



HINTONBURDICK
CPAs & ADVISORS

City of El Mirage, Arizona Fiscal Year 2025 Audit Presentation

Presented December 2, 2025
By HintonBurdick CPAs & Advisors

Financial Audit

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

Audit Reports

- **Independent Auditors Report (pg. 1-3).**
 - Unmodified or “clean opinion”
- **Report on Compliance and on Internal Control over Financial Reporting (pg. 131-132).**
 - No material weaknesses noted.
 - No significant deficiency noted.
- **State Compliance Report (pg. 133).**
 - Unmodified or “clean opinion”
 - No reportable findings.
- **Annual Expenditure Limitation (separate)**
 - Spending was below the limit.
- **Report on Compliance for Each Major Program (Single Audit, separate)**
 - Pending

Government Wide Financial Highlights

- Total net position (equity) was \$249.7 million at June 30, 2025, (pg. 19).
- Over time, increases or decreases in net position are an indicator of whether the financial health of the City is improving or deteriorating.

Government Wide Financial Highlights

- Total net position increased by \$24.2 million (pg. 20).
 - Governmental activities increased by \$21.3 million and Business-type activities increased by \$2.9 million (Water-Wastewater-Refuse).

Government Wide Financial Highlights

- Governmental capital assets increased by \$4.1 million, net of accumulated depreciation.
- Additions were \$8.7 million, disposals were \$77 thousand, and depreciation was \$4.5 million (pg. 43).
- **Significant governmental capital asset additions:**
 - Dysart Road Improvements - \$5.5 million current year expenditures, total completed project costs \$18.8 million
 - Land Acquisition \$1.9 million

Government Wide Financial Highlights

- Business-type capital assets increased by \$570 thousand. Additions were \$3.5 million and depreciation was \$2.9 million (pg. 44).
- Significant business-type capital asset additions:
 - Public Works Facility
 - Water Improvements \$794 thousand FY25 costs, \$1.4M total completed project costs
 - Sewer Improvements \$800 thousand FY25 costs, \$1.4 total completed project costs.
 - Water Production Facility Rehab Program \$366 thousand FY25 costs, still in construction in progress.
 - 1st Avenue Drainage Improvements \$250,000

Government Wide Financial Highlights

- Total Governmental long-term liabilities decreased by \$4.6 million to \$30.7 million at June 30, 2025, (pg. 45).
 - Regularly scheduled debt service payments
 - 1.4 million bonds
 - \$369 thousand subscription liabilities.
 - Net Pension/OPEB Liabilities decreased by \$2.8 million.

Government Wide Financial Highlights

- Total Business-type long-term liabilities decreased by \$1.5 million to \$13.5 million at June 30, 2025, (pg. 44).
 - Regularly scheduled debt service payments were \$1.5 million.

Fund Financial Highlights – General Fund

- The total fund balance for the General Fund increased from \$83.6 million to \$94.4 million. The fund balance is 224% of total General Fund expenditures (pg. 23).
- The General Fund reported revenues in excess of expenditures of \$10.8 million including net transfers in of \$2.5 million.
- Revenues received in the General Fund were more than the final budget by \$9.3 million which was mainly due to City sales tax and investment income.
- Actual expenditures were \$11.6 million less than the final budget (pg. 82-83).

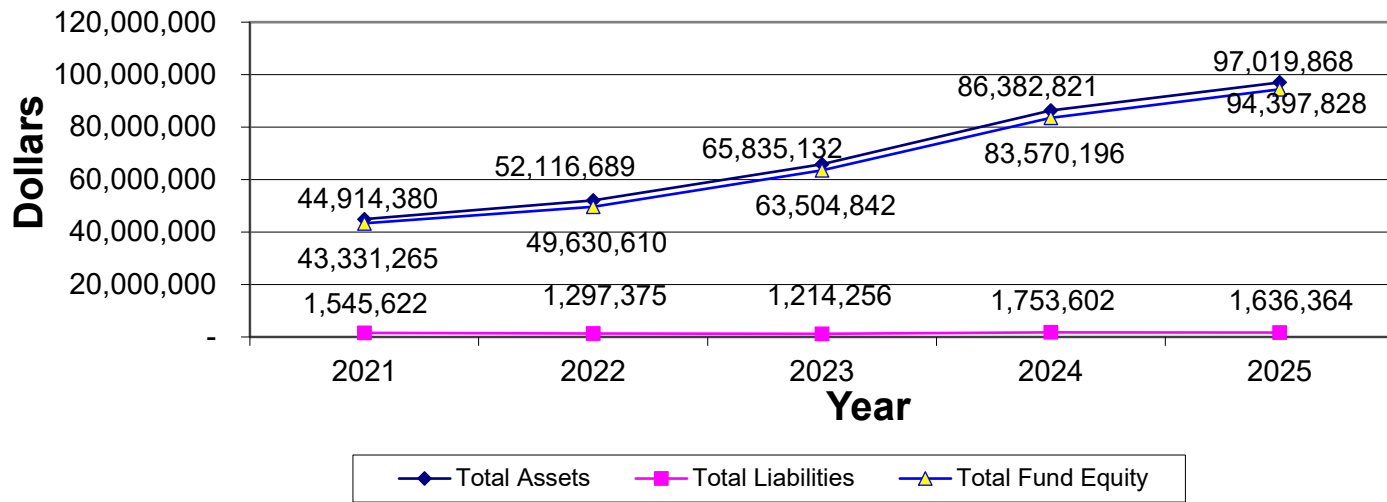
Fund Financial Highlights - Governmental

- Special Projects Fund Balance increased by \$170 thousand (pg. 85).
- The fund had \$1.5 million in revenues and \$1.3 million in expenditures. (pg. 85).
- Streets (Capital Projects) Fund Balance decreased by \$1.0 million (pg. 88).
- The fund had \$4.4 million in revenues and \$5.5 million in expenditures. (pg. 88).

Fund Financial Highlights - Proprietary

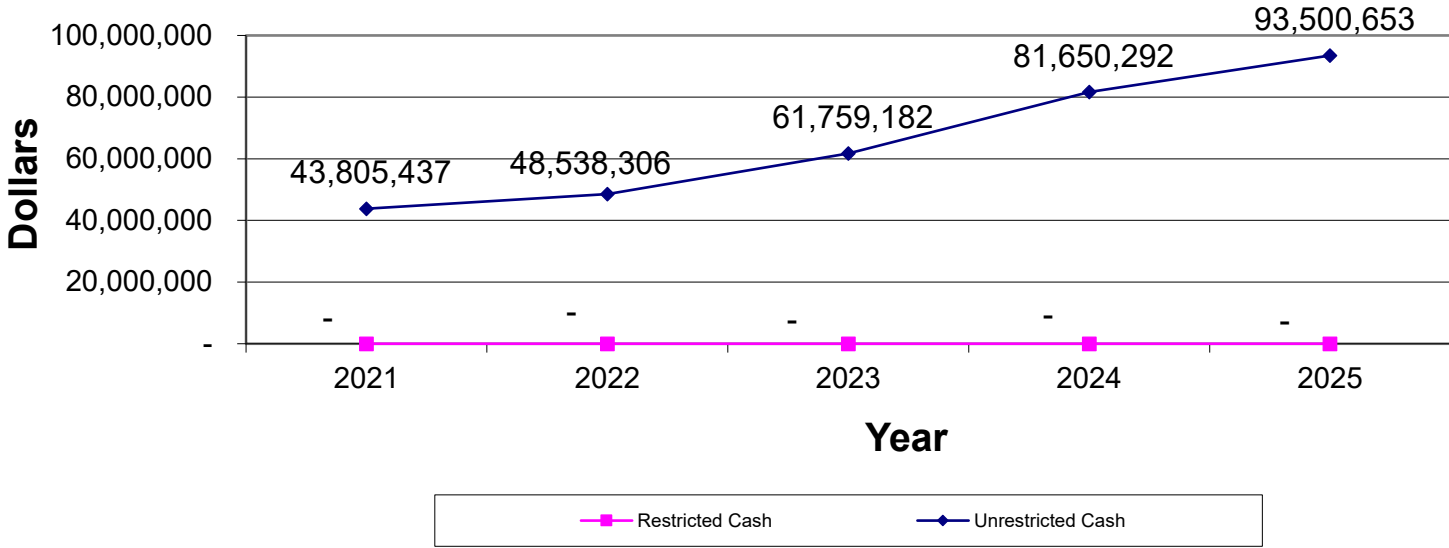
- All of the City's enterprise funds reported operating income in fiscal year 2025, (pg. 26).
- All of the City's enterprise funds reported positive net income in fiscal year 2025, (pg. 26).
- The overall change in net position for all of the enterprise funds was an increase of \$2.9 million (pg. 26).
- Cash flows from operating activities were positive for all of the enterprise funds (pg. 27).

CITY OF EL MIRAGE GENERAL FUND BALANCE SHEET TREND



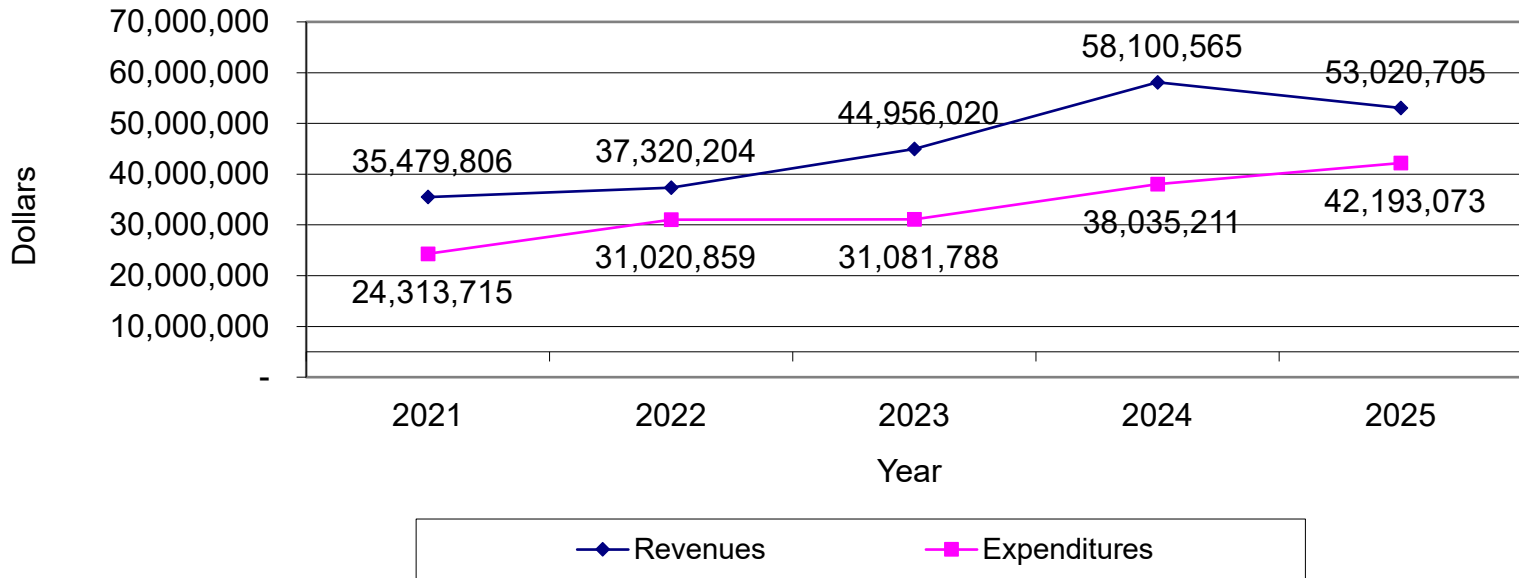
The General fund shows a healthy and increasing balance sheet which is reported on the modified accrual basis, which basis does not reflect long-term debt or capital assets.

**CITY OF EL MIRAGE
GENERAL FUND CASH TREND
Restricted Cash and Unrestricted Cash**



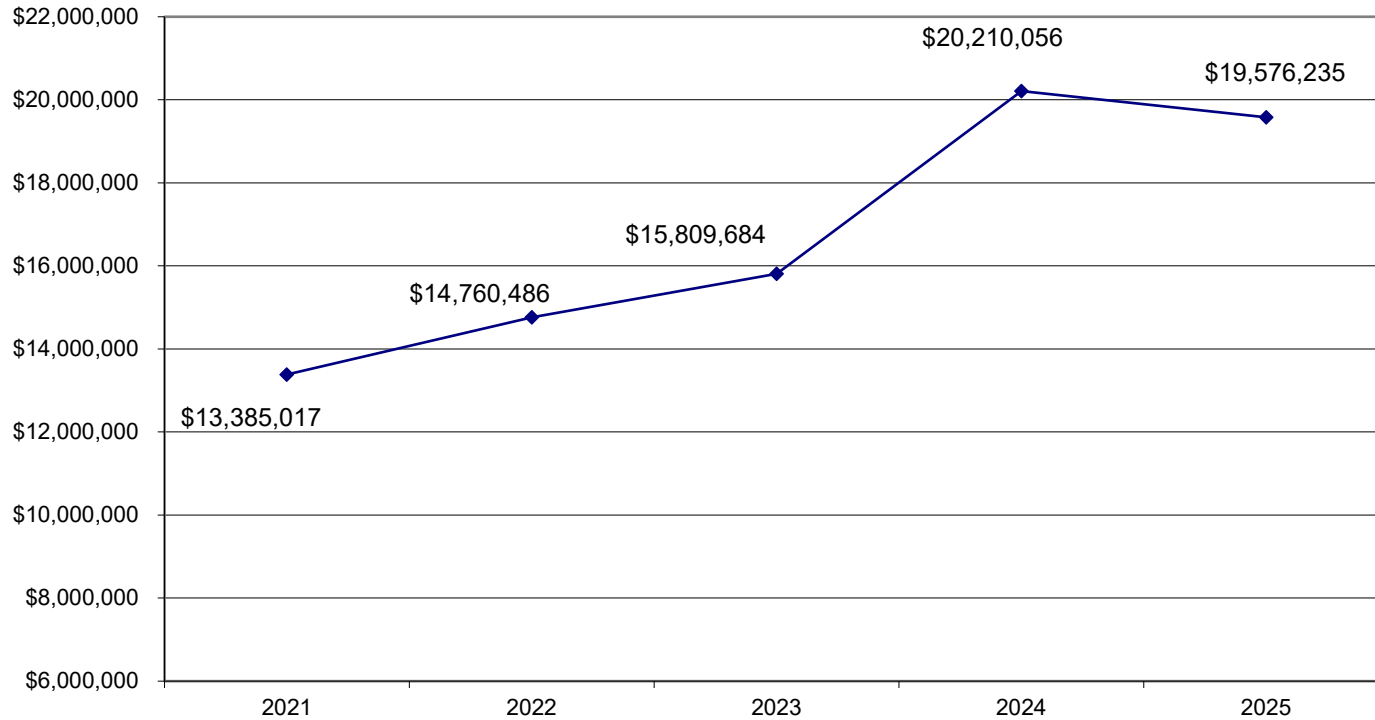
The General Fund shows a strong cash position. The unrestricted cash represents 232% of total General Fund expenditures.

CITY OF EL MIRAGE GENERAL FUND Revenue and Expenditure Trend



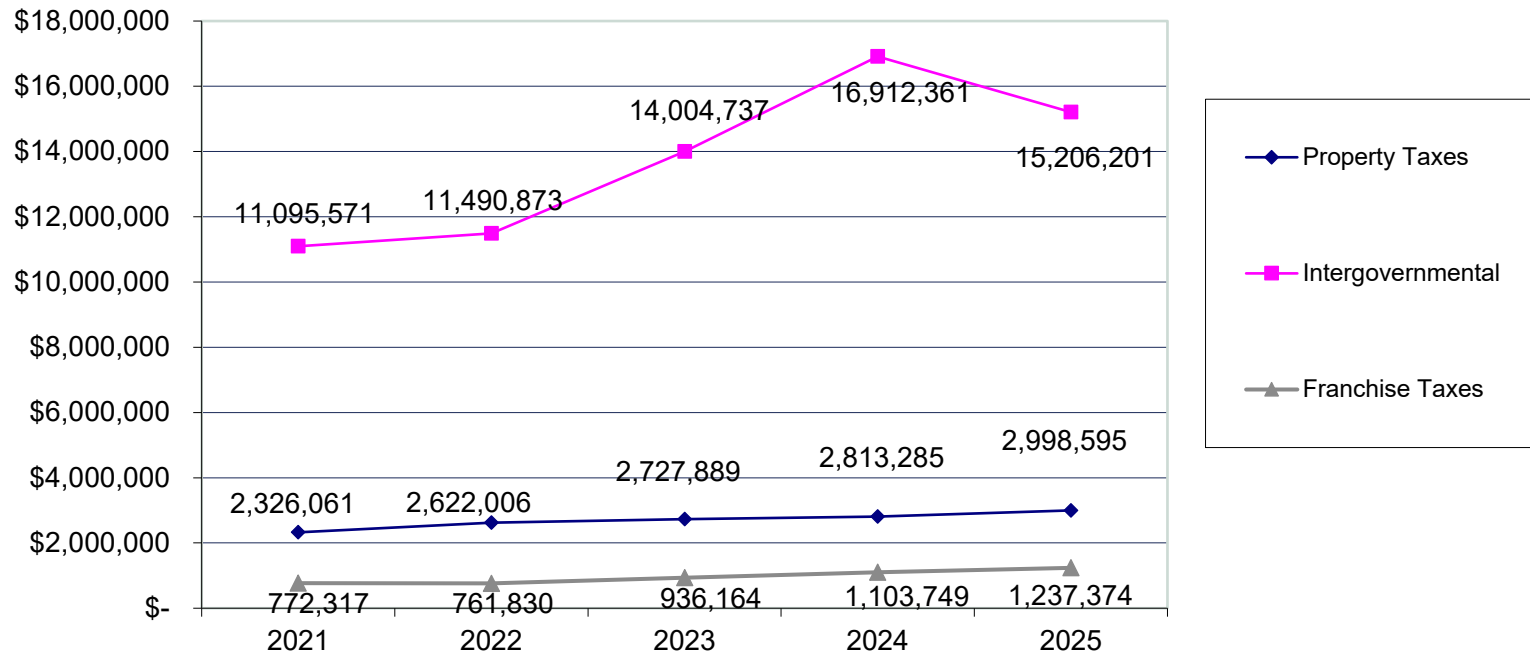
The General fund is normally expected to break even over time. The City of El Mirage’s General fund has reported excess revenues over expenditures (including transfers) for all of the last five fiscal years.

CITY OF EL MIRAGE Sales Tax Revenue



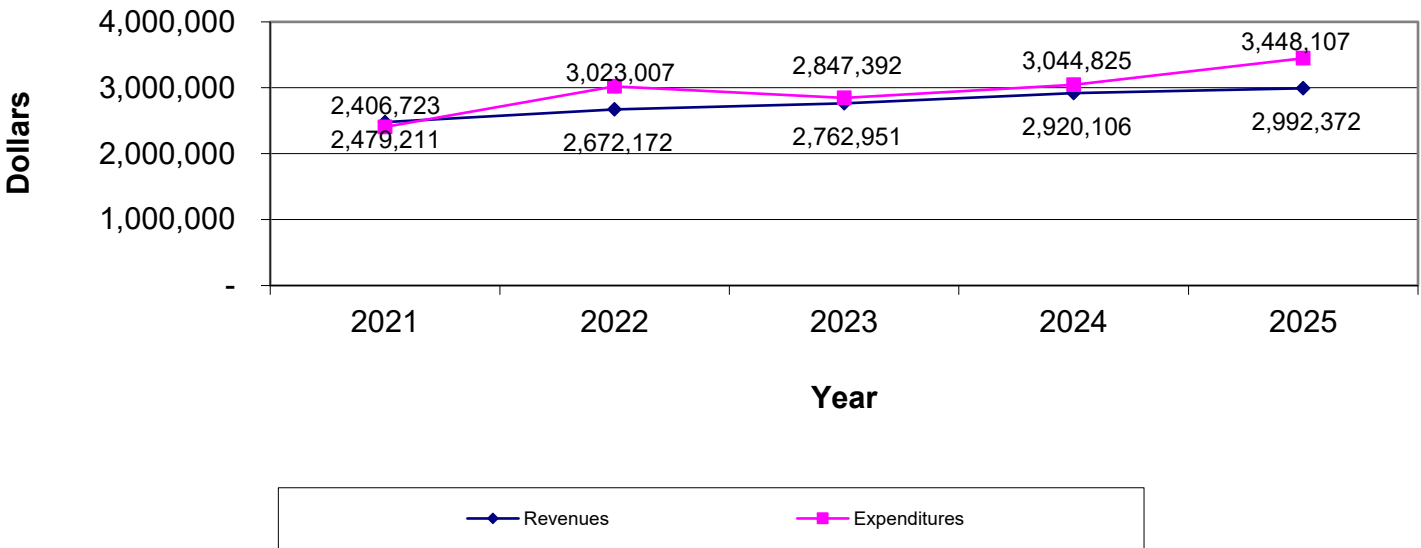
Sales tax revenues have increased by 46.25% over the last five fiscal years with a -3.14% decrease in fiscal year 2025.

CITY OF EL MIRAGE Other Significant Revenues



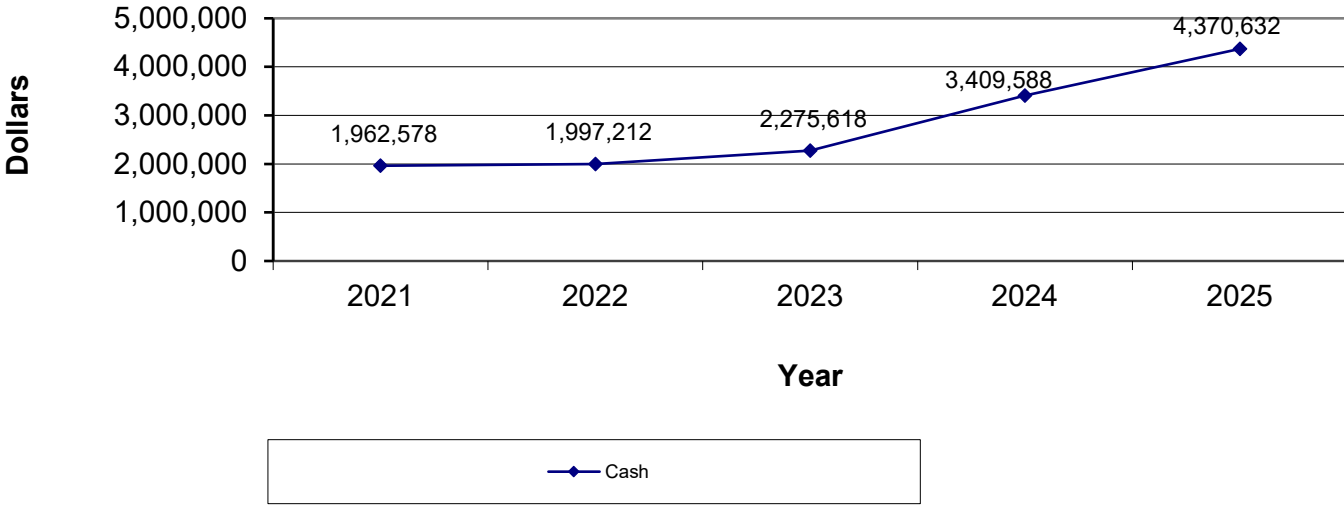
- Intergovernmental revenues (primarily State income tax, Auto in lieu, and Urban revenue sharing,) have increased by 37.05% over the last five years and decreased by 10.09% since last year.
- Property tax has increased by 28.91% over the last five years and 6.59% since last year.
- Franchise tax has had an overall increase of 60.22% in the last five years with a 12.11% increase from the prior year.

**CITY OF EL MIRAGE
STREETS - HIGHWAY USER FUND
Total Revenues and Total Expenditures**



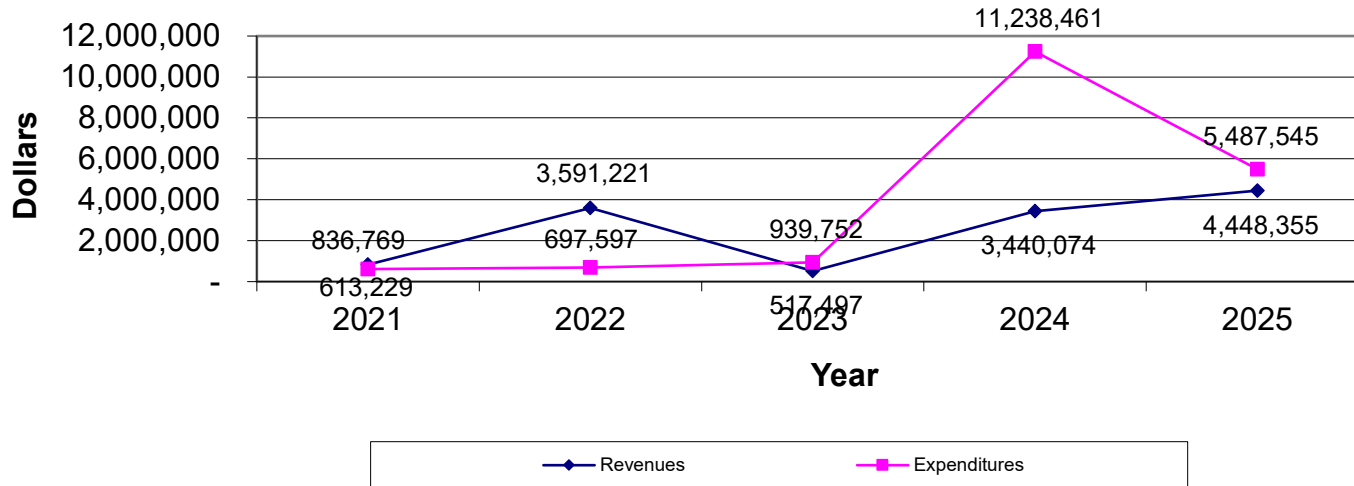
The HURF fund is expected to break even over time as resources are accumulated and expended on street projects.

**CITY OF EL MIRAGE
STREETS - HIGHWAY USER FUND
Cash Trend**

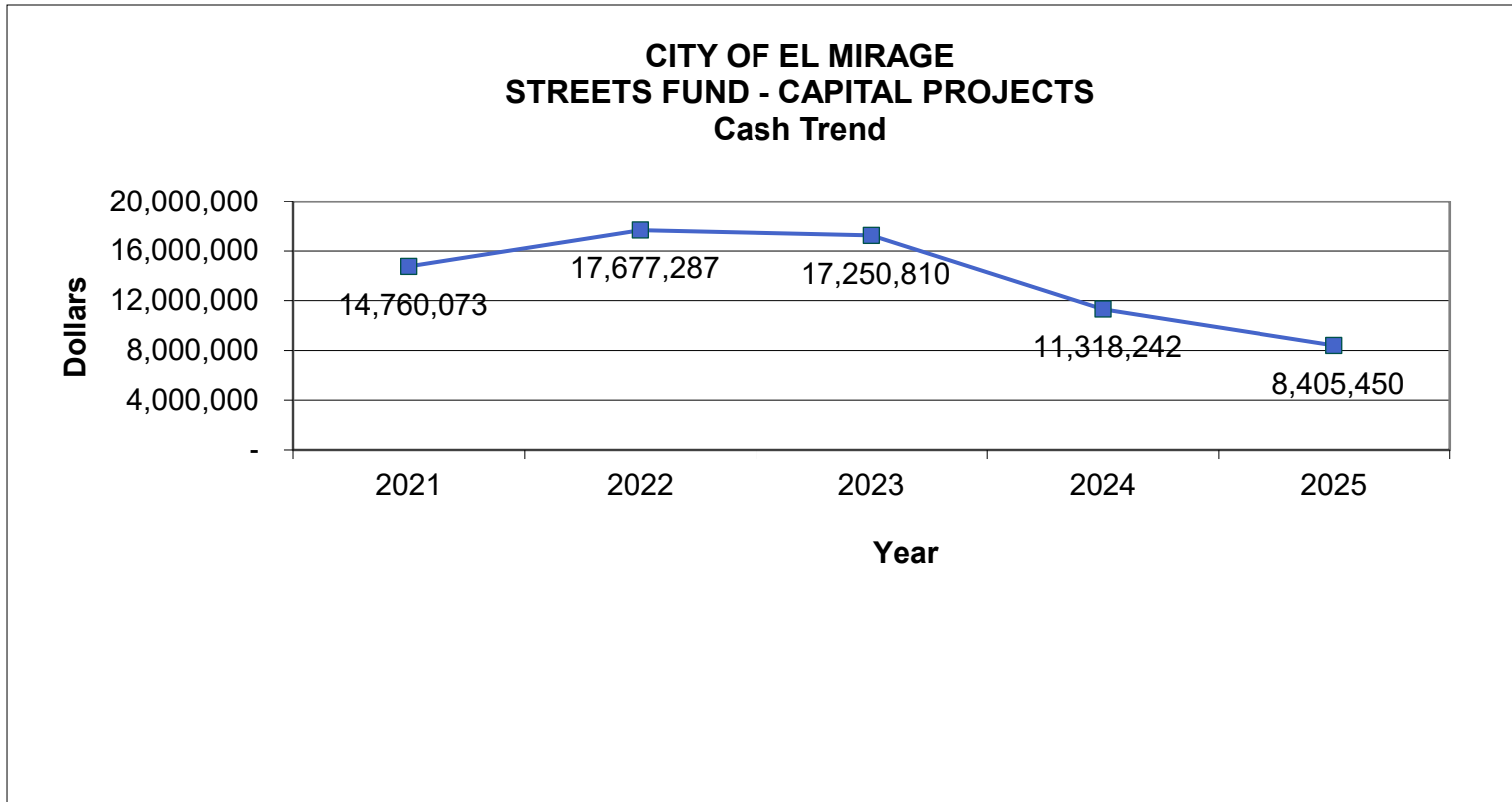


It is common for resources to accumulate in the HURF fund and then be used on large projects. Cash increased by 28% in the current fiscal year.

CITY OF EL MIRAGE STREETS FUND - CAPITAL PROJECTS Total Revenues and Total Expenses



The Streets fund is expected to break even over time as resources are accumulated and expended on street projects.



Street fund cash is expected to fluctuate significantly over time, as resources for large capital projects are accumulated and then used.

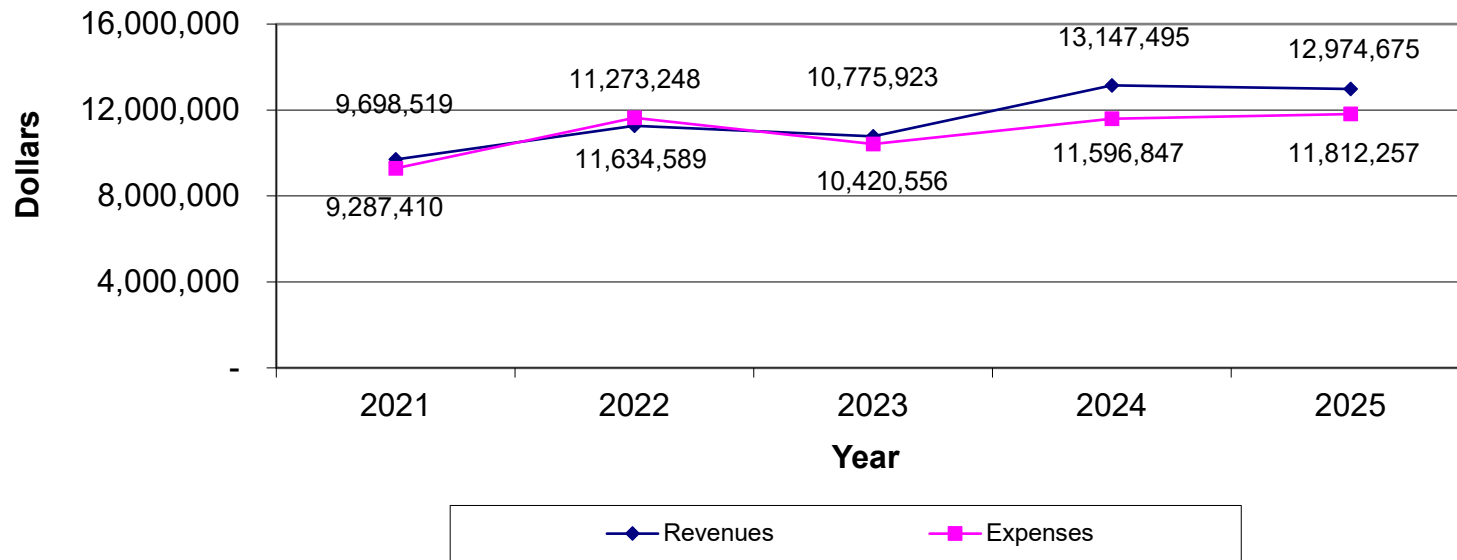
Governmental Funds Expenditures

Governmental funds expenditures for the year ended:

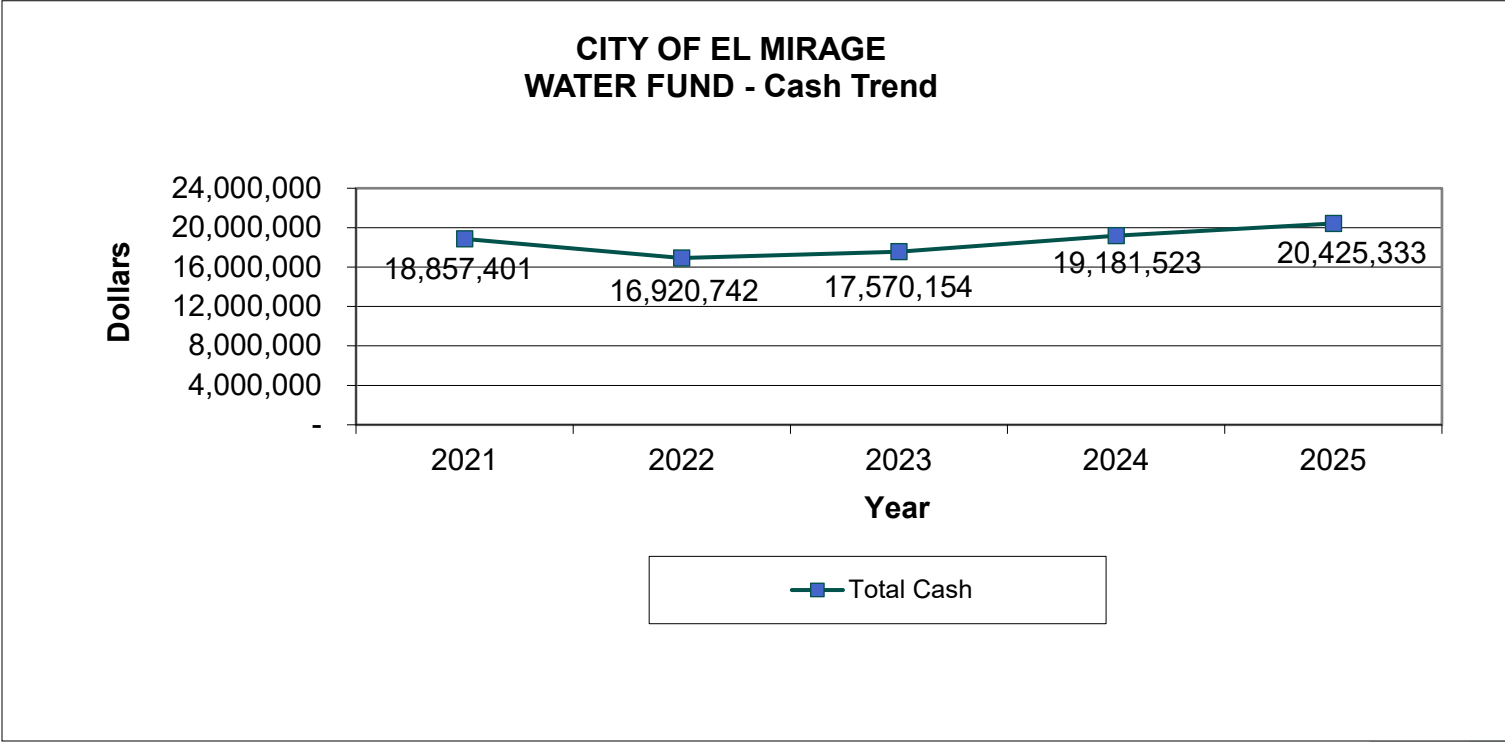
Program/function	6/30/2024	6/30/2025	Incr/(decr)
General Government	\$ 18,817,459	\$ 16,445,709	\$ (2,371,750)
Public Safety	21,123,657	21,895,912	772,255
Public Works/Streets	3,088,873	3,270,218	181,345
Capital Outlay	15,765,088	9,522,650	(6,242,438)
Debt Service			
Principal	1,676,484	1,748,999	72,515
Interest & fiscal charges	732,924	684,826	(48,098)
	<u>\$ 61,204,485</u>	<u>\$ 53,568,314</u>	<u>\$ (7,636,171)</u>

- Overall governmental expenditures are down 12% mainly due to decreased capital outlay.
- General government expenditures are down due to a project funded by grant funding in FY24 that was completed and did not reoccur in FY25.
- Capital outlay is down due to normal fluctuations in projects.

**CITY OF EL MIRAGE
WATER FUND
Total Revenues and Total Expenses**

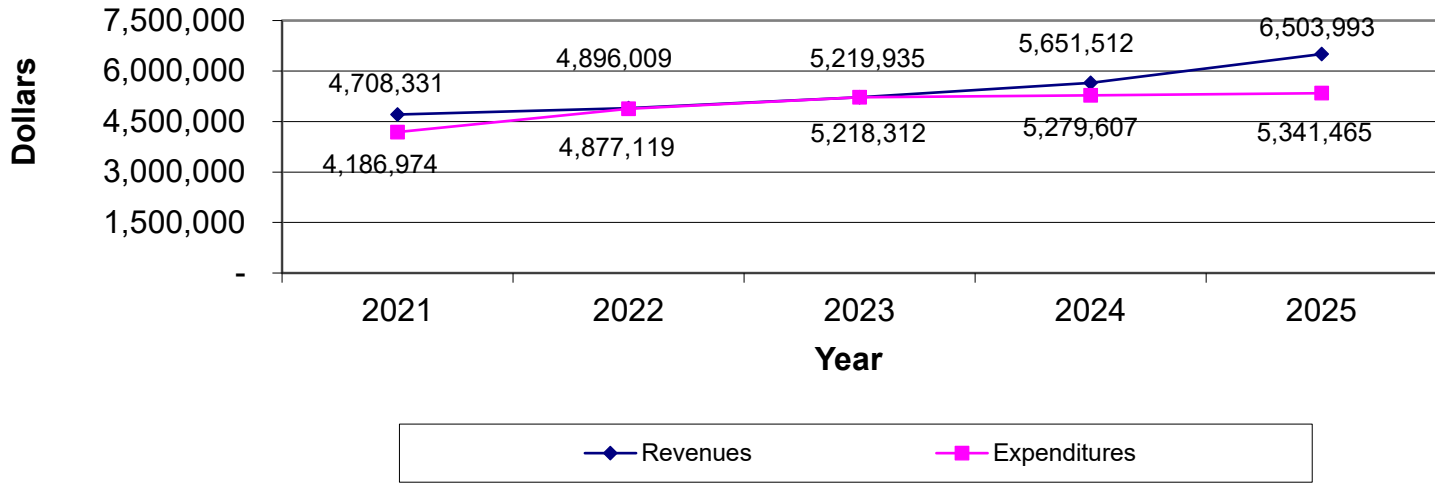


The Water enterprise fund is reported on the full accrual basis and should show revenues in excess of expenditures in order to provide for depreciation and future capital requirements. Four of the last five years there has been a net income.



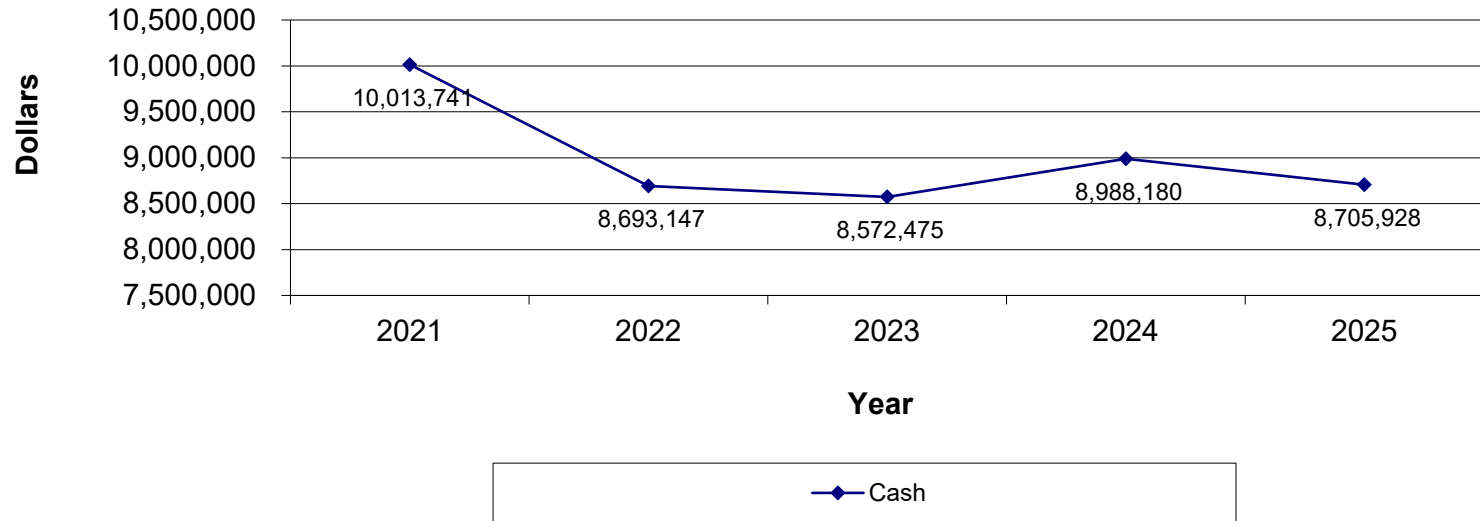
The Water fund has had a strong cash position. It increased by 8% in the last 5 years and 6% since the prior year.

**CITY OF EL MIRAGE
SEWER FUND
Total Revenues and Total Expenses**



The Sewer enterprise fund is reported on the full accrual basis and should show revenues in excess of expenditures in order to provide for depreciation and future capital requirements. The Sewer fund has reported net income for last five fiscal years.

CITY OF EL MIRAGE Sewer - Cash Trend



The Sewer fund cash has remained fairly steady over the last four years. There was a 3% decline in FY25.



HINTONBURDICK
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Questions?

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Thank You!

- Thank you for the opportunity to work with the City.
- Thanks to all those who assisted us with this year's audit.