



City of
EL MIRAGE
Arizona[®]

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

CITY OF EL MIRAGE, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issued by:
Finance Department

CITY OF EL MIRAGE, ARIZONA

Table of Contents

Introductory Section:	<u>Page</u>
Letter of Transmittal.....	i
Organizational Chart	vii
List of Principal Officials	viii
GFOA Certificate of Achievement.....	xiv
 Financial Section:	
Independent Auditors' Report	1
Management's Discussion and Analysis	5
 Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	21
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position of Governmental Activities.....	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Net Position - Proprietary Funds.....	25
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	26
Statement of Cash Flows - Proprietary Funds	27
Notes to the Financial Statements.....	28
 Required Supplemental Information:	
Schedule of the Proportionate Share of the Net Pension Liability.....	68
Schedule of the Proportionate Share of the Net OPEB Liability	69
Schedule of Changes in the Net Pension Liability and Related Ratios.....	70
Schedule of Changes in the Net OPEB Liability and Related Ratios	72
Schedule of Pension/OPEB Contributions.....	74
Notes to Pension/OPEB Plan Schedules.....	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	82
Notes to General Fund Budget and Actual Schedules	84
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Projects Fund.....	85

Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Streets (Capital Project Fund)	88
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Combining and Individual Fund Financial Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Municipal Court Enhance	92
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Dial-A-Ride (LTAF)	93
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Police Towing	94
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Development Block Grant	95
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Streets (HURF)	96
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual –Debt Service.....	97

Statistical Section:

Financial Trends:

Net Position by Component.....	100
Governmental and Business-Type Activities Expense	101
Program Revenues and Net (Expense)/Revenue	103
General Revenues, Transfers, and Total Changes in Net Position	105
Fund Balances - Governmental Funds.....	107
Governmental Funds Revenues	109
Governmental Funds Expenditures and Debt Service Ratio.....	110
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds.....	112

Revenue Capacity:

Taxable Sales by Category.....	113
Transaction Privilege (Sales) Tax Revenue Payers by Industry	114
Assessed Value and Full Cash Value of Taxable Property.....	115
Direct and Overlapping Property Tax Rates	116
Property Tax Levies and Collections.....	117
Principal Property Tax Payers	118

Debt Capacity:

Ratios of Outstanding Debt by Type	119
Ratios of General Bonded Debt Outstanding.....	120
Direct and Overlapping Governmental Activities Debt.....	121
Legal Debt Margin Information Unrestricted and Restricted	122

Demographic and Economic Information:

County-Wide Demographic and Economic Statistics.....	123
Principal Employers.....	124

Operating Information:

Full-Time Equivalent City Government Employees by Function	125
Capital Asset Information	126
Operating Indicators by Function	127

Other Communications From Independent Auditors:

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters	131
Report on Compliance with State Laws and Regulations	133

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INTRODUCTORY SECTION

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October 31, 2025

To the Honorable Mayor, Members of the City Council and Residents of the City of El Mirage:

State law mandates that all general-purpose local governments are required to undergo an annual Single Audit and publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona within nine months after the close of the fiscal year. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of El Mirage, Arizona (City) for the fiscal year ended June 30, 2025.

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

The City's financial statements have been audited by Hinton Burdick, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of El Mirage is situated on approximately ten (10) square miles in the heart of the rapidly growing West Valley. The City was founded in 1937 by migrant farm workers who settled on the west bank of the Agua Fria River and harvested the acres of roses, cotton, and other crops that would come to define the City's agricultural heritage. Since its incorporation in 1951, the community has transcended its agricultural beginnings to become a vibrant, diverse community with a 2020 U.S. Census population of 35,805.

El Mirage operates under a council-manager form of government. Under this system, the City Council hires a City Manager to implement policy and oversee all City departments' daily administration and management. The City Manager is responsible for developing a balanced budget and a capital improvement plan for Council review and approval each year. The City Manager also keeps the Council advised of the City's financial condition and future needs. The City Manager is responsible for the activities of 12 funds and one sub-fund, 12 departments, and more than 200 employees. The position also oversees a budget that provides a full range of services for the City's residents. Policymaking and legislative authority are vested in a governing council consisting of the Mayor and six Councilmembers (one is selected as Vice Mayor.) All seven members of the Council are elected at large and on a nonpartisan basis to serve a four (4) year term. Elections are staggered, so three councilmembers are elected every two years, and the Mayor is elected every four years. The Council is responsible for passing ordinances, adopting the budget, appointing committees, and selecting the City Clerk, City Attorney, and Judge, along with the City Manager.



The City of El Mirage provides a full range of services, including police and fire protection, roadway maintenance and construction, recreational and cultural activities, health and social services, as well as general administrative services. The City provides wastewater and water services for its residents, along with water services to residents in a portion of the City of Surprise. El Mirage contracts with a local sanitation company for solid waste services. Enterprise funds were established for the accounting and financial reporting of water, wastewater, and sanitation services.



The City of El Mirage offers a range of community facilities, including a senior center, library, and YMCA. In July 2022, the library relocated to a newly remodeled building that previously housed a fire station. At 7,500 square feet, triple the size of the previous library, the new library features a community room, a computer room, and expanded space. The City's three community-wide parks include: Gateway Park, a 13-acre hub for sports and family gatherings in El Mirage

featuring an amphitheater, splash pad, picnic ramadas, shaded playgrounds, lighted sports fields, and a skate plaza that was the first of its kind in Arizona; Bill Gentry Park, which includes a baseball field available for public use; and Basin Park, a 24-acre park and retention basin that offers grassy areas, trees, and a paved walking path for passive recreational activities. The City's Parks and Recreation Department also operates ten additional neighborhood pocket parks throughout the community with various amenities. The nationally renowned Pueblo El Mirage Golf Resort, situated on 310 acres, boasts an 18-hole professional golf course, a variety of housing choices, and a host of indoor and outdoor activities for active seniors.

The annual expenditure budget serves as the foundation for City financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the City Council. All City departments are required to submit requests for appropriations during the budget process. The City Manager uses these requests plus the prior year's operating budget as the starting point for assembling a proposed budget for Council consideration. The Council holds a workshop to discuss the proposed budget where presentations are made to the Council on revenues, expenditures, capital, staffing, and taxes. Public hearings are then held on both the budget and proposed property levies. Both the budget and the tax levy are approved by the Council before the third Monday in August each year. Maricopa County is required to set the tax rate to collect the levy that the Council sets. The County sets the rate on the third Monday in August. The budget schedules provided by the state are adopted at both the fund and department levels, which become the legal levels of control for the City Council. Council must authorize all budget adjustments at these levels.

Local Economy

El Mirage offers two key incentives to attract new commercial and industrial businesses: no Development Impact Fees and no additional Construction Sales Taxes. The City is also part of a regional economic initiative known as the Greater Maricopa Foreign Trade Zone (GMFTZ #277), a 691-acre, government-designated, usage-driven site located at the southern end of the City. This Foreign Trade Zone allows foreign and domestic goods to be stored, assembled, or exhibited for sale without incurring U.S. Customs duties and excise taxes, providing a strategic advantage for global trade and logistics operations.

The City's economic goal is to create a community that provides its residents with the opportunity to purchase any good or service they desire without having to leave the City limits. El Mirage has turned its focus toward retail and industrial growth, resulting in the opening and expansion of several businesses within the City in recent years. The number of companies operating in El Mirage currently stands at 1,671, according to the 2012 Survey of Business Owners.

Retail growth generates significant revenue, creates jobs, and attracts new visitors and residents. The City actively promotes retail development, particularly along the Thunderbird Overlay District, Grand Access Road, and other areas zoned for commercial use. In recent years, El Mirage has experienced a strong surge in industrial development, supported by major investments that have fostered economic growth and job creation. The arrival of companies such as Microsoft, Compass Datacenters, Cives Steel, Arcadia Cold, Dermody Properties, Avanti Windows, El Mirage Medical Center, Desert Truss, Consolidated Resources Inc., and CarMax has solidified the City's reputation as a prime destination for business investment. These firms are drawn by El Mirage's pro-business environment and strategic location with convenient access to major transportation corridors, including the newly completed Northern Parkway corridor and the expanded Dysart Road.



According to the U.S. Census Bureau, the population of El Mirage grew from 5,001 in 1990 to 35,805 in 2020, reflecting a dramatic increase that underscores the City's growing appeal. The median household incomes of El Mirage residents of \$72,134 are slightly lower than the State average. The median home value in the City is \$246,800.

The City's primary source of debt is through bonds and the City has an AA bond rating from Standard & Poor's and Aa2 from Moody's Investor Service. General obligation bonds (G.O. bonds) are the most common financing method for large governmental projects. This is the most inexpensive way to finance projects because the bond's repayment is based on the full taxing authority of the City, backed by real property. Voters must approve any secondary property taxes levied to support the issuance of G.O. bonds.

The City's growth has been accompanied by a wave of non-retail development, driven by the City's focus on attracting critical business sectors. These efforts have resulted in millions of dollars in capital investment. Currently, El Mirage has 15 active development projects totaling over 650,000 square feet, with over 1.7 million square feet of new development completed in the past five years.

El Mirage is home to a diverse and growing base of employers. Avanti Windows is the City's largest employer, with more than 570 employees. Burlington Northern Santa Fe Railroad operates an 82-acre vehicle distribution center within the City. Other notable industrial employers include Custom Mechanical Systems, Look Trailers, Sutter Masonry, CEMEX, Contech Engineered Solutions, Southwest Steel, Riley Industrial, and Southwest Concrete, all of which contribute to a strong and resilient industrial base. In addition, CarMax is nearing completion of its new 84,000-square-foot auto restoration and auction facility, which will further enhance the City's employment landscape. Luke Air Force Base, located one mile west of El Mirage, is the largest jet fighter training base in the world and employs over 1,500 civilians, many of whom are El Mirage residents.



Long-Term Financial Planning and Major Initiatives

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the City operates.

The CIP is based in part on a series of goals adopted by the Council. The Council goals and the CIP are intended to make the City more attractive to commercial development. As part of the CIP, the City continually updates a five-year financial projection.

The presence of Luke Air Force Base provides a significant employment and economic engine for the community. However, Luke's presence has placed significant land use restrictions on large tracks of City property. Although such property is primarily zoned "agricultural" at present, the City and the primary property owner have begun to convert this property to commercial and industrial uses. While the property develops, the City continues to concentrate on infill properties ranging in size from a few acres to more than 80 acres.

Given the continuing economic uncertainty at the local, state, and national levels, the City Council and

administration recognize the need to assure reserves are available for future revenue shortfalls. Therefore, the budget reflects a General Fund reserve of \$13.0 million. When the Council approved a utility rate study in 2011, it established reserves for each of the three utilities ranging from one month to three months. The reserves are not budgeted. The reserves are only intended to offset shortfalls in revenue collections, not as an opportunity to increase expenditures. By resolution, the Council also directed that all primary property taxes be restricted to uses in support of police and fire operations.



For the fiscal year ended June 30, 2025, the City completed the construction of Dysart Road that has and will continue to have significant future impact on the quality of life for its citizens, while expanding infrastructure and increasing the resources available for economic development. Dysart Road was identified as a “Road of Regional Significance” back in the 1999 Maricopa Association of Governments (MAG) study. Dysart road just went from one lane in each direction between Northern and Peoria Avenues to two 12 foot through lanes, a 14-foot median, bike lanes and curb and gutter. The project included the design, land acquisition and construction. The total project cost estimate was originally \$11.1 million and increased each year to accommodate inflation and scope related changes. The total spent to complete the project was \$18.8 million.

El Mirage complies with the Arizona Department of Water Resources (ADWR) requirement to account for all water it uses through a variety of sources, including groundwater, surface water allocations, and effluent water recharge into the regional aquifer. This mix of sources allows the City to offset its groundwater use and assures its water supply for the next 100 years. Future capital investments in utility infrastructure approved by the Mayor and Council support the City’s mission to provide residents with a reliable and safe water source.

For the upcoming fiscal year Council approved the following priorities:

- Analyze development impact fees in addition to the utility rates in forecasts.
- Invest in neighborhood services, parks and recreation, and arts and culture.
- Plan for more ways to facilitate and invest in community engagement and outreach.
- Update and improve the Council Chambers and streaming of council meetings.

Relevant Financial Policies

Each year since June 2012, the City Council has adopted or reviewed a series of comprehensive financial management policies designed to maintain a financially viable City government that provides an adequate level of services, programs, and activities that add value and contribute to the City’s mission, while providing financial flexibility to adapt to local, regional, and national economic changes.

Some of the adopted financial policies that may help users better understand the financial data included in this report are shown below:

- The City shall maintain a prudent level of financial resources to protect against reducing service levels, incurring debt, or raising taxes and fees because of unexpected revenue shortfalls, unanticipated expenditures, and similar circumstances.
- The City shall rely on ongoing revenues to fund ongoing expenditures and avoid one-time sources of revenues to fund ongoing activities.
- The City shall annually prepare five-year revenue and expenditure forecasts to examine the City’s ability to absorb operating costs due to changes in the economy, service demands, service levels, and capital improvements.

- The City shall fund current year capital projects with bonds, grants, or funds accumulated (fund balances) prior to budgeting for capital expenditures.
- The City shall practice conservatism in budgeting for both revenues and expenditures to ensure the City can meet its ongoing obligations. The City shall not budget excess funds collected (fund balance) for ongoing expenditures.
- The City shall develop diversified and stable revenue sources to protect activities from short-term fluctuations in any single revenue source.
- The City shall not dedicate revenues for specific purposes unless required by law, Council policy, or Generally Accepted Accounting Principles (GAAP). The Finance Director shall deposit all non-restricted revenues in the General Fund for appropriation through the budget process.
- The Council shall review user fees and charges annually to ensure recovery of all direct and indirect costs of service, unless full cost recovery would be excessively burdensome on citizens receiving service.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. To be awarded this certificate, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles in the United States and applicable legal requirements. This certificate is valid for a period of one year only. City finance officers believe that the current annual comprehensive financial report meets the program's requirements, and we will be submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2025, certificate.

The City of El Mirage also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2024. To qualify for the Distinguished Budget Presentation Award, the City of El Mirage's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The timely preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department and all departments who assisted are to be commended for their contributions to the preparation of this report.

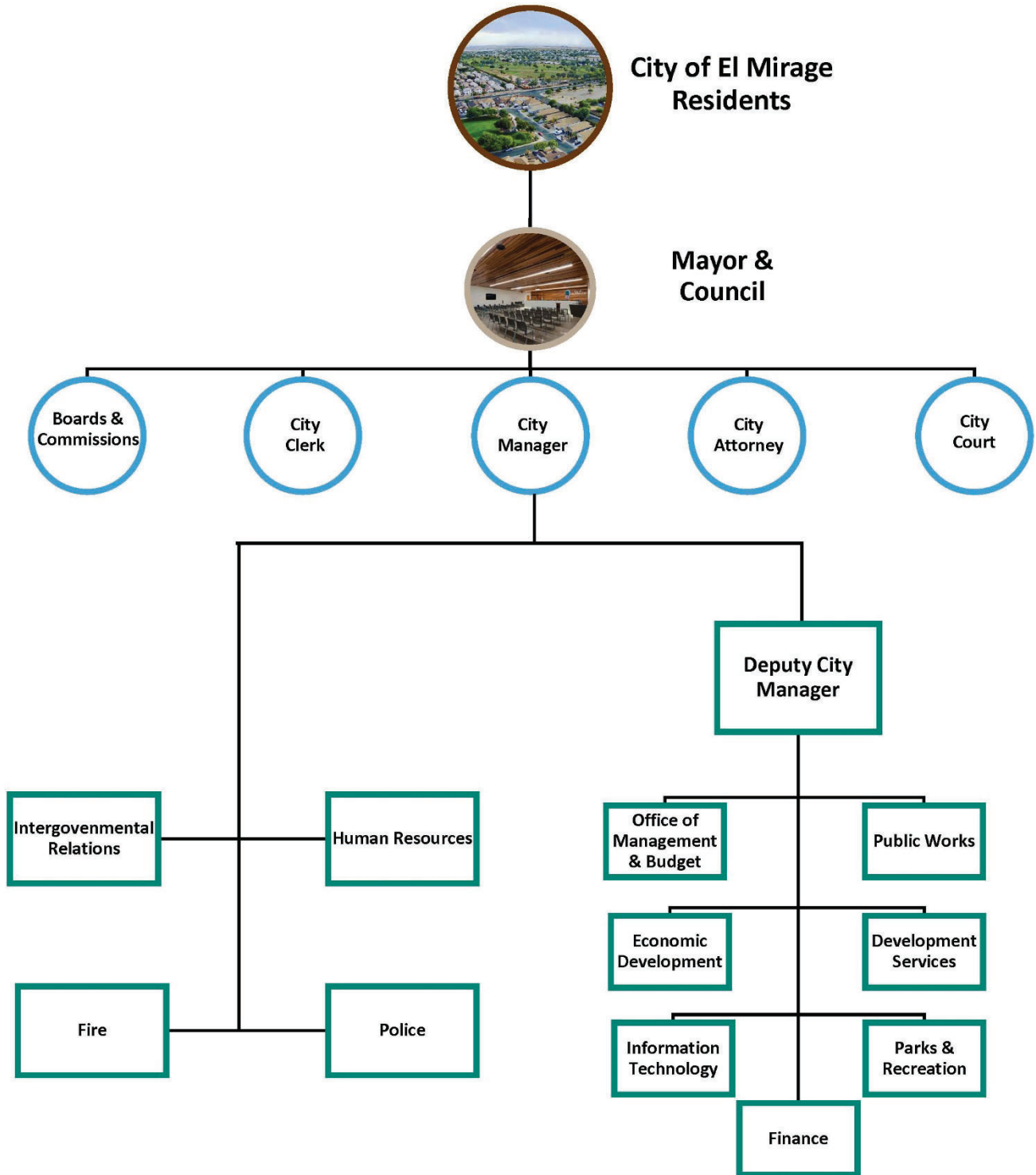
In closing, without the leadership and support of the City Council and the City Manager, preparation of this report would not have been possible.

Respectfully submitted,



Robert Weddigen
Finance Director-CFO

**Organizational Chart
Effective July 1, 2025**



City of El Mirage, Arizona

List of Elected City Officials



Mayor Alexis Hermosillo

Alexis Hermosillo is in her second term as Mayor. As a proud fifth generation El Mirage resident, the Mayor is passionate about her community and is committed to enriching the lives of El Mirage residents.

Through her experience in public service, she has worked for the largest public transportation company in Maricopa County, was the manager of a radio network under the Cesar Chavez Foundation and worked for the U.S. House of Representatives as a District Representative for Arizona Congressional District 3.

Mayor Hermosillo has also led national efforts to improve climate conditions through carbon pricing and provided operational and managerial support to numerous non-profits on a state and national level.

Mayor Hermosillo currently serves on the following boards and committees:

- City of El Mirage Public Safety Personnel Retirement System Committee
- Maricopa Association of Governments (MAG) Executive Committee
- MAG Regional Council
- MAG Economic Development Committee (past Chair)
- League of Arizona Cities and Towns Executive Committee
- Arizona League of Arizona Cities and Towns Committee: General Administration, Human Resources and Elections Policy
- Arizona League of Arizona Cities and Towns Budget Subcommittee
- Luke West Valley Council
- WESTMARC Board of Directors
- Southwest Valley Chamber of Commerce Board of Directors
- Greater Phoenix Economic Council

Mayor Hermosillo has also served on the Valley Metro Regional Public Transportation Board of Directors.

The Mayor is committed to the empowerment of women and has served on the Board of Directors for the YWCA of Metropolitan Phoenix.

She has worked with the Hispanic Women's Corporation, supporting their national youth initiatives. She believes that investing in today's youth is an investment in our future and has dedicated herself to engaging and motivating Latino youth through leadership development programs with various organizations such as

Unidos US (formerly National Council of La Raza).

Mayor Hermosillo holds a master's degree in Journalism and a bachelor's degree in Interdisciplinary Arts and Performance, both Arizona State University. She currently pursuing her doctoral degree in Organizational Leadership from Grand Canyon University.



Vice Mayor Jacquelyn Parsons

Jacquelyn Parsons was born in Miami, Florida, as one of eight siblings in a large and tight-knit family. Growing up in a dynamic household helped foster her deep sense of community and responsibility to others, and taught her the values of cooperation, compassion, and resilience. After moving to Arizona, she attended Trevor G. Browne High School in Phoenix, where she developed a strong work ethic and leadership qualities that would guide her throughout life. Although Jacquelyn did not pursue higher education, her personal and professional experiences, including a 25-year career in banking, have made her a seasoned advocate for practical solutions and leadership.

Jacquelyn has been married to her husband, Dan, for 41 years. She is a proud mother of three children and a devoted grandmother to five. Her family is her cornerstone, and they serve as her greatest source of inspiration. Since settling in El Mirage in 2002, she has been an active and passionate member of the community. Her love for family extends to her community, where she strives to create an environment where all families can prosper and feel supported.

Jacquelyn's commitment to public service led her to pursue a role on the El Mirage City Council, where she is excited to serve as a representative voice for her fellow residents. As a councilwoman, she is committed to ensuring a safe and vibrant community. Her leadership is grounded in listening, collaboration, and advocating for policies that will improve the quality of life for all El Mirage citizens while preserving the city's character and values..



Councilmember Monica Dorcey

Monica Dorcey was born and raised in rural Wayne, Nebraska, one of nine siblings. After graduating from Briar Cliff University in Sioux City, Iowa, she worked in the independent adjusting business for 27 years. In 2003 she went to work as a senior claim representative for Farmers Insurance Group, moving to El Mirage with her daughter, Ashley. Monica is a member of Santa Teresita parish and has served in several ministries over the years.

Monica is now retired but continues to be involved in a number of non-profit organizations with a primary emphasis on children and their education but also fostering the growth and development of El Mirage. She has served in a number of roles as a volunteer for the City of El Mirage. This work includes:

- Served as Vice Mayor from 2021-2022

- Served on the Planning and Zoning Commission from 2013 to 2018
- Served on the Judicial Review Committee from 2012 to 2017
- Named El Mirage Citizen of the Year in 2012
- Served on the planning committee for the El Mirage homeowners association (HOA) training presented in 2016 to 2017
- Board member of the Northwest Valley YMCA Advisory Board, serving on the board since 2014
- Treasurer of the Dysart Education Foundation Board and Scholarship Committee, active
- Treasurer of Arizona Career Pathways, 2011 to present.
- President of the West Valley Neighborhoods Coalition



Councilmember Ryan Eldridge

Ryan Eldridge, a proud father of four, was recently elected to the City Council of El Mirage, Arizona. He is eager to serve the community and strengthen the city's foundation. Deeply committed to connecting with residents, Ryan believes family and community are the cornerstones of a thriving city. Drawn to El Mirage for its small-town charm, Ryan relocated to the area to raise his two youngest children in a nurturing and close-knit environment reminiscent of his own upbringing.

Originally from Ironton, Ohio, Ryan grew up with a strong sense of family, inspired by the values instilled in him during his childhood. He has a younger brother who resides in Tucson, Arizona. When not serving his community, Ryan enjoys exploring ghost towns and historic mining camps, hiking through the desert, searching for gems and minerals, and indulging in his passion for storytelling. These interests led to the creation of his show, *Adventures With Pappy*, which aired briefly on Amazon and YouTube.

Professionally, Ryan has dedicated 27 years to the security industry, where he has built a reputation for excellence and integrity. As a former business owner, he has demonstrated entrepreneurial leadership and a commitment to professional development. Ryan is a certified instructor in the security field, where he trains armed and unarmed officers. His certifications include multiple training courses through the National Rifle Association (NRA), underscoring his passion for education and skill development.

Ryan's dedication to service extends well beyond his professional career. He has actively volunteered with the Arizona Special Olympics as a coach and mentor and has contributed significantly to the American Society for Industrial Security (ASIS) Phoenix Chapter. He chaired the prestigious Law Enforcement Appreciation Luncheon for two years, honoring fallen officers, supporting their families, and recognizing outstanding officers for their service and bravery.

As a newly elected City Council member, Ryan brings experience, a passion for community engagement, and a commitment to fostering growth and connection in El Mirage. His leadership is driven by the belief that every day is an opportunity to improve and make a difference, both as an individual and as part of the community he serves.



Councilmember Scottie Gentry

Scottie Gentry is one of our newly elected El Mirage City Council members. An El Mirage native, she is deeply rooted as a resident, having attended El Mirage Elementary and Dysart High School where she participated in the swim team and 4-H activities. After graduation she attended classes at Estrella Mountain Community College where she was the first M.E.C.h.A Club Treasurer (MEChA, the national organization of chapters participating in educational and social activities as well as political actions) and she studied the administrative justice system.

She is as passionate about her community as her family, having settled here in 1939. Scottie was born and raised on the same family property in 1971 where her mother grew up, Scottie is third in line of Gentry council members. Her dad Bill Gentry served El Mirage as a council member in the late 1960's and her sister, Sharon Quinones served as council member in the mid 1990's. She is proud to continue the family legacy.

Through her experience in service to the public, Scottie was a volunteer with the Dysart High School Band and just like her dad Bill Gentry, she coached T-ball at Bill Gentry Park. She was also instrumental in advocating for the city to provide council meeting transcripts to the public and provided services as the treasurer for the El Mirage Citizens Against Bond 2023. She looks forward to serving our community on various projects as she has done in the past where she was elected as the Secretary for El Mirage Citizens on Patrol in the El Mirage Police Department. Currently, Scottie volunteers with the El Mirage Cares Program and she can be found at almost every city sponsored event.

Her former employment includes MCSO (Maricopa County Sheriff's Office) and Tricare Insurance Company for members of the uniformed services and their families.

Scottie is a devoted mother of four and grandmother of five and enjoys spending as much time as she can with her children and grandchildren.

She looks forward to providing El Mirage Citizens with dependable and honest communication, accountability, and transparency in the next 4 years as an El Mirage City Councilmember.



Councilmember Anita Norton

Councilmember Anita Norton-McDaniel has resided in Arizona most of her life and has a background as a small business owner, in sales management, and in law enforcement. She moved from Peoria to El Mirage in 2004.

Councilmember Norton-McDaniel has served on the City Council since being appointed to fill a vacancy in November of 2017. She was then elected in August 2018 to serve the citizens of El Mirage and re-elected again in 2022. Anita has been a champion supporter of public safety, helping to bring about positive and progressive changes in our Police and Fire Departments. She joined the MAG Regional Domestic Violence Council in February 2020 and served as Chair from May 2021 – December 2023. While continuing to serve on the MAG Regional Domestic Violence Council, she also serves on the MAG Teen Dating Violence Group, and the MAG Crisis Workforce Group. Through her work with MAG, she engages in public outreach on issues of domestic violence and teen dating violence within the community as well as within partnership with other cities in Maricopa County. She also served as an alternate to the Community Development Advisory Committee of Maricopa County Human Services Division (CDAC), which has brought in millions of federal dollars for City improvements.

While serving with the Phoenix Police Department, Anita received a commendation for her investigative ability and recognition for composure in particularly high stress situations. Her confidence, fearlessness, and thoroughness resulted in a high number of solved cases.

A certified riding instructor for western and English horsemanship, as well as, an instructor for riders with disabilities for the last 21 years, Anita has had a positive impact on the lives of hundreds of students, helping them grow in confidence and overcome fears while learning to ride.

After concerns were raised regarding a major incident involving local teens in the spring of 2018, Anita established El Mirage Cares, a program the City offers to inform parents, families, and local residents about the many dangers and obstacles that challenge the health and welfare of our young children, teens, and adults through free public forums. With the involvement of members of the Maricopa County Attorney's Office and other professionals, as well as the participation of the Dysart Unified School District, some of the topics covered thus far have included the dangers of drugs and vaping, teen dating and domestic violence, suicide prevention and awareness, sex trafficking, and bullying and depression. The goal of this program is to save lives and promote healthy families. Although COVID put a stop to the public forums, Anita continues the El Mirage Cares program at various events held by the City throughout the year.

Anita is thankful for the opportunity to serve the citizens of El Mirage and to be part of a growing City with the goal of enhancing the lives of all who live, work in, and visit our great community.



Councilmember Donna Winston

Donna is a native Arizonan and grew up on the west side. She graduated from ASU, Magna Cum Laude and double majored in Criminal Psychology and Communication. She is married to Dr. Joshua Winston, DVM, has four children, two granddaughters and a grandson. She bought her first brand new home in Rancho El Mirage and has lived here for 24 years.

Donna has worked for Maricopa Community Colleges since 1996 and is currently a Student Service Analyst at the District Office. Along with her duties there, she has been an employee advocate leader for the last 24 years which included writing employee policy along with helping Maricopa Community College employees.

Through this advocacy work for employees, Donna was asked to start the public employee sector of Arizona Conference of Police and Sherriff (AZCOPS), called "Maricopa Employees". She is currently the President of this non-profit group and proudly leads her board by navigating public employees through processes and policies of their organization.

Donna's husband, Dr. Winston, is a Veterinarian and works at Sun City West Animal Hospital. Their two eldest sons are veterans of the U.S. military and are very dedicated to military personnel and their families. Donna is also a wedding planner and owns By Invitation Only.

Donna believes in giving back to her community and has been extremely involved in volunteerism since she was a very young girl. She was the Family Readiness Group Leader for almost five years for her youngest son's Army battalion. She served on the Executive Board of the Single Mom Foundation and taught a 10-week course called "The Road to Self Reliance." She currently sits on the Executive Board of Don't Leave Me, which started as a civic engagement project for college students and brings awareness to the dangers of leaving pets and children in hot cars.

Donna played a significant role, working with Judge Parascandola and community partners, in getting the Veteran's Court established in El Mirage. One of Donna's goals for the City of El Mirage is to partner with not only our local businesses but with our sister cities around us to build a stronger economy throughout our community. She would like to utilize these connections to support education, police and fire awareness in our own neighborhoods to secure a safer, better future for El Mirage citizens.

LIST OF APPOINTED CITY OFFICIALS

City Manager – J. Crystal Dyches

City Attorney – Pierce Coleman PLLC

City Clerk – Jill Boltz

City Magistrate – Michael Parascandola



Government Finance Officers Association

Certificate of
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Reporting

Presented to

**City of El Mirage
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and
City Council
El Mirage, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Mirage, Arizona, (the City) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Mirage, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The supplementary budgetary comparison information for major funds, combining nonmajor fund financial statements, and nonmajor fund budget and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary budgetary comparison information for major funds, combining nonmajor fund financial statements, and nonmajor fund budget and actual schedules is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary budgetary comparison information for major funds, combining nonmajor fund financial statements and nonmajor fund budget and actual schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2025 on our consideration of the City of El Mirage, Arizona’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City of El Mirage, Arizona’s internal control over financial reporting and compliance.

HintonBurdick, PLLC

Mesa, Arizona
November 4, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

(Required Supplementary Information)

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

As management of the City of El Mirage, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of El Mirage exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$249.7 million (net position). The unrestricted net position, which represents the amounts available to meet the City of El Mirage's ongoing obligations to citizens and creditors, was a surplus of \$118.8 million. The City of El Mirage is committed to provide postemployment benefits to its employees. As a result, the City of El Mirage has recognized liabilities in the financial statements for these benefits. As of June 30, 2025, the City of El Mirage had liabilities of \$15.1 million for postemployment benefits.
- The City's total net position of governmental activities increased by \$21.3 million to \$184.5 million. The increase is similar to what was experienced in prior years, as conservatively estimated budgeted revenues are exceeded because favorable economic conditions continued while planned expenditures are not incurred to the level budgeted. Business-type activities increased by \$2.9 million to \$65.2 million. This is due to similar reasons as governmental activities as well as some rate increases for services. These represent an increase of 13 percent and an increase of 5 percent, respectively. The total net position is \$249.7 million.
- General revenues before transfers from governmental activities accounted for \$45.5 million in revenue, or 75 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14.9 million in revenue or 25 percent of total governmental activities. The City had \$18.3 million of program revenues and \$1.4 million in other revenues related to business-type activities.
- The City had \$42.8 million in expenses related to governmental activities, a decrease of 10 percent from the prior fiscal year. A major factor is the reduction in the expenditures ARPA related funds. The City had \$13.1 million in expenses related to business-type activities, very similar to the prior fiscal year.
- Among major funds, the General Fund had \$48.4 million in revenues, which primarily consisted of taxes and intergovernmental revenues. The total expenditures of the General Fund were \$40.2 million. The General Fund's fund balance increased from \$83.6 million to \$94.4 million, due primarily to city sales tax collections related to a strong economy and actual expenditures being less than planned.
- The Special Projects (Special Revenue) Fund had \$1.5 million in revenues. The total expenditures of the fund were \$1.3 million. The Special Projects Fund's fund balance

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

increased from \$1.1 million to \$1.3 million, at the end of the current fiscal year due to decreased expenditures of federal and State grants and an increase in investment earnings.

- The Streets (Capital Projects) Fund had \$4.5 million in revenues. The total expenditures of the Streets Fund were \$5.5 million. The Streets Fund's fund balance decreased from \$9.4 million to \$8.4 million, at the end of the current fiscal year. This is due to planned expenditure activity utilizing existing fund balance as the resource.
- The Water Fund net position increased \$1.2 million. The Water Fund had operating revenues of \$11.9 million and operating expenses of \$8.4 million. The net position increase of \$1.2 million was due to planned revenues exceeding planned expenditures for the year. The plan is related to long-term utility planning, that includes the accumulation of resources for future larger maintenance and capital replacement expenses.
- The Sewer Fund net position stayed relatively the same at \$28.8 million. The Sewer Fund had operating revenues of \$3.9 million and operating expenses of \$2.9 million. The increase in fund balance is due to planned accumulation of resources for larger maintenance and capital replacement in the future.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the City as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. (3) Notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities. A frequently asked question regarding the City's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are accounted for regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position, the difference between assets and liabilities, are one way to measure the City's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

financial factors such as changes in the City's property tax base or condition of the City's roads to accurately assess the overall health of the City.

The Statement of Net Position and the Statement of Activities present information about the following:

- **Government activities** – All of the City's basic services are governmental activities, including general government, public safety, public works/streets, culture and recreation, and interest on long-term debt. Sales tax, property tax, federal grants, intergovernmental revenues, and charges for services finance most of these activities.
- **Proprietary activities/Business type activities** – The City charges a fee to customers that is intended to cover all the cost of the services provided for water, sewer, and sanitation.

Fund Financial Statements. The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes other funds that aid in the management of money for specific purposes or to meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City's two major kinds of funds, governmental and proprietary, use different accounting approaches as explained below.

Governmental funds. Most of the City's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in the reconciliation included with the Basic Financial Statements and in Note 2.

Proprietary funds. When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported on the accrual basis of accounting in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

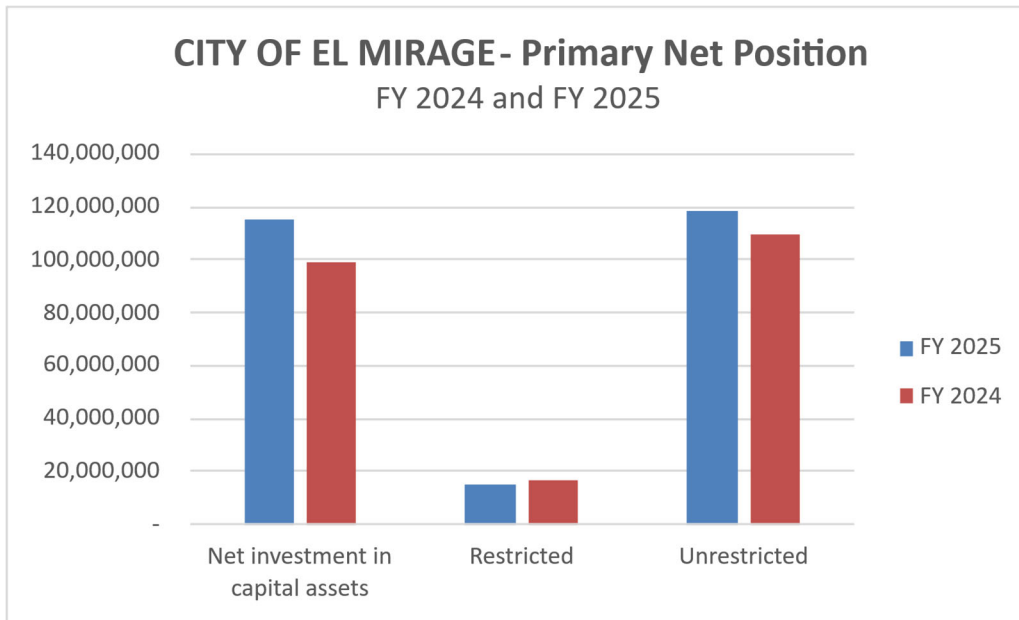
Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s budget process and pension plan. The City adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures, and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plans have been provided as required supplementary information.

Government-Wide Overall Financial Analysis

Net position may serve over time as a useful indicator of a government’s financial position. In both governmental and business-type activities, the City’s assets and deferred outflows exceeded liabilities and deferred inflows by \$249.7 million at the end of the current fiscal year. The City’s governmental activities net position consists of \$15.4 million that are subject to external restrictions on how they are to be used, and \$80.1 million of net investments in capital assets, and \$89.0 million of unrestricted fund balance.



**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2025, and June 30, 2024.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Current and other assets	\$ 115,340,434	\$ 106,966,344	\$ 42,298,421	\$ 41,572,911	\$ 157,638,855	\$ 148,539,255
Capital assets	96,239,149	92,145,570	39,138,880	38,569,291	135,378,029	130,714,861
Total assets	<u>211,579,583</u>	<u>199,111,914</u>	<u>81,437,301</u>	<u>80,142,202</u>	<u>293,016,884</u>	<u>279,254,116</u>
Deferred outflows of resources	<u>10,107,312</u>	<u>8,366,904</u>	<u>475,617</u>	<u>419,673</u>	<u>10,582,929</u>	<u>8,786,577</u>
Long-term liabilities outstanding	30,731,502	35,345,709	13,489,596	15,045,898	44,221,098	50,391,607
Other liabilities	2,787,811	5,877,657	3,060,847	3,100,330	5,848,658	8,977,987
Total liabilities	<u>33,519,313</u>	<u>41,223,366</u>	<u>16,550,443</u>	<u>18,146,228</u>	<u>50,069,756</u>	<u>59,369,594</u>
Deferred inflows of resources	<u>3,648,244</u>	<u>3,009,858</u>	<u>162,093</u>	<u>109,083</u>	<u>3,810,337</u>	<u>3,118,941</u>
Net position:						
Net investment in capital assets	80,099,620	73,621,365	35,459,473	25,656,275	115,559,093	99,277,640
Restricted	15,410,968	16,415,844	-	68,101	15,410,968	16,483,945
Unrestricted	<u>89,008,750</u>	<u>73,208,385</u>	<u>29,740,909</u>	<u>36,582,188</u>	<u>118,749,659</u>	<u>109,790,573</u>
Total net position	<u>\$ 184,519,338</u>	<u>\$ 163,245,594</u>	<u>\$ 65,200,382</u>	<u>\$ 62,306,564</u>	<u>\$ 249,719,720</u>	<u>\$ 225,552,158</u>

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, proprietary and governmental infrastructure; vehicles, machinery, equipment, and construction in progress), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related outstanding 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. See Note 6, Capital Assets, for more information about the City's capital assets.

The City's financial position is the product of several financial transactions including the net results of activities, the payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position:

- The addition of \$12.5 million in governmental activities total assets, are due to increases in capital asset spending while revenues remained strong and other expenditures remained steady.
- The reduction of \$1.6 million in business-type activities liabilities is mainly due to principal payments on WIFA loans.

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Changes in Net Position

The City's programs include General Government, Public Safety, Public Works/Streets, Water, Sewer, and Sanitation. Each programs' net cost (total cost less revenues generated by the activities) is presented below.

- Capital grants and contributions related to governmental activities decreased by \$7.0 million, due to decreases in grants for capital purchases and contributions. This is due to covid relief no longer continuing to be recognized to the extent it was in prior periods.
- Operating grants and contributions related to governmental activities increased by \$.5 million due to decreases in HURF funding available and investment income.
- Business-type activities revenues remained the same but charges for service increased by 5 percent due primarily to rate changes.
- Federal and State grants, and charges for services subsidized certain governmental programs with revenues of \$4.5 million and \$9.6 million respectively. The increases are due to increased commercial development, and a strong economy.

**City of El Mirage
Condensed Statement of Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Revenues						
Program revenues						
Charges for Services	\$ 9,611,430	\$ 5,629,607	\$ 18,199,487	\$ 17,200,401	27,810,917	\$ 22,830,008
Operating grants and contributions	4,493,319	3,983,447	67,620	30,000	4,560,939	4,013,447
Capital grants and contributions	826,045	7,799,205	-	-	826,045	7,799,205
General revenues						
Property taxes	4,877,757	4,773,268	-	-	4,877,757	4,773,268
City sales tax	19,576,235	20,210,056	-	-	19,576,235	20,210,056
Franchise tax	1,237,374	1,103,749	-	-	1,237,374	1,103,749
Unrestricted state revenues	15,087,745	16,830,318	-	-	15,087,745	16,830,318
Investment income						
Interest earnings	4,693,330	4,824,968	1,357,742	1,397,461	6,051,072	6,222,429
Miscellaneous	-	3,332,603	-	1,052,962	-	4,385,565
Total revenues	\$ 60,403,235	\$ 68,487,221	\$ 19,624,849	\$ 19,680,824	\$ 80,028,084	\$ 88,168,045

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Governmental and Business-type activities

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Expenses						
General government	18,166,508	20,707,148	-	-	18,166,508	20,707,148
Public safety	19,199,471	21,079,865	-	-	19,199,471	21,079,865
Highways and streets	4,880,421	4,647,235	-	-	4,880,421	4,647,235
Interest on long-term debt	568,091	732,924	-	-	568,091	732,924
Water	-	-	8,451,257	8,480,847	8,451,257	8,480,847
Sewer	-	-	2,941,465	3,179,607	2,941,465	3,179,607
Sanitation	-	-	1,653,309	1,541,218	1,653,309	1,541,218
Total expenses	42,814,491	47,167,172	13,046,031	13,201,672	55,860,522	60,368,844
Increase (decrease) in net position before transfers	17,588,744	21,320,049	6,578,818	6,479,152	24,167,562	27,799,201
Transfers	3,685,000	3,965,000	(3,685,000)	(3,965,000)	-	-
Increase (decrease) in net position	21,273,744	25,285,049	2,893,818	2,514,152	24,167,562	27,799,201
Net position, beginning	163,245,594	137,960,545	62,306,564	59,792,412	225,552,158	197,752,957
Net position, ending	\$ 184,519,338	\$ 163,245,594	\$ 65,200,382	\$ 62,306,564	\$ 249,719,720	\$ 225,552,158

- Governmental activities expense decreased \$4.4 million or 11 percent primarily due to decreases in general government and public safety. A significant source of those decreases is due to the previous years' expenditure of covid relief funds, with fewer remaining covid relief funds to expend.
- Net cost of governmental activities of \$27.9 million was financed by general revenues, which are primarily local sales taxes, property taxes, charges for services, unrestricted and miscellaneous revenues, totaling \$45.5 million.
- The cost of providing all Proprietary (Business Type) activities this year was \$13.0 million; this was very similar to the prior year of \$13.2 million. The difference is attributable to less heavy maintenance expenses compared to the previous year. The amounts paid by users of the system were \$18.2 million. Interest earnings, capital grants and contributions, and miscellaneous revenues were \$1.4 million.

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Financial Analysis of Governmental Funds

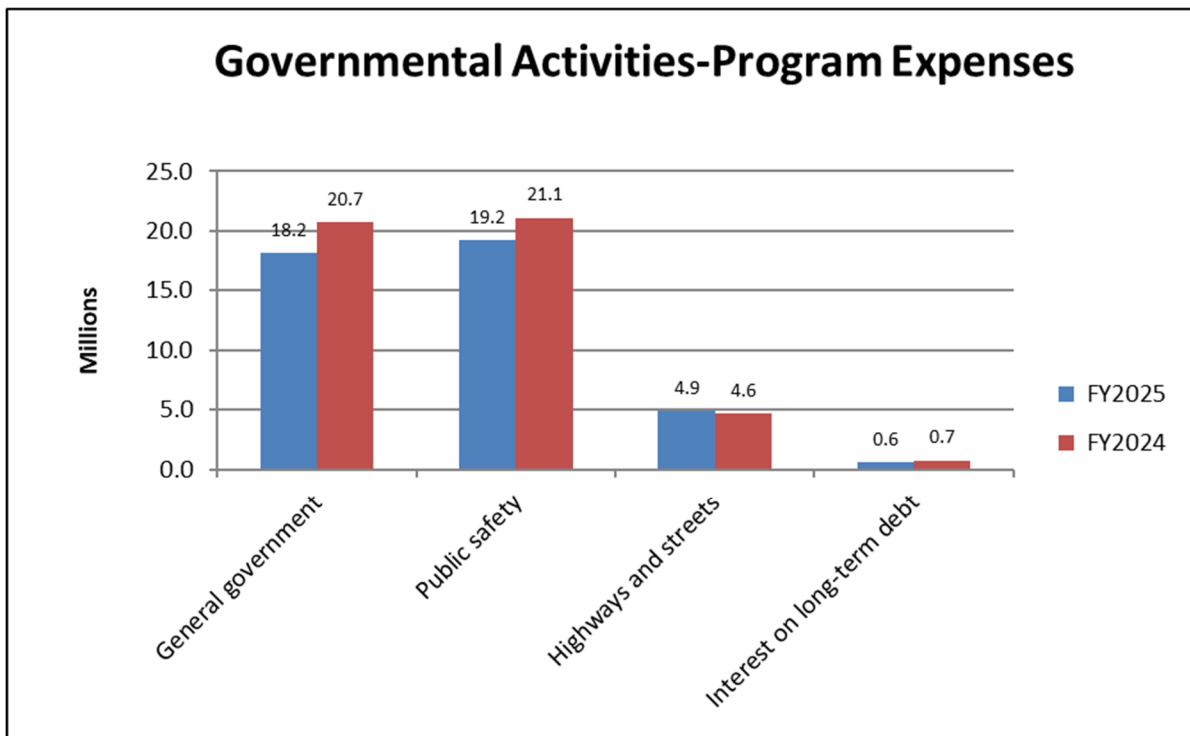
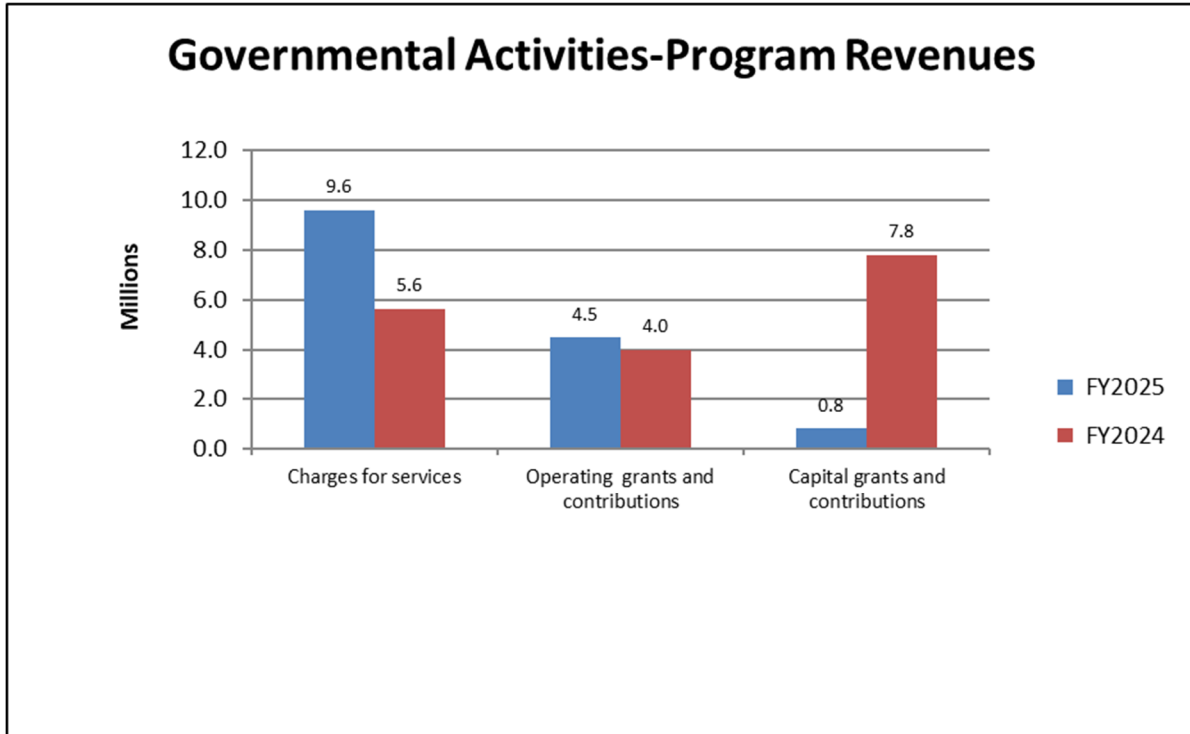
As noted earlier, the City of El Mirage uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of El Mirage's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of El Mirage's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. See the Balance Sheet for Governmental Funds statement for information about components of the fiscal year's ending fund balance for governmental funds. As of the end of the current fiscal year, the City of El Mirage's governmental funds reported combined ending fund balances of \$111.0 million, an increase of \$11.5 million or 12 percent, compared to the prior fiscal year. The change is primarily due to planned revenues exceeding planned expenditures and a strong economy. Both revenues and expenditures are determined on a conservative basis and some resources are being accumulated for future one time maintenance and capital replacement.

Approximately 85 percent of the combined ending fund balances of \$111 million, or \$94.3 million, constitutes unassigned fund balance which is available for new spending at the government's discretion. The \$94.3 million combined unassigned fund balance includes \$13.0 million established as a General Fund reserve. The remaining combined fund balance is non-spendable, restricted, committed or assigned in accordance with GASB 54.

Analysis of Individual Funds. General Fund is the chief operating fund of the City of El Mirage. At the end of the current fiscal year, unassigned fund balance in the General Fund was \$94.3 million, while total General Fund balance was \$94.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. The General Fund unassigned fund balance represents 235 percent of total General Fund expenditures while total fund balance represents 235 percent of the same amount. During the year the City of El Mirage's General Fund balance increased by \$10.8 million. This increase in fund balance is primarily attributable to planned revenues and planned expenditures result in the accumulation of resources for future purposes.

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**



**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

The Special Projects (Special Revenue) Fund has a total fund balance of \$1.3 million, all of which is restricted for special projects and grants per state and federal directives. The revenues and expenditures increase and decrease mostly based on available funding from outside sources. In the last 3 years, revenues and expenditures were mostly based on the recognition and use of covid related revenues.

The Streets (Capital Projects) Fund has a total fund balance of \$8.4 million, a decrease of \$1.0 million from the prior year, all of which is assigned for road and street construction and improvements.

General Fund Budgetary Highlights

Tax revenues have a positive variance of \$3.6 million that is stronger than budgeted City sales tax collections. This is an indication of stronger than expected sales. See the sales data provided in the statistical section of this report (Taxable Sales by Category). Charges for licenses and permits had a variance of \$2.1 million as construction related fees were greater than projected. Charges for services revenues had a positive variance of \$0.1 million, this is based on better-than-expected level of commercial activity and spending by local businesses and residents. Total revenues have a positive variance of \$9.3 million or 24 percent great than budgeted. General Fund expenditures were \$39.0 million or 23 percent less than budgeted with the most significant positive variances in the following areas:

- In the Non-departmental category, total spending was \$5.9 million less or 47 percent less than budget due to special project savings and the fact that contingent amounts budgeted for unseen events were not needed.
- Parks and recreation spending was \$2.4 million, \$2.4 million less than budgeted. This is due to budgeted increase in the size of the parks and recreation program.

Capital Asset And Debt Administration

Capital Assets. The capital assets of the City are those assets that are used in performance of City functions including land, construction in progress, system improvements, buildings, improvements, machinery, vehicles, equipment, and infrastructure/roads. Combined depreciation expense of \$7.4 million on capital assets is recognized in the Government-Wide financial statements. The following schedule presents capital asset balances for the fiscal years ended June 30, 2025, and 2024.

City of El Mirage Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Non-Depreciable Assets	\$ 13,406,923	\$ 24,712,163	\$ 2,385,609	\$ 3,270,013	\$ 15,792,532	\$ 27,982,176
Depreciable Assets	129,804,371	110,529,190	91,479,173	87,115,356	221,283,544	197,644,546
Less: Accumulated depreciation	(46,972,145)	(43,095,783)	(54,725,902)	(51,816,078)	(101,698,047)	(94,911,861)
Total	\$ 96,239,149	\$ 92,145,570	\$ 39,138,880	\$ 38,569,291	\$ 135,378,029	\$ 130,714,861

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

- The most significant increase in governmental capital assets \$18.9 million is related to infrastructure, mostly due to the completion of the Dysart Road improvements.
- The most significant increase in business type capital assets \$2.8 million is related to mostly to a completed Water and Wastewater building for administrative offices.

Additional information regarding the City's capital assets can be found in Note 6.

Long-Term Debt

At year-end, the City had \$15.5 million in governmental-type bond debt, and \$11.1 million in business-type direct borrowing debt. The debt is a liability of the government and amounts to approximately \$704 per person (estimated population 36,958). During the current fiscal year, the City's direct borrowing (bonds/WIFA loans) had a net decrease of \$3.1 million. The following schedule presents outstanding long-term debt for the fiscal years ended June 30, 2025, and 2024.

Long-term Debt		
	2025	2024
General Obligation bonds	\$ 15,531,699	\$ 17,077,252
SBITA	\$ 754,280	\$ 1,097,736
Leases (Business-Type)	\$ 89,086	\$ 94,042
WIFA Loans	11,138,824	12,714,464
Total	\$ 27,513,889	\$ 30,983,494

The Arizona Constitution and State Statues limit a municipality's bonded debt capacity to certain percentages of its net full cash assessed valuation and by the type of project to be constructed with general obligation (GO) bonds. For projects involving water, wastewater, artificial lighting, parks, open space, recreational facility improvements, streets, public safety, and fire and emergency facilities, the City can issue GO bonds up to 20 percent of its net full cash assessed valuation. For any other general-purpose improvements, the City may issue bonds up to 6 percent of its net full cash assessed valuation. As demonstrated in the Statistical Section – Legal Debt Margin Information, the City's debt limit at year-end for State purposes was \$26.9 million in the 6 percent capacity and \$89.8 million in the 20 percent capacity. The City has no G.O. debt applicable to the 6 percent limit and \$13.9 million of debt applicable to the 20 percent limit. The limits do not apply to \$1.6 million of bond premium.

Additional information regarding the City's long-term debt can be found in Note 7.

**CITY OF EL MIRAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Next Year's Budget And Economic Factors and Rates

The City of El Mirage is projecting that growth will slow for the coming year. However, the City's proximity to Phoenix and major road and rail networks provides tremendous opportunity for future commercial growth. Specific economic factors that were considered in developing the 2025-2026 budget are:

- Changes to the sanitation rate structures will increase relative revenues
- An increase in actual construction related fee revenues due to increased commercial development
- Projected reduction in actual grant revenues due to funding at the Federal level
- A projected reduction in State shared revenues
- Increase in operating costs due to inflation of 3%
- Increase personnel costs of 7.5% due to pay and benefits
- Increased capital outlay based on increased demands for services

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, City of El Mirage, 10000 N. El Mirage Road, El Mirage, Arizona 85335.

BASIC FINANCIAL STATEMENTS

CITY OF EL MIRAGE, ARIZONA
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 110,799,098	\$ 31,890,014	\$ 142,689,112
Receivables, net of allowances	3,959,973	1,756,354	5,716,327
Prepaid items	18,431	-	18,431
Inventory	-	8,576,330	8,576,330
Net pension/OPEB asset	562,932	75,723	638,655
Capital assets (net of accumulated depreciation)			
Land	13,075,024	921,620	13,996,644
Construction in progress	331,899	1,463,989	1,795,888
System improvements	-	29,117,619	29,117,619
Buildings	23,436,397	5,104,737	28,541,134
Improvements	2,106,580	1,018,070	3,124,650
Machinery, vehicles, and equipment	4,455,926	1,427,036	5,882,962
Right-to-use lease assets	-	85,809	85,809
Right-to-use subscription assets	754,280	-	754,280
Infrastructure/Roads	52,079,043	-	52,079,043
Total assets	<u>211,579,583</u>	<u>81,437,301</u>	<u>293,016,884</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions/OPEB	9,960,862	475,617	10,436,479
Deferred charge on refunding	146,450	-	146,450
Total deferred outflows	<u>10,107,312</u>	<u>475,617</u>	<u>10,582,929</u>
Liabilities			
Accounts payable and other current liabilities	1,668,445	2,939,625	4,608,070
Interest payable	-	121,222	121,222
Unearned revenues	1,080,127	-	1,080,127
Due to other governments	39,239	-	39,239
Noncurrent liabilities:			
Due within one year	2,536,148	1,620,055	4,156,203
Due in more than one year	15,210,818	9,813,818	25,024,636
Net pension/OPEB liabilities	12,984,536	2,055,723	15,040,259
Total liabilities	<u>33,519,313</u>	<u>16,550,443</u>	<u>50,069,756</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions/OPEB	2,731,459	162,093	2,893,552
Deferred inflows related to leases	916,785	-	916,785
Total deferred inflows	<u>3,648,244</u>	<u>162,093</u>	<u>3,810,337</u>
Net Position			
Net investment in capital assets	80,099,620	35,459,473	115,559,093
Restricted for:			
Debt service	823,169	-	823,169
Streets projects	13,242,341	-	13,242,341
Court and police programs	68,783	-	68,783
Special projects	1,276,675	-	1,276,675
Unrestricted	89,008,750	29,740,909	118,749,659
Total net position	<u>\$ 184,519,338</u>	<u>\$ 65,200,382</u>	<u>\$ 249,719,720</u>

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 18,166,508	\$ 4,920,252	\$ 508,564	\$ -	\$ (12,737,692)	\$ -	\$ (12,737,692)
Public safety	19,199,471	682,940	1,054,667	6,045	(17,455,819)	-	(17,455,819)
Highways and streets	4,880,421	4,008,238	2,930,088	820,000	2,877,905	-	2,877,905
Interest on long-term debt	568,091	-	-	-	(568,091)	-	(568,091)
Total governmental activities	42,814,491	9,611,430	4,493,319	826,045	(27,883,697)	-	(27,883,697)
Business-type activities:							
Water	8,451,257	11,851,110	67,620	-	-	3,467,473	3,467,473
Sewer	2,941,465	3,877,820	-	-	-	936,355	936,355
Sanitation	1,653,309	2,470,557	-	-	-	817,248	817,248
Total business-type activities	13,046,031	18,199,487	67,620	-	-	5,221,076	5,221,076
Total primary government	\$ 55,860,522	\$ 27,810,917	\$ 4,560,939	\$ 826,045			
General Revenues:							
Taxes:							
					19,576,235	-	19,576,235
					1,237,374	-	1,237,374
					2,953,758	-	2,953,758
					1,923,999	-	1,923,999
					15,087,745	-	15,087,745
					4,693,330	1,357,742	6,051,072
					3,685,000	(3,685,000)	-
					49,157,441	(2,327,258)	46,830,183
					21,273,744	2,893,818	24,167,562
					163,245,594	62,306,564	225,552,158
					\$ 184,519,338	\$ 65,200,382	\$ 249,719,720

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2025

	General	Special Projects (Special Revenue)	Streets (Capital Projects)	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 93,500,653	\$ 2,170,500	\$ 8,405,450	\$ 6,722,495	\$ 110,799,098
Receivables:					
Taxes	114,415	-	-	63,105	177,520
Intergovernmental	1,950,232	81,939	-	292,926	2,325,097
Leases	971,092	-	-	-	971,092
Other	454,152	32,112	-	-	486,264
Due from other funds	10,893	-	-	-	10,893
Prepaid items	18,431	-	-	-	18,431
Total assets	<u>\$ 97,019,868</u>	<u>\$ 2,284,551</u>	<u>\$ 8,405,450</u>	<u>\$ 7,078,526</u>	<u>\$ 114,788,395</u>
LIABILITIES					
Accounts payable	\$ 743,151	\$ 6,376	\$ -	\$ 131,811	\$ 881,338
Accrued wages and benefits	717,572	-	-	10,447	728,019
Deposits held	57,775	-	-	1,313	59,088
Due to other governments	37,739	1,500	-	-	39,239
Due to other funds	-	-	-	10,893	10,893
Unearned revenue	80,127	1,000,000	-	-	1,080,127
Total liabilities	<u>1,636,364</u>	<u>1,007,876</u>	<u>-</u>	<u>154,464</u>	<u>2,798,704</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	68,891	-	-	34,384	103,275
Deferred inflows related to leases	916,785	-	-	-	916,785
Total deferred inflows of resources	<u>985,676</u>	<u>-</u>	<u>-</u>	<u>34,384</u>	<u>1,020,060</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	18,431	-	-	-	18,431
Restricted:					
Public safety	-	-	-	68,783	68,783
Public works/streets	-	-	8,405,450	4,836,891	13,242,341
Special projects	-	1,276,675	-	-	1,276,675
Debt service	-	-	-	823,169	823,169
Committed:					
Court and police programs	-	-	-	1,160,835	1,160,835
Assigned:					
Court and police programs	71,944	-	-	-	71,944
Unassigned	94,307,453	-	-	-	94,307,453
Total fund balances	<u>94,397,828</u>	<u>1,276,675</u>	<u>8,405,450</u>	<u>6,889,678</u>	<u>110,969,631</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 97,019,868</u>	<u>\$ 2,284,551</u>	<u>\$ 8,405,450</u>	<u>\$ 7,078,526</u>	<u>\$ 114,788,395</u>

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position of Governmental Activities
June 30, 2025

Total governmental fund balances		\$ 110,969,631
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 143,211,294	
Less accumulated depreciation	<u>(46,972,145)</u>	96,239,149
<p>Net OPEB asset is not an available resource and, therefore is not reported in the funds.</p>		
		562,932
<p>Some liabilities, including net pension and OPEB liabilities, bonds payable, and leases, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated absences	\$ (1,460,987)	
Net pension/OPEB liability	(12,984,536)	
Subscription liability	(754,280)	
Bonds payable	(13,900,000)	
Bond premiums	<u>(1,631,699)</u>	(30,731,502)
<p>Property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds</p>		
		103,275
<p>Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds</p>		
		146,450
<p>Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.</p>		
Deferred outflows	\$ 9,960,862	
Deferred inflows	<u>(2,731,459)</u>	7,229,403
Total net position of governmental activities		<u><u>\$ 184,519,338</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

REVENUES	<u>General</u>	<u>Special Projects (Special Revenue)</u>	<u>Streets (Capital Projects)</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Property taxes	\$ 2,998,595	\$ -	\$ -	\$ 1,889,615	\$ 4,888,210
City sales taxes	19,576,235	-	-	-	19,576,235
Franchise taxes	1,237,374	-	-	-	1,237,374
Licenses, permits and fees	3,040,847	-	-	-	3,040,847
Intergovernmental revenue	15,206,201	1,430,688	4,008,238	3,750,088	24,395,215
Charges for services	424,578	-	-	-	424,578
Fees	1,422,062	-	-	-	1,422,062
Fines and forfeitures	370,010	-	-	103,359	473,369
Investment earnings	3,923,371	62,078	440,117	267,764	4,693,330
Other revenues	243,148	19,320	-	-	262,468
Total revenues	<u>48,442,421</u>	<u>1,512,086</u>	<u>4,448,355</u>	<u>6,010,826</u>	<u>60,413,688</u>
EXPENDITURES					
Current:					
General government	16,435,684	10,025	-	-	16,445,709
Public safety	20,648,179	1,207,834	-	39,899	21,895,912
Public works/streets	-	-	-	3,270,218	3,270,218
Capital outlay	2,704,310	123,778	5,487,545	1,207,017	9,522,650
Debt service					
Principal	368,999	-	-	1,380,000	1,748,999
Interest and fiscal charges	33,901	-	-	650,925	684,826
Total expenditures	<u>40,191,073</u>	<u>1,341,637</u>	<u>5,487,545</u>	<u>6,548,059</u>	<u>53,568,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,251,348</u>	<u>170,449</u>	<u>(1,039,190)</u>	<u>(537,233)</u>	<u>6,845,374</u>
OTHER FINANCING SOURCES (USES)					
Debt issued	25,543	-	-	-	25,543
Sale of assets	42,741	-	-	-	42,741
Transfers out	(2,002,000)	-	-	-	(2,002,000)
Transfers in	4,510,000	-	-	2,002,000	6,512,000
Total other financing sources (uses)	<u>2,576,284</u>	<u>-</u>	<u>-</u>	<u>2,002,000</u>	<u>4,578,284</u>
Net change in fund balances	10,827,632	170,449	(1,039,190)	1,464,767	11,423,658
Fund balances, beginning of year	83,570,196	1,106,226	9,444,640	5,424,911	99,545,973
Fund balances, end of year	<u>\$ 94,397,828</u>	<u>\$ 1,276,675</u>	<u>\$ 8,405,450</u>	<u>\$ 6,889,678</u>	<u>\$ 110,969,631</u>

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 11,423,658
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the difference between depreciation expense and capital outlay in the current period.</p>		
Capital outlay	\$ 9,522,650	
Depreciation/amortization expense	<u>(4,497,279)</u>	5,025,371
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and transfers) is to decrease net position.</p>		
		(931,792)
<p>Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(10,453)
<p>Governmental funds report the effect of premiums, discounts, and other similar items when debt is first issued, whereas these items are deferred and amortized over the term of the long-term debt in the Statement of Activities.</p>		
Amortization of bond premium	165,553	
Amortization of deferred charge on refunding	<u>(48,818)</u>	116,735
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources in the governmental funds but increases long-term liabilities in the Statement of Net Position.</p>		
Subscription-based information technology arrangements incurred	<u>(25,543)</u>	(25,543)
<p>Repayment of long-term debt (e.g., bonds, leases) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
Subscription-based information technology arrangements payments	368,999	
Bond principal retirement	<u>1,380,000</u>	1,748,999
<p>Pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension/OPEB liability is measured a year before the City's report date. Pension/OPEB expense, which is the change in the net pension liability/OPEB adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.</p>		
Pension/OPEB contributions	\$ 6,726,988	
Pension/OPEB expense	<u>(2,694,149)</u>	4,032,839
<p>Compensated absences 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.</p>		
		(106,070)
Change in net position of governmental activities		<u><u>\$ 21,273,744</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	(Nonmajor) Sanitation	Totals
ASSETS				
Current Assets:				
Cash	\$ 20,425,333	\$ 8,705,928	\$ 2,758,753	\$ 31,890,014
Receivables, net of allowance	1,215,029	311,638	214,687	1,741,354
Due from other governments	15,000	-	-	15,000
Inventories	8,576,330	-	-	8,576,330
Total current assets	<u>30,231,692</u>	<u>9,017,566</u>	<u>2,973,440</u>	<u>42,222,698</u>
Noncurrent Assets:				
Net OPEB asset	53,730	21,993	-	75,723
Land	129,769	791,851	-	921,620
Construction in progress	468,084	995,905	-	1,463,989
System improvements	39,312,117	34,442,161	-	73,754,278
Land improvements	3,935,152	2,057,663	-	5,992,815
Buildings and improvements	3,762,648	2,711,304	-	6,473,952
Equipment and vehicles	2,687,122	2,464,038	-	5,151,160
Right-of-use assets	106,968	-	-	106,968
Accumulated depreciation and amortization	(32,048,923)	(22,676,979)	-	(54,725,902)
Total noncurrent assets	<u>18,406,667</u>	<u>20,807,936</u>	<u>-</u>	<u>39,214,603</u>
Total Assets	<u>48,638,359</u>	<u>29,825,502</u>	<u>2,973,440</u>	<u>81,437,301</u>
Deferred Outflows of Resources				
Deferred outflows related to pensions/OPEB	337,482	138,135	-	475,617
Total deferred outflows of resources	<u>337,482</u>	<u>138,135</u>	<u>-</u>	<u>475,617</u>
LIABILITIES				
Current liabilities:				
Accounts payable	524,554	171,451	135,057	831,062
Accrued wages and benefits	55,312	20,759	-	76,071
Interest payable	117,833	3,389	-	121,222
Customer deposits	2,032,492	-	-	2,032,492
Compensated absences - current portion	74,738	35,832	-	110,570
Lease payable - current portion	5,108	-	-	5,108
Loans payable - current portion	1,476,963	27,414	-	1,504,377
Total current liabilities	<u>4,287,000</u>	<u>258,845</u>	<u>135,057</u>	<u>4,680,902</u>
Noncurrent liabilities:				
Compensated absences	61,100	29,185	-	90,285
Leases payable, net of current portion	89,086	-	-	89,086
Loans payable, net of current portion	9,419,812	214,635	-	9,634,447
Net pension/OPEB liabilities	1,458,676	597,047	-	2,055,723
Total noncurrent liabilities	<u>11,028,674</u>	<u>840,867</u>	<u>-</u>	<u>11,869,541</u>
Total liabilities	<u>15,315,674</u>	<u>1,099,712</u>	<u>135,057</u>	<u>16,550,443</u>
Deferred Inflows of Resources				
Deferred inflows related to pensions/OPEB	115,016	47,077	-	162,093
NET POSITION				
Net investment in capital assets	14,915,579	20,543,894	-	35,459,473
Unrestricted	18,629,572	8,272,954	2,838,383	29,740,909
Total net position	<u>\$ 33,545,151</u>	<u>\$ 28,816,848</u>	<u>\$ 2,838,383</u>	<u>\$ 65,200,382</u>

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	(Nonmajor) Sanitation	Totals
Operating Revenues				
Charges for services	\$ 11,694,857	\$ 3,877,820	\$ 2,470,557	\$ 18,043,234
Other revenues	156,253	-	-	156,253
Total operating revenues	<u>11,851,110</u>	<u>3,877,820</u>	<u>2,470,557</u>	<u>18,199,487</u>
Operating Expenses				
Cost of sales and services	4,082,066	1,174,298	1,621,309	6,877,673
Salaries and benefits	2,483,258	667,915	32,000	3,183,173
Depreciation	1,813,719	1,096,105	-	2,909,824
Total operating expenses	<u>8,379,043</u>	<u>2,938,318</u>	<u>1,653,309</u>	<u>12,970,670</u>
Operating income	<u>3,472,067</u>	<u>939,502</u>	<u>817,248</u>	<u>5,228,817</u>
Non-operating Revenues (Expenses)				
Interest income	841,945	407,173	108,624	1,357,742
Grant revenue	67,620	-	-	67,620
Interest expense and fiscal charges	<u>(72,214)</u>	<u>(3,147)</u>	<u>-</u>	<u>(75,361)</u>
Total non-operating revenue (expense)	<u>837,351</u>	<u>404,026</u>	<u>108,624</u>	<u>1,350,001</u>
Income (loss) before contributions and transfers	4,309,418	1,343,528	925,872	6,578,818
Capital contributions	-	825,000	-	825,000
Transfers out	(3,361,000)	(2,400,000)	(357,000)	(6,118,000)
Transfers in	<u>214,000</u>	<u>1,394,000</u>	<u>-</u>	<u>1,608,000</u>
Change in net position	1,162,418	1,162,528	568,872	2,893,818
Total net position, beginning of year	<u>32,382,733</u>	<u>27,654,320</u>	<u>2,269,511</u>	<u>62,306,564</u>
Total net position, end of year	<u>\$ 33,545,151</u>	<u>\$ 28,816,848</u>	<u>\$ 2,838,383</u>	<u>\$ 65,200,382</u>

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	(Nonmajor) Sanitation	Totals
Cash Flows From Operating Activities:				
Cash received from customers, service fees	\$ 11,538,661	\$ 3,916,803	\$ 2,466,552	\$ 17,922,016
Cash received from customers, other	161,188	-	-	161,188
Cash paid to suppliers	(3,042,755)	(1,331,798)	(1,601,454)	(5,976,007)
Cash paid to employees	(2,200,013)	(813,327)	(32,000)	(3,045,340)
Cash flows from operating activities	<u>6,457,081</u>	<u>1,771,678</u>	<u>833,098</u>	<u>9,061,857</u>
Cash Flows From Noncapital				
Financing Activities:				
Transfers to other funds	(3,361,000)	(2,400,000)	(357,000)	(6,118,000)
Transfers from other funds	214,000	1,394,000	-	1,608,000
Proceeds from grants	67,620	-	-	67,620
Cash flows from noncapital financing activities	<u>(3,079,380)</u>	<u>(1,006,000)</u>	<u>(357,000)</u>	<u>(4,442,380)</u>
Cash Flows From Capital and Related				
Financing Activities:				
Purchase of capital assets	(1,329,280)	(1,424,916)	-	(2,754,196)
Principal paid on loans	(1,553,549)	(26,667)	-	(1,580,216)
Interest paid	(93,007)	(3,520)	-	(96,527)
Cash flows from capital and related financing activities	<u>(2,975,836)</u>	<u>(1,455,103)</u>	<u>-</u>	<u>(4,430,939)</u>
Cash Flows From Investing Activities:				
Interest on investments	841,945	407,173	108,624	1,357,742
Net change in cash and cash equivalents	1,243,810	(282,252)	584,722	1,546,280
Cash and cash equivalents, including temporarily restricted cash, beginning of year	<u>19,181,523</u>	<u>8,988,180</u>	<u>2,174,031</u>	<u>30,343,734</u>
Cash and cash equivalents, including temporarily restricted cash, end of year	<u>\$ 20,425,333</u>	<u>\$ 8,705,928</u>	<u>\$ 2,758,753</u>	<u>\$ 31,890,014</u>
Reconciliation of operating income to net cash flows from operating activities:				
Net operating income	\$ 3,472,067	\$ 939,502	\$ 817,248	\$ 5,228,817
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	1,813,719	1,096,105	-	2,909,824
Pension/OPEB expense	400,608	(107,405)	-	293,203
Employer pension/OPEB contributions	(173,900)	(71,179)	-	(245,079)
Changes in operating assets and liabilities:				
(Increase) decrease in receivables	(156,196)	38,983	(4,005)	(121,218)
(Increase) decrease in inventory	949,611	-	-	949,611
Increase (decrease) in accounts payable	89,700	(157,500)	19,855	(47,945)
Increase (decrease) in accrued payroll and employee benefits	17,519	7,174	-	24,693
Increase (decrease) in compensated absences	39,018	25,998	-	65,016
Increase (decrease) in customer deposits	4,935	-	-	4,935
Net cash flows from operating activities	<u>\$ 6,457,081</u>	<u>\$ 1,771,678</u>	<u>\$ 833,098</u>	<u>\$ 9,061,857</u>
Supplemental Schedule of Non-cash				
Financing and Investing Activities:				
Contributions of capital assets	\$ -	\$ 825,000	\$ -	\$ 825,000

The accompanying notes are an integral part of the financial statements.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies

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

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting entity

The City is a municipal entity governed by an elected mayor and council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City, the primary government.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units combined with the City for financial statement presentation purposes, and the City, are not included in any other governmental reporting entity. Consequently, the City's financial statements include the funds of those organizational entities for which its elected governing body is financially accountable.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and wastewater functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, Continued

Basis of presentation – fund financial statements

The fund financial statements provide information about the City’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City’s primary operating fund. It accounts for all financial resources of the general government, except for those accounted for in another fund.

The **Special Projects Fund** is used to account for the funding for various City special projects.

The **Streets (Capital Projects) Fund** is used to account for the City’s construction and acquisition of streets and street department facilities.

The City reports the following major enterprise funds:

The **Water Fund** accounts for the activities of pumping, treating and distribution of water.

The **Sewer Fund** account for the activities of sewer collection and treatment.

The Sanitation Fund is a nonmajor enterprise fund and it accounts for the collection of solid waste and related services.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, Continued

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Property taxes, sales taxes, state shared revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, Continued

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Deposits and investments

Cash includes cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, obligations of the U. S. Government and other investments as allowed by Arizona State Statutes.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The reported value of the state treasurer's pool is the same as the fair value of the pools shares.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Internal balances" in the Statement of Net Position and as "Due to" or "Due from" other funds in the fund financial statements. All trade accounts receivable in the General Fund and proprietary funds are shown net of an allowance for doubtful accounts.

Inventories and prepaid items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories for the proprietary funds consist of water credits purchased and held for future consumption. Inventories of materials used in the repair of the distribution, collection and treatment systems and are not deemed material and have not been reported.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), including those that are leased by the City or are a subscription asset are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$30,000 and an estimated useful life in excess of one year. Capitalized assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, Continued

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. General government infrastructure capital assets include only those assets acquired or constructed since July 1, 2003.

Land and construction in progress are not depreciated. Depreciation/amortization for other property, plant, equipment, and infrastructure is computed using the straight-line method over the following estimated useful lives:

Building and improvements	10 to 50 years
Machinery and equipment	5 to 20 years
Vehicles	5 to 15 years
Streets, sidewalks & other infrastructure	7 to 30 years
Land improvements	10 to 25 years
Sewer plant	20 to 50 years
Sewer collection system	15 to 25 years
Water infrastructure	10 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset lives above, unless the lease contains a purchase option that the City is reasonably certain of being exercised - then the lease asset is amortized over the useful life of the underlying asset.

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has two types of items that qualify for reporting in this category. It is the deferred amount on refunding and pension/OPEB related items reported on the government-wide and proprietary fund financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. Lease related items that are reported both on the modified accrual basis of accounting and full accrual basis of accounting. Pension/OPEB related items reported on the government-wide and proprietary fund financial statements. Unavailable revenues are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grants and taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, Continued

Postemployment benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plan's fiduciary net position of the Arizona State Retirement System (ASRS) and the Arizona Public Safety Personnel Retirement System (PSPRS), and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by ASRS and PSPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, Continued

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The council has authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

Property tax revenues are recognized as revenues in the year collected or if collected within 60 days thereafter unless they are prepaid. Maricopa County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments on October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquency date.

The County also levies various personal property taxes during the year. A lien against property assessed attaches on the first day of January preceding the assessment and levy.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, Continued

Compensated absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, one type of leave qualify for liability recognition for compensated absences – vacation leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The City’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment.

Leases and Subscription-Based Information Technology Arrangements

Leases

As lessee, the City recognizes lease liabilities with an initial, individual value of \$25,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the City.

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

Subscription-Based Information Technology Arrangements

The City recognizes subscription liabilities with an initial, individual value that is sufficient to meet the criteria of the City's policy. The City uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The City's estimated incremental borrowing rate is calculated as described above for leases.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, Continued

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, wastewater fund, refuse fund, and internal service funds are charges to customers for sales and services. The water and wastewater funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Tax abatements

The City has not entered into any tax abatement agreements and the City is not aware of any tax abatement agreements that have been entered into by other governments that would reduce the City's tax revenues.

Use of estimates

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

New Pronouncements

For the year ended June 30, 2025, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, which provides updated recognition and measurement guidance for compensated absences. Implementation of this new statement did not have a material impact on the City.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 22.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes 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. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 24.

Note 3. Stewardship, Compliance, and Accountability

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the City. The use of budgets and monitoring of equity status facilitate the City's compliance with legal requirements.

Budgets and budgetary accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the City Manager submits a proposed budget for the fiscal year commencing the following July 1 to the City Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to the third Monday in August, the expenditure limitation for the City is legally enacted through passage of a resolution. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the State each year. This report, issued under a separate cover, reconciles total City expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 3. Stewardship, Compliance, and Accountability, Continued

4. State law requires that, prior to April 1, the Economic Estimates Commission provide the City with a final expenditure limit for the coming fiscal year.
5. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the City adopts a budget by department for the General Fund and in total by fund for other funds. The City Council has adopted a budget transfer policy and all amendments must be done in accordance with this policy.
6. The City has adopted budgets in accordance with A.R.S. requirements and utilizes the budgets as a management control device during the year for the General, Special Revenue, Capital Projects, Debt Service, and Enterprise funds. The budgets are prepared on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

The City is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the City to spend more than budgeted expenses. The limitation is applied to the total of the combined funds. The City complied with this law during the year.

Supplementary budgetary appropriations were made during the year ended June 30, 2025.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation for future years, is employed by the City.

Expenditures over appropriations

Arizona state law stipulates that no expenditures may be made for a purpose not authorized in the annual budget. The individual Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports as listed in the table of contents present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2025, if any.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 4. Deposits and Investments

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the City’s deposit may not be returned to it. The City does not have a formal policy for custodial credit risk. At year end, the carrying amount of the City’s deposits was \$6,367,086 and the bank balance was \$6,533,272. The bank balance was fully covered by FDIC coverage or collateral held by the pledging financial institution in the City’s name.

Investments

The Arizona State Treasurer’s Office operates the Local Government Investment Pool (LGIP) with no regulatory oversight. The LGIP is available for investment of funds administered by any Arizona Public Treasurer.

The LGIP is not registered with the SEC as an investment company. The State Board of Investments provides oversight for the State Treasurer’s investment pools. Deposits in the LGIP are not insured or otherwise guaranteed by the State of Arizona, and participants share proportionally in any realized gain or losses on investments.

The provisions of State law (A.R.S. 35-323) govern the investment of funds in excess of \$100,000. A.R.S. 35-323 allows for investment in certificates of deposit, interest bearing savings accounts, repurchase agreements with a maximum maturity of 180 days, pooled investment funds established by the State Treasurer, obligations guaranteed by the United States, bonds of the State of Arizona or other local municipalities, commercial paper of prime quality that is rated “P1” by Moody’s investors or “A1” by Standard and Poor’s rating service, and bonds, debentures or notes that are issued by corporations organized and doing business in the United States subject to certain restrictions. For investments of less than \$100,000, procedures as specified by local ordinance or resolution must be followed.

As of June 30, 2025, the carrying amount of the City’s deposits and investments are as follows:

	Fair Value	Credit Rating (1)	Weighted Average Maturity (2)
Cash on deposit	\$ 6,367,086	N/A	N/A
Cash on hand	3,800	N/A	N/A
Local Governments Investment Pool 5	136,318,226	AAAf/S1+	0.09 years
	\$ 142,689,112		

(1) Ratings are provided where applicable to indicate associated Credit Risk.

(2) Interest Rate Risk is estimated using the weighted average years to maturity.

N/A indicates not applicable.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 4. Deposits and Investments, Continued

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with State law (A.R.S. 35-323). A.R.S. 35-323 limits investment in commercial paper and corporate bonds to the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's and Moody's Investor Services.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (A.R.S. 35- 323). A.R.S. 35-323 requires that the City's investment portfolio maturities do not exceed five years from the time of purchase.

Fair value measurements

As noted above, the City holds investments that are measured at fair value on a recurring basis. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Local Government Investment Pool, as listed above, is valued using quoted market prices (Level 2 inputs).

Note 5. Receivables

Intergovernmental receivables consist principally of amounts due from the State of Arizona for various taxes, shared revenues, and highway user revenues.

Accounts receivable in the proprietary funds are for service billings and are shown net of an allowance for doubtful accounts.

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Business-type receivables:				
Gross Receivables	\$ 2,177,848	\$ 590,409	\$ 337,824	\$ 3,106,081
Allowance for Doubtful Accounts	(962,819)	(278,771)	(123,137)	(1,364,727)
	<u>\$ 1,215,029</u>	<u>\$ 311,638</u>	<u>\$ 214,687</u>	<u>\$ 1,741,354</u>

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 5. Receivables , Continued

Leases Receivables

As of June 30, 2025, the City is reporting Leases Receivable of \$971,092 and Deferred Inflows Related to Leases of \$916,785. For the fiscal year 2025, the City reported lease revenue of \$72,034 and interest revenue of \$30,045, related to lease payments received. From time to time, the City's lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. The City recognized an insignificant amount of revenue related to these variable lease payments and they have not been further disclosed or included in the measurement of the City's lease receivables. The City's leases are summarized as follows:

<u>Lease</u>	<u>Lease Receivable</u>	<u>Deferred Inflows Related to Leases</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
American Tower	\$ 221,977	\$ 191,064	\$ 13,487	\$ 6,725
Crown Atlantic	103,635	102,536	12,817	3,547
Crown Atlantic	119,058	115,892	14,487	4,012
Verizon	368,383	357,812	22,363	10,862
Viewpoint	158,039	149,481	8,880	4,899
Total	<u>\$ 971,092</u>	<u>\$ 916,785</u>	<u>\$ 72,034</u>	<u>\$ 30,045</u>

The descriptions for each lease are listed below.

American Tower - On October 17, 2012, the City entered into a five-year lease as Lessor for the use of real property. The lessee has four extension options for an additional five years and the City is reasonably certain that the lessee will renew the lease. The lessee is required to make annual fixed payments of \$12,000. The lease has an interest rate of 3.038%. Based on this agreement, the City is receiving payments through 2039.

Crown Atlantic - On March 15, 2010, the City entered into a five-year lease as Lessor for the use of real property. The lessee has five extension options for an additional five years and the City is reasonably certain that the lessee will renew the lease. The lessee is required to make annual fixed payments of \$13,140. The lease has an interest rate of 3.038%. Based on this agreement, the City is receiving payments through 2033.

Crown Atlantic - Fiscal Year - On March 1, 1999, the City entered into a five-year lease as Lessor for the use of real property. The lessee has five extension options for an additional five years and the City is reasonably certain that the lessee will renew the lease. The lessee is required to make annual fixed payments of \$16,987. The lease has an interest rate of 3.038%. Based on this agreement, the City is receiving payments through 2033.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 5. Receivables , Continued

Verizon - Fiscal Year - On February 1, 2017, the City entered into a five-year lease as Lessor for the use of real property. The lessee has five extension options for an additional five years and the City is reasonably certain that the lessee will renew the lease. The lessee is required to make annual fixed payments of \$124,107. The lease has an interest rate of 3.038%. Based on this agreement, the City is receiving payments through 2042.

Viewpoint - Fiscal Year - On March 6, 2012, the City entered into a twenty-year lease as Lessor for the use of real property. The lessee has no extension options. The lessee is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 3.038%. Based on this agreement, the City is receiving payments through 2042.

Future payments due to the City are as follows for the years ending June 30:

Fiscal year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 28,445	\$ 29,201	\$ 57,646
2027	166,338	28,332	194,670
2028	34,374	23,272	57,646
2029	35,423	22,223	57,646
2030	36,505	21,141	57,646
2031-2035	404,200	59,366	463,566
2036-2040	244,718	18,311	263,029
2041-2042	21,089	656	21,745
Total	\$ 971,092	\$ 202,502	\$ 1,173,594

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 6. Capital Assets

The following table summarizes the changes to capital assets for governmental activities during the year:

Governmental Activities:	Balance 06/30/24	Additions	Deletions	Balance 06/30/25
Capital assets not being depreciated/amortized:				
Land	\$ 11,203,973	\$ 1,871,051	\$ -	\$ 13,075,024
Construction in progress	13,508,190	9,467,106	(22,643,397)	331,899
Total capital assets not being depreciated/ amortized	<u>24,712,163</u>	<u>11,338,157</u>	<u>(22,643,397)</u>	<u>13,406,923</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	29,681,943	447,943	-	30,129,886
Equipment and vehicles	13,441,524	453,311	(697,709)	13,197,126
Land improvements	3,670,080	139,556	-	3,809,636
Infrastructure	62,091,734	18,906,537	-	80,998,271
Right-to-use subscription assets	1,643,909	25,543	-	1,669,452
Total capital assets being depreciated/ amortized	<u>110,529,190</u>	<u>19,972,890</u>	<u>(697,709)</u>	<u>129,804,371</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(6,023,932)	(669,557)		(6,693,489)
Equipment and vehicles	(8,233,697)	(1,128,420)	620,917	(8,741,200)
Land improvements	(1,495,338)	(207,718)	-	(1,703,056)
Infrastructure	(26,796,643)	(2,122,585)	-	(28,919,228)
SBITA	(546,173)	(368,999)		(915,172)
Total accumulated depreciation/amortization	<u>(43,095,783)</u>	<u>(4,497,279)</u>	<u>620,917</u>	<u>(46,972,145)</u>
Total capital assets being depreciated/ amortized, net	<u>67,433,407</u>	<u>15,475,611</u>	<u>(76,792)</u>	<u>82,832,226</u>
Governmental activities capital assets, net	<u>\$ 92,145,570</u>	<u>\$ 26,813,768</u>	<u>\$ (22,720,189)</u>	<u>\$ 96,239,149</u>

Depreciation/amortization expense was charged to the functions/programs of the City as follows:

Governmental Activities:	
General government	\$ 1,520,880
Public safety	1,379,744
Public works/streets	1,596,655
Total depreciation/amortization expense	<u>\$ 4,497,279</u>

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 6. Capital Assets, Continued

The following table summarizes the changes to capital assets for business-type activities during the year:

Business-Type Activities:	Balance 06/30/24	Additions	Deletions	Balance 06/30/25
Capital assets not being depreciated/amortized:				
Land	\$ 921,620	\$ -	\$ -	\$ 921,620
Construction in progress	2,348,393	3,479,414	(4,363,818)	1,463,989
Total capital assets not being depreciated/amortized	<u>3,270,013</u>	<u>3,479,414</u>	<u>(4,363,818)</u>	<u>2,385,609</u>
Capital assets being depreciated/amortized:				
Sewer Plant	23,051,857	155,354	-	23,207,211
Water mains and lines	39,268,139	43,978	-	39,312,117
Sewer collection system	10,240,171	994,779	-	11,234,950
Land improvements	5,679,346	313,469	-	5,992,815
Buildings and improvements	3,692,755	2,781,197	-	6,473,952
Equipment and vehicles	5,076,120	75,040	-	5,151,160
Right-to-use lease assets	106,968	-	-	106,968
Total capital assets being depreciated/amortized	<u>87,115,356</u>	<u>4,363,817</u>	<u>-</u>	<u>91,479,173</u>
Less accumulated depreciation/amortization for:				
Sewer Plant	(9,743,931)	(642,385)	-	(10,386,316)
Water mains and lines	(24,542,632)	(1,454,727)	-	(25,997,359)
Sewer collection system	(8,048,356)	(204,628)	-	(8,252,984)
Land improvements	(4,862,394)	(112,351)	-	(4,974,745)
Buildings and improvements	(1,155,770)	(213,445)	-	(1,369,215)
Equipment and vehicles	(3,448,889)	(275,235)	-	(3,724,124)
Right-to-use lease assets	(14,106)	(7,053)	-	(21,159)
Total accumulated depreciation/amortization	<u>(51,816,078)</u>	<u>(2,909,824)</u>	<u>-</u>	<u>(54,725,902)</u>
Total capital assets being depreciated/amortized, net	<u>35,299,278</u>	<u>1,453,993</u>	<u>-</u>	<u>36,753,271</u>
Business-type activities capital assets, net	<u>\$ 38,569,291</u>	<u>\$ 4,933,407</u>	<u>\$ (4,363,818)</u>	<u>\$ 39,138,880</u>

Depreciation/amortization expense was charged to the functions/programs of the City as follows:

Business-Type Activities:	
Water	\$ 1,813,720
Sewer	1,096,104
Total depreciation/amortization expense	<u>\$ 2,909,824</u>

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 7. Long-Term Liabilities

The following is a summary of changes in long-term obligations for the current fiscal year:

	Balance 06/30/24	Additions	Retirements	Balance 06/30/25	Current Portion
Governmental activities					
Bonds payable	\$ 15,280,000	\$ -	\$ (1,380,000)	\$ 13,900,000	\$ 1,430,000
Bond premium	1,797,252	-	(165,553)	1,631,699	-
Net bonds payable	<u>17,077,252</u>	<u>-</u>	<u>(1,545,553)</u>	<u>15,531,699</u>	<u>1,430,000</u>
Subscription liabilities	1,097,736	25,543	(368,999)	\$ 754,280	307,132
Net pension/OPEB liabilities	15,815,804	-	(2,831,268)	12,984,536	-
Accrued compensated absences *	1,354,917	106,070	-	1,460,987	799,016
Total governmental activities	<u>\$ 35,345,709</u>	<u>\$ 131,613</u>	<u>\$ (4,745,820)</u>	<u>\$ 30,731,502</u>	<u>\$ 2,536,148</u>
Business-Type activities					
Accrued compensated absences *	\$ 135,839	\$ 65,017	\$ -	\$ 200,856	\$ 110,570
Loans payable from direct borrowings	12,714,464	-	(1,575,640)	11,138,824	1,504,377
Leases payable	98,770	-	(4,576)	94,194	5,108
Net pension/OPEB liabilities	1,997,043	58,680	-	2,055,723	-
Total business-type activities	<u>\$ 14,946,116</u>	<u>\$ 123,697</u>	<u>\$ (1,580,216)</u>	<u>\$ 13,489,597</u>	<u>\$ 1,620,055</u>
Total long-term liabilities	<u>\$ 50,291,825</u>	<u>\$ 255,310</u>	<u>\$ (6,326,036)</u>	<u>\$ 44,221,099</u>	<u>\$ 4,156,203</u>

*The change in compensated absences above is a net change for the year.

Generally, resources from the General fund are used to liquidate net pension liabilities and OPEB liabilities, for governmental activities.

In prior years, the City issued general obligation bonds series 2022 with an average interest rate of 4.35% to refund older, higher-rate issues with an average interest rate of 4.71%. The City realized net proceeds of \$12,730,886 after payment of \$231,432 in underwriting fees, insurance, and other issuance costs. The refunded 2012 general obligation bonds are considered fully defeased, and related liabilities are not included in the City's financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$376,462. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt, which had a shorter remaining life than the refunding debt. The current refunding reduced the City's total debt service payments causing an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,299,043.

The City has issued general obligation, revenue and refunding bonds to refund prior year issuances and to finance various municipal, public safety, streets, and park projects. The total outstanding principal does not include related bond premiums of \$1,631,699.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 7. Long-Term Liabilities, Continued

Governmental activities	Original amount issued	Interest rate	Maturity	Outstanding principal
G.O. Refunding Bonds, Series 2017	\$ 8,385,000	2.0 - 4.0%	July 1, 2029	\$ 4,230,000
G.O. Refunding Bonds, Series 2022	11,575,000	3.0 - 5.0%	July 1, 2042	9,670,000
Total				<u>\$ 13,900,000</u>

Principal payments on the governmental activities bonds payable at year end are summarized as follows:

Years ending June 30:	Governmental Activities	
	Principal	Interest
2026	\$ 1,430,000	\$ 595,000
2027	1,480,000	541,700
2028	1,455,000	482,500
2029	1,510,000	424,300
2030	460,000	359,550
2031-2035	2,655,000	1,430,250
2036-2040	3,360,000	718,000
2041-2045	1,550,000	88,325
	<u>\$ 13,900,000</u>	<u>\$ 4,639,625</u>

The City currently has no outstanding direct borrowings related to governmental-type activities.

The City has entered into a number of separate Water Infrastructure Finance Authority (WIFA) loan agreements to refund a prior year issuance and to finance water and sewer facilities and infrastructure upgrades.

Business-type activities	Original amount issued	Interest rate	Remaining maturities	Outstanding principal
WIFA loan, DE 050-2005	\$ 16,550,000	2.93%	July 1, 2025	\$ 709,248
WIFA loan, DW 2008	4,040,000	2.75%	July 1, 2027	817,403
WIFA loan, 920227-13	4,550,000	2.80%	July 1, 2032	1,816,512
WIFA loan, 910145-13	500,000	2.80%	July 1, 2032	242,049
WIFA loan, 920305-21	8,687,500	1.87%	July 1, 2045	7,553,612
Total				<u>\$ 11,138,824</u>

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 7. Long-Term Liabilities, Continued

Principal and interest payments on business-type activities loans payable at year end are summarized as follows:

Years ending June 30:	Business-Type Activities Direct Borrowings	
	Principal	Interest
2026	\$ 1,504,377	\$ 222,360
2027	814,512	192,342
2028	834,383	172,220
2029	567,162	155,548
2030	580,134	146,065
2031-2035	2,516,633	520,370
2036-2040	1,855,406	319,257
2041-2045	2,035,871	137,101
2046	430,346	4,032
	\$ 11,138,824	\$ 1,869,295

Pledged revenues – business-type activities.

The City has pledged future water and sewer revenues to repay the outstanding WIFA loans of The City's outstanding notes from direct borrowings related to business-type activities of \$11,138,824 as of year-end. The agreement contains a provision that the future net revenues will exceed 1.2 times the annual debt service. In 2005, the voters authorized the City to enter into agreements for water and sewer debt up to \$32,000,000. To date the City has issued all its voter authorized water and sewer debt. However, the City is no longer required to receive voter approval to issue water and sewer debt. Proceeds from the original loan issuance provided financing for improvements to the City's water and sewer systems infrastructure and to refund certificates of participation. The loans are paid solely from water and sewer revenues and are payable through July 2045.

In an event of default, the lender shall have the right to take action permitted in the agreement and by law to collect the amounts then due and thereafter to become due on their scheduled payment dates as well as other actions including without limitation appointment of a receiver of the System.

Nothing in this Note is intended to provide legal advice related to City issued debt. For further guidance on debt instruments and guarantees consult with a professional or review the loan documents.

Due to reporting requirements and the timing of the July 1st WIFA payments, other City bonded indebtedness reports may not equal the amounts reported in these financial statements.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 7. Long-Term Liabilities, Continued

Leases and Subscription-Based Information Technology Arrangements (SBITAs)

Leases

The City has obtained the right to use assets under the provisions of its lease agreements. The City, as a lessee, has entered into a lease agreement for the use of certain property for the installation of a cellular tower. An initial lease liability was recorded in the amount of \$106,989. As of June 30, 2025, the value of the lease liability is \$94,194. City of El Mirage is required to make monthly fixed payments of \$596. The lease has an interest rate of 3.08%. The buildings estimated useful life was 182 months as of the contract commencement. The value of the right-to-use asset as of June 30, 2024 of \$106,969 with accumulated amortization of \$21,159.

The following schedule details minimum lease payments to maturity for the City's leases:

Years ending June 30:	Business-Type Activities	
	Principal	Interest
2026	\$ 5,108	\$ 2,787
2027	5,504	2,626
2028	5,921	2,453
2029	6,358	2,267
2030	6,816	2,068
2031-2035	41,759	6,824
2036-2040	22,728	787
	\$ 94,194	\$ 19,812

SBITAs

The City has obtained the right to use various IT software under the provisions of various subscription-based information technology arrangements. These arrangements consist of software for procurement, public safety systems, payroll and human resources systems, and general IT systems. The terms for these arrangements range from 2 to 5 years, with the last arrangement expiring in 2029. The subscription liabilities were determined with an annual borrowing rate of 3.04%.

The total amount of subscription assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	
Infrastructure	\$ 1,669,452
Less accumulated amortization	(915,172)
Carrying Value	\$ 754,280

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 7. Long-Term Liabilities, Continued

The following schedule details minimum subscription payments to maturity for the City's subscriptions:

Years ending June 30:	Governmental Activities	
	Principal	Interest
2026	\$ 307,132	\$ 23,822
2027	287,208	10,842
2028	159,940	3,560
	\$ 754,280	\$ 38,224

Variable and Other Payments

From time to time, the City's leases and SBITAs include variable payments and other payments, such as termination penalties, that are not included in the lease/subscription liabilities because they are either not fixed in substance (variable) or the City is not reasonably certain the other payments will be required. The City recognized an insignificant amount of expenses related to these variable and other payments and they have not been further disclosed or included in the measurement of the lease/subscription liabilities.

Note 8. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables for the fiscal year ended June 30, 2025 are as follows:

Due From	Due To	
	General Fund	Total
Non-major fund	\$ 10,893	\$ 10,893
Total	\$ 10,893	\$ 10,893

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 8. Interfund Receivables, Payables, and Transfers, Continued

Interfund transfers for the fiscal year ended June 30, 2025 are as follows:

Transfers Out	Transfers In				
	General	Non-major	Water	Sewer	Total
General Fund	\$ -	\$ 2,002,000	\$ -	\$ -	\$ 2,002,000
Sewer	2,186,000	-	214,000	-	2,400,000
Water	1,967,000	-	-	1,394,000	3,361,000
Sanitation	357,000	-	-	-	357,000
Total	<u>\$ 4,510,000</u>	<u>\$ 2,002,000</u>	<u>\$ 214,000</u>	<u>\$ 1,394,000</u>	<u>\$ 8,120,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfers from the General Fund subsidize the operational costs of the Court, the Highway User Revenue Fund, and the Debt Service Fund. The Transfers from and between the Water and Sewer Funds and the General Fund represent the allocation of the customer service costs and the allocation of overhead.

Note 9. Pensions and Other Postemployment Benefits

The City contributes to the Arizona State Retirements System and Public Safety Personnel Retirement System plans described below. The plans are component units of the State of Arizona. At June 30, 2025, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>ASRS</u>	<u>PSPRS</u>	<u>Combined Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net pension/OPEB asset	\$ 413,715	\$ 224,939	\$ 638,654	\$ 562,932	\$ 75,722
Net pension/OPEB liabilities	11,231,657	3,808,602	15,040,259	12,984,536	2,055,723
Deferred outflows of resources	2,598,586	7,837,893	10,436,479	9,960,862	475,617
Deferred inflows of resources	885,612	2,007,940	2,893,552	2,731,459	162,093
Pension/OPEB expense	1,542,271	1,307,487	2,849,758	2,567,478	282,280

The City reported \$2,994,235 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

Arizona State Retirement System (ASRS)

Plan description – City employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

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

* With actuarially reduced benefits.

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.27 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and statute required the City to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 10.19 percent (10.14 percent for retirement and 0.05 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the ASRS would typically fill.

The City's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2025, were \$1,315,008, \$7,639, and \$16,369, respectively.

Liability – At June 30, 2025, the City reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB liability.

	Net pension/OPEB (asset) liability
Pension	\$ 11,229,856
Health insurance premium benefit	(413,715)
Long-term disability	1,801

The net asset and net liabilities were measured as of June 30, 2024. The total liability used to calculate the net asset and net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

The City's proportion of the net asset or net liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The City's proportion measured as of June 30, 2024, and the change from its proportions measured as of June 30, 2023, were:

	Proportion June 30, 2023	Proportion June 30, 2024	Increase (decrease) from June 30, 2023
Pension	0.064544%	0.070180%	0.005636%
Health insurance premium benefit	0.063178%	0.068470%	0.005292%
Long-term disability	0.063840%	0.069070%	0.005230%

Expense – For the year ended June 30, 2025, the City recognized pension and OPEB expense:

	<u>Pension/OPEB Expense</u>
Pension	\$ 1,596,774
Health insurance premium benefit	(63,157)
Long-term disability	8,654

Deferred outflows/inflows of resources – At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit		Long-Term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 626,840	\$ -	\$ 11,972	\$ 99,896	\$ 6,620	\$ 4,795
Changes of assumptions or other inputs	-	-	-	4,291	1,303	10,779
Net difference between projected and actual earnings on pension plan investments	-	717,149	-	28,439	-	1,967
Changes in proportion and differences between contributions and proportionate share of contributions	607,900	-	1,710	17,783	3,224	513
Contributions subsequent to the measurement date	1,315,008	-	7,639	-	16,369	-
Total	\$ 2,549,748	\$ 717,149	\$ 21,321	\$ 150,409	\$ 27,516	\$ 18,054

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized as expenses as follows:

Year Ended June 30,	Pension	Health Insurance Premium Benefit	Long-term disability
2026	\$ (4,904)	\$ (80,865)	\$ (2,623)
2027	835,634	(21,724)	131
2028	(181,534)	(20,670)	(2,471)
2029	(131,605)	(10,763)	(2,374)
2030	-	(2,705)	(710)
Thereafter	-	-	1,140

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.05%
Private equity	10%	6.11%
Interest rate sensitive	6%	(0.45)%
Totals	<u>100%</u>	

Discount rate – At June 30, 2024, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of			
Net pension liability	\$ 17,195,206	\$ 11,229,856	\$ 6,258,258
Net insurance premium benefit liability (asset)	(300,768)	(413,715)	(509,742)
Net long-term disability liability	6,195	1,801	(2,522)

Plan fiduciary net position – Detailed information about the plan's fiduciary net position is available in the separately issued ASRS financial report.

Public Safety Personnel Retirement System (PSPRS)

Plan description – City police and fire employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool), which are not further disclosed because of their relative insignificance to the City's financial statements.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. The reports are available on the PSPRS website at www.psprs.com.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

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

	Initial Membership Date:		
	Before January 1, 2012	On or After January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Retirement and Disability			
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited of service, age 52.5	15 years of credited service, age 52.5* 15 years or more of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent			
Normal Retirement	50% less 4.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	
Accidental Disability Retirement		50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement		90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement		Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit			
Retired Members		80% to 100% of retired member's pension benefit	
Active Members		80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

* With actuarially reduced benefits

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

Employees covered by benefit terms – At June 30, 2025, the following employees were covered by the agent plans’ benefit terms:

PSPRS - Police	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	28	28
Inactive employees entitled to but not yet receiving benefits	10	4
Active employees	18	18
Total	56	50
PSPRS - Fire	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	3	3
Inactive employees entitled to but not yet receiving benefits	5	2
Active employees	19	19
Total	27	24

Contributions – State Statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2025, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active member - Pension	City - Pension	City-Health insurance premium
PSPRS Police	7.65%	34.19%	0.38%
PSPRS Tier 3 risk pool	8.63%	8.63%	0.12%
PSPRS Fire	7.65%	15.70%	0.33%

In addition, statute required the City to contribute at the actuarially determined rate of 16.86% for police and 8% for fire of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the PSPRS would typically fill and employees participating in the PSPRS Tier 3 Risk Pool.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

The City's contributions to the plans for the year ended June 30, 2025, were:

PSPRS - Police	Pension	Health insurance premium benefit
PSPRS	\$ 5,162,754	\$ 14,502
PSPRS Tier 3 risk pool	59,258	824
PSPRS - Fire	Pension	Health insurance premium benefit
PSPRS	\$ 446,412	\$ 9,383
PSPRS Tier 3 risk pool	64,270	894

During fiscal year 2025, the City paid for PSPRS pension and OPEB contributions 100% from the general fund.

Liability – At June 30, 2025, the City reported the following assets and liabilities.

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS Police	\$ 3,563,066	\$ (119,657)
PSPRS Fire	\$ 245,536	\$ (105,282)

The net assets and net liabilities were measured as of June 30, 2024, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

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

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal
Investment rate of return	7.2%
Wage inflation	3.0 – 6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment benefit increase	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables.
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.2 using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Public Equity	24.00%	3.62%
International Public Equity	16.00%	4.47%
Global Private Equity	27.00%	7.05%
Core Bonds	6.00%	2.44%
Private credit	20.00%	6.24%
Diversifying Strategies	5.00%	3.15%
Cash - Mellon	2.00%	0.89%
Total	100.00%	

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

Discount Rate –At June 30, 2024, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Changes in the net pension/OPEB liability

PSPRS-Police	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	\$ 31,141,914	\$ 24,004,764	\$ 7,137,150	\$ 422,737	\$ 499,916	\$ (77,179)
Changes for the year:						
Service cost	579,392	-	579,392	9,742	-	9,742
Interest on total pension/OPEB liability	2,228,823	-	2,228,823	30,460	-	30,460
Difference between expected and actual experience in the measurement of the pension/OPEB liability	(237,986)	-	(237,986)	(25,323)	-	(25,323)
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	3,037,962	(3,037,962)	-	8,548	(8,548)
Contributions - employee	-	378,917	(378,917)	-	-	-
Net investment income	-	2,652,551	(2,652,551)	-	49,106	(49,106)
Benefit payments, including refunds of employee contributions	(1,530,874)	(1,530,874)	-	(18,844)	(18,844)	-
Plan administrative expenses	-	(17,918)	17,918	-	(297)	297
Other changes*	-	92,801	(92,801)	-	-	-
Net changes	1,039,355	4,613,439	(3,574,084)	(3,965)	38,513	(42,478)
Balances at June 30, 2025	\$ 32,181,269	\$ 28,618,203	\$ 3,563,066	\$ 418,772	\$ 538,429	\$ (119,657)

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

PSPRS-Fire	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	\$ 12,622,099	\$ 12,398,272	\$ 223,827	\$ 148,347	\$ 238,310	\$ (89,963)
Changes for the year:						
Service cost	460,502	-	460,502	8,719	-	8,719
Interest on total pension/OPEB liability	936,482	-	936,482	11,309	-	11,309
Difference between expected and actual experience in the measurement of the pension/OPEB liability	709,546	-	709,546	(4,569)	-	(4,569)
Contributions - employer	-	644,172	(644,172)	-	7,147	(7,147)
Contributions - employee	-	144,419	(144,419)	-	-	-
Net investment income	-	1,304,436	(1,304,436)	-	23,765	(23,765)
Benefit payments, including refunds of employee contributions	(151,821)	(151,821)	-	-	-	-
Plan administrative expenses	-	(8,206)	8,206	-	(134)	134
Net changes	1,954,709	1,933,000	21,709	15,459	30,778	(15,319)
Adjustment to beginning of year	-	-	-	-	-	-
Balances at June 30, 2025	\$ 14,576,808	\$ 14,331,272	\$ 245,536	\$ 163,806	\$ 269,088	\$ (105,282)

Sensitivity of the City's net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the City's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.2%, as well as what the City's net pension/OPEB (assets) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
PSPRS-Police			
Net pension (asset) / liability	\$ 8,010,589	\$ 3,563,066	\$ (57,781)
Net OPEB (asset)/ liability	(72,837)	(119,657)	(159,003)
PSPRS-Fire			
Net pension (asset) / liability	\$ 2,676,894	\$ 245,536	\$ (1,713,425)
Net OPEB (asset)/ liability	(83,241)	(105,282)	(123,779)

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

Plan fiduciary net position – Detailed information about the plans’ fiduciary net position is available in the separately issued PSPRS financial report.

Expense – For the year ended June 30, 2025, the City recognized the following pension and OPEB expense:

	<u>Pension expense</u>	<u>OPEB expense</u>
PSPRS Police	\$ 1,040,127	\$ (19,579)
PSPRS Fire	\$ 294,115	\$ (7,176)

Deferred outflows/inflows of resources – At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS - Police

	<u>Pension</u>		<u>Health Insurance Premium Benefit</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 728,030	\$ 244,083	\$ 38,380	\$ 99,540
Changes in assumptions	221,951	-	3,862	-
Net difference between projected and actual earnings on pension/OPEB plan investments	-	408,972	-	5,037
Contributions subsequent to the measurement date	5,162,754	-	14,502	-
Total	\$ 6,112,735	\$ 653,055	\$ 56,744	\$ 104,577

PSPRS - Fire

	<u>Pension</u>		<u>Health Insurance Premium Benefit</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,058,961	\$ 1,018,400	\$ -	\$ 47,501
Changes in assumptions	153,424	-	1,544	4,899
Net difference between projected and actual earnings on pension/OPEB plan investments	-	177,196	-	2,312
Contributions subsequent to the measurement date	446,412	-	9,383	-
Total	\$ 1,658,797	\$ 1,195,596	\$ 10,927	\$ 54,712

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 9. Pensions and Other Postemployment Benefits, Continued

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ended June 30	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance Premium Benefit	Pension	Health Insurance Premium Benefit
2026	\$ 68,959	\$ (28,903)	\$ (173,735)	\$ (11,997)
2027	584,896	(12,454)	152,230	(5,007)
2028	(185,538)	(18,279)	(66,310)	(10,089)
2029	(171,391)	(2,699)	(16,976)	(8,792)
2030	-	-	76,300	(5,955)
Thereafter	-	-	45,280	(11,328)

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 10. Risk Management

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

The City's insurance protection is provided by the Arizona Risk Retention Pool, of which the City is a participating member. The limit for basic coverage is \$2,000,000 per occurrence on a claims made basis. Excess coverage is for an additional \$8,000,000 per occurrence on a follow form, claims made basis. The aggregate limit is also \$2,000,000. The Arizona Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the Pool to meet its expected financial obligations. The Pool has the authority to assess its members additional premiums should reserves and annual premiums be insufficient to meet the Pool's obligations. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

The City is self-insured through the Arizona Metropolitan Trust (AzMT) for employee's medical, dental, life and employee assistance program coverage (EAP). AzMT is a self-insured benefits pool established pursuant to A.R.S. 11-952 et. seq. that provides coverage for each of its member entities. The City pays a monthly premium to AzMT for the employee's medical, dental, life and EAP coverage. AzMT reinsures through commercial companies for claims in excess of specified and aggregate amounts.

The City is insured by Arizona Municipal Workers Compensation Pool for potential worker related accidents.

Note 11. Contingent Liabilities and Significant Commitments

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of City management, such matters will not have a material adverse effect on the City's financial position at June 30, 2025.

The City received federal funding for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in disallowances under the terms of the grants. There are no required disbursements identified or recorded at the date of these financial statements.

As of June 30, 2025 the City had the following amounts encumbered for unperformed contracts to be completed after June 30, 2025: General Fund \$324,000, Streets (HURF) \$478,000, Water \$2,129,000, and Sewer \$33,000.

CITY OF EL MIRAGE, ARIZONA
Notes to the Financial Statements
June 30, 2025

Note 11. Contingent Liabilities and Significant Commitments, Continued

At year end, the City had the following major construction projects/commitments open:

<u>Project</u>	<u>Estimated Cost</u>	<u>Construction in Progress</u>
Dysart Road Roadway Widening	\$ 324,000	\$ 18,624
Water Main Replacement	232,000	34,714
Water Production Facility Rehab Program	800,000	366,055
Wastewater Reclamation Facility Design	1,029,000	995,905

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2025

ASRS - Pension

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2018)	2017 (2018)	2016 (2018)
Proportion of the net pension liability (asset)	0.070180%	0.064544%	0.064460%	0.058730%	0.059500%	0.058300%	0.059200%	0.059400%	0.061520%	0.061230%
Proportionate share of the net pension liability (asset)	\$ 11,229,856	\$ 10,443,505	\$ 10,521,304	\$ 7,716,861	\$ 10,309,279	\$ 8,483,328	\$ 8,256,317	\$ 9,253,362	\$ 9,929,946	\$ 9,537,628
Covered payroll	\$ 9,804,000	\$ 8,290,720	\$ 7,928,360	\$ 6,873,556	\$ 6,381,844	\$ 5,982,621	\$ 5,832,827	\$ 5,699,811	\$ 5,570,055	\$ 5,677,172
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	114.54%	125.97%	132.70%	112.27%	161.54%	141.80%	141.55%	162.35%	178.27%	168.00%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2025

ASRS - Health insurance premium benefit

	Reporting Fiscal Year (Measurement Date)								
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
Proportion of the net OPEB (asset)	0.068470%	0.063178%	0.064210%	0.058410%	0.059600%	0.058420%	0.059360%	0.059340%	0.059337%
Proportionate share of the net OPEB (asset)	\$ (413,715)	\$ (341,126)	\$ (358,355)	\$ (284,578)	\$ (42,197)	\$ (16,145)	\$ (21,375)	\$ (32,305)	\$ (17,158)
Covered payroll	\$ 9,804,000	\$ 8,290,720	\$ 7,928,360	\$ 6,873,556	\$ 6,381,844	\$ 5,982,624	\$ 5,832,827	\$ 5,699,811	\$ 5,570,055
Proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-4.22%	-4.11%	-4.52%	-4.14%	-0.66%	-0.27%	-0.37%	-0.57%	-0.31%
Plan fiduciary net position as a percentage of the total OPEB liability	137.51%	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%	98.02%

ASRS - Long-term disability

	Reporting Fiscal Year (Measurement Date)								
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
Proportion of the net OPEB (asset)	0.069070%	0.063840%	0.064260%	0.058490%	0.059500%	0.058320%	0.059270%	0.059190%	0.059191%
Proportionate share of the net OPEB (asset)	\$ 1,801	\$ 8,365	\$ 5,935	\$ 12,076	\$ 45,137	\$ 37,992	\$ 30,969	\$ 21,455	\$ 21,271
Covered payroll	\$ 9,804,000	\$ 8,290,720	\$ 7,928,360	\$ 6,873,556	\$ 6,381,844	\$ 5,982,621	\$ 5,832,827	\$ 5,699,811	\$ 5,570,055
Proportionate share of the net OPEB (asset) as a percentage of its covered payroll	0.02%	0.10%	0.07%	0.18%	0.71%	0.64%	0.53%	0.38%	0.38%
Plan fiduciary net position as a percentage of the total OPEB liability	98.77%	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%	85.17%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedules above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
June 30, 2025

PSPRS Police - Pension	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension liability										
Service cost	\$ 579,392	\$ 666,373	\$ 686,760	\$ 744,909	\$ 766,394	\$ 736,361	\$ 611,179	\$ 641,361	\$ 579,406	\$ 530,107
Interest on total pension liability	2,228,823	2,169,061	2,036,582	1,873,509	1,722,174	1,577,961	1,289,327	1,245,009	1,108,770	1,006,969
Changes of benefit terms	-	-	-	-	-	-	-	127,782	894,728	-
Difference between expected and actual experience of the total net pension liability	(237,986)	(156,223)	770,184	760,793	582,250	(51,194)	2,176,715	(760,486)	(247,754)	292,348
Changes of assumptions	-	-	294,812	-	-	728,190	-	143,402	683,819	-
Benefit payments, including refunds of employee contributions	(1,530,874)	(1,993,547)	(1,087,427)	(1,086,951)	(865,527)	(641,925)	(573,147)	(544,380)	(604,179)	(510,323)
Net change in total pension liability	1,039,355	685,664	2,700,911	2,292,260	2,205,291	2,349,393	3,504,074	852,688	2,414,790	1,319,101
Total pension liability - beginning	31,141,914	30,456,250	27,755,339	25,463,079	23,257,788	20,908,395	17,404,321	16,551,633	14,136,843	12,817,742
Total pension liability - ending (a)	\$ 32,181,269	\$ 31,141,914	\$ 30,456,250	\$ 27,755,339	\$ 25,463,079	\$ 23,257,788	\$ 20,908,395	\$ 17,404,321	\$ 16,551,633	\$ 14,136,843
Plan fiduciary net position										
Contributions - employer	\$ 3,037,962	\$ 3,341,062	\$ 3,210,566	\$ 1,253,338	\$ 1,326,972	\$ 1,583,042	\$ 1,365,177	\$ 798,249	\$ 809,325	\$ 593,877
Contributions - employee	378,917	234,695	286,492	421,831	390,184	327,451	364,283	454,373	346,149	321,510
Net investment income	2,652,551	1,625,555	(836,393)	4,145,272	177,191	649,317	739,044	1,044,757	47,376	273,401
Benefit payments, including refunds of employee contributions	(1,530,874)	(1,993,547)	(1,087,427)	(1,086,951)	(865,527)	(641,925)	(573,147)	(544,380)	(604,179)	(510,323)
Hall/Parker Settlement	-	-	-	-	-	-	(417,731)	-	-	-
Administrative Expense	(17,918)	(13,264)	(15,064)	(19,257)	(14,447)	(12,273)	(11,948)	(9,644)	(7,217)	(7,057)
Other (net transfer)	92,801	-	-	-	-	-	34,476	(92,977)	15,359	23,149
Net change in plan fiduciary net position	4,613,439	3,194,501	1,558,174	4,714,233	1,014,373	1,905,612	1,500,154	1,650,378	606,813	694,557
Plan fiduciary net position - beginning	24,004,764	20,810,263	19,252,089	14,537,856	13,523,482	11,625,612	10,125,458	8,475,080	7,868,267	7,173,710
Adjustment to beginning of year	-	-	-	-	1	(7,742)	-	-	-	-
Plan fiduciary net position - ending (b)	\$ 28,618,203	\$ 24,004,764	\$ 20,810,263	\$ 19,252,089	\$ 14,537,856	\$ 13,523,482	\$ 11,625,612	\$ 10,125,458	\$ 8,475,080	\$ 7,868,267
Net pension liability - ending (a) - (b)	\$ 3,563,066	\$ 7,137,150	\$ 9,645,987	\$ 8,503,250	\$ 10,925,223	\$ 9,734,306	\$ 9,282,783	\$ 7,278,863	\$ 8,076,553	\$ 6,268,576
Plan fiduciary net position as a percentage of the total pension liability	88.93%	77.08%	68.33%	69.36%	57.09%	58.15%	55.60%	58.18%	51.20%	55.66%
Covered payroll	\$ 1,990,241	\$ 2,192,167	\$ 2,849,265	\$ 2,848,048	\$ 3,147,689	\$ 3,162,313	\$ 2,733,357	\$ 2,824,133	\$ 2,968,270	\$ 2,769,201
Net pension liability as a percentage of covered payroll	179.03%	325.58%	338.54%	298.56%	347.09%	307.82%	339.61%	257.74%	272.10%	226.37%

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
June 30, 2025

PSPRS Fire - Pension	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension liability										
Service cost	\$ 460,502	\$ 574,233	\$ 507,714	\$ 437,216	\$ 408,259	\$ 443,749	\$ 414,433	\$ 386,340	\$ 317,068	\$ 336,932
Interest on total pension liability	936,482	915,819	830,407	725,027	646,493	570,104	529,468	505,857	465,137	400,223
Changes of benefit terms	-	-	-	-	-	-	-	67,195	625,097	-
Difference between expected and actual experience of the total net pension liability	709,546	(936,281)	68,434	365,884	151,811	147,078	(423,180)	(386,730)	(757,647)	270,625
Changes of assumptions	-	-	26,621	-	-	194,141	-	20,032	278,976	-
Benefit payments, including refunds of employee contributions	(151,821)	(154,282)	(156,589)	(153,518)	(165,904)	(169,342)	(246,904)	(146,164)	(141,470)	(200,362)
Net change in total pension liability	1,954,709	399,489	1,276,587	1,374,609	1,040,659	1,185,730	273,817	446,530	787,161	807,418
Total pension liability - beginning	12,622,099	12,222,610	10,946,023	9,571,414	8,530,755	7,345,025	7,071,208	6,624,678	5,837,517	5,030,099
Total pension liability - ending (a)	\$ 14,576,808	\$ 12,622,099	\$ 12,222,610	\$ 10,946,023	\$ 9,571,414	\$ 8,530,755	\$ 7,345,025	\$ 7,071,208	\$ 6,624,678	\$ 5,837,517
Plan fiduciary net position										
Contributions - employer	\$ 644,172	\$ 729,196	\$ 668,738	\$ 424,177	\$ 380,514	\$ 800,812	\$ 668,971	\$ 330,799	\$ 281,360	\$ 225,909
Contributions - employee	144,419	160,262	200,811	197,135	172,106	168,004	167,731	187,125	202,337	199,018
Net investment income	1,304,436	858,811	(438,265)	2,265,911	96,947	349,715	397,321	572,712	27,547	159,295
Benefit payments, including refunds of employee contributions	(151,821)	(154,282)	(156,589)	(153,518)	(165,904)	(169,342)	(246,904)	(146,164)	(141,470)	(200,362)
Hall/Parker Settlement	-	-	-	-	-	-	(232,700)	-	-	-
Pension Plan Administrative Expense	(8,206)	(6,495)	(7,898)	(10,561)	(7,905)	(7,073)	(6,747)	(5,468)	(4,363)	(4,277)
Other (net transfer)	-	(101,197)	-	-	-	-	(11,097)	(146,642)	(223,413)	244,344
Net change in plan fiduciary net position	1,933,000	1,486,295	266,797	2,723,144	475,758	1,142,116	736,575	792,362	141,998	623,927
Plan fiduciary net position - beginning	12,398,272	10,911,977	10,645,180	7,922,036	7,455,911	6,315,711	5,579,136	4,786,774	4,644,776	4,020,849
Adjustment to beginning of year	-	-	-	-	(9,633)	(1,916)	-	-	-	-
Plan fiduciary net position - ending (b)	\$ 14,331,272	\$ 12,398,272	\$ 10,911,977	\$ 10,645,180	\$ 7,922,036	\$ 7,455,911	\$ 6,315,711	\$ 5,579,136	\$ 4,786,774	\$ 4,644,776
Net pension liability - ending (a) - (b)	\$ 245,536	\$ 223,827	\$ 1,310,633	\$ 300,843	\$ 1,649,378	\$ 1,074,844	\$ 1,029,314	\$ 1,492,072	\$ 1,837,904	\$ 1,192,741
Plan fiduciary net position as a percentage of the total pension liability	98.32%	98.23%	89.28%	97.25%	82.77%	87.40%	85.99%	78.90%	72.26%	79.57%
Covered payroll	\$ 2,104,034	\$ 1,858,197	\$ 2,264,077	\$ 2,141,072	\$ 1,877,161	\$ 1,773,739	\$ 1,812,916	\$ 1,725,504	\$ 1,687,430	\$ 1,765,349
Net pension liability as a percentage of covered payroll	11.67%	12.05%	57.89%	14.05%	87.87%	60.60%	56.78%	86.47%	108.92%	67.56%

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2025

PSPRS Police Health Insurance Premium Benefit	Reporting Fiscal Year (Measurement Date)							
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability								
Service cost	\$ 9,742	\$ 12,149	\$ 14,040	\$ 15,932	\$ 16,051	\$ 10,113	\$ 10,387	\$ 10,167
Interest on total OPEB liability	30,460	31,797	26,208	29,212	24,239	27,919	25,869	27,320
Changes of benefit terms	-	-	-	-	-	-	-	3,290
Difference between expected and actual experience of the total net OPEB liability	(25,323)	(42,320)	53,841	(72,950)	40,104	(92,103)	(8,286)	(11,227)
Changes of assumptions or other inputs	-	-	5,736	-	-	3,972	-	(38,439)
Benefit payments	(18,844)	(16,741)	(13,894)	(9,002)	(6,323)	(4,828)	(5,543)	(6,280)
Net change in total OPEB liability	(3,965)	(15,115)	85,931	(36,808)	74,071	(54,927)	22,427	(15,169)
Total OPEB liability - beginning	422,737	437,852	351,921	388,729	314,658	369,585	347,158	362,327
Total OPEB liability - ending (a)	\$ 418,772	\$ 422,737	\$ 437,852	\$ 351,921	\$ 388,729	\$ 314,658	\$ 369,585	\$ 347,158
Plan fiduciary net position								
Contributions - employer	\$ 8,548	\$ 5,315	\$ 11,861	\$ 10,770	\$ 13,025	\$ 12,412	\$ 6,289	\$ 11,219
Net investment income	49,106	35,341	(19,292)	106,448	4,760	18,821	22,528	33,784
Benefit payments	(18,844)	(16,741)	(13,894)	(9,002)	(6,323)	(4,828)	(5,543)	(6,280)
Administrative expense	(297)	(307)	(343)	(438)	(387)	(325)	(343)	(298)
Net change in plan fiduciary net position	38,513	23,608	(21,668)	107,778	11,075	26,080	22,931	38,425
Plan fiduciary net position - beginning	499,916	476,308	497,976	390,198	379,123	345,301	322,370	283,945
Adjustment to beginning of year	-	-	-	-	-	7,742	-	-
Plan fiduciary net position - ending (b)	\$ 538,429	\$ 499,916	\$ 476,308	\$ 497,976	\$ 390,198	\$ 379,123	\$ 345,301	\$ 322,370
Net OPEB liability - ending (a) - (b)	\$ (119,657)	\$ (77,179)	\$ (38,456)	\$ (146,055)	\$ (1,469)	\$ (64,465)	\$ 24,284	\$ 24,788
Plan fiduciary net position as a percentage of the total OPEB liability	128.57%	118.26%	108.78%	141.50%	100.38%	120.49%	93.43%	92.86%
Covered payroll	\$ 1,990,241	\$ 2,192,167	\$ 2,849,265	\$ 2,848,048	\$ 3,147,689	\$ 3,162,313	\$ 2,733,357	\$ 2,824,133
Net OPEB (asset) liability as a percentage of covered payroll	-6.01%	-3.52%	-1.35%	-5.13%	-0.05%	-2.04%	0.89%	0.88%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2025

PSPRS Fire Health Insurance Premium Benefit	Reporting Fiscal Year (Measurement Date)							
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability								
Service cost	\$ 8,719	\$ 9,485	\$ 8,531	\$ 8,136	\$ 7,878	\$ 5,801	\$ 6,164	\$ 5,694
Interest on total OPEB liability	11,309	10,683	9,795	8,918	7,919	8,677	8,463	9,656
Changes of benefit terms	-	-	-	-	-	-	-	1,628
Difference between expected and actual experience of the total net OPEB liability	(4,569)	(10,716)	(6,211)	(5,430)	(898)	(28,153)	(14,462)	(15,726)
Changes of assumptions or other inputs	-	-	1,127	-	-	1,352	-	(15,859)
Net change in total OPEB liability	15,459	9,452	13,242	11,624	14,899	(12,323)	165	(14,607)
Total OPEB liability - beginning	148,347	138,895	125,653	114,029	99,130	111,453	111,288	125,895
Total OPEB liability - ending (a)	<u>\$ 163,806</u>	<u>\$ 148,347</u>	<u>\$ 138,895</u>	<u>\$ 125,653</u>	<u>\$ 114,029</u>	<u>\$ 99,130</u>	<u>\$ 111,453</u>	<u>\$ 111,288</u>
Plan fiduciary net position								
Contributions - employer	\$ 7,147	\$ 2,327	\$ 2,489	\$ 3,935	\$ 2,827	\$ 3,492	\$ 4,208	\$ 5,693
Net investment income	23,765	16,556	(8,825)	47,825	2,136	8,519	10,009	14,588
Administrative expense	(134)	(133)	(157)	(197)	(174)	(147)	(152)	(130)
Net change in plan fiduciary net position	30,778	18,750	(6,493)	51,563	4,789	11,864	14,065	20,151
Plan fiduciary net position - beginning	238,310	219,560	226,053	174,490	169,701	155,922	141,857	121,706
Plan fiduciary net position - ending (b)	<u>\$ 269,088</u>	<u>\$ 238,310</u>	<u>\$ 219,560</u>	<u>\$ 226,053</u>	<u>\$ 174,490</u>	<u>\$ 169,701</u>	<u>\$ 155,922</u>	<u>\$ 141,857</u>
Net OPEB (asset) liability - ending (a) - (b)	<u>\$ (105,282)</u>	<u>\$ (89,963)</u>	<u>\$ (80,665)</u>	<u>\$ (100,400)</u>	<u>\$ (60,461)</u>	<u>\$ (70,571)</u>	<u>\$ (44,469)</u>	<u>\$ (30,569)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	164.27%	160.64%	158.08%	179.90%	153.02%	171.19%	139.90%	127.47%
Covered payroll	\$ 2,104,034	\$ 1,858,197	\$ 2,264,077	\$ 2,141,072	\$ 1,877,161	\$ 1,773,739	\$ 1,812,916	\$ 1,725,504
Net OPEB liability as a percentage of covered payroll	-5.00%	-4.84%	-3.56%	-4.69%	-3.22%	-3.98%	-2.45%	-1.77%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2025

ASRS - Pension	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,315,008	\$ 1,180,332	\$ 988,229	\$ 952,196	\$ 771,446	\$ 744,652	\$ 687,381	\$ 641,354	\$ 624,521	\$ 604,351
Contributions in relation to the contractually required contribution	(1,315,008)	(1,180,332)	(988,229)	(952,196)	(771,446)	(744,652)	(687,381)	(641,354)	(624,521)	(604,351)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,562,746	\$ 9,804,000	\$ 8,290,720	\$ 7,928,360	\$ 6,873,556	\$ 6,381,844	\$ 5,982,621	\$ 5,832,827	\$ 5,699,811	\$ 5,570,055
Contributions as a percentage of covered payroll	12.45%	12.04%	11.92%	12.01%	11.22%	11.67%	11.49%	11.00%	10.96%	10.85%

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2025

ASRS - Health insurance premium benefit

	Reporting Fiscal Year (Measurement Date)								
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
Proportion of the net OPEB (asset)	0.068470%	0.063178%	0.064210%	0.058410%	0.059600%	0.058420%	0.059360%	0.059340%	0.059337%
Proportionate share of the net OPEB (asset)	\$ (413,715)	\$ (341,126)	\$ (358,355)	\$ (284,578)	\$ (42,197)	\$ (16,145)	\$ (21,375)	\$ (32,305)	\$ (17,158)
Covered payroll	\$ 9,804,000	\$ 8,290,720	\$ 7,928,360	\$ 6,873,556	\$ 6,381,844	\$ 5,982,624	\$ 5,832,827	\$ 5,699,811	\$ 5,570,055
Proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-4.22%	-4.11%	-4.52%	-4.14%	-0.66%	-0.27%	-0.37%	-0.57%	-0.31%
Plan fiduciary net position as a percentage of the total OPEB liability	137.51%	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%	98.02%

ASRS - Long-term disability

	Reporting Fiscal Year								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 16,369	\$ 14,285	\$ 11,607	\$ 15,064	\$ 11,919	\$ 10,906	\$ 9,691	\$ 9,405	\$ 8,050
Contributions in relation to the contractually required contribution	(16,369)	(14,285)	(11,607)	(15,064)	(11,919)	(10,906)	(9,691)	(9,405)	(8,050)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,562,746	\$ 9,804,000	\$ 8,290,720	\$ 7,928,360	\$ 6,873,556	\$ 6,381,844	\$ 5,982,621	\$ 5,832,827	\$ 5,699,811
Contributions as a percentage of covered payroll	0.15%	0.15%	0.14%	0.19%	0.17%	0.17%	0.16%	0.16%	0.14%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedules above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2025

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PSPRS Police-Pensions										
Actuarially determined contribution	\$ 1,304,754	\$ 1,237,962	\$ 1,541,062	\$ 1,410,566	\$ 1,253,338	\$ 1,326,972	\$ 1,183,042	\$ 1,365,177	\$ 798,249	\$ 809,325
Contributions in relation to the actuarially determined contribution	(5,162,754)	(3,037,962)	(3,341,062)	(3,210,566)	(1,253,338)	(1,326,972)	(1,583,042)	(1,365,177)	(798,249)	(809,325)
Contribution deficiency (excess)	<u>\$ (3,858,000)</u>	<u>\$ (1,800,000)</u>	<u>\$ (1,800,000)</u>	<u>\$ (1,800,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (400,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,816,187	\$ 1,990,241	\$ 2,192,167	\$ 2,849,265	\$ 2,848,048	\$ 3,147,689	\$ 3,162,313	\$ 2,733,357	\$ 2,824,133	\$ 2,968,270
Contributions as a percentage of covered payroll	135.29%	152.64%	152.41%	112.68%	44.01%	42.16%	50.06%	49.95%	28.27%	27.27%
PSPRS Fire-Pensions										
Actuarially determined contribution	\$ 446,412	\$ 444,172	\$ 529,196	\$ 468,738	\$ 424,177	\$ 380,514	\$ 400,812	\$ 668,971	\$ 330,799	\$ 281,360
Contributions in relation to the actuarially determined contribution	(446,412)	(644,172)	(729,196)	(668,738)	(424,177)	(380,514)	(800,812)	(668,971)	(330,799)	(281,360)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (400,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,657,217	\$ 2,104,034	\$ 1,858,197	\$ 2,264,077	\$ 2,141,072	\$ 1,877,161	\$ 1,773,739	\$ 1,812,916	\$ 1,725,504	\$ 1,687,430
Contributions as a percentage of covered payroll	16.80%	30.62%	39.24%	29.54%	19.81%	20.27%	45.15%	36.90%	19.17%	16.67%

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2025

PSPRS Police	Reporting Fiscal Year								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Health Insurance Premium Benefit									
Actuarially determined contribution	\$ 14,502	\$ 8,548	\$ 5,315	\$ 11,861	\$ 10,770	\$ 13,025	\$ 12,412	\$ 6,289	\$ 11,219
Contributions in relation to the actuarially determined contribution	(14,502)	(8,548)	(5,315)	(11,861)	(10,770)	(13,025)	(12,412)	(6,289)	(11,219)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,816,187	\$ 1,990,241	\$ 2,192,167	\$ 2,849,265	\$ 2,848,048	\$ 3,147,689	\$ 3,162,313	\$ 2,733,357	\$ 2,824,133
Contributions as a percentage of covered payroll	0.38%	0.43%	0.24%	0.42%	0.38%	0.41%	0.39%	0.23%	0.40%
PSPRS Fire	Reporting Fiscal Year								
Health Insurance Premium Benefit	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 9,383	\$ 7,147	\$ 2,327	\$ 2,489	\$ 3,935	\$ 2,827	\$ 3,492	\$ 4,208	\$ 5,693
Contributions in relation to the actuarially determined contribution	(9,383)	(7,147)	(2,327)	(2,489)	(3,935)	(2,827)	(3,492)	(4,208)	(5,693)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,657,217	\$ 2,104,034	\$ 1,858,197	\$ 2,264,077	\$ 2,141,072	\$ 1,877,161	\$ 1,773,739	\$ 1,812,916	\$ 1,725,504
Contributions as a percentage of covered payroll	0.35%	0.34%	0.13%	0.11%	0.18%	0.15%	0.20%	0.23%	0.33%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules
June 30, 2025

Note 1. Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Remaining Amortization Period As of the 2023 actuarial valuation	15 years for underfunded liabilities; 20 years for excess
Asset valuation method	7-Year smoothed market; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5%. In the 2014 actuarial valuation, the projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5%.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 – 6.25%. In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules
June 30, 2025

Note 2. Factors that Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS required contributions beginning in fiscal year 2019 to cover members who retired or will retire after the law's effective date.

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REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

FOR THE FOLLOWING MAJOR FUNDS:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those accounted for in another fund.
- The **Special Projects Fund** is used to account for the funding for various City special projects

CITY OF EL MIRAGE, ARIZONA
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
City sales tax	\$ 16,000,000	\$ 16,000,000	\$ 19,576,235	\$ 3,576,235
Property taxes	3,070,000	3,070,000	2,998,595	(71,405)
Franchise taxes	950,000	950,000	1,237,374	287,374
Total taxes	<u>20,020,000</u>	<u>20,020,000</u>	<u>23,812,204</u>	<u>3,792,204</u>
Licenses and permits	895,000	895,000	3,040,847	2,145,847
Intergovernmental revenues:				
State sales tax	5,585,000	5,585,000	5,506,723	(78,277)
Auto lieu tax	1,750,000	1,750,000	1,954,726	204,726
Urban revenue sharing	7,730,000	7,730,000	7,626,297	(103,703)
Other intergovernmental revenues	70,000	70,000	118,455	48,455
Total intergovernmental	<u>15,135,000</u>	<u>15,135,000</u>	<u>15,206,201</u>	<u>71,201</u>
Charges for services	290,000	290,000	424,578	134,578
Fees	1,430,000	1,430,000	1,422,062	(7,938)
Fines and forfeitures	20,000	20,000	23,252	3,252
Interest earnings	800,000	800,000	3,904,186	3,104,186
Other revenues:				
Contributions and donations	-	-	813	813
Miscellaneous revenues	165,000	165,000	242,241	77,241
Total other revenues	<u>165,000</u>	<u>165,000</u>	<u>243,054</u>	<u>78,054</u>
Total revenues	<u>38,755,000</u>	<u>38,755,000</u>	<u>48,076,384</u>	<u>9,321,384</u>
EXPENDITURES				
Current:				
General government:				
Administration	2,097,000	2,097,000	1,832,428	264,572
City clerk	382,000	382,000	355,198	26,802
Community development	2,135,000	2,135,000	1,871,821	263,179
Finance	1,021,000	1,021,000	847,400	173,600
Human resources	783,000	783,000	656,200	126,800
Information systems	1,366,000	1,366,000	1,279,314	86,686
Mayor and council	331,000	334,000	333,850	150
Nondepartmental	11,003,000	10,988,500	5,141,301	5,847,199
Parks and recreation	2,673,000	2,684,500	2,442,247	242,253
Public works	1,528,000	1,528,000	1,675,925	(147,925)
Total general government	<u>23,319,000</u>	<u>23,319,000</u>	<u>16,435,684</u>	<u>6,883,316</u>

(Continued)

See accompanying notes to budgetary comparison schedule

CITY OF EL MIRAGE, ARIZONA
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
For the Year Ended June 30, 2025

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
Public safety:				
Police	14,867,000	14,867,000	12,783,157	2,083,843
Fire	6,810,000	6,810,000	6,645,496	164,504
Total public safety	<u>21,677,000</u>	<u>21,677,000</u>	<u>19,428,653</u>	<u>2,248,347</u>
Capital outlay	<u>5,767,000</u>	<u>5,624,000</u>	<u>2,704,310</u>	<u>2,919,690</u>
Debt Service				
Principal	-	-	368,999	(368,999)
Interest and fiscal charges	-	-	33,901	(33,901)
	<u>-</u>	<u>-</u>	<u>402,900</u>	<u>(402,900)</u>
Total expenditures	<u>50,763,000</u>	<u>50,620,000</u>	<u>38,971,547</u>	<u>11,648,453</u>
Excess (deficiency) of revenues over expenditures	<u>(12,008,000)</u>	<u>(11,865,000)</u>	<u>9,104,837</u>	<u>20,969,837</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	25,543	25,543
Sale of assets	30,000	30,000	42,741	12,741
Transfers out	(2,430,000)	(2,430,000)	(2,430,000)	-
Transfers in	4,510,000	4,510,000	4,510,000	-
Total other financing sources and (uses)	<u>2,110,000</u>	<u>2,110,000</u>	<u>2,148,284</u>	<u>38,284</u>
Net change in fund balance	(9,898,000)	(9,755,000)	11,253,121	21,008,121
Fund balance, beginning of year	60,796,500	60,796,500	83,072,763	(22,276,263)
Fund balance, end of year	<u>\$ 50,898,500</u>	<u>\$ 51,041,500</u>	<u>\$ 94,325,884</u>	<u>\$ (1,268,142)</u>

See accompanying notes to budgetary comparison schedule

CITY OF EL MIRAGE, ARIZONA
Required Supplementary Information
Notes to General Fund Budget and Actual Schedules
June 30, 2025

The City budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for certain activities reported in the General Fund that are budgeted separately in a special revenue fund.

The following schedule reconciles the General Fund Non-GAAP Budget and Actual report to the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund:

	General Fund		
	Total Revenues	Total Expenditures	Fund Balance End of Year
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Non-GAAP	\$ 48,076,384	\$ 38,971,547	\$ 94,325,884
Activity budgeted as Court Special Revenue Fund	366,037	1,219,526	71,944
Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund - GAAP	\$ 48,442,421	\$ 40,191,073	\$ 94,397,828

CITY OF EL MIRAGE, ARIZONA
SPECIAL PROJECTS
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 2,126,000	\$ 2,126,000	\$ 1,430,688	\$ (695,312)
Investment earnings	-	-	62,078	62,078
Other revenues	10,000,000	10,000,000	19,320	(9,980,680)
Total revenues	<u>12,126,000</u>	<u>12,126,000</u>	<u>1,512,086</u>	<u>(10,613,914)</u>
EXPENDITURES				
Current:				
General government	10,200,000	14,286,000	10,025	14,275,975
Public safety	1,104,000	1,104,000	1,207,834	(103,834)
Capital outlay	<u>822,000</u>	<u>738,000</u>	<u>123,778</u>	<u>614,222</u>
Total expenditures	<u>12,126,000</u>	<u>16,128,000</u>	<u>1,341,637</u>	<u>14,786,363</u>
Excess (deficiency) of revenues over (under) expenditures	-	(4,002,000)	170,449	4,172,449
Fund balance, beginning of year	<u>837,000</u>	<u>837,000</u>	<u>1,106,226</u>	<u>269,226</u>
Fund balance (deficit), end of year	<u>\$ 837,000</u>	<u>\$ (3,165,000)</u>	<u>\$ 1,276,675</u>	<u>\$ 4,441,675</u>

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SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS

Capital Project Funds

Capital Project Funds are used to account for the purchase or construction of capital assets which are not financed by the general, special revenue or enterprise funds.

- The **Streets (Capital Projects fund)** is used to account for the construction and acquisition of streets and street department facilities.

CITY OF EL MIRAGE, ARIZONA
STREETS (CAPITAL PROJECTS FUND)
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ 4,008,238	\$ 4,008,238
Investment earnings	-	-	440,117	440,117
Total revenues	-	-	4,448,355	4,448,355
EXPENDITURES				
Capital outlay	10,405,000	7,820,000	5,487,545	2,332,455
Total expenditures	10,405,000	7,820,000	5,487,545	2,332,455
Excess (deficiency) of revenues over (under) expenditures	(10,405,000)	(7,820,000)	(1,039,190)	6,780,810
Fund balance, beginning of year	10,405,000	10,405,000	9,444,640	(960,360)
Fund balance (deficit), end of year	\$ -	\$ 2,585,000	\$ 8,405,450	\$ 5,820,450

SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS
AND BUDGETARY COMPARISON SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

- The **Municipal Court Enhancement** fund is used to account for the technology and functional improvements of court operations.
- The **Dial-A-Ride (LTAF)** fund is used to account for state funding for taxi voucher service and street construction.
- The **Police Towing** fund is used to account for charges for services to be used to enhance police department operations.
- The **Community Development Block Grant** fund is used to account for CDBG grant activities.
- The **Streets (HURF) Fund** is used to account for state shared highway use tax revenues for street improvements, maintenance, and capital additions.

Debt Service Funds

- The **Debt Service** fund is used to account for the accumulation of resources and the payment of long-term debt principal, interest, and related costs.

CITY OF EL MIRAGE, ARIZONA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue						Total
	Municipal Court Enhancement	Dial-A-Ride (LTAF)	Police Towing	Community Development Block Grant	Streets (HURF)	Debt Service	
ASSETS							
Cash and cash equivalents	\$ 1,162,398	\$ 325,912	\$ 69,105	\$ -	\$ 4,370,632	\$ 794,448	\$ 6,722,495
Receivables:							
Taxes	-	-	-	-	-	63,105	63,105
Intergovernmental	-	-	-	14,254	278,672	-	292,926
Total assets	<u>\$ 1,162,398</u>	<u>\$ 325,912</u>	<u>\$ 69,105</u>	<u>\$ 14,254</u>	<u>\$ 4,649,304</u>	<u>\$ 857,553</u>	<u>\$ 7,078,526</u>
LIABILITIES							
Accounts payable	\$ 250	\$ 10,477	\$ 322	\$ 3,361	\$ 117,401	\$ -	\$ 131,811
Accrued wages and salaries	-	-	-	-	10,447	-	10,447
Customer deposits	1,313	-	-	-	-	-	1,313
Due to other funds	-	-	-	10,893	-	-	10,893
Total liabilities	<u>1,563</u>	<u>10,477</u>	<u>322</u>	<u>14,254</u>	<u>127,848</u>	<u>-</u>	<u>154,464</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	34,384	34,384
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,384</u>	<u>34,384</u>
FUND BALANCES							
Restricted:							
Public safety	-	-	68,783	-	-	-	68,783
Public works/streets	-	315,435	-	-	4,521,456	-	4,836,891
Debt service	-	-	-	-	-	823,169	823,169
Committed	<u>1,160,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,160,835</u>
Total fund balances	<u>1,160,835</u>	<u>315,435</u>	<u>68,783</u>	<u>-</u>	<u>4,521,456</u>	<u>823,169</u>	<u>6,889,678</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,162,398</u>	<u>\$ 325,912</u>	<u>\$ 69,105</u>	<u>\$ 14,254</u>	<u>\$ 4,649,304</u>	<u>\$ 857,553</u>	<u>\$ 7,078,526</u>

CITY OF EL MIRAGE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2025

	Special Revenue						Total
	Municipal Court Enhancement	Dial-A-Ride (LTAF)	Police Towing	Community Development Block Grant	Streets (HURF)	Debt Service	
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,889,615	\$ 1,889,615
Intergovernmental	-	90,694	-	820,000	2,839,394	-	3,750,088
Fines and forfeitures	69,009	-	34,350	-	-	-	103,359
Investment earnings	40,745	15,755	3,202	-	152,978	55,084	267,764
	<u>109,754</u>	<u>106,449</u>	<u>37,552</u>	<u>820,000</u>	<u>2,992,372</u>	<u>1,944,699</u>	<u>6,010,826</u>
Total revenues							
EXPENDITURES							
Current:							
Public safety	2,673	-	37,226	-	-	-	39,899
Public works/streets	-	151,419	-	-	3,118,799	-	3,270,218
Capital outlay	57,709	-	-	820,000	329,308	-	1,207,017
Debt service:							
Principal	-	-	-	-	-	1,380,000	1,380,000
Interest and fiscal charges	-	-	-	-	-	650,925	650,925
	<u>60,382</u>	<u>151,419</u>	<u>37,226</u>	<u>820,000</u>	<u>3,448,107</u>	<u>2,030,925</u>	<u>6,548,059</u>
Total expenditures							
Excess (deficiency) of revenues over (under) expenditures	<u>49,372</u>	<u>(44,970)</u>	<u>326</u>	<u>-</u>	<u>(455,735)</u>	<u>(86,226)</u>	<u>(537,233)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	1,902,000	100,000	2,002,000
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,902,000</u>	<u>100,000</u>	<u>2,002,000</u>
Net change in fund balances	49,372	(44,970)	326	-	1,446,265	13,774	1,464,767
Fund balances, beginning of year	1,111,463	360,405	68,457	-	3,075,191	809,395	5,424,911
Fund balances, end of year	<u>\$ 1,160,835</u>	<u>\$ 315,435</u>	<u>\$ 68,783</u>	<u>\$ -</u>	<u>\$ 4,521,456</u>	<u>\$ 823,169</u>	<u>\$ 6,889,678</u>

**CITY OF EL MIRAGE, ARIZONA
MUNICIPAL COURT ENHANCEMENT
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 55,000	\$ 55,000	\$ 69,009	\$ 14,009
Investment earnings	25,000	25,000	40,745	15,745
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>109,754</u>	<u>29,754</u>
EXPENDITURES				
Current:				
Public safety	18,000	18,000	2,673	15,327
Capital outlay	<u>557,000</u>	<u>497,000</u>	<u>57,709</u>	<u>439,291</u>
Total expenditures	<u>575,000</u>	<u>515,000</u>	<u>60,382</u>	<u>454,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(495,000)</u>	<u>(435,000)</u>	<u>49,372</u>	<u>484,372</u>
Fund balance, beginning of year	<u>1,590,000</u>	<u>1,590,000</u>	<u>1,111,463</u>	<u>(478,537)</u>
Fund balance, end of year	<u><u>\$ 1,095,000</u></u>	<u><u>\$ 1,155,000</u></u>	<u><u>\$ 1,160,835</u></u>	<u><u>\$ 5,835</u></u>

CITY OF EL MIRAGE, ARIZONA
DIAL-A-RIDE (LTAF)
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 90,000	\$ 90,000	\$ 90,694	\$ 694
Investment earnings	-	-	15,755	15,755
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>106,449</u>	<u>16,449</u>
EXPENDITURES				
Current:				
Public works/streets	300,000	300,000	151,419	148,581
Capital outlay	<u>130,000</u>	<u>130,000</u>	-	<u>130,000</u>
Total expenditures	<u>430,000</u>	<u>430,000</u>	<u>151,419</u>	<u>278,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(340,000)</u>	<u>(340,000)</u>	<u>(44,970)</u>	<u>295,030</u>
Fund balance, beginning of year	<u>318,000</u>	<u>318,000</u>	<u>360,405</u>	<u>42,405</u>
Fund balance (deficit), end of year	<u><u>\$ (22,000)</u></u>	<u><u>\$ (22,000)</u></u>	<u><u>\$ 315,435</u></u>	<u><u>\$ 337,435</u></u>

CITY OF EL MIRAGE, ARIZONA
POLICE TOWING
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 34,350	\$ 9,350
Investment earnings	-	-	3,202	3,202
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>37,552</u>	<u>12,552</u>
EXPENDITURES				
Current:				
Public safety	<u>58,000</u>	<u>58,000</u>	<u>37,226</u>	<u>20,774</u>
Total expenditures	<u>58,000</u>	<u>58,000</u>	<u>37,226</u>	<u>20,774</u>
Excess (deficiency) of revenues over (under) expenditures	(33,000)	(33,000)	326	33,326
Fund balance, beginning of year	<u>54,500</u>	<u>54,500</u>	<u>68,457</u>	<u>13,957</u>
Fund balance, end of year	<u><u>\$ 21,500</u></u>	<u><u>\$ 21,500</u></u>	<u><u>\$ 68,783</u></u>	<u><u>\$ 47,283</u></u>

CITY OF EL MIRAGE, ARIZONA
COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 1,186,000	\$ 1,186,000	\$ 820,000	\$ (366,000)
Total revenues	<u>1,186,000</u>	<u>1,186,000</u>	<u>820,000</u>	<u>(366,000)</u>
EXPENDITURES				
Capital outlay	1,186,000	1,186,000	820,000	366,000
Total expenditures	<u>1,186,000</u>	<u>1,186,000</u>	<u>820,000</u>	<u>366,000</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF EL MIRAGE, ARIZONA
STREETS (HURF)
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 2,700,000	\$ 2,700,000	\$ 2,839,394	\$ 139,394
Investment earnings	50,000	50,000	152,978	102,978
Total revenues	<u>2,750,000</u>	<u>2,750,000</u>	<u>2,992,372</u>	<u>139,394</u>
EXPENDITURES				
Current:				
Public works/streets	1,838,000	1,838,000	3,118,799	(1,280,799)
Capital outlay	<u>5,333,000</u>	<u>5,331,000</u>	<u>329,308</u>	<u>5,001,692</u>
Total expenditures	<u>7,171,000</u>	<u>7,169,000</u>	<u>3,448,107</u>	<u>3,720,893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,421,000)</u>	<u>(4,419,000)</u>	<u>(455,735)</u>	<u>3,963,265</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,902,000</u>	<u>1,902,000</u>	<u>1,902,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,902,000</u>	<u>1,902,000</u>	<u>1,902,000</u>	<u>-</u>
Net change in fund balance	(2,519,000)	(2,517,000)	1,446,265	3,963,265
Fund balance, beginning of year	<u>2,521,000</u>	<u>2,521,000</u>	<u>3,075,191</u>	<u>554,191</u>
Fund balance, end of year	<u><u>\$ 2,000</u></u>	<u><u>\$ 4,000</u></u>	<u><u>\$ 4,521,456</u></u>	<u><u>\$ 4,517,456</u></u>

CITY OF EL MIRAGE, ARIZONA
DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 1,930,000	\$ 1,930,000	\$ 1,889,615	\$ (40,385)
Investment earnings	5,000	5,000	55,084	50,084
Total revenues	<u>1,935,000</u>	<u>1,935,000</u>	<u>1,944,699</u>	<u>9,699</u>
EXPENDITURES				
Debt service				
Principal	1,380,000	1,380,000	1,380,000	-
Interest and fiscal charges	680,000	680,000	650,925	29,075
Total expenditures	<u>2,060,000</u>	<u>2,060,000</u>	<u>2,030,925</u>	<u>29,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,000)</u>	<u>(125,000)</u>	<u>(86,226)</u>	<u>38,774</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(25,000)	(25,000)	13,774	38,774
Fund balance, beginning of year	<u>710,000</u>	<u>710,000</u>	<u>809,395</u>	<u>99,395</u>
Fund balance, end of year	<u>\$ 685,000</u>	<u>\$ 685,000</u>	<u>\$ 823,169</u>	<u>\$ 138,169</u>

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STATISTICAL SECTION

This part of the City of El Mirage’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends	100
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well being have changed over time.</i>	
Revenue Capacity	113
<i>These schedules contain information to help the reader assess the government’s property taxes and the most significant local revenues source, the sales tax.</i>	
Debt Capacity	119
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	123
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	125
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

CITY OF EL MIRAGE, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Position:					
Governmental activities					
Net investment in capital assets	\$ 80,099,620	\$ 73,621,365	\$ 61,671,296	\$ 58,889,522	\$ 56,661,890
Restricted	15,410,968	16,415,844	24,400,977	26,133,927	23,898,377
Unrestricted	89,008,750	73,208,385	51,888,272	36,606,153	29,331,979
Total governmental activities net position	<u>\$ 184,519,338</u>	<u>\$ 163,245,594</u>	<u>\$ 137,960,545</u>	<u>\$ 121,629,602</u>	<u>\$ 109,892,246</u>
Business-type activities					
Net investment in capital assets	\$ 35,459,473	\$ 25,656,275	\$ 24,489,828	\$ 23,374,495	\$ 20,979,792
Restricted	-	68,101	96,714	-	-
Unrestricted	29,740,909	36,582,188	35,205,870	35,697,522	37,917,603
Total business-type activities net position	<u>\$ 65,200,382</u>	<u>\$ 62,306,564</u>	<u>\$ 59,792,412</u>	<u>\$ 59,072,017</u>	<u>\$ 58,897,395</u>
Primary government					
Net investment in capital assets	\$ 115,559,093	\$ 99,277,640	\$ 86,161,124	\$ 82,264,017	\$ 77,641,682
Restricted	15,410,968	16,483,945	24,497,691	26,133,927	23,898,377
Unrestricted	118,749,659	109,790,573	87,094,142	72,303,675	67,249,582
Total primary government net position	<u>\$ 249,719,720</u>	<u>\$ 225,552,158</u>	<u>\$ 197,752,957</u>	<u>\$ 180,701,619</u>	<u>\$ 168,789,641</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Governmental activities					
Net investment in capital assets	\$ 56,667,278	\$ 46,624,411	\$ 45,836,176	\$ 41,199,897	\$ 34,794,822
Restricted	16,923,724	12,133,608	8,409,993	9,603,813	15,546,294
Unrestricted	19,550,588	22,139,333	15,984,452	12,322,852	5,335,865
Total governmental activities net position	<u>\$ 93,141,590</u>	<u>\$ 80,897,352</u>	<u>\$ 70,230,621</u>	<u>\$ 63,126,562</u>	<u>\$ 55,676,981</u>
Business-type activities					
Net investment in capital assets	\$ 29,392,545	\$ 29,457,397	\$ 27,884,333	\$ 27,309,076	\$ 24,888,693
Restricted	-	-	-	-	-
Unrestricted	28,911,120	25,538,037	23,325,153	20,063,673	19,137,165
Total business-type activities net position	<u>\$ 58,303,665</u>	<u>\$ 54,995,434</u>	<u>\$ 51,209,486</u>	<u>\$ 47,372,749</u>	<u>\$ 44,025,858</u>
Primary government					
Net investment in capital assets	\$ 86,059,823	\$ 76,081,808	\$ 73,720,509	\$ 68,508,973	\$ 59,683,515
Restricted	16,923,724	12,133,608	8,409,993	9,603,813	15,546,294
Unrestricted	48,461,708	47,677,370	39,309,605	32,386,525	24,473,030
Total primary government net position	<u>\$ 151,445,255</u>	<u>\$ 135,892,786</u>	<u>\$ 121,440,107</u>	<u>\$ 110,499,311</u>	<u>\$ 99,702,839</u>

Source: The source of this information is the City's financial records.

CITY OF EL MIRAGE, ARIZONA
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES EXPENSE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses					
Governmental activities:					
General government	\$ 18,166,508	\$ 20,707,148	\$ 13,326,394	\$ 12,617,262	\$ 9,025,363
Public safety	19,199,471	21,079,865	17,495,982	16,200,172	17,072,200
Highways and streets	4,880,421	4,647,235	3,956,336	4,567,594	4,279,942
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Interest on long-term debt	568,091	732,924	773,431	654,574	815,347
Total governmental activities expenses	<u>42,814,491</u>	<u>47,167,172</u>	<u>35,552,143</u>	<u>34,039,602</u>	<u>31,192,852</u>
Business-type activities:					
Water	\$ 8,451,257	\$ 8,480,847	\$ 7,304,556	\$ 8,522,589	\$ 6,467,410
Sewer	2,941,465	3,179,607	3,118,312	2,846,119	2,604,974
Sanitation	1,653,309	1,541,218	1,426,839	1,583,580	1,619,256
Total business-type activities expenses	<u>13,046,031</u>	<u>13,201,672</u>	<u>11,849,707</u>	<u>12,952,288</u>	<u>10,691,640</u>
Total primary government expenses	<u><u>\$ 55,860,522</u></u>	<u><u>\$ 60,368,844</u></u>	<u><u>\$ 47,401,850</u></u>	<u><u>\$ 46,991,890</u></u>	<u><u>\$ 41,884,492</u></u>

(Continued)

CITY OF EL MIRAGE, ARIZONA
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES EXPENSE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Governmental activities:					
General government	\$ 8,185,259	\$ 7,193,712	\$ 6,994,848	\$ 7,056,222	\$ 5,793,877
Public safety	15,777,067	13,367,955	11,935,458	13,162,982	11,167,283
Highways and streets	4,465,392	4,464,599	3,372,194	3,492,003	3,367,393
Culture and recreation	443,385	1,265,719	1,255,915	1,231,510	1,739,508
Health and welfare	-	-	-	-	395,627
Interest on long-term debt	483,363	1,299,795	1,242,059	1,630,076	1,428,706
Total governmental activities expenses	<u>29,354,466</u>	<u>27,591,780</u>	<u>24,800,474</u>	<u>26,572,793</u>	<u>23,892,394</u>
Business-type activities:					
Water	\$ 6,005,567	\$ 5,711,196	\$ 5,580,755	\$ 5,801,324	\$ 5,470,323
Sewer	2,684,309	2,482,493	2,415,160	2,434,685	2,364,833
Sanitation	1,075,446	1,086,988	1,135,506	1,090,678	1,076,709
Total business-type activities expenses	<u>9,765,322</u>	<u>9,280,677</u>	<u>9,131,421</u>	<u>9,326,687</u>	<u>8,911,865</u>
Total primary government expenses	<u><u>\$ 39,119,788</u></u>	<u><u>\$ 36,872,457</u></u>	<u><u>\$ 33,931,895</u></u>	<u><u>\$ 35,899,480</u></u>	<u><u>\$ 32,804,259</u></u>

Source: The source of this information is the City's financial records.

(Concluded)

CITY OF EL MIRAGE, ARIZONA
PROGRAM REVENUES AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,920,252	\$ 5,078,419	\$ 4,172,751	\$ 2,725,756	\$ 2,426,077
Public safety	682,940	551,188	608,594	579,329	778,946
Highways and streets	4,008,238	-	49,032	3,548,246	821,676
Culture and recreation	-	-	-	-	-
Operating grants and contributions	4,493,319	3,983,447	4,917,573	3,759,331	10,654,161
Capital grants and contributions	826,045	7,799,205	5,598	471,130	432,025
Total governmental activities program revenues	<u>14,930,794</u>	<u>17,412,259</u>	<u>9,753,548</u>	<u>11,083,792</u>	<u>15,112,885</u>
Business-type activities:					
Charges for services:					
Water	\$ 11,851,110	\$ 11,115,648	\$ 9,664,280	\$ 10,375,917	\$ 9,473,740
Sewer	3,877,820	3,683,224	3,515,024	3,479,855	3,304,323
Sanitation	2,470,557	2,401,529	2,095,377	2,247,977	1,636,203
Capital grants and contributions	67,620	30,000	60,000	-	15,000
Total business-type activities program revenues	<u>18,267,107</u>	<u>17,230,401</u>	<u>15,334,681</u>	<u>16,103,749</u>	<u>14,429,266</u>
Total primary government revenues	<u>\$ 33,197,901</u>	<u>\$ 34,642,660</u>	<u>\$ 25,088,229</u>	<u>\$ 27,187,541</u>	<u>\$ 29,542,151</u>
Net (Expense)/Revenue					
Governmental activities	\$ (27,883,697)	\$ (29,754,913)	\$ (25,798,595)	\$ (22,955,810)	\$ (16,079,967)
Business-type activities	5,221,076	4,028,729	3,484,974	3,151,461	3,737,626
Total primary government net (expense)/revenues	<u>\$ (22,662,621)</u>	<u>\$ (25,726,184)</u>	<u>\$ (22,313,621)</u>	<u>\$ (19,804,349)</u>	<u>\$ (12,342,341)</u>

CITY OF EL MIRAGE, ARIZONA
PROGRAM REVENUES AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,183,952	\$ 2,372,111	\$ 1,610,087	\$ 1,268,421	\$ 2,706,401
Public safety	976,983	966,452	805,240	658,215	858,161
Highways and streets	2,070,878	-	-	-	-
Culture and recreation	57,486	71,474	72,206	52,160	91,431
Operating grants and contributions	5,939,482	3,314,161	2,941,043	2,710,165	2,725,912
Capital grants and contributions	15,530	5,137,683	1,951,817	6,747,130	4,350,917
Total governmental activities program revenues	<u>11,244,311</u>	<u>11,861,881</u>	<u>7,380,393</u>	<u>11,436,091</u>	<u>10,732,822</u>
Business-type activities:					
Charges for services:					
Water	\$ 9,055,461	\$ 9,245,531	\$ 9,656,519	\$ 9,529,705	\$ 9,544,865
Sewer	3,264,492	3,298,488	3,243,532	3,361,689	3,164,369
Sanitation	1,626,216	1,601,564	1,601,087	1,608,769	1,598,383
Capital grants and contributions	-	887,861	374,732	-	-
Total business-type activities program revenues	<u>13,946,169</u>	<u>15,033,444</u>	<u>14,875,870</u>	<u>14,500,163</u>	<u>14,307,617</u>
Total primary government revenues	<u>\$ 25,190,480</u>	<u>\$ 26,895,325</u>	<u>\$ 22,256,263</u>	<u>\$ 25,936,254</u>	<u>\$ 25,040,439</u>
Net (Expense)/Revenue					
Governmental activities	\$ (18,110,155)	\$ (15,729,899)	\$ (17,420,081)	\$ (15,136,702)	\$ (13,159,572)
Business-type activities	4,180,847	5,752,767	5,744,449	5,173,476	5,395,752
Total primary government net (expense)/revenues	<u>\$ (13,929,308)</u>	<u>\$ (9,977,132)</u>	<u>\$ (11,675,632)</u>	<u>\$ (9,963,226)</u>	<u>\$ (7,763,820)</u>

Source: The source of this information is the City's financial records.

CITY OF EL MIRAGE, ARIZONA
GENERAL REVENUES, TRANSFERS, AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes	\$ 4,877,757	\$ 4,773,268	\$ 4,774,270	\$ 4,685,551	\$ 4,308,183
City sales taxes	19,576,235	20,210,056	15,809,684	14,760,486	13,385,017
Franchise taxes	1,237,374	1,103,749	936,164	761,830	772,317
Unrestricted state shared revenues	15,087,745	16,830,318	13,943,029	11,437,358	11,046,696
Investment income	4,693,330	4,824,968	2,589,352	(391,453)	70,999
Miscellaneous	-	3,332,603	112,038	394,745	42,411
Transfers	3,685,000	3,965,000	3,965,000	3,044,649	3,205,000
Total governmental activities	<u>\$ 49,157,441</u>	<u>\$ 55,039,962</u>	<u>\$ 42,129,537</u>	<u>\$ 34,693,166</u>	<u>\$ 32,830,623</u>
Business-type activities:					
Investment income	\$ 1,357,742	\$ 1,397,461	\$ 989,071	\$ 64,784	\$ 30,354
Miscellaneous	-	1,052,962	60,012	3,026	30,750
Transfers	(3,685,000)	(3,965,000)	(3,965,000)	(3,044,649)	(3,205,000)
Total business-type activities	<u>\$ (2,327,258)</u>	<u>\$ (1,514,577)</u>	<u>\$ (2,915,917)</u>	<u>\$ (2,976,839)</u>	<u>\$ (3,143,896)</u>
Changes in Net Position					
Governmental activities	\$ 21,273,744	\$ 25,285,049	\$ 16,330,943	\$ 11,737,356	\$ 16,750,656
Business-type activities	2,893,818	2,514,152	720,395	174,622	593,730
Total primary government	<u>\$ 24,167,562</u>	<u>\$ 27,799,201</u>	<u>\$ 17,051,338</u>	<u>\$ 11,911,978</u>	<u>\$ 17,344,386</u>

(Continued)

CITY OF EL MIRAGE, ARIZONA
GENERAL REVENUES, TRANSFERS, AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes	\$ 4,169,021	\$ 4,295,776	\$ 3,678,093	\$ 3,683,700	\$ 3,663,163
City sales taxes	11,673,068	8,538,740	8,020,802	7,445,186	6,990,668
Franchise taxes	696,912	742,741	774,856	712,143	745,088
Unrestricted state shared revenues	9,811,695	9,353,989	9,157,332	8,604,293	8,086,986
Investment income	798,697	1,433,459	733,215	297,461	107,055
Miscellaneous	-	309,537	291,357	-	-
Transfers	3,205,000	2,010,500	1,933,000	1,843,500	1,430,621
Total governmental activities	<u>\$ 30,354,393</u>	<u>\$ 26,684,742</u>	<u>\$ 24,588,655</u>	<u>\$ 22,586,283</u>	<u>\$ 21,023,581</u>
Business-type activities:					
Investment income	\$ 305,058	\$ 43,681	\$ 24,865	\$ 16,915	\$ 39,235
Miscellaneous	-	-	-	-	-
Transfers	(3,205,000)	(2,010,500)	(1,933,000)	(1,843,500)	(1,430,621)
Total business-type activities	<u>\$ (2,899,942)</u>	<u>\$ (1,966,819)</u>	<u>\$ (1,908,135)</u>	<u>\$ (1,826,585)</u>	<u>\$ (1,391,386)</u>
Changes in Net Position					
Governmental activities	\$ 12,244,238	\$ 10,666,731	\$ 7,168,574	\$ 7,449,581	\$ 7,864,009
Business-type activities	3,989,905	3,785,948	3,836,314	3,346,891	4,004,366
Total primary government	<u>\$ 16,234,143</u>	<u>\$ 14,452,679</u>	<u>\$ 11,004,888</u>	<u>\$ 10,796,472</u>	<u>\$ 11,868,375</u>

Source: The source of this information is the City's financial records.

CITY OF EL MIRAGE, ARIZONA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund:					
Nonspendable	\$ 18,431	\$ 26,151	\$ 199,454	\$ 28,122	\$ 7,345
Restricted	-	-	-	-	-
Committed	-	-	-	-	838,502
Assigned	71,944	497,429	393,987	-	404,336
Unassigned	94,307,453	83,046,616	62,911,401	49,602,488	42,081,082
Total General Fund	<u>\$ 94,397,828</u>	<u>\$ 83,570,196</u>	<u>\$ 63,504,842</u>	<u>\$ 49,630,610</u>	<u>\$ 43,331,265</u>
All Other Governmental Funds:					
Nonspendable	\$ -	\$ 100	\$ -	\$ -	\$ 6,165
Restricted	15,410,968	15,975,677	23,994,964	26,133,927	23,892,212
Committed	1,160,835	-	-	-	1,064,644
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 16,571,803</u>	<u>\$ 15,975,777</u>	<u>\$ 23,994,964</u>	<u>\$ 26,133,927</u>	<u>\$ 24,963,021</u>

(Continued)

CITY OF EL MIRAGE, ARIZONA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nonspendable	\$ 89,069	\$ 94,526	\$ 100,435	\$ 34,042	\$ 2,002
Restricted			-	-	2,138,430
Committed	720,886	534,313	456,968	1,048,009	388,197
Assigned	426,359	321,145	338,795	201,680	316,212
Unassigned	30,928,860	32,566,934	27,711,606	22,985,787	22,848,735
Total General Fund	<u>\$ 32,165,174</u>	<u>\$ 33,516,918</u>	<u>\$ 28,607,804</u>	<u>\$ 24,269,518</u>	<u>\$ 25,693,576</u>
All Other Governmental Funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ 5,102	\$ 5,102
Restricted	16,923,724	12,133,608	8,409,993	9,598,711	13,356,982
Committed	1,103,629	1,536,016	1,742,741	2,291,094	2,870,981
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 18,027,353</u>	<u>\$ 13,669,624</u>	<u>\$ 10,152,734</u>	<u>\$ 11,894,907</u>	<u>\$ 16,233,065</u>

Source: The source of this information is the City's financial records.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

CITY OF EL MIRAGE, ARIZONA
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues:					
Property taxes	\$ 4,888,210	\$ 4,751,944	\$ 4,777,575	\$ 4,663,575	\$ 4,327,680
City sales taxes	19,576,235	20,210,056	15,809,684	14,760,486	13,385,017
Franchise taxes	1,237,374	1,103,749	936,164	761,830	772,317
Licenses, permits and fees	3,040,847	1,709,443	1,197,224	1,050,534	708,361
Intergovernmental	24,395,215	28,383,027	18,581,248	15,478,473	22,093,459
Charges for services	1,846,640	2,758,355	2,268,473	1,608,199	1,649,176
Fines and forfeits	473,369	319,592	315,944	338,353	660,157
Investment income	4,693,330	4,824,968	2,589,352	(391,453)	70,999
Rents	-	-	-	-	-
Development impact fees	-	-	-	-	-
Miscellaneous/Other Revenues	262,468	4,404,763	1,445,726	4,433,549	1,048,428
Total revenues	<u>\$ 60,413,688</u>	<u>\$ 68,465,897</u>	<u>\$ 47,921,390</u>	<u>\$ 42,703,546</u>	<u>\$ 44,715,594</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:					
Property taxes	\$ 4,192,488	\$ 4,295,776	\$ 3,683,118	\$ 3,692,071	\$ 3,647,913
City sales taxes	11,673,068	8,538,740	8,020,802	7,445,186	6,990,668
Franchise taxes	696,912	742,741	774,856	712,143	745,088
Licenses and permits	837,063	449,482	295,737	269,103	243,974
Intergovernmental	15,763,318	17,801,633	14,027,647	18,072,336	14,735,815
Charges for services	1,318,619	1,213,951	620,855	272,747	371,669
Fines and forfeits	864,969	1,417,360	1,376,994	1,220,377	2,769,074
Investment income	798,697	1,433,459	733,215	297,461	107,055
Rents	-	-	-	-	71,753
Contributions and donations	-	-	-	-	41,151
Miscellaneous	2,272,037	309,537	221,632	221,746	158,372
Total revenues	<u>\$ 38,417,171</u>	<u>\$ 36,202,679</u>	<u>\$ 29,754,856</u>	<u>\$ 32,203,170</u>	<u>\$ 29,882,532</u>

Source: The source of this information is the City's financial records.

CITY OF EL MIRAGE, ARIZONA
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenditures:					
Current					
General government	\$ 16,445,709	\$ 18,817,459	\$ 11,875,073	\$ 10,951,883	\$ 7,646,041
Public safety*	21,895,912	21,123,657	18,608,227	17,547,284	15,251,802
Highways and streets	3,270,218	3,088,873	2,360,920	2,929,774	2,631,223
Culture and recreation**	-	-	-	-	-
Capital outlay	9,522,650	15,765,088	5,907,936	5,620,566	2,232,142
Debt service					
Principal retirement	1,748,999	1,676,484	1,449,689	1,435,000	1,230,000
Interest and fiscal charges	684,826	732,924	773,431	654,574	870,038
Bond issuance costs	-	-	-	481,975	-
Total expenditures	<u>\$ 53,568,314</u>	<u>\$ 61,204,485</u>	<u>\$ 40,975,276</u>	<u>\$ 39,621,056</u>	<u>\$ 29,861,246</u>
Expenditures for capitalized assets	\$ 9,522,650	\$ 15,765,088	\$ 5,907,936	\$ 4,814,781	\$ 2,232,142
Debt service as a percentage of noncapital expenditures	6%	5%	6%	7%	32%

*FY2019 Public Safety includes \$800k spent using contingency dollars to fund Public Safety Retirement System

**FY2019 Culture and recreation includes \$3,162 spent using contingency dollars to fund Council initiative " El Mirage Cares"

CITY OF EL MIRAGE, ARIZONA
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current					
General government	\$ 7,399,877	\$ 6,617,738	\$ 6,327,081	\$ 6,493,561	\$ 5,427,402
Public safety	14,395,837	13,684,610	10,912,583	10,757,510	10,785,548
Highways and streets	2,704,575	2,855,137	2,481,258	2,562,531	2,450,730
Culture and recreation	-	854,348	840,136	794,042	1,314,039
Capital outlay	2,353,516	3,044,751	5,573,151	16,507,748	11,578,785
Debt service					
Principal retirement	10,425,000	1,785,000	1,880,000	1,075,000	1,038,074
Interest and fiscal charges	1,368,688	1,431,632	1,373,346	1,618,494	1,531,293
Bond issuance costs			186,700	-	203,349
Total expenditures	<u>\$ 38,647,493</u>	<u>\$ 30,273,216</u>	<u>\$ 29,574,255</u>	<u>\$ 39,808,886</u>	<u>\$ 34,329,220</u>
	\$ 2,353,516	\$ 3,044,751	\$ 5,581,120	\$ 16,507,750	\$ 11,636,254
Debt service as a percentage of noncapital expenditures	12%	14%	12%	11%	10%

Source: The source of this information is the City's financial records.

CITY OF EL MIRAGE, ARIZONA
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Excess (deficiency) of revenues over expenditures	\$ 6,845,374	\$ 7,261,412	\$ 6,946,115	\$ 3,082,490	\$ 14,854,348
Other financing sources (uses):					
Issuance of bonds	-	-	-	11,575,000	-
Premium on sale of bonds	-	-	-	1,213,761	-
Payment to refunded bond escrow agent	-	-	-	(12,300,000)	-
Sale of assets	42,741	-	-	-	42,411
Debt issued-SBITA	25,543	819,755	824,154	-	-
Transfers in	6,512,000	4,975,000	4,888,000	4,606,004	(2,328,410)
Transfers out	(2,002,000)	(1,010,000)	(923,000)	(707,004)	5,533,410
Total other financing sources (uses)	<u>4,578,284</u>	<u>4,784,755</u>	<u>4,789,154</u>	<u>4,387,761</u>	<u>3,247,411</u>
Changes in fund balances	<u>\$ 11,423,658</u>	<u>\$ 12,046,167</u>	<u>\$ 11,735,269</u>	<u>\$ 7,470,251</u>	<u>\$ 18,101,759</u>
	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ (230,322)	\$ 5,929,463	\$ 180,601	\$ (7,605,716)	\$ (4,446,688)
Other financing sources (uses):					
Issuance of bonds	-	-	8,385,000	-	12,470,000
Premium on sale of bonds	-	-	881,581	-	1,132,682
Payment to refunded bond escrow agent	-	-	(9,073,030)	-	-
Sale of assets	31,307	486,041	288,961	-	-
Capital lease agreements	-	-	-	-	-
Transfers in	14,939,142	4,501,500	5,252,508	4,299,991	4,558,633
Transfers out	(11,734,142)	(2,491,000)	(3,319,508)	(2,456,491)	(2,554,133)
Total other financing sources (uses)	<u>3,236,307</u>	<u>2,496,541</u>	<u>2,415,512</u>	<u>1,843,500</u>	<u>15,607,182</u>
Changes in fund balances	<u>\$ 3,005,985</u>	<u>\$ 8,426,004</u>	<u>\$ 2,596,113</u>	<u>\$ (5,762,216)</u>	<u>\$ 11,160,494</u>

Source: The source of this information is the City's financial records.

CITY OF EL MIRAGE, ARIZONA
TAXABLE SALES BY CATEGORY BASED ON COLLECTIONS (IN THOUSANDS)
LAST TEN FISCAL YEARS

	Fiscal Year				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Construction	\$ 125,091	\$ 137,241	\$ 62,864	\$ 44,158	\$ 68,871
Retail trade	319,879	282,583	292,749	266,401	225,717
Communications and utilities	71,006	65,134	52,265	43,301	42,147
Restaurant and bar	20,293	18,052	16,593	14,961	14,174
Real estate, rental and leasing	90,777	129,051	78,230	66,992	78,045
Accommodation	918	1,652	491	557	428
Services	2,161	4,148	753	1,219	1,943
Other	32,156	19,812	15,512	14,672	14,558
Total	<u>\$ 662,281</u>	<u>\$ 657,673</u>	<u>\$ 519,458</u>	<u>\$ 452,262</u>	<u>\$ 445,882</u>

	Fiscal Year				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Construction	\$ 80,739	\$ 18,784	\$ 18,943	\$ 17,019	\$ 12,542
Retail trade	170,923	137,447	132,306	125,205	102,235
Communications and utilities	39,229	42,878	43,217	41,498	44,906
Restaurant and bar	12,688	12,737	12,123	11,203	9,969
Real estate, rental and leasing	69,412	61,180	51,557	44,223	32,453
Accommodation	373	-	-	-	3,256
Services	1,403	-	-	-	4,693
Other	13,586	10,696	9,114	6,923	16,980
Total	<u>\$ 388,352</u>	<u>\$ 283,722</u>	<u>\$ 267,260</u>	<u>\$ 246,070</u>	<u>\$ 227,034</u>

Source: The source of this information is the Arizona Department of Revenue.
Arizona Department of Revenue changed its way of reporting number of filers and categories effective June 2016.

CITY OF EL MIRAGE, ARIZONA
TRANSACTION PRIVILEGE (SALES) TAX COLLECTIONS BY INDUSTRY
FISCAL YEARS 2025 AND 2016

	<u>Fiscal Year 2025</u>				<u>Fiscal Year 2016</u>			
	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Collections</u>	<u>Percentage of Total</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Collections</u>	<u>Percentage of Total</u>
<u>Description of Payers Business</u>								
Construction	42	1%	\$ 3,752,737	19%	48	2%	\$ 376,265	5%
Retail trade	3,128	74%	9,596,384	48%	586	29%	3,067,046	45%
Communications and utilities	141	3%	2,130,182	11%	64	3%	1,347,177	19%
Restaurant and bar	34	1%	608,783	3%	18	1%	299,083	4%
Real estate, rental and leasing	340	8%	2,723,301	14%	608	30%	973,584	14%
Other	554	13%	1,075,406	5%	689	34%	812,989	12%
Total	<u>4,239</u>	<u>100%</u>	<u>\$ 19,886,793</u>	<u>100%</u>	<u>2,013</u>	<u>100%</u>	<u>\$ 6,876,144</u>	<u>100%</u>
Tax Collections from top ten taxpayers	10	<1%	9,591,082	48%	10	<1%	3,720,993	54%

Source: Arizona Department of Revenue

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the revenue.

Based on Arizona Department of Revenue collection reports only, does not include local audits or accrued amounts.
Arizona Department of Revenue changed its way of reporting number of filers and categories effective June 2016.

CITY OF EL MIRAGE, ARIZONA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
CURRENT AND LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Net Assessed to Estimated Actual Value
	Assessed Value Residential Property	Assessed Value Commercial Property					
2025	\$ 334,704,897	\$ 148,427,915	\$ 40,960,975	\$ 442,171,837	2.7856	\$ 4,289,335,196	10.31 %
2024	269,405,973	112,315,803	35,797,543	345,924,233	2.9823	3,378,529,564	10.24
2023	199,667,600	92,313,648	30,326,735	261,654,513	3.2071	2,566,692,095	10.19
2022	182,330,739	86,284,837	29,300,568	239,315,008	3.3906	2,347,608,437	10.19
2021	160,304,204	68,767,721	26,201,746	202,870,179	3.7438	2,025,278,943	10.02
2020	142,385,468	59,999,475	23,971,020	178,413,923	3.9610	1,793,206,477	9.95
2019	129,515,106	54,520,047	23,514,110	160,521,043	3.6337	1,632,991,596	9.83
2018	112,870,585	52,180,577	23,551,578	141,499,584	3.7834	1,451,693,976	9.75
2017	105,602,966	48,744,113	22,985,968	131,361,111	3.8440	1,359,620,899	9.66
2016	101,978,841	44,831,478	20,199,683	126,610,636	3.5406	1,286,131,251	9.84

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**CITY OF EL MIRAGE, ARIZONA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Direct Rates			Overlapping Rates				School Districts		Total Rates
	City of El Mirage			Maricopa County*				Dysart #89		
	Basic Rate	General Obligation Debt Service	Total Direct Rates	General	Community College Dist.	Central AZ Conserv. District	Health District	Unified El Mirage	West- Mec*	
2025	1.7104	1.0752	2.7856	1.1591	1.10	0.1400	0.2665	17.1695	0.1825	22.8079
2024	1.7699	1.2124	2.9823	1.2044	1.1388	0.1400	0.2716	17.5055	0.1807	23.4233
2023	1.8355	1.3716	3.2071	1.2473	1.1894	0.1400	0.2488	18.2956	0.1538	24.4820
2022	1.9077	1.4829	3.3906	1.3459	1.2257	0.1400	0.2970	20.4020	0.1579	26.9591
2021	1.9835	1.6999	3.6834					21.1987		24.8821
2020	1.9835	1.7603	3.7438					21.7350		25.4788
2019	2.0603	1.9007	3.9610					22.5100		26.4710
2018	1.6319	2.0018	3.6337					21.9500		25.5837
2017	1.6992	2.0842	3.7834					22.4200		26.2034
2016	1.7264	2.1176	3.8440					22.0400		25.8840

Source: The source of this information is the Maricopa County Tax Rates Report.

* Prior year's data will be completed for the overlapping districts that were previously omitted going forward.

**CITY OF EL MIRAGE, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Primary Taxes Levied for the Fiscal Year (3)	Primary Taxes Collected within the Fiscal Year of the Levy		Primary Taxes Collected in Subsequent Fiscal Years (2)	Primary Taxes Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	3,070,298	\$ 2,983,711	97.18	N/A	\$ 2,983,711	97.18 %
2024	2,817,634	2,769,627	98.30	51,944	2,821,571	100.14
2023	2,716,588	2,677,801	98.57	35,251	2,713,052	99.87
2022	2,611,504	2,582,742	98.90	42,584	2,625,326	100.53
2021	2,372,320	2,352,036	99.14	38,397	2,390,432	100.76
2020	2,287,426	2,169,120	94.83	38,602	2,207,722	96.52
2019	2,257,335	2,185,480	96.82	5,836	2,191,316	97.08
2018	1,656,452	1,624,691	98.08	18,402	1,643,093	99.19
2017	1,659,775	1,611,809	97.11	29,331	1,641,140	98.88
2016	1,661,854	1,614,373	97.14	20,481	1,634,854	98.38

Source: The source of the collection information is the Maricopa County Treasurer- Secured Levy Report. The levy amount is from City prepared budget documents.

Notes: 1) Amounts collected are on a cash basis.

2) Includes collections and resolutions.

3) Primary levy amount is based on City's State mandated scheduals found in City's budget documents.

**CITY OF EL MIRAGE, ARIZONA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND TEN YEARS PRIOR**

Taxpayer	2025			Taxpayer	2016		
	Net Assessed Full	Rank	Percentage of		Net Assessed Full	Rank	Percentage of
	Cash Value		Net Assessed Full		Cash Value		Net Assessed Full
MICROSOFT CORPORATION	\$ 14,415,205	1	3.26%	ARIZONA PUBLIC SERVICE COMPANY	\$ 3,759,153	1	2.97%
ARIZONA PUBLIC SERVICE	13,970,401	2	3.16%	PUEBLO EL MIRAGE LLC	2,735,703	2	2.16%
DPML COPPERWING 5 6 LLC	9,904,293	3	2.24%	WAL MART STORES INC	2,526,696	3	2.00%
BGO-TI PHOENIX LLC	9,051,139	4	2.05%	CLAYTON HOMES INC	1,594,107	4	1.26%
NEXMETRO GRAND LLC	7,500,000	5	1.70%	BNSF RAILWAY COMPANY	1,537,360	5	1.21%
AVANTI WINDOWS & DOORS LLC	7,396,368	6	1.67%	PIPE PORTFOLIO OWNER (MULTI) LP	1,081,091	6	0.85%
PUEBLO EL MIRAGE LLC	5,960,997	7	1.35%	COYOTE PASS RV AND MINI STORAGE LLC	899,532	7	0.71%
PIPE PORTFOLIO OWNER (MULTI) LP	4,505,228	8	1.02%	JIA CORP	639,559	8	0.51%
CLAYTON HOMES INC	4,050,911	9	0.92%	QWEST CORPORATION	575,733	9	0.45%
WAL MART STORES INC	3,704,685	10	0.84%	PREMIERE RV & MINI STORAGE LLC	564,372	10	0.45%
SCD EL MIRAGE LLC	3,213,778	11	0.73%	LILI RUBIN INVESTMENT PROPERTIES 3 LLC	563,200	11	0.44%
BUTTRUM BRUCE	3,003,943	12	0.68%	EPCOR-SUN CITY WATER DIVISION	552,143	12	0.44%
BNSF RAILWAY COMPANY	2,547,556	13	0.58%	DAKOTA FABRICATING	549,346	13	0.43%
GVII-BG COYOTE PASS OWNER LLC	2,505,872	14	0.57%	ARIZONA SAND & ROCK CO	539,843	14	0.43%
COMPASS DATACENTER PHX II-I	2,090,415	15	0.47%	IIP OASIS LLC	532,656	15	0.42%
CHARLIE TUNA INVESTMENTS LLC	1,939,504	16	0.44%	EPCOR-SUN CITY SEWER DIVISION	527,050	16	0.42%
CIVES CORPORATION	1,893,616	17	0.43%	T BAR C LAND AND CAMEL COMPANY LLC	477,576	17	0.38%
DPML COPPERWING LLC	1,843,197	18	0.42%	UNION ROCK & MATERIAL CORP	462,700	18	0.37%
CARMAX AUTO SUPERSTORES INC	1,450,470	19	0.33%	REALTY INCOME PROPERTIES	438,066	19	0.35%
EVT EL MIRAGE INDUSTRIAL LLC	1,319,550	20	0.30%	SUMERLIN LLC	417,560	20	0.33%
PREMIERE RV & MINI STORAGE LLC	1,304,816	21	0.30%	MCS ENTERPRISES LLC	389,286	21	0.31%
ARIZONA SAND AND ROCK COMPANY	1,159,009	22	0.26%	MAX TAYLOR AND COMPANY LLC	389,062	22	0.31%
EASTERN INVESTMENT GROUP LLC	1,014,136	23	0.23%	CASA MIRAGE PROPERTIES LLC	368,874	23	0.29%
EPCOR (SUN CITY SEWER)	972,729	24	0.22%	SOUTHWEST GAS CORPORATION (T&D)	364,494	24	0.29%
SOUTHWEST GAS CORPORATION (T&D)	683,742	25	0.15%	ASI EL MIRAGE LLC	364,104	25	0.29%

Source: The source of this information is the Maricopa County Assessor's Office- Data Request Report.

**CITY OF EL MIRAGE, ARIZONA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Revenue Bonds	Leases	SBITA	Leases	Water Infrastructure Financing Authority Loan				
2025	\$ 15,531,699	\$ -	\$ -	\$ 754,280	\$ 94,194	\$ 9,634,447	\$ 26,014,620	N/A	704	
2024	17,077,252	-	-	1,097,736	98,770	11,138,824	29,412,582	N/A	805	
2023	18,568,029	-	-	-	-	12,714,464	31,282,493	N/A	862	
2022	20,008,806	-	-	-	-	14,248,902	34,257,708	0.01	949	
2021	21,130,822	-	-	-	-	17,198,541	38,329,363	0.01	1,067	
2020	22,475,911	-	-	-	-	9,665,211	32,141,122	0.01	910	
2019	23,780,971	10,065,663	-	-	-	9,821,367	43,668,001	0.02	1,244	
2018	25,052,723	10,771,146	-	-	-	10,912,026	46,735,895	0.02	1,341	
2017	25,713,367	11,451,658	-	-	-	12,059,849	49,224,874	0.03	1,424	
2016	26,750,296	11,602,682	8,900	-	-	16,523,152	54,885,030	0.03	1,617	

Source: The source of this information is the City's financial records.

Note: Details of the outstanding debt can be found in the notes to the financial statements. The WIFA debt shown here is net of July 1, 2025 payment.

**CITY OF EL MIRAGE, ARIZONA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2025	\$ 15,531,699	\$ 823,169	14,708,530	0.343 %	398
2024	17,077,252	809,395	16,267,857	0.482	445
2023	18,335,860	730,583	17,605,277	0.686	485
2022	20,008,806	552,273	19,456,533	0.829	539
2021	21,130,822	490,075	20,640,747	1.019	575
2020	22,475,911	479,261	21,996,650	1.227	623
2019	23,780,971	493,370	23,287,601	1.426	664
2018	25,052,723	428,812	24,623,911	1.696	699
2017	25,713,367	431,298	25,282,069	1.859	721
2016	26,750,296	477,058	26,273,238	2.043	750

Source: The source of this information is the City's financial records.

Note: Amounts unrelated to debt covered by State Statutes related to calculating debt limits are omitted from from this display.

**CITY OF EL MIRAGE, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2025**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to City</u>	<u>Estimated Amount Applicable to City</u>
Debt repaid with property taxes:			
Maricopa County	\$ 214,169,326	0.3945%	\$ 844,872
MC Community College	87,320,000	0.3945%	344,467
Central Az. Water Conserv. Dist.	36,005,000	0.3945%	142,035
Maricopa County Special Health Care District	574,205,000	0.3945%	2,265,170
Dysart Unified School District No. 89	70,020,316	10.592%	7,416,714
Subtotal, Overlapping Debt			<u>\$ 11,013,258</u>
Direct:			
City of El Mirage			<u>15,531,699</u>
Total Direct and Overlapping Debt			<u><u>\$ 26,544,957</u></u>

Source: The source of this information is the City's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

Note: Estimated percentage of debt outstanding applicable to the City is calculated based on the City's full cash assessed valuation as a percentage of the full cash assessed valuation of the overlapping jurisdiction. Amounts unrelated to debt covered by State Statutes related to calculating debt limits are omitted from this display.

CITY OF EL MIRAGE, ARIZONA
LEGAL DEBT MARGIN INFORMATION UNRESTRICTED AND RESTRICTED
LAST TEN FISCAL YEARS

	Unrestricted									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit 6%	26,924,373	27,581,760	21,678,831	16,497,912	15,000,211	12,683,453	11,375,002	10,117,323	8,932,155	8,049,641
Total net debt applicable to limit	-	-	-	170,000	1,300,000	1,374,500	1,835,000	1,900,000	5,018,600	6,093,600
Unrestricted legal debt margin	26,924,373	27,581,760	21,678,831	16,327,912	13,700,211	11,308,953	9,540,002	8,217,323	3,913,555	1,956,041
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	0.00%	0.00%	0.00%	1.03%	8.67%	10.84%	16.13%	18.78%	56.19%	75.70%
	Restricted									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit 20%	89,747,908	91,939,198	72,262,771	54,993,040	50,000,702	42,278,177	37,916,673	33,724,408	29,773,849	26,832,138
Total net debt applicable to limit	13,900,000	15,280,000	16,595,000	17,690,000	19,830,822	21,101,411	22,605,000	21,695,000	19,986,400	19,986,400
Restricted legal debt margin	75,847,908	76,659,198	55,667,771	37,303,040	30,169,880	21,176,766	15,311,673	12,029,408	9,787,449	6,845,738
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	15.49%	16.62%	22.96%	32.17%	39.66%	49.91%	59.62%	64.33%	67.13%	74.49%

Source: Arizona Department of Revenue and Arizona State Treasurer - Bonded Indebtedness and Debt Limitations.

Note: Total net debt applicable to limit is net of July 1 payment

**CITY OF EL MIRAGE, ARIZONA
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	City of El Mirage Population*	Maricopa County			
		Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate
2025	36,958	4,726,247	N/A	N/A	3.6 %
2024	36,536	4,665,020	N/A	N/A	3.5
2023	36,275	4,586,430	N/A	N/A	3.5
2022	36,101	4,507,419	\$ 328,789,172	\$ 72,944	5.6
2021	35,927	4,496,588	304,864,170	67,799	6.6
2020	35,318	4,485,414	222,943,072	49,704	9.8
2019	35,096	4,402,403	211,812,685	48,113	5.0
2018	34,859	4,307,033	210,370,180	48,843	4.9
2017	34,570	4,307,033	196,286,191	45,573	4.9
2016	34,080	4,233,383	185,613,641	43,845	5.5

Source: The source of this information is the U.S. Census Bureau, Maricopa County Association of Governments, U.S. Department of Commerce and *Arizona Office of Economic Opportunity.

Note: All personal income figures and per capita income are for Maricopa County.
N/A indicates that the information is not available.

**CITY OF EL MIRAGE, ARIZONA
PRINCIPAL EMPLOYERS
LAST CALENDAR YEAR AND NINE YEARS PRIOR**

<u>Employer</u>	<u>2025</u>		<u>2016</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Dysart Unified School District 89	500	11.16 %	554	19.89 %
Walmart	300	6.70	219	7.86
City of El Mirage	205	4.58	170	6.10
Avanti Windows and Doors	200	4.46		
Dvc Construction Company Inc	160	3.57	160	5.75
CalPortland Company	150	3.35		
Parks Sons of Sun City Inc	140	3.13	120	4.31
BNSF Railway Co	120	2.68	112	4.02
Yellowstone Landscape	110	2.46		
Southwest Steel Inc	100	2.23	100	3.59
Sutter Masonry Inc			78	
Look Trailers			66	2.37
Bashas (Food City)			62	2.23
Total	<u>1,985</u>	<u>44.32</u> %	<u>1,641</u>	<u>56.12</u> %
Total employment	<u>4,480</u>		<u>2,785</u>	

Source: The source of this information is the Maricopa Association of Governments

Note: Amounts presented are as of December 31.

**CITY OF EL MIRAGE, ARIZONA
FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Government	33.5	40.4	34.6	39.4	38.2	34.1	29.1	30.1	30.1	31.2
Police	87.0	87.0	81.0	72.5	69.5	72.0	68.5	59.5	59.0	61.2
Fire	38.0	38.0	37.0	31.0	31.0	31.0	34.0	27.0	27.0	29.0
Court	9.1	9.1	9.1	10.0	10.0	10.1	11.1	9.6	8.6	13.1
Streets	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	6.0
Development Services	14.5	10.5	9.5	10.3	10.3	10.3	6.0	3.0	4.0	4.0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	
Parks and Recreation	10.2	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	4.8
Water	14.0	13.0	13.0	13.0	13.0	13.0	18.0	18.0	18.0	16.7
Sewer	8.0	8.0	8.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
Customer Service	6.5	6.5	6.0	6.0	6.0	6.0	6.0	5.3	5.3	5.4
	<u>226.8</u>	<u>225.3</u>	<u>211.0</u>	<u>202.0</u>	<u>197.8</u>	<u>196.3</u>	<u>193.5</u>	<u>173.3</u>	<u>171.8</u>	<u>179.4</u>

Source: The source of this information is the City of El Mirage Annual Budget

**CITY OF EL MIRAGE, ARIZONA
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	28	29	28	28	28	44	44	42	42	43
Fire										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines and ladder trucks	3	3	3	2	2	3	2	3	4	3
Other Public Works										
Street miles	248	248	248	248	248	248	248	248	242	240
Traffic signals	19	18	18	17	17	17	17	17	13	11
Community Development										
Inspection vehicles	8	8	8	8	8	5	10	10	10	8
Culture and recreation										
Parks acreage	65.3	53.6	52.3	52	52	52	52	52.3	52.3	52.3
Parks	14	14	13	13	13	13	13	13	13	13
Softball fields	2	2	2	2	2	2	2	2	2	2
Baseball fields	3	3	3	3	3	3	3	3	3	3
Libraries	1	1	1	1	1	1	1	1	1	1
Water										
Maximum pump capacity (MGD)(1)	11.25	11.25	11.25	11.25	11.25	11.25	11.80	11.58	11.58	11.58
Total Storage (MGD)	7.76	7.76	7.76	7.76	7.76	7.76	7.76	7.36	7.36	7.36
Wells	9	9	9	9	9	10	10	10	10	10
Miles of water lines	122	122	122	122	122	122	121	120	120	120
Valves	2750	2,750	2,750	2,750	2,750	2,750	2,636	2,621	2,626	2,626
Hydrants	1450	1,450	1,450	1,450	1,450	1,450	1,419	1,417	1,413	1,171
Sewer										
Sewer treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily treatment capacity	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Miles of sewer lines	64	64	64	64	64	64	63	63	63	63

Source: The source of this information is the various government departments.

Note: (1) MGD= million gallons per day

**CITY OF EL MIRAGE, ARIZONA
OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS**

Function/Program	Calendar Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Public Safety										
Police										
Calls/incidents responded to	23,859	20,886	24,513	25,729	28,847	33,629	27,771	26,362	28,611	28,597
Citations issued	7,529	3,673	2,674	2,359	3,409	3,820	2,542	2,465	2,263	2,241
Fire										
Number of responses	4,584	4,225	4,644	4,812	4,657	4,406	4,009	4,277	4,559	4,513
Inspections	328	276	253	92	60	430	255	131	324	302
Public Works and Streets										
Square feet of buildings to maintain	119,594	112,594	112,594	112,594	109,654	109,654	109,654	109,654	109,654	87,654
Vehicles/equipment maintained per month	99	99	155	154	153	151	149	134	125	125
Street miles maintained	248	248	248	248	248	248	248	248	242	240
Community Development										
Building safety inspections performed	1,945	5,247	5,239	1,179	2,206	2,005	2,208	2,558	2,825	3,143
Annual new residential starts	5	6	94	17	45	124	6	26	26	48
Water										
Water accounts billed	12,439	11,747	12,844	12,767	11,968	11,728	11,517	11,071	13,406	10,942
Residential	11,700	11,016	12,130	12,072	11,246	11,020	10,858	10,471	12,741	10,308
Commercial	739	731	714	695	722	708	659	606	665	634
Acre feet of water delivered	5,567	5,242	4,939	5,466	5,659	4,986	4,696	4,790	4,829	4,543
Sewer										
Sewage treated (million gallons per day)	2.20	2.11	2.02	1.96	2.10	2.00	2.00	1.81	1.92	1.93
Sewer service connections	10,673	10,950	10,950	10,950	10,970	10,730	10,630	10,628	10,620	10,614

Source: The source of this information is the various government departments.

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OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS

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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and
City Council
El Mirage, Arizona

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Mirage, Arizona as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of El Mirage, Arizona's basic financial statements, and have issued our report thereon dated November 4, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of El Mirage, Arizona's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of El Mirage, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the City El Mirage, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of El Mirage, Arizona's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

Mesa, Arizona
November 4, 2025



Independent Auditors' Report on State Legal Compliance

The Honorable Mayor and
City Council
El Mirage, Arizona

We have audited the basic financial statements of the City of El Mirage, Arizona for the year ended June 30, 2025, and have issued our report thereon dated November 4, 2025. Our audit also included test work on the City of El Mirage's compliance with selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 28, Chapter 18, Article 2.

The management of the City of El Mirage is responsible for the City's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit; accordingly, we make the following statements:

The City of El Mirage has established separate funds to account for Highway User Revenue funds and Local Transportation Assistance funds. Highway user revenue fund monies received by the City of El Mirage pursuant to Title 28, Chapter 18, Article 2 and other dedicated state transportation revenues received during the current fiscal year appear to have been used solely for authorized purposes. The funds are administered in accordance with Generally Accepted Accounting Principles. Sources of revenues available and fund balances are reflected in the individual fund financial statements.

Our opinion regarding the City's compliance with annual expenditure limitations has been issued separately with the City's Annual Expenditure Limitation Report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, The City of El Mirage complied, in all material respects, with the requirements identified above for the year ended June 30, 2025.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Arizona Revised Statutes as noted above and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC
Mesa, Arizona
November 4, 2025

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