OFFICIAL STATEMENT

NEW ISSUE - BOOK-ENTRY-ONLY **RATINGS: See "Ratings" herein**

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, the portion of the Lease Payments paid and denominated as interest under the Lease and received by the owners of the 2015 Certificates (the "Interest Portion") is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) the Interest Portion is exempt from Arizona state income tax. Bond Counsel expresses no opinion as to the treatment for federal income tax purposes or Arizona state income tax purposes of amounts paid to the owners of the 2015 Certificates in the event of termination of the Lease by nonappropriation. The Interest Portion may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of the Interest Portion. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

$185,580,000
CERTIFICATES OF PARTICIPATION, SERIES 2015
Evidencing Proportionate Interests of Owners thereof in Lease Payments to be Made by MARICOPA COUNTY, ARIZONA, As Lessee

Dated: Date of Initial Delivery **Due: July 1, as shown on inside front cover page**

The securities being offered hereby consist of Certificates of Participation, Series 2015 (the "2015 Certificates") in a Lease-Purchase Agreement, dated as of June 1, 2015 (the "Lease"), between U.S. Bank National Association, as trustee under the below-described Trust Agreement, as lessor (the "Trustee"), and Maricopa County, Arizona, as lessee (the "County"). The property being leased by the Trustee to the County consists of a leasehold interest in the South Court Tower of the County (the "Leased Property"). See "PLAN OF FINANCE - The Leased Property" herein. The 2015 Certificates are being executed and delivered under a Trust Agreement, dated as of June 1, 2015 (the "Trust Agreement"), between the Trustee and the County. Initially, the 2015 Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2015 Certificates. Purchases of beneficial interests in the 2015 Certificates will be made in book-entry-only form in amounts of $5,000 of principal maturing on a specified date or any integral multiple thereof. Purchasers will not receive certificates representing the ownership interest in the 2015 Certificates purchased by them. See Appendix G - "BOOK-ENTRY-ONLY SYSTEM."

Interest represented by the 2015 Certificates will accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their dated date and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2016, until maturity or prior redemption, and principal with respect to the 2015 Certificates will be payable annually in accordance with the schedule set forth on the inside front cover page. So long as the 2015 Certificates are registered in the name of DTC, or its nominee, payments of the principal and interest with respect to the 2015 Certificates will be made directly by the Trustee to DTC which, in turn, is obligated to remit such payments to its participants for subsequent distribution to beneficial owners of the 2015 Certificates, as described herein.

The 2015 Certificates will be subject to redemption prior to maturity as more fully described herein. See "THE 2015 CERTIFICATES - Redemption Provisions" herein.

The 2015 Certificates are being executed and delivered to (i) finance the acquisition by the Trustee of the Leased Property from the County, and (ii) pay costs related to the execution and delivery of the 2015 Certificates. See "PLAN OF FINANCE" herein.

MATURITY SCHEDULE AND ADDITIONAL INFORMATION ON INSIDE FRONT COVER PAGE

The 2015 Certificates, together with any Additional Certificates (defined herein) executed and delivered pursuant to the Trust Agreement (collectively, the "Certificates"), will evidence and represent undivided and proportionate interests of the registered Owners thereof in semiannual lease payments (the "Lease Payments") to be made by the County pursuant to the Lease. The County's obligations to make Lease Payments and any other obligation under the Lease will be subject to and dependent upon an annual budgeting and appropriation being made by the Board of Supervisors of the County to make such Lease Payments or other amounts. **The obligations of the County under the Lease will not be a general obligation or indebtedness of the County for any purpose. The obligation of the County to make payments under the Lease will be subject to termination as of the last day of each fiscal year, at the option of the County. If so terminated and not reinstated as provided in the Lease, the County shall thereafter be relieved of any subsequent obligation under the Lease other than to surrender possession of the Leased Property to the Trustee. Upon such termination, there will be no assurance of payment of the principal or interest represented by the Certificates, including the 2015 Certificates, from funds available under the Trust Agreement as a result of the Trustee's re-leasing of the Leased Property.** See "SOURCES OF PAYMENT OF THE CERTIFICATES" and "SECURITY FOR THE CERTIFICATES" herein.

The Certificates will be payable solely from the Lease Payments to be made by the County from the sources identified herein and from funds available under the Trust Agreement. The obligation of the County to make the Lease Payments will not be secured by a pledge of any funds, will not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation nor constitute a general obligation of the County nor an indebtedness of the County, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitations.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2015 Certificates are offered when, as and if certain conditions are satisfied and subject to the legal opinion of Squire Patton Boggs (US) LLP, Bond Counsel. Squire Patton Boggs (US) LLP is also serving as Disclosure Counsel to the County. Certain legal matters will be passed upon solely for the benefit of the Underwriters by their counsel, Ballard Spahr LLP. It is expected that the 2015 Certificates will be available for delivery through the facilities of DTC, on or about June 25, 2015.

J.P. Morgan

RBC Capital Markets **Stifel**

June 9, 2015

$185,580,000
CERTIFICATES OF PARTICIPATION,
SERIES 2015
Evidencing a Proportionate Interest of Owners thereof in
Lease Payments to be Made by
MARICOPA COUNTY, ARIZONA, As Lessee

Maturity Schedule

Maturity (July 1)	Principal Amount	Interest Rate	Yield	CUSIP (a) 566746
2017	$10,000,000	3.00%	0.96%	CR2
2017	80,625,000	5.00	0.96	CT8
2018	25,000,000	3.00	1.35	CS0
2018	69,955,000	5.00	1.35	CU5

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MARICOPA COUNTY, ARIZONA
BOARD OF SUPERVISORS

Steve Chucri, *Chairman*

Denny Barney	Steve Gallardo
Clint Hickman	Andy Kunasek

COUNTY ADMINISTRATIVE OFFICIALS

ELECTED OFFICIALS

Paul D. Petersen *County Assessor*	Charles Hoskins *County Treasurer*	Bill Montgomery *County Attorney*

APPOINTED OFFICIALS

Tom Manos
County Manager

Shelby L. Scharbach
Assistant County Manager and Chief Financial Officer

BOND COUNSEL

Squire Patton Boggs (US) LLP
Phoenix, Arizona

FINANCIAL ADVISOR

Piper Jaffray & Co.
Phoenix, Arizona

TRUSTEE

U.S. Bank National Association
Phoenix, Arizona

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, does not constitute an offering of any security other than the original offering of the 2015 Certificates identified on the cover page hereof. No person has been authorized by Maricopa County, Arizona (the "County"), to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the County.

All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show certain historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. All forecasts, projections, assumptions, opinions or estimates are "forward looking statements," which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

A wide variety of other information, including financial information, concerning the County is available from publications and websites of the County and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Stifel Nicolaus & Company, Incorporated (collectively, the "Underwriters") have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors in accordance with the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2015 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The issuance and sale of the 2015 Certificates have not been registered under the federal Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities; nor have the issuance and sale of the 2015 Certificates been qualified under the Securities Act of Arizona, in reliance upon various exemptions thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information contained herein in Appendix G – "BOOK-ENTRY-ONLY SYSTEM" has been furnished by The Depository Trust Company, and no representation has been made by the County, the Financial Advisor or the Underwriters, or any of their counsel or agents, as to the accuracy or completeness of such information.

The County has undertaken to provide continuing disclosure with respect to the 2015 Certificates as required by Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING SECONDARY MARKET DISCLOSURE" and Appendix F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

U.S. Bank National Association, as trustee and lessor, assumes no responsibility for this Official Statement and has not reviewed or undertaken to verify any information contained herein.

TABLE OF CONTENTS

Page

$185,580,000
CERTIFICATES OF PARTICIPATION,
SERIES 2015
Evidencing a Proportionate Interest of Owners thereof in
Lease Payments to be Made by
MARICOPA COUNTY, ARIZONA, As Lessee

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and appendices hereto (the "Official Statement"), has been prepared on behalf of Maricopa County, Arizona (the "County"), in connection with the original execution, delivery and sale of $185,580,000 principal amount of Certificates of Participation, Series 2015 (the "2015 Certificates").

Certain capitalized terms used herein but not defined elsewhere are defined under "SUMMARY OF LEGAL DOCUMENTS - Certain Definitions" in Appendix D hereto.

The 2015 Certificates, together with any Additional Certificates (hereafter defined) executed and delivered pursuant to the hereafter-described Trust Agreement (collectively, the "Certificates"), evidence and represent undivided and proportionate interests of the registered owners thereof in semiannual lease payments (the "Lease Payments") for the hereafter-described Leased Property, to be made by the County pursuant to a Lease-Purchase Agreement, dated as of June 1, 2015 (the "Lease"), between U.S. Bank National Association, as trustee under the Trust Agreement, as lessor (the "Trustee"), and the County, as lessee. The property being leased by the Trustee to the County will consist of a leasehold interest in the South Court Tower of the County (the "Leased Property"). See "PLAN OF FINANCE - The Leased Property" herein. The 2015 Certificates are being executed and delivered under a Trust Agreement, dated as of June 1, 2015 (the "Trust Agreement"), between the Trustee and the County.

The 2015 Certificates are being executed and delivered to (i) finance the acquisition by the Trustee of the Leased Property from the County, and (ii) pay costs associated with the execution and delivery of the 2015 Certificates. See "PLAN OF FINANCE" herein. A leasehold interest in the Leased Property will be held by the Trustee pursuant to a Ground Lease, dated as of June 1, 2015 (the "Ground Lease"), between the County and the Trustee with respect to the Leased Property. Pursuant to the Lease, the Trustee will lease back to the County the Leased Property. See "PLAN OF FINANCE" herein.

The County expects to use the amounts received from the Trustee from the financing of the acquisition of the Leased Property to pay the costs of the herein-described Improvements, which are expected to consist of capital expenditures for various County departments during fiscal years 2014-15 through 2016-17, but may include other capital project purposes. None of the Improvements will be part of the Leased Property. See "PLAN OF FINANCE – The Improvements" herein.

The Lease Payments and any other obligation of the County under the Lease are payable exclusively from annually appropriated funds of the County and will not be a general obligation or indebtedness of the County for any purpose. The obligation of the County to make payments under the Lease will be subject to termination as of the last day of each Fiscal Period of the County, at the option of the County. If so terminated and not reinstated as provided in the Lease, the County shall thereafter be relieved of any subsequent obligation under the Lease other than to surrender possession of the Leased Property to the Trustee. The Lease will also terminate upon the occurrence of an Event of Default thereunder by the County and the election of the Trustee to terminate the Term of the Lease and upon taking of all the Leased Property by eminent domain. In the event of any such termination, there is no assurance of payment of the principal or interest represented by the Certificates, including the 2015 Certificates, from funds available under the Trust Agreement or as a result of the Trustee's re-leasing of the Leased Property. See "SOURCES OF PAYMENT OF THE CERTIFICATES" and "SECURITY FOR THE CERTIFICATES" herein.

The Certificates will be payable solely from the Lease Payments required to be made by the County which will be subject to and dependent upon an annual budgeting and appropriation being made by the Board of Supervisors of the County (the "Board") and from funds available under the Trust Agreement. The obligation of the County to make Lease Payments under the Lease will not be secured by a pledge of any funds, will not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation and will not constitute a general obligation of the County, or an indebtedness of the County, the State of Arizona ("Arizona" or the "State") or any of its political subdivisions within the meaning of any constitutional or statutory debt limitations.

Under the Lease, the County will be required to pay base rent comprising the Lease Payments equal to the principal and interest requirements represented by the outstanding Certificates, including the 2015 Certificates, unless the Lease is terminated as provided therein. Such base rent will be held in trust by the Trustee only for payment to the Owners of the Certificates. The County will also be required to pay Additional Rent, which includes payment of any taxes and assessments and the cost of maintenance and repair of the Leased Property, and to pay other fees and obligations. See "SUMMARY OF LEGAL DOCUMENTS - LEASE" in Appendix D hereto.

Unless and until discontinued, the 2015 Certificates will be held in book-entry form by The Depository Trust Company, a registered securities depository ("DTC"), and beneficial interests therein may only be purchased and sold, and payments of principal and interest represented by the 2015 Certificates will be made only to beneficial owners, through participants in the DTC system. Beneficial interests in the 2015 Certificates will be in amounts described on the cover page hereof. See Appendix G - "BOOK-ENTRY-ONLY SYSTEM."

The Lease Payments will be subject to reduction to the extent of any Prepayments made with insurance or condemnation proceeds as a result of damage, destruction or condemnation of a portion of the Leased Property, which causes substantial interference with the County's use of the Leased Property; provided that the revised Lease Payments shall be sufficient to pay principal and interest represented by the Certificates remaining Outstanding after the application of the Net Proceeds of the insurance or self-insurance coverage or condemnation award to redeem a portion of the Certificates. See "SUMMARY OF LEGAL DOCUMENTS – LEASE -- Lease Payments; Additional Rent; Reduction of Rental" in Appendix D hereto. As permitted under the Lease, the County will be self-insured for damage or destruction of the Leased Property in amounts required by the Lease. Proceeds from such self-insurance program and such condemnation awards will be applied either to repair or replace the Leased Property or to redeem all or a portion of the Certificates. See "THE 2015 CERTIFICATES - Redemption Provisions – *Extraordinary Redemption*" herein and "SUMMARY OF LEGAL DOCUMENTS – LEASE – Insurance" in Appendix D hereto.

This Official Statement contains descriptions of the 2015 Certificates, the Trust Agreement, the Ground Lease and the Lease. The descriptions of the 2015 Certificates, the Trust Agreement, the Ground Lease and the Lease and other documents described in this Official Statement (collectively, the "Financing Documents") do not purport to be definitive or comprehensive, and all references to those documents are qualified in their entirety by reference to the complete documents, copies of which are available from Piper Jaffrey & Co., as financial advisor to the County, prior to the delivery of the 2015 Certificates.

All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as shown by the financial and other information, will necessarily continue or be repeated in the future.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes ("A.R.S.") or uncodified, or of the Arizona Constitution, are references to those provisions in their current form. Those provisions may be amended, repealed or supplemented.

THE 2015 CERTIFICATES

General Provisions

The 2015 Certificates will be dated their date of initial delivery and will mature on the dates and in the principal amounts and represent interest at the respective per annum rates, all as set forth on the inside front cover page of this Official Statement. Interest represented by the 2015 Certificates will accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their dated date. Interest will be computed on the basis of a 360-day year of twelve 30-day months and be payable on each January 1 and July 1, commencing on January 1, 2016 (each an "Interest Payment Date").

The 2015 Certificates will be delivered in the form of fully registered certificates without coupons registered in the name of Cede & Co. as registered Owner and nominee of DTC. The Trustee shall treat Cede & Co., as the registered Owner, as the absolute owner of the 2015 Certificates for all purposes, including making payments and sending notices. So long as Cede & Co. is the registered Owner of the 2015 Certificates, as nominee of DTC, references herein to "Owners" or registered owners of the 2015 Certificates (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of such 2015 Certificates (the "Beneficial Owners"). When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such beneficial owners for such purposes. When notices are given, they shall be sent by the County or the Trustee to DTC only. See Appendix G - "BOOK-ENTRY-ONLY SYSTEM."

Subject to the provisions summarized in Appendix G - "BOOK-ENTRY-ONLY SYSTEM," the principal represented by each 2015 Certificate will be payable at the designated office of the Trustee and interest represented by each 2015 Certificate will be paid on each Interest Payment Date by check drawn on the Trustee mailed on or before the Interest Payment Date to the registered owners as shown on the records of the Trustee as of the fifteenth day of the month immediately preceding such Interest Payment Date or, if such a day is not a business day, on the next succeeding business day or the Trustee may agree with a registered Owner of $1,000,000 or more in aggregate principal amount of the 2015 Certificates for another form of payment.

Redemption Provisions

No Optional Redemption. The 2015 Certificates will not be subject to optional redemption prior to maturity.

Extraordinary Redemption. The 2015 Certificates will be subject to redemption on any Interest Payment Date, in whole or in part, to the extent of any Net Proceeds of insurance or condemnation that are deposited in the Lease Payment Fund for such purpose as provided under the Lease (See "LEASE - Insurance" and "—Eminent Domain" in Appendix D hereto), at a redemption price equal to the principal amount thereof, plus interest accrued to the redemption date, without premium.

Selection of Certificates. Subject to the provisions summarized in Appendix G - "BOOK-ENTRY-ONLY SYSTEM," whenever less than all Outstanding 2015 Certificates are called for redemption, the maturities of the 2015 Certificates to be selected for redemption may be specified by the County or, if the County does not so specify, will be determined by the Trustee by lot, and within any maturity will be selected by lot.

Notice of and Procedure for Redemption

In the event any 2015 Certificates are called for redemption, notice thereof identifying the 2015 Certificates to be redeemed and specifying a redemption date and the redemption price will be required to be given by the Trustee in the form of a redemption notice to DTC not less than 30 nor more than 60 days prior to the date fixed for redemption. If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the Trustee prior to sending the notice of redemption, such redemption shall be conditional on such money being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect. See Appendix G – "BOOK-ENTRY-ONLY SYSTEM."

All of the 2015 Certificates so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time, and will no longer be protected by and will not be deemed to be Outstanding under the provisions of the Trust Agreement.

Defeasance

If the County (i) pays the principal and interest of all Outstanding 2015 Certificates when the same becomes due and payable, or (ii) at or before maturity of all Outstanding 2015 Certificates, deposits money or Defeasance Obligations with the Trustee which, together with other available funds, are sufficient to pay the principal and interest of all Outstanding 2015 Certificates and any Additional Rent, the lien of the Trust Agreement and all covenants, agreements and obligations of the County and the Trustee securing or pertaining to the 2015 Certificates will terminate, except for the obligation of the Trustee to make payment on the 2015 Certificates. (See "SUMMARY OF LEGAL DOCUMENTS - TRUST AGREEMENT - Defeasance" in Appendix D hereto.)

PLAN OF FINANCE

General

The proceeds received by the Trustee from the sale of the 2015 Certificates, net of amounts deposited into the Delivery Costs Fund established under the Trust Agreement to pay costs related to the execution and delivery of the 2015 Certificates, will be used by the Trustee to finance the acquisition from the County of a leasehold interest in the Leased Property, pursuant to the Ground Lease.

The County intends to use such amounts received from the Trustee to pay the costs of the Improvements described below, none of which will be part of the Leased Property.

The Leased Property

The Leased Property consists of a leasehold interest in the South Court Tower of the County located on an approximately 2.9-acre site at the southwest corner of Madison Street and First Avenue in downtown Phoenix, Arizona. The South Court Tower is a 14-story 693,000 gross-square-foot Superior Court facility which houses 22 (out of the future 32) courtroom sets and includes central juror assembly for the entire downtown Superior Court campus; operations for Court Recorder filings and Court Recorder exhibit storage; secured central underground parking for Superior Court judges and key associates; central in-custody holding and vehicular sally port for in-custody transfers; underground connection tunnel system; and above-ground pedestrian bridge access to other facilities within the downtown Superior Court campus. The South Court Tower includes extensive security features such as a programmable logic controlled system that is fully networked to allow control centers at multiple locations. In addition to electronic security, there is an in-custody tunnel to allow for safe and secured in-custody transfers.

Construction of the Leased Property was completed in February, 2012 with a construction cost of approximately $340 million.

A policy of title insurance in an aggregate amount of $10 million will be in effect upon execution and delivery of the 2015 Certificates, insuring the Trustee's leasehold interest in the Leased Property.

The Improvements

The County intends to use the amounts received from the Trustee from the sale of the interest on the Leased Property to pay costs of the Improvements, which are expected to consist of capital expenditures for various County departments during fiscal years 2014-15 through 2016-17. Some of the larger expected expenditures include: Public Radio System ($92 million); Technology Infrastructure Refresh Phase 2 ($43 million); Southwest Justice Court ($30 million); Enterprise Resource Planning System (ERP) ($23 million); and Enterprise Data Center ($22 million). The County may also use a portion of the funds received for other capital projects. All such capital projects are collectively referred to herein as the "Improvements". None of the Improvements will be part of the Leased Property.

Sources of Lease Payments

Although no specific revenue sources will be pledged to or secure the Certificates, the County anticipates using monies from the County's General Fund for making the Lease Payments, subject to annual appropriation by the Board of Supervisors of the County.

See "SOURCES OF PAYMENT OF THE CERTIFICATES" and "SECURITY FOR THE CERTIFICATES."

SOURCES OF PAYMENT OF THE CERTIFICATES

Under the terms of the Trust Agreement, the 2015 Certificates will be payable on a parity with any Additional Certificates executed and delivered pursuant to the Trust Agreement, solely from: (1) Lease Payments received by the Trustee from the County under the Lease, subject to termination of the Lease as provided under the Lease, (2) amounts from time to time deposited in the funds created under the Trust Agreement and investment earnings on such funds (except for any investment earnings that are required to be rebated to the United States in order to continue the exclusion of the interest represented by the Certificates from gross income for federal income tax purposes) and (3) any Net Proceeds from insurance coverage or condemnation awards received by the Trustee from the damage, destruction or taking of the Leased Property or portion thereof pursuant to the Lease and the Trust Agreement or from exercise by the Trustee of any remedies under the Lease and the Trust Agreement upon default thereunder. See "SECURITY FOR THE CERTIFICATES" as well as "SUMMARY OF LEGAL DOCUMENTS – LEASE -- Events of Default," "-- Eminent Domain" and "-- Insurance" and "SUMMARY OF LEGAL DOCUMENTS - TRUST AGREEMENT -- Events of Default; Acceleration" in Appendix D hereto.

The County will be required under the Lease to make Lease Payments semiannually in amounts sufficient to make interest and principal payments represented by the Certificates on December 15, 2015, and each June 15 and December 15 thereafter. The County's obligation under the Lease to pay Lease Payments during the term of the Lease will be absolute and unconditional, but subject to (1) the County's right each year to terminate the Lease as of the end of each Fiscal Period by failing to budget and appropriate the full amount necessary to make all Lease Payments come due in the next Fiscal Period, (2) reduction of Lease Payments in the event of damage, destruction or condemnation of any portion of the Leased Property, and (3) termination of the Lease upon taking of all of the Leased Property by eminent domain, all as described below under "SECURITY FOR THE CERTIFICATES" and under "SUMMARY OF LEGAL DOCUMENTS - LEASE -- Lease of Leased Property" and "-- Lease Payments; Additional Rent; Reduction of Rental" in Appendix D hereto.

IN THE EVENT OF TERMINATION OF OR DEFAULTS UNDER THE LEASE, THERE IS NO ASSURANCE THAT THE TRUSTEE WILL HAVE ADEQUATE FUNDS UNDER THE TRUST AGREEMENT TO PAY INTEREST AND PRINCIPAL REPRESENTED BY THE CERTIFICATES. See "RISK FACTORS - Limitations on Remedies."

SECURITY FOR THE CERTIFICATES

General

Each Certificate will evidence an undivided and proportionate interest in Lease Payments under the Lease. The County's obligations to make Lease Payments and any other obligation under the Lease will be subject to and dependent upon an annual budgeting and appropriation being made by the Board of Supervisors of the County (the "Board") to make such Lease Payments. The term of the Lease will continue through and including June 1, 2035, unless terminated prior thereto. If the Board does not budget and appropriate funds sufficient to pay Lease Payments in any succeeding Fiscal Period, the Lease will terminate as of the last day of the Fiscal Period for which Lease Payments were made, and the County will be required to vacate and return possession of the Leased Property to the Trustee, all in accordance with and subject to the terms of the Lease and the Trust Agreement. See "SECURITY FOR THE CERTIFICATES - Non-appropriation; Other Termination Events" herein. In that event, the Trustee will be entitled to exercise all available remedies, which could include re-leasing the Leased Property. See "RISK FACTORS - Limitations on Remedies" below.

The County's obligation to make Lease Payments will not constitute a debt or liability of the County, the State or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the County, the State or any political subdivision thereof will be pledged to pay the principal or interest evidenced by the Certificates. Payments with respect to the Certificates will be made solely from amounts derived under the terms of the Lease, including the Lease Payments, and available amounts from time to time on deposit under the terms of the Trust Agreement. No funds will be pledged by the County to pay Lease Payments.

Non-appropriation; Other Termination Events

If the County fails to obtain, on or before the third Business Day prior to the last date on which the County is required or permitted to adopt its budget for a Fiscal Period, proper budgeting and final appropriation by the Board of the full amount of funds necessary to make all Lease Payments coming due during the Fiscal Period for which such budgeting and appropriation are made, thereafter, the County will immediately notify the Trustee in writing of that fact. If on the last date on which the County is required or permitted to adopt its budget for a Fiscal Period no such proper budgeting and final appropriation by the Board shall have been made, all of the County's right, title and interest in and future obligations under the Lease and to all of the Leased Property will terminate (subject to reinstatement as provided below), effective as of the last day of the last Fiscal Period for which such budgeting and appropriation were properly obtained and for which sufficient funds were determined to be lawfully available and allocated. In the event the County terminates the Lease, the County will be relieved of any subsequent obligation under the Lease with respect thereto, other than to return to the Trustee possession of all of the Leased Property as provided in the Lease and to pay any accrued and unpaid obligations.

The budget officials of the County have covenanted in the Lease that they will include in the budget presented to the Board sufficient funds for payment of all Lease Payments and Additional Rent when due, provided, however, pursuant to Arizona law, the budgeting and appropriation of money by the Board is a legislative act of the Board and is beyond the control of the budgeting officials of the County.

If the Lease terminates as described above and if within forty-five (45) days after such date of termination amounts described above are determined to be available which would have permitted the Lease to have continued in effect with respect to the Leased Property if such amounts had been determined to be available prior to the termination date, then the Lease will be reinstated with respect thereto and deemed renewed as of the day following the date of such termination.

In the event the County terminates the Lease, the County will have no further obligations under the Lease. Upon termination, the County will be required by the Lease to surrender possession of the Leased Property to the Trustee. Such termination will constitute an Event of Default under the Trust Agreement, if the Lease has not been reinstated, but such termination will not be a default under the Lease. Upon such Event of Default under the Trust Agreement, the Trustee may exercise one or more of the remedies provided in the Trust Agreement, subject to receipt of indemnity satisfactory to it, including an option to re-lease its interest in the Leased Property, and to apply the proceeds of such disposition, if any, along with the moneys in the Lease Payment Fund established under the Trust Agreement, to the payment of the Certificates. See "SUMMARY OF LEGAL DOCUMENTS - TRUST AGREEMENT -- Event of Default; Acceleration" in Appendix D hereto. However, there is no assurance that net revenues received by the Trustee from any such re-lease of the Leased Property would be sufficient to pay in full all Outstanding Certificates. Should such a shortfall occur, the interest and principal represented by the Certificates would be paid by the Trustee to the extent of moneys, if any, held by the Trustee under the Trust Agreement.

Upon an Event of Default under the Trust Agreement, the Trustee will be required to take action to force the County to surrender possession of the Leased Property. However, the exercise by the Trustee of any other subsequent or additional remedies may be affected by the environmental condition of the Leased Property, and the Trustee may decline to exercise such other remedies unless it is indemnified and obtains assurances to its satisfaction that it will not become responsible for environmental liabilities. See "RISK FACTORS - Limitations on Remedies."

Damage, Taking or Removal of Leased Property

The Leased Property will be required to be insured or self-insured to the extent set forth herein under "SUMMARY OF LEGAL DOCUMENTS – LEASE -- Insurance" in Appendix D hereto, which includes property insurance equal to the full replacement cost of the Leased Property. As permitted under the Lease, the County will be self-insured for damage or destruction of the Leased Property and other liabilities in amounts required by the Lease.

Under the Lease, the Net Proceeds of any insurance recoveries and proceeds of self-insurance resulting from any damage or destruction of the Leased Property by fire or other casualty must be deposited in the Insurance and Condemnation Fund established under the Trust Agreement. Moneys in the Insurance and Condemnation Fund will be applied to the prompt replacement, repair, restoration, modification or improvement of the Leased Property by the County, provided, however, that if the County notifies the Trustee within 90 days of such deposit of its determination that the replacement, repair, restoration, modification or improvement of the damaged portion of the Leased Property is not economically feasible or in the best interests of the County, then such Net Proceeds will be promptly transferred by the Trustee to the Lease Payment Fund and applied to effect extraordinary redemption of Outstanding Certificates as follows: in the event of damage or destruction of the Leased Property in full, such Net Proceeds may be transferred to the Lease Payment Fund only if sufficient, together with other moneys available therefor, to cause redemption of all Outstanding Certificates, and in the event of damage or destruction of the Leased Property in part, if such Net Proceeds are sufficient, together with all other funds available therefor to redeem all Outstanding Certificates, such amounts will be applied to the extraordinary redemption, in whole, of all Outstanding Certificates, or if such Net Proceeds, together with such other funds, are not sufficient to redeem all Outstanding Certificates, then the County shall have the option to either use such Net Proceeds to repair the Leased Property or to extraordinarily redeem the Certificates in part. See "THE 2015 CERTIFICATES - Redemption Provisions – *Extraordinary Redemption*."

In the event of such partial redemption, the Lease Payments will be reduced to an amount sufficient to pay interest and principal represented by the Certificates Outstanding after such partial redemption.

Under the Lease, the County will waive any right to terminate the Lease because of damage or destruction to the Leased Property, but retains the right to determine annually whether to appropriate Lease Payments for the next Fiscal Period.

If all the Leased Property is taken by eminent domain, the Net Proceeds of the condemnation award will be deposited in the Insurance and Condemnation Fund and used to extraordinarily redeem Certificates to the extent of such Net Proceeds and the Lease shall terminate as of the date possession is taken from the County.

If a part of the Leased Property is taken by eminent domain, or if all of the Leased Property is taken temporarily, then the Lease will continue in effect and the Net Proceeds will be deposited in the Insurance and Condemnation Fund and applied as follows: if the County determines that either (1) such taking does not materially adversely affect the operation of the Leased Property and the Net Proceeds are not needed to replace the Leased Property, or (2) such taking does not materially adversely affect remaining portions of the Leased Property or the ability of the County to meet any of its obligations under the Lease, then the Net Proceeds will be used to extraordinarily redeem Certificates in part; otherwise, such Net Proceeds will be used to replace the taken Leased Property. See "THE 2015 CERTIFICATES - Redemption Provisions – *Extraordinary Redemption*."

If there is a partial taking of the Leased Property, the Lease Payments will be reduced to an amount sufficient to pay interest and principal represented by Certificates Outstanding after such partial redemption.

All Net Proceeds deposited in the Insurance and Condemnation Fund and not used to redeem Certificates will be required to be applied to the prompt replacement, repair, restoration, modification or improvement of the Leased Property by the County. Any balance of the Net Proceeds remaining after such work has been completed will be required to be deposited in the Lease Payment Fund and applied as a credit against the next subsequent Lease Payments.

No Debt Service Reserve Fund

No debt service reserve fund will be established pursuant to the Trust Agreement for payment of amounts related to the 2015 Certificates.

Additional Certificates

Subject to certain conditions provided in the Trust Agreement, the Trustee may execute and deliver, at the direction of the County, Additional Certificates from time to time to provide funds to pay one or more of the costs of refunding Outstanding Certificates, refunding other certificates of participation or other obligations issued or incurred by the County, restructuring the County's Lease Payments under the Lease, or paying the costs of making any modifications or improvements to the Leased Property or to finance additional property as the County deems necessary or desirable. Such conditions include, but are not limited to, that the Lease remains in effect, that no Event of Default has occurred under the Trust Agreement, that such Additional Certificates do not affect the tax-exempt status of the Outstanding Certificates then bearing tax-exempt interest or result in the reduction or withdrawal of the ratings assigned to Outstanding Certificates.

RISK FACTORS

The purchase of the 2015 Certificates involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective 2015 Certificate purchaser should make an independent evaluation of all the information presented herein. Certain of these investment risks are described below. The list of risks described below is not intended to be definitive or exhaustive and the order in which the following factors are presented is not intended to reflect relative importance of risks. The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the 2015 Certificates.

Limited Obligation. The obligation of the County to pay Lease Payments will not be secured by the levy or pledge of any tax or any other funds and will not constitute a debt or indebtedness of the County or the State within the meaning of any constitutional or statutory debt limitation or restriction. See "SECURITY FOR THE CERTIFICATES." The Lease Payments are payable by the County, subject to annual appropriation by the Board of Supervisors of the County, from monies of the County.

No Pledge of County Funds. No funds or revenues of the County will be pledged, obligated or restricted for the payment of the Lease Payments, including, without limitation, the funds and revenues described under "PLAN OF FINANCE - Sources of Lease Payments" and "SOURCES OF PAYMENT OF THE CERTIFICATES." In addition, the County will have the right to refuse to appropriate funds, and thus terminate the Lease, for any reason including inadequacy of the Leased Property. Were the County to refuse to appropriate funds and thereby terminate the Lease, there will be no assurance that the Trustee would have adequate funds under the Trust Agreement to pay interest and principal represented by the Certificates.

Other Obligations of County. The County has existing obligations, including lease-purchase obligations, and has the capacity to enter into other obligations which are payable from amounts in the General Fund or other monies of the County, which is the same source it will use to make Lease Payments. See "MARICOPA COUNTY, ARIZONA – FINANCIAL INFORMATION - Lease, Lease-Purchase and Purchase Agreements" and "- Certificates of Participation" in Appendix B. To the extent that the County's current or future obligations are paid from the General Fund or other County monies, the funds available to make Lease Payments may be decreased. The Lease will not impose any restrictions upon the ability of the County to incur additional obligations.

Termination of Lease. In addition to termination of the Lease upon non-appropriation of funds as described under the heading "SECURITY FOR THE CERTIFICATES - Non-appropriation; Other Termination Events", several other events may lead to a termination of the Lease:

(1) an Event of Default on the part of the County and an election by the Trustee to terminate the Lease as described under the heading "SUMMARY OF LEGAL DOCUMENTS – LEASE - Events of Default" in Appendix D hereto;

(2) the taking of all of the Leased Property under the power of eminent domain, described below; and

(3) violation of certain State statutes pertaining to conflicts of interest, described below.

If an Event of Default under the Lease occurs, the Trustee may terminate the Lease and relet the Leased Property. The Net Proceeds from the re-leasing of the Leased Property, together with other moneys then held by the Trustee under the Trust Agreement, will be required to be used under the Trust Agreement to pay principal and interest represented by the Certificates as it becomes due, to the extent of such moneys. No assurance can be given that the amount of such funds would be sufficient to pay all the Certificates when due.

In the event that the Leased Property has been taken in whole pursuant to eminent domain proceedings, all Net Proceeds, together with funds, if any, then on hand in funds held by the Trustee will be applied to the extraordinary redemption of the Certificates and the Lease shall terminate on the date possession is taken from the County. No assurance can be given that the Net Proceeds of eminent domain and other moneys available under the Trust Agreement will be sufficient to redeem all of the Outstanding Certificates.

As required by the provisions of A.R.S. Section 38-511, the County may, within three years after its execution, cancel any contract (including the Financing Documents), without penalty or further obligation, made by the County if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Financing Documents on behalf of the County (a "County Representative") is, at any time while the Financing Documents or any extension thereof are in effect, an employee of any other party to the Financing Documents in any capacity or a consultant to any other party of the Financing Documents with respect to the subject matter thereof. The cancellation shall be effective when written notice from the Board is received by all other parties to the Financing Documents unless the notice specifies a later time. The Trustee will agree in the Lease not to employ as an employee or an agent, or with respect to the subject matter of the Financing Documents, as a consultant any County Representative within three years from execution of the Financing Documents unless a waiver of Section 38-511 is provided by the Board.

Squire Patton Boggs (US) LLP, Bond Counsel with respect to the execution and delivery of the 2015 Certificates ("Bond Counsel"), will not render an opinion with respect to the tax-exempt status of payments made to Owners of the 2015 Certificates from sources made available by the County as a result of the termination of the Lease for any reason (including termination upon nonappropriation of funds by the County). If the Lease is terminated while 2015 Certificates are Outstanding, there will be no assurance that after such termination, payments made to Owners (from sources other than funds made available by the County) with respect to interest will be excludable from gross income of the Owners thereof for federal or Arizona income tax purposes.

In addition, neither Bond Counsel nor counsel to the Underwriters will render an opinion as to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to the transfer of any 2015 Certificates in the event payments are received from sources made available by the County as a result of termination of the Lease for any reason. If the Lease is terminated while the 2015 Certificates are Outstanding, there will be no assurance that after such termination 2015 Certificates may be transferred by a 2015 Certificate Owner without compliance with the registration provisions of the Securities Act of 1933, as amended, or that an exemption from such registration is available.

Limitations on Remedies. Due to the specialized configuration of the Leased Property and the limited number of potential users of the Leased Property, no assurance can be given that the proceeds from any re-leasing of the Leased Property will be sufficient to pay in full the 2015 Certificates. The enforcement of any remedies provided in the Lease and the Trust Agreement could prove both expensive and time consuming. In addition, the enforceability of the Lease and the Trust Agreement is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the State and its political subdivisions. Because of delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in the ability of the Trustee to obtain possession of the Leased Property upon termination of the Lease or exercise of remedies upon default by the County may result in delays in payment of the Certificates.

Although the Lease and the Trust Agreement provide that the Trustee may take possession of the Leased Property and re-lease the Leased Property if there is a default by the County thereunder or if the County terminates the Lease, and the Lease provides that the Trustee may have such rights of access to the Leased Property as may be necessary to exercise any remedies, no assurance can be given that revenues from the Trustee's reletting of the Leased Property would be sufficient to pay in full all Outstanding Certificates.

Upon the termination of the Lease or if the County defaults in its obligation to make Lease Payments thereunder, the Trustee will be required to take action to force the County to surrender possession of the Leased Property. However, under the terms of the Trust Agreement, the Trustee will not be under any obligation to take any other action if the Trustee determines that to do so exposes the Trustee to a risk of financial liability (including environmental liability) for which it reasonably believes it is not adequately indemnified. Prior to taking other actions under the Trust Agreement, the Trustee may request assurances, such as an additional environmental audit, that it will not incur liability by reason of any other action taken by the Trustee pursuant to the Trust Agreement.

SOURCES AND USES OF FUNDS

The sources and uses of funds derived from the sale of the 2015 Certificates are as follows:

Sources of Funds	
Par Amount of 2015 Certificates	$185,580,000.00
Original Issue Premium	15,633,417.40
Total Sources	$201,213,417.40
Uses of Funds	
2015 Acquisition Fund (a)	$200,000,000.00
Costs of Issuance (including Underwriters' Discount)	1,213,417.40
Total Uses	$201,213,417.40

(a) This amount will be paid to the County to acquire a leasehold interest in the Leased Property upon execution and delivery of the 2015 Certificates. The County will use such amount to pay for the Improvements. See "PLAN OF FINANCE – The Improvements" herein.

[Remainder of page intentionally left blank.]

CERTIFICATE PAYMENT REQUIREMENTS

The Lease requires that Lease Payments be paid on the fifteenth day of the month preceding each Interest Payment Date and in the following amounts. The Trust Agreement provides that such amounts be deposited in the Lease Payment Fund and applied, on a semiannual basis, to pay amounts due with respect to the Certificates.

Certificate	**2015 Certificates**		**Total Lease**
Payment Date	**Principal**	**Interest (a)**	**Payments**
January 1, 2016		$4,432,483.33	$4,432,483.33
July 1, 2016		4,289,500.00	4,289,500.00
January 1, 2017		4,289,500.00	4,289,500.00
July 1, 2017	$90,625,000.00	4,289,500.00	94,914,500.00
January 1, 2018		2,123,875.00	2,123,875.00
July 1, 2018	94,955,000.00	2,123,875.00	97,078,875.00

(a) The first interest payment date on the 2015 Certificates is January 1, 2016.

LITIGATION

To the knowledge of appropriate representatives of the County, no litigation or administrative action or proceeding is pending or threatened to restrain or enjoin, or seeking to restrain or enjoin: the issuance or delivery of the 2015 Certificates, the Trust Agreement, or the Lease, or in any way contesting or affecting any authority for the execution and delivery of the 2015 Certificates, or the validity of the 2015 Certificates, the proceeds from the execution and delivery thereof or any agreements entered into in connection therewith, or in any way contesting the existence or powers of the County with regard to the 2015 Certificates, the Trust Agreement, or the Lease or any agreement, document, duty or covenant pertaining thereto.

The County has been named as a defendant in several lawsuits for which the County believes either that it has adequate self-insurance or insurance coverage in the event of liability or that such liability would not otherwise materially and adversely affect the financial condition of the County. The County makes significant annual expenditures toward litigation and court-ordered compliance costs related to the County's Sheriff's Department and the County's detention facilities and programs. The County includes amounts in its annual budget for the payment of such costs. For example, the County's Fiscal Year 2015-16 Tentative Budget contains approximately $23.8 million for that purpose. The County expects that significant expenditures for such costs will continue indefinitely.

LEGAL MATTERS

The 2015 Certificates will be sold with the understanding that the County will furnish the Underwriters with an approving opinion of Squire Patton Boggs (US) LLP, Bond Counsel. A form of such opinion is included in Appendix E hereto. Said attorneys have been retained by the County as Bond Counsel and in such capacity will render their opinion only upon the legality of the 2015 Certificates under Arizona law and on the exclusion of the interest portion related to the 2015 Certificates from gross income for purposes of calculating federal income taxes and of the exemption of that interest portion from Arizona income taxes. (See "TAX MATTERS" herein.) Squire Patton Boggs (US) LLP is also serving as Disclosure Counsel to the County. Fees of Bond Counsel and Disclosure Counsel will be paid from 2015 Certificate proceeds.

Certain legal matters will be passed upon solely for the benefit of the Underwriters by Ballard Spahr LLP.

TAX MATTERS

General

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) the Interest Portion of the Lease Payments paid under the Lease and received by the Owners is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the Interest Portion is exempt from Arizona state income tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the 2015 Certificates. Under certain circumstances, interest paid for periods following termination of the Lease by nonappropriation may not be excludable from gross income for federal income tax purposes. Bond Counsel expresses no opinion on the federal income tax or Arizona state income tax treatment of amounts paid to Owners in the event of termination of the Lease by nonappropriation or as to any other tax consequences regarding the 2015 Certificates. See also "SECURITY FOR THE CERTIFICATES – Non-appropriation; Other Termination Events."

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Interest Portion is and will remain excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the County's certifications and representations or the continuing compliance with the County's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the exclusion of the Interest Portion from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the County may cause loss of such status and result in the Interest Portion being included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the 2015 Certificates. The County has covenanted to take the actions required of it for the Interest Portion to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Notwithstanding the previous sentence, in the event of termination of the Lease by nonappropriation, use of the property or the facilities financed with the proceeds of the 2015 Certificates in a manner that would cause the Lease, if the property or the facilities financed with the proceeds of the 2015 Certificates had originally been used in such manner, to constitute a "private activity bond" under Section 141 of the Code may prompt the IRS to take the position that the Interest Portion is not excluded from gross income for federal income tax purposes, retroactive to the date of execution and delivery of the 2015 Certificates. After the date of execution and delivery of the 2015 Certificates, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of the Interest Portion or the market value of the 2015 Certificates.

A portion of the Interest Portion earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, the Interest Portion may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the Owner of the 2015 Certificates. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the 2015 Certificates, are generally subject to IRS Form 1099-INT information reporting requirements. If an Owner of a 2015 Certificate is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the 2015 Certificates ends with the execution and delivery of the 2015 Certificates, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the Beneficial Owners regarding the tax status of the Interest Portion of the 2015 Certificates in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2015 Certificates, under current IRS procedures, the IRS will treat the County as the taxpayer and the Beneficial Owners will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the 2015 Certificates for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the 2015 Certificates.

Prospective purchasers of the 2015 Certificates upon their original issuance at prices other than the respective prices indicated on the inside front cover page of this Official Statement, and prospective purchasers of the 2015 Certificates at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2015 Certificates. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of execution and delivery of the 2015 Certificates will not have an adverse effect on the tax status of the Interest Portion or the market value or marketability of the 2015 Certificates. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of the Interest Portion from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the 2015 Certificates should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the Interest Portion for federal income tax purposes for all or certain taxpayers. In such event, the market value of the 2015 Certificates may be adversely affected and the ability of holders to sell their 2015 Certificates in the secondary market may be reduced. The 2015 Certificates are not subject to special mandatory redemption as a result of a change in federal tax law, and the interest rates on the 2015 Certificates are not subject to adjustment in the event of any such change.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Original Issue Premium

The 2015 Certificates (for purposes of this paragraph, "Premium Certificates") as indicated on the inside front cover page of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes certificate premium. For federal income tax purposes, certificate premium is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificate (or, in the case of a Premium Certificate callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Certificate), compounded semiannually. No portion of that certificate premium is deductible by the owner of a Premium Certificate. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner's tax basis in the Premium Certificate is reduced by the amount of certificate premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate. A purchaser of a Premium Certificate in the initial public offering at the price for that Premium Certificate stated on the inside front cover page of this Official Statement who holds that Premium Certificate to maturity (or, in the case of a callable Premium Certificate, to its earlier call date that results in the lowest yield on that Premium Certificate) will realize no gain or loss upon the retirement of that Premium Certificate.

Owners of Premium Certificates should consult their own tax advisers as to the determination for federal income tax purposes of the amount of certificate premium properly amortizable in any period with respect to the Premium Certificates and as to other federal tax consequences and the treatment of certificate premium for purposes of state and local taxes on, or based on, income.

RATINGS

Fitch Ratings, Inc. ("Fitch"), Moody's Investors Service ("Moody's") and Standard & Poor's Financial Services LLC ("S&P") will assign the 2015 Certificates ratings of "AA+," "Aa1" and "AA+", respectively. Such ratings reflect only the views of Fitch, Moody's and S&P, and any desired explanation of the significance of these ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch at One

State Street Plaza, New York, New York 10004, Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P at 55 Water Street, New York, New York 10041 and S&P at 55 Water Street, 38th Floor, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The respective ratings may subsequently be revised downward or withdrawn entirely by Fitch, Moody's and S&P, respectively, if in their respective judgment, circumstances warrant. Any subsequent downward revision or withdrawal of such ratings may have an adverse effect on the market price and marketability of the 2015 Certificates.

CONTINUING SECONDARY MARKET DISCLOSURE

The County has covenanted for the benefit of holders of the 2015 Certificates to provide certain financial information and operating data relating to the County by not later than February 1 in each year commencing February 1, 2016 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events, if material (the "Notices"). The Annual Reports and the Notices will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system as described in Appendix F - "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices is set forth in Appendix F - "FORM OF CONTINUING DISCLOSURE UNDERTAKING."

These covenants have been made in order to assist the Underwriters of the 2015 Certificates in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). Pursuant to Arizona law, the ability of the County to provide information pursuant to such covenants is subject to annual appropriation to, among other things, cover the costs of preparing and mailing the Annual Reports and the Notices to the MSRB. A failure by the County to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2015 Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2015 Certificates and their market price.

In connection with its existing continuing disclosure undertaking, the County made timely filings of its Annual Reports during the last five years, but such reports did not contain all required financial tables, including, but not limited to, information pertaining to primary and secondary assessed valuations and direct and overlapping general obligation bond debt. The requisite operating data was filed by the County on June 2, 2015.

UNDERWRITING

The 2015 Certificates will be purchased by the Underwriters at an aggregate purchase price of $200,697,820.77, pursuant to a certificate purchase contract (the "Certificate Purchase Agreement") entered into by the County, the Trustee and the Underwriters. If the 2015 Certificates are sold to produce the yields shown on the inside front cover page, the Underwriters' compensation will be $515,596.63. The Certificate Purchase Agreement will provide that the Underwriters will purchase all of the 2015 Certificates so offered if any are purchased. The Underwriters may offer and sell the 2015 Certificates to certain dealers (including dealers depositing 2015 Certificates into unit investment trusts) and others at yields lower than the public offering prices stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page may be changed, from time to time, by the Underwriters.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the 2015 Certificates, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2015 Certificates from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2015 Certificates that such firm sells.

RBC Capital Markets, LLC has provided the following information for inclusion in this Official Statement: RBC Capital Markets, LLC and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBC Capital Markets, LLC and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBC Capital Markets, LLC and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the County. RBC Capital Markets, LLC and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the County. RBC Capital Markets, LLC and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

FINANCIAL STATEMENTS

Included as Appendix C of this Official Statement are excerpts of the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The County has not requested or obtained the consent of the Office of the Arizona Auditor General to include such excerpts in the Official Statement and the Office of the Arizona Auditor General has performed no procedures subsequent to rendering their opinion on such Comprehensive Annual Financial Report.

ADDITIONAL INFORMATION

Additional information and copies of this Official Statement may be obtained from Maricopa County, Department of Finance, 301 West Jefferson, 9th Floor, Phoenix, AZ 85003.

CONCLUDING STATEMENT

To the extent that any statement made in this Official Statement involves matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these statements have been or will be realized. Information in this Official Statement has been derived by the County from official and other sources and is believed by the County to be accurate and reliable. Information other than that obtained from official records of the County has been identified by source and has not been independently confirmed or verified by the County and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing are to be construed as part of a contract with the Underwriters or subsequent owners of the 2015 Certificates.

The County has approved and authorized the distribution and use of this Official Statement.

By /s/ Steve Chucri
Chairman, Board of Supervisors

By /s/ Tom Manos
County Manager

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APPENDIX A

MARICOPA COUNTY, ARIZONA

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The County was named after the Maricopa Indian tribe and was formed as the fifth county of Arizona in 1871. The principal geographic features of the County consist of the expansive river valleys of the Salt and Gila Rivers and a number of rugged mountain ranges scattered throughout the County. The County encompasses approximately 9,225 square miles, 98 square miles of which is water.

LAND OWNERSHIP
Maricopa County, Arizona

Control/Ownership		Approximate Percent of County
U.S. Forest Service & Bureau of Land Management		37.0%
Indian Reservation		8.0
State of Arizona		13.0
Individual or Corporate		29.0
Other Public Lands		13.0
	Total	100.0%

Source: Maricopa Association of Governments

The County is located in the south-central portion of the State. Its boundaries enclose the greater metropolitan Phoenix area, which is comprised of the cities of Phoenix, Glendale, Mesa, Scottsdale, Tempe, Peoria and Chandler, the towns of Gilbert and Paradise Valley and other smaller cities and towns and all of the unincorporated areas of the County. This metropolitan area is Arizona's major economic, political and population center.

The following table illustrates respective population statistics for the State, the County and cities that principally comprise the greater metropolitan Phoenix area.

POPULATION STATISTICS

	State of Arizona	Maricopa County	City of Phoenix	City of Mesa	City of Glendale	City of Scottsdale	City of Tempe	City of Chandler
2014 Estimate	6,667,241	4,008,651	1,506,439	455,567	232,680	225,698	169,529	249,423
2010 Census	6,392,017	3,817,117	1,445,632	439,041	226,721	217,385	161,719	236,123
2000 Census	5,130,632	3,072,149	1,321,045	396,375	218,812	202,705	158,625	176,581
1990 Census	3,665,339	2,122,101	983,392	288,104	147,864	130,075	141,993	89,862
1980 Census	2,716,546	1,509,175	789,704	152,404	97,172	88,622	106,920	29,673
1970 Census	1,775,399	971,228	584,303	63,049	36,228	67,823	63,550	13,763
1960 Census	1,302,161	663,510	439,170	33,772	15,893	10,026	24,897	9,531

Source: Arizona Department of Economic Security, Population and Statistical Unit and the US Census Bureau.

Government

The governmental and administrative affairs of the County are carried out by a five-member Board of Supervisors who serve four-year terms. The Board of Supervisors appoints a County Manager who is responsible for carrying out policies of the Board and administering operations of the County.

Economy

The County's economy is based primarily on high technology manufacturing, light manufacturing, retail and wholesale trade, service companies, tourism, government and agriculture.

The following tables illustrate the employment structure in the County.

AVERAGE WAGE AND SALARY EMPLOYMENT
Maricopa County, Arizona

Industry	2015 (a)	2014	2013	2012	2011
Goods Producing					
Manufacturing	113,200	113,300	113,800	119,300	108,300
Construction and Mining	99,600	92,100	95,500	85,200	83,300
Service-Providing					
Trade, Transportation and Utilities	361,500	354,900	356,900	319,000	344,500
Information	34,200	33,500	29,300	27,400	27,200
Financial Activities	164,500	164,200	151,500	142,400	186,600
Professional and Business Services	307,700	304,700	283,200	278,600	260,900
Educational and Health Services	271,800	268,300	257,300	253,300	247,600
Leisure and Hospitality	203,600	194,000	184,400	179,100	172,300
Other Services	66,500	62,300	59,300	62,600	62,300
Government	223,900	212,400	211,800	212,400	211,600
Total	1,846,500	1,799,700	1,743,000	1,679,300	1,704,600

(a) Data through March 2015.

Source: Arizona's Workforce, Arizona Department of Economic Security, Research Administration.

The following table illustrates the unemployment averages for the County, the State and the United States.

UNEMPLOYMENT AVERAGES

Year	Maricopa County (a)	State of Arizona (a)	United States
2015(b)	5.2%	6.4%	5.6%
2014	5.9	7.0	6.2
2013	6.6	8.0	7.4
2012	7.3	8.3	8.1
2011	8.6	9.4	8.9
2010	9.5	10.4	9.6

(a) On February 29, 2012, the U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics program released 2011 annual average labor force estimates for census regions and divisions for all states. Data was revised back to January 2007 to incorporate new population controls, updated inputs, re-estimation of models and adjustment to new census division and national control totals. On April 20, 2012, routine revisions were made to data from 2007 through 2011 for geographic areas below the State level. For all areas, estimation inputs were revised back to 2010, while the revisions for 2007 through 2009 consisted of controlling to the new State totals described above.

(b) Data through March 2015

Source: Arizona Department of Economic Security, Bureau of Information and Research Analysis, Labor Force Statistical Unit.

Employers

A partial listing of major employers within the County and the Phoenix Metropolitan area are given in the following table.

MAJOR EMPLOYERS
Maricopa County, Arizona

Employer	Description	Approximate Employees (a)
State of Arizona	Government	48,910
Wal-Mart Stores Inc.	Retail Stores	32,438
Banner Health Systems	Healthcare Services	30,266
City of Phoenix	Government	14,875
Wells Fargo & Co.	Banking and Financial Services	14,126
Maricopa County	Government	13,341
Arizona State University	Education	12,229
Intel Corporation	Semiconductors	11,700
Scottsdale Lincoln Health Network	Healthcare Services	10,500
Honeywell Aerospace	Jet Engines and Space Systems	10,000
JP Morgan Chase & Co.	Banking and Financial Services	9,600
Apollo Education Group Inc.	Education	9,417
American Airlines Group (b)	Commercial Airline	9,000
Target Corporation	Retail Stores	8,572
Freeport-McMoRan	Mining	8,357
Mesa Public Schools	Education	8,297
Dignity Health	Healthcare Services	8,000
American Express	Financial Services	7,300
Bashas' Inc.	Grocery Store	6,722
Maricopa County Community College District	Community College District	6,354

(a) Full-time equivalent Arizona employees.
(b) American Airlines and US Airways merged on December 13, 2013.

Source: The Book of Lists 2015, The Business Journal.

Service-Providing Industry

Service is one of the main employment sectors in the County. According to the Arizona Department of Administration – Employment and Population Statistics, from 2006 to 2014, the service industry in the County expanded by 121,900 jobs or 8.0%. The average annual employment in the service-producing industry in 2014 was 1,642,800. It is anticipated that as the County continues to grow in population and economic activity, the service industry (the largest employment component in the County comprising 88.6% of the total wage and salary employment base in 2014) will continue to be a significant contributor.

Tourism

The County's proximity to many of Arizona's scenic attractions, numerous convention facilities and proximity to Nevada, California and Mexico, make it a natural tourist center for the entire Southwest. The County's numerous amenities and attractions, diverse cultural activities, sports events and a favorable climate attract millions to the area annually and generate tourist and travel dollars which constitute a major force in the County's economy. The following table illustrates taxable lodging sales for the County.

TAXABLE LODGING SALES
Maricopa County, Arizona
($000's omitted)

Calendar Year	Sales
2015 (a)	$ 515,917
2014	1,478,742
2013	1,308,991
2012	1,284,198
2011	1,244,644
2010	1,156,178

(a) Data through March 2015.

Source: Arizona Department of Revenue, Office of Economic Research and Analysis.

Below is a partial list of the larger hotels and resorts, based on number of units.

HOTELS AND RESORTS
Maricopa County

Hotel/Motel Name	Number of Units	Approximate Number of Employees (a)	Year Opened
Sheraton Phoenix Downtown Hotel	1,000	300	2008
JW Marriott Desert Ridge	950	1,034	2002
Arizona Biltmore Resort & Spa	740	900	1929
Arizona Grand Resort & Spa	740	650	1988
Westin Kierland Resort, Spa & Villas	732	900	2002
Hyatt Regency Phoenix	693	320	1976
The Fairmont Scottsdale Princess	649	960	1987
The Phoenician	643	800	1988
The Pointe Hilton Tapatio Cliffs Resort	584	500	1982
Pointe South Squaw Peak	563	500	1976

(a) Number of full-time equivalent employees.

Source: The Book of Lists 2015, The Business Journal.

Trade

The retail trade sector is growing in importance. When taken together, wholesale and retail trade represent the largest employment sector in the County, and this sector should remain the County's leading employment category well into the future. The following table illustrates taxable retail sales for the County over the last five calendar years.

TAXABLE RETAIL SALES
Maricopa County, Arizona
($000's omitted)

Calendar Year	Retail Sales (a)
2015 (b)	$10,792,915
2014	38,918,760
2013	36,395,127
2012	33,441,390
2011	32,055,613
2010	28,879,493

(a) Excludes retail food sales.
(b) Data through March 2015.

Source: Arizona Department of Revenue, Office of Economic Research and Analysis.

Bank Deposits

The following table illustrates bank deposits within Maricopa County.

BANK DEPOSITS
Maricopa County, Arizona
(000's omitted)

Fiscal Year	Amount
2014	$70,254
2013	65,486
2012	61,674
2011	60,409
2010	61,926

Source: Federal Deposit Insurance Corporation.

Transportation

The County has 25 airports, ranging in size from small strips for private planes to important centers for high-performance jets and commercial airlines. Sky Harbor International Airport and the Phoenix-Mesa Gateway Airport are the only commercial passenger airports in the County, provide central Arizona with a high level of commercial air passenger service. The tables below illustrate the airlines serving Sky Harbor International Airport and Phoenix-Mesa Gateway Airport. The number of passengers arriving and departing are provided for Sky Harbor International Airport.

AIRLINES SERVING SKY HARBOR INTERNATIONAL AIRPORT

Air Canada	Frontier Airlines	Spirit Airlines
Alaska Airlines	Great Lakes Airlines	Sun Country Airlines
American Airlines (a)	Hawaiian Airlines	United Airlines
British Airways	Jet Blue Airways	Volaris
Delta Airlines	Southwest Airlines	WestJet Airlines

Source: The City of Phoenix Aviation Department.

AIRLINES SERVING PHOENIX-MESA GATEWAY AIRPORT

Allegiant Airlines

Source: Phoenix-Mesa Gateway Airport

(a) American Airlines and US Airways merged on December 13, 2013.

NUMBER OF PASSENGERS ARRIVING AND DEPARTING

SKY HARBOR INTERNATIONAL AIRPORT

Year	Arrivals	Departures	Total
2015 (a)	5,528,115	5,487,380	11,015,495
2014	21,121,742	21,012,920	42,134,662
2013	20,174,643	20,166,971	40,341,614
2012	20,279,006	20,169,926	40,448,932
2011	20,380,496	20,211,799	40,592,295
2010	19,329,480	19,225,050	38,554,530

(a) Data through March 2015.

Source: The City of Phoenix Aviation Department.

A main line of the Union Pacific Railroad and a branch line of the Atchison, Topeka and Santa Fe Railroad serve the County. In addition, fifty transcontinental trucking companies serve the County, along with two transcontinental bus lines. The County has approximately 5,586 miles of roadway of which approximately 4,421 miles are paved. The County is also traversed by Interstate 10, the transcontinental all-weather route through the southern United States; U.S. Highways 60 and 89; and Interstate 17, the express route from Phoenix to northern Arizona, as well as twelve other highways.

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APPENDIX B

MARICOPA COUNTY, ARIZONA

FINANCIAL DATA

Introduction

The fiscal year for the County is from July 1 through June 30. The County's budget process is an ongoing function. Each fiscal year's process starts with the issuance in December of guidelines to all departments within which budgets must be developed. Department budget requests are submitted in February. A review process then takes place culminating with the County Manager's submission of a proposed budget to the Board in time for budget hearings in mid-June. State statutes require that a tentative budget be adopted by the Board no later than the third Monday in July. At the time the final budget is adopted, which can be no later than the first Monday in August of each year, the Board holds a public hearing and meeting to determine the tax levy needed to support the budget. Taxes are then assessed and levied no later than the third Monday in August.

Expenditure Limitation

Beginning in fiscal year 1981-82, the County became subject to an annual expenditure limitation which is set by the Arizona Economic Estimates Commission. This limitation is based on the County's annual expenditures for fiscal year 1979-80, with this base adjusted to reflect interim population, cost of living and boundary changes. Certain expenditures are specifically exempt from the limit, including expenditures made from federal funds and bond sale proceeds, as well as debt service payments. The limitations can be exceeded for certain emergency expenditures or if approved by the voters. The Constitutional provisions which relate to the expenditure limitation provide three processes to exceed the spending limit: a permanent base adjustment, a one-time override, and a capital project accumulation.

The County's expenditure limitation for the 2013-14 fiscal year was $1,201,238,124. The County's expenditures for the 2013-14 fiscal year did not exceed the limit. The County's 2014-15 fiscal year expenditure limitation is $1,208,311,398, and the County anticipates that its expenditures for such year will not exceed the limit.

Ad Valorem Taxes

At the general election held November 6, 2012, the voters of the State ratified Senate Concurrent Resolution 1025, which amends a provision of the Arizona Constitution relating to the State's property tax system. Beginning in tax year 2015 (for operations during the County's fiscal year 2015-16), and for tax years thereafter, the constitutional amendment will limit the value of real property and improvements, including mobile homes, used for all ad valorem tax purposes (both primary and secondary tax purposes) to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. The foregoing limitation does not apply to (1) equalization orders that the Arizona Legislature exempts from such limitation; (2) property used in the business of patented or unpatented producing mines, mills and smelters; (3) producing oil, gas and geothermal interests; (4) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (5) aircraft that is regularly scheduled and operated by an aircraft company; (6) standing timber; (7) pipelines; and (8) personal property, except mobile homes. Statutory amendments to implement this Constitutional amendment were enacted in the 2013 legislative session.

The information which follows under the heading "PROPERTY TAXES" summarizes the assessment, levy and collection process as it currently exists.

PROPERTY TAXES

General

For tax purposes in Arizona, real property and improvements is either valued by the Assessor of the County or the Arizona Department of Revenue. Property valued by the Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property.

While locally assessed property in the State has two different values, "limited property value" and "full cash value," only the limited property value is used as the basis for taxation. The full cash value is maintained and used as the benchmark for determining the taxable value. For tax year 2015 and subsequent tax years, the limited property value of real property and improvements, including mobile homes, used for all ad valorem property tax purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. Such limitation on increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. For centrally valued property and personal property (except mobile homes), the full cash value of the property is used as the basis for taxation.

Prior to tax year 2015, the value of real property and improvements, including mobile homes, used for primary ad valorem property tax purposes was the limited property value; for secondary ad valorem tax purposes it was the full cash value. Limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's limited property value or 25% of the difference between the prior year's limited property value and the current year's full cash value. Increases in full cash value were not limited.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Full cash value is statutorily defined to mean "the value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In general, the Assessor of the County uses a cost approach to value commercial/industrial property and a market approach to value residential property. State law allows taxpayers to appeal such full cash valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land property classifications at the same full cash value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle.

Certain residential property owners 65 years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the property reverts to its current full cash value. Any freeze on increases in property value will, as a result, freeze the assessed value of the affected property for both primary and secondary tax purposes, as hereinafter described.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for each property classification are set forth by tax year in the following table.

Property Tax Assessment Ratios (a)
Tax years 2011 through 2015

	Assessment as Percentage of Full Cash Value				
Property Classification (a)	**2011**	**2012**	**2013**	**2014**	**2015**
Mining, Utility, Commercial and Industrial (b)	20.0%	20.0%	19.5%	19.0%	18.5%
Agriculture and Vacant Land (b)	16.0%	16.0%	16.0%	16.0%	16.0%
Owner Occupied Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Leased or Rented Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Railroad, Private car Company and Airline Flight Property (c)	15.0%	15.0%	15.0%	16.0%	15.0%

(a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) For tax year 2015, full cash values up to $146,973 on commercial, industrial and agricultural personal property are exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 18% for tax year 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15% for tax year 2016 and thereafter.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Primary Taxes

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are primary taxes. These taxes are levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio).

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the prior year's levy plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the limited value of such property.

Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are also levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio) as described above. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and special district assessments.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that these tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

Delinquent Tax Procedures

The property taxes due the County are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the County. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of, or the secondary market for, the Bonds. None of the County, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the County's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Property Valuations

The following table lists various property valuations for the County for the current fiscal year.

Valuations for 2014-15 Fiscal Year

Estimated Actual (Full) Cash Valuation	$339,536,632,619
Estimated Net Actual Valuation (a)	276,075,662,830
Net Secondary Assessed Valuation	35,079,646,593
Net Primary Assessed Valuation	33,519,795,354

(a) Actual full cash value net of estimated value of property exempt from taxation.

Source: *Abstract of the Assessment Roll,* Arizona Department of Revenue; *2014 Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

Preliminary Valuations for 2015-16 Fiscal Year

Estimated Actual (Full) Cash Valuation	$403,013,954,546
Estimated Net Actual Valuation (a)	331,896,569,571
Net Secondary Assessed Valuation	49,936,652,154
Net Primary Assessed Valuation	42,729,949,165

(b) Actual full cash value net of estimated value of property exempt from taxation.

Source: *2015 State Abstract,* Maricopa County Assessor's Office

Net Secondary Assessed Valuation Comparisons and Trends

The tables below are shown to indicate changes in the net assessed valuations of the County and the State on a comparative basis, as well as the ratio between assessed values and estimated actual values for the County. The basis of property assessed for these years is shown under "Ad Valorem Property Taxes - Tax Procedures."

Net Secondary Assessed Valuation Comparisons

Fiscal Year	Maricopa County	Percent Change	State of Arizona	Percent Change
2014-15	$35,079,646,593	8.84%	$55,352,051,074	5.24%
2013-14	32,229,006,810	(6.31%)	52,594,377,492	(6.54%)
2012-13	34,400,455,716	(11.25%)	56,271,814,583	(8.80%)
2011-12	38,760,296,714	(22.02%)	61,700,292,915	(18.43%)
2010-11	49,707,952,123	(14.27%)	75,643,290,656	(12.56%)

Source: *Property Tax Rates and Assessed Values*, The Arizona Tax Research Foundation.

Net Secondary Assessed Value and Estimated Net Actual Value Comparisons

Fiscal Year	Net Secondary Assessed Valuation	Estimated Net Actual Valuation *	Net Secondary Assessed Valuation as a Percentage of the Estimated Actual Valuation
2014-15	$35,079,646,593	$276,075,662,830	12.70%
2013-14	32,229,006,810	247,247,875,891	13.03%
2012-13	34,400,455,716	260,202,944,330	13.22%
2011-12	38,760,296,714	292,743,083,552	13.24%
2010-11	49,707,952,123	381,181,546,178	13.02%

*Actual full cash value net of estimated value of property exempt from taxation.

Source: *Property Tax Rates and Assessed Values*, The Arizona Tax Research Foundation; *Abstract of the Assessment Roll*, Arizona Department of Revenue.

Major Taxpayers

Shown below are the major property taxpayers located within the County, an estimate of their 2014-15 secondary assessed valuation as of February 10, 2014 and their relative proportion of the County's 2014-15 secondary assessed value.

Taxpayer (a)	Business/ Property Type	2014-15 Net Secondary Assessed Valuation	As Percent of County's 2014-15 Net Secondary Assessed Valuation
Arizona Public Service Company	Gas & Electricity Utility	$ 1,096,239,843	3.13%
Southwest Gas Corporation (T&D)	Gas & Electricity Utility	153,373,606	0.44%
Qwest Corporation	Telecommunications	141,182,026	0.40%
Southern California Edison Co (T&D)	Gas & Electricity Utility	139,188,489	0.40%
El Paso Electric Co (T&D)	Gas & Electricity Utility	126,160,779	0.36%
Mesquite Power LLC	Gas & Electricity Utility	90,250,000	0.26%
Public Service Company of New Mexico (T&D)	Gas & Electricity Utility	73,804,604	0.21%
Arizona Solar One LLC	Gas & Electricity Utility	71,262,919	0.20%
Sundevil Power Holdings, LLC	Gas & Electricity Utility	69,891,500	0.20%
Verizon Wireless	Telecommunications	61,870,622	0.18%
		$2,023,224,388	5.77%

(a) Some of these taxpayers or their parent companies are subject to the informational requirements of the 1934 Act and in accordance therewith file Filings. Filings with respect to them may be inspected and copied at or through the Reference Facilities. None of the County, the Financial Advisor, the Underwriters, Bond Counsel or their agents or counsel has examined the information set forth in the Filings related to them for accuracy or completeness, nor do they assume responsibility for the same.

SPECIAL NOTE: The net secondary assessed valuation of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the net secondary assessed valuation of the County in the valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the full cash value of the SRP Electric Plant and the in lieu contribution amount is determined in the same manner as the full cash value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If SRP elected not to make such contributions, the County would be required to contribute funds from other sources or levy an increased tax rate on all other taxable property to provide sufficient amounts to pay debt service on the Bonds. If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the County and the County have no recourse against the property of SRP and there may be a delay in the payment of that portion of the debt service on the Bonds that would have been paid by SRP's in lieu contribution..

Since 1964, when the in lieu contribution was originally authorized in State statute, SRP has never failed to make that election and contribution. The fiscal year 2014-15 in lieu assessed valuation of SRP within the County is $674,808,977, which represents approximately 1.92% of the combined net secondary assessed value in the County.

Source: Maricopa County Treasurer's Office.

Real and Secured Property Taxes Levied and Collected

Property taxes are levied and collected on all taxable property within the County and are certified by the County Treasurer. The table below sets forth the real and secured personal property tax collections of the County for the current fiscal year and the past five fiscal years.

Fiscal Year	Real & Secured Property Tax Levy	Collected to June 30th End of Tax Fiscal Year (a)		Total Collections through March 31, 2015	
		Amount	% of Levy	Amount	% of Levy
2014-15	$440,557,557	(b)	(b)	$278,691,318	63.26%
2013-14	408,384,423	$401,853,120	98.40%	407,730,685	99.84%
2012-13	422,870,730	414,238,830	97.96%	421,145,170	99.59%
2011-12	474,716,070	462,482,389	97.42%	471,201,006	99.26%
2010-11	488,064,264	471,266,973	96.56%	482,339,853	98.83%
2009-10	490,465,037	472,614,240	96.36%	487,594,626	99.41%

(a) Reflects collections made through June 30th, the end of the fiscal year, on such year's levy. Penalties for delinquent payments are not included in the above collection figures.
(b) Reflects collections made through March 31, 2015.
(c) In the process of collection.

Source: Maricopa County Treasurer's Office.

State Shared Sales Taxes

Pursuant to statutory formula, counties in Arizona, including the County, receive a portion of the State levied general transaction privilege (sales) taxes. The State transaction privilege (sales) taxes are levied against a variety of business activities. The tax rate varies among the different types of business activities taxed, with the most common rate being 5.0% of the amount or volume of business transacted. Under current State law, the aggregate amount distributed to all Arizona counties is 40.51% of the "distribution base" of revenues attributable to each category of taxable activity. The allocation to each county of the revenues available for distribution requires determining each county's allotment. To compute each county's allotment, the State assumes 38.08% of the distribution base will be distributed and uses two different methodologies. Each county is given the greater amount. The first methodology is based on the relative population of each county to the population of all counties, as shown by the most recent census, and each county's transaction privilege tax contribution relative to the contribution of all counties. The second methodology is based on each county's relative taxable secondary assessed property valuation and such county's relative transaction privilege tax contribution. Any amounts remaining of the 40.51% total county share of the distribution base are distributed to the counties using the relative population/transaction privilege tax proportions described above.

The table below sets forth the State Shared Sales Tax receipts of the County for the past five fiscal years.

State Shared Sales Tax Receipts
Maricopa County, Arizona

Fiscal Year	Amount
2009-2010	$366,285,238
2010-2011	385,487,679
2011-2012	400,453,543
2012-2013	418,642,153
2013-2014	447,541,942

The State has shared transaction privilege (sales) tax receipts with Arizona counties continuously since 1942. The State Legislature could, however, at any time, eliminate the State Shared Revenues or change the amount or timing of the State Shared Revenues and is under no legal obligation to maintain the amount of the State Shared Revenues distributed to the County at any amount or level. *No revenues from State Shared Sales Taxes secure or are pledged to the payment of Lease Payments or the County's other obligations under the Lease.*

County General Fund Vehicle License Taxes

Article IX, Section 11 of the Arizona Constitution provides that from and after December 31, 1973, a vehicle license tax shall be imposed as provided by law on vehicles registered for operation upon the highways in Arizona, which vehicle license tax shall be in lieu of all ad valorem property taxes on any vehicle subject to such license tax. The constitutional provision further provides that the Arizona Legislature shall provide for the distribution of the proceeds from such vehicle license tax to the State, counties, school districts, cities and towns, including distributions to the State General Fund.

Pursuant to statutory formula, counties in Arizona, including the County, receive two separate distributions from revenues of the State vehicle license tax from the Arizona Department of Transportation, which is the State agency charged with collecting the tax: one distribution is made for deposit into the county's general fund (the "County General Fund Vehicle License Tax") and the other is made for and restricted to any transportation purpose as determined by the county's board of supervisors. Currently, the County General Fund Vehicle License Tax constitutes 24.6% of moneys collected from most types of vehicles and 20.45% of moneys collected from alternative fuels vehicles, car rental surcharges, and private ambulances, fire-fighting vehicles and school buses.

The table below sets forth the County General Fund Vehicle License Tax receipts of the County for the past five fiscal years.

County General Fund Vehicle License Tax Receipts
Maricopa County, Arizona

Fiscal Year	Amount
2009-2010	$124,579,510
2010-2011	121,637,533
2011-2012	122,011,906
2012-2013	127,115,879
2013-2014	135,565,922

The State has made distributions of County General Fund Vehicle License Taxes to Arizona counties, including the County, since 1974. The State Legislature could, however, at any time, alter the formula or reduce the amount or change the timing of distribution of County General Fund Vehicle License Taxes to the County and is under no legal obligation to maintain the amount of the County General Fund Vehicle License Taxes distributed to the County at any amount or level. *No revenues from County General Fund Vehicle License Taxes secure or are pledged to the payment of Lease Payments or the County's other obligations under the Lease.*

Tax Rate Data

The tax rates provided below reflect the total property tax rate levied by the County. As such, the rates are the sum of the tax rate for debt service payments, which is levied against the County's secondary assessed value, and the tax rate for all other purposes, which is levied against the primary assessed value within the County.

Fiscal Year	Primary Tax Rate	Secondary Tax Rate
2014-15	$1.3209	$0.000
2013-14	1.2807	0.000
2012-13	1.2407	0.000
2011-12	1.2407	0.000
2010-11	1.0508	0.000

Source: *Property Tax Rates and Assessed Values*, The Arizona Tax Research Foundation and Maricopa County Finance Office.

STATEMENTS OF BONDED INDEBTEDNESS

Direct General Obligation Bonded Debt Outstanding
Maricopa County, Arizona

Total Direct General Obligation Bonds Outstanding **None**

Direct Bonded Debt, Legal Limitation and Unused Borrowing Capacity

Under the provisions of the Arizona Constitution and Arizona Revised Statutes, the total amount of general obligation bonded indebtedness of a county may not exceed 15% of such district's net secondary assessed valuation. The table below indicates the County's status relative to this limitation.

2014-15 Arizona Constitutional Limitation (15% of Secondary Assessed Valuation)	$5,261,946,989
Direct General Obligation Bonded Debt	(0)
Unused 15% Borrowing Capacity	$5,261,946,989

Direct and Overlapping General Obligation Bonded Debt, Net Assessed Valuations and Tax Rates

Overlapping bonded debt figures were compiled from information obtained from the County Treasurer's office and individual jurisdictions. A breakdown of each overlapping jurisdiction's applicable general obligation bonded debt, net secondary assessed valuation and combined tax rate per $100 assessed valuation follows. Outstanding bonded debt is comprised of general obligation bonds outstanding as of May 15, 2015. The applicable percentage of each jurisdiction's assessed valuation which lies within the County's boundaries (see the "Approximate Percent" column below) was derived from information obtained from the County Assessor's Office.

		Portion Applicable to County		2014-15 Combined
Jurisdiction	**G.O. Debt Outstanding (a)**	**Approx. Percent**	**Net Debt Amount**	**Tax Rate Per $100 A.V. (b)**
State of Arizona	None	61.13%	None	$0.5089 (c)
Maricopa County	None	100.00%	None	1.8624 (d)
Elementary School Districts	$ 911,225,000	100.00%	$ 911,225,000	5.1525 (e)
Unified School Districts	2,023,483,500	100.00%	2,023,483,500	5.7944 (e)
Union High School Districts	690,305,000	100.00%	690,305,000	4.0664 (e)
Cities and Towns	3,322,102,965 (f)	100.00%	3,322,102,965	1.4967 (e)
East Valley Institute of Technology	None	96.87%	None	0.0500
Hospital District No. 1	None	100.00%	None	None
Western Maricopa Education Center	59,045,000	99.76%	58,903,292	0.0500
Maricopa County Special Health Care District	None	100%	None	
Maricopa County Community College District	654,190,000	100.00%	654,190,000	1.5187
Total			$7,660,209,757	

	2014-15 Net Secondary Assessed Valuation	G.O. Debt Outstanding (a)	2014-15 Combined Tax Rate Per $100 A.V. (b)
Elementary School Districts:			
Phoenix Elementary S.D. No. 1	$ 633,258,801	$ 48,775,000	$6.7161
Riverside Elementary S.D. No. 2	345,901,631	32,430,000	3.3222
Tempe Elementary S.D. No. 3	1,291,283,504	124,260,000	5.7548
Isaac Elementary S.D. No. 5	122,600,758	None	6.3560
Washington Elementary No. 6	1,142,089,326	76,975,000	5.7015
Wilson Elementary S.D. No. 7	81,158,807	6,185,000	6.7472
Osborn Elementary S.D. No. 8	401,889,772	30,700,000	3.7979
Creighton Elementary S.D. No. 14	370,843,889	30,400,000	3.9881
Tolleson Elementary S.D. No. 17	149,595,601	8,790,000	4.5720
Murphy Elementary S.D. No. 21	91,996,334	7,930,000	4.4786
Liberty Elementary S.D. No. 25	195,374,149	19,570,000	4.5011
Kyrene Elementary S.D. No. 28	1,779,511,364	146,365,000	4.0362
Balsz Elementary S. D. No. 31	269,751,584	18,345,000	3.7393
Buckeye Elementary S.D. No. 33	177,474,260	17,795,000	5.9172
Madison Elementary S.D. No. 38	849,638,069	89,920,000	4.6026
Glendale Elementary S.D. No. 40	261,008,520	21,040,000	6.4671
Avondale Elementary S.D. No. 44	322,479,123	33,725,000	5.8017
Fowler Elementary S.D. No. 45	253,930,380	9,200,000	3.8967

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	2014-15 Net Secondary Assessed Valuation	G.O. Debt Outstanding (a)	2014-15 Combined Tax Rate Per $100 A.V. (b)
Arlington Elementary S.D. No. 47	325,475,371	2,275,000	0.7734
Palo Verde Elementary S.D. No. 49	21,777,578	440,000	4.0251
Laveen Elementary S.D. No. 59	181,758,247	18,175,000	7.0061
Union Elementary S.D. No. 62	48,470,488	2,065,000	4.1870
Aguila Elementary S.D. No. 63	12,530,882	None	4.5575
Littleton Elementary S.D. No. 65	222,598,992	11,845,000	5.8985
Roosevelt Elementary S.D. No. 66	530,043,383	54,540,000	7.5781
Alhambra Elementary S.D. No. 68	272,908,842	40,000	7.0020
Sentinel Elementary S.D. No. 71	7,904,338	None	10.0411
Morristown Elementary S.D. No. 75	15,270,392	None	4.9780
Litchfield Elementary S.D. No. 79	652,775,053	45,675,000	3.7780
Nadaburg Elementary S.D. No. 81	52,399,727	1,010,000	4.8136
Cartwright Elementary S.D. No. 83	220,312,009	26,325,000	10.6361
Mobile Elementary S.D. No. 86	9,886,432	None	7.8876
Pendergast Elementary S.D. No. 92	271,309,761	27,130,000	7.1900
Paloma Elementary S.D. No. 94	79,621,102	None	4.9243
	$11,664,828,469	$911,225,000	
Unified School Districts:			
Mesa Unified S.D. No. 4	$2,671,537,348	$281,950,000	$7.4983
Wickenburg Unified S.D. No. 9	147,466,078	9,136,000	5.5504
Peoria Unified S.D. No. 11	1,384,611,618	220,825,000	7.2708
Gila Bend Unified S.D. No. 24	151,669,525	2,545,000	2.1021
Gilbert Unified S.D. No. 41	1,596,222,809	116,680,000	7.2284
Scottsdale Unified S.D. No. 48	4,556,319,442	239,962,500	4.1136
Higley Unified S.D. No. 60	504,488,212	103,590,000	7.2675
Paradise Valley Unified S.D. No. 69	2,970,807,651	330,570,000	6.7798
Chandler Unified S.D. No. 80	2,238,429,059	196,270,000	7.2863
Dysart Unified S.D. No. 89	1,131,758,071	167,605,000	7.1239
Saddle Mountain Unified S.D. No. 90	812,844,836	25,000,000	1.3469
Cave Creek Unified S.D. No. 93	1,685,305,857	33,750,000	2.1556
Queen Creek Unified S.D. No. 95	296,586,968	64,350,000	6.5475
Deer Valley Unified S.D. No. 97	2,202,994,012	215,775,000	6.4789
Fountain Hills Unified S.D. No. 98	419,288,031	15,475,000	3.1032
	$22,770,329,517	$2,023,483,500	
Union High School Districts:			
Buckeye Union HSD No. 201	$720,101,358	$68,375,000	$3.5091
Glendale Union HSD No. 205	1,403,097,846	109,690,000	4.4189
Phoenix Union HSD No. 210	4,372,062,126	305,670,000	4.6196
Tempe Union HSD No. 213	3,070,794,868	105,000,000	3.0616
Tolleson Union HSD No. 214	945,905,222	43,300,000	4.5348
Agua Fria Union HSD No. 216	975,254,176	58,270,000	4.2005
	$11,487,215,596	$ 690,305,000	
Cities and Towns (e):			
Town of Apache Junction	$903,639	None	$0.0000
City of Avondale	350,686,613	$26,515,000	1.7500
Town of Buckeye	324,277,466	None	1.8011
Town of Carefree	139,463,436	None	0.0000
Town of Cave Creek	121,621,975	None	0.0000
City of Chandler	2,381,590,083	362,215,000	1.1792
City of El Mirage	109,007,802	26,120,000	3.5406

(continued on next page)

	2014-15 Net Secondary Assessed Valuation	G.O. Debt Outstanding (a)	2014-15 Combined Tax Rate Per $100 A.V. (b)
Town of Fountain Hills	402,965,927	9,565,000	0.1151
Town of Gila Bend	141,278,461	None	0.2931
Town of Gilbert	1,829,471,839	135,310,000	1.0659
City of Glendale	1,148,164,650	145,315,000	2.1501
City of Goodyear	659,588,897	105,025,000	1.8700
Town of Guadalupe	10,043,942	None	0.0000
City of Litchfield Park	65,016,550	None	0.0000
City of Mesa	2,821,172,754	344,645,000	1.1853
Town of Paradise Valley	762,514,003	None	0.0000
City of Peoria	1,155,587,438	142,925,000	1.4400
City of Phoenix	10,818,634,186	1,495,776,176	1.8200
Town of Queen Creek	240,689,659	None	1.9500
City of Scottsdale	5,176,777,891	288,361,789	1.2449
City of Surprise	904,721,043	None	0.7591
City of Tempe	1,627,720,901	207,170,000	2.4350
City of Tolleson	168,629,759	33,160,790	3.7457
Town of Wickenburg	59,751,318	None	0.5270
Town of Youngtown	19,983,769	None	0.0000
	$31,440,264,001	$3,322,102,965	

(a) Does not include the Salt River Project Agricultural Improvement and Power District general obligation bonded debt. Such debt has been refunded in advance of maturity and is secured for payment by government securities held in irrevocable trust. Includes general obligation bonds outstanding. Does not include outstanding principal amount of various cities and towns improvement districts' bonded debt and outstanding principal amount of various County improvement districts' bonded debt, as the indebtedness of these districts is presently being paid from special assessments levied against property owners residing within the various improvement districts. Also does not include various fire districts.

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% is interest bearing and the remaining 27% is non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October l, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per $100 of secondary assessed valuation, of which fourteen cents is being currently levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

Does not include the obligation of the Maricopa County Flood Control District to contribute $70 to $80 million to the CAP. The Maricopa County Flood Control District's sole source of revenue to pay the contribution will be ad valorem taxes on real property and improvements.

The following table lists general obligation bonds authorized but unissued for jurisdictions within the County.

Municipality	**Authorized But Unissued General Obligation Bonds**
Riverside Elementary S.D. No. 2	$50,000,000
Washington Elementary No. 6	25,500,000
Liberty Elementary S.D. No. 25	2,475,000
Kyrene Elementary S.D. No. 28	73,975,000
Buckeye Elementary S.D. No. 33	15,420,000
Madison Elementary S.D. No. 38	61,000,000
Glendale Elementary S.D. No. 40	9,200,000
Avondale Elementary S.D. No. 44	28,665,000
Fowler Elementary S.D. No. 45	12,200,000
Arlington Elementary S.D. No. 47	1,000,000
Littleton Elementary S.D. No. 65	14,250,000
Litchfield Elementary S.D. No. 79	29,000,000
Pendergast Elementary S.D. No. 92	8,510,000
Mesa Unified S.D. No. 4	99,000,000
Peoria Unified S.D. No. 11	108,800,000
Higley Unified S.D. No. 60	25,785,000
Queen Creek Unified S.D. No. 95	54,815,000
Deer Valley Unified S.D. No. 97	133,315,000
Cave Creek Unified School District No. 93	10,000,000
Buckeye Union HSD No. 201	21,000,000
Glendale Union HSD No. 205	8,435,000
Phoenix Union HSD No. 210	95,000,000
City of Avondale	62,020,000
Town of Buckeye	
Town of Cave Creek	
City of Chandler	245,345,000
City of El Mirage	2,000,000
Town of Fountain Hills	635,000
Town of Gilbert	83,059,000
City of Glendale	362,839,000
City of Goodyear	167,660,449
City of Mesa	192,421,000
City of Peoria	760,046,270
City of Phoenix	152,355,000
City of Scottsdale	9,230,000
City of Tempe	115,489,698
City of Tolleson	60,815,000
Western Maricopa Education Center	14,900,000
Maricopa County Community College District	3,000
Maricopa County Special Health Care District	935,000,000

(b) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity and the tax rate for all other purposes such as maintenance and operation and capital outlay which is based on the primary assessed valuation of the municipality.

(c) Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in fiscal year 2014-15 has been set at $0.5089 and is adjusted annually pursuant to Arizona Revised Statutes Section 41-1276.

(d) The tax rate includes the $1.3209 county tax rate, the $0.1392 tax rate of the Maricopa County Flood Control District, the $0.0556 tax rate of the Maricopa County Free Library District, the $0.1856 tax rate of the Maricopa County Special Health Care District, the $0.1400 tax rate of the CAP and the $0.0113 tax rate for the County's contribution to fire districts. It should be noted that the County Flood Control District does not levy taxes on unsecured personal property.

(e) The tax rate shown is a weighted average based on each jurisdiction's proportionate amount of secondary assessed valuation.

(f) Does not include outstanding principal of self-supporting general obligation bonds issued by various cities and towns within the County's boundaries which are presently being paid from enterprise fund revenues. Should the revenues of the operation of the related enterprise prove to be insufficient to pay the indebtedness or should the cities or towns elect to change their payment policy on their revenue supported general obligation bonds this debt would and must be paid from ad valorem taxes.

Also does not include the outstanding principal amount of various city and town improvement districts' bonded debt as the indebtedness of these districts is presently being paid from special assessments levied against property owners residing within the various improvement districts.

(g) Excludes $298,475,000 of authorized but unissued general obligation bonds that if issued, would be supported from collections of the two-tenths (0.20) of one percent (1.00%) Scottsdale transaction privilege (sales) tax approved by the voters in 1995 and dedicated to financing land acquisitions (the "Preserve Excise Taxes") for the McDowell Sonoran Preserve. Although it is the current intent of Scottsdale to support such authorized but unissued general obligation bonds from Preserve Excise Taxes, no assurance is or can be made that such practice will be followed or implemented as official Scottsdale policy, or that such Preserve Excise Taxes would be sufficient to pay amounts due for debt service on any amount of authorized but unissued general obligation bonds, if issued. If any amount of such authorized but unissued general obligation bonds are issued and revenues from Preserve Excise Taxes would prove insufficient to pay amounts due for debt service on such bonds, or if Scottsdale elects not to pay such amounts from revenues of the Preserve Excise Taxes, amounts due for debt service on such bonds would be paid from ad valorem taxes.

Direct and Overlapping General Obligation Bonded Debt Ratios

		As Percent of County's 2014-15	
	Per Capita Net Debt (Population @ 4,008,651) (a)	**Net Secondary Assessed Valuation ($35,079,646,593)**	**Est. Net Actual Valuation ($276,075,662,830)**
Direct General Obligation Bonded Debt (None)	N/A	N/A	N/A
Net Direct and Overlapping General Obligation Bonded Debt ($7,660,209,757)	$1,910.92	21.84%	2.77%

(a) Population estimates as of July 1, 2014 (released December 2014) provided by the Office of Employment and Population Statistics, Arizona Department of Administration.

Other Indebtedness

Lease Revenue Bond Obligations

In May 2007, the Maricopa County Public Finance Corporation (the "PFC") issued $108,100,000 aggregate principal amount of its revenue bonds (the "PFC Lease Revenue Bonds") to finance the acquisition, construction and renovation of various capital projects for the County. Pursuant to a lease-purchase agreement between the PFC and the County, the County is required to make lease payments sufficient to pay principal of and interest on the PFC Lease Revenue Bonds, provided that the County's obligations to make such lease payments and other obligations under the lease-purchase agreement are be subject to and dependent upon an annual budgeting and appropriation being made by the Board to make such payments.

Date of Issue	Original Amount	Purpose	Original Maturity Dates	Remaining Balance Outstanding
05-23-07	$ 108,100,000	Various Improvements	07-01-08/31	$88,155,000
05-23-07	32,840,000	Refunding	07-01-12/15	8,980,000
Total	$ 140,940,000			$97,135,000

Capital Leases

The County has entered into various lease-purchase agreements, which are noncancellable, for the acquisition of the software and accessories totaling $1,316,903.91.

These lease purchase agreements require the County to pay all maintenance costs. At the time of the final principal and interest payments, title to the leased equipment transfers to the County. These leases are contingent on budgetary appropriations each fiscal year. The assets are capitalized at a total principal cost.

The following is a schedule of future minimum lease payments for the above-described capital leases:

Year ending June 30	Minimum Lease Payment
2015	$ 349,088.15
2016	349,088.15
2017	349,088.15
2018	349,088.15
Total minimum lease payments	1,396,352.60
Less amount representing interest	(79,448.69)
Present value of net minimum lease payments	$1,316,903.91

Arizona State Retirement Plan

Plan Description – The County contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System (the "System"). The System (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be accessed at: https://www.azasrs.gov/web/FinancialReports.do. The most recent actuarial valuation for the System may be accessed at https://www.azasrs.gov/web/AnnualActuarialValuations.do.

Funding Policy – The board for the System has adopted contribution rates for fiscal years 2015 and 2016. For the year ended June 30, 2014, active plan members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.03 percent retirement and 0.24 percent long-term disability) of the members' annual covered payroll. The County was also required by statute to contribute at the actuarially determined rate of 11.54 percent (10.7 percent for retirement, 0.6 percent for health insurance premium, and 0.24 percent long-term disability) of the members' annual covered payroll. For fiscal year 2015, the rate, including retirement and long-term disability, was increased to 11.48 percent for the County and to 11.48 percent for employees.

Legislation enacted by the State in 2012 made changes to how the System operates, effective July 1, 2011, which includes requiring employers to pay an alternative contribution rate for retired employees of the System that return to work, changing the age at which an employee can retire without penalty based upon years of service, limiting permanent increases in retirement benefits and establishing a study committee that will review the feasibility and cost to changing the current defined benefit plan to a defined contribution plan.

The ASRS has reported increases in its unfunded liabilities. The effect of the increase in the ASRS' unfunded liabilities on the County, or on the County's and its employees' future annual contribution to the ASRS, are projected to increase in future years.

New Reporting Requirements. Government Accounting Standards Board adopted Statement Number 68, Accounting and Financial Reporting for Pensions ("GASB 68"), which, beginning with fiscal years starting after June 15, 2014, requires employers to report their net pension liability and pension expense in their government-wide financial statements and pension expense. The new reporting requirements imposed by GASB 68 will change the financial statements of the County, but the specific impact is unknown at this time.

Other Post-Employment Benefits

Beginning with the fiscal year that commenced on July 1, 2007, the County was required to implement GASB 45, *Accounting by Employers for Other Post-Employment Benefits* ("OPEB"), which requires reporting actuarially accrued cost of post-employment benefits, other than pensions, such as health and life insurance for current and future retirees. GASB 45 requires that such benefits be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, GASB requires the reporting of such costs as a financial statement liability.

The County does not currently offer Other Post-Employment Benefits. County employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided through the State. Employees on long-term disability and their spouses may also qualify for retiree health care benefits through the State. It is expected that substantially all County employees that reach normal or early retirement age while working for the County will become eligible for such benefits. Currently, such retirees may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium available to all participants, whether retired or not, in the State's health care program. The County makes no payments for OPEB costs for such retirees. Even though the retiree's are paying 100% of the insurance premiums, there is, however, according to GASB 45, an implicit rate subsidy because the retirees are paying a lower premium than what would be paid if the insurance premiums were based on the retiree's age.

As the County does not pay for any OPEB related benefits, no costs or liabilities have been deemed to be material to the County's financial statements.

Current County Approach to Funding Capital Improvement Program and Operating Reserves

Recent County budgets have included "one-time" operating transfers from the General Fund to capital projects funds that are used for budgeted "pay-as-you go" capital projects and operating reserves. The budgeted operating transfers have resulted in a planned reduction in the General Fund - Fund Balance. The County's Fiscal Year 2015-16 Tentative Budget includes approximately $266 million in reserves and project reserves, unobligated fund balance, contingencies, and $80 million which could be available for the payment or prepayment of County obligations. These amounts are reflected in the General Fund and capital projects funds.

The County began its present Capital Improvement Program (CIP) in Fiscal Year 1999-2000. The County has utilized a modified "pay as you go" financial policy with the County paying cash for most CIP projects. The County currently has no outstanding general obligation bonds and has very little long-term debt. The debt service on the PFC Lease Revenue Bonds is being paid with cash that has been set aside for capital improvements. Because of the County's new General Fund budgeting philosophy of utilizing a "most likely" scenario for revenues instead of a "pessimistic" scenario from economic forecast models and with the funding of contingencies at a much lower level, less funding for capital projects is expected to occur into the future. It is anticipated that funding of the CIP will slow until a new funding methodology is established by the Board of Supervisors. Discussions of various funding methods are on-going and a strategic planning process to discuss funding of a new CIP is expected to occur in the fall of 2015, prior to the next budget development cycle.

The portion of the adopted Fiscal Year 2015-16 Five-Year CIP to be funded through the General Fund "pay-as-you go" strategy is currently fully funded with available cash within the capital project funds. However, the County is managing its constitutional Expenditure Limitation through the incurrence of short-term borrowings such as the 2015 Certificates, which are exempt from such limitation. See "Expenditure Limitation" above.

MARICOPA COUNTY, ARIZONA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF ALL GOVERNMENTAL FUND TYPES (a)
(In $000)

	Actual				
	2009-10	2010-11	2011-12	2012-13	2013-14
Revenues					
Taxes	$ 716,805	$ 715,852	$ 704,105	$ 642,325	$ 615,127
Licenses and permits	38,497	41,372	57,136	43,804	44,295
Intergovernmental	772,997	802,854	827,076	870,033	879,891
Charges for services	177,456	185,637	160,595	170,892	158,418
Fines and forfeits	35,152	34,094	31,006	30,760	28,982
Special assessment	4,377	5,433	5,027	5,068	6,071
Interest Income	20,319	13,829	17,305	6,265	1,029
Miscellaneous	15,029	15,477	18,164	28,666	16,886
Total revenues	1,780,632	1,814,549	1,820,414	1,797,813	1,750,699
Expenditures					
General government	208,845	193,235	168,968	151,833	135,671
Public Safety	825,412	829,965	873,304	871,929	960,018
Highways and streets	52,573	53,297	49,417	48,460	51,636
Health welfare and sanitation	326,937	384,437	435,449	425,527	400,282
Culture and recreation	28,121	30,006	30,792	33,004	36,937
Education	7,684	8,927	12,731	18,255	26,507
Debt service					
Principal	15,914	15,728	18,406	15,290	20,742
Interest	9,247	8,559	7,671	5,845	5,391
Other	92	1		133	1
Payment to Escrow Agent				6,381	
Capital outlay	212,063	320,011	279,163	251,068	228,759
Total expenditures	1,686,888	1,844,167	1,875,901	1,827,724	1,865,944
Excess of revenues over (under) expenditures	93,744	(29,618)	(55,487)	(29,911)	(115,245)
Other financing sources (uses)					
Transfers in	383,496	677,003	499,887	483,488	516,830
Transfers out	(383,460)	(675,673)	(502,576)	(520,551)	(521,297)
Proceeds from bond issuance				25,140	
Payment to escrow agent				(24,998)	
Total other financing sources (uses)	37	1,330	(2,689)	(36,921)	(4,467)
Net change in fund balances	$ 93,781	$ (28,287)	$ (58,176)	$ (66,832)	$ (119,712)

Source: Maricopa County Finance Department.

(a) This table has not been subject to any separate audit procedures.

MARICOPA COUNTY, ARIZONA
STATEMENT OF FUND BALANCES - ALL GOVERNMENTAL FUND TYPES (a)
(In $000)

	Actual			
	2010-11	2011-12	2012-13	2013-14
General Fund (b)				
Nonspendable	$ 20,373	$ 19,923	$ 19,144	$ 19,770
Restricted				
Committed	162,000	159,000		
Assigned	225,406	88,433	230,067	113,712
Unassigned	21,624	35,579	28,620	7,490
Total general fund	$ 429,402	$ 302,935	$ 277,831	$ 140,973
All Other Governmental Funds (b)				
Nonspendable	$ 2,774	$ 2,635	$ 2,452	$ 2,287
Restricted	625,560	623,361	615,290	541,960
Committed	446,474	504,307	470,045	554,527
Assigned				
Unassigned	(9,455)	(8,028)	(7,752)	(2,386)
Total all other governmental funds	$ 1,065,354	$ 1,122,275	$ 1,080,035	$ 1,096,388

Source: Maricopa County Finance Department.

(a) This table has not been subject to any separate audit procedures.
(b) Fund Balance Classifications beginning FY2010-11 were changed due to the initial year of GASB Statement No. 54 presentation.

MARICOPA COUNTY, ARIZONA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCE (a)
(In $000)

	Actual				
	2009-10	2010-11	2011-12	2012-13	2013-14
Revenues					
Taxes	$ 512,095	$ 511,167	$ 500,199	$ 441,732	$ 422,074
Licenses and permits	2,779	2,331	1,914	2,363	2,746
Intergovernmental	500,276	514,511	530,822	554,592	592,086
Charges for services	39,768	40,746	40,082	42,389	39,288
Fines and forfeits	15,409	14,357	12,151	12,374	11,780
Interest Income	6,597	8,612	6,564	3,548	476
Miscellaneous	5,793	5,746	8,678	10,859	8,191
Total Revenue	1,082,717	1,097,469	1,100,410	1,067,858	1,076,641
Expenditures					
Current:					
General government	193,008	185,722	161,854	144,337	127,650
Public safety	398,330	410,984	429,608	438,755	485,673
Health, welfare and sanitation	167,657	196,904	249,420	247,296	249,104
Culture and recreation	690	693	1,098	1,039	2,411
Education	2,313	2,144	2,076	2,247	3,469
Capital Outlay	5,291	11,209	6,791	7,355	12,648
Total Expenditures	767,290	807,656	850,847	841,029	880,955
Excess of revenues over (under) expenditures	315,427	289,813	249,564	226,829	195,685
Other Financing Sources (uses)					
Transfer In	3,338	1,479	1		2,138
Transfer Out	(239,837)	(371,272)	(375,566)	(251,604)	(335,307)
Total other financing sources (uses)	(236,499)	(369,793)	(375,565)	(251,604)	(333,169)
Net change in fund balance	78,928	(79,980)	(126,001)	(24,775)	(137,484)
Fund balance beginning of year	430,965	509,524	429,402	302,935	277,831
Incr (dec) reserve for inventories	(370)	(141)	(466)	(330)	626
Fund balance at end of year	$ 509,524	$ 429,402	$ 302,935	$ 277,831	$ 140,973

Source: Maricopa County Finance Department.

(a) This table has not been subject to any separate audit procedures.

APPENDIX C

EXCERPTS FROM
MARICOPA COUNTY, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

The following are excerpts from the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The County has not requested the State of Arizona Auditor General to perform any review of the County's Comprehensive Annual Financial Report subsequent to June 30, 2014. These are the most recent audited financial statements available to the County. These financial statements are not current and may not represent the current financial position of the County.

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STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of
Maricopa County, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Maricopa County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County'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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of four departments, which account for the following percentages of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, and expenses or expenditures of the opinion units affected:

Opinion Unit/Department	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Revenues	Expenses/ Expenditures
Government-wide Statements				
Governmental activities:				
Stadium District	5.83%	4.81%	0.60%	0.86%
Risk Management	0.73%	16.45%	0%	0%
Employee Benefits Trust	1.11%	4.31%	0%	0%
Business-type activities:				
Housing Authority	100%	100%	100%	100%
Fund Statements				
Aggregate remaining fund information:				
Stadium District	0.84%	0.10%	0.18%	0.22%
Risk Management	1.32%	36.78%	0.28%	0.18%
Employee Benefits Trust	2.00%	9.64%	1.22%	1.33%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for Stadium District, which includes the Ballpark Operations and Cactus League Operations Special Revenue Funds, the Stadium District Debt Service Fund, and the Long Term Project Reserve Capital Projects Fund; the Risk Management and Employee Benefits Trust Internal Service Funds; and the Housing Authority Enterprise Fund, are based solely on the reports of the other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the County'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 County'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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Maricopa County as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As described in Note 1 to the financial statements, for the year ended June 30, 2014, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

As described in Note 4 to the financial statements, the County restated beginning net position/fund balances of its financial statements for the year ended June 30, 2014, to correct misstatements in its previously issued financial statements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 5 through 15, the Budgetary Comparison Schedules on pages 73 through 76, the Schedule of Agent Retirement Plans' Funding Progress on pages 77 through 78, and the Modified Approach for Infrastructure Assets information on page 79 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 County's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund 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 U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we will issue our report on our consideration of the County'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 at a future date. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

December 19, 2014

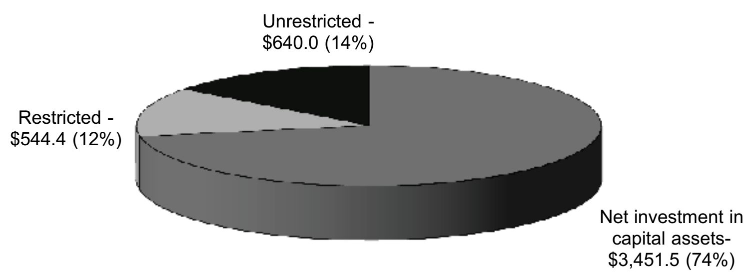
Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of Maricopa County's (County) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the Transmittal Letter that begins on page vii and with the County's basic financial statements following this section.

Financial Highlights

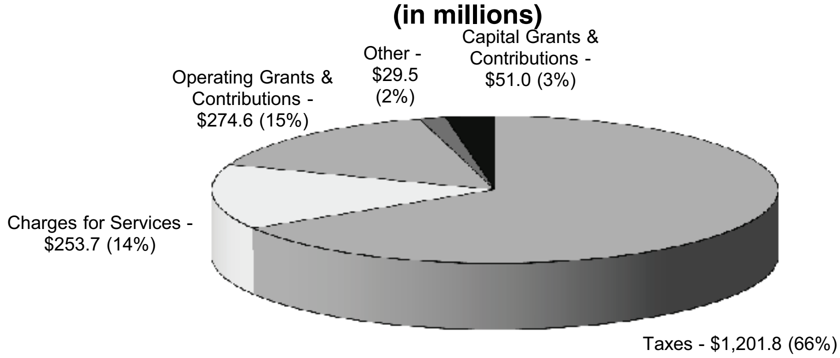
- The total assets and deferred outflows of resources of the County exceeded its liabilities at the close of the fiscal year by $4,635.9 million (net position), a decrease of 0.1 percent from the prior year. Of this amount, $640.0 million (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

Composition of Net Position (in millions)



- The County's total net position as reported in the Statement of Activities decreased by $5.7 million from the prior year. The County's primary sources of revenue are from taxes, grants and contributions, and charges for services.

Revenue Sources (in millions)



- The County's governmental funds reported combined fund balances of $1,237.4 million, a decrease in fund balance of $119.3 million over the prior fiscal year. Approximately 98.2 percent of the combined fund balances or $1,215.3 million is spendable and available to meet the County's current and future needs.
- Spendable fund balance for the General Fund decreased by 53.1 percent to $121.2 million; approximately 13.8 percent of total General Fund expenditures. See page 10 for a description of spendable fund balance. In accordance with Arizona Revised Statutes (A.R.S.), this entire amount is budgeted to be spent in the next fiscal year. A.R.S. §42-17151 requires that total estimated sources of revenue must equal the total estimated expenditures in the budget for the current fiscal year. In addition, A.R.S. §42-17102 stipulates that the estimated expenditures may include an amount for unanticipated contingencies or emergencies.

- The County's enterprise fund, the Housing Authority Fund, reported net position of $31.9 million, of which $28.2 million is invested in capital assets, $2.2 million is restricted, and $1.5 million is unrestricted.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements. The Combining and Individual Fund Statements and Schedules – Nonmajor Funds begin on page 90.

Government-wide Financial Statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses.

- The *Statement of Net Position* presents information on all County assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

- The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a portion of their costs through user fees and charges *(business-type activities)*. The governmental activities of the County include general government; public safety; highways and streets; health, welfare and sanitation; culture and recreation; education; and interest on long-term debt. The business-type activities of the County consist of the Housing Authority of Maricopa County. On July 1, 2013, the Housing Authority Fund was reclassified to a proprietary fund to correspond with the manner in which they are presented in the Housing Authority's separately issued financial statements. See Note 3 – Reporting Changes and Note 4 – Beginning Balances Restated for additional information.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. The Housing Authority of Maricopa County, Maricopa County Flood Control District, Maricopa County Library District, Maricopa County Public Finance Corporation, Maricopa County Special Assessment Districts, Maricopa County Stadium District, and the Maricopa County Street Lighting Districts are reported as blended component units. The County has no discretely presented component units.

The Government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds and fiduciary funds.*

- ***Governmental funds*** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

  Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

  The County reports six major governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Detention Operations Fund, County Improvement Debt Fund, Detention Capital Projects Fund, General Fund County Improvements Fund, and Technology Capital Improvement Fund.

  Data from the other governmental funds (nonmajor) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements,* which begin on page 90 of this report.

  The governmental funds financial statements can be found on pages 22-26 of this report.

- ***Proprietary funds*** are maintained two ways. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for the Housing Authority Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its equipment services, telecommunications, reprographics, risk management, employee benefits trust, and sheriff warehouse functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

  Fund financial statements for the enterprise fund provides the same type of information as the government-wide financial statements, only in more detail. The Housing Authority Fund is considered to be a major fund of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements, which begin on page 230 of this report.

  The proprietary fund financial statements can be found on pages 28-30 of this report.

- ***Fiduciary funds*** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

  The fiduciary funds financial statements can be found on pages 32-33 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 37-70 of this report.

Management's Discussion and Analysis (Continued)

Required Supplementary Information is presented concerning the County's General Fund and Detention Operations Fund. A budgetary comparison schedule has been provided for both of these funds to demonstrate compliance with budget and additional information is provided in the Note to Budgetary Comparison Schedules. Also presented is the schedule of funding progress for the County's two agent retirement plans and infrastructure assets reported using the modified approach. Required supplementary information can be found on pages 73-79 of this report.

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the County for June 30, 2014, as compared to the prior year.

Statement of Net Position
As of June 30
(in millions)

	Governmental Activities		Business-type Activities		Total		
	2014	2013*	2014	2013*	2014	2013*	% Chg P/Y
Current and other assets	$ 1,476.3	$ 1,633.2	$ 6.7	$ 6.1	$ 1,483.0	$ 1,639.3	(9.5)%
Capital assets	3,532.8	3,433.5	33.5	33.1	3,566.3	3,466.6	2.9
Total assets	5,009.1	5,066.7	40.2	39.2	5,049.3	5,105.9	(1.1)
Deferred Outflows	0.5				0.5		>100.0
Current liabilities	189.8	211.2	1.9	1.3	191.7	212.5	(9.8)
Long-term liabilities	215.8	246.9	6.4	4.7	222.2	251.6	(11.7)
Total liabilities	405.6	458.1	8.3	6.0	413.9	464.1	(10.8)
Net position							
Net investment in capital assets	3,423.3	3,307.2	28.2	28.4	3451.5	3,335.6	3.5
Restricted	542.2	623.3	2.2	2.2	544.4	625.5	(13.0)
Unrestricted	638.5	678.0	1.5	2.5	640.0	680.5	(6.0)
Total net position	$ 4,604.0	$ 4,608.5	$ 31.9	$ 33.1	$ 4,635.9	$ 4,641.6	(0.1)

* Governmental activities, business-type activities, and the total columns' assets, liabilities, and net position amounts were adjusted in 2013 for beginning balance adjustments as a result of the change in presentation of the Housing Authority Fund from a special revenue fund to an Enterprise Fund and for corrections of prior periods. See Note 4 – Beginning Balances Restated for additional information.

By far, the largest portion - $3.5 billion or 74.5 percent - of the County's net position reflects the investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, infrastructure and construction in progress), less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. Net position invested in capital assets increased by $115.9 million due to an increase in net capital assets of $99.7 million and a decrease in capital related debt of $16.2 million. The decrease in capital related debt was a result of regularly scheduled debt service payments. The increase in capital assets is mainly attributed to an increase in buildings and improvements of $54.6 million as a result of projects completed during the fiscal year for the Sheriff's Headquarters Building and related information technology infrastructure of $41.3 million and other information technology improvement projects of $21.5 million. The remaining increase is due to an increase in Transportation Department infrastructure-related land of $26.9 million.

The County uses capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second component of the County's total net position, $544.4 million or approximately 11.7 percent, represents resources that are subject to external restrictions on how they may be used. This component decreased by $81.1 million from the prior year. This decrease can be attributed to expenses exceeding revenues for the fiscal year. Primarily, this decrease in restricted net position can be attributed to expenses related to capital projects in the Detention Capital Projects and Detention Technology Capital Projects funds. This does not result in a true decrease in net position as these expenses resulted in an increase in construction in progress and capital asset-related net position.

The final component consists of unrestricted net position, $640.0 million or 13.8 percent, and may be used to meet the County's ongoing obligations. Unrestricted net position decreased from fiscal year 2013 by $40.5 million. This decrease is primarily a result of expenses for capital projects in the General Fund County Improvements and Technology Capital Projects funds, both unrestricted funds. This does not result in a true decrease in net position as these expenses resulted in an increase in construction in progress and capital asset-related net position.

Changes in Net Position

As discussed previously, the County's total net position of $4.6 billion decreased by ($5.7) million as reported in the Statement of Activities. The following table reflects the condensed Statement of Activities of the County for the fiscal year 2014 compared to the prior year and indicates the changes in net position for governmental activities:

Statement of Activities
For the year ended June 30
(in millions)

	Governmental Activities		Business-type Activities		Total		% Chg
	2014	2013*	2014	2013*	2014	2013*	P/Y
Revenues:							
Program revenues:							
Charges for services	$ 246.9	$ 257.7	$ 6.7	$ 2.0	$ 253.6	$ 259.7	(2.3)%
Operating grants and contributions	259.1	249.3	15.5	22.1	274.6	271.4	1.2
Capital grants and contributions	49.6	45.8	1.4	4.4	51.0	50.2	1.6
General revenues:							
Taxes	1,201.8	1,189.4			1,201.8	1,189.4	1.0
Other	29.3	26.9	0.2	0.1	29.5	27.0	9.3
Total Revenues	1,786.7	1,769.1	23.8	28.6	1,810.5	1,797.7	0.7
Expenses:							
General government	208.0	186.4			208.0	186.4	11.6
Public safety	1,009.5	934.2			1,009.5	934.2	8.1
Highways and streets	87.0	82.8			87.0	82.8	5.1
Health, welfare and sanitation	403.9	406.1			403.9	406.1	(0.5)
Other**	82.8	67.1			82.8	67.1	23.4
Housing Authority			25.0	26.4	25.0	26.4	(5.3)
Total Expenses	1,791.2	1,676.6	25.0	26.4	1,816.2	1,703.0	6.6
Change in net position	(4.5)	92.5	(1.2)	2.2	(5.7)	94.7	(106.0)
Net position – beginning, as restated	4,608.5	4,516.0	33.1	30.9	4,641.6	4,546.9	2.1
Net position – ending	$4,604.0	$4,608.5	$ 31.9	$ 33.1	$ 4,635.9	$ 4,641.6	(0.1)

* Governmental activities, business-type activities, and total columns' amounts were adjusted in 2013 for beginning balance adjustments as a result of the change in presentation of the Housing Authority Fund from a special revenue fund to an Enterprise Fund and for corrections of prior periods. See Note 4 – Beginning Balances Restated for additional information.

** The functions of culture and recreation, education, and interest on long-term debt are shown in the condensed Statement of Activities above as other expenses.

One of the main differences a reader will see between the governmental funds reported in the fund financial statements and the Statement of Activities is that governmental funds in the fund financial statements report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is reported as a capital asset and the expense of those assets is allocated over their estimated useful lives and reported as depreciation expense within the expenditure line items. Capital outlay expenditures exceeded depreciation expense in the current period by $112.1 million.

In the government-wide Statement of Activities, the significant revenues reported included taxes (County-levied, general sales, and vehicle license taxes), charges for services, and operating grants and contributions, which represent 66.4, 14.0, and 15.2 percent, respectively, of total governmental activities revenues for fiscal year 2014. Tax revenues in total increased $12.4 million primarily as a result of an increase in sales, special assessment, surcharge, and vehicle license tax revenues of $46.3 million, which was offset by a decrease in property tax revenues of $34.9 million. The decline in property taxes was expected and included in the budgeting plan as the fiscal year 2014, property tax revenue was budgeted at approximately $30 million less than the prior year. This decrease is a result of two factors, a decrease in the overall County controlled tax rate and continued lag in property tax assessed values. Although the economy is improving, property tax assessed values remain low as there is a lag period between the actual decline in assessed value and when that decline is recognized for the assessed valuation used for the property tax rate and levy. The increase in sales tax revenue is a result of the improving economy. Charges for services revenue decreased $6.1 million as a result of a decrease in Transportation Capital Projects Fund charges for services revenue of $4.6 million due to a decrease in intergovernmental charges for services revenue. Operating grants revenue increased $3.2 million from the prior year primarily as a result of increases in revenue in the School Grants Fund of $6.5 million as a result of increased grant revenues received for the Teacher Incentive Fund of $7.7 million. This grant revenue was offset by a decrease in the Human Services Grants Fund of $2.9 million as a result of decreases in the Workforce Investment Act Cluster of grant programs of $2.7 million as a result of reduced funding.

Tax and other operating revenues provide the principal support for the functions of the County, which include general government; public safety; highways and streets; health, welfare and sanitation; culture and recreation; and education. Total expenses increased $113.3 million or 6.7 percent from the prior fiscal year. This increase is primarily a result of an increase in general government and public safety function expenses of $21.6 million and $75.3 million, respectively. The increase in general government is due to an increase of $18.5 million in loss and loss expenses in the Employee Benefits Trust Fund as a result of large medical claims. The increase in public safety is primarily a result of retention pay and market range salary adjustments in public safety personnel. No other significant expenditure shifts occurred in fiscal year 2014.

Financial Analysis of the County's Funds

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. In order to provide comparative discussion of fund balances to the prior year, the analysis below of 'spendable' balance represents restricted, committed, assigned, and unassigned fund balance.

Governmental Funds. Governmental activities are contained in the general, special revenue, debt service, and capital projects funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *spendable fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2014, the governmental funds reported combined fund balances of $1,237.4 million which was a decrease in fund balance of $119.3 million from the prior fiscal year. Approximately 98.2 percent of the combined fund balances or $1,215.3 million is available to meet the County's current and future needs (spendable fund balance). The remaining fund balance is reserved for inventories and intergovernmental loans.

The following funds are the County's major governmental funds:

General Fund

The General Fund is the County's primary operating fund. At the end of the current fiscal year, spendable fund balance of the General Fund was $121.2 million, while total fund balance was $141.0 million. This represents a decrease in the spendable fund balance from the prior year of $137.5 million, or 53.1 percent. As a measure of the General Fund's liquidity, it may be useful to compare both spendable fund balance and total fund balance to the total fund expenditures. Spendable fund balance represents 13.8 percent of the total fiscal year 2014 General Fund expenditures, while total fund balance represents 16.0 percent of that same amount. These ratios indicate a strong fund balance position in comparison to expenditures, taking into account that Maricopa County operates on a structurally balanced budget in that fiscal year 2015 operating expenditures are expected to be fully funded by fiscal year 2015 revenues.

During fiscal year 2014, the General Fund experienced a change in fund balance of ($136.9) million, an increase of $111.8 million from the prior fiscal year change in fund balance of ($25.1) million. While revenues stayed flat in comparison to prior year, operating transfers out increased $83.7 million and expenditures increased $39.9 million. The increase in operating transfers out is a result of additional budgeted transfers to the capital projects funds. The increase in expenditures is a result of retention pay and market range salary adjustments for public safety departments.

Detention Operations Fund

The Detention Operations Fund is a special revenue fund that was established under the authority of propositions 400 and 401, which were passed in the General Election of November 3, 1998. These propositions authorized a temporary 1/5 of one-cent sales tax to be used for the construction and operation of adult and juvenile detention facilities. On November 5, 2002, the voters approved the extension of the 1/5 of one-cent sales tax in the General Election to be used for jail facility operations. The extension begins in the month following the expiration of the original tax and may continue for not more than twenty years after the date the tax collection begins. The Detention Operations Fund accounts for the receipt of tax revenue, jail operations expenditures, and transfers to the Detention Capital Projects Fund and Detention Technology Capital Improvement Fund for construction of the adult and juvenile detention facilities and detention technology infrastructure.

The Detention Operations Fund accounts for the jail tax revenue along with transfers from the General Fund for maintenance of effort (MOE). The MOE transfer from the General Fund is used to support the jail detention operations. Arizona Revised Statutes require the County to calculate the maintenance of effort transfer on an annual basis. The Detention Operations Fund transfers monies to the Detention Capital Projects Fund and Detention Technology Capital Improvement Fund for the construction of the jail and detention facilities and detention technology infrastructure. At the end of the current fiscal year, total fund balance of the Detention Operations Fund was $61.3 million, of which 99.9 percent is restricted and considered spendable. This was a decrease in total fund balance of $11.9 million, or 16.3 percent from the prior fiscal year. Although the fund had more expenditures than revenues by $178.1 million, positive net transfers of $166.2 million offset the net loss in the fund. Operating transfers consisted of the transfer in for MOE from the General fund of $173.9 million and transfers out to the Detention Capital Projects Fund and Inmate Services Fund of $7.2 million and $512.9 thousand, respectively. The amount to be transferred to the Detention Capital Projects Fund and Inmate Services Fund for any given year is determined through the budget planning process.

County Improvement Debt Fund

The County Improvement Debt Fund is a debt service fund that accounts for the debt service on Lease Revenue Bonds, Series 2007A; and Lease Revenue Refunding Bonds, Series 2007B. At the end of the current fiscal year, spendable fund balance of the County Improvement Debt Fund was $19.5 million, of which $14.5 million is restricted for debt service. This represents a decrease of $11.5 million from the prior fiscal year and is attributed to the continued payment of debt service obligations. As no new debt issuances occurred during the fiscal year, the primary activity in this fund is debt service payments.

Detention Capital Projects Fund
The Detention Capital Projects Fund is a capital projects fund that accounts for construction associated with the 1/5 of one-cent sales tax approved by voters in the General Election on November 3, 1998, and extended by the voters on November 5, 2002. Funding is provided by transfers from the Detention Operations Fund for construction of the adult and juvenile detention facilities. At the end of the current fiscal year, fund balance of the Detention Capital Projects Fund was $190.2 million, all of which is restricted and considered spendable. The fund balance in this fund decreased $24.3 million from the prior fiscal year, which is primarily attributed to capital project expenditures for the Sheriff Headquarters Project.

General Fund County Improvements Fund
The General Fund County Improvements Fund is a capital projects fund that accounts for capital projects funded by transfers from the General Fund. Projects that are currently funded include justice and administrative projects. At the end of the current fiscal year, fund balance of the General Fund County Improvements Fund was $299.9 million, all of which is committed and considered spendable. The fund balance in this fund increased $46.6 million from the prior fiscal year as a result of net transfers of $69.6 million and capital outlay expenditures of $23.1 million. Fiscal year 2014 transfers consisted of transfers in from the General Fund of $145.2 million, which were offset by transfers out to the Technology Capital Improvement Fund, County Improvement Debt Fund, and General Fund of $73.5 million, $1.9 million, and $117.0 thousand, respectively.

Technology Capital Improvement Fund
The Technology Capital Improvement Fund is a capital projects fund that accounts for technology improvement capital projects funded by transfers from the General Fund and General Fund County Improvements Fund. Projects that are currently funded include technology infrastructure upgrades, administrative and detention system projects, and security and telephone system upgrades. At the end of the current fiscal year, fund balance of the Technology Capital Improvement Fund was $236.8 million, all of which is committed and considered spendable. The fund balance in this fund increased $36.1 million from the prior fiscal year as a result of net transfers of $83.1 million and capital outlay expenditures of $47.0 million. Fiscal year 2014 transfers consisted of transfers in from the General Fund and General Fund County Improvement Fund of $11.7 and $73.4 million, respectively, which were offset by transfers out to the General Fund of $2.0 million.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for the General Fund resulted in no significant change in revenues and expenditures. A significant favorable expenditure variance, as compared to the budget, was incurred in the Non-Departmental Department (general government function), Facilities Management Department (general government function), and Sheriff's Department (public safety function) of $23.2 million, $11.2 million, and $7.5 million, respectively. These savings were a result of the Non- Departmental Department spending less contingency funds than was anticipated, the Facilities Management Department incurring less major maintenance expenditures, and the Sheriff's Department incurring less personnel cost than was anticipated. None of the variances between the budget and actual amounts were significant enough to affect the County's ability to provide future services.

Capital Assets and Long-Term Liabilities

Capital Assets

The County's capital assets balance for its governmental and business-type activities as of June 30, 2014, was $3.6 billion (net of accumulated depreciation). Capital assets include land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress. The County reports infrastructure assets, which consist of the Flood Control District and Transportation Department infrastructure, in the government-wide financial statements in accordance with GASB Statement No. 34.

Additional information regarding infrastructure assets can be found in the Notes to the Financial Statements (Note 1 – Summary of Significant Accounting Policies and Note 12 – Capital Assets).

The Flood Control District infrastructure assets consist of drainage systems, dams, flood channels and canals. Flood Control infrastructure is reported using the depreciation approach and the County uses the straight-line method of depreciation on these assets. At June 30, 2014, Flood Control District infrastructure-related assets consisted of land, infrastructure and construction in progress of $254.3, $178.9, and $215.8 million, respectively, net of any related accumulated depreciation.

The Transportation Department infrastructure assets consist of a roadway system and a bridge system. Both systems are reported under the modified approach, which means the County will maintain the assets using an asset management system and will document that the infrastructure assets are being preserved at the established condition level. During fiscal year 2014, the condition level of both systems was within the established condition level. Actual maintenance/preservation costs varied by $2,336,288 and $234,176 from the estimated costs for the roadway and bridge system, respectively. Roadway and Bridge System maintenance is predicated by the Federal clearance process. Additionally, bids on roadway projects were more favorable than estimated resulting in a positive variance in the actual costs under the estimated. See Required Supplementary Information on page 79 for additional information. At June 30, 2014, Transportation Department infrastructure-related assets consisted of land, infrastructure and construction in progress of $368.4, $715.6, and $81.8 million, respectively.

Capital assets for governmental activities are presented below (in millions) to illustrate changes from the prior year:

	Governmental Activities		Business-type Activities		Total		% Chg
	2014	2013*	2014	2013*	2014	2013*	P/Y
Land	$754.2	$728.5	$4.7	$4.7	$758.9	$733.2	3.5
Infrastructure	715.6	702.8			715.6	702.8	1.8
Buildings and improvements (net of accumulated depreciation)	1,405.6	1,349.6	26.6	28.0	1,432.2	1,377.6	4.0
Machinery and equipment (net of accumulated depreciation)	93.2	94.1	0.3	0.4	93.5	94.5	(1.1)
Construction in progress	385.3	375.0	1.9		387.2	375.0	3.3
Infrastructure (net of accumulated depreciation)	178.9	183.5			178.9	183.5	(2.5)
Totals	$3,532.8	$3,433.5	$33.5	$33.1	$3,566.3	$3,466.6	2.9

* Governmental activities, business-type activities, and the total columns' capital asset amounts were adjusted in 2013 for beginning balance adjustments as a result of the change in presentation of the Housing Authority Fund from a special revenue fund to an Enterprise Fund and for corrections of prior periods. See Note 4 – Beginning Balances Restated for additional information.

Capital assets, net of accumulated depreciation, increased by $99.7 million, or 2.9 percent, from the prior year. The most significant impact on the increase in capital assets for the fiscal year ended June 30, 2014, was the increase in buildings and improvements and land of $54.6 and $25.7 million, respectively, from the prior fiscal year. The increase in buildings and improvements is primarily due to projects completed during the fiscal year for the Sheriff's Headquarters Building and related information technology infrastructure of $41.3 million and other information technology improvement projects of $21.5 million. The remaining increase is due to an increase in Transportation Department infrastructure-related land of $26.9 million. Transportation Department infrastructure-related assets increased a total of $12.8 million and Flood Control District infrastructure-related assets decreased by ($4.6) million from the prior year and accounted for changes in land, construction in progress, and infrastructure of $26.6, $43.2, and $8.2 million, respectively.

Long-Term Liabilities

Maricopa County has the following bond ratings:

Debt Instrument & Rating Agency	Rating	Date Awarded
General Obligation Bonds (implied or issuer credit rating)		
Standard & Poor's	AAA	January 2014
Lease Revenue Bonds		
Standard & Poor's	AA+	January 2014

At June 30, 2014, the County had total long-term liabilities (noncurrent liabilities due within one year and more than one year) outstanding of $222.1 million, which represents a $29.5 million decrease from the prior year balance of $251.6 million. The majority of the decrease is attributable to debt service payments made during fiscal year 2014 for lease revenue bonds ($11.4 million), and Stadium District loans ($5.7 million), a net decrease of Stadium District revenue bonds ($3.2 million) and reported and incurred but not reported claims ($8.0 million). The largest components of long-term liabilities at June 30, 2014, consisted of lease revenue bonds of $109.0 million, Stadium District revenue bonds of $19.3 million, and reported claims and incurred but not reported claims of $77.1 million.

Lease revenue bonds applicable to governmental activities are paid from the County Improvement Debt Fund (debt service fund), which is funded by transfers from the General Fund. At June 30, 2014, the fund balance in the County Improvement Debt Fund to pay future liabilities was $19.5 million.

Stadium District revenue bonds are special obligations of the District. The bonds are payable solely from pledged revenues, consisting of car rental surcharges levied and collected by the Stadium District pursuant to A.R.S. §48-4234. In September 2012, the Stadium District issued revenue refunding bonds in the amount of $25.1 million (par value) of which $19.3 million remains outstanding.

Reported and incurred but not reported claims applicable to governmental activities of $77.1 million are reported in the Risk Management and Employee Benefits Trust funds (internal service funds). This is a decrease of $8.0 million from the prior year as noted above. This liability is primarily related to actuarial estimates for the County's self-insured portion of future claims for general litigation related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and certain health benefits that are paid through the operations of the funds. Additional information regarding long-term liabilities can be found in the Notes to Financial Statements (Note 14 – Long-Term Liabilities and Note 18 – Risk Management).

On December 10, 2014, the Board of Supervisors approved a Declaration of Intent to issue tax exempt securities for reimbursement of expenditures related to the acquisition of equipment and/or capital purchases from the five year capital projects schedule. The maximum principal amount of obligation expected to be issued is $266.1 million. This Declaration of Intent does not represent the actual authorization to issue bonds, but gives the County the ability to reimburse authorized expenditures with tax exempt bond proceeds. A separate Board approval is required for the actual bond issuance.

Economic Factors and Next Year's Budget and Rates

- Arizona's economic growth slowed during the Spring of 2014, with job growth falling back to the U.S. average. Nonetheless, the state economy continues to expand and growth is likely to continue as long as the nation avoids recession. The forecast calls for state growth to pick up speed during fiscal years 2015-2017, with gains across most indicators far exceeding national results (www.eller.arizona.edu).
- The U.S. Census Bureau reports that Maricopa County's population increased by 1.7 percent from fiscal year 2012 to 2013 (www.census.gov). The unemployment rate in Maricopa County in September 2014 was 5.8 percent, which remains below both the state and national average of 6.9 percent and 5.9 percent, respectively (www.laborstats.az.gov).

- As reported by the U.S. Census Bureau, Maricopa County's population increased 18.8 percent from 2003 to 2013, which is higher than the United States' overall population increase of 8.7 percent for the same time period (www.census.gov).

As part of the annual budget planning process, the County's Office of Management and Budget developed a financial forecast to assist in both short and long range financial planning. This forecast provides a conservative estimate of the County's fiscal condition through the next five years given a realistic economic forecast, current County policies and existing laws. The forecast was instrumental in the determination of the fiscal year 2015 budget and tax rate, which took into account several significant trends:

- Net assessed property tax valuations increased in fiscal year 2015; however, the growth rate of net assessed valuations will be constrained beginning fiscal year 2016 for most property types due to the passage of Proposition 117, which caps the year-over-year property tax valuation increase to the lesser of the full cash value or 5 percent.
- The primary property tax rate for fiscal years 2016 thought 2019 will adjust annually to a rate that retains a positive fund balance in the General Fund, resulting in a nearly flat tax rate during these years.
- In fiscal year 2015, annual collections of State Shared Sales Tax, Vehicle License Tax, Highway User Revenues and County Jail Excise Tax revenues are anticipated to return to the peak level of collections in fiscal year 2007. Subsequent yearly growth rates are expected to decrease and average 5 percent from fiscal year 2016 through 2019.

In accordance with A.R.S., the entire General Fund spendable fund balance amount (see page 10 for more information) will be budgeted in the next fiscal year. A.R.S. §42-17151 requires that total estimated sources of revenue must equal the total estimated expenditures in the budget for the current fiscal year. The estimated expenditures may include an amount for unanticipated contingencies or emergencies, per A.R.S. §42-17102.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Maricopa County Department of Finance, 301 W. Jefferson, Suite 960, Phoenix, AZ 85003, or at www.maricopa.gov.

Government-wide Financial Statements

The **Statement of Net Position** presents information on all of Maricopa County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position.

The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The above two statements are presented utilizing the following types of activities:

Governmental Activities – generally are financed through taxes and intergovernmental revenues.

Business-type Activities – are financed in whole or in part by fees charged to external parties.

Major Funds

General Fund – is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds

Detention Operations Fund – was established under the authority of propositions 400 and 401, which were passed in the General Election of November 3, 1998. These propositions authorized a temporary 1/5 of one-cent sales tax to be used for the construction and operation of adult and juvenile detention facilities. On November 5, 2002, the voters approved the extension of the 1/5 of one-cent sales tax in the General Election to be used for jail facility operations. The extension begins in the month following the expiration of the original tax and may continue for not more than twenty years after the date the tax collection begins. The Detention Operations Fund accounts for the receipt of tax revenue, jail operations expenditures, and transfers to the Detention Capital Projects Fund and Detention Technology Capital Improvement Fund for construction of the adult and juvenile detention facilities and detention technology infrastructure.

Debt Service Funds

County Improvement Debt Fund – accounts for the debt service on the Lease Revenue Bonds, Series 2007A; and Lease Revenue Refunding Bonds, Series 2007B.

Capital Projects Funds

Detention Capital Projects Fund – accounts for construction associated with the 1/5 of one-cent sales tax approved by voters in the General Election on November 3, 1998, and extended by voters on November 5, 2002. Funding is provided by transfers from the Detention Operations Fund for construction of the adult and juvenile detention facilities.

General Fund County Improvements Fund – was established to fund current and future capital projects. Fund assets may be used to pay directly for capital projects or may be appropriated by the Board of Supervisors for debt service. None of the funds has been pledged for debt service, and fund assets may be transferred by the Board of Supervisors at any time for any other County purpose.

Technology Capital Improvement Fund – established by the Board of Supervisors to account for General Fund and other resources committed for technology improvement projects.

Enterprise Funds

Housing Authority Fund – accounts for the activity of the Housing Authority of Maricopa County.

Maricopa County
Statement of Net Position
June 30, 2014

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash in bank and on hand	$ 29,701,654	$ 2,612,708	$ 32,314,362
Cash and investments held by County Treasurer	1,187,537,737		1,187,537,737
Receivables (net of allowances for uncollectibles)	19,227,413	794,312	20,021,725
Due from other governmental units	168,158,614		168,158,614
Inventories	8,965,806	57,634	9,023,440
Prepaids	4,569,793	57,611	4,627,404
Miscellaneous	2,234,903		2,234,903
Intergovernmental loans	16,351,094		16,351,094
Cash and cash equivalents – restricted		3,177,669	3,177,669
Cash and investments held by trustee – restricted	39,532,795		39,532,795
Capital assets:			
Land	754,229,626	4,737,544	758,967,170
Buildings and improvements	1,874,200,974	68,090,653	1,942,291,627
Machinery and equipment	366,712,855	1,170,073	367,882,928
Infrastructure – nondepreciable	715,579,904		715,579,904
Infrastructure – depreciable	272,688,101		272,688,101
Construction in progress	385,295,337	1,853,543	387,148,880
Accumulated depreciation	(835,869,129)	(42,315,190)	(878,184,319)
Total assets	5,009,117,477	40,236,557	5,049,354,034
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on debt refunding	523,477		523,477
Total deferred outflows of resources	523,477		523,477
LIABILITIES			
Accounts payable	74,492,022	1,279,033	75,771,055
Accrued liabilities	11,286,386	211,595	11,497,981
Employee compensation payable	91,386,315	94,790	91,481,105
Interest payable	2,476,074	50,624	2,526,698
Unearned revenue	6,981,756	92,490	7,074,246
Advances	49,423		49,423
Deposits held for other parties	3,170,352	208,362	3,378,714
Noncurrent liabilities:			
Due within one year	48,024,503	66,373	48,090,876
Due in more than one year	167,749,224	6,307,558	174,056,782
Total liabilities	405,616,055	8,310,825	413,926,880
NET POSITION			
Net investment in capital assets	3,423,302,960	28,227,151	3,451,530,111
Restricted for:			
General government	3,920,999		3,920,999
Public safety	377,446,517		377,446,517
Highways and streets	75,747,721		75,747,721
Health, welfare and sanitation	25,470,433	2,199,816	27,670,249
Culture and recreation	37,700,793		37,700,793
Education	3,053,137		3,053,137
Debt service	18,915,251		18,915,251
Unrestricted	638,467,088	1,498,765	639,965,853
Total net position	$4,604,024,899	$ 31,925,732	$4,635,950,631

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

Maricopa County
Statement of Activities
For the Fiscal Year Ended June 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	$ 207,955,003	$ 24,448,700	$ 12,511,475	$	$ (170,994,828)	$	$ (170,994,828)
Public safety	1,009,516,114	140,384,054	27,718,961	4,332,904	(837,080,195)		(837,080,195)
Highways and streets	87,024,827	15,534,823	90,064,274	45,223,314	63,797,584		63,797,584
Health, welfare and sanitation	403,901,208	51,138,425	106,952,511		(245,810,272)		(245,810,272)
Culture and recreation	50,968,956	14,943,535	313,425	13,389	(35,698,607)		(35,698,607)
Education	26,684,832	465,823	21,552,304		(4,666,705)		(4,666,705)
Interest on long-term debt	5,237,255				(5,237,255)		(5,237,255)
Total governmental activities	1,791,288,195	246,915,360	259,112,950	49,569,607	(1,235,690,278)		(1,235,690,278)
Business-type activities:							
Housing Authority	25,070,360	6,741,213	15,529,154	1,440,065		(1,359,928)	(1,359,928)
Total business-type activities	25,070,360	6,741,213	15,529,154	1,440,065		(1,359,928)	(1,359,928)
Total primary government	$1,816,358,555	$253,656,573	$274,642,104	$ 51,009,672	(1,235,690,278)	(1,359,928)	(1,237,050,206)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					429,235,095		429,235,095
Property taxes, levied for Flood Control District					39,287,012		39,287,012
Property taxes, levied for Library District					14,246,516		14,246,516
Property taxes, levied for Street Lighting District					6,070,638		6,070,638
Share of state sales taxes					447,541,942		447,541,942
Sales tax – Jail construction and operation					133,929,831		133,929,831
Surcharge tax – Stadium District					5,394,707		5,394,707
Share of state vehicle license tax					126,137,174		126,137,174
Grants and contributions not restricted to specific programs					3,011,264		3,011,264
Unrestricted investment earnings					2,150,743	89	2,150,832
Miscellaneous					24,138,258	164,356	24,302,614
Total general revenues					1,231,143,180	164,445	1,231,307,625
Change in net position					(4,547,098)	(1,195,483)	(5,742,581)
Net position, July 1, 2013, as restated					4,608,571,997	33,121,215	4,641,693,212
Net position, June 30, 2014					$4,604,024,899	$ 31,925,732	$4,635,950,631

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

Maricopa County
Balance Sheet
Governmental Funds
June 30, 2014

	General	Detention Operations	County Improvement Debt
ASSETS			
Cash in bank and on hand	$ 26,087,885	$	$
Cash and investments held by County Treasurer	28,965,929	47,359,527	4,997,993
Receivables (net of allowances for uncollectibles)	10,663,487	261,665	
Due from other funds	10,159,725		
Due from other governmental units	86,131,500	26,719,715	2,088,210
Inventories	4,770,325	70,558	
Miscellaneous	481,111	605,876	
Intergovernmental loans	16,351,094		
Cash and investments held by trustee – restricted			28,761,969
Total assets	$ 183,611,056	$ 75,017,341	$ 35,848,172
LIABILITIES			
Accounts payable	$ 22,517,405	$ 5,217,707	$
Employee compensation payable	10,819,556	4,579,990	
Accrued liabilities	582,514	2,795,951	
Due to other funds			
Interest payable			2,437,590
Bonds payable			11,840,000
Special assessment debt with governmental commitment			
Advances	49,423		
Unearned revenue			
Deposits held for other parties	276,367		
Total liabilities	34,245,265	12,593,648	14,277,590
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue – property tax	7,041,638		
Unavailable revenue – intergovernmental	1,351,094	1,094,741	2,088,210
Total deferred inflows of resources	8,392,732	1,094,741	2,088,210
FUND BALANCES			
Nonspendable	19,770,325	70,558	
Restricted		61,258,394	14,484,379
Committed			4,997,993
Assigned	113,712,308		
Unassigned	7,490,426		
Total fund balances	140,973,059	61,328,952	19,482,372
Total liabilities, deferred inflows of resources, and fund balances	$ 183,611,056	$ 75,017,341	$ 35,848,172

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.

Some receivables are not available to pay for current period expenditures and therefore, are deferred in the funds.

Internal service funds are used by management to charge the costs of equipment services, telecommunications, reprographics, risk management, employee benefits, and the sheriff warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Some deferred outflows, long-term liabilities and compensated absences are not due and payable shortly after June 30, 2014, and therefore, are not reported in the funds

Net position of governmental activities

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

Detention Capital Projects	General Fund County Improvements	Technology Capital Improvement	Other Governmental Funds	Total Governmental Funds
$	$	$	$ 835,566	$ 26,923,451
190,391,971	301,187,443	246,363,176	282,822,070	1,102,088,109
			1,491,744	12,416,896
				10,159,725
			53,219,189	168,158,614
			2,216,556	7,057,439
			1,147,916	2,234,903
				16,351,094
			10,770,826	39,532,795
$ 190,391,971	$ 301,187,443	$ 246,363,176	$ 352,503,867	$ 1,384,923,026
$ 103,671	$ 998,179	$ 9,603,332	$ 32,464,313	$ 70,904,607
			3,808,445	19,207,991
			3,417,776	6,796,241
			9,694,397	9,694,397
			1,890	2,439,480
				11,840,000
			4,339	4,339
				49,423
			6,981,756	6,981,756
46,359	256,079		2,591,547	3,170,352
150,030	1,254,258	9,603,332	58,964,463	131,088,586
			583,489	7,625,127
			4,313,988	8,848,033
			4,897,477	16,473,160
			2,216,556	22,057,439
190,241,941			275,975,742	541,960,456
	299,933,185	236,759,844	12,835,482	554,526,504
				113,712,308
			(2,385,853)	5,104,573
190,241,941	299,933,185	236,759,844	288,641,927	1,237,361,280
$ 190,391,971	$ 301,187,443	$ 246,363,176	$ 352,503,867	
				3,528,786,434
				16,473,160
				18,656,279
				(197,252,254)
				$ 4,604,024,899

Maricopa County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General	Detention Operations	County Improvement Debt
REVENUES			
Taxes	$ 422,074,283	$ 133,929,831	$
Licenses and permits	2,745,683		
Intergovernmental	592,086,027	1,127,899	
Charges for services	39,288,109	27,148,722	2,081,427
Fines and forfeits	11,779,626		
Special assessments			
Interest income	475,529	122,020	74,540
Miscellaneous	8,191,440	781,004	
Total revenues	1,076,640,697	163,109,476	2,155,967
EXPENDITURES			
Current:			
General government	127,650,242		
Public safety	485,672,799	338,199,923	
Highways and streets			
Health, welfare and sanitation	249,104,319		
Culture and recreation	2,410,970		
Education	3,468,762		
Debt service:			
Principal			11,840,000
Interest			4,875,180
Other expenses			
Capital outlay	12,648,247	2,979,351	
Total expenditures	880,955,339	341,179,274	16,715,180
Excess (deficiency) of revenues over expenditures	195,685,358	(178,069,798)	(14,559,213)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,137,750	173,981,440	3,082,630
Transfers out	(335,306,799)	(7,761,018)	
Total other financing sources (uses)	(333,169,049)	166,220,422	3,082,630
Net change in fund balances	(137,483,691)	(11,849,376)	(11,476,583)
Fund balances, July 1, 2013, as restated	277,830,627	73,179,418	30,958,955
Changes in nonspendable resources:			
Increase (decrease) in inventories	626,123	(1,090)	
Fund balances, June 30, 2014	$ 140,973,059	$ 61,328,952	$ 19,482,372

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

Detention Capital Projects	General Fund County Improvements	Technology Capital Improvement	Other Governmental Funds	Total Governmental Funds
$	$	$	$ 59,123,121	$ 615,127,235
			41,549,380	44,295,063
	130,384		286,546,440	879,890,750
			89,899,796	158,418,054
			17,202,089	28,981,715
			6,070,638	6,070,638
			356,894	1,028,983
			7,913,831	16,886,275
	130,384		508,662,189	1,750,698,713
			8,020,499	135,670,741
			136,145,229	960,017,951
			51,635,626	51,635,626
			151,177,977	400,282,296
			34,525,962	36,936,932
			23,038,093	26,506,855
			8,902,071	20,742,071
			516,001	5,391,181
			1,250	1,250
6,576,425	23,147,414	46,960,595	136,447,065	228,759,097
6,576,425	23,147,414	46,960,595	550,409,773	1,865,944,000
(6,576,425)	(23,017,030)	(46,960,595)	(41,747,584)	(115,245,287)
7,248,089	145,164,013	85,111,435	100,104,867	516,830,224
(25,000,001)	(75,531,121)	(2,020,000)	(75,677,793)	(521,296,732)
(17,751,912)	69,632,892	83,091,435	24,427,074	(4,466,508)
(24,328,337)	46,615,862	36,130,840	(17,320,510)	(119,711,795)
214,570,278	253,317,323	200,629,004	306,126,009	1,356,611,614
			(163,572)	461,461
$ 190,241,941	$ 299,933,185	$ 236,759,844	$ 288,641,927	$ 1,237,361,280

Maricopa County
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

Net change in fund balances – total governmental funds (page 25)	$	(119,711,795)
Amounts reported for governmental activities in the Statement of Activities on page 21 are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		112,108,083
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.		(11,935,502)
Collections of certain revenues in the governmental funds exceeded revenues reported in the Statement of Activities.		(748,055)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		20,230,750
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		(2,241,492)
Internal service funds are used by management to charge the costs of equipment services, telecommunications, reprographics, risk management, employee benefits, and the sheriff warehouse to individual funds. The net expense of internal service funds is reported with governmental activities.		(2,249,087)
Change in net position of governmental activities (page 21)	$	(4,547,098)

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

Maricopa County
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities – Enterprise Fund		Governmental Activities – Internal Service Funds	
	Housing Authority			
ASSETS				
Current assets:				
Cash in bank and on hand	$	2,612,708	$	2,778,203
Cash and investments held by County Treasurer				85,449,628
Receivables:				
Accounts		794,312		6,702,546
Accrued interest				107,971
Inventories		57,634		1,908,367
Prepaids		57,611		4,569,793
Cash and cash equivalents – restricted		3,177,669		
Total current assets		6,699,934		101,516,508
Noncurrent assets:				
Capital assets:				
Land		4,737,544		
Buildings and improvements		68,090,653		
Machinery and equipment		1,170,073		15,110,259
Construction in progress		1,853,543		
Accumulated depreciation		(42,315,190)		(11,059,025)
Total noncurrent assets		33,536,623		4,051,234
Total assets		40,236,557		105,567,742
LIABILITIES				
Current liabilities:				
Accounts payable		1,279,033		3,587,415
Employee compensation payable		94,790		1,221,119
Accrued liabilities		262,219		4,490,145
Unearned revenue		92,490		
Deposits held for other parties		208,362		
Due to other funds				465,328
Liability for reported and incurred but not reported claims (current portion)				30,763,988
Long-term debt (current portion)		66,373		
Total current liabilities		2,003,267		40,527,995
Noncurrent liabilities:				
Liability for reported and incurred but not reported claims				46,383,468
Long-term debt		6,307,558		
Total noncurrent liabilities		6,307,558		46,383,468
Total liabilities		8,310,825		86,911,463
NET POSITION				
Net investment in capital assets		28,227,151		4,051,234
Restricted for health, welfare, and sanitation		2,199,816		
Unrestricted		1,498,765		14,605,045
Total net position	$	31,925,732	$	18,656,279

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

Maricopa County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities – Enterprise Fund Housing Authority	Governmental Activities – Internal Service Funds
OPERATING REVENUES		
Charges for services	$ 6,741,213	$ 187,014,743
Intergovernmental	15,529,154	
Miscellaneous	164,356	5,476,337
Total operating revenues	22,434,723	192,491,080
OPERATING EXPENSES		
Personal services	2,800,411	13,042,007
Supplies		17,031,934
Other services	628,581	11,307,650
Housing assistance payments	15,889,813	
Legal		6,112,202
Insurance and claims	330,157	140,646,316
Leases and rentals		61,346
Repairs and maintenance	2,212,451	2,182,431
Travel and transportation		142,509
Utilities	980,725	7,799,543
Depreciation	1,910,856	1,174,966
Total operating expenses	24,752,994	199,500,904
Operating loss	(2,318,271)	(7,009,824)
NONOPERATING REVENUES (EXPENSES)		
Investment income	89	219,689
Loss on disposal of capital assets	(2,431)	(2,466)
Premium refund		3,450,568
Return of contributions		(3,423,209)
Interest expense	(240,156)	
Other expense	(74,779)	
Total nonoperating revenues (expenses)	(317,277)	244,582
Loss before contributions and transfers	(2,635,548)	(6,765,242)
Capital contributions	1,440,065	49,647
Transfers in		4,466,508
Change in net position	(1,195,483)	(2,249,087)
Total net position, July 1, 2013, as restated	33,121,215	20,905,366
Total net position, June 30, 2014	$ 31,925,732	$ 18,656,279

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

Maricopa County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities – Enterprise Fund Housing Authority	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges for services	$ 22,651,452	$ 181,694,799
Other receipts	102,212	5,476,337
Payments for goods and services	(20,274,793)	(198,653,831)
Payments for personal services and benefits	(2,134,104)	(12,889,485)
Net cash provided by (used for) operating activities	344,767	(24,372,180)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds		4,466,508
Loan payments to General Fund		(17,983)
Operating net asset adjustment premium refund		4,947,028
Premium refund		3,450,568
Return of contributions		(3,423,209)
Payments on long-term debt	(11,552)	
Net cash provided by (used for) noncapital financing activities	(11,552)	9,422,912
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(2,387,360)	(288,692)
Capital grants received	923,709	
Proceeds from issuance of debt	1,931,909	
Payments on long-term debt	(26,441)	
Net cash provided by (used for) capital and related financing activities	441,817	(288,692)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	86,078	239,732
Net cash provided by investing activities	86,078	239,732
Net increase (decrease) in cash and cash equivalents	861,110	(14,998,228)
Cash and cash equivalents, July 1, 2013	4,929,267	103,226,059
Cash and cash equivalents, June 30, 2014	$ 5,790,377	$ 88,227,831
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating loss	$ (2,318,271)	$ (7,009,824)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	1,910,856	1,174,966
Liability for reported and incurred but not reported claims - noncurrent		1,426,469
Changes in assets [(increase)/decrease] and liabilities [increase/(decrease)]:		
Accounts receivable	262,578	(5,319,944)
Inventories	62,131	(387,887)
Prepaids		(152,704)
Other assets	(4,760)	
Accounts payable	438,718	303,818
Employee compensation payable		152,522
Accrued liabilities	36,766	(5,127,518)
Long-term debt	(66,421)	
Liability for reported and incurred but not reported claims - current		(9,432,078)
Other liabilities	23,170	
Net cash provided by (used for) operating activities	$ 344,767	$ (24,372,180)
SCHEDULE OF NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES:		
Accumulated depreciation from disposed capital assets	$ 16,520	$ 370,763
Machinery and equipment disposed	(18,951)	(373,229)
Loss on disposal of capital assets	2,431	2,466
Capital assets transferred from governmental activities		49,647
Capital contributions		(49,647)

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

Maricopa County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Investment Trust Fund	Agency Fund
Assets		
Cash and investments in bank and on hand	$	$ 29,875,467
Cash and investments held by County Treasurer	2,271,990,938	742,557
Accrued interest receivable	1,961,561	
Total assets	2,273,952,499	$ 30,618,024
Liabilities		
Accounts payable		$ 57,036
Accrued liabilities		334,944
Deposits held for other parties		30,226,044
Total liabilities		$ 30,618,024
Net Position		
Held in trust for investment participants	$ 2,273,952,499	

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

Maricopa County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	Investment Trust Fund
Additions:	
Contributions from participants	$ 9,960,452,709
Investment income:	
Interest income	7,057,043
Net change in fair value of investments	(7,273,017)
Net investment income	(215,974)
Total additions	9,960,236,735
Deductions:	
Distributions to participants	9,998,233,002
Total deductions	9,998,233,002
Change in net position	(37,996,267)
Net position, July 1, 2013	2,311,948,766
Net position, June 30, 2014	$ 2,273,952,499

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Maricopa County's accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2014, the County implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources and recognizes certain other items that were previously reported as assets and liabilities as revenues or expenses.

A. Reporting Entity

Maricopa County is a general purpose local government that is governed by a separately elected board of five county supervisors. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County's operations. Component units should be blended in the County's financial statements when the component unit's governing body is substantively the same as the County's governing body and there is either a financial benefit or burden relationship between the County and the component unit or county management has operational responsibility for it; the component unit provides services entirely, or almost entirely, to the County; or the component unit's total debt outstanding is expected to be repaid entirely or almost entirely with the County's resources. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Maricopa County does not report any discretely presented component units. Each blended component unit discussed below has a June 30 year-end.

The reporting entity is comprised of the primary government, Maricopa County Flood Control District, Maricopa County Library District, Maricopa County Public Finance Corporation, Maricopa County Special Assessment Districts, Maricopa County Stadium District, Maricopa County Street Lighting Districts, and Housing Authority of Maricopa County.

The blended component units are as follows:

Maricopa County Flood Control District

The Maricopa County Flood Control District is a legally separate, tax-levying entity pursuant to A.R.S. §48-3602 that provides flood control facilities and regulates floodplains and drainage to prevent flooding of property in Maricopa County. As the Maricopa County Board of Supervisors serves as the Board of Directors of the Flood Control District, it is able to significantly influence the programs, projects, activities, or level of services provided by the District; therefore, the District is considered a blended component unit of the County.

Maricopa County Library District

The Maricopa County Library District is a legally separate, tax-levying entity pursuant to A.R.S. §48-3901 that provides and maintains library services for the residents of Maricopa County. As the Maricopa County Board of Supervisors serves as the Board of Directors of the Library District, it is able to significantly influence the programs, projects, activities, or level of services provided by the District; therefore, the District is considered a blended component unit of the County.

Maricopa County Public Finance Corporation

Maricopa County Public Finance Corporation is a nonprofit corporation created by the Maricopa County Board of Supervisors that exists primarily to assist the County in the acquisition, construction, and improvement of County facilities, including real property and personal property. The Board of Directors of the Public Finance Corporation is subject to the approval of the County Board of Supervisors and the corporation exists primarily for the benefit of the County; therefore, the Corporation is considered a blended component unit of the County. The Corporation has issued lease revenue bonds on behalf of the County. Since this debt is in substance the County's obligation, these liabilities and resulting assets are reported on the County's financial statements.

Maricopa County Special Assessment Districts

The Maricopa County Special Assessment Districts are legally separate entities that provide improvements to various properties within the County. As the Maricopa County Board of Supervisors serves as the Board of Directors of the Special Assessment Districts, it is able to significantly influence the activities or level of services provided by the Districts; therefore, the Districts are considered a blended component unit of the County.

Maricopa County Stadium District

The Maricopa County Stadium District is a legally separate entity pursuant to A.R.S. §48-4202 that provides regional leadership and fiscal resources to assure the presence of Major League Baseball in Maricopa County. As the Maricopa County Board of Supervisors serves as the Board of Directors of the Stadium District, it is able to significantly influence the programs, projects, activities, or level of services provided by the District; therefore, the District is considered a blended component unit of the County. The Stadium District also issues separate financial statements. Complete financial statements for the Maricopa County Stadium District may be obtained at the entity's administrative office listed below:

Maricopa County Stadium District
401 East Jefferson
Phoenix, Arizona 85004
www.maricopa.gov/stadiumdistrict/

Maricopa County Street Lighting Districts

The Maricopa County Street Lighting Districts are legally separate entities that provide street lighting in areas of the County that are not under local city jurisdictions. As the Maricopa County Board of Supervisors serves as the Board of Directors of the Street Lighting Districts, it is able to significantly influence the programs, projects, activities, or level of services provided by the District; therefore, the Districts are considered a blended component unit of the County.

Housing Authority of Maricopa County

The Housing Authority is a legally separate entity pursuant to A.R.S. §36-1404 that provides efficient and affordable rental housing to low-income households of Maricopa County. As the Maricopa County Board of Supervisors serves as the Housing Authority's Board of Commissioners, it is able to significantly influence the programs, projects, activities, or level of services provided by the Housing Authority; therefore, the Housing Authority is a blended component unit of the County. The Housing Authority also issues separate financial statements which include three discretely presented component units, Rose Terrace Development Partnership, L.L.C., Rose Terrace Development Partnership Phase II, L.L.C, and Maricopa Revitalization Partnership, L.L.C. These component units are combined and reported with the Housing Authority as a single enterprise fund on Maricopa County's financial statements.

Complete financial statements for the Housing Authority of Maricopa County and their component units may be obtained at the entity's administrative office listed below:

Housing Authority of Maricopa County
8910 N. 78th Avenue, Building D
Peoria, Arizona 85345
www.maricopahousing.org

Related Organization

The Industrial Development Authority of Maricopa County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises; safe, sanitary, and affordable housing; and healthcare facilities. The Authority fulfills its function through the issuance of tax exempt or taxable revenue bonds. The County Board of Supervisors appoints the Authority's Board of Directors. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, the financial activities of the Authority have not been included in the accompanying financial statements.

B. Basis of Presentation

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

Government-wide financial statements – provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County allocates indirect expenses to programs or functions. Program revenues include:

- charges to customers or applicants for goods, services, or privileges provided;
- operating grants and contributions; and
- capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources, unrestricted grant revenues, and all taxes the County levies or imposes, are reported as general revenues.

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

Fund financial statements – provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Internal service and fiduciary funds are aggregated and reported by fund type.

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as user charges, in which each party receives and gives up essentially equal values, are reported as operating revenues. Other revenues, such as subsidies, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with investment earnings and revenues ancillary activities generate. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

The County reports the following major governmental funds:

The General Fund – is the County'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 Detention Operations Fund – was established under the authority of propositions 400 and 401, which were passed in the General Election of November 3, 1998. These propositions authorized a temporary 1/5 of one-cent sales tax to be used for the construction and operation of adult and juvenile detention facilities. On November 5, 2002, the voters approved the extension of the 1/5 of one-cent sales tax in the General Election to be used for jail facility operations. The extension begins in the month following the expiration of the original tax and may continue for not more than twenty years after the date the tax collection begins. The Detention Operations Fund accounts for the receipt of tax revenue, jail operations expenditures, and transfers to the Detention Capital Projects Fund and Detention Technology Capital Improvement Fund for construction of the adult and juvenile detention facilities and detention technology infrastructure.

The County Improvement Debt Fund – accounts for the debt service on the Lease Revenue Bonds, Series 2007A; Lease Revenue Refunding Bonds, Series 2007B; and other long-term obligations. This fund's main revenue source is from transfers for the repayment of debt.

The Detention Capital Projects Fund – accounts for construction associated with the 1/5 of one-cent sales tax approved by voters in the General Election on November 3, 1998, and extended by the voters on November 5, 2002. Funding is provided by transfers from the Detention Operations Fund for construction of the adult and juvenile detention facilities.

The General Fund County Improvements Fund – was established to fund current and future capital projects. Fund assets may be used to pay directly for capital projects or may be appropriated by the Board of Supervisors for debt service. Revenues in this fund consist mainly of transfers from the General Fund. None of the funds has been pledged for debt service, and fund assets may be transferred by the Board of Supervisors at any time for any other County purpose.

The Technology Capital Improvement Fund – was established to account for General Fund and other resources committed for technology improvement projects.

The County reports the following major enterprise fund:

The Housing Authority Fund – accounts for the activities of the Housing Authority of Maricopa County.

The County also reports the following fund types:

The internal service funds – account for automotive maintenance and service, telecommunications services, printing and duplicating services, insurance services, self-insured employee benefits, and warehouse services provided to County departments or to other governments on a cost reimbursement basis.

The investment trust fund – accounts for pooled assets the County Treasurer holds and invests on behalf of other governmental entities.

The agency fund – accounts for assets the County holds as an agent for other governments and individuals.

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, intergovernmental, charges for services, and investment income. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, landfill closure and postclosure care costs, pollution remediation obligations, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Loan proceeds and acquisitions under capital lease agreements are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted net position resources available to finance the program. For these types of programs, the County applies grant resources to such programs before using general revenues. For all other programs, the County uses unrestricted revenues first.

D. Cash and Investments

For the statement of cash flows, the County's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, and only those highly liquid investments with a maturity of three months or less when purchased.

Short-term debt investments, with remaining maturities of up to 90 days at the date of the financial statements, and nonparticipating interest-earning investment contracts are reported at amortized cost. All other investments are stated at fair value.

E. Inventories

The County accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at weighted-average cost.

Inventories of government-wide and the internal service funds financial statements are recorded as assets when purchased and expensed when consumed. The amounts shown on the statement of net position for government-wide and the internal service funds are valued at cost using first-in, first-out and the moving average methods, respectively.

F. Property Tax Calendar

The County levies real property taxes and commercial personal 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 of 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.

During the year, the County also levies mobile home personal property taxes that are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days later.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide statements and the proprietary funds. Capital assets are defined as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. 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.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Type of Assets	Estimated Useful Life (In Years)
Buildings and improvements	20 - 50
Infrastructure	25 - 50
Autos and trucks	3 - 10
Other equipment	3 - 20

All infrastructure assets are reported on the government-wide financial statements. Infrastructure maintained by the County Department of Transportation consists of roadways, bridges and related assets. These assets are not depreciated as they are reported using the modified approach. Under the modified approach, the County's roadway and bridge systems are being preserved at a specified condition level established by the County. For information on the modified approach, see Required Supplementary Information – Modified Approach for Infrastructure Assets. The Flood Control District accounts for the County's remaining infrastructure assets consisting of drainage systems, dams, flood channels and canals.

For the Department of Transportation's infrastructure assets owned prior to fiscal year 2002, the County estimated their historical cost. The fair market value for right-of-way assets was estimated based on current regional land acquisitions and deflated by the trended growth rate, as determined by the County assessed valuation from the State of Arizona Department of Revenue Abstract of the Assessment Roll for vacant land, agriculture and government property not including legally exempt land. The fair market value for roadway system assets was estimated based on current construction costs and deflated using the Price Trends for Federal-Aid Highway Construction, published by the U.S. Department of Transportation, Federal Highway Administration, Office of Program Administration and Office of Infrastructure.

Flood Control District infrastructure assets are accounted for using the straight-line depreciation method with a useful life between 25 and 50 years. For infrastructure assets owned prior to fiscal year 2002, the County used internal records, maintained by the Flood Control District, to estimate Flood Control's historical cost for these assets.

H. Deferred Outflows/Inflows of Resources

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

I. Fund Balance Classifications

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. Only the Board can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Only the Board of Supervisors has authorization to assign fund balances.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

The County's policy is to account for most restricted and committed revenue sources (subject to legal restriction, etc.) by segregating them in a separate fund; however, by its nature, the General Fund may have several different classifications of fund balance. Therefore, when expending General Fund fund balance, if an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the County's policy to use unrestricted fund balance first. For the disbursement of unrestricted fund balances, it is the County's policy to use unassigned amounts first, followed by assigned amounts, and lastly committed amounts.

J. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

K. Compensated Absences

Compensated absences consist of vacation leave and a calculated amount of sick leave employees earned based on services already rendered. Employees may accumulate, and roll-over from year-to-year, up to 240 or 320 hours (depending on employee classification) of vacation leave, but any vacation hours in excess of the maximum amount that are unused at calendar year-end convert to sick leave. Upon terminating employment, all unused vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements. However, upon retirement, County employees with accumulated sick leave in excess of 1,000 hours are entitled to a $10,000 nontaxable investment in a Post-Employment Health Plan (PEHP) established pursuant to Internal Revenue Code §501(c)(9). The obligations vested at June 30, 2014, under this policy are accrued as a liability.

Compensated absences are substantially paid within one year from fiscal year-end and, therefore, are reported as a current liability on the government-wide financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

NOTE 2 – FUND BALANCE CLASSIFICATIONS OF THE GOVERNMENTAL FUNDS

The fund balance classifications of the governmental funds as of June 30, 2014, were as follows:

	General Fund	Detention Operations Fund	County Improvement Debt Fund	Detention Capital Projects Fund	General Fund County Improvements Fund	Technology Capital Improvement Fund	Other Governmental Funds	Total
Fund balances:								
Nonspendable:								
Inventory	$ 4,770,325	$ 70,558	$	$	$	$	$ 2,216,556	$ 7,057,439
Loan receivable	15,000,000							15,000,000
Total nonspendable	19,770,325	70,558					2,216,556	22,057,439
Restricted for:								
Debt service			14,484,379				4,430,872	18,915,251
Education							3,053,137	3,053,137
Flood control							41,004,478	41,004,478
General government							37,801	37,801
Health and welfare							21,389,253	21,389,253
Judicial activities							18,436,469	18,436,469
Law enforcement		61,258,394		190,241,941			61,203,088	312,703,423
Library District							13,130,259	13,130,259
Other purposes							9,405,861	9,405,861
Parks and recreation							5,812,455	5,812,455
Social services							146,731	146,731
Stadium District							18,758,079	18,758,079
Transportation							76,696,424	76,696,424
Waste management							2,470,835	2,470,835
Total restricted		61,258,394	14,484,379	190,241,941			275,975,742	541,960,456
Committed to:								
Capital projects					299,933,185	236,759,844	128,250	536,821,279
Debt service			4,997,993					4,997,993
Health and welfare							9,434,563	9,434,563
Other purposes							3,272,669	3,272,669
Total committed			4,997,993		299,933,185	236,759,844	12,835,482	554,526,504
Assigned to:								
General government	113,712,308							113,712,308
Total assigned	113,712,308							113,712,308
Unassigned	7,490,426						(2,385,853)	5,104,573
Total fund balances	$ 140,973,059	$ 61,328,952	$ 19,482,372	$ 190,241,941	$ 299,933,185	$ 236,759,844	$ 288,641,927	$ 1,237,361,280

Stabilization Arrangements – The Board of Supervisors has the authority to authorize and establish a stabilization arrangement by formal action. Subsequent modification, addition to, or expenditure from any stabilization arrangements also requires formal action by the Board of Supervisors, the highest level of decision-making authority within the County. At June 30, 2014, the General Fund did not have fund balances committed for budget stabilization.

NOTE 3 – REPORTING CHANGES

Beginning in fiscal year 2014, the Housing Authority Fund will be reported as major proprietary fund (enterprise fund). In the prior year, the Housing Authority Fund was reported as a nonmajor governmental fund (special revenue fund). This reporting change is consistent with the Housing Authority Fund's separately issued financial statements. In addition, the County established the Sheriff Towing and Impound Fund (special revenue fund), a nonmajor governmental fund. The County also renamed several funds to unify the fund names with the County's Annual Business Strategies budget book.

NOTE 4 – BEGINNING BALANCES RESTATED

On July 1, 2013, Maricopa County restated governmental funds beginning fund balance and governmental activities beginning net position for a prior period correction of $3,618,275 related to inmate billing revenues in the Detention Operations Fund that should have been recorded in a prior fiscal year.

On July 1, 2013, Maricopa County restated beginning net position of governmental activities and the internal service funds for a prior period correction related to the Employee Benefits Trust Fund of $4,947,028 for an overpayment of capitation expense that was refunded by the insurance provider.

On July 1, 2013, Maricopa County restated governmental activities capital asset and beginning net position balances by ($877,533) for construction in progress related to non-deployed vehicles that should have been deleted in a prior fiscal year.

In fiscal year 2013, the Housing Authority Fund was reported as special revenue fund. Beginning July 1, 2013, the Housing Authority Fund is presented as an enterprise fund to correspond with the manner in which they are presented in the Housing Authority of Maricopa County's separately issued audited financial statements. As a result, on July 1, 2013, Maricopa County restated beginning fund balance of the governmental funds for ($4,872,010) and beginning net position of governmental activities, business-type activities and the enterprise funds of ($33,217,783). In addition, on July 1, 2013, the Housing Authority restated beginning business-type activities and enterprise fund net position of ($96,568) for the net unamortized balance of debt issuance costs in accordance with the implementation of GASB 65.

On July 1, 2013, the County restated governmental activities infrastructure asset and net position balances by ($22,395,238) for corrections of prior periods resulting from infrastructure assets that that should have been deleted in a prior fiscal year.

Beginning net position and beginning fund balances were adjusted for the above, as follows:

	Governmental Activities	Business-type Activities	Total Governmental Funds	Enterprise Fund – Housing Authority	Internal Service Funds
Net position/fund balance reported as of June 30, 2013	$4,656,497,248	$	$ 1,357,865,349	$	$ 15,958,338
Plus: Detention Operations Fund receivables	3,618,275		3,618,275		
Plus: Employee Benefits	4,947,028				4,947,028
Minus: Construction In Progress corrections	(877,533)				
Plus/(Minus): Housing Authority Reclassification	(33,217,783)	33,217,783	($4,872,010)	33,217,783	
Minus: Housing Authority GASB 65		(96,568)		(96,568)	
Minus: Infrastructure corrections	(22,395,238)				
Net position/fund balance as of July 1, 2013, as restated	$4,608,571,997	$ 33,121,215	$ 1,356,611,614	$33,121,215	$ 20,905,366

NOTE 5 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Governmental Funds Balance Sheet includes the reconciliation between fund balances – total governmental funds and net position – Governmental Activities as reported in the government-wide Statement of Net Position. The details of this reconciliation follow:

Fund balances – total governmental funds	$ 1,237,361,280
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Land	754,229,626
Buildings and improvements	1,874,200,974
Machinery and equipment	351,602,596
Infrastructure	988,268,005
Construction in progress	385,295,337
Accumulated depreciation	(824,810,104)
Net governmental funds capital assets at June 30, 2014	3,528,786,434
Some receivables are not available to pay for current period expenditures and therefore, are reported as unavailable revenue in funds.	
Unavailable revenue for property taxes receivable at June 30, 2014	7,625,127
Unavailable revenue for grant revenues receivable at June 30, 2014	4,286,665
Unavailable revenue for other revenues receivable at June 30, 2014	4,561,368
	16,473,160
Internal service funds are used by management to charge the costs of equipment services, telecommunications, reprographics, risk management, employee benefits, and the sheriff warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	18,656,279
Some deferred outflows, long-term liabilities, and compensated absences are not due and payable shortly after June 30, 2014, and therefore, are not reported in the funds.	
Noncurrent lease revenue bonds due in more than one year at June 30, 2014	(97,135,000)
Stadium District revenue bonds payable at June 30, 2014	(19,260,000)
Special assessment debt with governmental commitment payable at June 30, 2014	(45,126)
Deferred charges on debt refunding at June 30, 2014	523,477
Bond premium unamortized at June 30, 2014	(559,708)
Claims and judgments at June 30, 2014	(1,546,046)
Governmental funds compensated absences payable at June 30, 2014	(70,957,205)
Liability for closure and postclosure costs at June 30, 2014	(8,236,052)
Accrued interest payable at June 30, 2014	(36,594)
	(197,252,254)
Net position of governmental activities	$ 4,604,024,899

The governmental fund reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances is a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. The details of this reconciliation follow:

Net change in fund balances – total governmental funds	$	(119,711,795)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Governmental funds capital outlay		194,236,812
Government-wide depreciation expense for the year ended June 30, 2014		(83,303,695)
Add: Internal service funds depreciation expense for the year ended June 30, 2014		1,174,966
		112,108,083
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.		
Donations of capital assets		24,649,051
Net value of disposed capital assets for the year ended June 30, 2014		(36,584,553)
		(11,935,502)
Collections of certain revenues in the governmental funds exceeded revenues reported in the Statement of Activities. Also, revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Collections of grant revenues plus current-year revenues exceeding amount reported as earned during the year ended June 30, 2014		(2,463,534)
Collections of property taxes plus current-year revenues exceeding amount reported as earned during the year ended June 30, 2014		(2,845,889)
Other revenue earned during the year ended June 30, 2014		4,561,368
		(748,055)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments on lease revenue bonds		11,840,000
Principal payments on Stadium District revenue bonds		3,180,000
Principal payments on Stadium District loan payable		5,706,857
Principal payments on special assessment debt with governmental commitment		18,036
Amortization of bond premium		146,312
Amortization of deferred charges on debt refunding		(666,497)
Accrued interest payable on long-term debt		6,042
		20,230,750
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Net increase in employee compensation payable		(6,477,058)
Increase in inventories		461,461
Net decrease in claims and judgments		3,212,395
Net decrease in liability for closure and postclosure costs		561,710
		(2,241,492)
Internal service funds are used by management to charge the costs of equipment services, telecommunications, reprographics, risk management, employee benefits, and the sheriff warehouse to individual funds. The net expense of internal service funds is reported with governmental activities.		(2,249,087)
Change in net position of governmental activities	$	(4,547,098)

NOTE 6 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

At June 30, 2014, the following other governmental and internal service funds reported deficits in fund balances or net position.

FUND	DEFICIT
Governmental Funds:	
Adult Probation Grants	$ 152,581
Air Quality Grants	191,802
Animal Control Grants	71,412
CDBG Housing Trust	444,493
Clerk of the Court Grants	4,981
County Attorney Grants	99,450
Human Services Grants	255,317
Public Defender Grants	5,010
School Grants	302,481
Sheriff Grants	764,637
Sheriff RICO	3,991
Superior Court Fill the GAP	48,776
Superior Court Grants	30,961
Transportation Grants	9,961
Internal Service Funds:	
Risk Management	$ 30,195,879

The deficits in fund balances for Adult Probation Grants, Air Quality Grants, Animal Control Grants, CDBG Housing Trust, Clerk of the Court Grants, County Attorney Grants, Human Services Grants, Public Defender Grants, School Grants, Sheriff Grants, Superior Court Grants, and Transportation Grants Funds were attributed to the deferring of certain grant revenues. The County accrues grant revenue received within 60 days after year-end, as it is available and measurable. Revenues received after 60 days are considered not available and are therefore unearned.

The Risk Management Fund's funding plan calls for the fiscal year ending cash balance to equal the next year's estimated claims and claims related expenses. As of June 30, 2014, the total net position deficit was $30,195,879. This is primarily due to the Risk Management Fund not being funded for noncurrent accrued claim liabilities.

The remaining fund balance deficits for the Sheriff RICO and Superior Court Fill the GAP Funds resulted from operations during the year and are expected to be corrected during normal operations in fiscal year 2015.

NOTE 7 – DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

Credit risk
Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better, at the time of purchase, by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors' service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk
Statutes require collateral for deposits and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

Concentration of credit risk
Statutes do not include any requirements for concentration of credit risk.

Interest rate risk
Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. However, the Stadium District is allowed by a separate statute to invest monies, not held for operations, in eligible investments with a maturity of greater than 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

Foreign currency risk
Statutes do not allow foreign investments, unless the investment is denominated in United States dollars.

Deposits - At June 30, 2014, the carrying amount of the County's deposits was $515,121,255 and the bank balance was $500,021,858. It is the County's investment policy to collateralize all deposits by at least 101 percent of the deposits not covered by depository insurance. At a minimum, the collateral is to be held by the pledging financial institution or its agent, but does not have to be held in the County's name.

At June 30, 2014, $13,155,551 of the County's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 1,166,670
Uninsured with collateral held by the pledging financial institution's trust department or agent but not in the County's name	11,988,881
Total	$ 13,155,551

Investments – The County's investments at June 30, 2014, were as follows:

Investment Type	Amount
U.S. Treasury securities	$ 84,908,400
U.S. agency securities	2,490,669,501
School bonds	229,783,787
School tax anticipation notes short-term	219,521,549
Mutual funds with trustee	23,767,075
Other investments	1,216,023
	$ 3,049,866,335

The $1,216,023 of other investments are related to the Public Fiduciary, which invests in equities, mutual funds, U.S. Treasury securities, and other types of investments as directed by court order. As these investment amounts are immaterial, no deposits or investment risk (credit risk, custodial credit risk, concentration of credit risk, and interest rate risk) disclosures will be reported for these investments.

Credit risk – It is the County's investment policy to preserve the principal value and the interest income of an investment. The County can invest in obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, or instrumentalities. The County can also invest in commercial paper and corporate bonds with ratings that meet the statutory requirements specified above. At June 30, 2014, credit risk for the County's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U. S. agency securities	Aaa	Moody's	$ 957,808,532
U. S. agency securities	AA+	S&P	19,981,800
U. S. agency securities	P-1	Moody's	1,512,879,169
School bonds	Aa2	Moody's	515,008
School bonds	Unrated	Not applicable	229,268,779
School tax anticipation notes short-term	Unrated	Not applicable	219,521,549
Mutual funds with trustee	Aaa-mf	Moody's	23,767,075
			$ 2,963,741,912

The $229,268,779 and $219,521,549 of unrated school bonds and tax anticipation notes, respectively, are issued by various school districts that deposit their monies with the County Treasurer.

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the County will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. It is the County's investment policy that all of the Treasurer's securities be held by the agent or trust department and in the County's name. At June 30, 2014, the County had $3,776,085 of U.S. agency securities held by an outside bank that was uninsured and held by the counterparty's trust department not in the County's name.

Concentration of credit risk – It is the County's investment policy to preserve the principal value of its investments. However, due to the limited investments allowed under statutes and the desire to preserve the principal value, the County's investments may have a concentration of credit risk of more than 5 percent of total investments in one issuer. Five percent or more of the County's investments at June 30, 2014, were in the Federal Home Loan Bank (FHLB), the Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and the Federal Farm Credit Banks (FFCB). These investments were 47.4 percent, 17.3 percent, 11.4 percent, and 5.5 percent, respectively, of the County's total investments.

Interest rate risk – It is the County's investment policy to hold investments to maturity, where practical, and avoid any loss on investments resulting from an early sale or retirement of an investment.

Additionally, securities should be invested for a shorter duration, where applicable. At June 30, 2014, the County had the following investments in debt securities.

		Investment Maturities	
Investment Type	Amount	Less than 1 Year	1 – 5 Years
U.S. Treasury securities	$ 84,908,400	$ 25,004,750	$ 59,903,650
U.S. agency securities	2,490,669,501	1,607,877,773	882,791,728
School bonds	229,783,787	40,538,181	189,245,606
School tax anticipation notes short-term	219,521,549	219,521,549	
Mutual funds with trustee	23,767,075	23,767,075	
	$3,048,650,312	$1,916,709,328	$1,131,940,984

Foreign currency risk – The County does not have a formal investment policy with respect to foreign currency risk because State statutes do not allow foreign investments.

A reconciliation of cash, deposits, and investments to amounts shown on the Statements of Net Position follows:

Cash, deposits and investments:		
Cash on hand	$	183,935
Amount of deposits		515,121,255
Amount of investments		3,049,866,335
Total	$	3,565,171,525

	Governmental Activities	Business-type Activities	Investment Trust Fund	Agency Fund	Total
Statement of Net Position:					
Cash in bank and on hand	$ 29,701,654	$ 2,612,708	$	$	$ 32,314,362
Cash and investments in bank and on hand				29,875,467	29,875,467
Cash and investments held by County Treasurer	1,187,537,737		2,271,990,938	742,557	3,460,271,232
Cash and cash equivalents - restricted		3,177,669			3,177,669
Cash and investments held by trustee	39,532,795				39,532,795
Total	$ 1,256,772,186	$ 5,790,377	$ 2,271,990,938	$ 30,618,024	$ 3,565,171,525

NOTE 8 – CONDENSED FINANCIAL STATEMENTS OF COUNTY TREASURER'S INVESTMENT POOL

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County's monies under his stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments monthly and at June 30.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The pool's structure does not provide for shares, and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments.

The Treasurer allocates interest earnings to each of the pool's participants. However, for the County's monies in the pool, the Board of Supervisors authorized $2,518,271 of interest earned in certain other funds to be transferred to the General Fund.

The deposits and investments held by the County are included in the County Treasurer's investment pool, except for $179,435 of cash on hand, $70,171,299 of deposits, $23,767,075 of mutual funds with trustee, $3,776,085 of U.S. agency securities with trustee and $1,216,023 of other investments. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 7 – Deposits and Investments for disclosure of the County's deposit and investment risks.

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Reported Amount
U. S. Treasury securities	$ 84,776,172	0.13 – 0.25%	12/14 – 5/16	$ 84,908,400
U. S. agency securities	2,486,260,782	0.00 – 3.00%	7/14 – 6/17	2,486,893,416
School bonds	238,501,323	0.35 – 5.96%	7/14 – 1/18	229,783,787
School tax anticipation notes short-term	220,011,435	0.64%	7/14	219,521,549

A condensed statement of the investment pool's net position and changes in net position follows.

Statement of Net Position	
Assets	$ 3,463,460,480
Liabilities	
Net position	$ 3,463,460,480
Net position held in trust for:	
Internal participants	$ 1,188,765,424
External participants	2,274,695,056
Total net position held in trust	$ 3,463,460,480
Statement of Changes in Net Position	
Total additions	$ 9,863,051,248
Total deductions	10,041,718,796
Net increase (decrease)	(178,667,548)
Net position held in trust:	
July 1, 2013	3,642,128,028
June 30, 2014	$ 3,463,460,480

NOTE 9 – RECEIVABLES

Receivables as of year-end for the County's individual major funds and nonmajor funds in the aggregate are shown as follows. Taxes receivable does not have an allowance for uncollectible taxes, as the amount is considered immaterial. All other receivables are considered collectible.

	Governmental Funds			
	General Fund	Detention Operations Fund	Other Governmental Funds	Total
Receivables:				
Taxes	$ 9,991,975	$	$ 1,229,379	$ 11,221,354
Accounts	13,259			13,259
Accrued interest	658,253	261,665	228,577	1,148,495
Special assessments			33,788	33,788
Total receivables	$ 10,663,487	$ 261,665	$ 1,491,744	$ 12,416,896

NOTE 10 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2014, of $168,158,614 as reported on the Governmental Funds balance sheet, include $74,440,813, $12,531,557, and $15,966,601 in state-shared revenues for sales taxes, vehicle license taxes, and highway user taxes, respectively; $22,344,366, $1,142,393, and $864,872 in jail tax, waste tire surcharge, and rental car surcharge, respectively, collected by the State but not received by the County; $31,516,725 in various Federal and State grants; $4,375,349 due from other governments for prisoner detention and police services; $2,879,699 due from cities and towns for Flood Control District and Transportation Department intergovernmental agreements; and $8,029 of miscellaneous due from the State.

In addition, the County reported $2,088,210 for debt service reimbursements due from the Maricopa County Special Health Care District (District), a separate legal entity. The amount is reported in the County Improvement Debt Fund and is reported as a deferred inflow of resources, as it is not considered measurable and available to finance expenditures of the current period. As a result of the transition of the Maricopa County Medical Center to the District on January 1, 2005, the Maricopa County Medical Center transferred long-term debt obligations (lease revenue bonds, certificates of participation and installment purchase agreements) to the County. The District will pay the debt obligations per the terms of an Intergovernmental Agreement which coincide with the future principal and interest payments to July 1, 2015.

NOTE 11 – INTERGOVERNMENTAL LOANS

At June 30, 2014, the County reported intergovernmental loans of $16,351,094. This amount consists of outstanding principal of $15,433,000 and accrued interest of $918,094 for an intergovernmental loan to the Maricopa County Special Health Care District, a separate legal entity. On July 1, 2005, the County provided a $15,433,000 ten-year loan to the Maricopa County Special Health Care District. The terms of the loan, as outlined in the Assistance Package Intergovernmental Agreement dated June 8, 2005, include the first five years interest free until August 1, 2010, with interest accruable for the second five-year period at the rate earned by the County Treasurer on August 1, 2010. The balance of the loan is due August 1, 2015.

NOTE 12 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013, as restated	Increase	Decrease	Balance June 30, 2014
Governmental activities:				
Nondepreciable assets:				
Land	$ 728,459,728	$ 30,779,179	$ 5,009,281	$ 754,229,626
Construction in progress	375,007,405	153,199,374	142,911,442	385,295,337
Infrastructure	702,805,178	17,783,756	5,009,030	715,579,904
Total capital assets not being depreciated	1,806,272,311	201,762,309	152,929,753	1,855,104,867
Depreciable assets:				
Buildings and improvements	1,802,235,978	119,646,428	47,681,432	1,874,200,974
Machinery and equipment	347,890,656	33,500,406	14,678,207	366,712,855
Infrastructure	271,789,478	898,623		272,688,101
Total	2,421,916,112	154,045,457	62,359,639	2,513,601,930
Less accumulated depreciation for:				
Buildings and improvements	452,578,374	44,591,499	28,608,037	468,561,836
Machinery and equipment	253,809,115	33,201,679	13,533,736	273,477,058
Infrastructure	88,296,754	5,533,481		93,830,235
Total	794,684,243	83,326,659	42,141,773	835,869,129
Total capital assets being depreciated, net	1,627,231,869	70,718,798	20,217,866	1,677,732,801
Governmental activities capital assets, net	$ 3,433,504,180	$ 272,481,107	$ 173,147,619	$ 3,532,837,668
Business-type activities:				
Nondepreciable assets:				
Land	$ 4,737,544	$	$	$ 4,737,544
Construction in progress		1,853,543		1,853,543
Total capital assets not being depreciated	4,737,544	1,853,543		6,591,087
Depreciable assets:				
Buildings and improvements	67,556,836	533,817		68,090,653
Machinery and equipment	1,189,024		18,951	1,170,073
Total	68,745,860	533,817	18,951	69,260,726
Less accumulated depreciation for:				
Buildings and improvements	39,612,437	1,872,639		41,485,076
Machinery and equipment	808,417	38,217	16,520	830,114
Total	40,420,854	1,910,856	16,520	42,315,190
Total capital assets being depreciated, net	28,325,006	(1,377,039)	2,431	26,945,536
Business-type activities capital assets, net	$ 33,062,550	$ 476,504	$ 2,431	$ 33,536,623

The County pledged certain governmental activities land and buildings as collateral for various lease revenue bonds. See Note 14 – Long-term Liabilities for additional information regarding outstanding bonds at June 30, 2014.

On July 1, 2013, the County restated governmental activities beginning capital asset balances by ($22,272,771) for corrections of prior periods. In addition, on July 1, 2013, the County restated governmental activities and business-type activities beginning capital asset balances by ($33,062,550) and $33,062,550, respectively, for the reclassification of the Housing Authority Fund. See Note 4 – Beginning Balances Restated for additional information.

Depreciation expense was charged to functions as follows:

Government activities:	
General government	$ 29,745,913
Public safety	33,626,147
Highways and streets	5,163,924
Health, welfare and sanitation	3,038,006
Culture and recreation	10,412,620
Education	142,119
Internal service funds	1,174,966
Total governmental activities depreciation expense	$ 83,303,695

Business-type activities:	
Housing Authority	$ 1,910,856
Total business-type activities depreciation expense	$ 1,910,856

The depreciation expense charged to governmental activities is less than accumulated depreciation increases due to the addition of a previously purchased asset that was fully depreciated in the amount of $22,964. As a result, $22,964 of the accumulated depreciation increases does not constitute current year depreciation expense.

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

At June 30, 2014, Maricopa County had the following major contractual commitments related to various capital projects. Commitments have been grouped into four major categories: Transportation Construction Projects, Flood Control Construction Projects, Technology Improvement Projects, and Construction of Various County Facilities.

Transportation Construction Projects

At June 30, 2014, the Maricopa County Transportation Department had contractual commitments of $23,608,047 for construction of various roadway projects. At June 30, 2014, the County had spent $115,687,185 on these projects and had related estimated cost of completion based on the project budgets of $260,262,680 of which not all projects may be completed. Funding for these expenditures will be provided from Highway User Fuel Tax, the primary source of revenue for the Transportation Department. These projects are accounted for in the Transportation Capital Projects Fund (nonmajor governmental fund).

Flood Control Construction Projects

At June 30, 2014, the Maricopa County Flood Control District had contractual commitments of $23,459,395 for the construction of various flood control projects. At June 30, 2014, the County had spent $215,802,100 on these projects and had related estimated cost of completion based on the project budgets of $261,698,000, of which not all projects may be completed. Funding for these expenditures will be provided from the Flood Control District’s tax levy of property within Maricopa County, the primary source of revenue for the Flood Control District. These projects are accounted for in the Flood Control Capital Projects Fund (nonmajor governmental fund).

Technology Improvement Projects

At June 30, 2014, Maricopa County had contractual commitments of $9,271,610 related to major capital projects accounted for in the Technology Capital Improvement Fund (major governmental fund) and Detention Technology Capital Improvement Fund (nonmajor governmental fund) and funded predominantly through transfers from the General Fund, Detention Capital Projects Fund and General Fund County Improvements Fund, respectively. At June 30, 2014, the County had spent $128,467,647 on these projects and had related estimated cost of completion based on the project budgets of $108,017,046 of which not all projects may be completed.

Construction of Various County Facilities

At June 30, 2014, Maricopa County had contractual commitments, including retention payable, of $7,659,284 relating to major capital projects accounted for in the General Fund County Improvements Fund and Detention Capital Projects Fund (major governmental funds) and funded predominantly through transfers from the General Fund and Detention Operations Fund, respectively. At June 30, 2014, the County had spent $88,068,923 on these projects and had related estimated cost of completion based on the project budgets of $70,857,865, of which not all projects may be completed.

NOTE 14 – LONG-TERM LIABILITIES

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2014.

	Balance July 1, 2013, as restated	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental activities:					
Bonds, loans, and other payables:					
Lease revenue bonds	$ 120,350,000	$	$ 11,375,000	$ 108,975,000	$ 11,840,000
Stadium District revenue bonds	22,440,000		3,180,000	19,260,000	3,250,000
Stadium District loans	5,706,857		5,706,857		
Special assessment debt with governmental commitment	64,679		15,214	49,465	4,339
	148,561,536		20,277,071	128,284,465	15,094,339
Plus: bond premium	706,020		146,312	559,708	
Total bonds, loans, and other payables	149,267,556		20,423,383	128,844,173	15,094,339
Other liabilities:					
Claims and judgments	4,758,441	375,579	3,587,974	1,546,046	1,544,798
Reported and incurred but not reported claims	85,153,065	134,658,408	142,664,017	77,147,456	30,763,988
Liability for closure and postclosure costs	8,797,762		561,710	8,236,052	621,378
Total other liabilities	98,709,268	135,033,987	146,813,701	86,929,554	32,930,164
Governmental activities long-term liabilities	$ 247,976,824	$ 135,033,987	$ 167,237,084	$ 215,773,727	$ 48,024,503
Business-type activities:					
Capital leases, loans, and other payables:					
Capital Leases	$	$ 1,792,280	$	$ 1,792,280	$
Loans payable	3,609,943	115,524	57,994	3,667,473	11,552
Other long-term debt	1,300,283	393,012	779,117	914,178	54,821
Business-type activities long-term liabilities	$ 4,910,226	$ 2,300,816	$ 837,111	$ 6,373,931	$ 66,373

On July 1, 2013, the County restated governmental activities and business-type activities beginning capital asset balances by ($3,609,943) and $4,910,226, respectively, for the reclassification of the Housing Authority Fund. See Note 4 – Beginning Balances Restated for additional information.

Bonds, loans, and other payables were as follows at June 30, 2014:

Lease Revenue Bonds

On May 23, 2007, the Maricopa County Public Finance Corporation issued $108,100,000 of Lease Revenue Bonds to pay for the acquisition, construction, and renovation of the Durango Animal Care and Control Facility; Southeast, Southwest, San Tan, One West Madison and Sunnyslope Justice Court Facilities; and Central Court Building. Under the terms of the bond indentures, the Corporation received the proceeds to construct and purchase these assets and the County will make lease payments to extinguish the debt. Lease payments will equal the aggregate amount of principal and interest due at that date. Upon the final lease payment, the title to the assets will transfer to the County. The County's obligation to make lease payments will be subject to and dependent upon annual appropriations being made by the County. Bonds maturing on and after July 1, 2017, are subject to optional redemption in increments of $5,000 on July 1, 2016, or any date thereafter, at par plus accrued interest to the date fixed for redemption. In the event of nonappropriation, the bonds would be subject to special redemption at par plus accrued interest to the redemption date. The bonds are secured by the collateralization of certain County assets.

On May 23, 2007, the Maricopa County Public Finance Corporation issued Lease Revenue Refunding Bonds, Series 2007B, for $32,840,000 (par value) with interest rates ranging from 4% to 5% and maturing from July 1, 2012 to July 1, 2015. The net bond proceeds were $34,414,011, which included a reoffering premium of $973,843, County contributions of $860,000, and cost of issuance of $259,831. The net proceeds, were used to advance refund the Lease Revenue Bonds, Series 2001, of $32,215,000. The advance refunded bonds were redeemed July 1, 2011. The bonds are secured by the collateralization of certain County assets.

The following Lease Revenue Bonds were outstanding as of June 30, 2014:

DESCRIPTION	AMOUNT OF ISSUE	INTEREST RATES	MATURITY DATES	OUTSTANDING AT JUNE 30, 2014
2007A Lease Revenue Bonds	$ 108,100,000	3.50 – 5.00%	7-1-14/31	$ 91,475,000
2007B Lease Revenue Refunding Bonds	32,840,000	4.00 – 5.00%	7-1-14/15	17,500,000
Total	$ 140,940,000			$ 108,975,000

Annual debt service requirements to maturity for the County's Lease Revenue Bonds are as follows:

	Governmental Activities		
Year Ending June 30	Principal	Interest	Total
2015	$ 11,840,000	$ 4,579,180	$ 16,419,180
2016	12,470,000	4,016,330	16,486,330
2017	3,660,000	3,657,980	7,317,980
2018	3,845,000	3,470,355	7,315,355
2019	4,040,000	3,273,230	7,313,230
2020-24	23,160,000	13,363,625	36,523,625
2025-29	29,195,000	7,175,463	36,370,463
2030-32	20,765,000	1,106,788	21,871,788
Total	$ 108,975,000	$ 40,642,951	$ 149,617,951

Stadium District Revenue Bonds

Stadium District Revenue Refunding Bonds are special obligations of the District. The bonds are payable solely from pledged revenues, consisting of auto rental surcharges levied and collected by the Stadium District pursuant to A.R.S. §48-4234. Under the statute, the Stadium District may set the surcharge at

$2.50 on each lease or rental of a motor vehicle licensed for hire, for less than one year, and designed to carry fewer than 15 passengers, regardless of whether such vehicle is licensed in the State of Arizona. The Stadium District Board of Directors initially levied a surcharge at a rate of $1.50 beginning in January 1992 and increased the surcharge to $2.50, the maximum amount permitted by statute, in January 1993.

The District has pledged future auto rental surcharge revenue to repay the $25,140,000 in revenue refunding bonds, which were issued in September 2012. Proceeds from the bond issuance provided financing to refund previously issued bonded debt for the construction of Cactus League facilities. The bonds do not constitute a debt or a pledge of the faith or credit of Maricopa County, the State of Arizona, or any other political subdivision. The payment of the bonds is enforceable solely out of the pledged revenues and no owner shall have any right to compel any exercise of taxing power of the District, except for surcharges. Total principal and interest remaining to be paid on the bonds is $20,697,198, payable through June 2019. Principal and interest paid for the current year and total auto rental surcharge revenues were $3,691,632 and $5,394,706, respectively.

The Stadium District had the following revenue bonds outstanding at June 30, 2014:

DESCRIPTION	AMOUNT OF ISSUE	INTEREST RATES	MATURITY DATES	OUTSTANDING AT JUNE 30, 2014
2012 Revenue Refunding Bonds	$ 25,140,000	2.28%	6-01-2019	$ 19,260,000

Annual debt service requirements to maturity for Stadium District bonds are as follows:

	Governmental Activities	
Year Ending June 30	Principal	Interest
2015	$ 3,250,000	$ 439,128
2016	3,325,000	365,028
2017	3,405,000	289,218
2018	3,480,000	211,584
2019	5,800,000	132,240
Total	$ 19,260,000	$ 1,437,198

Stadium District Loans

In October 2007, the Stadium District entered into cost-sharing agreements with the Arizona Diamondbacks Team for the purchase of a video board, related equipment, and suite renovations at Chase Field. Under terms of the agreements, the Team provided a total of $10,106,856 in funding for the purchases. During the current year, the Stadium District paid off the remaining $5,706,857 of the loan with the Arizona Diamondbacks.

Special Assessment Debt with Governmental Commitment

Special assessment bonds are payable from assessments collected from property owners benefited by the respective improvements. The special assessment districts pledged these assessments to repay the par issuance amount of $447,929 in special assessment bonds. The proceeds were used to finance construction projects in these districts. Total principal remaining to be paid on these bonds is $49,465 payable through July 2018. While there is no legal obligation for the County to further secure the special assessment bonds of the districts below, the County has made a moral commitment to take steps necessary to prevent default. Principal and interest paid for the current year and total special assessment charges revenue were $19,583 and $94, respectively.

Special assessment bonds currently outstanding for governmental activities are as follows:

DESCRIPTION	AMOUNT OF ISSUE	INTEREST RATES	MATURITY DATES	OUTSTANDING AT JUNE 30, 2014
Queen Creek Water	$ 301,960	4.875%	7-1-14/17	$ 5,674
Plymouth Street	145,969	8.000%	7-1-14/18	43,791
Total	$ 447,929			$ 49,465

Annual debt service requirements to maturity for special assessment debt with governmental commitment are as follows:

	Governmental Activities	
Year Ending June 30	Principal	Interest
2015	$ 4,339	$ 3,628
2016	12,611	2,995
2017	9,205	2,167
2018	8,713	1,494
2019	14,597	584
Total	$ 49,465	$ 10,868

Housing Authority of Maricopa County Capital Leases Obligation

The Housing Authority of Maricopa County entered into a long-term lease commitment for equipment that has been accounted for as a capital lease. The lease obligation is part of a U.S. Department of Housing and Urban Development approved Energy Performance Contract (EPC) that provides for continued Public Housing funding and certain incentives for increasing the energy efficiency of Public Housing Units. The assets are currently capitalized as Construction in Progress and are valued at $1,404,783. At June 30, 2014, the balance on this obligation is $1,792,280.

Annual debt service requirements to maturity for Housing Authority capital lease obligations are as follows:

	Business-type Activities		
Year Ending June 30	Principal	Interest	Total
2015	$	$ 55,068	$ 55,068
2016	58,219	66,283	124,502
2017	64,897	64,130	129,027
2018	71,986	61,730	133,716
2019	79,506	59,068	138,574
2020-24	527,036	245,064	772,100
2025-29	793,716	128,987	922,703
2030	196,920	7,282	204,202
Total	$ 1,792,280	$ 687,612	$ 2,479,892

Housing Authority of Maricopa County Loans Payable

The Housing Authority of Maricopa County's Component Unit, Maricopa Revitalization Partnership, L.L.C., has a promissory note payable to Community Service of Arizona, Inc. The note bears an interest rate of 0.50% and is collateralized by investment in real estate. The balance on this note shall be paid at the earlier of the date of sale of the property; breach of covenant, condition or restriction; or 15 years after the date of the project completion. At June 30, 2014, the balance on this note was $570,000.

The Housing Authority of Maricopa County's Component Unit, Rose Terrace Development Partnership Phase II, L.L.C., has a promissory note payable to Mutual of Omaha Bank. The note bears an interest rate of 8.75% and is collateralized by investment in real estate. Monthly principal and interest payments of $3,744 will continue through February 2020, at which time a balloon payment of $363,157 is due. At June 30, 2014, the balance on this note was $406,828.

On December 21, 2012, the Housing Authority of Maricopa County's Component Unit, Rose Terrace Development Partnership, L.L.C., entered into a promissory note payable with First Bank. The note bears interest at 4.75% through January 1, 2018, and then increases to the greater of 6.00% or the 5-year Treasury Rate plus 3%. Monthly installments of principal and interest of $13,703 are payable through January 1, 2018, at which point the note will be amortized for the balance through the maturity date of October 1, 2022. At June 30, 2014, the balance on this note was $2,586,674.

On March 4, 2014, the Housing Authority of Maricopa County entered into a repayment agreement with the U.S. Department of Housing and Urban Development (HUD) totaling $115,524 to repay misused program funds as determined by the 2010 HUD Limited Management and Financial Review. The agreement bears no interest and calls for equal annual payments of $11,552 from non-federal resources beginning June 30, 2014, and ending June 30, 2023. At June 30, 2014, the balance on this note was $103,971.

Annual debt service requirements to maturity for Housing Authority loans payable are as follows:

Business-type Activities	
Year Ending June 30	Principal
2015	$ 66,373
2016	69,218
2017	71,725
2018	75,154
2019	638,795
2020-2023	2,746,208
Total	$ 3,667,473

Funding Source for Governmental Activities Liabilities

Governmental Funds Liabilities	Funding Source
Lease revenue bonds	County Improvement Debt Fund
Stadium District revenue bonds	Stadium District Debt Service Fund (nonmajor debt service fund)
Stadium District loans	Ballpark Operations Fund (nonmajor special revenue fund)
Special assessment debt with governmental commitment	Special Assessment Fund (nonmajor debt service fund)
Claims and judgments	General Fund, Transportation Operations Fund and Flood Control Fund (nonmajor special revenue fund)
Reported and incurred but not reported claims	Risk Management Fund and Employee Benefits Trust Fund (internal service funds)
Liability for closure and postclosure costs	General Fund

Legal Debt Margin

County indebtedness pertaining to general obligation bonds may not exceed six percent of the value of the County's taxable property ascertained by the last assessment. However, with voter approval, the County may become indebted for an amount not to exceed fifteen percent of such taxable property. At June 30, 2014, the allowable six and fifteen percent limits were $1,933,740,409 and $4,834,351,022, respectively. The County had no outstanding general obligation debt at June 30, 2014, and was therefore within the legal debt margin.

Arbitrage Compliance

The County is in compliance with all Federal arbitrage regulations for tax-exempt debt securities. As of June 30, 2014, the County had no arbitrage liability.

NOTE 15 – MUNICIPAL LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The County has five landfills which are subject to closure and postclosure care requirements. Federal and State laws and regulations require the County to place a final cover on all its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although one landfill is exempt from these regulations, the County is performing postclosure monitoring of this site and has included the estimated costs in the closure and postclosure liability.

The County's last remaining landfill stopped accepting waste May 2007 and the final cover was completed in October 2010. At June 30, 2014, the County updated the estimates required to pay for closure, cleanup, remedial actions and monitoring at the County's five landfill sites, in accordance with generally accepted accounting principles. The County estimated these costs to be approximately $8,236,052.

The County's estimate for closure and postclosure care requirements for the five landfills are subject to change due to inflation, changes in technology, changes in regulations, or results of the investigational study. All associated closure and postclosure costs will be paid from the General Fund. These amounts are based on what it would cost to perform all closure and postclosure care and remedial investigation costs in fiscal year 2014.

According to Federal and State laws and regulations, the County must comply with the local government financial test requirements that assure the County can meet the costs of landfill closure, postclosure, and corrective action when needed. The County is in compliance with these requirements.

NOTE 16 – MUNICIPAL REVOLVING LINE OF CREDIT AND IRREVOCABLE STANDBY LETTER OF CREDIT

On July 1, 2013, the County maintained a $35,000,000 municipal revolving line of credit with qualified interest rate of 61% and non-qualified interest rate of 66% of the bank's prime rate which had a maturity date of June 30, 2014. Outstanding principal and interest is due on June 30 of each year. During fiscal year 2014, the County had not borrowed against the line of credit. The municipal revolving line of credit was renewed to June 30, 2015.

On July 1, 2013, the County maintained a $15,239,045 irrevocable standby letter of credit issued to the Industrial Commission of Arizona for unfunded workers' compensation claims. On December 27, 2013, the letter of credit was increased to $15,878,105. The letter of credit was reserved against the municipal revolving line of credit. During fiscal year 2014, the letter of credit had not been drawn upon. The irrevocable standby letter of credit will mature on June 30, 2015.

NOTE 17 – OPERATING LEASES

The County's operating leases are for land, buildings, office equipment, and vehicles under the provisions of various long-term lease agreements classified as operating leases for accounting purposes. Rental expenses under the terms of these operating leases for governmental activities were $11,652,603 for the year ended June 30, 2014. These operating leases have remaining lease terms from one to seventeen years. Also, they provide renewal options and are contingent on budgetary appropriations each fiscal year. The future minimum rental payments required under these operating leases as of June 30, 2014, are as follows:

Year Ending June 30	Governmental Activities
2015	$ 10,077,230
2016	8,182,586
2017	4,992,221
2018	4,435,264
2019	1,424,790
2020-2024	1,110,981
2025-2029	334,950
2030-2031	139,200
Total minimum payments required	$ 30,697,222

NOTE 18 – RISK MANAGEMENT

The Risk Management Fund (internal service fund) accounts for the financing of the insured risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded this commercial coverage since the inception of these insurance policies.

Liabilities for unpaid claims are estimates determined by an independent actuary using the following actuarial methods: developed paid loss, developed reported incurred losses, developed case reserves, frequency times severity analysis, loss rate analysis, and the Bornhuetter-Ferguson method. Accrued actuarial liabilities are based on a discounted expected confidence level assuming a 2.00 percent annual rate of return on investments. Accrued actuarial liabilities at June 30, 2014, for each insurable area follow:

Auto liability	$	4,337,675
General liability		26,291,383
Workers' compensation		17,065,720
Medical malpractice		4,780,123
Auto physical damage		219,414
Property		334,624
Professional liability		115,898
Environmental property damage		2,871,340
Environmental liability		3,274,027
Unallocated		6,169,956
Total	$	65,460,160

Changes in the unpaid claims liability reported in the Risk Management Trust Fund follow:

Year	Balance July 1	Current-Year Claims And Changes In Estimates	Claims Payments	Balance June 30
2011-12	$ 132,258,185	$ 12,637,627	$ (15,815,182)	$129,080,630
2012-13	129,080,630	(13,056,180)	(39,158,331)	76,866,119
2013-14	76,866,119	4,028,631	(15,434,590)	65,460,160

The Employee Benefits Trust Fund (internal service fund) accounts for the financing of the insured risk of loss for certain health benefits (medical, dental, short-term disability, and medical incentives) to eligible employees and their dependents.

The liability for medical, dental, short-term disability, behavioral health, and vision claims is based on fiscal year 2014 actuarial reports. Accrued actuarial liabilities at June 30, 2014, for each insurable area follow:

Medical	$	10,234,621
Dental		553,998
Short-term disability		528,990
Behavioral health		226,157
Vision		143,530
Total	$	11,687,296

Changes in the unpaid claims liabilities reported in the Employee Benefits Trust Fund follow:

Year	Balance July 1	Current-Year Claims And Changes In Estimates	Claims Payments	Balance June 30
2011-12	$ 12,115,069	$ 113,176,201	$ (114,355,303)	$ 10,935,967
2012-13	10,935,967	111,466,605	(114,115,626)	8,286,946
2013-14	8,286,946	130,629,777	(127,229,427)	11,687,296

NOTE 19 – POLLUTION REMEDIATION OBLIGATIONS

Maricopa County has estimated and reported a pollution remediation obligation in the government-wide financial statements for the current or potential detrimental effects of existing pollution. At June 30, 2014, the County reported $1,546,046 of claims and judgments, which is comprised of the following pollution remediation obligations.

Asbestos – The National Emission Standards for Hazardous Air Pollutants, 40 CFR §61.145, requires the County to inspect buildings for the existence of asbestos prior to the commencement of any demolition or renovation work. As of June 30, 2014, the County had several facilities under consideration for demolition or renovation. The County's reported pollution remediation liability is an estimate provided by a professional environmental consultant. The estimate accounts for pre-cleanup and cleanup activities.

Stormwater – Under the Clean Water Act, the National Pollutant Discharge Eliminations System Stormwater Program, 40 CFR §122, requires the implementation of controls designed to prevent harmful pollutants from being washed by stormwater runoff into bodies of water. An audit of County-owned facilities was conducted to ensure compliance with federal regulations. The County's reported pollution remediation liability is an estimate provided by a professional environmental consultant. The estimate accounts for activities to achieve compliance.

Road and Drainage Construction – The County conducted environmental site characterizations during the construction of roads and drainage structures. In compliance with Arizona Department of Environmental Quality (ADEQ) Soil Remediation Levels, Arizona Administrative Code Title 18, Chapter 7, Article 2; the County will excavate and properly dispose of any contaminated soil. The County's reported pollution remediation liability is an estimate provided by a professional environmental consultant. The estimate consists of the costs for soil excavation, disposal, and additional sampling.

Communication Towers – In compliance with the National Environmental Policy Act, 47 CFR §1.1301 - §1.1319, the Federal Communications Commission requires applicants and licensees to consider the potential environmental effects from its construction of antenna facilities or structures. In compliance with these regulations, the County will conduct environmental site assessments at the communication tower sites. The County's reported pollution remediation liability is an estimate provided by a professional environmental consultant. The estimate consists of the costs for the environmental site assessments.

Maricopa County also has estimated and reported a pollution remediation obligation in the Risk Management internal service fund financial statements for the current or potential detrimental effects of existing pollution. These obligations are categorized under environmental property damage and environmental liability in Note 18 – Risk Management. At June 30, 2014, the County reported $6,145,367 of reported but unpaid claims, which is comprised of the following pollution remediation obligations.

Cave Creek Landfill – The County has entered into a Consent Decree with ADEQ to evaluate the Cave Creek Landfill as a source of groundwater contamination. The County's reported pollution remediation liability is an estimate provided by a professional environmental consultant. The estimate consists of mandated testing costs, completion of the remedial action plan, public meetings, and the recommended remediation at the landfill.

Hassayampa Landfill – On July 22, 1987, the Hassayampa Landfill was added to the Superfund National Priorities List by the United States Environmental Protection Agency (EPA), pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), 42 U.S.C. §9605(a)(8), due to suspected groundwater contamination. On February 19, 1988, nine of the major potentially responsible parties (PRP) for the site entered into a Consent Order with the EPA to conduct the Remedial Investigation and Feasibility Study. On August 6, 1992, a Record of Decision was signed and detailed the EPA's selected cleanup remedy, which resulted in the formation of the Hassayampa Steering Committee (HSC). The HSC, an unincorporated association, consists of 11 PRP's that entered into a Unilateral Administrative Order with the EPA on March 30, 1993, to conduct additional investigation activities and to begin remedial design and action activities on the groundwater treatment system and soil cap. In September 1997, a Preliminary Close-Out Report was completed and the EPA certification of the completion of construction of the remedial action was issued in April 1998. The groundwater extraction and treatment system and soil vapor extraction and treatment system will continue to be run by the PRP's until the groundwater and soil meet cleanup levels.

The HSC hires consultants that recommend site actions, meet with regulators, and develop cost estimates for remediation of the Hassayampa Landfill. The County is responsible for 27.78% of the HSC's cost remediation. The County's reported pollution remediation liability is an estimate provided by a professional environmental consultant.

CERCLA Cost Recovery Claim – The County, along with numerous other entities, was named as a potential responsible party under the CERCLA, 42 U.S.C. §9607(a), by a third party. The Notice of Claim was based upon allegations that the County owned the properties which were acquired in the 1970's from a solvent manufacturer. However, in 2001, the County (and other parties) entered into a Consent Decree/Settlement with ADEQ which absolved the County of any additional liability for the site.

The County pollution remediation liability is subject to change due to changes in the cost of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort. The County has no estimated recoveries at this time.

NOTE 20 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions

The County contributes to the four retirement plans described below. The plans are component units of the State of Arizona, state statutes establish benefits, and the plans generally provide retirement, long-term disability, and health insurance premium benefit, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. The health insurance premium benefit is paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The Arizona State Retirement System (ASRS) administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The Public Safety Personnel Retirement System (PSPRS) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona and participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a seven-member board known as the Board of Trustees and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The Corrections Officer Retirement Plan (CORP) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit plan that covers state, county, and local correction officers; dispatchers; and probation, surveillance, and juvenile detention officers. The CORP is governed by the PSPRS Board of Trustees and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The Elected Officials Retirement Plan (EORP) administers a cost-sharing, multiple-employer defined benefit pension plan and a cost-sharing, multiple-employer defined benefit health insurance premium benefit plan that covers State of Arizona and county elected officials and judges, and elected officials of participating cities who were plan members on December 31, 2013. This plan was 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.

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

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report is available on their Web sites or may be obtained by writing or calling the applicable plan.

ASRS
3300 N. Central Ave.
P.O. Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 or 1-800-621-3778
www.azasrs.gov

PSPRS, CORP, and EORP
3010 E. Camelback Rd., Ste. 200
Phoenix, AZ 85016-4416
(602) 255-5575
www.psprs.com

Funding Policy

The Arizona State Legislature establishes and may amend active plan members' and the County's contribution rates for the ASRS, PSPRS, CORP, and EORP.

Cost-Sharing Plans - For the year ended June 30, 2014, statute required active ASRS members to contribute at the actuarially determined rate of 11.54 percent (11.3 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.54 percent (10.7 percent for retirement, 0.6 percent for health insurance premium benefit, and 0.24 percent for long-term disability) of the members' annual covered payroll. Statute required active EORP members to contribute 13 percent of the members' annual covered payroll and statute required the County to remit a designated portion of certain court fees plus additional contributions at a percent of the members' annual covered payroll. Through December 31, 2013, the additional contributions were at the actuarially determined rate of 25.94 percent. Beginning January 1, 2014, the additional contributions were at the statutorily required rate of 23.5 percent. Both rates include the actuarially set rate of 1.56 percent for the plan's health insurance premium benefit.

The County's contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

Year ended June 30	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
ASRS:			
2014	$ 47,729,221	$ 2,676,405	$ 1,069,996
2013	43,714,304	2,772,127	1,023,276
2012	40,452,230	2,582,057	983,214

Year ended June 30	Pension Fund	Health Insurance Fund
EORP:		
2014	$ 9,804,302	$ 400,657
2013	8,551,750	443,646
2012	8,233,336	461,136

Agent Plans - For the year ended June 30, 2014, statute required active PSPRS (Maricopa County Sheriff) members to contribute 10.35 percent of the members' annual covered payroll, and the County was required to contribute 35.87 percent, the aggregate of which is the actuarially required amount. The health insurance premium benefit portion of the contribution rate was actuarially set at 1.67 percent of covered payroll. Statute required active PSPRS (Maricopa County Attorney Investigators) members to contribute 10.35 percent of the members' annual covered payroll, and the County was required to contribute 49.17 percent, the aggregate of which is the actuarially required amount. The health insurance premium benefit portion of the contribution rate was actuarially set at 1.62 percent of covered payroll. Statute required active CORP (Maricopa County Corrections Officers) members to contribute 8.41 percent of the members' annual covered payroll. In addition, statute required the County to contribute 13.17 percent. The aggregate of the members' and the County's contribution is the actuarially required amount. The health insurance premium benefit portion of the contribution rate was actuarially set at 0.89 percent of covered payroll. Statute required active CORP (AOC Probation) members to contribute 8.41 percent of the members' annual covered payroll, and the County was required to contribute 15.58 percent. The health insurance premium benefit portion of the contribution rate was actuarially set at 1.13 percent of covered payroll.

All participating employers in the CORP Administrative Office of the Courts (AOC) are accounted for as one group within the Corrections Officer Retirement Plan, and as such, an actuarial valuation of CORP-AOC is prepared only for the group as a whole. Therefore, actuarial information and certain trend information for the County, as a participating government, are not available.

Actuarial methods and assumptions – The contribution requirements for the year ended June 30, 2014, were established by the June 30, 2012, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

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

Projections of benefits are based on (1) the plans as the County and plans' members understand them and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for both plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2014 contribution requirements:

Actuarial valuation date	June 30, 2012
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess

Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investments rate of return	8%
Projected salary increases	5%-9% for PSPRS and 5%-8.25% for CORP
includes inflation at	5% for PSPRS and CORP

Annual Pension/OPEB Cost - The County's pension/OPEB cost for the agent plans for the year ended June 30, 2014, and related information follows.

	PSPRS		CORP
	(Sheriff)	(Investigators)	(Corrections)
Pension:			
Annual pension/OPEB cost	$ 14,351,224	$ 556,825	$ 12,254,508
Contributions made	14,351,224	556,825	12,254,508
Health Insurance Premium Benefit:			
Annual pension/OPEB cost	$ 691,524	$ 15,003	$ 851,421
Contributions made	691,524	15,003	851,421

Trend Information – Annual pension and OPEB cost information for the current and two preceding years for each of the agent plans:

Plan	Contributions Required and Contributions Made: Annual Pension/OPEB Cost (APC)	Contributions Required and Contributions Made: Percentage of APC Contributed	Net Pension/OPEB Obligation
Year Ended June 30, 2014			
Pension:			
PSPRS (Sheriff)	$ 14,351,224	100.0%	$ 0
PSPRS (Investigators)	556,825	100.0%	0
CORP (Corrections)	12,254,508	100.0%	0
Health Insurance Premium Benefit:			
PSPRS (Sheriff)	$ 691,524	100.0%	$ 0
PSPRS (Investigators)	15,003	100.0%	0
CORP (Corrections)	851,421	100.0%	0
Year Ended June 30, 2013			
Pension:			
PSPRS (Sheriff)	$ 10,308,139	100.0%	$ 0
PSPRS (Investigators)	321,210	100.0%	0
CORP (Corrections)	8,774,465	100.0%	0
Health Insurance Premium Benefit:			
PSPRS (Sheriff)	$ 723,728	100.0%	$ 0
PSPRS (Investigators)	14,552	100.0%	0
CORP (Corrections)	945,067	100.0%	0
Year Ended June 30, 2012			
Pension:			
PSPRS (Sheriff)	$ 8,663,626	100.0%	$ 0
PSPRS (Investigators)	313,766	100.0%	0
CORP (Corrections)	6,453,234	100.0%	0
Health Insurance Premium Benefit:			
PSPRS (Sheriff)	$ 774,910	100.0%	$ 0
PSPRS (Investigators)	13,759	100.0%	0
CORP (Corrections)	913,646	100.0%	0

Funded Status - The plans' funded status as of the most recent valuation date, June 30, 2014, along with the actuarial assumptions and methods used in those valuations follow.

	PSPRS				CORP	
	Sheriff		Investigators		Corrections	
	Pension	Health Insurance Premium Benefit	Pension	Health Insurance Premium Benefit	Pension	Health Insurance Premium Benefit
Actuarial value of assets (a)	$ 188,638,358	$ 11,742,955	$ 4,336,729	$ 243,445	$ 203,684,774	$ 13,834,531
Actuarial accrued liability (b)	$ 423,712,440	$ 9,178,379	$ 11,195,054	$ 195,399	$ 355,684,352	$ 10,429,987
Unfunded actuarial accrued liability (funding excess) (b)–(a)	$ 235,074,082	$ (2,564,576)	$ 6,858,325	$ (48,046)	$ 151,999,578	$ (3,404,544)
Funded ratio (a)/(b)	44.5%	127.9%	38.7%	124.6%	57.3%	132.6%
Annual covered payroll (c)	$ 41,936,849	$ 41,936,849	$ 1,162,961	$ 1,162,961	$ 99,513,508	$ 99,513,508
Unfunded actuarial accrued liability (funding excess) as a % of covered	560.5%	(6.1%)	589.7%	(4.1%)	152.7%	(3.4%)

The actuarial methods and assumptions used are the same for both plans and related benefits (unless noted), and for the most recent valuation date are as follows:

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0% - 8.0% for PSPRS and 4.0% - 7.25% for CORP
includes inflation at	4.0% for PSPRS and CORP

NOTE 21 – INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables – interfund balances at June 30, 2014, were as follows:

	Payable To	
Payable from	General Fund	Total Due To
Nonmajor Governmental Funds	$ 9,694,397	$ 9,694,397
Internal Service Funds	465,328	465,328
Total Due From	$ 10,159,725	$ 10,159,725

All interfund receivables and payables represent cash deficits that were the result of timing differences from grant revenues received in the subsequent year and cash transfers that had not occurred at June 30, 2014.

Interfund transfers – interfund transfers for the year ended June 30, 2014, were as follows:

	Transfers In								
Transfers Out	General Fund	Detention Operations Fund	County Improvement Debt Fund	Detention Capital Projects Fund	General Fund County Improvements Fund	Technology Capital Improvement Fund	Nonmajor Governmental Funds	Internal Service Funds	Total Transfers Out
General Fund	$	$ 173,940,798	$	$	$ 145,164,013	$ 11,640,000	$ 95,480	$ 4,466,508	$ 335,306,799
Detention Operations Fund				7,248,089			512,929		7,761,018
Detention Capital Projects Fund							25,000,001		25,000,001
General Fund County Improvements Fund	117,000		1,942,686			73,471,435			75,531,121
Technology Capital Improvement Fund	2,020,000								2,020,000
Nonmajor Governmental Funds	750	40,642	1,139,944				74,496,457		75,677,793
Total Transfers In	$ 2,137,750	$ 173,981,440	$ 3,082,630	$ 7,248,089	$ 145,164,013	$ 85,111,435	$ 100,104,867	$ 4,466,508	$ 521,296,732

All interfund transfers are budgeted and are used to move revenues from the fund that collects them to the fund that expends them.

The interfund receivables, payables, and transfers by fund are as follows:

Funds	Due From Other Funds	Due To Other Funds	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	$ 10,159,725	$	$ 2,137,750	$ 335,306,799
Special Revenue Funds				
Detention Operations			173,981,440	7,761,018
Debt Service Funds				
County Improvement Debt			3,082,630	
Capital Projects Funds				
Detention Capital Projects			7,248,089	25,000,001
General Fund County Improvements			145,164,013	75,531,121
Technology Capital Improvement			85,111,435	2,020,000
NONMAJOR FUNDS				
Special Revenue Funds				
Air Quality Grants		678,419		
Animal Control Field Operations				106,471
Animal Control License/Shelter				1,033,473
Ballpark Operations				6,698,594
Cactus League Operations			1,661,196	
CDBG Housing Trust		166,350		
Clerk of the Court Grants		200,888		
Environmental Services Environmental Health			65,500	
Flood Control				14,696,402
Human Services Grants		3,751,025		40,642
Inmates Services			512,929	
Library District			3,161,255	
Medical Examiner Grants		7,055		
Parks Enhancement			111,270	
Parks Souvenir				111,270
Public Health Fees			29,980	
Public Health Grants		4,540,535		750
School Grants		117,315		
Sheriff RICO		185,935		
Superior Court Fill the Gap		6,061		
Superior Court Grants		1,992		
Transportation Grants		38,822		
Transportation Operations			32,943	48,134,797
Debt Service Funds				
Special Assessment				32,943
Stadium District Debt Service			5,706,857	1,661,196

Funds	Due From Other Funds	Due To Other Funds	Transfers In	Transfers Out
Capital Projects Funds				
Detention Technology Capital Improvement			25,000,001	
Flood Control Capital Projects			14,696,402	
Library District Capital Improvement				3,161,255
Long Term Project Reserve			991,737	
Transportation Capital Projects			48,134,797	
Internal Service Funds				
Risk Management			4,466,508	
Sheriff Warehouse		465,328		
Total	$ 10,159,725	$ 10,159,725	$ 521,296,732	$ 521,296,732

APPENDIX D

SUMMARY OF LEGAL DOCUMENTS

The following are brief summaries of the provisions of the Financing Documents together with certain definitions in the Financing Documents not defined elsewhere in the Official Statement. These summaries are not intended to be definitive. Reference is made to the complete documents for the complete terms thereof. Copies of the documents are available as set forth in the Official Statement under the heading "INTRODUCTORY STATEMENT."

CERTAIN DEFINITIONS

"2015 Certificates" means the $185,580,000 principal amount of Certificates of Participation, Series 2015, evidencing proportionate ownership interests in the Lease Payments to be made by the County, executed and delivered pursuant to the Trust Agreement.

"Acquisition Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Additional Certificates" means additional certificates issued subsequent to the 2015 Certificates pursuant to the Trust Agreement.

"Additional Rent" means any payments required to be made by the County pursuant to the Lease, in addition to the Lease Payments.

"Aggregate Value" means the Outstanding principal amount of all Certificates.

"Board" means the Board of Supervisors of the County.

"Bond Counsel" means a nationally recognized bond counsel firm whose opinion is given with respect to the Certificates when issued, or its successors, or other nationally recognized bond counsel appointed by the County.

"Business Day" means a day of the year other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in the city designated by the Trustee for the presentation and payment of Certificates are required or authorized to remain closed.

"Certificates" means, collectively, the 2015 Certificates and any Additional Certificates.

"Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any applicable regulations.

"Defeasance Obligations" means (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the following clause) and (ii) obligations of, or obligations guaranteed as to principal and interest by, the United Stated of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, including (A) United States Treasury obligations, including State and Local Government Series, and (B) all direct or fully guaranteed obligations of the Farmers Home Administration, General Services Administration, Guaranteed title XI financing, and Government National Mortgage Association (GNMA). Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

"Event of Default" means (a) an event of default under the Lease, as defined in Section 9.1 thereof, (b) if the Lease has been terminated because the County fails to obtain proper budgeting and appropriation of the full amount of funds necessary to make all Lease Payments for any fiscal period, as described in the Lease, and the Lease has not been reinstated as provided therein, or (c) the failure of the Trustee to receive from the County an amount sufficient to pay principal of or interest on the Certificates on any date payment thereof is due.

"Event of Lease Default" means an Event of Lease Default under the Lease, as defined in Section 9.1 thereof.

"Event of Non-appropriation" means the termination of the Lease for failure of the County to obtain proper budgeting and final appropriation of funds necessary to make all Lease Payments coming due during a Fiscal Period. An Event of Non-appropriation may also occur under circumstances described under "LEASE – Insufficiency of Net Proceeds".

"Fiscal Period" means a period of 12 consecutive months commencing on the first day of July and ending on the last day of June, or any other consecutive 12-month period which may be established hereafter as the fiscal year of the County for budgeting and appropriation purposes.

"Ground Lease" means the Ground Lease, dated as of June 1, 2015, between the County, as lessor, and the Trustee, as lessee, together with any amendments or supplements.

"Insurance and Condemnation Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Interest Payment Date" means each of the dates on which interest is due and payable with respect to the Certificates as provided in the Trust Agreement.

"Lease" means the Lease-Purchase Agreement, dated as of June 1, 2015, by and between the Trustee and the County, together with any amendments or supplements.

"Lease Payment" means all payments required to be paid by the County pursuant to the Lease which are applied to the payment of the principal and interest represented by the Certificates.

"Leased Property" means that certain real property located in Maricopa County, Arizona, and generally described as the South Court Tower.

"Moody's" means Moody's Investors Service, Inc. or any successor nationally recognized securities rating agency.

"Net Proceeds" means any insurance proceeds (other than proceeds of any insurance policy resulting from liability to a third person for damages for bodily and personal injury, death or property damage connected with the construction or operation of the Leased Property) or condemnation award in excess of $100,000, paid with respect to the Leased Property, or any proceeds resulting from the sale of the Leased Property following an Event of Lease Default, remaining after payment therefrom of all expenses incurred in the collection thereof.

"Outstanding," when used with reference to the Certificates, means, as of any date of determination, all Certificates executed and delivered except:

(a) Certificates canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Certificates which are deemed paid and no longer Outstanding as provided in the Trust Agreement;

(c) Certificates in lieu of which other Certificates of the same series shall have been executed and delivered pursuant to the provisions of the Trust Agreement relating to Certificates destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Certificate is held by a bona fide purchaser; and

(d) Certificates owned or held by or for the account of the County or by any person directly or indirectly controlled by, or under direct or indirect common control with the County (except any Certificates held in any pension or retirement fund), for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in the Trust Agreement.

"Owner" or "Certificate Owner" or "Owner of a Certificate", or any similar term, when used with respect to a Certificate means the person in whose name such Certificate is registered.

"Permitted Encumbrances" means, as of any particular time: (i) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to provisions of Article V of the Lease, permit to remain unpaid; (ii) the Lease; (iii) the Ground Lease; (iv) the Trust Agreement; (v) easements, leases, encumbrances, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist as of the Closing Date or which the County represents in the Lease will not materially impair the use of the Leased Property for purposes of the Lease or the security granted to the Trustee under the Trust Agreement; and (vi) easements, leases, encumbrances, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Trustee and the County consent in writing.

"Permitted Investments" means and include the following investments (to the extent permitted by law):

(a) Defeasance Obligations.

(b) Obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America: (A) the Export Import Bank of the United States, (B) the Rural Economic Community Development Administration (formerly the Farmers Home Administration), (C) the U.S. Maritime Administration, (D) the Small Business Administration, (E) the U.S. Department of Housing and Urban Development (PHA's), (F) the Federal Housing Administration, and (G) the Federal Financing Bank.

(c) Direct obligations of any of the following federal agencies which are not fully guaranteed by the full faith and credit of the United States of America: (A) senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by Fannie Mae or Freddie Mac, (B) obligations of the Resolution Funding Corporation (REFCORP), and (C) senior debt obligations of the Federal Home Loan Bank System.

(d) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.)

(e) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's, and which matures not more than 270 days after the date of purchase.

(f) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P.

(g) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P or Moody's or any successors thereto, or

(B) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of obligations described in clause (B) of the definition of Defeasance Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which escrow is sufficient, as verified by a nationally-recognized independent certified public accountant or firm of such accountants, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (vii) on the maturity or redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

(h) General obligations of any state of the United States of America rated at least "A2/A" or higher by both S&P and Moody's.

Investment agreements and other forms of investments, including repurchase agreements (in the case of investment agreements, with appropriate opinions of counsel) with notice to S&P.

"Prepayment" means any payment applied towards the prepayment of the Lease Payments, in whole or in part, pursuant to the Lease.

"Prepayment Price" means the amount of money, including Additional Rent, required to be paid by the County on any date of Prepayment in order exercise its option to purchase all of the Leased Property pursuant to the Lease.

"Qualified Self-Insurance" means any program of self-insurance regarding which the Trustee has received a written evaluation of an independent insurance consultant or actuarial consultant having a favorable reputation for skill and experience and an opinion of such consultant that adequate reserves for such program are either maintained with an independent corporate trustee or otherwise held with appropriate safeguards to insure their availability. Notwithstanding the foregoing, any self-insurance program maintained by the County in accordance with Arizona Revised Statutes Sections 11-981, 11-952.01 and 11-952.02 or their successors, shall be deemed to be Qualified Self-Insurance under the Lease.

"S&P" means Standard & Poor's Ratings Services or any successor nationally recognized securities rating agency.

"South Court Tower" means the court tower of the County, located in the City of Phoenix, Maricopa County, Arizona, as more fully described in the Lease.

"State" means the State of Arizona.

"Tax Compliance Certificate" means any agreement or certificate of the County which the County may execute in order to establish and maintain the exclusion from gross income for federal income tax purposes of the interest component to the Lease Payments payable with respect to the Certificates.

"Term of the Lease" means the time during which the Lease is in effect, as provided therein.

"Trust Agreement" means the Trust Agreement, dated as of June 1, 2015, by and between the Trustee and the County, together with any amendments or supplements.

"Trustee" means U.S. Bank National Association, in its capacity as trustee, or any successor thereto acting as Trustee pursuant to the Trust Agreement.

LEASE

Lease of Leased Property

The Trustee has agreed to lease the Leased Property to the County pursuant to the Lease. The term of the Lease continues until June 30, 2035, unless terminated or extended prior thereto as provided therein.

If on or prior to the last date on which the County is required or permitted to adopt its budget for a fiscal year no such proper budgeting and final appropriation by the Board shall have been made of the full amount of funds necessary to make all Lease Payments coming due during the fiscal period for which such budgeting and appropriation are made, all of the County's right, title and interest in and future obligations under the Lease and to all of the Leased Property shall terminate (subject to reinstatement within 45 days of such terminate date), due to an Event of Non-appropriation effective as of the last day of the last fiscal period for which such budgeting and appropriation were properly obtained.

Lease Payments; Additional Rent; Reduction of Rental

The County has agreed to pay the Lease Payments as rental for the use and occupancy of the Leased Property, which shall be paid in arrears on June 15 and December 15 of each year.

The amount of Lease Payments shall be reduced upon the redemption of Certificates resulting from Prepayment of Lease Payments, including those resulting from damage or destruction (other than by eminent domain which is hereinafter discussed), of the Leased Property causing substantial interference with the use and occupancy thereof by the County. The Lease Payments shall be reduced proportionately as to the principal and interest components thereof such that the resulting Lease Payments shall correspond to the remaining payments of principal of and interest on the Outstanding Certificates (after any redemption of Certificates resulting from such Prepayments made with the Net Proceeds of insurance coverage for such damage or destruction), which resulting Lease Payments are deemed to represent fair consideration for the use and occupancy of the portions of the Leased Property not damaged or destroyed. In the event of any such reduction, the Lease shall continue in full force and effect and the County shall waive any right to terminate the Lease by virtue of any damage and destruction of the Leased Property causing such reduction in Lease Payments.

In addition to Lease Payments, the County has agreed to pay when due as Additional Rent (a) all costs and expenses of the Trustee or the Trustee to comply with the provisions of the Trust Agreement, (b) payments required to be deposited into the Rebate Fund pursuant to the Trust Agreement to make certain arbitrage rebate payments to the federal government, (c) compensation and expenses of the Trustee, (d) certain indemnification amounts, (e) all costs and expenses of auditors, engineers and legal counsel, and (f) all rent for any holdover period during which the County stays in possession of the Leased Property after termination of the Lease.

Maintenance, Utilities, Taxes and Modifications

The County, at its own expense, has agreed to maintain or cause to be maintained the Leased Property in good repair; the Trustee has no responsibility for such repair. The County has the power to make additions, modifications and improvements to the Leased Property which do not damage or reduce their value to a value substantially less than that which existed prior to such modification or improvement. Any such additions, modifications or improvements shall automatically become subject to the Lease. The County must pay or cause to be paid all taxes, other governmental charges and utility charges with respect to the Leased Property, as well as any taxes and assessments, if any, which it is legally obligated to pay.

Insurance

The Lease requires the County to maintain or cause to be maintained the following insurance against risk or physical damage to the Leased Property and other risks for the protection of the Certificate Owners and the Trustee:

(i) General Liability. The County shall maintain or cause to be maintained, throughout the term of the Lease through Qualified Self-Insurance or a standard commercial general insurance policy or policies with a responsible insurance company or companies authorized under the laws of the State to assume such risks, of such types and in such amounts as are then customary for similar institutions carrying on similar activities to those carried on the Leased Property.

(ii) Casualty and Property Coverage, Vandalism and Malicious Mischief. The County shall maintain or cause to be maintained, throughout the term of the Lease, insurance or Qualified Self-Insurance against loss or damage to any structure or equipment constituting any part of the Leased Property by fire and lightning, with extended coverage and malicious mischief insurance. Coverage shall be in an amount equal to 100% of the replacement cost of the Leased Property. Such insurance may be subject to deductible clauses of not to exceed $500,000 for any one loss.

The insurance described in paragraphs (i) and (ii) may be maintained as part of or in conjunction with any other liability or fire and extended coverage for insurance, respectively, carried or required to be carried by the County and may be maintained in the form of Qualified Self-Insurance by the County.

(iii) Title Insurance. The County provided a title insurance policy in the amount of the $10 million, insuring the Trustee's estate in the Leased Property, subject only to Permitted Encumbrances.

All policies of insurance (except the policy of general liability insurance) must provide that the Net Proceeds thereof shall be payable to the Trustee. The Net Proceeds of fire and extended coverage insurance shall be deposited in the Insurance and Condemnation Fund and applied to restore, replace, repair, modify or improve the Leased Property or to the prepayment of Lease Payments and the corresponding redemption of Certificates. See "TRUST AGREEMENT – Funds – Insurance and Condemnation Fund". The Net Proceeds of general liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid. The proceeds of title insurance shall be deposited in the Lease Payment Fund and applied to the prepayment of Lease Payments and the corresponding redemption of Outstanding Certificates. The County has agreed to pay or cause to be paid when due the premiums on all insurance policies and furnish evidence of such payments promptly to the Trustee.

In the event the County maintains self-insurance for general liability insurance and fire and extended coverage insurance required under the Lease, the County shall cause to be delivered to the Trustee annually the documentation required for the determination that such self-insurance constitutes Qualified Self-Insurance. Additionally, to the extent the Trustee may not be named as an insured or loss payee under any insurance or Qualified Self-Insurance, the County assigns to the Trustee its rights to receive any or all proceeds received from such insurance or Qualified Self-Insurance as their respective rights under the Lease appear on the date of payment. The County shall furnish an annual certificate to the Trustee stating that the insurance in effect meets the requirements of the Lease.

Eminent Domain

If all of the Leased Property shall be taken permanently under the power of eminent domain, the term of the Lease shall cease as of the day possession shall be so taken. If less than all of the Leased Property shall be taken permanently, or if all of the Leased Property or any part thereof shall be taken temporarily, under the power of eminent domain, (i) the Lease shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties thereto waive the benefit of any law to the contrary, and (ii) there shall be a partial reduction of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the Prepayment of the Lease Payments, which shall be reduced proportionately as to the principal and interest components thereof such that the resulting Lease Payments shall correspond to the remaining payments of principal of and interest on the Outstanding Certificates, which represent fair consideration for the use and occupancy of the remaining usable portion of the Leased Property. See "Lease – Lease Payments; Additional Rent; Reduction of Rental."

Option to Purchase Leased Property

The County has the option to purchase all of the Trustee's interests in the Leased Property by prepaying the Lease Payments in whole at any time at the prices set forth in the Lease. In the event that the County elects to exercise its option prior to the optional redemption dates of the Certificates, the County is required to make such Prepayment by depositing certain Permitted Investments and cash, if required, sufficient, together with earnings on the investment thereof to pay and redeem the appropriate amount of Certificates. The optional prepayment prices have been determined such that all of the Outstanding Certificates shall be retired in the event the County elects to purchase all of the Leased Property.

The County may on any date secure the payment of Lease Payments with respect to any element of the Leased Property by deposit with the Trustee of certain Defeasance Obligations and cash, if required, in such amount as shall, in the opinion of an independent certified public accountant, together with interest to accrue thereon and, if required, all or a portion of moneys or Defeasance Obligations then on deposit in the Lease Payment Fund related to the Lease Payments with respect to such Leased Property, be fully sufficient to pay all unpaid Lease Payments and

Additional Rent with respect to such Leased Property on the respective Lease Payment Dates or on the applicable date for Prepayment of Lease Payments, as the County instructs at the time of said deposit.

Assignment; Subleases

The County may not assign any of its rights in the Lease, and may not sublease all or a portion of the Leased Property without the written consent of the Trustee and only under the conditions contained in the Lease, including the condition that such sublease not adversely affect the exclusion of the interest components of the Lease Payments from federal gross income when paid to the Owners of the Certificates.

Release of Leased Property

If, during the Term of the Lease, the County desires to release any portion of the Leased Property, the Trustee shall sell or convey all its right, title, and interest in such portion of the Leased Property to the County, provided the following conditions are met: (a) the replacement value of the remaining properties shall not be less than the Outstanding principal amount of the Certificates, (b) there shall not be a decrease in the total Lease Payments, and (c) the release of property will not adversely affect the exclusion of the interest payable on the Certificates from federal gross income of the owners thereof.

Events of Lease Default

(a) Any one or more of the following events shall be Events of Lease Default:

(i) Failure by the County to make any Lease Payment or other payment required under the Lease when due during a Fiscal Period as to which an Event of Non-appropriation has not occurred, and continuation of such failure for five days; or

(ii) Failure by the County to comply with any covenant, agreement or condition contained in the Lease, the Ground Lease or the Trust Agreement, other than the event of default described in (i) above, and the continuance of such failure or default for a period of 30 days after written notice thereof has been given to the County by the Trustee, the Trustee, or the Owners of not less than 5% in aggregate principal amount of Certificates then Outstanding; provided, if the failure stated in the notice can be corrected, but not within such 30 day period, the Trustee, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the County within such 30 day period and diligently pursued until the default is corrected; or

(iii) Any representation or warranty made by the County under the Lease shall be untrue in any material respect; or

(iv) Certain events relating to bankruptcy of the County or the inability of the County to pay its debts.

(b) Notwithstanding the foregoing, if, by reason of Force Majeure, the County is unable to perform or observe any agreement, term or condition of the Lease, other than any obligation to make Lease Payments or Additional Rent, the County shall not be deemed in default during the continuance of such inability. However, the County shall promptly give notice to the Trustee of the existence of any event of Force Majeure and shall use its best efforts to remove the effects thereof; provided that the settlement of strike or labor disturbances shall be entirely within the County's discretion.

The term "Force Majeure" shall mean, without limitation: Acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or any of its departments, agencies, political subdivisions, courts or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lighting; earthquakes; fire; hurricanes; tornados; storms; droughts; floods; arrests; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation.

Upon the occurrence and continuance of any Event of Lease Default, the Trustee may at its option elect to terminate the Lease or, with or without such termination, to re-enter, take possession of the Leased Property, to the exclusion of the County, and sell, convey, re-rent or re-let the Leased Property. Any amounts collected by the Trustee from the sale or reletting of the Leased Property shall be credited towards the County's unpaid Lease Payments. Any net proceeds of sale, re-lease or other disposition of the Leased Property are required to be deposited in the Lease Payment Fund and applied to Lease Payments in order of payment date. Pursuant to the Trust Agreement, the Trustee assigns all of its rights with respect to remedies in an event of default to the Trustee, so that all such remedies shall be exercised by the Trustee and the Certificate Owners as provided in the Trust Agreement.

TRUST AGREEMENT

Pledge and Security

Pursuant to the Trust Agreement, the Trustee is authorized and directed to acquire, to receive and to hold as security for the Owners of the Certificates, the following:

A. All right, title and interest of the Trustee in and to the Leased Property; subject, however, to the rights of the County under the Lease.

B. All right, title and interest of the Trustee in and to the Lease and the Ground Lease and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all revenues, receipts and other sums of money payable or receivable thereunder, (ii) bring actions and proceedings thereunder or for the enforcement thereof, and (iii) do any and all things which the Trustee is or may become entitled to do thereunder.

C. All right, title and interest of the Trustee in and to amounts on deposit from time to time in the funds and accounts created pursuant to the Trust Agreement (other than the Rebate Fund).

The Trust Agreement also represents a declaration by the Trustee that it holds the above rights and interests in trust for the benefit of the Owners of the Certificates.

Trustee

The Trustee is appointed pursuant to the Trust Agreement and is authorized to execute and deliver the Certificates and to act as a depository of amounts held thereunder. The Trustee is required to make deposits into and withdrawals from funds, and invest amounts held under the Trust Agreement in accordance with the County's instructions.

Funds

The Trust Agreement creates the Acquisition Fund, the Delivery Costs Fund, the Lease Payment Fund and the Insurance and Condemnation Fund to be held in trust by the Trustee.

Acquisition Fund. There shall be deposited into the Acquisition Fund (after certain deposits are made to the Delivery Costs Fund) amounts necessary to acquire the Leased Property.

Delivery Costs Fund. There shall be deposited in the Delivery Costs Fund amounts necessary to pay costs relating to the execution, sale and delivery of Certificates, which amounts shall be disbursed by the Trustee, upon the written order of the County.

Lease Payment Fund. There shall be deposited into the Lease Payment Fund, when received by the Trustee, all Lease Payments and Prepayments. Moneys on deposit in the Lease Payment Fund shall be used to pay principal of, redemption premiums, if any, and interest on the Certificates.

Insurance and Condemnation Fund. Any Net Proceeds of insurance or condemnation awards in excess of $100,000 shall be deposited in the Insurance and Condemnation Fund. Moneys on deposit, in the event of an insurance award, shall be used, as directed by the County, either to replace, repair or improve the Leased Property or be transferred to the Lease Payment Fund and applied to the Prepayment of the Certificates. However, if the Leased Property is destroyed in full, such Net Proceeds may only be used to prepay Lease Payments if they are sufficient, together with other available moneys, to fully prepay the Certificates. If such moneys are not so sufficient, they shall be used to replace, repair or improve the Leased Property.

Net Proceeds of a condemnation award shall be used as follows: (i) if the Trustee determines, based upon a report of an independent engineer or other independent professional consultant, that such eminent domain proceedings have not materially affected the operation of any of the Leased Property or the County's ability to meet its obligations under the Lease, and if the Trustee determines, based upon a report of an independent engineer or other independent professional consultant, that such proceeds are not needed for repair or rehabilitation of the Leased Property, the Trustee shall transfer such proceeds to the Lease Payment Fund as a credit against Lease Payments, (ii) if the Trustee determines, based upon a report of an independent engineer or other independent professional consultant, that such proceedings have not materially affected the operations of any of the Leased Property or the County's ability to meet its obligations under the Lease and such proceeds are needed for repair, rehabilitation or replacement of the Leased Property, the Trustee shall pay to the order of the County such portion of the proceeds required for such repair, rehabilitation or replacement, (iii) to prepay Lease Payments and redeem Certificates if less than all of the Leased Property is taken and the Trustee determines that such proceedings have materially affected the operation of the Leased Property or the County's ability to meet its obligations under the Lease, or (iv) if all of the Leased Property is taken, to prepay Lease Payments and thereby redeem Certificates.

Any moneys in the Insurance and Condemnation Fund (including investment earnings) remaining after the repair, replacement or improvement of the Leased Property is completed shall be paid to the County.

The Trustee is required to invest and reinvest all moneys held under the Trust Agreement upon order of a representative of the County in Permitted Investments for the Certificates. Any surplus remaining in the Lease Payment Fund after the payment of all Certificates, or provision for their payment has been made, shall be repaid to the County,

Event of Default; Acceleration

Each of the following shall be an Event of Default under the Trust Agreement: (a) failure to pay the principal of or installment of interest on any Certificate when the same shall become due and payable, whether at the stated maturity or upon earlier redemption; (b) the occurrence of an Event of Non-appropriation; or (c) the occurrence of an Event of Lease Default.

The Trustee shall waive any Event of Non-appropriation which is cured by the County as provided by the Lease, by a duly effected appropriation to pay all Lease Payments and sufficient amounts to pay reasonably estimated Additional Rent coming due for the Fiscal Period. The Trustee may waive any Event of Non-appropriation which is cured by the County within a reasonable time with the procedure described in the preceding sentence.

Upon the occurrence of an Event of Default, the Trustee, shall take action to exclude the County from the Leased Property and, upon the request of the Owners of at least 5% in Outstanding principal amount of the Certificates, shall exercise any and all remedies available at law or pursuant to the Lease including declaring the Certificates then Outstanding to be immediately due and payable; provided however that no such acceleration shall change or otherwise affect the County's obligation to make Lease Payments and Additional Rent only during the term of the Lease and at the amounts and times provided therein. The Owner of any Certificate may institute any suit, action, or other proceedings in equity or at law for the protection or enforcement of any right under the Lease or Trust Agreement if and only if (i) such Owner has given written notice to the Trustee of such Event of Default, (ii) a majority of Certificate Owners have first notified the Trustee in writing of the event of default and made written request of the Trustee to exercise such powers, (iii) the Trustee shall have been offered reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (iv) the Trustee shall have refused or omitted to comply with such request 60 days following receipt of such written request and such tender of indemnity.

Amendment

The Trust Agreement or the Lease may be amended by agreement among the parties thereto, and without the consent of the Owners of the Certificates, but only (i) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved in the Trust Agreement to the Trustee or the County, (ii) to cure, correct or supplement any ambiguous or defective provision, (iii) in regard to questions arising thereunder, which shall not, in the judgment of the Trustee, materially adversely affect the interest of the Owners, or (iv) to provide additional terms and conditions in connection with the issuance of Additional Certificates, which shall not, in the judgment of the Trustee, materially adversely affect the interests of the Owners. Any other amendment shall require the approval of a majority in principal amount of the Certificates then Outstanding; provided that no such amendment shall (i) extend the maturity or time of interest payment, or reduce the interest rate, amount of principal or premium payable on, any Certificate without such owner's consent, (ii) reduce the percentage of Owners of Certificates required to consent to any amendment or modification, or (iii) modify any of the Trustee's rights or obligations without its consent.

Defeasance

Upon payment of all Outstanding Certificates, either at or before maturity, or upon the irrevocable deposit of Defeasance Obligations, with the Trustee sufficient together with other available funds, without reinvestment, to retire the Certificates at or before maturity, the Trust Agreement shall be terminated, except for the obligations of the Trustee to make payments on the Certificates.

Any Certificate or portion thereof in authorized denominations may be paid as provided in the preceding paragraph; provided, however, that if any such Certificate or portion thereof is to be redeemed, notice of such redemption shall have been given in accordance with the provisions of the Trust Agreement or the County shall have submitted to the Trustee instructions expressed to be irrevocable as to the date upon which such Certificate or portion thereof is to be redeemed and as to the giving of notice of such redemption; and provided further, that if any such Certificate or portion thereof shall not mature or be redeemed within 60 days of the deposit of the moneys or the respective Permitted Investments referred to in the preceding paragraph, the Trustee shall give notice of such deposit by first class mail to the Owners.

Additional Certificates

So long as the Lease remains in effect and no Event of Default under the Trust Agreement has occurred and is continuing, the Trustee may execute and deliver, at the direction of the County, Additional Certificates from time to time to provide funds to pay any one or more of (i) the costs of refunding Outstanding Certificates, (ii) refunding other certificates of participation or other obligations issued or incurred by the County, (iii) restructuring the County's Lease Payments under the Lease, or (iv) paying the costs of making any modifications or improvements to the Leased Property or to finance additional property as the County deems necessary or desirable.

Before the Trustee shall deliver any Additional Certificates executed, the following items shall have been received by the Trustee:

> (i) Original executed counterparts of any amendments or supplements to the Lease and of the Trust Agreement entered into in connection with the execution and delivery of the Additional Certificates, which are necessary or advisable, in the opinion of Bond Counsel, to provide that the Additional Certificates will be executed and delivered in compliance with the provisions of the Trust Agreement.
>
> (ii) A written opinion of Bond Counsel to the effect that (i) the documents submitted to the Trustee in connection with the request then being made comply with the requirements of the Trust Agreement, (ii) any filings required to be made under the Trust Agreement have been made, and (iii) all conditions precedent to the delivery of the Additional Certificates have been fulfilled.
>
> (iii) A written opinion of Bond Counsel (who also may be the counsel to which reference is made in subsection (ii) above), to the effect that (i) when executed and delivered by the Trustee, those

Additional Certificates will be valid and binding in accordance with their terms and will be secured hereunder equally and on a parity with all other Certificates at the time Outstanding under the Trust Agreement as to the assignment to the Trustee of the amounts pledged thereunder, and (ii) the execution and delivery of the Additional Certificates will not result in the portion of the Lease Payments designated as interest evidenced by the Certificates Outstanding immediately prior to that execution and delivery of such Additional Certificates becoming includable in gross income for purposes of federal income taxation.

(iv) Written confirmation from Moody's, if the Certificates are then rated by Moody's, from Fitch, if the Certificates are then rated by Fitch, and from S&P, if the Certificates are then rated by S&P, that the issuance of the Additional Certificates will not cause the then-assigned rating assigned to the Certificates to be reduced or withdrawn.

(v) A written opinion of Bond Counsel (who also may be the counsel to which reference is made in subsection (ii) above) to the effect that any amendments or supplements to the Lease entered into in connection with the execution and delivery of the Additional Certificates have been duly authorized, executed and delivered by the County, and that the Lease, as amended or supplemented, constitutes a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to exceptions reasonably satisfactory to the Trustee for bankruptcy laws and other laws affecting creditors' rights and the exercise of judicial discretion.

THE GROUND LEASE

The County leases the Leased Property and all improvements and structures thereon, to the Trustee for the period commencing as of the date of the Ground Leases and terminating on June 1, 2035, provided that in no event shall the Ground Lease terminate before the termination of the Lease.

Title to the Leased Property shall at all times remain with the County.

The Trustee prepaid its rental payments under the Ground Lease upon execution and delivery of the Ground Lease in connection with the execution and delivery of the 2015 Certificates.

The County shall have the right to terminate the Ground Lease upon written notice to the Trustee of (a) defeasance of the Lease and the Trust Agreement with respect to all Certificates as permitted thereunder, or (b) the exercise of the County of its option to purchase the Leased Property pursuant to the Lease and defeasance of the Trust Agreement as permitted thereunder.

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APPENDIX E

FORM OF BOND COUNSEL OPINION

June 25, 2015

Maricopa County, Arizona
Phoenix, Arizona

Ladies and Gentlemen:

We have served as bond counsel to our client Maricopa County, Arizona (the "County") and not as counsel to any other person in connection with the execution and delivery by U.S. Bank National Association, as trustee (the "Trustee"), of $185,580,000 aggregate principal amount of Certificates of Participation, Series 2015 (the "2015 Certificates") pursuant to a Trust Agreement, dated as of June 1, 2015 (the "Trust Agreement"), between the County and the Trustee, and relating to a Lease-Purchase Agreement, dated as of June 1, 2015 (the "Lease Agreement"), between the Trustee, as lessor, and the County, as lessee. The Lease Agreement and the Trust Agreement are referred to collectively as the "County Documents." Capitalized terms not defined in this letter are used as defined in the County Documents.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the execution and delivery of the 2015 Certificates, the County Documents, a copy of the executed 2015 Certificate of the first maturity, and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

The 2015 Certificates, together with other Certificates (as defined in the Trust Agreement) hereafter executed and delivered pursuant to the Trust Agreement, represent undivided and proportionate interests in the obligations of the County under the Lease Agreement. The County has agreed to lease certain real and personal property from the Trustee, as lessor, under the Lease Agreement.

Based upon our examination, we are of the opinion that, under existing law:

1. The County is a political subdivision existing under the laws of the State of Arizona, and has all requisite power to enter into and perform its obligations under the County Documents.

2. The County Documents each have been duly authorized, executed and delivered by the County and constitute legal, valid and binding obligations of the County enforceable in accordance with their terms.

3. The 2015 Certificates have been duly authorized, executed and delivered by the Trustee at the request and for the benefit of the County and are valid and binding limited and special obligations payable solely from the Lease Payments (as defined in the Lease Agreement) and certain funds held under the Trust Agreement as provided therein. The 2015 Certificates are not secured by an obligation or pledge of any taxing power or moneys raised thereby and are not a debt of and do not constitute a pledge of the faith and credit of the County, the State of Arizona or any political subdivision thereof.

4. The portion of each Lease Payment made by the County pursuant to the Lease Agreement and denominated as and comprising interest pursuant to the Lease Agreement and received by the owners of the 2015 Certificates (the "Interest Portion") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the Interest Portion earned by certain corporations may be subject to a corporate alternative minimum tax. The Interest Portion is

exempt from Arizona state income tax. We express no opinion as to any other tax consequences regarding the 2015 Certificates. We also express no opinion as to the treatment for federal income tax purposes or Arizona state income tax purposes of amounts paid to the owners of the 2015 Certificates in the event of termination of the Lease Agreement due to nonappropriation.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the County and (iii) the correctness of the legal conclusions contained in the legal opinion letters of counsel to the County delivered in connection with this matter.

In rendering those opinions with respect to treatment of the Interest Portion under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the County. Failure to comply with certain of those covenants subsequent to the execution and delivery of the 2015 Certificates may cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the 2015 Certificates.

The rights of the owners of the 2015 Certificates and the enforceability of the 2015 Certificates and the County Documents are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the 2015 Certificates has concluded on this date.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

$185,580,000
MARICOPA COUNTY, ARIZONA
CERTIFICATES OF PARTICIPATION
SERIES 2015

CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by Maricopa County, Arizona (the "County"), in connection with the execution and delivery of $185,580,000 aggregate principal amount of Certificates of Participation, Series 2015 (the "Certificates"), pursuant to a Trust Agreement, dated as of June 1, 2015 (the "Trust Agreement"), between the County and U.S. Bank National Association, as trustee.

In connection with the Certificates, the County covenants and agrees as follows:

1. Purpose of this Undertaking. This Undertaking is executed and delivered by the County as of the date set forth below, for the benefit of the beneficial owners of the Certificates and in order to assist the Underwriter in complying with the requirements of the Rule (as defined below).

2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"Annual Information" means the financial information and operating data set forth in Exhibit I.

"Annual Information Disclosure" means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the general purpose audited financial statements of the County prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the County and which has filed with the County a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at http://emma.msrb.org.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Listed Event" means the occurrence of any of the events with respect to the Certificates set forth in Exhibit II.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of Arizona.

"Underwriter" includes each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Certificates.

3. CUSIP Number. The base CUSIP Number of the Certificates is 566746.

4. Final Official Statement. The Final Official Statement relating to the Certificates is dated June 9, 2015.

5. Annual Information Disclosure. Subject to Section 9 of this Undertaking, the County shall disseminate its Annual Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I) to the MSRB through EMMA, in a format prescribed by the MSRB. The County is required to deliver such information in such manner and by such time so that such entities receive the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the County will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

6. Listed Events Disclosure. Subject to Section 9 of this Undertaking, the County hereby covenants that it will disseminate notice of occurrence of a Listed Event to the MSRB through EMMA not later than ten business days after the occurrence of the Listed Event, in a format prescribed by the MSRB, except that for the events 2, 7, 10, 13 and 14, listed in Exhibit II, the County will provide such notice if it determines that such event would be material under applicable federal securities laws.

7. Consequences of Failure of the County to Provide Information. The County shall give notice in a timely manner to the MSRB through EMMA, in a format prescribed by the MSRB, of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the County to comply with any provision of this Undertaking, the beneficial owner of any Certificate may seek mandamus or specific performance by court order, to cause the County to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an event of default on the Certificates. The sole remedy under this Undertaking in the event of any failure of the County to comply with this Undertaking shall be an action to compel performance.

8. Amendments; Waiver. Notwithstanding any provision of this Undertaking, the County by certified resolutions authorizing each amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County, or type of business conducted;

(b) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Certificates, as determined by an independent counsel or other entity unaffiliated with the County.

9. Non-Appropriation. The performance by the County of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the County to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the County covenants to provide prompt notice of such fact to the MSRB through EMMA.

10. Termination of Undertaking. The Undertaking of the County shall be terminated hereunder when the County no longer has liability for any obligation relating to repayment of the Certificates or the Rule no longer applies to the Certificates. The County shall give notice in a timely manner if this Section is applicable to the MSRB through EMMA.

11. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

12. Additional Information. Nothing in this Undertaking shall be deemed to prevent the County from disseminating any other information using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the County chooses to include any information from any document or notice of occurrence of Listed Event in addition to that which is specifically required by this Undertaking, the County shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

13. Beneficiaries. This Undertaking has been executed in order to assist the Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the County, the Dissemination Agent, if any, and the beneficial owners of the Certificates, and shall create no rights in any other person or entity.

14. Recordkeeping. The County shall maintain records of all Annual Information Disclosure and notices of occurrence of Listed Events including the content of such disclosure or notices, the names of the entities with whom such disclosure or notices were filed and the date of filing such disclosure or notices.

15. Assignment. The County shall not transfer its obligations under the Trust Agreement unless the transferee agrees to assume all obligation of the County under this Undertaking or to execute an Undertaking under the Rule.

16. Governing Law. This Undertaking shall be governed by the laws of the State.

[Signature page to follow]

MARICOPA COUNTY, ARIZONA

By: ______________________________
Chief Financial Officer

Date: June 25, 2015

[Signature page of Continuing Disclosure Undertaking]

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means quantitative financial information and operating data concerning the operations of the County of the type set forth in the Official Statement in Appendix B in the tables entitled "MARICOPA COUNTY, ARIZONA COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF ALL GOVERNMENTAL FUND TYPES," "MARICOPA COUNTY, ARIZONA STATEMENT OF FUND BALANCES – ALL GOVERNMENTAL FUND TYPES" and "MARICOPA COUNTY, ARIZONA COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCE."

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB through EMMA. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB; and the Final Official Statement need not be available from the Commission. The County shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to the MSRB through EMMA, no later than the first business day in February of each year, commencing February 1, 2016. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements when available.

Audited Financial Statements will be prepared according to generally accepted accounting principles ("GAAP"), as applied to governmental units as modified by State law ("GAAP"), Audited Financial Statements will be provided to the MSRB through EMMA, at the same time as Annual Financial Information is filed, or if not available when such Annual Financial Information is filed, within 30 days after availability to the County.

If any change is made to the Annual Financial Information as permitted by Section 5 of this Undertaking, the County will disseminate a notice of such change as required by Section 5, including changes in Fiscal Year or GAAP.

EXHIBIT II

EVENTS FOR WHICH NOTICE OF OCCURRENCE OF LISTED EVENTS IS REQUIRED

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the County;

Note: for the purposes of the event identified in paragraph 12, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

13. The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE COUNTY, BOND COUNSEL, OR THE UNDERWRITERS AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

DTC will act as securities depository for the 2015 Certificates. The 2015 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2015 Certificate will be issued for each maturity of the 2015 Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2015 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015 Certificates on DTC's records. The ownership interest of each actual purchaser of each 2015 Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2015 Certificates, except in the event that use of the book-entry system for the 2015 Certificates is discontinued.

To facilitate subsequent transfers, all 2015 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2015 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2015 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of 2015 Certificates may wish to ascertain that the nominee holding the 2015 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2015 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2015 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the 2015 Certificates will be made by the Trustee to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2015 Certificates at any time by giving reasonable notice to the Trustee or the County. Under such circumstances, in the event that a successor depository is not obtained, 2015 Certificate certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2015 Certificate certificates will be printed and delivered to DTC.

NEITHER THE COUNTY NOR THE TRUSTEE WILL HAVE RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2015 CERTIFICATES UNDER THE TRUST AGREEMENT; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2015 CERTIFICATES; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2015 CERTIFICATES; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2015 CERTIFICATES; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered owner of the 2015 Certificates, as nominee of DTC, references herein to "Owner" or registered owners of the 2015 Certificates (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such 2015 Certificates.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the County or the Trustee to DTC only.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

MARICOPA COUNTY, ARIZONA • CERTIFICATES OF PARTICIPATION, SERIES 2015

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