ABOVE AND FORMAL NOTIFICATION OR APPROVAL BY ANY ASSOCIATION PRIOR TO ACCESSING THE EASEMENT WILL NOT BE REQUIRED.

GRANTORS SHALL NOT ERECT OR CONSTRUCT OR PERMIT TO BE ERECTED OR CONSTRUCTED ANY BUILDING, STRUCTURE OR SIMILAR IMPROVEMENT WITHIN THE LIMITS OF THE EASEMENT GRANTED HEREIN. GRANTOR SHALL NOT, NOR PERMIT, THE GRADE OVER GRANTEE'S FACILITIES TO BE SUBSTANTIALLY ALTERED WITHOUT, IN EACH INSTANCE, THE PRIOR WRITTEN CONSENT OF GRANTEE, AND GRANTOR AGREES THAT NO OTHER PIPES OR CONDUITS SHALL BE PLACED WITHIN THE PREMISES SUBJECT TO THE EASEMENT GRANTED HEREIN, EXCEPT PIPES CROSSING GRANTEE'S FACILITIES AT RIGHT ANGLES, IN WHICH CASE, A MINIMUM VERTICAL DISTANCE OF TWO (2) FEET (AS MEASURED FROM THE CLOSEST POINTS ON THE OUTSIDE EDGES) SHALL BE MAINTAINED BETWEEN GRANTEE'S FACILITIES AND SUCH OTHER PIPES OR CONDUITS. UNLESS GRANTEE EXPRESSLY CONSENTS IN WRITING OTHERWISE, ANY AND ALL SEWER PIPES CROSSING THE EASEMENT GRANTED HEREIN SHALL BE LAID BELOW GRANTEE'S FACILITIES. HOWEVER, GRANTOR SHALL HAVE THE RIGHT TO CONSTRUCT AND ERECT FENCES, TO INSTALL LANDSCAPING, PARKING FACILITIES AND DRIVEWAYS, AND TO ESTABLISH OTHER USES THAT ARE NOT INCONSISTENT WITH USES WITHIN THE LIMITS OF SAID EASEMENT IN A MANNER THAT WILL NOT UNREASONABLY INTERFERE WITH GRANTEE'S ACCESS TO THE FACILITIES.

IN WITNESS WHEREOF, TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND TOLL AT PRASADA COMMUNITY ASSOCIATION, INC., AN ARIZONA NON-PROFIT CORPORATION HAVE HEREUNTO CAUSED ITS CORPORATE NAME TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY THE UNDERSIGNED, DULY AUTHORIZED OFFICER THIS _____ DAY OF _____, 2021.

TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY
BY _____ DATE _____

ITS _____

TOLL AT PRASADA COMMUNITY ASSOCIATION, INC., AN ARIZONA NON-PROFIT CORPORATION

BY _____ DATE _____

ITS _____

ACKNOWLEDGMENT

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS

ON THIS _____ DAY OF _____, 2021 BEFORE ME, THE UNDERSIGNED, PERSONALLY APPEARED _____, WHO ACKNOWLEDGED HIMSELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

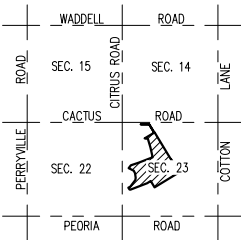
IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC DATE

MY COMMISSION EXPIRES:

Final Plat
Toll at Prasada, Phase I Re-Plat

BEING A RE-PLAT OF
TOLL AT PRASADA, PHASE I ONSITE INFRASTRUCTURE TRACT B, HOLE 1, HOLE 6, HOLE 7,
HOLE 18, DRIVING RANGE, PARCEL Q, AND GOLF CLUB HOUSE & HOA PARCEL
AS RECORDED IN BOOK 1435 OF MAPS, PAGE 36, M.C.R.,
SITUATED IN A PORTION OF SECTION 23,
TOWNSHIP 3 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER AND MERIDIAN,
MARICOPA COUNTY, ARIZONA



VICINITY MAP

NOTICE OF PRASADA PRE-ANNEXATION DEVELOPMENT AGREEMENT

OWNER'S PREDECESSOR, SUBURBAN LAND RESERVE, INC., A UTAH CORPORATION, FULTON HOMES CORPORATION, AN ARIZONA CORPORATION, AND WESTCOR/SURPRISE LLC, AN ARIZONA LIMITED LIABILITY COMPANY HAVE ENTERED INTO A PRE-ANNEXATION DEVELOPMENT AGREEMENT DATED SEPTEMBER 12, 2006 ("AGREEMENT") WITH CITY OF SURPRISE, AN ARIZONA MUNICIPAL CORPORATION, FOR WHICH A MEMORANDUM OF AGREEMENT WAS RECORDED ON SEPTEMBER 19, 2006, AT THE MARICOPA COUNTY RECORDER'S OFFICE AT DOCUMENT NO. 20061238109. AGREEMENT WAS RECENTLY AMENDED AND RECORDED ON JULY 20, 2018, AT THE MARICOPA COUNTY RECORDER'S OFFICE DOCUMENT NO. 20180551464. THE PROPERTIES INVOLVED IN THIS PLAT ARE SUBJECT TO THIS AGREEMENT.

NOTICE OF INTERGOVERNMENTAL AGREEMENT

THE CITY OF SURPRISE ("CITY") AND MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE ("MWD") ENTERED INTO AN INTERGOVERNMENTAL AGREEMENT DATED APRIL 8, 1997, AND RECORDED IN THE MARICOPA COUNTY RECORDER'S OFFICE ON APRIL 9, 1997, UNDER DOCKET NO. 97-0231759 ("IGA"). CITY AND MWD HAVE FACILITIES AND PROPERTY INTERESTS DESCRIBED AND DELINEATED WITHIN CERTAIN SUBDIVISION PLATS OR, FOR LANDS NOT INCLUDED IN A SUBDIVISION PLAT, DECLARATIONS OF TURF LANDS OR DECLARATIONS OF URBANIZED AREA, THAT HAVE PRIOR AND SUPERIOR RIGHTS TO THE UTILITY SERVICE PROVIDERS, AS DEFINED IN THE IGA. THE IGA PROVIDES FOR THE CITY TO HAVE A PUBLIC UTILITY EASEMENT WITHIN CERTAIN MWD PROPERTY INTERESTS AND FOR MWD TO HAVE AN EASEMENT WITHIN CITY'S PUBLIC RIGHTS-OF-WAY. CITY AND MWD RIGHTS WITHIN THESE EASEMENTS ARE SUBJECT TO AND CONTROLLED BY THE TERMS AND CONDITIONS OF THE IGA.

IN LOCATIONS WHERE APPLICABLE, INCLUDING ANY AND ALL DEDICATIONS WITHIN A SUBDIVISION PLAT, MWD'S PRIOR AND SUPERIOR RIGHTS OF ACCESS TO AND USE OF EXISTING AND FUTURE MWD FACILITIES AND PROPERTY INTERESTS, SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE IGA.

CITY SHALL HAVE THE RIGHT TO AUTHORIZE AND CONTROL THE UTILITY SERVICE PROVIDER'S USE AND OCCUPANCY OF THESE EASEMENTS. CITY REQUIRES THAT UTILITY SERVICE PROVIDERS CONSENT TO BE BOUND BY THE IGA PRIOR TO THE USE OR OCCUPANCY OF THE EASEMENTS GRANTED UNDER THE IGA. SUCH USE OR OCCUPANCY OF THE EASEMENTS CONSTITUTES CONSENT OF THE UTILITY SERVICE PROVIDERS TO BE BOUND BY THE IGA.

PUBLIC NOTICE

THE LOTS DEPICTED ON THIS PLAT ARE LOCATED WITHIN THE VICINITY OF LUKE AIR FORCE BASE AND MAY BE SUBJECT TO OVERFLIGHTS BY JET AIRCRAFT. ALL STRUCTURES WITHIN THIS PLAT SHALL BE CONSTRUCTED IN COMPLIANCE WITH THE SOUND ATTENUATION STANDARDS ADOPTED BY THE CITY OF SURPRISE. A MAP DEPICTING THE MOST CURRENT ADOPTED MAG NOISE CONTOURS IN RELATION TO THIS PLAT SHALL BE DISPLAYED IN ALL SALES OFFICES. ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE CITY OF SURPRISE COMMUNITY DEVELOPMENT DEPARTMENT.

RELEASE OF LIABILITY

TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY ("OWNER") DOES HEREBY (1) RELEASE AND DISCHARGE THE USAF AND THE CITY OF SURPRISE, OF AND FROM ANY LIABILITY FOR ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE AT ANY TIME IN THE FUTURE OVER, OR IN CONNECTION WITH AIRCRAFT OVERFLIGHTS FROM AIRCRAFT UTILIZING LUKE AIR FORCE BASE, WHETHER SUCH DAMAGE SHALL ORIGINATE FROM NOISE, VIBRATION, FUMES, DUST, FUEL AND LUBRICANT PARTICLES, AND ALL OTHER EFFECTS THAT MAY BE CAUSED BY THE OPERATION OF AIRCRAFT LANDING AT, OR TAKING OFF FROM, OR OPERATING AT OR ON LUKE AIR FORCE BASE. THIS INSTRUMENT SHALL RUN WITH THE LAND AND BE BINDING UPON OWNER AND ITS HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF. THIS INSTRUMENT DOES NOT RELEASE THE USAF FROM LIABILITY FOR DAMAGE OR INJURY TO PERSON OR PROPERTY CAUSED BY FALLING AIRCRAFT OR FALLING PHYSICAL OBJECTS FROM AIRCRAFT, EXCEPT AS STATED HEREIN WITH RESPECT TO NOISE, FUMES, DUST, FUEL, AND LUBRICANT PARTICLES.

OWNER HEREBY FURTHER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF SURPRISE FROM ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE IN CONNECTION WITH THE USE OF THE SIDEWALKS LOCATED WITHIN THE RIGHT-OF-WAY.

OWNER DOES HEREBY (1) RELEASE AND DISCHARGE THE CITY OF SURPRISE, AND (2) INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF SURPRISE, OF AND FROM ANY LIABILITY FOR ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE AT ANY TIME IN THE FUTURE OVER, OR IN CONNECTION WITH THE AREAS LOCATED WITHIN THE NEWLY DEDICATED RIGHT-OF-WAY AS DEPICTED ON THIS PLAT UNTIL SUCH TIME THE RIGHT-OF-WAY IS IMPROVED TO CITY STANDARDS AND THOSE IMPROVEMENTS ARE APPROVED AND ACCEPTED BY THE CITY COUNCIL. THE MAINTENANCE OF THE AREA WITHIN ANY NEWLY DEDICATED RIGHT-OF-WAY AS SHOWN ON THIS PLAT SHALL BE THE RESPONSIBILITY OF THE ADJACENT OWNER/OR SUBSEQUENT ADJACENT OWNERS WITHIN THE BOUNDARY OF SAID PLAT UNTIL SUCH TIME THAT THE AREA WITHIN THE RIGHT-OF-WAY IS IMPROVED TO CITY STANDARD AND ACCEPTED BY THE CITY OF SURPRISE

ACKNOWLEDGMENT

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS

ON THIS _____ DAY OF _____, 2021 BEFORE ME, THE UNDERSIGNED, PERSONALLY APPEARED _____, WHO ACKNOWLEDGED HIMSELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC DATE

MY COMMISSION EXPIRES:

GENERAL NOTES

1. SPRINKLERS ARE REQUIRED IN ALL ONE AND TWO FAMILY DWELLINGS BUILT IN AREAS WHICH DO NOT HAVE AN ADEQUATE WATER SUPPLY.
2. NO ON-SITE GRADING OR EXCAVATION SHALL OCCUR WITHOUT FIRST OBTAINING A PERMIT FROM THE CITY OF SURPRISE.
3. THE PROPERTY IS LOCATED WITHIN AN AREA HAVING FLOOD ZONE "ZONE X SHADED AND ZONE A," BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY, ON FLOOD INSURANCE RATE MAP NO. 04013C1660L AND NO. 04013C1655L, WITH A DATE OF IDENTIFICATION OF OCTOBER 16, 2013, FOR COMMUNITY NO. 040053, IN MARICOPA COUNTY, STATE OF ARIZONA, WHICH IS THE CURRENT FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH SAID PROPERTY IS SITUATED.
4. THE ROADS DESIGNATED AS "PRIVATE" AND ANY APPURTENANCES INCLUDING BUT NOT LIMITED TO ROAD SIGNS, STRIPING, CURB AND GUTTER, AND SIDEWALKS ARE PRIVATE; SUCH ROADS AND APPURTENANCES ARE OWNED, MAINTAINED AND REPAIRED BY OWNER OR THE HOMEOWNER'S ASSOCIATION FORMED BY OWNER. THE CITY OF SURPRISE SHALL NOT MAINTAIN OR REPAIR ANY ROAD DESIGNATED AS "PRIVATE."
5. IN ACCORDANCE WITH ARS § 9-461.07, THE CITY OF SURPRISE HAS DETERMINED THAT ALL DEDICATIONS OCCURRING WITH THIS PLAT ARE IN CONFORMANCE WITH THE SURPRISE GENERAL PLAN.
6. PURSUANT TO A.R.S. § 42-1102, THE CITY OF SURPRISE, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA, IS EXEMPT FROM ALL TAXES AND ASSESSMENTS BASED ON ASSESSED VALUE EXCEPT FOR SPECIAL DISTRICTS #14751 AND 14710, WHEN APPLICABLE.
7. THE MAINTENANCE OF LANDSCAPING WITHIN THE OPEN SPACES, LANDSCAPED TRACTS, RETENTION BASINS AND PARKS SHALL BE THE RESPONSIBILITY OF THE OWNER OR THE ASSOCIATION FORMED BY THE OWNER.
8. THE MAINTENANCE OF LANDSCAPING WITHIN THE ADJACENT PUBLIC RIGHTS-OF-WAY, INCLUDING LANDSCAPED MEDIANS WITHIN COLLECTORS AND LOCAL STREETS AND LANDSCAPED AREAS BETWEEN THE CURB AND THE DETACHED SIDEWALK, SHALL BE THE RESPONSIBILITY OF THE ADJACENT PROPERTY OWNER OR THE PROPERTY ASSOCIATION FORMED BY THE ADJACENT PROPERTY.
9. ZONING OF THE PROPERTY IS PER SURPRISE ZONING CASE FS17-587 OR AS SUBSEQUENTLY AMENDED.
10. THE FINAL PLAT IS IN SUBSTANTIAL CONFORMANCE WITH THE PRELIMINARY PLAT AS APPROVED UNDER CITY OF SURPRISE CASE FS17-394.
11. ANY UTILITIES CROSSING MWD EASEMENTS MUST OBTAIN AN IGA APPROVAL FROM MWD PRIOR TO INSTALLATION.

NOTICE OF TOLL AT PRASADA DEVELOPMENT AND WATER DELIVERY AGREEMENT

LANDOWNER ENTERED INTO THE TOLL AT PRASADA DEVELOPMENT AND WATER DELIVERY AGREEMENT DATED JANUARY 2, 2019 ("AGREEMENT") WITH MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE ("MWD") FOR WHICH A MEMORANDUM OF AGREEMENT WAS RECORDED ON JANUARY 3, 2019, AT THE MARICOPA COUNTY RECORDERS' OFFICE AT 2019-0002436. THE PROPERTIES INVOLVED IN THIS PLAT ARE SUBJECT TO THIS AGREEMENT. THE AGREEMENT AND THIS PLAT, INCLUDING ANY AND ALL DEDICATIONS THEREIN, HEREBY PRESERVE MWD'S PRIOR AND SUPERIOR RIGHTS OF ACCESS TO AND USE OF EXISTING AND FUTURE MWD FACILITIES AND MWD PROPERTY INTERESTS, AS SUCH TERMS ARE DEFINED IN THE AGREEMENT, TO ENABLE MWD TO ACCOMPLISH ALL OF MWD'S PURPOSES, INCLUDING, BUT NOT LIMITED TO, THE TRANSMISSION AND DISTRIBUTION OF WATER, WASTEWATER, POWER AND COMMUNICATIONS, AND TO CONSTRUCT, RECONSTRUCT, OPERATE, MAINTAIN AND REPLACE THOSE MWD FACILITIES AND MWD PROPERTY INTERESTS. THE AGREEMENT IS ON FILE AT THE OFFICES OF TOLL PRASADA LLC, AND MAY BE REVIEWED AS TO ALL DETAILS, WITH PARTICULAR REFERENCE TO SECTION 7 AND SECTION 9, UPON REASONABLE REQUEST.

DATED THIS _____ DAY OF _____, 2021.

MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA

BY: _____ ATTEST: _____
CHRISTINE CAIN GLEN VORTHERMS

ITS: PROPERTY & CONTRACTS MANAGER ITS: ASSISTANT SECRETARY

TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY

BY: _____

ITS: _____

ENGINEER

EPS GROUP, INC.
2045 S. VINEYARD, SUITE 101
MESA, AZ 85210
TEL: (480)-503-2250
FAX: (480)-503-2258
CONTACT: JAMES ROGERS, P.E.

DEVELOPER

TOLL PRASADA LLC
8767 E VIA DE VENTURA, SUITE 390
SCOTTSDALE, AZ 85258
TEL: (480) 314-6711
CONTACT: OSCAR DOMINGUEZ

SHEET INDEX

- | | |
|-------|--|
| 1 | COVER SHEET |
| 2 | PARCEL AND TRACT TABLES, LEGAL DESCRIPTION, LINE DATA TABLE & CURVE DATA TABLE |
| 3 - 4 | FINAL PLAT PLAN SHEETS |

100 YEAR ASSURED WATER SUPPLY

THE SUBDIVIDER HAS OBTAINED A CERTIFICATE OF 100 YEAR ASSURED WATER SUPPLY FROM THE DEPARTMENT OF WATER RESOURCES.

27-701007.0000 11/14/2018
CERTIFICATE NUMBER DATE

BASIS OF BEARING

THE BASIS OF BEARING IS THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 3 NORTH, RANGE 2 WEST, BEARING SOUTH 00 DEGREES 24 MINUTES 11 SECONDS WEST PER GDACS 661-18 MCR.

CITY OF SURPRISE ENGINEER APPROVAL

DATA ON THIS PLAT REVIEWED AND APPROVED THIS _____ DAY OF _____, 2021, BY THE CITY ENGINEER OF SURPRISE, ARIZONA.

APPROVED _____ DATE _____
CITY ENGINEER

CITY OF SURPRISE COUNCIL APPROVAL

APPROVED BY THE CITY COUNCIL OF THE CITY OF SURPRISE, ARIZONA, THIS _____ DAY OF _____, 2021.

MAYOR DATE

ATTEST: _____ DATE _____
CITY CLERK

CERTIFICATION

I, ROBERT A. JOHNSTON, HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA; THAT THIS PLAT CORRECTLY REPRESENTS A SURVEY MADE UNDER MY DIRECTION DURING THE MONTH OF NOVEMBER, 2020; THAT THE SURVEY IS TRUE AND CORRECT AS SHOWN; THAT ALL MONUMENTS ACTUALLY EXIST OR WILL BE SET AS SHOWN; THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

ROBERT A. JOHNSTON, RLS 37495
EPS GROUP, INC.
2045 S. VINEYARD AVE., STE. 101
MESA, ARIZONA 85210
PHONE: (480) 503-2250
FAX: (480) 503-2258

DATE OF PREPARATION: NOVEMBER 2, 2020 (REVISED JANUARY 4, 2021, REVISED JANUARY 15, 2021, REVISED JANUARY 18, 2021, REVISED FEBRUARY 02, 2021 AND REVISED MARCH 04, 2021)

AREA SUMMARY TABLE		
DESCRIPTION	AREA (SF)	AREA (ACRES)
PARCELS	1,680,933	38.5889
TRACTS	2,397,095	55.0297
PRIVATE STREETS	0	0
NEW RIGHT-OF-WAY	0	0
GROSS AREA	4,078,029	93.6186

CASE NUMBER: FS20-717

11320 N. Alma School Rd., Suite 120
Mesa, AZ 85201
Tel: 480-503-2250 | Fax: 480-503-2258
www.epsgroupinc.com



Toll at Prasada,
Phase I Re-Plat
SURPRISE, ARIZONA

Final Re-Plat

Project:

Revisions:

Designer: RAJ
Drawn by: TJP



Job No.

16-339

FP01

Sheet No.

1
of 4

LINE TABLE		
LINE	BEARING	LENGTH
L1	N73°24'08"E	31.21'
L2	N08°05'16"W	28.57'
L3	N64°00'24"E	75.22'
L4	S23°00'29"E	88.59'
L5	S74°09'37"W	6.00'
L6	S01°18'09"E	2.40'
L7	S10°29'48"E	4.99'
L8	S37°12'12"E	37.79'
L9	S50°54'01"E	20.17'
L10	S02°13'46"W	12.12'
L11	S81°34'38"E	2.57'
L12	N14°18'11"E	12.59'
L13	N85°30'28"E	2.55'
L14	S04°24'49"E	30.25'
L15	S45°26'04"E	17.35'
L16	N62°41'03"E	10.67'
L17	S11°58'40"E	15.67'
L18	N66°36'21"E	3.56'
L19	S49°19'32"E	11.41'
L20	N59°54'21"W	19.36'

LINE TABLE		
LINE	BEARING	LENGTH
L21	N03°34'54"E	128.24'
L22	N58°25'06"E	44.50'
L23	N31°34'54"W	19.15'
L24	S31°34'54"E	32.38'
L25	S31°34'54"E	150.83'
L26	N58°25'06"E	91.45'
L27	N58°25'06"E	91.45'
L28	N58°25'06"E	112.50'
L29	N89°57'29"W	52.00'
L30	S18°11'51"E	11.65'
L31	S46°51'21"E	16.24'
L32	N40°05'38"E	2.83'
L33	N40°56'41"W	16.47'
L34	S49°07'23"E	6.66'
L35	N57°04'35"W	49.62'
L36	N32°58'34"E	5.72'
L37	S54°29'58"W	21.16'
L38	S00°52'10"W	2.45'
L39	S87°35'48"W	17.80'
L40	N85°02'40"E	8.43'

LINE TABLE		
LINE	BEARING	LENGTH
L41	N03°15'34"W	3.35'
L42	N87°01'40"W	7.86'
L43	N70°26'20"E	87.35'
L44	N31°12'30"W	47.19'
L45	S87°19'53"W	8.63'
L46	S54°36'32"W	14.35'
L47	S53°24'38"E	84.21'
L48	N58°09'11"E	67.74'
L49	S17°22'22"E	39.95'
L50	S32°12'21"E	16.92'
L51	S03°55'18"E	29.54'
L52	S00°21'35"E	39.60'
L53	S58°25'06"W	63.65'
L54	S07°10'42"W	16.38'
L55	N10°50'16"E	47.00'
L56	S07°10'42"W	14.08'
L57	S42°18'54"W	41.03'
L58	S53°51'20"W	14.08'
L59	S08°47'53"E	47.58'
L60	S00°52'51"W	14.08'

LINE TABLE		
LINE	BEARING	LENGTH
L61	S32°44'32"E	58.18'
L62	S16°34'19"E	14.08'
L63	S28°36'24"E	47.96'
L64	S16°34'19"E	14.08'
L65	S47°02'48"E	57.06'
L66	S08°55'04"E	14.08'
L67	S17°24'20"E	47.43'
L68	S08°55'04"E	15.92'
L69	S31°34'54"E	28.41'
L70	S31°34'54"E	15.17'
L71	N58°29'57"E	125.58'
L72	S36°53'02"W	49.97'
L73	S58°25'06"W	12.13'
L74	S13°25'06"W	15.29'
L75	S31°34'54"E	46.33'
L76	S58°25'06"W	84.48'
L77	S13°25'06"W	6.36'
L78	S31°34'54"E	83.00'
L79	S76°34'54"E	6.36'
L80	S58°27'15"W	61.84'

LINE TABLE		
LINE	BEARING	LENGTH
L81	S58°25'06"W	72.64'
L82	S70°35'12"W	89.28'
L83	S58°25'06"W	26.71'
L84	S14°04'09"W	16.40'
L85	S77°34'47"E	8.58'
L86	S06°08'25"E	20.44'
L87	S43°04'22"E	29.20'
L88	S81°19'52"E	20.08'
L89	N57°20'30"E	6.50'
L90	S04°14'56"E	101.09'
L91	S23°58'35"W	46.45'
L92	S15°51'11"W	48.68'
L93	S40°51'16"E	18.46'
L94	N64°55'45"E	42.83'
L95	N57°09'58"E	74.38'
L96	N49°44'51"E	55.24'
L97	N03°11'56"E	10.76'
L98	S89°49'01"W	52.61'
L99	S69°44'19"W	91.93'
L100	S34°36'46"W	32.28'

LINE TABLE		
LINE	BEARING	LENGTH
L101	S79°31'40"W	26.44'
L102	S24°35'11"W	11.73'
L103	S30°32'19"W	85.86'
L104	S58°50'58"W	38.51'
L105	S51°22'41"W	40.34'
L106	S85°45'57"W	29.73'
L107	S54°26'03"W	11.38'
L108	S86°57'35"W	24.04'
L109	N87°07'20"E	28.86'
L110	S64°43'09"W	36.47'
L111	S87°53'58"W	48.81'
L112	S61°58'00"W	87.89'

TRACT USE TABLE			
TRACT	TRACT USE	AREA (SF)	AREA (AC)
DRIVING RANGE TRACT	LANDSCAPE/GOLF	654,722.08	15.0304
HOLE 1 TRACT	LANDSCAPE/GOLF	364,794.31	8.3745
HOLE 6 TRACT	LANDSCAPE/GOLF	248,019.18	5.6937
HOLE 7 TRACT	LANDSCAPE/GOLF	120,711.58	2.7712
HOLE 18 TRACT	LANDSCAPE/GOLF	495,330.35	11.3712
LAKE 6 & 7 TRACT	LANDSCAPE/OPEN SPACE/DRAINAGE/RETENTION/LAKE	158,020.16	3.6276
LAKE 18 TRACT	LANDSCAPE/OPEN SPACE/DRAINAGE/RETENTION/LAKE	32,805.42	0.7531
TRACT A	LANDSCAPE/OPEN SPACE	8,105.06	0.1861
TRACT B	LANDSCAPE/OPEN SPACE	133,816.07	3.0720
TRACT C	LANDSCAPE/OPEN SPACE	157,099.64	3.6065
TRACT D	LANDSCAPE/OPEN SPACE	23,671.64	0.5434

PARCEL AREA TABLE		
PARCEL	AREA (SF)	AREA (AC)
CONDO A PARCEL	552,888.44	12.6926
COTTAGES PARCEL	65,228.96	1.4975
GOLF CLUB HOUSE & HOA PARCEL	883,595.99	20.2846
PARCEL Q	179,220.60	4.1143

LEGAL DESCRIPTION

A PORTION OF SECTION 23, TOWNSHIP 3 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 2" ALUMINUM CAP IN POTHOLE AT THE NORTHWEST CORNER OF SAID SECTION 23, FROM WHICH A 3" MCDOT BRAS CAP IN POTHOLE AT THE NORTH QUARTER CORNER OF SAID SECTION 23 BEARS SOUTH 89 DEGREES 59 MINUTES 58 SECONDS EAST, 1763.49 FEET TO A POINT ON SAID NORTH LINE;

THENCE ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23 SOUTH 89 DEGREES 59 MINUTES 58 SECONDS EAST, 1763.49 FEET TO A POINT ON SAID NORTH LINE;

THENCE, DEPARTING SAID NORTH LINE SOUTH 0 DEGREES 00 MINUTES 02 SECONDS WEST, 555.22 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 31 DEGREES 34 MINUTES 54 SECONDS EAST, 1690.36 FEET;

THENCE SOUTH 13 DEGREES 25 MINUTES 06 SECONDS WEST, 6.36 FEET;

THENCE SOUTH 31 DEGREES 34 MINUTES 54 SECONDS EAST, 83.00 FEET;

THENCE SOUTH 76 DEGREES 34 MINUTES 54 SECONDS EAST, 6.36 FEET;

THENCE SOUTH 31 DEGREES 34 MINUTES 54 SECONDS EAST, 827.64 FEET;

THENCE SOUTH 58 DEGREES 25 MINUTES 06 SECONDS WEST, 1599.44 FEET;

THENCE NORTH 31 DEGREES 34 MINUTES 54 SECONDS WEST, 420.31 FEET;

THENCE SOUTH 57 DEGREES 20 MINUTES 30 SECONDS WEST, 232.56 FEET;

THENCE SOUTH 68 DEGREES 36 MINUTES 49 SECONDS WEST, 998.42 FEET;

THENCE NORTH 89 DEGREES 57 MINUTES 29 SECONDS WEST, 52.00 FEET;

THENCE NORTH 28 DEGREES 00 MINUTES 37 SECONDS WEST, 126.97 FEET;

THENCE NORTH 57 DEGREES 54 MINUTES 18 SECONDS EAST, 106.56 FEET;

THENCE NORTH 38 DEGREES 53 MINUTES 34 SECONDS EAST, 471.23 FEET;

THENCE NORTH 10 DEGREES 16 MINUTES 41 SECONDS EAST, 120.00 FEET;

THENCE NORTH 8 DEGREES 46 MINUTES 23 SECONDS WEST, 263.28 FEET;

THENCE NORTH 25 DEGREES 42 MINUTES 54 SECONDS WEST, 153.35 FEET;

THENCE NORTH 63 DEGREES 24 MINUTES 39 SECONDS WEST, 327.31 FEET;

THENCE NORTH 37 DEGREES 42 MINUTES 00 SECONDS EAST, 205.77 FEET;

THENCE NORTH 71 DEGREES 46 MINUTES 30 SECONDS EAST, 452.98 FEET;

THENCE NORTH 68 DEGREES 18 MINUTES 21 SECONDS EAST, 839.76 FEET;

THENCE NORTH 12 DEGREES 31 MINUTES 44 SECONDS WEST, 551.32 FEET;

THENCE NORTH 16 DEGREES 48 MINUTES 00 SECONDS WEST, 501.47 FEET;

THENCE NORTH 80 DEGREES 07 MINUTES 15 SECONDS WEST, 169.53 FEET;

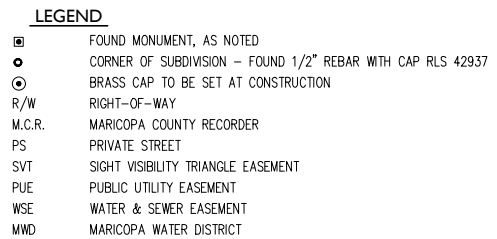
THENCE NORTH 58 DEGREES 25 MINUTES 06 SECONDS EAST, 633.75 FEET TO THE POINT OF BEGINNING.

CONTAINS 93.6186 ACRES, MORE OR LESS.

CURVE TABLE						
CURVE	LENGTH	RADIUS	DELTA	TANGENT	CHORD	CHORD BRG
C1	18.17'	40.00'	26°01'43"	9.25'	18.02'	S36°01'20"E
C2	68.85'	60.00'	65°45'05"	38.78'	65.14'	N16°09'39"W
C3	42.50'	34.90'	69°46'43"	24.33'	39.92'	S18°10'28"E
C4	60.75'	60.00'	58°00'58"	33.27'	58.19'	N24°03'21"W
C5	44.01'	155.06'	16°15'40"	22.15'	43.86'	S13°09'09"W
C6	33.72'	100.00'	19°19'07"	17.02'	33.56'	S04°42'25"E
C7	115.73'	207.20'	32°00'02"	59.42'	114.23'	S30°22'00"E
C8	135.63'	140.00'	55°30'31"	73.67'	130.39'	N19°53'49"W
C9	94.76'	80.00'	67°51'54"	53.82'	89.31'	S26°04'31"E
C10	25.90'	251.53'	5°53'57"	12.96'	25.89'	N56°40'25"W
C11	10.63'	20.00'	30°27'47"	5.45'	10.51'	S68°57'19"E
C12	22.77'	30.98'	42°05'56"	11.92'	22.26'	N63°08'15"W
C13	10.14'	65.32'	8°53'26"	5.08'	10.13'	N83°45'53"E
C14	6.47'	20.00'	18°32'04"	3.26'	6.44'	S19°45'51"E
C15	9.93'	20.04'	28°23'56"	5.07'	9.83'	N14°49'55"W
C16	12.77'	20.00'	36°34'15"	6.61'	12.55'	S18°55'05"E
C17	68.63'	958.12'	4°06'14"	34.33'	68.61'	S32°15'17"E
C18	27.60'	22.00'	71°52'53"	15.95'	25.83'	S81°22'31"E
C19	11.18'	28.30'	22°38'05"	5.66'	11.11'	S73°33'47"W
C20	17.26'	13.00'	76°05'00"	10.17'	16.02'	N10°48'54"W
C21	50.09'	124.07'	23°07'52"	25.39'	49.75'	N38°47'32"E
C22	22.82'	18.14'	72°05'00"	13.20'	21.35'	S15°15'54"W
C23	46.87'	35.00'	76°43'31"	27.70'	43.44'	S84°00'57"E
C24	18.96'	196.12'	5°32'24"	9.49'	18.95'	N54°51'06"E
C25	31.67'	40.00'	45°22'11"	16.72'	30.85'	S74°45'59"W
C26	36.39'	55.00'	37°54'29"	18.89'	35.73'	N78°29'50"E
C27	15.51'	20.00'	44°26'46"	8.17'	15.13'	N37°19'13"E
C28	43.53'	32.60'	76°31'22"	25.71'	40.37'	N23°09'51"W
C29	24.02'	33.00'	41°42'30"	12.57'	23.50'	S39°03'06"E
C30	7.82'	12.15'	36°53'14"	4.05'	7.69'	S00°37'13"E
C31	10.40'	14.67'	40°36'47"	5.43'	10.18'	N86°12'41"W
C32	23.51'	48.88'	27°33'30"	11.99'	23.28'	N52°38'21"W
C33	16.41'	22.00'	42°44'43"	8.61'	16.03'	S59°40'20"E
C34	11.14'	20.00'	31°55'19"	5.72'	11.00'	N65°05'03"W
C35	13.38'	20.00'	38°19'54"	6.95'	13.13'	N29°57'26"W
C36	24.55'	20.07'	70°05'30"	14.08'	23.05'	S45°50'14"E
C37	22.76'	14.00'	93°08'41"	9.79'	20.33'	N52°32'40"E
C38	44.02'	40.00'	63°02'54"	24.54'	41.83'	N25°33'08"W

CURVE TABLE						
CURVE	LENGTH	RADIUS	DELTA	TANGENT	CHORD	CHORD BRG
C39	25.15'	16.00'	90°03'09"	16.01'	22.64'	S12°03'00"E
C40	33.01'	19.00'	99°33'26"	22.47'	29.02'	N16°48'09"W
C41	15.89'	20.00'	45°30'34"	8.39'	15.47'	S43°49'35"E
C42	17.90'	35.00'	29°18'18"	9.15'	17.71'	S06°25'09"E
C43	21.60'	32.12'	38°31'33"	11.23'	21.20'	N11°01'47"W
C44	8.31'	5.00'	95°15'49"	5.48'	7.39'	N77°55'28"W
C45	14.27'	54.00'	15°08'41"	7.18'	14.23'	N29°30'24"W
C46	12.53'	71.37'	10°03'34"	6.28'	12.52'	N30°28'41"W
C47	32.92'	31.69'	59°31'13"	18.12'	31.46'	S49°12'08"E
C48	16.29'	13.00'	71°48'17"	9.41'	15.25'	N56°30'03"W
C49	20.83'	16.59'	71°56'00"	12.04'	19.48'	S57°42'36"E
C50	22.47'	41.04'	31°22'02"	11.52'	22.19'	S17°08'11"W
C51	14.47'	12.00'	69°05'25"	8.26'	13.61'	N06°56'51"W
C52	58.12'	269.14'	12°22'25"	29.18'	58.01'	N47°40'46"W
C53	85.60'	78.60'	62°24'11"	47.60'	81.43'	S26°43'44"E
C54	73.84'	200.00'	21°09'17"	37.35'	73.43'	N06°06'18"W
C55	56.51'	70.00'	46°15'12"	29.90'	54.99'	S06°26'40"W
C56	59.56'	70.00'	48°45'14"	31.72'	57.78'	N05°11'39"E
C57	73.56'	200.00'	21°04'21"	37.20'	73.14'	N29°43'08"W
C58	99.59'	542.58'	10°31'01"	49.94'	99.45'	N46°00'54"W
C59	66.55'	250.00'	15°15'09"	33.47'	66.36'	N58°53'59"W
C60	73.00'	160.00'	26°08'33"	37.15'	72.37'	N79°35'50"W
C61	39.41'	69.00'	32°43'21"	20.26'	38.87'	S70°58'13"W
C62	46.53'	80.00'	33°19'33"	23.94'	45.88'	S37°56'46"W
C63	166.07'	94.00'	101°13'36"	114.49'	145.30'	S07°32'23"W
C64	143.49'	85.00'	96°43'18"	95.61'	127.05'	N73°29'10"W
C65	17.99'	114.54'	8°59'50"	9.01'	17.97'	N86°25'37"W
C66	33.36'	55.01'	34°44'36"	17.21'	32.85'	N64°33'24"W
C67	78.61'	162.09'	27°47'11"	40.49'	77.84'	N33°17'31"W
C68	70.64'	432.73'	9°21'10"	35.00'	70.56'	S24°04'30"E
C69	69.61'	129.80'	30°43'46"	35.67'	68.78'	S23°47'00"E
C70	48.24'	150.00'	18°25'34"	24.33'	48.03'	N26°35'09"W
C71	77.66'	300.00'	14°49'58"	39.05'	77.45'	S24°47'21"E
C72	98.73'	200.00'	28°17'02"	50.39'	97.73'	N18°03'49"W
C73	25.43'	100.00'	14°34'05"	12.78'	25.36'	S11°12'21"E
C74	67.38'	251.04'	15°22'40"	33.89'	67.18'	N10°48'04"W
C75	9.61'	200.00'	2°45'09"	4.80'	9.61'	N01°44'09"W
C76	10.76'	20.00'	30°49'07"	5.51'	10.63'	S15°46'08"E





CASE NUMBER: FS20-717



**DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND**

15 June 2018

Mr. James R. Mitchell
Director, Community Initiatives Team
56th Fighter Wing
14185 West Falcon Street
Luke AFB AZ 85309-1629

Ms. Caresse Schweitzer
Planning Project Coordinator
City of Surprise Planning Department
16000 N. Civic Center Plaza
Surprise AZ 85374

Re: FS18-290; Toll @ Prasada Phase 1: Unit 1, 2, & 3, Infrastructure

Dear Ms. Schweitzer

Thank you for the opportunity to provide comments on the Final Plat Application for Toll at Prasada Phase 1, Unit 1, 2, & 3 Infrastructure. The site sits on 339.48 acres of vacant land located west of Cotton Lane between Peoria Avenue and Cactus Road in Surprise AZ. This development is part of the larger 772.08 acre Prasada Lake Village master planned community with an overall planned density of 2.86 du/ac. This applications is for the approval of infrastructure for the development. The site is approximately 1.8 miles outside the 1988 JLUS 65 Ldn, "high noise or accident potential zone" as defined by A.R.S. § 28-8461 and is within the "territory in the vicinity of a military airport" also defined by A.R.S. § 28-8461.

This request for infrastructure on the Prasada Phase 1: Units 1, 2, & 3 development will not have a negative impact on Luke AFB Flight Operations. As the site is located within the "territory in the vicinity of a military airport," it will be subjected to approximately 165 over flights a day, with some as low as 1,500 feet above ground level. If this development is approved, we recommend you review the sound attenuation requirements found in A.R.S. § 28-8482. In addition, a strong notification program on the part of the applicant would be essential to inform potential residents/tenants about Luke AFB operations.

If there are any questions, please contact my Community Planner, Ms. Barbara Plante at (623) 856-9981.

Sincerely

A handwritten signature in black ink, appearing to read "JAMES R. MITCHELL", is written over a horizontal line.

JAMES R. MITCHELL

cc:

Colonel Michael S. Richardson, Vice Commander, 56th Fighter Wing
Ms. Cindy L. Calderon, GS-13, General and Environmental Law Attorney, 56th Fighter Wing



April 20, 2021 City Council

Toll at Prasada

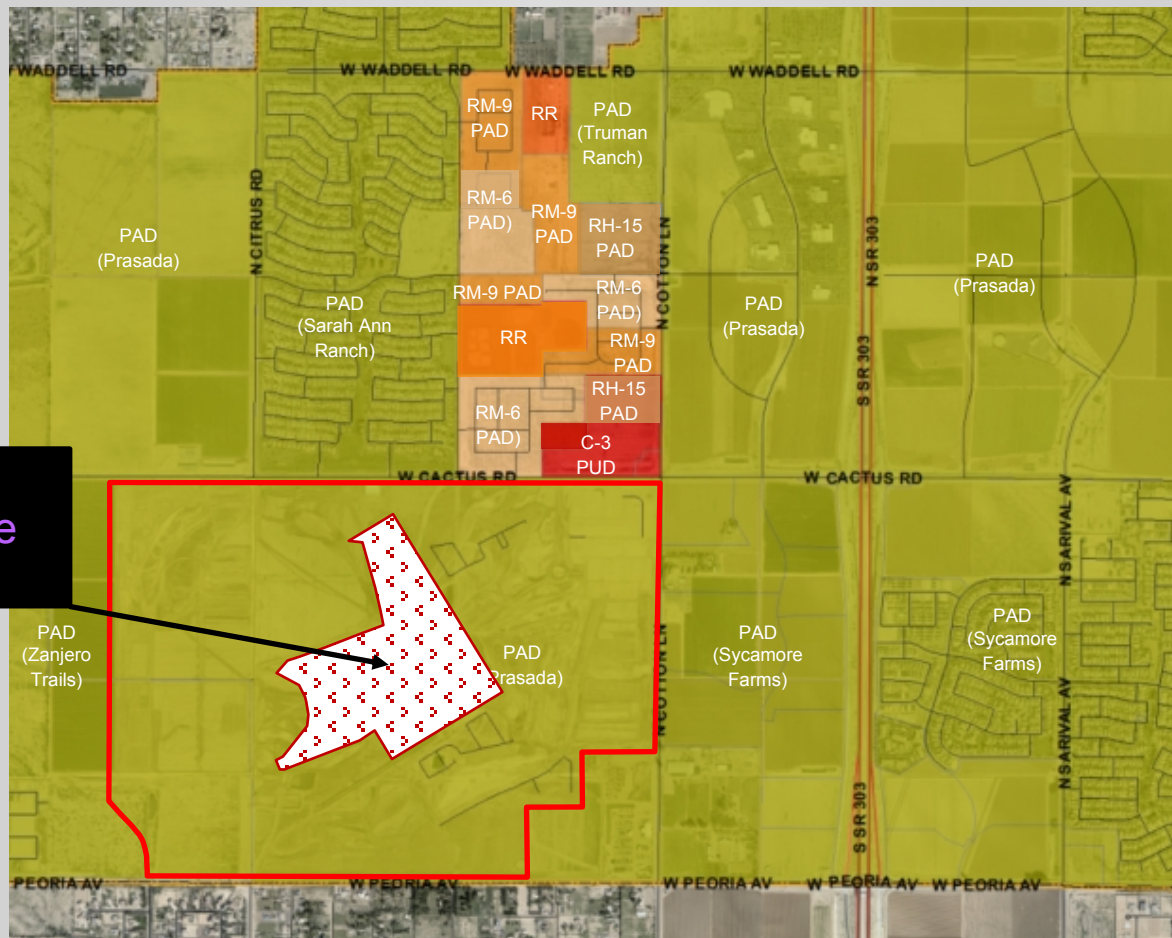
FS20-717 Prasada Phase 1 Infrastructure Re-plate



FS20-717 Vicinity Map

FS20-717 Case Map

Phase 1
Infrastructure
Re-plat





Page 97 of 599

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Toll at Parada Phase I Re-Plat APPLICABLE TO PHASE I		Final Re-Plat	
Project: 16-339		Sheet No. 4	
16-339		4 of 4	



QUESTIONS OR COMMENTS?

Thank You



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: April 20, 2021 Contact Person: Joshua Mike
Submitting Department: Community Development District: District 3
Staff Recommendations: None

Consent: Yes Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval of the Final Plat entitled, “Final Re-Plat Toll at Prasada, Unit N - Phase 1” and dated March 8, 2021, an approximately 15.84 acre property generally located west of Cotton Lane, between Peoria Avenue and Cactus Road. (Case FS20-586)

Motion:

I move to approve the Final Plat, entitled “Final Re-Plat Toll at Prasada, Unit N - Phase 1”.

Background:

The Phase 2 Onsite Infrastructure Plat for Toll at Prasada (Case FS19-061) was approved in March 2020, which included boundaries of the Unit N development parcel. This Final Plat intends to create 64 single-family lots within the eastern portion of Unit N.

Objective Analysis:

The subdivision plat, creating 64 single-family lots, is consistent with the Preliminary Plat approved September 15, 2020 under case FS20-117.

Policy Compliant:

The requested re-plat is consistent with the Prasada PAD and advances the goals and policies of the General Plan.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide City Services.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

1. 00 FS20-586 Toll at Prasada Unit N Phase Re-Plat 4.20.21 CC Staff Report
 2. 01 FS20-586 Toll at Prasada Unit N Final Plat Case Map 4.20.21 CC
 3. 02 FS20-586 Toll at Prasada Unit N Final Plat Vicinity Map 4.20.21 CC
 4. 03 FS20-586 Toll at Prasada Unit N final plat
 5. 04 FS20-586 Toll at Prasada Unit N Final Plat Presentation 4.20.21 CC
-

RE-PLAT

1	Case:	FS20-586	REPORT TO CITY COUNCIL
2			
3	Project Name:	Toll at Prasada Unit N Phase 1 Re-Plat	
4			
5	Council District:	3 - Mesquite	
6			
7	City Council Date:	April 20, 2021	
8			
9	Planner:	Joshua Mike, AICP	
10			
11			
12	Owner:	Toll at Prasada, LLC.	
13			
14	Applicant:	Toll Brothers AZ Construction Co.	
15			
16	Request:	Final Plat for eastern portion of Unit N	
17			
18	Site Location:	Generally located west of Cotton Lane, between Peoria Avenue and	
19		Cactus Road	
20			
21	Site Size:	15.84 acres (approx.)	
22			
23	Density:	4.05 DU/Ac. net (approx.)	
24			
25	General Plan Conformance:	The proposal is consistent with the Surprise General Plan 2035	
26			
27	Support/Opposition:	None known	
28			
29	Findings:		
30		• The proposed Re-Plat is consistent with the Prasada PAD.	
31		• The proposed Re-Plat is consistent with the approved Preliminary Plat.	
32		• The proposed Re-Plat is consistent with the applicable City of Surprise regulations.	
33		• The reviewing agencies have indicated no objections to the request.	
34			
35	Alternative Actions:	Approval of the requested Final Plat will allow the applicant the	
36		ability to create 64 single-family lots consistent with the	
37		Preliminary Plat (FS20-117) approved on September 15, 2020.	
38			
39		Denial of the requested Final Plat will deny the applicant from	
40		creating 64 single-family lots within the property as proposed.	
41	<u>PROJECT DESCRIPTION:</u>		

42

43 The Phase 2 Onsite Infrastructure Plat for Toll at Prasada under case 19-061 was approved in
44 March 2020, which included boundaries of the Unit N development parcel. The subdivision plat,
45 creating 64 single-family lots, is consistent with the Preliminary Plat under case FS20-117 that
46 was approved September 15, 2020. This Final Plat continues implementing the approved PAD
47 zoning.

48

49 **Attachments:**

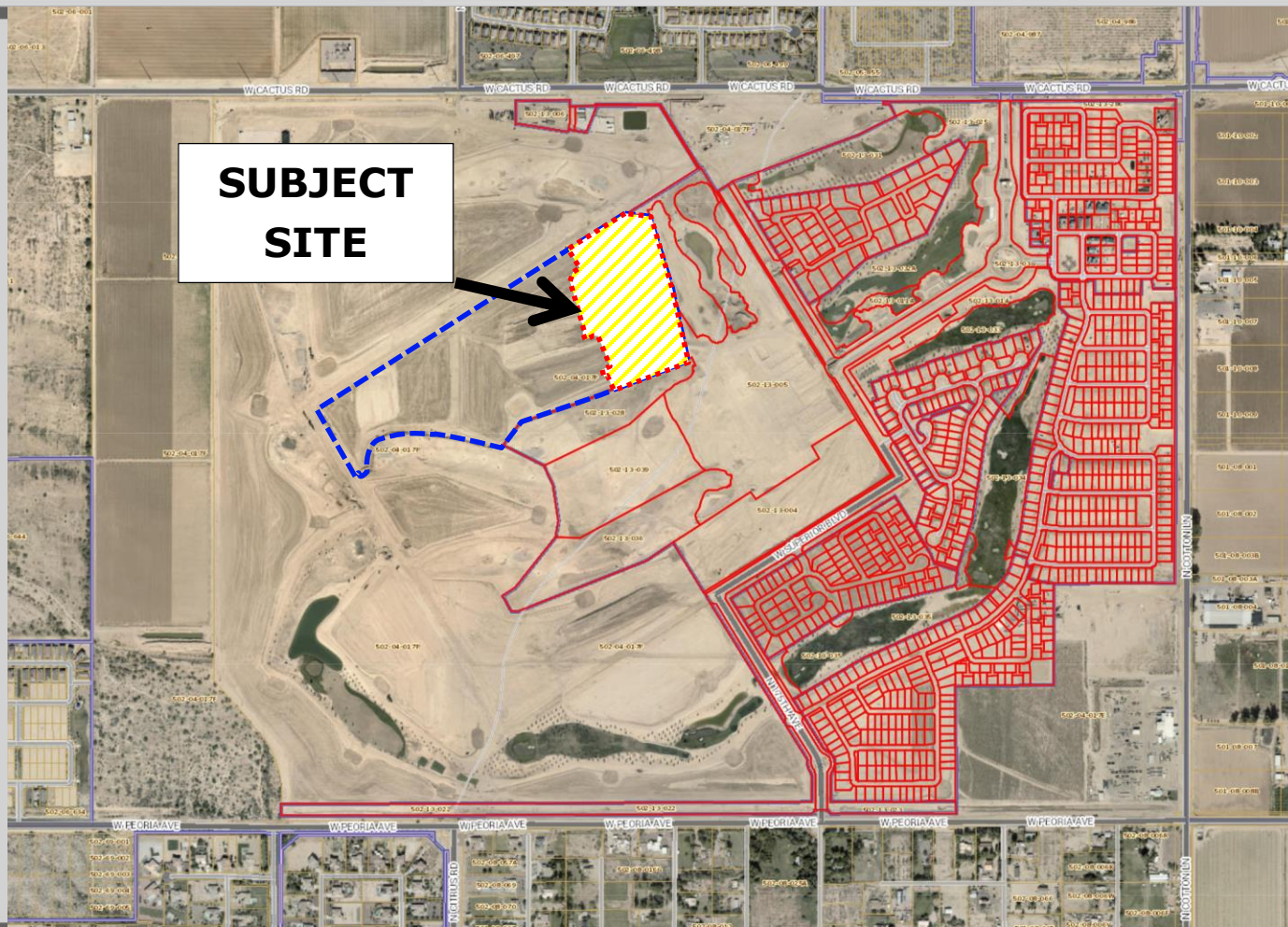
50

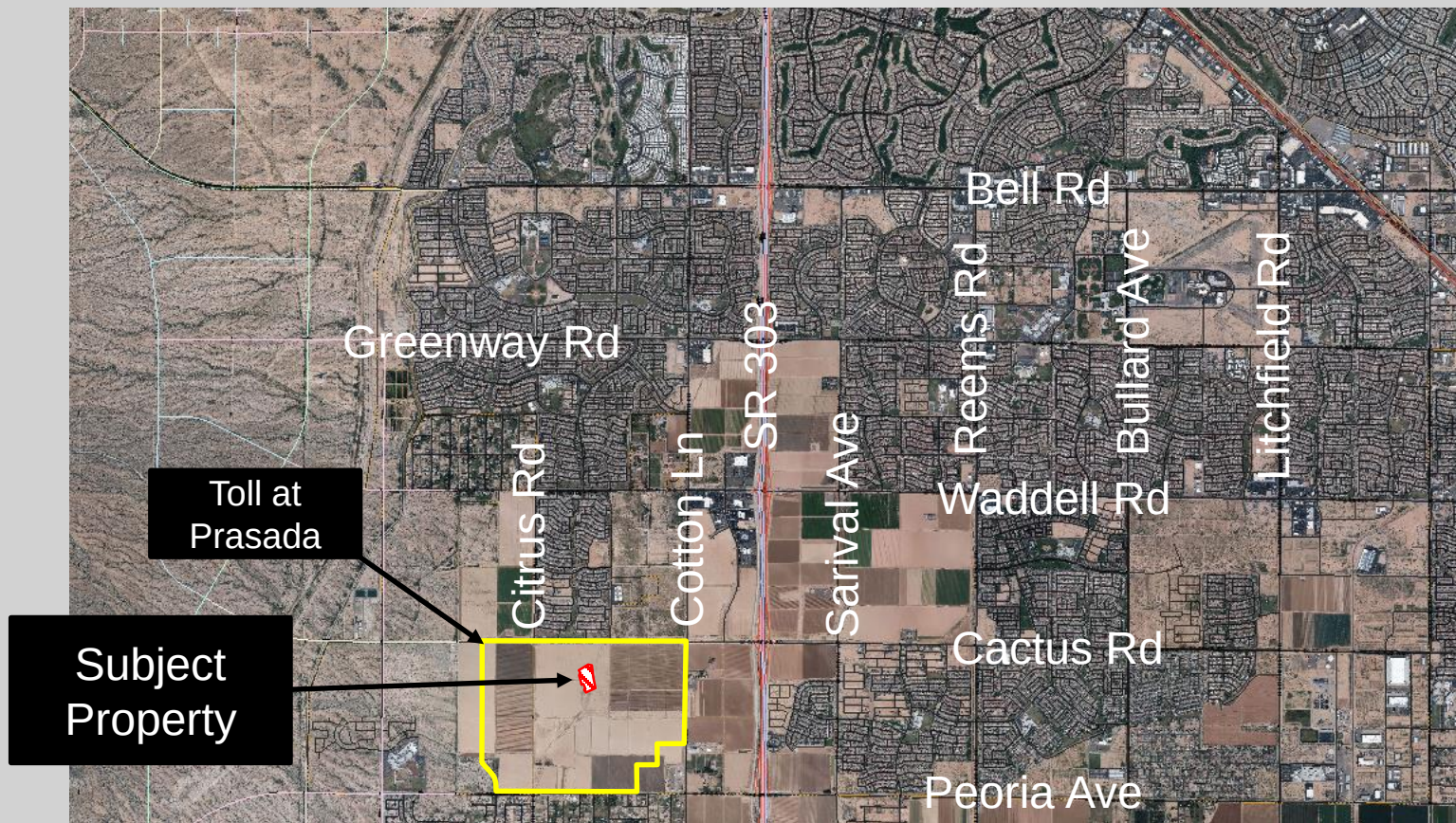
51 01 Case Map

52 02 Vicinity Map

53 03 Final Plat

FS20-586 Case Map





FS20-586 Vicinity Map

Mar 31, 2021 8:39am S:\Projects\2016\16-339\Legal Survey\Draws\Final Plats\Phase 2\Unit N\16-339 - PH2 Unit N Plat.dwg
I:\projects

RECEIVED
03/31/2021

DEDICATION

STATE OF ARIZONA } SS
COUNTY OF MARICOPA }

KNOW ALL PERSONS BY THESE PRESENTS: THAT TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY, "OWNER", HAS SUBDIVIDED UNDER THE NAME TOLL AT PRASADA, UNIT N – PHASE I, BEING A RE–PLAT OF A PORTION OF PARCEL N, TOLL AT PRASADA, PHASE 2 MASTER PLAT AS RECORDED IN BOOK 1576 OF MAPS, PAGE 33, RECORDS OF MARICOPA COUNTY, ARIZONA, BEING A SUBDIVISION LOCATED IN A PORTION OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 3 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN AND PLATTED HEREON AND DOES HEREBY PUBUSH THIS PLAT AS AND FOR THE PLAT OF TOLL AT PRASADA, UNIT N – PHASE I AND DECLARES THAT THIS PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF EACH LOT, TRACT, STREET AND EASEMENT CONSTITUTING THE SAME, AND THAT EACH LOT, TRACT, STREET AND EASEMENT SHALL BE KNOWN BY THE NUMBER, LETTER, AND/OR AND NAME GIVEN TO EACH RESPECTIVELY AS SHOWN ON THIS PLAT.

OWNER HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL NON-EXCLUSIVE EASEMENT OVER, UNDER, UPON, AND ACROSS ALL AREAS DESIGNATED ON THE PLAT AS APPLICABLE: SEWER LINES AND MANHOLES, FOR THE PURPOSE OF INSTALLING, CONSTRUCTING, MAINTAINING, REPAIRING, REPLACING, AND UTILIZING THE SEWER LINES AND MANHOLES.

OWNER HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL EASEMENT ACROSS THE PLAT INCLUDING ROADS AND STREETS, OPEN SPACES, COMMUNITY FACILITIES, TRACTS, SIDEWALKS, DRAINAGE BASINS, AND ANY PROPERTY WITHIN THE PLAT OWNED BY THE HOMEOWNERS ASSOCIATION FOR THE PURPOSE OF PROVIDING CONTINUOUS AND UNINTERRUPTED INGRESS AND EGRESS FOR TRASH COLLECTION VEHICLES.

OWNER HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL CROSS ACCESS EASEMENT ACROSS THE PLAT INCLUDING ROADS AND STREETS, OPEN SPACES, COMMUNITY FACILITIES, TRACTS, SIDEWALKS, DRAINAGE BASINS, AND ANY PROPERTY WITHIN THE PLAT OWNED BY THE HOMEOWNERS ASSOCIATION FOR THE PURPOSE OF PROVIDING CONTINUOUS AND UNINTERRUPTED INGRESS AND EGRESS FOR EMERGENCY VEHICLES.

OWNER HEREBY GRANTS TO THE PUBLIC A PERPETUAL NON-EXCLUSIVE EASEMENT IN, UPON, OVER, UNDER, THROUGH, AND ACROSS THE AREAS DESIGNATED AS PUBLIC UTILITY EASEMENTS AS SHOWN ON THE PLAT FOR THE PURPOSE OF ACCESSING, INSTALLING, CONSTRUCTING, MAINTAINING, REPAIRING, REPLACING, AND UTILIZING PUBLIC UTILITIES.

OWNER HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL NON-EXCLUSIVE EASEMENT OVER, UPON, AND ACROSS THE AREAS DESIGNATED AS SIGHT VISIBILITY TRIANGLES FOR THE PURPOSE OF ENSURING THAT THESE AREAS REMAIN FREE OF SIGHT VISIBILITY OBSTRUCTIONS.

OWNER HEREBY GRANTS TO THE UNITED STATES OF AMERICA DEPARTMENT OF THE AIR FORCE ("USAF") AN AVIGATION EASEMENT OVER AND ACROSS THIS PLAT AND EVERY LOT AND PARCEL THEREOF, WHICH EASEMENT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE RIGHT OF FLIGHT OF AIRCRAFT OVER THIS PLAT, TOGETHER WITH ITS ATTENDANT NOISE, VIBRATIONS, FUMES, DUST, FUEL AND LUBRICANT PARTICLES, AND ALL OTHER EFFECTS THAT MAY BE CAUSED BY THE OPERATION OF AIRCRAFT LANDING AT, OR TAKING OFF FROM, OR OPERATING AT OR ON LUKE AIR FORCE BASE AND AUXILIARY FIELD.

THE EASEMENTS GRANTED WITHIN THIS DEDICATION ARE PERMANENT AND PERPETUAL AND SHALL RUN WITH THE LAND AND BE BINDING UPON OWNER AND ITS HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF.

ALL IMPROVEMENTS, FOR STREETS AND PUBLIC UTILITIES OWNED AND OPERATED BY THE CITY, INSTALLED OR CONSTRUCTED BY OWNER WITHIN THE PUBLIC RIGHTS-OF-WAY, THE EASEMENTS, OR ANY TRACTS OR PARCELS HEREBY DEDICATED TO THE CITY OF SURPRISE SHALL BE DEEMED TO HAVE BEEN DEDICATED BY OWNER TO THE CITY UPON THEIR COMPLETION; HOWEVER, SUCH TRANSFER SHALL NOT OCCUR UNTIL THE CITY COUNCIL FOR THE CITY OF SURPRISE MANIFESTS ITS ACCEPTANCE BY SEPARATE FORMAL COUNCIL ACTION.

OWNER HEREBY GRANTS TO THE PUBLIC A PERPETUAL NON-EXCLUSIVE PUBLIC UTILITY ACCESS IN, UPON, OVER, UNDER, THROUGH, AND ACROSS THE AREAS DESIGNATED AS PRIVATE STREET TRACTS.

TRACTS "N-A" THROUGH "N-K" ARE NOT DEDICATED TO THE PUBLIC, BUT ARE PLATTED AS COMMON PROPERTY FOR THE USE AND ENJOYMENT OF THE HOMEOWNERS ASSOCIATION, AS MORE FULLY SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS. SAID HOMEOWNERS ASSOCIATION IS RESPONSIBLE FOR MAINTAINING SAID TRACTS.

IN WITNESS WHEREOF, OWNER HAS HEREUNTO CAUSED ITS CORPORATE NAME TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY THE UNDERSIGNED, DULY AUTHORIZED OFFICER THIS _____ DAY OF _____, 2021.

TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY

BY _____, DATE _____

ITS _____

ACKNOWLEDGMENT

STATE OF ARIZONA } SS
COUNTY OF MARICOPA }

ON THIS _____ DAY OF _____, 2021 BEFORE ME, THE UNDERSIGNED, PERSONALLY APPEARED _____ WHO ACKNOWLEDGED HIMSELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC DATE

MY COMMISSION EXPIRES:

EPCOR PLAT ACKNOWLEDGMENT

STATE OF ARIZONA } SS
COUNTY OF MARICOPA }

ON THIS _____ DAY OF _____, 2021 BEFORE ME, THE UNDERSIGNED, PERSONALLY APPEARED _____ WHO ACKNOWLEDGED HIMSELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC DATE

MY COMMISSION EXPIRES:

FINAL RE-PLAT

Toll at Prasada, Unit N - Phase I

BEING A REPLAT OF A PORTION OF PARCEL N,
TOLL AT PRASADA, PHASE 2 MASTER PLAT
AS RECORDED IN BOOK 1576 OF MAPS, PAGE 33, M.C.R.,
SITUATED IN A PORTION OF THE NORTHWEST QUARTER OF SECTION 23,
TOWNSHIP 3 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER MERIDIAN
MARICOPA COUNTY, ARIZONA

NOTICE OF PRASADA PRE-ANNEXATION DEVELOPMENT AGREEMENT

OWNER'S PREDECESSOR, SUBURBAN LAND RESERVE, INC., A UTAH CORPORATION, FULTON HOMES CORPORATION, AN ARIZONA CORPORATION, AND WESTCOT/SURPRISE LLC, AN ARIZONA LIMITED LIABILITY COMPANY HAVE ENTERED INTO A PRE-ANNEXATION1 DEVELOPMENT AGREEMENT DATED SEPTEMBER 12, 2006 ("AGREEMENT") WITH CITY OF SURPRISE, AN ARIZONA MUNICIPAL CORPORATION, FOR WHICH A MEMORANDUM OF AGREEMENT WAS RECORDED ON SEPTEMBER 19, 2066, AT THE MARICOPA COUNTY RECORDER'S OFFICE AT DOCUMENT NO. 20061238109. AGREEMENT WAS RECENTLY AMENDED AND RECORDED ON JULY 20, 2018, AT THE MARICOPA COUNTY RECORDER'S OFFICE DOCUMENT NO. 20180551464. THE PROPERTIES INVOLVED IN THIS PLAT ARE SUBJECT TO THIS AGREEMENT.

NOTICE OF INTERGOVERNMENTAL AGREEMENT

THE CITY OF SURPRISE ("CITY") AND MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE ("MWD") ENTERED INTO AN INTERGOVERNMENTAL AGREEMENT DATED APRIL 8, 1997, AND RECORDED IN THE MARICOPA COUNTY RECORDER'S OFFICE ON APRIL 9, 1997, UNDER DOCKET NO. 97-0231759 ("IGA"). CITY AND MWD HAVE FACILITIES AND PROPERTY INTERESTS DESCRIBED AND DELINEATED WITHIN CERTAIN SUBDIVISION PLATS OR, FOR LANDS NOT INCLUDED IN A SUBDIVISION PLAT, DECLARATIONS OF TURF LANDS OR DECLARATIONS OF URBANIZED AREA, THAT HAVE PRIOR AND SUPERIOR RIGHTS TO THE UTILITY SERVICE PROVIDERS, AS DEFINED IN THE IGA. THE IGA PROVIDES FOR THE CITY TO HAVE A PUBLIC UTILITY EASEMENT WITHIN CERTAIN MWD PROPERTY INTERESTS AND FOR MWD TO HAVE AN EASEMENT WITHIN CITY'S PUBLIC RIGHTS-OF-WAY. CITY AND MWD RIGHTS WITHIN THESE EASEMENTS ARE SUBJECT TO AND CONTROLLED BY THE TERMS AND CONDITIONS OF THE IGA

IN LOCATIONS WHERE APPLICABLE, INCLUDING ANY AND ALL DEDICATIONS WITHIN A SUBDIVISION PLAT, MWD'S PRIOR AND SUPERIOR RIGHTS OF ACCESS TO AND USE OF EXISTING AND FUTURE MWD FACILITIES AND PROPERTY INTERESTS, SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE IGA.

CITY SHALL HAVE THE RIGHT TO AUTHORIZE AND CONTROL THE UTILITY SERVICE PROVIDER'S USE AND OCCUPANCY OF THESE EASEMENTS. CITY REQUIRES THAT UTILITY SERVICE PROVIDERS CONSENT TO BE BOUND BY THE IGA PRIOR TO THE USE OR OCCUPANCY OF THE EASEMENTS GRANTED UNDER THE IGA. SUCH USE OR OCCUPANCY OF THE EASEMENTS CONSTITUTES CONSENT OF THE UTILITY SERVICE PROVIDERS TO BE BOUND BY THE IGA.

PUBLIC NOTICE

THE LOTS DEPICTED ON THIS PLAT ARE LOCATED WITHIN THE VICINITY OF LUKE AIR FORCE BASE AND MAY BE SUBJECT TO OVERFLIGHTS BY JET AIRCRAFT. ALL STRUCTURES WITHIN THIS PLAT SHALL BE CONSTRUCTED IN COMPLIANCE WITH THE SOUND ATTENUATION STANDARDS ADOPTED BY THE CITY OF SURPRISE. A MAP DEPICTING THE MOST CURRENT ADOPTED MAG NOISE CONTOURS IN RELATION TO THIS PLAT SHALL BE DISPLAYED IN ALL SALES OFFICES. ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE CITY OF SURPRISE COMMUNITY DEVELOPMENT DEPARTMENT.

RELEASE OF LIABILITY

TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY ("OWNER") DOES HEREBY (1) RELEASE AND DISCHARGE THE USAF AND THE CITY OF SURPRISE, AND (2) INDEMNIFY, DEFEND, AND HOLD HARMLESS THE USAF AND THE CITY OF SURPRISE, OF AND FROM ANY LIABILITY FOR ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE AT ANY TIME IN THE FUTURE OVER, OR IN CONNECTION WITH AIRCRAFT OVERFLIGHTS FROM AIRCRAFT UTILIZING LUKE AIR FORCE BASE, WHETHER SUCH DAMAGE SHALL ORIGINATE FROM NOISE, VIBRATION, FUMES, DUST, FUEL AND LUBRICANT PARTICLES, AND ALL OTHER EFFECTS THAT MAY BE CAUSED BY THE OPERATION OF AIRCRAFT LANDING AT, OR TAKING OFF FROM, OR OPERATING AT OR ON LUKE AIR FORCE BASE. THIS INSTRUMENT SHALL RUN WITH THE LAND AND BE BINDING UPON OWNER AND ITS HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF. THIS INSTRUMENT DOES NOT RELEASE THE USAF FROM LIABILITY FOR DAMAGE OR INJURY TO PERSON OR PROPERTY CAUSED BY FALLING AIRCRAFT OR FALLING PHYSICAL OBJECTS FROM AIRCRAFT, EXCEPT AS STATED HEREIN WITH RESPECT TO NOISE, FUMES, DUST, FUEL, AND LUBRICANT PARTICLES.

OWNER HEREBY FURTHER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF SURPRISE FROM ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE IN CONNECTION WITH THE USE OF THE SIDEWALKS LOCATED WITHIN THE RIGHT-OF-WAY.

OWNER DOES HEREBY (1) RELEASE AND DISCHARGE THE CITY OF SURPRISE, AND (2) INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF SURPRISE, OF AND FROM ANY LIABILITY FOR ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE AT ANY TIME IN THE FUTURE OVER, OR IN CONNECTION WITH THE AREAS LOCATED WITHIN THE NEWLY DEDICATED RIGHT-OF-WAY AS DEPICTED ON THIS PLAT UNTIL SUCH TIME THE RIGHT-OF-WAY IS IMPROVED TO CITY STANDARDS AND THOSE IMPROVEMENTS ARE APPROVED AND ACCEPTED BY THE CITY COUNCIL. THE MAINTENANCE OF THE AREA WITHIN ANY NEWLY DEDICATED RIGHT-OF-WAY AS SHOWN ON THIS PLAT SHALL BE THE RESPONSIBILITY OF THE ADJACENT OWNER/OR SUBSEQUENT ADJACENT OWNERS WITHIN THE BOUNDARY OF SAID PLAT UNTIL SUCH TIME THAT THE AREA WITHIN THE RIGHT-OF-WAY IS IMPROVED TO CITY STANDARD AND ACCEPTED BY THE CITY OF SURPRISE.

EPCOR PLAT DEDICATION

EXCEPT AS TO ANY AREAS SUBJECT TO THE EASEMENT OR EASEMENTS GRANTED TO MARICOPA WATER DISTRICT, AS DEPICTED ON THIS PLAT AND RECORDED IN THE OFFICE OF THE RECORDER, MARICOPA COUNTY, ARIZONA, A PERPETUAL WATER EASEMENT AS DESCRIBED IN THIS PLAT IS GRANTED TO EPCOR WATER ARIZONA INC., AND ITS SUCCESSORS AND ASSIGNS (COLLECTIVELY "GRANTEE"), TO CONSTRUCT, OPERATE, AND MAINTAIN WATER LINES AND APPURTENANT FACILITIES (COLLECTIVELY, "FACILITIES") UPON, ACROSS, OVER AND UNDER THE SURFACE OF THE EASEMENTS, TOGETHER WITH THE RIGHT TO OPERATE, REPAIR, REPLACE, MAINTAIN, AND REMOVE THE FACILITIES FROM THE PREMISES; TO ADD OR TO ALTER THE FACILITIES, AND TO PROVIDE GRANTEE WITH REASONABLE INGRESS AND EGRESS TO THE FACILITIES. GRANTEE WILL HAVE UNRESTRICTED ACCESS TO THE EASEMENT FOR THE ACTIVITIES DESCRIBED ABOVE AND FORMAL NOTIFICATION OR APPROVAL BY ANY ASSOCIATION PRIOR TO ACCESSING THE EASEMENT WILL NOT BE REQUIRED.

GRANTOR SHALL NOT ERECT OR CONSTRUCT OR PERMIT TO BE ERECTED OR CONSTRUCTED ANY BUILDING, STRUCTURE OR SIMILAR IMPROVEMENT WITHIN THE LIMITS OF THE EASEMENT GRANTED HEREIN. GRANTOR SHALL NOT, NOR PERMIT, THE GRADE OVER GRANTEE'S FACILITIES TO BE SUBSTANTIALLY ALTERED WITHOUT, IN EACH INSTANCE, THE PRIOR WRITTEN CONSENT OF GRANTEE, AND GRANTOR AGREES THAT NO OTHER PIPES OR CONDUITS SHALL BE PLACED WITHIN THE PREMISES SUBJECT TO THE EASEMENT GRANTED HEREIN, EXCEPT PIPES CROSSING GRANTEE'S FACILITIES AT RIGHT ANGLES, IN WHICH CASE, A MINIMUM VERTICAL DISTANCE OF TWO (2) FEET (AS MEASURED FROM THE CLOSEST POINTS ON THE OUTSIDE EDGES) SHALL BE MAINTAINED BETWEEN GRANTEE'S FACILITIES AND SUCH OTHER PIPES OR CONDUITS. UNLESS GRANTEE EXPRESSLY CONSENTS IN WRITING OTHERWISE, ANY AND ALL SEWER PIPES CROSSING THE EASEMENT GRANTED HEREIN SHALL BE LAID BELOW GRANTEE'S FACILITIES. HOWEVER, GRANTOR SHALL HAVE THE RIGHT TO CONSTRUCT AND ERECT FENCES, TO INSTALL LANDSCAPING, PARKING FACILITIES AND DRIVEWAYS, AND TO ESTABLISH OTHER USES THAT ARE NOT INCONSISTENT WITH USES WITHIN THE LIMITS OF SAID EASEMENT IN A MANNER THAT WILL NOT UNREASONABLY INTERFERE WITH GRANTEE'S ACCESS TO THE FACILITIES.

IN WITNESS WHEREOF, EPCOR WATER ARIZONA INC. HAS HEREUNTO CAUSED ITS CORPORATE NAME TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY THE UNDERSIGNED, DULY AUTHORIZED OFFICER THIS _____ DAY OF _____, 2021.

EPCOR WATER ARIZONA INC., AN ARIZONA DOMESTIC FOR-PROFIT CORPORATION

BY _____, DATE _____

ITS _____

GENERAL NOTES

1. SPRINKLERS ARE REQUIRED IN ALL ONE AND TWO FAMILY DWELLINGS BUILT IN AREAS WHICH DO NOT HAVE AN ADEQUATE WATER SUPPLY.
2. NO ON-SITE GRADING OR EXCAVATION SHALL OCCUR WITHOUT FIRST OBTAINING A PERMIT FROM THE CITY OF SURPRISE.
3. THE PROPERTY IS LOCATED WITHIN AN AREA HAVING FLOOD ZONE "ZONE X SHADED," BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY, ON FLOOD INSURANCE RATE MAP NO. 04013C1660L, WITH A DATE OF IDENTIFICATION OF OCTOBER 16, 2013, FOR COMMUNITY NO. 040053, IN MARICOPA COUNTY, STATE OF ARIZONA, WHICH IS THE CURRENT FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH SAID PROPERTY IS SITUATED.
4. THE ROADS DESIGNATED AS "PRIVATE" AND ANY APPURTENANCES INCLUDING BUT NOT LIMITED TO ROAD SIGNS, STRIPING, CURB AND GUTTER, AND SIDEWALKS ARE PRIVATE: SUCH ROADS AND APPURTENANCES ARE OWNED, MAINTAINED AND REPAIRED BY OWNER OR THE HOMEOWNER'S ASSOCIATION FORMED BY OWNER. THE CITY OF SURPRISE SHALL NOT MAINTAIN OR REPAIR ANY ROAD DESIGNATED AS "PRIVATE."
5. IN ACCORDANCE WITH ARS § 9-461.07, THE CITY OF SURPRISE HAS DETERMINED THAT ALL DEDICATIONS OCCURRING WITH THIS PLAT ARE IN CONFORMANCE WITH THE SURPRISE GENERAL PLAN.
6. PURSUANT TO A.R.S. § 42-11102, THE CITY OF SURPRISE, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA, IS EXEMPT FROM ALL TAXES AND ASSESSMENTS BASED ON ASSESSED VALUE EXCEPT FOR SPECIAL DISTRICTS #14751 AND 14710, WHEN APPLICABLE.
7. THE MAINTENANCE OF LANDSCAPING WITHIN THE OPEN SPACES, LANDSCAPED TRACTS, RETENTION BASINS AND PARKS SHALL BE THE RESPONSIBILITY OF THE OWNER OR THE ASSOCIATION FORMED BY THE OWNER.
8. THE MAINTENANCE OF LANDSCAPING WITHIN THE ADJACENT PUBLIC RIGHTS-OF-WAY, INCLUDING LANDSCAPED MEDIANS WITHIN COLLECTORS AND LOCAL STREETS AND LANDSCAPED AREAS BETWEEN THE CURB AND THE DETACHED SIDEWALK, SHALL BE THE RESPONSIBILITY OF THE ADJACENT PROPERTY OWNER OR THE PROPERTY ASSOCIATION FORMED BY THE ADJACENT PROPERTY.
9. ZONING OF THE PROPERTY IS PER SURPRISE ZONING CASE FS17-587 OR AS SUBSEQUENTLY AMENDED.
10. THIS FINAL PLAT IS IN SUBSTANTIAL CONFORMANCE WITH THE PRELIMINARY PLAT AS APPROVED UNDER CITY OF SURPRISE CASE FS20-117.

AREA SUMMARY TABLE		
DESCRIPTION	AREA (SF)	AREA (ACRES)
LOTS 1101-1164 (64 LOTS)	462,185	10.6101
TRACTS N-A – N-K	82,894	1.9029
PRIVATE STREETS (TRACT N-PSI)	145,075	3.3305
GROSS AREA	690,155	15.8438

100 YEAR ASSURED WATER SUPPLY

THE SUBDIVIDER HAS OBTAINED A CERTIFICATE OF 100 YEAR ASSURED WATER SUPPLY FROM THE DEPARTMENT OF WATER RESOURCES.

27-701007.0000... 11/14/2018
CERTIFICATE NUMBER DATE

BASIS OF BEARING

THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 3 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER MERIDIAN, BEING NORTH 89°59'58" WEST AS MEASURED AND BEING NORTH 89°59'59" WEST AS SHOWN ON MARICOPA COUNTY GDACS SURVEY RECORDED IN BOOK 661, PAGE 18, MARICOPA COUNTY RECORDS.

NOTICE OF TOLL AT PRASADA DEVELOPMENT AND WATER DELIVERY AGREEMENT

LANDOWNER ENTERED INTO THE TOLL AT PRASADA DEVELOPMENT AND WATER DELIVERY AGREEMENT DATED JANUARY 2, 2019 ("AGREEMENT") WITH MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE ("MWD") FOR WHICH A MEMORANDUM OF AGREEMENT WAS RECORDED ON JANUARY 3, 2019, AT THE MARICOPA COUNTY RECORDERS' OFFICE AT 2019-0002436. THE PROPERTIES INVOLVED IN THIS PLAT ARE SUBJECT TO THIS AGREEMENT. THE AGREEMENT AND THIS PLAT, INCLUDING ANY AND ALL DEDICATIONS THEREIN, HEREBY PRESERVE MWD'S PRIOR AND SUPERIOR RIGHTS OF ACCESS TO AND USE OF EXISTING AND FUTURE MWD FACILITIES AND MWD PROPERTY INTERESTS, AS SUCH TERMS ARE DEFINED IN THE AGREEMENT, TO ENABLE MWD TO ACCOMPLISH ALL OF MWD'S PURPOSES, INCLUDING, BUT NOT LIMITED TO, THE TRANSMISSION AND DISTRIBUTION OF WATER, WASTEWATER, POWER AND COMMUNICATIONS, AND TO CONSTRUCT, RECONSTRUCT, OPERATE, MAINTAIN AND REPLACE THOSE MWD FACILITIES AND MWD PROPERTY INTERESTS. THE AGREEMENT IS ON FILE AT THE OFFICES OF TOLL PRASADA LLC, AND MAY BE REVIEWED AS TO ALL DETAILS, WITH PARTICULAR REFERENCE TO SECTION 7 AND SECTION 9, UPON REASONABLE REQUEST.

DATED THIS _____ DAY OF _____, 2021.

MARICOPA COUNTY MUNICIPAL WATER ATTEST:
CONSERVATION DISTRICT NUMBER ONE,
A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA

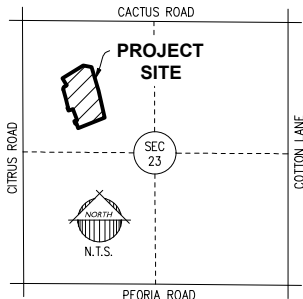
BY: _____ BY: _____
CHRISTINE CAIN GLEN VORTHERMS

ITS: PROPERTY & CONTRACTS MANAGER ITS: ASSISTANT SECRETARY

TOLL PRASADA LLC, AN ARIZONA LIMITED LIABILITY COMPANY

BY: _____

ITS: _____



VICINITY MAP

DEVELOPER

TOLL BROTHERS
8767 E VIA DE VENTURA, SUITE 390
SCOTTSDALE, AZ 85258
TEL: (480) 314-6711
CONTACT: OSCAR DOMINGUEZ

ENGINEER

EPS GROUP, INC.
1130 N. ALMA SCHOOL ROAD, STE. 120
MESA, ARIZONA 85201
TEL: (480)-503-2250
FAX: (480)-503-2258
CONTACT: JAMES ROGERS, P.E.

SHEET INDEX

1 COVER SHEET
2 LOT AREA TABLE, TRACT AREA & USAGE TABLE, CURVE TABLE, LINE TABLE
3 – 4 FINAL PLAT PLAN SHEETS

HOMEOWNERS ASSOCIATION RATIFICATION

KNOW ALL MEN BY THESE PRESENTS: THAT TOLL AT PRASADA COMMUNITY ASSOCIATION, INC., AN ARIZONA NON-PROFIT CORPORATION, HEREBY RATIFIES, AFFIRMS AND APPROVES THIS PLAT FOR "TOLL AT PRASADA, UNIT N – PHASE I" AND THE RESPONSIBILITIES IMPOSED UPON IT UNDER THIS PLAT.

IN WITNESS WHEREOF, TOLL AT PRASADA COMMUNITY ASSOCIATION, INC. HAS CAUSED ITS NAME TO BE AFFIXED BY THE UNDERSIGNED, DULY AUTHORIZED OFFICER THIS _____ DAY OF _____, 2021.

TOLL AT PRASADA COMMUNITY ASSOCIATION, INC.,
AN ARIZONA NON-PROFIT CORPORATION

BY: _____

ITS: _____

ACKNOWLEDGMENT

STATE OF ARIZONA } SS
COUNTY OF MARICOPA }

ON THIS _____ DAY OF _____, 2021 BEFORE ME, THE UNDERSIGNED, PERSONALLY APPEARED _____ WHO ACKNOWLEDGED HIMSELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC DATE

MY COMMISSION EXPIRES:

CITY OF SURPRISE ENGINEER APPROVAL

DATA ON THIS PLAT REVIEWED AND APPROVED THIS _____ DAY OF _____, 2021,
BY THE CITY ENGINEER OF SURPRISE, ARIZONA.

APPROVED _____ DATE _____
CITY ENGINEER

CITY OF SURPRISE COUNCIL APPROVAL

APPROVED BY THE CITY COUNCIL OF THE CITY OF SURPRISE, ARIZONA, THIS _____ DAY OF _____, 2021.

MAYOR DATE

ATTEST: _____ DATE _____
CITY CLERK

CERTIFICATION

I, ROBERT A. JOHNSTON, HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA; THAT THIS PLAT CORRECTLY REPRESENTS A SURVEY MADE UNDER MY DIRECTION DURING THE MONTH OF AUGUST, 2020; THAT THE SURVEY IS TRUE AND CORRECT AS SHOWN; THAT ALL MONUMENTS ACTUALLY EXIST OR WILL BE SET AS SHOWN; THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

ROBERT A. JOHNSTON, RLS 37495
EPS GROUP, INC.
1130 N. ALMA SCHOOL ROAD, STE. 120
MESA, ARIZONA 85201
PHONE: (480) 503-2250
FAX: (480) 503-2258

DATE OF PREPARATION: 08/27/20 (REVISED 11/05/2020 & REVISED 3/08/2021)

1130 N Alma School Rd., Suite 120
Mesa, AZ 85201
T: 480-503-2250 | F: 480-503-2258
www.epsgroupinc.com



Project: Toll at Prasada
Unit N - Phase I
SURPRISE, ARIZONA

FINAL RE-PLAT

Revisions:

Designer: RAJ
Drawn by: TJP



Job No.
16-339

FP01

Sheet No.
1
of 4

FS20-586

LOT AREA TABLE			
LOT #	AREA (SF)	AREA (AC)	CATEGORY
1101	10,077	0.2313	C
1102	7,641	0.1754	D1
1103	7,031	0.1614	D1
1104	6,778	0.1556	D1
1105	6,876	0.1578	C
1106	13,469	0.3092	D1
1107	12,335	0.2832	D1
1108	6,600	0.1515	D1
1109	7,700	0.1768	C
1110	7,700	0.1768	C
1111	12,156	0.2791	D2
1112	12,973	0.2978	D2
1113	7,749	0.1779	C
1114	7,703	0.1768	C
1115	6,600	0.1515	D1
1116	6,600	0.1515	D1
1117	7,700	0.1768	C
1118	11,358	0.2607	D1
1119	6,660	0.1529	D2
1120	6,600	0.1515	D2
1121	7,700	0.1768	C
1122	7,700	0.1768	C
1123	12,100	0.2778	D1
1124	12,100	0.2778	D1
1125	5,460	0.1253	E
1126	4,700	0.1079	E
1127	5,600	0.1286	E
1128	4,700	0.1079	E
1129	5,460	0.1253	E
1130	6,600	0.1515	D1
1131	6,000	0.1377	D1
1132	6,000	0.1377	D1
1133	9,612	0.2207	D2
1134	6,519	0.1496	D1
1135	5,500	0.1263	D1
1136	5,500	0.1263	D1
1137	6,528	0.1499	D1
1138	5,554	0.1275	E
1139	4,700	0.1079	E
1140	5,600	0.1286	E
1141	4,700	0.1079	E
1142	5,699	0.1308	E
1143	5,682	0.1304	D1
1144	5,654	0.1298	D1
1145	5,500	0.1263	D1
1146	5,500	0.1263	D1
1147	9,921	0.2278	D1
1148	11,196	0.2570	D1
1149	6,637	0.1524	D1
1150	5,547	0.1274	D1
1151	5,553	0.1275	D1
1152	6,637	0.1524	D1
1153	5,568	0.1278	D1
1154	5,568	0.1278	D1
1155	5,568	0.1278	D1
1156	5,568	0.1278	D1
1157	6,683	0.1534	D1
1158	10,517	0.2414	D1
1159	9,633	0.2211	D1
1160	5,559	0.1276	D1
1161	5,560	0.1276	D1
1162	5,560	0.1276	D1
1163	5,560	0.1276	D1
1164	6,672	0.1532	D1

CURVE TABLE							
CURVE	LENGTH	RADIUS	DELTA	TANGENT	CHORD	CHORD BRG	
C1	54.10'	182.00'	17°01'54"	27.25'	53.90'	S76°49'18"W	
C2	16.94'	12.00'	80°53'09"	10.23'	15.57'	N27°51'47"E	
C3	359.16'	4431.65'	4°38'36"	179.68'	359.06'	N14°54'06"W	
C4	76.57'	58.00'	75°38'31"	45.02'	71.13'	S20°35'51"W	
C5	18.85'	12.00'	90°00'00"	12.00'	16.97'	N13°25'06"E	
C6	31.42'	20.00'	90°00'00"	20.00'	28.28'	N13°25'06"E	
C7	34.73'	20.00'	99°30'00"	23.62'	30.53'	S81°19'54"E	
C8	62.79'	495.00'	71°6'06"	31.44'	62.75'	N45°17'03"E	
C9	150.72'	515.00'	16°46'06"	75.90'	150.18'	N50°02'03"E	
C10	128.86'	535.00'	13°47'59"	64.74'	128.54'	N51°31'07"E	
C11	41.39'	20.00'	118°34'52"	33.67'	34.39'	N76°05'27"W	
C12	49.24'	200.00'	14°06'21"	24.74'	49.11'	N23°51'11"W	
C13	24.29'	220.00'	61°9'31"	12.16'	24.28'	N19°57'46"W	
C14	24.79'	20.00'	71°01'15"	14.27'	23.23'	S12°23'06"W	
C15	196.24'	580.00'	19°23'08"	99.07'	195.30'	S57°35'17"W	
C16	312.64'	600.00'	29°51'17"	159.95'	309.11'	S56°34'39"W	
C17	289.40'	620.00'	26°44'40"	147.39'	286.78'	S55°01'20"W	
C18	82.73'	50.00'	94°48'19"	54.38'	73.61'	N64°12'10"W	
C19	33.48'	20.00'	95°55'08"	22.18'	29.71'	N64°45'35"W	
C20	369.74'	4960.00'	41°6'16"	184.96'	369.66'	N14°39'52"W	
C21	371.23'	4980.00'	41°6'16"	185.70'	371.15'	N14°39'52"W	
C22	372.73'	5000.00'	41°6'16"	186.45'	372.64'	N14°39'52"W	
C23	31.35'	20.00'	89°48'50"	19.94'	28.24'	N32°22'41"E	

CURVE TABLE							
CURVE	LENGTH	RADIUS	DELTA	TANGENT	CHORD	CHORD BRG	
C24	31.48'	20.00'	90°11'10"	20.07'	28.33'	N57°37'19"W	
C25	28.22'	20.00'	80°50'06"	17.03'	25.93'	N27°53'18"E	
C26	70.54'	50.00'	80°50'06"	42.58'	64.84'	N27°53'18"E	
C27	31.59'	20.00'	90°29'44"	20.17'	28.41'	S57°28'02"E	
C28	31.89'	20.00'	91°21'33"	20.48'	28.62'	N33°28'01"E	
C29	376.31'	4699.85'	4°35'15"	188.25'	376.21'	N14°30'23"W	
C30	417.69'	4719.85'	5°04'14"	208.98'	417.55'	N14°15'54"W	
C31	378.94'	4739.85'	4°34'50"	189.57'	378.84'	N14°30'35"W	
C32	121.29'	300.00'	23°09'56"	61.49'	120.47'	N88°52'03"E	
C33	113.21'	280.00'	23°09'56"	57.39'	112.44'	N88°52'03"E	
C34	96.67'	260.00'	21°18'14"	48.90'	96.12'	N89°47'54"E	
C35	88.44'	230.00'	22°01'57"	44.78'	87.90'	S89°26'03"W	
C36	117.82'	210.00'	32°08'40"	60.50'	116.28'	S84°22'41"W	
C37	106.60'	190.00'	32°08'40"	54.74'	105.20'	S84°22'41"W	
C38	31.03'	20.00'	88°53'20"	19.62'	28.01'	S57°08'16"E	
C39	28.23'	20.00'	80°53'09"	17.05'	25.95'	N27°51'47"E	
C40	359.81'	4439.65'	4°38'36"	180.00'	359.71'	N14°54'06"W	
C41	418.81'	4459.65'	5°22'51"	209.56'	418.66'	N14°49'55"W	
C42	346.46'	4479.65'	4°25'53"	173.31'	346.37'	N14°54'32"W	
C43	26.37'	20.00'	75°32'35"	15.50'	24.50'	S20°38'49"W	
C44	66.01'	50.00'	75°38'31"	38.81'	61.32'	S20°35'51"W	
C45	304.64'	55.00'	317°21'09"	21.47'	40.00'	S21°41'39"E	

LINE TABLE		
LINE	BEARING	LENGTH
L1	N21°41'39"W	8.00'
L2	S68°18'21"W	20.00'
L3	N21°41'39"W	8.00'
L4	S68°18'21"W	20.00'
L5	N21°41'39"W	8.00'
L6	S80°07'15"E	18.88'
L7	N12°31'44"W	25.13'
L8	N21°41'39"W	8.00'
L9	S14°16'40"E	50.00'
L10	S14°54'10"E	50.00'
L11	S15°31'37"E	50.00'
L12	S16°09'04"E	50.00'
L13	S16°43'22"E	60.00'
L14	N58°25'06"E	40.44'
L15	S58°25'06"W	58.29'
L16	N68°18'21"E	36.50'
L17	N68°18'21"E	36.50'
L18	N21°41'39"W	56.00'
L19	S68°18'21"W	2.21'
L20	S68°18'21"W	2.21'

LEGAL DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 3 NORTH, RANGE 2 WEST OF THE GLA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT AN ALUMINUM CAP IN POTHOLE AT THE NORTHWEST CORNER OF SAID SECTION 23, FROM WHICH A MCDOT BRASS CAP IN POT HOLE AT THE NORTH QUARTER--CORNER BEARS SOUTH 89 DEGREES 59 MINUTES 58 SECONDS EAST, 2645.56 FEET;

THENCE ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER, SOUTH 89 DEGREES 59 MINUTES 58 SECONDS EAST, 1390.62 FEET TO A POINT ON SAID NORTH LINE;

THENCE, DEPARTING SAID NORTH LINE SOUTH 0 DEGREES 00 MINUTES 02 SECONDS WEST, 916.21 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 16 DEGREES 48 MINUTES 00 SECONDS EAST, 501.47 FEET;

THENCE SOUTH 12 DEGREES 31 MINUTES 44 SECONDS EAST, 551.32 FEET;

THENCE SOUTH 68 DEGREES 18 MINUTES 21 SECONDS WEST, 573.16 FEET;

THENCE NORTH 21 DEGREES 41 MINUTES 39 SECONDS WEST, 102.00 FEET;

THENCE SOUTH 68 DEGREES 18 MINUTES 21 SECONDS WEST, 20.00 FEET;

THENCE NORTH 21 DEGREES 41 MINUTES 39 SECONDS WEST, 56.00 FEET;

THENCE NORTH 68 DEGREES 18 MINUTES 21 SECONDS EAST, 59.51 FEET;

THENCE NORTH 21 DEGREES 41 MINUTES 39 SECONDS WEST, 236.02 FEET TO THE BEGINNING OF A NON--TANGENT CURVE, CONCAVE SOUTHEAST, FROM WHICH THE RADIUS POINT BEARS SOUTH 4 DEGREES 39 MINUTES 45 SECONDS EAST A DISTANCE OF 182.00 FEET;

THENCE SOUTHWESTERLY 54.10 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17 DEGREES 01 MINUTES 54 SECONDS;

THENCE SOUTH 68 DEGREES 18 MINUTES 21 SECONDS WEST, 36.50 FEET;

THENCE NORTH 21 DEGREES 41 MINUTES 39 SECONDS WEST, 56.00 FEET TO THE BEGINNING OF A NON--TANGENT CURVE, CONCAVE NORTHWEST, FROM WHICH THE RADIUS POINT BEARS NORTH 21 DEGREES 41 MINUTES 39 SECONDS WEST A DISTANCE OF 12.00 FEET;

THENCE NORTHEASTERLY 16.94 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 80 DEGREES 53 MINUTES 09 SECONDS TO A POINT OF COMPOUND CURVATURE OF A CURVE HAVING A RADIUS OF 4431.65 FEET;

THENCE NORTHWESTERLY 359.16 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 4 DEGREES 38 MINUTES 36 SECONDS TO A POINT OF REVERSE CURVATURE OF A CURVE HAVING A RADIUS OF 58.00 FEET;

THENCE NORTHEASTERLY 76.57 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 75 DEGREES 38 MINUTES 31 SECONDS;

THENCE NORTH 58 DEGREES 25 MINUTES 06 SECONDS EAST, 40.44 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWEST, HAVING A RADIUS OF 12.00 FEET;

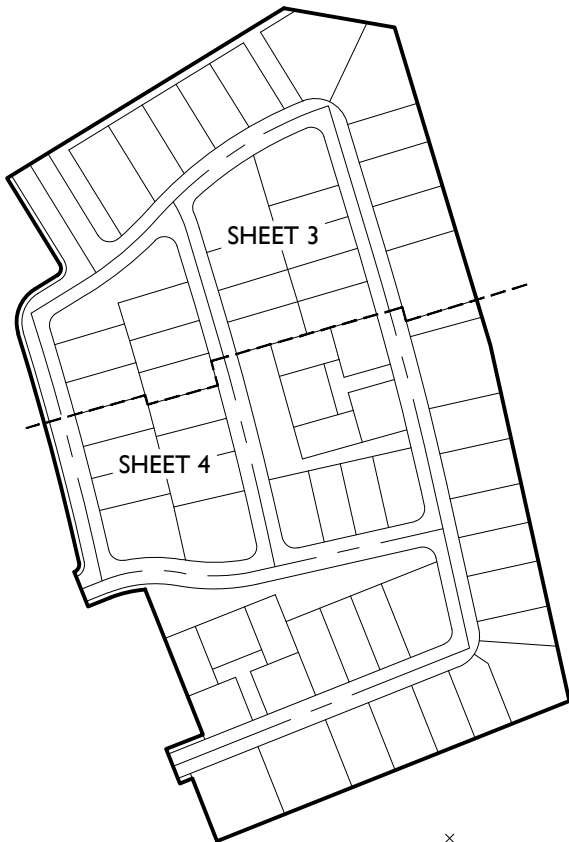
THENCE NORTHEASTERLY 18.85 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS;

THENCE NORTH 31 DEGREES 34 MINUTES 54 SECONDS WEST, 152.50 FEET;

THENCE NORTH 58 DEGREES 25 MINUTES 06 SECONDS EAST, 491.32 FEET;

THENCE SOUTH 80 DEGREES 07 MINUTES 15 SECONDS EAST, 169.53 FEET TO THE POINT OF BEGINNING.

CONTAINS 15.8438 ACRES, MORE OR LESS.



KEY MAP (NTS)



NOTES

- COMMON AREAS MAY INCLUDE OPEN SPACE, LANDSCAPING, PEDESTRIAN PATHS, AND/OR AMENITIES.
- SPECIFIC EASEMENTS THAT ARE BEING DEDICATED AS PART OF THIS PLAT ARE FULLY DELINEATED ON THE FOLLOWING SHEETS.
- ** THE EASEMENTS LISTED ABOVE (SHOWN WITH AN ASTERIK **) ONLY AFFECT A PORTION OF THE TRACT WITH WHICH THEY ARE LISTED, AND ARE FULLY DELINEATED WITHIN THE PLAT. OTHER "USES" LISTED ABOVE ARE COMMON AREA.

TRACT USE TABLE			
TRACT	USE	AREA (SF)	AREA (AC)
N--A	LANDSCAPE, OPEN SPACE, **PUE, & **SIGHT DISTANCE TRIANGLE EASEMENT	13,427	0.3082
N--B	LANDSCAPE, OPEN SPACE & **PUE	14,628	0.3358
N--C	LANDSCAPE, OPEN SPACE & **PUE	160	0.0037
N--D	LANDSCAPE, OPEN SPACE, STORM DRAIN & **PUE	2,892	0.0664
N--E	LANDSCAPE, OPEN SPACE, STORM DRAIN, **PUE & **EMERGENCY ACCESS EASEMENT	5,104	0.1172
N--F	LANDSCAPE, OPEN SPACE, **PUE & **SIGHT DISTANCE TRIANGLE EASEMENT	12,687	0.2912
N--G	LANDSCAPE, OPEN SPACE & **PUE	476	0.0109
N--H	LANDSCAPE, OPEN SPACE, **PUE & **SIGHT DISTANCE TRIANGLE EASEMENT	5,371	0.1233
N--I	LANDSCAPE, OPEN SPACE, **PUE & **SIGHT DISTANCE TRIANGLE EASEMENT	20,890	0.4796
N--J	SHARED DRIVEWAY & **PUE	3,600	0.0826
N--K	SHARED DRIVEWAY & **PUE	3,659	0.0840
N--PS1	PRIVATE STREET TRACT, PUBLIC UTILITY EASEMENT	145,075	3.3305

11320 N Alma School Rd., Suite 120
Mesa, AZ 85201
T:480.503.2250 | F:480.503.2258
www.epsgroupinc.com

EPS
GROUP

Project:

Toll at Prasad
Unit N - Phase I
SURPRISE, ARIZONA

Revisions:

Designer: RAJ
Drawn by: TJP

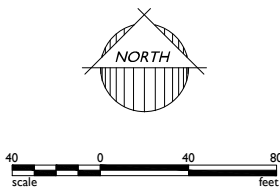
Job No.
16-339

FP02

Sheet No.
2
of 4

FS20-586

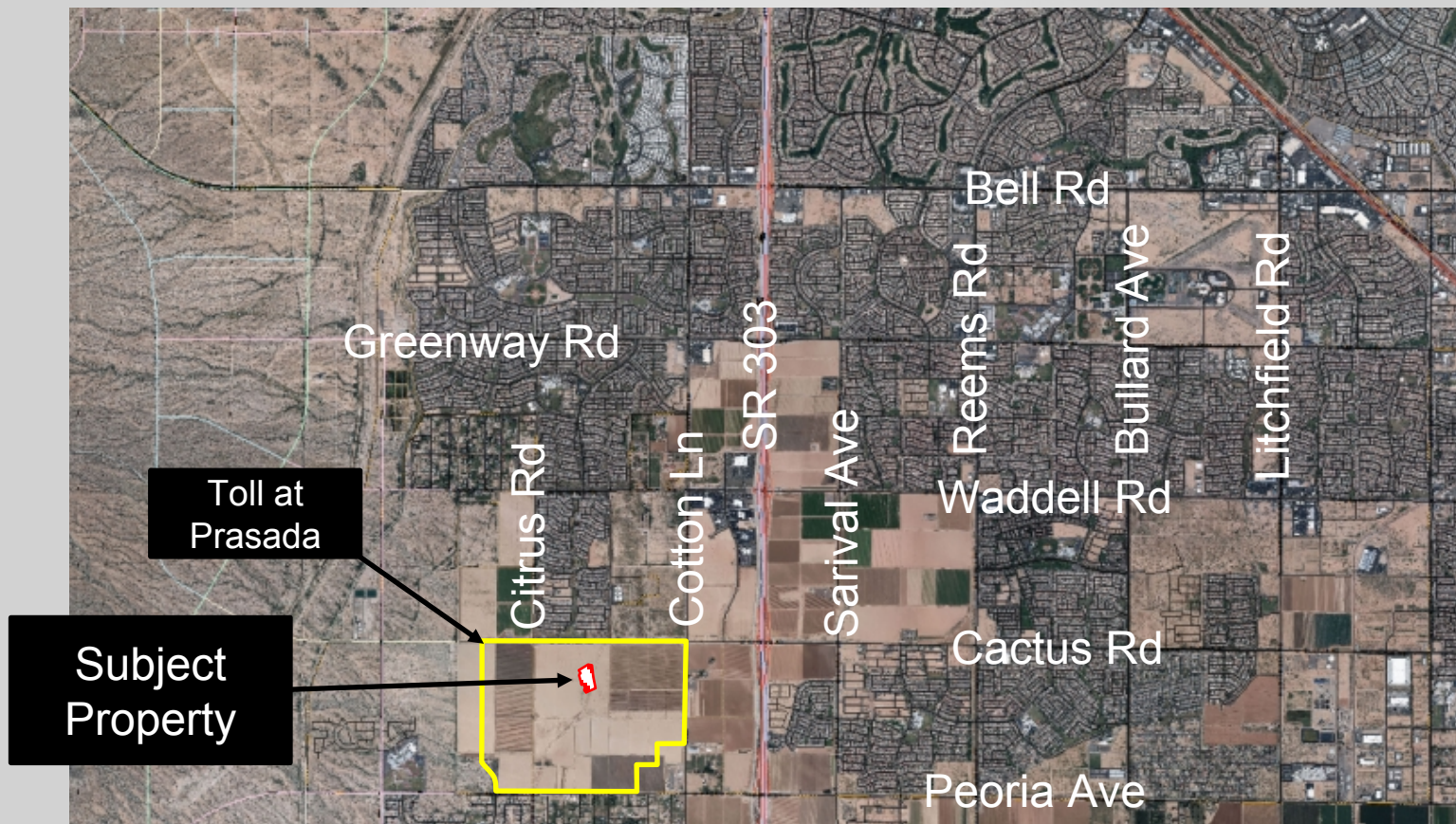
Page 107 of 599



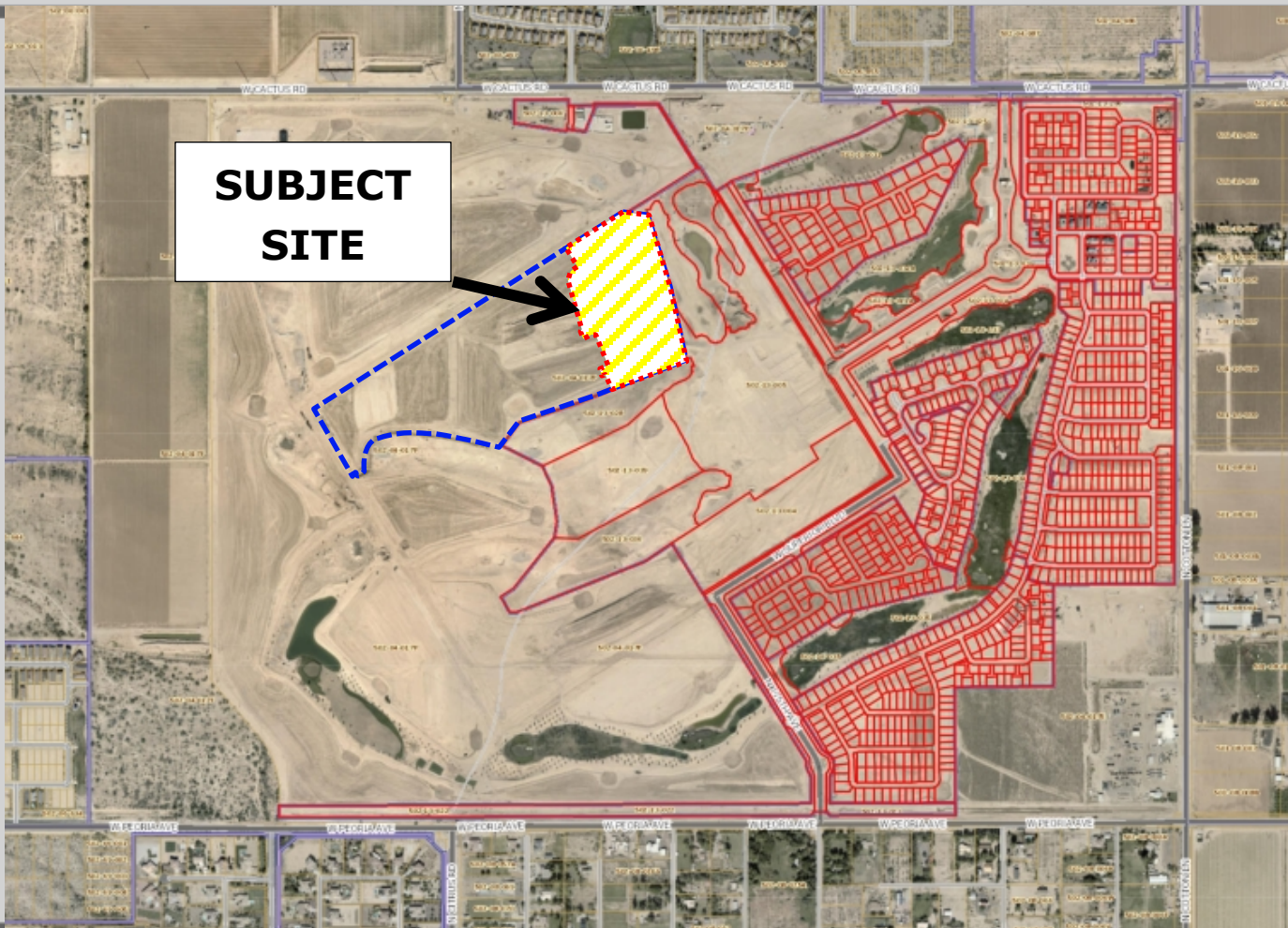


City Council
April 20, 2021

Toll at Prasada
Unit N Phase 1 Final Plat
FS20-586



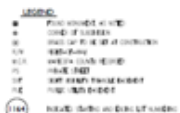
FS20-586 Vicinity Map



FS20-586 Case Map



FS20-586 Unit N Phase 1 Final Plat



**Toll at Prasada
Unit N - Phase I**
CLERK, 0000000000



1130 N. 17th Street, Suite 100
Miami, FL 33136
Tel: 305.375.1100 • Fax: 305.375.1101
www.vipmagazine.com

Design: ☐ Yes
 Draw Up: ☐ Yes
 16-339
 FPO4
 Sheet No. 4 of 4
 CS20-586

FS20-586 Unit N

Phase 1 Final Plat

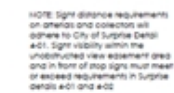


OPEN SPACE
1.98 acres
16% (Net)



FS20-586 Unit N

Landscape Plans



Toll Brothers A Division of Toll Brothers Inc.

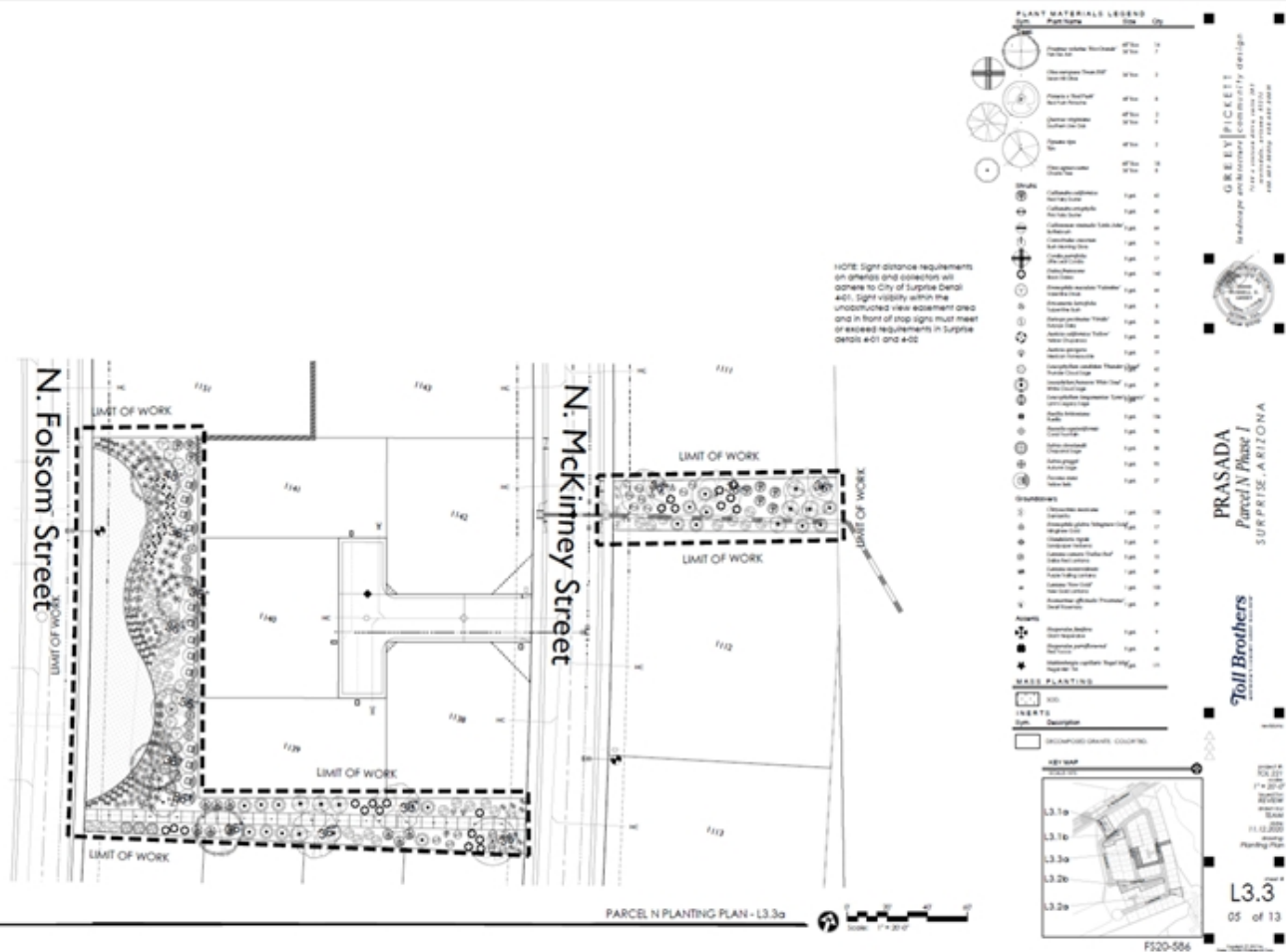
PRASADA
Parcel N Phase I
SURPRISE, ARIZONA

GREENPICKETT
landscape architecture | community design
1000 W. Camelback Rd., Suite 100
Phoenix, Arizona 85015
phone 602.998.2200 fax 602.998.2201
www.greenpickett.com

lot # 13

area of L3.1
03 of 13

FS20-586 Unit N Landscape Plans





QUESTIONS OR COMMENTS?

Thank You



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: April 20, 2021 Contact Person: Robert Kuhfuss
Submitting Department: Community Development District: District 3
Staff Recommendations: None

Consent: Yes Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval of Final Plat entitled, "Replat of Lot 4" and dated March 24, 2021, an approximately 23.9 acre property generally located north of Waddell Road and east of Cotton Lane. (Case FS20-241)

Motion:

I move to approve the Final Plat entitled, "Replat of Lot 4".

Background:

Olsson Associates, on behalf of Westcor Surprise WCW LLC, seeks approval of a Re-Plat of the subject property.

Objective Analysis:

The subject request involves a Re-Plat of Lot 4 of Prasada Phase 2A West. The subject Re-Plat will effectively split the property into five (5) separate lots.

Policy Compliant:

The requested Re-Plat is consistent with the Prasada PAD and advances the goals and policies of the General Plan.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

1. 00 FS20-241 Prasada 2A West Lot 4 Re-Plat 04-20-21 CC Staff Report

2. 01 FS20-241 Prasada A2 West Lot 4 Re-Plat Vicinity Map
 3. 02 FS20-241 Prasada 2A West Lot 4 Re-Plat Case Map
 4. 03 FS20-241 Prasada 2A West Lot 4 Re-Plat
 5. 04 FS20-241 Prasada 2 West Lot 1 Re-Plat 04-20-21 CC Presentation
-

RE-PLAT

REPORT TO THE CITY COUNCIL

Case: FS20-241
Project Name: Prasada Phase 2A West Lot 4 Re-Plat
Council District: 3 - Mesquite
City Council Date: April 20, 2021
Planner: Robert H. Kuhfuss, AICP

Owner: Westcor Surprise WCW LLC
Applicant: Olsson Associates
Request: Re-Plat of Prasada Phase 2A West Lot 4
Site Location: Generally located north of Waddell Road and east of Cotton Lane
Site Size: 23.9 acres (approx.)
Density: N/A
General Plan Conformance: The proposal is consistent with the Surprise General Plan 2035
Support/Opposition: None known

Findings:

- The proposed Re-Plat is consistent with the Prasada PAD.
- The proposed Re-Plat is consistent with the applicable City of Surprise regulations.
- The reviewing agencies have indicated no objections to the request.

Alternative Actions: **Approval** of the requested Re-Plat will allow the property to be subdivided as proposed.

Denial of the requested Re-Plat will deny the applicant the opportunity to subdivide the property as proposed.

44 **Additional Information:**

45

46 The subject request involves a Re-Plat of Lot 4 of Prasada Phase 2A West. The subject Re-Plat will
47 effectively split the property into five (5) separate lots.

48

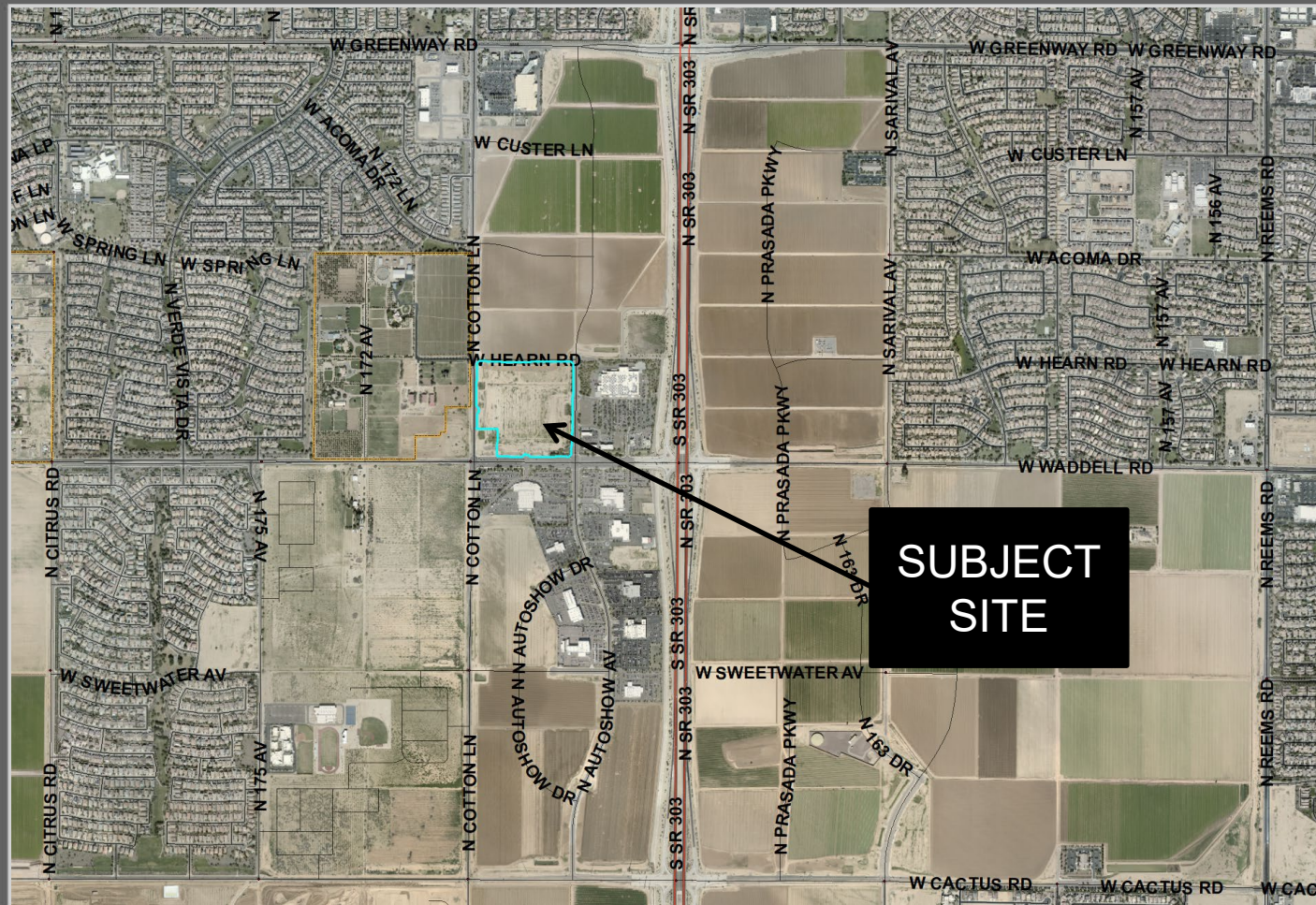
49 **Attachments:**

50

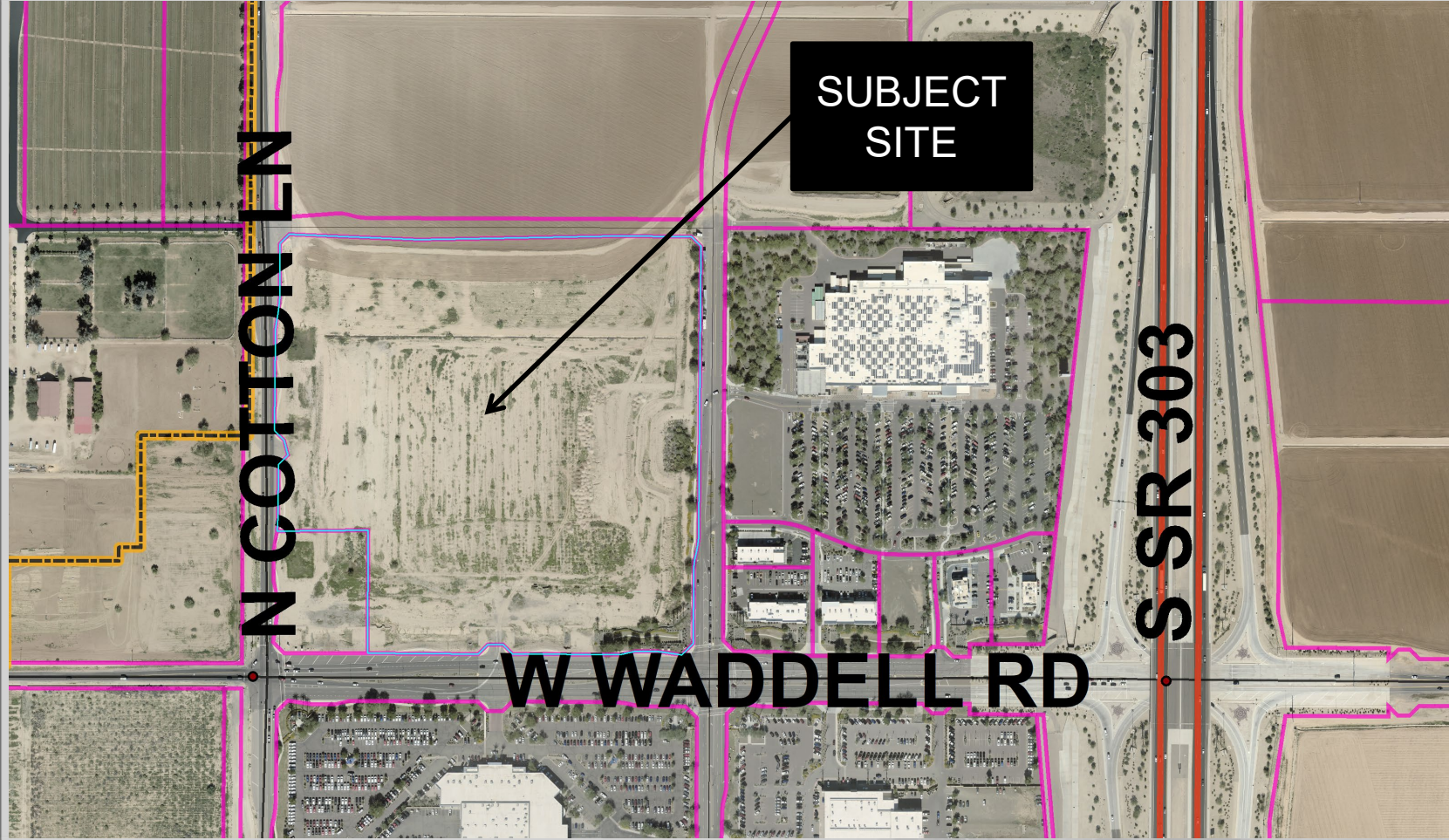
51 01 Vicinity Map

52 02 Case Map

53 03 Final Plat



FS20-241 Vicinity Map



**SUBJECT
SITE**

N COTTON LN

W WADDELL RD

S SR 303

FS20-241 Case Map

DWG: F:\2019\4001--4500\019--4024\40--Design\Survey\SRV1\Sheets\V_FPT_0194024.dwg
DATE: Mar 24, 2021 12:03pm XREFS: GENE_HARRISON_ILS_AZ
C_PBNIDY_0194024
V_XBNDY_0194024
USER: nschrader
V_XBNDY_0194024

DEDICATION

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WESTCOR SURPRISE WCW LLC, AN ARIZONA LIMITED LIABILITY COMPANY ("OWNER") HAS SUBDIVIDED UNDER THE NAME "REPLAT OF LOT 4" OF LOT 4 OF A PLAT ENTITLED, PRASADA-PHASE 2A WEST, ACCORDING TO BOOK 960, PAGE 16, BEING LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 3 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER MERIDIAN, COUNTY OF MARICOPA, STATE OF ARIZONA, AS SHOWN AND PLATTED HEREON, AND DOES HEREBY PUBLISH THIS PLAT AS AND FOR THE PLAT OF REPLAT OF LOT 4" AND DECLARES THAT THIS PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF EACH LOT AND EASEMENT CONSTITUTING SAME, AND THAT EACH LOT SHALL BE KNOWN BY THE NUMBER GIVEN TO EACH RESPECTIVELY AS SHOWN ON THIS PLAT.

OWNER HEREBY DEDICATES TO THE CITY OF SURPRISE FEE TITLE TO ALL PUBLIC RIGHTS-OF-WAY AS SHOWN ON THE PLAT.

WESTCOR SURPRISE WCW LLC ("GRANTOR") HEREBY GRANT TO THE CITY OF SURPRISE ("CITY"), SUBJECT TO THE RESTRICTIONS SET FORTH BELOW, A PERPETUAL NON-EXCLUSIVE EASEMENT (THE "MUNICIPAL USE EASEMENT") OVER, UNDER AND ACROSS ALL AREAS DESIGNATED ON THE PLAT AS "MUE" (THE "MUNICIPAL USE EASEMENT AREAS") FOR THE PURPOSE OF CONSTRUCTING, INSTALLING, MAINTAINING, REPAIRING AND/OR REPLACING CERTAIN IMPROVEMENTS AND INFRASTRUCTURE FACILITIES ("MUNICIPAL USE FACILITIES"), INCLUDING, WITHOUT LIMITATION, PUBLIC AND PRIVATE UTILITIES AND REQUIRED ABOVE GROUND APPURTENANCES (E.G., CABINETS, TRANSFORMERS, PADS, PEDESTALS, SWITCH GEAR, ETC.), CONDUITS, SLEEVES, STUBS, METERS, PULL BOXES, TRAFFIC CONTROL DEVICES, DRAINAGE, RETENTION, PATHS, TRAILS, SIDEWALKS, HARDSCAPE, LANDSCAPE, IRRIGATION, CURBS, GUTTERS, BUS BAYS, DECELERATION LANES, RIGHT TURN LANES, DRIVEWAY ENTRANCES, STREET SIGNAGE, TRAFFIC SIGNALS, PROJECT SIGNAGE (PUBLIC AND PRIVATE), MONUMENTATION, SCREEN WALLS AND ENTRY FEATURES (IN ACCORDANCE WITH THE PRASADA GATEWAY VILLAGE ("PGV") COMMERCIAL DESIGN GUIDELINES). THE MUNICIPAL USE EASEMENT ALSO INCLUDES INGRESS AND EGRESS TO AND FROM THE MUNICIPAL USE EASEMENT AREAS IN ORDER TO CONSTRUCT, INSTALL, MAINTAIN, REPAIR AND REPLACE ALL MUNICIPAL USE FACILITIES AS MAY FROM TIME TO TIME BE LOCATED WITHIN THE MUNICIPAL USE EASEMENT AREAS. THE MUNICIPAL USE EASEMENT IS FOR THE BENEFIT OF, AND THE TERM "GRANTEE" SHALL INCLUDE, THE CITY AND ALL PUBLIC UTILITY PROVIDERS AND OTHER GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITIES TO WHICH THE CITY GRANTS RIGHTS WITHIN THE MUNICIPAL USE EASEMENT AREAS.

WESTCOR SURPRISE WCW LLC ("GRANTOR") HEREBY GRANT TO THE CITY OF SURPRISE ("CITY"), SUBJECT TO THE RESTRICTIONS SET FORTH BELOW, A PERPETUAL NON-EXCLUSIVE EASEMENT (THE "REGIONAL DRAINAGE EASEMENT") OVER, UNDER AND ACROSS ALL AREAS DESIGNATED ON THE PLAT AS "RDE" (THE "REGIONAL DRAINAGE EASEMENT AREAS") FOR THE PURPOSE OF CONSTRUCTING, INSTALLING, MAINTAINING, REPAIRING AND/OR REPLACING DRAINAGE AND RETENTION FACILITIES AND OTHER RELATED PUBLIC IMPROVEMENTS ("REGIONAL DRAINAGE FACILITIES"). THE REGIONAL DRAINAGE EASEMENT ALSO INCLUDES INGRESS AND EGRESS TO AND FROM THE REGIONAL DRAINAGE EASEMENT AREAS IN ORDER TO CONSTRUCT, INSTALL, MAINTAIN, REPAIR AND REPLACE ALL REGIONAL DRAINAGE FACILITIES AS MAY FROM TIME TO TIME BE LOCATED WITHIN THE REGIONAL DRAINAGE EASEMENT AREAS. THE REGIONAL DRAINAGE EASEMENT IS FOR THE BENEFIT OF, AND THE TERM "GRANTEE" SHALL INCLUDE, THE CITY AND ALL PUBLIC UTILITY PROVIDERS AND OTHER GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITIES TO WHICH THE CITY GRANTS RIGHTS WITHIN THE REGIONAL DRAINAGE EASEMENT AREAS.

THE MUNICIPAL USE EASEMENT AND THE REGIONAL DRAINAGE EASEMENT SHALL NOT IMPAIR GRANTOR'S RIGHT TO USE THE MUNICIPAL USE EASEMENT AREAS AND THE REGIONAL DRAINAGE EASEMENT AREAS OR TO GRANT TO OTHERS THE RIGHT TO USE THE MUNICIPAL USE EASEMENT AREAS AND THE REGIONAL DRAINAGE EASEMENT AREAS, PROVIDED THAT ANY SUCH USE DOES NOT UNREASONABLY INTERFERE WITH ANY GRANTEE'S ENJOYMENT OF THE MUNICIPAL USE EASEMENT OR THE REGIONAL DRAINAGE EASEMENT GRANTED HEREBY.

ALL OF THE PROVISIONS SET FORTH HEREIN, INCLUDING THE MUNICIPAL USE EASEMENT AND THE REGIONAL DRAINAGE EASEMENT GRANTED HEREBY, SHALL RUN WITH THE LAND AND SHALL BE BINDING UPON AND INURE TO THE BENEFIT OF GRANTORS, GRANTEE, WATER GRANTEE AND THEIR RESPECTIVE TRANSFERREES, SUCCESSORS AND ASSIGNS.

WESTCOR SURPRISE WCW LLC ("GRANTOR") HEREBY GRANT TO THE ULTIMATE OWNER OF EACH PARCEL CREATED BY THIS PLAT SUBJECT TO THE RESTRICTIONS SET FORTH BELOW, A PERPETUAL NON-EXCLUSIVE EASEMENT OVER, UNDER, UPON, AND ACROSS ALL AREAS DESIGNATED ON THE PLAT AS DRAINAGE EASEMENTS FOR THE PURPOSE OF INSTALLING, CONSTRUCTING, MAINTAINING, REPAIRING REPLACING, AND UTILIZING THE DRAINAGE LINES, MANHOLES, AND ASSOCIATED EQUIPMENT.

WESTCOR SURPRISE WCW LLC ("GRANTOR") HEREBY GRANTS TO THE ULTIMATE OWNER OF EACH PARCEL CREATED BY THIS PLAT A SEWER EASEMENT AS AND WHERE SHOWN ON THIS PLAT FOR THE PURPOSE OF CONTINUOUS AND UNINTERRUPTED USE OF THE PRIVATE SEWER SYSTEM FOR THE PURPOSE OF INSTALLING, CONSTRUCTING, MAINTAINING, REPAIRING REPLACING, AND UTILIZING THE SEWER LINES, MANHOLES, AND ASSOCIATED EQUIPMENT.

WESTCOR SURPRISE WCW LLC ("GRANTOR") HEREBY GRANT TO THE UNITED STATES OF AMERICA DEPARTMENT OF THE AIR FORCE (USAF) AN AVIGATION EASEMENT OVER AND ACROSS THE PROPERTY SHOWN ON THIS PLAT AND EVERY LOT AND PARCEL THEREOF, WHICH EASEMENT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE RIGHT OF FLIGHT OF AIRCRAFT OVER SUCH PROPERTY, TOGETHER WITH ITS ATTENDANT NOISE, VIBRATIONS, FUMES, DUST, FUEL, LUBRICANT, PARTICLES, AND ALL OTHER EFFECTS THAT MAY BE CAUSED BY THE OPERATION OF AIRCRAFT LANDING AT, OR TAKING OFF FROM OR OPERATING AT OR ON LUKE AIR FORCE BASE AND AUXILIARY FIELD.

WESTCOR SURPRISE WCW LLC ("GRANTOR") HEREBY GRANT TO A PERPETUAL WATER EASEMENT ("EASEMENTS") AS DESCRIBED IN THE PLAT ARE GRANTED TO EPCOR WATER ARIZONA INC, AND ITS SUCCESSORS AND ASSIGNS (COLLECTIVELY, "GRANTEE"), TO CONSTRUCT, OPERATE, AND MAINTAIN WATER LINES AND APPURTENANT FACILITIES (COLLECTIVELY, "FACILITIES") UPON, ACROSS, OVER AND UNDER THE SURFACE OF THE EASEMENTS, TOGETHER WITH THE RIGHT TO OPERATE, REPAIR, REPLACE, MAINTAIN, AND REMOVE THE FACILITIES FROM THE PREMISES; TO ADD OR TO ALTER THE FACILITIES, AND TO PROVIDE GRANTEE WITH REASONABLE INGRESS AND EGRESS TO THE FACILITIES. GRANTEE WILL HAVE UNRESTRICTED ACCESS TO THE EASEMENT FOR THE ACTIVITIES DESCRIBED ABOVE AND FORMAL NOTIFICATION OR APPROVAL BY ANY ASSOCIATION PRIOR TO ACCESSING THE EASEMENT WILL NOT BE REQUIRED.

GRANTOR SHALL NOT ERECT OR CONSTRUCT OR PERMIT TO BE ERECTED OR CONSTRUCTED ANY BUILDING, STRUCTURE OR SIMILAR IMPROVEMENT WITHIN THE LIMITS OF THE EASEMENT GRANTED HEREIN, GRANTOR SHALL NOT, NOR PERMIT, THE GRADE OVER GRANTEE'S FACILITIES TO BE SUBSTANTIALLY ALTERED WITHOUT, IN EACH INSTANCE, THE PRIOR WRITTEN CONSENT OF GRANTEE, AND GRANTOR AGREES THAT NO OTHER PIPES OR CONDUITS SHALL BE PLACED WITHIN THE PREMISES SUBJECT TO THE EASEMENT GRANTED HEREIN, EXCEPT PIPES CROSSING GRANTEE'S FACILITIES AT RIGHT ANGLES, IN WHICH CASE, A MINIMUM VERTICAL DISTANCE OF TWO (2) FEET (AS MEASURED FROM THE CLOSEST POINTS ON THE OUTSIDE EDGES) SHALL BE MAINTAINED BETWEEN GRANTEE'S FACILITIES AND SUCH OTHER PIPES OR CONDUITS. UNLESS GRANTEE EXPRESSLY CONSENTS IN WRITING OTHERWISE, ANY AND ALL SEWER PIPES CROSSING THE EASEMENT GRANTED HEREIN SHALL BE LAID BELOW GRANTEE'S FACILITIES. HOWEVER, GRANTOR SHALL HAVE THE RIGHT TO CONSTRUCT AND ERECT FENCES, TO INSTALL LANDSCAPING, PARKING FACILITIES AND DRIVEWAYS, AND TO ESTABLISH OTHER USES THAT ARE NOT INCONSISTENT WITH USES WITHIN THE LIMITS OF SAID EASEMENT IN A MANNER THAT WILL NOT UNREASONABLY INTERFERE WITH GRANTEE'S ACCESS TO THE FACILITIES.

REPLAT OF LOT 4

REPLAT OF LOT 4, "PRASADA - PHASE 2A WEST", BOOK 960 OF MAPS, PAGE 16, RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED IN SOUTHWEST QUARTER OF SECTION 12, T3N, R2W OF THE GILA AND SALT RIVER MERIDIAN, CITY OF SURPRISE, MARICOPA COUNTY, ARIZONA

DEDICATION (CONTINUED)

ADMINISTRATION AND MAINTENANCE OF THE MUNICIPAL USE EASEMENT, THE REGIONAL DRAINAGE EASEMENT, AND THE SEWER EASEMENT RESIDE WITH GRANTORS OR THEIR SUCCESSORS, ASSIGNEES AND DESIGNEES.

ALL IMPROVEMENTS, FOR STREETS AND PUBLIC UTILITIES OWNED AND OPERATED BY THE CITY, INSTALLED OR CONSTRUCTED BY OWNER WITHIN THE PUBLIC RIGHTS-OF-WAY, THE EASEMENTS, OR ANY TRACTS OR PARCELS HEREBY DEDICATED TO THE CITY OF SURPRISE, SHALL BE DEEMED TO HAVE BEEN DEDICATED BY OWNER TO THE CITY UPON THEIR COMPLETION; HOWEVER, SUCH TRANSFER SHALL NOT OCCUR UNTIL THE CITY COUNCIL FOR THE CITY OF SURPRISE MANIFESTS ITS ACCEPTANCE BY FORMAL COUNCIL ACTION.

OWNERS HEREBY GRANT TO THE ULTIMATE OWNER OF EACH PARCEL CREATED BY THIS PLAT AN EASEMENT OVER, UPON AND ACROSS THE ENTIRE PLAT FOR THE PURPOSE OF PROVIDING CONTINUOUS AND UNINTERRUPTED INGRESS AND EGRESS TO EACH PARCEL CREATED BY THIS PLAT.

THE EASEMENTS GRANTED WITHIN THIS PLAT ARE PERMANENT AND PERPETUAL AND SHALL RUN WITH THE LAND AND BE BINDING UPON GRANTORS AND THEIR HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF.

IN WITNESS WHEREOF, OWNER HAS HEREUNTO CAUSED ITS CORPORATE NAME TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY THE UNDERSIGNED, DULY AUTHORIZED OFFICER.

WESTCOR SURPRISE WCW LLC,
AN ARIZONA LIMITED LIABILITY COMPANY

BY: WESTCOR 303 WCW LLC,
AN ARIZONA LIMITED LIABILITY COMPANY,
ITS MANAGING MEMBER

BY: MACERICH MANAGEMENT COMPANY,
A CALIFORNIA CORPORATION
ITS MANAGING MEMBER

BY: _____

NAME: _____

TITLE: _____

ACKNOWLEDGMENT

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS

ON THIS _____ DAY OF _____, 20____, BEFORE ME, THE UNDERSIGNED,

PERSONALLY APPEARED _____, WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC _____ DATE _____

MY COMMISSION EXPIRES: _____

NOTICE OF PRASADA PHASE 2A DEVELOPMENT AGREEMENT

LANDOWNER HAS ENTERED INTO A PRASADA PHASE 2A DEVELOPMENT AGREEMENT DATED NOVEMBER 19, 2007 (AGREEMENT) WITH MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE ("MWD") FOR WHICH A MEMORANDUM OF AGREEMENT WAS RECORDED ON NOVEMBER 21, 2007, AT THE MARICOPA COUNTY RECORDER'S OFFICE AT DOCKET #2007-1241466. THE PROPERTIES INVOLVED IN THIS PLAT ARE SUBJECT TO THIS AGREEMENT. THE AGREEMENT AND THIS PLAT, INCLUDING ANY AND ALL DEDICATIONS THEREIN, HEREBY PRESERVE MWD'S PRIOR AND SUPERIOR RIGHTS OF ACCESS TO AND USE OF EXISTING AND FUTURE MWD FACILITIES AND MWD PROPERTY INTERESTS. AS SUCH TERMS ARE DEFINED IN THE AGREEMENT, THEY ENABLE MWD TO ACCOMPLISH ALL OF MWD'S PURPOSES, INCLUDING, BUT NOT LIMITED TO, THE TRANSMISSION AND DISTRIBUTION OF WATER, WASTEWATER, POWER AND COMMUNICATIONS, AND TO CONSTRUCT, RECONSTRUCT, OPERATE, MAINTAIN AND REPLACE THOSE MWD FACILITIES AND MWD PROPERTY INTERESTS. THE AGREEMENT IS ON FILE AT THE OFFICES OF LANDOWNER AT 5 TRIAD CENTER, SUITE 325, SALT LAKE CITY, UT 84180, AND MAY BE REVIEWED AS TO ALL DETAILS, WITH PARTICULAR REFERENCE TO SECTION 7 AND SECTION 9, UPON REASONABLE REQUEST.

MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA ("MWD") ATTEST:

BY: _____
CHRISTINE CAIN

TITLE: PROPERTY AND CONTRACTS MANAGER

WESTCOR SURPRISE WCW, LLC
AN ARIZONA LIMITED LIABILITY COMPANY

BY: _____

NAME: _____

BY: _____
GLEN VORTHERMS

TITLE: ASSISTANT SECRETARY

ATTEST:

BY: _____

NAME: _____

SURVEYOR'S NOTE

1. LEGAL DESCRIPTION, BASIS OF BEARING, FLOOD ZONE, INTERGOVERNMENTAL AGREEMENT, PUBLIC NOTICE, RELEASE OF LIABILITY, DEVELOPMENT AGREEMENT, PLAT NOTES AND ADDITIONAL SURVEY NOTES ARE LOCATED ON SHEET 2.

OWNER

WESTCOR SURPRISE WCW LLC
CO RED DEVELOPMENT
ONE EAST WASHINGTON STREET, STE 300
PHOENIX, ARIZONA 85004
PHONE: (480) 556-7741
CONTACT: SCOTT WAGNER

SURVEYOR

OLSSON
7878 N 16TH STREET, STE 105
PHOENIX, AZ 85020
PHONE: (602) 748-1000
CONTACT: NICHOLAS SCHRADER, RLS

AREA SUMMARY TABLE		
DESCRIPTION	SQUARE FEET±	ACRES±
LOT 1	1,041,358	23.906
LOT 2	119,542	2.744
LOT 3	50,269	1.154
LOT 4	53,011	1.217
LOT 5	92,631	2.127

EPCOR EASEMENT

EPCOR UTILITIES, INC.

BY: _____ DATE: _____

NAME: _____

TITLE: _____

ACKNOWLEDGMENT

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS

ON THIS _____ DAY OF _____, 20____, BEFORE ME, THE UNDERSIGNED,

PERSONALLY APPEARED _____, WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC _____ DATE _____

MY COMMISSION EXPIRES: _____

APPROVALS

DATA ON THIS PLAT REVIEWED AND APPROVED THIS _____ DAY OF _____, 20____.

CITY ENGINEER

APPROVED BY THE CITY COUNCIL OF THE CITY OF SURPRISE, ARIZONA,

THIS _____ DAY OF _____, 20____.

MAYOR

ATTEST:

CITY CLERK

DATE

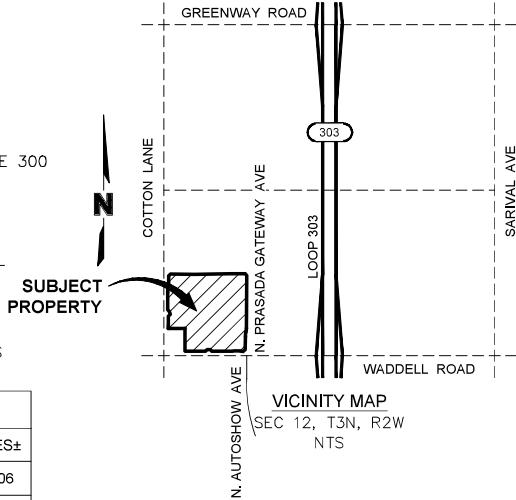
SURVEYOR'S CERTIFICATION

THIS IS TO CERTIFY THAT THE SURVEY AND SUBDIVISION OF THE PREMISES DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION DURING THE MONTH OF OCTOBER 2020, THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN, THAT THE MONUMENTS SHOWN ACTUALLY EXIST OR WERE SET AS SHOWN, THAT THEIR POSITIONS ARE CORRECTLY SHOWN, AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THIS SURVEY TO BE RETRACED. THE BOUNDARY SURVEY, AS SHOWN ON THIS PLAT, MEETS THE ARIZONA BOUNDARY SURVEY MINIMUM STANDARDS.

NICHOLAS SCHRADER
REGISTERED LAND SURVEYOR
ARIZONA REG. NO. 72050
EXPIRATION DATE: 12/31/2023
7878 N 16TH STREET, STE 105
PHOENIX, AZ 85020



Nicholas Schrader



olsson

TEL 602.748.1000
FAX 602.748.1001

7878 N. 16TH STREET SUITE 105
Phoenix, AZ 85020-5282

www.olsson.com

REVISIONS

REV. NO.	DATE	REVISIONS DESCRIPTION

REPLAT OF LOT 4

REPLAT OF LOT 4, "PRASADA - PHASE 2A WEST", BOOK 960 OF MAPS, PAGE 16, RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED IN SOUTHWEST QUARTER OF SECTION 12, T3N, R2W OF THE GILA AND SALT RIVER MERIDIAN, CITY OF SURPRISE, MARICOPA COUNTY, ARIZONA

2021

drawn by: DRG
designed by: _____
checked by: NSS
project no.: 019-4024
date: 3/24/2021

SHEET
1 of 3

CASE NUMBER: FS20-241

REPLAT OF LOT 4, "PRASADA - PHASE 2A WEST", BOOK 960 OF MAPS, PAGE 16, RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED IN SOUTHWEST QUARTER OF SECTION 12, T3N, R2W OF THE GILA AND SALT RIVER MERIDIAN, CITY OF SURPRISE, MARICOPA COUNTY, ARIZONA

LOT 4 AS SHOWN ON THE FINAL PLAT OF PRASADA-PHASE 2A WEST, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, AT BOOK 960 OF MAPS, PAGE 16;

EXCEPT: RESERVING UNTO THE GRANTOR ALL MINERALS, COLA CARBONS, HYDROCARBONS, OIL, GAS, CHEMICAL ELEMENTS AND COMPOUNDS WHETHER IN SOLID, LIQUID OR GASEOUS FORM, AND ALL STEAM AND OTHER FORMS OF THERMAL ENERGY ON, IN OR UNDER THE ABOVE DESCRIBED LAND (THE "MINERAL ESTATE"), AS SET FORTH IN DOCUMENT RECORDED SEPTEMBER 13, 2007 IN INSTRUMENT NO. 2007- 0969773.

N89°43'20"W ALONG SOUTH LINE OF THE SW1/4 OF SECTION 12-T3N-R2E AS RECORDED IN THE FINAL PLAT OF PRASADA-PHASE 2A WEST AS RECORDED IN BOOK 960 OF MAPS, PAGE 16, MCR

PORTIONS OF THIS PROPERTY ARE LOCATED WITHIN AN AREA SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD (100-YEAR FLOOD), DESIGNATION "ZONE A", BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), ON THE FLOOD INSURANCE RATE MAP (FIRM) NO. 04013C1660L. WITH AN IDENTIFICATION DATE OF OCTOBER 16, 2013, FOR COMMUNITY NO. 040053, CITY OF SURPRISE UNINCORPORATED AREAS, ARIZONA.

THE CITY OF SURPRISE (CITY") AND MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE ("MWD") ENTERED INTO AN INTERGOVERNMENTAL AGREEMENT DATED APRIL 8, 1997, AND RECORDED IN THE MARICOPA COUNTY RECORDER'S OFFICE ON APRIL 9, 1997 UNDER DOCKETS NO. 97-0231759 ("IGA"). CITY AND MWD HAVE FACILITIES AND PROPERTY INTERESTS DESCRIBED AND DESIGNATED WITHIN CERTAIN SUBDIVISION PLATS OR, FOR LANDS NOT INCLUDED IN A SUBDIVISION PLAT, THE ARRANGEMENTS OF TURF LANDS OR DECORATED AREAS, ORGANIZED AS THEY HAVE HAD PRIOR AND SUPERIOR RIGHTS TO THE UTILITY SERVICE PROVIDERS, AS DEFINED IN THE IGA. THE IGA PROVIDES FOR THE CITY TO HAVE A PUBLIC UTILITY EASEMENT WITHIN CERTAIN MWD PROPERTY INTERESTS AND FOR MWD TO HAVE AN EASEMENT WITHIN CITY'S PUBLIC RIGHTS-OF-WAY. CITY AND MWD RIGHTS WITHIN THESE EASEMENTS ARE SUBJECT TO AND CONTROLLED BY THE TERMS AND CONDITIONS OF THE IGA.

IN LOCATIONS WHERE APPLICABLE, INCLUDING AND ALL DEDICATIONS WITHIN A SUBDIVISION PLAT, MWD'S PRIOR AND SUPERIOR RIGHTS OF ACCESS TO AND USE OF EXISTING AND FUTURE MWD FACILITIES AND PROPERTY INTERESTS, SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE IGA.

CITY SHALL HAVE THE RIGHT TO AUTHORIZE AND CONTROL THE UTILITY SERVICE PROVIDERS' USE AND OCCUPANCY OF THESE EASEMENTS. CITY REQUIRES THAT UTILITY SERVICE PROVIDERS CONSENT TO BE BOUND BY THIS IGA PRIOR TO THE USE OR OCCUPANCY OF THE EASEMENTS GRANTED UNDER THE IGA. SUCH USE OR OCCUPANCY OF THE EASEMENTS CONSTITUTES CONSENT OF THE UTILITY SERVICE PROVIDERS TO BE BOUND BY THIS IGA.

THE LOTS DEPICTED ON THIS PLAT ARE LOCATED WITHIN THE VICINITY OF LUKWICA AIR FORCE BASE AND MAY BE SUBJECT TO OVERFLIGHTS BY JET AIRCRAFT. ALL STRUCTURES WITHIN THIS PLAT SHALL BE CONSTRUCTED IN COMPLIANCE WITH THE SOUND ATTENUATION STANDARDS ADOPTED BY THE CITY OF SURPRISE. A MAP DEPICTING THE MOST CURRENT ADOPTED MAG NOISE CONTOURS IN RELATION TO THIS PLAT SHALL BE DISPLAYED IN ALL SALES OFFICES. ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE CITY OF SURPRISE COMMUNITY DEVELOPMENT DEPARTMENT.

1. PURSUANT TO A.R.S. § 42-11102, THE CITY OF SURPRISE, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA, IS EXEMPT FROM ALL TAXES AND ASSESSMENTS BASED ON ASSESSED VALUE EXCEPT FOR SPECIAL DISTRICTS #14751 AND 14710, WHEN APPLICABLE.

2. IN ACCORDANCE WITH ARS § 9-461.07, THE CITY OF SURPRISE HAS DETERMINED THAT ALL DEDICATIONS OCCURRING WITH THIS PLAT ARE IN CONFORMANCE WITH THE SURPRISE GENERAL PLAN.
3. NO ON-SITE GRADING OR EXCAVATING SHALL OCCUR WITHOUT FIRST OBTAINING A PERMIT FROM THE CITY OF SURPRISE.
4. THE MAINTENANCE OF LANDSCAPING WITHIN THE OPEN SPACES, LANDSCAPED TRACTS, RETENTION BASINS, PARKS AND PUBLIC RIGHTS-OF-WAY, INCLUDING LANDSCAPED MEDIANS WITHIN COLLECTORS AND LOCAL STREETS AND LANDSCAPED AREAS BACK OF CURB, SHALL BE THE RESPONSIBILITY OF THE GRANTORS OR THEIR SUCCESSORS, ASSIGNEES AND DESIGNEES.
5. LANDSCAPING MAINTENANCE OF THE MEDIANS WITHIN THE PUBLIC RIGHT-OF-WAY WITHIN ANY ARTERIAL OR PARKWAY STREET CLASSIFICATION SHALL BE RESPONSIBILITY OF THE CITY OF SURPRISE AFTER ACCEPTANCE.

1. THIS SURVEY IS BASED UPON A COMMITMENT FOR TITLE INSURANCE ISSUED BY COMMON WEALTH TITLE INSURANCE COMPANY NCS, ORDER NO. 19002005-040-DO, AMENDMENT NO. 1, EFFECTIVE DATE: OCTOBER 30, 2019, AMENDMENT NO. 1, AMENDED DATE: NOVEMBER 26, 2019.

2. ALL BEARINGS AND DISTANCES REPORTED ON THIS SURVEY ARE MEASURED TO THE MONUMENTS FOUND OR SET AS SHOWN, UNLESS OTHERWISE NOTED.
3. ALL CORNERS SHOWN WILL HAVE MONUMENTS SET AT THE TIME OF APPROVAL OF THIS PLAT.



WESTCOT SURPRISE WCW LLC ("OWNER") DOES HEREBY (1) RELEASE AND DISCHARGE THE UNITED STATES OF AMERICA DEPARTMENT OF THE AIR FORCE (USAF) AND THE CITY OF SURPRISE, AND (2) INDEMNIFY, DEFEND, AND HOLD HARMLESS THE USAF AND THE CITY OF SURPRISE, OF AND FROM ANY LIABILITY FOR ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE AT ANY TIME IN THE FUTURE OVER, OR IN CONNECTION WITH AIRCRAFT OVERFLIGHTS FROM AIRCRAFT UTILIZING LUKE AIR FORCE BASE, WHETHER SUCH DAMAGE SHALL ORIGINATE FROM NOISE, VIBRATION, FUMES, DUST, FUEL AND LUBRICANT PARTICLES, OR FROM ANY OTHER CAUSE, WHETHER THE OPERATION OR OPERATION OF AIRCRAFT LANDING AT, OR TAKING OFF FROM, OR OPERATING AT OR ON LUKE AIR FORCE BASE AND ITS AUXILIARY FIELDS, THIS INSTRUMENT SHALL RUN WITH THE LAND AND BE BINDING UPON OWNER AND ITS HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF. THIS INSTRUMENT DOES NOT RELEASE THE USAF FROM LIABILITY FOR DAMAGE OR INJURY TO PERSON OR PROPERTY CAUSED BY FALLING AIRCRAFT OR FALLING PHYSICAL OBJECTS FROM AIRCRAFT, EXCEPT AS STATED HEREIN WITH RESPECT TO NOISE, FUMES, DUST, FUEL, AND LUBRICANT PARTICLES.

WESITOR SURPRISE WCV L "OWNER" DOES HEREBY (1) RELEASE AND DISCHARGE THE CITY OF SURPRISE, (2) INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF SURPRISE OF AND FROM ANY LIABILITY FOR ATE AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY BE INCURRED AT ANY TIME IN THE FUTURE OVER OR IN CONNECTION WITH THE AREAS LOCATED WITHIN THE NEWLY DEDICATED RIGHT-OF-WAY AS DEPICTED ON THIS PLAT UNTIL SUCH TIME THE RIGHT-OF-WAY IS IMPROVED TO CITY STANDARDS AND THOSE IMPROVEMENTS ARE APPROVED AND ACCEPTED BY THE CITY COUNCIL, THE MAINTENANCE OF THE AREA WITHIN ANY NEWLY DEDICATED RIGHT-OF-WAY AS SHOWN ON THIS PLAT AT THE RESPONSIBILITY OF ADEQUATE OWNER, AND SUBSEQUENT ADJACENT AREAS WITHIN THE BOUNDARY OF SAID PLAT UNTIL SUCH TIME THAT SAID AREA WITHIN THE RIGHT-OF-WAY IS IMPROVED TO CITY STANDARD AND ACCEPTED BY THE CITY OF SURPRISE.

OWNER HEREBY FURTHER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF SURPRISE FROM ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE IN CONNECTION WITH THE USE OF THE SIDEWALKS LOCATED WITHIN THE RIGHT-OF-WAY, UNTIL SUCH TIME THE CITY OF SURPRISE HAS ACCEPTED THE SIDEWALKS.

CURVE TABLE					
#	RADIUS	DELTA	LENGTH	CH. BEARING	CHORD
C1	302.60	007°35'10"	40.07	N04°12'06"E	40.04
C2	297.42	011°28'42"	59.58	N06°08'52"E	59.48
C3	302.58	011°28'42"	60.62	N06°08'52"E	60.52
C4	297.42	012°24'05"	64.37	S06°38'35"W	64.25
C5	302.58	012°24'05"	65.49	S06°38'35"W	65.37
C6	400.00	013°13'09"	92.29	S71°05'42"W	92.08
C7	530.00	018°01'15"	166.70	S83°14'18"W	166.01
C8	400.00	021°21'36"	149.12	N79°19'12"W	148.26

SHEET
2 of 3

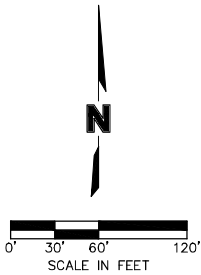
REPLAT OF LOT 4

REPLAT OF LOT 4, "PRASADA - PHASE 2A WEST", BOOK 960 OF MAPS, PAGE 16, RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED IN SOUTHWEST QUARTER OF SECTION 12, T3N, R2W OF THE GILA AND SALT RIVER MERIDIAN, CITY OF SURPRISE, MARICOPA COUNTY, ARIZONA

LEGEND

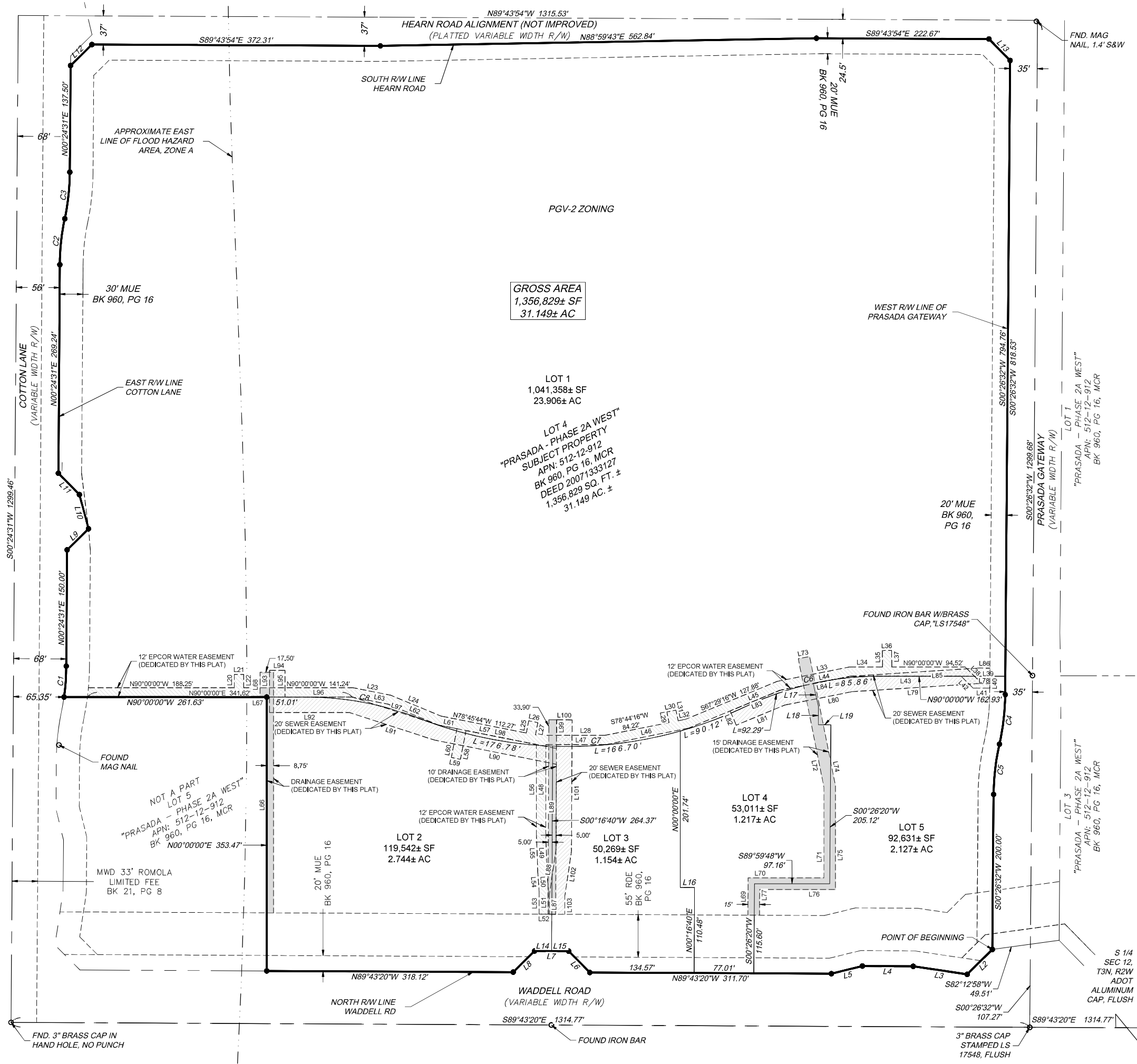
- FOUND MONUMENT (AS NOTED)
- SET 1/2" REBAR W/PLASTIC CAP, "SCHRADER RLS 72050"
- SUBJECT PROPERTY BOUNDARY
- SECTION LINE
- ROAD CENTERLINE
- PUBLIC RIGHT-OF-WAY (R/W)
- EASEMENT LINE
- ZONE BOUNDARY LINE
- FLOOD HAZARD AREA (APPROX.)

APN = ASSESSORS PARCEL NUMBER
MCR = MARICOPA COUNTY RECORDS
R/W = PUBLIC RIGHT-OF-WAY
RDE = REGIONAL DRAINAGE EASEMENT
MUE = MUNICIPAL USE EASEMENT
PUE = PUBLIC USE EASEMENT
POB = POINT OF BEGINNING



GENERAL NOTES

- SEE SHEET 2 FOR LINE AND CURVE TABLES.



olsson



72050
NICHOLAS
SCHRADER
REGISTERED LAND SURVEYOR
ARIZONA, U.S.A.

REVISIONS DESCRIPTION

REV. NO. DATE

REPLAT OF LOT 4
REPLAT OF LOT 4, "PRASADA - PHASE 2A WEST", BOOK 960 OF MAPS, PAGE 16, RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED IN SOUTHWEST QUARTER OF SECTION 12, T3N, R2W OF THE GILA AND SALT RIVER MERIDIAN, CITY OF SURPRISE, MARICOPA COUNTY, ARIZONA

drawn by: DRIC
designed by: NSS
checked by: NSS
project no.: 019-4024
date: 3/24/2021

SHEET
3 of 3

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Phoenix, AZ 85020-5282

REVISIONS

2021

SURPRISE, ARIZONA



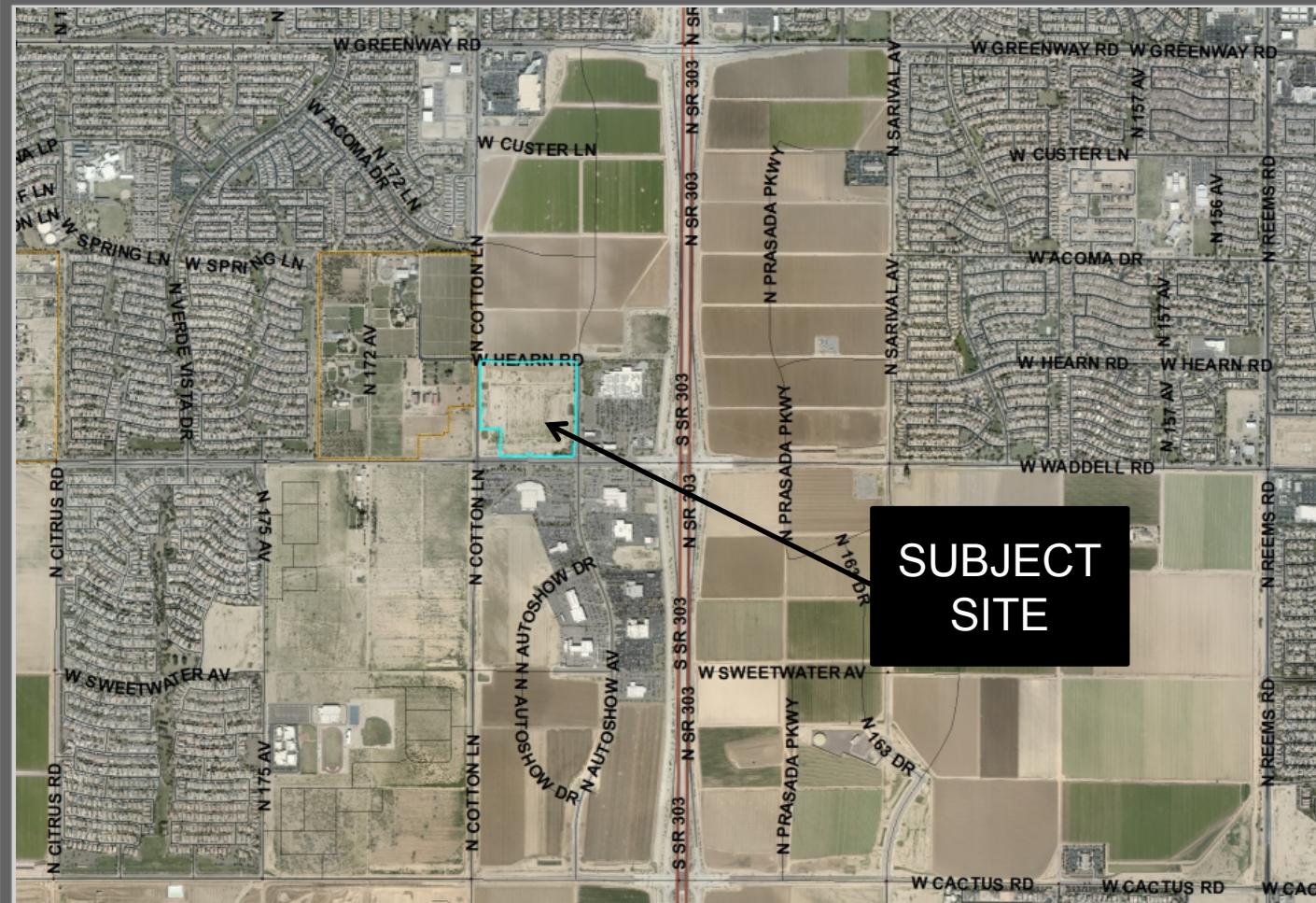
SURPRISE
ARIZONA

City Council

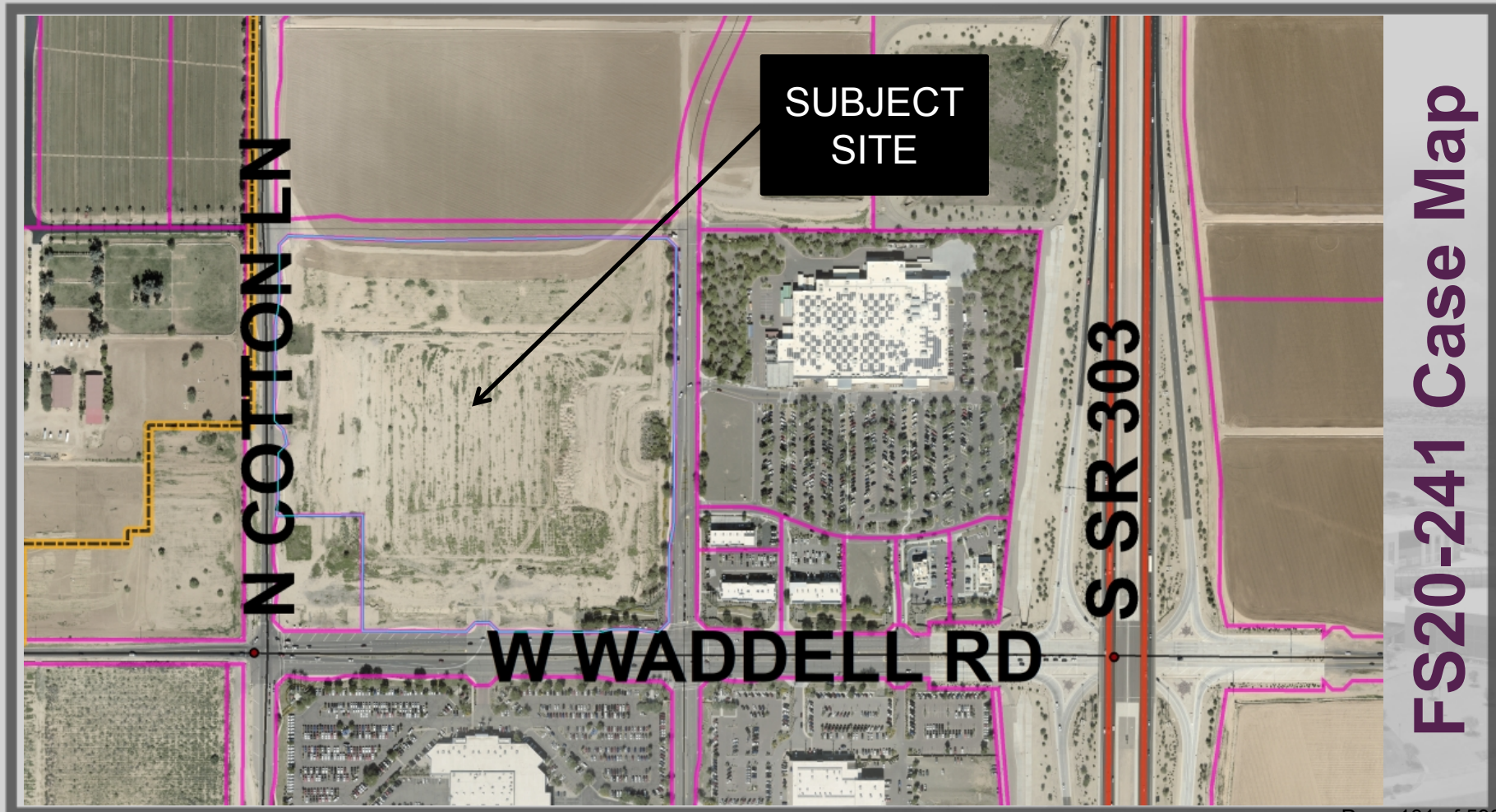
April 20, 2021

Prasada Phase 2A West, Lot 4 Re-Plat

FS20-241

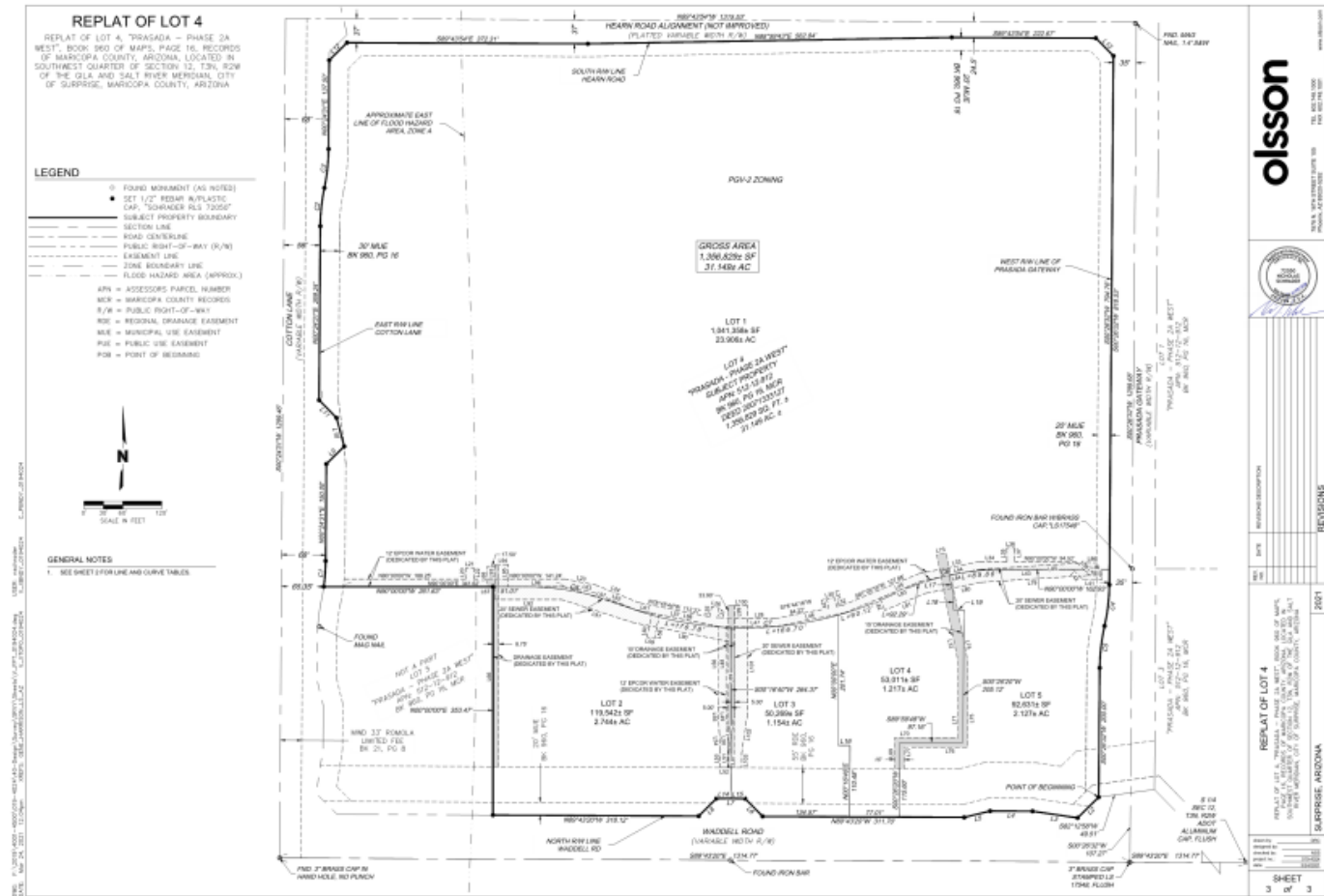


FS20-241 Vicinity Map



FS20-241 Case Map

FS20-241 Re-Plat





QUESTIONS OR COMMENTS?

Thank You



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021
Submitting Department: Water Resource
Management
Staff Recommendations: None

Contact Person: Lee Lambert
District: Citywide

Consent: Yes	Regular: No	Public Hearing: No	Report/Discussion: No
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Agenda Wording:

Consideration and action pertaining to approval of a Fiscal Year 2021 budget amendment moving budget authority in the amount of \$275,000 from the Sewer Operations Fund to complete the SPA 2 Influent Pipeline project (P71400) and the Fiscal Year 2021 Contract Awarding Authority List; Resolution # 2021-50.

Motion:

I move to approve Resolution # 2021-50.

Background:

The installation of this pipeline will allow the Water Resource Management Department the ability to interconnect the two wastewater plants in SPA 2 providing redundancy and efficiency. With the forthcoming dedication of the SPA 2 PERC facility, this project will also provide the opportunity to consolidate wastewater flow into one of the treatment plants rather than operating both in parallel. This project is being funded and completed in partnership with Lennar/ Asante. Lennar is funding 50% of the cost of constructing this pipeline.

Objective Analysis:

The additional funding will allow for the successful connection of the two plants and allow the city to combine the two plants into one operation.

Policy Compliant:

This item is compliant with all applicable policies.

Financial Impact:

This action will allow for the one-time expenditure of an additional \$275,000 for construction to complete the pipeline installation. If approved the total project expenditure will total \$726,200

Budget Impact:

The action will move budget authority in the amount of \$275,000 from the Sewer Operations Fund to the Sewer Capital Fund to increase the FY2021 budget for project P71400 to total of \$726,200. This action represents a transfer of spending authority and not increase or decrease the total adopted citywide expenditure budget.

FTE Impact:

This item has no FTE impact.

ATTACHMENTS:

1. Res 2021-50-BA Project P71400 influent pipeline-final
-

RESOLUTION # 2021-50

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2021 BUDGET BY MOVING BUDGET AUTHORITY OF \$275,000 FROM THE SEWER OPERATIONS FUND TO THE SEWER UTILITY CAPITAL FUND FOR THE INSTALLATION OF AN INFLUENT PIPELINE PROJECT P71400.

WHEREAS, the FY2021 budget was adopted with funding for the Install Influent Pipeline project (P71400) for installation of an influent pipeline connecting SPA2 membrane plant and SPA2 PERC plant;

WHEREAS, additional funding is required in project P71400 in the amount of \$275,000 in order to complete construction;

WHEREAS, the FY2021 budget, including the FY2021 Contract Awarding Authority List, was adopted by Council Resolution #2020-63 on June 2, 2020;

WHEREAS, the City of Surprise Procurement Code §2-338 (d) requires the authority of the Mayor and Council when the cost to the city is greater than \$50,000.

WHEREAS, the actions set forth herein will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That the statements, schedules, and actions set forth in the attached *Exhibit A* and incorporated by reference are adopted, thereby amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2020 through June 30, 2021.

Section 2. That the statements and schedules attached as *Exhibit B* and incorporated by reference are adopted, the Fiscal Year 2021 Contract Awarding Authority List of the City of Surprise, Arizona for the fiscal year July 1, 2020 through June 30, 2021.

APPROVED AND ADOPTED this ____ day of _____, 2021.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

RESOLUTION # 2021-50
Exhibit A

1. Appropriation - The allocation below represents a movement of budget authority in the amount of \$275,000 from the Sewer Operations Fund to the Sewer Utility Capital Fund for project P71400 Install Influent Pipeline to cover the project expenditures associated with final installation of the influent line. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

Fund	Department	Project/Category	Rev/ Exp	Current Budget	Increase/ (Decrease)	Amended Budget
Sewer Utility Capital Fund	Water Resource Management	P71400 Install Influent Pipeline	E	451,200	275,000	726,200
Sewer Operations Fund	Water Resource Management	Services	E	4,519,500	(275,000)	4,794,500
Expense Total				17,760,300	-	17,760,300

RESOLUTION # 2021-50
Exhibit B

1. Contract Awarding Authority List – Council approved the Fiscal Year 2021 Contract Awarding Authority List (CAAL) as part of the FY2021 Budget Adoption in June 2020. The line items identified in the list were based on the budget appropriations at the time of adoption. With the proposed increase to the budget appropriations, various CAAL line items had to be added and/or changed to reflect the proposed increase in budget.

Reference #	Description	Current Amount	Increase/ (Decrease)	Amended Amount
21253	SPA2 Influent Line Imp.	\$450,000	\$276,200	\$726,200



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021
Submitting Department: Public Works
Staff Recommendations: None

Contact Person: Mike Gent, DIRECTOR - PW
District: District 4

Consent: Yes	Regular: No	Public Hearing: No	Report/Discussion: No
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Agenda Wording:

Consideration and action declaring the City's intention to establish a street lighting improvement district known as, "City of Surprise, Arizona, SU-Comrceprkwest196 Lighting Improvement District" pursuant to A.R.S. § 48-616 for the purpose of purchasing facilities and energy for lighting the public streets and parks; Resolution # 2021-48.

Motion:

I move to approve Resolution # 2021-48.

Background:

The City has verified that the Petition for the proposed street light improvement district contains the signatures of all of the real property owners in the district, exclusive of mortgages and other lien holders.

The City and Arizona Public Service Company ("APS") have approved the street layout and facilities design. The electric rates are established by APS tariff.

The lighting improvements are more than local or ordinary public benefit and the expenses of the district will be paid for by the levy and collection of equal apportionment taxes based on the number and classification of properties within the district.

Objective Analysis:

A SLID is a neighborhood partnership and very common practice in which property owners in a defined area agree to pay the costs to operate and maintain their immediate area's street lights through a property tax. All new developments in the City of Surprise require a SLID. This action will form the SLID boundary for the U-Haul development.

Policy Compliant:

Surprise Municipal Code requires that street lighting that serves a defined area be paid for through revenues obtained from the specific area being served by such street lighting. In these instances, a Street Light Improvement District (SLID) is formed. The city strives to assure that residents are subject to

only one SLID and that the boundaries of each SLID accurately reflect the service area. This item is consistent with these objectives.

Financial Impact:

Any financial impact on the City is anticipated to be minimal, as the Developer and District will be bearing the costs and expenses of the District and street light improvement facilities.

Budget Impact:

Funding was not included as part of the FY2021 adopted budget. A separate fund will be created to track revenue and expenses once the city starts receiving electric bills from APS for this particular SLID. If the SLID incurs expenses during FY2021, staff will return to request a budget amendment to appropriate the new fund. Regardless, the city will be unable to collect property taxes for this SLID until FY2022, at the earliest.

FTE Impact:

This action does not change the full time equivalent count.

ATTACHMENTS:

1. 01 RES 2021-48 SLID ComrcePrkWest 196-U-Haul FS20-478-FINAL
 2. 02 SLID Petition FS20-478 U-Haul_approved
 3. 03 Streetlight Exhibit FS20-478 U-Haul
-

RESOLUTION # 2021-48

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, DECLARING ITS INTENTION TO ESTABLISH A STREET LIGHT IMPROVEMENT DISTRICT TO PURCHASE ENERGY FOR LIGHTING THE PUBLIC STREETS AND PARKS IN THE AREA WITHIN THE CORPORATE LIMITS OF THE CITY OF SURPRISE, ARIZONA DESCRIBED ON EXHIBIT A, ATTACHED HERETO; DECLARING SUCH IMPROVEMENTS TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT AND THAT THE EXPENSES THEREOF BE PAID FOR BY THE LEVY AND COLLECTION OF EQUAL APPORTIONMENT OF TAXES BASED ON THE NUMBER AND CLASSIFICATION OF PROPERTIES WITHIN THE DISTRICT TO BE KNOWN AS "CITY OF SURPRISE, ARIZONA, SU-COMRCEPRKWEST196 LIGHTING IMPROVEMENT DISTRICT"; AND ORDERING THAT SUCH IMPROVEMENTS BE PROVIDED FOR UNDER THE PROVISIONS OF SECTION 48-572, ARIZONA REVISED STATUTES.

WHEREAS, the owners, exclusive of mortgagees and other lienholders, of all of the real property (hereinafter referred to as "Petitioner") in the hereinafter described District, acting pursuant to the provisions of Sections 48-615(A) and 48-617(A), Arizona Revised Statutes, have petitioned the Mayor and Council of the City of Surprise, Arizona (hereinafter referred to as "City"), to adopt a resolution of intention (hereinafter referred to as "Resolution") ordering the purchase of energy for the lighting of the public streets and parks (hereinafter referred to as "Improvements") for the real property legally described in Exhibit A (such area hereinafter referred to as the "District") with such boundaries as shown in the map in Exhibit B attached hereto pursuant to the provisions of Section 48-576, Arizona Revised Statutes, giving the City immediate jurisdiction to order the Improvements pursuant to the provisions of Section 48-581, Arizona Revised Statutes, without the necessity of the publications or posting of this Resolution provided for in Sections 48-578, Arizona Revised Statutes;

WHEREAS, the City has verified that Petitioner is the owner, exclusive of mortgagees and other lienholders, of all of the real property included within the boundaries of the District, and;

WHEREAS, the Mayor and Council of the City hereby find and determine that they have jurisdiction to adopt this Resolution to order the Improvements pursuant to the provisions of Section 48-576, Arizona Revised Statutes, and have immediate jurisdiction to adopt this Resolution ordering the Improvements pursuant to the provisions of Section 48-581, Arizona Revised Statutes without the necessity of publications and posting of this Resolution as provided for in Section 48-578, Arizona Revised Statutes;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Surprise, Arizona, as follows.

Section 1. The City, after verifying ownership of the real property included within the boundaries of the District, hereby finds the Petitioner is the owner, exclusive of mortgagees and other lienholders, of all of the real property included within the boundaries of the District.

Section 2. The name of the District shall be "CITY OF SURPRISE, ARIZONA, SU-COMRCEPRKWEST196 LIGHTING IMPROVEMENT DISTRICT."

Section 3. The District is formed, and shall exist, pursuant to the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, and Section 48-616, Arizona Revised Statutes.

Section 4. The public interest or convenience requires, and it is the intention of the Mayor and Council of the City to order the Improvements as so described above.

Section 5. The Improvements, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit and are of special benefit to the respective lots, pieces and parcels of real property in the District, and the Mayor and Council of the City hereby make and order the expense of the Improvements payable from the levying and collection of an equal apportionment of taxes based on the number and classification of properties within the District to be known and designated as "City of Surprise, Arizona SU-ComrcePrkWest196 Lighting Improvement District" and hereby declare that the District is as legally described on Exhibit A attached hereto with the boundaries as shown in the map in Exhibit B attached hereto. Any public street or alley within the District shall be omitted from the assessment. Any lot belonging to the United States, the State, a county, city, school district or political subdivision or institution of the state or county within the District shall be omitted from the assessment.

Section 6. The Superintendent of Streets or equivalent of the City shall not be required to post or cause to be posted notices of the Resolution of Intention. The Clerk of the City shall certify to the passage of this Resolution of Intention but shall not be required to cause the same to be published in a newspaper published and of general circulation in the City.

Section 7. The Mayor and Council of the City shall make annual statements and estimates of the expenses of the district, which shall be provided for by the levy and collection of equal apportionment of taxes based on the number and classification of properties within the District; shall publish notice thereof; shall have hearings thereon; and shall adopt them at the times and in the manner provided for incorporated cities and towns by the applicable portions of Section 42-17101, et seq., 42-17152, Arizona Revised Statutes. The Mayor and Council of the City shall, on or before the third Monday in August of each year, fix, levy and assess the amount to be raised by an equal apportionment of taxes based on the number and classification of the properties within the District and collect, as Maricopa County, Arizona (the "County") taxes are collected, the amounts shown by the statements and estimates as adopted by the Mayor and Council of the City. All statutes providing for the levy and collection of State of Arizona and County taxes, shall be applicable to District taxes as provided to be levied under Section 48-616, Arizona Revised Statutes.

Section 8. The District shall not be authorized to issue bonds and no assessment for District purposes against the property within the District shall exceed One Dollar and Twenty Cents (\$1.20) per each hundred dollars of taxable valuation thereof in any year.

Section 9. The District shall not engage in any activity other than as provided in Section 48-616, Arizona Revised Statutes, i.e., contracting for and purchasing of energy for street and public park lighting.

Section 10. The formation of the District shall not be considered as preventing the subsequent establishment of improvement districts for any other purpose authorized by law, including improvement districts for the purpose of construction street lighting facilities within any part or all of the same territory as the District.

Section 11. The type of lighting facilities to be installed in the District and the locations thereof shall consist of those lighting facilities and locations described in the petition submitted by Petitioner, or as may be approved by the City.

Section 12. The rate to be paid for purchasing the energy for the District shall be the rate described in the petition submitted by Petitioner, or as may be approved by the Arizona Public Service Company.

Section 13. Any resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this __day of _____, 2021.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

EXHIBIT A



ONE COMPANY.
INFINITE SOLUTIONS.

**LEGAL DESCRIPTION
STREET LIGHT IMPROVEMENT DISTRICT
SU-UHAUL-SURPRISE
CITY OF SURPRISE, AZ**

**A PORTION OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 1 WEST OF
THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA,**

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND BRASS CAP FLUSH, ACCEPTED AS THE APPARENT INTERSECTION MONUMENT OF WESTGATE DRIVE AND 134TH DRIVE, FROM WHICH A FOUND BRASS CAP FLUSH ACCEPTED AS THE POINT OF CURVATURE ALONG THE CENTERLINE OF WESTGATE DRIVE, SAID MONUMENTS BASED ON THE FINAL PLAT OF RESUBDIVISION OF SUN CITY WEST - COMMERCE PARK RECORDED AS BK 536, PG 27, RECORDS OF MARICOPA COUNTY THEREOF BEARS S90°00'00"W A DISTANCE OF 210.71 FEET;

THENCE, ALONG THE CENTERLINE OF 134TH DRIVE, S00°09'39"E A DISTANCE OF 230.07 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE RIGHT, ALSO BEING A FOUND BRASS CAP FLUSH ACCEPTED AS THE POINT OF CURVATURE FOR SAID 134TH DRIVE;

THENCE, SOUTHERLY ALONG SAID CENTERLINE CURVE AN ARC LENGTH OF 46.74 FEET, WITH A RADIUS OF 2000.00 FEET AND A CENTRAL ANGLE OF 01°20'21" TO THE **POINT OF BEGINNING**;

THENCE, CONTINUING ON SAID CURVE CONCAVE TO THE RIGHT AN ARC LENGTH OF 53.18 FEET, WITH A RADIUS OF 2000.00 FEET AND A CENTRAL ANGLE OF 01°31'24";

THENCE, S02°42'05"W A DISTANCE OF 230.38 FEET;

THENCE, S00°09'39"E A DISTANCE OF 19.60 FEET;

THENCE, N89°50'47"W A DISTANCE OF 267.94 FEET;

THENCE, N00°05'01"E A DISTANCE OF 302.90 FEET;

THENCE, S89°50'47"E A DISTANCE OF 280.10 FEET TO THE **POINT OF BEGINNING**.



ONE COMPANY.
INFINITE SOLUTIONS.

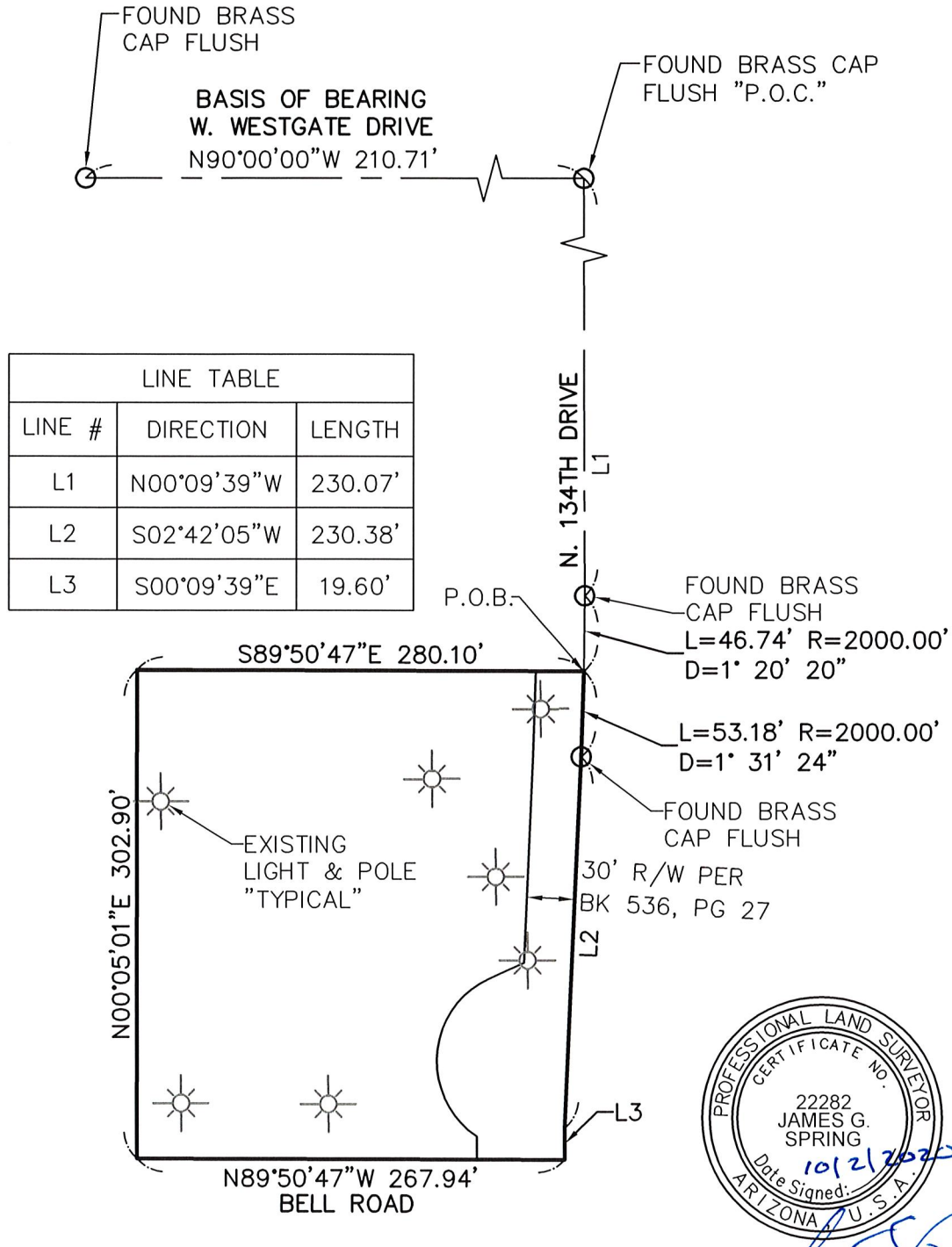
THE ABOVE DESCRIBED PARCEL CONTAINS A COMPUTED AREA OF 82,956 SQUARE FEET OR 1.904 ACRES, MORE OR LESS AND IS SUBJECT TO ANY EASEMENTS, RESTRICTIONS, OR RIGHTS OF WAY OF RECORD OR OTHERWISE.

THE DESCRIPTION SHOWN HEREON IS NOT TO BE USED TO VIOLATE ANY SUBDIVISION REGULATION OF THE STATE, COUNTY AND/OR MUNICIPALITY OR ANY OTHER LAND DIVISION RESTRICTIONS.

PREPARED BY:
ATWELL, LLC
4700 E. SOUTHERN AVENUE
MESA, ARIZONA 85206
PROJECT NO. 19003515
OCTOBER 2ND, 2020



EXHIBIT B



JOB #19003515 DATED: 10-02-2020 SHEET 3 OF 3
STREET LIGHT IMPROVEMENT DISTRICT
SU-UHAUL-SURPRISE
CITY OF SURPRISE, AZ

STREET LIGHT IMPROVEMENT DISTRICT PETITION

TO THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE:

We, the undersigned, are all or a majority of the real property owners, exclusive of mortgagees and other lienholders, within the district named below. We petition the City Council of the City of Surprise, Arizona, to establish a street light improvement district under Arizona Revised Statutes (A.R.S.) §48-571 to 48-622, and any amendments, and specifically A.R.S. §48-615 to 48-617, to purchase electricity for lighting the public streets and/or parks within the district whose boundaries and area is described in Exhibits A and B attached hereto. This petition includes a charge for maintaining the lighting facilities.

It is hereby requested that, in compliance with the Arizona Revised Statutes, the City Council adopt a Resolution of Intention to order the proposed improvements, and that unless protests are received pursuant to A.R.S. §48-579 sufficient to bar further proceedings, the City Council proceed with the improvements petitioned for herein.

Expenses of the District (PICK ONE)

- ☐ shall be paid by the levy and collection of ad valorem taxes upon assessed value of all property in the District
- ☒ shall be paid by the levy and collection of equal apportionment of taxes based on the number and classification of properties within the District.

Public convenience, necessity and welfare will be promoted by the establishment of the District and the real property within the District will be benefited by the District. Additional street lighting facilities may be installed and included in the District, at no investment cost to the District, as directed by the City and as approved by Arizona Public Service and the City Engineer.

WHEREFORE, we respectfully ask that this Petition be properly filed and that the Mayor and Council of the City adopt the Resolution and take such other action as is proper, necessary and appropriate to form the District and to fulfill the purposes for which the District is organized, as the Mayor and Council believe is proper and necessary.

The name of the proposed street light improvements district shall be:

SU-ComrcePrkWest196

(Leave Blank - to be assigned by City staff)

PETITIONERS: Please print and sign your name

PRINT BUSINESS/ PETITIONER'S NAME	ADDRESS OF PROPERTY OWNED WITHIN DISTRICT	ASSESSOR PARCEL #	SIGNATURE
MARK SHOEN	13440 W. Bell Road Surprise, AZ 85378	503-66-055A 503-66-056A	

STREET LIGHT IMPROVEMENT DISTRICT PETITION

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SU-ComrcePrkWest196

(Leave Blank - to be assigned by City staff)

PETITIONERS: Please print and sign your name

PRINT BUSINESS/ PETITIONER'S NAME	ADDRESS OF PROPERTY OWNED WITHIN DISTRICT	ASSESSOR PARCEL #	SIGNATURE
Matthew Braccia	13440 W. Bell Road Surprise, AZ 85378	503-66-054	



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

AVAILABILITY

This rate schedule is applicable to those portions of cities, towns and unincorporated communities in which the Company does a general retail electric business and where the Company has installed a multiple or series street lighting system of adequate capacity for the service to be rendered.

DESCRIPTION

E-58 is a rate that is applicable for lighting public streets, alleys, thoroughfares, public parks and playgrounds from dusk to dawn by use of Company's facilities.

TIME PERIODS

Dusk: Time between sunset and full night when photocontrol senses the lack of sufficient sunlight and turns on the lights.
Dawn: The time between full night and sunrise when a photocontrol senses sufficient sunlight to turn off lights.

CHARGES

The monthly bill will consist of the following charges, plus adjustments.

I. FIXTURES (Includes Mounting Arm, if Applicable)

	Lumen	Watts	kWh	CHARGES	
				Investment by Company	Investment by Others
A. Acorn	3,835 LED	75	26	\$21.63	\$7.59
	4,796 LED	75	26	\$17.38	\$6.46
	5,003 LED	100	35	\$23.45	\$8.71
	5,904 LED	100	35	\$23.03	\$8.60
	6000 IND	85	29	\$19.24	\$5.14
B. Architectural	6,200 IND	85	29	\$10.13	\$3.93
	8,400 IND	100	34	\$10.69	\$4.36
	10,200 IND	120	41	\$11.75	\$4.99
	13,000 IND	150	52	\$12.98	\$5.93
	20,500 IND	200	69	\$14.78	\$7.37
	22,500 IND	265	91	\$17.63	\$9.28
	3,300 LED	43	15	\$10.24	\$3.79
	3,800 LED	32	12	\$7.73	\$2.92
	3,900 LED	32	12	\$9.96	\$3.51
	4,050 LED	63	22	\$18.63	\$6.52
	4,100 LED	45	16	\$10.34	\$3.89
	4,800 LED	41	15	\$8.27	\$3.27
	5,000 LED	41	15	\$9.61	\$3.62



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

	CHARGES				
	Lumen	Watts	kWh	Investment by Company	Investment by Others
	5,100 LED	60	21	\$10.18	\$4.19
	5,300 LED	67	24	\$10.47	\$4.48
	5,800 LED	94	32	\$17.81	\$5.16
	5,890 LED	89	31	\$20.56	\$7.66
	6,000 LED	62	22	\$18.63	\$6.52
	6,000 LED	67	24	\$19.89	\$6.99
	6,400 LED	89	31	\$17.89	\$5.10
	6,810 LED	101	35	\$18.89	\$7.50
	7,100 LED	62	22	\$19.70	\$6.80
	7,400 LED	127	44	\$20.42	\$6.34
	7,500 LED	73	26	\$20.08	\$7.18
	7,700 LED	86	30	\$18.41	\$7.02
	8,200 LED	88	31	\$10.45	\$4.97
	8,200 LED	95	33	\$11.87	\$5.48
	8,300 LED	72	25	\$17.93	\$6.54
	8,300 LED	106	37	\$12.45	\$5.91
	8,500 LED	88	31	\$11.69	\$5.30
	9,020 LED	139	48	\$22.94	\$9.47
	9,200 LED	139	48	\$25.60	\$7.30
	9,900 LED	130	45	\$13.82	\$6.84
	10,000 LED	93	32	\$21.43	\$7.96
	10,000 LED	113	39	\$13.26	\$6.28
	10,600 LED	126	44	\$22.56	\$9.09
	11,100 LED	108	38	\$12.76	\$6.07
	11,500 LED	108	38	\$13.16	\$6.18
	12,300 LED	203	70	\$25.48	\$8.85
	12,900 LED	119	41	\$22.31	\$8.82
	13,260 LED	202	70	\$27.11	\$12.12
	13,620 LED	202	70	\$28.49	\$9.24
	14,000 LED	171	59	\$26.07	\$11.08
	15,000 LED	136	47	\$24.93	\$9.94
	15,400 LED	144	50	\$25.21	\$10.22
	18,300 LED	162	56	\$16.13	\$8.22
	19,200 LED	257	89	\$26.87	\$13.38
	20,000 LED	258	89	\$26.87	\$13.38
	20,300 LED	193	67	\$17.17	\$9.26
	21,000 LED	193	67	\$24.77	\$11.28
C. Cobra	6,200 IND	75	26	\$10.54	\$3.77
	6,400 IND	85	29	\$8.97	\$3.78
	8,000 IND	88	30	\$10.47	\$4.04
	8,400 IND	100	34	\$9.70	\$4.24
	10,200 IND	120	41	\$10.44	\$4.81



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

				CHARGES				
				Investment by Company	Investment by Others			
				Lumen	Watts	kWh		
C. Cobra				13,000 IND	150	52	\$11.50	\$5.73
				15,250 IND	200	69	\$13.86	\$7.25
				22,500 IND	250	86	\$18.55	\$9.06
		Gray / Bronz		3,500 IND	55	19	\$10.50	\$3.27
				6,000 LED	95	33	\$17.05	\$5.13
				8,700 LED	142	49	\$19.17	\$6.53
				9,600 LED	157	54	\$20.40	\$7.04
				11,600 B-LED	181	62	\$19.03	\$7.44
		Gray / Bronz		3,300 LED	43	15	\$9.00	\$2.79
		Gray / Bronz		5,300 LED	67	23	\$10.45	\$3.54
		Gray / Bronz		8,300 LED	106	37	\$13.55	\$4.94
		Gray / Bronz		10,500 LED	130	45	\$15.08	\$5.69
		Gray / Bronz		20,000 LED	258	89	\$26.21	\$10.27
D. Decorative Transit				5,300 LED	75	26	\$28.44	\$6.12
				8,300 LED	100	34	\$30.45	\$6.97
				8,147 LED	75	26	\$35.76	\$11.36
				9,522 LED	100	35	\$36.14	\$12.09
				10,500 LED	150	52	\$32.69	\$8.52
				14,896 LED	150	52	\$39.98	\$14.29
		Double		8,147 LED	75	26	\$64.74	\$18.96
		Double		9,522 LED	100	35	\$64.67	\$19.58
		Double		14,896 LED	100	52	\$70.67	\$22.32
		Copper		6,000 IND	85	29	\$18.87	\$5.09
		Gray / Black		8,000 IND	88	30	\$14.86	\$4.62
		Gray / Black		4,350 LED	86	30	\$13.48	\$4.44
E. Flood				14,470 LED	148	51	\$23.93	\$9.95
				16,000 LED	125	43	\$23.17	\$9.19
F. Pendant				8,678 LED	75	26	\$26.36	\$8.85
				13,964 LED	100	35	\$27.84	\$9.88
G. Post Top				4,350 LED	86	30	\$13.43	\$5.69
				6,400 LED	30	30	\$13.43	\$5.69
				6,600 LED	83	29	\$13.33	\$5.59
H. Roadway				3,300 LED	43	15	\$9.46	\$3.58
				3,800 LED	32	12	\$7.24	\$2.79
				3,900 LED	32	12	\$9.18	\$3.30
				4,100 LED	45	16	\$9.56	\$3.68
				4,800 LED	41	15	\$7.76	\$3.13
				5,000 LED	41	15	\$9.12	\$3.49
				5,100 LED	60	21	\$9.69	\$4.06
				5,300 LED	67	24	\$9.98	\$4.35
				8,200 LED	88	31	\$9.72	\$4.77



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

	8,200 LED	95	33	\$11.36	\$5.34
	8,300 LED	106	37	\$11.74	\$5.72
	8,500 LED	88	31	\$11.18	\$5.16
	9,900 LED	130	45	\$13.31	\$6.70
	10,000 LED	113	39	\$12.75	\$6.14
	11,100 LED	108	38	\$12.03	\$5.88
	11,500 LED	108	38	\$12.65	\$6.04
	18,300 LED	162	56	\$15.23	\$7.98
	19,200 LED	257	89	\$19.11	\$11.32
	20,000 LED	258	89	\$19.11	\$11.32
	20,300 LED	193	67	\$16.27	\$9.02
	21,000 LED	193	67	\$17.01	\$9.22

FROZEN	4,000 INC	295	103	\$10.54	\$5.89
	7,000 MV	175	73	\$13.65	\$7.83
	11,000 MV	250	96	\$17.09	\$10.43
	20,000 MV	400	150	\$26.84	\$15.21
FROZEN ACORN	9,500 HPS	100	41	\$29.14	\$9.93
	16,000 HPS	150	69	\$32.35	\$12.55
FROZEN ARCHITECTURAL	9,500 HPS	100	41	\$16.56	\$7.90
	16,000 HPS	150	69	\$19.77	\$19.34
	30,000 HPS	250	99	\$22.95	\$13.57
	50,000 HPS	400	153	\$28.32	\$19.53
	14,000 MH	175	72	\$23.17	\$12.70
	21,000 MH	250	101	\$26.31	\$15.66
	36,000 MH	400	159	\$32.89	\$21.54
	8,000 LPS	55	30	\$24.08	\$10.58
	13,500 LPS	90	50	\$28.39	\$12.76
	22,500 LPS	135	72	\$32.43	\$15.56
FROZEN COBRA ROADWAY	33,000 LPS	180	90	\$39.01	\$18.33
	5,800 HPS	70	29	\$9.40	\$5.56
	9,500 HPS	100	41	\$11.07	\$6.81
	16,000 HPS	150	69	\$13.86	\$9.50
FROZEN COBRA ROADWAY	30,000 HPS	250	99	\$16.72	\$12.35
	50,000 HPS	400	153	\$22.69	\$17.63
	14,000 MH	175	72	\$16.12	\$10.99
	21,000 MH	250	101	\$18.84	\$13.67
	36,000 MH	400	159	\$24.81	\$18.99
FROZEN DECORATIVE TRANSIT	8,000 FL	100	38	\$18.53	\$5.43
	9,500 HPS	100	41	\$39.95	\$11.96
	16,000 HPS	150	69	\$39.72	\$13.36
FROZEN FLOOD	30,000 HPS	250	99	\$45.74	\$17.26
	30,000 HPS	250	99	\$22.20	\$13.79
	50,000 HPS	400	153	\$27.53	\$19.14
	21,000 MH	250	101	\$23.69	\$14.58
FROZEN Colonial Gray	36,000 MH	400	159	\$28.89	\$19.76
	8,000 FL	100	38	\$19.97	\$5.64



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

POST TOP	Colonial Gray	9,500 HPS	100	41	\$11.42	\$7.16
	Colonial Black	9,500 HPS	100	41	\$13.15	\$7.41
	Decorative	9,500 HPS	100	41	\$34.97	\$11.03

NOTES:

1. Investment by Company. These rates are applicable where the Company provides the initial investment to purchase and install all facilities necessary for street lighting service. The Company will own, operate, and maintain the street lighting system.
2. Investment by Others. These rates are applicable in those instances where the requesting entity or individual purchases and installs the street lighting facilities at their own expense and in accordance with Company specifications. These rates will also apply in the instance where the Customer provides a non-refundable advance to the Company to cover the Company's cost of purchasing and installing the street lighting system. The Company retains ownership of the street lighting system and provides operation and maintenance for all facilities.
3. Listed kWhs reflect the assigned monthly energy usage for each type of fixture and are used to determine any applicable transmission, system benefit, distribution, energy, and adjustment charges.
4. HPS = High Pressure Sodium
5. MH = Metal Halide
6. LPS = Low Pressure Sodium
7. FL = Fluorescent
8. INC = Incandescent. Incandescent lighting charges are applicable and available only to those Customers being served and those installations in service on November 1, 1986.
9. MV = Mercury Vapor. Mercury Vapor lighting charges are applicable and available only to those Customers being served and those installation in service on November 1, 1986 in accordance with A.R.S. §49-1104(A).
10. LED = Light Emitting Diode
11. IND = Induction



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

II. POLES

				CHARGES		
				Investment by Company	Investment by Others	
A. Anchor Base Mounted (Flush)	Round Steel	1 Simplex Adapter	Height			
			12 ft.	\$13.11	\$1.81	
			22 ft.	\$14.75	\$2.03	
			25 ft.	\$15.97	\$2.21	
			30 ft.	\$18.34	\$2.52	
		32 ft.	\$19.27	\$2.55		
		2 Simplex Adapters	12 ft.	\$13.98	\$1.93	
			22 ft.	\$16.06	\$2.22	
			25 ft.	\$16.75	\$2.31	
			30 ft.	\$19.47	\$2.68	
	32 ft.		\$20.77	\$2.87		
	Square Steel	5"	13 ft.	\$15.03	\$2.06	
			15 ft.	\$13.43	\$1.85	
			23 ft.	\$15.93	\$2.19	
			25 ft.	\$17.51	\$2.41	
			28 ft.	\$19.44	\$2.67	
			32 ft.	\$19.33	\$2.66	
	Concrete		12 ft.	\$44.79	\$6.17	
	Fiberglass		12 ft.	\$37.93	\$5.22	
	Decorative Transit		4"	16 ft.	\$36.98	\$5.10
	Decorative Transit		6"	30 ft.	\$71.39	\$9.83
	Hinged Poles		Square	15 ft.	\$14.21	\$1.16
Round			19 ft.	\$12.85	\$1.05	
B. Anchor Base Mounted (Pedestal)	Round Steel	1 Simplex Adapter	12 ft.	\$12.61	\$1.73	
			22 ft.	\$14.26	\$1.96	
			25 ft.	\$15.46	\$2.13	
			30 ft.	\$17.85	\$2.47	
			32 ft.	\$18.75	\$2.58	
		2 Simplex Adapters	12 ft.	\$13.47	\$1.85	
			22 ft.	\$15.05	\$2.06	
			25 ft.	\$16.24	\$2.23	
			30 ft.	\$18.97	\$2.60	
			32 ft.	\$20.26	\$2.79	
		3 Bolt	32 ft.	\$23.28	\$3.20	
		Square Steel	5"	13 ft.	\$14.54	\$2.01
				15 ft.	\$14.86	\$2.03
				23 ft.	\$15.43	\$2.13
	25 ft.			\$17.02	\$2.36	
	28 ft.			\$18.91	\$2.60	
	32 ft.			\$19.63	\$2.69	



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

II POLES (cont)

		CHARGES		
		Height	Investment by Company	Investment by Others
C. Direct Bury	Round Steel	19 ft.	\$19.84	\$2.74
		30 ft.	\$15.49	\$2.87
		38 ft.	\$18.90	\$2.94
		Self 40 ft.	\$23.28	\$3.69
		Stepped 25 ft.	\$53.55	\$4.37
		32 ft.	\$56.40	\$4.60
		49 ft.	\$70.00	\$9.65
	Square Steel	4" 34 ft.	\$17.09	\$2.96
		5" 20 ft.	\$16.23	\$2.68
		30 ft.	\$16.92	\$2.79
		38 ft.	\$18.36	\$3.19
		8" 28 ft.	\$30.64	\$2.49
		32 ft.	\$32.03	\$2.62
		Decorative Transit 41 ft 6	\$22.05	\$3.24
	Decorative Transit	47 ft.	\$27.47	\$4.04
	Steel Distribution Pole (for lighting only)	35 ft.	\$25.36	\$3.34
D. Post Top	Decorative Transit Anchor Base	16 ft.	\$37.77	\$5.19
	Gray Steel/Fiberglass	23 ft.	\$13.10	\$2.15
	Black Steel	23 ft.	\$14.44	\$2.38
E. Existing distribution pole suitable for streetlight use			\$1.59	--
F. FROZEN	Wood Poles	30 ft.	\$9.64	\$1.67
		35 ft.	\$9.64	\$1.59

NOTE: The monthly rate for all new poles includes up to 300 feet of overhead secondary wire, or up to 300 feet of underground secondary wire if the Customer provides earthwork and conduit (excluding the underground to overhead transition).

III. ANCHOR BASE

		CHARGES		
		Height	Investment by Company	Investment by Others
A. Flush		4 ft.	\$10.67	\$1.47
		6 ft.	\$12.73	\$2.21
B. Pedestal		8 ft.	\$14.59	\$2.54
	For 32' Round Steel Pole only	4 ft. 6"	\$10.12	\$1.75



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

IV. CHARGES FOR OPTIONAL OR ADDITIONAL EQUIPMENT

		CHARGE
		Company Owned
FROZEN		
Underground Circuit Charges:		
a.	Per foot of cable, installed under paving	\$0.17000
b.	Per foot of cable, not installed under paving	\$0.06000

V. DETERMINATION OF CHARGES FOR NEW EQUIPMENT

Monthly charges for new lighting fixtures, poles and other equipment not included in Sections I, II, or III above will be determined by the Company using the following method:

Step 1 Determination of Charges for each Charge Type							Monthly Fixed Charge Rate
Charge Type	Monthly Charge		Cost Inputs Equipment Cost		PV Factor		
1	Carrying Cost (fixtures)	=	(installed)	x	NA	x	1.518%
			Equipment Cost				
2	Carrying Cost (poles)	=	(installed)	x	NA	x	1.296%
			Equipment Cost				
3	Fixture Replacement Cost	=	Equipment Cost (installed)	x	0.257	x	1.518%
4	Pole, Anchor Replacement Cost	=	Equipment Cost (installed)	x	0.110	x	1.296%
5	Lighting O&M	=	O&M Cost (lifecycle)	x	0.427	x	1.518%
Charge Type	Monthly Charge		kWh Input		\$/kWh		
6	Generation	=	kWh per month	x	0.06760		
7	T&D, RCS, SB	=	kWh per month	x	0.02738		



**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

Step 2 **Determination of Total Monthly Charge**
The total monthly charge will be the summation of the charges for each applicable charge type

<u>Equipment</u>	<u>Charge Type</u>
Fixture - IBC	1,5,6,7
Fixture - IBO	3,5,6,7
Pole, Anchor Base - IBC	2
Pole, Anchor Base - IBO	4

TRIP CHARGE

A \$100.00 trip charge per light will be charged when a Customer requests a disconnect or reconnect of service in order to accommodate the maintenance activities of the Customer or its designee(s) on their street lighting equipment.

ADJUSTMENTS

The bill will include the following adjustments:

1. The Renewable Energy Standard charge, Adjustment Schedule REAC-1.
2. The Power Supply Adjustment charges, Adjustment Schedule PSA-1.
3. The Transmission Cost Adjustment charge, Adjustment Schedule TCA-1.
4. The Environmental Improvement Surcharge, Adjustment Schedule EIS.
5. The Demand Side Management Adjustment charge, Adjustment Schedule DSMAC-1.
6. The Lost Fixed Cost Recovery Adjustment charge, Adjustment Schedule LFCR.
7. Direct Access Customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge, Adjustment Schedule RCDAC-1.
8. Any applicable taxes and governmental fees that are assessed on APS's revenues, prices, sales volume, or generation volume.

SERVICE DETAILS

1. Street lighting facilities installed under this rate schedule are of the type currently being furnished by Company as standard at the time service is initially requested. Standard facilities are those listed in the Company's Transmission and Distribution Construction Standards book.

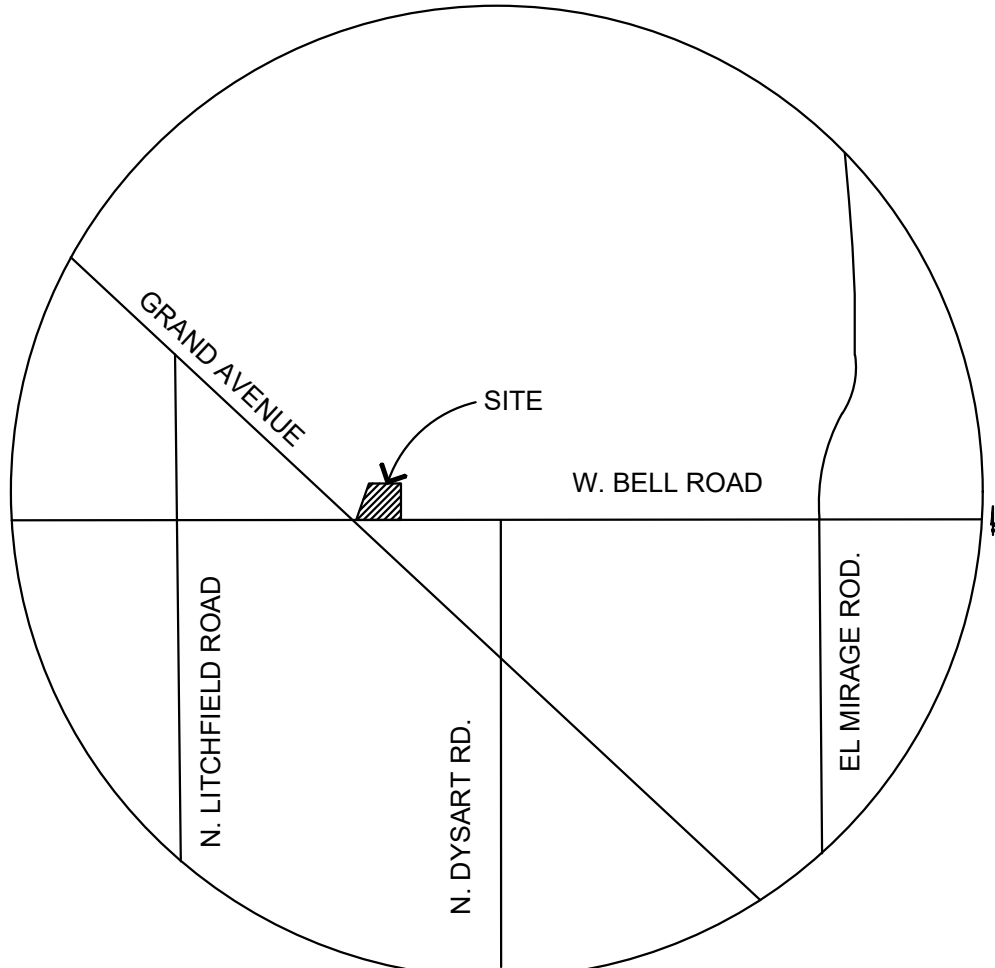
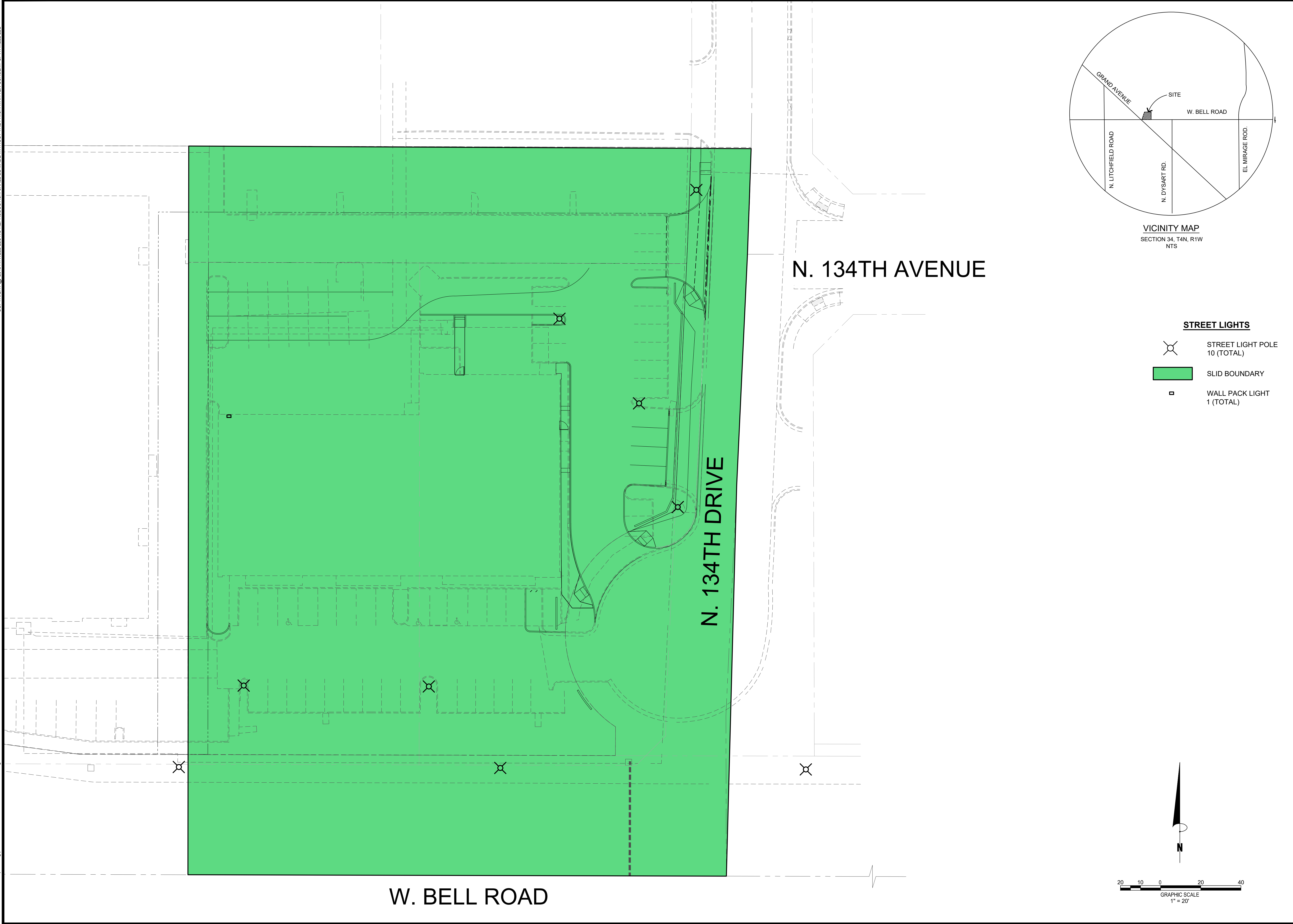


**RATE SCHEDULE E-58
CLASSIFIED SERVICE
STREET LIGHTING SERVICE**

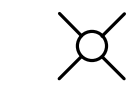
2. The Customer will be responsible for notifying the Company when the streetlighting facilities are not operating as intended. The Company will use reasonable efforts to complete normal maintenance (replacement of lamps, photocontrols or fixtures) within ten (10) working days from notification by Customer. If the maintenance requires cable replacement or repairs, the Company will use reasonable efforts to complete said repairs within twenty (20) working days.
3. The Customer's bill will not be reduced due to lamp, photocontrol or cable repair or replacement outages.
4. Lighting equipment which is not specified in this rate schedule will be billed at the rates corresponding to the most similar equipment, as determined by the Company.
5. Non-standard facilities (non-standard being defined as any facility not listed in the Company's Transmission and Distribution Construction Standards book) do not qualify for this rate schedule. At the Company's discretion, such facilities may be served under another of the Company's rate schedules.
6. The Company will extend its standard street lighting system up to a distance of 300 feet for each additional lighting installation without cost at the request of the Customer. When the extension is underground the customer will provide earthwork as specified in the Company's Service Schedule 3, Conditions Governing Extensions of Electric Distribution Lines and Services; or, at the applicant's request, the Company will provide such earthwork and the applicant will be required to pay a non-refundable contribution in aid of construction equal to the cost of such earthwork. Any additional extension required (over and above the first 300 feet) will be provided by Company for a contribution in aid of construction equal to the cost of the additional extension.
 - a. Extensions to isolated areas requiring a substantial extension of the electric distribution system, as opposed to an extension of the street lighting system, will require a special study to determine the terms and conditions under which the Company will undertake such an extension.
7. APS provides electric service under the Company's Service Schedules. These schedules provide details about how the Company serves its Customers, and they have provisions and charges that may affect the Customer's bill. In addition, service may be subject to special terms and conditions as provided for in a Customer contract or service agreement.

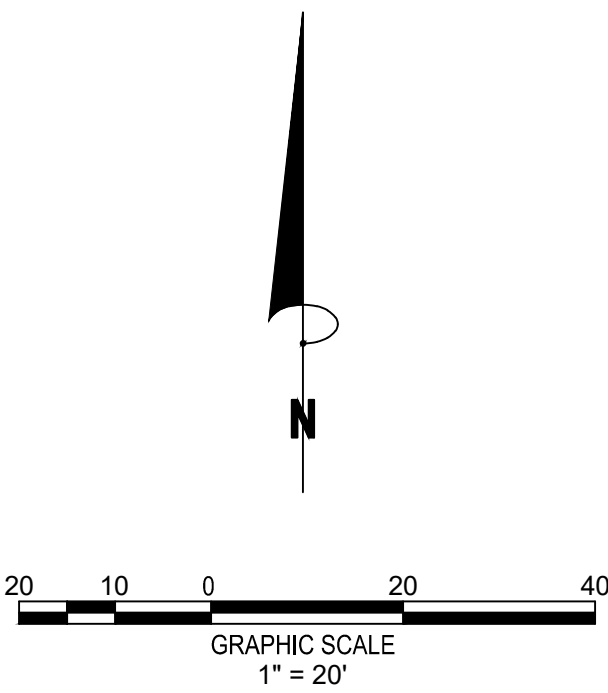
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s:\19003515 - U-Haul Surprise\dwg\plan sets\construction\slid\19002303-slid.dwg Plotdate: 1/12/2020



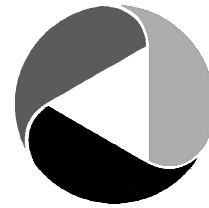
VICINITY MAP
SECTION 34, T4N, R1W
NTS

- STREET LIGHTS**
-  STREET LIGHT POLE
10 (TOTAL)
 -  SLID BOUNDARY
 -  WALL PACK LIGHT
1 (TOTAL)



THE LOCATIONS OF EXISTING UNDERGROUND UTILITIES ARE SHOWN IN AN APPROXIMATE WAY ONLY AND HAVE NOT BEEN INDEPENDENTLY VERIFIED BY THE OWNER OR ITS REPRESENTATIVE. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ALL EXISTING UTILITIES BEFORE COMMENCING WORK, AND AGREES TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES WHICH MIGHT BE OCCASIONED BY THE CONTRACTOR'S FAILURE TO EXACTLY LOCATE AND PRESERVE ANY AND ALL UNDERGROUND UTILITIES.

NOTICE:
CONSTRUCTION SITE SAFETY IS THE SOLE RESPONSIBILITY OF THE CONTRACTOR. NEITHER THE OWNER NOR THE ENGINEER SHALL BE EXPECTED TO ASSUME ANY RESPONSIBILITY FOR SAFETY OF THE WORK, OF PERSONS ENGAGED IN THE WORK, OF ANY NEARBY STRUCTURES, OR OF ANY OTHER PERSONS.



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STREET LIGHT PLAN

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SURPRISE, ARIZONA



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REVISIONS:

NO.	DESCRIPTION	DATE



REGISTERED PROFESSIONAL ENGINEER
CERTIFICATE NO. 68645
NEIL P. CRONAN
STATE OF ARIZONA
ARIZONA U.S.A.

PM.	RG
DR.	KE
JOB NO. 19003515	
FILE NO. 19003515-SLID	

SHEET NO.
1 OF 1



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021 Contact Person: Joshua Mike
Submitting Department: Community Development District: District 3
Staff Recommendations: None

Consent: No Regular: No Public Hearing: Yes Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval the Preliminary Plat entitled, "Fulton Homes at Prasada" an approximately 110.96 acre property generally located at the southwest corner of Waddell and Reems Roads. (Case FS20-363)

Motion:

I move to approve the preliminary plat entitled "Fulton Homes at Prasada", subject to stipulations "a" through "c" as memorialized in the staff report.

Background:

The subject request involves a Preliminary Plat within the Urban Village portion of the Prasada PAD. Fulton Homes at Prasada, which occupies the lowest residential density area of the Urban Village, seeks to establish 547 single-family lots of the allowable residential units, on approximately 110 acres of land with approximately 17 acres set aside for open space.

Objective Analysis:

Fulton Homes is proposing a total of 547 residential units, at a gross density of 4.93 DU/Acre. The project provides a mixtures of housing types with (4) distinct lot sizes, including narrow lots with rear-loaded alley access. The subject Preliminary Plat meets the requirements of the Prasada PUD, in addition to other requirements as set forth in the municipal code. All city reviewing departments have reviewed the request and offered no concerns.

Policy Compliant:

The Surprise General Plan 2035 shows the subject property as lying within the Neighborhood Character Area, which supports residential development of up to 8 DU/Ac. or more, provided appropriate transitions are made between the various Neighborhood types included within the character area. At 4.934 DU/Ac., the project most closely aligns with the Suburban Neighborhood type and is consistent with the General Plan in this regard.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide City Services. As the project develops, there could be minor financial impacts to the City to provide services to an area for which the City did not provide services in the past. The project area could potentially

result in future development fee, sales tax and property tax revenue.

Budget Impact:

There are currently no budget impacts related to this item.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

1. 00 FS20-363 Fulton Home at Prasada PP Staff Report - 4.20.21 CC
 2. 01 FS20-363 Fulton Home at Prasada PP Vicinity Map - 4.20.21 CC
 3. 02 FS20-363 Fulton Home at Prasada PP Case Map - 4.20.21 CC
 4. 03 FS20-363 Fulton Home at Prasada PP Narrative
 5. 04 FS20-363 Fulton Home at Prasada Pre-Plat - 4.20.21 CC
 6. 05 FS20-363 Fulton at Prasada Pre-Plat Preliminary Landscape Plan - 4.20.21 CC
 7. FS20-363 - Fulton at Prasada Urban Village PP - PZ PowerPoint - 4.20.2021
-

PRELIMINARY PLAT

REPORT TO CITY COUNCIL

Case: FS20-363

Project Name: Fulton Homes at Prasada Urban Village – Preliminary Plat

Council District: 3 - Mesquite

City Council: April 20, 2021

Planner: Joshua Mike, AICP

Owner: Suburban Land Reserve, Inc.

Applicant: Rose Law Group, pc for Fulton Homes

Request: Preliminary Plat for a 547-lot single-family residential subdivision in the Prasada Urban Village

Site Location: Generally located at the southwest corner of West Waddell Road and North Reems Road

Site Size: 110.96 acres (approx.)

Gross Density: 4.93 DU/Ac.

General Plan Conformance: The proposal is consistent with the Surprise General Plan 2035

Support/Opposition: None known

Findings:

- The proposed preliminary plat is consistent with the Prasada PAD.
- The proposed preliminary plat is consistent with applicable City of Surprise regulations.
- The reviewing agencies have indicated no objections to the request.

Commission Recommendation:

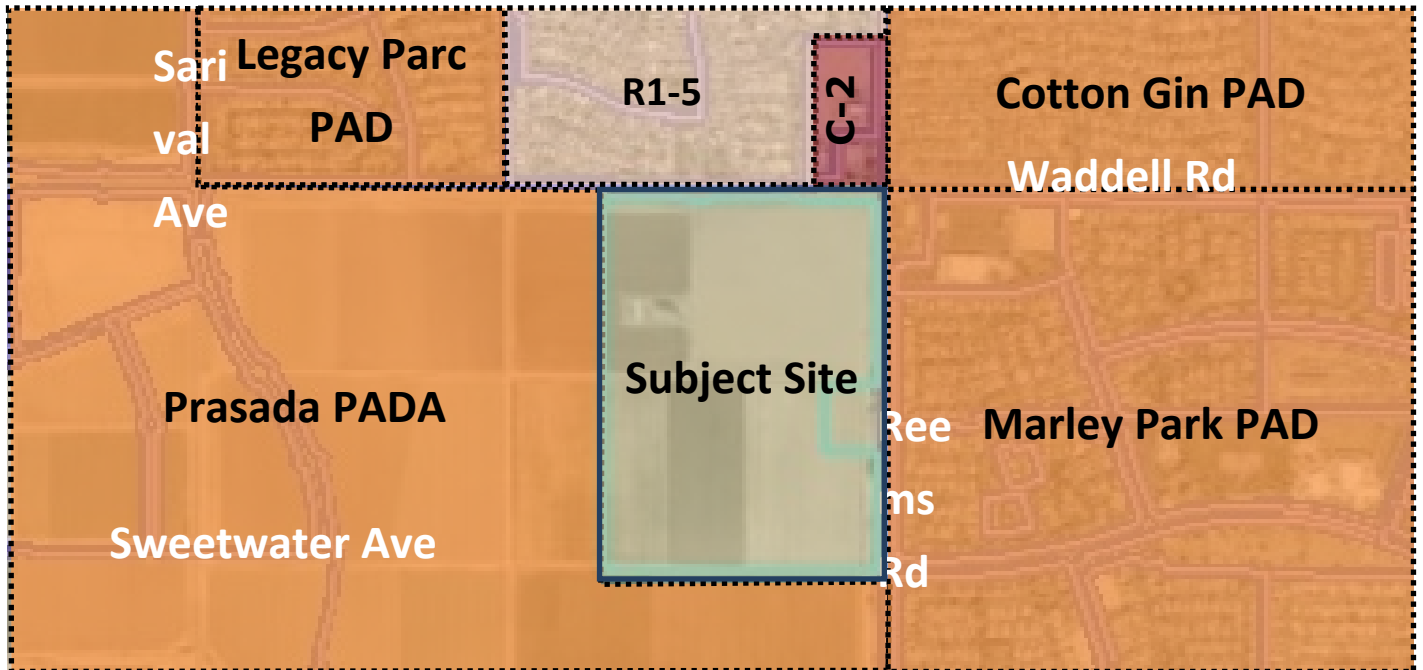
At the regular meeting on March 18, 2021, the Planning and Zoning Commission recommended approval of case FS20-363 to the City Council, subject to stipulations 'a' through 'c.'

41 **Project Description:**

42
43 The subject request involves a Preliminary Plat for a portion of the Prasada Urban Village. The
44 applicant seeks to subdivide the subject property into 547 lots and 52 tracts.

45
46 **Surrounding Land Zoning:**

47
48 The following map depicts the existing zoning of the subject site and its surroundings:



49
50
51 **Background:**

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53 **June 22, 2006:** The subject property was part of a rezoning application, case PAD05-465, and rezoned
54 from R1-43 to Planned Area Development (PAD) and approved under Ordinance 06-26

55
56 **March 26, 2020:** Staff met with the applicant to discuss the project during a regularly scheduled
57 Concept Review meeting under CR20-176.

58
59 **May 26, 2020:** The applicant filed a request for a Minor PAD Amendment to modify land uses and
60 development standards for the Urban Village portion of the Prasada PAD under case FS20-361.

61
62 **May 26, 2020:** The applicant filed a request for a 110-acre, 547-lot Preliminary Plat under case
63 FS20-363, the subject case.

64
65 **November 19, 2020:** Staff approved the Minor PAD Amendment under case FS20-361.

March 18, 2021: The Planning and Zoning Commission recommended approval of the proposed Preliminary Plat subject to stipulations “a” through “c”.

Analysis and Discussion:

Chris Webb of Rose Law Group on behalf of Fulton Homes is requesting Preliminary Plat approval for a 547-lot single-family residential subdivision on approximately 110 acres, generally located on the southwest corner of Waddell Road and Reems Road.



PROJECT DATA

GROSS AREA:	+/- 110.96 AC
NET RESIDENTIAL AREA:	+/- 77.77 AC (LOT AREA & OPEN SPACE TRACTS)
LOT SIZES:	
35' x 108' (A)	112
45' x 92' (B)	191
50' x 120' (C)	118
52' x 100' (D)	126
TOTAL	547
GROSS DENSITY:	4.93 DU/AC
OPEN SPACE:	16.91 AC
	22% OF NET RESIDENTIAL AREA
TURF AREA:	166,032 SF (3.81 AC) (22.53% OF OPEN SPACE)

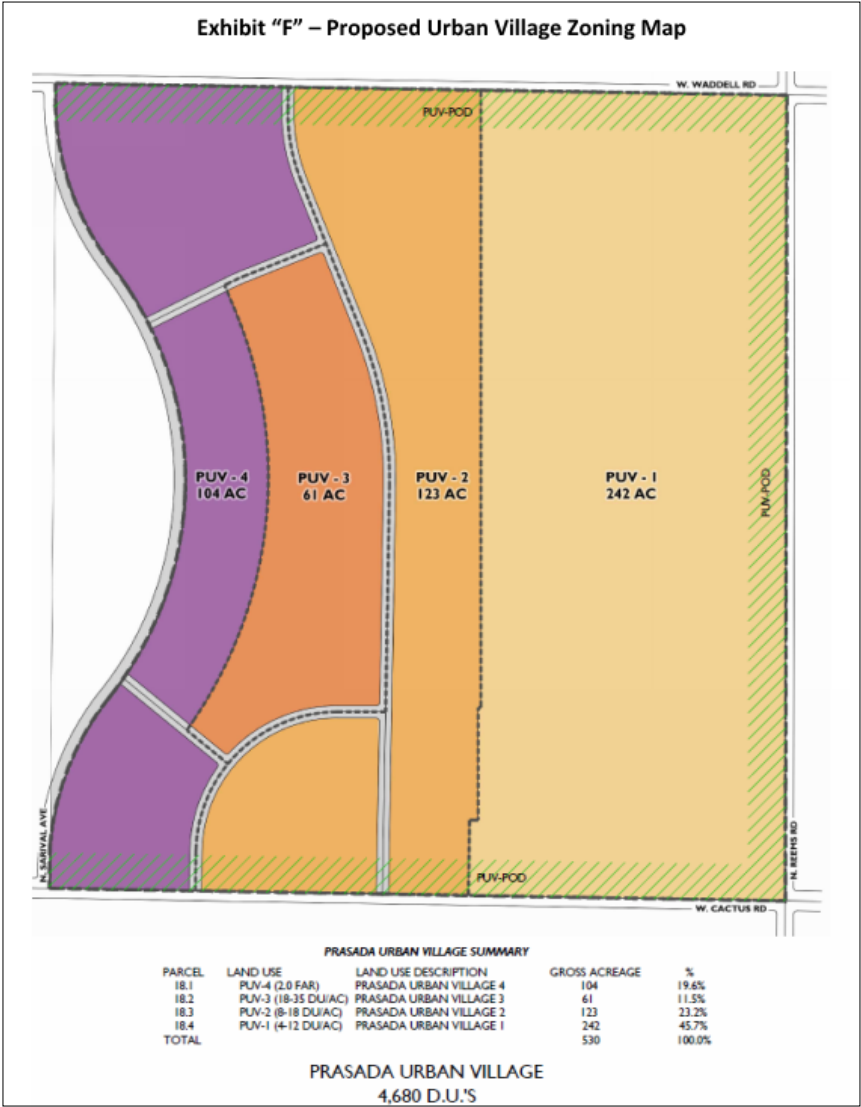
LAND MASS AREA TABLE

DEDICATED RIGHTS-OF-WAY	33.19 AC.
OPEN SPACE	16.91 AC.
CUMULATIVE LOT AREA	60.86 AC.
NET RESIDENTIAL AREA	77.77 AC.
OPEN SPACE % NET RESIDENTIAL AREA	22%
GROSS AREA	110.96 AC.

[Continued following page]

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The project provides for a gross density of 4.93 DU/Ac. and is located within the Medium Density Residential (PUV-1) zoning district identified in the Prasada Urban Village as shown below. (Image taken from Figure F of the approved PAD Amendment).



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[Continued following page]

99

100 The Prasada Urban Village also anticipates a blend of uses that transition from relatively less intense
101 development towards the eastern end to more intense development towards the western end of the
102 Village. This arrangement is depicted in Exhibit C of the approved PADA document as annotated
103 below to show the subject request in the context of the larger Village.

104

105



106

107

Lot Sizes and Categories

The proposed Preliminary Plat establishes four different lot categories, each meeting Development Standard H as stated in the Prasada PAD:

Development Standard H

Zoning Districts:		PUV-1	PUV-2	PUV-3
Minimum Lot Area		3,000 Square Feet		
Minimum Building Setbacks: ⁽¹⁾				
Front ⁽²⁾				
Front facing garage		10 Feet		
Rear/Alley loaded garage ⁽³⁾		5 Feet		
Side ⁽⁴⁾		0 Feet / 3 Feet		
Rear ⁽⁵⁾⁽⁶⁾		10 Feet		
Maximum Building Height: ⁽⁷⁾		35 Feet		
Notes				
1.	Architectural features such as, but not limited to: fireplaces, bay windows, shadow boxes, pot shelves, and other pop-outs, can encroach up to 2 feet into front, side and/or rear setbacks.			
2.	Front setback shall be measured from back of sidewalk to face of structure or garage door.			
3.	10' Front setback for rear or alley loaded product.			
4.	Side setbacks for "Z"-Lots and "O"-Lots shall be 5' aggregate, 0' minimum at shared use easement.			
5.	Rear building setback shall be measured from the property line to the face of structure.			
6.	5' Setback from alley R.O.W. to face of garage.			
7.	Building height is measured from the finished floor to the top of the parapet or highest point of building.			
8.	Covered patios may encroach up to 2 feet into the rear setback.			

Open Space

The applicant proposes 16.91 acres of open space, which comprises 22% of the net residential area, exceeding the 15% minimum required by the Prasada PAD. Additionally, the Preliminary Plat abuts an 80-foot wide drainage channel to act as a buffer along Reems Road.

This Preliminary Plat will initiate the development of the first part of the community park concept contemplated for the Prasada Urban Village, including the two large components of the central community park amenity and passive open space tracts, to be maintained by the *Fulton Homes at Prasada* Homeowners Association.

1. Central Community Park: A 4.21-acre central community park area located towards the south end of the property, which is planned to include a large turf field, an amphitheater area, two ramadas, shaded tot lot, full basketball court, bocce ball courts, pickleball court, and cornhole area.
2. North Park/Aquatic Center: A 2.51-acre park aquatic center located towards the north end of the property, which is planned to include an aquatic center and restroom building, a large turf play area, shaded tot lot, ramada, and a half basketball court.
3. Additional open space tracts will add visual interest and break up block lengths between homes while providing shade for pedestrians. The larger tracts will be used for storm water retention and include sidewalks or paths to ensure it is usable and provides pedestrian oriented access that does not require vehicle access.

Parking

This Preliminary Plat addresses on-street parking in 3 primary ways:

1. Blocks with lot widths between 35' and 45' will have rear-loaded access with an alley, utilizing parallel parking pockets built adjacent to the street.
2. Less than 35% of front loaded lots are less than 50-feet wide.
3. Head-in parking spaces adjacent to both of the large park areas will alleviate on-street parking in front of neighboring homes.

Vehicular Access and Circulation

Primary access to the neighborhood will be from Waddell Road along the north property line and from Reems Road via an extension of Sweetwater Avenue along the southern boundary. The internal street network will then provide north-south access and connectivity throughout the neighborhood.

Utility and Services Table:

Water:	EPCOR Utilities Inc.
Wastewater:	City of Surprise
School District:	Dysart Unified

Conformance with Adopted Plans:

The Surprise General Plan 2035 shows the subject property as lying within the Neighborhood Character Area, which supports residential development of up to 8 DU/Ac. or more.

Reviewing Agencies:

In addition to the standard city reviewing agencies, Maricopa County, Arizona Department of Transportation, Maricopa Water District, and Luke AFB were included in the routing of this request.

The City received the following responses:

1. Maricopa Water District (MWD): The development will require a development agreement between MWD and the developer to address the impacts to MWD's facilities and/or property interests.
2. Arizona Department of Transportation (ADOT): The development has no additional requirements

Summary:

The applicant seeks a Preliminary Plat across the subject property. The proposed development is compatible with the neighboring land uses and the amenities included will provide recreational opportunities for the neighborhood residents.

Findings:

- The proposed preliminary plat is consistent with the Prasada PAD.
- The proposed preliminary plat is consistent with applicable City of Surprise regulations.
- The reviewing agencies have indicated no objections to the request.

Commission Recommendation:

Based on the findings noted above, Commission voted to recommend approval of the subject Preliminary Plat to the City Council, subject to stipulations 'a' through 'c' as outlined below:

- a. Development and use of the site shall be consistent with the Preliminary Plat entitled "Preliminary Plat for Fulton Homes at Prasada", consisting of nine (9) sheets prepared by EPS Group and stamped received January 19, 2021.
- b. Landscaping of the site shall be consistent with the Preliminary Landscape Plan entitled "Fulton Homes at Prasada", consisting of twelve (12) sheets prepared by EPS Group and stamped received December 2, 2020.
- c. Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the provisions of Article XIV of the Surprise Unified Development Code (SUDC).

210

211 **Attachments:**

212

213 01 Vicinity Map

214 02 Case Map

215 03 Applicant Narrative

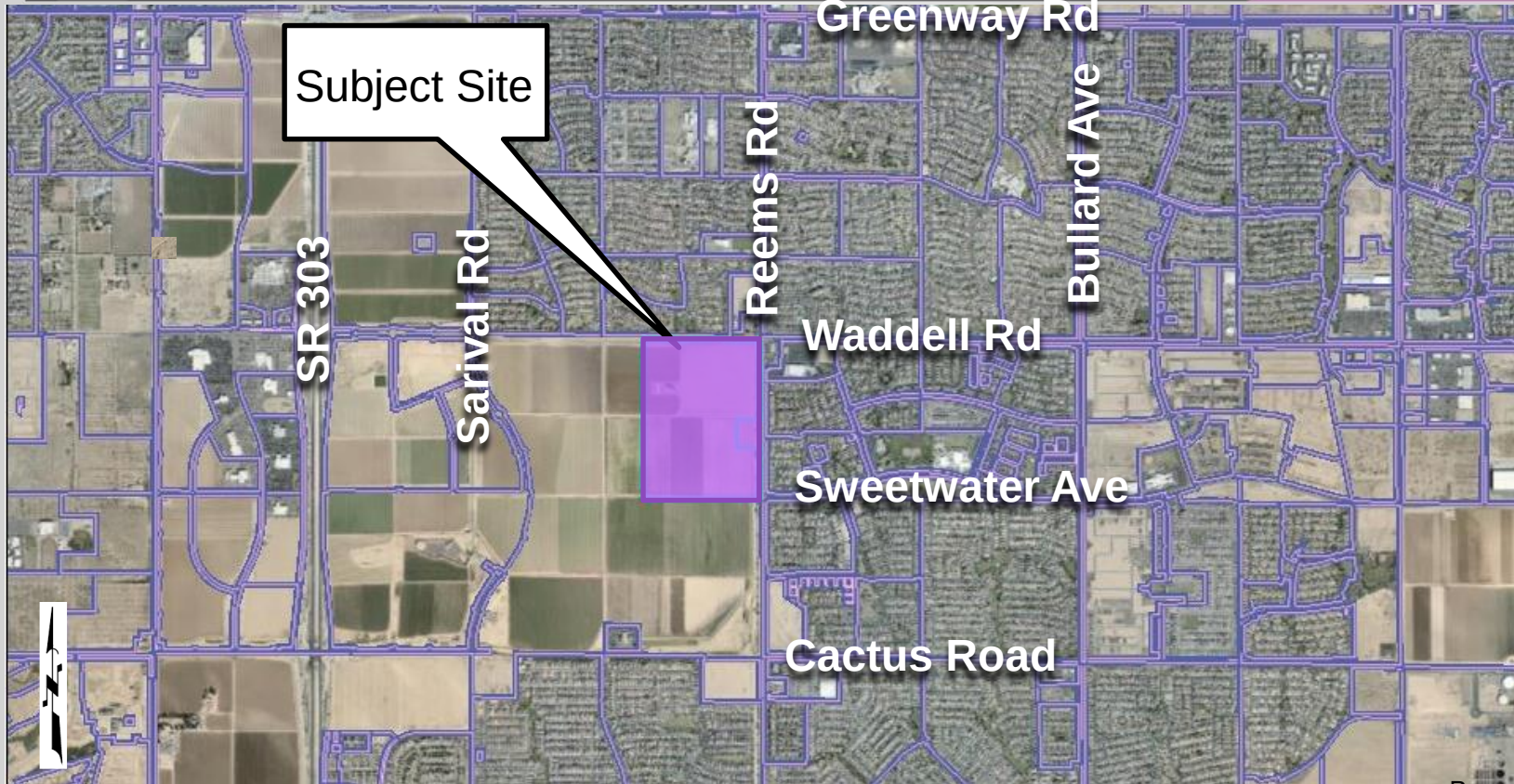
216 04 Preliminary Plat

217 05 Preliminary Landscape Plan

VICINITY MAP

FS20-363

Fulton at Prasada PP





CASE MAP

FS20-363
Fulton at Prasada PP

Waddell Rd

Sarival Rd

Sweetwater Ave

Subject Site

Reems Rd



RECEIVED

05/26/2020

PRELIMINARY PLAT NARRATIVE

Fulton Homes

at

Prasada

Maricopa County, Arizona
April 24, 2020

FULTON HOMES

9140 S. Kyrene Road, Suite 202
Tempe, AZ 85284

(on behalf of Suburban Land Reserve, Inc.)

ROSE LAW GROUP_{PC}
RICH ■ CARTER ■ FISHER



7144 E. Stetson Drive, Suite 300
Scottsdale, AZ 85251
(480) 240-5648

1130 N. Alma School Road, Suite 120
Mesa, Arizona 85201
(480) 503-2250

Table of Contents

- 1. Purpose of Request 1
- 2. Description of Proposal 1
- 3. Open Space & Amenities 4
- 4. Walls & Monumentation 5
- 5. Relationship to Surrounding Properties..... 6
- 6. Location & Accessibility 6
- 7. Circulation System 6
- 8. Community Facilities & Services 8
- 9. Public Utilities & Services..... 8
- 10. Development Schedule & Phasing 8

1. Purpose of Request

Fulton Homes Corporation (“Fulton Homes”) is in escrow to purchase approximately 110 gross acres of agricultural property located at the southwest corner of Waddell Road and Reems Road in the City of Surprise (the “City”) comprising APN’s 501-40-001G and 501-40-001P, as depicted on **Exhibit “A” – Context Plan** attached hereto (the “Property”). The Property is currently owned by Suburban Land Reserve, Inc. (the “Property Owner”).

The Property is part of the planned “Prasada” master-planned community PAD, specifically located within the 530-acre “Urban Village” component of the PAD. The Prasada PAD zoning was established in 2006 via City Case No. PAD05-0465. Fulton Homes and the Property Owner have submitted a concurrent application to the City for a Minor Amendment to the Urban Village component of the Prasada PAD (the “Minor PADA”).

The Prasada PAD establishes four separate zoning districts for the Urban Village. As outlined in the above referenced Minor PADA, the Property will be located entirely within the Medium Density Residential or “PUV-1” Zoning District, which allows for residential densities of 4 – 12 DU/Acre.

The purpose of this request by Fulton Homes, on behalf of the Property Owner, is to secure approval of a Preliminary Plat for a single-family residential community called “*Fulton Homes at Prasada*” within the Prasada Urban Village, that implements the Property’s existing PAD zoning, allowable residential density and associated development standards, as well as the character and vision set forth for the Property as an integral part of the Prasada Urban Village.

2. Description of Proposal

The proposed Preliminary Plat for *Fulton Homes at Prasada* outlines Fulton Homes’ vision for a fresh approach to the Prasada Urban Village, that responds to current market trends while remaining in conformance with, and implementing, the character, vision and requirements of the Property’s existing PAD zoning. Fulton Homes is proposing a total of 547 residential units, at a total density of 5 DU/Acre. The Conceptual Site Plan included with this application illustrates how the proposed Preliminary Plat will be in conformance with the Prasada PAD Urban Village (see **Exhibit “B” – Conceptual Site Plan** attached hereto).

The Prasada PAD establishes a maximum unit count of 4,680 total residential dwelling units for the entire 530-acre Prasada Urban Village. *Fulton Homes at Prasada*, which occupies the lowest residential density area of the Urban Village, will implement 547 of the allowable residential units, leaving 4,133 total residential units available for development within the 420-acre balance of the Prasada Urban Village.

Fulton Homes is proposing four distinct lot sizes, featuring three front-loaded single-family product lines and one alley-loaded product line, in order to create a range and diversity in housing product offerings, all in conformance with the lot development standards of the Prasada PAD Urban Village. The alley-loaded product has been designed to accommodate same-day trash collection, fire access, two-way vehicular traffic, sight visibility, and guest parking.

The proposed lot sizes and distribution for *Fulton Homes at Prasada* is as follows:

Lot Size	Lot Area	Lot Count	% of Total
35' x 108' *	3,780 SF	112	20%
45' x 92'	4,140 SF	191	35%
50' x 120'	6,000 SF	118	22%
52' x 100'	5,200 SF	126	23%
Total		547	100%

*Alley-loaded product

The governing lot development standards for the Property, as set forth in the Prasada PAD, are outlined in Development Standard "H" for the Prasada Urban Village:

Development Standard H

Zoning Districts:	PUV-1	PUV-2	PUV-3
Minimum Lot Area	3,000 Square Feet		
Minimum Building Setbacks: ⁽¹⁾			
Front ⁽²⁾			
Front facing garage	10 Feet		
Rear/Alley loaded garage ⁽³⁾	5 Feet		
Side ⁽⁴⁾	0 Feet / 3 Feet		
Rear ⁽⁵⁾⁽⁶⁾	10 Feet		
Maximum Building Height: ⁽⁷⁾	35 Feet		
Notes			
1.	Architectural features such as, but not limited to: fireplaces, bay windows, shadow boxes, pot shelves, and other pop-outs, can encroach up to 2 feet into front, side and/or rear setbacks.		
2.	Front setback shall be measured from back of sidewalk to face of structure or garage door.		
3.	10' Front setback for rear or alley loaded product.		
4.	Side setbacks for "Z"-Lots and "O"-Lots shall be 5' aggregate, 0' minimum at shared use easement.		
5.	Rear building setback shall be measured from the property line to the face of structure.		
6.	5' Setback from alley R.O.W. to face of garage.		
7.	Building height is measured from the finished floor to the top of the parapet or highest point of building.		
8.	Covered patios may encroach up to 2 feet into the rear setback.		

The proposed lot sizes for *Fulton Homes at Prasada* exceed the minimum lot size required by the Prasada PAD and all of the Development Standard “H” lot development standards outlined above will be adhered to. Further, Fulton Homes has given specific attention to designing *Fulton Homes at Prasada* in conformance with the Prasada PAD’s Perimeter Overlay District or “PUV-POD”, which places an additional layer of development standards on the first 300 feet of the Property adjacent to both Waddell Road and Reems Road, as outlined below:

Perimeter Overlay District Standard	
Zoning District:	PUV-POD
Minimum Building Setback from Public Streets: ⁽²⁾	
Arterials	30 Feet
Collectors	20 Feet
Locals	10 Feet
Building Height: ⁽¹⁾⁽²⁾	30 Feet
Open Space	15 %
Notes	
1.	PUV-POD 30’ maximum building height with 1’ increased height allowed for every 4’ of additional building setback in excess of 30’, not to exceed a 60’ total building height. However, the building height shall be limited to a maximum of three (3) stories within the POD on Greenway Road adjacent to the Northwest Ranch Community, along Sarival Road between Greenway Road and Waddell Road adjacent to the Legacy Parc Community and along Waddell Road across from the Legacy Parc Community within the PUV-4 zoning district.
2.	The minimum building setback on Greenway Road and Sarival Road for property within the PUV-POD adjacent to the Northwest Ranch and Legacy Parc Communities will be increased to 45 feet.

Fulton Homes at Prasada has been designed to be consistent and compatible with the community character and design intent of the Prasada Urban Village as outlined in the Prasada PAD. Specifically, *Fulton Homes at Prasada* provides a similar and compatible roadway network, including preservation of the urban, walkable feel of Sweetwater Avenue, the main entry road into the Prasada Urban Village from Reems Road. Additionally, *Fulton Homes at Prasada* preserves the inclusion of higher-density alley-loaded products that front on primary north-south routes through the site, maintaining a more urban feel while still providing views and access to open space and amenities. As explained in more detail in Section 3 below, *Fulton Homes at Prasada* will provide the same high level of centralized open space and resort-style amenities contemplated for the Urban Village in the Prasada PAD.

It should be noted that Fulton Homes has submitted a concurrent Design Review application to the City for the four housing product lines proposed for the Property.

3. Open Space & Amenities

Fulton Homes at Prasada will feature a total of 16.30 acres of open space (approximately 21% of project's net residential area), exceeding the 15% minimum required by the Prasada PAD. As outlined in the concurrent Minor PADA application, *Fulton Homes at Prasada* will initiate the development of the first part of the community park concept contemplated for the Prasada Urban Village, including the two large components of the central community park amenity, which will now be rotated such that they are situated and separated in a north-south orientation instead of east-west. *Fulton Homes at Prasada* is a family-oriented community with recreation and amenity areas that have been designed accordingly. The community is bordered on the east by an 80'-wide drainage tract that will provide a large open space buffer along Reems Road. The community will feature two large park areas with resort-style amenities, including an aquatic center, as well as additional more passive open space areas to ensure that all residents have convenient walkable access to a variety of open space and amenity opportunities. Fulton Homes' amenity package is unparalleled and provides activities for the entire family. Details of all park, open space and amenity areas within the community are provided in the **Preliminary Landscape Design Package** included with this submittal.

Central Community Park Area

Fulton Homes at Prasada will feature a 4.21-acre central community park area toward the south end of the Property. This park area represents the development of the first part of the community park concept contemplated for the Prasada Urban Village as outlined in the concurrent Minor PADA application. This central community park area has been strategically located at the end of the entry road into the community from Sweetwater Avenue, creating a dramatic sense of arrival for residents and visitors alike. This central community park area will include a large turf field, an amphitheater area, two ramadas, shaded tot lot, full basketball court, bocce ball courts, pickleball court and cornhole area. The central community park area will be owned and maintained by the *Fulton Homes at Prasada* Homeowners Association.

North Park/Aquatic Center Area

Fulton Homes at Prasada will also feature a 2.51-acre park and aquatic center toward the north end of the Property. This north park/aquatic center area has been strategically located at the end of the entry road into the community from Waddell Road, again creating a dramatic sense of arrival. This park area will include an aquatic center and restroom building, a large turf play area, shaded tot lot, ramada and a half basketball court for the enjoyment of the residents. The north park/aquatic center area will be owned and maintained by the *Fulton Homes at Prasada* Homeowners Association.

Passive Open Space Areas

Fulton Homes at Prasada will also feature numerous more passive open space areas throughout the community, all of which will be owned and maintained by the *Fulton Homes at Prasada* Homeowners Association.

Parking

To provide the best access to the proposed park and amenity areas, Fulton Homes is proposing head-in parking spaces adjacent to both of the large park areas. Head-in parking stalls allow for more parking adjacent to the amenities than would be possible parking along the local streets. Head-in parking is compatible with local residential streets with low speeds and drivers being accustomed to cars backing out of driveways into local roads. The proposed parking scenario has been successfully integrated into other Fulton Homes' communities and has proven to be an additional amenity to homeowners.

Pathways & Connectivity

Fulton Homes at Prasada has been designed to promote superior walkability and connectivity consistent with an urban environment feel. To that end, multiple pathways have been provided from the interior of the community out to Waddell Road, Sweetwater Avenue and to the balance of the Prasada Urban Village to the west. Interior to the community a network of sidewalks has been provided to connect residents to the abundance of parks, open space and amenity areas.

Landscaping

Fulton Homes at Prasada will feature 16.30 total acres of landscaped open space. Open space areas will be well landscaped to provide both passive and active use opportunities, visual enjoyment, and buffering and screening from adjacent development and/or transportation facilities.

The landscape theme for *Fulton Homes at Prasada* has been developed to provide the feel of a transition to a more urban environment, consistent with the vision of the Prasada Urban Village. The design intent of the landscaping is to utilize a variety of trees, shrubs, and groundcovers that will provide a sense of formality, along with shade, visual interest, buffering and aesthetic value to the project. Turf will be used adjacent to more passive recreational amenities or in specific active recreation areas. Trees and shrubs will be planted in sizes and quantities that meet or exceed the City's requirements. The location of landscape irrigation systems and future water outlets will be provided during final design and submittal of construction level landscape plans. A full plant palette and landscaping schedule has been provided with the **Preliminary Landscape Design Package** included with this submittal.

4. Walls & Monumentation

Dramatic entry monumentation welcoming visitors and residents to *Fulton Homes at Prasada* will be provided at both entrances to the Property off of Waddell Road and Sweetwater Avenue. The entry monumentation and wall program for *Fulton Homes at Prasada* is consistent and compatible with the rest of the Prasada PAD and implements unifying designs and materials that are easily adaptable for the multi-family and commercial uses that will occupy the balance of the Urban Village in the future.

Fencing and wall design for *Fulton Homes at Prasada*, including location, has been carefully planned to provide the right balance of privacy and an open, urban environment feel, allowing pedestrians and vehicles alike to feel a visual connection to the community's abundant open

spaces. The fencing and wall program includes various theme walls, garden walls, partial view fencing and rail fencing. Theme walls and garden walls will feature split face CMU with smooth CMU banding and a Sonora cap. Primary theme wall columns will additionally feature stone veneer and pre-cast concrete caps. Split rail fencing, featuring tube steel turned at a 45-degree angle, has been implemented in strategic locations to open up the community, creating a more urban feel and providing view corridors into and out of the *Fulton Homes at Prasada*. Wall and fence locations, as well as wall/fence details and proposed materials and colors are provided in the **Preliminary Landscape Design Package** included with this submittal. It should be noted that perimeter theme walls will be 6'-8" in height, with 7'-8" tall columns.

Entry monuments have been designed with great care to create a high-quality community feel so that residents and visitors will know that *Fulton Homes at Prasada* is a special place. Entry monuments will be placed on both sides of the two main entrances into the community from Waddell Road and Sweetwater Avenue, and will feature large sign walls fronted with pavers and turf and large palm trees behind. Each monument area has also been created with built-in seat walls, and a pedestrian pathway node providing connection into and out of the community. Additionally, both entry roads tee into the community's large park amenity areas, creating a dramatic sense of arrival. Details of the entry monuments and entry road treatments are provided in the **Preliminary Landscape Design Package** included with this submittal.

5. Relationship to Surrounding Properties

The requested Preliminary Plat for *Fulton Homes at Prasada* is compatible with the surrounding properties and will not significantly alter the current feel and environment of the surrounding area. The Property is bordered on the north by Waddell Road and the existing "Western Meadows" residential community, which is zoned RL-5 in the City, as well as certain commercial uses on the northwest corner of Waddell and Reems Roads. The Property is bordered on the east by an 80'-wide drainage channel, Reems Road and the existing "Marley Park" residential community, which is zoned PAD in the City, as well as certain commercial uses on the southeast corner of Waddell and Reems Roads. The Property is bordered on the south and west by undeveloped agricultural land that comprises the balance of the future Prasada PAD Urban Village.

6. Location & Accessibility

Fulton Homes at Prasada is located at the southwest corner of Waddell Road and Reems Road, approximately 1 mile east of the Loop 303, accessible via existing interchanges at both Waddell Road and Cactus Road. Primary access to *Fulton Homes at Prasada* will occur via two access points, one from Waddell Road (at 157th Avenue) and one from Reems Road (via Sweetwater Avenue), as more fully explained in Section 7 below.

7. Circulation System

Reems Road

Reems Road adjacent to the Property is a fully improved 5-lane arterial street, with the exception of the sidewalk which will be constructed with *Fulton Homes at Prasada*. All required ROW dedications were previously made to the City. The only additional improvements to Reems Road

required for Fulton Homes at Prasada would be the removal of an existing driveway entrance into the Property, and the potential improvement of the existing right-turn deceleration lane approaching Sweetwater Avenue (if required by the Traffic Impact Analysis).

Waddell Road

Waddell Road adjacent to the Property is a paved 3-lane arterial street, currently being expanded to 5 lanes as part of a City CIP project. With the exception of the sidewalk, which will be constructed with *Fulton Homes at Prasada*, all required improvements to Waddell Road, including the required right-turn deceleration lane approaching 157th Avenue, will be constructed with the City's CIP project.

Access Points & Collector Streets

As indicated above, the Preliminary Plat for *Fulton Homes at Prasada* proposes one point of access from Waddell Road at 157th Avenue, terminating at the Property's northernmost amenity area, and a second point of access from Reems Road via an extension of Sweetwater Avenue to the west along the southern boundary of the Property. Consistent with the existing street section east of Reems Road, Sweetwater Avenue will feature a large landscaped median and wide detached sidewalks creating a walkable urban feel and will provide access into the Property at a large round-about adjacent to the southernmost amenity area. In both cases, a dramatic sense of arrival will be created. Sweetwater Avenue will be constructed as a full street section from Reems Road to the west side of the round-about with *Fulton Homes at Prasada* as a modified Residential Collector Street per City standard detail 3-05, with an enlarged median, sidewalks and adjacent landscape area. An agreement is in place with the Property Owner, who owns the balance of the Prasada Urban Village, to construct the full street section west of the round-about with future development phases of the Urban Village to the west and south of the Property. Notwithstanding the foregoing sentence, there is no completion deadline imposed on the Property Owner to complete the construction of the full street section west of the round-about, and such construction will be addressed as part of future development and in accordance with market conditions.

The internal street network will then provide north-south access and connectivity through the Property, connecting the amenity areas and bringing vehicles past the fronts of the higher density alley-loaded housing product. The guest parking for the alley-loaded product facing this connection road will be accommodated in parallel parking pockets built adjacent to the standard roadway section, in order to allow free flowing traffic from north to south through the Property. Internal streets will be constructed per City standard detail 3-07 with two proposed modified street sections to include parking adjacent to the 28' of asphalt provided in the standard detail. It should be noted that the Preliminary Plat will also provide a local street stub out to the west, in order to facilitate future connectivity to the balance of the Prasada Urban Village, as it is subsequently developed.

In accordance with the approved Prasada PAD, there are several locations where *Fulton Homes at Prasada* utilizes a 40' local street right-of-way. This 40' right-of-way is only planned where the street is unloaded, meaning there are no homes facing the street on either side. Parking will not be allowed on the narrower 40' right-of-way street sections.

8. Community Facilities & Services

Fulton Homes at Prasada is located within the Dysart Unified School District. Elementary and middle school age students within *Fulton Homes at Prasada* are anticipated to attend Sonoran Heights Elementary School, and High School age students are anticipated to attend Shadow Ridge High School.

Fulton Homes at Prasada is located just a few miles east of the White Tanks Regional Park which offers numerous outdoor recreation opportunities.

9. Public Utilities & Services

Water

Fulton Homes at Prasada is located within the existing water service area of EPCOR, and water service will be provided by EPCOR per the terms of the pending Main Line Extension Agreement between EPCOR and Fulton Homes.

Sewer

Fulton Homes at Prasada is located within the City's sewer service area, and sewer service will be provided by the City.

Refuse Collection

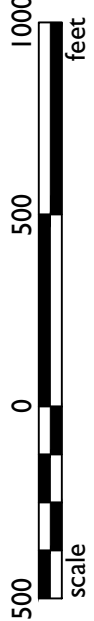
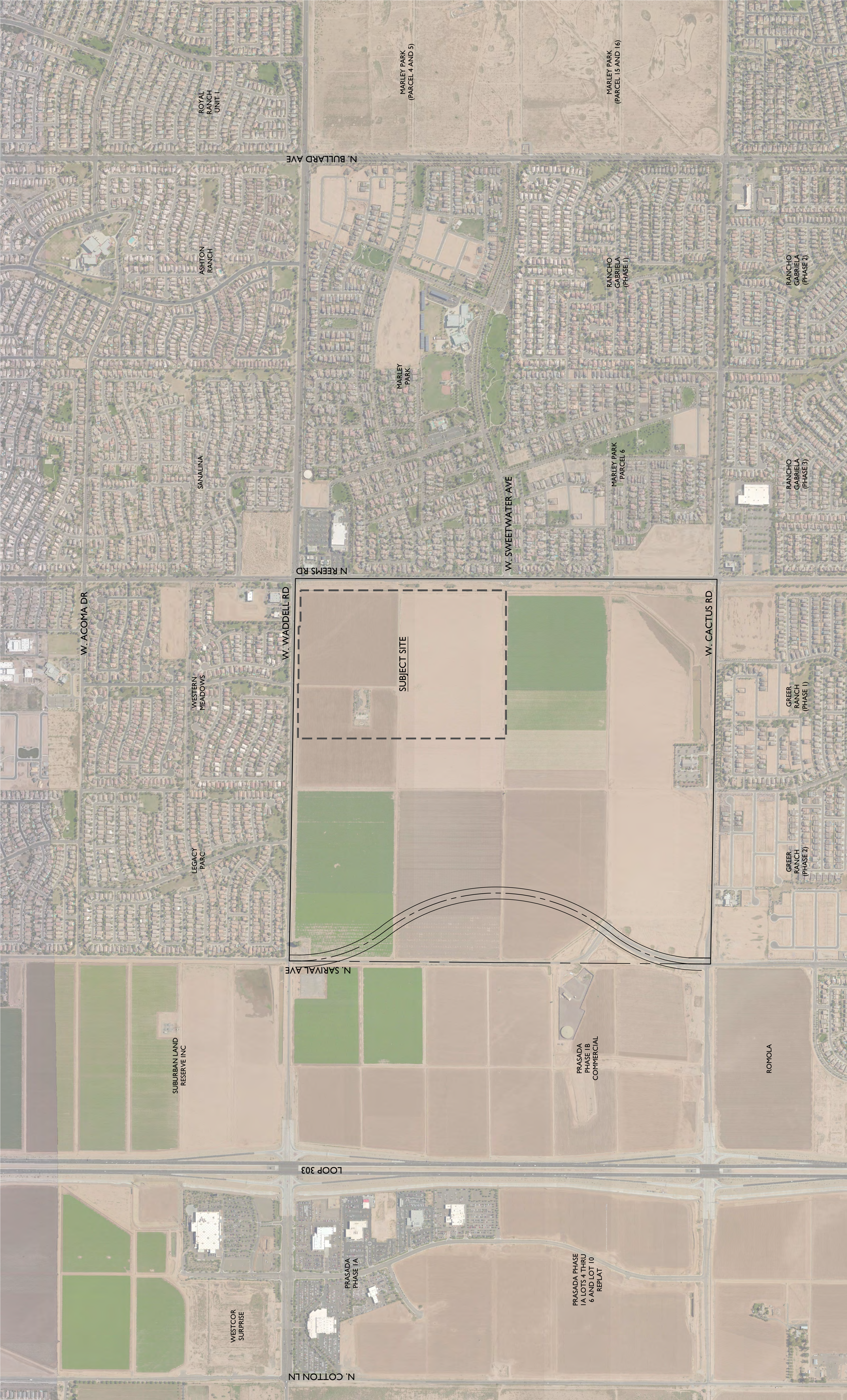
Refuse Collection will be provided by the City.

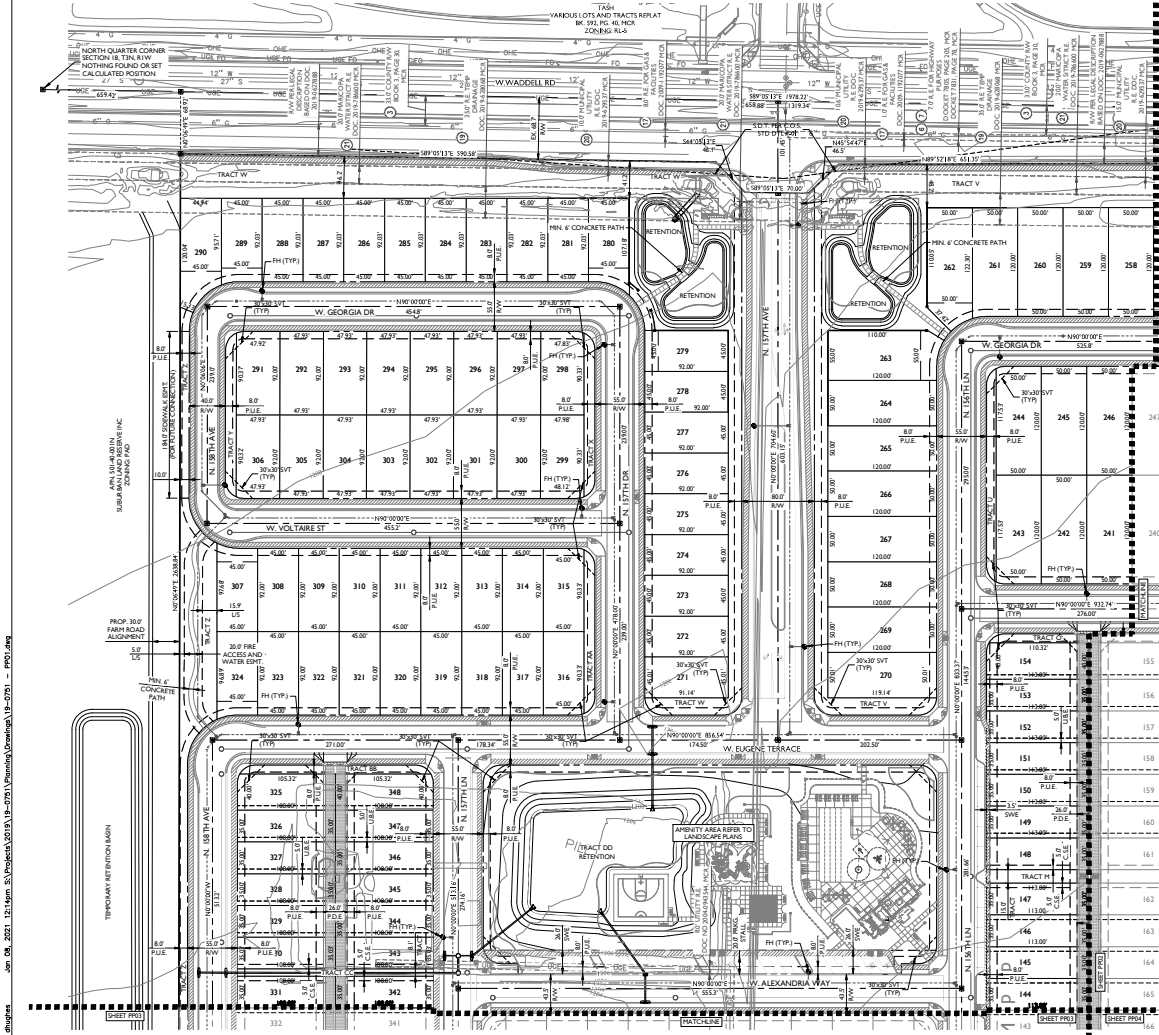
Police & Fire

Police and fire service will be provided by the City.

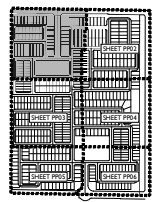
10. Development Schedule & Phasing

Development of the Property will commence upon the City's approval of the Preliminary Plat, Final Plat(s) and associated improvement plans, which is anticipated to occur sometime in early 2021. Home sales are anticipated to begin in 2022, with buildout occurring sometime in 2025. It is anticipated that *Fulton Homes at Prasada* will be developed in multiple, consecutive phases, including a model home phase, to allow for quicker home completion and delivery. Fulton Homes will however seek to grade the entire Property in a single phase.





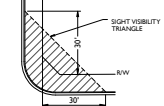
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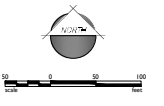
LEGEND

- PRE-HYDRANT
- MANHOLE
- RIGHT-OF-WAY
- P.U.E. PUBLIC UTILITY EASEMENT
- S.V.T. SIGHT VISIBILITY TRIANGLE EASEMENT
- U.E. USE AND BENEFIT EASEMENT
- P.A.E. PRIVATE DRIVEWAY EASEMENT
- P.D.E. PRIVATE DRIVEWAY EASEMENT
- R.E. ROADWAY EASEMENT
- S.W.E. SIDEWALK AND ACCESS EASEMENT
- C.S.E. COMMON SPACE EASEMENT
- PROPERTY BOUNDARY
- STREET CENTRELINE
- STREET RIGHT-OF-WAY
- P.U.E. PUBLIC UTILITY EASEMENT
- SEWER LINE
- WATER LINE
- BRASS CAP/FULLHOLE
- BRASS CAP IN HANDHOLE
- CITY OF SURVEY
- FOUND
- PROPERTY LINE
- REBAR
- SEARCHED FOR, NOTHING FOUND
- OVERHEAD ELECTRIC LINE

CURVE	LENGTH	RADIUS	CHORD	DELTA
C1	54.9'	35.0'	45.5'	01°00'00"
C2	54.9'	35.0'	45.5'	01°00'00"
C3	54.9'	35.0'	45.5'	01°00'00"
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C5	54.9'	35.0'	45.5'	01°00'00"



TYPICAL S.V.T. EASEMENT
LOCAL TO LOCAL STREET
N.T.S.
(PER CITY OF SURVEY ENGINEERING
DESIGN STANDARDS DETAIL 4-02)

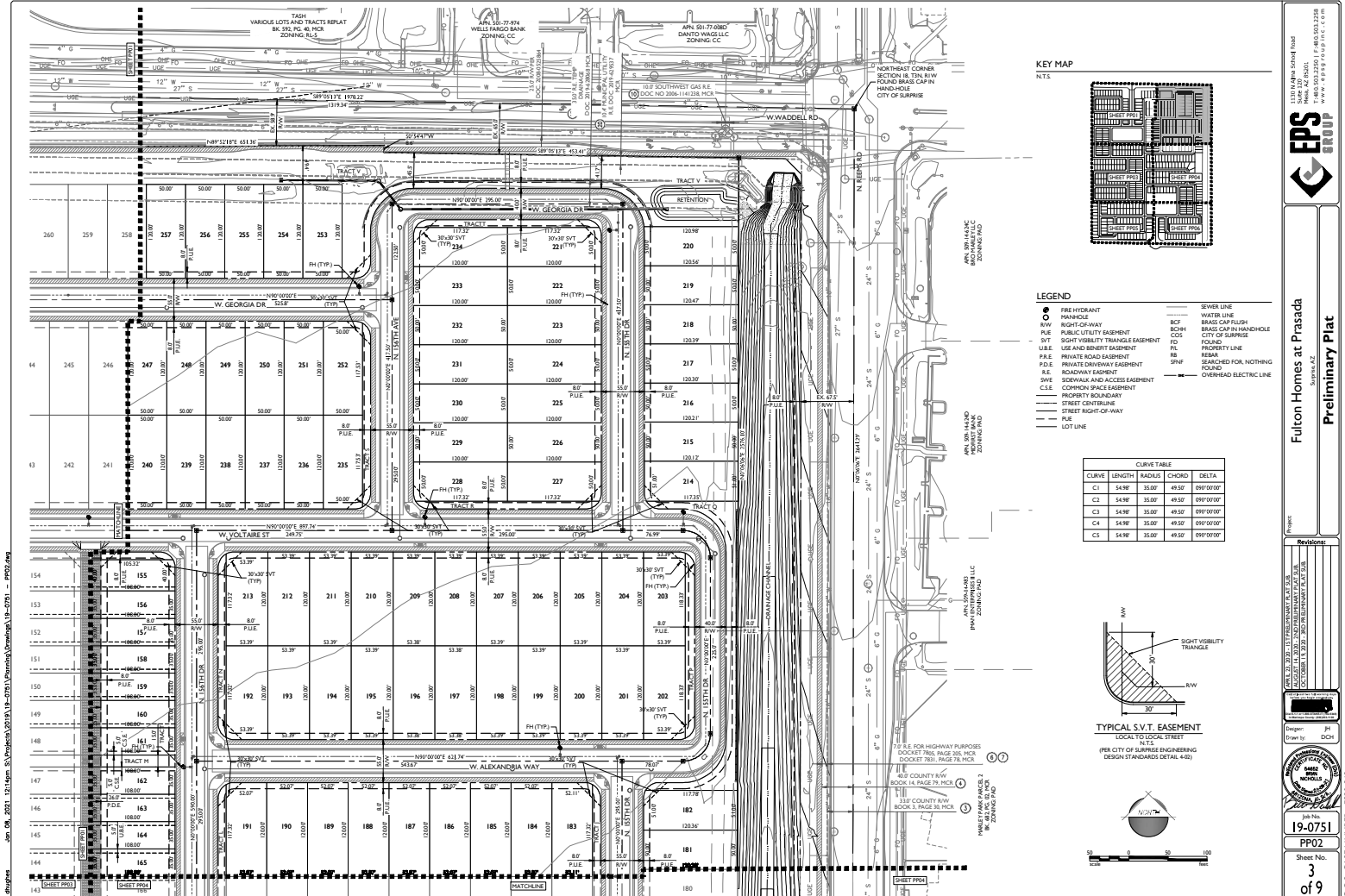


Fulton Homes at Prasada
Preliminary Plat

Project:
19-0751
19-0751
PP01
2
of 9

Case No. 19-0751
PP01
2
of 9

Case No. 19-0751
PP01
2
of 9



KEY MAP
N.T.S.

LEGEND

- PRE-HYDRANT
- MANHOLE
- R/W RIGHT-OF-WAY
- P.U.E. PUBLIC UTILITY EASEMENT
- S.V.T. SIGHT VISIBILITY TRIANGLE EASEMENT
- U.B.E. USE AND BENEFIT EASEMENT
- P.A.E. PRIVATE ROAD EASEMENT
- P.O.E. PRIVATE DRIVEWAY EASEMENT
- R.E. ROADWAY EASEMENT
- S.W.E. SIDEWALK AND ACCESS EASEMENT
- C.S.E. COMMON SPACE EASEMENT
- PROPERTY BOUNDARY
- STREET CENTRELINE
- STREET RIGHT-OF-WAY
- P.U.E. PUBLIC UTILITY EASEMENT
- LOT LINE
- SEWER LINE
- WATER LINE
- B.C.F. BRASS CAP FILLISH
- B.C.H. BRASS CAP IN HANDHOLE
- C.O.S. CITY OF SURPRISE
- F.O. FOUND PROPERTY LINE
- R.B. REBAR SEARCHED FOR, NOTHING FOUND
- S.N.F. OVERHEAD ELECTRIC LINE

CURVE TABLE

CURVE	LENGTH	RADIUS	CHORD	DELTA
C1	54.9'	35.0'	45.5'	01°00'00"
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(PER CITY OF SURPRISE ENGINEERING DESIGN STANDARDS DETAIL 4-02)

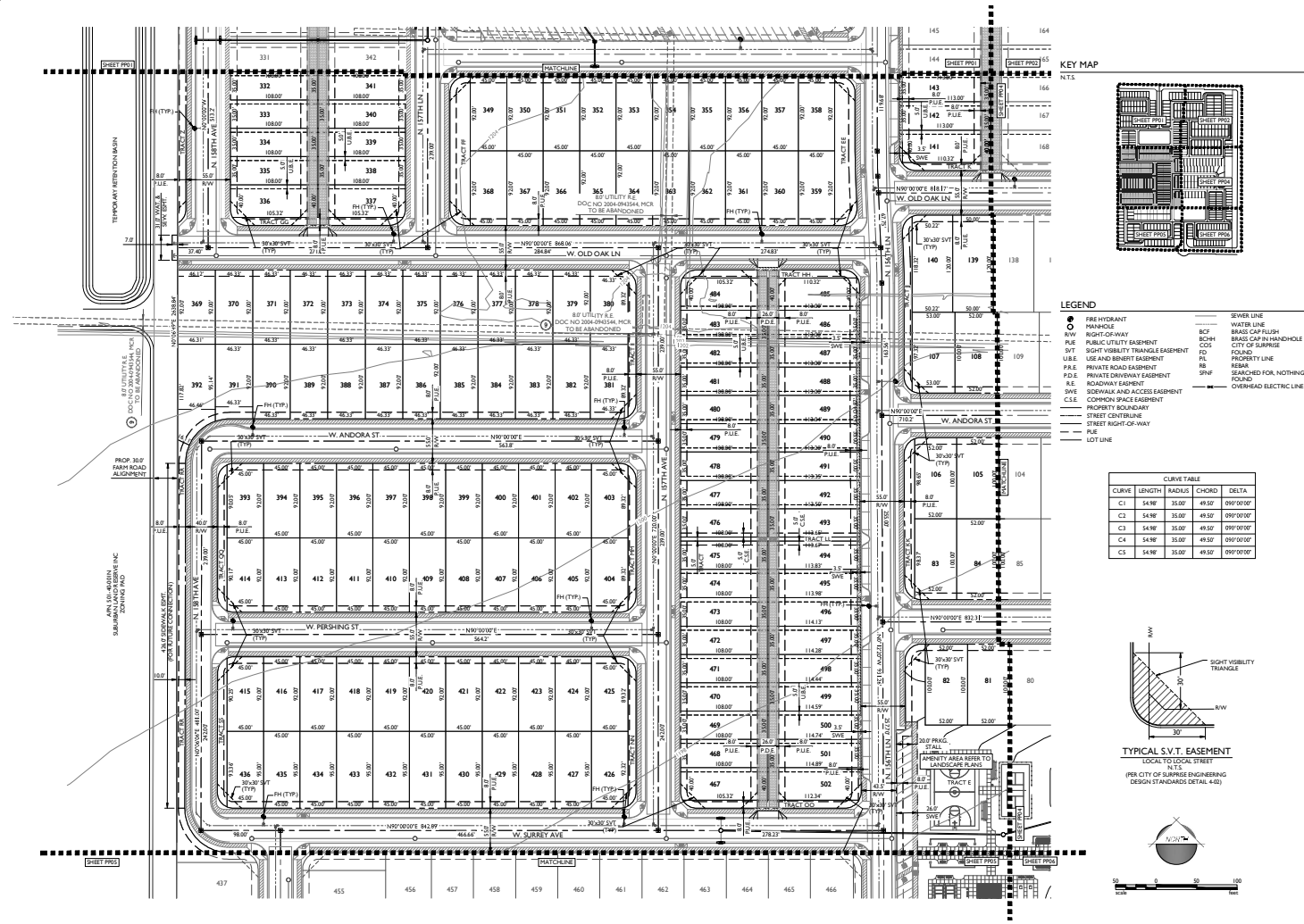
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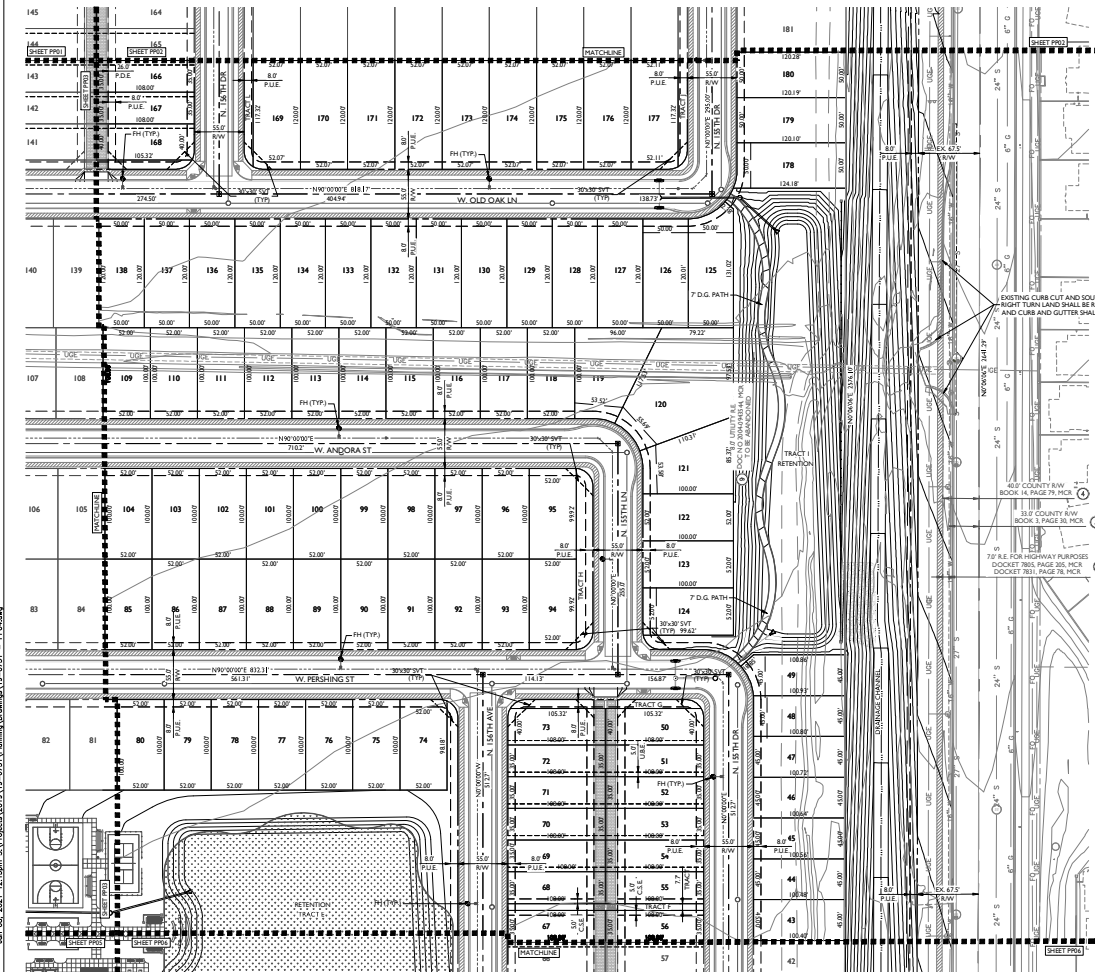
Fulton Homes at Prasad
Preliminary Plat

Project: 19-0751
Revision: 1
Date: 01/08/2021
Drawn by: JF
Checked by: JF
Reviewed by: JF

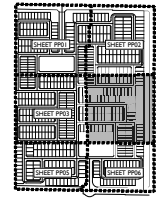
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Sheet No. PP02
3 of 9

C.O.S. CASE NUMBER: F320-353





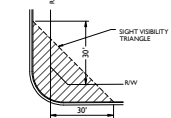
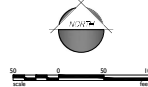
KEY MAP



LEGEND

- FIRE HYDRANT
- MANHOLE
- B.V. RIGHT-OF-WAY
- P.U.E. PUBLIC UTILITY EASEMENT
- S.V.T. SIGHT VISIBILITY TRIANGLE EASEMENT
- U.B.E. USE AND BENEFIT EASEMENT
- P.A.E. PRIVATE ROAD EASEMENT
- P.D.E. PRIVATE DRIVEWAY EASEMENT
- S.W.E. SIDEWALK AND ACCESS EASEMENT
- C.S.E. COMMON SPACE EASEMENT
- — — PROPERTY BOUNDARY
- — — STREET CENTRELINE
- — — STREET RIGHT-OF-WAY
- — — P.U.E.
- — — LOT LINE
- — — SEWER LINE
- — — WATER LINE
- — — BRASS CAP FILLHOLE
- — — BRASS CAP IN HANDHOLE
- — — CITY OF SURPRISE
- — — FOUND
- — — PREVIOUS LINE
- — — REBAR
- — — SEARCHED FOR, NOTHING FOUND
- — — OVERHEAD ELECTRIC LINE

CURVE TABLE				
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TYPICAL S.V.T. EASEMENT
LOCAL TO LOCAL STREET
N.T.S.
(PER CITY OF SURPRISE ENGINEERING
DESIGN STANDARDS DETAIL 4-02)

Fulton Homes at Prasad

Preliminary Plat

Project

Revision

Date

By

Check

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Scale

Sheet

Job No.

19-0751

PP04

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of 9

C.O.S. CASE NUMBER: F320-353

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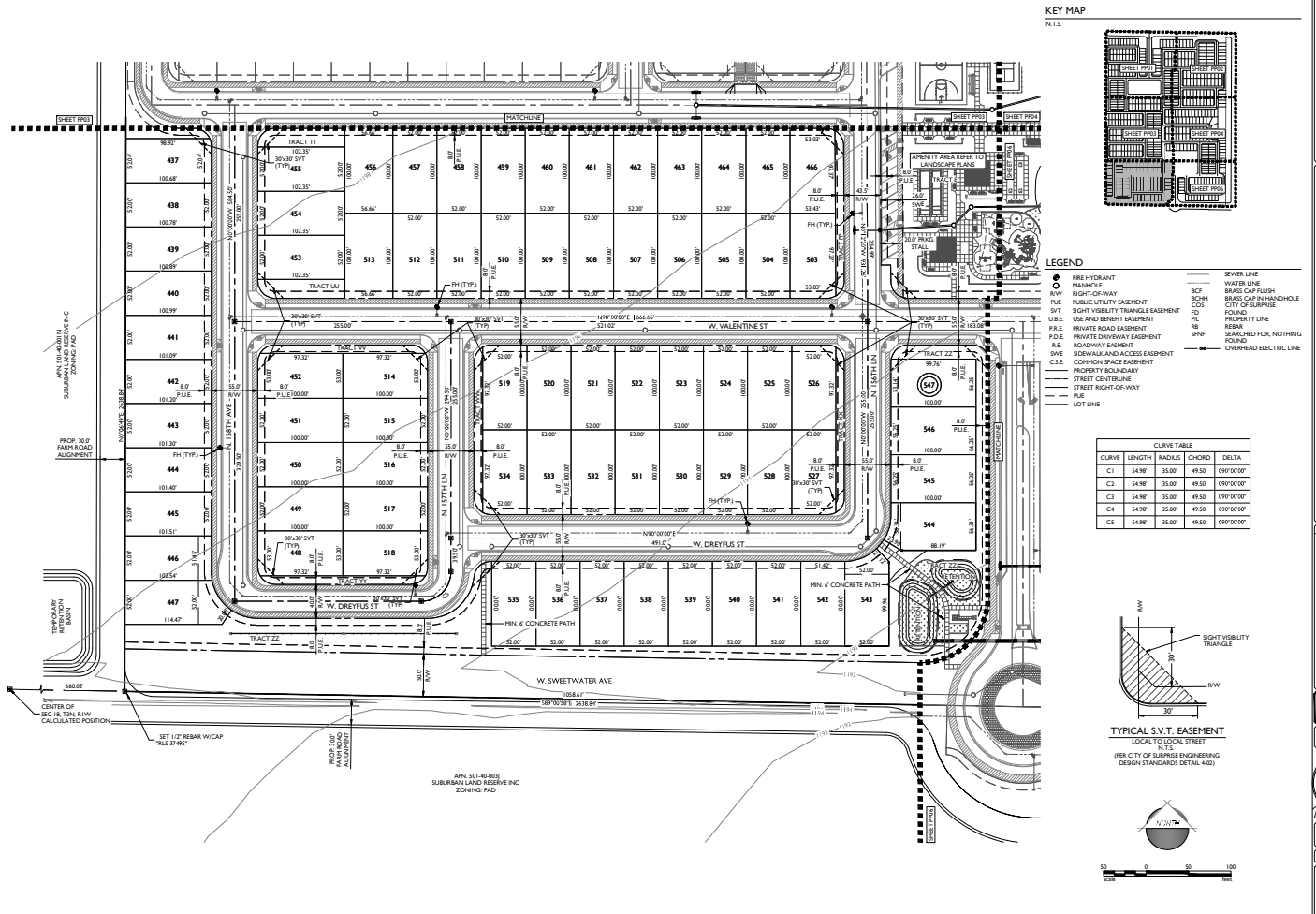
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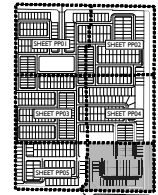
13754 Hwy 104, Unit 104
St. Catharines, ON L2R 6K7
Tel: 905.503.2250 | Fax: 905.503.2258
www.eppsgroupinc.com

Fulton Homes at Prasad
Preliminary Plat

Project: 19-0751
Revision: 1
Date: 08/24/21
By: JF
Check: JF
Scale: 1" = 100'

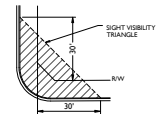
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Sheet No: PP05
6 of 9

C.O.S. CASE NUMBER: F320-353



- | LEGEND | | | SEWER LINE |
|--------|------------------------------|-------|-----------------------------|
| ○ | FIRE HYDRANT | ----- | WATER LINE |
| ○ | MANHOLE | ----- | BRASS CAP PUSH |
| P | RIGHT-OF-WAY | ----- | BRASS CAP IN MANHOLE |
| N | POLE | BOCH | ○ |
| ○ | PUBLIC UTILITY EASEMENT | CCS | ○ |
| SVT | RIGHT-WAY TRIANGLE EASEMENT | FO | FOUND |
| U.B.E. | UNDER-SIDEWAY EASEMENT | FL | FOURRY LINE |
| P.G.T. | PRIVATE ROAD EASEMENT | RB | REBAR |
| P.D.E. | PRIVATE DRIVEWAY EASEMENT | SPN | SEARCHED FOR, NOTHING FOUND |
| ○ | ACQUAINTANCE | ----- | OVERHEAD ELECTRIC LINE |
| SWE | SIDEWALK AND ACCESS EASEMENT | ----- | |
| C.L.E. | CORPORAL SPACE EASEMENT | ----- | |
| ○ | PROBITY LOCALITY | ----- | |
| ----- | STREET CENTRINE | ----- | |
| ----- | STREET RIGHT-OF-WAY | ----- | |
| ----- | PUB | ----- | |
| ----- | LOT LINE | ----- | |

CURVE TABLE				
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TYPICAL S.V.T. EASEMENT
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(PER CITY OF SURPRISE ENGINEERING
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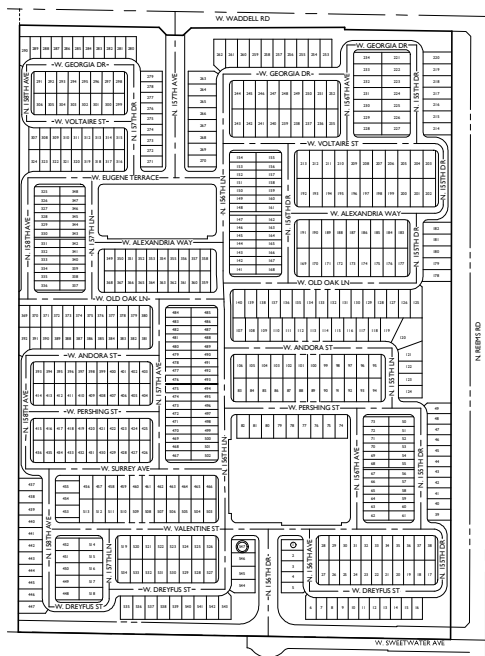
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19	4680.00	3	39	4167.07	B	59	3780.00	A	79	5280.00	D	99	5280.00	D	119	5280.00	D	139	4600.00	C	159	3780.00	A	179	4057.11	D
20	4680.00	3	40	4559.18	B	60	3780.00	A	80	5280.00	D	100	5280.00	D	120	12547.15	D	140	4021.98	C	160	3780.00	A	180	6011.55	D

Lot Table																					
Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category	
221	3991.32	D 341	6000.00	D 261	6811.18	D 281	6141.47	B 301	4008.57	B 321	4140.00	B 341	3780.00	A 361	4140.00	B 381	4251.96	B 401	4140.00	B 421	4140.00
222	6000.00	D 242	6000.00	D 262	6271.82	D 282	6141.47	B 302	4008.57	B 322	4140.00	B 342	3780.00	A 362	4140.00	B 382	4251.96	B 402	4140.00	B 422	4140.00
223	6000.00	D 243	5992.29	D 263	6663.50	D 283	6141.47	B 303	4008.57	B 323	4140.00	B 343	3783.44	A 363	4140.00	B 383	4251.96	B 403	4131.32	B 423	4140.00
224	6000.00	D 244	5992.24	D 264	6663.50	D 284	6141.47	B 304	4008.57	B 324	4172.32	B 344	3783.44	A 364	4140.00	B 384	4261.64	B 404	4014.312	B 424	4140.00
225	6000.00	D 245	6000.00	D 265	6000.00	D 285	6141.47	B 305	4008.57	B 325	4311.32	A 345	3780.00	A 365	4140.00	B 385	4251.96	B 405	4140.00	B 425	4311.32
226	6000.00	D 246	6000.00	D 266	6000.00	D 286	6141.47	B 306	4008.57	B 326	4008.57	A 346	3780.00	A 366	4140.00	B 386	4251.96	B 406	4140.00	B 426	4008.57
227	6000.00	D 247	6000.00	D 267	6000.00	D 287	6141.47	B 307	4008.57	B 327	4140.00	A 347	3780.00	A 367	4140.00	B 387	4251.96	B 407	4140.00	B 427	4008.57
228	3991.32	D 248	6000.00	D 268	6000.00	D 288	6141.47	B 308	4008.57	B 328	3780.00	A 348	4311.32	A 368	4140.00	B 388	4251.96	B 408	4140.00	B 428	4275.00
229	6000.00	D 249	6000.00	D 269	6000.00	D 289	6163.36	B 309	4140.00	B 329	3780.00	A 349	4140.00	B 369	4251.87	B 389	4261.64	B 409	4140.00	B 429	4275.00
230	6000.00	D 250	6000.00	D 270	6000.00	D 290	5035.64	B 310	4140.00	B 330	3783.44	A 350	4140.00	B 370	4262.84	B 390	4263.04	B 410	4140.00	B 430	4275.00
231	6000.00	D 251	6000.00	D 271	6145.35	B 291	4008.57	B 311	4008.57	B 331	4008.57	A 351	4140.00	B 371	4262.84	B 391	4261.64	B 411	4140.00	B 431	4275.00
232	6000.00	D 252	5992.29	D 272	6140.00	B 292	4008.57	B 312	4008.57	B 332	3780.00	A 352	4140.00	B 372	4262.84	B 392	5133.30	B 412	4140.00	B 432	4275.00
233	6000.00	D 253	6000.00	D 273	6140.00	B 293	4008.57	B 313	4008.57	B 333	4140.00	A 353	4140.00	B 373	4262.84	B 393	4132.82	B 413	4140.00	B 433	4275.00
234	3991.32	D 254	6000.00	D 274	6140.00	B 294	4008.57	B 314	4008.57	B 334	3780.00	A 354	4140.00	B 374	4262.84	B 394	4140.00	B 414	4135.80	B 434	4275.00
235	5992.29	D 255	6000.00	D 275	6140.00	B 295	4008.57	B 315	4135.82	A 335	3780.00	A 355	4140.00	B 375	4262.84	B 395	4140.00	B 415	4135.81	B 435	4275.00
236	6000.00	D 256	6000.00	D 276	6140.00	B 296	4008.57	B 316	4135.82	A 336	4311.32	A 356	4140.00	B 376	4262.84	B 396	4140.00	B 416	4140.00	B 436	4275.00
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238	6000.00	D 258	6000.00	D 278	6140.00	B 298	4262.15	B 318	4140.00	B 338	3780.00	A 358	4140.00	B 378	4262.84	B 398	4140.00	B 418	4140.00	B 438	4238.12
239	6000.00	D 259	6000.00	D 279	6140.00	B 299	4177.17	B 319	4140.00	B 339	4140.00	A 359	4140.00	B 379	4262.84	B 399	4140.00	B 419	4140.00	B 439	4243.48
240	6000.00	D 260	6000.00	D 280	4529.95	B 320	4409.57	B 320	4409.57	A 340	3780.00	A 360	4140.00	B 380	4251.96	A 400	4140.00	D 420	4140.00	B 440	3248.85

Lot #	Lot Area										Lot Label									
	Area	Category	Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category	Lot #	Area	Category
441	5254.21	D	461	5200.18	D	481	3780.00	A	501	4910.58	A	521	5200.00	D	541	5200.00	D	561	5200.00	D
442	5259.57	D	462	5200.18	D	482	3780.00	A	502	4910.58	A	522	5200.00	D	542	5200.00	D	562	5200.00	D
443	5264.93	D	463	5200.18	D	483	3780.00	A	503	4910.58	A	523	5200.00	D	543	5200.00	D	563	5200.00	D
444	5270.29	D	464	5200.18	D	484	4111.32	A	504	5366.14	D	524	5200.00	D	544	5200.00	D	564	5200.00	D
445	5275.65	D	465	5200.18	D	485	4111.32	A	505	5366.14	D	525	5200.00	D	545	5200.00	D	565	5200.00	D
446	5281.02	D	466	5114.45	D	486	3955.00	A	506	5199.82	D	526	5193.22	D	546	5200.00	D	566	5200.00	D
447	5281.33	D	467	4111.32	A	487	3955.00	A	507	5199.82	D	527	5193.22	D	547	5200.00	D	567	5200.00	D
448	5291.32	D	468	3780.00	A	488	3955.00	A	508	5199.82	D	528	5200.00	D						
449	5291.32	D	469	3780.00	A	489	3955.22	A	509	5199.82	D	529	5200.00	D						
450	5300.00	D	470	3780.00	A	490	3959.22	A	510	5199.82	D	530	5200.00	D						
451	5300.00	D	471	3780.00	A	491	3964.53	A	511	5199.82	D	531	5200.00	D						
452	5291.32	D	472	3780.00	A	492	3969.86	A	512	5199.82	D	532	5200.00	D						
453	5322.17	D	473	3780.00	A	493	3975.19	A	513	5665.89	D	533	5200.00	D						
454	5322.17	D	474	3780.00	A	494	3981.28	D	514	5291.32	D	534	5191.32	D						
455	5322.17	D	475	3780.00	A	495	3986.61	A	515	5200.00	D	535	5200.00	D						
456	5666.29	D	476	3780.00	A	496	3991.94	A	516	5200.00	D	536	5200.00	D						
457	5280.18	D	477	3780.00	A	497	3997.27	A	517	5200.00	D	537	5200.00	D						
458	5280.18	D	478	3780.00	A	498	4002.59	A	518	5291.32	D	538	5200.00	D						
459	5300.18	D	479	3780.00	A	499	4007.92	A	519	5391.32	D	539	5200.00	D						
460	5300.18	D	480	3780.00	A	500	4013.25	A	520	5191.32	D	540	5200.00	D						

TOTAL: 646,844.74 SF

KEY MAP



Fulton Homes at Prasada

Surprise, Arizona



Preliminary Landscape Design Package

April 23, 2020

Resubmitted: August 13, 2020

October 20, 2020

November 24, 2020

DEVELOPER:

FULTON HOMES

9140 S. Kyrene Road, Suite 202
Tempe, AZ 85284
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NNicholls@fultonhomes.com

LANDSCAPE ARCHITECT:

EPS GROUP, INC.

1130 N. Alma School Road, Suite 120
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Contact: Aliza Sabin, RLA LEED AP
Aliza.Sabin@epsgroupinc.com

PLANNER:

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Contact: Josh Hannon
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CIVIL ENGINEER:

EPS GROUP, INC.

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Brian.Nicholls@epsgroupinc.com

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<u>DEVELOPER:</u> FULTON HOMES 9140 S. KYRIENE RD., SUITE 202 TEMPE, AZ 85281 TEL: (480) 751-4789 CONTACT: NORM NICHOLLS	<u>ENGINEER:</u> EPS GROUP, INC. 1130 N. ALMA SCHOOL, SUITE 120 MESA, AZ 85201 TEL: (480) 502-2250 CONTACT: BRIAN NICHOLLS
<u>LANDSCAPE ARCHITECT:</u> EPS GROUP, INC. 1130 N. ALMA SCHOOL, SUITE 120 MESA, AZ 85201 TEL: (480) 502-2250 CONTACT: ALIZA SARIN, RLA	<u>PLANNER:</u> EPS GROUP, INC. 1130 N. ALMA SCHOOL, SUITE 120 MESA, AZ 85201 TEL: (480) 502-2250 CONTACT: JOSH MANNON

GROSS AREA:		46.10% AC
NET RESIDENTIAL AREA:		47.77 AC (LOT AREA & OPEN SPACE TRACTS)
LOT SIZES:		
35' x 108' (A)		112
45' x 92' (B)		118
50' x 120' (C)		118
57' x 100' (D)		136
TOTAL		587
GROSS DENSITY: 4.93 DU/AC		
OPEN SPACE: 16.91 AC		
22% OF NET RESIDENTIAL AREA		
TURF AREA:		166.032 SF (0.81 AC) (22.53% OF OPEN SPACE)

1 ENTRY MONUMENT	5 RAMADA
2 ENTRY TOWER	6 SPORT COURTS
3 POOL AMENITY	7 TURF / RETENTION BASIN
4 TOT LOT	8 RETENTION BASIN
	9 EMERGENCY ACCESS / PEDESTRIAN PATH

SYMBOL	SCIENTIFIC NAME	COMMON NAME	SIZE
TREES			
	<i>Acacia aneura</i>	Mallee	24' Box
	<i>Acacia saligna</i>	Willow Acacia	24' Box
	<i>Conodaphne confertifolia 'Smoothie'</i>	Thornless Conodaphne	36" Box
	<i>Croton tashiroanus 'Pink Dwarf'</i>	Onagris	36" Box
	<i>Phoraea dyckiana</i>	Date Palm	10' Matched
	<i>Elaeagnus argentea 'Swan Hill'</i>	'Swan Hill' Olive	36" Box
	<i>Persea arbutifolia 'Sonoran Emerald'</i>	Sonoran Emerald Palo Verde	24" Box
	<i>Persea edulis</i>	Manchine Pine	24" Box
	<i>Prunus 'X' Palm</i>	Red Palm Peach	24" Box
	<i>Thrinacos hybrid 'Phoenix'</i>	Thornless Palmetto	36" Box
	<i>Quercus virginiana</i>	Live Oak	24" Box
	<i>Ulmus parvifolia</i>	Chinese Elm/Broom Elm	24" Box

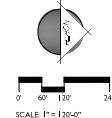
SHRUBS/ACCENTS	COMMON NAME	SIZE
Bougainvillea	La Jolla Bougainvillea	5' - 6'
Ceanothus	Red Bird of Paradise	5' - 6'
Callitriche	Black Elderberry	5' - 6'
Celastrus (Lemon Jello)	Lemon Jello	5' - 6'
Celastrus (Silver Gold)	Silver Gold Elder	1' - 6'
Eremophila (Pink) / Correa (Wheat)	Wheat 'Haze' / Euc. Bush	5' - 6'
Eremophila (Hyacinth) 'Blue Bell'	Blue Bell	5' - 6'
Geanium (Hearts)	San Marcos Hibiscus	5' - 6'
Geanium (Pink)	Good Neighbor	5' - 6'
Hesperis (Purple) 'Stralight'	Brilliant Red Lucca	5' - 6'
Hesperis (Darker Red)	Darker Red Lucca	5' - 6'
Leucosiphon (Lavender) 'Was Bros'	Was Bros Sage	5' - 6'
Leucosiphon (Lavender) 'Thunder Cloud'	Thunder Cloud Sage	5' - 6'
Hibiscus (Pink) 'Rag Red'	Rag Red Hibiscus	5' - 6'
Hibiscus (Pink) 'Asian Gold'	Asian Gold Hibiscus	5' - 6'
Hibiscus (Purple)	Deep Grass	5' - 6'
Mussa (Cinnamon) 'Campus'	Dwarf Myrtle	5' - 6'
Nerium (Lavender) 'Pete's Pink'	Dwarf Pink Oleander	5' - 6'
Persea (Orange)	Perry Persea	5' - 6'
Ruellia (Purple)	Dark Ruellia	5' - 6'
Ruellia (Pink)	Desert Cassia	5' - 6'
Sarcocolla	Savino Espinosa	5' - 6'
Tecomela (Sunset)		

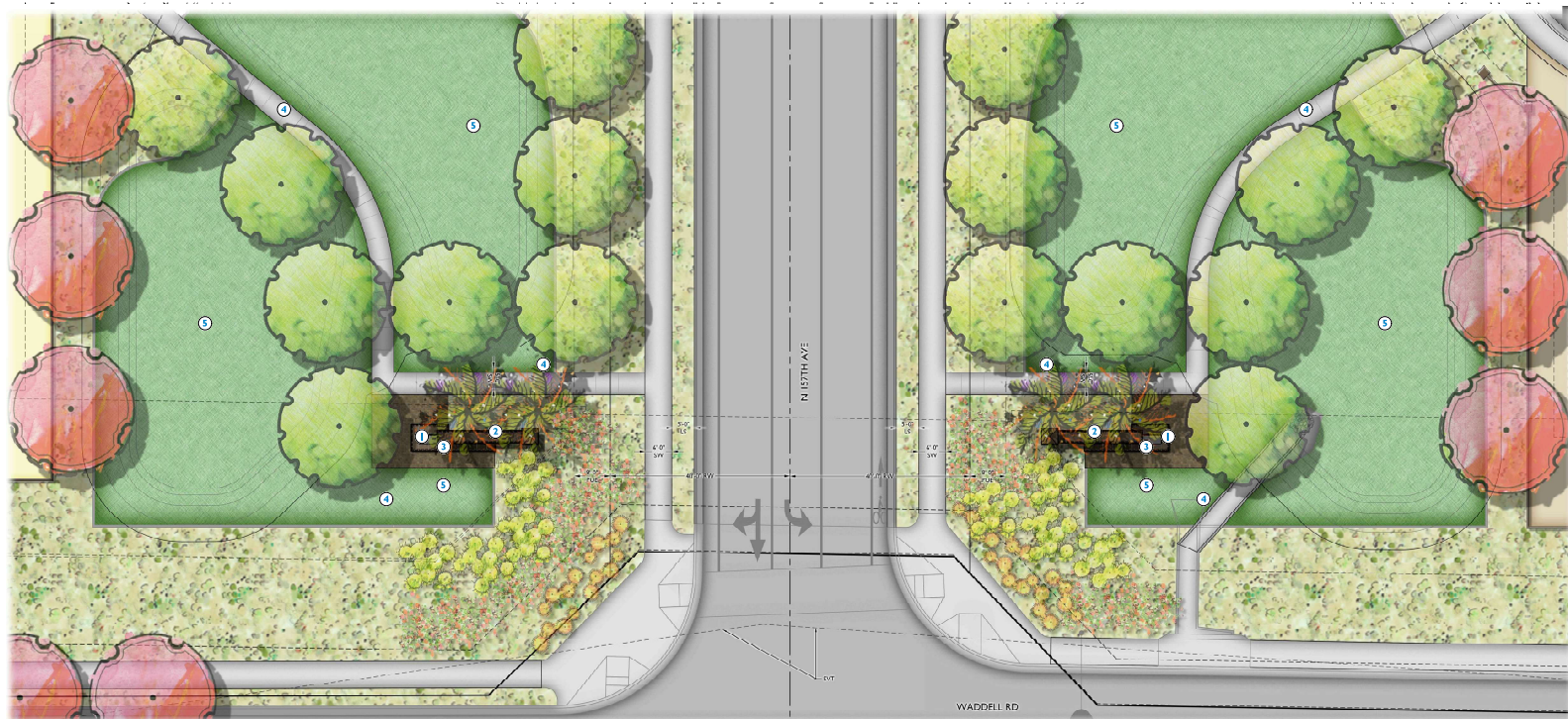
GROUNDCOVERS	COMMON NAME	SIZE
	<i>Conoclinium coelestinum</i>	Bush Morning Glory 1 Gal
	<i>Eremophila prostrata</i> 'Outback Sunrise'	'Outback Sunrise' 1 Gal
	<i>Lantana montevidensis</i>	Trailing Purple Lantana 1 Gal
	<i>Lantana</i> x 'New Gold'	New Gold Lantana 1 Gal
	<i>Rosmarinus officinalis</i> 'Huntington Carpet'	Trailing Rosemary 1 Gal

TURF & INERT MATERIALS			
	Cynodon dactylon 'Midran'	Midran™	Sod
	3/4" Screened Decomposed Granite Desert Brown or Equal, 2" Depth Min. (See Materials Legend)		

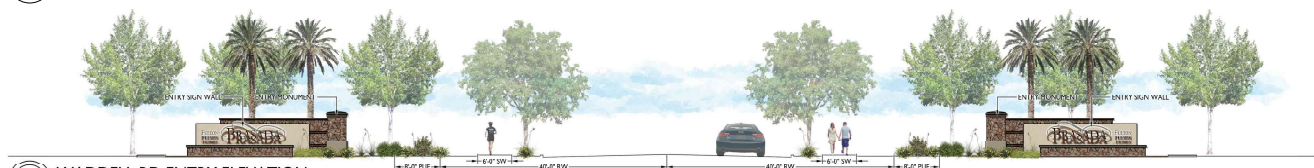
NOTES

1. RIGHT-OF-WAY WITHIN THE UNOBTSTRUCTED NEW EASEMENT AREA AND IN FRONT OF STOP SIGNS MUST MEET OR EXCEED REQUIREMENTS IN SURPRISE DETAILS 4-21 AND 4-22.
2. FIVE HYDRANTS (IRIGATION WATER METER, BACKFLOW PREVENTER, VALVES, AND HYDRANT) EQUIPMENT AND PAVEMENT WILL BE DESIGNED TO CITY OF SURPRISE STANDARDS AND SUBMITTED FOR CITY APPROVAL DURING THE CONSTRUCTION DOCUMENT PHASE.
3. TRENCH LOCATED BETWEEN SIDEWALK AND CURB MUST BE INSTALLED WITH A ROOT BARRIER FOR CITY OF SURPRISE DETAIL 8-14.
4. PAVEMENT IN THE RIGHT-OF-WAY WILL BE MAINTAINED BY HOA.
5. ALL PEDESTRIAN PATH WILL BE 6' MIN.





1 WADDELL RD ENTRY PLAN
Scale: 1" = 10'-0"



2 WADDELL RD ENTRY ELEVATION
Scale: 1/8" = 1'-0"

KEYNOTES

- ① ENTRY MONUMENT
- ② ENTRY SIGN WALL
- ③ ENTRY DECORATIVE PAVER
- ④ 6" CONCRETE PATH
- ⑤ TURF



Fulton Homes at Prasada

Surprise, AZ

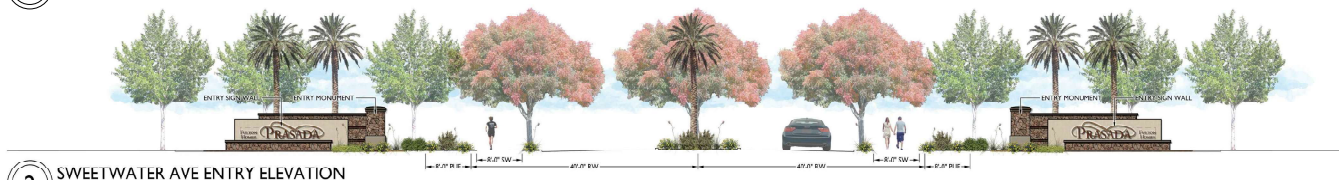
Entry Enlargement Plan - Waddell Rd

L-0.02A
11.24.2020





1 SWEETWATER AVE ENTRY PLAN
Scale: 1" = 10'-0"

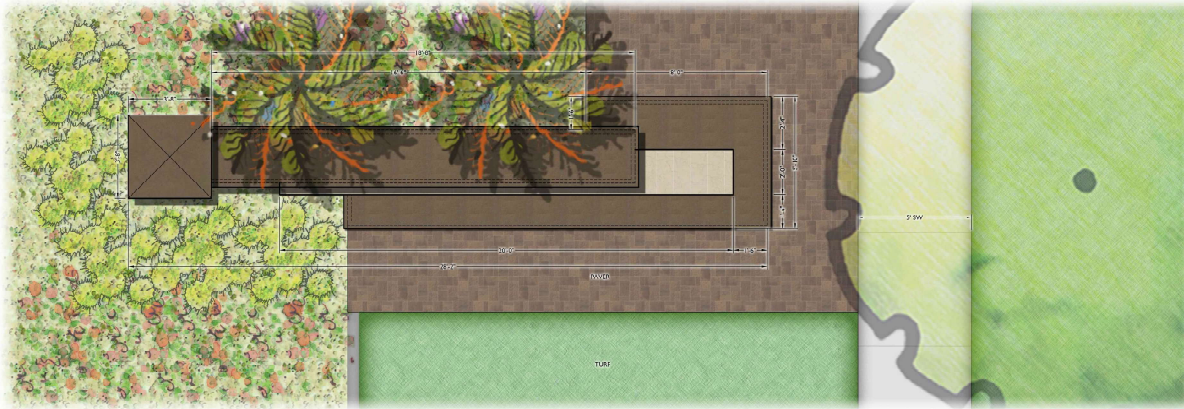


2 SWEETWATER AVE ENTRY ELEVATION
Scale: 1" = 10'-0"

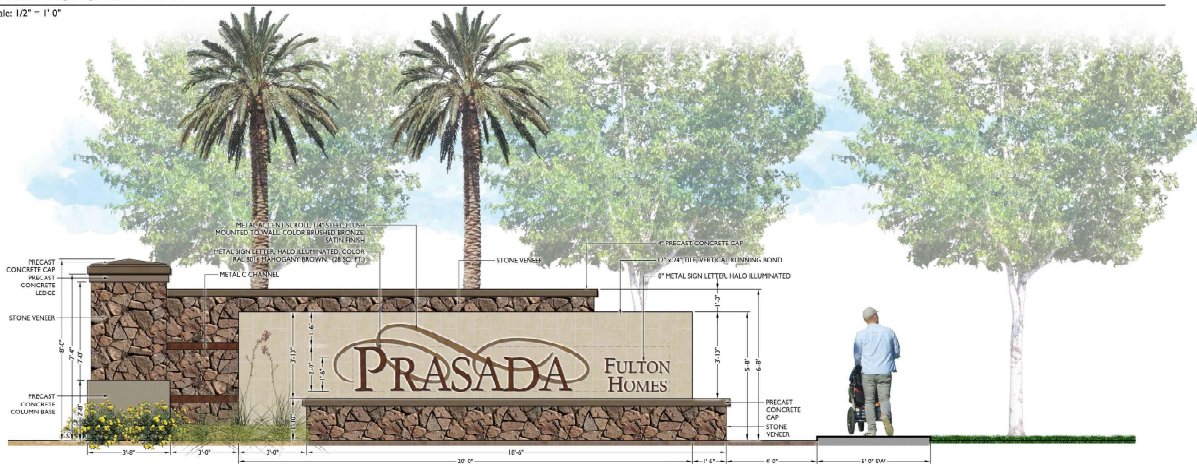
KEYNOTES

- ① ENTRY MONUMENT
- ② ENTRY SIGN WALL
- ③ ENTRY DECORATIVE PAVER
- ④ 6" CONCRETE PATH
- ⑤ TURF
- ⑥ VEHICULAR PAVEMENT
- ⑦ ENTRY MEDIAN





1 ENTRY MONUMENT PLAN
Scale: 1/2" = 1'-0"



2 ENTRY MONUMENT ELEVATION
Scale: 1/2" = 1'-0"

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Surprise, AZ

Entry Monument

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11/24/2020

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Surprise, AZ

Entry Monument Perspective

L-0.02D
11.24.2020



11/24/2020

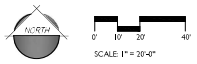
- 1 POOL AMENITIES
- 2 POOL BUILDING
- 3 POOL EQUIPMENT
- 4 POOL RAMADA
- 5 POOL ENTRY

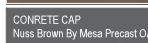
1 POOL AMENITY	6 TURF / RETENTION BASIN	11 HALF BASKETBALL
2 POOL BUILDING	7 CHASE LOUNGE CHAIR	12 LANDSCAPE BENCH
3 POOL EQUIPMENT	8 TABLES & CHAIRS	13 GARDEN WALL
4 POOL RAMADA	9 30' x 30' RAMADA	14 BKE RACK
5 POOL ENTRY	10 TOT LOT	15 BBQ GRILL

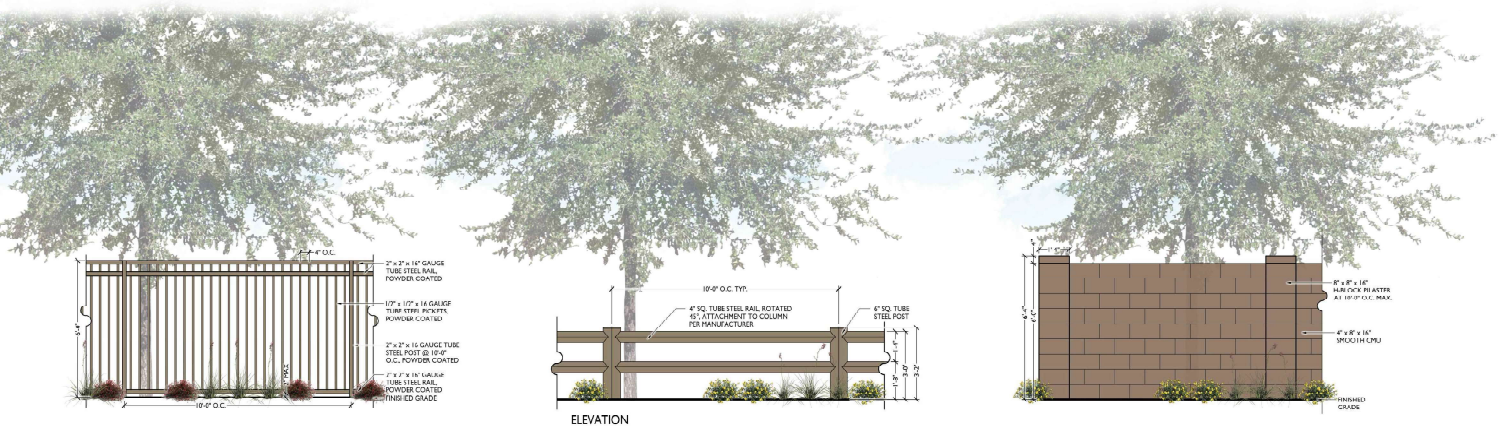
SYMBOL	SCIENTIFIC NAME	COMMON NAME	SIZE
	<i>Acacia saligna</i>	Pulpa	24" Box
	<i>Acacia saligna</i>	Willow Acacia	24" Box
	<i>Cordia alliodora</i> "Smoothie"	Thompson Cordone	36" Box
	<i>Cordia alliodora</i> "Pink Dandel"	Cordoba	36" Box
	<i>Phoenix dactylifera</i>	Date Palm	20' Planted
	<i>Elaeagnus argentea</i>	"Satin Hill Olive"	36" Box
	<i>Persea indica</i> "Sourwood Indica"	Sourwood Emerald Palm Verde	24" Box
	<i>Palm edulis</i>	Mondel Pine	24" Box
	<i>Phoenix X Palm Paly</i>	Red Palm Pinacade	24" Box
	<i>Phoenix hybrid "Phoenix"</i>	Thompson Phoenix	36" Box
	<i>Quercus virginiana</i>	Live Oak	36" Box
	<i>Pinus palustris</i>	Catahoula Evergreen Palm	24" Box

SHRUBS/ACCENTS		COMMON NAME	SIZE
	Bougainvillea	Yo-yoi Bougainvillea	1-10 ft
	Cassipouira puberula	Red Bird of Paradise	5-10 ft
	Calliandra callicarpa	Red Party Candles	1-10 ft
	Cordyline allamanda 'Little Jewel'	Little Jade	1-10 ft
	Dallas copper 'Texas Gold'	Texas Gold Dallas	1-10 ft
	Dallas copper 'Texas Gold' Variegated	Variegated Texas Gold Dallas	1-10 ft
	Eriogonum fasciculatum 'Snow Ball'	Snow Ball	1-10 ft
	Garrya heterophylla	San Marcos Hibiscus	5-10 ft
	Hesperaloe parviflora	Red Hesperaloe	5-10 ft
	Hesperaloe parviflora 'Red Knight'	Red Knight Red Tassels	5-10 ft
	Lonicera x Dallas Red	Dallas Red Lonicera	5-10 ft
	Lonicera x 'Lagavigne Snow Ball'	Snow Ball Lonicera	5-10 ft
	Lonicera x 'Lagavigne Thunder Cloud'	Thunder Cloud Lonicera	5-10 ft
	Muhlenbergia capillaris 'Rapid Fire'	Rapid Fire Muhly	5-10 ft
	Muhlenbergia capillaris 'Autumn Glow'	'Autumn Glow' Muhly	5-10 ft
	Muhlenbergia x 'Comet'	Comet Grass	5-10 ft
	Myrica carolinensis 'Gargantuan'	Dwarf Myrica	5-10 ft
	Nolina 'Dwarf Palm Tree'	Dwarf Palm Tree	5-10 ft
	Pennantia paludosa	Purple Pennantia	5-10 ft
	Ruellia brittaniana	Purple Ruellia	5-10 ft
	Ruellia brittaniana	Desert Ruellia	5-10 ft
	Senecio nemoralis	Desert Senecio	5-10 ft
	Senecio nemoralis	Senecio nemoralis	5-10 ft
	Senecio nemoralis	Senecio nemoralis	5-10 ft
GROUND COVERS		COMMON NAME	SIZE
	Artemisia canariensis	Artemisia Canary	1-10 ft
	Eriogonum procurrens 'Outback Sunset'	'Outback Sunset' Eriogonum	1-10 ft
	Lonicera monticola	Trailing Purple Lonicera	1-10 ft
	Lonicera x 'New Gold'	New Gold Lonicera	1-10 ft
	Rosaemula difformis 'Hempstead Carpet'	Trailing Rosemary	1-10 ft

NOTE:
PEDESTRIAN PATH ARE 6' MIN. CONCRETE PATH.







1 VIEW FENCE
Scale: 1/2" = 1'-0"

2 RAIL FENCE
Scale: 1/2" = 1'-0"

3 BUILDER WALL
Scale: 1/2" = 1'-0"

WALL LEGEND

SYMBOL	ITEM
■	PRIMARY COLUMN
□	SECONDARY COLUMN
—	PRIMARY THEME WALL
- - -	SECONDARY THEME WALL
- · - · -	TERTIARY WALL
- · - · -	PARTIAL VIEW WALL
- · - · -	BUILDER WALL
- · - · -	GARDEN WALL
- · - · -	VIEW FENCE
- · - · -	RAIL FENCE



PRIMARY THEME WALL (PRIMARY COLUMN)



SECONDARY THEME WALL (SECONDARY COLUMN)



TERTIARY THEME WALL (SECONDARY COLUMN)



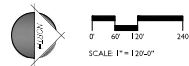
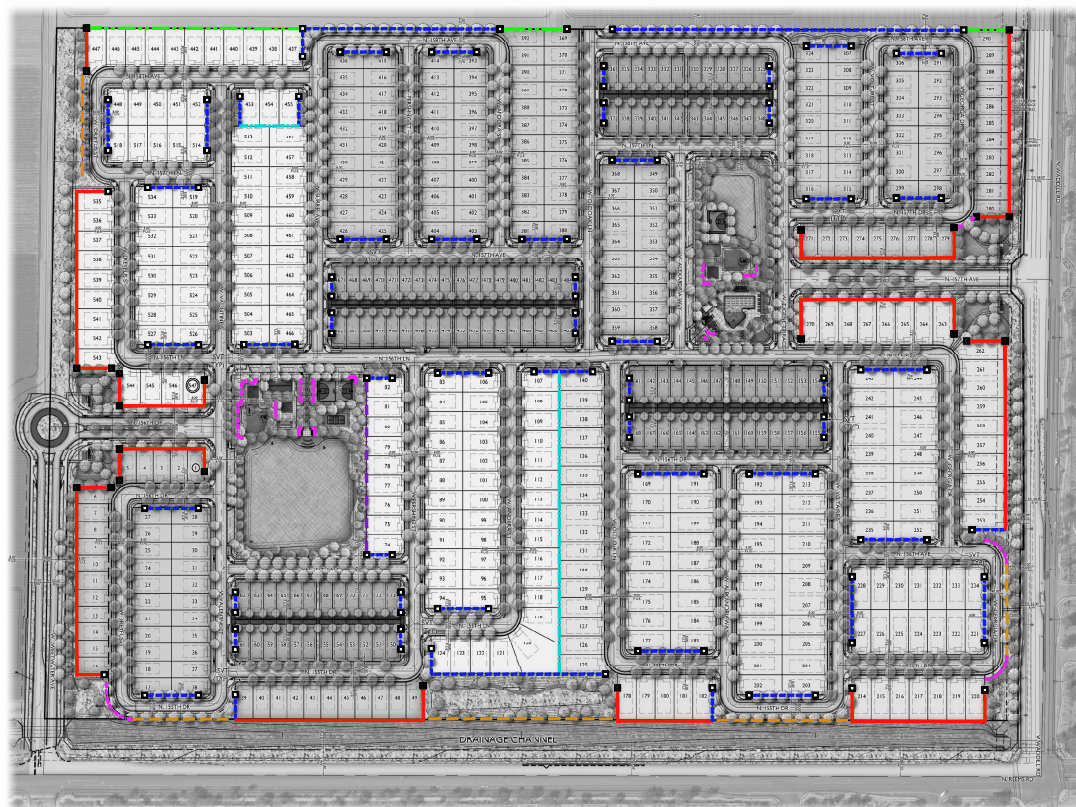
PARTIAL VIEW WALL



GARDEN WALL



RAIL FENCE



FULTON HOMES
You're Proud To Own, We're Proud To Build

Fulton Homes at Prasada

Surprise, AZ

Conceptual Wall Plan

L-0.05
11.24.2020



MATERIALS & COLOR BOARD



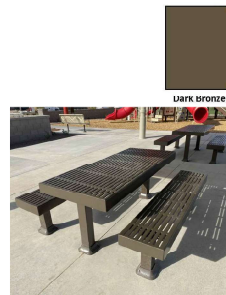
PET STATION
JJB204 BY Zero Waste USA
Co:pr Green OAE



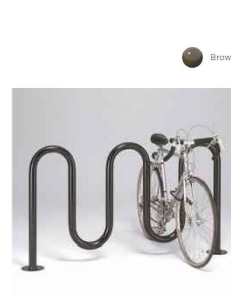
LANDSCAPE BENCH
By Webcoat, Model B6WBWINGLINES,
Color: Seat: Clay; Frame: Patrician Bronze OAE



TRASH RECEPTACLE
By Webcoat, Model TR32CLASSIC
Color: Can Clay, Lid: Brown OAE



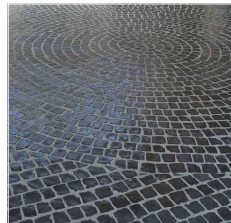
PICNIC TABLE
By Wabash Valley, DS201T Surface Mount
Color: Seat & Frame: Dark Bronze, OAE



Bike Rack
By Webcoat, Model MSBR, In-Ground Mount
Color: Bronze OAE



BBQ GRILL
By Wabash Valley, Model GR105N
Color: Black OAE



ROUNDABOUT VEHICULAR PAVER
Color: Charcoal, Pattern: Fan, Joint: Traditional
Grout by Creative Paving Solutions, OAE



METAL COLOR
Grey Beige RAL-1019



DECOMPOSED GRANITE
Desert Brown: 3/8" Screened (Landscape Areas) and 1/4" Minus (Paths) or Equal



DECORATIVE PAVER (ALLEY & ENTRY MONUMENT)
Catalina Stone, Color Sierra, in 3 Piece Combo
Pattern by Belgard OAE



FS20-363

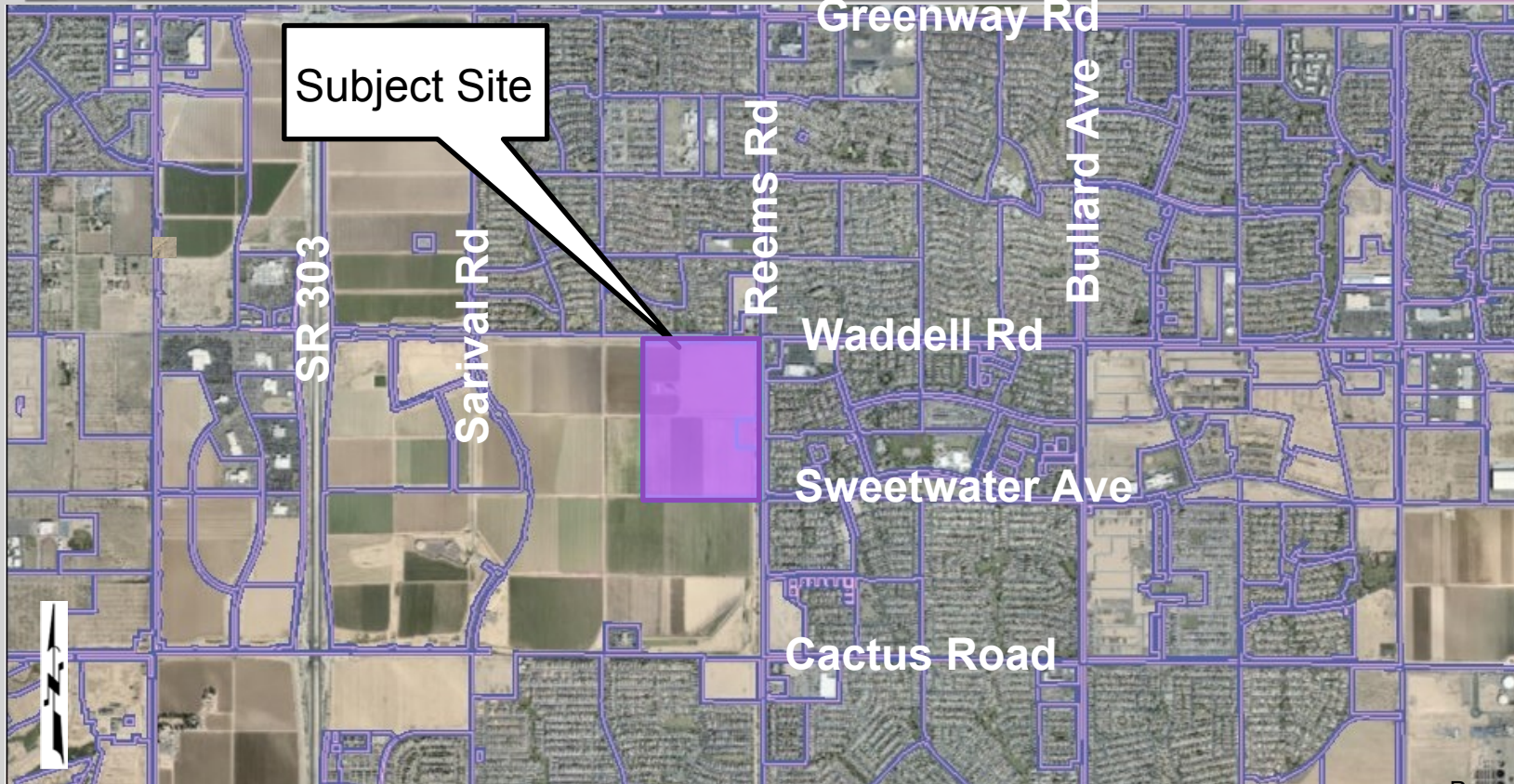
Fulton at Prasada Preliminary Plat

City Council – April 20, 2021

VICINITY MAP

FS20-363

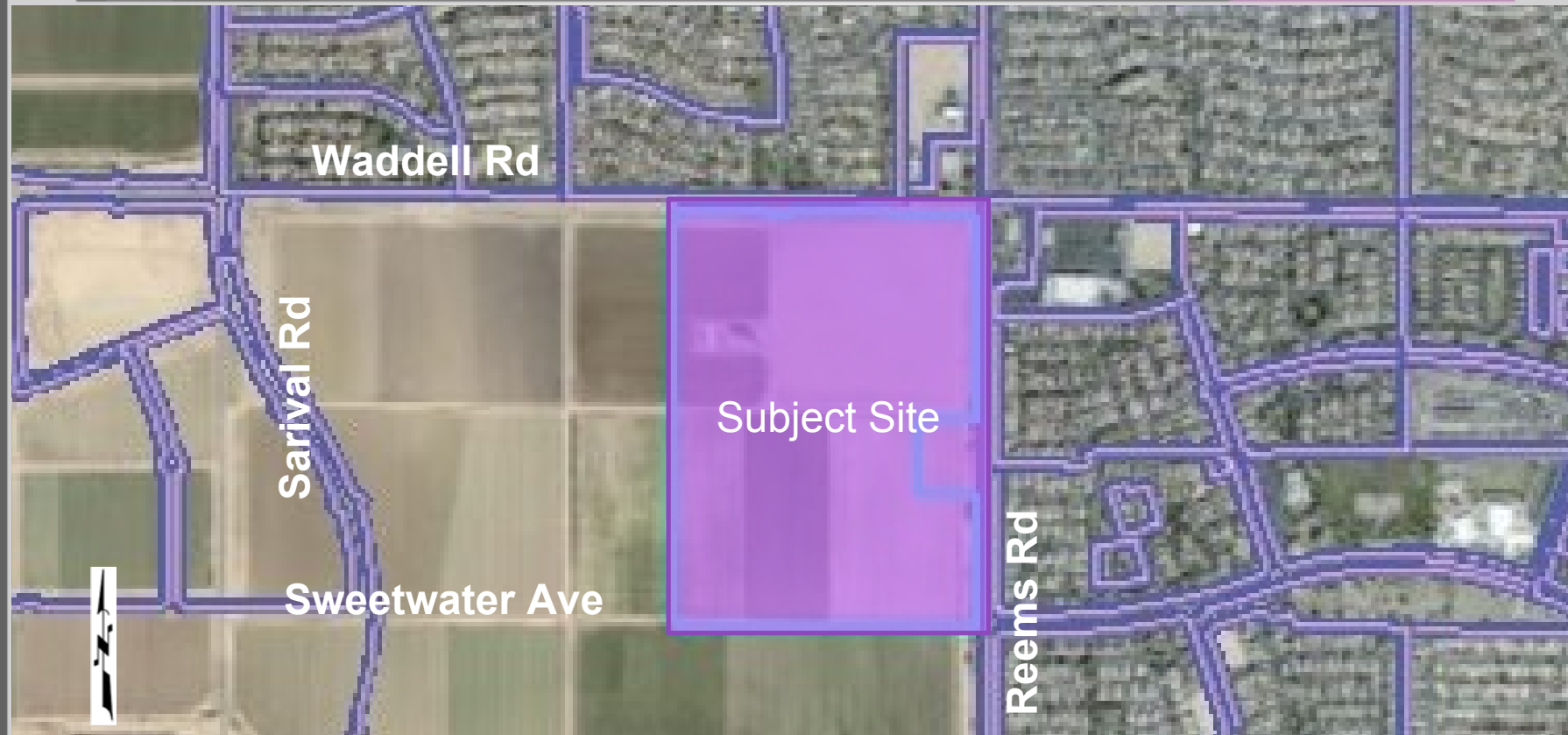
Fulton at Prasada PP



CASE MAP

FS20-363

Fulton at Prasada PP



CASE MAP

FS20-363

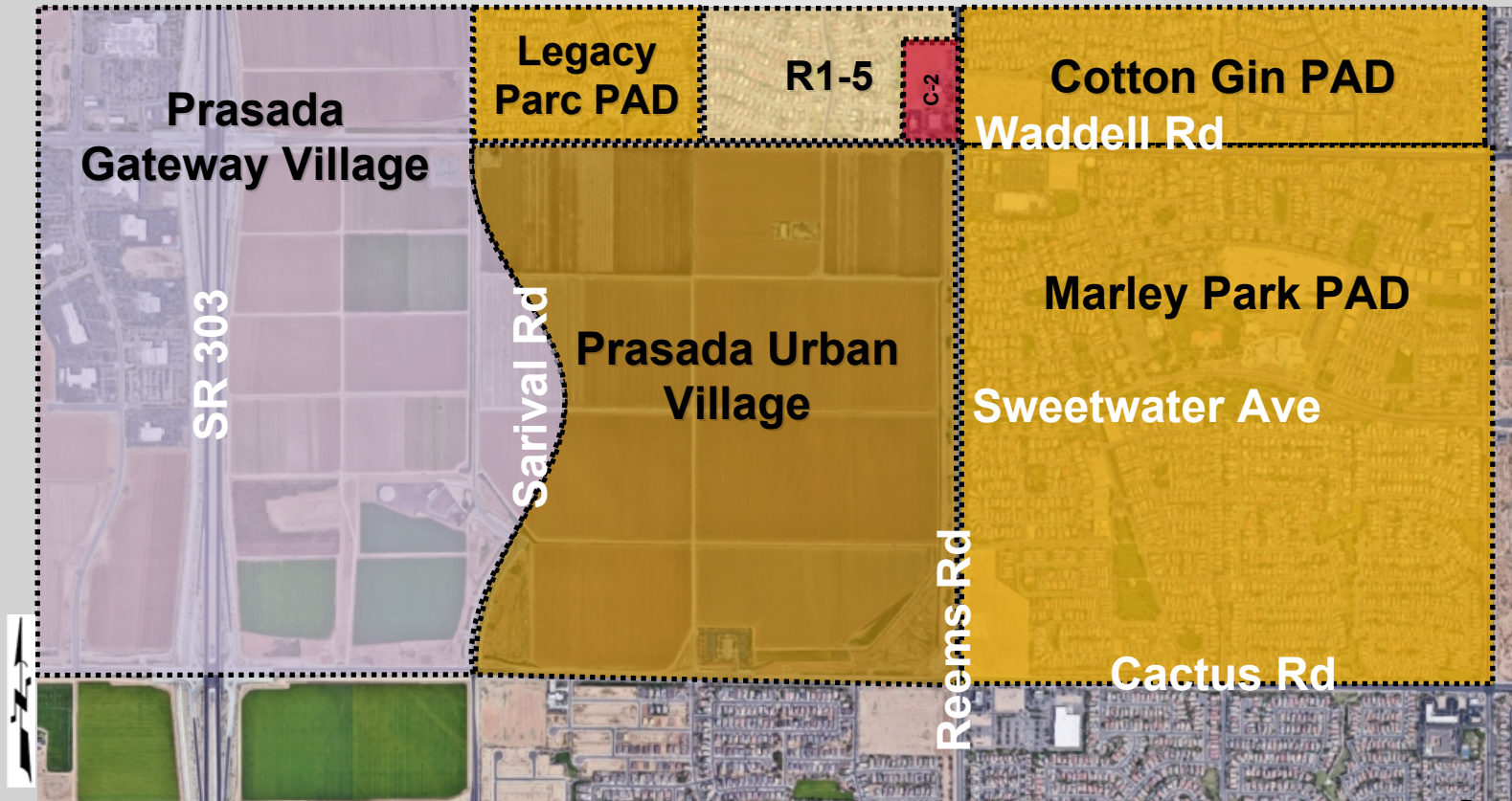
Fulton at Prasada PP



ZONING MAP

FS20-363

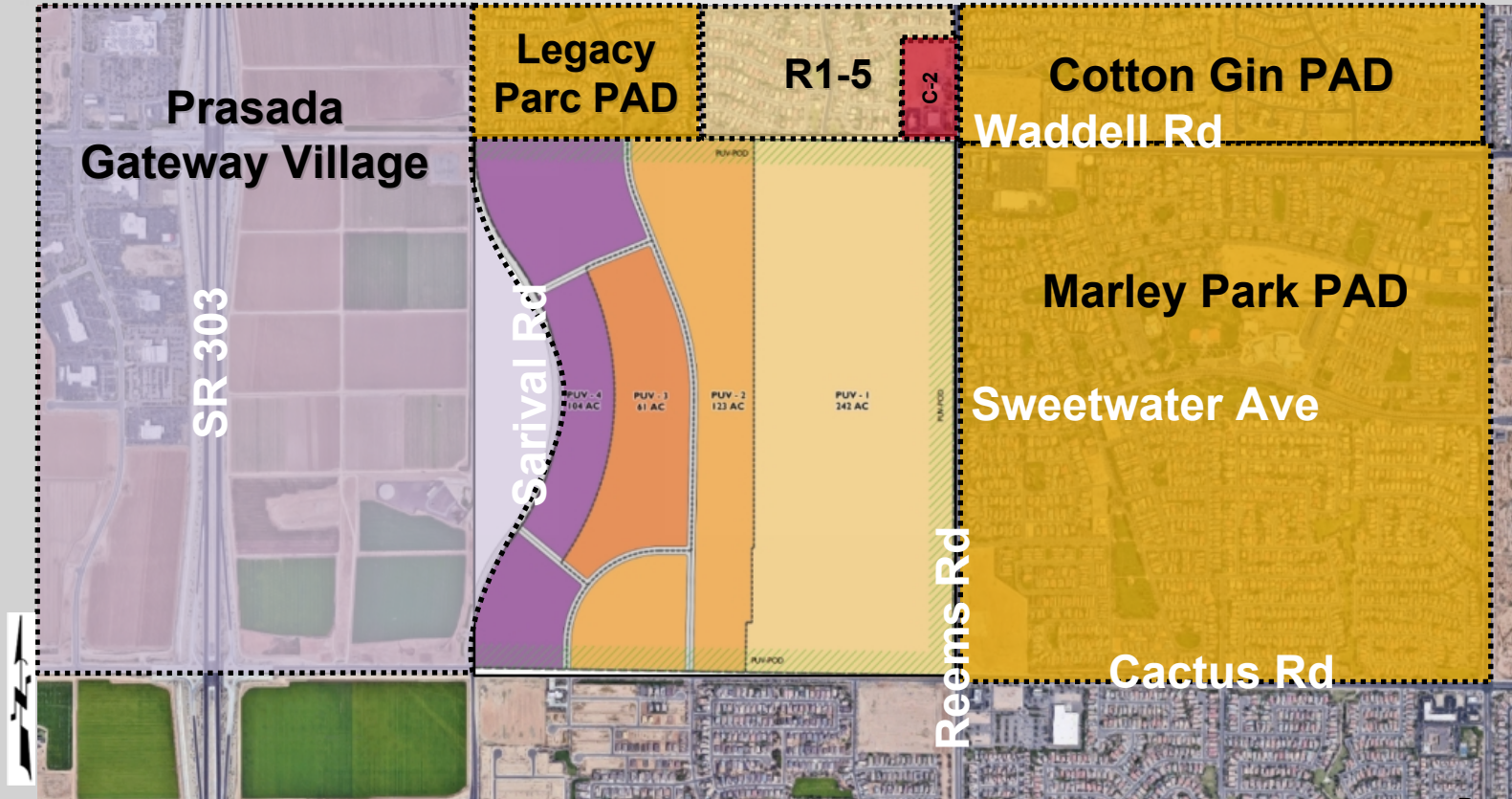
Fulton at Prasada PP



ZONING MAP

FS20-363

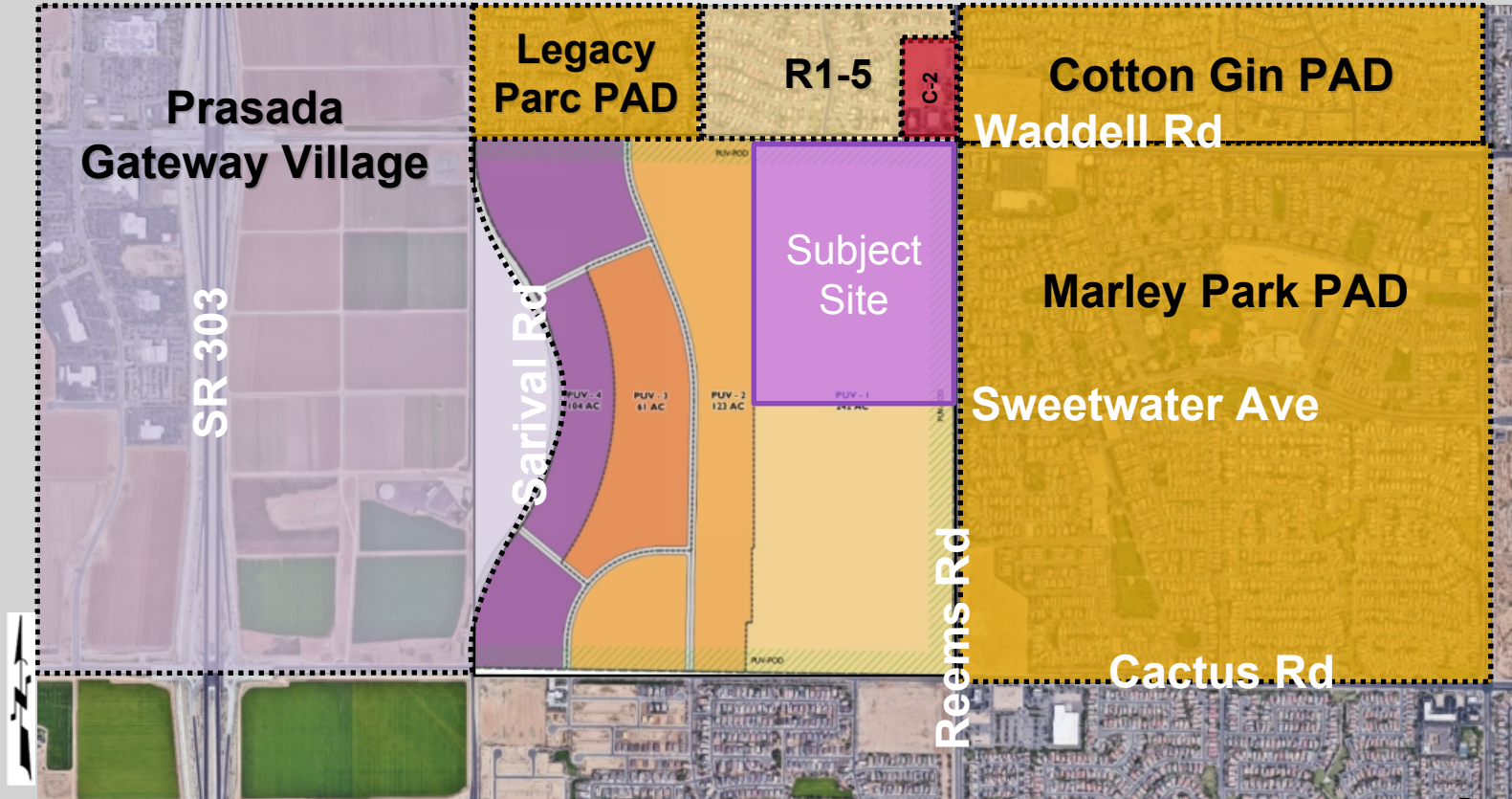
Fulton at Prasada PP



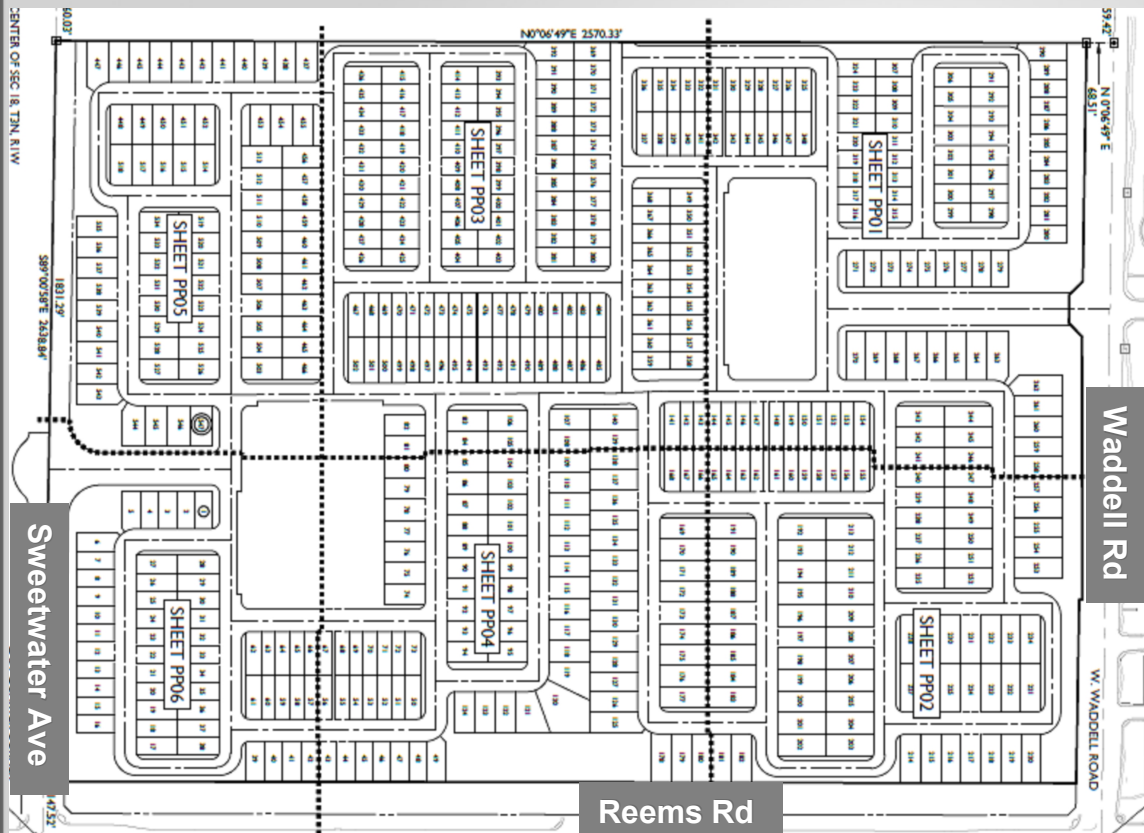
ZONING MAP

FS20-363

Fulton at Prasada PP



PRELIMINARY PLAT



PROJECT DATA

GROSS AREA: +/- 110.96 AC
 NET RESIDENTIAL AREA: +/- 77.77 AC (LOT AREA & OPEN SPACE TRACTS)

LOT SIZES:	
35' x 108'	(A) 112
45' x 92'	(B) 191
50' x 120'	(C) 118
52' x 100'	(D) 126
TOTAL	547

GROSS DENSITY: 4.93 DU/AC

OPEN SPACE: 16.91 AC
 22% OF NET RESIDENTIAL AREA

TURF AREA: 166,032 SF (3.81 AC) (22.53% OF OPEN SPACE)

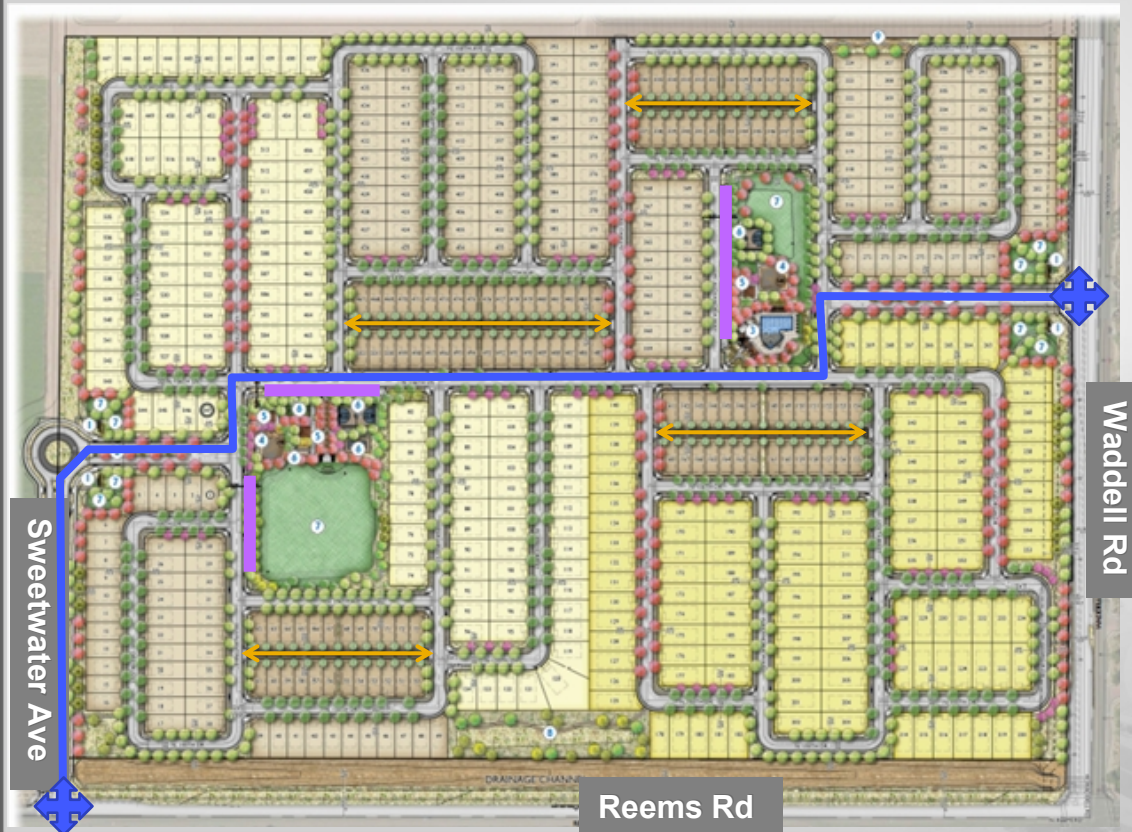
LAND MASS AREA TABLE

DEDICATED RIGHTS-OF-WAY	33.19 AC.
OPEN SPACE	16.91 AC.
CUMULATIVE LOT AREA	60.86 AC.
NET RESIDENTIAL AREA	77.77 AC.
OPEN SPACE % NET RESIDENTIAL AREA	22%
GROSS AREA	110.96 AC.



FS20-363

LOTS AND ACCESS



- A: 35' x 108' = 112 lots
 (rear loaded alley units)
- B: 45' x 92' = 191 lots
- C: 50' x 120' = 118 lots
- D: 52' x 100' = 126 lots
- Amenity Parking
- Primary interior street
- Full turning access
 - 2 entrances
 - Reems via Sweetwater
 - Waddell



FS20-363

OPEN SPACE



PROJECT DATA

GROSS AREA: +/- 110.96 AC
NET RESIDENTIAL AREA: +/- 77.77 AC (LOT AREA & OPEN SPACE TRACTS)

LOT SIZES:			
	35' x 108' (A)		112
	45' x 92' (B)		191
	50' x 120' (C)		118
	52' x 100' (D)		126
TOTAL			547

GROSS DENSITY: 4.93 DU/AC
OPEN SPACE: 16.91 AC
22% OF NET RESIDENTIAL AREA
TURF AREA: 166,032 SF (3.81 AC) (22.53% OF OPEN SPACE)

LAND MASS AREA TABLE

DEDICATED RIGHTS-OF-WAY	33.19 AC.
OPEN SPACE	16.91 AC.
CUMULATIVE LOT AREA	60.86 AC.
NET RESIDENTIAL AREA	77.77 AC.
OPEN SPACE % NET RESIDENTIAL AREA	22%
GROSS AREA	110.96 AC.



FS20-363

OPEN SPACE



Total Open Space=16.91

ac

Active Open Space (41%)

- 2 Community Amenities
- Passive Open Space (59%)

Drainage Channel

Extra Pedestrian Paths

- In addition to sidewalks
- Midblock cut through
- Access to adjacent ROWs

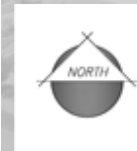


FS20-363

AMENITIES



- Turf & Retention
- Pool Amenity with:
 - Building
 - Lounge Chairs
 - Tables and chairs
- Ramada (30' x 30') with:
 - BBQ
 - Bike Racks
- Tot Lot with benches
- Half Basketball Court
- Additional off-street parking
 - 35 spaces



AMENITIES



 Turf & Retention

 Sport Courts

- Full size basketball
- Pickleball
- Bocce Ball
- Cornhole

 Ramada (30' x 30') with:

- BBQ
- Bike Racks

 Tot Lot with benches

 Amphitheater Seating

 Additional off-street parking

- 34 spaces



FS20-363

WADDELL ENTRANCE



SWEETWATER ENTRANCE



1 SWEETWATER AVE ENTRY PLAN
Scale: 1" = 10'-0"



2 SWEETWATER AVE ENTRY ELEVATION
Scale: 1" = 10'-0"



KEYNOTES

- 1 ENTRY PAVEMENT
- 2 ENTRY SIGN WALL
- 3 ENTRY DECORATIVE FENCE
- 4 4" CONCRETE PATH
- 5 PLANT
- 6 HEDGEROW PLANT
- 7 ENTRY MEDIAN



Fulton Homes at Prada

Surprise, AZ

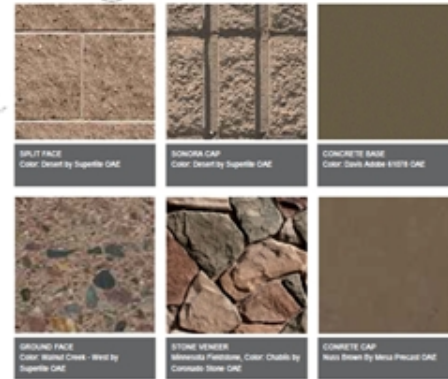
Entry Enlargement Plan - Sweetwater Ave

L-0.02B
11.24.2020

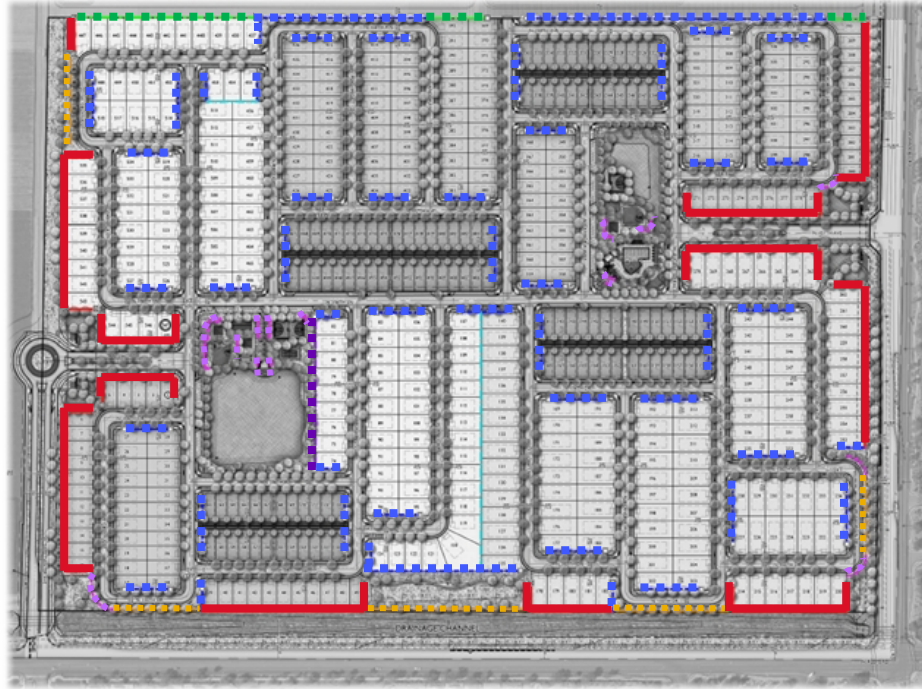


FS20-363

WALL PLAN



WALL PLAN



WALL LEGEND

SYMBOL	ITEM
BE	PRIMARY COLUMN
ED	SECONDARY COLUMN
—	PRIMARY THEME WALL
—	SECONDARY THEME WALL
—	TERTIARY THEME WALL
—	PARTIAL VIEW WALL
—	GARDEN WALL
—	VIEW FENCE
—	RAIL FENCE



PRIMARY THEME WALL (PRIMARY COLUMN)



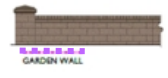
SECONDARY THEME WALL (SECONDARY COLUMN)



TERTIARY THEME WALL (SECONDARY COLUMN)



PARTIAL VIEW WALL



GARDEN WALL



RAIL FENCE



MONUMENT PLAN



1 ENTRY MONUMENT PLAN
Scale: 1/2" = 1'-0"



2 ENTRY MONUMENT ELEVATION
Scale: 1/2" = 1'-0"



CONCLUSION

Summary:

The applicant seeks a Preliminary Plat across the subject property. The proposed 547 subdivision is compatible with the neighboring land uses and the amenities included will provide recreational opportunities for the residents.

Planning and Zoning Commission Recommendation:

March 18, 2021: Recommends approval of the subject Preliminary Plat subject to stipulations 'a' through 'c' as outlined in the Staff Report.



QUESTIONS OR COMMENTS?

Thank You



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021 Contact Person: Joshua Mike
Submitting Department: Community Development District: District 1
Staff Recommendations: None

Consent: No Regular: No Public Hearing: Yes Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to the proposed annexation of Enclave III at Paloma Creek. (Case FS20-732)

Motion:

N/A

Background:

A group of property owners are seeking annexation of undeveloped land, generally located east of 155th Avenue on the south side of Frontier Drive. The annexation proposal is for 1 parcel, consisting of 5.38 acres of unincorporated land with Maricopa County zoning district Rural-43. If annexed, the property will assume the similar Surprise zoning district of Rural Residential (RR) as outlined in the Land Development Ordinances, and the owners will request a rezoning (FS20-731) request for Residential Medium Density with a Planned Unit Development Overlay (RM-9 PUD). The Resolution for the Intent to Annex directs City Staff to begin the annexation process per A.R.S. § 9-471.

The applicant held a virtual Citizen Review meeting on February 11, 2021. Advertisements were posted in a local newspaper and (3) signs were posted within the subject property. Neighboring residents attended to express their concerns about the compatibility with their residences. This public hearing is required by statute to occur within the last ten days of the 30-day waiting period before signatures may be collected on the already recorded blank annexation petition.

Objective Analysis:

Positive impacts include adding additional property to the incorporated limits which will generate additional property and potential development fees. Negative impacts could include providing services in a 5.38 acre area where the City did not have to previously serve.

Policy Compliant:

No action is being taken at this time. However, if the City Council moves forward to annex property into the City limits, the annexation would be deemed policy compliant by expanding the range of influence of the City.

Financial Impact:

At this time there are no financial impacts associated with this item. If the City Council moves forward to annex property into the City limits there could be financial impacts to the City to provide services to

an area which the City did not provide services in the past. If the area is annexed, that could potentially result in future development fee, sales tax, and property tax revenue. Also a Financial Impact Analysis will be conducted and submitted along with the final annexation documents.

Budget Impact:

There is currently no budgetary impact related to this item.

FTE Impact:

This item does not have an impact on current staff levels. If the City Council moves forward to annex property into the City limits, staff does not believe any future FTEs would be needed based on the potential annexation.

ATTACHMENTS:

1. 00 FS20-732 Enclave III Annexation Staff Report CC 4.20.2021
 2. 01 FS20-732 Enclave III Recorded Blank AnnexPetitionRes202133-8-1-1--
 3. 02 FS20-732 Enclave III Annexation-Vicinity Map
 4. 03 FS20-732 Enclave III Annexation Cit Part Plan Final
 5. 04 FS20-732 Enclave III Annexation-Rec. Blank Petition Presenation
-



Case: FS20-732

Project Name: Enclave III at Paloma Creek

Council District: 1

City Council Date: April 20, 2021

Planner: Joshua Mike, AICP

Owner: Pensco Trust Company, LLC
Paloma Creek Land 2, LLC

Applicant: Kent A. Xander, KAX Group, LLC

Request: Annexation Public Hearing

Site Location: Generally located east of the 155th Avenue and on the south side of Frontier Road alignments.

Site Size: 5.38 acres (approx.)

General Plan Conformance: The proposal is consistent with the Surprise General Plan 2035

Actions: No Action at this time. City Council public hearing to discuss the annexation proposal

Introduction:

Kent A. Xander, representing a group of property owners, seeks annexation of an undeveloped parcel generally located between Happy Valley Road and Jomax Road, and east of 155th Ave. The annexation proposal is for 5.38 acres, consisting of (1) parcel with one owner, of unincorporated land adjacent to Surprise City limits.

41
42 **Project Description:**
43

44 The property is currently zoned Maricopa County Rural-43. If annexed, the property will assume
45 similar Rural Residential (RR) zoning of the Surprise Land Development Ordinances (LDO). In a
46 concurrent development application, this property is part of a rezoning case FS20-731 and will
47 be heard by both the Planning and Zoning Commission and City Council.
48

49 The parcel associated with this proposed annexation boundary includes:

- 50 • 503-54-011K
51

52 **Neighborhood Outreach**
53

54 The site was posted on January 27, 2021 to alert interested citizens and stakeholders of the
55 virtual open house on February 11, 2021. One County resident participated in the virtual meeting
56 and discussed the project with the applicant and City Staff. The applicant answered questions
57 regarding how the proposal ties into the existing County ROW, Frontier Rd.
58

59 The applicant addressed and appeared to satisfy the attendee's concerns with construction
60 activities and impacts on drainage.
61

62 **Arizona Revised Statute Description:**
63

64 Arizona Revised Statutes require the filing of a blank annexation petition. The blank petition
65 relating to the subject property was recorded with the Maricopa County Recorder's Office on
66 March 23, 2021 (see attached). Arizona Revised Statutes also require that no signatures be
67 obtained during a 30-day waiting period immediately following the filing of the blank petition,
68 and that a public hearing must be held during the last 10 days of the 30-day waiting period. Once
69 the public hearing is held and the 30-day waiting period has ended, signatures may be collected.
70 State statute further requires that an excess of 50% of the land owners and assessed valuation
71 for all real and personal property, sign the petition in order to validate the petition. State statute
72 also allows up to one year following the end of the 30-day period to obtain the required number
73 of signatures.
74

75 **Summary:**
76

77 The proposed annexation includes one parcel, 5.38 acres, and requires signatures from
78 representatives of two ownership groups after the Arizona Revised Statute's required 30-day
79 waiting period that concludes on April 22, 2021. Upon receiving those signatures, Enclave III at
80 Paloma Creek will be eligible for annexation by the City of Surprise. The signed petition must be
81 presented and considered by City Council within 1 year.
82

83 The parcel to be annexed complies with all requirements for size, shape, and contiguity set forth
84 in the Arizona annexation statutes.

85 Attachments:

86 01 FS20-732 Enclave III at Paloma Creek Annexation-Recorded Blank Petition

87 02 FS20-732 Enclave III at Paloma Creek Annexation-Vicinity Map

88 03 FS20-732 Enclave III at Paloma Creek Annexation-Citizen Participation Report

89 04 FS20-732 Enclave III at Paloma Creek Annexation-Presentation

Recording requested by:

City of Surprise
City Clerk's Office
16000 N Civic Center Plaza
Surprise, Arizona 85374

AnnexPetRes202133-8-1-1--
garibayf

BLANK ANNEXATION PETITION

RESOLUTION 2021-33

EXHIBITS AND AFFIDAVIT REGARDING ANNEXATION

ANNEXATION PETITION**TO THE HONORABLE MAYOR AND COUNCIL OF THE CITY OF
SURPRISE, ARIZONA:**

We, the undersigned, the owners of one-half or more of the real and personal property that also represents one-half or more of the value of the real and personal property that would be subject to taxation by the City of Surprise in the event of annexation within the territory proposed to be annexed, which is hereafter described, said territory being contiguous to the corporate limits of the City of Surprise, with the exterior boundaries of the territory proposed to be annexed shown on the map attached hereto, marked "Exhibit "B" and made a part hereof, request the City of Surprise to annex the following described territory, provided that the requirements of A.R.S. §9-471, and amendments thereto are fully observed.

The description of the territory proposed to be annexed as part of the Surprise Case #FS20-732, not already within the present limits of the City of Surprise and located in Maricopa County, Arizona, is as described and attached hereto, marked Exhibit "A" and made part thereof:

DATE	NAME OF PROPERTY OWNER	MAILING ADDRESS	PHONE NO	PARCEL NUMBER OR LEGAL DESCRIPTION

RESOLUTION # 2021-33

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA DIRECTING THE RECORDING OF A BLANK PETITION FOR ANNEXATION PURSUANT TO A.R.S. § 9-471, PERTAINING TO A CERTAIN PROPERTY THAT ADJOINS AND IS CONTIGUOUS TO THE CITY OF SURPRISE CONSISTING OF APPROXIMATELY 5.38 ACRES LOCATED ONE-HALF MILE NORTH OF HAPPY VALLEY ROAD AND 660 FEET EAST OF 155TH AVE, MARICOPA COUNTY, ARIZONA

WHEREAS, it has been proposed that the City of Surprise annex certain property within The West 355.08 feet of the East 655.08 feet of the North half of the Northwest quarter of the Southwest quarter of Section 5, Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described in the attached ***Exhibit A***;

WHEREAS, the area to be annexed adjoins the exterior boundary of the City of Surprise for at least 300 feet and is otherwise contiguous to the City; and

WHEREAS, A.R.S. § 9-471(A)(1) requires that the City file, in the office of the Maricopa County, Arizona Recorder, a blank petition setting forth the legal description, attached hereto as ***Exhibit A***, and an accurate map of the exterior boundaries of the territory proposed to be annexed, attached hereto as ***Exhibit B***.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The City Clerk shall record with the Office of the Maricopa County Recorder a blank annexation petition containing the legal description of the property, attached hereto as ***Exhibit A***, and an accurate map of the exterior boundaries of the territory proposed to be annexed, attached hereto as ***Exhibit B***. The City Clerk shall also record a sworn affidavit verifying that no part of the territory proposed to be annexed is already subject to an earlier filing for annexation.

Section 2. The City Clerk shall call a public hearing for the purpose of consideration of the proposed annexation, said hearing to be noticed for a date between 20-30 days after filing the blank annexation petition, in accordance with A.R.S. § 9-471 (A)(3).

[SIGNATURES TO FOLLOW ON THE NEXT PAGE]

APPROVED AND ADOPTED this 16 day of March, 2021.



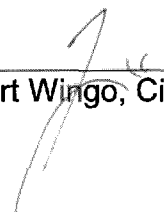
Skip Hall, Mayor

Attest:



Sherry Aguilar, City Clerk

Approved as to form:



Robert Wingo, City Attorney

EXHIBIT A**LEGAL DESCRIPTION**

The West 355.08 feet of the East 655.08 feet of the North half of the Northwest quarter of the Southwest quarter of Section 5, Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, .described by metes and bounds as follows:

Commencing at the West quarter corner of said Section 5;
Thence South 89° 41' 02" East along the East-West mid-section line of Section 5 a distance of 654.57 feet to the **POINT OF BEGINNING**;
Thence continuing South 89° 41' 02" East along said line a distance of 355.08 feet;
Thence South 00° 05' 23" West a distance of 660.15 feet;
Thence North 89° 39' 59" West a distance of 355.08 feet;
Thence North 00° 05' 23" East a distance of 660.04 feet to the **POINT OF BEGINNING**.

Containing 5.3808 acres



Land Survey Services PLC
20651 W. Pasadena Ave
Buckeye, AZ 85396-1255

Job No. 16018

EXHIBIT A**Parcel Map Check Report****Prepared by:**

Thomas Rope
Land Survey Services, PLC

Date: 3/10/2020 8:50:08 AM

Parcel Name: Paloma Creek

Description: W 355.08', E 655.08', N1/2, NW1/4, SW1/4 Sec 5, T4N, R1W

Process segment order counterclockwise: False

Enable mapcheck across chord: False

North: 989,407.8467'

East: 555,314.8264'

Segment# 1: Line

Course: S89°41'02"E

Length: 355.08'

North: 989,405.8876'

East: 555,669.9010'

Segment# 2: Line

Course: S0°05'23"W

Length: 660.15'

North: 988,745.7384'

East: 555,668.8672'

Segment# 3: Line

Course: N89°39'59"W

Length: 355.08'

North: 988,747.8059'

East: 555,313.7932'

Segment# 4: Line

Course: N0°05'23"E

Length: 660.04'

North: 989,407.8451'

East: 555,314.8268'

Perimeter: 2,030.35'

Area: 5.3808Acre

Error Closure: 0.0016

Course: S15°57'09"E

Error North : -0.00155

East: 0.00044

Precision 1: 1,268,968.75

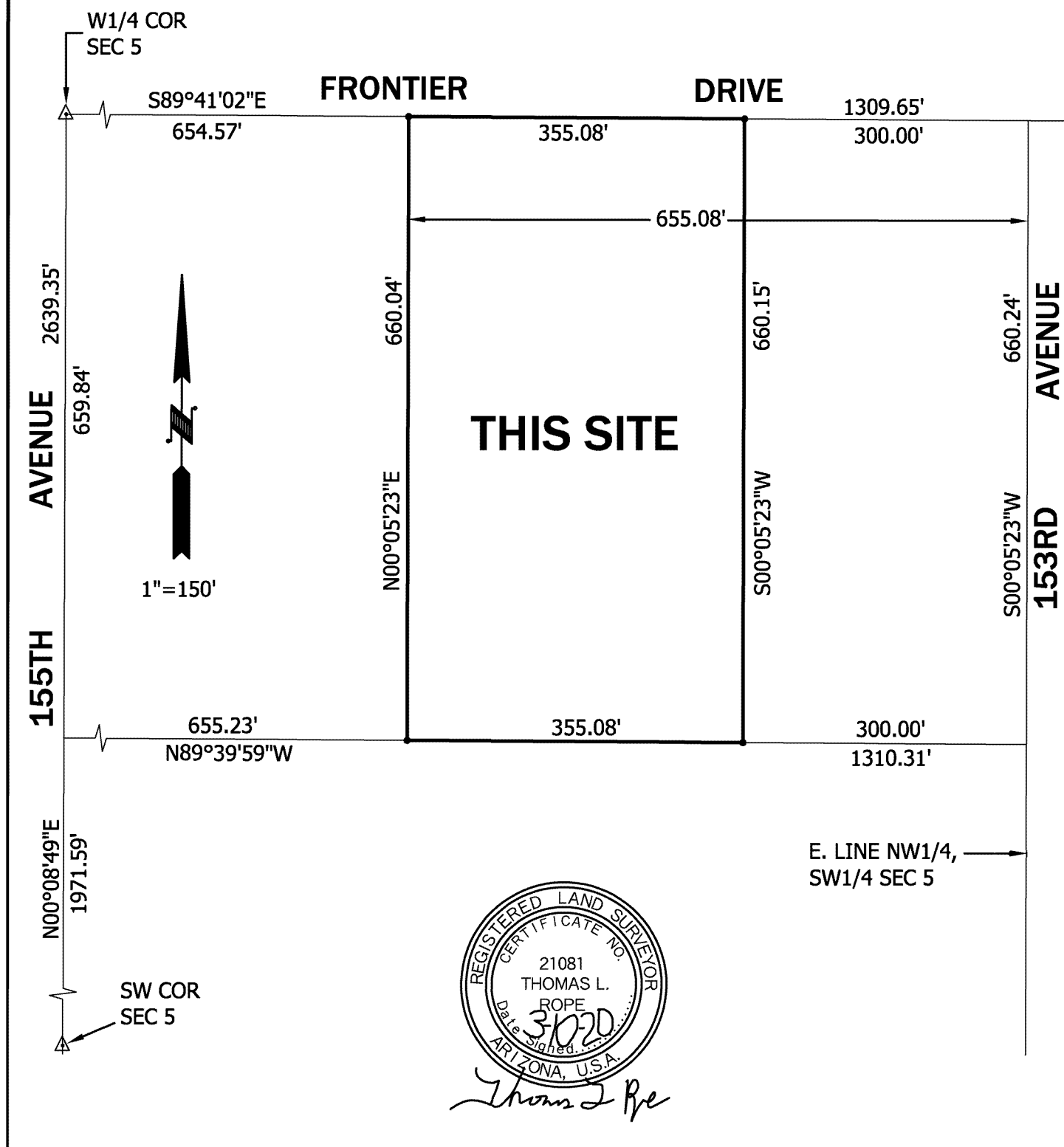


Land Survey Services PLC
20651 W. Pasadena Ave
Buckeye, AZ 85396-1255

Job No. 16018

EXHIBIT B

**A PART OF THE SOUTHWEST QUARTER OF SECTION 5
T4N, R1W, G.&S.R.B.M., MARICOPA COUNTY, ARIZONA**

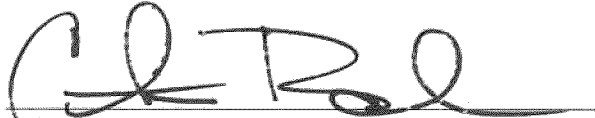


AFFIDAVIT REGARDING ANNEXATION

Personally appears before me, Chris Boyd, who, first being duly sworn, deposes and says as follows:

1. I make this affidavit of my own personal knowledge.
2. I am the duly appointed Community Development Director of the City of Surprise, Arizona and I am qualified to make this affidavit on behalf of and for the City.
3. I have made a diligent search of the records of the Office of the Clerk of the City of Surprise and of the Office of the Maricopa County Recorder for any annexation filing which might involve territory sought to be annexed in the City of Surprise Annexation Petition, which is filed herewith, with exhibits, in the Office of the Maricopa County Recorder.
4. I hereby affirm, pursuant to A.R.S. §9-471(A)(6), that no part of the territory associated with Surprise Case #FS20-732 for which the attached Annexation Petition is filed is already subject to an earlier filing for annexation.

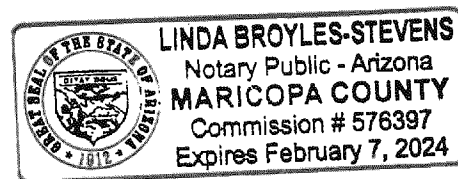
FURTHER AFFIANT SAYETH NOT.



(Chris Boyd, Surprise Community Development Director)

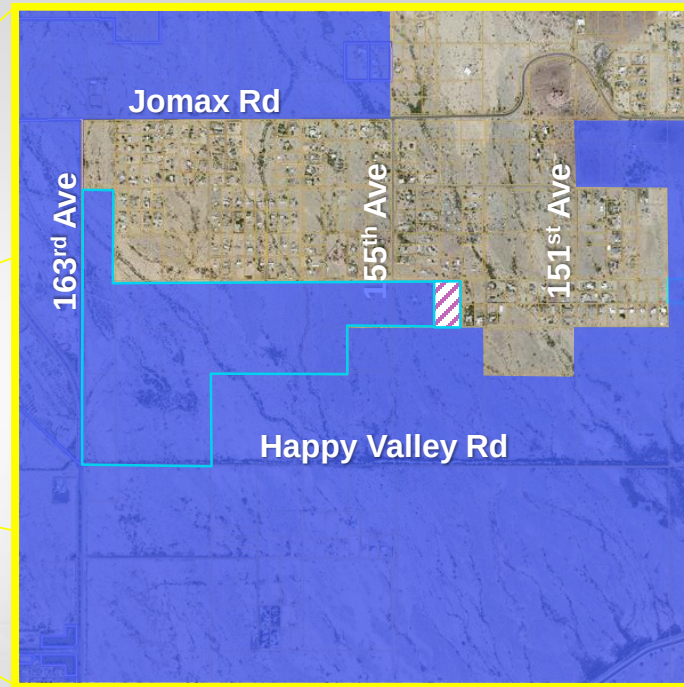
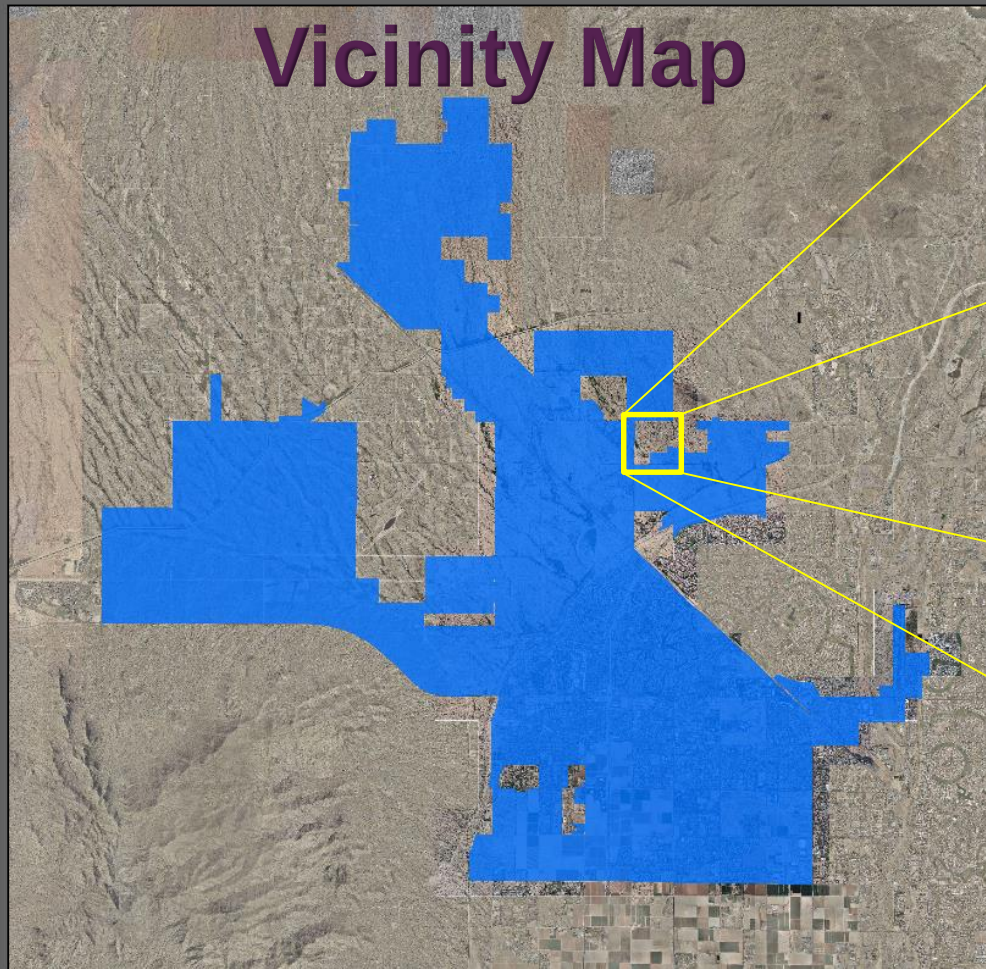
SWORN TO AND SUBSCRIBED before me
this 22 day of March, 2021.


Notary Public for the State of Arizona



My commission expires: Feb. 7, 2024

Vicinity Map



Proposed Annexation Location

-  Existing Surprise Incorporated Limits
-  Approved Paloma Creek Boundary
-  FS20-732 – Enclave III at Paloma Creek (5.38 acres)



Enclave III Rezone

Citizen Participation Plan

February 13, 2021

Background

The City of Surprise (City) requires a citizen participation process and report for applications such as this PAD amendment. The purpose of the citizen review process is to:

Ensure that applicants pursue early and effective citizen participation in conjunction with their applications, giving them the opportunity to understand and try to mitigate any real or perceived impacts their application may have on the community;

Ensure that the citizens and property owners of the city have an adequate opportunity to learn about applications that may affect them and to work with applicants to resolve concerns at an early stage of the process; and

Facilitate ongoing communication between the applicant, interested citizens and property owners, city staff, and elected officials throughout the application review process.

The citizen review process is not intended to produce complete consensus on all applications, but to encourage applicants to be good neighbors and to allow for informed decision-making.

Enclave III Citizen Participation Plan & Report

Enclave III at Paloma Creek PUD is a 5.3808-acre proposed residential subdivision adjacent to the east of the approved Paloma Creek PUD Case # FS18-150 zoned for a density of 4 units per acre. The subject property is adjacent to unincorporated vacant land and homes to the north and east zoned RU-43, to the south is Tierra Verde East PAD (MDR). As part of the rezone process, adjacent property owners and stakeholders in the area were notified by the City staff to our proposed application and open house to inform the public of this rezoning request. The case also includes an Annexation from Maricopa County into the City of Surprise.

We met the City's notification requirements, which are:

- Notice of the citizen review meeting shall be provided by the planning and zoning division in the form of a public notice to the following, when applicable:
 - The notice shall be published at least once in a newspaper of general circulation published or circulated in the municipality at least 15 days prior to the meeting date.
City initiated.



- For applications involving rezoning of land which abuts other municipalities or unincorporated areas of the county or a combination thereof, copies of the notice shall be transmitted to the planning agency of such governmental unit butting such land. **City initiated.**
- For applications involving rezoning, subdividing, planned unit developments, site plans with uses permitted on a conditional basis, and legislative matters, all real property owners within a 200-foot or 300-foot radius, the city shall send copies of the notice by first class mail, no less than seven days prior to the hearing. We noticed at 300 feet. **City initiated.**
- Any village committee or special community group which is located in the area of the proposed public hearing request or has considerable interest in the nature of the application; **See City initiated list.**
- The head of any homeowners association or registered neighborhood within the public notice area established in item (3) indicated above. **See City initiated list.**

Site Posting

The site was posted on January 27, 2021 to alert interested citizens and stakeholders of our upcoming virtual open house on February 11, 2021. The photographs of the signs and affidavit are attached at **Tab 1**. The signs do not have the anticipated Planning & Zoning Commission and City Council hearings dates and will be updated as we learn these dates.

Participation Report.

After the notices were sent by staff and the site was posted, we did not field any telephone calls or emails of concern regarding the rezoning case. We held the virtual open house on Go-to-Meetings on February 11, 2021 at 6:00 pm. During the virtual open house, there was one (1) neighbor who participated in virtual open house and discussed the project with the applicant and the applicant's representative. City staff was present in the meeting and during this discussion. The discussion with the one (1) neighbor participant included questions about Frontier Road impacts, construction activity and contact information and drainage. After our discussion, we felt the participant was satisfied with our responses and had no major issues with our rezoning proposal. City Councilwoman Aly Cline also participated in the virtual open house and we answered her questions regarding the proposed case. There were no other members of the public in attendance during the virtual open house.

There is no known opposition to this rezoning case.

We have been working cooperatively with City staff on the rezone request and are ready for public hearings on the proposed rezoning request. If we are contacted by any neighbors or stakeholders after we have submitted this citizen participation report to the City, we will provide updates to the City staff with an amended report.

TAB 1



CITY OF SURPRISE

Site posting Process

AFFIDAVIT OF POSTING
(Sign modification)

Application No: FS20-732 & FS20-731

Applicant Name: _____

Location: Southeast corner of 154th Avenue and Frontier Dr

Date Site Posted: January 27th 2021 sign modified: January 28th, 2021

In order to assist in providing adequate notice to interested parties, the applicant for any *type of public hearing* in the City of Surprise shall erect two (2) signs giving notice of the *date, time and place* of the scheduled hearings. These signs must be erected not less than **fifteen (15) days prior** to the date of the first hearing. The signs shall also include the nature of the request as contained on the formal zoning application. The size and format of this sign shall meet requirements established by the Planning and Zoning Department (see page 2).

Such notice shall be clearly legible and placed at a prominent location on the site – Generally adjacent and perpendicular to the public right-of-way. It shall be the *responsibility of the applicant* to erect and to maintain the sign on the subject property and to maintain the hearing information on the sign until final disposition of the case.

It shall also be the *responsibility of the applicant* to remove the signs within one week after the final disposition of the case.

I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

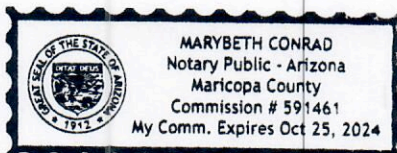
Maria Hitt 1-28-2021
Applicant/Representative Signature Date

This instrument was acknowledged before me on this 28th day of January, 2021, and by Maria Hitt. I witness whereof I hereunto set my hand and official seal.

Marybeth Conrad
Notary Public
10.28.2024

My commission expires

Return completed and notarized **affidavit** and all relevant **photos** to the Planning and Zoning Department at least **fifteen (15) days prior** to the scheduled meeting(s).



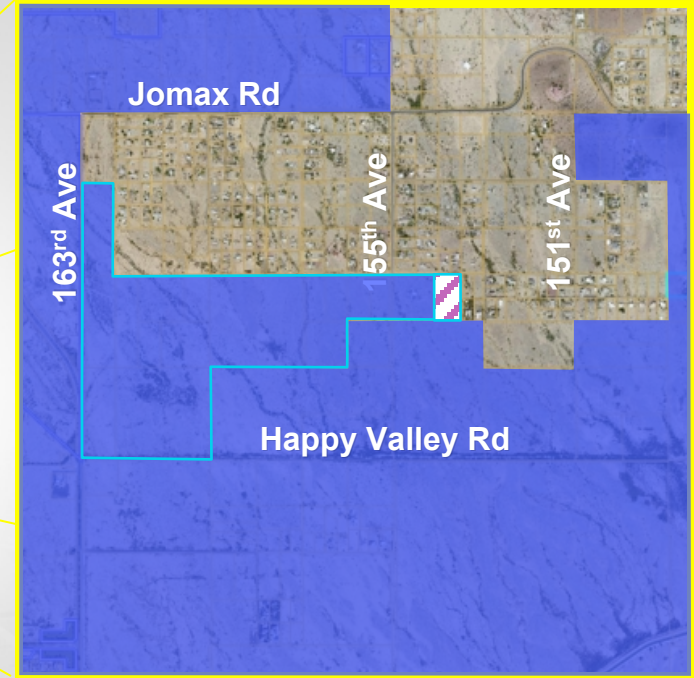
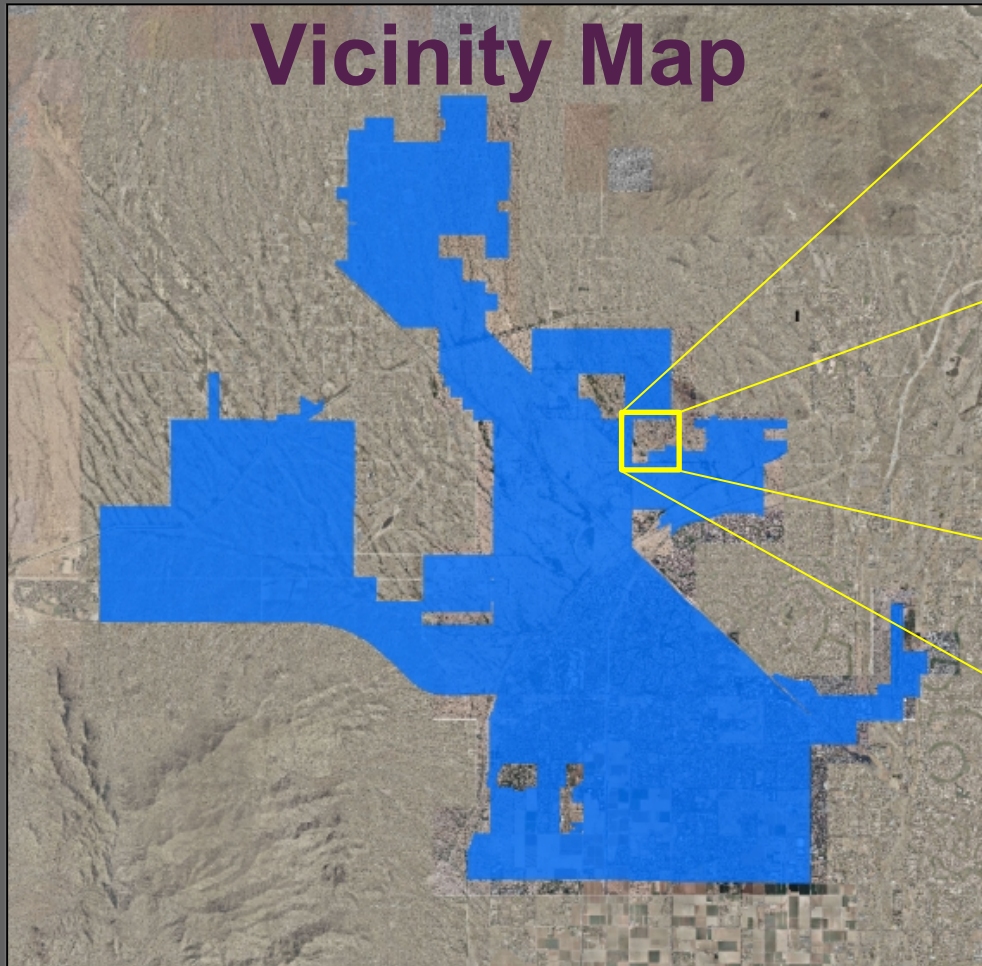


Annexation – Discuss Blank Petition

FS20-732 – Enclave III at Paloma Creek

City Council
April 20, 2021

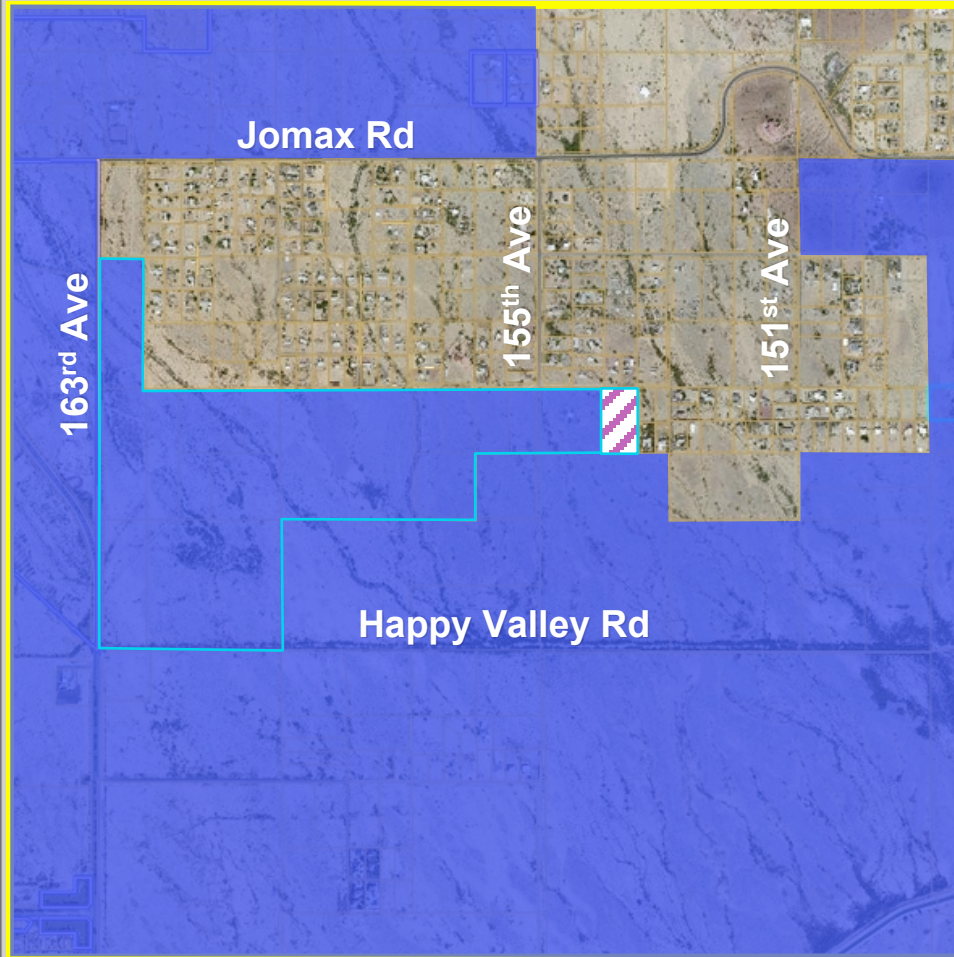
Vicinity Map



Proposed Annexation Location

-  Existing Surprise Incorporated Limits
-  Approved Paloma Creek Boundary
-  FS20-732 – Enclave III at Paloma Creek (5.38 acres)

Case Map



Existing Surprise Incorporated Limits



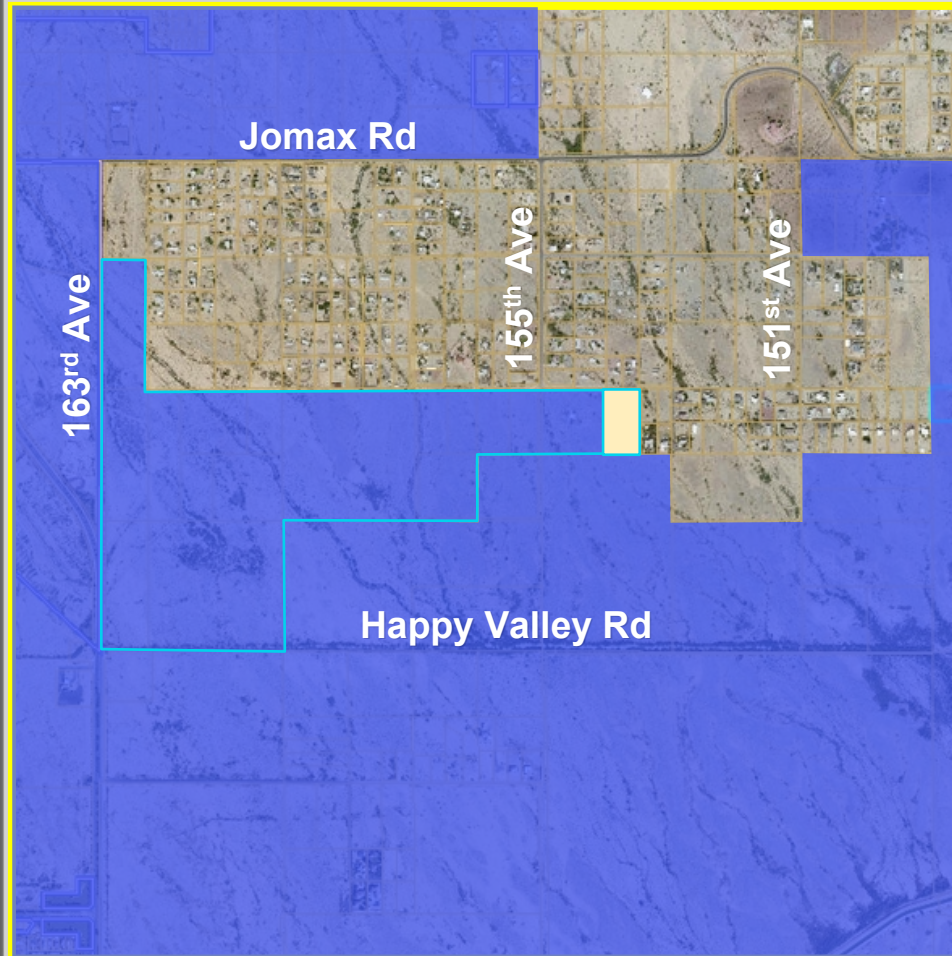
Approved Paloma Creek Boundary

Proposed Annexation location



Enclave III at Paloma Creek

Zoning



Existing Surprise Incorporated Limits



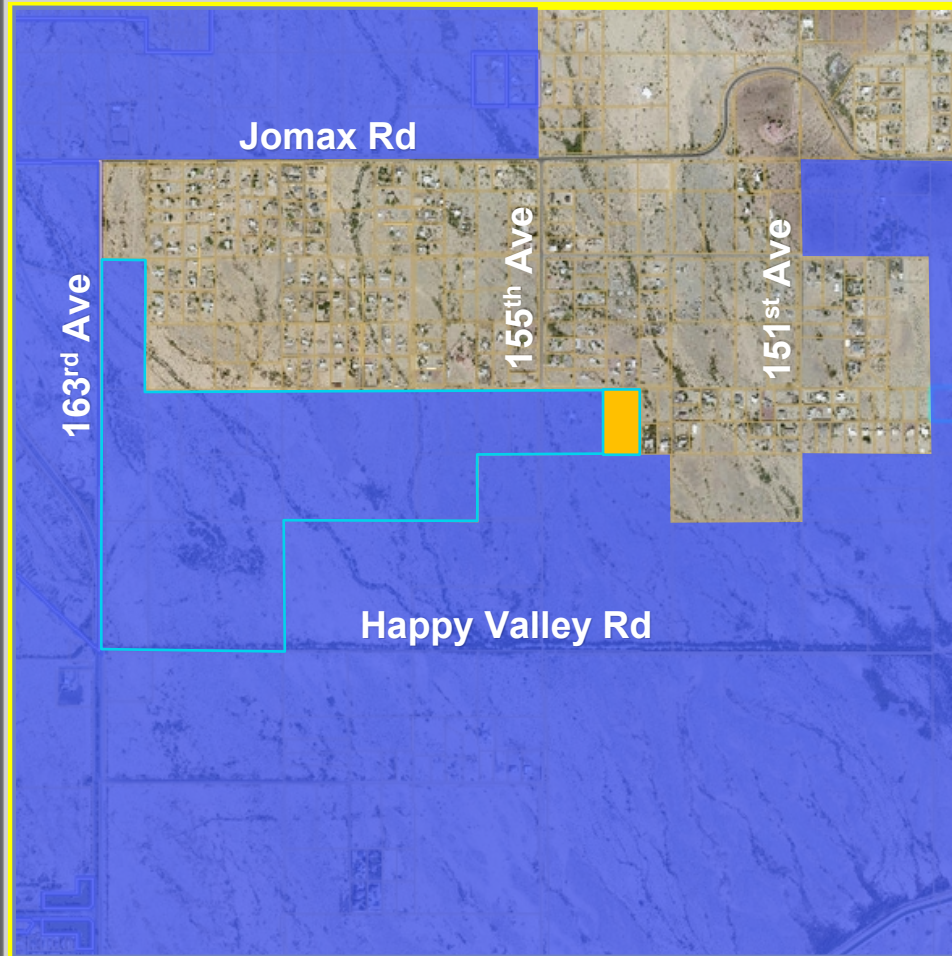
Approved Paloma Creek Boundary

Current County Zoning



RU-43 Maricopa County Zoning

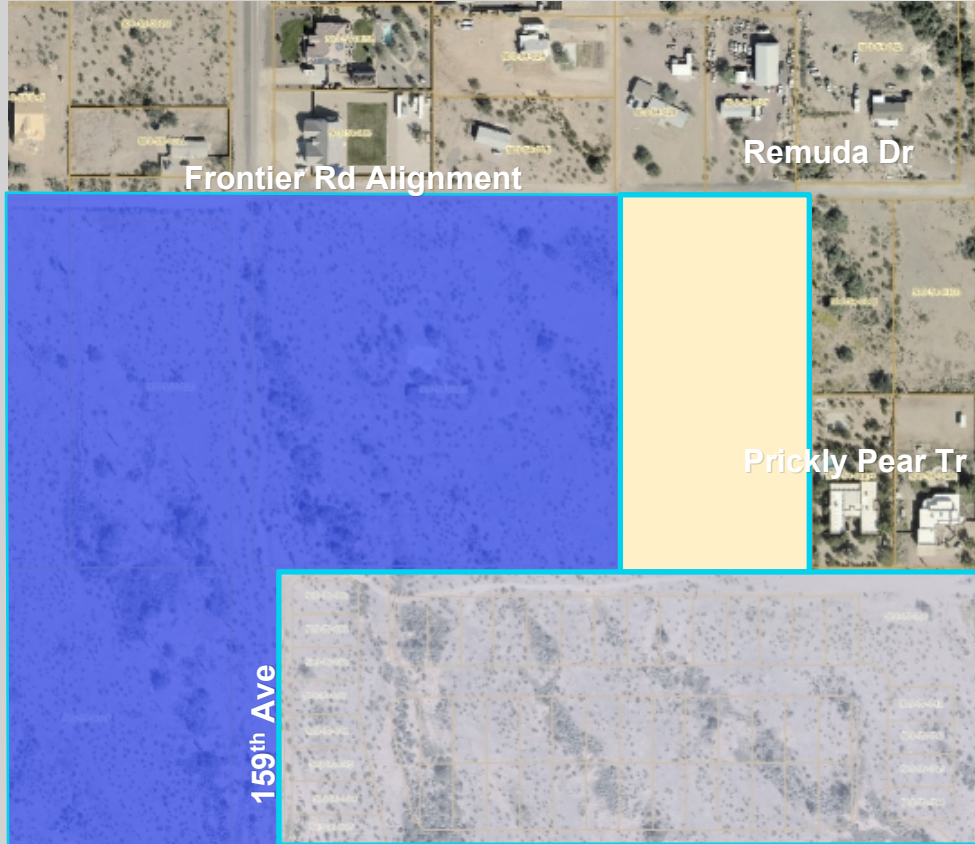
Zoning



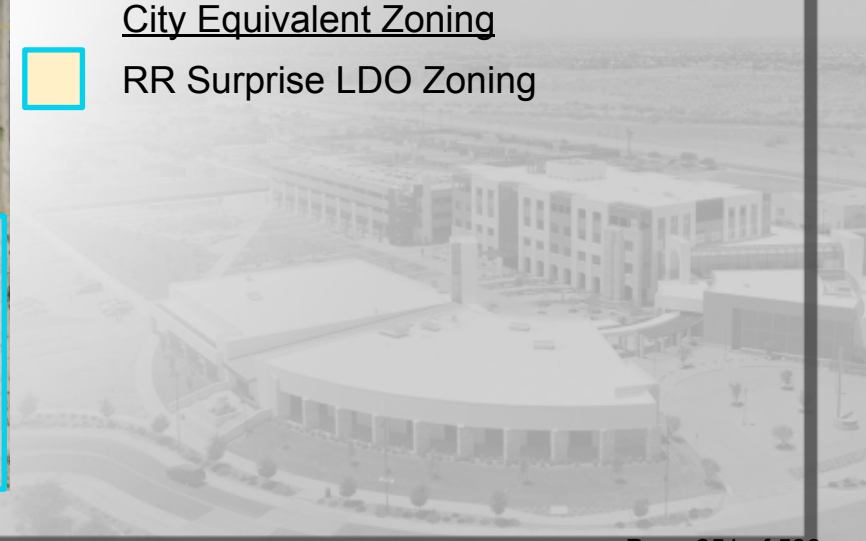
-  Existing Surprise Incorporated Limits
-  Approved Paloma Creek Boundary

- City Equivalent Zoning
-  RR Surprise LDO Zoning

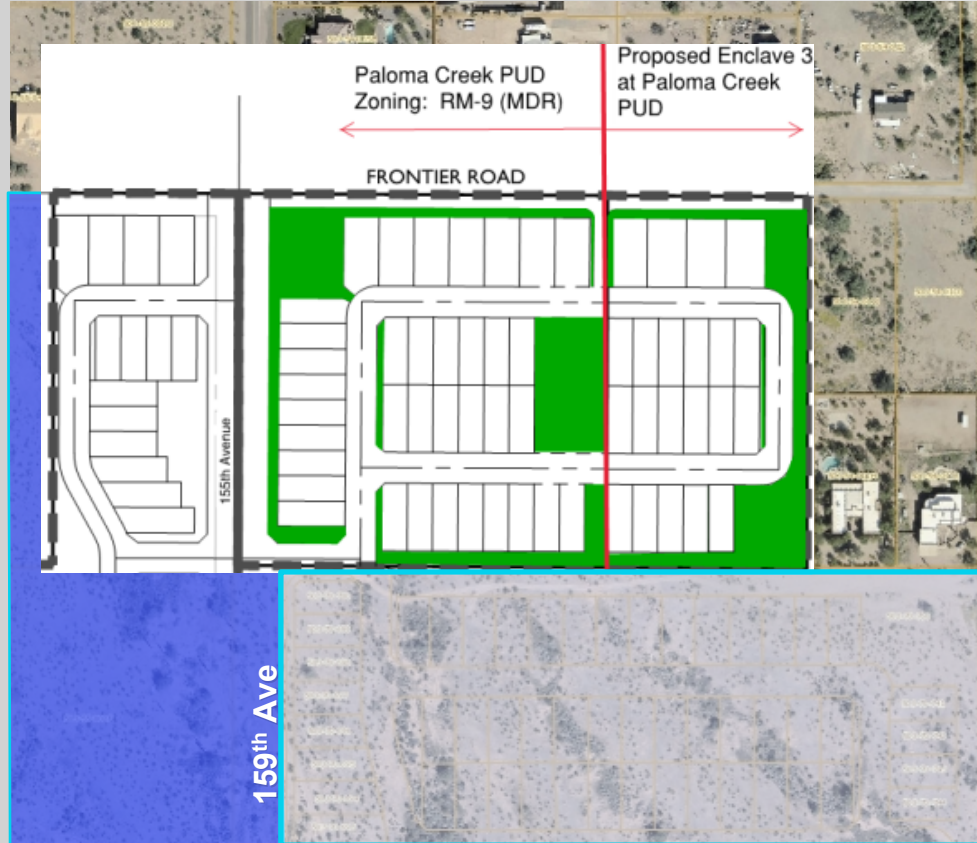
Conceptual Layout



-  Existing Surprise Incorporated Limits
-  Approved Paloma Creek Boundary
-  Tierra Verde East
- City Equivalent Zoning
-  RR Surprise LDO Zoning



Conceptual Layout



- Existing Surprise Incorporated Limits
- Approved Paloma Creek Boundary
- Tierra Verde East
- City Equivalent Zoning
- RR Surprise LDO Zoning

Concurrent Cases

FS20-732 – Enclave III at Paloma Creek Annexation

- FS20-731 – Enclave III at Paloma Creek Rezone
- Rezoning: from RR to RM-5 PUD (max 5 du/ac)
- Virtual Neighborhood Outreach: February 11, 2021
 - Attended by 1 County resident
 - General questions: impact on Frontier Rd, impact of construction equipment, stormwater
- Planning and Zoning Public Hearing: April 15, 2021

Annexation Process

Resolution for the Intent to Annex

- City Council – March 16, 2021

Recorded Blank Petition:

- Begins 30-day waiting period;
- Responses County Assessor and Dept. of Revenue
- Date: March 23, 2020

Public Hearing:

- City Council has public hearing to discuss the annexation proposal
- April 20, 2021

Obtain signatures on annexation petitions

- Applicant has 1 year to petition complete
- City Council adopts annexation ordinance
- Date TBD



QUESTIONS OR COMMENTS?

Thank You



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021 Contact Person: Joshua Mike
Submitting Department: Community Development District: District 1
Staff Recommendations: None

Consent: No Regular: No Public Hearing: Yes Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to the proposed annexation of Enclave IV at Paloma Creek.
(Case FS20-739)

Motion:

N/A

Background:

A group of property owners is seeking annexation of undeveloped land, generally located west of 159th Avenue on the north side of Frontier Drive. The annexation proposal is for 5 parcels, consisting of 9.96 acres of unincorporated land within Maricopa County zoning district Rural-43. If annexed, the property will assume the similar Surprise zoning district of Rural Residential (RR) as outlined in the Land Development Ordinances, and the owners will submit a rezoning request for Residential Medium Density with a Planned Unit Development Overlay (RM-9 PUD). The Resolution for the Intent to Annex directs City Staff to begin the annexation process per A.R.S. § 9-471.

The applicant held a virtual Citizen Review meeting on February 25, 2021. Advertisements were posted in a local newspaper and three (3) signs were posted within the subject property. Neighboring residents attended to express their concerns about the compatibility with their residences. This public hearing is required by statute to occur within the last ten days of the 30 day waiting period following recordation of the blank annexation petition before signatures may be collected on the petition.

Objective Analysis:

Positive impacts include adding additional property to the incorporated limits which will generate additional property and potential development fees. Negative impacts could include providing services to an approximately 10-acre area where the City did not previously serve.

Policy Compliant:

No action is being taken at this time. However, if the City Council moves forward to annex property into the City limits, the annexation would be deemed policy compliant by expanding the range of influence of the City.

Financial Impact:

At this time there are no financial impacts associated with this item. If the City Council moves forward

to annex property into the City limits, there could be financial impacts to the City to provide services to an area which the City did not provide services in the past. If the area is annexed, that could result in future development fees, sales and property taxes. Also, a Financial Impact Analysis will be conducted and submitted along with the final annexation documents.

Budget Impact:

There is currently no budgetary impact unless and until the property has been annexed.

FTE Impact:

This item does not have an impact on current staff levels. If the City Council moves forward to annex property into the City limits, staff does not believe any future FTEs would be needed based on the potential annexation.

ATTACHMENTS:

1. 00 FS20-739 Enclave IV Annexation Staff Report CC 4.20.2021
 2. 01 FS20-739 Enclave IV Recorded Blank AnnexPetitionRes202134-8-1-1--
 3. 02 FS20-739 Enclave IV Annexation-Vicinity Map
 4. 03 FS20-739 Enclave IV Annexation-Cit Part Plan Final
 5. 04 FS20-739 Enclave IV Annexation-Rec. Blank Petition Presenation
-



Case: FS20-739

Project Name: Enclave IV at Paloma Creek

Council District: 1

City Council Date: April 20, 2021

Planner: Joshua Mike, AICP

Owner: DICHARA 10, LLC

Applicant: Kent A. Xander, KAX Group, LLC

Request: Annexation Public Hearing

Site Location: Generally located west of the 159th Avenue and on the north side of Frontier Road alignments.

Site Size: 9.96 acres (approx.)

General Plan Conformance: The proposal is consistent with the Surprise General Plan 2035

Actions: No Action at this time. City council public hearing to discuss the annexation proposal

Introduction:

Kent A. Xander seeks annexation of an undeveloped parcel generally located between Happy Valley Road and Jomax Road, and along 159th Ave. The annexation proposal is for 9.96 acres, consisting of (5) parcels with one ownership group, of unincorporated land adjacent to Surprise City limits.

41 **Project Description:**

42
43 The property is currently zoned Maricopa County Rural-43. If annexed, the property will assume
44 similar Rural Residential (RR) zoning of the Surprise Land Development Ordinances (LDO). In a
45 concurrent development application, this property is part of a rezoning case FS20-738 and will
46 be heard by both the Planning and Zoning Commission and City Council.

47
48 The parcels associated with this proposed annexation boundary include:

- 49 • 503-55-010R
- 50 • 503-55-010S
- 51 • 503-55-010T
- 52 • 503-55-010U
- 53 • 503-55-010V

54
55 **Neighborhood Outreach**

56
57 The site was posted on February 9, 2021 to alert interested citizens and stakeholders of the
58 virtual open house on February 25, 2021. Approximately 7 County residents participated in the
59 virtual meeting and discussed project with the applicant and City Staff. The applicant answered
60 questions regarding how the proposal ties into existing plans for the adjacent development plans
61 for Paloma Creek. This included questions about water and waste water being tied into nearby
62 City infrastructure, and storm water being retained on-site to protect adjacent properties. Staff
63 answered questions regarding the annexation regulations and timelines.

64
65 The meeting attendees were generally not in favor of the annexation and the increase in density
66 with a summary of the items discussed shown below:

- 67 • Extending 159th Ave within the property, specifically potential landscaping and access to
68 Prickly Pear Trail. The City is coordinating with Maricopa County to determine if access
69 can be established and the applicant was agreeable.
- 70 • Suburban development next to rural, horse properties. Applicant committed to the lots
71 along the north side and east side of the development being single story as well as
72 buffering with either open space tracts or 159th Ave.
- 73 • Requirement for streetlights. Applicant committed to dark sky type fixtures and work
74 with the City staff on this issue.
- 75 • Landscaping and chemical usage. Applicant agreed to work with City on native vegetation
76 or native hydro-seed that does not require chemical usage.

77
78 Following the meeting, the applicant obtained the email addresses of the attendees to share
79 information regarding the annexation and rezoning development proposals.

84 **Arizona Revised Statute Description:**

85
86 Arizona Revised Statutes require the filling of a blank annexation petition. The blank petition
87 relating to the subject property was recorded with the Maricopa County Recorder's Office on
88 March 23, 2021 (see attached). Arizona Revised Statutes also require that no signatures be
89 obtained during a 30-day waiting period immediately following the filing of the blank petition,
90 and that a public hearing must be held during the last 10 days of the 30-day waiting period. Once
91 the public hearing is held and the 30-day waiting period has ended, signatures may be collected.
92 State statute further requires that an excess of 50% of the land owners and assessed valuation
93 for all real and personal property, sign the petition in order to validate the petition. State statute
94 also allows up to one year following the end of the 30-day period to obtain the required number
95 of signatures.

96
97 **Summary:**

98
99 The proposed annexation includes five parcels, consisting of 9.96 acres, and requires signatures
100 from representatives of the ownership groups after the Arizona Revised Statute's required 30-
101 day waiting period that concludes on April 22, 2021. Upon receiving those signatures, Enclave IV
102 at Paloma Creek will be eligible for annexation by the City of Surprise. The signed petition must
103 be presented and considered by City Council within 1 year.

104
105 The parcel to be annexed complies with all requirements for size, shape, and contiguity set forth
106 in the Arizona annexation statutes.

107
108 **Attachments:**

- 109 01 FS20-739 Enclave IV at Paloma Creek Annexation-Recorded Blank Petition
110 02 FS20-739 Enclave IV at Paloma Creek Annexation-Vicinity Map
111 03 FS20-739 Enclave IV at Paloma Creek Annexation-Citizen Participation Report
112 04 FS20-739 Enclave IV at Paloma Creek Annexation-Presentation

Recording requested by:

City of Surprise
City Clerk's Office
16000 N Civic Center Plaza
Surprise, Arizona 85374

AnnexPetRes202134-8-1-1--
Garcia

BLANK ANNEXATION PETITION

RESOLUTION 2021-34

EXHIBITS AND AFFIDAVIT REGARDING ANNEXATION

ANNEXATION PETITION**TO THE HONORABLE MAYOR AND COUNCIL OF THE CITY OF
SURPRISE, ARIZONA:**

We, the undersigned, the owners of one-half or more of the real and personal property that also represents one-half or more of the value of the real and personal property that would be subject to taxation by the City of Surprise in the event of annexation within the territory proposed to be annexed, which is hereafter described, said territory being contiguous to the corporate limits of the City of Surprise, with the exterior boundaries of the territory proposed to be annexed shown on the map attached hereto, marked "Exhibit "B" and made a part hereof, request the City of Surprise to annex the following described territory, provided that the requirements of A.R.S. §9-471, and amendments thereto are fully observed.

The description of the territory proposed to be annexed as part of the Surprise Case #FS20-739, not already within the present limits of the City of Surprise and located in Maricopa County, Arizona, is as described and attached hereto, marked Exhibit "A" and made part thereof:

DATE	NAME OF PROPERTY OWNER	MAILING ADDRESS	PHONE NO	PARCEL NUMBER OR LEGAL DESCRIPTION

RESOLUTION # 2021-34

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA DIRECTING THE RECORDING OF A BLANK PETITION FOR ANNEXATION PURSUANT TO A.R.S. § 9-471, PERTAINING TO A CERTAIN PROPERTY THAT ADJOINS AND IS CONTIGUOUS TO THE CITY OF SURPRISE CONSISTING OF APPROXIMATELY 9.95 ACRES LOCATED ONE-HALF MILE NORTH OF HAPPY VALLEY ROAD AND ONE-HALF MILE WEST OF 155TH AVE, MARICOPA COUNTY, ARIZONA

WHEREAS, it has been proposed that the City of Surprise annex certain property within the Southeast quarter of the Southeast quarter of the Northwest quarter of Section 6, Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described in the attached ***Exhibit A***;

WHEREAS, the area to be annexed adjoins the exterior boundary of the City of Surprise for at least 300 feet and is otherwise contiguous to the City; and

WHEREAS, A.R.S. § 9-471(A)(1) requires that the City file, in the office of the Maricopa County, Arizona Recorder, a blank petition setting forth the legal description, attached hereto as ***Exhibit A***, and an accurate map of the exterior boundaries of the territory proposed to be annexed, attached hereto as ***Exhibit B***.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The City Clerk shall record with the Office of the Maricopa County Recorder a blank annexation petition containing the legal description of the property, attached hereto as ***Exhibit A***, and an accurate map of the exterior boundaries of the territory proposed to be annexed, attached hereto as ***Exhibit B***. The City Clerk shall also record a sworn affidavit verifying that no part of the territory proposed to be annexed is already subject to an earlier filing for annexation.

Section 2. The City Clerk shall call a public hearing for the purpose of consideration of the proposed annexation, said hearing to be noticed for a date between 20-30 days after filing the blank annexation petition, in accordance with A.R.S. § 9-471 (A)(3).

[SIGNATURES TO FOLLOW ON THE NEXT PAGE]

APPROVED AND ADOPTED this 16 day of March, 2021.


Skip Hall, Mayor

Attest:


Sherry Aguilar, City Clerk

Approved as to form:

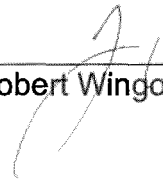

Robert Wingo, City Attorney

EXHIBIT A**LEGAL DESCRIPTION**

The Southeast quarter of the Southeast quarter of the Northwest quarter of Section 6,
Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa
County, Arizona described by metes and bounds as follows:

BEGINNING at the Center of said Section 6;

Thence North 89° 48' 24" West along the East-West mid-section line a distance of 658.26 feet;

Thence North 00° 03' 17" West a distance of 658.77 feet;

Thence South 89° 47' 38" East a distance of 658.82 feet to the North-South mid-section line;

Thence South 00° 00' 23" East along said mid-section line a distance of 658.62 feet to the **POINT**

OF BEGINNING.

Containing 9.9581 acres



Land Survey Services PLC
20651 W. Pasadena Ave
Buckeye, AZ 85396-1255

Job No. 10019

EXHIBIT A

Parcel Map Check Report

Prepared by:

Thomas Rope

Land Survey Services, PLC

Date: 3/10/2020 8:50:08 AM

Parcel Name: Paloma Creek

Description: SE1/4, SE1/4, NW1/4 SEC 6, T4N, R1W

Process segment order counterclockwise: False

Enable mapcheck across chord: False

North: 989,285.1762'

East: 552,048.0707'

Segment# 1: Line

Course: N89°48'24"W

Length: 658.26'

North: 989,287.3973'

East: 551,389.8144'

Segment# 2: Line

Course: N0°03'17"W

Length: 658.77'

North: 989,946.1670'

East: 551,389.1852'

Segment# 3: Line

Course: S89°47'38"E

Length: 658.82'

North: 989,943.7970'

East: 552,048.0010'

Segment# 4: Line

Course: S0°00'23"E

Length: 658.62'

North: 989,285.1670'

East: 552,048.0744'

Perimeter: 2,634.47'

Area: 9.9579Acre

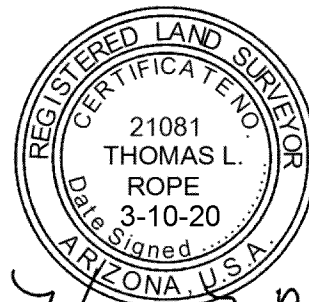
Error Closure: 0.0099

Course: S22°21'11"E

Error North : -0.00911

East: 0.00375

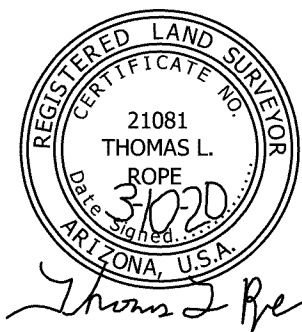
Precision 1: 266,109.09

*Thomas L. Rope*

Land Survey Services PLC
20651 W. Pasadena Ave
Buckeye, AZ 85396-1255

Job No. 10019

A PART OF THE NORTHWEST QUARTER OF SECTION 6
T4N, R1W, G.&S.R.B.M., MARICOPA COUNTY, ARIZONA



N1/4 COR
SEC 6

1625.16'
S00°00'23"E

S89°47'38"E 658.82'

658.77'
N00°03'17"W

658.62'
S00°00'23"E
159TH AVENUE

THIS SITE

1"=150'

1174.39'
N89°48'24"W
W1/4 COR
SEC 6

N89°48'24"W 658.26'
FRONTIER DRIVE

P.O.B.
CENTER
SEC 6

AFFIDAVIT REGARDING ANNEXATION

Personally appears before me, Chris Boyd, who, first being duly sworn, deposes and says as follows:

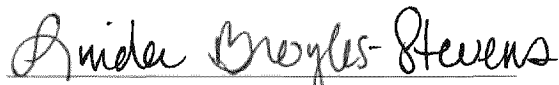
1. I make this affidavit of my own personal knowledge.
2. I am the duly appointed Community Development Director of the City of Surprise, Arizona and I am qualified to make this affidavit on behalf of and for the City.
3. I have made a diligent search of the records of the Office of the Clerk of the City of Surprise and of the Office of the Maricopa County Recorder for any annexation filing which might involve territory sought to be annexed in the City of Surprise Annexation Petition, which is filed herewith, with exhibits, in the Office of the Maricopa County Recorder.
4. I hereby affirm, pursuant to A.R.S. §9-471(A)(6), that no part of the territory associated with Surprise Case #FS20-739 for which the attached Annexation Petition is filed is already subject to an earlier filing for annexation.

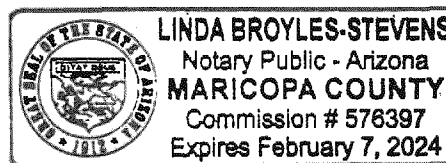
FURTHER AFFIANT SAYETH NOT.



(Chris Boyd, Surprise Community Development Director)

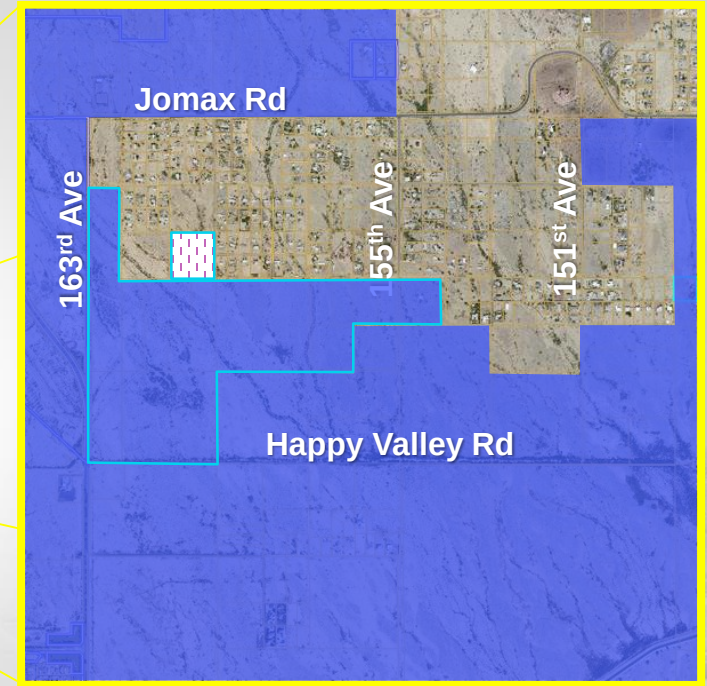
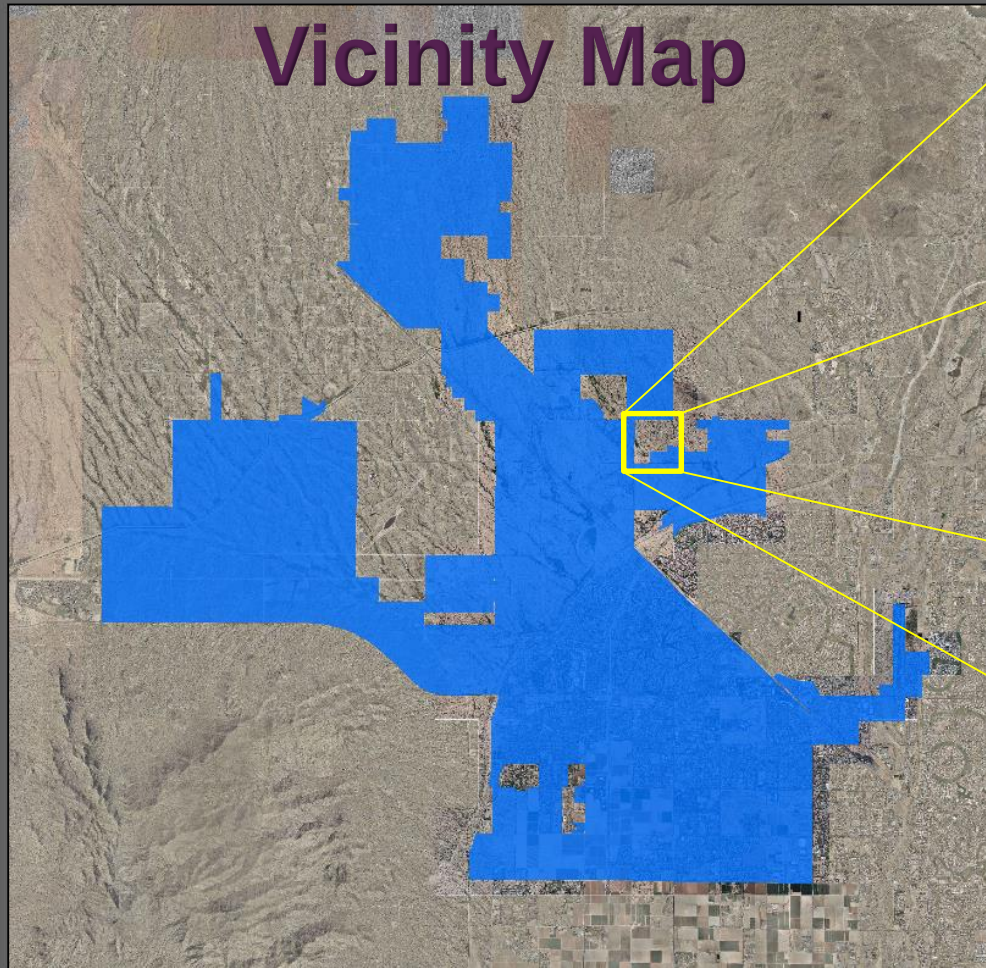
SWORN TO AND SUBSCRIBED before me
this 22 day of March, 2021.


Notary Public for the State of Arizona



My commission expires: Feb. 7, 2024

Vicinity Map



Proposed Annexation Location

-  Existing Surprise Incorporated Limits
-  Approved Paloma Creek Boundary
-  FS20-739 – Enclave IV at Paloma Creek (9.96 acres)



Enclave IV Rezone

Citizen Participation Plan

February 26, 2021

Background

The City of Surprise (City) requires a citizen participation process and report for applications such as this PAD amendment. The purpose of the citizen review process is to:

Ensure that applicants pursue early and effective citizen participation in conjunction with their applications, giving them the opportunity to understand and try to mitigate any real or perceived impacts their application may have on the community;

Ensure that the citizens and property owners of the city have an adequate opportunity to learn about applications that may affect them and to work with applicants to resolve concerns at an early stage of the process; and

Facilitate ongoing communication between the applicant, interested citizens and property owners, city staff, and elected officials throughout the application review process.

The citizen review process is not intended to produce complete consensus on all applications, but to encourage applicants to be good neighbors and to allow for informed decision-making.

Enclave IV Citizen Participation Plan & Report

Enclave 4 at Paloma Creek PUD is a 9.9581-acre proposed residential subdivision adjacent to the north of the approved Paloma Creek PUD Case # FS18-150 zoned for a density of 4 units per acre. The subject property is adjacent to unincorporated vacant land and homes to the west, north, and east zoned RU-43. The proposal is to annex into the City and rezone the property. As part of the rezone process, adjacent property owners and stakeholders in the area were notified by the City staff to our proposed application and open house to inform the public of this rezoning request. The case also includes an Annexation from Maricopa County into the City.

We met the City's notification requirements, which are:

- Notice of the citizen review meeting shall be provided by the planning and zoning division in the form of a public notice to the following, when applicable:
 - The notice shall be published at least once in a newspaper of general circulation published or circulated in the municipality at least 15 days prior to the meeting date.
City initiated.



- o For applications involving rezoning of land which abuts other municipalities or unincorporated areas of the county or a combination thereof, copies of the notice shall be transmitted to the planning agency of such governmental unit butting such land. **City initiated.**
- o For applications involving rezoning, subdividing, planned unit developments, site plans with uses permitted on a conditional basis, and legislative matters, all real property owners within a 200-foot or 300-foot radius, the city shall send copies of the notice by first class mail, no less than seven days prior to the hearing. We noticed at 300 feet. **City initiated.**
- o Any village committee or special community group which is located in the area of the proposed public hearing request or has considerable interest in the nature of the application; **See City initiated list.**
- o The head of any homeowners association or registered neighborhood within the public notice area established in item (3) indicated above. **See City initiated list.**

Site Posting

The site was posted on February 9, 2021 to alert interested citizens and stakeholders of our upcoming virtual open house on February 25, 2021. The photographs of the signs and affidavit are attached at **Tab 1**. The signs do not have the anticipated Planning & Zoning Commission and City Council hearings dates and will be updated as we learn these dates.

Participation Report.

After the notices were sent by staff and the site was posted, we did not field any telephone calls or emails of concern regarding the rezoning case. We held the virtual open house on Go-to-Meetings on February 25, 2021 at 6:00 pm. During the virtual open house, there were approximately seven (7) County residents who participated in virtual open house and discussed the project with the applicant and the applicant's representative. City staff was present in the meeting and during this discussion. The discussion included the following topics/opinions from the County participants:

- The meeting attendees were generally not in favor of the annexation and increase in density. Jane Peiffer, Mark Graham and Sue Tingle were adamantly opposed.
- Questions regarding sewer and water were resolved through discussion
- Discussion about the annexation statute and process. City staff contributed to this discussion.
- Discussion about City information and incorrect information on this case. City staff committed to ensuring better communication on this case.
- Discussion about 159th Avenue design, how far north will it be built, landscaping on the west side and access to Prickly Pear trail. Applicant and City looking into final design options



regarding this issue.

- Discussion about suburban development next to rural, horse property
- Discussion about single story homes. Applicant committed to the lots along the north side and east side of the development being single story. Applicant committed to lowering number of lots from 36 to 32 lots during the open house.
- Discussion on lot sizes and types of homes. Applicant agreed to increase the width of the lots on the three (3) south rows to 60-foot wide lots.
- Discussion on construction timeframe and contact information if issues arise. Applicant committed to providing neighbors with contact info during construction and approx. time line for construction.
- Discussion about the requirement for streetlights. Applicant committed to dark sky type fixtures and work with the City staff on this issue.
- Discussion of landscaping and chemical usage. Applicant agreed to work with City on native vegetation or native hydro-seed that does not require chemical usage.
- Discussion of walls and perimeter walls/location
- Discussion of drainage and potential impacts to existing County residents. Applicant explained grading and drainage plans at time of platting to ensure no drainage impacts.

After our discussion, we felt the participants were able to express their concerns, questions and opinions throughout the open house. City staff was also present during the virtual open house and participated in the discussion at several times during the 1.4-hour discussion. We also obtained the participants emails during the virtual meeting. We sent the open house participants our project narrative and the PowerPoint presentation the following day by email.

We have committed to working through many of the discussion points during the virtual open house and we will continue to follow up with the meeting attendees with additional information on the project and schedule. We have been working cooperatively with City staff on the annexation and rezone request and will continue to work towards public hearings on the proposed request. If we are contacted by any neighbors or stakeholders after we have submitted this citizen participation report to the City, we will provide updates to the City staff with an amended report.



AFFIDAVIT OF POSTING

Application No: FS20-739 & FS20-738

Applicant Name:

Location: West of 159th Ave and Prickly Pear Trail

Date Site Posted: February 9th, 2021

In order to assist in providing adequate notice to interested parties, the applicant for any type of public hearing in the City of Surprise shall erect two (2) signs giving notice of the date, time and place of the scheduled hearings. These signs must be erected not less than **fifteen (15) days prior** to the date of the first hearing. The signs shall also include the nature of the request as contained on the formal zoning application. The size and format of this sign shall meet requirements established by the Planning and Zoning Department (see page 2).

Such notice shall be clearly legible and placed at a prominent location on the site – Generally adjacent and perpendicular to the public right-of-way. It shall be the responsibility of the applicant to erect and to maintain the sign on the subject property and to maintain the hearing information on the sign until final disposition of the case.

It shall also be the responsibility of the applicant to remove the signs within one week after the final disposition of the case.

I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

Maria Hitt
Applicant/Representative Signature

2-9-2021
Date

This instrument was acknowledged before me on this 9th day of February, 2021, and by Maria Hitt. I witness whereof I hereunto

set my hand and official seal.

Mary Beth Conrad
Notary Public

10-28-2024
My commission expires



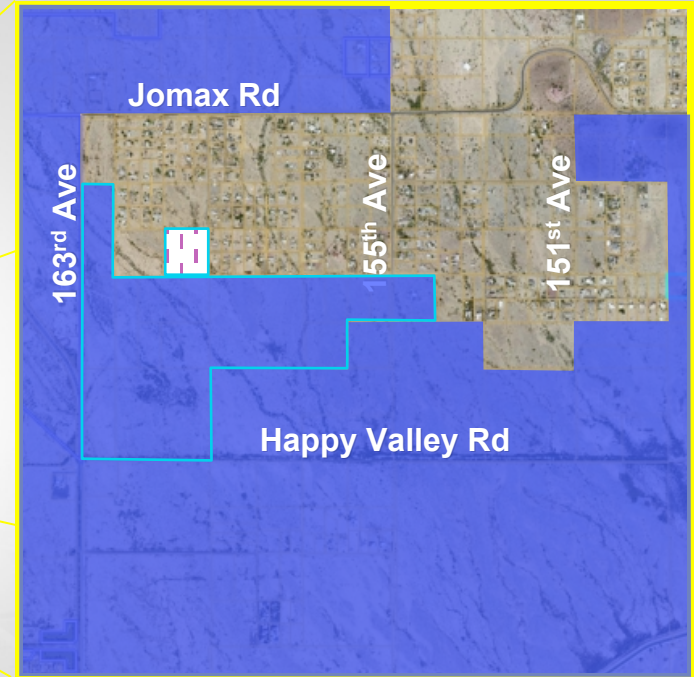
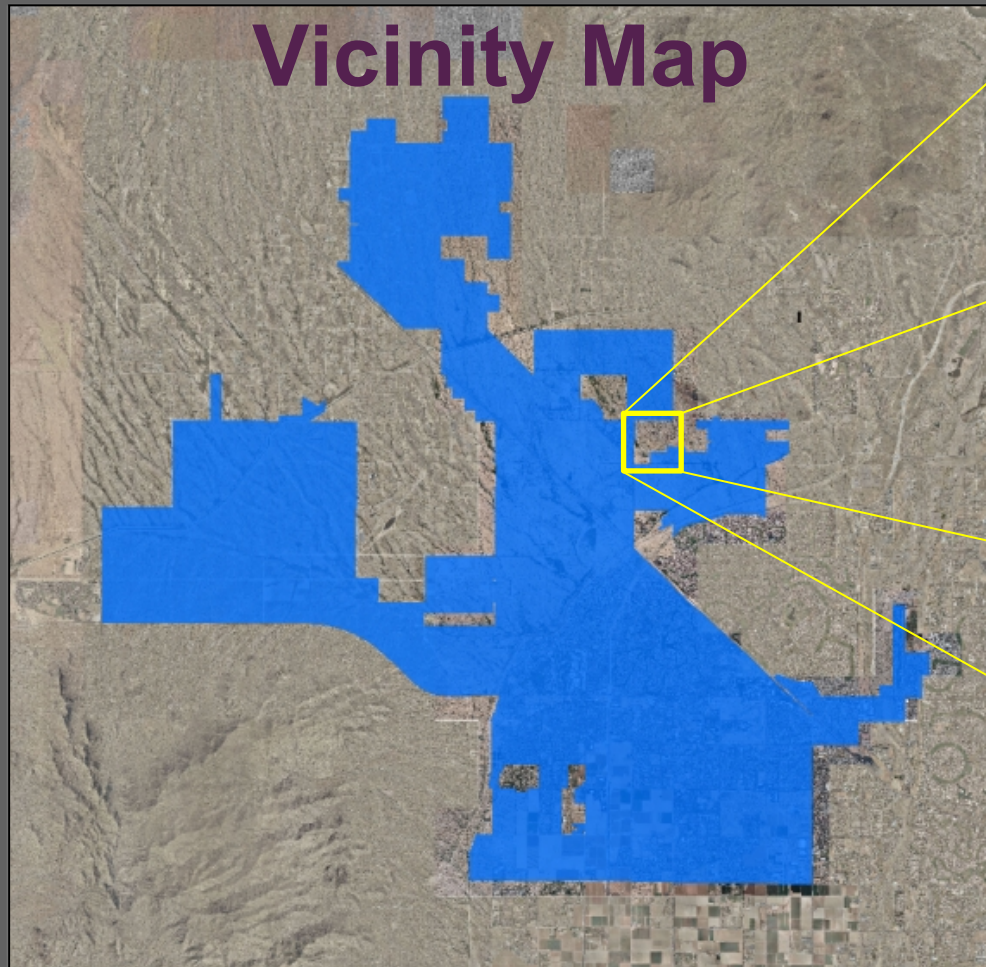


Annexation – Discuss Blank Petition

FS20-739 – Enclave IV at Paloma Creek

City Council
April 20, 2021

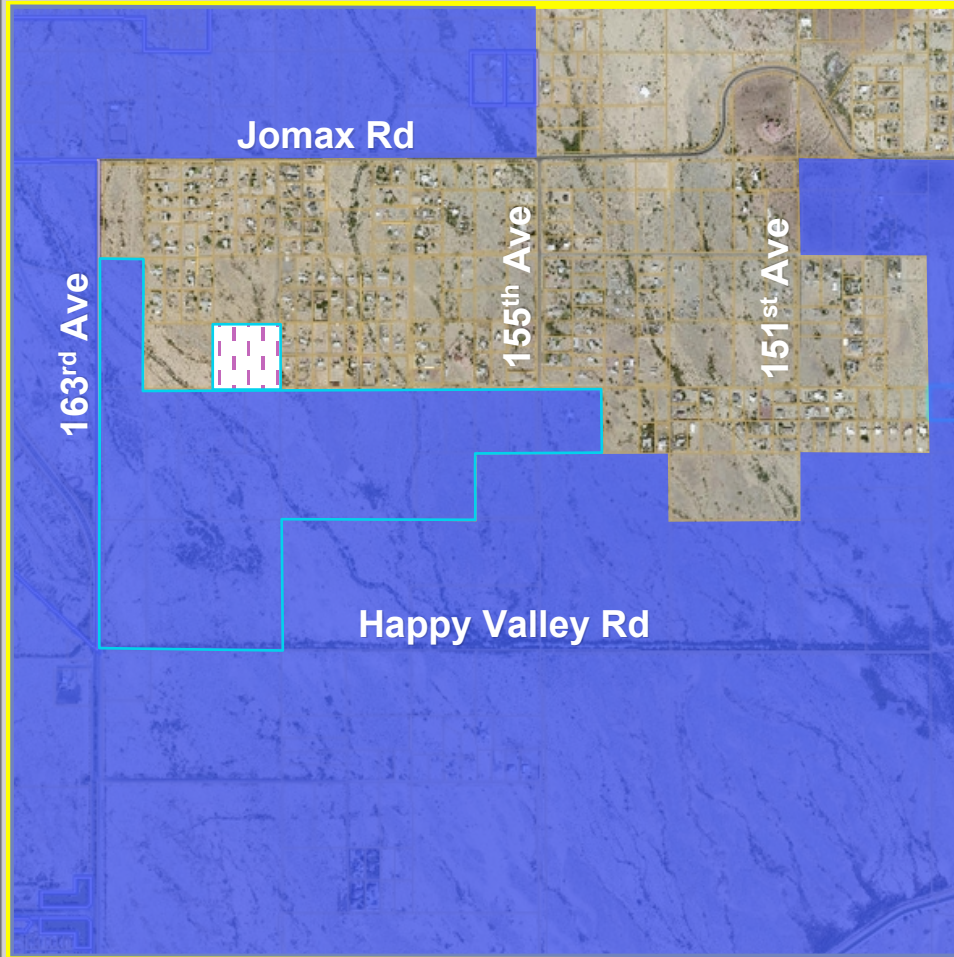
Vicinity Map



Proposed Annexation Location

-  Existing Surprise Incorporated Limits
-  Approved Paloma Creek Boundary
-  FS20-739 – Enclave IV at Paloma Creek (9.96 acres)

Case Map



Existing Surprise Incorporated Limits

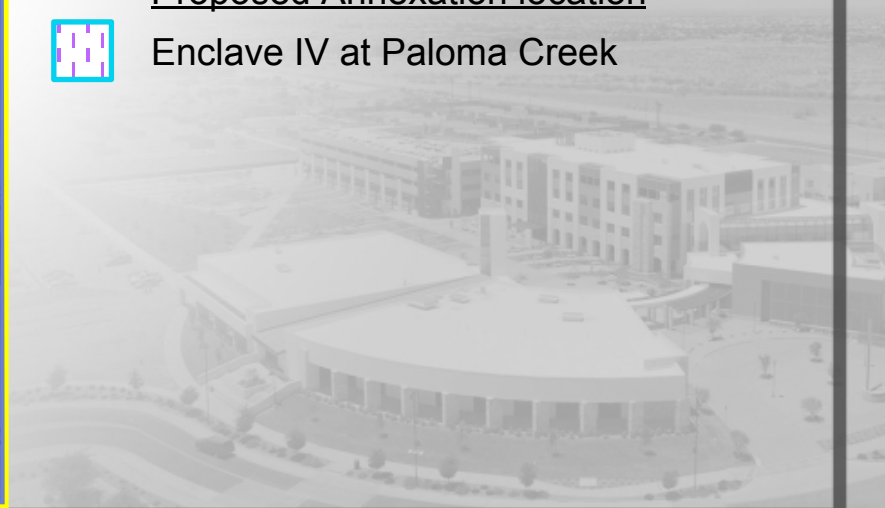


Approved Paloma Creek Boundary

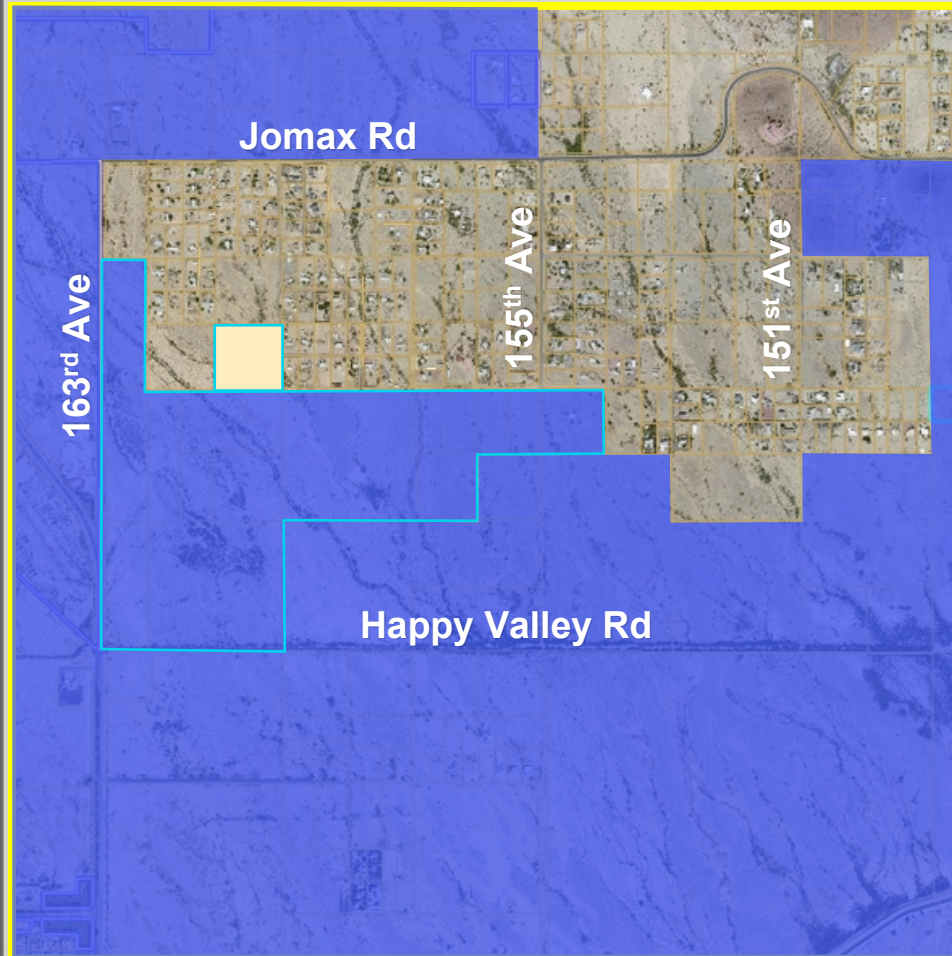
Proposed Annexation location



Enclave IV at Paloma Creek



Zoning



Existing Surprise Incorporated Limits

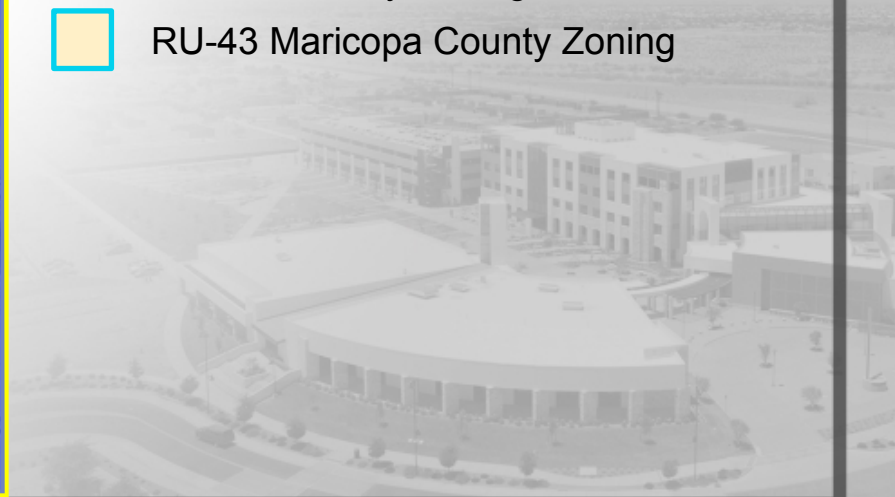


Approved Paloma Creek Boundary

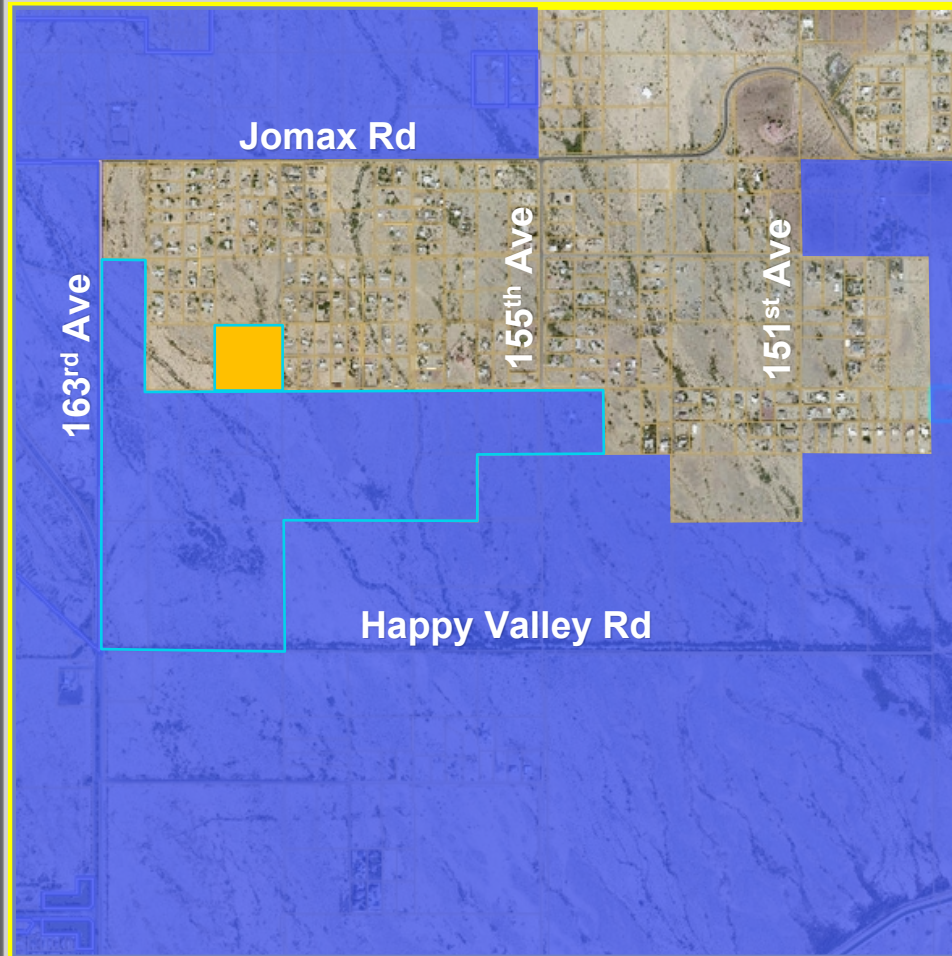
Current County Zoning



RU-43 Maricopa County Zoning



Zoning



Existing Surprise Incorporated Limits



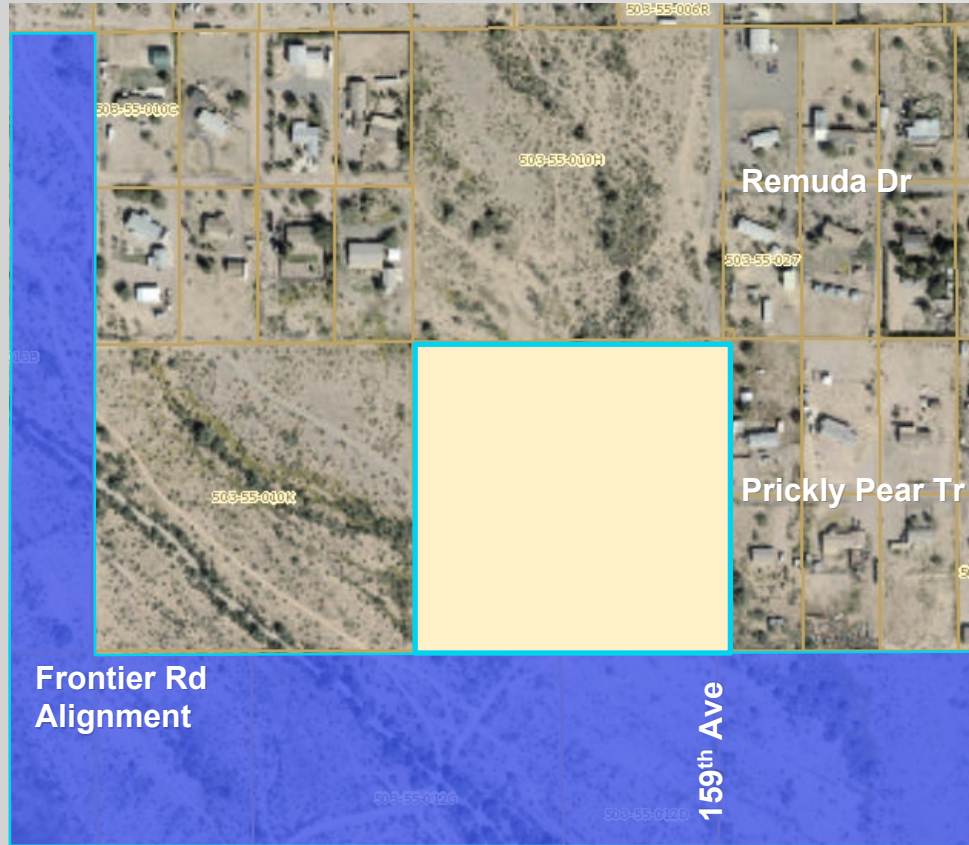
Approved Paloma Creek Boundary

City Equivalent Zoning



RR Surprise LDO Zoning

Conceptual Layout



Existing Surprise Incorporated Limits



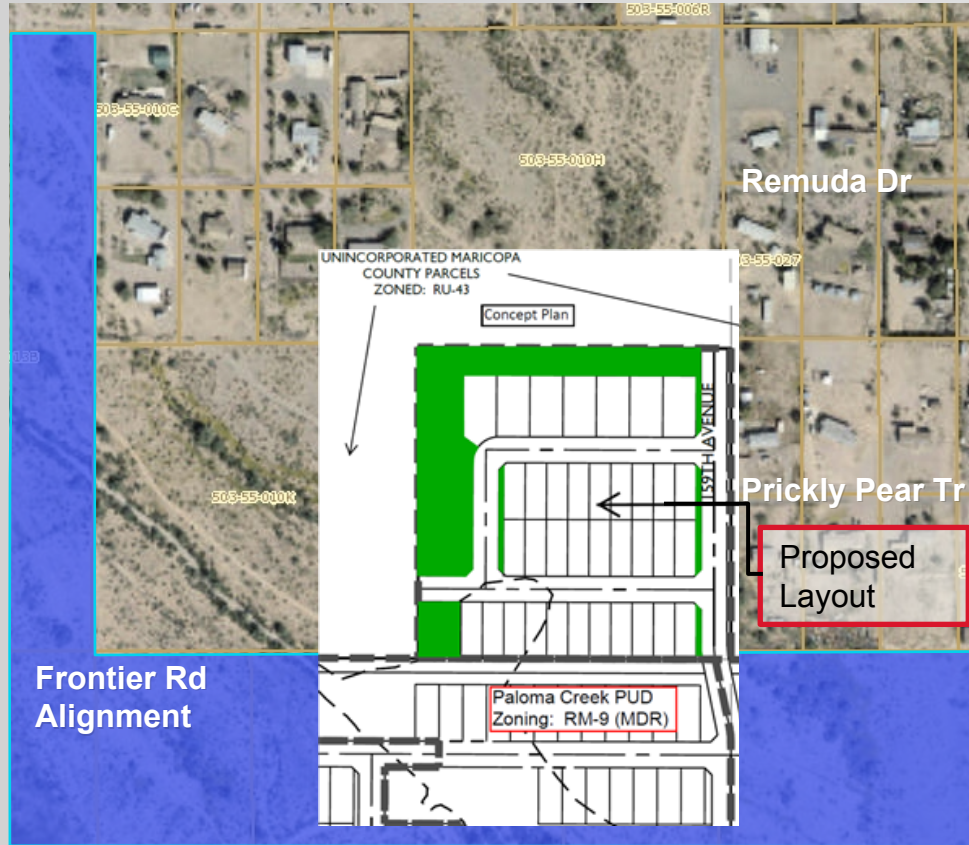
Approved Paloma Creek Boundary



City Equivalent Zoning

RR Surprise LDO Zoning

Conceptual Layout



- Existing Surprise Incorporated Limits
- Approved Paloma Creek Boundary

- City Equivalent Zoning
- RR Surprise LDO Zoning

Concurrent Cases

FS20-739 – Enclave IV at Paloma Creek Annexation

- FS20-738 – Enclave IV at Paloma Creek Rezone
- Rezoning: from RR to RM-5 PUD (max 5 du/ac)
- Virtual Neighborhood Outreach: February 25, 2021
 - Attended by 7 County residents
 - General opposition: incompatible densities, preserve open space/desert vegetation, access to 159th Ave
- Planning and Zoning Public Hearing: April 15, 2021

Annexation Process

Resolution for the Intent to Annex

- City Council – March 16, 2021

Recorded Blank Petition:

- Begins 30-day waiting period;
- Responses County Assessor and Dept. of Revenue
- Date: March 23, 2020

Public Hearing:

- City Council has public hearing to discuss the annexation proposal
- April 20, 2021

Obtain signatures on annexation petitions

- Applicant has 1 year to petition complete
- City Council adopts annexation ordinance
- Date TBD



QUESTIONS OR COMMENTS?

Thank You



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021

Contact Person: Andrea Davis, DIRECTOR -
FINANCE

Submitting Department: Finance

District: Internal

Staff Recommendations: None

Consent: No	Regular: Yes	Public Hearing: No	Report/Discussion: No
-------------	--------------	--------------------	-----------------------

Agenda Wording:

Presentation and discussion pertaining to the fiscal year 2020 annual audit and Comprehensive Annual Financial Report, and associated reports.

Motion:

None; discussion only.

Background:

The City is subject to an annual audit performed by external auditors. Each year the auditors issue an opinion on the City of Surprise Comprehensive Annual Financial Report (CAFR), Single Audit Report, Annual Expenditure Limitation (AELR) Report, and Highway User Revenue Fund (HURF) Report, and provide letters related to the outcome of the audit such as the Management Letter and the Communication with Governance.

The city received an unmodified opinion, which is the 'clean' opinion and the goal of all cities.

Objective Analysis:

A "clean" or unmodified opinion is the goal of all cities.

Policy Compliant:

The reports have met the requirements of external regulators and are compliant with City policy.

Financial Impact:

There is no financial impact as these reports are for informational purposes only.

Budget Impact:

There is no budget impact as these reports are for informational purposes only.

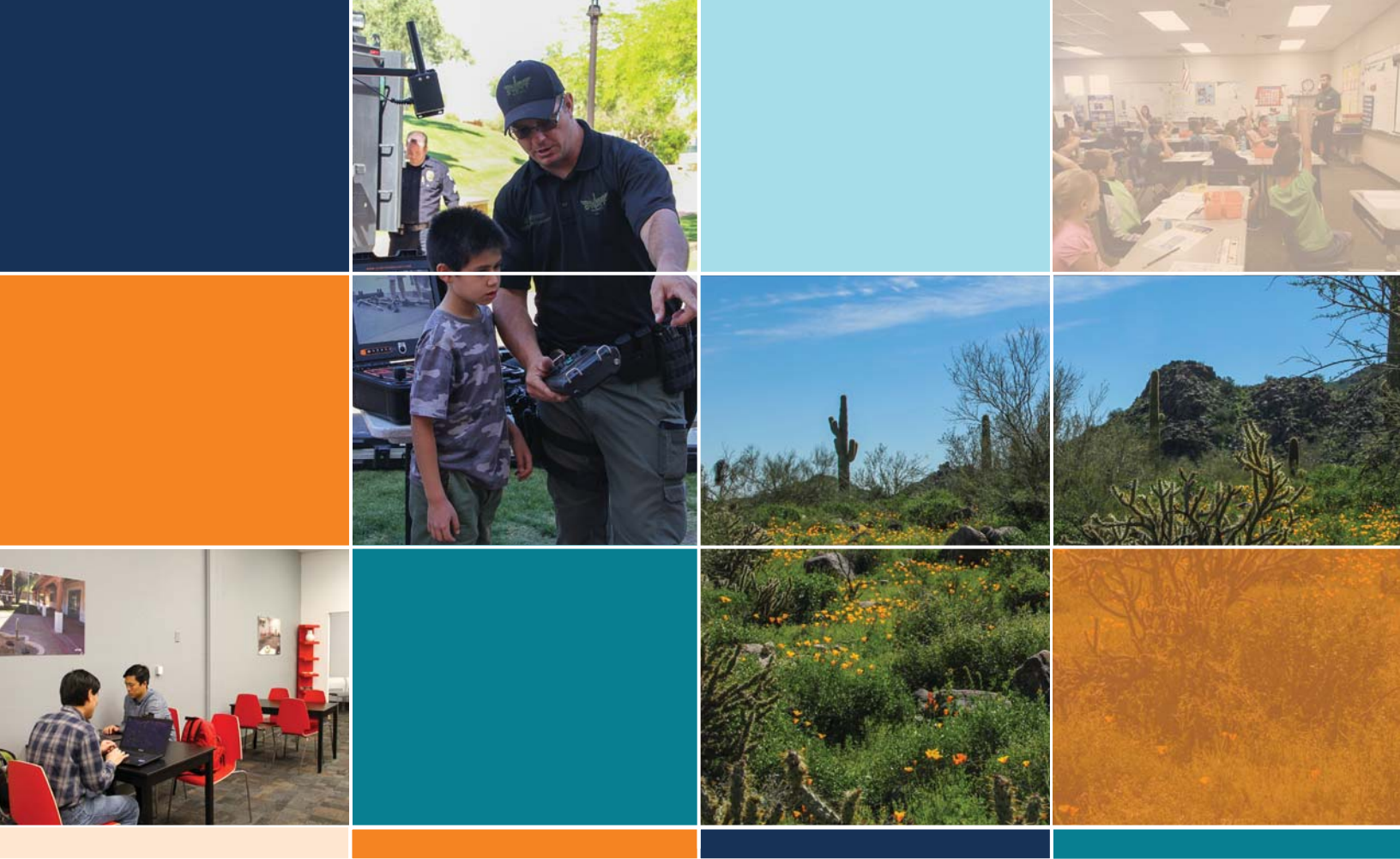
FTE Impact:

The number of full time equivalents (FTE) is not impacted by this item.

ATTACHMENTS:

1. FY20 CAFR Final Report

2. General Representation Letter - Single Audit - signed
 3. FY20 AELR General Rep Letter - signed
 4. City of Surprise HURF Auditor's Report 20
 5. City of Surprise Communication to Governance 20
 6. City of Surprise ML 20
 7. City of Surprise SARP 20
 8. FY20 Audit General Rep Letter - signed
 9. Impact Fee AUP Report 2020
-



CITY OF SURPRISE, ARIZONA COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

2020
FY

CITY OF SURPRISE, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
June 30, 2020

Prepared by:
Finance Department



SURPRISE

ARIZONA

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	6
Mayor and City Council Members	7
Appointed Officials	12
Certificate of Achievement for Excellence in Financial Reporting	13
FINANCIAL SECTION	
Independent Auditors' Report	14
Management's Discussion and Analysis (Required Supplementary Information)	16
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	32
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Governmental Funds Balance Sheet Fund Balances to the Statement of Net Position	36
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	40
Statement of Net Position – Proprietary Funds	42
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	44
Statement of Cash Flows – Proprietary Funds	46
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	49
Notes to Financial Statements:	
1. Summary of Significant Accounting Policies	50
2. Cash and Investments	61
3. Accounts Receivable	65
4. Capital Assets	66
5. Developer Agreements	68
6. Significant Commitments	70
7. Long-term Debt & Other Payables	71
8. Pensions and Other Postemployment Benefits	79
9. Risk Management	99
10. Contingent Liabilities	101
11. Interfund Borrowing and Transfers	101
12. Fund Balance Classification	103
13. Deficit Fund Balances	104
14. Budget Basis of Accounting	104
15. Joint Venture	104
16. Subsequent Events	104

TABLE OF CONTENTS

	<u>Page</u>
<u>Required Supplementary Information:</u>	
Schedule of the City's Proportionate Share of the Net Pension/OPEB Liability (asset) – Cost Sharing Plans	105
Schedule of the Changes in the City's net pension/OPEB liability and related ratios – Agent Plans	107
Schedule of City pension/OPEB contributions	110
Notes to Pension/OPEB Schedules	114
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	
- General Fund.....	116
- General Government Development Fee Fund	118
- Highway User Revenue Fund	119
- Transportation Improvement Fund	120
Note to Required Supplementary Information	121
<u>Combining and Individual Fund Financial Statements and Schedules:</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget to Actual – General Capital Projects Fund	122
Budget to Actual – Debt Service Fund	123
Non-major Governmental Fund Descriptions.....	124
Combining Balance Sheet – Nonmajor Special Revenue Funds	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	
- Nonmajor Special Revenue Funds	131
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual	
- Grants Fund.....	136
- LTAF II/ALF Fund.....	137
- Municipal Court Enhancement Fund	138
- Municipal Court FARE Fund.....	139
- Municipal Court JCEF Fund.....	140
- Municipal Court MFTG Fund.....	141
- Neighborhood Revitalization Fund.....	142
- Net Premium Seating Fund.....	143
- Proposition 400 Fund.....	144
- SB1398 Fines Fund.....	145
- SPD DEA Fund.....	146
- SPD RICO Fund	147
- SPD Towing Fund	148
- Sports and Tourism Fund.....	149
- Tourism Fund.....	150
- 163 rd Ave Development Fee Fund	151

TABLE OF CONTENTS

	<u>Page</u>
<u>Combining and Individual Fund Financial Statements and Schedules (Concluded):</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual	
- Fire Development Fee Fund.....	152
- Library Development Fee Fund	153
- Parks and Recreation Development Fee Fund	154
- Police Development Fee Fund	155
- Public Works Expansion Development Fee Fund	156
- Roads of Regional Significance SPA 2, 4 and 6 Fund	157
- Roads of Regional Significance SPA 3 and 5 Fund.....	158
- Street Lighting Districts Fund.....	159
- Marley Park Community Facility District Fund	160
- Internal Service Fund Descriptions.....	161
- Combining Statement of Net Position –Internal Service Funds	162
- Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....	163
- Combining Statement of Cash Flows – Internal Service Funds	164

STATISTICAL SECTION

Financial Trends	
- Net Position by Component.....	165
- Changes in Net Position.....	167
- Fund Balances of Governmental Funds	171
- Changes in Fund Balances of Governmental Funds	173
- Governmental Activities Tax Revenues by Source	175
Revenue Capacity	
- Major Sources of Municipal Sales Tax	176
- Assessed and Estimated Actual Value of Taxable Property	178
- Property Tax Rates- Direct and Overlapping Governments	179
- Principal Property Taxpayers.....	181
- Primary Property Tax Levies and Collections	182
Debt Capacity	
- Ratios of Outstanding Debt by Type	183
- Ratios of General Bonded Debt Outstanding.....	185
- Direct and Overlapping Governmental Activities Debt.....	186
- Legal Debt Margin Information Unrestricted and Restricted	187
Demographic and Economic Information	
- Demographic and Economic Statistics	189
- Principal Employers.....	190
Operating Information	
- Full-time Equivalent City Government Employees by Function.....	191
- Operating Indicators by Function	192
- Capital Asset Statistics by Function	194



SURPRISE

ARIZONA



INTRODUCTORY SECTION

The introductory Section is the first of three essential components of the City's Comprehensive Annual Financial Report (CAFR). The second essential component is the Financial Section, and the third is the Statistical section. The Introductory section provides general information on the City's structure and personnel as well as information useful in assessing the City's economic condition, with the letter of transmittal as the key element to formally introduce the CAFR to the intended readers.



SURPRISE

ARIZONA

January 21, 2021

Members of the City Council and City Manager:

In accordance with the requirements of Arizona Revised Statutes (A.R.S.) § 41-1279.07, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Surprise, Arizona (the City), for the fiscal year ended June 30, 2020. These financial statements are prepared and presented in conformity with generally accepted accounting principles in the United States (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the operations of the various funds of the City. Disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information presented in this report based on internal controls established for this purpose. To provide a reasonable basis for making these representations, the City has established a framework of internal control that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Heinfeld, Meech and Co., P.C., a firm of licensed certified public accountants, has audited the City of Surprise's financial statements pursuant to A.R.S § 9-481. The audit is intended to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

An unmodified audit opinion denotes that the financial statements are presented fairly and in conformity with GAAP. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Heinfeld, Meech and Co., P.C. was also contracted to perform the single audit of the City's major grant programs. This audit was designed to meet the requirements of the Uniform Grant Guidance.

The single audit report is issued separately from this CAFR. Copies are available online and upon request from the City's Finance Department.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

City Profile

Surprise, located just 45 minutes west of downtown Phoenix along U.S. Route 60/State Highway 93, was founded on May 17, 1938 by Flora Mae Statler who purchased and subdivided the original town site. The former small farming village now encompasses 108 square miles, including urban and commercial developments, ranches, industrial sites, and business parks. Surprise has grown from 500 residents to a city of over 130,000 people, evolving from a small town government to a regional governmental entity.

Surprise operates under the Council/Manager form of government. Policymaking and legislative authority are vested in a governing council consisting of the Mayor and six Council Members. The Council is responsible, among other things, for passing ordinances, appointing committees, adopting the budget, and appointing the City Manager, the City Clerk, City Attorney, and the Presiding Judge. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for selecting department directors.

The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three elected alternately every two years. The Mayor is elected at large every four years, while the other Council members are elected by district.

The City of Surprise provides a full range of services, including police and fire protection, roadway maintenance and construction, recreational and cultural activities, as well as general administrative services. Sanitation, water, stormwater, ground ambulance, and sewer services are provided to many of the residents through the City's enterprise funds. The City provides street lighting for existing and new areas through legally formed street lighting districts. The City accounts for a non-profit corporation formed under Arizona Revised Statute, Title 10, designed to facilitate the acquisition and improvement of City property, and a community facilities district designed to provide funding for the construction and acquisition of certain public infrastructure improvements. These last three activities essentially function as departments within the City and have been included as an integral part of the City's financial statements. Additional information on all three of these legally separate entities can be found in Note 1 section A. (1.A) in the Notes to the Financial Statements.

The annual budget is adopted by resolution and serves as the foundation for the City of Surprise's financial planning and control. The maximum legal expenditure permitted for the fiscal year is the total budget as adopted. The budget preparation and adoption process is described in greater detail in the Notes to the Financial Statements. The budget is prepared by fund and by department and may be amended during the fiscal year in accordance with our budget amendment policy which can be found in the City's budget book.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City of Surprise operates.

Local Economy

During the fiscal year, the City was faced with the COVID-19 health pandemic and a state of emergency was declared in March 2020. City Management took immediate steps in March to reduce planned spending levels in the sales tax dependent funds, mainly the General Fund. Due to the unknown economic impacts, the FY2021 General Fund budget was adopted using the FY2020 budget as the baseline for revenues and expenditures. Non- sales tax dependent funds, such as the utility funds, adopted a conservative budget compared to the original FY2021 budget plan.

Despite the Governor's stay at home order and the global economic impacts of the pandemic, the City's year-end financial results were strong in both sales tax revenues, population growth, and development. The General Fund ended the year with sales tax exceeding budget by 5.7% or \$2.9M. In addition, the City received \$16.3 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

Throughout the year, the city experienced residential population growth and significant residential and commercial permit activity. The city continues to exceed the statewide average in population growth and the trend is expected to continue based on the availability of land within the city's planning area. This results in a greater number of consumers and a larger proportion of state shared revenues. The increase in commercial square footage allows for a greater capture of potential sales tax revenues from the increased consumer base. These have combined to result in a 15.1% increase in sales tax collections while state shared sales tax revenues increased by 5.8% over the previous year. The population and commercial square footage growth has been a factor in the improved economic performance for the city.

Further information on the history of City revenues and expenses can be found in the MD&A, pages 16 through 29, and the statistical section that begins on page 165, of this financial report.

Long-Term Financial Planning

The City continues to plan for investment in maintaining facilities, infrastructure, and equipment that allow for the continued delivery of high quality services to the residents of Surprise. The asset replacement policy was updated for FY2021 and new funds were created to allow departments to carry funding into future years for long-term planning. In addition, the policy dedicated 100% of construction sales tax to the General Capital Fund for asset replacement and capital projects.

Major Initiatives

On November 7, 2017, the voters of the City of Surprise approved three General Obligation Bond questions in the areas of Public Safety, Traffic Congestion Mitigation, and Pavement Preservation. The three questions represent ten capital improvement projects for a total authorized bond amount of \$59.5 million. The City has issued General Obligation Bonds totaling \$37.7 million of the \$59.5 million authorization leaving a remaining authorization of \$19.5 million. The City has continued construction and design work for these projects, which will continue throughout fiscal year 2020 with an expected completion date for all projects in fiscal year 2023.

The City continues to work in partnership with Ottawa University Arizona and the surrounding landowners to develop the City Center. In the last year, this has seen the completion of the Residential Housing Facility and the O'Dell Center which includes athletic facilities for the University. Further, within City Center the Texas Rangers completed a Residential Housing Facility and Performance Center to aid in player development.

On May 15, 2018, the voters of the City of Surprise approved the acquisition of a local water company that operates in the City's northern planning area and future water service area. The acquisition will provide the City with the company's existing water infrastructure and grow the City's allocation of Colorado River water by more than 38%. The process for the acquisition of the water company has begun and is expected to be finalized within the next few years.

In fiscal year 2019, the City completed a five-year comprehensive utility rate study of the Water, Sewer, and Sanitation Funds. This study resulted in rates for the Water and Sewer funds remaining unchanged for next five fiscal years, 2020-2024. The study resulted in Sanitation Fund rates increasing from \$16.96 in fiscal year 2019 to \$23.70 in fiscal year 2024, an increase of 39.74%. In addition, the Development Impact Fee Study was updated. In conjunction with the study update, a 10-year land use assumptions and infrastructure improvements plan is developed and approved by the City Council laying out planned projects for which development fees may be used to fund. The infrastructure improvement plan includes necessary public services for Parks and Recreation, Police, Fire, Water System, Water Resources, and Wastewater (Sewer).

During FY2020, a number of projects were completed to include two new recreation facilities that opened their doors to the community; the \$4.5 million Asante Regional Library, funded by development impact fees, and the shared recreation facility with Ottawa University. The recreation facility will allow Surprise residents to access and use the facility through City Parks and Recreation programs. The Public Works operations Facility also opened its doors and construction to widen Waddell and Litchfield Road is almost complete.

Relevant Financial Policies

The City of Surprise has adopted a comprehensive set of financial policies which are reviewed annually and updated as necessary. During the current year, the City updated the minimum fund balance policy included in the Comprehensive Financial Management Policies. For fiscal year 2020, the minimum fund balance (net position) policy for the City's Enterprise Funds were updated to match the categories laid out in the comprehensive utility rate study for the Water, Sewer, and Sanitation Funds. Further, the minimum fund balance for the Risk Management Fund (Internal Service Fund) was updated to be set at three times the maximum annual loss of \$250,000 which is equal to \$750,000.

During the fiscal year 2020, the City created or revised a number of policies and desk procedures. A few of those policies include, an accounts payable policy and vendor setup policy to mitigate fraud. Some of the desk procedures include, a Community Facilities District desk procedure to assist staff during application review, Public Safety Pension Funding, and Finance Administration of City Leases.

Budgetary Controls

The adopted level of budget control is appropriated by department within each fund. The Capital Improvement Plan (CIP) is appropriated by project.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Surprise for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

I want to thank and recognize the staff of the Finance Department for their efforts in preparing this report. I would also like to thank all City departments for their assistance throughout the past year and express my appreciation for the guidance and support from the City Manager's Office and Mayor and City Council in planning and conducting the financial operations of the City in a fiscally responsible manner.

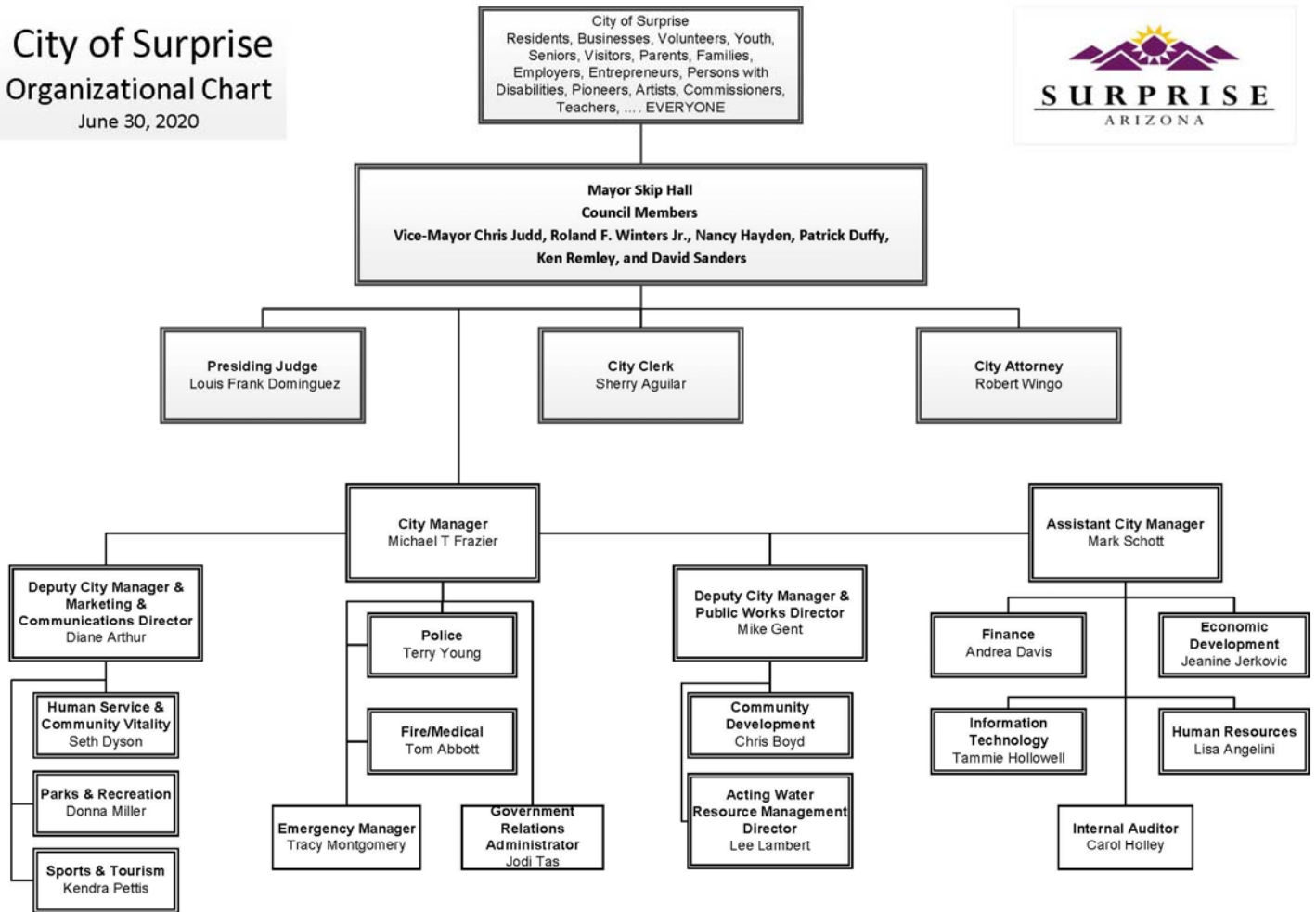
Respectfully submitted,



Andrea Davis
Chief Financial Officer

City of Surprise Organizational Chart

June 30, 2020



Mayor and City Council Members

MAYOR SKIP HALL – Mayor@surpriseaz.gov



Mayor Hall was unanimously selected by the City Council in November 2018 to serve as Mayor of Surprise to fill a vacancy. This term ends December 31, 2020.

He was first elected to the City Council in an April 2008 special election in District 6 (Palo Verde) and re-elected to office in 2009 to a full term. Redistricting placed him in the newly-configured District 5, and on August 27, 2013, he was elected to the District 5 seat. He was re-elected to that seat in the August 2018 Primary Election and resigned that seat to fulfill the remaining two-year mayoral term. He also served as Vice Mayor in 2011 and 2014.

Prior to serving in politics and serving three years on the City of Surprise Planning and Zoning Commission, Skip spent several decades working in various capacities in the Hospitality and Real Estate industries. For three years, he was the Vice President of a new home builder and prior to that, he served 10 years as the Senior Vice President of a hospitality company based in Japan. Most of his professional career was spent opening and operating several restaurants and hotels along the west coast.

He has been part of the united Council effort that helped pull Surprise back to fiscal health over the last several years, generating a budget surplus and placing the City's fiscal house in order. Councilman Hall also played a proactive supporting role with initiating a Surprise youth component and sponsors the Surprise Literacy Challenge annually.

His goals for the City include a 100-year water plan, working with transportation partners to expand east-west connections, developing a local circulator, expanding youth involvement in the community, increasing local veteran outreach and services, and attracting new businesses to Surprise.

He has served on a number of City Council Sub-Committees during his time on Council, as well as WESTMARC's Water & Energy Committee and the Valley Metro RPTA Board. Presently, Hall's regional service includes a position on the MAG Regional Council and involvement with the Kyl Center for Water Policy.

Hall is active with the City's Tourism Commission and in promoting the City to local, regional, and national organizations. Furthermore, he is active with the Surprise Regional Chamber of Commerce and the AZ TechCelerator to promote business growth. He serves on the Surprise Rotary Club and the Surprise Fraternal Order of Eagles. In addition, Councilman Hall is a member of the STEM Community of Practice with representatives of the Dysart Unified School District and the West Valley Veterans Success Project (VCP) Advisory Committee with several other state and local elected officials. He has also regularly volunteered his time with Radiant Church.

He grew up in Idaho and received a business degree from Seattle University. Skip is a Vietnam War Veteran and was awarded the Bronze Star for his outstanding service 1969-1970.

VICE MAYOR CHRIS JUDD – Chris.Judd@surpriseaz.gov



Chris Judd was elected as the District 6 (D6) Councilmember in the August 2018 Primary Election to serve a four-year term beginning January 1, 2019.

Chris is a native Arizonan and graduate of Arizona State University. He has been part of the Surprise business community since the mid-'90s, and he and his family of five have been coming home to Surprise for over a decade.

As an independent businessman and former owner and manager of local small businesses, Chris was very active with the Rotary Club of Surprise, and the Surprise Regional Chamber of Commerce. He served as the Rotary Club President in 2015-2016, and currently serves on the Board of Directors for the Rotary Club of Surprise Community Foundation. He previously served as Chairman of Taste of Surprise, a charity event organized by the Rotary Club and run entirely by volunteers. Under Chris's leadership, Taste of Surprise moved to Surprise Stadium to handle the growing crowds. It has grown into a must-attend annual event, bringing the community together and generating much needed funds for several charities that work right here in Surprise.

Chris began working in Surprise in 1996, right out of college, and spent 14 years as General Manager of a local small manufacturing plant. There he learned about the many challenges that businesses – especially small businesses – face, and how difficult it can be to juggle all of the factors required to make a business successful, profitable, and a good place to work. He took that knowledge and experience, and applied it to a small business of his own, a Surprise-based trucking company that served local and long-haul clients.

Chris is employed by Liberty Mutual Insurance. He holds a professional designation as a Life Underwriter Training Council Fellowship from the College for Financial Planning, as well as a Bachelor of Science degree from ASU.

Chris and his wife Jenna have been married for over 20 years, and are most proud of the work they've done, and are doing, raising their three wonderful daughters. The family loves the great outdoors and they spend as much time as they can together, camping and hiking in and around the beautiful backcountry of Arizona's deserts, mountains, and forests.

ROLAND WINTERS – Roland.Winters@surpriseaz.gov



Roland F. Winters Jr. was first elected to City Council in 2013 with a term beginning January 2014. He was re-elected in 2018 and began his new four-year term in January 2019.

Born and educated through high school in New Jersey, Roland earned a degree in Business Administration and Pre Law at Fullerton College in Fullerton, Ca. He earned a BA degree in Marketing Management from the University of California.

He worked thirty-five years at Hughes Air Craft Company in Fullerton, Ca. and also owned and operated a photo studio in Fullerton and Placentia, Ca. He served on the State Board of Directors for Californians for Disability Rights.

Roland and his wife Carroll have four children – two sons and two daughters. David lives in Muncie, Indiana; Donald lives in Wildwood, Florida; Nancy lives in Gilbert, Arizona; and Jennifer lives at home. Roland and Carroll have seven grandchildren.

Winters currently serves on the City's Boards and Commissions Selection Committee. In addition, he serves on the Maricopa County Community Services Commission, Valley Metro RPTA Board and the Northwest Valley Connect Advisory Board.

Winters' goal for Surprise is to be a fully self-sustaining city where its residents can live, get educated, work and play.

NANCY HAYDEN – Nancy.Hayden@surpriseaz.gov



Nancy Hayden was appointed by the Surprise City Council to serve as the District 2 (D2) Councilmember on February 6, 2018.

The seat was vacated following the death of Nancy's husband Councilmember Jim Hayden on December 20, 2017.

Among her reason's for applying for the D2 seat, Nancy stated wanting to carry on her husband's vision to better connect with residents and contribute to the City of Surprise's bright future and its many growth and development opportunities.

With her spouse and son having both retired from the United States Air Force, Nancy is also a proud supporter of our nation's veterans, as well as Luke Air Force Base. She is also committed to working alongside Valley leaders to help combat the regional opioid epidemic.

Nancy has an extensive background in project management of enterprise-wide changes in information technology and manufacturing requirements. She has been recognized for her negotiation strength and creative problem solving, as well as her ability to coordinate and implement complex organizational changes.

She began her career with Siemens Business Services/Business Communications Systems, Inc. in Santa Clara, California, in 1989 as a Site Support Manager, overseeing projects involving manufacturing, purchasing, and production control. Over the years she rose through the ranks to assist in company-wide technology updates and contract management that reduced Siemens annual costs by over \$5 million. She retired from Siemens in 2002, and held other sales and customer service training positions with Honey's Clothing Store and Well Fargo, respectively.

Nancy has studied a variety of subjects from transportation to oceanography at San Jose City College, De Anza College and the University of Hawaii and holds a Project Management Certificate from the University of California- Santa Cruz.

Nancy and Jim moved into the Sun City Grand neighborhood over 15 years ago. She is a proud mother, grandmother, and great-grandmother committed to making Surprise a great place for people of all ages to live and flourish.

Nancy's appointed term ended December 31, 2018. Having won the August 28th Primary Election, her remaining two years of the four-year D2 term, began January 1, 2019 and expires December 31, 2020. D2 includes the following neighborhoods: Sun City Grand, Bell West Ranch, and portions of Arizona Traditions.

PATRICK DUFFY – Patrick.Duffy@surpriseaz.gov



Patrick Duffy was appointed by City Council in September 2017 to represent the residents of District 3 (D3).

Duffy replaced John Williams, who resigned from Council on August 15, 2017. Duffy is a Financial Advisor for Merrill Lynch and for the past 9 years he worked part-time as a City of Surprise Recreation Leader 3. He has lived in Surprise for eight years, two of them in D3. Duffy was a member of the Surprise Municipal Property Corporation Board and through his city service has been part of numerous Community and Recreation Services events including Spring Training support, Relay for Life events and Cal Ripken All-Star games. He holds a Bachelor of Arts in Political Science from Arizona State University.

Duffy's appointment expired December 31, 2018; and he was elected to the seat to serve out the remainder of the four-year term (two years) in the August 2018 Primary Election. The remaining two-year term expires December 31, 2020.

KEN REMLEY – Ken.Remley@surpriseaz.gov



Ken is a believer in strong leadership, partnership, and fiscal responsibility. His vision is to support initiatives that attract quality employers and good-paying jobs to Surprise, while maintaining cost-effective city services.

He was elected to District 4 in the August 2016 Primary Election and began his term in January 2017.

Ken is a licensed mortgage loan officer and income tax preparer. He served as the treasurer for the Litchfield Manor Homeowners' Association for 10 years. He also served on the HOA's Budget, Landscaping, Architectural and Social Committees.

He is a Vietnam War Veteran, having served in the United States Navy. Ken holds a bachelor's degree in Business Administration-Accounting from Cal State Fullerton.

Ken and his wife Beverley have lived in Surprise since 2004. They have four children, nine grandchildren, and eight great-grandchildren.

DAVID SANDERS – David.Sanders@surpriseaz.gov



David Sanders was appointed by City Council on January 3, 2019 to represent the residents of District 5 (D5). He replaced Skip Hall, who was appointed to Mayor by his City Council peers in November 2018.

Sanders has lived in Surprise since 2010 with his wife Steffany, and their children: Jayden, Grayson, and Emma.

Sanders is a Vice President – Portfolio Management at National Bank of Arizona and has previous banking/finance experience. He received a Bachelor of Science degree from California State University – San Marcos in Business Administration and an MBA from the W.P. Carey School of Business at Arizona State University with a focus on International

Business and Finance.

Sanders was a five-year member of the Surprise Community and Recreation Services Advisory Board before joining the City Council. He and his counterparts on the Board played an instrumental role with the planning of Veramonte Park, Surprise Farms Park, the pickleball courts, and much more.

He was also part of the Capital Improvement Funding Exploration Committee, which helped craft a voter-approved \$59.5 million general obligation bond package to fund public safety, traffic mitigation and pavement preservation projects across the City.

The term expiration for appointment will be December 31, 2020; and the remainder of the four-year term will result in the next scheduled council election in August 2020.



City of Surprise Appointed Officials

City Manager	Michael T. Frazier
City Clerk	Sherry Aguilar
City Attorney	Robert Wingo
Presiding Judge	Louis Frank Dominguez



Government Finance Officers Association

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For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



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FINANCIAL SECTION – INDEPENDENT AUDITORS’ REPORT

The Financial Section is divided into five subsections. The first subsection is the Independent auditors’ report, which is the official written communication of the audit results provided by the independent auditors expressing their opinion on the City’s financial statements as to whether the financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).

Financial Subsection’s

- ❖ Independent Auditors’ Report
- ❖ Management’s Discussion and Analysis
- ❖ Government Wide Financial Statements
- ❖ Fund Financial Statements
- ❖ Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council and City Manager
City of Surprise, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Surprise, Arizona (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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.

Auditor's 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 auditor's 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 City of Surprise, Arizona, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Introductory Section and Statistical Section 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021, on our consideration of the City of Surprise, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Surprise's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Surprise, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona

January 21, 2021



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FINANCIAL SECTION – MANAGEMENT’S DISCUSSION AND ANALYSIS

The Financial Section is divided into five subsections. The second subsection is Management’s Discussion and Analysis. This component of required supplementary information is used to introduce the basic financial statements and provide an analytical overview of the City’s financial activities.



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MANAGEMENT’S DISCUSSION AND ANALYSIS

The City of Surprise (City) is pleased to provide an overview of our financial activities for the fiscal year ended June 30, 2020. The intended purpose of Management’s Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes, that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing a summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations, significant economic factors, and the status of infrastructure and its impacts on our debt and operation. Amounts presented may reflect some minor differences due to rounding. This analysis is meant to be read in conjunction with the letter of transmittal.

FINANCIAL HIGHLIGHTS

- ❖ **Governmental Activities net position.** The City’s net position increased 12.7% or \$54.5 million from \$430.7 million to \$485.2 million. This increase is attributable to an increase in sales taxes, permit revenue, and grant funding. Sales taxes and permit revenue increased from prior year due to a strong economy and population growth. In addition, the city was awarded \$16.3 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, of which \$9.0 million was recognized as revenue in the current year.
- ❖ **Business-type net position.** The City’s net position increased by 5.0% or \$16.7 million from \$331.6 million to \$348.4 million. Continued growth in the City accounts for the change, with \$15.0 million of the increase due to developer capital contributions.
- ❖ **Governmental Activities expenses** of \$173.3 million exceeded program revenues of \$91.1 million, a difference of \$82.2 million. The remaining \$82.2 million of expense represents the total burden each separate function places on the City, that is the total cost after deducting revenues charged or grants and contributions received specifically for these programs. This amount is covered by general governmental revenues net of transfers.
- ❖ **Business-type expenses** were \$52.5 million, while program revenues totaled \$68.7 million, a difference of \$16.2 million. The current year excess will be added to net position.
- ❖ **Component units** – The City includes two separate legal entities in its report: Marley Park Community Facilities District (CFD), and various Street Lighting Improvement Districts (SLID). Although legally separate, these “component units” are presented along with the City’s financial statements (blended presentation). Blending component units is appropriate when they share a governing body with the primary government or when there is an exclusive benefit to the primary government. Each of the above mentioned component units, meets these requirements. A more detailed description of these component units is available in Note 1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 30-31 and 32-33) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 34. For government-wide financial statements, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The fiduciary statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 30. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities provide information about the City as a whole and about its activities in a way that helps answer this question. These statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

These two statements report the City's net position and/or changes in them. You can think of the City's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

The statement of net position and the statement of activities are divided into two kinds of activities:

- ❖ **Governmental activities** – Most of the City's basic services are reported here, including police, fire-medical, public works, parks and recreation, human services and community vitality, community development, economic development departments, and general administration.
- ❖ **Business-type activities** – The City charges a fee to customers to help it cover all or most of the costs of certain services it provides. The City's ground ambulance services, water, sewer, sanitation, and stormwater systems are reported here.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 34 where the fund financial statements begin. These provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

- ❖ **Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. A description of the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is included in the reconciliations following the fund financial statements.

- ❖ **Proprietary Funds** – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City’s enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The City uses an internal service fund (the other component of proprietary funds) to report activities that provide supplies and services for the City’s other programs and activities, specifically the City’s Employee Healthcare Fund, the Risk Management Fund, and the Workers’ Compensation Fund.
- ❖ **Fiduciary Funds** – The City is the fiduciary for the Flexible Spending Account. All of the City’s fiduciary activities are reported in the separate statement of fiduciary net position and statement of changes in fiduciary net position on pages 48-49.

These activities are excluded from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed Statement of Net Position as of June 30, 2020 and June 30, 2019.

City of Surprise’s Net Position (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$ 179.1	\$ 162.6	\$ 88.1	\$ 76.9	\$ 267.2	\$ 239.5
Capital assets, net	499.1	441.3	312.6	306.8	811.7	748.1
Total assets	678.2	603.9	400.7	383.7	1,078.9	987.6
DEFERRED OUTFLOWS OF RESOURCES	26.7	25.7	2.0	2.1	28.7	27.8
LIABILITIES						
Current liabilities	45.4	33.8	9.7	8.1	55.1	41.9
Long-term liabilities	167.5	155.5	43.7	44.6	211.2	200.1
Total liabilities	212.9	189.3	53.4	52.7	266.3	242.0
DEFERRED INFLOWS OF RESOURCES	6.8	9.5	0.9	1.4	7.7	10.9
NET POSITION						
Net investment in capital assets	435.2	399.4	282.4	274.8	717.6	674.2
Restricted	21.8	29.5	13.7	12.9	35.5	42.4
Unrestricted	28.2	1.8	52.3	43.9	80.5	45.7
Total net position	\$ 485.2	\$ 430.7	\$ 348.4	\$ 331.6	\$ 833.6	\$ 762.3

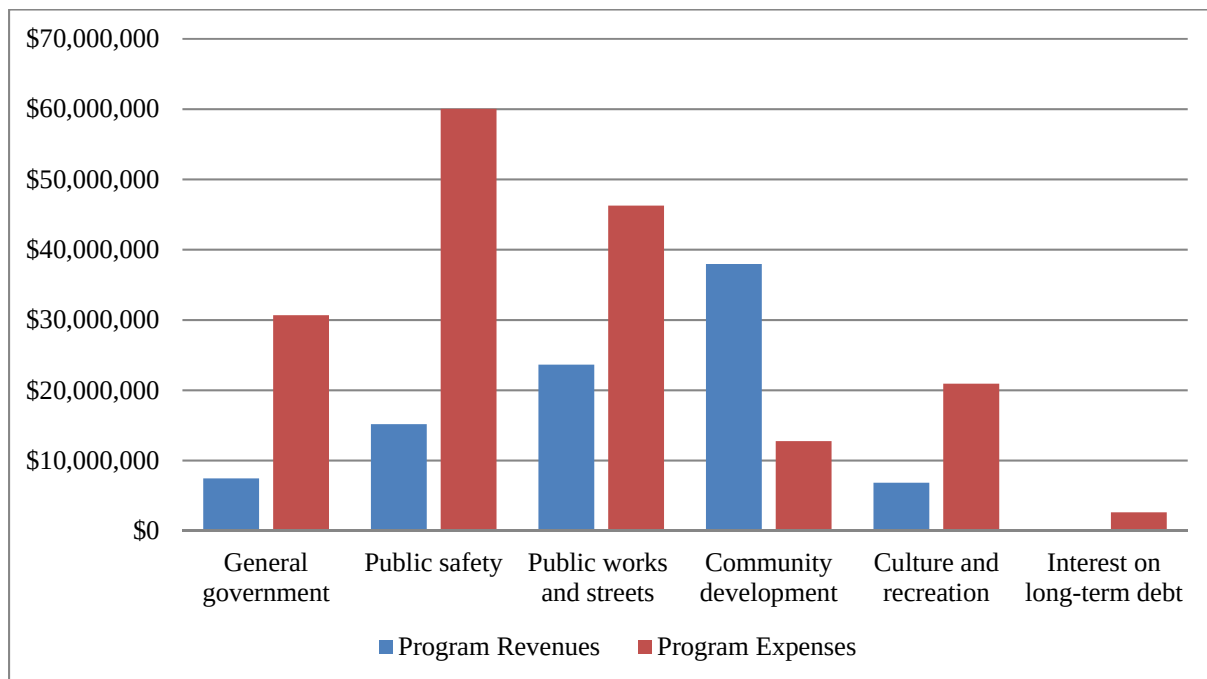
Net position is a good indicator of a city's overall financial standing. For fiscal year 2020, the City had total combined net position of \$833.6 million. This was an increase of \$71.2 million, or 9.3% over the prior year's net position of \$762.3 million. The increase is attributed to population growth, a strong economy and CARES Act grant funding.

Not all of the \$833.6 million is available for the City to use without restraint. The largest portion of the City's total net position \$717.5 million, or 86.1% represents the City's net investment in capital assets. Of the remaining net position, \$37.9 million is restricted for various purposes with the remaining \$78.2 million unrestricted as to its use.

City of Surprise's Changes in Net Position (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for services	\$ 27.4	\$ 28.3	\$ 53.6	\$ 46.8	\$ 81.0	\$ 75.1
Operating grants and contributions	21.5	11.6	0.1	-	21.6	11.6
Capital grants and contributions	42.2	22.5	15.0	5.5	57.2	28.0
General Revenues:						
Property taxes	17.0	16.1	-	-	17.0	16.1
Sales taxes	70.9	61.6	-	-	70.9	61.6
Franchise taxes	5.5	5.6	-	-	5.5	5.6
State shared revenues	38.4	35.9	-	-	38.4	35.9
Unrestricted investment earnings	3.4	3.5	1.6	1.4	5.0	4.9
Other	0.4	0.5	0.0	-	0.4	0.5
Total revenues	226.7	185.6	70.3	53.7	297.0	239.3
EXPENSES						
Program activities:						
Governmental activities:						
General government	30.7	18.8	-	-	30.7	18.8
Public Safety	60.0	60.2	-	-	60.0	60.2
Public works and streets	46.3	41.6	-	-	46.3	41.6
Community development	12.8	12.4	-	-	12.8	12.4
Culture and recreation	20.9	25.0	-	-	20.9	25.0
Interest on long-term debt	2.6	2.5	-	-	2.6	2.5
Business-type activities:						
Ground Ambulance Services	-	-	4.4	3.4	4.4	3.4
Sanitation	-	-	9.0	8.6	9.0	8.6
Sewer	-	-	19.4	19.3	19.4	19.3
Stormwater	-	-	1.2	1.4	1.2	1.4
Water	-	-	18.4	11.7	18.4	11.7
Total expenses	173.3	160.5	52.4	44.4	225.7	204.9
Excess before transfers	53.4	25.1	17.9	9.3	71.3	34.4
Transfers in (out)	1.1	1.5	(1.1)	(1.5)	-	-
 Increase/(Decrease) in net position	54.5	26.6	16.8	7.8	71.3	34.4
Net position - beginning	430.7	404.1	331.6	323.8	762.3	727.9
Net Position - ending	<u>\$ 485.2</u>	<u>\$ 430.7</u>	<u>\$ 348.4</u>	<u>\$ 331.6</u>	<u>\$ 833.6</u>	<u>\$ 762.3</u>

FY 2020 Governmental Activities Program Revenues and Expenses

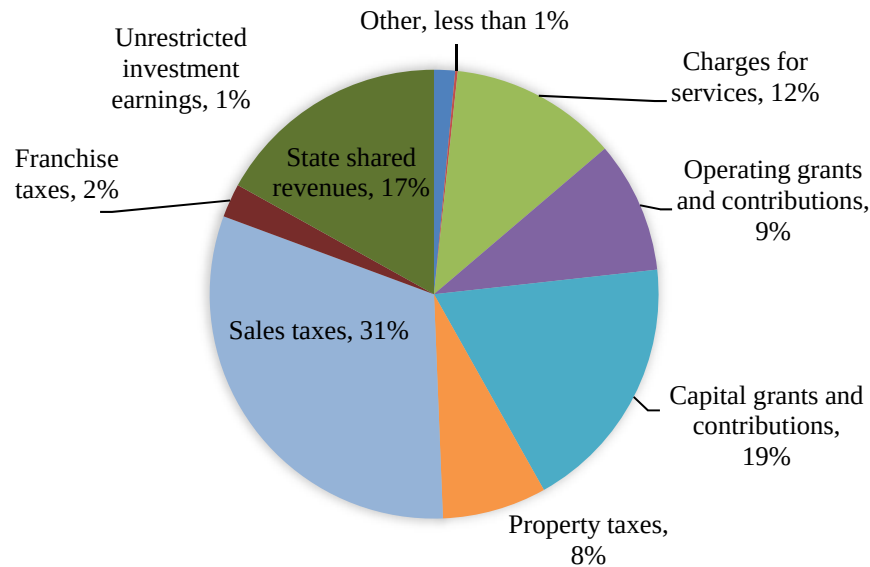


For fiscal year 2020, governmental activities program expenses exceeded program specific revenues by \$82.2 million. The remaining expenses were supported by general governmental revenues.

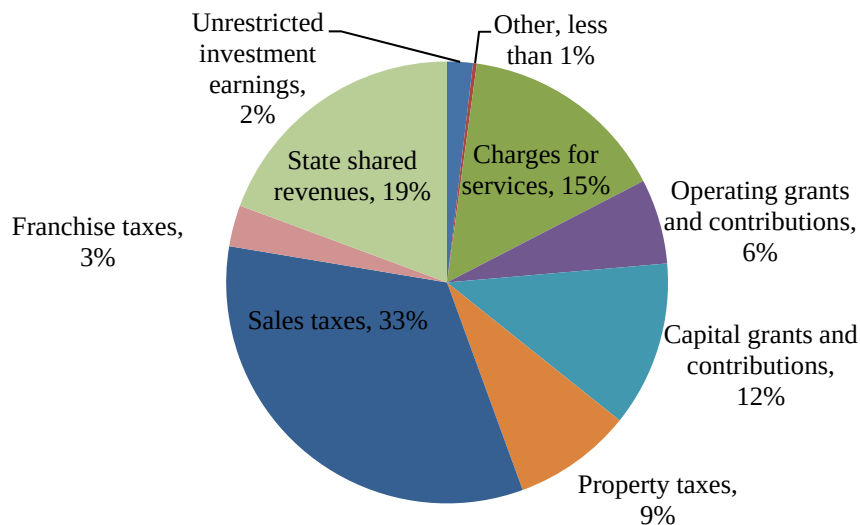
- ❖ Charges for services, operating grants and contributions, and capital grants and contributions account for 40.2% of total governmental revenues.
- ❖ Community oriented programs such as **Public Safety** (police, fire, and courts) and **Culture and Recreation** (parks, recreation, youth, and senior services) are subsidized by general governmental revenues. The City does not intend to charge for the total cost of these services directly.
 - Culture and Recreation often charges a fee for services it provides, but usually that fee does not cover the entire cost of the service.
- ❖ **Community Development** revenues come primarily from construction related activities. **SLIDS** are Street Light Improvement Districts that charge a fee/tax to pay for the maintenance of light poles and the electricity used by neighborhood streetlights. Revenues and expenses for SLIDS are included in the public works and streets program.

Governmental Activities Revenues for the fiscal year ended June 30, 2020 totaled \$226.7 million and have been identified by major revenue source in percentage format. The prior year percentages have also been provided for comparison.

Fiscal Year 2020 Governmental Activities Revenues

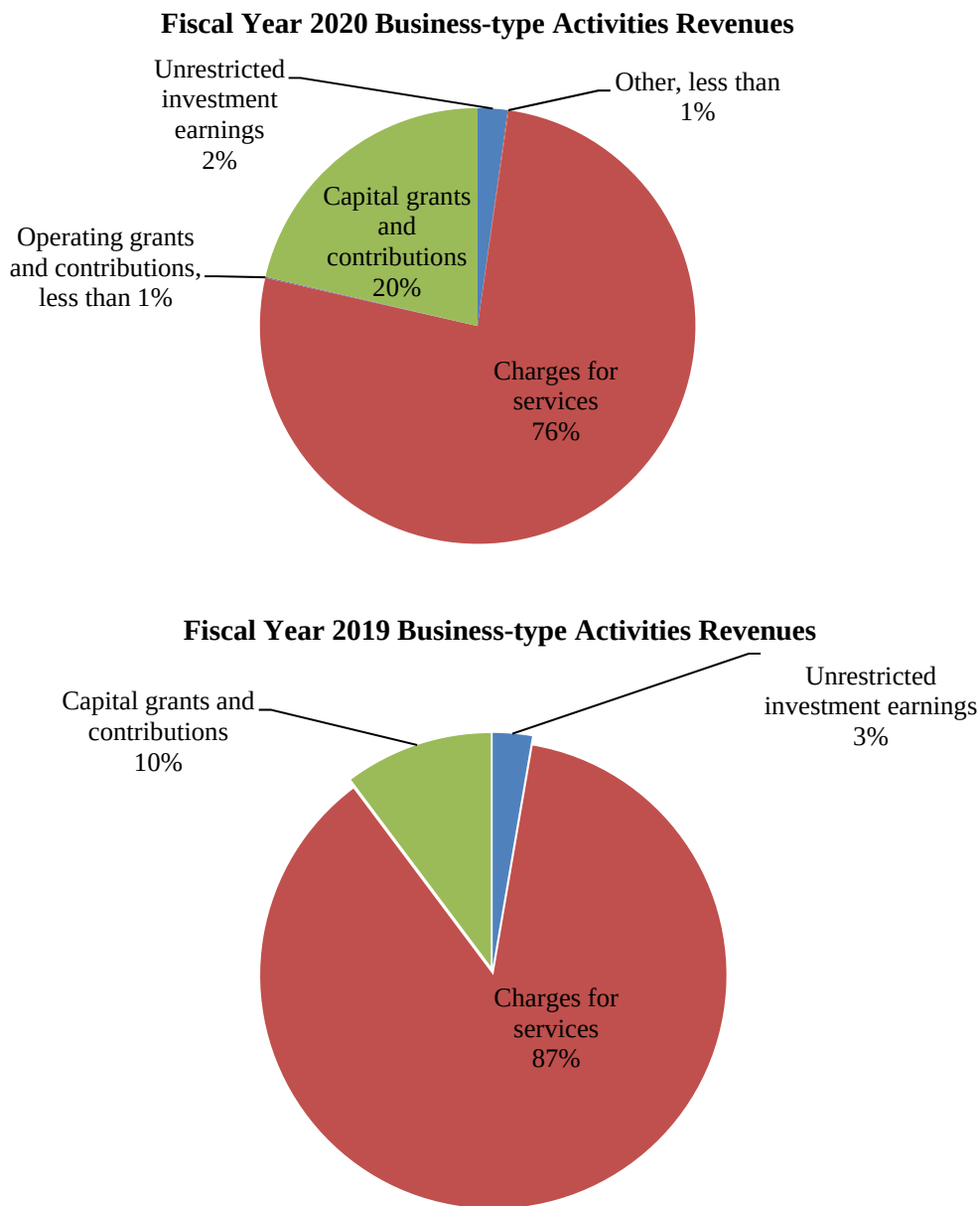


Fiscal Year 2019 Governmental Activities Revenues



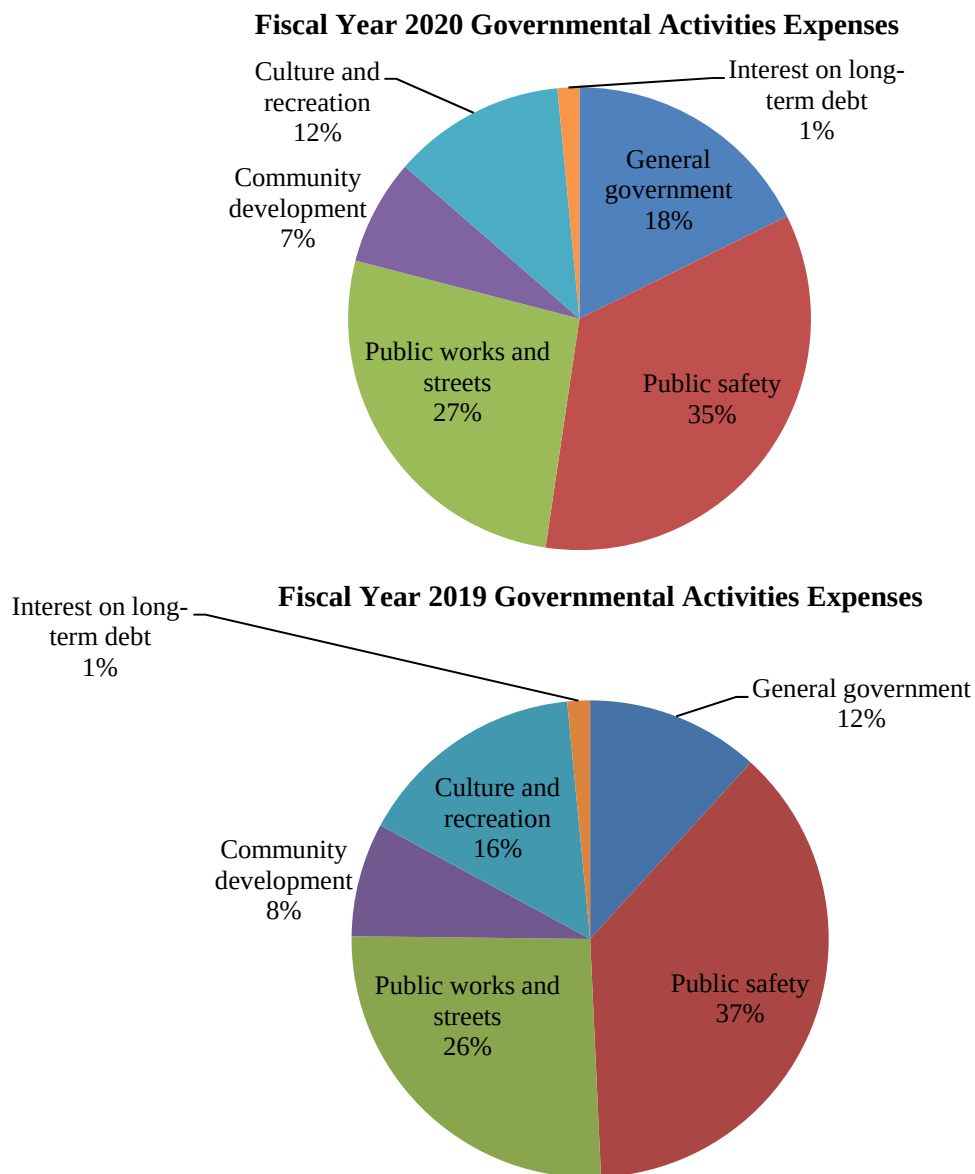
- ❖ The City's largest revenue source is sales taxes at \$70.9 million. This is followed by state shared revenues totaling \$38.4 million. Total governmental activities revenues increased \$41.1 million from the prior year as a result of the following changes in revenue: local sales taxes increased \$9.3 million due to an improving local economy and population growth. State shared revenues also increased \$2.5 million from a strong state economy and growth. Operating grants and contributions increased by \$9.9 million from the CARES Act funding. Capital grants and contributions increased \$19.7 million for developer donated infrastructure.

Business-type Activities Revenues for the fiscal year ended June 30, 2020 totaled \$70.3 million are identified by major revenue source in percentage format. The prior year percentages have also been provided for comparison.



- ❖ Total Business-type Activities revenues increased 30.9% or \$16.6 million from the prior fiscal year. Charges for services increased by 41.5% or \$6.8 million from increase in customers due to population growth. In addition to growth, the sanitation fund had a \$2.70 rate increase effective July 1, 2019.

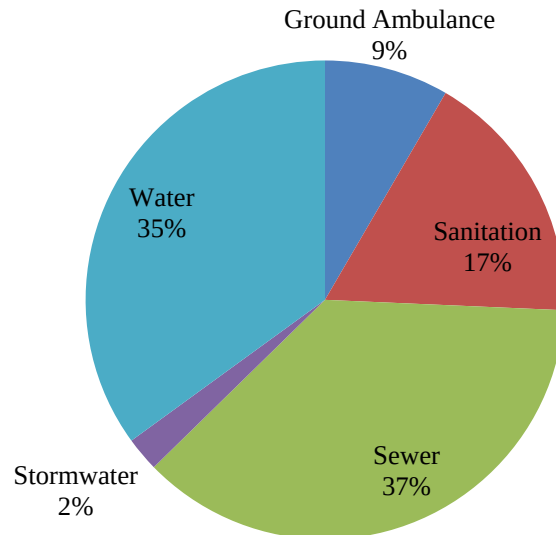
Governmental Activities Expenses for the fiscal year ended June 30, 2020 totaled \$173.3 million and are identified by function in percentage format. The prior year percentages have also been provided for comparison.



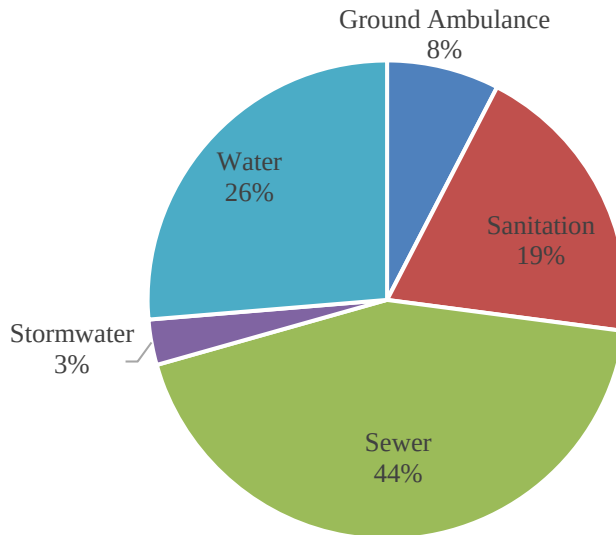
- ❖ Current year expenses increased by \$12.8 million or 8.0% as result of increases in personnel. The single largest expense for the City is the cost of personnel. Public safety has the largest workforce paid from governmental funds. As a result, public safety comprises the largest portion of program expenditures at \$60.0 million.

Business-type Activities Expenses for the fiscal year ended June 30, 2020 totaled \$52.4 million and are identified by function in percentage format. The prior year percentages have also been provided for comparison.

Fiscal year 2020 Business-type Activities Expenses



Fiscal year 2019 Business-type Activities Expenses



- ❖ Business-type Activities expenses increased by \$8.0 million or 18.0% from the prior year. The Water Fund mainly contributed to this increase in expenses with the remaining increase spread evenly amongst the other programs. The increase in expenses was the result of personnel cost increases and increases in supplies and services for operations.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

- ❖ **Total Governmental Funds** fund balance increased \$2.0 million from \$127.8 million to \$129.8 million. The increase was primarily due to increase in tax revenue. Of the total ending fund balance, \$3.0 million has been classified as nonspendable and is not available to meet future funding needs because it is not in spendable form or is legally or contractually required to be maintained intact. An additional \$30.4 million has been classified as restricted and consists of amounts restricted by external parties or as a result of the law. Of the remaining fund balance, \$9.1 million has been committed to recognize a specific council determined purpose which may not be used for another purpose without council's direction, but the purpose can be changed by council. There is \$18.3 million of fund balance which has been assigned to a specific purpose by the chief financial officer; these amounts may be used for other purposes than the currently assigned positions if the chief financial officer deems it necessary. Finally, there is an unassigned fund balance of \$69.0 million which can be used for any purpose.
 - The General Fund balance increased \$32.1 million. This change was the result of increases in property taxes, sales taxes, state shared revenues, intergovernmental revenues, and grant revenues.
 - The General Capital Projects Fund balance decreased \$26.0 million. This decrease was due to programing previous year surplus on asset replacement or capital projects.
 - The General Government Development Fee Fund contains \$6.0 million in advances from other funds. The cash on hand in the fund is maintained to meet future debt service obligations in accordance with a settlement agreement. The advance will be repaid once sufficient resources are accumulated to meet future debt service obligations.
 - The Highway User Revenue Fund balance increased \$1.0 million as a result of increased intergovernmental revenues and expenditures less than budgeted.
 - The Transportation Improvement Fund balance increased \$2.5 million from \$5.7 million to \$8.2 million. This increase is the result of a \$2.5 million decrease in capital outlays related to construction projects during the current year and increased construction sales taxes.
 - The Non-Major Governmental Funds fund balance decreased \$8.0 million. A portion of the decrease, \$3.1 million, was due to the Sports and Tourism department moving out of the General Fund, and combining with the Spring Training Surcharge Special Revenue Fund and development impact fee funded capital projects
- ❖ **Proprietary Fund** financial statements provide similar information contained in the government-wide financial statements but in more detail. Their results are discussed previously in the review of business type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

- ❖ The original General Fund budget for expenditures was \$119.7 million. Budget adjustments throughout the year resulted in total budgeted expenditures of \$136.4 million. Of the \$16.7 million budget increase, \$16.3 million was to account for the CARES Act funding.
- ❖ Actual General Fund expenditures totaling \$105.6 million was \$30.8 million less than budgeted. The majority of the savings was the result of a planned spending reduction in March due to COVID-19 health pandemic.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets at Year-End Net of Depreciation (in Millions)

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and improvements	\$ 86.9	\$ 60.9	\$ 4.8	\$ 4.9	\$ 91.7	\$ 65.8
Parks	8.6	8.6	-	-	8.6	8.6
Water rights	-	-	17.5	13.7	17.5	13.7
Construction in progress	25.0	9.4	3.5	2.1	28.5	11.5
Buildings and improvements	134.8	124.7	265.3	266.9	400.1	391.6
Improvements other than buildings	21.7	21.6	8.1	6.7	29.8	28.3
Equipment and vehicles	19.8	18.9	13.1	12.2	32.9	31.1
Intangibles	7.5	3.6	0.2	0.3	7.7	3.9
Infrastructure	194.8	193.6	-	-	194.8	193.6
Total capital assets, net	<u>\$ 499.1</u>	<u>\$ 441.3</u>	<u>\$ 312.5</u>	<u>\$ 306.8</u>	<u>\$ 811.6</u>	<u>\$ 748.1</u>

The capital assets of the Governmental Activities increased by \$57.8 million from the prior fiscal year, net of depreciation (\$81.7 million increase before depreciation).

- ❖ Changes to the Governmental Activities capital assets for fiscal year 2020 were the result of:
 - Current year depreciation expense of \$26.2 million.
 - Capital contributions made to the City by developers. The assets donated consisted of land, streets infrastructure and right-of-ways.
 - \$25.7 million – right-of-ways throughout the city
 - \$10.7 million – streets infrastructure throughout the city
- ❖ Governmental Activities construction in process includes:
 - \$8.4 million – Waddell Road (State Route 303 to Reems Road)
 - \$7.1 million – District Fire Station 304
 - \$4.3 million – Litchfield Road (Waddell Road to Peoria Avenue)
 - \$1.6 million – Civic Center Infrastructure Improvements
 - \$0.7 million – Public Safety Evidence & Readiness

The capital assets of the Business Type Activities funds increased by \$5.7 million from the prior fiscal year, net of depreciation (\$18.1 million increase before depreciation).

- ❖ Changes to the Business Type Activities capital assets for fiscal year 2020 were the result of:
 - Current year depreciation expense of \$13.1 million.
 - Capital contributions made to the City by developers. The assets donated consisted of water, sewer, and stormwater utilities.
 - \$0.7 million – Stormwater improvements
 - \$3.6 million – Sewer lines
 - \$3.2 million – Water lines
- ❖ Business Type Activities construction in process - includes:
 - \$1.0 million – SPA1 Recharge Expansion
 - \$0.9 million – Circle City Water Acquisition
 - \$0.9 million – Consent Order Trihalomethanes
- ❖ For more detailed information on Capital Assets, see Note 4 of this report.

Outstanding Debt at Year-End (in Millions)

	Governmental		Business Type		Total	
	2020	2019	2020	2019	2020	2019
General obligations	\$ 34.2	\$ 37.3	\$ -	\$ -	\$ 34.2	\$ 37.3
Pledged revenue obligations	21.2	23.9	3.2	3.9	24.4	27.8
Senior lien utility system revenue refunding obligations	-	-	27.0	28.1	27.0	28.1
Community facilities district bonds	19.4	11.4	-	-	19.4	11.4
Community facilities district notes	2.6	2.8	-	-	2.6	2.8
Total debt outstanding	<u>\$ 77.4</u>	<u>\$ 75.4</u>	<u>\$ 30.2</u>	<u>\$ 32.0</u>	<u>\$ 107.6</u>	<u>\$ 107.4</u>

- ❖ **Long-term debt**, including amounts due within one year, increased \$0.2 million this year from \$107.4 million to \$107.6 million.
- ❖ For more detailed information on long-term debt, see Note 7 of this report.

ECONOMIC FACTORS, RATES, AND NEXT YEAR'S BUDGET

During the fiscal year, the City was faced with the COVID-19 health pandemic and a state of emergency was declared in March 2020. City Management took immediate steps in March to reduce planned spending levels in the sales tax dependent funds, mainly the General Fund. Due to the unknown economic impacts, the FY2021 General Fund budget was adopted using the FY2020 budget as the baseline for revenues and expenditures. Non-sales tax dependent funds, such as the utility funds, adopted a conservative budget compared to the original FY2021 budget plan.

Despite the Governor's stay at home order and the global economic impacts of the pandemic, the City's year-end financial results were strong in both sales tax revenues, population growth, and development. The General Fund ended the year with sales tax exceeding budget by 4.6% or \$2.7 million. In addition, the City received \$16.3 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

Throughout the year, the city experienced residential population growth and significant residential and commercial permit activity. The city continues to exceed the statewide average in population growth and the trend is expected to continue based on the availability of land within the city's planning area. This results in a greater number of consumers and a larger proportion of state shared revenues. The increase in commercial square footage allows for a greater capture of potential sales tax revenues from the increased consumer base. These have combined to result in a 15.1% increase in sales tax collections while state shared sales tax revenues increased by 5.8% over the previous year. The population and commercial square footage growth has been a factor in the improved economic performance for the city.

- ❖ **Revenues are expected to remain flat** – Due to the COVID-19 impacts, revenue estimates in the tax dependent funds, such as the General Fund remained flat, while enterprise funds had a slight increase.
- ❖ **Personnel increase** – For the FY2021 budget, city employees received a merit/step increases of 3%. Further, increases in personnel costs are also attributable to the increase in the employer contribution rates to the City's pension plans (PSPRS and ASRS). All planned FTE additions were placed in contingency due to the unknown impacts of COVID-19.
- ❖ **Next year's budget** – Total budgeted expenditures for the City's fiscal year 2021 is \$415.5 million, a \$2.8 million increase over the FY2020 adopted budget of \$412.7 million. The FY2021 adopted budget was decreased due to the unknown impacts of COVID-19. City contingency was budgeted at an amount to allow the City flexibility to increase expenditures if revenue was not significantly impacted.

FINANCIAL CONTACT

The financial report is designed to provide a general overview of the City of Surprise's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information, should be addressed to the City's Chief Financial Officer at: 16000 North Civic Center Plaza, Surprise, Arizona 85374.



FINANCIAL SECTION – BASIC FINANCIAL STATEMENTS GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Financial Section is divided into five subsections. The third subsection is comprised of the Basic Financial Statements that are the core of general-purpose external financial reporting for local governments and are separated into three components. The first component is comprised of the government-wide financial statements. These financial statements incorporate all of the City's governmental and business-type activities. The business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are two basic government-wide financial statements: the statement of net position and the statement of activities.



SURPRISE

ARIZONA

City of Surprise, Arizona
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 132,954,871	\$ 60,188,546	\$ 193,143,417
Restricted cash and investments	35,547,439	11,962,881	47,510,320
Receivables (net of allowances)			
Accounts	238,997	6,988,148	7,227,145
Taxes and franchise fees	11,363,182	-	11,363,182
Grants	521,658	-	521,658
Intergovernmental	755,446	-	755,446
Other	1,907,858	151,236	2,059,094
Prepaid items and other assets	454,592	310,083	764,675
Inventory	1,223,717	1,283,013	2,506,730
Internal balances	(7,237,571)	7,237,571	-
Total current assets	177,730,189	88,121,478	265,851,667
Noncurrent assets:			
Equity interest in joint venture	1,051,916	-	1,051,916
Net other postemployment benefits asset	277,074	24,534	301,608
Capital assets, non-depreciable	120,561,326	25,747,909	146,309,235
Capital assets, depreciable	764,437,072	428,384,199	1,192,821,271
Accumulated depreciation	(385,881,553)	(141,620,929)	(527,502,482)
Total noncurrent assets	500,445,835	312,535,713	812,981,548
Total assets	678,176,024	400,657,191	1,078,833,215
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Pension related	26,143,782	1,853,953	27,997,735
Deferred Outflows of Resources - Other postemployment benefits	545,375	122,107	667,482
Total deferred outflows of resources	26,689,157	1,976,060	28,665,217
Total assets and deferred outflows of resources	704,865,181	402,633,251	1,107,498,432
LIABILITIES			
Current liabilities:			
Accounts payable	11,487,549	3,393,339	14,880,888
Accrued payroll and related taxes	3,433,089	510,475	3,943,564
Deposits	201,564	450,089	651,653
Unearned revenues	8,871,044	631,702	9,502,746
Contracts payable, due in less than one year	2,556,294	398,404	2,954,698
Claims payable	2,131,128	-	2,131,128
Other liabilities	1,382,454	-	1,382,454
Compensated absences payable, due in less than one year	3,369,777	424,900	3,794,677
Matured bond and loan interest payable	1,536,202	686,495	2,222,697
Matured bond and loans payable	6,003,700	1,581,300	7,585,000
Bonds, loans and payables due in less than one year	4,449,037	1,645,963	6,095,000
Total current liabilities	45,421,838	9,722,667	55,144,505
Noncurrent liabilities:			
Contracts payable, due in more than one year	-	1,960,457	1,960,457
Compensated absences payable, due in more than one year	5,054,664	637,350	5,692,014
Bonds, loans and payables due in more than one year	72,996,464	28,504,884	101,501,348
Net pension liability	89,185,194	12,525,486	101,710,680
Net other postemployment benefits liability	197,600	55,825	253,425
Total noncurrent liabilities	167,433,922	43,684,002	211,117,924
Total liabilities	\$ 212,855,760	\$ 53,406,669	\$ 266,262,429

See accompanying Notes to Financial Statements

City of Surprise, Arizona
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Pension Related	\$ 5,928,740	\$ 806,892	\$ 6,735,632
Deferred Inflows of Resources - other postemployment benefits related	875,678	64,363	940,041
Total deferred inflows of resources	6,804,418	871,255	7,675,673
Total liabilities and deferred inflows of resources	219,660,178	54,277,924	273,938,102
NET POSITION			
Net investment in capital assets	435,144,710	282,360,332	717,505,042
Restricted for:			
Capital Projects	-	5,503,155	5,503,155
City Manager's Office	-	-	-
Court	290,037	-	290,037
Debt Service	758,601	-	758,601
Economic Development	13,314	-	13,314
Fire-Medical	7,309,506	-	7,309,506
Human Services and Community Vitality	33,149	-	33,149
Library	-	-	-
Parks and recreation	3,997,909	-	3,997,909
Police	5,189,741	-	5,189,741
Public Works	508,602	-	508,602
System repair and replacement	-	8,232,524	8,232,524
Transportation	3,721,092	-	3,721,092
Unrestricted	28,238,342	52,259,316	80,497,658
Total net position	\$ 485,205,003	\$ 348,355,327	\$ 833,560,330



SURPRISE

ARIZONA

City of Surprise, Arizona
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 30,683,840	\$ 6,729,339	\$ 95,042	\$ 646,321
Public Safety	60,035,327	1,581,814	10,389,008	3,198,261
Public works and streets	46,270,405	3,570,832	9,363,721	10,714,032
Community Development	12,764,778	12,206,567	9,371	25,747,327
Culture and recreation	20,925,306	3,311,464	1,646,570	1,878,113
Interest on long-term debt	2,635,766	-	-	-
Total governmental activities	173,315,422	27,400,016	21,503,712	42,184,054
Business-type activities:				
Ground Ambulance Services	4,407,898	3,946,881	60,647	245,103
Sanitation	9,077,490	10,380,560	-	-
Sewer	19,418,478	19,142,098	-	7,211,689
Stormwater	1,209,576	1,934,275	-	709,010
Water	18,376,477	18,226,759	-	6,864,399
Total business-type activities	52,489,919	53,630,573	60,647	15,030,201
Total primary government	\$ 225,805,341	\$ 81,030,589	\$ 21,564,359	\$ 57,214,255

General revenues:
Property taxes
Sales taxes
Franchise taxes
Unrestricted State shared revenues
Unrestricted investment earnings
Other
Transfers
Total general revenues, special items, and transfers
Change in net position
Net position - beginning
Net position - ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (23,213,138)	\$ -	\$ (23,213,138)
(44,866,244)	-	(44,866,244)
(22,621,820)	-	(22,621,820)
25,198,487	-	25,198,487
(14,089,159)	-	(14,089,159)
(2,635,766)	-	(2,635,766)
(82,227,640)	-	(82,227,640)
-	(155,267)	(155,267)
-	1,303,070	1,303,070
-	6,935,309	6,935,309
-	1,433,709	1,433,709
-	6,714,681	6,714,681
-	16,231,502	16,231,502
(82,227,640)	16,231,502	(65,996,138)
17,015,618	-	17,015,618
70,904,612	-	70,904,612
5,514,602	-	5,514,602
38,379,519	-	38,379,519
3,403,862	1,556,564	4,960,426
418,161	43,965	462,126
1,097,902	(1,097,902)	-
136,734,276	502,627	137,236,903
54,506,636	16,734,129	71,240,765
430,698,367	331,621,198	762,319,565
\$ 485,205,003	\$ 348,355,327	\$ 833,560,330



SURPRISE

ARIZONA



FINANCIAL SECTION – BASIC FINANCIAL STATEMENTS FUND FINANCIAL STATEMENTS

The Financial Section is divided into five subsections. The fourth subsection is also comprised of the Basic Financial Statements that are the core of general-purpose external financial reporting for local governments and are separated into three components. The second component is comprised of the fund financial statements. These financial statements are presented on the basis of funds, in contrast to the government-wide financial statements.



SURPRISE

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SURPRISE

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City of Surprise, Arizona

Balance Sheet

Governmental Funds

June 30, 2020

	General Fund	General Capital Projects Fund	General Government Development Fee Fund
ASSETS			
Cash and investments	\$ 67,953,313	\$ 18,723,366	\$ 1,391,309
Restricted cash and investments	12,435,589	13,364,462	-
Receivables (net of allowances)			
Accounts	238,997	-	-
Taxes and franchise fees	11,222,619	-	-
Grants	-	-	-
Intergovernmental	40,698	-	-
Due from other funds	318,954	-	-
Other	211,380	-	-
Prepaid items and other assets	415,113	8,889	-
Inventory	824,236	-	-
Advances to other funds	1,324,482	-	-
Total assets	<u>\$ 94,985,381</u>	<u>\$ 32,096,717</u>	<u>\$ 1,391,309</u>
LIABILITIES			
Accounts payable	1,617,509	5,767,301	-
Accrued payroll and related taxes	3,242,845	-	-
Due to other funds	-	-	-
Deposits	147,975	-	-
Unearned revenue	8,346,365	-	-
Contracts payable	2,556,294	-	-
Other liabilities	1,292,186	-	-
Matured bond interest payable	-	-	-
Matured bonds and notes payable	-	-	-
Advances from other funds	-	-	5,993,321
Total liabilities	<u>17,203,174</u>	<u>5,767,301</u>	<u>5,993,321</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Unavailable revenue	262,797	-	-
Total deferred inflow of resources	<u>262,797</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>17,465,971</u>	<u>5,767,301</u>	<u>5,993,321</u>
FUND BALANCES (DEFICITS)			
Nonspendable	2,563,831	8,889	-
Restricted	491,526	8,534,381	-
Committed	-	-	-
Assigned	490,732	17,786,146	-
Unassigned	73,973,321	-	(4,602,012)
Total fund balances (deficits)	<u>77,519,410</u>	<u>26,329,416</u>	<u>(4,602,012)</u>
Total liabilities and fund balances (deficits)	<u>\$ 94,985,381</u>	<u>\$ 32,096,717</u>	<u>\$ 1,391,309</u>

Highway User Revenue Fund	Transportation Improvement Fund	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 4,119,596	\$ 10,495,484	\$ -	\$ 16,566,131	\$ 119,249,199
45,459	99,024	7,044,180	2,558,725	35,547,439
-	-	-	-	238,997
-	-	85,509	55,054	11,363,182
-	-	-	521,658	521,658
714,748	-	-	-	755,446
-	-	-	-	318,954
-	-	-	817,392	1,028,772
2,028	-	-	5,139	431,169
391,537	-	-	7,944	1,223,717
-	-	-	-	1,324,482
<u>\$ 5,273,368</u>	<u>\$ 10,594,508</u>	<u>\$ 7,129,689</u>	<u>\$ 20,532,043</u>	<u>\$ 172,003,015</u>
1,106,237	2,286,518	-	642,435	11,420,000
122,001	4,046	-	47,068	3,415,960
-	-	-	318,954	318,954
-	52,215	-	1,374	201,564
2,000	-	-	522,679	8,871,044
-	-	-	-	2,556,294
43,459	46,809	-	-	1,382,454
-	-	1,186,777	349,425	1,536,202
-	-	5,338,700	665,000	6,003,700
-	-	-	-	5,993,321
<u>1,273,697</u>	<u>2,389,588</u>	<u>6,525,477</u>	<u>2,546,935</u>	<u>41,699,493</u>
-	-	60,100	182,534	505,431
-	-	60,100	182,534	505,431
<u>1,273,697</u>	<u>2,389,588</u>	<u>6,585,577</u>	<u>2,729,469</u>	<u>42,204,924</u>
393,565	-	-	13,083	2,979,368
3,606,106	-	544,112	17,180,207	30,356,332
-	8,204,920	-	910,619	9,115,539
-	-	-	-	18,276,878
-	-	-	(301,335)	69,069,974
<u>3,999,671</u>	<u>8,204,920</u>	<u>544,112</u>	<u>17,802,574</u>	<u>129,798,091</u>
<u>\$ 5,273,368</u>	<u>\$ 10,594,508</u>	<u>\$ 7,129,689</u>	<u>\$ 20,532,043</u>	<u>\$ 172,003,015</u>

City of Surprise, Arizona

Reconciliation of the Governmental Funds Balance Sheet Fund Balances
to the Statement of Net Position
June 30, 2020

Fund balances - total governmental funds		\$ 129,798,091
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 funds.		
Governmental capital assets	884,998,398	
Less accumulated depreciation	<u>(385,881,553)</u>	
		499,116,845
Some revenues will not be available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
		505,431
Internal Service Funds used by management to charge the costs of employee healthcare, risk management, and workers' compensation to individual funds are included in the statement of net position.		
Net position (adjusted for interfund activity)	9,823,643	
Net pension liability	(474,809)	
Deferred Outflows	66,810	
Deferred Inflows	(29,670)	
Compensated absences	(21,760)	
Net OPEB asset	922	
Net OPEB asset/liability deferred outflows	4,694	
Net OPEB asset/liability deferred inflows	(2,351)	
Net OPEB liability	<u>(2,155)</u>	
		9,365,324
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	26,076,972	
Deferred inflows of resources related to pensions	<u>(5,899,070)</u>	
		20,177,902
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(73,339,989)	
Contracts payable	-	
Issuance premium (to be amortized as interest expense)	(4,105,512)	
Net pension liability	(88,710,385)	
Compensated absences payable	(8,402,681)	
Net OPEB Asset	276,152	
Net OPEB Liability	<u>(195,445)</u>	
		(174,477,860)

See accompanying Notes to Financial Statements

City of Surprise, Arizona

Reconciliation of the Governmental Funds Balance Sheet Fund Balances
to the Statement of Net Position
June 30, 2020

The equity interest in the joint venture, Regional Wireless Cooperative, is not a financial resource and, therefore, is not reported in the funds.		\$ 1,051,916
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to OPEB	540,681	
Deferred inflows of resources related to OPEB	<u>(873,327)</u>	
		<u>(332,646)</u>
Net position of governmental activities		<u><u>\$ 485,205,003</u></u>

City of Surprise, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	General Capital Projects Fund	General Government Development Fee Fund	Highway User Revenue Fund
REVENUES				
Taxes	\$ 62,299,971	\$ 9,172,717	\$ -	\$ -
Licenses and permits	5,775,835	169,086	-	-
Intergovernmental revenues	38,718,690	-	-	9,230,433
Charges for services	16,782,747	-	-	11,250
Grants revenue	9,031,538	-	-	-
Fines	1,193,389	-	-	-
Rents	305,598	-	-	-
Development fees	-	-	646,321	-
Interest revenue	1,401,130	924,185	32,112	85,671
Donations	103,110	-	-	-
Indirect charges	5,591,100	-	-	-
Other revenue	559,131	72,831	-	2,875
Total revenues	141,762,239	10,338,819	678,433	9,330,229
EXPENDITURES				
Current:				
General Government	18,176,296	-	-	-
Public Safety	53,034,357	-	-	-
Public works and streets	7,754,674	-	-	7,479,272
Community Development	11,841,510	-	-	-
Culture and recreation	14,302,719	-	-	-
Debt service:				
Administrative charges	-	-	-	-
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay:				
General Government	126,394	1,586,492	-	-
Public Safety	138,050	9,469,991	-	-
Public works and streets	269,943	24,811,133	-	558,682
Community Development	-	682,366	-	-
Culture and recreation	4,200	2,350,563	-	-
Total expenditures	105,648,143	38,900,545	-	8,037,954
Excess (deficiency) of revenues over expenditures	36,114,096	(28,561,726)	678,433	1,292,275
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	196,066	-	-	9,758
Insurance Recoveries	532	6,717	-	-
Transfers in	1,443,447	2,739,369	-	-
Transfers out	(5,938,698)	(151,596)	(367,028)	(104,478)
Issuance of debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Total other financing sources (uses)	(4,298,653)	2,594,490	(367,028)	(94,720)
Net change in fund balances	31,815,443	(25,967,236)	311,405	1,197,555
Fund balances - beginning, as restated	45,377,079	52,296,652	(4,913,417)	3,017,142
Increase (decrease) in inventories	326,888	-	-	(215,026)
Fund Balances (deficits) - ending	\$ 77,519,410	\$ 26,329,416	\$ (4,602,012)	\$ 3,999,671

Transportation Improvement Fund	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 7,106,398	\$ 4,278,872	\$ 4,910,965	\$ 87,768,923
-	-	-	5,944,921
-	-	471,954	48,421,077
-	-	1,886,850	18,680,847
-	-	2,134,444	11,165,982
-	-	146,874	1,340,263
-	-	315,264	620,862
-	-	4,675,320	5,321,641
197,496	63,523	465,680	3,169,797
-	-	800	103,910
-	-	-	5,591,100
-	-	35,999	670,836
7,303,894	4,342,395	15,044,150	188,800,159
-	-	118,136	18,294,432
-	-	743,825	53,778,182
2,750,238	-	2,737,117	20,721,301
-	-	183,452	12,024,962
-	-	4,972,469	19,275,188
-	1,352	2,000	3,352
-	5,338,700	665,000	6,003,700
-	2,373,554	641,726	3,015,280
-	-	449,955	449,955
-	-	8,061,138	9,774,024
-	-	942,691	10,550,732
2,069,925	-	9,011,646	36,721,329
10,717	-	-	693,083
-	-	2,881,406	5,236,169
4,830,880	7,713,606	31,410,561	196,541,689
2,473,014	(3,371,211)	(16,366,411)	(7,741,530)
-	-	-	205,824
-	-	-	7,249
-	3,430,679	1,430,424	9,043,919
(10)	-	(1,530,442)	(8,092,252)
-	-	8,470,000	8,470,000
-	-	41,093	41,093
(10)	3,430,679	8,411,075	9,675,833
2,473,004	59,468	(7,955,336)	1,934,303
5,731,916	484,644	25,778,141	127,772,157
-	-	(20,231)	91,631
\$ 8,204,920	\$ 544,112	\$ 17,802,574	\$ 129,798,091

City of Surprise, Arizona

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds		\$ 1,934,303
Amounts reported for governmental activities in the statement of activities net position are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets	47,436,745	
Less current year depreciation	<u>(26,191,014)</u>	21,245,731
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		
Capital Contributions	36,969,764	
Disposals of assets	<u>(388,903)</u>	36,580,861
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		290,511
Inventories are recorded using the purchases method in the governmental funds and an adjustment is made to record inventory using the consumption method for the statement of activities.		
Change in inventory		91,631
Governmental funds report City pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions, and the investment experience.		
Pension contributions	10,563,024	
Pension expense	<u>(15,071,056)</u>	(4,508,032)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. There is the same effect with premiums, discounts and similar items when debt is first issued. These items are current finance resources or uses to governmental funds, whereas, the amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term liabilities and debt related items.		
Amortization of issuance premium	490,418	
Principal Paid	6,003,700	
Issuance Premium	(41,093)	
Bond Proceeds	(8,470,000)	
Amortization of loss on refunding	<u>(108,904)</u>	(2,125,879)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when the financial resources are available.		
Increase in compensated absences		(55,007)

See accompanying Notes to Financial Statements

City of Surprise, Arizona**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020**

Internal service funds are used by management to charge the costs of employee healthcare, risk management, and workers' compensation. The net revenue of certain activities of the internal services funds is reported in the statement of activities.

Change in net position for the internal service funds (adjusted for interfund activity)	\$	877,601	
Transfers		<u>9,998</u>	
			\$ 887,599
Change in equity interest in joint venture			(9,359)
Governmental funds report City OPEB contributions as expenditures when made. However, in the statement of activities, OPEB expense is the cost of benefits earned adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to OPEB, and the investment experience.			
OPEB contributions		274,317	
OPEB expense		<u>(100,040)</u>	
			<u>174,277</u>
Change in net position of governmental activities			<u><u>\$ 54,506,636</u></u>

City of Surprise, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities		
	Ground Ambulance Services Fund	Water Fund	Sewer Fund
ASSETS			
Current assets:			
Cash and investments	\$ 545,736	\$ 25,244,889	\$ 28,855,414
Restricted cash and investments	-	2,549,676	9,185,525
Receivables (net of allowances)			
Accounts	1,673,294	1,880,966	1,614,201
Other	-	57,979	93,257
Other assets	11,182	291,023	2,519
Inventory	39,511	471,057	677,087
Total current assets	2,269,723	30,495,590	40,428,003
Noncurrent assets:			
Advances to other funds	-	-	5,993,321
Net other postemployment benefits asset	4,046	6,000	7,891
Capital assets	1,909,483	142,114,042	296,040,420
Accumulated depreciation	(448,351)	(36,476,815)	(99,593,335)
Total noncurrent assets	1,465,178	105,643,227	202,448,297
Total assets	3,734,901	136,138,817	242,876,300
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	369,670	434,677	571,663
Deferred outflows related to other postemployment benefits	17,824	30,540	40,164
Total deferred outflows of resources	387,494	465,217	611,827
Total assets and deferred outflows of resources	\$ 4,122,395	\$ 136,604,034	\$ 243,488,127
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 81,077	\$ 1,911,969	\$ 823,182
Accrued payroll and related taxes	120,905	120,518	140,620
Deposits	50	94,582	291,089
Unearned revenue	14,820	47,061	442,540
Claims payable	-	-	-
Compensated absences payable, due in less than one year	33,487	128,554	160,612
Contracts payable	-	-	398,404
Matured bond interest payable	-	-	686,495
Matured bonds and loans payable	-	-	1,581,300
Bonds, loans and payables, due in less than one year	-	-	1,645,963
Advances from other funds	1,324,482	-	-
Total current liabilities	1,574,821	2,302,684	6,170,205
Noncurrent liabilities:			
Compensated absences payable, due in more than one year	50,231	192,830	240,918
Contracts payable, due in more than one year	-	1,960,457	-
Bonds, loans and payables, due in more than one year	-	-	28,504,884
Net pension liability	1,976,862	3,089,196	4,062,742
Net other postemployment benefits liability	7,938	14,024	18,444
Total noncurrent liabilities	2,035,031	5,256,507	32,826,988
Total liabilities	3,609,852	7,559,191	38,997,193
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	147,744	193,033	253,867
Deferred inflows related to other postemployment benefits	12,145	15,292	20,112
Total deferred inflows of resources	159,889	208,325	273,979
Total liabilities and deferred inflows of resources	3,769,741	7,767,516	39,271,172
NET POSITION			
Net investment in capital assets	1,461,132	105,637,227	166,296,238
Restricted for:			
System repair and replacement	-	2,408,033	5,787,764
Capital Projects	-	4,539,962	963,193
Unrestricted	(1,108,478)	16,251,296	31,169,760
Total net position	\$ 352,654	\$ 128,836,518	\$ 204,216,955

Difference between business-type adjustments to assets and liabilities
Net position of business-type activities

			Governmental Activities	
Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Internal Service Funds	
\$ 3,327,894	\$ 2,214,613	\$ 60,188,546	\$ 13,705,672	
156,134	71,546	11,962,881	-	
992,446	827,241	6,988,148	-	
-	-	151,236	879,086	
5,213	146	310,083	23,423	
95,358	-	1,283,013	-	
4,577,045	3,113,546	80,883,907	14,608,181	
-	-	5,993,321	-	
5,681	916	24,534	922	
10,795,330	3,272,833	454,132,108	-	
(4,932,033)	(170,395)	(141,620,929)	-	
5,868,978	3,103,354	318,529,034	922	
10,446,023	6,216,900	399,412,941	14,609,103	
411,599	66,344	1,853,953	66,810	
28,918	4,661	122,107	4,694	
440,517	71,005	1,976,060	71,504	
\$ 10,886,540	\$ 6,287,905	\$ 401,389,001	\$ 14,680,607	
\$ 509,643	\$ 67,468	\$ 3,393,339	\$ 67,549	
104,433	23,999	510,475	17,129	
63,672	696	450,089	-	
92,462	34,819	631,702	-	
-	-	-	2,131,128	
95,167	7,080	424,900	8,703	
-	-	398,404	-	
-	-	686,495	-	
-	-	1,581,300	-	
-	-	1,645,963	-	
-	-	1,324,482	-	
865,377	134,062	11,047,149	2,224,509	
142,751	10,620	637,350	13,057	
-	-	1,960,457	-	
-	-	28,504,884	-	
2,925,184	471,502	12,525,486	474,809	
13,279	2,140	55,825	2,155	
3,081,214	484,262	43,684,002	490,021	
3,946,591	618,324	54,731,151	2,714,530	
182,785	29,463	806,892	29,670	
14,480	2,334	64,363	2,351	
197,265	31,797	871,255	32,021	
4,143,856	650,121	55,602,406	2,746,551	
5,863,297	3,102,438	282,360,332	-	
-	36,727	8,232,524	-	
-	-	5,503,155	-	
879,387	2,498,619	49,690,584	11,934,056	
\$ 6,742,684	\$ 5,637,784	\$ 345,786,595	\$ 11,934,056	
		2,568,732		
		\$ 348,355,327		

See accompanying Notes to Financial Statements

City of Surprise, Arizona

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2020

	Business-Type Activities		
	Ground Ambulance Services Fund	Water Fund	Sewer Fund
OPERATING REVENUES			
Charges for services	\$ 3,933,720	\$ 18,045,809	\$ 19,224,020
Other revenue	73,808	238,690	78,719
Total operating revenues	4,007,528	18,284,499	19,302,739
OPERATING EXPENSES			
Costs of sales and services	3,822,790	13,292,984	8,141,189
Personnel services	-	-	-
Contractual services, materials & supplies	-	-	-
Insurance claims, premiums, and administrative expenses	-	-	-
Indirect costs	389,300	1,552,500	1,680,100
Depreciation	213,150	3,627,201	8,199,180
Total operating expenses	4,425,240	18,472,685	18,020,469
Operating income (loss)	(417,712)	(188,186)	1,282,270
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	18,089	601,343	796,633
Developer reimbursement	-	-	(722,758)
Gain\Loss on disposal of capital assets	-	(57,680)	(116,677)
Amortization on premium	-	-	309,604
Interest and fiscal charges	-	-	(1,373,189)
Total nonoperating revenues (expenses)	18,089	543,663	(1,106,387)
Income (loss) before contributions and transfers	(399,623)	355,477	175,883
Transfers in	-	1,386,867	776,444
Transfers out	(1,608)	(589,922)	(2,174,134)
Capital contributions	245,103	6,864,399	7,211,689
Change in net position	(156,128)	8,016,821	5,989,882
Total net position - beginning	508,782	120,819,697	198,227,073
Total net position - ending	\$ 352,654	\$ 128,836,518	\$ 204,216,955

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Changes in net position of business-type activities

Business-Type Activities		Governmental Activities	
Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Internal Service Funds
\$ 10,438,506	\$ 1,934,275	\$ 53,576,330	\$ 15,539,571
6,415	-	397,632	753,504
10,444,921	1,934,275	53,973,962	16,293,075
6,373,083	963,776	32,593,822	-
-	-	-	419,496
-	-	-	240,551
-	-	-	14,573,999
1,798,700	170,500	5,591,100	-
951,397	79,462	13,070,390	-
9,123,180	1,213,738	51,255,312	15,234,046
1,321,741	720,537	2,718,650	1,059,029
85,171	55,271	1,556,507	234,069
-	-	(722,758)	-
(64,361)	-	(238,718)	-
-	-	309,604	-
-	-	(1,373,189)	-
20,810	55,271	(468,554)	234,069
1,342,551	775,808	2,250,096	1,293,098
-	-	2,163,311	9,998
(357,509)	(1,803)	(3,124,976)	-
-	709,010	15,030,201	-
985,042	1,483,015	16,318,632	1,303,096
5,757,642	4,154,769	329,467,963	10,630,960
\$ 6,742,684	\$ 5,637,784	\$ 345,786,595	\$ 11,934,056
		415,497	
		\$ 16,734,129	

City of Surprise, Arizona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-Type Activities			
	Ground Ambulance Services Fund	Water Fund	Sewer Fund	Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 3,602,886	\$ 17,633,239	\$ 18,973,532	\$ 10,118,796
Cash receipts from interfund services provided	-	-	-	-
Payments to employees	(2,640,601)	(3,009,771)	(3,968,980)	(2,793,890)
Payments to suppliers	(907,245)	(11,097,622)	(5,802,585)	(5,057,560)
Payments for insurance claims and expenses	-	-	-	-
Other operating cash receipts	73,808	238,690	78,719	6,415
Net cash provided (used) by operating activities	128,848	3,764,536	9,280,686	2,273,761
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received from other funds	453,532	-	1,748,767	-
Cash paid to other funds	(1,608)	(589,922)	(787,267)	(357,509)
Net cash provided (used) by noncapital financing activities	451,924	(589,922)	961,500	(357,509)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds received from development fees	-	3,574,330	2,535,618	-
Proceeds received from extension fees	-	-	153,435	-
Principal and interest paid on bonds, loans and payables	-	-	(3,048,131)	-
Sale/Acquisition of capital assets	(339,311)	(3,312,097)	(3,453,793)	(2,428,107)
Developer reimbursements	-	(364,024)	(614,683)	-
Proceeds received from capital grants	42,084	-	-	-
Net cash provided (used) by capital and related financing activities	(297,227)	(101,791)	(4,427,554)	(2,428,107)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from interest income/(loss)	18,089	601,343	796,633	85,171
Net cash provided (used) by investing activities	18,089	601,343	796,633	85,171
Net increase (decrease) in cash and cash equivalents	301,634	3,674,166	6,611,265	(426,684)
Balances - beginning of year	244,102	24,120,399	31,429,674	3,910,712
Balances - end of the year	\$ 545,736	\$ 27,794,565	\$ 38,040,939	\$ 3,484,028
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income/(loss)	\$ (417,712)	\$ (188,186)	\$ 1,282,270	\$ 1,321,741
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	213,150	3,627,201	8,199,180	951,397
Changes in assets and liabilities:				
Accounts receivable	(345,704)	(431,322)	(223,376)	(342,145)
Other receivables	-	(57,979)	(2,519)	-
Other assets	(7,973)	(51,814)	(63,946)	(279)
Inventory	(1,998)	(223,885)	(219,530)	35,247
Accounts payable	26,152	890,003	347,073	77,747
Accrued payroll and related taxes	51,390	18,373	3,772	7,011
Deposits	50	29,670	15,941	3,056
Unearned revenue	14,820	47,061	(40,534)	19,379
Compensated absences	21,779	66,625	(23,791)	29,518
Net pension liability	577,741	41,445	9,562	173,821
Claims payable	-	-	-	-
Net other postemployment asset/liability	(2,847)	(2,656)	(3,416)	(2,732)
Net cash provided (used) by operating activities	\$ 128,848	\$ 3,764,536	\$ 9,280,686	\$ 2,273,761
Noncash investing, capital and financing activities				
Capital asset contributions from developers	\$ -	\$ 3,290,069	\$ 4,676,071	\$ -
Capital asset contributions to/from other funds/governmental activities	245,103	1,386,867	(1,386,867)	-
Increase in the fair market value of investments	4,559	233,165	313,061	29,209
Total noncash investing, capital and financing activities	\$ 249,662	\$ 4,910,101	\$ 3,602,265	\$ 29,209
Reconciliation to Statement of Net Position				
Cash and investments	\$ 545,736	\$ 25,244,889	\$ 28,855,414	\$ 3,327,894
Restricted cash and investments	-	2,549,676	9,185,525	156,134
Total cash and investments	\$ 545,736	\$ 27,794,565	\$ 38,040,939	\$ 3,484,028
Total Cash	\$ 545,736	\$ 27,794,565	\$ 38,040,939	\$ 3,484,028

		Governmental Activities	
		Total Enterprise Funds	Internal Service Funds
Stormwater Fund			
\$ 1,910,173	\$ 52,238,626	\$ 1,106,791	
-	-	14,387,447	
(578,450)	(12,991,692)	(415,527)	
(459,543)	(23,324,555)	(232,722)	
-	-	(13,530,646)	
-	397,632	-	
872,180	16,320,011	1,315,343	
-	2,202,299	9,998	
(1,803)	(1,738,109)	-	
(1,803)	464,190	9,998	
-	6,109,948	-	
-	153,435	-	
-	(3,048,131)	-	
(727,467)	(10,260,775)	-	
-	(978,707)	-	
-	42,084	-	
(727,467)	(7,982,146)	-	
55,271	1,556,507	234,069	
55,271	1,556,507	234,069	
198,181	10,358,562	1,559,410	
2,087,978	61,792,865	12,146,262	
<u>\$ 2,286,159</u>	<u>\$ 72,151,427</u>	<u>\$ 13,705,672</u>	
\$ 720,537	\$ 2,718,650	\$ 1,059,029	
79,462	13,070,390	-	
(22,969)	(1,365,516)	-	
-	(60,498)	(122,123)	
(58)	(124,070)	(17,328)	
-	(410,166)	-	
62,481	1,403,456	25,425	
9,225	89,771	4,004	
696	49,413	-	
(1,829)	38,897	-	
718	94,849	(25,506)	
24,351	826,920	25,643	
-	-	366,639	
(434)	(12,085)	(440)	
<u>\$ 872,180</u>	<u>\$ 16,320,011</u>	<u>\$ 1,315,343</u>	
\$ 709,010	\$ 8,675,150	\$ -	
-	245,103	-	
20,178	600,172	90,911	
<u>\$ 729,188</u>	<u>\$ 9,520,425</u>	<u>\$ 90,911</u>	
\$ 2,214,613	\$ 60,188,546	\$ 13,705,672	
71,546	11,962,881	-	
<u>\$ 2,286,159</u>	<u>\$ 72,151,427</u>	<u>\$ 13,705,672</u>	
<u>\$ 2,286,159</u>	<u>\$ 72,151,427</u>	<u>\$ 13,705,672</u>	

City of Surprise, Arizona
 Statement of Fiduciary Net Position
 Fiduciary Fund
 June 30, 2020

	Custodial Fund
ASSETS	
Cash and investments	\$ 50,258
Prepaid items and other assets	-
Total assets	<u>50,258</u>
LIABILITIES	
Accounts Payable	<u>30,000</u>
Total liabilities	<u>30,000</u>
NET POSITION	
Restricted for:	
Individuals	<u>20,258</u>
Total net position	<u>\$ 20,258</u>

City of Surprise, Arizona

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

For the Year Ended June 30, 2020

	Custodial Fund
ADDITIONS	
Contributions:	
Employee contributions	\$ 497,611
Total contributions	497,611
Total additions	497,611
DEDUCTIONS	
Claim settlement	549,626
Total deductions	549,626
Net increase (decrease) in fiduciary net position	(52,015)
Net Position - beginning	72,273
Net Position -- end of the year	\$ 20,258



S U R P R I S E

A R I Z O N A



Financial Section – Notes to the Financial Statements

The Financial Section is divided into five subsections. The fifth subsection is also comprised of the Basic Financial Statements that are the core of general-purpose external financial reporting for local governments and are separated into three components. In addition to the government-wide and fund financial statements, the third component, the notes to the basic financial statements, are an integral part of the financial statements and include a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying financial statements.



S U R P R I S E

A R I Z O N A

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Surprise, Arizona (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY

The City is located approximately 20 miles northwest of downtown Phoenix and was incorporated in 1960 under the provision of the Arizona Constitution. During 2003, the voters approved the Home Rule, an alternative expenditure limitation for budget years through June 30, 2007. City of Surprise voters approved an Alternative Expenditure Limitation (Permanent Base Adjustment) on November 7, 2006. The City is governed by an elected mayor, and a six-member council, and offers the following services: public safety (police, fire-medical, and court), highways and streets, sanitation, water, sewer, storm water, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

COMPONENT UNITS

As required by accounting principles generally accepted in the United States of America, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. A primary government is considered financially accountable for another organization when it can impose its will or have a financial benefit or burden relationship. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The following entities are blended component units of the City:

Various Street Lighting Improvement Districts (SLIDs) are maintained by the City for developing areas, and the City's council is the board for the SLIDs. The SLID property tax assessment rates are approved by the City's council. The SLIDs are reported in a special revenue fund.

Marley Park Community Facilities District (CFD) is maintained by the City for a developing area. The CFD's board is the same as the City's council. CFD property tax rates are approved by the City's council. The CFD is reported in a special revenue fund.

For the fiscal year ended June 30, 2020, the City had no discretely presented component units. Separately issued financial statements are not prepared for any of the component units.

RELATED ORGANIZATIONS

A related organization is one for which the primary government is not financially accountable even though the primary government appoints a voting majority of the organization's governing board.

EXCLUDED ORGANIZATIONS

Although there are schools located within the geographic boundaries of the City, school districts are separate from the municipalities in which they are located, with their own elected officials and taxing powers. Consequently, the report does not include the activities of the area school districts.

NOTES TO THE FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

The government-wide statements of activities present a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with the service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the receipts of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenue, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net position is reported as restricted when constraints placed on net position is either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Using a fund accounting system, amounts are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activity. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

NOTES TO THE FINANCIAL STATEMENTS

Governmental Funds

All governmental funds are accounted for using modified accrual basis of accounting and current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end and on behalf of the government are also recognized as revenue. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Major governmental funds include the following:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***General Capital Projects Fund***, a capital projects fund, accounts for revenues and expenditures relating to the acquisition of capital items.

The ***General Government Development Fee Fund***, a special revenue fund, accounts for revenues and expenditures associated with general government development impact fees assessed to fund infrastructure and other expenditures for growth-related general government projects.

The ***Highway User Revenue Fund****, a special revenue fund, accounts for State shared highway user revenues consisting of state taxes collected on gasoline, vehicle registration, vehicle license tax, and a number of other additional transportation related fees and expenditures that are legally restricted to expenditures for transportation and the construction, repairs, and maintenance of public works and streets.

The ***Transportation Improvement Fund****, a special revenue fund, accounts for revenues and expenditures that are legally restricted to expenditures for existing roadway corridor improvements and the related costs of the construction of new roadways.

The ***Debt Service Fund***, a debt service fund, accounts for revenues and expenditures that are legally restricted for the payment of principal and interest on long-term debt of the City.

Proprietary and Fiduciary Funds

All proprietary and custodial funds are accounted for on the flow of economic resources measurement focus and use of accrual basis of accounting. Under this method, revenues/additions are recorded when earned and expenses/deductions are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Major proprietary funds include the following:

The ***Ground Ambulance Services Fund**** accounts for ground ambulance services provided to patients in need of emergency medical services within the City.

The ***Water Fund*** accounts for the provision of the water treatment and distribution to residential and commercial customers of the City.

NOTES TO THE FINANCIAL STATEMENTS

The ***Sewer Fund*** accounts for sanitary sewer services provided to the residential and commercial customers of the City.

The ***Sanitation Fund**** accounts for trash collection services provided to the residential and some commercial customers of the City.

The ***Stormwater Fund**** accounts for stormwater management services provided to the residential and commercial customers of the City.

* These funds have not met the criterion which mandates they be reported separately as major funds. However, the City has chosen to present these funds as major funds.

In addition, the City reports the following fund types:

Internal service funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The funds account for transactions of the City's internal insurance activities which includes general insurance, health insurance programs, and workers' compensation.

Custodial fund (not included in government-wide statements) accounts for employee contributions to their flexible spending accounts.

C. DEPOSITS AND INVESTMENTS

Cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less, including amounts on deposit with the Local Government Investment Pool and invested with the Certificate of Deposit Account Registry Service (CDARS) program through Alliance Bank of Arizona.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Local Government Investment Pool. Investments are stated at fair value.

D. RESTRICTED ASSETS

Restricted cash and investments reported in the statements are comprised of restricted deposits for development and construction agreements, for outstanding debt amounts and other contractual requirements.

E. RECEIVABLES AND PAYABLES

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Fund balance resulting from advances to other funds is shown as nonspendable and committed amounts.

All accounts receivables are shown net of allowance for un-collectibles when applicable.

NOTES TO THE FINANCIAL STATEMENTS

F. INVENTORIES AND PREPAID ITEMS

Inventories consist of expendable supplies held for consumption. For the governmental funds inventories are reported using the purchases method, expenditures are incurred as inventory is purchased and an adjustment is made at year end directly to inventory and fund balance. For the proprietary funds and government wide statements inventories are reported using the consumption method, inventory is recorded when it is purchased and expensed as it is used. Inventory is valued using the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are reported using the consumption method in both government-wide and fund financial statements and are therefore recorded as prepaid items.

G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, intangibles (e.g. software, rights such as water rights and facility use rights), and infrastructure assets (e.g., streets, traffic signals and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City’s policy defines capital assets as assets with an initial individual cost greater than \$10,000 and an estimated useful life of two or more years. Land, right-of-ways, and easements regardless of cost are capitalized. Donated (contributed) capital assets, works of art, historical treasures, and any capital assets the City may receive as part of a service concession arrangement are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Depreciation and amortization of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciated and amortized capital assets are as follows:

<u>Assets</u>	<u>Useful life</u> <u>(Years)</u>
Buildings	20-50
Improvements/Infrastructure	5-50
Machinery & Equipment	2-15
Intangibles (Software and Facility Use Rights)	5-30

H. DEFERRED OUTFLOWS OF RESOURCES

The City recognizes the consumption of net position that is applicable to a future reporting period as deferred outflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions, other postemployment benefits (OPEB), and bond refunding.

I. COMPENSATED ABSENCES

Vested or accumulated Paid Time Off (PTO) leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated PTO leave that is not expected to be liquidated with expendable available financial resources is reported in the government-wide statements. No expenditure is reported for these amounts in the governmental fund

NOTES TO THE FINANCIAL STATEMENTS

statements. Vested or accumulated PTO leave in proprietary funds and the government-wide statements is recorded as an expense and liability of those funds as the benefits accrue to employees. The internal service funds serve primarily the governmental funds, the long-term liabilities of which are included as part of the governmental activities schedule. For the governmental activities, the General Fund, Highway User Revenue Fund, Transportation Improvement Fund, the Employee Healthcare Fund, Worker's Compensation Fund, and the Risk Management Fund have been used in prior years to liquidate the compensated absences liability.

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. POSTEMPLOYMENT BENEFITS

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the 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. For the governmental activities, the General Fund, Highway User Revenue Fund, Transportation Improvement Fund, the non-major funds - SPD Towing Fund, Grants Fund, Neighborhood Revitalization Fund, Municipal Court FARE Fund, Municipal Court JCEF Fund, and the Municipal Court MFTG Fund; the Employee Healthcare Fund, Worker's Compensation Fund, and the Risk Management Fund have been used in prior years to liquidate the Pension and OPEB liabilities.

L. DEFERRED INFLOWS OF RESOURCES

The City recognizes the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions, other postemployment benefits (OPEB), and in connection with receivables for revenues that are not considered to be measurable and available to liquidate liabilities of the current period.

M. FUND BALANCE

In the fund financial statements, governmental funds report fund balance into classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purpose for which those funds can be spent. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form, such as inventory or prepaid items, or because resources legally or contractually must remain intact.

NOTES TO THE FINANCIAL STATEMENTS

Restricted fund balances are the portion of fund balance that have externally enforceable limitations on their usage through legislation or limitations imposed by creditors, grantors, laws and regulations of other governments, or enabling legislation.

Committed fund balances are self-imposed limitations by the highest level of decision making authority, namely Mayor and City Council, prior to the end of the reporting period. Mayor and City Council approval is required to commit resources or to rescind the commitment through a City Council ordinance. Only City Council can remove or change the constraints placed on committed fund balance through formal council ordinance.

Assigned fund balances are limitations imposed internally by management based on the intended use of the funds. The City Council has designated the authority to assign amounts to be used for specific purposes to the Chief Financial Officer (CFO). Approval of the CFO is necessary to establish, modify or rescind an assignment of fund balance.

Unassigned fund balances represent the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specified expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed would be considered spent first (if available), followed by assigned (if available), and then unassigned amounts.

N. MINIMUM FUND BALANCE

The minimum fund balance is not intended to be spent. The purpose of the minimum fund balance is to ensure the City has adequate resources to meet its operational needs in the event of unusual and unforeseen circumstances. If the necessity arises to draw down fund balance below the minimum requirements that have been set, a plan to replenish the minimum fund balance will be presented to Council for approval.

General Fund - Emergency Reserve - The City will maintain an Emergency Reserve in the General Fund of one and sixty-seven hundredths percent (1.67%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund, Ground Ambulance Services Fund, and the Highway User Revenue Fund. The Emergency Reserve is for unexpected, large-scale expenses resulting from events where immediate, remedial action must be taken to protect the health and safety of residents, all unassigned fund balance has been exhausted, and no amount previously appropriated by the City Council is otherwise available. Any use of the Emergency Reserve must be approved by the City Manager or designee. When this occurs, the City Manager shall provide a summary report to the City Council as soon as practical on the usage of these funds and have City Council approve any necessary budget amendments. At that time, the City Manager will also present a plan to restore the Emergency Reserve to the one and sixty-seven hundredths percent (1.67%) level within the next fiscal year following the fiscal year in which the event occurred. For the year ended June 30, 2020 this balance totaled \$2.2 million.

General Fund - Operating Reserve - The City will maintain an additional General Fund Operating Reserve in the amount of ten percent (10%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund, Ground Ambulance Services Fund, and the Highway User Revenue Fund. The Operating Reserve is for unexpected events such as failure of the state to remit revenues to the City, loss of state shared revenues, or other impairment of a significant funding source for the remainder of the fiscal year. The Operating Reserve may also be used for unexpected mandates or other events that cause the City to incur unplanned expenses. The Operating Reserve allows for the continuance of critical City services due to these unanticipated events and is done so after all unassigned fund balance has been exhausted and

NOTES TO THE FINANCIAL STATEMENTS

no amount previously appropriated by the City Council is otherwise available. Any use of the Operating Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan that projects to restore the Operating Reserve to the ten percent (10%) level within two fiscal years following the fiscal year in which the event occurred. For the year ended June 30, 2020 this balance totaled \$13.0 million.

General Fund - Budget Stabilization - The City will maintain an additional General Fund Budget Stabilization Reserve in the amount of five percent (5%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund, Ground Ambulance Services Fund, and the Highway User Revenue Fund. The Budget Stabilization Reserve is used to provide funding to offset reductions in revenues resulting from fluctuations in the economic cycle that cannot be otherwise absorbed by the operating budget. The reserve funds will provide time for the City to restructure its operations in a deliberate manner to ensure continuance of critical City activities and is used after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available. Any use of the Budget Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Budget Stabilization Reserve to the five percent (5%) level within the three fiscal years following the fiscal year in which the event occurred. For the year ended June 30, 2020 this balance totaled \$6.5 million.

General Capital Projects Fund - \$1 million

Transportation Improvement Fund - \$0.5 million

Tourism Fund - \$5,000

Spring Training Ticket Surcharge Fund - \$600,000

Street Light Improvement Districts Fund - SLIDs have a maximum levy limit of \$1.20 per \$100 of assessed valuation in accordance with A.R.S. 48-616. To the extent that the levy limit has not been exceeded, taxes will be levied at a rate that will approach an individual ending fund balance reserve of 5% of its budgeted annual expenses.

There is no effect on the presentation of fund balance on the face of the financial statements. The City is in compliance with its established minimum fund balance policies.

O. NET POSITION

The government-wide, proprietary and fiduciary fund financial statements present ending resources as net position. Net position is categorized to help signify their availability.

Net Investment in Capital Assets includes all capital assets of the City both depreciable and non-depreciable net of accumulated depreciation and outstanding debt balances attributable to the acquisition, construction or improvement of these assets. Net position in this category represents infrastructure of the City and is not available to meet the City's needs.

Restricted Net Position consists of amounts that have external restrictions imposed upon them by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Net position in this category represent amounts that are not available to meet the City's needs as they have been promised for other purposes.

Unrestricted Net Position represents amounts that have not been restricted for any project or other purpose. These amounts are available to meet any needs of the City. While unrestricted net position is technically available to be

NOTES TO THE FINANCIAL STATEMENTS

spent by the City it is important to remember that the City has established financial policies that would prevent this. There are certain self-imposed criteria, such as maintaining a minimum operating fund balance that would further reduce the amount the City is willing to spend.

P. MINIMUM NET POSITION

Minimum net position is not intended to be spent. The purpose of the minimum net position balance is to ensure the City has adequate resources to meet its operational needs in the event of unusual and unforeseen circumstances.

The Water Fund will have a four-part reserve as follows:

- i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Water Fund. For the year ended June 30, 2020 this balance totaled \$3,093,550.
- ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year. For the year ended June 30, 2020 this balance totaled \$2,468,033.
- iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the budgeted operating sources for that year's Council Adopted Budget for the Water Fund. For the year ended June 30, 2020 this balance totaled \$926,695.
- iv. The City will maintain a Resource Portfolio Reserve equal to fifteen percent (15%) of the total cost of delivery and capital charges for Municipal and Industrial plus the Phoenix Active Management Area (AMA) Underground Storage charges multiplied by the total amount of the City's Central Arizona Project (CAP) allocation. For the year ended June 30, 2020 this balance totaled \$598,900.

The Sewer Fund will have a three-part reserve as follows:

- i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Sewer Fund. For the year ended June 30, 2020 this balance totaled \$2,680,275.
- ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year. For the year ended June 30, 2020 this balance totaled \$5,787,764.
- iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the budgeted operating sources for that year's Council Adopted Budget for the Water Fund. For the year ended June 30, 2020 this balance totaled \$949,240.

The Sanitation Fund will have a four-part reserve as follows:

- i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Sanitation Fund. For the year ended June 30, 2020 this balance totaled \$1,707,200.

NOTES TO THE FINANCIAL STATEMENTS

ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year. For the year ended June 30, 2020 this balance totaled \$89,019.

iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the budgeted operating sources for that year's Council Adopted Budget for the Sanitation Fund. For the year ended June 30, 2020 this balance totaled \$513,880.

iv. As the Sanitation Utility has excess revenues, the City will maintain a phased Contingency Reserve equal to one-half percent (0.5%) beginning in FY2022 and increase to one percent (1%) or each subsequent year through FY2024. For the year ended June 30, 2020 this balance totaled \$0.

The Stormwater Fund will have a two-part reserve as follows:

i. The City will maintain an amount equal to the average budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the Stormwater Fund. For the year ended June 30, 2020 this balance totaled \$246,100.

ii. The City will maintain an amount equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year for repair and replacement. For the year ended June 30, 2020 this balance totaled \$36,727.

The Risk Management Fund will maintain an amount that, together with purchased insurance policies, will adequately indemnify the City. The appropriate funding level will be set at three times the maximum annual loss of \$250,000 which is equal to \$750,000, which will be approved by the City Council.

The Employee Healthcare Fund will maintain an amount at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The City has established an Adverse Times Reserve. The purpose of this reserve is to address cash flow needs caused by periods in which claim payments exceed projections. The target amount of this reserve is at least twenty-five percent (25%) of expected annual claims. For the year ended June 30, 2020, the required reserve was \$2.97 million.

The Workers' Compensation Fund will maintain net position at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The target amount of this reserve is at least twice the amount of the budgeted claims. For the year ended June 30, 2020, the required reserve was \$1.5 million.

The City is in compliance with its established minimum net position policies.

Q. PROPERTY TAX

A primary tax levy is limited to an increase of two percent over the previous year's maximum allowable primary levy plus an increased dollar amount due to a net gain in property not taxed the previous year (Section 42-301, Arizona Revised Statutes). The two percent increase is based on the City's "maximum allowable levy" for the prior year.

Property taxes are recognized as revenues in the year they are levied and collected, or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end, or collected in advance of the year-end for which they are levied, are reported as unavailable revenues.

NOTES TO THE FINANCIAL STATEMENTS

The County levies real property taxes on or before the third Monday in August, that become due and payable in two equal installments. The first installment is due on the first day of October, and becomes delinquent after the first business day in November. The second installment is due on the first day of March of the next year, and becomes delinquent after the first business day of May. The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice and becomes delinquent 30 days thereafter.

R. GRANT REVENUES

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal reimbursement grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

S. INTEREST REVENUE

Investment revenue is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment revenue is included in other local revenue in the governmental fund financial statements and in nonoperating revenues in the proprietary fund financial statements.

T. INTERFUND TRANSACTIONS

Interfund services provided or used are accounted for as revenues, expenditures or expenses. All other interfund transactions are reported as transfers.

U. ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

V. CHANGE IN ACCOUNTING PRINCIPLE

The City's Sports and Tourism fund was previously reported as part of the General Fund. Effective July 1, 2019, the City now reports this fund as a part of the Non-Major Governmental Fund- Sports and Tourism.

NOTES TO THE FINANCIAL STATEMENTS

	General Fund	Non-Major Governmental Funds
Beginning of the year, as previously reported Fund Balance at June 30, 2019	\$ 45,296,941	\$ 25,858,279
Effect of combining Fire Development 2014 Law Fund with Fire Development Fee Grandfathered Fund to create Fire Development Fee Fund	-	-
Effect of reclassifying the Sports and Tourism fund from the General Fund to the Spring Training Ticket Surcharge Fund - a Non-Major Governmental Fund	80,138	(80,138)
Total change in accounting principle	80,138	(80,138)
Beginning of the year, as restated Fund Balance, July 1, 2019	<u>\$ 45,377,079</u>	<u>\$ 25,778,141</u>

NOTE 2 – CASH AND INVESTMENTS

Arizona Revised Statutes authorize the City to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, in obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the City's investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the City's deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City's deposits were \$109,004,215 and the bank balance was \$105,918,514. At year end, \$250,000 of the City's deposits were covered by federal depository insurance. The remaining bank balance not covered by federal depository insurance \$105,668,514 was fully collateralized. The collateral is held in the pledging banks trust department in the name of the pledging bank.

A reconciliation of the bank balance to the City's deposit balance as of June 30, 2020 follows:

Cash in bank	\$ 105,918,514
<i>Reconciling items:</i>	
Outstanding checks	(981,818)
Deposits in transit	4,116,259
Other	1,518
	<u>109,054,473</u>
Less:	
Fiduciary Fund	50,258
Total City deposits	<u>\$ 109,004,215</u>

NOTES TO THE FINANCIAL STATEMENTS

The City's investments consisted of the following as of June 30, 2020:

Investment Type	Total Fair Value	Less than 1 year	1-2 years	2-3 years
U. S. government securities	\$ 54,336,535	\$ 7,621,769	\$ 20,929,849	\$ 25,784,917
Debt Securities	3,674,875	3,674,875		
Government sponsored entity debt	50,257,722	8,338,363	19,779,271	22,140,088
Money market mutual funds	16,727,782	16,727,782		
Local government investment pool	5,438,754	5,438,754		
	<u>\$ 130,435,668</u>	<u>\$ 41,801,543</u>	<u>\$ 40,709,120</u>	<u>\$ 47,925,005</u>

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments.

Total cash and investments for the City as of June 30, 2020, are as follows:

City's deposits	\$ 109,004,215
Cash on hand	4,350
City's investments	130,435,668
Cash held by trustee	<u>1,209,504</u>
Total	<u>\$ 240,653,737</u>

Interest Rate Risk. The City's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The City's investments in securities included \$53,932,597 of government sponsored entity debt. At June 30, 2020, these investments were rated by Standard and Poor's at AA+. The money market mutual funds and local government investment pool are not rated. The City's formal investment policy limits investment choices to the following:

- (1) Certificates of deposit in eligible depositories that must be insured or fully collateralized;
- (2) Interest bearing savings accounts in banks and savings and loan institutions doing business in the State of Arizona whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under Arizona Revised Statute 35-323 (A);
- (3) The pooled investment funds established by the State Treasurer pursuant to Arizona Revised Statute 35-326;
- (4) Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities;

NOTES TO THE FINANCIAL STATEMENTS

- (5) Bonds or other evidence of indebtedness of the State of Arizona or any of its counties, incorporated cities, towns, school districts, or special taxing districts, including registered warrants, substitute checks, and electronic funds transfers that bear interest pursuant to section Arizona Revised Statute 11-635;
- (6) Bonds, notes, evidences of indebtedness of any county, municipal district, municipal utility, or special taxing district within the State of Arizona that are payable from revenues, earnings, or a special tax specifically pledged for the payment of the principal and interest on the obligations that are rated “A” or the equivalent by a nationally recognized statistical rating organization; and
- (7) bonds, notes, or evidences of indebtedness issued by any county improvement district or municipal improvement district in the State of Arizona to finance local improvements authorized by law that are rated “A” or the equivalent by a nationally recognized statistical rating organization.

Custodial Credit Risk – Investments. All of the City’s security investments are held in the City’s name. The City’s investment in the State Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however, the City’s portion is not identified with specific investments and is not subject to custodial credit risk.

Concentration of Credit Risk. The City’s investment policy places a limit on certain investment choices as follows:

- (1) Certificates of deposits have a 50% sector limit;
- (2) Bonds or other evidence of indebtedness of the State of Arizona or any of its counties, incorporated cities, towns, school districts, or special taxing districts, including registered warrants, substitute checks, and electronic funds transfers that bear interest pursuant to section Arizona Revised Statute 11-635 have a 40% sector limit and a 5% issuer limit;
- (3) Bonds, notes, evidences of indebtedness of any county, municipal district, municipal utility, or special taxing district within the State of Arizona that are payable from revenues, earnings, or a special tax specifically pledged for the payment of the principal and interest on the obligations that are rated “A” or the equivalent by a nationally recognized statistical rating organization have a 40% sector limit and a 5% issuer limit; and
- (4) Bonds, notes, or evidences of indebtedness issued by any county improvement district or municipal improvement district in the State of Arizona to finance local improvements authorized by law that are rated “A” or the equivalent by a nationally recognized statistical rating organization have a 40% sector limit and a 5% issuer limit. All other eligible investment choices do not have a concentration limit placed on them by the City’s investment policy.

The City’s current investments are in U.S. government securities, government sponsored entity debt, money market mutual funds and the local governmental investment pool which policy does not constrain.

Fair Value Measurements. The City uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures.

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets and liabilities recorded on the statement of net position are categorized based on the inputs to the valuation techniques as follows:

- Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.
- Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.
- Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

Investments are measured as follows:

	Disclosure of Fair Value Inputs		
	FYE	Level 1	Level 2
Investments by Fair Value Level			
Debt Securities	\$ 3,674,875	\$ 3,674,875	\$ -
U. S. Treasury Notes	54,336,535	54,336,535	-
Federal Agency	50,257,722		50,257,721
Total investments by fair value level	<u>\$108,269,132</u>	<u>\$58,011,410</u>	<u>\$50,257,721</u>
Investments measured at net asset value			
LGIP	<u>5,438,754</u>		
Total investments measured at fair value	<u>\$113,707,886</u>		
Investments measured at amortized cost			
Money market funds	<u>16,727,782</u>		
Total investments:	<u>\$130,435,668</u>		

NOTES TO THE FINANCIAL STATEMENTS

Cash Reconciliation to Financial Statements

The following reconciliations are provided to reconcile cash to the government wide and fund financial statements:

<u>Government-wide Financial Statements</u>	
Total cash and investments	\$ 193,143,417
Total restricted cash and investments	<u>47,510,320</u>
Subtotal	240,653,737
 Government-wide total cash and investments	 240,653,737
Plus: Fiduciary Fund cash and cash equivalents	<u>50,258</u>
Total	<u><u>\$ 240,703,995</u></u>

<u>Fund Financial Statements</u>	
<i>Governmental Funds</i>	
Cash and investments	\$ 119,249,199
Restricted cash and cash equivalents	35,547,439
<i>Enterprise Funds</i>	
Cash and investments	60,188,546
Restricted cash and cash equivalents	11,962,881
<i>Internal Service Fund</i>	
Cash and investments	13,705,672
<i>Fiduciary Fund</i>	
Cash and cash equivalents	<u>50,258</u>
Total	<u><u>\$ 240,703,995</u></u>

NOTE 3 – ACCOUNTS RECEIVABLE

The intergovernmental receivable of \$755,446, as reported in the statement of net position includes \$714,748 in highway user tax and \$40,698 in wildland fire reimbursements.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received, but not yet earned.

The amounts reported in the governmental funds for the year ended June 30, 2020 are as follows:

<u>CAFR Fund Name</u>	<u>Unearned</u>	<u>Unavailable</u>
General Fund	\$ 8,346,365	\$ 262,797
Highway User Revenue Fund	2,000	-
Debt Service Fund	-	60,100
Non-major Governmental Funds	<u>522,679</u>	<u>182,534</u>
	<u><u>\$ 8,871,044</u></u>	<u><u>\$ 505,431</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Proprietary funds also report unearned revenue in connection with resources that have been received, but not yet earned.

The amounts reported in the proprietary funds for the year ended June 30, 2020 are as follows:

CAFR Fund Name	Unearned
Ground Ambulance Services	\$ 14,820
Water	47,061
Sewer	442,540
Sanitation	92,462
Stormwater	34,819
	<u>\$ 631,702</u>

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, was as follows:

	Primary Government				
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Not being depreciated:					
Land and land improvements	\$ 60,921,280	\$ 25,864,359	\$ -	\$ 136,235	\$ 86,921,874
Parks	8,607,783	-	-	-	8,607,783
Construction in process	9,330,069	36,813,985	-	(21,112,385)	25,031,669
Total Not Being Depreciated	<u>78,859,132</u>	<u>62,678,344</u>	<u>-</u>	<u>(20,976,150)</u>	<u>120,561,326</u>
Other capital assets:					
Buildings and improvements	204,207,454	723,566	(19,844)	16,605,827	221,517,003
Improvements other than buildings	31,425,258	663,933	-	639,975	32,729,166
Equipment and vehicles	52,990,541	3,814,474	(2,091,284)	1,179,149	55,892,880
Intangibles	6,365,705	5,000,000	-	49,397	11,415,102
Infrastructure	429,419,203	11,389,957	(564,276)	2,638,037	442,882,921
Total Other Capital Assets	<u>724,408,161</u>	<u>21,591,930</u>	<u>(2,675,404)</u>	<u>21,112,385</u>	<u>764,437,072</u>
Total Assets before Depreciation	<u>803,267,293</u>	<u>84,270,274</u>	<u>(2,675,404)</u>	<u>136,235</u>	<u>884,998,398</u>
Accumulated depreciation:					
Building and improvements	(79,515,318)	(7,172,178)	16,867	-	(86,670,629)
Improvements other than buildings	(9,767,470)	(1,237,415)	-	-	(11,004,885)
Equipment and vehicles	(34,123,356)	(4,018,704)	2,026,255	-	(36,115,805)
Intangibles	(2,780,464)	(1,178,106)	-	-	(3,958,570)
Infrastructure	(235,790,432)	(12,584,611)	243,379	-	(248,131,664)
Total Accumulated Depreciation	<u>(361,977,040)</u>	<u>(26,191,014)</u>	<u>2,286,501</u>	<u>-</u>	<u>(385,881,553)</u>
Net Capital Assets - Governmental Activities	<u>\$ 441,290,253</u>	<u>\$ 58,079,260</u>	<u>\$ (388,903)</u>	<u>\$ 136,235</u>	<u>\$ 499,116,845</u>
Depreciation was charged by function as follows:					
General government			\$ 2,440,470		
Public safety			2,941,044		
Public works and streets, includes depreciation for infrastructure			15,981,658		
Community development			39,495		
Culture and recreation			4,788,347		
Total governmental activities depreciation expense			<u>\$ 26,191,014</u>		

NOTES TO THE FINANCIAL STATEMENTS

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Transfers	
Business-type activities:					
Not being depreciated:					
Land	\$ 4,906,981	\$ -	\$ -	\$ (136,235)	\$ 4,770,746
Water Rights	13,704,271	3,807,366	-	-	17,511,637
Construction in progress	2,077,526	4,373,047	-	(2,985,047)	3,465,526
Total not being depreciated	20,688,778	8,180,413	-	(3,121,282)	25,747,909
Other capital assets:					
Buildings and system	385,682,685	7,823,899	(108,645)	1,454,065	394,852,004
Improvements other than buildings	7,327,555	561,725	(148,348)	1,235,535	8,976,467
Vehicles and equipment	21,758,469	2,661,103	(710,383)	295,447	24,004,636
Intangibles	551,092	-	-	-	551,092
Total other capital assets	415,319,801	11,046,727	(967,376)	2,985,047	428,384,199
Total assets before depreciation	436,008,579	19,227,140	(967,376)	(136,235)	454,132,108
Accumulated depreciation:					
Buildings and system	(118,796,009)	(10,670,674)	62,976	-	(129,403,707)
Improvements other than buildings	(647,755)	(262,031)	-	-	(909,786)
Vehicles and equipment	(9,509,731)	(2,030,390)	602,370	-	(10,937,751)
Intangibles	(262,390)	(107,295)	-	-	(369,685)
Total accumulated depreciation	(129,215,885)	(13,070,390)	665,346	-	(141,620,929)
Net capital assets - Business-type activities	\$ 306,792,694	\$ 6,156,750	\$ (302,030)	\$ (136,235)	\$ 312,511,179
Depreciation was charged by function as follows:					
Ground Ambulance			\$ 213,150		
Water			3,627,201		
Sewer			8,199,180		
Sanitation			951,397		
Stormwater			79,462		
Total Depreciation Expense			\$ 13,070,390		

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - DEVELOPER AGREEMENTS

The City of Surprise has entered into agreements with developers for infrastructure related to commercial and residential development. The developers construct the infrastructure and convey the assets to the City. Based on the terms of the agreements, over a designated period of time, the City pays the developers for the infrastructure with collections of impact fees and other specified revenues, up to the maximum amount per agreement. Commitments to reimburse developers under these agreements are not currently recognized until the requirements of the agreements are met. If the term of the agreement expires before the maximum amount has been repaid, the City has no further obligation to continue making payments under the agreement.

Development agreements related to water system infrastructure will be reimbursed using water system impact fees. Total water system infrastructure value conveyed is \$25,629,990. Depending on the terms of the specific agreement, this value is eligible for reimbursement during the next fourteen years. Once an agreement expires, water system fees are no longer eligible for developer reimbursement. As of June 30, 2020, \$17,245,637 had expired or been reimbursed, leaving a potential remaining balance of \$8,384,353.

Development agreements related to wastewater system infrastructure will be reimbursed using specified sales tax revenues. The total net value reimbursable for wastewater system infrastructure is \$15,049,433. Depending on the terms of the specific agreements, this value is eligible for reimbursement over the next thirty years. Once the agreements expire, the remaining unpaid balance of these infrastructure costs is no longer subject to repayment. As of June 30, 2020, \$451,520 had expired or been reimbursed, leaving a potential remaining balance of \$14,597,913.

Infrastructure installed in connection with development agreements related to transportation will be reimbursed using a portion of sales tax collections as prescribed in the agreements. The total net reimbursable value for this infrastructure is \$70,365,777 at June 30, 2020. Depending on the terms of the specific agreements, this value is eligible for reimbursement over the next thirty years. Once the agreements expire, no further developer reimbursement of the unpaid balance is required. As of June 30, 2020, \$3,954,189 had expired or been reimbursed, leaving a potential remaining balance of \$66,411,588.

Development agreements related to park infrastructure will be reimbursed using park impact fees. Total park infrastructure value conveyed is \$4,777,882. Depending on the terms of the specific agreement, this value is eligible for reimbursement through November 2030. Once an agreement expires, park impact fees are no longer eligible for developer reimbursement. As of June 30, 2020, the City has reimbursed \$745,419 leaving a potential balance remaining of \$4,032,463.

Development agreements related to fire infrastructure are reimbursed using fire development impact fees. The total net value reimbursable for fire infrastructure was \$496,663. As of June 30, 2020, the City had reimbursed \$496,663, leaving a remaining balance of zero.

In addition, the City has entered into a number of developer agreements for infrastructure that has not yet been conveyed to the City. The total cost to be incurred under these agreements is currently undeterminable.

NOTES TO THE FINANCIAL STATEMENTS

Tax Abatements

The City of Surprise participates in two tax abatement programs, foreign trade zones and a sales tax incentive program.

Foreign Trade Zones

The City of Surprise provides property tax abatements in any area of the City deemed to be foreign trade zone in accordance with Section 44-6501, Arizona Revised Statutes. The State of Arizona, any county, city or town within the state or a public or private corporation or any combination thereof can apply to the foreign trade zones board, United States Department of Commerce, for the right to establish, operate and maintain a foreign trade zone and subzones. For tax purposes, property in foreign trade zones is classified as class six property in accordance with Section 42-12006, Arizona Revised Statutes. The change in tax classification is administered by the County who levies and collects property taxes on the City's behalf. The property would otherwise be class one property. Class six foreign trade zones have a property tax assessment ratio of six percent compared to class one properties which have an assessment ratio of 18 percent. For fiscal year 2020, \$27,491 of property taxes were abated by this program.

Sales Tax Incentive Program

The City of Surprise administers a sales tax (transaction privilege tax) incentive program in accordance with Ariz. Rev. Stat. § 42-6010. The City has entered into agreements with specific businesses to return a portion of the sales tax generated by the business and paid to the Arizona State Department of Revenue. The City will return up to 50% of the sales tax generated by the business. The amount of taxes paid and returned is determined by the City's review of the monthly reports received from the Arizona State Department of Revenue. The exact amount of taxes abated during fiscal year 2020 cannot be disclosed in accordance with Ariz. Rev. Stat. § 42-2002.

In addition, the City has entered into a development agreement to reimburse developers for the construction of public infrastructure that will benefit the community. These reimbursements are paid over time from collections within a defined area. For the fiscal year ended June 30, 2020, the city reimbursed \$3,948,702.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – SIGNIFICANT COMMITMENTS

Construction Commitments

The City of Surprise has active construction projects as of June 30, 2020. At year end, the City commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment	Funding Source
107th & Union Hills Drainage	\$ 977,420	\$ 647,466	Stormwater Capital
Advanced Metering Infrastructure	6,698,321	11,501,679	Water Utility Capital
Art - Fire Station 304	-	99,550	Public Safety Election 2017
Art - Public Works Yard	30,000	20,000	Public Safety Election 2017
Bell & Litchfield Signal Modification	84,821	279,971	Transportation Improvement
City Asset Management System	223,605	99,393	General Capital Projects Fund
Civic Center Infrastructure Improvements	31,880	1,706	General Capital Projects Fund
District Fire Station 304	6,248,278	1,081,645	Public Safety Election 2017
Fire Station 308	73,215	488,598	Public Safety Election 2017
Greenway Rd Cotton Ln-Sarival	265,104	161,350	Traffic Election 2017
Infrastructure - Consent Order Tthm	67,062	7,128	Sewer Utility Capital
Infrastructure - SPA 2 Influent Line	-	70,656	Sewer Utility Capital
Litchfield Rd (Waddell Rd-Peoria)	3,768,999	169,277	Traffic Election 2017
Litchfield Rd (Waddell Rd-Peoria)	-	578,001	Transportation Improvement
New Gaines Park	110,027	51,047	Neighborhood Revitalization
On-Site Fuel Management FS303	42,095	70,332	General Capital Projects Fund
Peoria & Litchfield Drainage	175,746	18,657	Stormwater Capital
Public Safety Evidence & Readiness	647,434	289,019	Public Safety Election 2017
South Plant Ops Bldg Remodel	26,634	147,379	Sewer Utility Capital
South Plant Ops Bldg Remodel	10,638	163,375	Water Utility Capital
SPA1 Rancho Gabriela WSF-Arsenic	245,962	180,934	Water Utility Capital
SPA1 Recharge Expansion	165,742	826,555	Sewer Utility Capital
Traffic Signal - Litchfield & Sweetwater	96,587	131,589	Transportation Improvement
Traffic Signal - Waddell & La Cometa	24,390	7,305	Transportation Improvement
Waddell Rd (SR303-Reems Rd)	-	698,500	Highway User Revenue
Waddell Rd (SR303-Reems Rd)	6,382,871	557,856	Traffic Election 2017
Waddell Rd (SR303-Reems Rd)	723,382	1,540,209	Transportation Improvement
Xeriscape Garden	27,939	61,991	Water Utility Capital
	<u>\$ 27,148,152</u>	<u>\$ 19,951,168</u>	

Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances, based on purchase orders or other contracts, have been classified based on the existing resources that will be used to liquidate them. Encumbrances not for specific purposes for which resources already have been restricted, committed or assigned are classified as either committed or assigned fund balance. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

NOTES TO THE FINANCIAL STATEMENTS

Fund	Encumbrances
General Fund	\$ 19,186
General Capital Projects Fund	2,143
Non-Major Funds	1,888
Sewer Fund	55,962
Water Fund	17,572
Sanitation Fund	267
Total encumbrances	\$ 97,018

NOTE 7 - LONG-TERM DEBT & OTHER PAYABLES

MUNICIPAL PROPERTY CORPORATION BONDS

The City of Surprise Municipal Property Corporation (MPC) issued, for the purpose of constructing the South Wastewater Treatment Plant, the Wastewater Development Impact Fee and Utility Revenue Bonds, Series 2007, maturing in 2031, with an original issue amount of \$50,675,000. The remaining outstanding balance of \$33,770,000 was fully defeased on October 1, 2018 with the issuance of the Senior Lien Utility System Revenue Refunding Obligations, Series 2018.

PLEDGED REVENUE OBLIGATIONS

In 2015, the City of Surprise issued Pledged Revenue Obligations and Pledged Revenue Refunding Obligations secured by a pledge on excise tax revenues and state shared revenues. A portion of the issuance was for the purpose of refunding the former MPC Series 2003 Bonds, and the remainder was for the construction of stadium improvements.

The issuance requires excise tax and state shared revenues to be maintained at a minimum of 3.0 times the combined debt service requirement payable. The debt service coverage ratio at June 30, 2020 (revenues to debt service payable) is 31.5.

The Pledged Revenue Obligations, Series 2015, were issued in the amount of \$17,385,000, and have an outstanding principal balance at June 30, 2020 of \$12,750,000. Proceeds of these obligations are designated for the construction of stadium improvements. The obligations are payable solely from pledged revenues and are payable through 2030. Principal and interest payments and pledged revenues for the current year were \$1,580,000 and \$133,297,380, respectively. Next year's principal and interest payments of \$1,581,050 constitute approximately 1.2% of the current year pledged revenue.

The Pledged Revenue Refunding Obligations, Series 2015, were issued in the amount of \$19,280,000 and have an outstanding principal balance at June 30, 2020 of \$9,405,003. The proceeds of these obligations were used to refund (extinguish the debt) of the former MPC Series 2003 Bonds and pay costs of issuance. The refunding obligations are payable solely from pledged revenue and mature in 2024. Principal and interest payable and pledged revenues for the current year were \$2,653,850 and \$133,297,380, respectively. Next year's principal and interest payments totaling \$2,655,250 constitute approximately 2.0% of current year pledged revenue.

In August 2018, the City of Surprise issued Senior Lien Utility System Revenue Refunding Obligations, Series 2018, secured by a pledge of revenues of the system which are revenues (including any unrestricted fund balances of the System) remaining after deducting operation expenses. A portion of the proceeds of the obligations, together

NOTES TO THE FINANCIAL STATEMENTS

with other legally available funds of the City, were placed in a trust fund to fully defease the City of Surprise Municipal Property Corporation Wastewater Development Impact Fee and Subordinate Lien Wastewater Revenue Bonds, Series 2007, on October 1, 2018.

The issuance requires pledged revenues to be at least 175 percent of the Parity Lien Test Debt Service. Parity Lien Test Debt Service is the highest aggregate Principal Requirement and Interest Requirement of all Series 2018 Senior Lien Utility System obligations and additional Utility System obligations then outstanding, to fall due and payable in the current or any future Bond Year. At June 30, 2020 the Parity Lien Test Debt Service is \$2,954,290 and pledged revenues are \$15,152,789. The current year ratio is 512.9 percent of the Parity Lien Test Debt Service.

The issuance also requires the City to establish and maintain rates, fees, and charges for all services supplied by the System to provide Pledged Revenues fully sufficient to produce pledged revenue in each fiscal year equal to at least 125 percent of the Principal Requirement and Interest Requirement on all Series 2018 Senior Lien Utility System Obligations and Additional Utility Obligations then outstanding for the corresponding Bond Year. At June 30, 2020 pledged revenue equal 512.9 percent of the Principal Requirement and Interest Requirement.

The Senior Lien Utility System Revenue Refunding Obligations, Series 2018, were issued in the amount of \$25,255,000, and have an outstanding principal balance at June 30, 2020 of \$23,290,000. The proceeds of these obligations were used to defease (extinguish the debt) of the former City of Surprise Municipal Property Corporation Wastewater Development Impact Fee and Subordinate Lien Wastewater Revenue Bonds, Series 2007, and pay costs of issuance. The new refunding obligations have interest rates that range between 4%-5%. The refunding obligations are payable solely from pledged revenue and mature in 2036. Principal and interest payable and pledged revenues for the current year were \$2,151,500 and \$15,152,789, respectively. Current year pledged revenue equals approximately 705% of next year's principle and interest payments, which total \$2,149,500.

GENERAL OBLIGATIONS

In May 2018, the City of Surprise issued \$37,730,000 in Series 2018 General Obligations secured by secondary property taxes. The new bonds have coupon rates ranging from 3%-5% with final maturity of the bonds occurring in 2038. The Bonds are issued pursuant to the Arizona Constitution and laws of the State of Arizona, including particularly Title 35, Chapter 3, Article 3, Arizona Revised Statutes, a vote of the qualified electors of the City at an election held on November 7, 2017 (the "Election"), and a resolution authorizing issuance of the Bonds adopted by the Mayor and Council of the City on April 3, 2018 (the "Bond Resolution"). The Bonds are being issued for the purpose of paying for certain facilities improvements including a Fire Station, an Evidence and Readiness Center, a Public Works Operations Facility, and road improvements including improvements to Greenway, Litchfield, and Waddell Roads and costs of issuance of the Bonds.

The Series 2018 General Obligations represented the first installment of an aggregate voted principal amount of \$59,500,000 of general obligation bonds approved at the Election. In September, 2020 the City issued the remainder of the Election approved bonds by issuing \$17,460,000 in Series 2020 General Obligation Bonds, with interest rates from 2% to 4% and a final maturity in 2038.

COMMUNITY FACILITIES DISTRICT BONDS AND NOTES

Community Facilities District (CFD) Bonds and Notes are special purpose government entity debt which the City Council may issue under Arizona law to (among other things) acquire and improve public infrastructure.

NOTES TO THE FINANCIAL STATEMENTS

In October 2016, Marley Park Community Facilities District defeased certain general obligation bonds related to the Series 2006, 2007 and 2008 Bond Series' through a new issuance of Marley Park Series 2016 general obligation bonds. The new bonds were issued in the original amount of \$11,365,000 of which \$4,800,000 was new issuance and \$6,565,000 was in refunding obligations for the purpose of accomplishing the aforementioned defeasance.

In October 2017, Marley Park Community Facilities District directly borrowed \$3,000,000 in new general obligation notes. These new note funds were used for the cost of issuance as well as the acquisition of capital assets. These notes have an interest rate of 2.690% with final maturity occurring in 2032. The notes contain a gross up provision in the event they become taxable due to actions or omissions of the District. In such a case the taxable rate would be 4.14% and would be effective as of the date of a final determination of the Internal Revenue Service or a court of competent jurisdiction, or an opinion of a nationally recognized bond counsel selected by the lender.

In October 2019, Marley Park Community Facilities District issued \$8,470,000 in new general obligation bonds. The proceeds were used for the cost of issuance as well as the acquisition of capital assets. The bonds carry interest rates from 3% to 4% with final maturity occurring in 2044.

Long-term debt as of June 30, 2020 is comprised of the following:

Classified in Governmental Activities on the Government-wide Financial Statements:

City of Surprise General and Revenue Obligations	Long-Term Debt Outstanding
2015, Pledged Revenue Obligation (issued June 23, 2015) due in annual installments of \$1,025,000 to \$1,505,000 through July 1, 2030; interest at 3 percent to 5 percent. Original issue amount \$17,385,000.	\$ 12,750,000
2015, Pledged Revenue Refunding Obligation (issued June 23, 2015) due in annual installments of \$2,185,000 to \$2,525,000 through July 1, 2024; interest at 3 percent to 5 percent. Original issue amount \$19,280,000. 69.75 percent of this issue pertains to governmental activities.	6,559,989
Total 2015 Pledged Revenue Obligation	19,309,989
2015, Pledged Revenue Revenue Obligations, Issuance Premium	1,882,979
2018, General Obligation Bonds, (issued May 9, 2018) due in annual installments of \$1,205,000 to \$2,400,000 through July 1, 2038; interest at 3 percent to 5 percent. Original issue amount of \$37,730,000.	32,350,000
2018, General Obligation Bonds, Issuance Premium	1,935,598
Total General and Revenue Obligations	\$ 55,478,566

NOTES TO THE FINANCIAL STATEMENTS

Community Facilities District General Obligation Bonds and Notes	Long-Term Debt Outstanding
2016 Marley Park Community Facilities District General Obligation and General Obligation Refunding Bonds, due in annual installments of \$385,000 to \$665,000 through July 15, 2041; interest from 2 to 4%. Original issue amount \$11,365,000 of which \$4,800,000 was new issuance and \$6,565,000 was refunding obligations.	\$ 10,730,000
2016 Marley Park Community Facilities District General Obligation and General Obligation Refunding Bonds, Issuance Premium	247,486
2017 Marley Park Community Facilities District General Obligation Notes, directly placed borrowing, due in annual installments of \$185,000 to \$245,000 through July 15, 2032; interest at 2.690%. Original issue amount \$3,000,000.	2,575,000
2019 Marley Park Community Facilities District General Obligation Bonds, due in annual installments of \$50,000 to \$1,260,000 through July 15, 2044; interest from 3% to 4%. Original issue amount \$8,470,000.	8,375,000
2019 Marley Park Community Facilities District General Obligation Bonds, Issuance Premium	39,449
Total Community Facilities Districts General Obligation Bonds and Notes Outstanding	<u>21,966,935</u>
Total Bonds and Notes Payable Recorded in Governmental Activities	<u>\$ 77,445,501</u>

Classified in Business-type Activities on the Government-wide Financial Statements:

Revenue Obligations	Long-Term Debt Outstanding
2015, Pledged Revenue Refunding Obligation (issued June 23, 2015) due in annual installments of \$2,185,000 to \$2,525,000 through July 1, 2024; interest at 3% to 5%. Original issue amount \$19,280,000. 30.25% of this issue pertains to business-type activities.	\$ 2,845,014
2015, Pledged Revenue Refunding Obligation, Issuance Premium	312,609
2018, Senior Lien Utility System Revenue Refunding Obligations (issued August 7, 2018) due in installments of \$985,000 to \$2,045,000 through July 1, 2036; interest from 4% to 5%. Original issue amount \$25,255,000.	23,290,000
2018, Senior Lien Utility System Revenue Refunding Obligations, Issuance Premium	3,703,224
Total Bonds Payable Recorded in Business-type Activities	<u>30,150,847</u>
Total Long-Term Bonds Payable	<u>\$ 107,596,348</u>

NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of long-term liabilities for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within 1 year
Governmental activities					
Bonds and Notes payable:					
City of Surprise, Series 2015 Pledged revenue obligations \$28,701,375 (\$36,665,000 issued)	\$ 21,783,689	\$ -	\$ (2,473,700)	\$ 19,309,989	\$ 2,549,037
City of Surprise, Series 2018 General obligations \$37,730,000	35,215,000	-	(2,865,000)	32,350,000	1,205,000
For issuance premium 2015	2,179,399	-	(296,420)	1,882,979	-
For issuance premium 2018	2,107,019	-	(171,421)	1,935,598	-
Community Facilities District					
Series 2008 Bonds, \$3,395,000 issued	100,000	-	(100,000)	-	-
Series 2016 Bonds, \$11,365,000 issued	11,005,000	-	(275,000)	10,730,000	385,000
Series 2017 Direct Placement Note, \$3,000,000 issued	2,770,000	-	(195,000)	2,575,000	185,000
Series 2019 Bonds, \$8,470,000 issued	-	8,470,000	(95,000)	8,375,000	125,000
For issuance premium 2016	268,419	-	(20,933)	247,486	-
For issuance premium 2019	-	41,093	(1,644)	39,449	-
Total bonds and notes payable	75,428,526	8,511,093	(6,494,118)	77,445,501	4,449,037
Net pension liabilities	80,685,680	18,899,869	(10,400,355)	89,185,194	-
Net OPEB liabilities	324,878	153,281	(280,560)	197,600	-
Compensated absences payable	8,369,434	5,593,585	(5,538,578)	8,424,441	3,369,777
Total governmental activities long-term liabilities	<u>\$ 164,808,518</u>	<u>\$ 33,157,828</u>	<u>\$ (22,713,611)</u>	<u>\$ 175,252,736</u>	<u>\$ 7,818,814</u>
Business-type activities					
City of Surprise, Series 2015 Pledged revenue obligations \$5,278,625 (\$36,665,000 issued)	\$ 3,486,314	\$ -	\$ (641,300)	\$ 2,845,014	\$ 660,963
Senior Lien Utility System Revenue Refunding Obligations, Series 2018	24,230,000	-	(940,000)	23,290,000	985,000
For issuance premium 2015	390,762	-	(78,153)	312,609	-
For issuance premium 2018	3,934,675	-	(231,451)	3,703,224	-
Total bonds payable	32,041,751	-	(1,890,904)	30,150,847	1,645,963
Net pension liabilities	11,273,996	2,256,396	(1,004,906)	12,525,486	-
Net OPEB liabilities	43,272	52,448	(39,895)	55,825	-
Compensated absences payable	967,401	718,420	(623,571)	1,062,250	424,900
Contracts and developer payable	2,614,810	287,254	(543,203)	2,358,861	398,404
Total business-type activities long-term liabilities	<u>\$ 46,941,230</u>	<u>\$ 3,314,518</u>	<u>\$ (4,102,479)</u>	<u>\$ 46,153,269</u>	<u>\$ 2,469,267</u>

NOTES TO THE FINANCIAL STATEMENTS

At June 30, 2020, the City's outstanding bonds had the following ratings:

Description	Fitch Rating	Standard & Poor's Rating
City of Surprise, Arizona, Pledged Revenue and Revenue Refunding Obligations SERIES 2015	AA+	AA+
City of Surprise, Arizona, General Obligation Bonds SERIES 2018	Not rated	AA
City of Surprise, Arizona, Senior Lien Utility System Revenue Refunding Obligations SERIES 2018	Not rated	AA+
Marley Park Community Facilities District General Obligation Bonds SERIES 2019*	Not rated	AA
Marley Park Community Facilities District General Obligation Bonds SERIES 2017	Not rated	Not rated
Marley Park Community Facilities District General Obligation and General Obligation Refunding Bonds SERIES 2016*	Not rated	AA

* Insured by Building America Mutual

NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of debt service requirements for the year ended June 30, 2020. Deferred amounts are not included:

Year Ended June 30	Governmental Activities					
	Refunding/Stadium Imp 2015		GO Bonds 2018		Marley Park CFD 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 2,549,037	\$ 884,049	\$ 1,205,000	\$ 1,272,044	\$ 385,000	\$ 348,688
2022	2,677,275	756,598	1,265,000	1,211,794	395,000	340,987
2023	2,812,487	622,734	1,330,000	1,148,544	405,000	329,138
2024	2,951,188	482,109	1,395,000	1,082,044	415,000	316,987
2025	1,250,000	334,550	1,465,000	1,012,294	425,000	304,538
2026-2030	7,070,000	841,850	8,500,000	3,902,820	2,305,000	1,353,731
2031-2035	-	-	10,225,000	2,172,082	2,690,000	881,806
2036-2040	-	-	6,965,000	475,369	3,045,000	395,313
2041-2044	-	-	-	-	665,000	20,781
Total	\$ 19,309,987	\$ 3,921,890	\$ 32,350,000	\$ 12,276,991	\$ 10,730,000	\$ 4,291,969

	Governmental Activities					
	Marley Park CFD 2017 Direct Placement		Marley Park CFD 2019		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 185,000	\$ 69,268	\$ 125,000	\$ 260,800	\$ 4,449,037	\$ 2,834,849
2022	190,000	64,291	50,000	257,050	4,577,275	2,630,720
2023	195,000	59,180	55,000	255,550	4,797,487	2,415,146
2024	200,000	53,934	60,000	253,900	5,021,188	2,188,974
2025	205,000	48,555	65,000	252,100	3,410,000	1,952,037
2026-2030	1,115,000	156,962	340,000	1,230,800	19,330,000	7,486,163
2031-2035	485,000	19,637	1,290,000	1,131,450	14,690,000	4,204,975
2036-2040	-	-	2,225,000	829,050	12,235,000	1,699,732
2041-2044	-	-	4,165,000	347,550	4,830,000	368,331
Total	\$ 2,575,000	\$ 471,827	\$ 8,375,000	\$ 4,818,250	\$ 73,339,987	\$ 25,780,927

Year Ended June 30	Business-Type Activities					
	Refunding/Stadium Imp 2015		Sr. Lien Utility System Revenue Refunding 2018		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 660,963	\$ 142,251	\$ 985,000	\$ 1,164,500	\$ 1,645,963	\$ 1,306,751
2022	692,725	109,203	1,035,000	1,115,250	1,727,725	1,224,453
2023	727,513	74,566	1,085,000	1,063,500	1,812,513	1,138,066
2024	763,812	38,190	1,140,000	1,009,250	1,903,812	1,047,440
2025	-	-	1,195,000	952,250	1,195,000	952,250
2026-2030	-	-	6,940,000	3,802,250	6,940,000	3,802,250
2031-2035	-	-	8,865,000	1,884,000	8,865,000	1,884,000
2036	-	-	2,045,000	102,250	2,045,000	102,250
Total	\$ 2,845,013	\$ 364,210	\$ 23,290,000	\$ 11,093,250	\$ 26,135,013	\$ 11,457,460

NOTES TO THE FINANCIAL STATEMENTS

Contracts Payable

General Government Activities

A balance of \$2,556,294 is owed based on improvements made by developers per development agreements for various infrastructure items the City will own and amounts owed to contractors for the retainage of on-going projects.

Business Type Activities

A balance of \$2,358,861 is owed based on improvements made by developers per development agreements for various equipment and infrastructure items the City will own and amounts owed to contractors for the retainage of on-going projects.

Legal Debt Limit

The Arizona Constitution provides that the general obligation bonded indebtedness for a city may not exceed twenty percent of the net secondary assessed valuation of the taxable property of the city for projects for purposes of water, wastewater, artificial light, open space preserves, parks and recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities. Outstanding general obligation bonded indebtedness for all other purposes may not exceed six percent of the City's net secondary assessed valuation. The following summarizes the City of Surprise, Arizona's legal general obligation bonded debt borrowing capacity at June 30, 2020:

20% Limitation		6% Limitation	
20% Constitutional Limit	\$ 281,877,265	6% Constitutional Limit	\$ 84,563,180
Less General Obligation 20%		Less General Obligation 6%	
Bonds Outstanding	(32,350,000)	Bonds Outstanding	-
Reduction for Excess Premium	(1,935,598)	Reduction for Excess Premium	-
Available 20% Limitation		Available 6% Limitation	
Borrowing Capacity	<u>\$ 247,591,667</u>	Borrowing Capacity	<u>\$ 84,563,180</u>

OPERATING LEASES

The City leases copiers, trash compactors, and land under certain cancelable and non-cancelable operating leases expiring at various dates. Operating leases do not give rise to property rights or lease obligations (long-term debt), and therefore the results of the lease agreements are not reflected in the City's statement of net position. Lease expense for the fiscal year ended June 30, 2020 was \$66,600.

NOTES TO THE FINANCIAL STATEMENTS

The following is a schedule of the future minimum lease payments on the non-cancelable operating leases:

Year Ending June 30:	
2021	\$ 41,526
2022	39,895
2023	19,102
Total minimum payments required	<u>\$ 100,523</u>

Operating Lease Revenue

The City leases various City-owned properties and buildings under cancelable long-term lease agreements. The carrying value of leased assets is \$9,200,778 (cost of \$13,149,588 less accumulated depreciation of \$3,948,810). The lease properties and building are included as capital assets in the government-wide financial statements. Operating lease revenues for fiscal year 2020 were \$492,210.

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The City contributes to the Arizona State Retirement System (ASRS), the Public Safety Personnel Retirement System (PSPRS) for police officers and firefighters, and the Elected Officials Retirement Plan (EORP) for elected officials and judges. The plans are component units of the State of Arizona.

At June 30, 2020, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental activities	Business-type activities	Total
Net OPEB asset	\$ 277,074	\$ 24,534	\$ 301,608
Net pension liabilities	89,185,194	12,525,486	101,710,680
Net OPEB liabilities	197,600	55,825	253,425
Deferred outflows of resources related to pensions	26,143,782	1,853,953	27,997,735
Deferred outflows of resources related to OPEB	545,375	122,107	667,482
Deferred inflows of resources related to pensions	5,928,740	806,892	6,735,632
Deferred inflows of resources related to OPEB	875,678	64,363	940,041
Pension expense	15,317,185	1,677,756	16,994,941
OPEB expense	157,383	49,130	206,513
Pension contributions	10,630,565	1,076,313	11,706,878
OPEB contributions	276,534	57,803	334,337

The City reported accrued payroll and employee benefits of \$530,745 for outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2020. Also, the City reported \$12,041,216 of pension and OPEB expenditures in the governmental funds related to all plans to which it contributes.

Arizona State Retirement System

Plan description — City employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and

NOTES TO THE FINANCIAL STATEMENTS

a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

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

Arizona State Retirement System

	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	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	any years, age 65	5 years, age 50* any years, age 65
Final average salary 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction equal to 10% based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Contributions — In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, statute required active ASRS members to contribute at the

NOTES TO THE FINANCIAL STATEMENTS

actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 percent for long-term disability) of the members' annual covered payroll, and statute required the City to contribute at the actuarially determined rate of 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 percent for long-term disability) of the active members' annual covered payroll.

In addition, the City was required by statute to contribute at the actuarially determined rate of 10.41 percent (10.29 percent for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the ASRS would typically fill. The City's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2020, were \$4,678,053, \$191,722, and \$69,064, respectively.

During fiscal year 2020, the City paid for ASRS pension and OPEB contributions as follows: 70% from the general fund, 28% from major funds, and 2% from other funds.

Liability/(asset) — At June 30, 2020, the City reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

<u>ASRS</u>	<u>Net Pension/OPEB (asset) liability</u>
Pension	\$ 55,824,084
Health insurance premium benefit	(108,422)
Long-term disability	253,425

The net asset and net liabilities were measured as of June 30, 2019. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The total liabilities as of June 30, 2019, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8% to 7.5%, changing the projected salary increases from 3–6.75% to 2.7–7.2%, decreasing the inflation rate from 3% to 2.3%, and changing the mortality rates.

The City's proportion of the net asset or net liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The City's proportions measured as of June 30, 2019, and the change from its proportions measured as of June 30, 2018, were:

<u>ASRS</u>	<u>Proportion</u>	<u>Increase (decrease) from</u>
	June 30, 2019	June 30, 2018
Pension	0.38%	0.01%
Health insurance premium benefit	0.39%	0.01%
Long-term disability	0.39%	0.02%

Expense — For the year ended June 30, 2020, the City recognized the following pension and OPEB expense.

<u>ASRS</u>	<u>Pension/OPEB expense</u>
Pension	\$ 7,371,708
Health insurance premium benefit	141,950
Long-term disability	80,860

NOTES TO THE FINANCIAL STATEMENTS

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

	Pension	
	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 1,008,477	\$ 10,495
Changes in assumptions	235,970	2,223,025
Difference between projected and actual investment earnings	-	1,254,733
Changes in proportion and differences between City contributions and proportionate share of contributions	1,932,430	-
City contributions subsequent to the measurement date	4,678,053	-
Total	<u>\$ 7,854,930</u>	<u>\$ 3,488,253</u>

	Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ 129,606
Changes in assumptions	213,221	-
Difference between projected and actual investment earnings	-	140,996
Changes in proportion and differences between City contributions and proportionate share of contributions	270	322
City contributions subsequent to the measurement date	191,722	-
Total	<u>\$ 405,213</u>	<u>\$ 270,924</u>

	Long-term disability	
	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 29,941	\$ -
Changes in assumptions	37,912	-
Difference between projected and actual investment earnings	-	5,406
Changes in proportion and differences between City contributions and proportionate share of contributions	9,747	13
City contributions subsequent to the measurement date	69,064	-
Total	<u>\$ 146,664</u>	<u>\$ 5,419</u>

NOTES TO THE FINANCIAL STATEMENTS

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from city contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending June 30	Pension	Health insurance premium benefit	Long-term disability
2021	\$ 398,846	\$ (46,934)	\$ 7,544
2022	(805,312)	(46,933)	7,545
2023	(240,962)	13,195	12,818
2024	336,052	26,319	13,785
2025	-	(3,080)	11,777
Thereafter	-	-	18,712

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

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

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017 actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTES TO THE FINANCIAL STATEMENTS

ASRS Asset Class	Target Asset Allocation	Real Return Geometric Basis	Long-term Contribution to Expected Real Return
Equity	50%	6.09%	3.05%
Credit	20%	5.36%	1.07%
Interest rate sensitive bonds	10%	1.62%	0.16%
Real estate	20%	5.85%	1.17%
Total	100%		5.45%

Discount rate — At June 30, 2019, the discount rate used to measure the ASRS total pension/OPEB liability was 7.5%. 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 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 plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the City's proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate — The following table presents the City's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5%, as well as what the City's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate.

ASRS

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the			
Net pension liability	\$ 79,450,601	\$ 55,824,084	\$ 36,078,395
Net health insurance premium benefit liability (asset)	549,208	(108,422)	(668,755)
Net long-term disability liability	280,472	253,425	227,198

Plan fiduciary net position — Detailed information about the plans' fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

Public Safety Personnel Retirement System

Plan descriptions — City police employees and City firefighters who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the City's financial statements. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS plans. The report is available on the PSPRS website at www.psprs.com.

NOTES TO THE FINANCIAL STATEMENTS

Benefits provided — The PSPRS 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 based on initial membership date as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012 (Tier 1)	On or after January 1, 2012 and before July 1, 2017 (Tier 2)
Retirement and disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
<u>Survivor benefit</u>		
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	

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

	PSPRSPolice		PSPRSFire	
	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	47	47	14	14
Inactive employees entitled to but not yet receiving benefits	20	5	8	7
Active employees	116	116	114	114
Total	183	168	136	135

Contributions and annual OPEB cost — State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS 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. Contribution rates for the year ended June 30, 2020, are indicated below. Rates are a percentage of active members' annual covered payroll.

Contribution rates	PSPRS			
	Police		Fire	
	Tier 1 & 2	Tier 3	Tier 1 & 2	Tier 3
Active members - pension	7.65%	11.65%	7.65%	11.65%
Active members - Health benefit	0.00%	0.26%	0.00%	0.21%
City				
Pension	30.99%	25.83%	22.88%	17.19%
Health insurance premium benefit	0.32%	0.21%	0.32%	0.21%

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

	Tier 1 & 2 PSPRS	
	Police	Fire
	16.10%	7.46%
Alternative contribution rate- Pension and Health		

The City's contributions to the plans for the year ended June 30, 2020, were:

	PSPRS Police	PSPRS Fire
Contributions made		
Pension	\$3,850,896	\$3,060,602
Health Insurance premium benefit	42,143	31,408

NOTES TO THE FINANCIAL STATEMENTS

During fiscal year 2020, the City paid for PSPRS pension and OPEB contributions as follows: 98.8% from the general fund, 0.5% from major funds, and 0.7% from non-major funds.

Liability — At June 30, 2020, the City reported the following net pension/OPEB liabilities/(assets):

	<u>Net pension liability</u>	<u>Net OPEB liability/(asset)</u>
PSPRS Police	\$ 29,835,792	\$ (135,648)
PSPRS Fire	14,538,967	(57,538)

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

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

PSPRS

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.30%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

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

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.30% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS	Target	Long-term expected geometric
Asset class	allocation	real rate of return
Short term investments	2%	0.25%
Risk parity	4%	4.01%
Fixed income	5%	3.00%
Real assets	9%	6.75%
GTS	12%	4.01%
Private credit	16%	5.36%
Real estate	10%	4.50%
Private equity	12%	8.40%
Non-U.S. equity	14%	5.00%
U.S. equity	16%	4.75%
Total	<u>100%</u>	

NOTES TO THE FINANCIAL STATEMENTS

PSPRS		
Asset class	Target allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Risk parity	4%	4.01%
Fixed income	5%	3.00%
Real assets	9%	6.75%
GTS	12%	4.01%
Private credit	16%	5.36%
Real estate	10%	4.50%
Private equity	12%	8.40%
Non-U.S. equity	14%	5.00%
U.S. equity	16%	4.75%
Total	<u>100%</u>	

Discount rate — At June 30, 2019, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.30 percent, a decrease of 0.1% from the discount rate used as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

NOTES TO THE FINANCIAL STATEMENTS

Changes in the net pension/OPEB liability/(asset) – The following tables present changes in the City’s net pension/OPEB liability for the PSPRS – Police and PSPRS – Fire plans as follows:

PSPRS - Police - Pension	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a) – (b)
Balances at June 30, 2019	\$ 65,680,544	\$ 39,693,746	\$ 25,986,798
Adjustment to Beginning of Year	-	(28,553)	28,553
Changes for the year:			
Service cost	2,625,724	-	2,625,724
Interest on the total pension liability	4,977,350	-	4,977,350
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	1,469,073	-	1,469,073
Changes of assumptions	2,103,228	-	2,103,228
Contributions—employer	-	4,065,062	(4,065,062)
Contributions—employee	-	1,015,880	(1,015,880)
Net investment income	-	2,315,207	(2,315,207)
Benefit payments, including refunds of employee contributions	(2,089,561)	(2,089,561)	-
Administrative expense	-	(41,215)	41,215
Other changes	-	-	-
Net changes	9,085,814	5,236,820	3,848,994
Balances at June 30, 2020	\$ 74,766,358	\$ 44,930,566	\$ 29,835,792
PSPRS - Police - Health insurance premium benefit	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (asset) (a) – (b)
Balances at June 30, 2019	\$ 1,173,986	\$ 1,129,879	\$ 44,107
Adjustment to Beginning of Year	-	28,552	(28,552)
Changes for the year:			
Service cost	33,493	-	33,493
Interest on the total OPEB liability	88,366	-	88,366
Difference between expected and actual experience of the total OPEB liability	(194,295)	-	(194,295)
Changes of assumptions	24,230	-	24,230
Contributions—employer	-	42,535	(42,535)
Contributions—employee	-	-	-
Net investment income	-	61,524	(61,524)
Benefit payments, including refunds of employee contributions	(26,693)	(26,693)	-
OPEB plan administrative expense	-	(1,062)	1,062
Other changes	-	-	-
Net changes	(74,899)	104,856	(179,755)
Balances at June 30, 2020	\$ 1,099,087	\$ 1,234,735	\$ (135,648)

NOTES TO THE FINANCIAL STATEMENTS

PSPRS - Fire - Pension	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a) – (b)
Balances at June 30, 2019	\$ 55,772,934	\$ 43,082,800	\$ 12,690,134
Adjustment to Beginning of Year	-	(18,470)	18,470
Changes for the year:			
Service cost	2,703,787	-	2,703,787
Interest on the total pension liability	4,299,178	-	4,299,178
Difference between expected and actual experience of the total pension liability	223,172	-	223,172
Changes of assumptions	1,224,623	-	1,224,623
Contributions—employer	-	3,232,317	(3,232,317)
Contributions—employee	-	955,090	(955,090)
Net investment income	-	2,477,023	(2,477,023)
Benefit payments, including refunds of employee contributions	(759,444)	(759,444)	-
Administrative expense	-	(44,033)	44,033
Net changes	7,691,316	5,842,483	1,848,833
Balances at June 30, 2020	\$ 63,464,250	\$ 48,925,283	\$ 14,538,967

PSPRS - Fire - Health insurance premium benefit	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (asset) (a) – (b)
Balances at June 30, 2019	\$ 1,046,204	\$ 915,274	\$ 130,930
Adjustment to Beginning of Year	-	18,470	(18,470)
Changes for the year:			
Service cost	28,223	-	28,223
Interest on the total OPEB liability	78,968	-	78,968
Difference between expected and actual experience of the total OPEB liability	(206,517)	-	(206,517)
Changes of assumptions	12,836	-	12,836
Contributions—employer	-	34,300	(34,300)
Net investment income	-	50,072	(50,072)
Benefit payments, including refunds of employee contributions	(14,571)	(14,571)	-
OPEB plan administrative expense	-	(864)	864
Other changes	-	-	-
Net changes	(101,061)	87,407	(188,468)
Balances at June 30, 2020	\$ 945,143	\$ 1,002,681	\$ (57,538)

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity of the City's net pension/OPEB liability/(asset) to changes in the discount rate — The following table presents the City's net pension/OPEB liabilities calculated using the discount rate of 7.30%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.30%) or 1 percentage point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current discount rate (7.30%)	1% Increase (8.30%)
PSPRS Police			
Net pension liability	\$ 41,849,023	\$ 29,835,792	\$20,198,975
Net OPEB liability/(asset)	4,690	(135,648)	(252,938)
PSPRS Fire			
Net pension liability	\$ 25,405,759	\$ 14,538,967	\$ 5,801,501
Net OPEB liability	68,927	(57,538)	(163,520)

Plan fiduciary net position — Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports. These reports are available on the PSPRS website at www.psprs.com.

Expense — For the year ended June 30, 2020, the City recognized the following pension and OPEB expense:

	Pension expense	OPEB expense
PSPRS Police	\$ 6,294,311	\$ (20,638)
PSPRS Fire	3,431,678	4,342

NOTES TO THE FINANCIAL STATEMENTS

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

PSPRS - Police - Pension	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 3,801,252	\$ 459,410
Changes in assumptions	3,819,120	-
Net difference between projected and actual earnings on pension plan investments	582,792	-
City contributions subsequent to the measurement date	3,850,896	-
Total	\$ 12,054,060	\$ 459,410
PSPRS - Police - Health insurance premium benefit	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ 291,353
Changes in assumptions	21,203	63,560
Net difference between projected and actual earnings on OPEB plan investments	4,709	-
City contributions subsequent to the measurement date	42,143	-
Total	\$ 68,055	\$ 354,913
PSPRS - Fire - Pension	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 1,277,454	\$ 2,450,963
Changes in assumptions	2,859,642	-
Net difference between projected and actual earnings on pension plan investments	676,651	-
City contributions subsequent to the measurement date	3,060,602	-
Total	\$ 7,874,349	\$ 2,450,963
PSPRS - Fire - Health insurance premium benefit	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ 221,479
Changes in assumptions	11,670	87,306
Net difference between projected and actual earnings on OPEB plan investments	4,472	-
City contributions subsequent to the measurement date	31,408	-
Total	\$ 47,550	\$ 308,785

NOTES TO THE FINANCIAL STATEMENTS

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from city contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability/(asset) in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending June 30	PSPRS			
	Police		Fire	
	Pension	Health	Pension	Health
2021	\$2,584,778	\$ (60,038)	\$ 687,782	\$ (36,348)
2022	1,876,719	(60,037)	259,762	(36,348)
2023	1,348,846	(51,994)	529,174	(30,089)
2024	741,295	(52,890)	489,705	(30,858)
2025	368,560	(41,985)	291,716	(34,529)
Thereafter	823,556	(62,057)	104,646	(124,471)

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

For the year ended June 30, 2020, active PSPDCRP members were required by statute to contribute at least 9% of the members' annual covered payroll, and the City was required by statute to contribute 9%, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the City's contributions each year as set forth in statute. The plan retains nonvested City contributions when forfeited because of employment terminations. For the year ended June 30, 2020, the City recognized pension expense of \$59,381.

Elected Officials Retirement Plan

Plan description — Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension and OPEB plans were closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS's website at www.psprs.com. The EORP OPEB is immaterial to the financial statements of the City; therefore, it is not included in financial statements or presented here in the notes to the financial statements.

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:

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

Contributions — State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2020, statute required active EORP members to contribute 7% or 13% of the members' annual covered payroll and the City to contribute at the actuarially determined rate of 61.43 percent of all active EORP members' annual covered payroll. Also, statute required the City to contribute 49.86 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 55.43 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the City's required contributions to ASRS and EODCRS for these elected officials and judges. The City's contributions to the pension and health insurance premium benefit plans for the year ended June 30, 2020, were \$117,327 and \$0, respectively.

During fiscal year 2020, the City paid for EORP pension contributions as follows: 100% from the general fund.

NOTES TO THE FINANCIAL STATEMENTS

Liability — At June 30, 2020, the City reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the City's proportionate share of the State's appropriation for EORP. The amount the City 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 City were as follows:

City's proportionate share of the EORP net pension liability	\$ 1,511,837
State's proportionate share of the EORP net pension liability associated with the City	(9,879)
Total	<u>\$ 1,501,958</u>

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

The City's proportion of the net pension liability was based on the City's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2019. The City's proportion measured as of June 30, 2019, and the change from its proportions measured as of June 30, 2018, was:

EORP	Proportion June 30, 2019	Increase (decrease) from June 30, 2018
Pension	0.227969%	-0.07%

Expense — For the year ended June 30, 2020, the City recognized pension expense for EORP of (\$102,757) and revenue of (\$9,879) for the City's proportionate share of the State's appropriation to EORP and the designated court fees.

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

EORP - Pension	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 33,707	\$ 1,434
Changes of assumptions or other inputs	4,752	42,962
Net difference between projected and actual earnings on plan investments	10,286	-
Changes in proportion and differences between City contributions and proportionate share of contributions	48,324	292,610
City contributions subsequent to the measurement date	117,327	-
Total	<u>\$ 214,396</u>	<u>\$ 337,006</u>

NOTES TO THE FINANCIAL STATEMENTS

The amounts reported as deferred outflows of resources related to EORP pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized as expenses as follows:

<u>Year ending June 30</u>	<u>Pension</u>
2021	\$ (242,851)
2022	(2,623)
2023	2,872
2024	2,665
2025	-

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

Actuarial Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Wage Inflation	3.75%
Investment Rate of Return	7.30%
Cost of Living Adjustments	1.75%
Price Inflation	2.50%
	Inflation-based cost of living allowance, capped at 2%.
	When calculating the total pension liability it is assumed
	benefit recipients will receive a cost of living adjustment
Permanent benefit increase	averaging 1.75% each year in the future.
Mortality rates	PUBG-2010 Mortality Tables with MP-2018 improvement
	scale with adjustments to match current experience
Retirement Age	Experience-Based Table

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

The long-term expected rate of return on EORP plan investments was determined to be 7.30% 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.

NOTES TO THE FINANCIAL STATEMENTS

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

EORP		
Asset class	Target allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Risk parity	4%	4.01%
Fixed income	5%	3.00%
Real assets	9%	6.75%
GTS	12%	4.01%
Private credit	16%	5.36%
Real estate	10%	4.50%
Private equity	12%	8.40%
Non-U.S. equity	14%	5.00%
U.S. equity	16%	4.75%
Total	100%	

Discount rates — At June 30, 2019, the discount rates used to measure the EORP total pension liability was 7.3% which was a decrease of 0.1% for pension from the discount rates used as of June 30, 2018. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the EORP net pension liability to changes in the discount rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rates noted above, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

EORP	1% Decrease	Current discount rate	1% Increase
Rate - pension	6.30%	7.30%	8.30%
City's proportionate share of the net pension liability	\$ 1,731,281	\$ 1,511,837	\$ 1,324,930

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020, active EODCRS members were required by statute to contribute 8% of the members' annual covered payroll, and the City was required by statute to contribute 6% of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the City's contributions to the individual employee account and the earnings on those contributions. For the year ended June 30, 2020, the City recognized pension expense of \$6,560.

Deferred Compensation Plans

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. A governing board (committee) makes decisions about investment options available within each Plan. In fiscal year 2020, the City contributed to the 457 plan on behalf of eligible employees in an amount equal to a percentage of base annual salary. The City contributed \$686,077 for the year ended June 30, 2020. The deferred compensation is not available to participants until termination, retirement, death, or an unforeseeable emergency.

The City's fiduciary responsibility for the plan is that of exercising "due care" in selecting a third-party administrator. Federal legislation requires that Section 457 plan assets be held in trust for employees; therefore, employee assets held in Section 457 plan assets are held in trust for employees. Employee assets held in Section 457 plans are not the property of the City and are not subject to claims of the City's general creditors. Therefore, the Deferred Compensation Custodial Fund is not included in the City's Financial Statements.

Defined Contribution Other Postemployment Plans

The City also offers a Post-Employment Health Plan (PEHP). The PEHP is a defined contribution plan designed to allow the City and employees to set aside money during the course of employment with the City, for the payment of qualified medical expenses incurred post-employment. The Post-Employment Health Plan consists of two sub-accounts that can accept contributions. One account accepts fixed contributions from the City and the other accepts earned and unused personal time off (vacation and sick leave). After voluntary termination of employment with the City, employees are provided with the option to be paid for all, or a portion of, earned and unused personal time off, or move earned and unused personal time off into their PEHP account.

The City is contributing \$25 per pay period to the plan for members of the Surprise Police Employees Association and the Northwest Valley Fire Fighters Association Local 4361. Employees are not required to contribute in order to receive the City's contribution.

Further, eligible employees that are Tier 1 members of the Public Safety Personnel Retirement System (PSPRS), who enter the Deferred Retirement Option Plan (DROP) are eligible for an additional benefit. Upon the employee's acceptance by the local board and PSPRS to the DROP program the City will contribute eight percent of total PSPRS eligible earnings, per pay period, to the employee's PEHP. If for any reason an employee terminates participation in DROP, this additional benefit shall cease.

The City contributed \$400,592 for the year ended June 30, 2020.

The City's fiduciary responsibility for the plan is that of exercising "due care" in selecting a third-party administrator. Federal legislation requires that post-employment health plan assets be held in trust for employees; therefore, employee assets held in post-employment plan assets are held in trust for employees. Employee assets held in post-employment health plans are not the property of the City and are not subject to claims of the City's general creditors. Therefore, the Deferred Compensation Custodial Fund is not included in the City's Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 - RISK MANAGEMENT

Risk Management Fund

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Thus, the City participates in the Arizona Municipal Risk Retention Pool (AMRRP), which provides a comprehensive municipal coverage program including property, general liability, public officials' liability, automobile liability and physical damage, bonds and crime. The basic coverage program is standard for all participants and deemed to be appropriate by the governing board of the AMRRP. Individual limits are determined by the Council and staff members.

The limit for basic coverage is \$2 million per occurrence and \$13 million under an umbrella policy for a total of \$15 million on a claim made basis. The AMRRP is structured such that member premiums are based on actuarial review that will provide adequate reserves to allow the Pool to meet its expected financial obligation. The Pool has the authority to assess its members' additional premiums should reserve's and annual premiums be insufficient to meet the Pool's obligations. The City can be assessed up to the amount of the current year's contribution. The City's obligation is to file claims timely. The AMRRP is responsible for investigating claims, settling claims and billing the City for any deductible portion. The City's loss has not exceeded its coverage in any of the last three years, and the deductible portion has not been material to the City's financial position.

As of June 30, 2020, unpaid claims were as follows:

	Risk Management Fund	
	2019	2020
Beginning unpaid claims	\$ 180,000	\$ 147,533
Claims incurred and changes in estimates	543,806	180,407
Payments made	(576,273)	(210,376)
Ending unpaid claims	<u>\$ 147,533</u>	<u>\$ 117,564</u>

Employee Healthcare Fund

The City has established the Employee Healthcare Fund to account for the costs of claims incurred by the City through a self-insurance program. The City is self-insured for individual health claims up to \$250,000. Commercial stop loss insurance is in place for claims in excess of the individual limit as well as aggregate insurance for claims in excess of 125% of the City's total actuarially projected claims.

The claims liability includes an estimated amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends and other economic and social factors. Claims that have been incurred but not reported make up \$782,150 of the total claims payable reported. The remaining \$1,028,697 is made up of outstanding claims at year end. The City's loss has not exceeded its coverage over the last year.

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2020, unpaid claims were as follows:

	Employee Healthcare Fund	
	2019	2020
Beginning unpaid claims	\$ 1,257,598	\$ 1,445,621
Claims incurred and changes in estimates	11,161,235	11,170,957
Payments made	(10,973,212)	(10,805,761)
Ending unpaid claims	<u>\$ 1,445,621</u>	<u>\$ 1,810,817</u>

Worker's Compensation Fund

Following in-depth analysis including an actuarial study to determine feasibility, the Mayor and City Council approved establishing a Worker's Compensation Fund on January 3, 2017; to administer a self-insured workers' compensation program. The City sought and gained authority to self-insure/self-administer workplace injury claims through the Industrial Commission of Arizona (ICA), effective July 1, 2017. The program assumed responsibility for all new workplace injury/exposures deemed compensable, while leaving liability of prior claims with the previous insurance carrier.

The program assumes first-dollar losses up to the established self-insured retention (SIR) levels of two categories of employees. The first category, General Employee Population, carries a self-insured retention level of \$500,000 per occurrence. Public Safety Population assumes a self-insured retention of \$1,000,000 per occurrence. Should a claim exceed the respective SIR, the excess carrier assumes liability up to statutory limits. All claims below the SIR are managed in-house and resolved via funds established for claims settlement. Expenses within the program are reported regularly to the Workers' Compensation Trust Board, as prescribed by Arizona Revised Statute.

Excess insurance premiums are calculated following underwriting evaluation to include actuarial study and loss history. Being a newly designated self-administered program, the City has been assigned an experience modifier of 1.0, which designates an insurance premium of \$0.28 per \$100 of payroll. These premiums are assigned to each department based on industry hazard codes and total payroll.

The Workers' Compensation fund currently has an established reserve of \$1,500,000, which exceeds the required amount designated by the Industrial Commission of Arizona. The funds held in this reserve account are maintained by the City following approval from both City Council and the ICA for exemption from posting security for outstanding workers' compensation claims, per Arizona Administrative Code R20-5-114.

The claims liability includes an estimated amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends and other economic and social factors. Claims that have been incurred but not reported make up \$153,210 of the total claims payable reported. The remaining \$49,537 is made up of outstanding claims at year end. The City's loss has not exceeded its coverage over the last year.

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2020, unpaid claims were as follows:

	Workers' Compensation Fund	
	2019	2020
Beginning unpaid claims	\$ 13,577	\$ 171,335
Claims incurred and changes in estimates	387,745	379,262
Payments made	(229,987)	(347,850)
Ending unpaid claims	<u>\$ 171,335</u>	<u>\$ 202,747</u>

NOTE 10 - CONTINGENT LIABILITIES

The City is a defendant in various lawsuits that are incidental to the ordinary course of its operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the City's financial position.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City has entered into a settlement agreement of which the City is financially responsible for a drainage study and road improvements. The total cost to be incurred is currently unknown. The City is also financially responsible to reimburse future development impact fees, planning and zoning fees, and building permits charged by the City related directly to the development of the Property defined in the settlement agreement up to \$800,000. As of June 30, 2020 the City had reimbursed the developer as part of the settlement agreement \$771,629 leaving up to \$28,371 to be reimbursed to the developer in future years.

NOTE 11 - INTERFUND BORROWING AND TRANSFERS

As of June 30, 2020, interfund balances were as follows:

Due to/from other funds:

Due from	Due to
Non-Major Governmental Fund - Grants Fund	General Fund
	\$ 318,954

At year end, the Grants fund, a non-major governmental fund, had a negative cash balance in the pooled cash account. The short-term negative cash balance was eliminated by interfund borrowing with the General Fund and is expected to be paid within one year.

Advances to/from other funds:

Advances to	Advances from		
	General Fund	Sewer Fund	Total
General Government Development Fee Fund	\$ -	\$5,993,321	\$ 5,993,321
Ground Ambulance Services Fund	1,324,482	-	1,324,482
Total	<u>\$ 1,324,482</u>	<u>\$5,993,321</u>	<u>\$ 7,317,803</u>

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2020, the City had several long-term loans outstanding. The loans relate to expenditures for projects to be funded by impact fees and to establish ground ambulance services within the City. These loans will be repaid as impact fees are collected in future years and through charges for services once ground ambulance services are fully operational.

Interfund Transfers:

Transfers Out	Transfers in							Total
	General Fund	General Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Water Fund	Sewer Fund	Internal Service Funds	
General Fund	\$ -	\$ 2,635,700	\$ 1,912,379	\$ 1,383,306	\$ -	\$ -	\$ 7,313	\$ 5,938,698
General Capital Projects Fund	10,400	-	-	-	-	141,196	-	151,596
General Government Development Fee Fund	-	-	367,028	-	-	-	-	367,028
Highway User Revenue Fund	-	103,669	-	-	-	-	809	104,478
Transportation Improvement Fund	-	-	-	-	-	-	10	10
Non-Major Governmental Funds	-	-	1,151,272	47,118	-	331,969	83	1,530,442
Ground Ambulance Services Fund	1,301	-	-	-	-	-	307	1,608
Water Fund	589,616	-	-	-	-	-	306	589,922
Sewer Fund	786,867	-	-	-	1,386,867	-	400	2,174,134
Sanitation Fund	53,549	-	-	-	-	303,279	681	357,509
Stormwater Fund	1,714	-	-	-	-	-	89	1,803
Total	<u>\$1,443,447</u>	<u>\$ 2,739,369</u>	<u>\$ 3,430,679</u>	<u>\$ 1,430,424</u>	<u>\$ 1,386,867</u>	<u>\$ 776,444</u>	<u>\$ 9,998</u>	<u>\$11,217,228</u>

Transfers between funds were used to (1) record payments in lieu of franchise fees from the enterprise funds to the General Fund (2) record payments in lieu of property taxes from the enterprise funds to the General Fund and Debt Service Fund (3) to support as needed replacement of vehicles and maintenance, construction or purchase of city assets (4) move amounts for debt service payments (5) to fund municipal arts projects, and (6) to transfer water rights (capital assets) generated by the Sewer Fund to the Water Fund to be used for water services. (7) During the year ended June 30, 2020, the Sewer Fund sold 12.94 acres of land with a book value of \$223,556 to the Sanitation Fund and Governmental Activities for \$1,000,000. The value of the land is split between the Sanitation Fund (\$87,321) and the Governmental Activities (\$136,235) based on the proportionate share of the \$1,000,000 purchase price paid by each fund.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – FUND BALANCE CLASSIFICATION

Fund balance classifications:

	General Fund	General Capital Projects Fund	General Government Development Fee Fund	Highway User Revenue Fund	Transportation Improvement Fund	Debt Service Fund	Non-Major Governmental Fund	Total
Fund balance								
Nonspendable:								
Advance to other funds	\$ 1,324,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,324,482
Inventory	824,236	-	-	391,537	-	-	7,944	1,223,717
Prepays	415,113	8,889	-	2,028	-	-	5,139	431,169
Total Nonspendable	2,563,831	8,889	-	393,565	-	-	13,083	2,979,368
Restricted:								
City Manager's Office	-	-	-	-	-	-	-	-
Court	-	-	-	-	-	-	290,036	290,036
Debt Service	-	-	-	-	-	544,112	214,488	758,600
Economic Development	13,314	-	-	-	-	-	-	13,314
Fire and Medical	9,701	-	-	-	-	-	7,299,805	7,309,506
Human Services and Community Vitality	33,149	-	-	-	-	-	-	33,149
Library	-	-	-	-	-	-	-	-
Parks and recreation	354,105	-	-	-	-	-	3,643,804	3,997,909
Police	81,257	-	-	-	-	-	5,108,484	5,189,741
Public works	-	-	-	-	-	-	508,603	508,603
Transportation	-	-	-	3,606,106	-	-	114,987	3,721,093
Unspent Bond Proceeds - Public Safety	-	4,534,602	-	-	-	-	-	4,534,602
Unspent Bond Proceeds - Traffic	-	-	-	-	-	-	-	-
Mitigation	-	1,510,787	-	-	-	-	-	1,510,787
Unspent Bond Proceeds - Pavement	-	-	-	-	-	-	-	-
Preservation	-	2,488,992	-	-	-	-	-	2,488,992
Total Restricted	491,526	8,534,381	-	3,606,106	-	544,112	17,180,207	30,356,332
Committed:								
Transportation	-	-	-	-	8,204,920	-	-	8,204,920
Tourism	-	-	-	-	-	-	910,619	910,619
Total Committed	-	-	-	-	8,204,920	-	910,619	9,115,539
Assigned:								
Construction projects	-	15,179,585	-	-	-	-	-	15,179,585
FS Package Replacement Reserve	-	80,442	-	-	-	-	-	80,442
Vehicle Replacement	-	2,526,119	-	-	-	-	-	2,526,119
Public Safety	12,421	-	-	-	-	-	-	12,421
Wildland Vehicle Replacement	371,384	-	-	-	-	-	-	371,384
Other	106,927	-	-	-	-	-	-	106,927
Total Assigned	490,732	17,786,146	-	-	-	-	-	18,276,878
Unassigned:								
Unassigned or negative fund balance	73,973,321	-	(4,602,012)	-	-	-	(301,335)	69,069,974
Total	\$ 77,519,410	\$ 26,329,416	\$ (4,602,012)	\$ 3,999,671	\$ 8,204,920	\$ 544,112	\$ 17,802,574	\$ 129,798,091

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 – DEFICIT FUND BALANCES

As of June 30, 2020, the following individual governmental funds reported deficits in fund balances:

<u>Fund</u>	<u>Deficit</u>
Major Funds:	
General Government Development Fee Fund	\$ 4,602,012
Non-Major Governmental Funds	
Grants Fund	194,945
Neighborhood Revitalization Fund	105,292

Deficits arose due to project and grant expenditures incurred in current and prior years exceeding impact fee and available grant revenues. The deficit fund balances are expected to be funded with future development impact fees and grant revenues received.

NOTE 14 – BUDGET BASIS OF ACCOUNTING

The City records expenditures for prepaid items as an expenditure in the period goods or services are received; however, on the budgetary basis of accounting the expenditure is recorded in the period of the actual cash outlay.

NOTE 15 – JOINT VENTURE

The City currently participates with nineteen cities, towns and fire districts in the Regional Wireless Cooperative (RWC) agreement for the administration, operation, management, construction, and maintenance of a regional public safety communications network. The RWC is an Arizona joint venture, multi-jurisdictional organization throughout the Phoenix Metropolitan Region. The City of Phoenix is both the Network Managing Member and the Administrative Managing Member. As the Network Managing Member, the City of Phoenix operates and maintains the network. As the Administrative Managing Member, the City of Phoenix is responsible for accounting, budgeting, procurement and contracting for the RWC.

The City has an ongoing financial responsibility as a result of the agreement to participate in the cost to construct, operate and maintain the network. The City's share of costs is determined based on the proportionate number of subscriber units in use at the time of assessment. The equity interest for the City at June 30, 2020, was \$1,051,916.

Separate financial statements may be obtained from RWC Director's Office, 200 W. Washington Street, 12th Floor, Phoenix, Arizona 85003.

NOTE 16 – SUBSEQUENT EVENTS

On September 30, 2020, the City issued \$17,460,000 in General Obligation Bonds, Series 2020. The bonds were issued as the second and last installment in completion of the bonds authorized to be issued by the November 7, 2017 voter election. The election authorized bonds to be issued for the purpose of constructing certain facilities and improvements, road improvements, and firefighting facilities. The bonds are payable in annual principle installments and semiannual interest installments, and carry interest rates from 2% to 4%, with final maturity in 2038. The bonds received a Standard and Poor's rating of AA.



SURPRISE

ARIZONA



REQUIRED SUPPLEMENTARY INFORMATION



SURPRISE

ARIZONA

Required supplementary information

Schedule of the City's proportionate share of the net pension/OPEB liability (asset)

Cost-sharing plans

Arizona State Retirement System - Pension	Reporting fiscal year (measurement date)						
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2011
City's proportion of the net pension liability	0.38%	0.37%	0.36%	0.35%	0.32%	0.29%	Information
City's proportionate share of the net pension liability	\$ 55,824,084	\$ 51,433,226	\$ 56,257,015	\$ 56,796,968	\$ 50,841,272	\$ 42,980,167	not
City's covered payroll	\$ 38,971,217	\$ 37,581,388	\$ 35,238,842	\$ 32,932,534	\$ 30,121,665	\$ 26,536,195	available
City's proportionate share of the net pension liability as a percentage of its covered payroll	143.24%	136.86%	159.64%	172.46%	168.79%	161.97%	
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

Arizona State Retirement System - Health insurance premium benefit	Reporting fiscal year (measurement date)			
	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2011
City's proportion of the net OPEB (asset)	0.39%	0.38%	0.37%	Information
City's proportionate share of the net OPEB (asset)	\$ (108,422)	\$ (135,084)	\$ (199,174)	not
City's covered payroll	\$ 38,971,217	\$ 37,581,388	\$ 35,238,842	available
City's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-0.28%	-0.36%	-0.57%	
Plan fiduciary net position as a percentage of the total OPEB liability	101.62%	102.20%	103.57%	

Arizona State Retirement System - Long-term disability	Reporting fiscal year (measurement date)			
	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2011
City's proportion of the net OPEB liability	0.39%	0.37%	0.36%	Information
City's proportionate share of the net OPEB liability	\$ 253,425	\$ 193,112	\$ 131,344	not
City's covered payroll	\$ 38,971,217	\$ 37,581,388	\$ 35,238,842	available
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.65%	0.51%	0.37%	
Plan fiduciary net position as a percentage of the total OPEB liability	72.85%	77.83%	84.44%	

See accompanying notes to this schedule.

Required supplementary information

Schedule of the City's proportionate share of the net pension/OPEB liability (asset)

Cost-sharing plans

Elected Official Retirement Plan - Pension	Reporting fiscal year (measurement date)						
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2011
City's proportion of the net pension liability	23%	0.29%	0.17%	0.19%	0.16%	0.22%	Information
City's proportionate share of the net pension liability	\$ 1,511,837	\$ 1,849,518	\$ 2,034,660	\$ 1,829,709	\$ 1,276,030	\$ 1,505,462	not available
State's proportionate share of the net pension liability associated with the City	\$ 142,097	\$ (90,103)	\$ 213,700	\$ 100,812	\$ 107,037	\$ 136,820	
Total	\$ 1,653,934	\$ 1,759,415	\$ 2,248,360	\$ 1,930,521	\$ 1,383,067	\$ 1,642,282	
City's covered payroll	\$ 176,123	\$ 150,767	\$ 154,566	\$ 155,470	\$ 155,470	\$ 154,983	
City's proportionate share of the net pension liability as a percentage of its covered payroll	939.08%	1166.98%	1454.63%	1241.73%	889.60%	1059.65%	
Plan fiduciary net position as a percentage of the total pension liability	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%	

See accompanying notes to this schedule.

Required supplementary information

Schedule of changes in the City's net pension/OPEB liability and related ratios

Agent plans

PSPRS - Police - Pension	Reporting fiscal year (measurement date)						2014 through 2011 Information not available
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability							
Service cost	\$ 2,625,724	\$ 2,432,053	\$ 2,580,430	\$ 2,064,206	\$ 1,663,042	\$ 1,565,018	
Interest on the total pension liability	4,977,350	4,564,294	4,152,228	3,530,011	2,833,422	2,300,961	
Changes of benefit terms	-	-	431,035	4,507,117	-	241,790	
Differences between expected and actual experience in the measurement of the pension liability	1,469,073	(615,366)	884,245	144,478	5,574,308	1,218,340	
Changes of assumptions or other inputs	2,103,228	-	950,588	2,249,172	-	2,469,394	
Benefit payments, including refunds of employee contributions	(2,089,561)	(2,328,125)	(2,887,339)	(1,829,352)	(965,851)	(1,157,301)	
Net change in total pension liability	\$ 9,085,814	\$ 4,052,856	\$ 6,111,187	\$ 10,665,632	\$ 9,104,921	\$ 6,638,202	
Total pension liability-beginning	65,680,544	61,627,688	55,516,501	44,850,869	35,745,948	29,107,746	
Total pension liability-ending (a)	\$ 74,766,358	\$ 65,680,544	\$ 61,627,688	\$ 55,516,501	\$ 44,850,869	\$ 35,745,948	
Plan fiduciary net position							
Contributions-employer	\$ 4,065,062	\$ 3,608,348	\$ 2,601,364	\$ 2,303,420	\$ 1,729,946	\$ 1,359,213	
Contributions-employee	1,015,880	1,121,032	1,376,163	1,496,064	1,196,870	977,373	
Net investment income	2,315,207	2,508,024	3,589,391	168,147	951,951	2,875,527	
Benefit payments, including refunds of employee contributions	(2,089,561)	(2,328,125)	(2,887,339)	(1,829,352)	(965,851)	(1,157,301)	
Pension plan administrative expense	(41,215)	(38,871)	(32,160)	(24,595)	(23,613)	-	
Other changes	-	20,867	36,754	138,888	210,447	(462,996)	
Net change in plan fiduciary net position	\$ 5,265,373	\$ 4,891,275	\$ 4,684,173	\$ 2,252,572	\$ 3,099,750	\$ 3,591,816	
Plan fiduciary net position-beginning	39,693,746	34,802,471	30,118,298	27,865,726	24,765,976	21,174,160	
Adjustment to Beginning of Year	(28,553)	-	-	-	-	-	
Plan fiduciary net position-ending (b)	\$ 44,930,566	\$ 39,693,746	\$ 34,802,471	\$ 30,118,298	\$ 27,865,726	\$ 24,765,976	
City's net pension (asset) liability-ending (a) - (b)	\$ 29,835,792	\$ 25,986,798	\$ 26,825,217	\$ 25,398,203	\$ 16,985,143	\$ 10,979,972	
Plan fiduciary net position as a percentage of the total pension liability	60.09%	60.43%	56.47%	54.25%	62.13%	69.28%	
Covered payroll	\$ 13,066,419	\$ 12,326,006	\$ 11,769,882	\$ 11,159,388	\$ 10,682,880	\$ 8,730,979	
City's net pension (asset) liability as a percentage of covered payroll	228.34%	210.83%	227.91%	227.59%	158.99%	125.76%	

See accompanying notes to this schedule.

Required supplementary information

Schedule of changes in the City's net pension/OPEB liability and related ratios

Agent plans

PSPRS - Police - OPEB	Reporting fiscal year (measurement date)			
	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2011
Total OPEB liability				Information not available
Service cost	\$ 33,493	\$ 34,574	\$ 37,056	
Interest on the total OPEB liability	88,366	87,925	94,154	
Changes of benefit terms	-	-	6,912	
Differences between expected and actual experience of the total OPEB liability	(194,295)	(105,683)	(68,029)	
Changes of assumptions	24,230	-	(107,363)	
Benefit payments, including refunds of employee contributions	(26,693)	(27,446)	(29,932)	
Net change in total OPEB liability	\$ (74,899)	\$ (10,630)	\$ (67,202)	
Total OPEB liability-beginning	1,173,986	1,184,616	1,251,818	
Total OPEB liability-ending (a)	\$ 1,099,087	\$ 1,173,986	\$ 1,184,616	
Plan fiduciary net position				
Contributions-employer	\$ 42,535	\$ 26,730	\$ 55,927	
Contributions-employee	-	-	-	
Net investment income	61,524	73,735	110,362	
Benefit payments, including refunds of employee contributions	(26,693)	(27,446)	(29,932)	
OPEB plan administrative expense	(1,062)	(1,122)	(976)	
Other changes	-	1	-	
Net change in plan fiduciary net position	\$ 76,304	\$ 71,898	\$ 135,381	
Plan fiduciary net position-beginning	1,158,431	1,057,981	922,600	
Plan fiduciary net position-ending (b)	\$ 1,234,735	\$ 1,129,879	\$ 1,057,981	
City's net OPEB (asset) liability-ending (a) - (b)	\$ (135,648)	\$ 44,107	\$ 126,635	
Plan fiduciary net position as a percentage of the total OPEB liability	112.34%	96.24%	89.31%	
Covered payroll	\$ 13,066,419	\$ 12,326,006	\$ 11,769,882	
City's net OPEB (asset) liability as a percentage of covered payroll	-1.04%	0.36%	1.08%	

See accompanying notes to this schedule.

Required supplementary information

Schedule of changes in the City's net pension/OPEB liability and related ratios

Agent plans

PSPRS - Fire - Pension	Reporting fiscal year (measurement date)						2014 through 2011
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability							Information not available
Service cost	\$ 2,703,787	\$ 2,629,254	\$ 2,540,844	\$ 1,944,045	\$ 1,709,096	\$ 1,635,304	
Interest on the total pension liability	4,299,178	3,959,756	3,537,634	2,858,919	2,480,922	2,170,938	
Changes of benefit terms	-	-	324,839	4,813,386	-	25,204	
Differences between expected and actual experience in the measurement of the pension liability	223,172	(2,685,396)	721,498	(428,646)	991,201	122,957	
Changes of assumptions or other inputs	1,224,623	-	36,178	2,042,866	-	1,068,570	
Benefit payments, including refunds of employee contributions	(759,444)	(652,543)	(1,074,336)	(485,385)	(481,494)	(1,740,565)	
Net change in total pension liability	\$ 7,691,316	\$ 3,251,071	\$ 6,086,657	\$ 10,745,185	\$ 4,699,725	\$ 3,282,408	
Total pension liability-beginning	55,772,934	52,521,863	46,435,206	35,690,021	30,990,296	27,707,888	
Total pension liability-ending (a)	\$ 63,464,250	\$ 55,772,934	\$ 52,521,863	\$ 46,435,206	\$ 35,690,021	\$ 30,990,296	
Plan fiduciary net position							
Contributions-employer	\$ 3,232,317	\$ 3,149,148	\$ 1,828,952	\$ 1,773,960	\$ 1,394,750	\$ 1,298,311	
Contributions-employee	955,090	1,036,287	1,340,153	1,188,041	1,085,819	916,860	
Net investment income	2,477,023	2,659,343	3,742,608	170,022	956,696	2,973,644	
Benefit payments, including refunds of employee contributions	(759,444)	(652,543)	(1,074,336)	(485,385)	(481,494)	(1,740,565)	
Pension plan administrative expense	(44,033)	(41,175)	(33,516)	(24,864)	(23,732)	-	
Other changes	-	147,401	141,131	30,036	23,521	(491,977)	
Net change in plan fiduciary net position	\$ 5,860,953	\$ 6,298,461	\$ 5,944,992	\$ 2,651,810	\$ 2,955,560	\$ 2,956,273	
Plan fiduciary net position-beginning	43,082,800	36,784,339	30,839,347	28,187,537	25,231,977	22,275,704	
Adjustment to Beginning of Year	(18,470)	-	-	-	-	-	
Plan fiduciary net position-ending (b)	\$ 48,925,283	\$ 43,082,800	\$ 36,784,339	\$ 30,839,347	\$ 28,187,537	\$ 25,231,977	
City's net pension (asset) liability-ending (a) - (b)	\$ 14,538,967	\$ 12,690,134	\$ 15,737,524	\$ 15,595,859	\$ 7,502,484	\$ 5,758,319	
Plan fiduciary net position as a percentage of the total pension liability	77.09%	77.25%	70.04%	66.41%	78.98%	81.42%	
Covered payroll	\$ 11,767,811	\$ 11,534,304	\$ 11,296,060	\$ 10,648,460	\$ 9,802,389	\$ 8,942,409	
City's net pension (asset) liability as a percentage of covered payroll	123.55%	110.02%	139.32%	146.46%	76.54%	64.39%	

See accompanying notes to this schedule.

Required supplementary information
Schedule of City pension/OPEB contributions

PSPRS - Fire - OPEB	Reporting fiscal year (measurement date)			
	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2011
Total OPEB liability				Information not available
Service cost	\$ 28,223	\$ 28,223	\$ 28,898	
Interest on the total OPEB liability	78,968	72,743	78,136	
Changes of benefit terms	-	-	8	
Differences between expected and actual experience of the total OPEB liability	(206,517)	(17,297)	(28,004)	
Changes of assumptions	12,836	-	(124,948)	
Benefit payments, including refunds of employee contributions	(14,571)	(12,727)	(12,382)	
Net change in total OPEB liability	\$ (101,061)	\$ 70,942	\$ (58,292)	
Total OPEB liability-beginning	1,046,204	975,262	1,033,554	
Total OPEB liability-ending (a)	<u>\$ 945,143</u>	<u>\$ 1,046,204</u>	<u>\$ 975,262</u>	
Plan fiduciary net position				
Contributions-employer	\$ 34,300	\$ 29,385	\$ 40,649	
Contributions-employee	-	-	-	
Net investment income	50,072	58,948	86,787	
Benefit payments, including refunds of employee contributions	(14,571)	(12,727)	(12,382)	
OPEB plan administrative expense	(864)	(897)	(769)	
Other changes	-	1	-	
Net change in plan fiduciary net position	\$ 68,937	\$ 74,710	\$ 114,285	
Plan fiduciary net position-beginning	915,274	840,564	726,279	
Adjust to Beginning of Year	18,470	-	-	
Plan fiduciary net position-ending (b)	<u>\$ 1,002,681</u>	<u>\$ 915,274</u>	<u>\$ 840,564</u>	
City's net OPEB (asset) liability-ending (a) - (b)	<u>\$ (57,538)</u>	<u>\$ 130,930</u>	<u>\$ 134,698</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	106.09%	87.49%	86.19%	
Covered payroll	\$11,767,811	\$ 11,534,304	\$ 11,296,060	
City's net OPEB (asset) liability as a percentage of covered payroll	-0.49%	1.14%	1.19%	

See accompanying notes to this schedule.

Required supplementary information
Schedule of City pension/OPEB contributions

Arizona State Retirement System - Pension	Reporting fiscal year							2013 through 2011
	2020	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 4,678,053	\$ 4,349,366	\$ 4,084,163	\$ 3,773,263	\$ 3,569,994	\$ 3,259,073	\$ 2,801,701	Information not available
City's contributions in relation to the statutorily required contribution	4,678,053	4,349,366	4,084,163	3,773,263	3,569,994	3,259,073	2,801,701	
City's contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$42,439,245	\$ 38,971,217	\$ 37,581,388	\$ 35,238,842	\$ 32,932,534	\$ 30,121,665	\$ 26,536,195	
City's contributions as a percentage of covered payroll	11.02%	11.16%	10.87%	10.71%	10.84%	10.82%	10.56%	

Arizona State Retirement System - Health insurance premium benefit	Reporting fiscal year				2016 through 2011
	2020	2019	2018	2017	
Statutorily required contribution	\$ 191,599	\$ 178,575	\$ 164,581	\$ 196,952	Information not available
City's contributions in relation to the statutorily required contribution	191,599	178,575	164,581	196,952	
City's contribution deficiency	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 42,439,245	\$ 38,971,217	\$ 37,581,388	\$ 35,238,842	
City's contributions as a percentage of covered payroll	0.45%	0.46%	0.44%	0.56%	

Arizona State Retirement System - Long-term disability	Reporting fiscal year				2016 through 2011
	2020	2019	2018	2017	
Statutorily required contribution	\$ 69,064	\$ 62,149	\$ 61,374	\$ 49,278	Information not available
City's contributions in relation to the statutorily required contribution	69,064	62,149	61,374	49,278	
City's contribution deficiency	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 42,439,245	\$ 38,971,217	\$ 37,581,388	\$ 35,238,842	
City's contributions as a percentage of covered payroll	0.16%	0.16%	0.16%	0.14%	

See accompanying notes to this schedule.

Required supplementary information
Schedule of City pension/OPEB contributions

Elected Official Retirement Plan - Pension	Reporting fiscal year							2013 through 2011
	2020	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 117,327	\$ 101,371	\$ 66,206	\$ 34,133	\$ 36,535	\$ 35,199	\$ 47,836	Information not available
City's contributions in relation to the statutorily required contribution	117,327	101,371	66,206	34,133	36,535	35,199	47,836	
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 206,644	\$ 176,123	\$ 150,767	\$ 154,566	\$ 155,470	\$ 155,470	\$ 154,983	
City's contributions as a percentage of covered payroll	56.78%	57.56%	43.91%	22.08%	23.50%	22.64%	30.87%	

The City was not required and did not contribute to the EORP health insurance premium benefit plan for fiscal years 2020, 2019, 2018, or 2017. Information for fiscal years 2016 through 2011 is not available.

PSPRS - Police - Pension	Reporting fiscal year							2013 through 2011
	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 3,850,896	\$ 3,977,387	\$ 5,056,552	\$ 2,598,440	\$ 2,301,028	\$ 1,753,988	\$ 1,359,213	Information not available
City's contributions in relation to the actuarially determined contribution	3,850,896	3,977,387	5,056,552	2,598,440	2,301,028	1,753,988	1,359,213	
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 12,989,361	\$ 13,066,419	\$ 12,326,006	\$ 11,769,882	\$ 11,159,388	\$ 10,682,880	\$ 8,730,979	
City's contributions as a percentage of covered payroll	29.65%	30.44%	41.02%	22.08%	20.62%	16.42%	15.57%	

PSPRS - Police - OPEB	Reporting fiscal year				2016 through 2011
	2020	2019	2018	2017	
Actuarially determined contribution	\$ 37,796	\$ 44,365	\$ 79,382	\$ 58,849	Information not available
City's contributions in relation to the actuarially determined contribution	37,796	44,365	79,382	58,849	
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 12,989,361	\$ 13,066,419	\$ 12,326,006	\$ 11,769,882	
City's contributions as a percentage of covered payroll	0.29%	0.34%	0.64%	0.50%	

See accompanying notes to this schedule.

Required supplementary information
Schedule of City pension/OPEB contributions

PSPRS - Fire - Pension	Reporting fiscal year							2013 through 2011
	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 3,060,602	\$ 2,977,137	\$ 4,499,428	\$ 1,832,987	\$ 1,716,087	\$ 1,417,546	\$ 1,298,311	Information not available
City's contributions in relation to the actuarially determined contribution	3,060,602	2,977,137	4,499,428	1,832,987	1,716,087	1,417,546	1,298,311	
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$11,738,436	\$ 11,767,811	\$ 11,534,304	\$ 11,296,060	\$ 10,648,460	\$ 9,802,389	\$ 8,942,409	
City's contributions as a percentage of covered payroll	26.07%	25.30%	39.01%	16.23%	16.12%	14.46%	14.52%	
PSPRS - Fire - OPEB	Reporting fiscal year							2016 through 2011
	2020	2019	2018	2017				
Actuarially determined contribution	\$ 36,517	\$ 35,366	\$ 77,072	\$ 40,740			Information not available	
City's contributions in relation to the actuarially determined contribution	36,517	35,366	77,072	40,740				
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -				
City's covered payroll	\$ 11,738,436	\$ 11,767,811	\$ 11,534,304	\$ 11,296,060				
City's contributions as a percentage of covered payroll	0.31%	0.30%	0.67%	0.36%				

See accompanying notes to this schedule.

Required supplementary information
Notes to Pension/OPEB Schedules

Note 1 – Actuarially determined contribution rates

Actuarially determined contribution rates are calculated as of June 30 each year for ASRS which is 12 months prior to the beginning of the fiscal year in which contributions are reported. Actuarial determined contribution rates for PSPRS are calculated as of June 30, 2 years prior to the beginning of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, Closed
Remaining amortization period as of the 2017 actuarial valuation	20 years; if the actuarial value of assets exceeded the actuarial accrued liability, the excess was amortized over an open period of 20 years and applied as a credit to reduce normal cost which otherwise would be payable.
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

Note 2 – Factors that affect trends

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

The fiscal year 2020 (measurement date 2019) pension liabilities for EORP reflects the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2020 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate the liability thereby reducing the total pension liability.

The actuarial assumptions used in the June 30, 2018, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

The actuarial assumptions used in the June 30, 2019, valuation for PSPRS were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study and recommended changes which were applied to the June 30, 2017 actuarial valuation. The total liabilities as of June 30, 2019 reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4% to 7.3% and update the mortality rates.

City of Surprise, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 59,559,800	\$ 59,559,800	\$ 62,299,971	\$ 2,740,171
Licenses and permits	5,577,900	5,577,900	5,775,835	197,935
Intergovernmental revenues	38,141,100	38,141,100	38,718,690	577,590
Charges for services	10,868,100	10,868,100	16,782,747	5,914,647
Grants	-	16,264,000	9,031,538	(7,232,462)
Fines	1,417,300	1,417,300	1,193,389	(223,911)
Rents	351,000	351,000	305,598	(45,402)
Interest revenue(loss)	206,100	206,100	1,401,130	1,195,030
Donations	133,700	133,700	103,110	(30,590)
Indirect charges	5,591,100	5,591,100	5,591,100	-
Other revenue	579,800	579,800	559,131	(20,669)
Total revenues	122,425,900	138,689,900	141,762,239	3,072,339
EXPENDITURES				
Current:				
General Government				
City council	663,800	663,800	446,186	217,614
City manager	3,315,400	3,315,350	3,018,218	297,132
City attorney	2,371,400	2,371,400	2,159,177	212,223
City clerk	593,700	593,700	565,559	28,141
Finance	4,615,600	4,595,600	4,073,696	521,904
Human resources	2,684,800	2,684,800	2,451,950	232,850
Information technology	5,769,650	5,769,650	5,461,510	308,140
General operations	752,000	752,000	-	752,000
Total general government	20,766,350	20,746,300	18,176,296	2,570,004
Public Safety				
Police	30,079,300	38,211,300	28,323,558	9,887,742
Fire-Medical	23,029,300	31,458,600	22,253,406	9,205,194
Court	2,626,600	2,626,600	2,457,393	169,207
Total public safety	55,735,200	72,296,500	53,034,357	19,262,143
Community Development				
Economic development	8,140,000	8,140,000	7,400,539	739,461
Community development	5,063,400	5,064,200	4,440,971	623,229
Total community development	13,203,400	13,204,200	11,841,510	1,362,690
Culture and Recreation				
Human services and community vitality	2,518,592	2,613,700	1,971,423	642,277
Parks and recreation	14,634,000	14,677,000	12,317,030	2,359,970
Sports and Tourism	193,800	193,800	14,266	179,534
Total culture and recreation	17,346,392	17,484,500	14,302,719	3,181,781
Public Works and Streets				
Public works and streets	8,835,750	8,835,750	7,754,674	1,081,076
Total public works and streets	8,835,750	8,835,750	7,754,674	1,081,076
Contingency				
Contingency	3,406,600	3,287,300	-	3,287,300
Total contingency	3,406,600	3,287,300	-	3,287,300
Total current	119,293,692	135,854,550	105,109,556	30,744,994
Capital outlay:				
General Government				
City manager	-	25,000	17,308	7,692
Finance	-	20,000	26,975	(6,975)
Human resources	5,800	5,800	-	5,800
Information technology	82,000	82,000	82,111	(111)
Public Safety				
Police	138,000	138,000	138,050	(50)
Public works and streets				
Public works and streets	178,500	259,800	269,943	(10,143)
Community Development				
Economic development	35,000	35,000	-	35,000
Culture and recreation				
Parks and recreation	4,200	4,200	4,200	-
Total capital outlay	443,500	569,800	538,587	31,213
Total expenditures	119,737,192	136,424,350	105,648,143	30,776,207
Excess (deficiency) of revenues over expenditures	2,688,708	2,265,550	36,114,096	33,848,546

OTHER FINANCING SOURCES (USES)

Proceeds from sale of capital assets	75,600	75,600	196,066	120,466
Insurance Recoveries	-	-	532	532
Transfers in	1,410,800	1,410,800	1,443,447	32,647
Transfers out	<u>(5,598,200)</u>	<u>(5,598,200)</u>	<u>(5,938,698)</u>	<u>(340,498)</u>
Total other financing sources (uses)	<u>(4,111,800)</u>	<u>(4,111,800)</u>	<u>(4,298,653)</u>	<u>(186,853)</u>
Net change in fund balances	<u>\$ (1,423,092)</u>	<u>\$ (1,846,250)</u>	<u>\$ 31,815,443</u>	<u>\$ 33,661,693</u>

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

General Government Development Fee Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Development fees	\$ 323,200	\$ 323,200	\$ 646,321	\$ 323,121
Interest revenue	-	-	32,112	32,112
Total revenues	323,200	323,200	678,433	355,233
EXPENDITURES				
Current:				
Contingency				
Contingency	278,300	278,300	-	278,300
Total current	278,300	278,300	-	278,300
Total expenditures	278,300	278,300	-	278,300
Excess (deficiency) of revenues over expenditures	44,900	44,900	678,433	633,533
OTHER FINANCING SOURCES (USES)				
Transfers out	(437,700)	(437,700)	(367,028)	70,672
Total other financing sources (uses)	(437,700)	(437,700)	(367,028)	70,672
Net change in fund balances	\$ (392,800)	\$ (392,800)	\$ 311,405	\$ 704,205

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Highway User Revenue Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 8,560,000	\$ 8,560,000	\$ 9,230,433	\$ 670,433
Charges for services	8,000	8,000	11,250	3,250
Interest revenue	-	-	85,671	85,671
Other revenue	1,500	1,500	2,875	1,375
Total revenues	8,569,500	8,569,500	9,330,229	760,729
EXPENDITURES				
Current:				
Public Works and Streets				
Public works and streets	8,409,700	8,409,700	7,479,272	930,428
Contingency				
Contingency	698,500	800	-	800
Total current	9,108,200	8,410,500	7,479,272	931,228
Capital outlay:				
Public Works and Streets				
Public works and streets	666,100	1,363,800	558,682	805,118
Total capital outlay	666,100	1,363,800	558,682	805,118
Total expenditures	9,774,300	9,774,300	8,037,954	1,736,346
Excess (deficiency) of revenues over expenditures	(1,204,800)	(1,204,800)	1,292,275	2,497,075
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	9,758	9,758
Transfers out	-	-	(104,478)	(104,478)
Total other financing sources (uses)	-	-	(94,720)	(94,720)
Net change in fund balances	\$ (1,204,800)	\$ (1,204,800)	\$ 1,197,555	\$ 2,402,355

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Transportation Improvement Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,959,700	\$ 2,959,700	\$ 7,106,398	\$ 4,146,698
Grants revenue	250,000	250,000	-	(250,000)
Interest revenue	-	-	197,496	197,496
Total revenues	3,209,700	3,209,700	7,303,894	4,094,194
EXPENDITURES				
Current:				
Public Works and Streets				
Public works and streets	2,909,100	2,909,100	2,750,238	158,862
Contingency				
Contingency	1,565,400	127,900	-	127,900
Total current	4,474,500	3,037,000	2,750,238	286,762
Capital outlay:				
Public works and streets				
Public works and streets	1,604,500	3,984,900	2,069,925	1,914,975
Community Development	171,200	171,200	10,717	160,483
Total capital outlay	1,775,700	4,156,100	2,080,642	2,075,458
Total expenditures	6,250,200	7,193,100	4,830,880	2,362,220
Excess (deficiency) of revenues over expenditures	(3,040,500)	(3,983,400)	2,473,014	6,456,414
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(10)	(10)
Total other financing sources (uses)	-	-	(10)	(10)
Net change in fund balances	\$ (3,040,500)	\$ (3,983,400)	\$ 2,473,004	\$ 6,456,404

Note to Required Supplementary Information

Note 1 – BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds with the following exceptions: (1) Capital Projects, the Grants, and Neighborhood Revitalization Funds adopt project-length budgets which normally extend beyond the fiscal year (2) Compensated absences are expended when paid, (3) Capital outlays within the enterprise funds are expended on a budget basis, (4) Bad debt expense represents revenue the City won't receive, rather than an actual cash outlay, and (5) Prepaid items and inventory are expended when paid not when the goods or services are received or used.

Prior to the third Monday in July, the City Manager submits to the City Council, and Council adopts a tentative budget for the fiscal year commencing on July 1. The tentative budget includes a schedule of the estimated expenditures and revenues. The proposed budget sets the maximum limit. The tentative budget is then published once a week for two consecutive weeks in a local newspaper. Finally, the City holds a public hearing on the budget and convenes a special meeting to adopt the final proposed budget on or before the 14th day before the tax levy is adopted.

The annual budget is adopted by resolution and serves as the foundation for the City of Surprise's financial planning and control. It has been programmed to allow as much flexibility as possible while still establishing useful guidelines. The maximum legal expenditure permitted for the fiscal year is the total budget as adopted. The City budget is adopted by department within each fund and by project in the capital funds. In addition, the full-time equivalent (FTE) position count is adopted by department within each fund. Changes to the adopted budget must be made in accordance with the City's Budget Amendment Policy. This policy specifies the approval levels required for various types of budget amendments. During the fiscal year, amendment requests are submitted to the Finance Department for preparation and processing. Changes can be made pursuant to the policy only if funds are unencumbered and available.



S U R P R I S E

A R I Z O N A



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



SURPRISE

ARIZONA



SURPRISE

ARIZONA

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

General Capital Projects Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,597,600	\$ 3,597,600	\$ 9,172,717	\$ 5,575,117
Licenses and permits	-	-	169,086	169,086
Interest revenue	-	-	924,185	924,185
Other revenue	-	-	72,831	72,831
Total revenues	3,597,600	3,597,600	10,338,819	6,741,219
EXPENDITURES				
Capital outlay:				
General Government				
City manager	790,700	790,700	58,001	732,699
Information technology	2,083,600	2,083,600	1,505,440	578,160
General operations	35,400	35,400	23,051	12,349
Public Safety				
Police	2,006,500	2,006,600	1,056,749	949,851
Fire-Medical	12,226,100	13,347,300	8,413,242	4,934,058
Public works and streets				
Public works and streets	30,426,900	29,421,100	24,811,133	4,609,967
Community Development				
Economic development	990,800	873,600	504,488	369,112
Community development	1,185,700	1,157,200	177,878	979,322
Culture and recreation				
Human services and community vitality	10,000	10,000	12,327	(2,327)
Parks and recreation	2,586,600	2,363,000	2,092,149	270,851
Sports and Tourism	250,000	250,000	246,087	3,913
Contingency				
Contingency	2,969,300	4,627,900	-	4,627,900
Total capital outlay	55,561,600	56,966,400	38,900,545	18,065,855
Total expenditures	55,561,600	56,966,400	38,900,545	18,065,855
Excess (deficiency) of revenues over expenditures	(51,964,000)	(53,368,800)	(28,561,726)	24,807,074
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	6,717	6,717
Transfers in	2,635,700	2,635,700	2,739,369	103,669
Transfers out	(10,400)	(10,400)	(151,596)	(141,196)
Total other financing sources (uses)	2,625,300	2,625,300	2,594,490	(30,810)
Net change in fund balances	\$ (49,338,700)	\$ (50,743,500)	\$ (25,967,236)	\$ 24,776,264

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Debt Service Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,370,900	\$ 4,370,900	\$ 4,278,872	\$ (92,028)
Interest revenue	-	-	63,523	63,523
Total revenues	4,370,900	4,370,900	4,342,395	(28,505)
EXPENDITURES				
Current:				
Contingency				
Contingency	170,300	170,300	-	170,300
Total current	170,300	170,300	-	170,300
Debt service:				
Administrative charges	500	500	1,352	(852)
Principal retirement	5,338,700	5,338,700	5,338,700	-
Interest	2,373,600	2,373,600	2,373,554	46
Bond issuance costs	5,000	5,000	-	5,000
Total debt service	7,717,800	7,717,800	7,713,606	4,194
Total expenditures	7,888,100	7,888,100	7,713,606	174,494
Excess (deficiency) of revenues over expenditures	(3,517,200)	(3,517,200)	(3,371,211)	145,989
OTHER FINANCING SOURCES (USES)				
Transfers in	3,432,000	3,432,000	3,430,679	(1,321)
Total other financing sources (uses)	3,432,000	3,432,000	3,430,679	(1,321)
Net change in fund balances	\$ (85,200)	\$ (85,200)	\$ 59,468	\$ 144,668

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

- ❖ Special Revenue Funds – These funds account for specific non-capital revenues that are restricted in their allowable use.
- *Grants Fund* - this fund has been established to account for revenues and expenditures from the various grants received by the City.
 - *LTAF II/ALF Fund* - This fund has been established to account for revenues and expenditures received by the City from the state of Arizona. These funds are a portion of lottery money collected and can be used to fund transit operations, facilities, and equipment purchases.
 - *Municipal Court Enhancement Fund* - Established in FY2003, this fund tracks revenue associated with fines dedicated to Municipal Court technology improvements. City policy restricts the use of these funds.
 - *Municipal Court FARE fund* - This fund is used to discretely track funds received by the City that are restricted to use on projects which enhance the fine collections process. FARE - Fare/fees and restitution enforcement.
 - *Municipal Court JCEF Fund* - This fund is used to discretely track funds received by the City that are restricted to use on technology improvements in the Municipal Court. JCEF - Judicial court enhancement fund.
 - *Municipal Court MFTG Fund* - This fund is used to discretely track funds received by the City that are restricted to use on projects which aid in the processing of criminal cases. MFTG - Municipal fill the gap.
 - *Neighborhood Revitalization Fund* - This fund is used to track all revenues and expenditures associated with the City's neighborhood revitalization program. This program is funded through a combination of federal, state and local funds. City policy, grant agreements, and contractual obligations restrict the use of these funds.
 - *Net Premium Seating Fund* - This fund was established to account for the revenues and expenditures for a ticket surcharge on the sale of spring training tickets for premium seats.
 - *Proposition 400 Fund* - This fund is used to track all revenues and expenditures for the county-wide half-cent sales tax to be used for regional transportation improvements.
 - *SB1398 Fines Fund* - This fund was established to account for funds the City receives from the state of Arizona for penalties charged on certain violations. These revenues are limited to the purchase of officer safety equipment.
 - *SPD DEA Fund* - This fund is used to discretely track funds received from the participation on DEA task forces in the Greater Phoenix area. The use of these funds is limited to approval by the disbursing program manager and is generally related to purchase and maintenance of department equipment not included in the general budget. SPD - Surprise Police Department. DEA - Drug Enforcement Activity.
 - *SPD RICO Fund* - This fund is used to discretely track funds received from participation in the Maricopa County Attorney's Office Anti-Racketeering Influenced and Corrupt Organizations (RICO) task force.
 - *SPD Towing Fund* - This fund is used to track activity in the Police Department for vehicle impounds. The use of these funds is limited to administrative management of the vehicle impound program.
 - *Sports and Tourism Fund* - This fund is used to track all revenues and expenditures from a \$1 per ticket surcharge on the sale of spring training tickets. These revenues are limited to operational improvements to stadium facilities.
 - *Tourism Fund* - This fund is used to track all revenues and expenditures associated with the City's 2.52% bed tax. The funds are used to support tourism within the City. City policy and state statute restrict the use of these funds.
 - *163rd Avenue Roadway Development Impact Fee Fund* - This fund was established to account for development impact fees which are assessed to the service area identified as the 163rd Avenue Roadway.

- *Fire Development Fee Fund* - This fund was established to account for the inflow of Fire and EMS development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing and furnishing of new capital or one-time items directly related to the increased demand on Fire and EMS services caused by growth.
- *Library Development Fee Fund* - This fund was established to account for the inflow of library development fees levied on new residential construction. This fee can only be used for the purchase, construction, financing and furnishing of new items directly related to the increased demand on library services caused by growth.
- *Parks and Recreation Development Fee Fund* - This fund was established to account for the inflow of parks and recreation development fees levied on new residential construction. This fee can only be used for the purchase, construction, financing and furnishing of new items directly related to the increased demand on parks and recreation services caused by growth.
- *Police Development Fee Fund* - This fund was established to account for the inflow of police development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction financing and furnishing of new capital or one-time items directly related to the increased demand of police services caused by growth.
- *Public Works Expansion Development Fee Fund* - This fund was established to account for the inflow of public works development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing and furnishing of new capital or one-time items directly related to the increased demand on public works caused by growth.
- *Roads of Regional Significance SPA 2,4, & 6 Fund* - This fund was established to account for the inflow of development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on roadways caused by growth.
- *Roads of Regional Significance SPA 3 & 5 Fund* - This fund was established to account for the inflow of development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on roadways caused by growth.
- *Street Lighting District Fund* – Eighty-four Street Light Improvement Districts (SLIDs) have been established by ordinance to provide a centralized location for the collection of taxes from properties located in the district. These proceeds are legally restricted to the payment of electricity to operate the street lights within the district.
- *Marley Park Community Facility District Fund* – This fund was established to provide a location to process operating expenditures and for the collection of the related portion of the property taxes from properties located in the district. These proceeds are legally restricted to the payment of operations and debt service within the district.

City of Surprise, Arizona
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Grants Fund	LTAF II/ALF Fund	Municipal Court Enhancement Fund	Municipal Court FARE Fund	Municipal Court JCEF Fund
ASSETS					
Cash and investments	\$ -	\$ 31,382	\$ 178,344	\$ 16,884	\$ 65,192
Restricted cash and investments	-	-	-	-	-
Receivables (net of allowances)					
Taxes and franchise fees	-	-	-	-	-
Grants	379,994	-	-	-	-
Other	-	-	-	-	-
Prepaid items and other assets	1,098	-	-	-	-
Inventory	-	-	-	-	-
Total assets	<u>\$ 381,092</u>	<u>\$ 31,382</u>	<u>\$ 178,344</u>	<u>\$ 16,884</u>	<u>\$ 65,192</u>
LIABILITIES					
Accounts payable	\$ 67,953	\$ 30,885	\$ -	\$ -	\$ -
Accrued payroll and related taxes	-	-	-	-	-
Due to other funds	318,954	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	31,501	-	-	-	-
Matured bond interest payable	-	-	-	-	-
Matured bonds payable	-	-	-	-	-
Total liabilities	<u>418,408</u>	<u>30,885</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - Unavailable revenue	157,629	-	-	-	-
Total deferred inflow of resources	<u>157,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>576,037</u>	<u>30,885</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	1,098	-	-	-	-
Restricted	-	497	178,344	16,884	65,192
Committed	-	-	-	-	-
Unassigned	(196,043)	-	-	-	-
Total fund balances (deficits)	<u>(194,945)</u>	<u>497</u>	<u>178,344</u>	<u>16,884</u>	<u>65,192</u>
Total liabilities and fund balances (deficits)	<u>\$ 381,092</u>	<u>\$ 31,382</u>	<u>\$ 178,344</u>	<u>\$ 16,884</u>	<u>\$ 65,192</u>

City of Surprise, Arizona
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2020

Municipal Court MFTG Fund	Neighborhood Revitalization Fund	Net Premium Seating Fund	Proposition 400 Fund	SB1398 Fines Fund	SPD DEA Fund	SPD RICO Fund	SPD Towing Fund
\$ 29,616	\$ -	\$ 47,412	\$ 395	\$ 29,560	\$ -	\$ -	\$ 93,898
-	331,022	-	-	-	16,836	987,442	-
-	-	-	-	-	-	-	-
-	141,664	-	-	-	-	-	-
-	-	13,002	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 29,616</u>	<u>\$ 472,686</u>	<u>\$ 60,414</u>	<u>\$ 395</u>	<u>\$ 29,560</u>	<u>\$ 16,836</u>	<u>\$ 987,442</u>	<u>\$ 93,898</u>
\$ -	\$ 86,800	\$ -	\$ -	\$ -	\$ -	\$ 51	\$ -
-	-	-	-	-	-	-	202
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,374	-
-	491,178	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>577,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,425</u>	<u>202</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	577,978	-	-	-	-	1,425	202
-	-	-	-	-	-	-	-
29,616	-	-	395	29,560	16,836	986,017	93,696
-	-	60,414	-	-	-	-	-
-	(105,292)	-	-	-	-	-	-
<u>29,616</u>	<u>(105,292)</u>	<u>60,414</u>	<u>395</u>	<u>29,560</u>	<u>16,836</u>	<u>986,017</u>	<u>93,696</u>
<u>\$ 29,616</u>	<u>\$ 472,686</u>	<u>\$ 60,414</u>	<u>\$ 395</u>	<u>\$ 29,560</u>	<u>\$ 16,836</u>	<u>\$ 987,442</u>	<u>\$ 93,898</u>

City of Surprise, Arizona
 Combining Balance Sheet
 Nonmajor Special Revenue Funds (Continued)
 June 30, 2020

	Sports and Tourism Fund	Tourism Fund	163rd Ave Development Fee Fund	Fire Development Fee Fund
ASSETS				
Cash and investments	\$ 284,162	\$ 850,205	\$ 114,095	\$ 7,299,805
Restricted cash and investments	-	-	-	-
Receivables (net of allowances)				
Taxes and franchise fees	-	-	-	-
Grants	-	-	-	-
Other	804,390	-	-	-
Prepaid items and other assets	3,325	716	-	-
Inventory	7,944	-	-	-
Total assets	<u>\$ 1,099,821</u>	<u>\$ 850,921</u>	<u>\$ 114,095</u>	<u>\$ 7,299,805</u>
LIABILITIES				
Accounts payable	\$ 161,856	\$ -	\$ -	\$ -
Accrued payroll and related taxes	46,866	-	-	-
Due to other funds	-	-	-	-
Deposits	-	-	-	-
Unearned revenue	-	-	-	-
Matured bond interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Total liabilities	<u>208,722</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Unavailable revenue	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>208,722</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	11,269	716	-	-
Restricted	879,830	-	114,095	7,299,805
Committed	-	850,205	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>891,099</u>	<u>850,921</u>	<u>114,095</u>	<u>7,299,805</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,099,821</u>	<u>\$ 850,921</u>	<u>\$ 114,095</u>	<u>\$ 7,299,805</u>

City of Surprise, Arizona
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2020

Library Development Fee Fund	Parks and Recreation Development Fee Fund	Police Development Fee Fund	Public Works Expansion Development Fee Fund	Roads of Regional Significance SPA 2, 4 and 6 Fund	Roads of Regional Significance SPA 3 and 5 Fund	Street Lighting Districts Fund
\$ -	\$ 2,744,102	\$ 3,982,384	\$ -	\$ -	\$ -	\$ 677,221
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	40,251
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,744,102</u>	<u>\$ 3,982,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 717,472</u>
\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ 192,825
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,825</u>
-	-	-	-	-	-	16,044
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,044</u>
-	-	10	-	-	-	208,869
-	-	-	-	-	-	-
-	2,744,102	3,982,374	-	-	-	508,603
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>2,744,102</u>	<u>3,982,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,603</u>
<u>\$ -</u>	<u>\$ 2,744,102</u>	<u>\$ 3,982,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 717,472</u>

City of Surprise, Arizona
 Combining Balance Sheet
 Nonmajor Special Revenue Funds (Continued)
 June 30, 2020

	Marley Park Community Facility District Fund	Total Nonmajor Special Revenue Funds
ASSETS		
Cash and investments	\$ 121,474	\$ 16,566,131
Restricted cash and investments	1,223,425	2,558,725
Receivables (net of allowances)		
Taxes and franchise fees	14,803	55,054
Grants	-	521,658
		817,392
Prepaid items and other assets	-	5,139
	-	7,944
Total assets	<u>\$ 1,359,702</u>	<u>\$ 20,532,043</u>
LIABILITIES		
Accounts payable	\$ 102,055	\$ 642,435
Accrued payroll and related taxes	-	47,068
Due to other funds	-	318,954
Deposits	-	1,374
Unearned revenue	-	522,679
Matured bond interest payable	349,425	349,425
Matured bonds payable	665,000	665,000
Total liabilities	<u>1,116,480</u>	<u>2,546,935</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Unavailable revenue	8,861	182,534
Total deferred inflow of resources	<u>8,861</u>	<u>182,534</u>
Total liabilities and deferred inflows of resources	<u>1,125,341</u>	<u>2,729,469</u>
FUND BALANCES (DEFICITS)		
Nonspendable	-	13,083
Restricted	234,361	17,180,207
Committed	-	910,619
Unassigned	-	(301,335)
Total fund balances (deficits)	<u>234,361</u>	<u>17,802,574</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,359,702</u>	<u>\$ 20,532,043</u>



SURPRISE

ARIZONA

City of Surprise, Arizona

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2020

	Grants Fund	LTAF II/ALF Fund	Municipal Court Enhancement Fund	Municipal Court FARE Fund	Municipal Court JCEF Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	347,127	-	5,529	-
Charges for services	-	-	-	-	-
Grants revenue	939,495	-	-	-	-
Fines	-	-	70,609	-	18,357
Rents	-	-	-	-	-
Development fees	-	-	-	-	-
Interest revenue	-	344	3,738	357	1,347
Donations	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	939,495	347,471	74,347	5,886	19,704
EXPENDITURES					
Current:					
General Government	118,136	-	-	-	-
Public Safety	586,452	-	32,801	-	-
Public works and streets	-	347,127	-	-	-
Community Development	12,415	-	-	-	-
Culture and recreation	242,482	-	-	-	-
Debt service:					
Administrative charges	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay:					
General Government	-	-	-	-	-
Public Safety	175,829	-	-	-	-
Public works and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	1,135,314	347,127	32,801	-	-
Excess (deficiency) of revenues over expenditures	(195,819)	344	41,546	5,886	19,704
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(195,819)	344	41,546	5,886	19,704
Fund balances - beginning, as restated	874	153	136,798	10,998	45,488
Increase / (Decrease) in inventories	-	-	-	-	-
Fund balances - ending	\$ (194,945)	\$ 497	\$ 178,344	\$ 16,884	\$ 65,192

City of Surprise, Arizona

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2020

Municipal Court MFTG Fund	Neighborhood Revitalization Fund	Net Premium Seating Fund	Proposition 400 Fund	SB1398 Fines Fund	SPD DEA Fund	SPD RICO Fund	SPD Towing Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,788	-	-	-	-	-	-	-
-	-	13,002	-	-	-	-	29,400
-	1,194,949	-	-	-	-	-	-
-	-	-	-	17,488	-	40,420	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
586	-	2,767	9	641	387	24,432	5,338
-	-	-	-	-	-	-	-
-	-	-	-	-	-	18,483	-
13,374	1,194,949	15,769	9	18,129	387	83,335	34,738
-	-	-	-	-	-	-	-
-	-	-	-	9,126	-	68,321	47,125
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,198,052	164,479	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	411,506	225,000
-	-	-	-	-	-	-	-
-	110,326	-	-	-	-	-	-
-	1,308,378	164,479	-	9,126	-	479,827	272,125
13,374	(113,429)	(148,710)	9	9,003	387	(396,492)	(237,387)
-	-	127,563	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	127,563	-	-	-	-	-
13,374	(113,429)	(21,147)	9	9,003	387	(396,492)	(237,387)
16,242	8,137	81,561	386	20,557	16,449	1,382,509	331,083
-	-	-	-	-	-	-	-
\$ 29,616	\$ (105,292)	\$ 60,414	\$ 395	\$ 29,560	\$ 16,836	\$ 986,017	\$ 93,696

City of Surprise, Arizona

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2020

	Sports and Tourism Fund	Tourism Fund	163rd Ave Development Fee Fund	Fire Development Fee Fund
REVENUES				
Taxes	\$ -	\$ 682,261	\$ -	\$ -
Intergovernmental revenues	-	106,510	-	-
Charges for services	1,840,548	-	-	-
Grants revenue	-	-	-	-
Fines	-	-	-	-
Rents	315,264	-	-	-
Development fees	-	-	-	2,153,688
Interest revenue	10,106	24,978	2,628	156,137
Donations	800	-	-	-
Other revenue	12,639	-	-	-
Total revenues	<u>2,179,357</u>	<u>813,749</u>	<u>2,628</u>	<u>2,309,825</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public works and streets	-	-	-	-
Community Development	-	-	-	-
Culture and recreation	3,115,968	84,183	-	-
Debt service:				
Administrative charges	-	-	-	-
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public works and streets	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>3,115,968</u>	<u>84,183</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(936,611)</u>	<u>729,566</u>	<u>2,628</u>	<u>2,309,825</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,255,743	-	-	15,706
Transfers out	(83)	(511,696)	-	(66,877)
Issuance of debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Total other financing sources (uses)	<u>1,255,660</u>	<u>(511,696)</u>	<u>-</u>	<u>(51,171)</u>
Net change in fund balances	<u>319,049</u>	<u>217,870</u>	<u>2,628</u>	<u>2,258,654</u>
Fund balances - beginning, as restated	<u>592,281</u>	<u>633,051</u>	<u>111,467</u>	<u>5,041,151</u>
Increase / (Decrease) in inventories	<u>(20,231)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 891,099</u>	<u>\$ 850,921</u>	<u>\$ 114,095</u>	<u>\$ 7,299,805</u>

City of Surprise, Arizona

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2020

Library Development Fee Fund	Parks and Recreation Development Fee Fund	Police Development Fee Fund	Public Works Expansion Development Fee Fund	Roads of Regional Significance SPA 2, 4 and 6 Fund	Roads of Regional Significance SPA 3 and 5 Fund	Street Lighting Districts Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,749,361
-	-	-	-	-	-	-
-	-	-	-	-	-	3,900
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,487,059	1,034,573	-	-	-	-
14,669	61,197	86,442	36,752	16,345	213	16,267
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,669	1,548,256	1,121,015	36,752	16,345	213	2,769,528
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,389,990
-	171,037	-	-	-	-	-
-	65,012	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	130,356	-	-	-	-
-	-	-	6,633,050	2,378,596	-	-
2,698,890	72,190	-	-	-	-	-
2,698,890	308,239	130,356	6,633,050	2,378,596	-	2,389,990
(2,684,221)	1,240,017	990,659	(6,596,298)	(2,362,251)	213	379,538
-	15,706	15,706	-	-	-	-
(1,303)	(437,354)	(135,346)	(331,969)	(21,240)	(24,574)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,303)	(421,648)	(119,640)	(331,969)	(21,240)	(24,574)	-
(2,685,524)	818,369	871,019	(6,928,267)	(2,383,491)	(24,361)	379,538
2,685,524	1,925,733	3,111,355	6,928,267	2,383,491	24,361	129,065
-	-	-	-	-	-	-
\$ -	\$ 2,744,102	\$ 3,982,374	\$ -	\$ -	\$ -	\$ 508,603

City of Surprise, Arizona

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2020

	Marley Park Community Facility District Fund	Total Nonmajor Special Revenue Funds
REVENUES		
Taxes	\$ 1,479,343	\$ 4,910,965
Intergovernmental revenues	-	471,954
Charges for services	-	1,886,850
Grants revenue	-	2,134,444
Fines	-	146,874
Rents	-	315,264
Development fees	-	4,675,320
Interest revenue	-	465,680
Donations	-	800
Other revenue	4,877	35,999
Total revenues	<u>1,484,220</u>	<u>15,044,150</u>
EXPENDITURES		
Current:		
General Government	-	118,136
Public Safety	-	743,825
Public works and streets	-	2,737,117
Community Development	-	183,452
Culture and recreation	102,293	4,972,469
Debt service:		
Administrative charges	2,000	2,000
Principal retirement	665,000	665,000
Interest	641,726	641,726
Bond issuance costs	449,955	449,955
Capital outlay:		
General Government	8,061,138	8,061,138
Public Safety	-	942,691
Public works and streets	-	9,011,646
Culture and recreation	-	2,881,406
Total expenditures	<u>9,922,112</u>	<u>31,410,561</u>
Excess (deficiency) of revenues over expenditures	<u>(8,437,892)</u>	<u>(16,366,411)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	1,430,424
Transfers out	-	(1,530,442)
Issuance of debt	8,470,000	8,470,000
Premium on debt issuance	41,093	41,093
Total other financing sources (uses)	<u>8,511,093</u>	<u>8,411,075</u>
Net change in fund balances	73,201	(7,955,336)
Fund balances - beginning, as restated	<u>161,160</u>	<u>25,778,141</u>
Increase / (Decrease) in inventories	-	(20,231)
Fund balances - ending	<u>\$ 234,361</u>	<u>\$ 17,802,574</u>

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Grants Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants revenue	\$ 25,832,500	\$ 8,638,100	\$ 939,495	\$ (7,698,605)
Total revenues	25,832,500	8,638,100	939,495	(7,698,605)
EXPENDITURES				
Current:				
General Government				
City attorney	186,000	156,200	113,849	42,351
Parks and recreation	5,000	5,000	4,287	713
Public Safety				
Police	631,400	528,600	370,394	158,206
Fire-Medical	414,800	365,500	216,058	149,442
Community Development				
Community development	126,700	123,900	12,415	111,485
Culture and recreation				
Human services and community vitality	197,600	239,100	242,482	(3,382)
Contingency				
Contingency	24,000,000	4,043,100	-	4,043,100
Total current	25,561,500	5,461,400	959,485	4,501,915
Capital outlay:				
Public Safety				
Police	105,400	211,600	175,829	35,771
Fire-Medical	20,000	20,000	-	20,000
Total capital outlay	125,400	231,600	175,829	55,771
Total expenditures	25,686,900	5,693,000	1,135,314	4,557,686
Excess (deficiency) of revenues over expenditures	145,600	2,945,100	(195,819)	(3,140,919)
Net change in fund balances	\$ 145,600	\$ 2,945,100	\$ (195,819)	\$ (3,140,919)

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

LTAF II/ALF Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 369,100	\$ 347,200	\$ 347,127	\$ (73)
Interest revenue	-	-	344	344
Total revenues	369,100	347,200	347,471	271
EXPENDITURES				
Current:				
Public Works and Streets				
Public works and streets	369,100	347,200	347,127	73
Total current	369,100	347,200	347,127	73
Total expenditures	369,100	347,200	347,127	73
Excess (deficiency) of revenues over expenditures	-	-	344	344
Net change in fund balances	\$ -	\$ -	\$ 344	\$ 344

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Municipal Court Enhancement Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines	\$ 85,800	\$ 85,800	\$ 70,609	\$ (15,191)
Interest revenue	-	-	3,738	3,738
Total revenues	85,800	85,800	74,347	(11,453)
EXPENDITURES				
Current:				
Public Safety				
Court	40,000	40,000	32,801	7,199
Contingency				
Contingency	175,400	175,400	-	175,400
Total current	215,400	215,400	32,801	182,599
Total expenditures	215,400	215,400	32,801	182,599
Excess (deficiency) of revenues over expenditures	(129,600)	(129,600)	41,546	171,146
Net change in fund balances	\$ (129,600)	\$ (129,600)	\$ 41,546	\$ 171,146

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Municipal Court FARE Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 5,500	\$ 5,500	\$ 5,529	\$ 29
Interest revenue	-	-	357	357
Total revenues	5,500	5,500	5,886	386
EXPENDITURES				
Contingency				
Contingency	15,400	15,400	-	15,400
Total current	15,400	15,400	-	15,400
Total expenditures	15,400	15,400	-	15,400
Excess (deficiency) of revenues over expenditures	(9,900)	(9,900)	5,886	15,786
Net change in fund balances	\$ (9,900)	\$ (9,900)	\$ 5,886	\$ 15,786

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Municipal Court JCEF Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines	\$ 20,000	\$ 20,000	\$ 18,357	\$ (1,643)
Interest revenue	-	-	1,347	1,347
Total revenues	20,000	20,000	19,704	(296)
EXPENDITURES				
Current:				
Contingency				
Contingency	63,500	63,500	-	63,500
Total current	63,500	63,500	-	63,500
Total expenditures	63,500	63,500	-	63,500
Excess (deficiency) of revenues over expenditures	(43,500)	(43,500)	19,704	63,204
Net change in fund balances	\$ (43,500)	\$ (43,500)	\$ 19,704	\$ 63,204

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Municipal Court MFTG Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 6,500	\$ 6,500	\$ 12,788	\$ 6,288
Interest revenue	-	-	586	586
Total revenues	6,500	6,500	13,374	6,874
EXPENDITURES				
Current:				
Contingency				
Contingency	21,800	21,800	-	21,800
Total current	21,800	21,800	-	21,800
Total expenditures	21,800	21,800	-	21,800
Excess (deficiency) of revenues over expenditures	(15,300)	(15,300)	13,374	28,674
Net change in fund balances	\$ (15,300)	\$ (15,300)	\$ 13,374	\$ 28,674

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Neighborhood Revitalization Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants revenue	\$ 3,960,600	\$ 4,352,200	\$ 1,194,949	\$ (3,157,251)
Total revenues	3,960,600	4,352,200	1,194,949	(3,157,251)
EXPENDITURES				
Current:				
Culture and Recreation				
Human services and community vitality	3,843,600	4,177,200	1,198,052	2,979,148
Total current	3,843,600	4,177,200	1,198,052	2,979,148
Capital outlay:				
Culture and Recreation				
Human services and community vitality	8,100	-	110,326	(110,326)
Total capital outlay	8,100	-	110,326	(110,326)
Total expenditures	3,851,700	4,177,200	1,308,378	2,868,822
Excess (deficiency) of revenues over expenditures	108,900	175,000	(113,429)	(288,429)
Net change in fund balances	\$ 108,900	\$ 175,000	\$ (113,429)	\$ (288,429)

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Net Premium Seating Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 30,000	\$ 30,000	\$ 13,002	\$ (16,998)
Interest revenue	-	-	2,767	2,767
Total revenues	30,000	30,000	15,769	(14,231)
EXPENDITURES				
Current:				
Culture and Recreation				
Parks and recreation	165,000	165,000	164,479	521
Contingency				
Contingency	44,200	44,200	-	44,200
Total current	209,200	209,200	164,479	44,721
Total expenditures	209,200	209,200	164,479	44,721
Excess (deficiency) of revenues over expenditures	(179,200)	(179,200)	(148,710)	30,490
OTHER FINANCING SOURCES (USES)				
Transfers in	125,800	125,800	127,563	1,763
Total other financing sources (uses)	125,800	125,800	127,563	1,763
Net change in fund balances	\$ (53,400)	\$ (53,400)	\$ (21,147)	\$ 32,253

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Proposition 400 Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ -	\$ -	\$ 9	\$ 9
Total revenues	-	-	9	9
EXPENDITURES				
Current:				
Contingency				
Contingency	400	400	-	400
Total current	400	400	-	400
Total expenditures	400	400	-	400
Excess (deficiency) of revenues over expenditures	(400)	(400)	9	409
Net change in fund balances	\$ (400)	\$ (400)	\$ 9	\$ 409

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

SB1398 Fines Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines	\$ 15,900	\$ 15,900	\$ 17,488	\$ 1,588
Interest revenue	-	-	641	641
Total revenues	15,900	15,900	18,129	2,229
EXPENDITURES				
Current:				
Public Safety				
Police	15,900	15,900	9,126	6,774
Contingency				
Contingency	20,400	20,400	-	20,400
Total current	36,300	36,300	9,126	27,174
Total expenditures	36,300	36,300	9,126	27,174
Excess (deficiency) of revenues over expenditures	(20,400)	(20,400)	9,003	29,403
Net change in fund balances	\$ (20,400)	\$ (20,400)	\$ 9,003	\$ 29,403

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

SPD DEA Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ -	\$ -	\$ 387	\$ 387
Total revenues	-	-	387	387
EXPENDITURES				
Current:				
Contingency				
Contingency	16,100	16,100	-	16,100
Total current	16,100	16,100	-	16,100
Total expenditures	16,100	16,100	-	16,100
Excess (deficiency) of revenues over expenditures	(16,100)	(16,100)	387	16,487
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ (16,100)	\$ (16,100)	\$ 387	\$ 16,487

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

SPD RICO Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines	\$ 245,000	\$ 245,000	\$ 40,420	\$ (204,580)
Interest revenue	-	-	24,432	24,432
Other revenue	-	-	18,483	18,483
Total revenues	245,000	245,000	83,335	(161,665)
EXPENDITURES				
Current:				
Public Safety				
Police	510,800	360,800	68,321	292,479
Contingency	374,400	374,400	-	374,400
Total current	885,200	735,200	68,321	666,879
Capital outlay:				
Public Safety				
Police	475,000	625,000	411,506	213,494
Total capital outlay	475,000	625,000	411,506	213,494
Total expenditures	1,360,200	1,360,200	479,827	880,373
Excess (deficiency) of revenues over expenditures	(1,115,200)	(1,115,200)	(396,492)	718,708
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ (1,115,200)	\$ (1,115,200)	\$ (396,492)	\$ 718,708

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

SPD Towing Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 62,500	\$ 62,500	\$ 29,400	\$ (33,100)
Interest revenue	-	-	5,338	5,338
Total revenues	62,500	62,500	34,738	(27,762)
EXPENDITURES				
Current:				
Public Safety				
Police	113,900	113,900	47,125	66,775
Contingency				
Contingency	63,200	63,200	-	63,200
Total current	177,100	177,100	47,125	129,975
Capital outlay:				
Public Safety				
Police	225,000	225,000	225,000	-
Total capital outlay	225,000	225,000	225,000	-
Total expenditures	402,100	402,100	272,125	129,975
Excess (deficiency) of revenues over expenditures	(339,600)	(339,600)	(237,387)	102,213
Net change in fund balances	\$ (339,600)	\$ (339,600)	\$ (237,387)	\$ 102,213

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Sports and Tourism Fund

For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 2,914,400	\$ 2,914,400	\$ 1,840,548	\$ (1,073,852)
Rents	263,900	263,900	315,264	51,364
Interest revenue	-	-	10,106	10,106
Donations	4,000	4,000	800	(3,200)
Other Revenue	-	-	12,639	12,639
Total revenues	3,182,300	3,182,300	2,179,357	(1,002,943)
EXPENDITURES				
Current:				
Culture and Recreation				
Sports and Tourism	4,042,400	4,042,400	3,115,968	926,432
Total current	4,042,400	4,042,400	3,115,968	926,432
Total expenditures	4,042,400	4,042,400	3,115,968	926,432
Excess (deficiency) of revenues over expenditures	(860,100)	(860,100)	(936,611)	(76,511)
OTHER FINANCING SOURCES (USES)				
Transfers in	860,100	860,100	1,255,743	395,643
Transfers out	-	-	(83)	(83)
Total other financing sources (uses)	860,100	860,100	1,255,660	395,560
Net change in fund balances	\$ -	\$ -	\$ 319,049	\$ 319,049

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Tourism Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 605,400	\$ 605,400	\$ 682,261	\$ 76,861
Intergovernmental revenues	106,800	106,800	106,510	(290)
Charges for Services	-	175,000	-	(175,000)
Interest revenue	-	-	24,978	24,978
Total revenues	<u>712,200</u>	<u>887,200</u>	<u>813,749</u>	<u>(73,451)</u>
EXPENDITURES				
Current:				
Culture and Recreation				
Sports and Tourism	106,800	281,800	84,183	197,617
Contingency				
Contingency	761,500	586,500	-	586,500
Total current	<u>868,300</u>	<u>868,300</u>	<u>84,183</u>	<u>784,117</u>
Total expenditures	<u>868,300</u>	<u>868,300</u>	<u>84,183</u>	<u>784,117</u>
Excess (deficiency) of revenues over expenditures	<u>(156,100)</u>	<u>18,900</u>	<u>729,566</u>	<u>710,666</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(448,300)</u>	<u>(448,300)</u>	<u>(511,696)</u>	<u>(63,396)</u>
Total other financing sources (uses)	<u>(448,300)</u>	<u>(448,300)</u>	<u>(511,696)</u>	<u>(63,396)</u>
Net change in fund balances	<u>\$ (604,400)</u>	<u>\$ (429,400)</u>	<u>\$ 217,870</u>	<u>\$ 647,270</u>

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

163rd Ave Development Fee Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ 1,100	\$ 1,100	\$ 2,628	\$ 1,528
Total revenues	1,100	1,100	2,628	1,528
EXPENDITURES				
Capital outlay:				
Public works and streets	111,700	111,700	-	111,700
Total capital outlay	111,700	111,700	-	111,700
Total expenditures	111,700	111,700	-	111,700
Excess (deficiency) of revenues over expenditures	(110,600)	(110,600)	2,628	113,228
Net change in fund balances	\$ (110,600)	\$ (110,600)	\$ 2,628	\$ 113,228

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Fire Development Fee Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Development fees	\$ 1,100,000	\$ 1,100,000	\$ 2,153,688	\$ 1,053,688
Interest revenue	-	-	156,137	156,137
Total revenues	1,100,000	1,100,000	2,309,825	1,209,825
EXPENDITURES				
Current				
Contingency	3,538,800	3,538,800	-	3,538,800
Total expenditures	3,538,800	3,538,800	-	3,538,800
Excess (deficiency) of revenues over expenditures	(2,438,800)	(2,438,800)	2,309,825	4,748,625
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	15,706	15,706
Transfers Out	(838,100)	(838,100)	(66,877)	771,223
Total other financing sources (uses)	(838,100)	(838,100)	(51,171)	786,929
Net change in fund balances	\$ (3,276,900)	\$ (3,276,900)	\$ 2,258,654	\$ 5,535,554

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Library Development Fee Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ 20,700	\$ 20,700	\$ 14,669	\$ (6,031)
Total revenues	20,700	20,700	14,669	(6,031)
EXPENDITURES				
Capital outlay:				
Culture and recreation				
Parks and recreation	3,788,200	2,850,200	2,698,890	151,310
Total capital outlay	3,788,200	2,850,200	2,698,890	151,310
Total expenditures	3,788,200	3,788,200	2,698,890	1,089,310
Excess (deficiency) of revenues over expenditures	(3,767,500)	(3,767,500)	(2,684,221)	1,083,279
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(1,303)	(1,303)
Total other financing sources (uses)	-	-	(1,303)	(1,303)
Net change in fund balances	\$ (3,767,500)	\$ (3,767,500)	\$ (2,685,524)	\$ 1,081,976

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Parks and Recreation Development Fee Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Development fees	\$ 1,079,300	\$ 1,129,300	\$ 1,487,059	\$ 357,759
Interest revenue	-	-	61,197	61,197
Total revenues	1,079,300	1,129,300	1,548,256	418,956
EXPENDITURES				
Current:				
Community Development				
Economic development	280,000	280,000	171,037	108,963
Culture and Recreation				
Culture and recreation	-	50,000	65,012	(15,012)
Contingency	1,899,700	1,813,800	-	1,813,800
Total current	2,179,700	2,143,800	236,049	1,907,751
Capital outlay:				
Parks and Recreation	-	85,900	72,190	13,710
Total capital outlay	-	85,900	72,190	13,710
Total expenditures	2,179,700	2,229,700	308,239	1,921,461
Excess (deficiency) of revenues over expenditures	(1,100,400)	(1,100,400)	1,240,017	2,340,417
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15,706	15,706
Transfers out	(437,600)	(437,600)	(437,354)	246
Total other financing sources (uses)	(437,600)	(437,600)	(421,648)	15,952
Net change in fund balances	\$ (1,538,000)	\$ (1,538,000)	\$ 818,369	\$ 2,356,369

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Police Development Fee Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Development fees	\$ 534,800	\$ 534,800	\$ 1,034,573	\$ 499,773
Interest revenue	-	-	86,442	86,442
Total revenues	534,800	534,800	1,121,015	586,215
EXPENDITURES				
Current:				
Contingency				
Contingency	2,985,600	2,985,600	-	2,985,600
Total current	2,985,600	2,985,600	-	2,985,600
Public Safety				
Police	326,000	326,000	130,356	195,644
Total capital outlay	326,000	326,000	130,356	195,644
Total expenditures	3,311,600	3,311,600	130,356	3,181,244
Excess (deficiency) of revenues over expenditures	(2,776,800)	(2,776,800)	990,659	3,767,459
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15,706	15,706
Transfers out	(135,400)	(135,400)	(135,346)	54
Total other financing sources (uses)	(135,400)	(135,400)	(119,640)	15,760
Net change in fund balances	\$ (2,912,200)	\$ (2,912,200)	\$ 871,019	\$ 3,783,219

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Public Works Expansion Development Fee Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ 112,100	\$ 112,100	\$ 36,752	(75,348)
Total revenues	112,100	112,100	36,752	(75,348)
EXPENDITURES				
Current:				
Contingency	-	1,071,500	-	-
Contingency	-	1,071,500	-	1,071,500
Total Current	-	1,071,500	-	1,071,500
Capital outlay:				
Public Works and Streets				
Public Works and Streets	8,173,800	7,102,300	6,633,050	469,250
Total capital outlay	8,173,800	7,102,300	6,633,050	469,250
Total expenditures	8,173,800	8,173,800	6,633,050	1,540,750
Excess (deficiency) of revenues over expenditures	(8,061,700)	(8,061,700)	(6,596,298)	1,465,402
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(331,969)	(331,969)
Total other financing sources (uses)	-	-	(331,969)	(331,969)
Net change in fund balances	\$ (8,061,700)	\$ (8,061,700)	\$ (6,928,267)	\$ 1,133,433

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Roads of Regional Significance SPA 2, 4 and 6 Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ 20,500	\$ 20,500	\$ 16,345	\$ (4,155)
Total revenues	20,500	20,500	16,345	(4,155)
EXPENDITURES				
Current:				
Contingency	-	52,200	-	52,200
Total current	-	52,200	-	52,200
Capital outlay:				
Public works and streets				
Public works and streets	2,456,200	2,404,000	2,378,596	25,404
Total capital outlay	2,456,200	2,404,000	2,378,596	25,404
Total expenditures	2,456,200	2,456,200	2,378,596	77,604
Excess (deficiency) of revenues over expenditures	(2,435,700)	(2,435,700)	(2,362,251)	73,449
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(21,240)	(21,240)
Total other financing sources (uses)	-	-	(21,240)	-
Net change in fund balances	\$ (2,435,700)	\$ (2,435,700)	\$ (2,383,491)	\$ 73,449

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Roads of Regional Significance SPA 3 and 5 Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ -	\$ -	\$ 213	\$ 213
Total revenues	-	-	213	213
EXPENDITURES				
Current:				
Contingency				
Contingency	23,900	23,900	-	23,900
Total current	23,900	23,900	-	23,900
Total expenditures	23,900	23,900	-	23,900
Excess (deficiency) of revenues over expenditures	(23,900)	(23,900)	213	24,113
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(24,574)	(24,574)
Total other financing sources (uses)	-	-	(24,574)	(24,574)
Net change in fund balances	\$ (23,900)	\$ (23,900)	\$ (24,361)	\$ (461)

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Street Lighting Districts Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,764,600	\$ 2,764,600	\$ 2,749,361	\$ (15,239)
Charges for services	-	-	3,900	3,900
Interest revenue	-	-	16,267	16,267
Total revenues	2,764,600	2,764,600	2,769,528	4,928
EXPENDITURES				
Current:				
Public Works and Streets				
Public works and streets	2,882,400	2,882,400	2,389,990	492,410
Total current	2,882,400	2,882,400	2,389,990	492,410
Total expenditures	2,882,400	2,882,400	2,389,990	492,410
Excess (deficiency) of revenues over expenditures	(117,800)	(117,800)	379,538	497,338
Net change in fund balances	\$ (117,800)	\$ (117,800)	\$ 379,538	\$ 497,338

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Marley Park Community Facility District Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,580,900	\$ 1,580,900	\$ 1,479,343	\$ (101,557)
Other revenue	-	-	4,877	4,877
Total revenues	1,580,900	1,580,900	1,484,220	(96,680)
EXPENDITURES				
Current:				
Culture and Recreation				
Parks and recreation	108,700	108,700	102,293	6,407
Contingency	223,500	223,500	-	223,500
Total current	332,200	332,200	102,293	229,907
Debt service:				
Administrative charges	3,400	3,400	2,000	1,400
Principal retirement	505,000	505,000	665,000	(160,000)
Interest	783,400	783,400	641,726	141,674
Bond issuance costs	217,500	217,500	449,955	(232,455)
Total debt service	1,509,300	1,509,300	1,758,681	(249,381)
Capital outlay:				
General Government				
General operations	8,580,000	8,580,000	8,061,138	518,862
Total capital outlay	8,580,000	8,580,000	8,061,138	518,862
Total expenditures	10,421,500	10,421,500	9,922,112	499,388
Excess (deficiency) of revenues over expenditures	(8,840,600)	(8,840,600)	(8,437,892)	402,708
OTHER FINANCING SOURCES (USES)				
Issuance of debt	8,797,500	8,797,500	8,470,000	(327,500)
Premium on debt issuance	-	-	41,093	41,093
Total other financing sources (uses)	8,797,500	8,797,500	8,511,093	(286,407)
Net change in fund balances	\$ (43,100)	\$ (43,100)	\$ 73,201	\$ 116,301

- ❖ Internal Service Funds – These funds are used to track those transactions relating to the City’s internal insurance activities.
- *Risk Management Fund* – This fund was created to provide general insurance coverage as well as risk management, loss control, and safety programs city-wide.
 - *Employee Healthcare Trust Fund* – This fund was created to provide health insurance claims, plan administration, stop loss premiums, and fund reserves.
 - *Workers’ Compensation Fund* – This fund was created to account for expenses incurred for worker’s compensation claims, administration, coverage, and fund reserves.



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City of Surprise, Arizona
 Combining Statement of Net Position
 Internal Service Funds
 June 30, 2020

	Risk Management Fund	Employee Healthcare Trust	Workers' Compensation Fund	Total Internal Service funds
ASSETS				
Current assets:				
Cash and investments	\$ 3,277,397	\$ 8,395,521	\$ 2,032,754	\$ 13,705,672
Receivables (net of allowances)				
Other	600,837	278,249	-	879,086
Other assets	1,807	3,311	18,305	23,423
Total current assets	3,880,041	8,677,081	2,051,059	14,608,181
Noncurrent assets:				
Net other postemployment benefits asset	556	212	154	922
Total noncurrent assets	556	212	154	922
Total assets	3,880,597	8,677,293	2,051,213	14,609,103
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	40,300	15,344	11,166	66,810
Deferred outflows related to other postemployment benefits	2,831	1,078	785	4,694
Total deferred outflows of resources	43,131	16,422	11,951	71,504
Total assets and deferred outflows of resources	\$ 3,923,728	\$ 8,693,715	\$ 2,063,164	\$ 14,680,607
LIABILITIES				
Current liabilities:				
Accounts payable	2,339	57,871	7,339	67,549
Accrued payroll and related taxes	10,006	3,836	3,287	17,129
Claims payable	117,564	1,810,817	202,747	2,131,128
Compensated absences payable, due in less than one year	2,925	2,406	3,372	8,703
Total current liabilities	132,834	1,874,930	216,745	2,224,509
Noncurrent liabilities:				
Compensated absences payable, due in more than one year	4,388	3,610	5,059	13,057
Net pension liability	286,407	109,046	79,356	474,809
Net other postemployment benefits liability	1,300	495	360	2,155
Total noncurrent liabilities	292,095	113,151	84,775	490,021
Total liabilities	424,929	1,988,081	301,520	2,714,530
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	17,897	6,814	4,959	29,670
Deferred inflows related to other postemployment benefits	1,418	540	393	2,351
Total deferred inflows of resources	19,315	7,354	5,352	32,021
Total liabilities and deferred inflows of resources	444,244	1,995,435	306,872	2,746,551
NET POSITION				
Unrestricted	3,479,484	6,698,280	1,756,292	11,934,056
Total net position	\$ 3,479,484	\$ 6,698,280	\$ 1,756,292	\$ 11,934,056

City of Surprise, Arizona

Combining Statement of Revenues, Expenditures, and Changes in Net Position

Internal Service Funds

For the Year Ended June 30, 2020

	Risk Management Fund	Employee Healthcare Trust	Workers' Compensation Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 2,023,637	\$ 12,643,554	\$ 872,380	\$ 15,539,571
Other revenue	710,191	-	43,313	753,504
Total operating revenues	2,733,828	12,643,554	915,693	16,293,075
OPERATING EXPENSES				
Personnel services	223,127	104,572	91,797	419,496
Contractual services, materials & supplies	31,815	116,708	92,028	240,551
Insurance claims, premiums, and administrative expenses	1,644,055	12,384,466	545,478	14,573,999
Total operating expenses	1,898,997	12,605,746	729,303	15,234,046
Operating income (loss)	834,831	37,808	186,390	1,059,029
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	72,819	117,088	44,162	234,069
Total nonoperating revenues (expenses)	72,819	117,088	44,162	234,069
Income (loss) before contributions and transfers	907,650	154,896	230,552	1,293,098
Transfers in	-	-	9,998	9,998
Change in net position	907,650	154,896	240,550	1,303,096
Total net position - beginning	2,571,834	6,543,384	1,515,742	10,630,960
Total net position - ending	\$ 3,479,484	\$ 6,698,280	\$ 1,756,292	\$ 11,934,056

City of Surprise, Arizona
 Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended June 30, 2020

	Risk Management Fund	Employee Healthcare Trust	Workers' Compensation Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ -	\$ 1,102,727	\$ 4,064	\$ 1,106,791
Cash receipts from interfund services provided	2,023,637	11,495,494	868,316	14,387,447
Payments to employees	(241,294)	(92,686)	(81,547)	(415,527)
Payments to suppliers	(60,458)	(62,693)	(109,571)	(232,722)
Payments for insurance claims and expenses	(1,040,623)	(12,019,270)	(470,753)	(13,530,646)
Net cash provided (used) by operating activities	681,262	423,572	210,509	1,315,343
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received from other funds	-	-	9,998	9,998
Net cash provided (used) by noncapital financing activities	-	-	9,998	9,998
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from interest income	72,819	117,088	44,162	234,069
Net cash provided (used) by investing activities	72,819	117,088	44,162	234,069
Net increase (decrease) in cash and cash equivalents	754,081	540,660	264,669	1,559,410
Balances - beginning of year	2,523,316	7,854,861	1,768,085	12,146,262
Balances - end of the year	<u>\$ 3,277,397</u>	<u>\$ 8,395,521</u>	<u>\$ 2,032,754</u>	<u>\$ 13,705,672</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (loss)	\$ 834,831	\$ 37,808	\$ 186,390	\$ 1,059,029
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
Other receivables	(76,790)	(45,333)	-	(122,123)
Other assets	967	10	(18,305)	(17,328)
Accounts payable	(29,342)	54,005	762	25,425
Accrued payroll and related taxes	(440)	3,836	608	4,004
Compensated absences	(35,653)	6,016	4,131	(25,506)
Net pension liability	17,926	2,129	5,588	25,643
Claims payable	(29,969)	365,196	31,412	366,639
Net other postemployment asset/liability	(268)	(95)	(77)	(440)
Net cash provided (used) by operating activities	<u>\$ 681,262</u>	<u>\$ 423,572</u>	<u>\$ 210,509</u>	<u>\$ 1,315,343</u>
Noncash investing, capital and financing activities				
Increase in the fair market value of investments	\$ 27,406	\$ 46,454	\$ 17,051	\$ 90,911
Total noncash investing, capital and financing activities	<u>\$ 27,406</u>	<u>\$ 46,454</u>	<u>\$ 17,051</u>	<u>\$ 90,911</u>



STATISTICAL SECTION

This section provides detailed information, for purposes of providing a context for comprehending the information presented in the financial statements, not disclosures and required supplementary information, and gaining a better understanding of the financial shape of the City of Surprise, Arizona.

Contents:

Financial Trends:

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity:

These schedules contain information to help the reader assess the government's most significant local revenue sources, transaction privilege (sales) tax and property taxes.

Debt Capacity:

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information:

These schedules of demographic and economic indicators help the reader understand the environment that the government's financial activities take place.

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Reports for the relevant year



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City of Surprise, Arizona
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014
Governmental activities				
Net investment of capital assets	\$ 425,526,375	\$ 445,035,827	\$ 428,076,477	\$ 413,717,047
Restricted	27,405,931	27,011,749	28,105,434	29,650,958
Unrestricted	1,266,669	4,750,944	19,164,721	25,538,922
Total governmental activities net position	<u>\$ 454,198,975</u>	<u>\$ 476,798,520</u>	<u>\$ 475,346,632</u>	<u>\$ 468,906,927</u>
Business-type activities				
Net investment of capital assets	\$ 257,403,366	\$ 269,712,138	\$ 262,605,698	\$ 263,420,571
Restricted	21,445,388	6,673,158	6,867,426	6,895,582
Unrestricted	39,592,483	54,053,088	60,409,577	57,257,700
Total business-type activities net position	<u>\$ 318,441,237</u>	<u>\$ 330,438,384</u>	<u>\$ 329,882,701</u>	<u>\$ 327,573,853</u>
Primary government				
Net investment of capital assets	\$ 682,929,741	\$ 714,747,965	\$ 690,682,175	\$ 677,137,618
Restricted	48,851,319	33,684,907	34,972,860	36,546,540
Unrestricted	40,859,152	58,804,032	79,574,298	82,796,622
Total primary government net position	<u>\$ 772,640,212</u>	<u>\$ 807,236,904</u>	<u>\$ 805,229,333</u>	<u>\$ 796,480,780</u>

Source: The source of this information is the City's financial records.

2015	2016	2017	2018	2019	2020
\$ 409,274,827	\$ 405,111,110	\$ 392,458,485	\$ 393,984,378	\$ 399,420,150	\$ 435,144,710
27,948,361	22,743,525	24,613,341	67,683,440	29,462,370	21,821,951
(18,482,747)	(16,896,594)	(27,479,276)	(57,592,973)	1,815,847	28,238,342
\$ 418,740,441	\$ 410,958,041	\$ 389,592,550	\$ 404,074,845	\$ 430,698,367	\$ 485,205,003
\$ 264,678,599	\$ 270,081,565	\$ 279,249,380	\$ 277,989,957	\$ 274,750,943	\$ 282,360,332
5,381,403	13,039,887	12,326,207	14,365,125	12,932,109	13,735,679
44,564,505	29,979,759	22,570,204	31,396,601	43,938,146	52,259,316
\$ 314,624,507	\$ 313,101,211	\$ 314,145,791	\$ 323,751,683	\$ 331,621,198	\$ 348,355,327
\$ 673,953,426	\$ 675,192,675	\$ 671,707,865	\$ 671,974,335	\$ 674,171,093	\$ 717,505,042
33,329,764	35,783,412	36,939,548	82,048,565	42,394,479	35,557,630
26,081,758	13,083,165	(4,909,072)	(26,196,372)	45,753,993	80,497,658
\$ 733,364,948	\$ 724,059,252	\$ 703,738,341	\$ 727,826,528	\$ 762,319,565	\$ 833,560,330

City of Surprise, Arizona
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014
<u>Expenses</u>				
Governmental Activities:				
General government	\$ 18,092,847	\$ 17,438,582	\$ 14,958,702	\$ 16,079,202
Public safety	38,760,889	39,628,843	39,096,150	40,931,709
Public works & streets	29,748,611	29,415,043	33,710,624	34,988,682
Community development	4,915,385	7,401,566	7,668,373	8,388,639
Culture and recreation	15,229,013	16,189,568	16,285,289	17,228,719
Interest	1,919,145	1,594,060	1,505,313	1,378,709
Total governmental activities expenses	108,665,890	111,667,662	113,224,451	118,995,660
Business-type Activities:				
Ground ambulance services	-	-	-	-
Sanitation	5,603,983	6,047,844	5,934,789	7,144,521
Sewer	20,090,934	19,325,017	18,717,547	20,072,400
Stormwater	-	-	-	-
Water	11,188,199	10,792,041	10,849,653	10,546,378
Total business-type activities	36,883,116	36,164,902	35,501,989	37,763,299
Total primary government expenses	\$ 145,549,006	\$ 147,832,564	\$ 148,726,440	\$ 156,758,959
<u>Program Revenues</u>				
Governmental Activities:				
Charges for services:				
General government	\$ 7,947,615	\$ 6,435,843	\$ 6,313,245	\$ 8,494,212
Public safety	1,522,658	3,096,058	2,922,055	1,306,553
Public works & streets	3,786,620	3,238,179	792,288	499,338
Community development	1,315,799	1,622,594	2,003,777	1,697,315
Culture and recreation	3,838,003	5,307,491	4,837,786	4,917,918
Operating grants and contributions	10,404,916	8,207,130	10,139,981	9,833,470
Capital grants and contributions	8,655,730	32,449,260	5,925,348	2,877,937
Total governmental activities program revenues	37,471,341	60,356,555	32,934,480	29,626,743
Business-type activities:				
Charges for services:				
Ground ambulance services	-	-	-	-
Sanitation	6,598,929	6,700,961	6,862,696	7,000,935
Sewer	15,303,709	15,481,721	15,904,030	16,046,564
Stormwater	-	-	-	-
Water	9,841,874	10,047,169	10,073,124	9,987,819
Operating grants and contributions	-	-	-	-
Capital grants and contributions	16,878,654	14,502,214	4,427,857	3,270,131
Total business-type activities program revenues	48,623,166	46,732,065	37,267,707	36,305,449
Total primary government program revenues	\$ 86,094,507	\$ 107,088,620	\$ 70,202,187	\$ 65,932,192

	2015	2016	2017	2018	2019	2020
\$	21,038,892	\$ 18,906,430	\$ 27,733,034	\$ 24,693,086	\$ 18,847,192	\$ 30,683,840
	44,415,505	47,273,449	64,148,194	51,157,392	60,235,535	60,035,327
	35,141,030	38,670,796	41,540,981	37,661,923	41,578,280	46,270,405
	5,205,925	10,235,430	12,326,274	12,345,202	12,382,036	12,764,778
	21,863,417	25,690,406	22,555,794	26,471,045	24,970,626	20,925,306
	1,635,320	1,472,910	1,381,807	1,927,016	2,473,876	2,635,766
	129,300,089	142,249,421	169,686,084	154,255,664	160,487,545	173,315,422
	-	-	-	3,141,623	3,375,334	4,407,898
	7,883,309	7,972,061	9,034,441	8,557,348	8,657,107	9,077,490
	20,360,031	20,399,067	19,519,303	20,039,173	19,340,045	19,418,478
	-	-	187,744	775,651	1,363,889	1,209,576
	10,619,858	11,823,538	15,013,661	10,926,918	11,690,946	18,376,477
	38,863,198	40,194,666	43,755,149	43,440,713	44,427,321	52,489,919
\$	168,163,287	\$ 182,444,087	\$ 213,441,233	\$ 197,696,377	\$ 204,914,866	\$ 225,805,341
\$	5,301,697	\$ 5,041,335	\$ 5,863,856	\$ 7,171,091	\$ 6,744,068	\$ 6,729,339
	2,963,326	3,778,584	3,600,402	2,801,908	1,948,725	1,581,814
	507,198	853,321	1,445,873	2,252,924	4,100,847	3,570,832
	2,005,421	2,552,293	3,770,393	7,384,028	9,901,258	12,206,567
	5,313,203	5,894,021	5,586,303	5,507,476	5,590,198	3,311,464
	9,908,788	11,178,339	12,097,958	12,530,903	11,555,218	21,503,712
	11,561,202	11,558,409	14,356,832	25,485,790	22,468,016	42,184,054
	37,560,835	40,856,302	46,721,617	63,134,120	62,308,330	91,087,782
	-	-	-	2,974,704	3,284,354	3,946,881
	6,952,296	7,099,896	7,525,140	7,485,027	7,859,915	10,380,560
	17,950,085	16,151,096	17,190,499	17,345,559	17,612,146	19,142,098
	-	-	1,282,788	1,834,202	1,987,661	1,934,275
	10,814,903	12,195,621	14,048,726	14,227,502	16,125,842	18,226,759
	-	-	-	-	-	60,647
	129,722	3,107,265	5,788,132	9,682,391	5,509,692	15,030,201
	35,847,006	38,553,878	45,835,285	53,549,385	52,379,610	68,721,421
\$	73,407,841	\$ 79,410,180	\$ 92,556,902	\$ 116,683,505	\$ 114,687,940	\$ 159,809,203

City of Surprise, Arizona
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014
Net revenue/expense:				
Governmental activities	\$ (71,194,549)	\$ (51,311,107)	\$ (80,289,971)	\$ (89,368,917)
Business-type activities	11,740,050	10,567,163	1,765,718	(1,457,850)
Total primary government net expense	\$ (59,454,499)	\$ (40,743,944)	\$ (78,524,253)	\$ (90,826,767)
<u>General Revenues and Other Changes in Net Position</u>				
Governmental activities:				
Taxes				
Property taxes	\$ 7,018,180	\$ 6,112,789	\$ 9,274,735	\$ 9,401,277
Sales taxes	29,826,572	33,266,049	37,836,088	39,685,844
Franchise taxes	4,448,614	4,547,621	4,732,649	5,159,956
Unrestricted State shared revenue	18,767,966	23,434,911	25,983,982	26,722,541
Unrestricted investment earnings	488,919	304,846	164,984	329,637
Other	489,667	297,016	562,787	482,776
Transfers	946,818	968,148	1,068,522	1,147,181
Total governmental activities	61,986,736	68,931,380	79,623,747	82,929,212
Business-type activities:				
Unrestricted investment earnings	552,583	331,127	150,350	296,183
Other	483,773	-	-	-
Transfers	(946,818)	(968,148)	(1,068,522)	(1,147,181)
Total business-type activities	89,538	(637,021)	(918,172)	(850,998)
Total primary government	\$ 62,076,274	\$ 68,294,359	\$ 78,705,575	\$ 82,078,214
<u>Change in Net Position</u>				
Governmental activities	\$ (9,207,813)	\$ 17,620,273	\$ (666,224)	\$ (6,439,705)
Business-type activities	11,829,588	9,930,142	847,546	(2,308,848)
Prior period adjustments	-	-	-	-
Total primary government	\$ 2,621,775	\$ 27,550,415	\$ 181,322	\$ (8,748,553)

Source: The source of this information is the City's financial records.

Note 1: GASB Statement No. 68 was implemented in fiscal year 2015. Prior years' financial statements were not restated.

Note 2: GASB Statement No. 75 was implemented in fiscal year 2018. Prior year's financial statements were not restated.

2015	2016	2017	2018	2019	2020
\$ (91,739,254)	\$ (101,393,119)	\$ (122,964,467)	\$ (91,121,544)	\$ (98,179,215)	\$ (82,227,640)
(3,016,192)	(1,640,788)	2,080,136	10,108,672	7,952,289	16,231,502
\$ (94,755,446)	\$ (103,033,907)	\$ (120,884,331)	\$ (81,012,872)	\$ (90,226,926)	\$ (65,996,138)

\$ 9,713,903	\$ 9,962,925	\$ 10,441,730	\$ 10,813,317	\$ 16,143,232	\$ 17,015,618
42,111,177	46,807,817	49,416,383	54,419,572	61,596,634	70,904,612
5,249,320	5,062,719	5,674,974	5,643,876	5,609,625	5,514,602
29,879,804	30,560,635	31,755,661	35,032,519	35,899,596	38,379,519
400,260	607,602	26,274	324,501	3,494,962	3,403,862
1,146,649	407,445	3,129,094	(753,721)	517,587	418,161
1,132,145	201,576	1,154,860	1,355,582	1,541,101	1,097,902
89,633,258	93,610,719	101,598,976	106,835,646	124,802,737	136,734,276

253,407	319,068	119,304	141,108	1,458,327	1,556,564
-	-	-	-	-	43,965
(1,132,145)	(201,576)	(1,154,860)	(1,355,582)	(1,541,101)	(1,097,902)
(878,738)	117,492	(1,035,556)	(1,214,474)	(82,774)	502,627
\$ 88,754,520	\$ 93,728,211	\$ 100,563,420	\$ 105,621,172	\$ 124,719,963	\$ 137,236,903

\$ (2,105,996)	\$ (7,782,400)	\$ (21,365,491)	\$ 15,714,102	\$ 26,623,522	\$ 54,506,636
(3,894,930)	(1,523,296)	1,044,580	8,894,198	7,869,515	16,734,129
-	-	-	(520,113)	-	-
\$ (6,000,926)	\$ (9,305,696)	\$ (20,320,911)	\$ 24,088,187	\$ 34,493,037	\$ 71,240,765

City of Surprise, Arizona
Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015
General fund					
Nonspendable	\$ 327,420	\$ 637,513	\$ 626,565	\$ 821,009	\$ 1,313,505
Restricted	129,117	79,170	77,439	66,385	-
Committed	-	-	-	-	-
Assigned	1,334,202	317,343	327,182	360,030	578,518
Unassigned	239,533	4,459,773	17,166,622	26,849,205	34,324,717
Total general fund	<u>\$ 2,030,272</u>	<u>\$ 5,493,799</u>	<u>\$ 18,197,808</u>	<u>\$ 28,096,629</u>	<u>\$ 36,216,740</u>
All other governmental funds					
Nonspendable	\$ 125,744	\$ 106,844	\$ 134,673	\$ 206,294	\$ 195,374
Restricted	27,151,070	26,932,579	28,027,995	29,584,573	46,848,361
Committed	7,767,079	7,915,957	7,266,032	47,607,527	42,241,616
Assigned	41,951,897	42,460,372	44,505,144	1,173,198	1,209,403
Unassigned	(50,850,735)	(50,409,260)	(49,901,573)	(50,029,315)	(49,288,936)
Total all other governmental funds	<u>\$ 26,145,055</u>	<u>\$ 27,006,492</u>	<u>\$ 30,032,271</u>	<u>\$ 28,542,277</u>	<u>\$ 41,205,818</u>

Source: The source of this information is the City's financial records.

2016	2017	2018	2019	2020
\$ 1,287,510	\$ 1,262,361	\$ 1,602,598	\$ 2,197,168	\$ 2,563,831
-	501,278	480,554	454,024	491,526
-	-	-	-	-
542,821	338,555	338,167	393,622	490,732
37,385,696	38,436,548	41,763,040	42,252,127	73,973,321
\$ 39,216,027	\$ 40,538,742	\$ 44,184,359	\$ 45,296,941	\$ 77,519,410

\$ 368,126	\$ 618,466	\$ 638,371	\$ 664,672	\$ 415,537
23,064,256	24,112,063	67,202,886	61,562,397	29,864,806
40,246,190	40,005,619	3,483,301	6,446,528	9,115,539
469,830	1,109,942	2,912,343	19,690,585	17,786,146
(47,671,784)	(46,064,773)	(8,258,667)	(5,888,966)	(4,903,347)
\$ 16,476,618	\$ 19,781,317	\$ 65,978,234	\$ 82,475,216	\$ 52,278,681

City of Surprise, Arizona
Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015
Revenues					
Taxes	\$ 39,445,440	\$ 42,290,109	\$ 47,442,186	\$ 48,262,126	\$ 52,178,522
Licenses and permits	4,490,664	4,586,621	4,771,649	5,197,956	4,975,398
Intergovernmental revenues	25,743,085	30,476,028	33,441,035	35,923,296	37,947,604
Charges for services	5,708,552	7,052,487	7,943,039	7,896,783	9,241,853
Grants revenue	3,010,650	1,626,534	2,443,199	2,131,707	1,659,609
Fines	1,827,127	1,870,202	1,986,692	1,498,451	1,768,671
Rents	611,019	580,820	584,972	606,679	549,400
Development fees	2,494,845	2,415,290	2,240,664	1,790,461	2,224,125
Interest revenue	464,496	278,177	149,655	307,139	400,260
Donations	429,237	257,372	344,589	148,062	245,671
Indirect charges	3,660,700	3,660,700	3,660,700	4,682,772	4,682,772
Other revenue	2,047,634	1,175,823	960,297	482,776	1,155,192
Total revenues	89,933,449	96,270,163	105,968,677	108,928,208	117,029,077
Expenditures					
Current					
General government	12,073,329	12,627,722	11,925,890	13,674,046	20,291,986
Public safety	34,968,406	35,592,854	35,984,984	38,018,470	41,862,877
Public works and streets	15,425,981	14,706,512	15,350,181	16,784,098	17,314,612
Community development	4,802,971	7,336,377	7,605,656	8,344,991	5,074,395
Culture and recreation	12,373,798	13,421,538	13,210,175	14,912,746	19,301,123
Capital outlay	6,186,111	5,177,828	3,215,160	6,409,054	8,604,468
Debt Service					
Principal	2,328,300	2,449,900	2,533,138	2,661,713	2,786,800
Interest	1,898,152	1,594,060	1,505,313	1,378,709	1,245,447
Other charges	-	-	-	-	389,873
Total expenditures	90,057,048	92,906,791	91,330,497	102,183,827	116,871,581
Excess of revenues over (under) expenses	(123,599)	3,363,372	14,638,180	6,744,381	157,496
Other financing sources (uses)					
Proceeds from sale of assets	-	-	33,035	240,830	226,080
Transfers in (out)	946,818	968,148	1,068,522	4,803,747	1,132,145
From bonding	-	-	-	(3,656,566)	19,320,205
Insurance recoveries	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	946,818	968,148	1,101,557	1,388,011	20,678,430
Net change in fund balances	\$ 823,219	\$ 4,331,520	\$ 15,739,737	\$ 8,132,392	\$ 20,835,926
Debt service as a percentage of noncapital expenditures	5.0%	4.6%	4.6%	4.2%	4.1%

Source: The source of this information is the City's financial records.

	2016	2017	2018	2019	2020
\$	56,908,903	\$ 59,749,360	\$ 65,257,328	\$ 77,739,476	\$ 87,768,923
	5,121,719	5,811,255	5,817,956	5,991,243	5,944,921
	39,209,688	40,430,400	44,773,004	45,774,226	48,421,077
	11,363,453	13,127,359	15,186,099	19,189,262	18,680,847
	3,060,620	1,856,830	2,691,930	1,581,233	11,165,982
	1,214,978	1,052,366	2,281,998	1,788,745	1,340,263
	630,514	621,033	601,628	724,073	620,862
	3,297,082	4,413,714	5,306,365	6,482,159	5,321,641
	607,602	24,449	310,038	3,299,929	3,169,797
	228,316	160,706	183,307	125,872	103,910
	4,884,443	4,768,960	5,249,200	5,481,600	5,591,100
	392,199	2,908,665	522,745	726,564	670,836
	126,919,517	134,925,097	148,181,598	168,904,382	188,800,159
	16,306,183	16,675,593	16,965,220	17,358,137	18,294,432
	44,433,546	47,036,287	51,471,894	51,993,630	53,778,182
	20,492,467	20,116,384	19,858,787	20,580,186	20,721,301
	10,080,446	12,225,155	11,890,816	12,141,786	12,024,962
	18,416,339	17,998,257	19,540,944	19,613,758	19,275,188
	36,511,052	17,501,271	18,067,055	22,824,600	62,975,337
	2,361,425	2,613,738	2,776,050	5,352,900	6,003,700
	1,749,568	1,587,151	1,578,092	3,271,455	3,015,280
	19,762	724,982	472,877	4,851	453,307
	150,370,788	136,478,818	142,621,735	153,141,303	196,541,689
	(23,451,271)	(1,553,721)	5,559,863	15,763,079	(7,741,530)
	336,821	368,156	136,426	276,091	205,824
	1,150,009	354,860	974,136	1,607,973	951,667
	-	11,696,218	43,211,107	-	8,511,093
	-	-	-	-	7,249
	-	(6,500,617)	-	-	-
	1,486,830	5,918,617	44,321,669	1,884,064	9,675,833
\$	(21,964,441)	\$ 4,364,896	\$ 49,881,532	\$ 17,647,143	\$ 1,934,303
	3.6%	4.1%	3.3%	6.2%	6.1%

City of Surprise, Arizona
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise & Business Licenses	Total
2011	7,018,180	29,826,572	4,448,614	41,293,366
2012	6,112,789	33,266,049	4,547,621	43,926,459
2013	9,274,735	37,836,088	4,732,649	51,843,472
2014	9,401,277	39,685,844	5,159,956	54,247,077
2015	9,713,903	42,111,177	5,249,320	57,074,400
2016	9,962,925	46,807,817	5,062,719	61,833,461
2017	10,441,730	49,416,383	5,674,974	65,533,087
2018	10,813,317	54,419,572	5,643,876	70,876,765
2019	16,143,232	61,596,634	5,609,625	83,349,491
2020	17,015,618	70,904,612	5,514,602	93,434,832

Source: The source of this information is the City's financial records.



SURPRISE

ARIZONA

City of Surprise, Arizona
Major Sources of Municipal Sales Tax
Last Ten Fiscal Years

	2011	2012	2013	2014
<u>Description of Payers Business</u>				
Construction	\$ 3,870,561	\$ 4,936,286	\$ 7,071,711	\$ 5,702,652
Retail trade	11,258,630	12,588,859	13,831,839	15,319,378
Communications and utilities	4,558,281	4,813,827	5,053,313	5,230,594
Restaurant and bar	3,910,930	4,254,798	4,877,292	5,262,786
Real estate, rental and leasing	2,824,605	3,160,567	3,610,593	3,872,029
Other	2,858,970	3,278,980	3,488,295	3,439,338
Total	<u>\$ 29,281,977</u>	<u>\$ 33,033,317</u>	<u>\$ 37,933,043</u>	<u>\$ 38,826,777</u>

Source: City of Surprise "Sales, Use, and Bed Tax Report" as of June 30, 2020.

When NAICS reporting began, many businesses checked the "Other" category due to uncertainty. This problem is being remedied and therefore, the "Other" category will decrease as more businesses will be classified under their proper category.

State and local laws prohibit the disclosure of individual taxpayer information.

2015	2016	2017	2018	2019	2020
\$ 5,318,361	\$ 8,429,076	\$ 7,444,202	\$ 9,424,657	\$ 13,938,324	\$ 17,529,115
17,897,576	18,608,256	20,578,048	24,170,542	25,309,922	30,133,931
5,379,741	5,609,855	5,682,238	5,010,541	4,873,454	4,804,402
5,600,500	5,933,745	6,543,214	7,673,195	8,226,189	8,368,795
4,077,066	4,246,757	4,790,722	4,858,025	5,495,101	6,013,853
4,188,861	4,109,905	4,377,959	3,282,612	3,753,644	4,054,516
\$ 42,462,105	\$ 46,937,594	\$ 49,416,383	\$ 54,419,572	\$ 61,596,634	\$ 70,904,612

City of Surprise, Arizona
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year		Real Property		Exemptions	Total		Estimated Actual	Ratio of Total
		Assessed Value Residential Property	Assessed Value Commercial Property	Real Property	Net Assessed Valuation	Direct Tax Rate	Taxable Full Cash Value	Assessed Value to Total Estimated Actual Value
2011	P	734,802,358	444,395,674	(110,470,743)	1,068,727,289	0.6735	9,795,021,688	10.91%
2011	S	739,725,180	532,775,146	(143,459,254)	1,129,041,072	-	10,353,625,385	10.90%
2012	P	653,425,523	390,774,648	(112,327,444)	931,872,727	0.6700	8,729,697,453	10.67%
2012	S	653,862,821	414,853,720	(131,986,535)	936,730,006	-	8,883,000,424	10.55%
2013	P	613,827,446	355,335,651	(117,175,984)	851,987,113	0.7383	8,131,671,314	10.48%
2013	S	614,117,003	369,093,201	(128,526,531)	854,683,673	-	8,219,696,417	10.40%
2014	P	590,891,318	352,740,031	(120,457,469)	823,173,880	0.7783	7,921,310,783	10.39%
2014	S	592,539,973	366,349,440	(128,753,963)	830,135,450	-	8,021,860,448	10.35%
2015	P	635,011,041	351,426,277	(128,356,166)	858,081,152	0.7591	8,378,359,740	10.24%
2015	S	674,517,543	367,445,212	(137,241,712)	904,721,043	-	8,871,516,138	10.20%
2016	P	659,032,840	359,978,533	(129,767,780)	889,243,593	0.7591	8,723,777,883	10.19%
2016	S	775,338,584	403,053,294	(146,482,133)	1,031,909,745	-	10,151,951,511	10.16%
2017	P	703,447,546	353,382,997	(127,933,738)	928,896,805	0.7591	9,188,106,400	10.11%
2017	S	832,582,676	418,393,201	(151,461,223)	1,099,514,654	-	10,888,981,453	10.10%
2018	P	742,214,719	372,303,716	(136,482,015)	978,036,420	0.7591	9,704,804,426	10.08%
2018	S	883,909,865	470,218,102	(164,602,354)	1,189,525,613	-	11,739,266,942	10.13%
2019	P	786,977,862	394,591,418	(132,661,610)	1,048,907,670	0.7591	10,275,630,683	10.21%
2019	S	979,109,102	501,184,044	(163,680,703)	1,316,612,443	0.4200	12,872,480,509	10.23%
2020	P	844,245,064	406,984,939	(141,141,959)	1,110,088,044	0.7591	10,927,509,235	10.16%
2020	S	1,064,787,961	529,620,552	(185,022,186)	1,409,386,327	0.3880	13,911,798,083	10.13%

Source: Maricopa County Assessor's Office State Abstract

Direct Tax Rate is From the Maricopa County Finance Department's "Tax Levy Book for the City of Surprise" for the applicable tax year.



SURPRISE

ARIZONA

City of Surprise, Arizona
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Surprise			Overlapping Rates				
				Maricopa County				
	Operating (Primary) Tax Rate	Debt Service (Secondary) Tax Rate	Total City Tax Rate	Operating Tax Rate	Debt Service Tax Rate	County Library	Flood Control	Total County Tax Rate
2011	0.6735	-	0.6735	1.0508	-	0.0412	-	1.0920
2012	0.6700	-	0.6700	1.2407	-	0.0492	-	1.2899
2013	0.7383	-	0.7383	1.2407	-	0.0492	-	1.2899
2014	0.7783	-	0.7783	1.2807	-	0.0492	-	1.3299
2015	0.7591	-	0.7591	1.3209	-	0.0556	-	1.3765
2016	0.7591	-	0.7591	1.4009	-	0.0556	-	1.4565
2017	0.7591	-	0.7591	1.4009	-	0.0556	-	1.4565
2018	0.7591	-	0.7591	1.4009	-	0.0556	0.1792	1.6357
2019	0.7591	0.4200	1.1791	1.4009	-	0.0556	0.1792	1.6357
2020	0.7591	0.3880	1.1471	1.4009	-	0.0556	0.1792	1.6357

Source: Maricopa County Finance Department's "Maricopa County 2019 Tax Levy" report.

Note: Prior to fiscal year 2018, the Maricopa County Flood Control District tax rate was included in the other column.

Overlapping Rates				
Dysart School District				
Operating Tax Rate	Debt Service Tax Rate	Total School District Tax Rate	Other	Total Direct & Overlapping Rates
2.9051	2.0919	4.9970	1.3405	8.1030
3.4104	2.5820	5.9924	1.6440	9.5963
4.6547	2.7317	7.3864	1.8351	11.2497
4.3492	2.9538	7.3030	1.6356	11.0468
3.9957	2.7750	6.7707	1.7472	10.6535
3.0640	2.9085	5.9725	1.7120	9.9001
4.1562	2.8032	6.9594	2.5181	11.6931
4.1562	2.8032	6.9594	2.5104	11.8646
4.1089	2.7859	6.8948	2.4330	12.1426
3.9117	2.6680	6.5797	2.4218	11.7843

City of Surprise, Arizona
Principal Property Taxpayers
June 30, 2020 and 2011

Taxpayer	2020			2011		
	Net Limited Assessed Valuation	Rank	Percentage of Total	Primary Assessed Valuation	Rank	Percentage of Total
Arizona Public Service Company	\$ 30,382,441	1	2.74%			
Southwest Gas Corporation (T&D)	6,378,806	2	0.57%			
EPCOR (Agua Fria Water Division)	4,831,202	3	0.44%			
CCD Real Estate Holdings LLC	3,636,040	4	0.33%			
DG Industrial Portfolio I Property Owner LP	3,208,202	5	0.29%			
Toll Prasada LLC	3,121,137	6	0.28%			
Wal Mart Stores Inc	3,029,500	7	0.27%			
Breit MF Stadium Village LLC	3,011,263	8	0.27%			
Harmony at Surprise SPE LLC	2,810,427	9	0.25%			
Smith's Food & Drug Centers Inc	2,441,709	10	0.22%			
Arizona Public Service Company				\$ 22,523,162	1	2.11%
Southwest Gas Corporation (T&D)				6,293,350	2	0.59%
Marley Park Phase II LLC				5,272,076	3	0.49%
Surprise Holdings LLC				4,890,540	4	0.46%
CCD Real Estate Holdings LLC				4,528,603	5	0.42%
PCCP CS CH Surprise LLC				3,435,229	6	0.32%
GVSU Surprise Plaza LLC				3,339,676	7	0.31%
Transwestern Pipeline Company				3,886,508	8	0.36%
Federal National Mortgage Association				3,753,910	9	0.35%
Sands Surprise Real Estate Chevy LLC				3,081,090	10	0.29%
Total	\$ 62,850,727		5.66%	\$ 61,004,144		5.71%
Total Net Limited Assessed Valuation	1,110,088,044			1,068,727,289		

Source: Maricopa County Assessor's Office

City of Surprise, Arizona
Primary Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Tax Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percentage of Levy		Tax Collections	Percentage of Levy
2011	7,174,003	6,892,250	96.1%	172,630	7,064,880	98.5%
2012	6,200,706	6,021,059	97.1%	118,638	6,139,697	99.0%
2013	6,295,546	6,159,818	97.8%	95,664	6,255,482	99.4%
2014	6,350,356	6,249,156	98.4%	69,240	6,318,396	99.5%
2015	6,509,332	6,425,856	98.7%	62,517	6,488,373	99.7%
2016	6,754,752	6,661,068	98.6%	48,762	6,709,830	99.3%
2017	7,037,842	6,947,745	98.7%	70,122	7,017,867	99.7%
2018	7,424,272	7,321,178	98.6%	81,353	7,402,531	99.7%
2019	7,962,251	7,862,533	98.7%	79,665	7,942,198	99.7%
2020	8,426,674	8,293,892	98.4%	-	8,293,892	98.4%

Source: Maricopa County Treasurer's Office "Secured Levy Report" through June 30, 2020.

City of Surprise, Arizona
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities				
Fiscal Year	General Obligation Bonds	Special (CFD) Assessment Bonds and Notes	Municipal Property Corp. Bonds	Pledged Revenue Obligations
2011	-	7,935,000	24,489,225	-
2012	-	7,745,000	22,229,325	-
2013	-	7,545,000	19,896,188	-
2014	-	7,335,000	17,444,474	-
2015	-	7,115,000	-	30,832,800
2016	-	6,885,000	-	31,770,034
2017	-	12,105,285	-	29,249,876
2018	40,211,105	14,619,352	-	24,166,587
2019	37,322,019	14,143,419	-	23,963,088
2020	34,285,598	21,966,935	-	21,192,968

Source: City financial records

Business-Type Activities						
Water						
Municipal Property Corp. Bonds	Infrastructure Financing Authority Loan	Utility Revenue Obligations	Pledged Revenue Obligations	Total Primary Government	Percentage of Personal Income	Per Capita
61,295,775	1,324,760	-	-	95,044,760	4.0%	803
60,315,675	-	-	-	90,290,000	3.4%	755
59,303,813	-	-	-	86,745,001	3.3%	713
53,565,524	-	-	-	78,344,998	3.0%	633
39,365,000	-	-	5,832,000	83,144,800	3.1%	658
37,585,000	-	-	5,903,844	82,143,878	3.0%	640
35,720,000	-	-	5,249,430	82,324,591	2.8%	620
33,770,000	-	-	4,103,413	116,870,457	3.9%	872
-	-	28,164,675	3,877,076	107,470,277	3.4%	778
-	-	26,993,224	3,157,623	107,596,348	3.2%	760

City of Surprise, Arizona
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2011	-	-	-	0.000%	-
2012	-	-	-	0.000%	-
2013	-	-	-	0.000%	-
2014	-	-	-	0.000%	-
2015	-	-	-	0.000%	-
2016	-	-	-	0.000%	-
2017	-	-	-	0.000%	-
2018	37,730,000	5,857	37,724,143	3.171%	281
2019	35,215,000	483,319	34,731,681	2.638%	251
2020	32,350,000	544,112	31,805,888	2.257%	225

Source: City financial records

City of Surprise, Arizona
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

<u>Overlapping Jurisdiction</u>	<u>General Obligation and Pledged Revenue Bonded Debt</u>	<u>Proportion Applicable to the City</u>	
		<u>Approximate Percent</u>	<u>Net Debt Amount</u>
State of Arizona	None	1.72%	None
Maricopa County	None	2.63%	None
Maricopa County Community College District	\$ 312,450,000	2.63%	\$ 8,217,436
Maricopa County Special Health Care District	429,125,000	2.63%	11,285,988
Western Maricopa Education Center	157,075,000	7.14%	11,215,155
Dysart Unified School District No. 89	109,671,000	78.12%	85,674,985
Peoria Unified School District No. 11	207,770,000	0.38%	789,526
Nadaburg Unified School District No. 81	-	30.33%	-
Wickenburg Unified School District No. 9	7,845,000	1.68%	131,796
Subtotal, overlapping debt	<u>\$ 1,223,936,000</u>		<u>\$ 117,314,886</u>
City of Surprise	\$ 55,478,566	100.00%	\$ 55,478,566
Marley Park Community Facilities District	21,966,935	100.00%	21,966,935
Subtotal, direct debt	<u>\$ 77,445,501</u>		<u>\$ 77,445,501</u>
Total Direct and Overlapping General Obligation and Pledged Revenue Bonded Debt			<u><u>\$ 194,760,387</u></u>

Source: The various jurisdictions

Proportion applicable to City of Surprise, Arizona is computed on the ratio of net limited property valuation for fiscal year 2020/2021.

Excludes various other non-property tax supported debt such as Public Finance Corporation lease revenue bonds, Stadium District revenue bonds, Stadium District loans, Housing Authority loans and capital leases.

Includes: Excise Tax Revenue obligations for City of Surprise

City of Surprise, Arizona
Legal Debt Margin Information Unrestricted and Restricted
Last Ten Fiscal Years

Unrestricted

	2011	2012	2013	2014
Debt limit 6%	\$ 67,742,464	\$ 56,203,800	\$ 51,281,020	\$ 49,298,862
Unrestricted legal debt margin	\$ 67,742,464	\$ 56,203,800	\$ 51,281,020	\$ 49,298,862
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Restricted

	2011	2012	2013	2014
Debt limit 20%	\$ 225,808,214	\$ 187,346,001	\$ 170,936,735	\$ 164,329,540
Total net debt applicable to limit	-	-	-	-
Restricted legal debt margin	\$ 225,808,214	\$ 187,346,001	\$ 170,936,735	\$ 164,329,540
Total net debt applicable to the 20% limit as a percentage of the 20% debt limit	0.00%	0.00%	0.00%	0.00%

2015	2016	2017	2018	2019	2020
\$ 54,283,263	\$ 61,914,585	\$ 65,970,879	\$ 71,371,537	\$ 78,996,747	\$ 84,563,180
\$ 54,283,263	\$ 61,914,585	\$ 65,970,879	\$ 71,371,537	\$ 78,996,747	\$ 84,563,180
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2015	2016	2017	2018	2019	2020
\$ 180,944,209	\$ 206,381,949	\$ 219,902,931	\$ 237,905,123	\$ 263,322,489	\$ 281,877,265
-	-	-	39,987,500	37,322,019	34,285,598
\$ 180,944,209	\$ 206,381,949	\$ 219,902,931	\$ 197,917,623	\$ 226,000,470	\$ 247,591,667
0.00%	0.00%	0.00%	16.81%	14.17%	12.16%

City of Surprise, Arizona
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income	Median Household Income	Median Age	Unemployment Rate
2011	118,349	2,388,475,189	57,114	36.8	6.5%
2012	119,530	2,624,633,827	62,141	35.9	4.3%
2013	121,629	2,608,232,906	60,687	36.8	5.0%
2014	123,797	2,623,490,276	59,973	36.0	5.4%
2015	126,275	2,684,147,318	58,455	37.0	9.8%
2016	128,422	2,779,842,369	59,094	38.7	9.4%
2017	132,677	2,911,895,653	59,916	39.0	4.5%
2018	134,085	2,997,757,500	61,035	39.9	4.6%
2019	138,161	3,184,636,354	62,927	41.3	3.7%
2020	141,664	3,381,255,033	65,160	41.2	5.4%

Data Sources: Office of Economic Opportunity
Maricopa Association of Governments
US Department of Labor, Bureau of Labor Statistics
US Census Bureau

City of Surprise, Arizona
Principal Employers
June 30, 2020 and Nine Years Prior

Employer	2020 ¹			2011 ²		
	Employees	Rank	%of Total	Employees	Rank	%of Total
Dysart School District (Surprise Schools Only)	1,610	1	7.54%	1,654	1	7.50%
City of Surprise	1,230	2	5.76%	867	2	3.93%
Wal-Mart	860	3	4.03%	549	4	2.49%
Fry's Food Store	560	4	2.62%	549	3	2.49%
Rousseau Farming Company	340	5	1.59%			
Home Depot	280	6	1.31%	166	9	0.75%
McDonalds	270	7	1.26%			
Maricopa County	220	8	1.03%	202	6	0.92%
Safeway Food Store	180	9	0.84%	188	8	0.85%
Sun City Grand Community Assoc. Inc.	170	10	0.80%			
Crescent Crown				200	7	0.91%
Kohl's Department Store				237	5	1.07%
Sam's Club				134	10	0.61%
Total	<u>5,720</u>		26.79%	<u>4,746</u>		21.51%
Total City Employment	21,350			22,062		

Sources:

¹ Maricopa Association of Governments, as of June 30, 2020

² Emsi

City of Surprise, Arizona
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Function</u>										
General government	124	118	123	123	136	134	140	142	146	150
Public safety:										
Police:										
Officers	130	132	133	134	130	139	158	159	159	155
Civilians	58	49	49	48	54	49	43	42	45	55
Fire:										
Firefighters and officers	114	112	111	111	113	113	128	127	126	132
Civilians	8	6	7	7	7	8	8	7	7	7
Public works and streets:										
All others	96	87	83	83	83	84	84	80	84	90
Community development	36	36	40	40	43	40	41	41	42	43
Economic development	-	-	-	-	-	8	8	8	7	9
Parks and recreation	97	97	110	110	122	118	117	116	120	105
Sports and tourism	-	-	-	-	-	-	-	-	-	18
Human service and communitiy vitality	-	-	-	-	-	9	15	16	18	24
Water	33	29	25	25	24	29	33	36	35	42
Sanitation	34	34	31	31	32	33	35	37	37	41
Sewer	39	36	36	36	37	39	50	45	45	47
Stormwater	-	-	-	-	-	-	-	6	5	6
Ground ambulance services	-	-	-	-	-	-	-	19	26	32
Total	769	736	748	748	781	804	861	881	902	956

Source: Fiscal year 2020 Adopted Budget



SURPRISE

ARIZONA

City of Surprise, Arizona
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function</u>	2011	2012	2013	2014
Public safety:				
Police:				
Calls- incidents responded to	40,779	42,010	39,866	37,566
Citations issued	8,233	7,856	9,673	7,020
Officers per 1,000 residents	1.5	1.1	1.1	1.1
Fire-Medical:				
Number of responses	11,620	12,313	13,649	14,004
Inspections	1,101	1,122	1,184	1,411
Public works and streets:				
Sq. ft. of buildings to maintain	830,431	830,431	830,271	830,271
Vehicles/equipment maintained per month	387	494	403	392
Number of street lights repaired	270	291	300	377
Street miles maintained	536	539	607	607
Community development:				
Building safety inspections performed	11,106	13,257	20,150	18,220
Annual new residential starts	206	395	554	385
Parks and recreation:				
Organized recreation program participants	176,569	185,232	191,648	192,300
Special events/open facility participants	261,327	256,674	269,823	278,980
Sports and Tourism				
Special events/open facility participants	N/A	N/A	N/A	N/A
Water:				
Water service connections	14,130	14,329	14,570	14,740
Water main breaks	N/A	N/A	N/A	N/A
Average daily consumption (thousands of gallons)	N/A	N/A	N/A	N/A
Sewer:				
Sewage treated (million gallons per day)	7.4	7.6	8.1	8.1
Sewer service connections	44,077	44,583	45,802	45,984
Sanitation:				
Refuse collected (tons/annually)	30,803	30,289	29,400	30,583
Number of routes	34	33	33	32
Total services	37,144	32,357	32,975	33,321
Stormwater:				
Customers	-	-	-	-

Sources: Various government departments
N/A - This information is not available.

2015	2016	2017	2018	2019	2020
38,191	39,511	40,909	41,806	40,541	42,306
7,524	5,971	6,358	5,136	8,602	6,350
1.1	1.0	1.0	1.0	1.0	1.0
15,750	16,896	16,546	17,435	10,865	18,195
1,885	2,745	2,407	1,810	1,595	2,391
830,271	855,774	855,774	855,774	855,774	973,187
405	334	375	397	415	425
43	44	38	79	52	71
627	627	627	627	629	630
15,624	20,320	22,407	31,063	34,598	45,750
417	486	600	1,288	1,303	2,076
178,186	160,535	163,580	162,012	141,189	85,362
321,214	307,475	306,714	343,868	120,114	78,548
N/A	N/A	N/A	N/A	253,823	240,065
14,971	15,362	15,499	16,331	16,729	17,886
N/A	N/A	N/A	4	2	6
N/A	N/A	N/A	7,322	7,416	7,402
8.4	8.4	8.4	8.4	9	9
44,923	47,273	48,196	50,303	48,451	53,164
33,351	32,787	33,671	34,979	36,757	48,905
32	56	56	57	59	55
32,683	35,366	36,421	36,657	35,510	39,676
-	-	49,429	50,594	47,235	51,199

City of Surprise, Arizona
Capital Asset Statistics by Function
Last Ten Years

<u>Function</u>	2011	2012	2013	2014
Public safety:				
Police:				
Stations	2	2	2	2
Patrol units	80	64	63	63
Fire:				
Fire stations	7	7	7	7
Fire engines and ladder trucks	11	11	11	12
Ambulances	0	0	0	0
Public works and streets:				
Street miles	536	539	607	607
Street lighting improvement districts	98	103	101	105
Traffic Signals	42	45	51	51
Bridges	15	19	19	19
Community development:				
Inspection vehicles	12	12	12	10
Parks and recreation:				
Parks acreage	393	393	393	393
Parks	12	12	12	12
Swimming pools	2	2	2	2
Softball fields	11	11	11	11
Baseball fields	21	21	21	21
Libraries	2	2	2	2
Water:				
(millions of gallons)	31.0	31.0	31	31
Sewer:				
Sewer treatment plants	2	2	2	2
Maximum daily treatment capacity	18.3	18.3	18.3	18.3
Sanitation:				
Collection trucks	26	26	26	26

Sources: Various government departments

2015	2016	2017	2018	2019	2020
2	2	2	2	2	2
68	72	90	73	87	87
7	7	7	7	7	7
12	12	12	13	13	13
0	1	3	4	5	5
627	627	627	627	629	630
107	107	123	132	146	155
50	50	50	50	52	58
19	19	19	19	19	21
10	10	11	11	11	11
393	393	393	393	393	393
12	12	12	12	12	12
2	2	2	2	2	2
11	11	11	11	11	11
21	21	21	21	21	21
2	2	2	2	2	3
32	32	33	33	33	34
2	2	2	2	2	2
18.3	18.3	18.3	18.3	18.3	18.3
26	27	27	27	27	27



SURPRISE

ARIZONA

Heinfeld, Meech & Co., P.C.
3033 N. Central Ave. Suite 300
Phoenix, AZ 85012

This representation letter is provided in connection with your audit of the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Surprise, Arizona's major federal programs for the year ended June 30, 2020, for the purpose of expressing an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of our signature, the following representations made to you during your audit with respect to our federal award programs.

1. We are responsible for understanding and complying with and have complied with the 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), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
2. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
3. All material transactions have been recorded in the accounting records and are reflected in the schedule of expenditures of federal awards.

4. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
5. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
6. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
7. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to federal programs that are free from material noncompliance, whether due to fraud or error.
8. We have established and maintained effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
9. We have no knowledge of any fraud or suspected fraud that affects federal programs and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on federal programs.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting federal programs communicated by employees, former employees, grantors, regulators, or others.
11. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
12. We have received no requests from a federal agency to audit one or more specific programs as a major program.
13. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards, if any.

14. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
15. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
16. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).
17. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
18. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
19. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
20. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
21. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
22. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
23. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
24. If applicable, we have monitored subrecipients to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

25. If applicable, we have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
26. If applicable, we have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
27. We have charged costs to federal awards in accordance with applicable cost principles.
28. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
29. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
30. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
31. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
32. If applicable, we have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
33. In addition to your audit, you assisted with preparation of the data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that
 - we assume all management responsibilities;
 - oversee the nonaudit services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience;
 - evaluate the adequacy and results of the nonaudit services performed; and accept responsibility for the results of the nonaudit services.
34. We have reviewed, approved, and accepted responsibility for the data collection form on which you have assisted with the preparation.

Teresa Butterbredt

Teresa Butterbredt (Feb 23, 2021 14:03 MST)

Teresa Butterbredt, Assistant Director/Accounting
City of Surprise, Arizona

02/23/2021

Date

Jon Gake

Jon Gake (Feb 23, 2021 13:42 MST)

Jon Gake, Accounting Manager
City of Surprise, Arizona

02/23/2021

Date

Heinfeld, Meech & Co., P.C.
3033 N. Central Ave. Suite 300
Phoenix, AZ 85012

In connection with your examination of the Annual Expenditure Limitation Report (AELR) for the year ended June 30, 2020, for the purpose of expressing an opinion about whether the AELR is presented, in all material respects, in accordance with the Uniform Expenditure Reporting System, we confirm, to the best of our knowledge and belief, as of the date of our signature, the following representations made to you during your examination.

1. The AELR for the year ended June 30, 2020 is presented in accordance with the Uniform Expenditure Reporting System.
2. We are responsible for the AELR and for our assertion that it is presented in accordance with the Uniform Expenditure Reporting System.
3. We have provided you with all relevant information and access to information and personnel in connection with your examination of the AELR.
4. We have disclosed to you all deficiencies in internal control relevant to the engagement of which we are aware.
5. We have disclosed to you knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the AELR.
6. All relevant matters are reflected in the measurement and/or evaluation of the AELR.
7. We believe that significant assumptions used in making any material estimates are reasonable.
8. We have disclosed to you all known matters that may contradict the AELR, and we have disclosed to you all communications from regulatory agencies, received through the date of your report affecting the AELR.

9. We have disclosed to you all events subsequent to June 30, 2020 that would have a material effect on the AELR.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Andrea Davis

Andrea Davis (Mar 8, 2021 12:09 MST)

Andrea Davis, Finance Director
City of Surprise, Arizona

03/08/2021

Date

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and Members of the City Council
City of Surprise, Arizona

We have examined the City of Surprise, Arizona's (City) compliance as to whether highway user revenue fund monies received by the City of Surprise, Arizona pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City of Surprise, Arizona, were used solely for authorized transportation purposes during the year ended June 30, 2020. Management is responsible for the City of Surprise, Arizona's compliance with those requirements. Our responsibility is to express an opinion on the City of Surprise, Arizona's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about the City of Surprise, Arizona's compliance with the requirements referred to above, in all material respects. An examination involves performing procedures to obtain evidence about the City of Surprise, Arizona's compliance with the requirements referred to above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance of the report, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City of Surprise, Arizona's compliance with specified requirements.

In our opinion, the City of Surprise, Arizona complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2020.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
January 21, 2021

January 21, 2021

To the Honorable Mayor and Members of the Town Council
City of Surprise, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and remaining fund information of City of Surprise, Arizona (City) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to you during the planning phase of the audit. Professional standards also require that we communicate to you the following matters related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Surprise, Arizona are described in Note 1 to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

The most sensitive estimates affecting the financial statements are:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time management estimates those assets will provide some economic benefit in the future.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension are based on historical trends and industry standards.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. During the course of the audit we did not identify any misstatements which require communication.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain written representations from management, which are included in the management representation letter provided to us at the conclusion of the audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants regarding auditing and accounting matters.

Discussions with Management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management throughout the course of the year. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention as the City's auditors.

Compliance with Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm, have complied with all relevant ethical requirements regarding independence. Heinfeld, Meech & Co., P.C. continually assesses client relationships to comply with relevant ethical requirements, including independence, integrity, and objectivity, and policies and procedures related to the acceptance and continuance of client relationships and specific engagements. Our firm follows the "Independence Rule" of the AICPA Code of Professional Conduct and the rules of state boards of accountancy and applicable regulatory agencies. It is the policy of the firm that all employees be familiar with and adhere to the independence, integrity, and objectivity rules, regulations, interpretations, and rulings of the AICPA, U.S. Government Accountability Office (GAO), and applicable state boards of accountancy.

Responsibility for Fraud

It is important for both management and the members of the governing body to recognize their role in preventing, deterring, and detecting fraud. One common misconception is that the auditors are responsible for detecting fraud. Auditors are required to plan and perform an audit to obtain reasonable assurance that the financial statements do not include material misstatements caused by fraud. Unfortunately most frauds which occur in an organization do not meet this threshold.

The attached document prepared by the Association of Certified Fraud Examiners (ACFE) is provided as a courtesy to test the effectiveness of the fraud prevention measures of your organization. Some of these steps may already be in place, others may not. Not even the most well-designed internal controls or procedures can prevent and detect all forms of fraud. However, an awareness of fraud related

factors, as well as the active involvement by management and the members of the governing body in setting the proper “tone at the top”, increases the likelihood that fraud will be prevented, deterred and detected.

Additional Reports Issued

In addition to the auditor’s report on the financial statements we will also issue the following documents related to this audit. These reports are typically issued within 30 days of the date of this letter.

- Single Audit Reporting Package
- Management Letter
- Examination report on the Annual Expenditure Limitation Report
- HURF Report

Other Important Communications Related to the Audit

Attached to this letter are a copy of the signed engagement letter provided to us at the initiation of the audit, and a copy of the management representation letter provided to us at the conclusion of the audit. If there are any questions on the purpose or content of these letters please contact the engagement partner identified in the attached engagement letter.

Restriction on Use

This information is intended solely for the use of the members of the City Council and management of City of Surprise, Arizona and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona

Fraud Prevention Checklist

The most cost-effective way to limit fraud losses is to prevent fraud from occurring. This checklist is designed to help organizations test the effectiveness of their fraud prevention measures.

1. Is ongoing anti-fraud training provided to all employees of the organization?

- Do employees understand what constitutes fraud?
- Have the costs of fraud to the company and everyone in it — including lost profits, adverse publicity, job loss and decreased morale and productivity — been made clear to employees?
- Do employees know where to seek advice when faced with uncertain ethical decisions, and do they believe that they can speak freely?
- Has a policy of zero-tolerance for fraud been communicated to employees through words and actions?

2. Is an effective fraud reporting mechanism in place?

- Have employees been taught how to communicate concerns about known or potential wrongdoing?
- Is there an anonymous reporting channel available to employees, such as a third-party hotline?
- Do employees trust that they can report suspicious activity anonymously and/or confidentially and without fear of reprisal?
- Has it been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated?
- Do reporting policies and mechanisms extend to vendors, customers and other outside parties?

3. To increase employees' perception of detection, are the following proactive measures taken and publicized to employees?

- Is possible fraudulent conduct aggressively sought out, rather than dealt with passively?
- Does the organization send the message that it actively seeks out fraudulent conduct through fraud assessment questioning by auditors?
- Are surprise fraud audits performed in addition to regularly scheduled audits?
- Is continuous auditing software used to detect fraud and, if so, has the use of such software been made known throughout the organization?

- 4. Is the management climate/tone at the top one of honesty and integrity?**
 - Are employees surveyed to determine the extent to which they believe management acts with honesty and integrity?
 - Are performance goals realistic?
 - Have fraud prevention goals been incorporated into the performance measures against which managers are evaluated and which are used to determine performance-related compensation?
 - Has the organization established, implemented and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee)?
- 5. Are fraud risk assessments performed to proactively identify and mitigate the company's vulnerabilities to internal and external fraud?**
- 6. Are strong anti-fraud controls in place and operating effectively, including the following?**
 - Proper separation of duties
 - Use of authorizations
 - Physical safeguards
 - Job rotations
 - Mandatory vacations
- 7. Does the internal audit department, if one exists, have adequate resources and authority to operate effectively and without undue influence from senior management?**
- 8. Does the hiring policy include the following (where permitted by law)?**
 - Past employment verification
 - Criminal and civil background checks
 - Credit checks
 - Drug screening
 - Education verification
 - References check
- 9. Are employee support programs in place to assist employees struggling with addictions, mental/ emotional health, family or financial problems?**
- 10. Is an open-door policy in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute?**
- 11. Are anonymous surveys conducted to assess employee morale?**

June 22, 2020

Honorable Mayor, Members of the City Council, and Management
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

We are pleased to confirm our understanding of the services we are to provide for the City of Surprise, Arizona (City).

We will examine the Annual Expenditure Limitation Report (AELR) of the City for the year ended June 30, 2020. The objectives of our examination are to (1) obtain reasonable assurance about whether the AELR is free from material misstatement; and (2) to express an opinion as to whether the AELR is presented, in all material respects, in accordance with the Uniform Expenditure Reporting System.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the Auditor General of the State of Arizona, Honorable Mayor, Members of the City Council, and Management of the City. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We will plan and perform the examination to obtain reasonable assurance about whether the AELR is free from material misstatement, based on the Uniform Expenditure Reporting System. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for the presentation of AELR in accordance with the Uniform Expenditure Reporting System and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about whether the AELR is presented in accordance with the Uniform Expenditure Reporting System. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

Brittney Williams is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The documentation for this engagement is the property of Heinfeld, Meech & Co., P.C. and constitutes confidential information. However, subject to applicable laws and regulations, documentation will be made available upon request to governmental agencies pursuant to authority given to them by law or regulation. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

The documentation for this engagement will be retained for a minimum of five (5) years after the report release date, or for any additional period requested by a regulator, oversight agency, or pass-through entity. Upon expiration of the five year period, or any additional period, we will commence the process of destroying the contents of our engagement files.

Any disagreement, controversy, or claim ("dispute") that may arise from any aspect of our services, including this engagement or any prior engagement, will be submitted to mediation. The parties will engage in the mediation process in good faith once a written request to mediate has been given by any party. Any mediation initiated as a result of this engagement shall be administered by The American Arbitration Association, according to its mediation rules before resorting to litigation. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally.

Our fee for these services will be at the amount outlined in our proposal. Our fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the examination. We exercised care in estimating the fee and believe it accurately indicates the scope of the work. Subsequent review of documentation and additional meetings will be billed at the hourly rates indicated below. Our fee does not include factors beyond our control, such as consultation and assistance in correcting errors in City prepared information, or rescheduling when the City is not prepared. Not completing the requested information on time will jeopardize meeting the applicable filing deadlines. Additional fees incurred for factors beyond our control will be billed at the following hourly rates: Partner - \$270; Manager - \$215; Senior - \$155; Staff - \$110. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona

cc: Teresa Butterbredt, Assistant Director of Finance
Andrea Davis, Finance Director

RESPONSE:

This letter correctly sets forth the understanding of City of Surprise, Arizona.

By: *Teresa Butterbredt*
Teresa Butterbredt (Jun 22, 2020 13:50 PDT)

Title: Assistant Finance Director

Date: 06/22/2020

Heinfeld, Meech & Co., P.C.
3033 N. Central Ave. Suite 300
Phoenix, AZ 85012

This representation letter is provided in connection with your audit of the financial statements of City of Surprise, Arizona, which comprise the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of our signature, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been evaluated, and if necessary, have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, grantors, regulators, or others.
15. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. If applicable, we have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified and communicated to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. If applicable, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
23. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred outflows/inflows of resources, and fund balance or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
26. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
28. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
29. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
30. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
32. If applicable, the financial statements include all component units, appropriately present majority equity interest in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
33. The financial statements properly classify all funds and activities in accordance with U.S. GAAP.
34. All funds that meet the quantitative criteria for presentation as a major fund are identified and presented as such and all other funds that are presented as a major fund are particularly important to financial statement users.
35. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
36. Investments are properly valued.

37. With regard to investments and other instruments reported at fair value:
- The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
38. If applicable, provisions for uncollectible receivables have been properly identified and recorded.
39. All payroll information and the individual employment data have been properly submitted to the state retirement systems, and the employer contributions have been properly submitted to the retirement systems.
40. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
41. Revenues are appropriately classified in the statement of activities within program revenues, and general revenues.
42. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
43. Special and extraordinary items, if any, are appropriately classified and reported.
44. Deposits and investment securities are properly classified as to risk and are properly disclosed.
45. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
46. We have identified and disclosed to you all programs, agreements, and transactions that result in a tax abatement for financial reporting purposes. Tax abatement agreements and programs have been properly disclosed in the notes to the financial statements.
47. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
48. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

49. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
50. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
51. With respect to the supplementary information presented, such as the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards.
- a. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
52. With respect to federal award programs:
- a. We are responsible for understanding and complying with and have complied with the 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), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
 - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards, if any.
- j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. If applicable, we have monitored subrecipients to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u. If applicable, we have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v. If applicable, we have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information

- z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- bb. If applicable, we have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

We understand that at the conclusion of the audit Heinfeld, Meech & Co, P.C. will submit to the City Council a communication to those charged with governance that will include a copy of this representation letter and a copy of the engagement letter.

Andrea Davis

Andrea Davis (Jan 21, 2021 09:45 MST)

Andrea Davis, Chief Financial Officer
City of Surprise, Arizona

01/21/2021

Date

Teresa Butterbredt

Teresa Butterbredt (Jan 20, 2021 09:38 MST)

Teresa Butterbredt, Assistant Director/Accounting
City of Surprise, Arizona

01/20/2021

Date

City of Surprise, Arizona
Management Letter
Year Ended June 30, 2020

Honorable Mayor, Members of the City Council and Management
City of Surprise, Arizona

Members of the City Council and Management:

In planning and conducting our single audit of the City of Surprise, Arizona for the year ended June 30, 2020, we performed the following as required by *Government Auditing Standards* (GAS) and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance):

- Considered the City's internal control over financial reporting,
- Tested internal controls over major Federal programs, and
- Tested compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the City's financial statements and major federal programs.

Any audit findings that are required to be reported by GAS and Uniform Guidance have been included in the City's Single Audit Reporting Package for the year ended June 30, 2020. However, during our audit we noted certain immaterial matters that are opportunities for strengthening internal controls and instances of noncompliance with laws and regulations that did not meet that reporting criteria. Management should address these items to ensure that it fulfills its responsibility to establish and maintain adequate internal controls and comply with laws, regulations, contracts, and grant agreements. Those items and our related recommendations are briefly described in the accompanying summary. The items discussed in the accompanying summary are only a result of audit procedures performed based on risk assessment procedures and not all deficiencies or weaknesses in controls may have been identified.

This information is intended for the City of Surprise, Arizona's City Council and Management and is not intended to be and should not be used by anyone other than the specified party. However, this information is a matter of public record, and its distribution is not limited.

We have already discussed these items and suggestions with City personnel and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.

Phoenix, Arizona

January 21, 2021

**CITY OF SURPRISE, ARIZONA
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2020**

Conflicts of Interest

During the year the City paid a business, owned by an employee to clean the seats of a firetruck. The City paid the business \$150 on a city procurement card. This is a violation of ARS 38-503 due to this conflict not being formally disclosed and the purchase was not subject to public competitive bidding. Furthermore, it's a violation of the City's Conflict of Interest Policy 9.2, which prohibits employees from supplying the City with services beyond the scope of employment.

Internal controls must ensure that employees involved in purchasing have the appropriate training to properly identify and avoid conflict of interests.

Financial Reporting

During the course of the audit several immaterial audit adjustments were recommended. A summary of the adjustments are listed below.

- The allowance for doubtful accounts for utility receivables was not updated. This error resulted in receivables and revenue being overstated by \$295,751.
- Restricted cash and investments and restricted liabilities in the utility funds were misclassified. Additionally, restricted cash was misclassified in the general fund.
- Unearned grant revenue was overstated by \$105,071 and grant revenue was overstated by \$52,558. Additionally, unavailable grant revenue was understated by \$157,629.
- Unavailable property tax revenue and court revenues were misclassified as unearned revenue.
- The City improperly recorded a restriction of net position for debt service in the sewer fund of \$2.3 million.
- The net investment in capital assets for governmental activities was overstated by \$108,905 due to the calculation being performed before the City amortized the annual deferred loss on refunding.
- Prepaid contributions to the public safety retirement system were not accounted for in the deferred outflow of resources calculation for contributions subsequent to the measurement date. Furthermore, the fire insurance premium credit was included in the deferred outflow calculation when it should not be due to the funds being contributed by the State.

These errors are attributed to the turnover the finance department experienced before and after year end including being without an accounting manager and lead senior accountant during the audit. The lack of resources resulted in quality control checks on the financial statements not being performed before the financial statements were provided to the audit team. Additionally, the City experienced unanticipated difficulties using the report writer software to prepare the financial statements.

It is recommended that the City take note of these adjustments and add them to the year-end adjustments checklist. Additionally, it is recommended that the City's review procedures are thoroughly performed prior to providing the financial statements to the audit team. Finally, the City should seek training on the use of the CAFR Builder software.

City of Surprise, Arizona
Single Audit Reporting Package
Year Ended June 30, 2020

**CITY OF SURPRISE, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2020**

<u>CONTENTS</u>	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9
Auditee Response	
Cover Letter	10
Summary Schedule of Prior Audit Findings	11

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Surprise, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Surprise, Arizona, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Surprise, Arizona's basic financial statements, and have issued our report thereon dated January 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Surprise, Arizona's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Surprise, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Surprise, Arizona's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
January 21, 2021

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Independent Auditor's Report

Governing Board
Honorable Mayor and Members of the City Council
City of Surprise, Arizona

Report on Compliance for Each Major Federal Program

We have audited City of Surprise, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Surprise, Arizona's major federal programs for the year ended June 30, 2020. City of Surprise, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Surprise, Arizona's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Surprise, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Surprise, Arizona's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Surprise, Arizona complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of City of Surprise, Arizona is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Surprise, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Surprise, Arizona's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Surprise, Arizona as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Surprise, Arizona's basic financial statements. We issued our report thereon dated January 21, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
February 23, 2021

City of Surprise
Schedule of Expenditures of Federal Awards
Year ended June 30, 2020

Federal agency/CFDA number/Pass-through grantor	Federal program name/Program Title	Cluster title	Other Award ID Number	Program expenditures	Amount provided to subrecipients
<u>U.S. Department of the Treasury</u>					
Passed through the Executive Office of the State of Arizona					
21 019	2020 Coronavirus Relief Fund		ERMT-20-008	9,031,538	
Total U.S. Department of the Treasury				9,031,538	
<u>U.S. Department of Housing and Urban Development</u>					
14 218	Community Development Block Grants/Entitlement Grants	CDBG-Entitlement Grants Cluster			
	2018 Community Development Block Grant			650,366	
	2019 Community Development Block Grant			441,908	
	Community Development Block Grant			49,463	49,463
	Neighborhood Stabilization Program NSP1			110,327	
	Neighborhood Stabilization Program NSP3			1,688	
	Total CDBG-Entitlement Grants Cluster			1,253,752	49,463
Passed through Maricopa County/the Maricopa HOME Consortium					
14 239	Home Investment Partnerships Program				
	2019 HOME Investment Partnerships Program		C-22-17-046-3-03	15,887	-
	Total HOME Investment Partnerships Program			15,887	-
Total U.S. Department of Housing and Urban Development				1,269,639	49,463
<u>U.S. Department of Justice</u>					
16 004	Law Enforcement Assistance_Narcotics and Dangerous Drugs Training			33,527	-
Passed through City of Phoenix Police Department					
16 543	Missing Children's Assistance			5,000	-
Passed through Arizona Department of Public Safety					
16 575	Crime Victim Assistance				
	Crime Victim Assistance		VOCA-2018-CSPO-00293	129,479	-
	Crime Victim Assistance		VOCA-2018-SFD-00215	114,235	-
	Total Crime Victim Assistance			243,714	-
16 710	Public Safety Partnership and Community Policing Grants		2016UMWX0122	182,051	-
16 922	Equitable Sharing Program		AZ0072700	242,480	-
Total U.S. Department of Justice				706,772	-
<u>U.S. Department of Transportation</u>					
Passed through Arizona Department of Transportation					
20 205	Highway Planning and Construction	Highway Planning and Construction Cluster			
	Highway Planning and Construction		SUR-0(232)D	3,968	-
	Highway Planning and Construction		SUR-0(233)D	4,150	-
	Highway Planning and Construction		SUR-0(229)T	4,306	-
	Total Highway Planning and Construction Cluster			12,424	-
Passed through Arizona Governor's Office of Highway Safety					
20 600	State and Community Highway Safety	Highway Safety Cluster			
	State and Community Highway Safety		2020-AI-011	39,542	-
	State and Community Highway Safety		2020-PTS-061	13,406	-
	State and Community Highway Safety		2019-PTS-052	27,393	-
	State and Community Highway Safety		2020-MC-003	6,498	-
	State and Community Highway Safety		2019-MC-003	2,502	-
	State and Community Highway Safety		2020-AL-037	367	-
	Subtotal 20.600 State and Community Highway Safety			89,708	-

City of Surprise
Schedule of Expenditures of Federal Awards
Year ended June 30, 2020

Federal agency/CFDA number/Pass-through grantor	Federal program name/Program Title	Cluster title	Other Award ID Number	Program expenditures	Amount provided to subrecipients
Passed through Governor's Office of Highway Safety					
20 616	National Priority Safety Programs	Highway Safety Cluster			
	National Priority Safety Programs		2020-II-006	72,905	-
	National Priority Safety Programs		2019-405d-051	40,798	-
	National Priority Safety Programs		2020-405d-040	5,985	-
	National Priority Safety Programs		2019-405h-018	1,264	-
	National Priority Safety Programs		2020-405b-008	10,759	-
	National Priority Safety Programs		2019-405b-010	780	-
	National Priority Safety Programs		2019-405b-011	9,729	-
	National Priority Safety Programs		2020-405b-009	5,544	-
	Subtotal 20.616 National Priority Safety Programs			147,764	-
	Total Highway Safety Cluster			237,472	-
Passed through Governor's Office of Highway Safety					
20 614	National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants		2019-PB-008	25,000	-
	Total U.S. Department of Transportation			274,896	-
<u>U.S. Department of Health and Human Services</u>					
Passed through Area Agency on Aging, Region One					
93 045	Special Programs for the Aging_ Title III, Part C_ Nutrition Services	Aging Cluster	2020-36-SUR	101,349	-
Passed through Maricopa County Human Services					
93 569	Community Services Block Grant		C-22-19-038-3-00	100,000	-
Passed through United Health Group					
93 498	COVID-19 Provider Relief Fund			60,647	-
Passed through Maricopa County Human Services					
93 667	Social Services Block Grant		C-22-16-043-3-03	85,704	-
	Total U.S. Department of Health and Human Services			347,700	-
<u>U.S. Department of Homeland Security</u>					
97 044	Assistance to Firefighters Grant			301,456	-
Passed through Arizona Department of Emergency Management					
97 036	COVID-19 Disaster Grants- Public Assistance		CV-037	175,302	
Passed through Arizona Department of Homeland Security					
97 067	Homeland Security Grant Program				
	Homeland Security Grant Program		180821-01	6,166	-
	Homeland Security Grant Program		180215-01	3,583	-
	Homeland Security Grant Program		180820-01	3,251	-
	Homeland Security Grant Program		190822-01	28,287	-
	Homeland Security Grant Program		190821-01	16,799	-
	Total Homeland Security Grant Program			58,086	-
97 083	Staffing for Adequate Fire and Emergency Response (SAFER)		EMW-2018-FH-00377	210,232	
	Total U.S. Department of Homeland Security			745,076	-
	Total Expenditures of Federal Awards			\$ 12,375,621	\$ 49,463

CITY OF SURPRISE, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of Surprise, Arizona under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

10% De Minimis Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Catalog of Federal Domestic Assistance Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or through beta.sam.gov. If the three-digit CFDA extension is unknown, there is a U followed by a two-digit number in the CFDA extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

**CITY OF SURPRISE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	CDBG-Entitlement Grants Cluster
21.019	COVID 19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: No

Findings Related to Financial Statements Reported in Accordance with Government Auditing Standards: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: Yes



FINANCE DEPARTMENT
CITY OF SURPRISE
16000 N. CIVIC CENTER PLAZA
SURPRISE, AZ 85374
T. 623.222.1800

February 23, 2021

To Whom It May Concern:

The accompanying Summary Schedule of Prior Audit Findings has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The status for each finding included in the prior year audit's Schedule of Findings and Questioned Costs has been provided.

Sincerely,

Jon Gake
Accounting Manager

**CITY OF SURPRISE, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

Status of Findings and Questioned Costs Related to Federal Awards

Finding Number: 2019-001

Program Name/CFDA Title: CDBG-Entitlement Grants Cluster

CFDA Number: 14.218

Status: Fully corrected.

Finding Number: 2019-002

Program Name/CFDA Title: CDBG-Entitlement Grants Cluster

CFDA Number: 14.218

Status: Fully corrected.

Heinfeld, Meech & Co., P.C.
3033 N. Central Ave. Suite 300
Phoenix, AZ 85012

This representation letter is provided in connection with your audit of the financial statements of City of Surprise, Arizona, which comprise the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of our signature, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been evaluated, and if necessary, have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, grantors, regulators, or others.
15. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. If applicable, we have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified and communicated to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. If applicable, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
23. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred outflows/inflows of resources, and fund balance or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
26. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
28. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
29. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
30. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
32. If applicable, the financial statements include all component units, appropriately present majority equity interest in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
33. The financial statements properly classify all funds and activities in accordance with U.S. GAAP.
34. All funds that meet the quantitative criteria for presentation as a major fund are identified and presented as such and all other funds that are presented as a major fund are particularly important to financial statement users.
35. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
36. Investments are properly valued.

37. With regard to investments and other instruments reported at fair value:
- The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
38. If applicable, provisions for uncollectible receivables have been properly identified and recorded.
39. All payroll information and the individual employment data have been properly submitted to the state retirement systems, and the employer contributions have been properly submitted to the retirement systems.
40. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
41. Revenues are appropriately classified in the statement of activities within program revenues, and general revenues.
42. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
43. Special and extraordinary items, if any, are appropriately classified and reported.
44. Deposits and investment securities are properly classified as to risk and are properly disclosed.
45. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
46. We have identified and disclosed to you all programs, agreements, and transactions that result in a tax abatement for financial reporting purposes. Tax abatement agreements and programs have been properly disclosed in the notes to the financial statements.
47. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
48. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

49. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
50. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
51. With respect to the supplementary information presented, such as the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards.
- a. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
52. With respect to federal award programs:
- a. We are responsible for understanding and complying with and have complied with the 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), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
 - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards, if any.
- j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. If applicable, we have monitored subrecipients to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u. If applicable, we have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v. If applicable, we have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information

- z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- bb. If applicable, we have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

We understand that at the conclusion of the audit Heinfeld, Meech & Co, P.C. will submit to the City Council a communication to those charged with governance that will include a copy of this representation letter and a copy of the engagement letter.

Andrea Davis
Andrea Davis (Jan 21, 2021 09:45 MST)

Andrea Davis, Chief Financial Officer
City of Surprise, Arizona

01/21/2021

Date

Teresa Butterbredt
Teresa Butterbredt (Jan 20, 2021 09:38 MST)

Teresa Butterbredt, Assistant Director/Accounting
City of Surprise, Arizona

01/20/2021

Date

City of Surprise, Arizona
Report on Applying Agreed-Upon Procedures
Biennial Certification of Land Use Assumptions,
Infrastructure Improvement Plan
and Development Impact Fees
For the Period July 1, 2018 through June 30, 2020

**CITY OF SURPRISE, ARIZONA
TABLE OF CONTENTS**

<u>CONTENTS</u>	<u>PAGE</u>
Independent Accountant’s Report on Applying Agreed-Upon Procedures	1
Summary of Findings	3
Appendix A – Progress of Infrastructure Improvement Plan Projects	4

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the City Council
City of Surprise, Arizona

We have performed this agreed-upon procedures engagement to assist management of the City of Surprise, Arizona (City), in complying with the requirement as set forth in Arizona Revised Statutes (A.R.S.) 9-463.05.G.2 “to provide for a biennial certified audit of the municipality’s land use assumptions, infrastructure improvements plan and development fees”. We have performed the procedures identified below, which were agreed to by the management of City of Surprise, Arizona, solely to assist management of the City of Surprise in evaluating the City of Surprise’s compliance with the progress reporting requirements of the infrastructure improvement plan for the period from July 1, 2018 through June 30, 2020, as specified in A.R.S. 9-463.05.G.2. City of Surprise, Arizona’s management is responsible for its compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

We have applied the following procedures:

The progress of the infrastructure improvements plan.

- a. Compared growth projections for 2019 and 2020 related to population, housing units and nonresidential square footage as reported in the Land Use Assumptions. A list of all variances are reported in the Summary of Findings.
- b. Obtained City-prepared report (see Appendix A) documenting the progress of each project identified in the Infrastructure Improvement Plan (IIP) and performed the following procedures:
 - i. Agreed expenditures as of June 30, 2020 to the underlying accounting records.
 - ii. Agreed amounts reported as estimated cost to complete to underlying accounting records.

The collection and expenditures of development impact fees for each project in the plan.

- c. Selected a sample of 40 building permits issued and determined fees were charged in accordance with authorized fee schedules and that each permit holder was charged the same rate as another equivalent permit holder.
- d. Selected a sample of 25 expenditures and determined that the expenditures were associated with an approved project in the City’s IIP.

Evaluating any inequities in implementing the plan or imposing the development impact fee.

- e. Determined each developer/unit was charged the same rate as another equivalent developer/unit by recalculating impact fees at the transaction level for the sample mentioned in step c. above.
- f. Determined that there were no instances in which the City waived development impact fees, except as allowed for under A.R.S. 9-499.10.B and A.R.S. 9-500.18.

The accompanying Summary of Findings describes the findings we noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of City of Surprise, Arizona, and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
November 12, 2020

CITY OF SURPRISE, ARIZONA

SUMMARY OF FINDINGS

FINDING NO. 1

Variances were noted for growth projections related to population, housing units and nonresidential square footage as reported in the Land Use Assumptions when compared to actual results. All variances are reported below.

2019				
	Projected	Actual	Variance	Variance %
Population ¹	144,395	132,852	(11,543)	-8%
Residential Housing Units	60,970	58,040	(2,930)	-5%
Nonresidential Square Footage				
Retail	5,410,087	5,345,255	(64,832)	-1%
Office	1,412,970	1,569,531	156,561	11%
Public	5,514,231	5,779,395	265,164	5%
Industrial	3,801,323	3,864,991	63,668	2%
Total Nonresidential Square Footage	16,138,611	16,559,172	420,561	3%
¹ Projected population is based on the Municipal Planning Area boundary and the actual population is based on the City limits.				

2020				
	Projected	Actual	Variance	Variance %
Population ¹	148,028	136,194	(11,834)	-8%
Residential Housing Units	62,278	58,257	(4,021)	-6%
Nonresidential Square Footage				
Retail	5,637,463	5,608,191	(29,272)	-1%
Office	1,474,239	1,661,888	187,649	13%
Public	5,687,358	5,975,006	287,648	5%
Industrial	3,941,939	3,982,385	40,446	1%
Total Nonresidential Square Footage	16,740,999	17,227,470	486,471	3%
¹ Projected population is based on the Municipal Planning Area boundary and the actual population is based on the City limits.				

FINDING NO. 2

The City charged several impact fee funds for the costs associated with the Report on Applying Agreed-Upon Procedures Biennial Certification of Land Use Assumptions, Infrastructure Improvement Plan and Development Impact Fees. It's reasonable to charge these expenditures to the impact fee funds; however, it should be noted that these expenditures are not explicitly listed in the City's IIP.

APPENDIX A
PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS

IIP page, figure	Project Description	Estimated Cost ^a	Expenditures as of 6/30/20 ^b	Estimated Cost to Complete	IIP Fiscal Year
Page 20, Figure PR10	Prasada Community Park - New 25 acre park	\$ 9,000,000	\$ -	\$9,000,000	2020-2021
Page 20, Figure PR10	White Tanks Community Park - New 25 acre park	9,000,000	-	9,000,000	2023
Page 20, Figure PR10	Surprise Community Park - Lighting, Parking, Restrooms	2,110,000	-	2,110,000	2022-2023
Page 20, Figure PR10	Tennis & Racquet Complex - Lighting for 8 tennis courts	300,000	356,907	(56,907)	2019
Page 20, Figure PR10	Sierra Montana Park - Restrooms & Lighting	770,000	-	770,000	2023
Page 20, Figure PR10	Rancho Mercado Neighborhood Park- New 13 acre park	2,200,000	-	2,200,000	2020-2021
Page 20, Figure PR10	Community Pool	6,500,000	-	6,500,000	2022-2023
Page 20, Figure PR10	Tribly Wash Community Park - New 25 acre park	9,000,000	-	9,000,000	2028-2029
Page 20, Figure PR10	Two West Community Park - New 25 acre park	9,000,000	-	9,000,000	2026-2027
Page 20, Figure PR10	Recreation Facility	10,000,000	-	10,000,000	2019-2029
Page 26, Figure P9	Evidence & Readiness Center (shared project - Police/Fire)	2,015,690	271,260	1,744,430	2020-2022
Page 26, Figure P9	Police Substation Land (3 acres) (shared project - Police/Fire)	562,500	1,449	561,051	2019
Page 26, Figure P9	Police Substation	9,573,800	-	9,573,800	2021-2022
Page 26, Figure P9	Public Safety Vehicles	1,700,000	93,885	1,606,115	2019-2028
Page 26, Figure P9	Public Safety Equipment	2,800,000	-	2,800,000	2019-2028
Page 33, Figure F8	District Fire Station 304	8,598,400	5,581,515	3,016,885	2019-2021
Page 33, Figure F8	Fire Station 308 (includes engine - see row 28)	7,098,600	93,785	7,004,815	2019-2022
Page 33, Figure F8	New Fire Station 309	7,098,600	-	7,098,600	2024-2028
Page 33, Figure F8	Fire Station Land (shared project - Police/Fire)	562,500	1,449	561,051	2019
Page 33, Figure F8	Evidence & Readiness Center (shared project - Police/Fire)	2,157,383	271,260	1,886,123	2020-2022
Page 33, Figure F8	Type 3 Fire Engine	560,000	-	560,000	2020
Page 33, Figure F8	Ambulance	375,500	-	375,500	2019
Page 33, Figure F8	Ambulance	375,500	-	375,500	2019
Page 33, Figure F8	Ambulance	375,500	395,327	(19,827)	2020
Page 33, Figure F8	Fire Engine (part of Fire Station 308 project)	775,000	349,811	425,189	2021
Page 33, Figure F8	Ambulance	375,300	296,703	78,597	2022
Page 33, Figure F8	Utility Truck	600,000	-	600,000	2021
Page 33, Figure F8	Water Tender	300,000	-	300,000	2020
Page 44, Figure W17	Water Transmission Line - Ashton Ranch/Roseview	2,750,000	-	2,750,000	2019-2028
Page 44, Figure W17	Arsenic Treatment - Rancho Gabriela	1,030,000	1,125,263	(95,263)	2019-2028
Page 44, Figure W17	Surprise Downtown Waterline Loop	1,150,000	-	1,150,000	2019-2028

APPENDIX A
PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS

IIP page, figure	Project Description	Estimated Cost^a	Expenditures as of 6/30/20^b	Estimated Cost to Complete	IIP Fiscal Year
Page 44, Figure W17	Operations Expansion	1,132,863	-	1,132,863	2020-2023
Page 44, Figure W17	SPA 1 Drinking Water Well	3,000,000	-	3,000,000	2020-2023
Page 44, Figure W17	Arsenic Treatment - Desert Oasis WSF	1,400,000	-	1,400,000	2019-2028
Page 44, Figure W17	SPA 2 Rancho Mercado WSF	8,700,000	57,962	8,642,038	2019-2028
Page 44, Figure W17	SPA 2 Rancho Mercado Well	3,000,000	-	3,000,000	2019-2028
Page 44, Figure W17	Operations Expansion	956,287	-	956,287	2020-2023
Page 44, Figure W17	Operations Expansion	114,350	-	114,350	2020-2023
Page 52, Figure WR9	Water Acquisitions	2,738,600	302,652	2,435,948	2020-2023
Page 52, Figure WR9	Circle City Water Acquisition	16,034,300	866,559	15,167,741	2019
Page 61, Figure WW13	Digester Modifications	5,500,000	34,388	5,465,613	2019-2020
Page 61, Figure WW13	SPA 2 Connecting Influent Pipeline	250,000	78,863	171,137	2023
Page 61, Figure WW13	SPA 2 Additional Land	3,288,500	-	3,288,500	2022

a) The source of the information in the City of Surprise 2019 Infrastructure Improvements Plan.

b) The source of the information is the City's financial records for the period July 1, 2018 through June 30, 2020.



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021

Contact Person: Jeanine Jerkovic, DIRECTOR -
ECON DEV

Submitting Department: Economic Development District: Citywide

Staff Recommendations: None

Consent: No	Regular: Yes	Public Hearing: No	Report/Discussion: No
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Agenda Wording:

Consideration and action pertaining to approval of a budget amendment to the Fiscal Year 2021 budget moving authority in the amount of \$60,000 from Economic Development Contingency to Services for reimbursement to National Indoor RV Centers for job creation; Resolution # 2021-53.

Motion:

I move to approve Resolution # 2021-53.

Background:

The Surprise City Council approved an incentive agreement on June 4, 2019 with National Indoor RV Centers (NIRVC). The five year agreement allows for sales tax reimbursement of up to \$300,000 or \$60,000 per year, and parking permissions for recreational vehicles. National Indoor RV Centers had to secure the RioGlass Property through a lease-purchase agreement option, make good-faith effort to ensure point-of-sales occur in the City, and meet certain employee hiring thresholds.

Objective Analysis:

National Indoor RV Centers has met the requirements for securing the property and provided the City the appropriate documentation regarding sales tax and employee thresholds.

Policy Compliant:

The incentive agreement was approved on June 4, 2019 and is still in force.

Financial Impact:

This action does not have a direct financial impact. This is only a movement of budget authority to align the FY2021 budget with the requirements of the incentive agreement.

Budget Impact:

This action moves budget authority in the amount of \$60,000 within the General Fund from Economic Development Contingency to services to align with expenses associated with the NIRVC Job Creation Incentive Agreement. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

FTE Impact:

None

ATTACHMENTS:

1. Staff Report - Budget Amendment NIRVC
 2. June 4, 2019 FINAL - Staff Report - NIRVC
 3. Resolution 2021-53 NIRVC Reimb_Rev
-



Economic Development Department

Meeting Date: June 4, 2019

To: Mayor and Council

From: Jeanine Jerkovic, Economic Development Director

Re: Budget Amendment (Agreement National Indoor RV Centers)

Summary

For City Council consideration and action is a budget amendment for \$60,000 from Economic Development Contingency to Incentive Agreement National Indoor RV Centers.

The Surprise City Council approved an incentive agreement on June 4, 2019 with National Indoor RV Centers. The five-year agreement allows for sales tax reimbursement of up to \$300,000 or \$60,000 per year, and parking permissions for recreational vehicles. National Indoor RV Centers was required to secure the RioGlass Property through a lease-purchase agreement option, make appropriate upgrades, make good-faith effort to ensure point-of-sales occur in the City, and meet certain employee hiring thresholds.

National Indoor RV Centers has met the requirements for securing the property and provided the City the appropriate documentation regarding their 1st year's sales tax and employee thresholds.

The Economic Development Contingency fund has the purpose of advancing economic development projects and initiatives. The transfer of \$60,000 from the approved FY21 Economic Development Contingency fund to the Incentive Agreement National Indoor RV Centers is consistent with the fund's purpose. .

Attachments

June 4, 2019 Staff Report
Resolution 2021-4700



Economic Development Department

Meeting Date: June 4, 2019

To: Mayor and Council

From: Jeanine Jerkovic, Economic Development Director

Re: Incentive Agreement for National Indoor RV Centers Project

Summary

For Council consideration and action is an employment generation incentive agreement with a term of 5 years between the City of Surprise and National Indoor RV Centers of Arizona, LLC (NIRVC-AZ), a Delaware Limited Liability Company, based in Arizona dedicated to the sales, servicing, storage and maintenance of luxury recreational motor coach vehicles.

The agreement would provide the City with a minimum of 65 full-time jobs, 20 of which will have an average salary of \$80,000, and all of which will include healthcare benefits. NIRVC-AZ's development of the property will require them to spend approximately \$1,500,000 for building modifications and electrical service.

An economic impact analysis prepared by the Greater Phoenix Economic Council ("GPEC") for this project ("GPEC Analysis") confirms that this business will generate an estimated \$14.4 million in direct tax revenues and an additional \$303,840 in indirect tax revenues for a total of \$14.7 million to the City of Surprise over a 10-year period. The GPEC Analysis also found that over ten (10) years the project would create approximately \$107.5 million in economic output, with \$81.0 million in direct economic output, and \$26.5 million in indirect output.

The City reimbursement incentive is post-performance; the right to reimbursement will not commence until the facility is operational and has been open for business for at least one year. The agreement requires NIRVC-AZ to meet specific employment and sales tax generation thresholds as a condition for the incentive. The incentive is up to \$300,000 over a five-year period, or five annual payments of up to \$60,000 provided NIRVC-AZ satisfies the preconditions for payment. Per the GPEC Analysis, the return on the City's investment over ten (10) years

would be 47-to-1. The only funding to be used for the reimbursement will be sales tax generated by NIRVC-AZ's operations and collected by the City. No other City funds would be used.

Background

The City Council Strategic Plan identifies the promotion of Surprise for economic development purposes and the use of creative earned post performance incentives. NIRVC-AZ's Manager began meeting with Economic Development staff in December 2018 and was pursuing multiple communities, both in-state and out-of-state, for their newest sales, storage and maintenance facility. The Economic Development Department created a proposed incentive package, inclusive of support services and post-performance sales tax reimbursement, with the support of Community Development and the City Attorney's Office, in order to secure the high quality jobs, investment, and anticipated sales in the community.

Agreement Profile

The business subject to this incentive agreement will be leasing space with an option to purchase at the RioGlass building, located at 13351 W. Rioglass Solar Rd., Surprise, AZ 85379. The City's agreement with RioGlass is valid through June 30, 2021 as long as RioGlass maintains operations in the City of Surprise.

The post-performance incentive agreement proposes a reimbursement of sales tax up to \$300,000 over five (5) years and allows NIRVC-AZ parking permissions on the property for the recreational vehicles.

NIRVC-AZ Obligations

Within one year from the effective date of approval of the agreement by the Surprise City Council, NIRVC-AZ agrees to enter into a lease-purchase agreement option for the RioGlass Property, complete necessary modifications and improvements to the property to operate effectively, and commence operations. NIRVC-AZ will also agree to make a good-faith effort to ensure that point-of-sales occur in the City and that the transaction privilege/sales taxes generated by NIRVC-AZ operations are paid to the City of Surprise.

In accordance with the sales tax reimbursement schedule, NIRVC-AZ will provide certified documentation establishing the numbers of full-time qualified employees located at the business.

Additionally as a part of the agreement, NIRVC-AZ is required to provide 122 parking spaces for employee/customer parking (non-RV parking).

City Obligations

This agreement requires the City to remit each annual payment to NIRVC-AZ pursuant to a five-year payment schedule with the first payment due within 30 days following the first anniversary date when NIRVC-AZ begins business operations on the property. Conditioned upon job count verifications each year by staff, the \$60,000 per year, 5-year payment schedule is as follows:

1. Year One Payment: At least thirteen (13) employees, with at least four (4) having earned a minimum annualized compensation the preceding year of \$80,000. All other employees will have earned a minimum of \$40,000;
2. Year Two Payment: At least twenty-six (26) employees, with at least eight (8) having earned a minimum annualized compensation the preceding year of \$80,000. All other employees with have earned a minimum of \$40,000;
3. Year Three Payment: At least thirty-nine (39) employees, with at least twelve (12) having earned a minimum annualized compensation the preceding year of \$80,000. All other employees will have earned minimum of \$40,000;
4. Year Four Payment: At least fifty-two (52) employees, with at least sixteen (16) having earned a minimum annualized compensation of \$80,000 the preceding year. All other employees with have earned a minimum of \$40,000; and
5. Year Five Payment: At least sixty-five (65) employees, with at least twenty (20) having earned a minimum annualized compensation the preceding year of \$80,000. All other employees will have earned a minimum of \$40,000.

In the event the transaction privilege/sales taxes generated by NIRVC-AZ's operations during the year prior to an anniversary date do not exceed One Hundred Fifty Thousand Dollars (\$150,000), then the annual payment due NIRVC-AZ for such year shall be reduced from Sixty Thousand Dollars (\$60,000) to Forty Thousand Dollars (\$40,000) for that year, with a corresponding reduction in the overall total payment to be made. The only City funds to be used to make the annual payments shall be sales taxes generated by NIRVC-AZ's operations at the facility.

As a part of the agreement, the City will also provide parking allowances within the property to alleviate costs to NIRVC-AZ. NIRVC-AZ is permitted to park recreational vehicles within the unpaved areas of the property provided the areas are covered with decomposed granite; further, the decomposed granite currently in place on the unpaved portions of the property intended for parking is sufficient for parking recreational vehicles. NIRVC-AZ will not be required to provide additional ground cover or replace the existing decomposed granite with stabilized decomposed granite or some other stabilized material. NIRVC-AZ will also be permitted to park recreational vehicles over the sewer easement within the property.

City Benefits:

The Economic Development Department views this project as beneficial to the City, as it proposes to create 65 new quality jobs with healthcare benefits, generate sales tax for the community, and utilize a potentially underperforming facility asset at the RioGlass building. During a time when cities nationally are challenged with identifying solutions to generating and recovering retail sales tax with the closure of many traditional bricks-and-mortar retail facilities, the NIRVC-AZ project proposes a substantial opportunity to increase Surprise General Fund revenues.

Financial & Budget Impact

The proposed incentive agreement is post-performance and will reimburse \$300,000 over five years of collected sales tax revenues generated by the company at the property.

Attachments

Incentive Agreement
Certification of Qualified Employees
GPEC Analysis
Resolution 2019-60

RESOLUTION # 2021-53

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2021 BUDGET BY MOVING BUDGET AUTHORITY OF \$60,000 FROM ECONOMIC DEVELOPMENT CONTINGENCY TO THE INCENTIVE AGREEMENT NATIONAL INDOOR RV CENTERS FOR THE PURPOSE OF REIMBURSEMENT CONSISTENT WITH THE INCENTIVE AGREEMENT APPROVED ON JUNE 4, 2019.

WHEREAS, the FY2021 budget was adopted including funding for economic development projects and initiatives through the Economic Development Contingency fund;

WHEREAS, the City Council approved a five-year incentive agreement with National Indoor RV Centers on June 4, 2019;

WHEREAS, the annual sales tax reimbursement is up to \$60,000;

WHEREAS, National Indoor met the requirements to be eligible for their first year reimbursement;

WHEREAS, the FY2021 budget was adopted by Council Resolution #2020-63 on June 2, 2020;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2020 through June 30, 2021.

APPROVED AND ADOPTED this ____ day of _____, 2021.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

RESOLUTION # 2021-53
Exhibit A

1. Appropriation - The allocation below represents a movement of budget authority in the amount of \$60,000 within the General Fund from Economic Development contingency to services for a reimbursement to National Indoor RV Center as required by the Job Creation Incentive Agreement. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

Fund	Department	Project/Category	Rev/ Exp	Current Budget	Increase/ (Decrease)	Amended Budget
General Fund	General Operations	Contingency	E	3,233,900	(60,000)	3,173,900
General Fund	General Operations	Services	E	6,559,200	60,000	6,619,200
Expense Total				9,793,100	-	9,793,100



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: April 20, 2021

Contact Person: Jeanine Jerkovic, DIRECTOR -
ECON DEV

Submitting Department: Economic Development District: Citywide

Staff Recommendations: None

Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval of an amendment to the Fiscal Year 2021 budget moving authority in the amount of \$150,000 from Economic Development Contingency to Services for a digital marketing pilot program and three feasibility studies; Resolution # 2021-52.

Motion:

I motion to approve Resolution #2021-52.

Background:

The Economic Development Department is monitoring an increase in activity in three development areas of the city that include the Loop 303, City Center, and north Surprise. The budget amendment will provide the department resources to target development related audiences through a digital marketing (pilot) program, evaluate impact and opportunities for potential projects in possible sectors such as sports & tourism, signature retail and entertainment, and advanced manufacturing.

Objective Analysis:

The Economic Development contingency account was established approximately ten years ago to provide the city the opportunity to be responsive to market conditions that are economically or publicly beneficial. The proposed digital marketing (pilot) and study services are in response to the need to connect with targeted industry audiences, obtain third party research for project opportunities, and gather relevant development information.

Policy Compliant:

The City Council Strategic Plan under Economic and Cultural Vitality identifies promotion of Surprise for quality advanced manufacturing (2.1), work on partnership opportunities to increase business environment (2.3), narrowing of competitiveness issues for economic development projects (2.7), work on opportunities to attract desirable retail services (2.4), and marketing of sports and tourism (2.9).

Financial Impact:

The one-time cost for all services is not anticipated to exceed \$150,000. No additional funding is anticipated at this time but any future need would be proposed by utilizing the Economic Development contingency account. The two services of marketing and feasibility study will be broken out as follows:

Digital Marketing Campaign \$25,000

This will be a pilot project and a recurring subscription will not be considered as part of the pilot. Success from the campaign may generate future discussion about continuing the project but will be at the discretion of the city.

Feasibility Studies \$125,000

Three separate studies will evaluate the impact and opportunities for potential projects in sports & tourism, signature retail and entertainment, and advanced manufacturing.

- Tourism project feasibility at City Center and Loop 303 for site and financial analysis (\$50,000)
- Loop 303 future retail economic and financial analysis (\$25,000)
- North Surprise future advanced manufacturing site analysis (\$50,000)

Budget Impact:

This action will move budget authority in the amount of \$150,000 within the General Fund from Economic Development contingency to services. This action represents a transfer of budget authority and does not increase or decrease the total adopted citywide expenditure budget.

FTE Impact:

No FTE impact.

ATTACHMENTS:

1. STAFF ED Budget Amendment 4 20 2021
 2. PRES Budget Amendment 4 20 2021
 3. Resolution 2021-52 ED Studies_Rev
-



Economic Development Department

Date: April 20, 2021

To: Mayor and Council

From: Jeanine Jerkovic, Economic Development Director

Re: Budget Amendment – Economic Development Contingency (Marketing & Feasibility)

Summary

For Council consideration and action is a proposed budget amendment from Economic Development Contingency for \$150,000 to the Economic Development Department's services account for digital marketing (pilot) and feasibility studies.

Background

The Economic Development Department is monitoring an increase in activity in three development areas of the city that include the Loop 303, City Center, and north Surprise. The budget amendment will provide the department resources to target development related audiences through a digital marketing (pilot) program. The resources will also serve to evaluate economic impact/financial benefit and development opportunities in sports & tourism, signature retail and entertainment, and advanced manufacturing.

Digital Marketing (Pilot) (\$25,000)

The Economic Development Department promotes opportunities in Surprise through a variety of marketing efforts. Industry relationships and memberships are a key fixture in the department's activity. The department uses video production, event hosting, print advertising, website, and social media content creation to amplify its marketing message.

The department does not currently have a digital advertising program. The proposed digital marketing program would be a six to nine month pilot to evaluate the potential benefit of using digital advertising to connect Surprise opportunities to a targeted corporate audience.

The department will evaluate the effectiveness of the campaign through monitoring increased brand awareness with industry contacts and the creation of new corporate audience relationships.

Feasibility Studies (\$125,000):

The Economic Development Department and the Sports & Tourism Department work in collaboration on the attraction of projects. Economic Development is assisting with analysis of City Center and the Loop 303 as locations for large tourism-related project development. The \$50,000 analysis would explore site development feasibility and potential economic impact.

Signature retail and entertainment continues to be a focus for the Economic Development Department. The recent success of large retail and increased activity along the Loop 303 may merit examination of area. The department proposes to use the \$25,000 to study the potential to optimize the economic impact and financial benefit for sales tax producing projects. The study area will be along the Loop 303 between Bell Road and Peoria Avenue.

The Economic Development Department continues to place the attraction of advanced manufacturing as one of its top priorities. In an effort to identify future capacity for high-impact projects, the \$50,000 feasibility study would evaluate areas in the growing north part of the city for advanced manufacturing.

Financial & Budget Impact

The proposed budget amendment would transfer \$150,000 from the FY21 approved annual budget in Economic Development contingency to the Economic Development service account. The digital marketing pilot does not have funding obligations past the six to nine month program, but if it is effective, additional program funding may be proposed. The three feasibility studies do not have any future funding obligation, but depending on the results derived from the reports, additional analysis may be proposed.

Attachments

Power Point Presentation
Resolution



Budget Amendment Digital Marketing & Feasibility

April 20, 2021

Budget Amendment

- Economic Development Contingency
 - City Council created the contingency approximately 10 years ago
 - Fund approved in the annual budget
 - Advance economic development projects and initiatives

FISCAL YEAR 2021
ANNUAL
BUDGET

Strategy 2.1:
PROMOTE SURPRISE AS A
LOCATION FOR QUALITY
ADVANCED MANUFACTURING OR
LOGISTICS BUSINESSES THAT USE
INNOVATIVE TECHNOLOGIES TO
IMPROVE THEIR PRODUCTS OR
PROCESSES.

Strategy 2.8:
LEVERAGE NEW
OPPORTUNITIES TO
ATTRACT VISITORS
WITH ENHANCED EVENT
AND ENTERTAINMENT
OPPORTUNITIES.

- Economic Development Department Services Account
 - Digital Marketing Pilot Program
 - Site feasibility studies for sports & tourism and advanced manufacturing
 - Economic impact and financial benefit analysis for Loop 303

Digital Marketing & Feasibility

- Digital Marketing Pilot Program (\$25,000)
 - Currently using personal, event, video, website, print, and social media
 - New digital program would target corporate audience
 - Test effectiveness 6-9 months to create new corporate relationships



Strategy 2.8:
LEVERAGE NEW
OPPORTUNITIES TO
ATTRACT VISITORS
WITH ENHANCED EVENT
AND ENTERTAINMENT
OPPORTUNITIES.

- Collaborate with land owners and developers to support tourism and entertainment development in Surprise.

- Tourism Site Feasibility & Economic Impact (\$50,000)
 - Ongoing collaboration with Sports & Tourism Department
 - Evaluate City Center and Loop 303
 - Site feasibility and economic Impact

Digital Marketing & Feasibility

- Loop 303 Future Retail Analysis (\$25,000)
 - Recent large retail success and more activity coming
 - Evaluate Loop 303 between Bell Road and Peoria Avenue
 - Study potential to optimize future economic impact and financial benefit



Strategy 2.1:
PROMOTE SURPRISE AS A
LOCATION FOR QUALITY
ADVANCED MANUFACTURING OR
LOGISTICS BUSINESSES THAT USE
INNOVATIVE TECHNOLOGIES TO
IMPROVE THEIR PRODUCTS OR
PROCESSES.

- Continue to proactively
market “shovel-ready” sites and
available real estate within the
City.

- North Surprise Advancement Manufacturing (\$50,000)
 - Advanced manufacturing high priority for city
 - Sector is expanding in Arizona
 - Evaluation for future capacity in north Surprise



QUESTIONS OR COMMENTS?

Thank You

RESOLUTION # 2021-52

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2021 BUDGET BY MOVING BUDGET AUTHORITY OF \$150,000 WITHIN THE GENERAL FUND FROM ECONOMIC DEVELOPMENT CONTINGENCY TO SERVICES FOR A DIGITAL MARKETING PILOT PROGRAM AND THREE FEASIBILITY STUDIES AND AMENDING THE CONTRACT AWARDING AUTHORITY LIST.

WHEREAS, the FY2021 budget was adopted including funding for economic development projects and initiatives through the Economic Development Contingency fund;

WHEREAS, the Economic Development Department proposes a six to nine month digital pilot program at a cost of \$25,000 to test the effectiveness of creating new corporate relationships;

WHEREAS, the Economic Development Department proposes a site and economic analysis at a cost of \$50,000 to determine the feasibility of a tourism site at City Center and Loop 303;

WHEREAS, the Economic Development Department proposes an economic impact and financial benefit analysis at a cost of \$25,000 to identify future sales tax producing projects along the Loop 303;

WHEREAS, the Economic Development Department proposes a site analysis at a cost of \$50,000 to identify future advanced manufacturing site capacity in north Surprise;

WHEREAS, the FY2021 budget was adopted by Council Resolution #2020-63 on June 2, 2020;

WHEREAS, the FY2021 budget, including the Contract Awarding Authority List, was adopted by Council Resolution #2020-63 on June 2, 2020;

WHEREAS, the City of Surprise Procurement Code §2-338 (d) requires the authority of the Mayor and Council when the cost to the city is greater than \$50,000.

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2020 through June 30, 2021.

APPROVED AND ADOPTED this ____ day of _____, 2021.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

RESOLUTION # 2021-52
Exhibit A

1. Appropriation - The allocation below represents a reallocation of budget authority in the amount of \$150,000 within the General Fund from Economic Development contingency to services for a digital marketing pilot program and three feasibility studies. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

Fund	Department	Project/Category	Rev/ Exp	Current Budget	Increase/ (Decrease)	Amended Budget
General Fund	General Operations	Contingency	E	3,233,900	(150,000)	3,083,900
General Fund	Economic Development	Services	E	849,100	150,000	999,100
Expense Total				4,083,000	-	4,083,000

2. Contract Awarding Authority List – This action will create a new item on the Fiscal Year 2021 Contract Awarding Authority List. This amount was based on the need for professional and outside services within the Economic Development Department.

Reference #	Description	Current Amount	Increase/ (Decrease)	Amended Amount
21384	Feasibility Study Services	\$0	\$200,000	\$200,000