City of Avondale

City Council Meeting

Monday, February 24, 2025

Mayor and Council

Mike Pineda, Mayor

Curtis Nielson, Vice Mayor

Tina Conde, Councilmember | Jeannette Garcia, Councilmember

Gloria Solorio, Councilmember | Shari Weise, Councilmember

Max White, Councilmember

Administration

Ron Corbin, City Manager

Tracy Stevens, Assistant City Manager | Katie Gregory, Assistant City Manager

Dale Nannenga, Deputy City Manager | Nicholle Harris, City Attorney

Marcella Sarmiento, City Clerk

City Council Chamber

11465 West Civic Center Drive

Avondale, AZ 85323

Watch a City Council Meeting Online

Visit the link below to watch a City Council meeting live online:
https://www.avondaleaz.new.swagit.com/views/540/

Please note, the live stream will not be monitored by staff; therefore, anyone wishing to address the City Council shall appear in person to speak.

City Council Meeting
Notice & Agenda
Monday, February 24, 2025

CITY COUNCIL CHAMBER | 11465 WEST CIVIC CENTER DRIVE | AVONDALE AZ, 85323

Request to Speak: Anyone wishing to address the Council regarding items listed on the agenda or under unscheduled public appearance should submit a Request to Speak online at http://www.avondaleaz.gov/requesttospeak prior to consideration of that agenda item.

REGULAR MEETING
5:30 PM

Physical Access to the Council Chambers will be available 30 minutes prior to the meeting.

CALL TO ORDER BY MAYOR
PLEDGE OF ALLEGIANCE & MOMENT OF REFLECTION

1. ROLL CALL BY THE CITY CLERK

2. PRESENTATION ITEMS (DISCUSSION ONLY)

a. EMPLOYEE ANNOUNCEMENTS
The following new employee of the Development Services Department will be introduced to City Council. This item is for discussion only.

- Alex Rodriguez, Building Inspector

b. PROCLAMATION - GOVERNMENT COMMUNICATORS DAY 2025
City Council will present a proclamation recognizing February 21, 2025 as Government Communicators Day, to recognize and celebrate the invaluable contributions of public communicators across the nation. This item is for discussion only.

c. PRESENTATION BY THE ARIZONA DEPARTMENT OF TRANSPORTATION
City Council will receive an update from the Arizona Department of Transportation on the status of State Route 30, Interstate 10 and Loop 101 projects. This item is for discussion only.

d. PROPERTY ALL-STAR CURB APPEAL AWARD PROGRAM
City Council will receive an update from the Office of Public Safety and the Code Compliance Division relating to the Property All-Star Curb Appeal Award Program. This item is for discussion only.

e. OPIOID YOUTH PREVENTION SERVICES GRANT AWARDS PRESENTATION
City Council will recognize five nonprofit organizations selected as award recipients for the Fiscal Year 2025-2026 Opioid Youth Prevention Services Grant Program. This item is for discussion only.

3. UNSCHEDULED PUBLIC APPEARANCES (Time is limited per person. Please state your name.)

4. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. MINUTES

City Council will consider a request to approve the January 27, 2025 City Council meeting minutes. The Council will take appropriate action.

b. RESOLUTION 1005-0225 – AMENDMENT TO PLANNING COMMISSION BYLAWS AND RESOLUTION 1006-0225 - AMENDMENT TO THE CITY COUNCIL RULES OF PROCEDURE

City Council will consider a request to: a) adopt Resolution 1005-0225, amending the bylaws of the City of Avondale Planning Commission; b) adopt Resolution 1006-0225, amending the City Council Rules of Procedure to clarify the role of the alternate member and align language with the City Code; and c) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

c. RESOLUTION 1007-0225 - AUTHORIZING GRANT ACCEPTANCE FROM THE U.S. DEPARTMENT OF JUSTICE (DOJ) FOR THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM

City Council will consider a request to: a) adopt Resolution 1007-0225, accepting grant funding from the U.S. Department of Justice (DOJ) for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program in the amount of $26,613; b) authorize and direct staff to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution; and c) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

d. AMENDMENT TO THE EMPLOYMENT AGREEMENT WITH THE CITY AUDITOR, BARBARA COPPAGE

City Council will consider a request to approve an amendment to the Employment Agreement with City Auditor, Barbara Coppage and authorize the Mayor, City Attorney, and City Clerk to execute the necessary documents. The Council will take appropriate action.

5. REGULAR AGENDA

a. PUBLIC HEARING FOR ANNEXATION - HOPEWELL AVONDALE APPLICATION PL-24-0242

City Council will hold a public hearing regarding a request by Kimberly Schroeder of Kaeko Inc., on behalf of the property owner Hopewell Avondale, to annex an approximate 5-foot wide strip of land located east of the northeast corner of El Mirage and Indian School roads, which is the southeastern most part of the Hopewell parcel. This item is for discussion and public hearing only; no action will be taken at this meeting.

b. ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR 2024

City staff will present the City's Annual Comprehensive Financial Report and the results of the annual audit for the fiscal year ended June 30, 2024. This item is for information and discussion only.

c. UTILITY RATE DISCUSSION

City Council will receive a presentation from staff on the financial forecast for the water, sewer, and solid waste utilities. Feedback and direction from City Council is necessary in order to finalize a final recommendation on utility rates that will be presented to Council at a future date. This item is for discussion only.

6. SUMMARY OF CURRENT EVENTS FROM MAYOR, VICE MAYOR, AND COUNCILMEMBERS

(5 minutes)

7. ADJOURNMENT

Councilmembers of the City of Avondale will attend either in person or by telephone or video conference call. Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Los miembros del Concejo de la Ciudad de Avondale participaran ya sea en persona o por medio de llamada telefonica o por vídeo. Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oido, o con necesidad de impresion grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos dias habiles antes de la junta del Concejo.

CITY COUNCIL REPORT

ITEM NUMBER: 2.b.

SUBJECT: Proclamation - Government Communicators Day 2025

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Pier Simeri, Marketing and Public Relations Director

THROUGH: Katie Gregory, Assistant City Manager, (623) 333-1015

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
Connected Community.

PURPOSE:
City Council will present a proclamation recognizing February 21, 2025 as Government Communicators Day, to recognize and celebrate the invaluable contributions of public communicators across the nation. This item is for discussion only.

BACKGROUND:
The role of government communications professionals is to inform, educate and engage their communities. Robust communication in government creates trust and inspires residents to take action and be involved. Whether it's spearheading public outreach and education campaigns, crafting media advisories, producing creative reels and video for social media, or formulating strategic responses during a crises, government communicators are at the helm of ensuring transparent and effective communication.

DISCUSSION:
February 21, 2025 is a day has been set aside to recognize communications professionals working in government. Government Communicators Day is dedicated to recognizing and celebrating the invaluable contributions of public communicators across the nation. This special day serves as an opportunity to spotlight the tireless efforts of government communicators who work diligently behind the scenes.

The City of Avondale's Marketing and Public Relations (MPR) Department serves as the communications hub for the organization. MPR's team of seven professionals bring a wide range of experience and qualifications to their roles, taking pride in showcasing all that is exceptional about the City of Avondale. Over the past two decades, the department has won numerous awards for marketing and communications.

MPR department oversees public information and media relations, digital marketing, graphic design, videography, photography, website administration, social media, broadcast media, and more. MPR staff serve all City departments by developing educational, marketing materials and public outreach campaigns. It also develops and shapes a comprehensive image of the City brand, and works with departments to ensure consistency with the brand's usage and protect its integrity.

In 2024, the MPR team completed 1,404 projects for City departments. So far in FY 2024 - 2025, 775 projects have been completed.

Highlights of the department's work:
- Developed an Avondale Brand Guide to ensure the consistency and integrity of the Avondale "Avi" brand.
- Published news releases, and fielded numerous requests for information and public records requests from the media.
- Created comprehensive marketing campaigns utilizing various marketing tools and channels.
- Assisted departments with public education and messaging on important issues, such as changes to sanitation and recycling, fentanyl awareness, Avondale Alert, fireworks safety, and anti-speeding initiatives.
- Designed custom items for the Avondale Visitor Center Gift Store, including the new "Discover Avondale-opoly" game.
- Hosted several "Marketing 101" training sessions and workshops on social media and Canva for City departments.
- Published award-winning materials, including the RAVE Review, Uniquely Avondale Visitor Guide, Annual Report, Water Quality Report/Calendar, and monthly City Page/Council Corner.
- Staffed the Public Information section at the Emergency Operations Center (EOC) during NASCAR races.

BUDGET IMPACT:
NA

RECOMMENDATION:
For information purposes only.

Contact person for document distribution: *Pier Simeri*

Avondale
Aspiring. Achieving. Accelerating.

PROCLAMATION

GOVERNMENT COMMUNICATORS DAY

February 21, 2025

WHEREAS, the role of government communications professions is to inform, educate and engage their communities; and

WHEREAS, robust communication in government creates trust and inspires residents to take action and be involved; and

WHEREAS, government communications create relationships and calls to action; build awareness and understanding through storytelling; engage and foster engagement on civic issues, and use all channels to include people in critical decisions; and

WHEREAS, it is essential to have strong communications in government because it is a foundational element of living in a democracy where citizens have the freedom to make their voice heard; and

WHEREAS, Avondale's Marketing and Public Relations Department serves as the hub for the City's external communications to residents, visitors and the business community; and

WHEREAS, the City of Avondale is proud and has deep gratitude and recognition for government communicators' professionalism, dedication, hard work, commitment, enthusiasm and sacrifice;

NOW, THEREFORE, the Mayor and City Council do hereby proclaim February 21, 2025 as GOVERNMENT COMMUNICATORS DAY in the City of Avondale and encourage all residents to recognize the members of the Marketing and Public Relations Department, along with other City staff, including Public Safety personnel, who have dedicated their careers to ensure the City of Avondale has effective, impactful, and successful communication strategies that resonate and are relevant.

Proclaimed this 24th day of February 2025.

ATTEST:

_____ Mayor

_____ City Clerk

CITY COUNCIL REPORT

ITEM NUMBER: 2.c.

SUBJECT: Presentation by the Arizona Department of Transportation

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Kimberly Moon, Engineering Director

THROUGH: Katie Gregory, Assistant City Manager, (623) 333-1015

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
This agenda item supports the following Avondale Strategic Outcome Area:

- Connected Community - Avondale will work directly and closely with our communities to develop programs and infrastructure that connect residents to the city's resources, the region, and each other.

PURPOSE:
City Council will receive an update from the Arizona Department of Transportation on the status of State Route 30, Interstate 10 and Loop 101 projects. This item is for discussion only.

BACKGROUND:
The Arizona Department of Transportation (ADOT) has two upcoming freeway projects near Avondale, the Loop 101 at I-10 System Interchange Improvements, and new State Route 30 (SR-30), from 97th Avenue to Loop 202.

DISCUSSION:
The Loop 101 at I-10 System Interchanges improvements provide a new direct high occupancy vehicle (DHOV) ramp from Loop 101 HOV to I-10 HOV, a new ramp connection from Loop 101 to 91st Avenue, a new combined exit to Thomas and McDowell roads, and other related improvements. Construction of these improvements is expected to begin in the fall of this year.

The first section of State Route 30 (SR-30) provides approximately 4.5 miles of new freeway from 97th Avenue to Loop 202 (South Mountain Freeway). These improvements include a new freeway to freeway system interchange on Loop 202, traffic interchanges at 91st, 83rd, and 67th avenues, new bridges at 91st, 83rd, 75th, and 67th avenues, and widening bridges at Loop 202 and Baseline Road, Southern Avenue, Boradway and Lower Buckeye roads, the Roosevelt Irrigation Canal and Buckeye Road. These improvements also include a multi-use path from 97th Avenue to Loop 202, along with associated drainage, new lighting, and other related improvements. Construction of these improvements is expected to begin in the spring of 2027.

BUDGET IMPACT:
This item does not have a budget impact.

RECOMMENDATION:
This item is for discussion only.

Contact person for document distribution: *n/a*

CITY COUNCIL REPORT

ITEM NUMBER: 2.d.

SUBJECT: Property All-Star Curb Appeal Award Program

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Dale Nannenga, Deputy City Manager

THROUGH: Dale Nannenga, Deputy City Manager, (623) 333-1017

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
This agenda item supports the following Avondale Strategic Outcome Area: Public Health and Safety- Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.

PURPOSE:
City Council will receive an update from the Office of Public Safety and the Code Compliance Division relating to the Property All-Star Curb Appeal Award Program. This item is for discussion only.

BACKGROUND:
The Avondale Code Compliance Division has developed a recognition program to identify and formally recognize those property owners that demonstrate community pride in maintaining their properties to a higher standard that other property owners may aspire as well.

DISCUSSION:
The vision of the Code Compliance Division is to promote and maintain safe and desirable neighborhoods and business communities by developing strong relationships with stakeholders through innovative programs, education, and compliance strategies. The Avondale Property All-Star Curb Appeal Award Program was developed to honor well-maintained properties that enhance the safety and quality of the community. Property owners, both residential and commercial, who demonstrate pride in their properties will be recognized for the high standards they have achieved.

The Code Compliance Division will be accepting nominations from the Avondale community for consideration of the award. A selection committee will review nominations. The award will be given quarterly and presented at a City Council Meeting. The winner will be provided with a Certificate, a sign to display in their front yard, and shared in the City's RAVE publication.

BUDGET IMPACT:
There is no impact on the budget.

RECOMMENDATION:
This item is for information and discussion only.

Contact person for document distribution:

CITY COUNCIL REPORT

ITEM NUMBER: 2.e.

SUBJECT: Opioid Youth Prevention Services Grant Awards Presentation

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Chris Lopez, Neighborhood and Family Services Director

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
Public Health and Safety – Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.

PURPOSE:
City Council will recognize five nonprofit organizations selected as award recipients for the Fiscal Year 2025-2026 Opioid Youth Prevention Services Grant Program. This item is for discussion only.

BACKGROUND:
In November of 2021, the City Council granted approval for the City of Avondale to participate in the One Arizona Distribution of Opioid Settlement Funds Agreement. This agreement, which was finalized in 2022, was part of the 2021 National Opioid Settlement, which resolved all opioid litigation from states and local subdivisions against pharmaceutical distributors.

A collaborative team was established, comprising members from the Police Department, Neighborhood and Family Services, the Office of Public Safety, the Marketing and Public Relations Department, and the Fire and Medical Department. This team is tasked with developing comprehensive strategies in accordance with the guidelines set forth in the Arizona Distribution of Opioid Settlement Funds Agreement. The focus has been on creating educational initiatives and preventative measures to raise awareness about the risks associated with fentanyl and opioids within our community.

The Opioid Youth Prevention Services Grant Program was established to provide grants to nonprofit organizations for projects that offer prevention, education, and mentoring services for Avondale youth with the goal of reducing opioid and other drug misuse.

For fiscal year 2025-2026, applications were received from six (6) nonprofit organizations requesting a total amount of $244,170.

DISCUSSION:
A designated staff committee undertook a comprehensive assessment of all submitted applications. This process encompassed the evaluation, selection, and determination of funding levels for each application. The

applications were meticulously assessed and prioritized based on one or a combination of the following identified priority services:

- **Education:** Best practice models to deliver substance awareness and education to parents and youth age 7-17 (or an appropriate subset of this age range).
- **Prevention:** Projects should be offered to school-age youth, 7-17 (or an appropriate subset of this age range), using a strengths-based approach, with an emphasis on promoting resiliency to reduce opioid and other drug use. Projects can include offering structured one-on-one sessions or group sessions. Projects should focus on building positive relationships, encouraging youth to develop healthy relationships, and sharing community resources.
- **Mentoring:** Provide opportunities for youth to be in an ongoing, caring relationship. This will strengthen the youth's resiliency and problem-solving skills to manage challenges in life. Mentoring should be provided through safe and structured one-on-one relationships and should support healthy behaviors, increase youth self-esteem, and offer increased emotional and academic support. A component must address resistance to opioid drug use. Programming must also provide ample background screening for adult mentors.

The staff committee has selected the following applicants for a total funding of $199,057:

1. notMYkid - $50,000
2. EMPACT - $48,807
3. Jobs for Arizona Graduates - $50,000
4. Youth4Youth Inc - $35,000
5. Sound of Autism - $15,250

BUDGET IMPACT:
On March 6, 2023, funding for the Opioid Youth Prevention Services Grants Program was duly authorized and approved for expenditure by the Mayor and City Council. The grants will be awarded using the Opioid Fund's existing budget.

RECOMMENDATION:
This item is for information and discussion only.

Contact person for document distribution: *Jerie Guajardo, Family Services Manager*

CITY COUNCIL REPORT

ITEM NUMBER: 4.a.

SUBJECT: Minutes

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Marcella Sarmiento, City Clerk

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
This agenda item supports the following Avondale Strategic Outcome Area: Connected Community - Avondale will work directly and closely with our communities to develop programs and infrastructure that connect residents to the city's resources, the region, and each other. The approval of this agenda item provides residents with access to a previous meeting's minutes. The meeting minutes provide another outlet for residents to connect with the City Council.

PURPOSE:
City Council will consider a request to approve the January 27, 2025 City Council meeting minutes. The Council will take appropriate action.

BACKGROUND:
Pursuant to Arizona Revised Statute § 38-431.01(B), the City must provide written minutes of all City Council meetings.

DISCUSSION:
City Council held a meeting and the attached minutes have been prepared for approval.

BUDGET IMPACT:
This item has no budget impact.

RECOMMENDATION:
Staff recommends City Council approve the January 27, 2025 City Council meeting minutes.

Contact person for document distribution: *Chris Pierson*

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
CITY COUNCIL CHAMBER
January 27, 2025

A **Regular Meeting** of the City Council of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 5:30 p.m.

Mayor Mike Pineda led the Pledge of Allegiance, followed by a moment of silent reflection in remembrance.

Members Present: Mayor Mike Pineda; Vice Mayor Curties Nielson; Councilmembers Tina Conde, Jeannette Garcia, Gloria Solorio, Shari Weise, and Max White.

Members Absent: None.

Other Municipal Officials Present: Ron Corbin, City Manager; Katie Gregory, Assistant City Manager; Dale Nannenga, Deputy City Manager; Nicholle Harris, City Attorney; Marcella Sarmiento, City Clerk; Edith Baltierrez, Neighborhood and Family Services Assistant Director; Liz Barker Alvarez, Intergovernmental Affairs Administrator; Kirk Beaty, Public Works Director; Barbara Coppage, City Auditor; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Craig Jennings, Judge; Corey Larriva, Parks and Recreation Director; Andy Mesquita, Human Resources Director; Kimberly Moon, Engineering Director; Jodie Novak, Development Services Director; Abril Ruiz-Ortega, Court Administrator; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; Jennifer Stein, Economic Development Director; Robert Baer, Budget Manager; Keith Fallstrom, Finance & Budget Assistant Director; and Rick Carr, CIP Division Manager.

Audience: Approximately five members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. UNSCHEDULED PUBLIC APPEARANCES

None.

3. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Councilmembers may pull items from consent if they would like them considered separately.

Mayor Pineda asked if any Councilmember wished to have an item removed from the Consent Agenda. Having no requests from Council, motion was made by Councilmember White, seconded by Councilmember Garcia, to approve the Consent Agenda.

Upon vote, the motion was carried unanimously 7 to 0.

Councilmember Conde	Aye
Councilmember Garcia	Aye
Councilmember Solorio	Aye
Councilmember Weise	Aye
Councilmember White	Aye
Vice Mayor Nielson	Aye
Mayor Pineda	Aye

a. MINUTES

City Council approved the January 6, 2025, City Council meeting minutes.

b. QUARTERLY BUDGET TRANSFER

City Council approved the Fiscal Year 2025 budget for carryover appropriation and approve quarterly budget transfers as summarized in the attached Exhibit A, increase the award authority for the projects, and authorize Finance and Budget Department staff to take the steps necessary to execute the transfers.

c. RESOLUTION 1003-0125 - FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA BOARD OF REGENTS, ON BEHALF OF THE UNIVERSITY OF ARIZONA AND THE WATER RESOURCES RESEARCH CENTER'S PROJECT WET PROGRAM

City Council adopted Resolution 1003-0125, approving a First Amendment to the Intergovernmental Agreement (IGA) between the Arizona Board of Regents, on behalf of the University of Arizona and its Water Resources Research Center's Project WET Program and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

d. ORDINANCE 2004-0125 – 107TH AVENUE RIGHT-OF-WAY DEANNEXATION AT ENTRADA

City Council adopted Ordinance 2004-0125, authorizing the deannexation of 107th Avenue right-of-way at Entrada located on the west side of 107th Avenue and north of Broadway Road and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

4. REGULAR AGENDA

a. COUNCIL BUDGET DISCUSSION

City staff presented an update on the City's financials and seek the Council's feedback on the Fiscal Year 2026 budget. This item was for discussion and feedback only.

Ron Corbin, City Manager, provided an introduction into the budget discussion, noting this was an opportunity for the Council to provide feedback on direction and priorities. This is not the time to review and evaluate the budget as there will be several opportunities for that in the coming months.

Robert Baer, Budget Manager, provided an overview of and discussed how FY24 ended. The General Fund Revenue for FY24 ended $11 million above the forecasted amount due in part to the sales tax and charges for service. The General Fund Expenses ended at $2.1 million higher than estimated. There was an expense that was anticipated to occur in FY25, but it occurred in FY24. There were savings in Public Safety used to pay unfunded pension liabilities. The Public Safety Sales Tax Fund and Utilities Fund were close to projections. Overall, FY24 ended with $120 million over the stabilization amount.

Mr. Baer provided an overview of and discussed the first half of the FY2025 Budget that included $511 million in funded CIP projects, 13.4 FTEs, $13.3 million of supplemental funding, implementation of the Police Take Home Vehicle Program, and an increase in WeRide services. The presentation included an overview of the General Fund Revenues and Expenses including the effect of the Residential Rental Tax that ends this month and the implementation of the flat tax. Mr. Baer continued discussing the budget process noting how the retail tax and single-family permits assist forecasting the next budget.

In response to Councilmember questions, Mr. Baer explained the residential rental sales tax ends this month and a decrease will be seen during the second half of FY2025. Mr. Corbin noted there will be a loss of $5-6 million and the commercial rental tax does remain so the line item will not zero out. Development of data centers can offset the loss of the residential rental tax.

Mr. Baer reviewed the assumptions for the FY26 budget forecast while trying to maintain a structurally balanced budget to maintain ongoing services within the city that citizens depend upon. The graph shown revealed a “Dorito chip” that reflects a spike in FY25 one-time expenses due to several CIP projects nearing completion. Budgeting decisions are made based on the five-year forecast and CIP projects are spread out on the five-year horizon. The General Fund is anticipated to maintain above the stabilization amount throughout the forecast into FY2030. Mr. Corbin noted the forecast does not include supplemental, on-going, or on-time revenues.

Andy Mesquita, Human Resources Director, discussed the planned assumptions for employee benefits for FY26 that includes a compensation market study that targets approximately 20% of the current positions. A proposed 3-5% COLA and merit increases, increased healthcare costs, and a way to reward employees who are topped out in their market range. The Benefits Committee provides feedback from employees, such as a new vision plan vendor, deferred compensation contributions, or anything that helps with retention and recruitment. Mr. Corbin noted the base budget includes a 5% COLA/Merit mix, an 11% increase in health care costs, and funds for the market study.

In response to Vice-Mayor Nielson’s question, Mr. Mesquita explained the “sell back” for the sick leave is on a fiscal year basis and the vacation sell back occurs in December. Mr. Corbin added this process is for budgeting purposes and goes

into one-time costs. The plan is to evaluate this process over the next year to determine if it can be rolled out to other long-term employees with accrued sick leave.

Mr. Baer reviewed the budget process timeline as indicated below.

- February – Utility Rates and Capital Projects
- March – Work Sessions
- April – City Managers Budget
- May – Tentative Budget
- June – Final Budget

Mayor Pineda expressed gratitude for being consistently prudent with residents' money by using the long-term strategy and commented on the short-term wins as well.

Rick Carr, CIP Division Manager, provided an update on the FY2024/25 CIP Plan projects that were completed after July 1, 2024, which totaled $33.1 million. Noting the Detention Center and PD Substation was completed early and under budget.

Mr. Corbin commented on the success of the Gateway Program that involved high school students and created a long-lasting legacy for the residents.

Mr. Carr continued the presentation by reviewing the current projects under construction, which total $40.2 million. The projects that will be breaking ground this summer were also reviewed, which total$21.5 million. The city continues to focus on a list of priorities that were reviewed. Kimberly Moon, Engineering Director noted upon submission of finalized plans construction can being on adding solar lighting to Van Buren Bridge.

In response to Councilmember questions, Mr. Carr explained HAWK is a signal that allows a safe crossing area for pedestrians.

Mr. Corbin provided an overview and discussed the General Obligation Bond Committee, noting two meetings have been held. They are currently working with the consultant to do a community survey. Mr. Baer reviewed topics discussed at the prior committee meetings and noted Public Safety will be discussed at the upcoming meeting.

In response to Councilmember questions, Mr. Corbin explained the secondary tax could be lower if the $120 million is not utilized but that would not be the recommendation to the Council.

Mr. Carr continued the presentation with an overview of the proposed projects for Parks and Recreation and Public Safety using General Obligation Bonds.

In response to Councilmember questions, Mr. Corbin discussed the Alamar Public Safety Facility and noted the question before the Bond Committee is if they can support the project. If a project is listed, it is a commitment to the community

Mr. Carr reviewed existing CIP projects that have been impacted by inflation and new CIP projects totaling $143 million that are not in the recommended budget.

Kirk Beaty, Public Works Director, discussed the Bartlett Dam Project that is a $1.1 billion project being led by SRP to build a second dam downstream for additional water storage on the Verde Water system. Mr. Beaty also discussed the PFAS Treatment because of the EPA regulation issued in April 2024 to remove PFAS substances from drinking water by April 2029. This is a substantial project as 70% of Avondale's water supply is impacted. Although this is a fluid situation the city intends to move forward and be prepared for the implementation of the regulation in April 2029.

Mr. Corbin discussed the Pickleball facility after working with a consultant. They plan to move forward and budget for a design and present a construction budget for an indoor facility next year.

In response to Councilmember questions, Mr. Carr noted the El Mirage Road project will be a full build out including sidewalks. Mr. Corbin explained the purpose of the turf reduction at Dessie Lorenz Park is water conservation. A brief discussion ensued regarding the design and unsheltered. Mr. Carr noted Donatella Park is in the design phase and is funded over the next two years for construction.

Mr. Baer provided a summary noting that the budget priorities do not include supplementals or additional positions except for the Alamar Fire Station, which is anticipated to start in FY2027. To maintain a structural balance throughout the forecast budgeting decisions must be within the space between ongoing revenues and ongoing expenses. The Citizens Bond Committee schedule was shared noting recommendations will come to the Council in May for approval and before the voters in November.

Mr. Corbin reviewed and discussed his FY2026 Budget Priorities, noting job growth as a top priority. Providing jobs and educational opportunities for residents helps them get ahead in their lives. The presentation continued with on-going and on-time budget priorities.

In response to Councilmember questions, Mr. Corbin noted the storage project does not include fire and there has not been an ask for storage. A discussion ensued.

Mr. Corbin concluded by reviewing and discussing the City Council's budget process timeline.

Mayor Pineda recognized Mr. Corbin and staff for the work they have done preparing the budget that meets the strategic plan. He will also provide a summary of his conversations with the City Departments.

In response to Councilmember questions, Mr. Corbin explained all large pieces of equipment are on a replacement schedule and is part of the five-year budget forecast. As equipment is replaced, such as fire trucks, the old ones are either kept as back-up or auctioned off.

5. SUMMARY OF CURRENT EVENTS FROM MAYOR, VICE MAYOR, AND COUNCILMEMBERS

Councilmember Garcia discussed her attendance at the Community Strategic Planning meeting and suggested sharing more information on social media or news platforms to make the community aware of projects. She further suggested conducting outreach to get more residents involved and attending the meetings.

Councilmember White discussed her participation in the MLK Jr celebration on January 13, 2025, in Tempe and Delta Sigma Theta Sorority's Hustle for Heart held on January 25, 2025, in Peoria. She also discussed her appointment to the National League of Cities Race, Equity, and Leadership Council.

Councilmember Solorio discussed her appointment to the Economic Development for National League of Cities Federal Advocacy Committee and Vice-Chair for Small Cities Council.

6. ADJOURNMENT

There being no further business before the Council, Councilmember Conde moved to adjourn the Regular Meeting; Councilmember White seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Councilmember Conde	Aye
Councilmember Garcia	Aye
Councilmember Solorio	Aye
Councilmember Weise	Aye
Councilmember White	Aye
Vice Mayor Nielson	Aye
Mayor Pineda	Aye

The meeting was adjourned at 7:15 p.m.

_____
Mike Pineda, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Council of the City of Avondale held on the 27th day of January 2025. I further certify that the meeting was duly called and held, and that the quorum was present.

_____ _____
Marcella Sarmiento, City Clerk Date Approved by City Council

CITY COUNCIL REPORT

ITEM NUMBER: 4.b.

SUBJECT: Resolution 1005-0225 – Amendment to Planning Commission Bylaws and Resolution 1006-0225 - Amendment to the City Council Rules of Procedure

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Jodie Novak, Director of Development Services

THROUGH: Katie Gregory, Assistant City Manager, (623) 333-1015

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
Strategic Outcome Area: Creative and Sustainable Community Development.
Strategy: Maintain and expand quality infrastructure and improve connectivity to city amenities.

PURPOSE:
City Council will consider a request to: a) adopt Resolution 1005-0225, amending the bylaws of the City of Avondale Planning Commission; b) adopt Resolution 1006-0225, amending the City Council Rules of Procedure to clarify the role of the alternate member and align language with the City Code; and c) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:
On July 25, 1950, the Council adopted Ordinance 38 which created a zoning commission and defined its duties and powers. Since then, the name of the zoning commission has changed to the Planning Commission and the bylaws have been amended several times, most recently in 2017.

DISCUSSION:
A quorum is required to transact any business at a Planning Commission meeting and four (4) members constitute a quorum. In 2022, city code amendments were approved that a) allowed the affirmative vote of the majority of the members present for the passage of any matter before the commission and b) clarified how a member may abstain from voting.

The proposed amended bylaws reflect these previous code changes and will also allow for an alternate member to fill the seat of an absent member, be counted toward a quorum, and vote. This allowance for alternate member participation will reduce the possibility of tie votes. Exhibit A contains a redlined version of the proposal.

PLANNING COMMISSION ACTION:
On February 19, 2025, the planning commission will discuss the proposed bylaw amendments. After the meeting, staff will update the staff report about commission member feedback.

BUDGET IMPACT:
This item has no budget impact.

RECOMMENDATION:
Staff recommend City Council adopt a Resolution, amending the bylaws of the City of Avondale Planning Commission; b) adopt a Resolution, amending the City Council Rules of Procedure to clarify the role of the alternate member and align language with the City Code; and c) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: *Catherine Lorbeer, AICP, Deputy Director - Planning*

Exhibit A - Bylaws
Planning Commission
Redlined

BYLAWS
PLANNING ~~AND ZONING~~ COMMISSION
CITY OF AVONDALE, ARIZONA

AMENDED AND RESTATED ~~SEPTEMBER 18, 2017~~FEBRUARY 24, 2025

I. ORGANIZATION

A. MEMBERSHIP

(1) The City Planning Commission shall be composed of a total of seven members and one or more alternate members who shall be selected and serve as set forth in the city council rules of procedure.

(2) Members shall be residents of Avondale.

B. POWERS AND DUTIES

(1) It shall be the duty of the Avondale Planning Commission:

(a) To formulate, create and administer any lawful plan duly adopted by the City Council for the present and future growth of the City, pertaining to the use of land and buildings for any purpose, together with all incidental activities usually associated therewith.

(b) To recommend to the City Council revisions in such plans which, in the opinion of the Commission, are for the best interest of the citizens of the City.

(c) To advise the Council in all such matters that may pertain to planning and zoning.

(2) In matters requiring official action by the Mayor and Council, the Commission shall, after giving due public notice thereof, hold at least one public hearing, wherein it shall determine the nature of its recommendations by the affirmative vote of ~~at least four of its members~~a majority of the members present, enter its action thereon over the signature of the Chairperson, and forward its recommendation to the Mayor and City Council for public hearing and action.

C. OFFICERS AND STAFF

(1) Prior to the first January meeting of the Commission each year, the Mayor and City Council shall select a Chairperson and Vice Chairperson from among the current members of the Commission.

(a) The term of Chairperson and Vice Chairperson shall be one year. Any member serving as Chairperson or Vice Chairperson shall be eligible for re-appointment.

(b) The Vice-Chairperson shall act as Chairperson in the Chairperson's absence. In the absence of the Chairperson, the senior member, based upon years of membership, shall act as Chairperson.

(c) Any vacancy for Chairperson or Vice Chairperson as may occur for any reason shall be filled from the Commission membership by the City Council, for the remainder of the term.

(2) The Chairperson shall preside at all meetings and hearings of the Commission, decide all points of order and procedure, and perform any duties required by law, ordinance, or these by-laws. The Chairperson shall have the right to vote on all matters before the Commission, and shall also have the right to make or second motions in the absence of a motion, or a second made by a member.

(3) The City of Avondale Development Services Director, or his/her designated representative, shall serve the Commission as Secretary. The City of Avondale Planning Staff shall furnish professional and technical advice to the Commission.

(4) The Avondale City Attorney, or his designated representative, shall have the responsibility of furnishing such legal advice on all points of points of order, procedure, or other matters as may be requested by the City Council from time to time.

II. MEETINGS

A. REGULAR MEETINGS

(1) The Commission shall hold one regular meeting each month, unless the Development Services Director or his/her authorized designee determines there are no scheduled agenda items. Regular meetings shall be held at the Council Chambers, 11465 West Civic Center Drive, Avondale, Arizona, unless advertised differently.

(2) Regular meetings of the Commission shall be open to the public and the minutes of its examinations and other official actions, shall be filed in the Development Services Department as a public record. For any matter under consideration, any person may submit written comments and recognized by the Chairperson and stating his or her name and address and the names of any persons on whose behalf he or she is appearing.

(3) The Commission may, by a single consent motion, approve routine or non-controversial matters before the Commission. Should any members of the Commission or public so request, the Chairperson shall withdraw any item from the consent agenda for the purpose of public discussion and separate action.

B. WORK SESSIONS

(1) The Commission may hold work sessions as necessary.

(2) Work sessions may be held on the call of the Chairperson, request of two or more members or by Staff request. All work session notices shall be given at least 24 hours before the meeting.

(3) Work sessions may be held before or after any regular meeting, subject to providing notice as provided herein. When a matter is set for a work session, public testimony may be barred or limited.

C. EXECUTIVE SESSIONS

If the City Attorney is present, the Commission may hold an executive session closed to the public during a regular or special meeting to consider matters permissible in executive sessions pursuant to the laws of the State of Arizona.

D. **NOTICE OF MEETINGS AND HEARINGS**

(1) Written notice of all meeting to Commission members shall be delivered by mail, email or in person, unless a Commission member specifically request notice by mail, email or in person delivery, at least 24 hours before the date of meeting; except that where required by an actual emergency, members may be notified by telephone by the Secretary.

(2) Notice of time and place of any public hearing to be held by the Commission shall be given as required by State Law and City ordinances.

(3) Hearings on all matters on which a decision of the Commission is required by law, shall be open to the public. The applicant shall appear in his or her behalf, or may be represented by counsel or agent.

E. **QUORUM**

(1) Four (4) members ~~A majority of the members~~ of the Commission shall constitute a quorum for transacting business at any meeting. No action shall be taken at any meeting in the absence of a quorum, except to adjourn the meeting to a subsequent date.

(2) ~~Alternate Member Quorum.~~ At a meeting where a ~~majority of the members are~~ member is not present and the alternate members are present, ~~the~~an alternate ~~members may~~ member shall fill the seat of an absent member, be counted ~~to constitute~~toward a quorum, ~~to conduct the meeting. The alternate members~~ and may also vote ~~at the meeting~~. At a ~~Commission~~ meeting where ~~a majority of the~~ all members are present ~~to constitute a quorum~~, the alternate members will not be seated, will not be ~~count~~ counted towards ~~the~~ a quorum, and may not vote at the meeting. If more than one alternate is present at the meeting, the chair shall decide which alternate member to seat, giving the member with the longest tenure first preference.

F. **AGENDA**

An agenda shall be prepared by the Secretary for each Regular Meeting, Work Session, and Executive Session of the Commission. The agenda shall include the various matters of business as scheduled for consideration by the Commission.

G. **WITHDRAWAL OF REQUEST**

Any request may be withdrawn upon request to the Secretary, but no request shall be withdrawn after posting of hearing notice or legal ad published for notification prior to the public hearing thereon without formal consent of the Commission.

II. **ORDER OF BUSINESS**

A. **MEETING PROCEDURE**

The Chairperson shall conduct all Meetings pursuant to the City Council Rules of Procedure.

B. **HEARING CONDUCT**

(1) The Chairperson may exclude irrelevant or redundant testimony and may make such other rulings as may be necessary for the orderly conduct of the proceedings, while ensuring basic fairness and a full airing of the issues involved.

(2) Any evidence supporting the granting or denial of an application shall be submitted to the Development Services Department prior to the public meeting or to the Commission during the public meeting.

(3) The Commission may continue the hearing up to 60 days on any application or other matter for which the applicant fails to appear, unless the applicant has requested in writing that the Commission act without him or her being present at the hearing; provided, however, the Commission may hear those persons requesting to speak in response to the notice of hearing.

C. **VOTING**

(1) After all evidence has been submitted to the Commission, each case shall be heard, considered and acted upon in public meeting.

(2) In taking action on any application or other matter, the Commission may grant approval, grant approval with conditions, modify the request, or deny the item. In these actions, the Commission shall be guided by the provisions of the City of Avondale General Plan and elements thereof, the Avondale Zoning Ordinance, Subdivision Code, and other development standards, policies, and area plans as adopted by the City Council.

(3) By majority vote, the Commission may defer action on any matter when it concludes that additional time for further study or input is necessary.

(4) A majority vote of those Commission members present and voting shall be required to take official action. When a motion in favor of any application or other matter fails to receive an affirmative majority vote, i.e., a tie vote, it shall be entered into the minutes as a vote to deny the application considered. In the event that there is no motion, or the motion dies for a lack of a second, it shall be entered into the minutes as a denial of the application being considered. Nothing herein shall prevent any member from making a subsequent motion on any matter where a prior motion is not approved by a majority vote of all members present.

(5) A member shall disqualify himself or herself and abstain from voting only upon a determination by the City Attorney that the member has~~whenever he or she has, or may have,~~ a conflict of interest ~~in the case under consideration, as described and provided by Arizona Revised Statutes (ARIZ. REV. STAT. § 38-501, *et seq.*) and the Avondale City Code~~under Arizona law in which case such member shall take no part in the deliberations on the matter in question.

(6) Each member attending shall be entitled to one vote. The minutes of the proceedings shall indicate the vote of each absence or failure to vote. No member shall be excused from voting except on matters involving conflicts of interest.

(7) A motion to adopt or approve staff recommendations or simply to approve the action under consideration shall, unless otherwise particularly specified, be deemed to include adoption of all proposed findings and execution of all actions recommended in the staff report on file in the matter.

D. **RECOMMENDATION TO CITY COUNCIL**

The Commission shall forward a recommendation to City Council of its findings and/or action (s) in writing respect to the merits of an application within 45 days of the conclusion of the public hearing on the matter.

RESOLUTION NO. 1005-0225

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE BYLAWS OF THE PLANNING COMMISSION.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The City of Avondale Planning Commission Bylaws, Amended and Restated February 24, 2025 (the "Bylaws") are hereby adopted in substantially the form and substance attached hereto as Exhibit A and incorporated herein by reference.

.

SECTION 2. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, February 24, 2025.

_____
Mike Pineda, Mayor

ATTEST:

_____
Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

_____
Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION 1005-0225

(Avondale Planning Commission Bylaws,
Amended and Restated February 24, 2025)

BYLAWS
PLANNING COMMISSION
CITY OF AVONDALE, ARIZONA

AMENDED AND RESTATED FEBRUARY 24, 2025

I. ORGANIZATION

A. MEMBERSHIP

(1) The City Planning Commission shall be composed of a total of seven members and one or more alternate members who shall be selected and serve as set forth in the city council rules of procedure.

(2) Members shall be residents of Avondale.

B. POWERS AND DUTIES

(1) It shall be the duty of the Avondale Planning Commission:

(a) To formulate, create and administer any lawful plan duly adopted by the City Council for the present and future growth of the City, pertaining to the use of land and buildings for any purpose, together with all incidental activities usually associated therewith.

(b) To recommend to the City Council revisions in such plans which, in the opinion of the Commission, are for the best interest of the citizens of the City.

(c) To advise the Council in all such matters that may pertain to planning and zoning.

(2) In matters requiring official action by the Mayor and Council, the Commission shall, after giving due public notice thereof, hold at least one public hearing, wherein it shall determine the nature of its recommendations by the affirmative vote of a majority of the members present, enter its action thereon over the signature of the Chairperson, and forward its recommendation to the Mayor and City Council for public hearing and action.

C. OFFICERS AND STAFF

(1) Prior to the first January meeting of the Commission each year, the Mayor and City Council shall select a Chairperson and Vice Chairperson from among the current members of the Commission.

(a) The term of Chairperson and Vice Chairperson shall be one year. Any member serving as Chairperson or Vice Chairperson shall be eligible for re-appointment.

(b) The Vice-Chairperson shall act as Chairperson in the Chairperson's absence. In the absence of the Chairperson, the senior member, based upon years of membership, shall act as Chairperson.

(c) Any vacancy for Chairperson or Vice Chairperson as may occur for any reason shall be filled from the Commission membership by the City Council, for the remainder of the term.

(2) The Chairperson shall preside at all meetings and hearings of the Commission, decide all points of order and procedure, and perform any duties required by law, ordinance, or these by-laws. The Chairperson shall have the right to vote on all matters before the Commission, and shall also have the right to make or second motions in the absence of a motion, or a second made by a member.

(3) The City of Avondale Development Services Director, or his/her designated representative, shall serve the Commission as Secretary. The City of Avondale Planning Staff shall furnish professional and technical advice to the Commission.

(4) The Avondale City Attorney, or his designated representative, shall have the responsibility of furnishing such legal advice on all points of points of order, procedure, or other matters as may be requested by the City Council from time to time.

II. MEETINGS

A. REGULAR MEETINGS

(1) The Commission shall hold one regular meeting each month, unless the Development Services Director or his/her authorized designee determines there are no scheduled agenda items. Regular meetings shall be held at the Council Chambers, 11465 West Civic Center Drive, Avondale, Arizona, unless advertised differently.

(2) Regular meetings of the Commission shall be open to the public and the minutes of its examinations and other official actions, shall be filed in the Development Services Department as a public record. For any matter under consideration, any person may submit written comments and recognized by the Chairperson and stating his or her name and address and the names of any persons on whose behalf he or she is appearing.

(3) The Commission may, by a single consent motion, approve routine or non-controversial matters before the Commission. Should any members of the Commission or public so request, the Chairperson shall withdraw any item from the consent agenda for the purpose of public discussion and separate action.

B. WORK SESSIONS

(1) The Commission may hold work sessions as necessary.

(2) Work sessions may be held on the call of the Chairperson, request of two or more members or by Staff request. All work session notices shall be given at least 24 hours before the meeting.

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If the City Attorney is present, the Commission may hold an executive session closed to the public during a regular or special meeting to consider matters permissible in executive sessions pursuant to the laws of the State of Arizona.

D. **NOTICE OF MEETINGS AND HEARINGS**

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E. **QUORUM**

(1) Four (4) members of the Commission shall constitute a quorum for transacting business at any meeting. No action shall be taken at any meeting in the absence of a quorum, except to adjourn the meeting to a subsequent date.

(2) At a meeting where a member is not present and the alternate members are present, an alternate member shall fill the seat of an absent member, be counted toward a quorum, and may also vote. At a meeting where all members are present, the alternate members will not be seated, will not be counted towards a quorum, and may not vote at the meeting. If more than one alternate is present at the meeting, the chair shall decide which alternate member to seat, giving the member with the longest tenure first preference.

F. **AGENDA**

An agenda shall be prepared by the Secretary for each Regular Meeting, Work Session, and Executive Session of the Commission. The agenda shall include the various matters of business as scheduled for consideration by the Commission.

G. **WITHDRAWAL OF REQUEST**

Any request may be withdrawn upon request to the Secretary, but no request shall be withdrawn after posting of hearing notice or legal ad published for notification prior to the public hearing thereon without formal consent of the Commission.

II. **ORDER OF BUSINESS**

A. **MEETING PROCEDURE**

The Chairperson shall conduct all Meetings pursuant to the City Council Rules of Procedure.

B. **HEARING CONDUCT**

(1) The Chairperson may exclude irrelevant or redundant testimony and may make such other rulings as may be necessary for the orderly conduct of the proceedings, while ensuring basic fairness and a full airing of the issues involved.

(2) Any evidence supporting the granting or denial of an application shall be submitted to the Development Services Department prior to the public meeting or to the Commission during the public meeting.

(3) The Commission may continue the hearing up to 60 days on any application or other matter for which the applicant fails to appear, unless the applicant has requested in writing that the Commission act without him or her being present at the hearing; provided, however, the Commission may hear those persons requesting to speak in response to the notice of hearing.

C. **VOTING**

(1) After all evidence has been submitted to the Commission, each case shall be heard, considered and acted upon in public meeting.

(2) In taking action on any application or other matter, the Commission may grant approval, grant approval with conditions, modify the request, or deny the item. In these actions, the Commission shall be guided by the provisions of the City of Avondale General Plan and elements thereof, the Avondale Zoning Ordinance, Subdivision Code, and other development standards, policies, and area plans as adopted by the City Council.

(3) By majority vote, the Commission may defer action on any matter when it concludes that additional time for further study or input is necessary.

(4) A majority vote of those Commission members present and voting shall be required to take official action. When a motion in favor of any application or other matter fails to receive an affirmative majority vote, i.e., a tie vote, it shall be entered into the minutes as a vote to deny the application considered. In the event that there is no motion, or the motion dies for a lack of a second, it shall be entered into the minutes as a denial of the application being considered. Nothing herein shall prevent any member from making a subsequent motion on any matter where a prior motion is not approved by a majority vote of all members present.

(5) A member shall disqualify himself or herself and abstain from voting whenever he or she has, or may have, a conflict of interest in the case under consideration, as described and provided by Arizona Revised Statutes (ARIZ. REV. STAT. § 38-501, *et seq.*) and the Avondale City Code.

(6) Each member attending shall be entitled to one vote. The minutes of the proceedings shall indicate the vote of each absence or failure to vote. No member shall be excused from voting except on matters involving conflicts of interest.

(7) A motion to adopt or approve staff recommendations or simply to approve the action under consideration shall, unless otherwise particularly specified, be deemed to include adoption of all proposed findings and execution of all actions recommended in the staff report on file in the matter.

D. **RECOMMENDATION TO CITY COUNCIL**

The Commission shall forward a recommendation to City Council of its findings and/or action (s) in writing respect to the merits of an application within 45 days of the conclusion of the public hearing on the matter.

RESOLUTION NO. 1006-0225

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY COUNCIL RULES OF PROCEDURE, SECTION 15.6 (ALTERNATES) RELATING TO SEATING ALTERNATE COMMITTEE MEMBERS IN A COMMITTEE MEMBER'S ABSENCE.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The City of Avondale, City Council Rules of Procedure, Section 15.6, (Alternates), subsection (B), is hereby amended to read as follows:

B. At a board, commission, or committee meeting where a ~~majority of the members are~~ MEMBER IS not present and the alternate members are present, the alternate members ~~may be counted to constitute a quorum to conduct the meeting~~ SHALL FILL THE SEAT OF AN ABSENT MEMBER, BE COUNTED TOWARDS A QUORUM, AND MAY VOTE. ~~The alternate members may also vote at the meeting.~~ At a commission meeting where ~~a majority of the members are present to constitute a quorum~~ ALL MEMBERS ARE PRESENT, the alternate members will not ~~count towards the quorum~~ BE SEATED, COUNTED TOWARDS A QUORUM, and may not vote at the meeting. If more than one alternate is present at the meeting, the chair shall decide which alternate member to seat, giving the member with the longest tenure first preference.

SECTION 2. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, February 24, 2025.

_____
Mike Pineda, Mayor

ATTEST:

_____
Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

_____
Nicholle Harris, City Attorney

CITY COUNCIL REPORT

ITEM NUMBER: 4.c.

SUBJECT: Resolution 1007-0225 - Authorizing Grant Acceptance from the U.S. Department of Justice (DOJ) for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.

PURPOSE:

City Council will consider a request to: a) adopt Resolution 1007-0225, accepting grant funding from the U.S. Department of Justice (DOJ) for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program in the amount of $26,613; b) authorize and direct staff to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution; and c) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The Edward Byrne Memorial Justice Assistance Grant Program (JAG) allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. The City of Avondale Police Department has been awarded $26,296 for the FY24 Edward Byrne Memorial JAG Program. This funding will be used to purchase Keyboard, Video, Mouse (KVM) equipment that will aid 9-1-1 dispatchers to assist callers through features like video calling, text- to-911, and phone location services without toggling between systems.

DISCUSSION:

The City of Avondale Police Department will use JAG federal funds to purchase Keyboard, Video, Mouse (KVM) equipment to eliminate the need to manually toggle between different keyboards and mice. Dispatchers can work smoothly with one set of peripherals, reducing interruptions and improving their ability to manage emergency communications efficiently. Currently, the Avondale Police Department's Communication Division dispatchers must press buttons to switch between the phone computer and the main CAD computer to work on both of these

systems. Pushing buttons to communicate make it cumbersome to maintain conversations with 911 callers. This constant back-and-forth slows down the flow of vital information to responding officers.

BUDGET IMPACT:
The funding provided by DOJ will require an expenditure appropriation transfer from the grant contingency account to the Police Department grant budget to provide expenditure authority for the grant.

RECOMMENDATION:
Staff recommends City Council adopt a resolution authorizing the acceptance and administration of the Grant Agreement with DOJ for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program in the amount of $26,296 and authorize staff to take the necessary actions to execute the terms of the agreement.

Contact person for document distribution: *Shawn Pierce, Kimberly Martinez, Daniel Vazquez*

RESOLUTION NO. 1007-0225

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE UNITED STATES DEPARTMENT OF JUSTICE RELATING TO THE ACCEPTANCE OF THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM FUNDS FOR 911 DISPATCHER COMMUNICATIONS EQUIPMENT.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The Intergovernmental Agreement with the United States Department of Justice relating to acceptance and administration of up to $26,296.00 in Edward Byrne Memorial Justice Assistance Grant Program funds for 911 dispatcher communications equipment (the "Agreement") is hereby approved in substantially the form and substance attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 2. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, February 24, 2025.

_____
Mike Pineda, Mayor

ATTEST:

_____
Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

_____
Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1007-0225

[Agreement]

See following pages.

Department of Justice (DOJ)

Office of Justice Programs

Bureau of Justice Assistance

Washington, D.C. 20531

Name and Address of Recipient:	CITY OF AVONDALE 11465 W CIVIC CENTER DR
City, State and Zip:	AVONDALE, AZ 85323
Recipient UEI:	GDTNM5BLN9Y4

Project Title: KVM (Keyboard, Video, and Mouse) switches for communications.	**Award Number:** 15PBJA-24-GG-05578-JAGX
Solicitation Title: BJA FY 24 Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Local Solicitation	
Federal Award Amount: $26,296.00	**Federal Award Date:** 1/14/25
Awarding Agency:	Office of Justice Programs Bureau of Justice Assistance
Funding Instrument Type:	Grant
Opportunity Category: O **Assistance Listing:** 16.738 - Edward Byrne Memorial Justice Assistance Grant Program	
Project Period Start Date: 10/1/23	**Project Period End Date:** 9/30/27
Budget Period Start Date: 10/1/23	**Budget Period End Date**: 9/30/27

Project Description:

In the spring of 2024, the Avondale Police Department Communication's Division upgraded its phone system to Vesta, an AT&T product managed by the Arizona Department of Administration (ADOA). This upgrade is being implemented across all Emergency Communications Centers (ECCs) in Arizona to provide 9-1-1 centers access to Next Gen 911 services. Next Gen 9-1-1 services give 9-1-1 centers the ability to assist callers through features like video calling, text-to-911, and phone location services. While these technologies significantly improve communication with the public, they also demand ECC's equipment to keep up with the new demands. Currently, the way Avondale Police Department's Communication Division is set up, dispatchers must press buttons to switch between the phone computer and the main CAD computer to work on both of these systems. Pushing buttons to communicate make it cumbersome to maintain conversations with 911 callers. This constant back-and-forth slows down the flow of vital information to responding officers. A KVM (Keyboard, Video, and Mouse) switch addresses this challenge by allowing users to control multiple computers using a single set of peripherals. In 911 dispatch centers, where operators handle multiple software programs and systems on multiple computers simultaneously, KVM switches eliminate the need to manually toggle between different keyboards and mice. Dispatchers can work smoothly with one set of peripherals, reducing interruptions and improving their ability to manage emergency communications efficiently. This streamlined setup allows for quicker transitions between tasks, enabling dispatchers to respond faster in critical situations where time is of the essence.

Award Letter

January 14, 2025

Dear Ron Corbin,

On behalf of Attorney General Merrick B. Garland, it is my pleasure to inform you the Office of Justice Programs (OJP) has approved the application submitted by CITY OF AVONDALE for an award under the funding opportunity entitled 2024 BJA FY 24 Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Local Solicitation. The approved award amount is $26,296.
Review the Award Instrument below carefully and familiarize yourself with all conditions and requirements before accepting your award. The Award Instrument includes the Award Offer (Award Information, Project Information, Financial Information, and Award Conditions) and Award Acceptance. For COPS Office and OVW funding the Award Offer also includes any Other Award Documents.

Please note that award requirements include not only the conditions and limitations set forth in the Award Offer, but also compliance with assurances and certifications that relate to conduct during the period of performance for the award. These requirements encompass financial, administrative, and programmatic matters, as well as other important matters (e.g., specific restrictions on use of funds). Therefore, all key staff should receive the award conditions, the assurances and certifications, and the application as approved by OJP, so that they understand the award requirements. Information on all pertinent award requirements also must be provided to any subrecipient of the award.

Should you accept the award and then fail to comply with an award requirement, DOJ will pursue appropriate remedies for non-compliance, which may include termination of the award and/or a requirement to repay award funds.

Prior to accepting the award, your Entity Administrator must assign a Financial Manager, Grant Award Administrator, and Authorized Representative(s) in the Justice Grants System (JustGrants). The Entity Administrator will need to ensure the assigned Authorized Representative(s) is current and has the legal authority to accept awards and bind the entity to the award terms and conditions. To accept the award, the Authorized Representative(s) must accept all parts of the Award Offer in the Justice Grants System (JustGrants), including by executing the required declaration and certification, within 45 days from the award date.

To access your funds, you will need to enroll in the Automated Standard Application for Payments (ASAP) system, if you haven't already completed the enrollment process in ASAP. The Entity Administrator should have already received an email from ASAP to initiate this process.

Congratulations, and we look forward to working with you.

Brent J. Cohen
Acting Assistant Attorney General

Office for Civil Rights Notice for All Recipients

The Office for Civil Rights (OCR), Office of Justice Programs (OJP), U.S. Department of Justice (DOJ) enforces federal civil rights laws and other provisions that prohibit discrimination by recipients of federal financial assistance from OJP, the Office of Community Oriented Policing Services (COPS), and the Office on Violence Against Women (OVW).

Several civil rights laws, including Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, require recipients of federal financial assistance (recipients) to give assurances that they will comply with those laws. Taken together, these and other civil rights laws prohibit recipients from discriminating in the provision of services and employment because of race, color, national origin, religion, disability, and sex or from discriminating in the provision of services on the bases of age.

Some recipients of DOJ financial assistance have additional obligations to comply with other applicable nondiscrimination provisions like the Omnibus Crime Control and Safe Streets Act of 1968, which prohibits discrimination on the basis of religion in addition to race, color, national origin, and sex. Recipients may also have related requirements regarding the development and implementation of equal employment opportunity programs.

OCR provides technical assistance, training, and other resources to help recipients comply with civil rights obligations. Further, OCR administratively enforces civil rights laws and nondiscrimination provisions by investigating DOJ recipients that are the subject of discrimination complaints. In addition, OCR conducts compliance reviews of DOJ recipients based on regulatory criteria. These investigations and compliance reviews permit OCR to evaluate whether DOJ recipients are providing services to the public and engaging in employment practices in a nondiscriminatory manner.

For more information about OCR, your civil rights and nondiscrimination responsibilities, how to notify your employees or beneficiaries of their civil rights protections and responsibilities and how to file a complaint, as well as technical assistance, training, and other resources, please visit www.ojp.gov/program/civil-rights-office/outreach. If you would like OCR to assist you in fulfilling your civil rights or nondiscrimination responsibilities, please contact us at askOCR@ojp.usdoj.gov or www.ojp.gov/program/civil-rights-office/about#ocr-contacts.

Memorandum Regarding NEPA

NEPA Letter Type

OJP - Ongoing NEPA Compliance Incorporated into Further Developmental Stages

NEPA Letter

The Edward Byrne Memorial Justice Assistance Grant Program (JAG) allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system, some of which could have environmental impacts. All recipients of JAG funding must assist BJA in complying with NEPA and other related federal environmental impact analyses requirements in the use of grant funds, whether the funds are used directly by the grantee or by a subgrantee or third party.? Accordingly,?prior to obligating?funds for any of the specified activities, the grantee must first determine if any of the specified activities will be?funded by the grant.
?

The specified activities requiring environmental analysis are:

a. New construction;

b. Any renovation or remodeling of a property located in an environmentally or historically sensitive area, including properties located within a 100-year flood plain, a wetland, or habitat for endangered species, or a property listed on or eligible for listing on the National Register of Historic Places;

c.? A renovation, lease, or any proposed use of a building or facility that will either (a) result in a change in its basic prior

d.? Implementation of a new program involving the use of chemicals other than chemicals that are (a) purchased as an i

e. Implementation of a program relating to clandestine methamphetamine laboratory operations, including the identification, seizure, or closure of clandestine methamphetamine laboratories.

Complying with NEPA may require the preparation of an Environmental Assessment and/or an Environmental Impact Statement, as directed by BJA. Further, for programs relating to methamphetamine laboratory operations, the preparation of a detailed Mitigation Plan will be required. For more information about Mitigation Plan requirements, please see https://www.bja.gov/Funding/nepa.html.

NEPA Coordinator

First Name	Middle Name	Last Name
Orbin	no value	Terry

Award Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project

Information, Financial Information, and Award Conditions.

Recipient Information

Recipient Name
no value

UEI
GDTNM5BLN9Y4

Street 1
11465 W CIVIC CENTER DR

Street 2

City
AVONDALE

State/U.S. Territory
Arizona

Zip/Postal Code
85323

Country
United States

County/Parish
no value

Province
no value

Award Details

Federal Award Date
1/14/25

Award Type
Initial

Award Number
15PBJA-24-GG-05578-JAGX

Supplement Number
00

Federal Award Amount
$26,296.00

Funding Instrument Type
Grant

Assistance Listing Number	Assistance Listings Program Title
16.738	Edward Byrne Memorial Justice Assistance Grant Program

Statutory Authority

Pub. L. No. 90-351, Title I, Part E, subpart 1 (codified at 34 U.S.C. 10151 - 10158); see also 28 U.S.C. 530C(a)

[ ] *I have read and understand the information presented in this section of the Federal Award Instrument.*

Project Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

Solicitation Title
2024 BJA FY 24 Edward Byrne Memorial Justice

Assistance Grant (JAG) Program - Local Solicitation

Program Office
BJA

Application Number
GRANT14306581

Grant Manager	Phone Number	E-mail Address
Meredith Healey	202-445-9753	Meredith.Healey@usdoj.gov

Project Title
KVM (Keyboard, Video, and Mouse) switches for communications.

Performance Period Start Date	Performance Period End Date
10/01/2023	09/30/2027

Budget Period Start Date	Budget Period End Date
10/01/2023	09/30/2027

Project Description
In the spring of 2024, the Avondale Police Department Communication's Division upgraded its phone system to Vesta, an AT&T product managed by the Arizona Department of Administration (ADOA). This upgrade is being implemented across all Emergency Communications Centers (ECCs) in Arizona to provide 9-1-1 centers access to Next Gen 911 services. Next Gen 9-1-1 services give 9-1-1 centers the ability to assist callers through features like video calling, text-to-911, and phone location services. While these technologies significantly improve communication with the public, they also demand ECC's equipment to keep up with the new demands. Currently, the way Avondale Police Department's Communication Division is set up, dispatchers must press buttons to switch between the phone computer and the main CAD computer to work on both of these systems. Pushing buttons to communicate make it cumbersome to maintain conversations with 911 callers. This constant back-and-forth slows down the flow of vital information to responding officers. A KVM (Keyboard, Video, and Mouse) switch addresses this challenge by allowing users to control multiple computers using a single set of peripherals. In 911 dispatch centers, where operators handle multiple software programs and systems on multiple computers simultaneously, KVM switches eliminate the need to manually toggle between different keyboards and mice. Dispatchers can work smoothly with one set of peripherals, reducing interruptions and improving their ability to manage emergency communications efficiently. This streamlined setup allows for quicker transitions between tasks, enabling dispatchers to respond faster in critical situations where time is of the essence.

[ ] *I have read and understand the information presented in this section of the Federal Award Instrument.*

Financial Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

[ ] *I have read and understand the information presented in this section of the Federal Award Instrument.*

Award Conditions

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

Condition 1
Compliance with general appropriations-law restrictions on the use of federal funds (FY 2025)
The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable restrictions on the use of federal funds set out in federal appropriations statutes. Pertinent restrictions that may be set out in applicable appropriations acts are indicated at https://ojp.gov/funding/Explore/FY25AppropriationsRestrictions.htm, and are incorporated by reference here.

Should a question arise as to whether a particular use of federal funds by a recipient (or a subrecipient) would or might fall within the scope of an appropriations-law restriction, the recipient is to contact OJP for guidance, and may not proceed without the express prior written approval of OJP.

Condition 2
Meaningful access requirement for individuals with limited English proficiency

The recipient, and any subrecipient at any tier, must take reasonable steps to ensure that individuals with limited English proficiency (LEP) have meaningful access to their programs and activities to comply with Title VI of the Civil Rights Act of 1964 (Title VI), which prohibits discrimination on the basis of national origin, including discrimination against individuals with LEP. Such steps may require providing language assistance services, such as interpretation or translation services. The Department of Justice guidance on compliance with this requirement may be found at "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" (67 Fed. Reg. 41455-41472) (https://www.federalregister.gov/d/02-15207) and is incorporated by reference here.

Condition 3
Compliance with DOJ regulations pertaining to civil rights and nondiscrimination - 28 C.F.R. Part 38

The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable requirements of 28 C.F.R. Part 38.

Among other things, 28 C.F.R. Part 38 states that recipients may not use direct Federal financial assistance from the Department of Justice to support or engage in any explicitly religious activities except when consistent with the Establishment Clause of the First Amendment to the U.S. Constitution and any other applicable requirements. An organization receiving Federal financial assistance also may not, in providing services funded by the Department of Justice or in outreach activities related to such services, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or refusal to attend or participate in a religious practice. Part 38 also sets out rules and requirements that pertain to recipient and subrecipient ("subgrantee") organizations that engage in or conduct explicitly religious activities, as well as rules and requirements that pertain to recipients and subrecipients that are faith-based or religious organizations. In addition, Part 38 states that a faith-based organization that participates in a Department of Justice funded program retains its independence from the Government and may continue to carry out its mission consistent with religious freedom and conscience protections in Federal law.

Recipients and subrecipients that provide social services under this award must give written notice to beneficiaries and prospective beneficiaries prior to the provision of services (if practicable) which shall include language substantially similar to the language in 28 CFR Part 38, Appendix C, sections (1) through (4). A sample written notice may be found at https://www.ojp.gov/program/civil-rights-office/partnerships-faith-based-and-other-neighborhood-organizations.

In certain instances, a faith-based or religious organization may be able to take religion into account when making hiring decisions, provided it satisfies certain requirements. For more information, see “Nondiscrimination provisions and the Religious Freedom Restoration Act,” accessible at https://www.ojp.gov/funding/explore/legaloverview2025/civilrightsrequirements.

Condition 4
Requirements of the award; remedies for non-compliance or for materially false statements

The conditions of this award are material requirements of the award. Compliance with any assurances or certifications submitted by or on behalf of the recipient that relate to conduct during the period of performance also is a material requirement of this award.

Limited Exceptions. In certain special circumstances, the U.S. Department of Justice ("DOJ") may determine that a legal notice regarding award requirements is necessary or that it will not enforce, or enforce only in part, one or more requirements otherwise applicable to the award. Any such notice or exception regarding enforcement, including any such notice or exception made during the period of performance, is (or will be during the period of performance) set out through the Office of Justice Programs ("OJP") webpage entitled "Legal Notices: Special circumstances as to particular award conditions" (ojp.gov/funding/Explore/LegalNotices-AwardReqts.htm), and incorporated by reference into the award.

By signing and accepting this award on behalf of the recipient, the authorized recipient official accepts all material requirements of the award, and specifically adopts, as if personally executed by the authorized recipient official, all assurances or certifications submitted by or on behalf of the recipient that relate to conduct during the period of performance.

Failure to comply with one or more award requirements -- whether a condition set out in full below, a condition incorporated by reference below, or an assurance or certification related to conduct during the award period -- may result in OJP taking appropriate action with respect to the recipient and the award. Among other things, the OJP may withhold award funds, disallow costs, or suspend or terminate the award. DOJ, including OJP, also may take other legal action as appropriate.

Any materially false, fictitious, or fraudulent statement to the federal government related to this award (or concealment or omission of a material fact) may be the subject of criminal prosecution (including under 18 U.S.C. 1001 and/or 1621, and/or 34 U.S.C. 10271-10273), and also may lead to imposition of civil penalties and administrative remedies for false claims or otherwise (including under 31 U.S.C. 3729-3730 and 3801-3812).

Should any provision of a requirement of this award be held to be invalid or unenforceable by its terms, that provision shall first be applied with a limited construction so as to give it the maximum effect permitted by law. Should it be held, instead, that the provision is utterly invalid or -unenforceable, such provision shall be deemed severable from this award.

Condition 5
Effect of failure to address audit issues

The recipient understands and agrees that the DOJ awarding agency (OJP or OVW, as appropriate) may withhold award funds, or may impose other related requirements, if (as determined by the DOJ awarding agency) the recipient does not satisfactorily and promptly address outstanding issues from audits required by the Part 200 Uniform Requirements (or by the terms of this award), or other outstanding issues that arise in connection with audits, investigations, or reviews of DOJ awards.

Condition 6
Applicability of Part 200 Uniform Requirements

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F.R. Part 200, as adopted and supplemented by DOJ in 2 C.F.R. Part 2800 (together, the "Part 200 Uniform Requirements") apply to this award from OJP.

For more information and resources on the Part 200 Uniform Requirements as they relate to OJP awards and subawards ("subgrants"), see the OJP website at https://ojp.gov/funding/Part200UniformRequirements.htm.

Record retention and access: Records pertinent to the award that the recipient (and any subrecipient ("subgrantee") at any tier) must retain -- typically for a period of 3 years from the date of submission of the final expenditure report (SF 425), unless a different retention period applies -- and to which the recipient (and any subrecipient ("subgrantee") at any tier) must provide access, include performance measurement information, in addition to the financial records, supporting documents, statistical records, and other pertinent records indicated at 2 C.F.R. 200.334.

In the event that an award-related question arises from documents or other materials prepared or distributed by OJP that may appear to conflict with, or differ in some way from, the provisions of the Part 200 Uniform Requirements, the recipient is to contact OJP promptly for clarification.

Condition 7
Reporting potential fraud, waste, and abuse, and similar misconduct

The recipient, and any subrecipients ("subgrantees") at any tier, must promptly refer to the DOJ Office of the Inspector General (OIG) any credible evidence that a principal, employee, agent, subrecipient, contractor, subcontractor, or other person has, in connection with funds under this award-- (1) submitted a claim that violates the False Claims Act; or (2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct.

Potential fraud, waste, abuse, or misconduct involving or relating to funds under this award should be reported to the OIG by--(1) online submission accessible via the OIG webpage at https://oig.justice.gov/hotline/contact-grants.htm (select "Submit Report Online"); (2) mail directed to: U.S. Department of Justice, Office of the Inspector General, Investigations Division, ATTN: Fraud Detection Office, 950 Pennsylvania Ave., NW, Washington, DC 20530; and/or (3) by facsimile directed to the DOJ OIG Investigations Division (Attn: Grantee Reporting) at (202) 616-9881 (fax).

Additional information is available from the DOJ OIG website at https://oig.justice.gov/hotline.

Condition 8
Requirements related to "de minimis" indirect cost rate

A recipient that is eligible under the Part 200 Uniform Requirements and other applicable law to use the "de minimis" indirect cost rate described in 2 C.F.R. 200.414(f), and that elects to use the "de minimis" indirect cost rate, must advise OJP in writing of both its eligibility and its election, and must comply with all associated requirements in the Part 200 Uniform Requirements. The "de minimis" rate may be applied only to modified total direct costs (MTDC) as defined by the Part 200 Uniform Requirements.

Condition 9
Compliance with applicable rules regarding approval, planning, and reporting of conferences, meetings, trainings, and other events

The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable laws, regulations, policies, and official DOJ guidance (including specific cost limits, prior approval and reporting requirements, where applicable) governing the use of federal funds for expenses related to conferences (as that term is defined by DOJ), including the provision of food and/or beverages at such conferences, and costs of attendance at such conferences.

Information on the pertinent DOJ definition of conferences and the rules applicable to this award appears in the DOJ Grants Financial Guide (currently, as section 3.10 of "Postaward Requirements" in the "DOJ Grants Financial Guide").

Condition 10
Requirement for data on performance and effectiveness under the award

The recipient must collect and maintain data that measure the performance and effectiveness of work under this award. The data must be provided to OJP in the manner (including within the timeframes) specified by OJP in the program solicitation or other applicable written guidance. Data collection supports compliance with the Government Performance and Results Act (GPRA) and the GPRA Modernization Act of 2010, and other applicable laws.

Condition 11
Compliance with DOJ Grants Financial Guide

References to the DOJ Grants Financial Guide are to the DOJ Grants Financial Guide as posted on the OJP website (currently, the "DOJ Grants Financial Guide" available at https://ojp.gov/financialguide/DOJ/index.htm), including any updated version that may be posted during the period of performance. The recipient agrees to comply with the DOJ Grants Financial Guide.

Condition 12
Compliance with DOJ regulations pertaining to civil rights and nondiscrimination - 28 C.F.R. Part 42

The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable requirements of 28 C.F.R. Part 42, specifically including any applicable requirements in Subpart E of 28 C.F.R. Part 42 that relate to an equal employment opportunity program.

Among other items, 28 C.F.R. § 42.106(d), 28 C.F.R. § 42.405(c), and 28 C.F.R. § 42.505(f) contain notice requirements that covered recipients must follow regarding the dissemination of information regarding federal nondiscrimination requirements.

Condition 13
Determination of suitability to interact with participating minors

SCOPE. This condition applies to this award if it is indicated -- in the application for the award (as approved by DOJ)(or in the application for any subaward, at any tier), the DOJ funding announcement (solicitation), or an associated federal statute -- that a purpose of some or all of the activities to be carried out under the award (whether by the recipient, or a subrecipient at any tier) is to benefit a set of individuals under 18 years of age.

The recipient, and any subrecipient at any tier, must make determinations of suitability before certain individuals may interact with participating minors. This requirement applies regardless of an individual's employment status.

The details of this requirement are posted on the OJP web site at https://ojp.gov/funding/Explore/Interact-Minors.htm (Award condition: Determination of suitability required, in advance, for certain individuals who may interact with participating minors), and are incorporated by reference here.

Condition 14
Requirement to disclose whether recipient is designated "high risk" by a federal grant-making agency outside of DOJ

If the recipient is designated "high risk" by a federal grant-making agency outside of DOJ, currently or at any time during the course of the period of performance under this award, the recipient must disclose that fact and certain related information to OJP by email at OJP.ComplianceReporting@ojp.usdoj.gov. For purposes of this disclosure, high risk includes any status under which a federal awarding agency provides additional oversight due to the recipient's past performance, or other programmatic or financial concerns with the recipient. The recipient's disclosure must include the following: 1. The federal awarding agency that currently designates the recipient high risk, 2. The date the recipient was designated high risk, 3. The high-risk point of contact at that federal awarding agency (name, phone number, and email address), and 4. The reasons for the high-risk status, as set out by the federal awarding agency.

Condition 15
Employment eligibility verification for hiring under the award

1. The recipient (and any subrecipient at any tier) must--

A. Ensure that, as part of the hiring process for any position within the United States that is or will be funded (in whole or in part) with award funds, the recipient (or any subrecipient) properly verifies the employment eligibility of the individual who is being hired, consistent with the provisions of 8 U.S.C. 1324a(a)(1).

B. Notify all persons associated with the recipient (or any subrecipient) who are or will be involved in activities under this award of both--

(1) this award requirement for verification of employment eligibility, and

(2) the associated provisions in 8 U.S.C. 1324a(a)(1) that, generally speaking, make it unlawful, in the United States, to hire (or recruit for employment) certain aliens.

C. Provide training (to the extent necessary) to those persons required by this condition to be notified of the award requirement for employment eligibility verification and of the associated provisions of 8 U.S.C. 1324a(a)(1).

D. As part of the recordkeeping for the award (including pursuant to the Part 200 Uniform Requirements), maintain records of all employment eligibility verifications pertinent to compliance with this award condition in accordance with

Form I-9 record retention requirements, as well as records of all pertinent notifications and trainings.

2. Monitoring

The recipient's monitoring responsibilities include monitoring of subrecipient compliance with this condition.

3. Allowable costs

To the extent that such costs are not reimbursed under any other federal program, award funds may be obligated for the reasonable, necessary, and allocable costs (if any) of actions designed to ensure compliance with this condition.

4. Rules of construction

A. Staff involved in the hiring process

For purposes of this condition, persons "who are or will be involved in activities under this award" specifically includes (without limitation) any and all recipient (or any subrecipient) officials or other staff who are or will be involved in the hiring process with respect to a position that is or will be funded (in whole or in part) with award funds.

B. Employment eligibility confirmation with E-Verify

For purposes of satisfying the requirement of this condition regarding verification of employment eligibility, the recipient (or any subrecipient) may choose to participate in, and use, E-Verify (www.e-verify.gov), provided an appropriate person authorized to act on behalf of the recipient (or subrecipient) uses E-Verify (and follows the proper E-Verify procedures, including in the event of a "Tentative Nonconfirmation" or a "Final Nonconfirmation") to confirm employment eligibility for each hiring for a position in the United States that is or will be funded (in whole or in part) with award funds.

C. "United States" specifically includes the District of Columbia, Puerto Rico, Guam, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands.

D. Nothing in this condition shall be understood to authorize or require any recipient, any subrecipient at any tier, or any person or other entity, to violate any federal law, including any applicable civil rights or nondiscrimination law.

E. Nothing in this condition, including in paragraph 4.B., shall be understood to relieve any recipient, any subrecipient at any tier, or any person or other entity, of any obligation otherwise imposed by law, including 8 U.S.C. 1324a(a)(1).

Questions about E-Verify should be directed to DHS. For more information about E-Verify visit the E-Verify website (https://www.e-verify.gov/) or email E-Verify at E-Verify@dhs.gov. E-Verify employer agents can email E-Verify at E-VerifyEmployerAgent@dhs.gov.

Questions about the meaning or scope of this condition should be directed to OJP, before award acceptance.

Condition 16
Encouragement of policies to ban text messaging while driving

Pursuant to Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," 74 Fed. Reg. 51225 (October 1, 2009), DOJ encourages recipients and subrecipients ("subgrantees") to adopt and enforce policies banning employees from text messaging while driving any vehicle during the course of performing work funded by this award, and to establish workplace safety policies and conduct education, awareness, and other outreach to decrease crashes caused by distracted drivers.

Condition 17
Reclassification of various statutory provisions to a new Title 34 of the United States Code

On September 1, 2017, various statutory provisions previously codified elsewhere in the U.S. Code were editorially reclassified (that is, moved and renumbered) to a new Title 34, entitled "Crime Control and Law Enforcement." The reclassification encompassed a number of statutory provisions pertinent to OJP awards (that is, OJP grants and

cooperative agreements), including many provisions previously codified in Title 42 of the U.S. Code.

Effective as of September 1, 2017, any reference in this award document to a statutory provision that has been reclassified to the new Title 34 of the U.S. Code is to be read as a reference to that statutory provision as reclassified to Title 34. This rule of construction specifically includes references set out in award conditions, references set out in material incorporated by reference through award conditions, and references set out in other award requirements.

Condition 18
Restrictions and certifications regarding non-disclosure agreements and related matters

No recipient or subrecipient ("subgrantee") under this award, or entity that receives a procurement contract or subcontract with any funds under this award, may require any employee or contractor to sign an internal confidentiality agreement or statement that prohibits or otherwise restricts, or purports to prohibit or restrict, the reporting (in accordance with law) of waste, fraud, or abuse to an investigative or law enforcement representative of a federal department or agency authorized to receive such information.

The foregoing is not intended, and shall not be understood by the agency making this award, to contravene requirements applicable to Standard Form 312 (which relates to classified information), Form 4414 (which relates to sensitive compartmented information), or any other form issued by a federal department or agency governing the nondisclosure of classified information.

1. In accepting this award, the recipient--

a. represents that it neither requires nor has required internal confidentiality agreements or statements from employees or contractors that currently prohibit or otherwise currently restrict (or purport to prohibit or restrict) employees or contractors from reporting waste, fraud, or abuse as described above; and

b. certifies that, if it learns or is notified that it is or has been requiring its employees or contractors to execute agreements or statements that prohibit or otherwise restrict (or purport to prohibit or restrict), reporting of waste, fraud, or abuse as described above, it will immediately stop any further obligations of award funds, will provide prompt written notification to the federal agency making this award, and will resume (or permit resumption of) such obligations only if expressly authorized to do so by that agency.

2. If the recipient does or is authorized under this award to make subawards ("subgrants"), procurement contracts, or both--

a. it represents that--

(1) it has determined that no other entity that the recipient's application proposes may or will receive award funds (whether through a subaward ("subgrant"), procurement contract, or subcontract under a procurement contract) either requires or has required internal confidentiality agreements or statements from employees or contractors that currently prohibit or otherwise currently restrict (or purport to prohibit or restrict) employees or contractors from reporting waste, fraud, or abuse as described above; and

(2) it has made appropriate inquiry, or otherwise has an adequate factual basis, to support this representation; and

b. it certifies that, if it learns or is notified that any subrecipient, contractor, or subcontractor entity that receives funds under this award is or has been requiring its employees or contractors to execute agreements or statements that prohibit or otherwise restrict (or purport to prohibit or restrict), reporting of waste, fraud, or abuse as described above, it will immediately stop any further obligations of award funds to or by that entity, will provide prompt written notification to the federal agency making this award, and will resume (or permit resumption of) such obligations only if expressly authorized to do so by that agency.

Condition 19
OJP Training Guiding Principles

Any training or training materials that the recipient -- or any subrecipient ("subgrantee") at any tier -- develops or delivers with OJP award funds must adhere to the OJP Training Guiding Principles for Grantees and Subgrantees,

available at https://www.ojp.gov/funding/implement/training-guiding-principles-grantees-and-subgrantees.

Condition 20
Specific post-award approval required to use a noncompetitive approach in any procurement contract that would exceed $250,000

The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable requirements to obtain specific advance approval to use a noncompetitive approach in any procurement contract that would exceed the Simplified Acquisition Threshold (currently, $250,000). This condition applies to agreements that -- for purposes of federal grants administrative requirements -- OJP considers a procurement "contract" (and therefore does not consider a subaward).

The details of the requirement for advance approval to use a noncompetitive approach in a procurement contract under an OJP award are posted on the OJP web site at https://ojp.gov/funding/Explore/NoncompetitiveProcurement.htm (Award condition: Specific post-award approval required to use a noncompetitive approach in a procurement contract (if contract would exceed $250,000)), and are incorporated by reference here.

Condition 21
Requirement to report potentially duplicative funding

If the recipient currently has other active awards of federal funds, or if the recipient receives any other award of federal funds during the period of performance for this award, the recipient promptly must determine whether funds from any of those other federal awards have been, are being, or are to be used (in whole or in part) for one or more of the identical cost items for which funds are provided under this award. If so, the recipient must promptly notify the DOJ awarding agency (OJP or OVW, as appropriate) in writing of the potential duplication, and, if so requested by the DOJ awarding agency, must seek a budget-modification or change-of-project-scope Grant Award Modification (GAM) to eliminate any inappropriate duplication of funding.

Condition 22
Required training for Grant Award Administrator and Financial Manager

The Grant Award Administrator and all Financial Managers for this award must have successfully completed an "OJP financial management and grant administration training" by 120 days after the date of the recipient's acceptance of the award. Successful completion of such a training on or after January 1, 2021, will satisfy this condition.

In the event that either the Grant Award Administrator or a Financial Manager for this award changes during the period of performance, the new Grant Award Administrator or Financial Manager must have successfully completed an "OJP financial management and grant administration training" by 120 calendar days after the date the Entity Administrator enters updated Grant Award Administrator or Financial Manager information in JustGrants. Successful completion of such a training on or after January 1, 2021, will satisfy this condition.

A list of OJP trainings that OJP will consider "OJP financial management and grant administration training" for purposes of this condition is available at https://onlinegfmt.training.ojp.gov/. All trainings that satisfy this condition include a session on grant fraud prevention and detection.

The recipient should anticipate that OJP will immediately withhold ("freeze") award funds if the recipient fails to comply with this condition. The recipient's failure to comply also may lead OJP to impose additional appropriate conditions on this award.

Condition 23
Compliance with 41 U.S.C. 4712 (including prohibitions on reprisal; notice to employees)

The recipient (and any subrecipient at any tier) must comply with, and is subject to, all applicable provisions of 41 U.S.C. 4712, including all applicable provisions that prohibit, under specified circumstances, discrimination against an employee as reprisal for the employee's disclosure of information related to gross mismanagement of a federal grant, a gross waste of federal funds, an abuse of authority relating to a federal grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal grant.

The recipient also must inform its employees, in writing (and in the predominant native language of the workforce), of employee rights and remedies under 41 U.S.C. 4712.

Should a question arise as to the applicability of the provisions of 41 U.S.C. 4712 to this award, the recipient is to contact the DOJ awarding agency (OJP or OVW, as appropriate) for guidance.

Condition 24
Requirements pertaining to prohibited conduct related to trafficking in persons (including reporting requirements and OJP authority to terminate award)

The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable requirements (including requirements to report allegations) pertaining to prohibited conduct related to the trafficking of persons, whether on the part of recipients, subrecipients ("subgrantees"), or individuals defined (for purposes of this condition) as "employees" of the recipient or of any subrecipient.

The details of the recipient's obligations related to prohibited conduct related to trafficking in persons are posted on the OJP web site at https://ojp.gov/funding/Explore/ProhibitedConduct-Trafficking.htm (Award condition: Prohibited conduct by recipients and subrecipients related to trafficking in persons (including reporting requirements and OJP authority to terminate award)), and are incorporated by reference here.

Condition 25
Potential imposition of additional requirements

The recipient agrees to comply with any additional requirements that may be imposed by the DOJ awarding agency (OJP or OVW, as appropriate) during the period of performance for this award, if the recipient is designated as "high-risk" for purposes of the DOJ high-risk grantee list.

Condition 26
Requirement to report actual or imminent breach of personally identifiable information (PII)

The recipient (and any "subrecipient" at any tier) must have written procedures in place to respond in the event of an actual or imminent "breach" (OMB M-17-12) if it (or a subrecipient) -- (1) creates, collects, uses, processes, stores, maintains, disseminates, discloses, or disposes of "Personally Identifiable Information (PII)" (2 CFR 200.1) within the scope of an OJP grant-funded program or activity, or (2) uses or operates a "Federal information system" (OMB Circular A-130). The recipient's breach procedures must include a requirement to report actual or imminent breach of PII to an OJP Program Manager no later than 24 hours after an occurrence of an actual breach, or the detection of an imminent breach.

Condition 27
Requirements related to System for Award Management and Universal Identifier Requirements

The recipient must comply with applicable requirements regarding the System for Award Management (SAM), currently accessible at https://www.sam.gov/. This includes applicable requirements regarding registration with SAM, as well as maintaining the currency of information in SAM.

The recipient also must comply with applicable restrictions on subawards ("subgrants") to first-tier subrecipients (first-tier "subgrantees"), including restrictions on subawards to entities that do not acquire and provide (to the recipient) the unique entity identifier required for SAM registration.

The details of the recipient's obligations related to SAM and to unique entity identifiers are posted on the OJP web site at https://ojp.gov/funding/Explore/SAM.htm (Award condition: System for Award Management (SAM) and Universal Identifier Requirements), and are incorporated by reference here.

This condition does not apply to an award to an individual who received the award as a natural person (i.e., unrelated to any business or non-profit organization that he or she may own or operate in his or her name).

Condition 28
Compliance with restrictions on the use of federal funds--prohibited and controlled equipment under OJP awards

Consistent with Executive Order 14074, “Advancing Effective, Accountable Policing and Criminal Justice Practices To Enhance Public Trust and Public Safety,” OJP has prohibited the use of federal funds under this award for purchases or transfers of specified equipment by law enforcement agencies. In addition, OJP requires the recipient, and any subrecipient (“subgrantee”) at any tier, to put in place specified controls prior to using federal funds under this award to acquire or transfer any property identified on the “controlled equipment” list. The details of the requirement are posted on the OJP web site at https://www.ojp.gov/funding/explore/prohibited-and-controlled-equipment (Award condition: Compliance with restrictions on the use of federal funds--prohibited and controlled equipment under OJP awards), and are incorporated by reference here.

Condition 29
Restrictions on "lobbying"

In general, as a matter of federal law, federal funds awarded by OJP may not be used by the recipient, or any subrecipient ("subgrantee") at any tier, either directly or indirectly, to support or oppose the enactment, repeal, modification, or adoption of any law, regulation, or policy, at any level of government. See 18 U.S.C. 1913. (There may be exceptions if an applicable federal statute specifically authorizes certain activities that otherwise would be barred by law.)

Another federal law generally prohibits federal funds awarded by OJP from being used by the recipient, or any subrecipient at any tier, to pay any person to influence (or attempt to influence) a federal agency, a Member of Congress, or Congress (or an official or employee of any of them) with respect to the awarding of a federal grant or cooperative agreement, subgrant, contract, subcontract, or loan, or with respect to actions such as renewing, extending, or modifying any such award. See 31 U.S.C. 1352. Certain exceptions to this law apply, including an exception that applies to Indian tribes and tribal organizations.

Should any question arise as to whether a particular use of federal funds by a recipient (or subrecipient) would or might fall within the scope of these prohibitions, the recipient is to contact OJP for guidance, and may not proceed without the express prior written approval of OJP.

Condition 30
All subawards ("subgrants") must have specific federal authorization

The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable requirements for authorization of any subaward. This condition applies to agreements that -- for purposes of federal grants administrative requirements -- OJP considers a "subaward" (and therefore does not consider a procurement "contract").

The details of the requirement for authorization of any subaward are posted on the OJP web site at https://ojp.gov/funding/Explore/SubawardAuthorization.htm (Award condition: All subawards ("subgrants") must have specific federal authorization), and are incorporated by reference here.

Condition 31
Compliance with DOJ regulations pertaining to civil rights and nondiscrimination - 28 C.F.R. Part 54

The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable requirements of 28 C.F.R. Part 54, which relates to nondiscrimination on the basis of sex in certain "education programs."

Among other items, 28 C.F.R. § 54.140 contains notice requirements that covered recipients must follow regarding the dissemination of information regarding federal nondiscrimination requirements.

Condition 32
The recipient understands that, in accepting this award, the Authorized Representative declares and certifies, among other things, that he or she possesses the requisite legal authority to accept the award on behalf of the recipient entity and, in so doing, accepts (or adopts) all material requirements that relate to conduct throughout the period of

performance under this award. The recipient further understands, and agrees, that it will not assign anyone to the role of Authorized Representative during the period of performance under the award without first ensuring that the individual has the requisite legal authority.

Condition 33
Verification and updating of recipient contact information

The recipient must verify its Grant Award Administrator, Financial Manager, and Authorized Representative contact information in JustGrants, including telephone number and e-mail address. If any information is incorrect or has changed, the award recipient's Entity Administrator must make changes to contact information through DIAMD. Instructions on how to update contact information in JustGrants can be found at https://justicegrants.usdoj.gov/training/training-entity-management.

Condition 34
FFATA reporting: Subawards and executive compensation

The recipient must comply with applicable requirements to report first-tier subawards ("subgrants") of $30,000 or more and, in certain circumstances, to report the names and total compensation of the five most highly compensated executives of the recipient and first-tier subrecipients (first-tier "subgrantees") of award funds. The details of recipient obligations, which derive from the Federal Funding Accountability and Transparency Act of 2006 (FFATA), are posted on the OJP web site at https://ojp.gov/funding/Explore/FFATA.htm (Award condition: Reporting Subawards and Executive Compensation), and are incorporated by reference here.

This condition, including its reporting requirement, does not apply to-- (1) an award of less than $30,000, or (2) an award made to an individual who received the award as a natural person (i.e., unrelated to any business or non-profit organization that he or she may own or operate in his or her name).

Condition 35
Body-worn cameras, policies and procedures

In accepting this award, the recipient agrees not to use award funds for purchases of body-worn cameras or related expenses for any agency unless that agency has policies and procedures in place that reinforce appropriate agency Use of Force policies and training and address technology usage, evidence acquisition, data storage and retention, as well as privacy issues, accountability and discipline.

Condition 36
Body armor - compliance with NIJ standards and other requirements

Ballistic-resistant and stab-resistant body armor purchased with award funds may be purchased at any threat level, make or model, from any distributor or manufacturer, as long as the body armor has been tested and found to comply with applicable National Institute of Justice ballistic or stab standards, and is listed on the NIJ Compliant Body Armor Model List. In addition, ballistic-resistant and stab-resistant body armor purchased must be made in the United States and must be uniquely fitted, as set forth in 34 U.S.C. 10202(c)(1)(A). The latest NIJ standard information and the NIJ Compliant Body Armor List may be found by following the links located on the NIJ Body Armor page: https://nij.ojp.gov/topics/equipment-and-technology/body-armor. In addition, if recipient uses funds under this award to purchase body armor, the recipient is strongly encouraged to have a "mandatory wear" policy in effect. There are no requirements regarding the nature of the policy other than it be a mandatory wear policy for all uniformed officers while on duty.

Condition 37
The recipient agrees to comply with OJP grant monitoring guidelines, protocols, and procedures, and to cooperate with BJA and OCFO on all grant monitoring requests, including requests related to desk reviews, enhanced programmatic desk reviews, and/or site visits. The recipient agrees to provide to BJA and OCFO all documentation necessary to complete monitoring tasks, including documentation related to any subawards made under this award. Further, the recipient agrees to abide by reasonable deadlines set by BJA and OCFO for providing the requested documents. Failure to cooperate with BJA's/OCFO's grant monitoring activities may result in sanctions affecting the recipient's DOJ awards, including, but not limited to: withholdings and/or other restrictions on the recipient's access to grant funds; referral to the Office of the Inspector General for audit review; designation of the recipient as a DOJ High Risk grantee;

or termination of an award(s).

Condition 38
Any written, visual, or audio publications funded in whole or in part under this award, with the exception of press releases, shall contain the following statements: "This project was supported by Grant No. <AWARD_NUMBER> awarded by the Bureau of Justice Assistance. The Bureau of Justice Assistance is a component of the Department of Justice's Office of Justice Programs, which also includes the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, the Office for Victims of Crime, and the SMART Office. Points of view or opinions in this document are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice." The current edition of the DOJ Grants Financial Guide provides guidance on allowable printing and publication activities.

Condition 39
Any Web site that is funded in whole or in part under this award must include the following statement on the home page, on all major entry pages (i.e., pages (exclusive of documents) whose primary purpose is to navigate the user to interior content), and on any pages from which a visitor may access or use a Web-based service, including any pages that provide results or outputs from the service: "This Web site is funded in whole or in part through a grant from the Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice. Neither the U.S. Department of Justice nor any of its components operate, control, are responsible for, or necessarily endorse, this Web site (including, without limitation, its content, technical infrastructure, and policies, and any services or tools provided)." The full text of the foregoing statement must be clearly visible on the home page. On other pages, the statement may be included through a link, entitled "Notice of Federal Funding and Federal Disclaimer," to the full text of the statement.

Condition 40
Confidentiality of data

The recipient (and any subrecipient at any tier) must comply with all confidentiality requirements of 34 U.S.C. 10231 and 28 C.F.R. Part 22 that are applicable to collection, use, and revelation of data or information. The recipient further agrees, as a condition of award approval, to submit a Privacy Certificate that is in accord with requirements of 28 C.F.R. Part 22 and, in particular, 28 C.F.R. 22.23.

Condition 41
The recipient agrees to cooperate with any assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this project.

Condition 42
Protection of human research subjects

The recipient (and any subrecipient at any tier) must comply with the requirements of 28 C.F.R. Part 46 and all OJP policies and procedures regarding the protection of human research subjects, including obtainment of Institutional Review Board approval, if appropriate, and subject informed consent.

Condition 43
Justification of consultant rate

Approval of this award does not indicate approval of any consultant rate in excess of $650 per day. A detailed justification must be submitted to and approved by the OJP program office prior to obligation or expenditure of such funds.

Condition 44
The recipient agrees that no funds under this grant award (including via subcontract or subaward, at any tier) may be used for unmanned aircraft systems (UAS), which includes unmanned aircraft vehicles (UAV), or for any accompanying accessories to support UAS.

Condition 45
Compliance with 28 C.F.R. Part 23

With respect to any information technology system funded or supported by funds under this award, the recipient (and any subrecipient at any tier) must comply with 28 C.F.R. Part 23, Criminal Intelligence Systems Operating Policies, if OJP determines this regulation to be applicable. Should OJP determine 28 C.F.R. Part 23 to be applicable, OJP may, at its discretion, perform audits of the system, as per the regulation. Should any violation of 28 C.F.R. Part 23 occur, the recipient may be fined as per 34 U.S.C. 10231(c)-(d). The recipient may not satisfy such a fine with federal funds.

Condition 46
Justice Information Sharing

Information sharing projects funded under this award must comply with DOJ's Global Justice Information Sharing Initiative (Global) guidelines. The recipient (and any subrecipient at any tier) must conform to the Global Standards Package (GSP) and all constituent elements, where applicable, as described at: https:/ / it.ojp.gov/ gsp_grantcondition. The recipient (and any subrecipient at any tier) must document planned approaches to information sharing and describe compliance with the GSP and appropriate privacy policy that protects shared information, or provide detailed justification for why an alternative approach is recommended.

Condition 47
Required monitoring of subawards

The recipient must monitor subawards under this award in accordance with all applicable statutes, regulations, award conditions, and the DOJ Grants Financial Guide, and must include the applicable conditions of this award in any subaward. Among other things, the recipient is responsible for oversight of subrecipient spending and monitoring of specific outcomes and benefits attributable to use of award funds by subrecipients. The recipient agrees to submit, upon request, documentation of its policies and procedures for monitoring of subawards under this award.

Condition 48
In accepting this award, the recipient agrees that grant funds cannot be used for Facial Recognition Technology (FRT) unless the recipient has policies and procedures in place to ensure that the FRT will be utilized in an appropriate and responsible manner that promotes public safety, and protects privacy, civil rights, and civil liberties and complies with all applicable provisions of the U.S. Constitution, including the Fourth Amendment’s protection against unreasonable searches and seizures and the First Amendment’s freedom of association and speech, as well as other laws and regulations. Recipients utilizing funds for FRT must make such policies and procedures available to DOJ upon request.

Condition 49
Avoidance of duplication of networks

To avoid duplicating existing networks or IT systems in any initiatives funded by BJA for law enforcement information sharing systems which involve interstate connectivity between jurisdictions, such systems shall employ, to the extent possible, existing networks as the communication backbone to achieve interstate connectivity, unless the recipient can demonstrate to the satisfaction of BJA that this requirement would not be cost effective or would impair the functionality of an existing or proposed IT system.

Condition 50
Law enforcement task forces - required training

Within 120 days of award acceptance, each current member of a law enforcement task force funded with award funds who is a task force commander, agency executive, task force officer, or other task force member of equivalent rank, must complete required online (internet-based) task force training. Additionally, all future task force members must complete this training once during the period of performance for this award, or once every four years if multiple OJP awards include this requirement.

The required training is available free of charge online through the BJA-funded Center for Task Force Integrity and Leadership (www.ctfli.org). The training addresses task force effectiveness, as well as other key issues including privacy and civil liberties/rights, task force performance measurement, personnel selection, and task force oversight

and accountability. If award funds are used to support a task force, the recipient must compile and maintain a task force personnel roster, along with course completion certificates.

Additional information regarding the training is available through BJA's web site and the Center for Task Force Integrity and Leadership (www.ctfli.org).

Condition 51
Compliance with National Environmental Policy Act and related statutes

Upon request, the recipient (and any subrecipient at any tier) must assist BJA in complying with the National Environmental Policy Act (NEPA), the National Historic Preservation Act, and other related federal environmental impact analyses requirements in the use of these award funds, either directly by the recipient or by a subrecipient. Accordingly, the recipient agrees to first determine if any of the following activities will be funded by the grant, prior to obligating funds for any of these purposes. If it is determined that any of the following activities will be funded by the award, the recipient agrees to contact BJA.

The recipient understands that this condition applies to new activities as set out below, whether or not they are being specifically funded with these award funds. That is, as long as the activity is being conducted by the recipient, a subrecipient, or any third party, and the activity needs to be undertaken in order to use these award funds, this condition must first be met. The activities covered by this condition are:

a. New construction;

b. Minor renovation or remodeling of a property located in an environmentally or historically sensitive area, including properties located within a 100-year flood plain, a wetland, or habitat for endangered species, or a property listed on or eligible for listing on the National Register of Historic Places;

c. A renovation, lease, or any proposed use of a building or facility that will either (a) result in a change in its basic prior use or (b) significantly change its size;

d. Implementation of a new program involving the use of chemicals other than chemicals that are (a) purchased as an incidental component of a funded activity and (b) traditionally used, for example, in office, household, recreational, or education environments; and

e. Implementation of a program relating to clandestine methamphetamine laboratory operations, including the identification, seizure, or closure of clandestine methamphetamine laboratories.

The recipient understands and agrees that complying with NEPA may require the preparation of an Environmental Assessment and/or an Environmental Impact Statement, as directed by BJA. The recipient further understands and agrees to the requirements for implementation of a Mitigation Plan, as detailed at https://bja.gov/Funding/nepa.html, for programs relating to methamphetamine laboratory operations.

Application of This Condition to Recipient's Existing Programs or Activities: For any of the recipient's or its subrecipients' existing programs or activities that will be funded by these award funds, the recipient, upon specific request from BJA, agrees to cooperate with BJA in any preparation by BJA of a national or program environmental assessment of that funded program or activity.

Condition 52
Establishment of trust fund

If award funds are being drawn down in advance, the recipient (or a subrecipient, with respect to a subaward) is required to establish a trust fund account. Recipients (and subrecipients) must maintain advance payments of federal awards in interest-bearing accounts, unless regulatory exclusions apply (2 C.F.R. 200.305(b)(8)). The trust fund, including any interest, may not be used to pay debts or expenses incurred by other activities beyond the scope of the Edward Byrne Memorial Justice Assistance Grant Program (JAG). The recipient also agrees to obligate the award funds in the trust fund (including any interest earned) during the period of performance for the award and expend within 90 days thereafter. Any unobligated or unexpended funds, including interest earned, must be returned to OJP at the time of closeout.

Condition 53
All State and Local JAG recipients must submit quarterly Federal Financial Reports (SF-425). Additionally, State JAG and Local JAG Category Two ($25K or more) must submit semi-annual performance reports through JustGrants and Local JAG Category One (Less than $25K) must submit annual performance reports through JustGrants. Consistent with the Department's responsibilities under the Government Performance and Results Act (GPRA) and the GPRA Modernization Act of 2010, the recipient must provide data that measure the results of its work. The recipient must submit quarterly performance metrics reports through BJA's Performance Measurement Tool (PMT) website: https://bjapmt.ojp.gov/. For more detailed information on reporting and other JAG requirements, refer to the JAG reporting requirements webpage (https://bjapmt.ojp.gov/help/jagdocs.html). Failure to submit required JAG reports by established deadlines may result in the freezing of grant funds and future High Risk designation.

Condition 54
Required data on law enforcement agency training

Any law enforcement agency receiving direct or sub-awarded funding from this JAG award must submit quarterly accountability metrics data related to training that officers have received on the use of force, racial and ethnic bias, de-escalation of conflict, and constructive engagement with the public.

Condition 55
Authorization to obligate (federal) award funds to reimburse certain project costs incurred on or after October 1, 2022

The recipient may obligate (federal) award funds only after the recipient makes a valid acceptance of the award. As of the first day of the period of performance for the award (October 1, 2022), however, the recipient may choose to incur project costs using non-federal funds, but any such project costs are incurred at the recipient's risk until, at a minimum-- (1) the recipient makes a valid acceptance of the award, and (2) all applicable withholding conditions are removed by OJP (via an Award Condition Modification (ACM)). (A withholding condition is a condition in the award document that precludes the recipient from obligating, expending, or drawing down all or a portion of the award funds until the condition is removed.)

Except to the extent (if any) that an award condition expressly precludes reimbursement of project costs incurred "at-risk," if and when the recipient makes a valid acceptance of this award and OJP removes each applicable withholding condition through an Award Condition Modification (ACM), the recipient is authorized to obligate (federal) award funds to reimburse itself for project costs incurred "at-risk" earlier during the period of performance (such as project costs incurred prior to award acceptance or prior to removal of an applicable withholding condition), provided that those project costs otherwise are allowable costs under the award.

Condition 56
If award funds are used for DNA testing of evidentiary materials, any resulting eligible DNA profiles must be uploaded to the Combined DNA Index System ("CODIS," the DNA database operated by the FBI) by a government DNA laboratory with access to CODIS. With the exception of Forensic Genetic Genealogy, no profiles generated under this award may be entered or uploaded into any non-governmental DNA database without prior express written approval from BJA. Award funds may not be used for the purchase of DNA equipment and supplies unless the resulting DNA profiles may be accepted for entry into CODIS. Booking agencies should work with their state CODIS agency to ensure all requirements are met for participation in Rapid DNA (see National Rapid DNA Booking Operational Procedures Manual).

Condition 57
Recipients utilizing award funds for forensic genealogy testing must adhere to the United States Department of Justice Interim Policy Forensic Genealogical DNA Analysis and Searching (https://www.justice.gov/olp/page/file/1204386/download), and must collect and report the metrics identified in Section IX of that document to BJA.

Condition 58
Submission of eligible records relevant to the National Instant Background Check System

Consonant with federal statutes that pertain to firearms and background checks -- including 18 U.S.C. 922 and 34 U.S.C. ch. 409 -- if the recipient (or any subrecipient at any tier) uses this award to fund (in whole or in part) a specific

project or program (such as a law enforcement, prosecution, or court program) that results in any court dispositions, information, or other records that are "eligible records" (under federal or State law) relevant to the National Instant Background Check System (NICS), or that has as one of its purposes the establishment or improvement of records systems that contain any court dispositions, information, or other records that are "eligible records" (under federal or State law) relevant to the NICS, the recipient (or subrecipient, if applicable) must ensure that all such court dispositions, information, or other records that are "eligible records" (under federal or State law) relevant to the NICS are promptly made available to the NICS or to the "State" repository/database that is electronically available to (and accessed by) the NICS, and -- when appropriate -- promptly must update, correct, modify, or remove such NICS-relevant "eligible records".

In the event of minor and transitory non-compliance, the recipient may submit evidence to demonstrate diligent monitoring of compliance with this condition (including subrecipient compliance). DOJ will give great weight to any such evidence in any express written determination regarding this condition.

Condition 59
Prohibition on use of award funds for match under BVP program

JAG funds may not be used as the 50% match for purposes of the DOJ Bulletproof Vest Partnership (BVP) program.

Condition 60
Extreme risk protection programs funded by JAG must include, at a minimum: pre-deprivation and post-deprivation due process rights that prevent any violation or infringement of the Constitution of the United States, including but not limited to the Bill of Rights, and the substantive or procedural due process rights guaranteed under the Fifth and Fourteenth Amendments to the Constitution of the United States, as applied to the States, and as interpreted by State courts and United States courts (including the Supreme Court of the United States). Such programs must include, at the appropriate phase to prevent any violation of constitutional rights, at minimum, notice, the right to an in-person hearing, an unbiased adjudicator, the right to know opposing evidence, the right to present evidence, and the right to confront adverse witnesses; the right to be represented by counsel at no expense to the government; pre-deprivation and post-deprivation heightened evidentiary standards and proof which mean not less than the protections afforded to a similarly situated litigant in Federal court or promulgated by the State's evidentiary body, and sufficient to ensure the full protections of the Constitution of the United States, including but not limited to the Bill of Rights, and the substantive and procedural due process rights guaranteed under the Fifth and Fourteenth Amendments to the Constitution of the United States, as applied to the States, and as interpreted by State courts and United States courts (including the Supreme Court of the United States). The heightened evidentiary standards and proof under such programs must, at all appropriate phases to prevent any violation of any constitutional right, at minimum, prevent reliance upon evidence that is unsworn or unaffirmed, irrelevant, based on inadmissible hearsay, unreliable, vague, speculative, and lacking a foundation; and penalties for abuse of the program.

Condition 61
Expenditures prohibited without waiver

No funds under this award may be expended on the purchase of items prohibited by the JAG program statute, unless, as set forth at 34 U.S.C. 10152, the BJA Director certifies that extraordinary and exigent circumstances exist, making such expenditures essential to the maintenance of public safety and good order.

Condition 62
Exceptions regarding Prohibited and Controlled Equipment under OJP awards

Notwithstanding any provision to the contrary in the other terms and conditions of this award, including in the condition regarding "Compliance with restrictions on the use of federal funds--prohibited and controlled equipment under OJP awards," the requirements for the “Transfer/Sale of Award-Funded Controlled Equipment to Other LEAs” and the requirements for the “Transfer/Sale of Award-Funded Controlled Equipment to NON-LEAs” do not apply to this award.

Condition 63
Use of program income

Program income (as defined in the Part 200 Uniform Requirements) must be used in accordance with the provisions of

the Part 200 Uniform Requirements. Program income earnings and expenditures both must be reported on the quarterly Federal Financial Report, SF 425.

Condition 64
Initial period of performance; requests for extension.

The recipient understands that for award amounts of less than $25,000 under JAG (Category 1), the initial period of performance of the award is two years. The recipient further understands that any requests for an extension of the period of performance for an award of less than $25,000 will be approved automatically for up to a total of two additional years, pursuant to 34 U.S.C. 10152(f) and in accordance with the program solicitation associated with this award.

Any request for an extension of the period of performance beyond a four-year award period will require approval, and the approval (if any) will be at the discretion of the Director of BJA.

Condition 65
Withholding of funds for Required certification from the chief executive of the applicant government

The recipient may not expend or draw down any award funds until the recipient submits the required "Certifications and Assurances by the Chief Executive of the Applicant Government," properly-executed (as determined by OJP), and an Award Condition Modification has been issued to remove this condition.

Condition 66
Withholding of funds for Budget narrative or information

The recipient may not expend or draw down any award funds until the recipient submits, and OJP reviews and accepts, the required budget information or narrative for the award, and an Award Condition Modification has been issued to remove this condition.

[ ] *I have read and understand the information presented in this section of the Federal Award Instrument.*

Award Acceptance

Declaration and Certification to the U.S. Department of Justice as to Acceptance

By checking the declaration and certification box below, I--

A. Declare to the U.S. Department of Justice (DOJ), under penalty of perjury, that I have authority to make this declaration and certification on behalf of the applicant.

B. Certify to DOJ, under penalty of perjury, on behalf of myself and the applicant, to the best of my knowledge and belief, that the following are true as of the date of this award acceptance: (1) I have conducted or there was conducted (including by applicant's legal counsel as appropriate and made available to me) a diligent review of all terms and conditions of, and all supporting materials submitted in connection with, this award, including any assurances and certifications (including anything submitted in connection therewith by a person on behalf of the applicant before, after, or at the time of the application submission and any materials that accompany this acceptance and certification); and (2) I have the legal authority to accept this award on behalf of the applicant.

C. Accept this award on behalf of the applicant.

D. Declare the following to DOJ, under penalty of perjury, on behalf of myself and the applicant: (1) I understand that, in taking (or not taking) any action pursuant to this declaration and certification, DOJ will rely upon this declaration and certification as a material representation; and (2) I understand that any materially false, fictitious, or fraudulent information or statement in this declaration and certification (or concealment or omission of a material fact as to either)

may be the subject of criminal prosecution (including under 18 U.S.C. §§ 1001 and/or 1621, and/or 34 U.S.C. §§ 10271-10273), and also may subject me and the applicant to civil penalties and administrative remedies under the federal False Claims Act (including under 31 U.S.C. §§ 3729-3730 and/or §§ 3801-3812) or otherwise.

Agency Approval

Title of Approving Official	Name of Approving Official	Signed Date And Time
Acting Assistant Attorney General	Brent J. Cohen	1/10/25 7:47 PM

Authorized Representative

[ ] no value

Entity Acceptance

Title of Authorized Entity Official
no value

Signed Date And Time
no value

CITY COUNCIL REPORT

ITEM NUMBER: 4.d.

SUBJECT: Amendment to the Employment Agreement with the City Auditor, Barbara Coppage

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Nicholle Harris, City Attorney

THROUGH: N/A

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
n/a

PURPOSE:
City Council will consider a request to approve an amendment to the Employment Agreement with City Auditor, Barbara Coppage and authorize the Mayor, City Attorney, and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:
On October 17, 2022, City Council approved the Employment Agreement with Barbara Coppage to serve as the City Auditor, effective October 17, 2022. Under the current Agreement, prior to June 30 of each year, the City Council shall formally review and evaluate the City Auditor's performance.

On December 16, 2024 and February 10, 2025, the City Council met in Executive Session to conduct a mid-year review of the City Auditor's performance.

DISCUSSION:
The purpose of this agenda item is to amend the Employment Agreement for the City Auditor, Barbara Coppage, by approving the Third Amendment (the "Third Amendment") as attached.

BUDGET IMPACT:
The compensation increase is not currently included in the FY2025 adopted budget. The city will transfer from vacancy savings elsewhere to offset the increase in compensation.

RECOMMENDATION:
Staff is requesting approval of the Third Amendment to the Employment Agreement with Barbara Coppage.

Contact person for document distribution: *Nicholle Harris, Ted Flores, Renee Weatherless, Andrew Mesquita*

THIRD AMENDMENT
TO
CITY AUDITOR EMPLOYMENT AGREEMENT

THIS THIRD AMENDMENT TO CITY AUDITOR EMPLOYMENT AGREEMENT (this "Third Amendment") is made and entered into February 24, 2025, by and between the City of Avondale, Arizona, an Arizona municipal corporation acting through its Mayor and Council of the City of Avondale, Arizona ("City") and Barbara Coppage ("Coppage" or "Employee").

RECITALS

A. The City and Employee entered into an Employment Agreement, No. 22-351C dated October 17, 2022, as amended by that certain First Amendment dated May 1, 2023 and that certain Second Amendment dated July 1, 2024, for Employee to serve as the City Auditor (collectively, the "Agreement"). All capitalized terms not otherwise defined in this Third Amendment have the same meanings as set forth in the Agreement.

B. The City and Employee desire to enter into this Third Amendment to revise Employee's salary.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated into and are deemed an integral part of this Agreement, the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged by the parties hereto, the City and Coppage hereby agree as follows:

1. Retroactive Effective Date. This Third Amendment shall have a retroactive effective date of January 1, 2025 (the "Effective Date"). All compensation or benefits to which Employee is entitled to for the time period between the pay period beginning January 6, 2025 and the date that this Third Amendment is fully executed shall be paid no later than fifteen (15) business days after the date on which this Third Amendment is fully executed.

2. Amendment. Paragraph 2 of the Agreement is hereby deleted in its entirety and replaced with the following:

2. Employee's base salary shall be $161,059.94. Salary will be adjusted annually on the same basis as non-represented employees, consistent with City's compensation policies for market adjustments and cost of living adjustments, as approved by the City Council.

3. Effect of Amendment. The Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

4. Non-Default. By executing this Third Amendment, the Employee affirmatively asserts that (i) the City is not currently in default, nor has been in default at any time prior to this Third Amendment, under any of the terms or conditions of the Agreement, and (ii) any and all Employee claims, known and unknown, relating to the Agreement and existing on or before the date of this Third Amendment are forever waived.

IN WITNESS WHEREOF, the parties have executed this Third Amendment on the day and year set forth above.

"Employee"

Barbara Coppage

"City"
CITY OF AVONDALE, an Arizona municipal corporation

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

CITY COUNCIL REPORT

ITEM NUMBER: 5.a.

SUBJECT: Public Hearing for Annexation - Hopewell Avondale Application PL-24-0242

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Jodie Novak, Director of Development Services

THROUGH: Katie Gregory, Assistant City Manager, (623) 333-1015

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
Strategic Outcome and Strategy: Creative and Sustainable Community Development
Strategic Goal: Maintain and expand quality infrastructure and improve connectivity to City amenities

PURPOSE:
City Council will hold a public hearing regarding a request by Kimberly Schroeder of Kaeko Inc., on behalf of the property owner Hopewell Avondale, to annex an approximate 5-foot wide strip of land located east of the northeast corner of El Mirage and Indian School roads, which is the southeastern most part of the Hopewell parcel. This item is for discussion and public hearing only; no action will be taken at this meeting.

BACKGROUND:
The strip of land being considered for annexation is approximately 5 feet wide by 500 feet long (totaling approximately 2,501 square feet) and is part of the Hopewell Avondale property, parcel number APN 501-63-999J (Exhibit A). The area to be annexed is the same land that was formerly part of Maricopa County right-of-way. The small area was abandoned by the County and is now part of the Hopewell Avondale parcel, but technically within County jurisdiction. The Hopewell Avondale property is located east of the northeast corner of El Mirage and Indian School roads and the 5-foot wide strip being considered for annexation is located on the southeastern most part of the parcel.

The vacant Hopewell Avondale site has no existing buildings or residents on the property. It is zoned General Industrial (A-1) and underwent a Site Plan and Design Review application with the City of Avondale that was administratively approved on June 29, 2023. The approved development plan includes one warehouse building for industrial uses. Annexing the 5-foot wide strip would bring the entirety of the parcel into the City jurisdiction. Additionally, the strip of land currently does not have a County zoning designation since it was formerly County right-of-way. Upon annexation, the strip will be zoned A-1, which is consistent with the rest of the Hopewell parcel.

While the overall Hopewell parcel is industrially zoned, the General Plan land use designation is Local Commercial (Exhibit C), which is the land use used primarily for providing daily needs of goods and services to residents residing within the surrounding area. Exhibit D depicts the City and County jurisdictions and Exhibit E includes the narrative.

The site is contiguous with the City of Avondale corporate boundaries and meets State law requirements for annexation.

The existing uses and zoning of surrounding properties include:
NORTH: The Arizona RV Storage business and an Arizona Public Service (APS) Coulter Substation zoned A-1.
EAST: City of Phoenix jurisdiction and property owned by El Mirage 200 LLC Mining Operations in Maricopa County jurisdiction.
SOUTH: Indian School Road in Maricopa County jurisdiction and Valley Golf Center zoned Special Use District (SUD) and vacant land zoned Agricultural (AG).
WEST: Arizona Self Storage zoned A-1 and vacant land zoned Community Commercial (C-2).

SUMMARY OF REQUEST:
The applicant is proposing to annex an approximate 5-foot wide strip of land described in the legal description and map exhibit attached to the blank petition and affidavit (Exhibit F). The proposed annexation will integrate the 5-foot wide strip of former roadway easement into the City of Avondale as part of the Hopewell Avondale property. The proposed annexation will facilitate the future development of an industrial warehouse building with uses consistent with the City's A-1 zoning. Staff and the project applicant, Kimberly Schroder of Kaeko Inc., have subsequently completed all required steps leading up to tonight's scheduled public hearing including:

- January 27, 2025: Filing of the blank petition and affidavit with the Maricopa County Recorder.
- February 5, 2025: Publication of a display ad in the Southwest Valley Arizona Republic giving notice of the public hearing.
- On or before February 9, 2025: Posting of three (3) signs of the land to be annexed giving notice of the public hearing.
- On or before February 17, 2025: Send notice of the public hearing to property owner and Maricopa County Board of Supervisors Chairman.

DISCUSSION:
This meeting is to conduct a public hearing on the proposed annexation. Upon conclusion of the public hearing, the annexation petition will be sent to the property owner to obtain the required signature. In this case the property owner, Hopewell Avondale is requesting the annexation and must sign the petition for the annexation to be valid. The Council is scheduled to consider the adoption of the proposed annexation ordinance at a separate meeting, currently scheduled for the regular City Council meeting on March 24, 2025. To date, staff has received no comments regarding the proposed annexation.

BUDGET IMPACT:
The annexation application included the required $6,000.00 fee that will be used towards costs related to the processing of the annexation. If the proposed annexation is approved at the March 24, 2025, Council meeting, and the property is developed within the City, revenue from sales tax, property tax, water and sewer fees, and development impact fees can be expected. Subsequently, the City will be incurring costs for services including but not limited to water, sewer, sanitation, police, fire, and street services.

RECOMMENDATION:
City Council will **CONDUCT** a public hearing regarding the proposed annexation of approximately 5 feet of land located east of the northeast corner of El Mirage and Indian School roads.
This item is for discussion only and no action will be taken.

Contact person for document distribution: *Sylvia Willem Marcor*

Exhibit A

Aerial Map

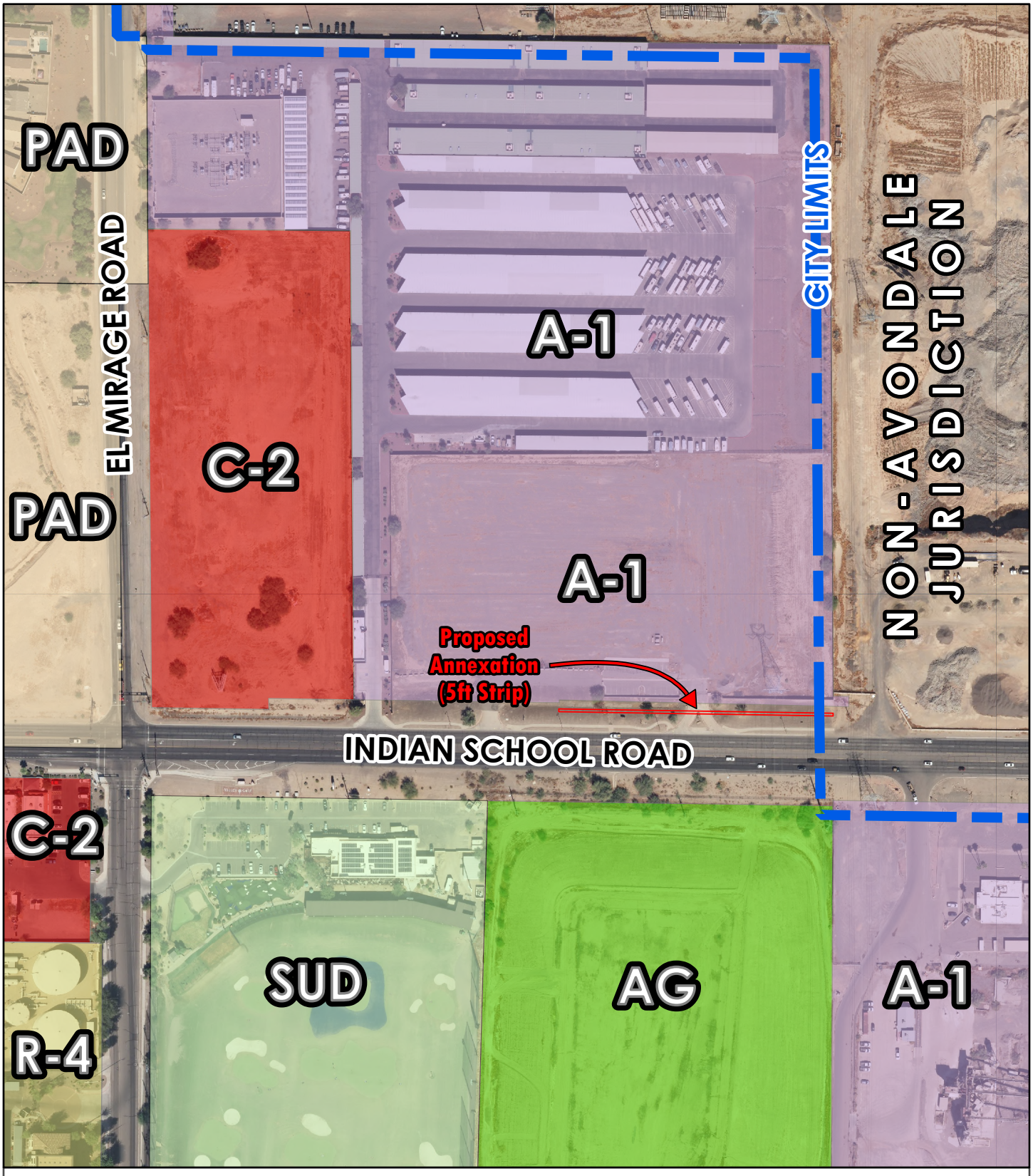
Avondale

Subject Property

N

Map Prepared On: 1/28/2025

Exhibit B



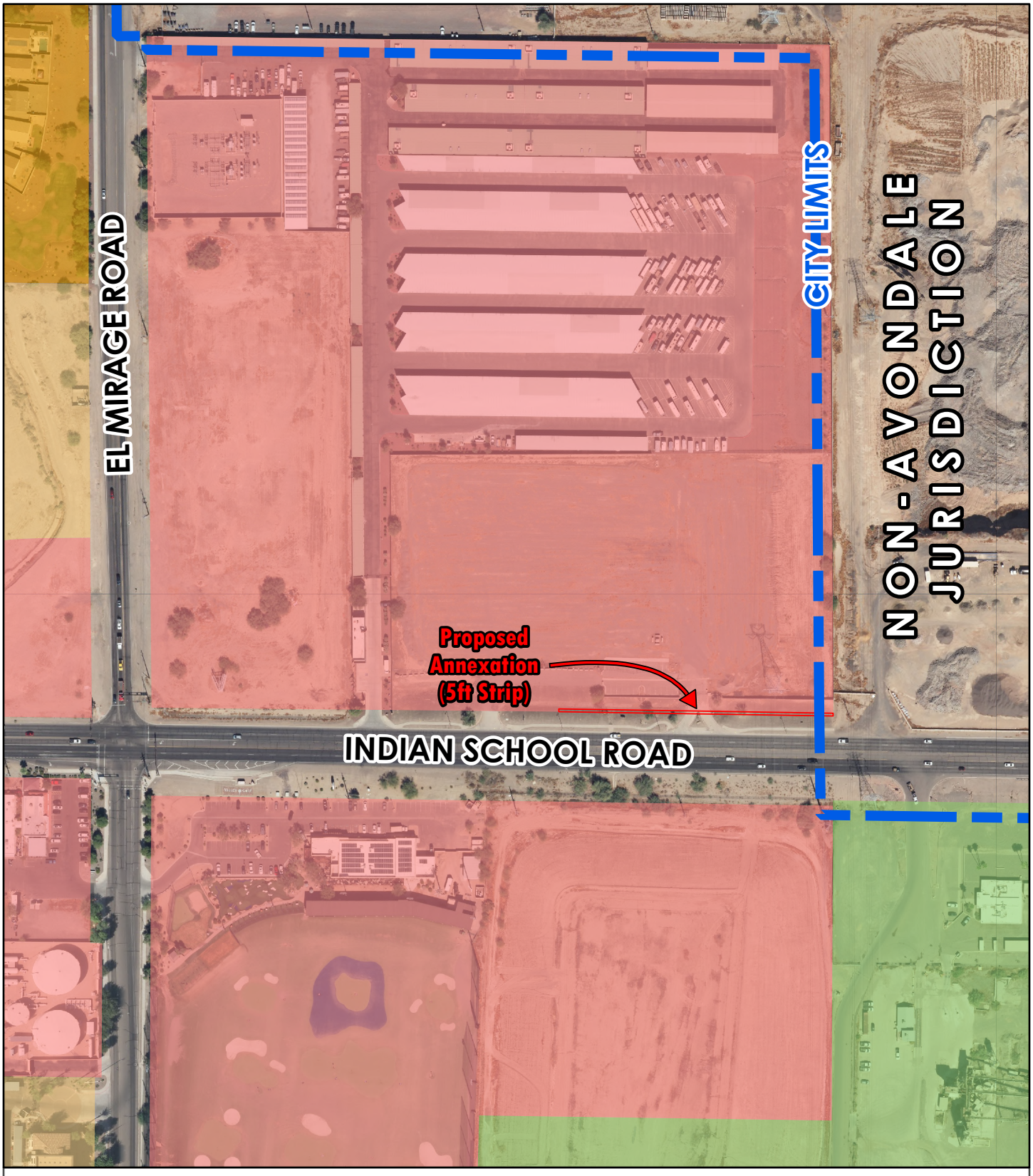
Zoning Vicinity

Avondale

Subject Property

Map Prepared On: 1/28/2025

Exhibit C



General Plan Land Use

Avondale

- Local Commercial
- Medium Density Residential
- Medium/High Density Residential
- Open Space and Parks

Subject Property

N

Map Prepared On: 1/28/2025

Exhibit D

Jurisdiction Exhibit

Avondale

Subject Property

City of Avondale

City of Phoenix

Maricopa County

N

Map Prepared On: 1/28/2025

Annexation Narrative

Project Narrative:

Explanation of Annexation Request:

This Annexation Project Narrative requests to annex a 5-ft wide, 500.60-ft length strip of existing roadway easement. adjacent to the Site into the City of Avondale. This strip of land considered for annexation is currently within Maricopa County jurisdiction and Maricopa County had declared this portion of roadway easement unnecessary for public purposes. The existing usage of this strip of land is existing roadway easement (Indian School Road) and includes unimproved roadway Right-of-Way. This 5-ft wide, 500.60-ft length strip of land adjacent to the development project, within Maricopa County jurisdiction, is bounded to the north by the City of Avondale, and to the south by what will remain Maricopa County jurisdiction. Annexation of this strip of land would eliminate an area of existing roadway R.O.W. deemed to be unnecessary for public purposes by the County. Further explanation of this annexation request as required per the City of Avondale Annexation Application follows:

Conforms to State Law Requirements:

There are no Maricopa County Zoning violations or non-conformities on this Site or within the area considered for annexation. The proposed usage is consistent with the existing zoning and no change of zoning is required or proposed. The Site and annexation request conforms to Arizona State Law Requirements for annexation.

Description of Expected Future Development of Proposed Annexation Area:

There are no expected future developments or improvements proposed within the area considered for annexation.

Disclosure of Easements:

A 13-ft utility easement for both utility and incidental purposes exists to the north of the area considered for annexation. There are no known easements within the strip of land considered for annexation.

Description of Existing Infrastructure:

Existing utilities within the area considered for annexation include overhead electric transmission lines. Utilities constructed as part of the development project that bisect the area considered for annexation include water (domestic and fire), and a sanitary sewer service lateral.

Infrastructure within the area considered for annexation are typical undeveloped roadway R.O.W.

Identification of Existing Residential and non-Residential Structures in Annexation Area:

There are no existing structures (residential or non-residential) within the area considered for annexation. No structures (residential or non-residential) are proposed or expected within the area of considered or annexation.

Description of Existing Conditions:

The area considered for annexation is a typical undeveloped R.O.W. use consistent with existing R.O.W. areas within the vicinity of the Site. The existing conditions and proposed conditions adjacent to the area considered for annexation include civil utilities and civil infrastructure such as underground utilities, overhead utilities, concrete curb and gutter, concrete sidewalks, asphalt pavement, and landscaping. Further description of existing conditions is listed below:

- There are no people residing in the proposed annexation area.
- The area considered for annexation is not within a subdivision, there are no residential subdivisions adjacent to the property.

- No existing structures (residential or non-residential) are located within the area considered for annexation. No structures (residential or non-residential) are proposed within the area considered for annexation.
- There are no vacant lots within the Site.
- The proposed development project includes the construction of a new warehouse building of approximately 110,950-sf. No commercial buildings or commercial usage exist or are proposed as part of the development project and as part of this annexation application.

Identify any Maricopa County Zoning Violations and Legal non-Conforming Structures/Uses:

There are no violations with Maricopa County Zoning, also there are no non-conforming structures or uses on the Site or within the area considered for annexation.

Explanation of Desired City Services:

No new City services are proposed, requested, or required as part of this annexation application.

Identify School District:

The area considered for annexation is located within the Agua Fria Union #216 High School District and within the Litchfield Elementary School District. There are no impacts to either school districts as part of this annexation application.

Proximity to Police and Fire Stations:

The Maricopa County Sheriff's Office located at 920 E. Van Buren Street, Avondale, AZ is approximately 4-miles to the south and west of the Site.

The Avondale Police Department – Main Station located at 11485 Civic Drive, Avondale, AZ is located approximately 6–miles to the south and east of the Site.

The Avondale Fire – Rescue Station 174 located at 3200 N. Dysart Road, Avondale AZ is approximately 1.7-miles to the south and west of the Site.

Exhibit F

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
JUSTIN HEAP
20250043294 01/27/2025 09:55
ELECTRONIC RECORDING

BLKANNEXHOPEWELL-5-1-1--
Garciac

When recorded mail to:

Attn: Development Services Department
City of Avondale
11465 W. Civic Center Drive
Avondale, Arizona 85323

25-031L

BLANK ANNEXATION PETITION AND AFFIDAVIT

HOPEWELL AVONDALE - ANNEXATION

ANNEXATION PETITION

TO THE HONORABLE MAYOR AND COUNCIL OF THE CITY OF AVONDALE, ARIZONA:

We, the undersigned, the owners of one-half or more in value of the real and personal property and more than one-half of the persons owning real and personal property that would be subject to taxation by the City of Avondale in the event of annexation within the territory proposed to be annexed, which is hereafter described, said territory being contiguous to the corporate limits of the City of Avondale, with the exterior boundaries of the territory proposed to be annexed shown on the map attached hereto, and made a part hereof, request the City of Avondale to annex the following described territory, provided that the requirements of ARIZ. REV. STAT.§ 9 -471, and amendments thereto are fully observed.

The description of the territory proposed to be annexed, not already within the present limits of the City of Avondale and located in Maricopa County, Arizona is as follows:

(Legal Description)

DATE	NAME OF PROPERTY OWNER	MAILING ADDRESS	PHONE	LEGAL DESCRIPTION

EXHIBIT A

LEGAL DESCRIPTION

THE NORTH 5.00 FEET OF THE SOUTH 90.00 FEET OF THE EAST 500.60 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS DESCRIBED IN ROAD ABANDONMENT DOCUMENT 2024-0406586, RECORDS OF MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 24, MARKED BY A FOUND BRASS CAP IN HANDHOLE, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 24 BEARS SOUTH 89 DEGREES 08 MINUTES 32 SECONDS EAST, (BASIS OF BEARINGS) A DISTANCE OF 2601.94 FEET, SAID SOUTH QUARTER CORNER BEING RE-ESTABLISHED BY THE INTERSECTION OF FOUR (4) FOUND MAG NAILS;

THENCE SOUTH 89 DEGREES 08 MINUTES 32 SECONDS EAST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 24 FOR A DISTANCE OF 1300.97 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 24 MARKED BY A FOUND BRASS CAP FLUSH;

THENCE, DEPARTING SAID SOUTH LINE, NORTH 00 DEGREES 16 MINUTES 44 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 24; A DISTANCE OF 85.00 FEET TO A POINT ON THE SOUTH LINE OF THE SAID NORTH 5.00 FEET OF THE SOUTH 90.00 FEET, ALSO BEING THE NORTH 85.00 FOOT RIGHT OF WAY LINE OF WEST INDIAN SCHOOL ROAD, AND THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 08 MINUTES 32 SECONDS WEST, ALONG SAID 85.00 FOOT RIGHT-OF-WAY LINE, A DISTANCE OF 500.60 FEET;

THENCE DEPARTING SAID RIGHT-OF-WAY LINE, NORTH 00 DEGREES 16 MINUTES 44 SECONDS WEST, A DISTANCE OF 5.00 FEET TO THE NORTH LINE OF SAID NORTH 5.00 FEET OF THE SOUTH 90.00 FEET;

THENCE SOUTH 89 DEGREES 08 MINUTES 32 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 500.60 FEET TO THE EAST LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER;

THENCE SOUTH 00 DEGREES 16 MINUTES 44 SECONDS EAST, ALONG SAID EAST LINE, A DISTANCE OF 5.00 FEET TO A POINT ON THE SAID NORTH 85 FOOT RIGHT-OF-WAY LINE OF INDIAN SCHOOL ROAD AND THE POINT OF BEGINNING.

THIS PARCEL CONTAINS 2,501 SQ. FT. (0.0574 ACRES) OF LAND MORE OR LESS.

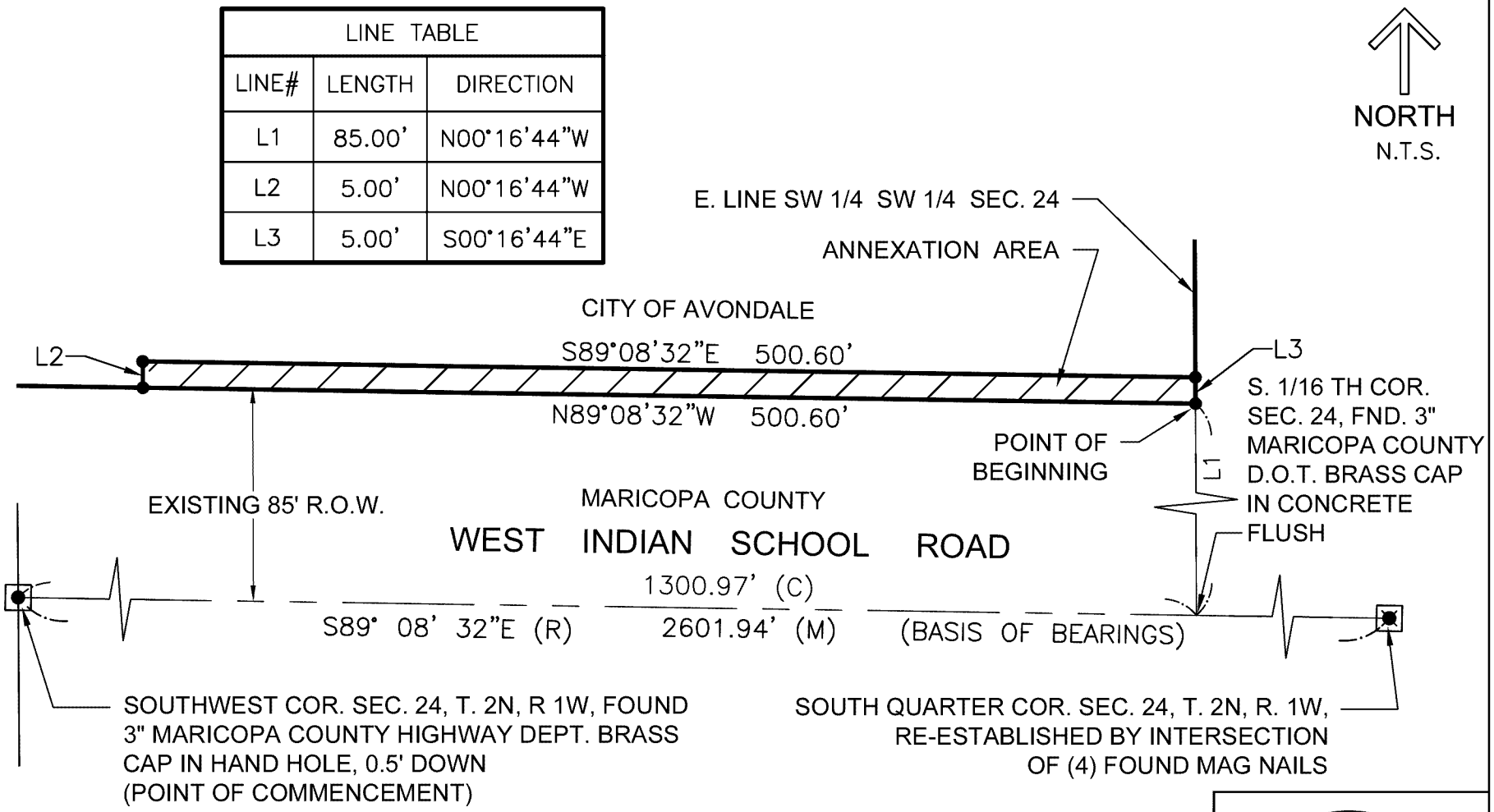
REGISTERED LAND SURVEYOR
CERTIFICATE NO.
22762
GENE C.
HARRISON II
Date Signed: 10-29-2024
ARIZONA, U.S.A.

12409 W. INDIAN SCHOOL ROAD, AVONDALE, AZ 85392
PHONE: 623.536.1993 EMAIL: GENE.HARRISON@KAEOKOINC.COM

KAEKO

PARCEL ANNEXATION LEGAL DESCRIPTION		CHECKED BY: GCH DRAWN BY: RVR PROJECT #: 7022038	
2,501 SQ. FT.	DATE: 10-29-2024 SCALE:	EXH. A	
0.057 ACRES	SHEET 1 OF 2		

LINE TABLE		
LINE#	LENGTH	DIRECTION
L1	85.00'	N00°16'44"W
L2	5.00'	N00°16'44"W
L3	5.00'	S00°16'44"E



REFERENCE :

(R) R.O.S. RECORDED IN BOOK 688 OF MAPS, PAGE 40 M.C.R. (BASIS OF BEARING)

KAEKO
12409 W. INDIAN SCHOOL ROAD, AVONDALE, AZ 85392
PHONE: 623.536.1993
FAX: 623.748.9008

PARCEL ANNEXATION EXHIBIT

2,501 SQ. FT.

0.057 ACRES

DATE: 10-29-2024
SCALE: AS NOTED
SHEET 2 OF 2

CHECKED BY: GCH
DRAWN BY: RVR
PROJECT #: 7022038

EXH. A

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
22762
GENE C. HARRISON II
10-29-2024
Date Signed
ARIZONA, U.S.A.

20250043294

20250043294

Avondale

Development Services Department
11465 W. Civic Center Drive
Avondale, Arizona 85323-6804
Phone: (623) 333-4000 Fax: (623) 333-0420

Annexation Affidavit

Personally appears before me, Sylvia Willem Marcor, who, first being duly sworn, deposes and says as follows:

1. I make this affidavit of my own personal knowledge.

2. I am a Planner of the City of Avondale, Arizona, and I am qualified to make this affidavit on behalf of and for the City.

3. I have made a diligent search of the records of the Office of the Clerk of the City of Avondale and of the Office of the Maricopa County Recorder for any annexation filing which might involve territory sought to be annexed in the City Annexation Petition, which is filed herewith with exhibits, in the Office of the Maricopa County Recorder.

4. I hereby affirm, pursuant to A.R.S. §9-471 (A) (6), that no part of the territory for which the attached Annexation Petition is filed is already subject to an earlier filing for annexation.

Sylvia Willem Marcor, Planner

SWORN TO AND SUBSCRIBED before me
This 27th day of January, 2025.

Notary Public for the State of Arizona

My commission expires: 12-20-2026

EMILY SORIA
Notary Public - Arizona
Maricopa County
Commission # 641170
My Comm. Expires Dec 20, 2026

CITY COUNCIL REPORT

ITEM NUMBER: 5.b.

SUBJECT: Annual Comprehensive Financial Report Fiscal Year 2024

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.

PURPOSE:
City staff will present the City's Annual Comprehensive Financial Report and the results of the annual audit for the fiscal year ended June 30, 2024. This item is for information and discussion only.

BACKGROUND:
The City Charter requires that an independent certified public accountant perform an annual audit of the City's financial statements and supporting accounts and fiscal transactions, and render an opinion on the financial statements together with a report, including recommendations concerning policy and fiscal procedures, to the City Council and City Manager.

Additionally, Arizona Revised Statute 9-481 requires the certified public accountant who performed the audit to present the audit results and any findings to the governing body in a regular meeting without the use of a consent agenda, and the governing body shall demonstrate compliance with section 41-1494.

Section 41-1494 prohibits the city from requiring or funding employee training, orientation, or therapy that presents any form of blame or judgment on the basis of race, ethnicity or sex.

DISCUSSION:
Certified external auditors recently performed an annual audit of the City for the fiscal year ended June 30, 2024. The audit services included the following:
• Audit of the Annual Comprehensive Financial Report (ACFR)
• Examination of the City's compliance as to whether the City used highway user revenue fund monies for authorized transportation purposes (HURF Compliance)

ACFR
The auditors rendered an unmodified opinion ("clean opinion") on the financial statements and accompanying notes to the financial statements. The Independent Auditors' Report is presented on pages 11-13 of the ACFR

Single Audit
The Finance and Budget department implemented corrective actions in FY2024 to address the internal control deficiencies identified in the past two years' single audits. The auditors concluded the city complied, in all material respects, with the compliance requirements on each of its major federal programs for the year ended June 30, 2024.

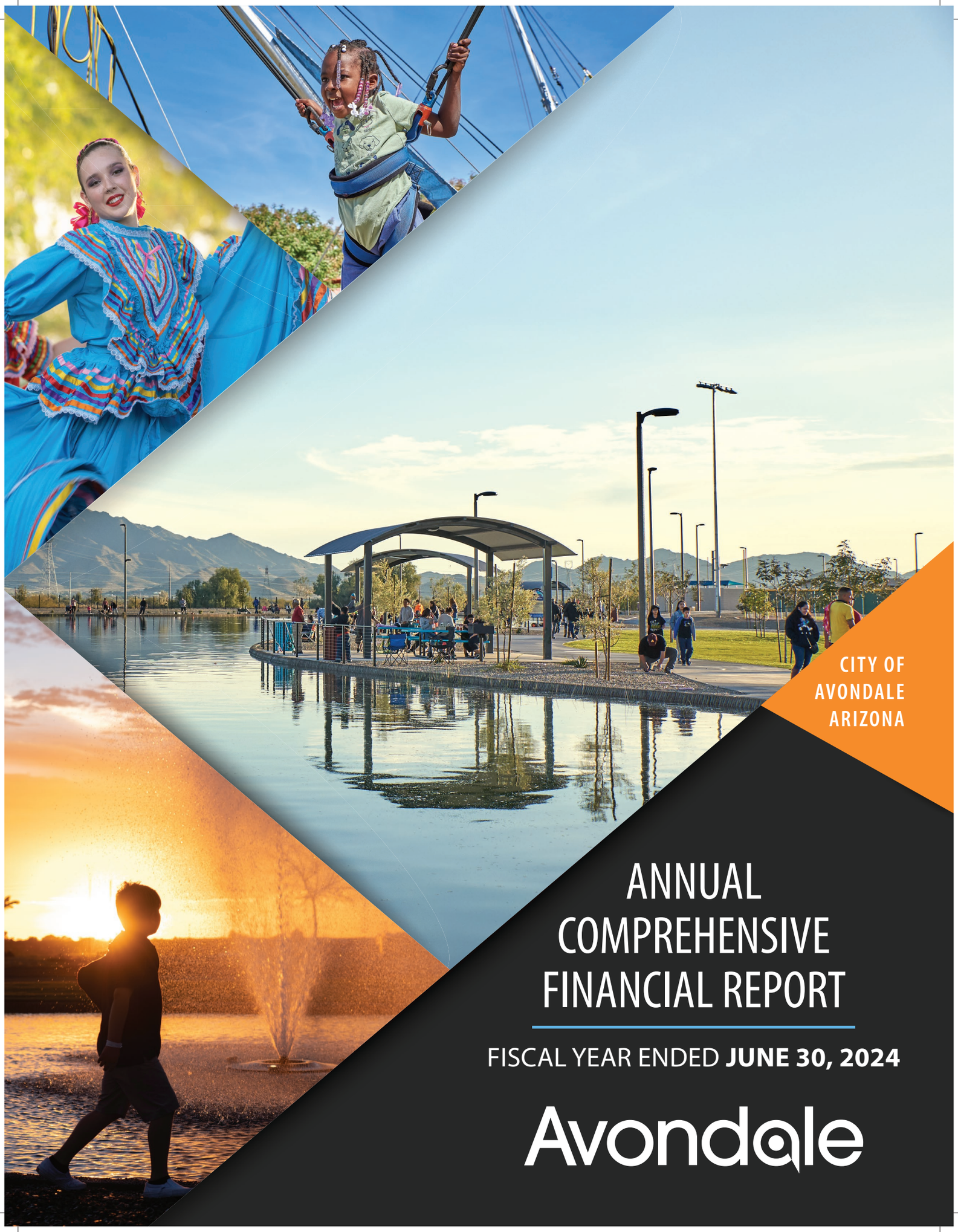
HURF Compliance
The auditors performed examination procedures to determine whether expenditures from HURF monies and any other dedicated state transportation revenues were spent pursuant to Arizona Revised Statues Title 28, Chapter 18, Article 2. The auditors rendered a clean opinion on compliance with the requirements.

Section 41-1494 Compliance
The city does not require or fund employee training, orientation, or therapy that presents any form of blame or judgment on the basis of race, ethnicity or sex.

BUDGET IMPACT:
There is no budgetary impact.

RECOMMENDATION:
This item is for information and discussion.

Contact person for document distribution:



CITY OF
AVONDALE
ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED **JUNE 30, 2024**

Avondale

City of Avondale, Arizona

Avondale, Arizona

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

Issued by:
Finance and Budget Department

City of Avondale, Arizona

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City of Avondale, Arizona

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Introductory Section

Avondale

Avondale

Finance & Budget

11465 W Civic Ctr Dr. | Avondale, AZ 85323 | (623) 333-2000 | Fax: (623) 333-0120 | www.AvondaleAZ.gov

December 19, 2024

Honorable Mayor, Members of the City Council, Management, and Citizens
City of Avondale
11465 West Civic Center Dr.
Avondale, AZ 85323

In accordance with the requirements of the City of Avondale's (the City) Charter, and on behalf of City management, I am pleased to submit the City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This report has been prepared in conformity with U.S. generally accepted accounting principles (GAAP) for local governments as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants.

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

The City's financial statements have been audited by HeinfeldMeech, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City as of and for the fiscal year ended June 30, 2024, 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 as of and for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditors to report on the fair presentation of the financial statements; and, on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit Report is published as a separate document.

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

GAAP requires 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 Independent Auditors' Report.

City of Avondale Profile

The City of Avondale, incorporated in 1946, is a welcoming and progressive community located on the southwestern side of the Phoenix metropolitan area. The City's planning area currently occupies 92.8 square miles and serves a population of approximately 93,545. Unique to Avondale are the three rivers which traverse the City: the Gila, Salt, and Agua Fria Rivers. The convergence of these rivers within Avondale presents an attractive vista offering natural recreation opportunities. Avondale is home to Phoenix Raceway and home of the 2020-2025 NASCAR Cup Series Championship Races. The venue is a world-class motorsports and entertainment venue nestled in the foothills of the Estrella Mountains. Each spring and fall, racing enthusiasts and race teams converge in Avondale, spending millions of dollars.

Avondale operates under the Council-Manager form of government in accordance with its Charter. Legislative authority is vested in a seven-member City Council consisting of a mayor and six councilmembers elected at large to a four-year term. The Mayor and Council appoint the City Manager, City Attorney, City Auditor and Presiding Judge. The City of Avondale provides a full range of services to the public. Services include police, fire and medical, streets and transportation, community and economic development, community services, and general administration. The City pioneered an innovative, multi-award winning WeRIDE Microtransit program, opened a new aquatic center, and reopened a community center featuring E-sports. The City also operates water, wastewater, and solid waste collection services. The City has a robust water portfolio, an aquaculture program for groundwater recharge, and state-of-the-art and smart water technologies.

The annual budget serves as the comprehensive guide for the City of Avondale's financial plans and priorities and reflects our commitment to responsible financial management, fiscal sustainability, and the provision of essential high-quality services to our community. It is based on the City's long-range forecast and is structurally balanced.

The City Manager submits a proposed budget on or before June 1st to the City Council for review, for the fiscal year commencing the following July. The budget is compiled through a collaborative cross-departmental effort and includes proposed expenditures and the means of funding. Various budget planning meetings are held during the months leading up to the final budget adoption. The City Council holds public hearings to obtain additional public feedback prior to budget adoption. At a regular Council meeting in June, the City Council formally adopts a final budget which is legally enacted through the passage of a resolution. The resolution sets the limit for expenditures during the fiscal year. The legal level of expenditure control is at the department level for the General Fund and at the fund level for all other funds. Budgetary comparison statements and schedules, as appropriate, are provided in this report for each of these funds. The primary property tax supports City operations. The secondary property tax is used to pay principal and interest bonds issued for the construction of public infrastructure. Both primary and secondary property tax levies are adopted by the City Council in June.

In addition to maintaining budgetary control through formal appropriation, the City maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the issuance of a purchase order.

Local Economy

The health of the Phoenix metropolitan area economy remains robust. The region has witnessed strong growth in recent years, reflected in strong job creation, declining unemployment rates, and a flourishing real estate market. The employment sector has shown resilience with consistent growth across diverse industries, including technology, healthcare, and financial services. The unemployment rate for the Phoenix area currently stands at 2.6 percent and has remained below the national average. The inflation rate has decreased from a high of 13 percent in August 2022 to the current rate of 2.30 percent which prompted federal interest rate cuts in September and October 2024 after a year of no change.

The real estate market remains strong, with the median home price 44 percent higher than five years ago. Retail sales and consumer spending, on the other hand, have remained leveled. Comparing FY2023 to FY2024, sales tax had a very slight decrease of less than 1 percent, which was forecasted in the budget due to the absence of stimulus dollars. State shared revenues increased $7.7 million or 22 percent. However, the majority of this increase was due to the implementation of the statewide flat income tax, which temporarily increased distributions to cities. Another state law change that will impact the City revenue is the elimination of residential rental tax starting January 1, 2025. The loss of this revenue source is expected to decrease revenue by about five million dollars annually.

Avondale remains in a strong financial position. The general fund ending fund balance is approximately $135.2 million, an increase of $13.3 million over the past fiscal years. This growth in fund balance reflects a few things: the strong economy of the City and region, careful financial planning and policies, and timeline delays in planned capital improvements. A significant portion of the fund balance is committed to capital projects, which were planned and budgeted in previous fiscal years. The City's strong financial foundation allows for strategic investments in services and allows the City to continue to build essential infrastructure with minimal debt.

Meanwhile, Avondale continues utilizing the $17.8 million of the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to support our residents and community. During the fiscal year, the City utilized $7.8 million of the funds to assist impacted residents, households, small businesses, and nonprofits; providing aids to impacted industries such as tourism, travel, and hospitality; and making necessary investments in water, sewer, and broadband infrastructure.

Long-term financial planning

During the budget process, the City prepares a multi-year forecast which incorporates ongoing revenue and expenditure projections. The City also prepares a five-year Capital Improvement Plan (CIP) to ensure sustainable construction of projects upon commencement. Summary information from the multi-year forecast and five-year CIP plan is presented to City Council during the budget preparation process.

On June 30, 1980, Arizona voters approved general propositions amending the Arizona Constitution to establish expenditure and revenue limitations for local governments. The purpose of the expenditure limitation is to control expenditures and to limit future increases in spending to adjustments for inflation, deflation, and population growth of the city. The voters of the City have approved a Home Rule option as an alternative expenditure limitation every four years since 1981, with the most recent being on August 4, 2020. This resulted in the total budgeted expenditures of each yearly budget becoming the expenditure limitation for that year on a total budget basis. This alternative limitation was effective until June 30, 2025. However, on August 2, 2022, the voters permanently adjusted the 1980 base by $10,408,000, which took effect in the 2023-2024 fiscal year.

Stabilization Fund Financial Policy

The City has established a two-tier stabilization fund in accordance with GASB Statement No. 54. The General Fund stabilization amount is 35 percent of the prior year's budgeted expenditures. The budgeted stabilization fund for fiscal year 2024 is $30,801,015. In addition, net position in the Water and Wastewater Funds are maintained at a minimum of six months of operating expenditures, which includes debt service payments but excludes depreciation expense. The Water and Wastewater Development and Equipment Replacement Funds are excluded from the operating reserve calculations. All other enterprise funds maintain a minimum of four months of operating expenses plus the amount required to meet annual debt service requirements. In addition, the City established a new forecasted fund balance reserve on Dedicated Sales Tax and Public Safety Sales Tax funds at 16 percent of budgeted ongoing operating expenditures.

Major Initiatives

The City has achieved various accomplishments throughout the fiscal year and has numerous major initiatives underway. Below are some of the highlights:

- Avondale Aquatic Center: Opened in April 2024, the Avondale Aquatics Center offers a wide range of state-of-the-art amenities, including a competition pool with a 10-lane, 25-yard course, and a recreational pool featuring a zero-depth entry kiddie play pool, water volleyball, water basketball, and thrilling slides. Visitors can also enjoy a lazy river, diving boards, and ample outdoor seating areas with shade canopies. The facility cost $28.6M to build.

- Sand Volleyball Complex: Situated on a one-acre parcel adjacent to the existing Randall McDaniel Sports Complex, the Sand Volleyball Complex at The BLVD features five competition-grade sand volleyball courts with perimeter fencing for security and privacy. Spectator seating and shade structures provide an immersive viewing experience while drinking fountains and an automatic water system ensure hydration for spectators and players during matches. The complex also has security cameras for enhanced safety and surveillance, as well as landscape improvements to beautify the surroundings. A restroom building is conveniently located for players and spectators. The investment in this new amenity in Avondale cost $2.6 million, which included a $162,500 grant from the Arizona Sports Tourism Association.

- Mountain View Community Center: This remodeled facility includes an E-sports Room for gaming enthusiasts, a Game Room with activities such as pool and air hockey, a Multi-purpose Room for various activities that promote well-being such as fitness and dance classes, and the Arts & Crafts Room for creative individuals. The Conference Room is a flexible space for hosting meetings and workshops. The facility also has an Outdoor Patio to unwind and get fresh air, and an inviting lobby area with comfortable seating to connect and relax. The project cost $4.2 million.

- Avondale Boulevard & Lower Buckeye Intersection Improvement: This project constructed landscaping, vehicular and pedestrian enhancements and new travel and turn lanes for a new traffic signal at the intersection of Avondale Boulevard and Lower Buckeye Road. The project cost $6.9 million.

- Avondale Boulevard Widening: This project widened Avondale Boulevard from McDowell Road to Encanto Boulevard for a total distance of 2,600 feet. The project improvements also included pedestrian, vehicular, landscaping and utility improvements. The project cost $3.4 million.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Avondale for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. This year's report will also be submitted to GFOA for consideration under the award program.

The City also received the GFOA Distinguished Budget Presentation Award for its fiscal year 2023 annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communication device.

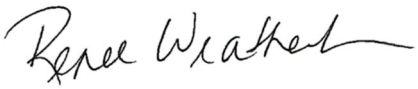
Finally, Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Avondale for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Avondale has received a Popular Award for the first time. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the Finance and Budget Department. I would like to express my appreciation to all members of the department and other City departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and Council and City Management for their leadership and continued support to help maintain high standards of professionalism in the management of the City of Avondale's finances.

Respectfully submitted,



Renee Weatherless
Finance and Budget Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

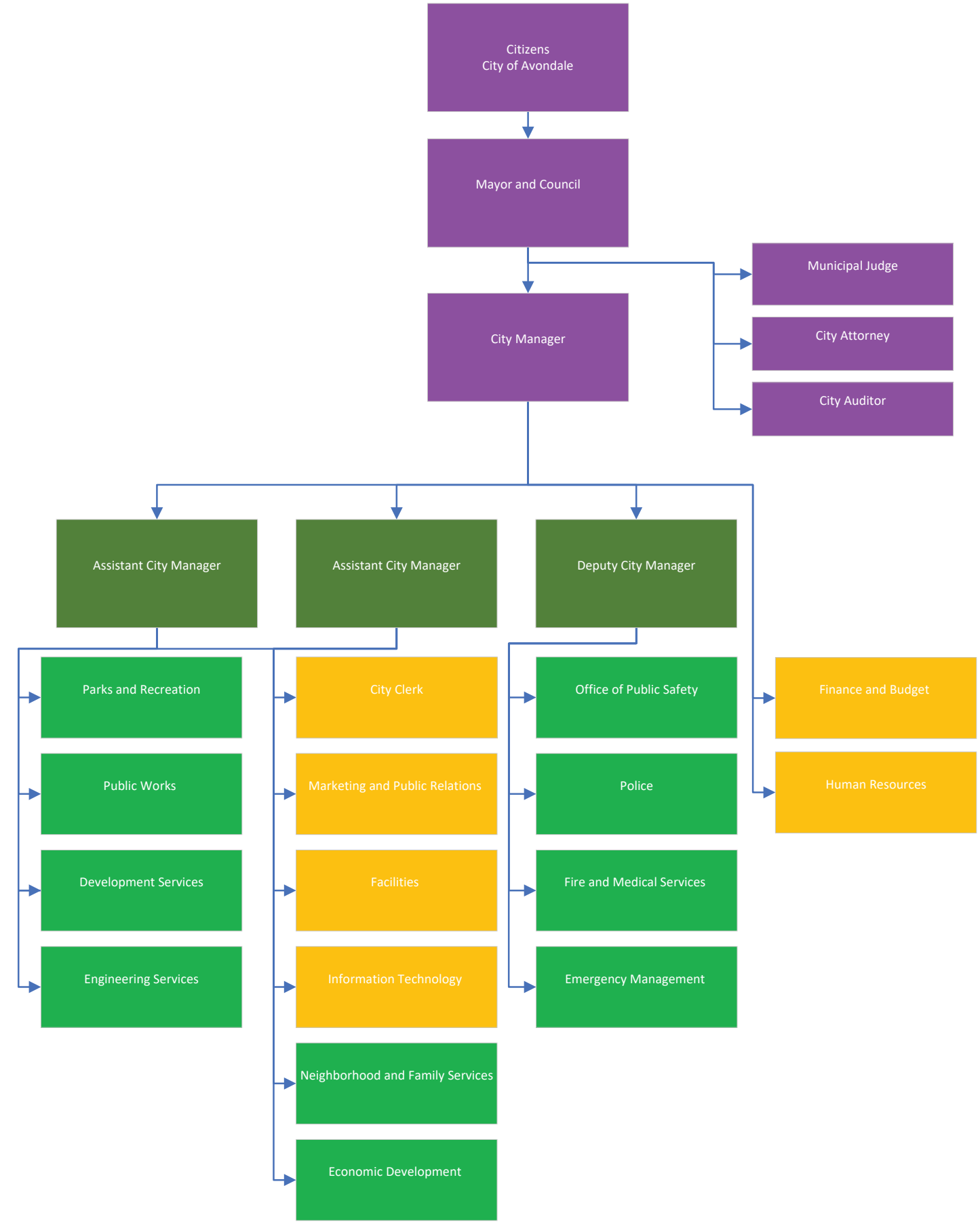
City of Avondale
Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO


Citizens
City of Avondale
Mayor and Council
Municipal Judge
City Attorney
City Auditor
City Manager
Assistant City Manager
Assistant City Manager
Deputy City Manager
Parks and Recreation
Public Works
Development Services
Engineering Services
City Clerk
Marketing and Public Relations
Facilities
Information Technology
Neighborhood and Family Services
Economic Development
Office of Public Safety
Police
Fire and Medical Services
Emergency Management
Finance and Budget
Human Resources
Operating Departments
Internal Services

City of Avondale, Arizona

List of Principal Officials

Mayor and Council

Kenneth Weise, Mayor

Mike Pineda, Vice Mayor

Tina Conde, Councilmember

Veronica Malone, Councilmember

Curtis Nielson, Councilmember

Gloria Solorio, Councilmember

Max White, Councilmember

Management Staff

Ron Corbin, City Manager

Tracy Stevens, Assistant City Manager

Dale Nannenga, Deputy City Manager

Financial Section

Avondale

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Avondale, Arizona

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Avondale, Arizona (City), as of and for the year ended June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the City of Avondale, Arizona, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended and the budgetary comparison statements for the General, Dedicated Sales Tax Revenue, Public Safety Sales Tax Revenues and Grants In Aid Funds 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* 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 City of Avondale, Arizona, 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 one year beyond the financial statement date, including any currently known 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section 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 other 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 December 19, 2024, on our consideration of City of Avondale, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Avondale, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Avondale, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 19, 2024

Avondale

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Avondale

As management of the City of Avondale, Arizona (the 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, 2024. This discussion and analysis is designed to 1) assist the reader in focusing on significant financial issues, 2) provide an overview of the City's financial activity, 3) identify changes in the City's financial position, 4) identify any significant deviations from the City's Annual Budget and Financial Plan (the council-adopted annual budget), and 5) identify individual fund issues or concerns. The information presented in this discussion and analysis is based on currently known facts, decisions, and conditions.

This discussion and analysis has a different focus and purpose than the Letter of Transmittal presented on pages 1-5 of this report and is designed to be read in conjunction with the Letter of Transmittal, as well as the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

The following are some of the more significant financial highlights. Explanations for these changes are provided below and in the following sections.

- Government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of June 30, 2024 by $1.5 billion (net position). Of this amount, $168.7 million represents unrestricted net position, an increase of $3.6 million (two percent) from the prior year, which may be used to meet the City's ongoing obligations to citizens and creditors.
- Net position increased 70.7 million (five percent) from the prior year, resulting from a $58.8 million (seven percent) increase in governmental activities net position and a $11.9 million (two percent) increase in business-type activities net position between years.
- Governmental activities program revenues decreased $4.0 million (seven percent) and general revenues increased by $14.6 million (ten percent) between years while expenses increased $7.3 million during the same period. The decrease in program revenue was primarily attributed to a decrease in capital grants and contributions resulting from decreased developer infrastructure donations. The increase in general revenues was primarily attributed to an increase in investment income and state-shared revenues driven by improvements in investments fair values and a change in the distribution methodology, respectively.
- Business-type activities program revenues increased $2.4 million (four percent) and general revenues increased by $3.2 million (122 percent) over the previous year, while expenses increased $911,942, or two percent. The increase in general revenues was attributed to positive investment income of $5.5 million while the increase in program revenues was attributed to increased charges for services of $6.1 million.

Financial Highlights (Continued)

- Government-wide assets increased $62.5 million (four percent) from the prior year. This was largely due to a $58.2 million increase in overall capital assets driven by infrastructure donations from developers and construction project activity within the City. The remaining increase was largely due to a $19.7 million increase in cash and investments balances from the accumulation of operating reserves.
- Government-wide liabilities decreased $9.7 million (four percent) from the prior year. The decrease was primarily due to a $6.1 million decrease in unearned revenue as a result of spending Coronavirus State and Local Fiscal Recovery Fund monies.
- At year-end, the governmental funds reported combined fund balance of $214.1 million, an increase of $4.0 million over the previous year. Of this total fund balance amount, $109.9 million was either externally restricted or internally assigned or committed to specific purposes. The unassigned fund balance increased by $9.8 million (11 percent) from the prior year.
- Combined governmental fund revenues of $193.9 million increased $14.7 million and expenditures of $198.8 million increased $30.9 million from the prior fiscal year.
- General Fund revenues exceeded budgeted revenues by $13.3 million, while expenditures were $27.8 million less than final budgeted expenditures during the year resulting a net budgetary savings of $41.1 million.

Overview of Financial Statements

The discussion and analysis provides an introduction to the City's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, some of which is required, that provides additional detail information to support the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide a broad overview of the City's finances in a manner similar to a private-sector business. All of the City's activities, except those of a fiduciary nature, are included in these statements.

The City's activities are presented in two columns; governmental activities and business-type activities. A total column is also presented for the City.

- Governmental activities include the City's basic services such as general government (administration), public safety (police and fire), streets and transportation, community services (health, welfare, and culture), and community and economic development. These activities are mainly supported by general revenues.
- Business-type activities include private sector-type activities such as city-owned water, wastewater, and sanitation systems that provide services to city residents and businesses. These activities are primarily supported by user charges and fees.

Overview of Financial Statements (Continued)

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The focus on net position is important because increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Increases in net position may indicate an improved financial position, but decreases in net position may not necessarily indicate the City's financial position is deteriorating. Instead, decreases in net position may reflect situations where the City has used previously accumulated funds to finance its operations or projects such as cash funding of capital projects. As a result, readers must consider and evaluate other financial and nonfinancial indicators to effectively assess the City's overall financial health.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. Since the economic resources measurement focus and full accrual accounting are used for the government-wide financial statements, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and long-term debt that has not matured). This statement also focuses on both the gross and net costs of city functions based only on direct functional revenues and expenses. This focus is designed to show the extent to which city functions are dependent on general revenues for support.

The government-wide financial statements can be found on pages 40 through 43 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to establish and maintain control over city assets as part of its fiduciary responsibility. All city funds are categorized as governmental funds, and proprietary funds. The fund financial statements focus on the City's major funds.

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

Overview of Financial Statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financing decisions. To facilitate this comparison, reconciliations of the differences between the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances and government-wide statement of net position and statement of activities are provided immediately following the respective governmental fund statements. These reconciliations are on pages 49 and 52, respectively.

The City maintains 20 governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Dedicated Sales Tax Revenue Fund, Public Safety Sales Tax Revenue Fund, Grants In Aid Fund, General Obligation Bonds Debt Service Fund and Other Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining financial statements and schedules.

The City adopts an annual budget and legally allocates (appropriates) available monies for all governmental funds. Budgetary comparison statements are presented for all major funds, except for the Other Capital Projects and General Obligation Debt Service Funds, on pages 53-56. Budgetary comparison schedules are presented for the remaining governmental funds on pages 128-143.

Proprietary funds. Proprietary funds use the economic resources measurement focus and full accrual accounting, the same method used by private sector business. The City maintains seven proprietary funds.

Enterprise Funds. Enterprise funds account for activities that primarily serve customers outside the city unit. The enterprise funds generally provide information similar to the business-type activities column of the government-wide financial statements but provide more detailed information such as cash flows. The City uses separate enterprise funds to account for its water, wastewater and sanitation system services. The Water, Wastewater, and Sanitation Funds are considered to be major funds of the City.

Overview of Financial Statements (Continued)

Internal Service Funds. Internal service funds account for activities where the City is the primary customer. Because these funds primarily provide services to governmental activities, the internal service fund account balances and activities are reported in the governmental activities column on the government-wide financial statements. The internal service fund account balances and activities are presented in a single, aggregated column on the proprietary fund financial statements. The operating income or loss of the internal service funds is allocated to the various user functions on the government-wide statement of activities. Since the City partially allocates the operating income or loss of the internal service funds to business-type activities on the government-wide financial statements, a reconciliation is provided following the proprietary fund financial statements to reconcile total enterprise fund net position and changes in net position on the fund financial statements to the business-type activities column on the government-wide financial statements. The City uses separate internal service funds to account for its risk management program, workers' compensation, fleet management services, and employee benefits programs. Additional information on the internal service funds is provided in combining statements.

Notes to the financial statements. Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with these financial statements. The notes can be found on pages 60-106 of this report.

Required Supplementary Information Other Than MD&A. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process and employer pension plans. Governments have the option of including budgetary comparison statements of the General Fund and major special revenue funds either as part of the fund financial statements within the basic financial statements or as required supplementary information. The City has elected to present budgetary comparison statements as part of the basic financial statements.

Government-Wide Financial Analysis

The following tables, graphs and analyses discuss the financial position and changes in the financial position of the City as of and for the year ended June 30, 2024, with comparative information from June 30, 2023.

Net position, as noted earlier, may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1.5 billion at the close of the most recent year.

Government-Wide Financial Analysis (Continued)

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 269,896,874	$ 263,810,365	$ 138,476,103	$ 140,340,270	$ 408,372,977	$ 404,150,635
Capital assets, net	817,466,186	768,395,430	477,359,478	468,202,383	1,294,825,664	1,236,597,813
Total assets	1,087,363,060	1,032,205,795	615,835,581	608,542,653	1,703,198,641	1,640,748,448
Deferred outflows of resources						
Deferred change on debt refunding	750,408	943,644		1,494	750,408	945,138
Deferred outflows related to pensions and other postemployment benefits	22,582,446	23,488,740	1,155,084	1,587,190	23,737,530	25,075,930
Total deferred outflows of resources	23,332,854	24,432,384	1,155,084	1,588,684	24,487,938	26,021,068
Current and other liabilities	25,787,865	29,362,330	6,317,300	11,189,628	32,105,165	40,551,958
Long-term liabilities	170,286,630	171,291,603	15,114,047	15,399,327	185,400,677	186,690,930
Total liabilities	196,074,495	200,653,933	21,431,347	26,588,955	217,505,842	227,242,888
Deferred inflows of resources						
Leases	4,451,811	4,943,126			4,451,811	4,943,126
Deferred inflows related to pensions and other postemployment benefits	3,000,123	2,674,711	319,781	199,658	3,319,904	2,874,369
Total deferred inflows of resources	7,451,934	7,617,837	319,781	199,658	7,771,715	7,817,495
Net position:						
Net investment in capital assets	739,922,188	699,291,076	470,781,251	461,140,523	1,210,703,439	1,160,431,599
Restricted	84,310,614	75,006,320	38,646,325	31,149,645	122,956,939	106,155,965
Unrestricted	82,936,683	74,069,013	85,811,961	91,052,556	168,748,644	165,121,569
Total net position	$ 907,169,485	$ 848,366,409	$ 595,239,537	$ 583,342,724	$ 1,502,409,022	$ 1,431,709,133

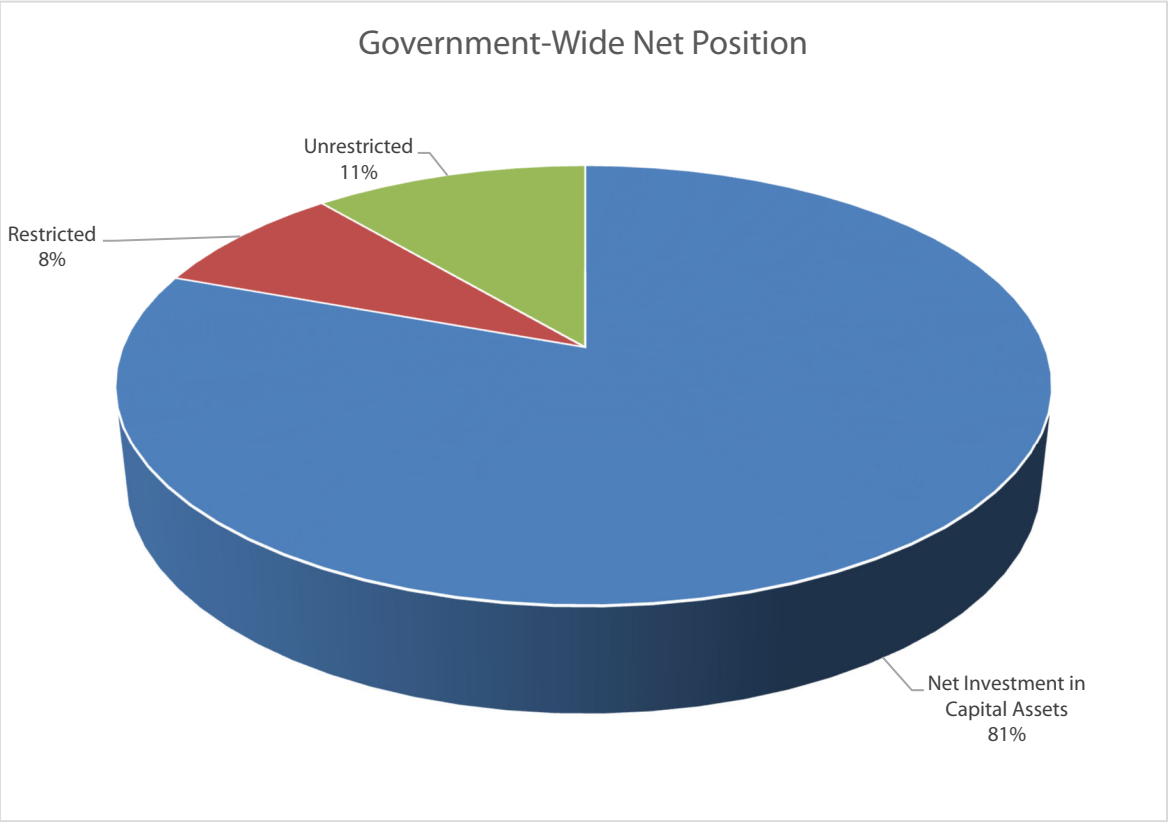
At year-end, the City is able to report positive balances in all three categories of net position for both governmental and business-type activities. Total net position increased $70.7 million from the prior year.

The largest portion of net position, net investment in capital assets of $1.2 billion, reflects the City's investment in capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of bonds and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources related to refunded debt also are included in this component of net position. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be used to liquidate these liabilities. Net investment in capital assets increased $50.3 million from the prior fiscal year.

Government-Wide Financial Analysis (Continued)

Restricted net position of $123.0 million represents resources with constraints placed on their use externally either by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted net position increased $16.8 million from the prior fiscal year, which is largely due to the receipt of development impact fees and other revenue sources that are restricted for capital projects .

Unrestricted net position of $168.7 million may be used to meet the City's ongoing obligations to its citizens and creditors. Unrestricted net position increased $3.6 million from the prior fiscal year.



Government-Wide Financial Analysis (Continued)

Changes in net position. The following table presents revenues, expenses, and changes in net position of the City for the fiscal years ended June 30, 2024, and June 30, 2023.

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 16,309,440	$ 13,406,162	$ 38,383,809	$ 32,332,763	$ 54,693,249	$ 45,738,925
Operating grants and contributions	19,073,353	18,684,256			19,073,353	18,684,256
Capital grants and contributions	17,870,943	25,193,130	19,326,995	22,937,333	37,197,938	48,130,463
General revenues:						
Sales and use taxes	86,717,983	87,525,837			86,717,983	87,525,837
Property taxes	9,105,347	8,913,185			9,105,347	8,913,185
Franchise taxes	1,630,400	1,583,188			1,630,400	1,583,188
State-shared revenues	42,794,656	35,060,313			42,794,656	35,060,313
Investment income	11,874,442	713,742	5,505,994	2,354,329	17,380,436	3,068,071
Miscellaneous	449,166	441,291	299,647	162,183	748,813	603,474
Gain (loss) on disposal of capital assets	3,074,377	6,778,966	55,541	121,118	3,129,918	6,900,084
Total revenues	208,900,107	198,300,070	63,571,986	57,907,726	272,472,093	256,207,796
Expenses:						
General government	32,983,133	30,165,391			32,983,133	30,165,391
Public safety	64,399,855	56,415,999			64,399,855	56,415,999
Streets and transportation	24,421,641	33,990,018			24,421,641	33,990,018
Community and economic development	8,348,689	6,341,713			8,348,689	6,341,713
Community services	19,426,866	15,257,920			19,426,866	15,257,920
Interest on long-term	1,970,847	2,127,432			1,970,847	2,127,432
Water			23,076,247	22,090,163	23,076,247	22,090,163
Wastewater			18,415,633	18,829,593	18,415,633	18,829,593
Sanitation			8,729,293	8,389,475	8,729,293	8,389,475
Total expenses	151,551,031	144,298,473	50,221,173	49,309,231	201,772,204	193,607,704
Increase (decrease) in net position before transfers	57,349,076	54,001,597	13,350,813	8,598,495	70,699,889	62,600,092
Transfers	1,454,000	1,344,000	(1,454,000)	(1,344,000)		
Increase (decrease) in net	58,803,076	55,345,597	11,896,813	7,254,495	70,699,889	62,600,092
Net position – July 1	848,366,409	793,020,812	583,342,724	576,088,229	1,431,709,133	1,369,109,041
Net position – June 30	$ 907,169,485	$ 848,366,409	$ 595,239,537	$ 583,342,724	$ 1,502,409,022	1,431,709,133

Government-Wide Financial Analysis (Continued)

Total revenues for the current fiscal year were $272.5 million, which is an increase of $16.3 million over the previous year. Governmental activities revenues increased by $10.6 million and business-type activities revenues increased $5.7 million over the prior year, while expenses increased $7.3 million and $911,942 for governmental and business-type activities, respectively.

Governmental Activities. Governmental activities increased the City's net position before transfers by $57.3 million during the year, compared to $54.0 million in the prior year. The increase from the prior year was primarily due to revenue increases outpacing expense increases. Governmental activities accounted for 77 percent of the City's total revenues and 75 percent of total expenses during the year. Program revenues of $53.3 million were 25 percent of governmental activities revenues during the year, compared to $57.3 million, or 29 percent, of total revenues in 2023.

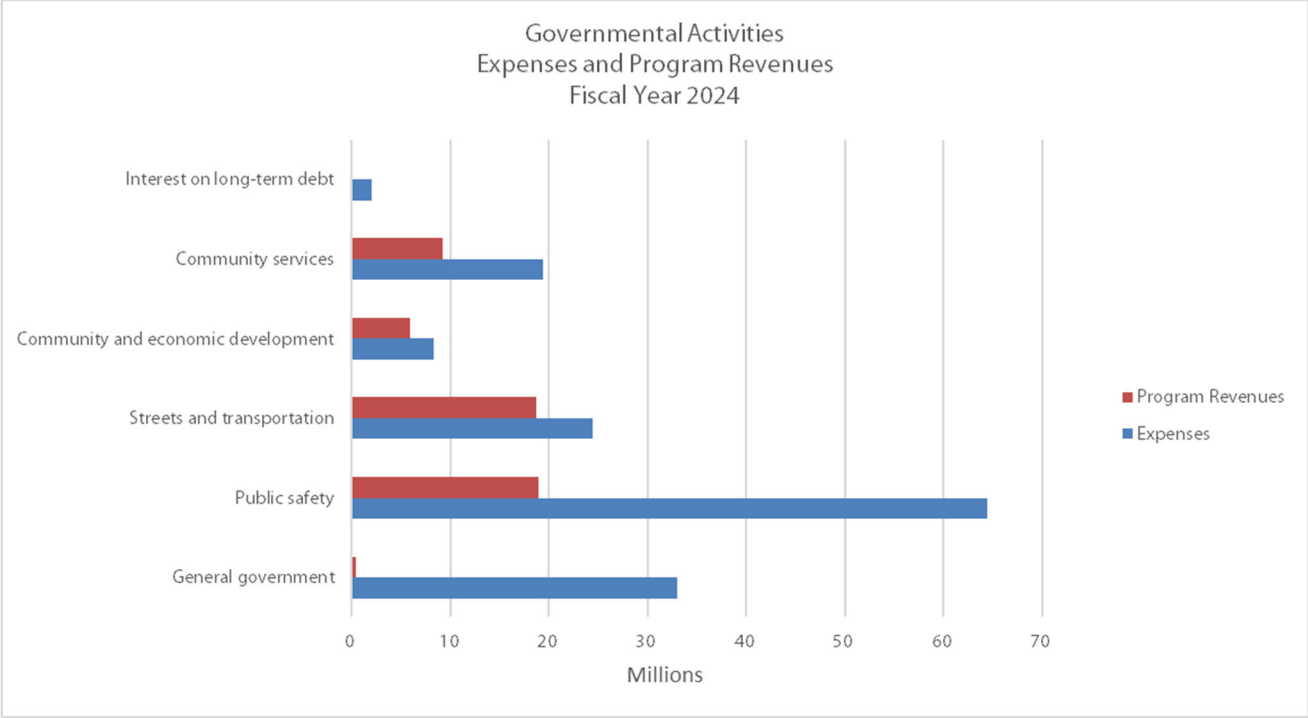
General revenues changed from the prior fiscal year mainly due to the following:

- State-shared revenues increased $7.7 million or 22 percent due to increases in urban revenue sharing distributions.
- The gain on sale of capital assets decreased by $3.7 million due to the City selling less land compared to prior year.
- The $11.2 million increase in investment income was due to rising coupon rates on fixed income investments and the increase in fair values of fixed income investments as the City's portfolio adjusts to the higher interest rate environment.

Governmental activities program expenses increased by $7.3 million. The increase was dispersed among most departments with the most significant increases affecting public safety and community services departments and a significant decrease affecting streets and transportation departments. The $8.0 million increase in public safety was for continued investments in police and fire medical personnel salaries and benefits. The City increased in the number of department staff and salaries for public safety personnel. The $4.2 million increase in community services was primarily due to the opening of the new aquatic center during the year. The $9.6 million decrease in streets and transportation was related to large street projects completed in the prior year.

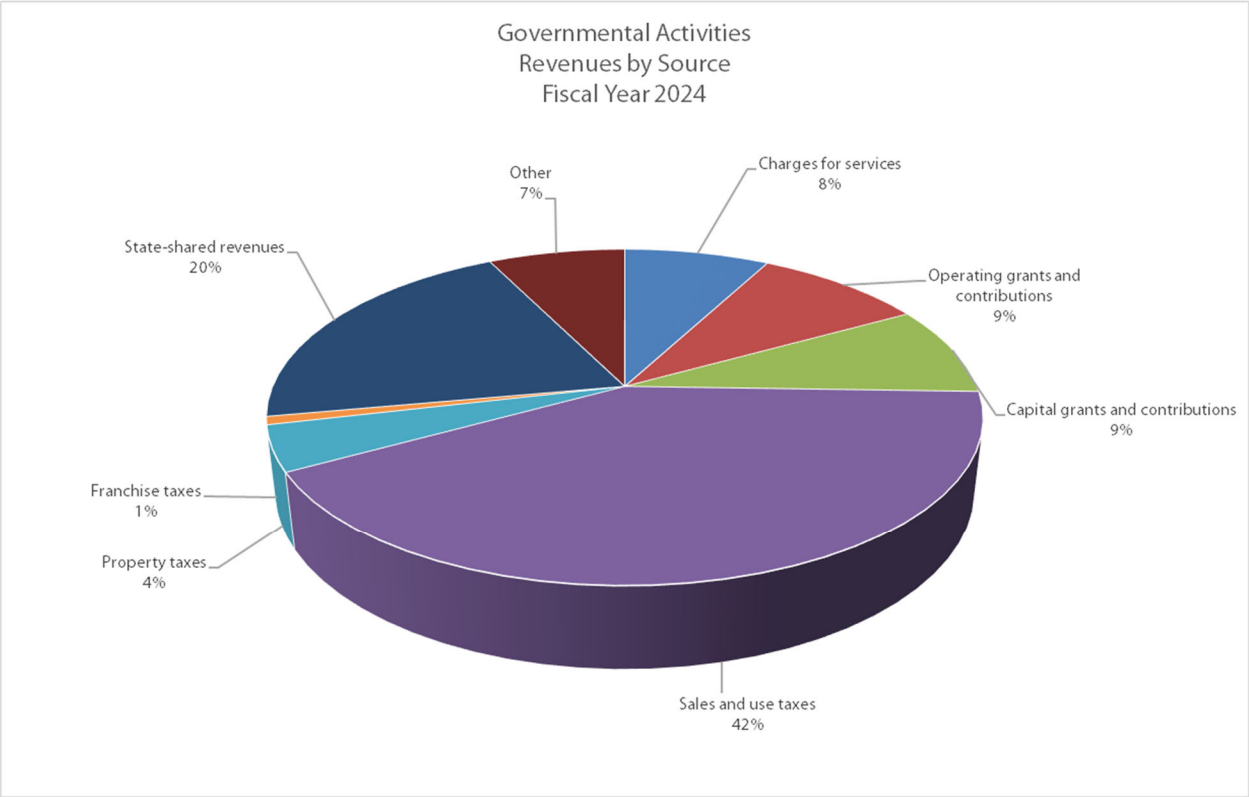
Government-Wide Financial Analysis (Continued)

The following graph shows governmental activities functional revenues and expenses in order to demonstrate the extent to which the governmental functions produce direct revenues to offset related program expenses. It should be noted that this graph is not intended to represent a full cost allocation to these functions. Expenses not covered by direct program revenues are covered by the City's general revenues, which consist primarily of taxes and state-shared revenue.



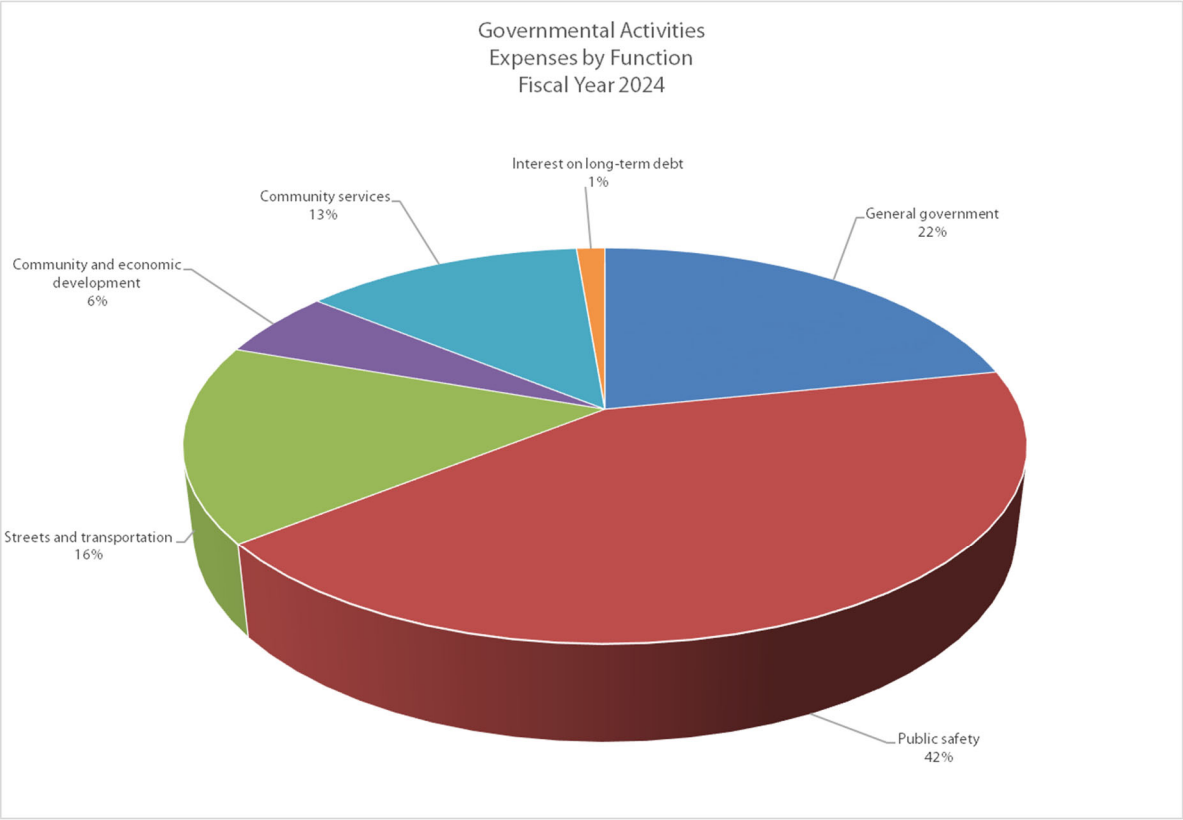
Government-Wide Financial Analysis (Continued)

As seen in the following graph, the largest governmental activities revenue sources are sales and use taxes of $86.7 million (42 percent), followed by state-shared revenues of $42.8 million (20 percent), operating grants and contributions of $19.1 million (nine percent), and capital grants and contributions of $17.9 million (nine percent).



Government-Wide Financial Analysis (Continued)

The City's largest governmental activities expenses by function include public safety at $64.4 million (42 percent), followed by general government at $33.0 million (22 percent), community services at $19.4 million (13 percent), and streets and transportation at $24.4 million (16 percent).



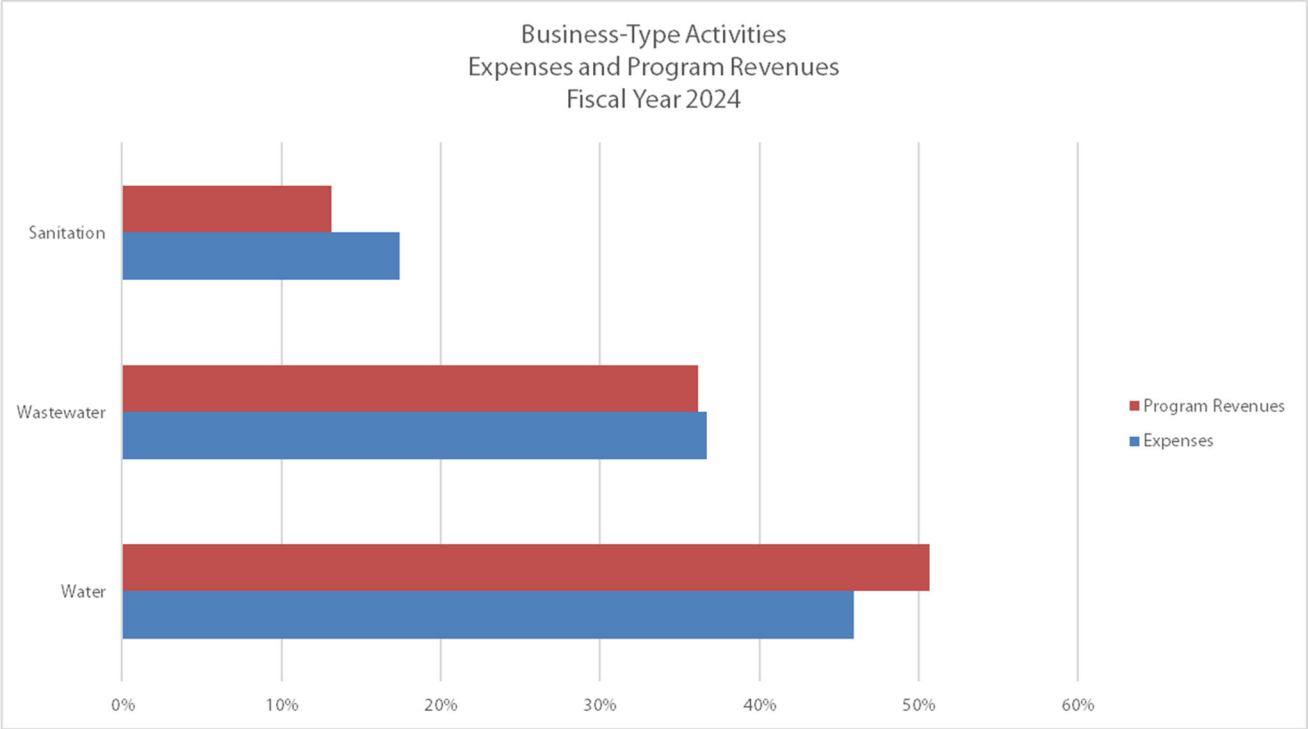
Business-type Activities. Business-type activities increased net position before transfers by $13.4 million during the year, an increase of $4.8 million from the prior year. Program revenues increased $2.4 million and general revenues increased $3.2 million from the prior year, respectively, while expenses increased $911,942 from the previous year. Business-type activities accounted for 23 percent of the City's total revenues and 25 percent of total expenses during the year.

A significant change in business-type activities was the $6.1 million increase in charges for services which was driven by a growth in customers and usage charges across all enterprise departments. Additionally, investment income experienced a $3.2 million increase which was previously described earlier in the Financial Highlights.

Business-type activities program expenses increased by $911,942. Water expenses increased $986,084 due to increases in salaries, benefits and pension expenses. Wastewater expenses decreased $413,960 as a result of a decrease in administrative charges from the General Fund. Sanitation expenses increased $339,818 due primarily to increased depreciation on recently acquired capital assets.

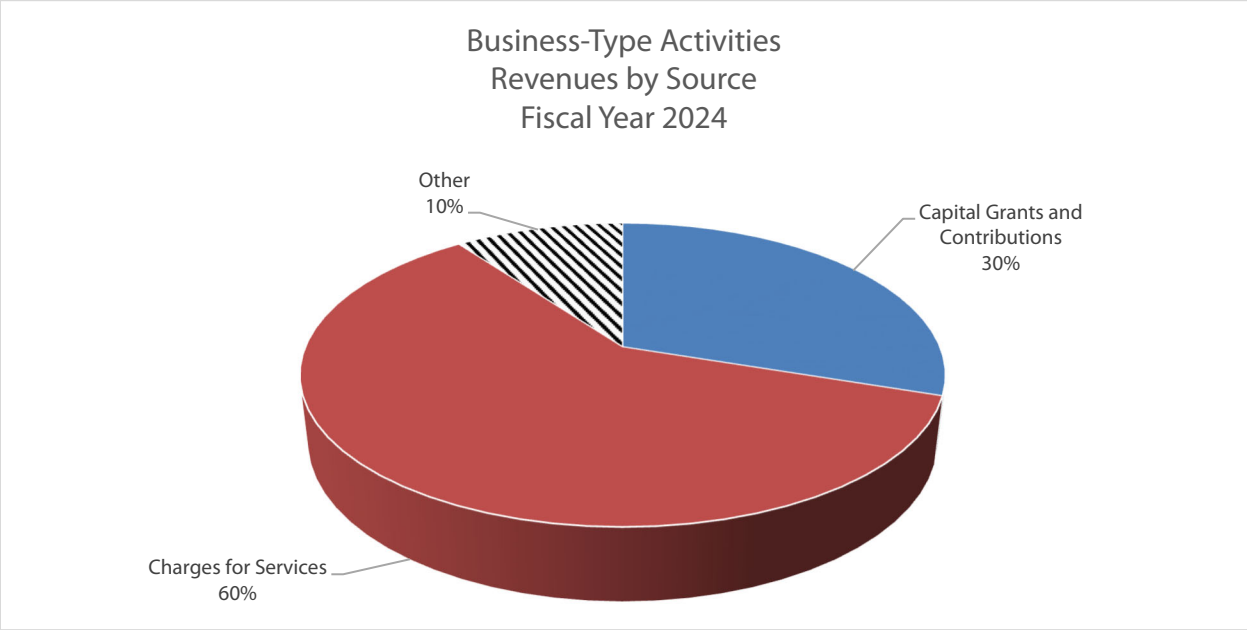
Government-Wide Financial Analysis (Continued)

The following graph shows the revenues and expenses of the business-type activities in order to demonstrate the extent to which the business-type activities produce direct revenues to offset related program expenses. It should be noted that this graph is not intended to represent a full cost allocation to these activities. As noted previously, expenses not covered by direct program revenues are covered by the City's general revenues.



Government-Wide Financial Analysis (Continued)

The City's largest business-type activity is water services with program expenses of $23.1 million and program revenues of $29.2 million, followed by wastewater services with expenses of $18.4 million and revenues of $20.9 million, during the year.



Charges for services, which consist almost entirely of city water sales, sewer fees, and refuse collection fees, provided the largest share of revenues at $38.4 million or 60 percent. Capital grants and contributions, which consist of developer infrastructure conveyances and impact development fees, provided the second largest share of revenues at $19.3 million or 30 percent. Other revenues accounted for 10 percent of total revenues.

Financial Analysis of The City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements and to establish and maintain control over city assets as part of its fiduciary responsibility.

Governmental funds. The focus of the City's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's resources available for spending at year-end.

Financial Analysis of the City's Funds (Continued)

The financial performance of the City, as a whole, is reflected in its governmental funds. As of June 30, 2024, the City reported a combined fund balance of $214.1 million, an increase of $4.0 million over the previous year. Fund balance of $102.7 million is unassigned and fund balance of $6.2 million is assigned. These balances are available for spending at the City's discretion. The remainder of the fund balance consists of nonspendable balances of $1.5 million, restricted balances of $73.0 million, and committed balances of $30.8 million.

General Fund — The Fund accounts for all city financial resources not required to be accounted for in other funds. This fund is the City's primary operating fund and accounts for many major functions of the City such as general government, public safety, streets and transportation, economic and community development, and community services. At year-end, fund balance of the General Fund was $135.2 million compared to $121.9 million in the prior year, an increase of $13.4 million. The overall increase in fund balance during the year was largely due to revenues increasing $17.5 million over the previous year. Investment income and intergovernmental revenues increased $18.9 million in total driven by investment returns and urban revenue sharing, respectively. Expenditures increased by $14.6 million compared to the prior year. The largest increase of $6.9 million in general government expenditures was due primarily to increased self-insurance costs. The significant increase of $3.3 million in public safety expenditures was continued investment in the salaries, benefits, and headcounts within the police and fire departments. Net other financing sources and uses decreased by $18.0 million over the previous year primarily due to budgeted transfers out for capital projects.

Dedicated Sales Tax Revenue Fund — The Fund accounts for the voter-approved 0.5-cent dedicated sales tax revenues. The use of these revenues is restricted to maintaining, improving, renovating, and constructing water and sewer systems and streets that serve city neighborhoods, as well as transportation projects and services. The tax was approved by the voters and became effective in July 2001, and amended by voters in September 2008, to include transportation projects and services.

Revenues decreased $279,037 from the previous year. Transfers out of $3.1 million were for annual debt service payments. Net fund activities increased fund balance by $3.2 million from the previous year primarily due to revenues exceeding capital expenditures for street improvement projects.

Public Safety Sales Tax Revenue Fund — The Fund accounts for the voter-approved 0.5-cent public safety sales tax revenues. The use of these revenues is restricted to providing increased public safety services for city neighborhoods. The tax was approved by the voters and became effective in January 2004.

Revenues decreased $605,043 over the prior year. Expenditures increased $7.9 million from the prior fiscal year. Net fund activities decreased fund balance by $3.8 million from the previous year which is primarily due to the construction of a new detention center and police substation.

Financial Analysis of the City's Funds (Continued)

Grants In Aid Fund — The Fund accounts for grant funding and private donations/contributions for specific purposes not accounted for in other special revenue funds or otherwise committed or restricted to capital projects. Revenues increased $1.0 million from the previous year while expenditures increased by $2.5 million from the prior year. The City spent $7.8 million of the $17.9 million Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) monies received in fiscal years 2021 and 2022; the unexpended CSLFRF monies are reported as unearned revenue.

General Obligation Bond Debt Service Fund – The Fund accounts for the repayment of the principal and interest on general obligation debt issued by the City. Revenues of $4.9 million primarily consisted of property taxes that were sufficient to service current year principal and interest expenditures of $4.9 million. Revenues slightly exceeded expenditures resulting in an increase to fund balance of $28,921.

Other Capital Projects Fund – The Fund accounts for capital resources and activities not accounted for in other capital projects funds. Net other financing sources and uses increased $16.1 million the previous year primarily due to transfers in from the General Fund. Expenditures increased by $14.1 million from the prior year mainly due to the continued construction of the aquatic center and new detention center and police substation.

Proprietary funds. The proprietary fund financial statements are prepared using the same measurement focus and accounting basis as the government-wide financial statements, but they provide more detail since each major enterprise fund is presented discretely. The Water Fund's net position of $323.5 million consisted of $252.6 million in net investment in capital assets, $15.9 million in restricted, and $55.0 million in unrestricted. The Wastewater Fund's net position of $260.9 million consisted of $213.7 million in net investment in capital assets, $22.7 million in restricted, and $24.5 million in unrestricted. The Sanitation Fund's net position of $10.2 million consisted of $4.5 million in net investment in capital assets and $5.7 million in unrestricted. The factors concerning the finances of these funds, as well as the changes in net position, have been addressed previously during the discussion of the City's business-type activities.

Budgetary Highlights

The City's Annual Budget and Financial Plan (council-adopted budget) establishes the legal level of expenditure control. Amendments to the adopted budget may occur throughout the year, in a legally permissible manner, between departments within the General Fund and within funds in all other funds. During the year, budget adjustments did occur. None of the adjustments increased the City's total budget and all budget amendments were routine in nature.

Budgetary comparison statements are required for the General Fund and all major special revenue funds. These statements compare the original adopted budget, the budget as amended throughout the year, and the actual revenues and expenditures. Budgetary comparison statements for the General Fund and major special revenue funds can be found on pages 53-56. Budgetary comparison schedules for all other governmental funds can be found on pages 128-143.

Budgetary Highlights (Continued)

General Fund Budgetary Analysis. General Fund revenues of $128.8 million exceeded budgeted inflows by $13.3 million or 11 percent, while expenditures of $89.3 million were only 76 percent of final budgeted expenses of $117.4 million. The City recorded $13.3 million more in General Fund revenue than budgeted. The budgeted revenue represented a ten percent increase compared to the prior year. The actual revenue exceeded the prior year by 16 percent. The major differences between budgeted and actual revenue occurred in taxes, intergovernmental, and investment income.

The budget for tax revenue was four percent higher over the prior year, a smaller annual growth than in years past, due to continued effects from external economic factors such as elevated interest and inflation rates. The tax revenue exceeded the budget by $4.3 million but was 0.1 percent lower than the previous year.

A primary component of intergovernmental revenue is the state sales tax shared by the State of Arizona. Like the local tax revenue forecast, this portion of intergovernmental revenues exceeded expectations and resulted in $496,761 more revenue than budgeted.

Licenses and permit revenue primarily comes from building permits. The budget assumed a 47.5 percent decrease from the prior fiscal year based on anticipated development and a return to long-term averages. Actual revenues were 20.5 percent lower than the prior fiscal year, which reflects increased interest rates and the slowdown in the housing market and continued demand for development within the City. As a result, the City recorded $234,024 more in licenses and permits revenue than anticipated.

Finally, the City investing in higher coupon fixed income securities coupled with limited increases in interest rates by the Federal Reserve resulted in the City recording $9.6 million in investment income instead of the budgeted gain of $1.8 million. This is in stark contrast to the last several years where investment income was negative in the General Fund.

On the expenditure side, the City spent $27.8 million less from the General Fund than budgeted. The primary reason for the difference is the $20.3 million budgeted as contingency to serve as the City's financial safety net to address any unforeseen and unexpected expenses or emergencies that may arise. During the fiscal year, $2.7 million of the contingency budget was transferred to the operating budget to address operating needs and thus, $20.3 million of budgeted contingency remained unspent.

The other major reason the City spent less than budgeted was due to staff vacancies. The City, like many other entities in the US, experienced challenges in hiring qualified staff to fill the City's vacant positions. The City budgeted $64.9 million in personnel related costs but only expended $61.7 million. Thus, $3.2 million of the budgeted amount was left unspent due to vacancy savings.

During the year, the original budget was amended in a legally permissible manner. All budget amendments were routine in nature, and no budget adjustments increased the budget on a total-funds basis. The original General Fund expenditures budget of $119.8 million was amended by $2.4 million to the final expenditure budget of $117.4 million, which is not significant.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2024, the City had invested $1.3 billion in governmental and business-type capital assets, net of accumulated depreciation. Total depreciation expense for the year was $44.0 million, with $25.0 million attributed to governmental activities and $19.0 million to business-types activities. See Note 6 in the notes to the basic financial statements for further information regarding capital assets.

The following schedule presents capital asset balances as of June 30, 2024, and June 30, 2023.

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Land	$ 316,254,212	$ 316,053,419	$ 16,549,328	$ 16,341,379	$ 332,803,540	$ 332,394,798
Building and improvements	129,641,281	101,724,870		205,920	129,641,281	101,930,790
Improvements other than buildings	53,093,488	51,730,108	258,811	299,251	53,352,299	52,029,359
Vehicles, furniture and equipment	18,901,190	19,583,974	9,285,906	12,645,083	28,187,096	32,229,057
Infrastructure	259,437,026	245,321,077	418,830,218	416,391,401	678,267,244	661,712,478
Water and user rights	1,763,172	1,890,783	9,288,864	9,363,378	11,052,036	11,254,161
Construction in progress	36,491,252	31,102,032	23,146,351	12,955,971	59,637,603	44,058,003
Leased assets	1,884,565	989,167			1,884,565	989,167
Total	$ 817,466,186	$ 768,395,430	$ 477,359,478	$ 468,202,383	$1,294,825,664	$ 1,236,597,813

The City's combined capital assets balances increased $58.3 million from the prior fiscal year, with governmental activities increasing by $49.1 million and business-type activities increasing by $9.2 million. More detail regarding the changes in capital asset balances is provided below.

Governmental Activities. The $49.1 million increase from the prior fiscal year consisted of $118.5 million of capital assets additions, including $43.8 million of transfers from construction in progress, offset by $25.0 million in depreciation expense during the year. Capital additions included $49.2 million of new construction in progress and $7.5 million in dedicated infrastructure.

Business-type Activities. The $9.2 million increase from the prior fiscal year consisted of $29.6 million of capital additions, and $19.0 million in depreciation expense during the year. Capital additions included $11.4 million of new construction in progress and $13.0 million of additions from dedicated infrastructure.

Capital Assets and Debt Administration (Continued)

The City has adopted a five-year capital improvement plan for years 2024 through 2028, with budgeted capital outlays totaling $509.2 million. The plan, which includes $220.9 million of budgeted capital outlays for 2024, takes into consideration all known capital needs and ties potential revenue sources to those needs. Anticipated funding for 2024 is through a combination of existing fund balances, development (impact) fees, bond proceeds, outside funding sources such as grants and intergovernmental cost-sharing agreements, operating and nonoperating revenues, and other financing sources. The capital improvement plan is updated annually as part of the City's formal budgetary process.

Debt Administration. As of June 30, 2024, the City had total long-term obligations outstanding of $185.0 million, a decrease of less than one percent from the previous year. Of this balance, $169.9 million was attributable to governmental activities and $15.1 million was attributable to business-type activities. Of the total outstanding bonds of $70.9 million, excluding unamortized discounts and premiums, $48.1 million are general obligation bonds backed by the full faith and credit of the City and Alamar Community Facilities District, and $22.8 million are revenue bonds secured by pledges of specific revenue sources of the City. Of the $70.9 million of outstanding bonds, $6.2 million is due within one year. Of the remaining long-term obligations, $81.0 million reflects the City's net pension liabilities and $4.9 million of obligations under leases and financed purchases. See Note 8 in the notes to the basic financial statements for further information regarding long term obligations.

The Arizona Constitution imposes certain debt limitations on the City of six percent and 20 percent of the City's net full cash property assessed value (formerly referred to as secondary assessed valuation). The City's legal debt margin at June 30, 2024 and 2023, is $51.7 million and $35.9 million in the six percent capacity and $200.5 million and $143.0 million in the 20 percent capacity, respectively. Additional debt limitation and capacity information can be found in the statistical section of this report.

The following schedule presents a summary of the City's outstanding long-term obligations as of June 30, 2024 and 2023.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Compensated absences	$ 9,395,336	$ 8,810,495	$ 775,178	$ 756,224	$ 10,170,514	$ 9,566,719
Financed purchases payable	2,874,739	3,217,043			2,874,739	3,217,043
Leases payable	1,985,985	1,075,023			1,985,985	1,075,023
Claims payable	8,940,791	6,170,577			8,940,791	6,170,577
General obligation bonds	41,550,000	44,475,000			41,550,000	44,475,000
Pledged revenue obligations	16,855,735	20,873,111	29,270	106,895	16,885,005	20,980,006
CFD general obligation bonds	6,550,000	3,675,000			6,550,000	3,675,000
Water and sewer revenue bonds			5,885,000	6,225,000	5,885,000	6,225,000
Unamortized premiums and	8,518,159	9,772,474	663,957	731,459	9,182,116	10,503,933
Net pension/OPEB liabilities	73,228,402	73,222,880	7,760,642	7,579,749	80,989,044	80,802,629
Total	$169,899,147	$171,291,603	$ 15,114,047	$ 15,399,327	$ 185,013,194	$186,690,930

Economic Factors

Avondale has continued to grow throughout fiscal year 2024. However, due to the absence of additional stimulus money, local sales tax collections within the General Fund decreased by 0.1 percent, but still exceeded the forecast. State-shared revenue within the General Fund increased by $8.1 million or 21% in fiscal year 2024. Much of this increase was due to the implementation of the statewide flat income tax. The implementation included an increase in the portion shared with cities, which was effective prior to the reduction in the rate. This caused a temporary increase in distributions to cities.

Due to interest rates being relatively high for most of fiscal year 2024, Avondale's growth slowed as evidenced by a decrease in revenue from building permits. License and permits revenue within the General Fund primarily comes from building permits, and the revenue was 21 percent lower than the prior fiscal year.

With the growth of revenues over the past few years, careful financial planning and policies, and delays in planned capital improvements, the City accumulated large fund balances and is able to fund a number of capital projects to meet the service demands of a growing community with limited debt.

The City recognizes the strong economic growth is not likely to continue in the long-term, and this realistic outlook is included in the City's financial forecast. To ensure resilience in the face of a changing economy, the City is committed to maintaining a structurally balanced budget.

The City's fiscal year 2025 budget was structurally balanced and maintained generous reserve requirements. The City maintained a minimum General Fund balance of no less than 35 percent of the prior year's uses of General Fund. This strong financial foundation allowed for strategic investments into services and allowed the city to continue to build essential infrastructure with minimal debt.

Request 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 demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please visit our website at http://www.avondaleaz.gov or contact:

City of Avondale
Finance and Budget Department
11465 W. Civic Center Drive, Suite 250
Avondale, Arizona 85323
(623) 333-2000

Basic Financial Statements

Avondale

Government-Wide Financial Statements

City of Avondale, Arizona
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	$ 232,714,283	$ 112,682,397	$ 345,396,680
Receivables, net			
Accounts	1,073,292	2,170,391	3,243,683
Taxes	13,906,099		13,906,099
Interest	1,425,595	819,429	2,245,024
Leases	465,476		465,476
Due from other governments	6,367,624		6,367,624
Internal balances	(577,382)	577,382	
Inventories	405,460	1,464,677	1,870,137
Prepaid items	1,514,508		1,514,508
Restricted cash			
Fiscal agents	7,753,600	511,601	8,265,201
Customer deposits		1,849,303	1,849,303
Total current assets	265,048,555	120,075,180	385,123,735
Noncurrent assets:			
Leases receivable	4,095,169		4,095,169
Water storage credit inventory		18,400,923	18,400,923
Equity in joint venture	753,150		753,150
Capital assets not being depreciated	352,745,464	46,972,672	399,718,136
Capital assets, net accumulated depreciation	464,720,722	430,386,806	895,107,528
Total noncurrent assets	822,314,505	495,760,401	1,318,074,906
Total assets	1,087,363,060	615,835,581	1,703,198,641
Deferred outflows of resources			
Deferred loss on refunding	750,408		750,408
Pension plan items	22,582,446	1,155,084	23,737,530
Total deferred outflows of resources	23,332,854	1,155,084	24,487,938
Liabilities			
Current liabilities:			
Accounts payable	13,906,072	3,938,611	17,844,683
Accrued payroll and employee benefits	1,945,199	190,962	2,136,161
Accrued interest payable	1,448,927	118,285	1,567,212
Deposists held for others	377,490	1,849,303	2,226,793
Due to other governments	305,549	220,139	525,688
Bonds payable	5,815,735	384,270	6,200,005
Unearned revenue	7,804,628		7,804,628
Claims payable	6,630,552		6,630,552
Compensated absences payable	7,516,269	620,142	8,136,411
Financed purchases payable	365,245		365,245
Leases payable	429,668		429,668
Total current liabilities	46,545,334	7,321,712	53,867,046
Noncurrent liabilities:			
Non-current portion of long-term obligations	149,529,161	14,109,635	163,638,796
Total noncurrent liabilities	149,529,161	14,109,635	163,638,796
Total liabilities	196,074,495	21,431,347	217,505,842

City of Avondale, Arizona
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Deferred inflows of resources			
Leases	4,451,811		4,451,811
Pension plan items	3,000,123	319,781	3,319,904
Total deferred inflows of resources	7,451,934	319,781	7,771,715
Net position			
Net investment in capital assets	739,922,188	470,781,251	1,210,703,439
Restricted for:			
Streets and transportation	11,946,462		11,946,462
Grantor and contributor purposes	6,152,787		6,152,787
Public safety	14,162,122		14,162,122
Debt service	6,616,731	393,316	7,010,047
Capital projects	45,432,512	38,253,009	83,685,521
Unrestricted	82,936,683	85,811,961	168,748,644
Total net position	$ 907,169,485	$ 595,239,537	$ 1,502,409,022

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

City of Avondale, Arizona
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government					
Governmental activities					
General government	$ 32,983,133	$ 375,808	$ 17,027	$	$ (32,590,298)
Public safety	64,399,855	7,838,423	7,520,824	3,594,490	(45,446,118)
Streets and transportation	24,421,641	1,918,011	6,663,067	10,183,203	(5,657,360)
Community and economic development	8,348,689	4,728,314	1,180,477		(2,439,898)
Community services	19,426,866	1,448,884	3,691,958	4,093,250	(10,192,774)
Interest on long-term debt	1,970,847				(1,970,847)
Total governmental activities	151,551,031	16,309,440	19,073,353	17,870,943	(98,297,295)
Business-type activities					
Water	23,076,247	18,873,779		10,363,875	
Wastewater	18,415,633	11,909,858		8,963,120	
Sanitation	8,729,293	7,600,172			
Total business-type activities	50,221,173	38,383,809		19,326,995	
Total primary government	$ 201,772,204	$ 54,693,249	$ 19,073,353	$ 37,197,938	(98,297,295)
General revenues					
Taxes					
Sales and use taxes					86,717,983
Property taxes, levied for general purposes					3,802,696
Property taxes, levied for debt service					5,302,651
Franchise taxes					1,630,400
State-shared revenues, unrestricted					42,794,656
Investment income					11,874,442
Miscellaneous					449,166
Gain (loss) on disposal of capital assets					3,074,377
Transfers					1,454,000
Total general revenues and transfers					157,100,371
Changes in net position					58,803,076
Net position, beginning of year					848,366,409
Net position, end of year					$ 907,169,485

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

Net (Expense) Revenue and Changes in Net Position	
Business-Type Activities	**Total**
$	$ (32,590,298)
	(45,446,118)
	(5,657,360)
	(2,439,898)
	(10,192,774)
	(1,970,847)
	(98,297,295)
6,161,407	6,161,407
2,457,345	2,457,345
(1,129,121)	(1,129,121)
7,489,631	7,489,631
7,489,631	(90,807,664)
	86,717,983
	3,802,696
	5,302,651
	1,630,400
	42,794,656
5,505,994	17,380,436
299,647	748,813
55,541	3,129,918
(1,454,000)	
4,407,182	161,507,553
11,896,813	70,699,889
583,342,724	1,431,709,133
$ 595,239,537	$ 1,502,409,022

Avondale

Fund Financial Statements

City of Avondale, Arizona
Balance Sheet
Governmental Funds
June 30, 2024

	General	Dedicated Sales Tax Revenue	Public Safety Sales Tax Revenue	Grants In Aid
Assets				
Cash and investments	$ 128,151,159	$ 22,589,884	$ 15,824,978	$ 5,831,481
Receivables, net				
Accounts	300,562			3,808
Taxes	9,898,449	1,916,859	1,916,859	
Interest	1,140,130	34,239	28,403	993
Leases	4,560,645			
Due from other funds	499,224			
Due from other governments	204,487			4,846,232
Inventories	23,798			
Prepaid items	109,963		73,532	41,869
Restricted cash - fiscal agent				487,263
Total assets	$ 144,888,417	$ 24,540,982	$ 17,843,772	$ 11,211,646
Liabilities				
Accounts payable	3,233,471	1,262,150	4,042,740	1,047,082
Accrued payroll and employee benefits	1,377,032		253,871	26,425
Bond interest payable				
Deposits held for others	377,490			
Due to other governments	152,364			
Bonds payable				
Due to other funds				
Unearned revenue	12,391			4,164,370
Total liabilities	5,152,748	1,262,150	4,296,611	5,237,877
Deferred inflows of resources				
Unavailable revenues - property taxes	58,663			
Unavailable revenues - intergovernmental				428,785
Unavailable revenues - other				3,626,812
Leases	4,451,811			
Total deferred inflows of resources	4,510,474			4,055,597
Fund balances				
Nonspendable	133,761		73,532	41,869
Restricted		23,278,832	13,473,629	1,876,303
Committed	30,801,015			
Assigned				
Unassigned	104,290,419			
Total fund balances	135,225,195	23,278,832	13,547,161	1,918,172
Total liabilities, deferred inflows of resources and fund balances	$ 144,888,417	$ 24,540,982	$ 17,843,772	$ 11,211,646

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

General Obligation Bonds Debt Service	Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
$ 93,792	$ 8,812,285	$ 36,913,699	$ 218,217,278
		40,937	345,307
162,246	8,034	3,652	13,906,099
	12,496	134,567	1,350,828
			4,560,645
		9,296	508,520
		1,316,905	6,367,624
		5,836	29,634
		1,255,104	1,480,468
3,986,550		3,279,787	7,753,600
$ 4,242,588	$ 8,832,815	$ 42,959,783	$ 254,520,003
	3,448,432	667,147	13,701,022
		90,957	1,748,285
906,550		542,377	1,448,927
			377,490
		153,185	305,549
3,080,000		2,735,735	5,815,735
	119,800	388,720	508,520
	3,608,651	19,216	7,804,628
3,986,550	7,176,883	4,597,337	31,710,156
75,307			133,970
		62,206	490,991
			3,626,812
			4,451,811
75,307		62,206	8,703,584
		1,260,940	1,510,102
180,731	3,271,609	30,904,375	72,985,479
			30,801,015
		6,154,764	6,154,764
	(1,615,677)	(19,839)	102,654,903
180,731	1,655,932	38,300,240	214,106,263
$ 4,242,588	$ 8,832,815	$ 42,959,783	$ 254,520,003

Avondale

City of Avondale, Arizona
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net
June 30, 2024

Total fund balances - governmental funds		**$ 214,106,263**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	1,171,719,449	
Less accumulated depreciation/amortization	(354,494,837)	
		817,224,612
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Property taxes	133,970	
Intergovernmental	490,991	
Other	3,626,812	
		4,251,773
Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		750,408
Equity in joint venture assets are not current financials resources and, therefore, are not reported in the funds.		753,150
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	22,387,439	
Deferred inflows of resources related to pensions	(2,946,137)	
		19,441,302
The Internal Service Funds are used by management to charge the cost of insurance and fleet services to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position.		4,714,654
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(9,248,101)	
Financed purchases payable	(2,874,739)	
Leases payable	(1,985,985)	
Bonds payable and associated premium/discount	(67,658,159)	
Net pension liability	(72,305,693)	
		(154,072,677)
Net position of governmental activities		**$ 907,169,485**

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

City of Avondale, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Dedicated Sales Tax Revenue	Public Safety Sales Tax Revenue	Grants In Aid
Revenues				
Taxes	$ 63,146,599	$ 14,446,806	$ 14,446,830	$
Licenses and permits	5,030,024			
Intergovernmental	45,883,958			11,427,059
Charges for services	2,983,761			123,797
Fines, forfeitures, and penalties	1,067,714			70,949
Investment income	9,582,124			11,284
Contributions	17,027	672,797		151,607
Miscellaneous	1,077,412			129,160
Total revenues	128,788,619	15,119,603	14,446,830	11,913,856
Expenditures				
Current:				
General government	29,729,234		74	
Public safety	38,733,823		13,182,450	5,857,839
Streets and transportation	2,833,602			25,245
Community and economic development	5,493,483	678,156		555,232
Community services	10,583,676			3,304,992
Capital outlay	1,701,452	8,133,420	5,107,533	2,754,069
Debt service:				
Principal retirement	163,963			
Interest and fiscal charges	56,972			
Bond issuance costs				
Total expenditures	89,296,205	8,811,576	18,290,057	12,497,377
Excess (deficiency) of revenues over expenditures	39,492,414	6,308,027	(3,843,227)	(583,521)
Other financing sources (uses)				
Sale of capital assets	3,073,807		45,003	
Transfers in	1,140,286			100,000
Transfers out	(31,617,641)	(3,140,900)		(77,286)
Issuance of bonds				
Discount on sales of bonds				
Lease agreements	1,265,610			
Total other financing sources (uses)	(26,137,938)	(3,140,900)	45,003	22,714
Changes in fund balances	13,354,476	3,167,127	(3,798,224)	(560,807)
Fund balances, beginning of year, previously reported	121,870,719	20,111,705	17,345,385	2,478,979
Adjustments to beginning fund balance				
Fund balances, beginning of year, as restated	121,870,719	20,111,705	17,345,385	2,478,979
Fund balances, end of year	$ 135,225,195	$ 23,278,832	$ 13,547,161	$ 1,918,172

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

General Obligation Bonds Debt Service	Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
$ 4,870,737	$ 80,183	$ 475,791	$ 97,466,946
		7,145,538	12,175,562
		9,336,943	66,647,960
			3,107,558
		70,454	1,209,117
54,294	473,522	1,043,023	11,164,247
	16,703	62,213	920,347
		23,522	1,230,094
4,925,031	570,408	18,157,484	193,921,831
3,010	88,208	187,810	30,008,336
	36,888	1,023,767	58,834,767
		8,101,750	10,960,597
			6,726,871
	24,219	451,488	14,364,375
	39,548,361	10,775,450	68,020,285
3,080,000		3,268,724	6,512,687
1,813,100		1,155,788	3,025,860
		331,399	331,399
4,896,110	39,697,676	25,296,176	198,785,177
28,921	(39,127,268)	(7,138,692)	(4,863,346)
		62,769	3,181,579
	27,504,141	7,545,400	36,289,827
			(34,835,827)
		2,955,000	2,955,000
		(6,066)	(6,066)
			1,265,610
	27,504,141	10,557,103	8,850,123
28,921	(11,623,127)	3,418,411	3,986,777
	13,279,059	35,033,639	210,119,486
151,810		(151,810)	
151,810	13,279,059	34,881,829	210,119,486
$ 180,731	$ 1,655,932	$ 38,300,240	$ 214,106,263

City of Avondale, 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, 2024

Changes in fund balances - total governmental funds		**$ 3,986,777**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense.		
Expenditures for capitalized assets	$ 67,179,639	
Less current year depreciation/amortization	(24,922,953)	
		42,256,686
The net effect of miscellaneous capital asset transactions (e.g. sales, contributions, transfers, and disposals) not recorded in the governmental funds.		6,847,117
Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.		
Issuance of general obligation bonds and related premium/discount	(2,948,934)	
Lease agreements	(1,265,610)	
		(4,214,544)
Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Financed purchase principal retirement	342,304	
Lease principal retirement	354,648	
Bond principal retirement	5,815,735	
		6,512,687
Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.		
Current year pension contributions	10,802,686	
Pension expense	(12,219,669)	
		(1,416,983)
Some revenues and expenses reported in the Statement of Activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds.		
Property tax revenues	(13,216)	
Intergovernmental revenues	(39,854)	
Other revenues	3,606,260	
Equity in joint venture expenses	(38,201)	
Deferred bond items on issuance of refunding debt expenses	(193,236)	
Amortization of deferred bond items	1,248,249	
Compensated absences expenses	(607,415)	
		3,962,587
The Internal Service Funds are used by management to charge the cost of insurance and fleet services to the individual funds. The changes in net position of the Internal Service Funds is reported with governmental activities in the Statement of Activities.		868,749
Changes in net position in governmental activities		**$ 58,803,076**

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

City of Avondale, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 58,815,600	$ 58,815,600	$ 63,146,599	$ 4,330,999
Licenses and permits	4,796,000	4,796,000	5,030,024	234,024
Intergovernmental	45,274,700	45,274,700	45,883,958	609,258
Charges for services	2,487,000	2,487,000	2,983,761	496,761
Fines, forfeitures, and penalties	927,000	927,000	1,067,714	140,714
Investment income	1,837,000	1,837,000	9,582,124	7,745,124
Contributions	25,000	25,000	17,027	(7,973)
Miscellaneous	1,357,800	1,357,800	1,077,412	(280,388)
Total revenues	115,520,100	115,520,100	128,788,619	13,268,519
Expenditures				
Current:				
City Council	409,600	389,222	352,733	36,489
City Administration	7,724,800	7,724,800	7,718,918	5,882
City Attorney	2,072,800	2,072,800	1,808,985	263,815
City Clerk	1,059,200	1,059,200	838,968	220,232
Finance and Budget	6,194,300	6,194,300	5,945,285	249,015
City Auditor	247,300	247,300	240,455	6,845
Human Resources	1,943,400	1,943,400	1,799,784	143,616
Information Technology	10,618,300	10,607,700	9,714,541	893,159
Marketing and Public Relations	1,277,400	1,277,400	1,178,189	99,211
Facilities	6,022,400	5,649,400	5,198,834	450,566
Indirect Costs	(4,855,300)	(4,855,300)	(4,855,300)	
Contingency	23,000,000	20,321,000		20,321,000
Non-departmental		9,100	(212,158)	221,258
Police	22,468,600	22,456,600	20,566,313	1,890,287
Fire and Medical	13,048,100	13,582,200	13,463,857	118,343
City Court	1,495,800	1,495,800	1,398,603	97,197
Office of Public Safety	3,674,800	3,665,600	3,305,050	360,550
Development and Engineering Services	6,391,400	6,293,900	5,650,182	643,718
Public Works	274,200	374,200	316,196	58,004
Economic Development	3,268,900	3,268,900	2,360,707	908,193
Neighborhood and Family Services	3,391,700	3,383,500	2,667,186	716,314
Parks and Recreation	8,789,900	9,158,700	7,916,490	1,242,210
Capital outlay	1,059,500	835,800	1,701,452	(865,652)
Debt service:				
Principal retirement	154,000	154,000	163,963	(9,963)
Interest and fiscal charges	57,000	57,000	56,972	28
Total expenditures	119,788,100	117,366,522	89,296,205	28,070,317
Excess (deficiency) of revenues over expenditures	(4,268,000)	(1,846,422)	39,492,414	41,338,836
Other financing sources (uses)				
Sale of capital assets	9,000	9,000	3,073,807	3,064,807
Transfers in	2,663,000	2,663,000	1,140,286	(1,522,714)
Transfers out	(67,308,700)	(67,308,700)	(31,617,641)	35,691,059
Lease agreements			1,265,610	1,265,610
Total other financing sources (uses)	(64,636,700)	(64,636,700)	(26,137,938)	38,498,762
Changes in fund balances	(68,904,700)	(66,483,122)	13,354,476	79,837,598
Fund balances, beginning of year	121,870,719	121,870,719	121,870,719	
Fund balances, end of year	$ 52,966,019	$ 55,387,597	$ 135,225,195	$ 79,837,598

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

City of Avondale, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Dedicated Sales Tax Revenue
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 13,624,000	$ 13,624,000	$ 14,446,806	$ 822,806
Contributions			672,797	672,797
Total revenues	13,624,000	13,624,000	15,119,603	1,495,603
Expenditures				
Current:				
Community and economic development			678,156	(678,156)
Capital outlay	19,391,000	16,649,298	8,133,420	8,515,878
Total expenditures	19,391,000	16,649,298	8,811,576	7,837,722
Excess (deficiency) of revenues over expenditures	(5,767,000)	(3,025,298)	6,308,027	9,333,325
Other financing sources (uses)				
Transfers out	(2,588,000)	(2,588,000)	(3,140,900)	(552,900)
Total other financing sources (uses)	(2,588,000)	(2,588,000)	(3,140,900)	(552,900)
Changes in fund balances	(8,355,000)	(5,613,298)	3,167,127	8,780,425
Fund balances, beginning of year	20,111,705	20,111,705	20,111,705	
Fund balances, end of year	$ 11,756,705	$ 14,498,407	$ 23,278,832	$ 8,780,425

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

City of Avondale, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Public Safety Sales Tax Revenue
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 13,624,000	$ 13,624,000	$ 14,446,830	$ 822,830
Total revenues	13,624,000	13,624,000	14,446,830	822,830
Expenditures				
Current:				
General government	515,000	515,000	74	514,926
Public safety	13,577,400	13,797,000	13,182,450	614,550
Capital outlay	10,697,000	10,581,785	5,107,533	5,474,252
Total expenditures	24,789,400	24,893,785	18,290,057	6,603,728
Excess (deficiency) of revenues over expenditures	(11,165,400)	(11,269,785)	(3,843,227)	7,426,558
Other financing sources (uses)				
Sale of capital assets			45,003	45,003
Total other financing sources (uses)			45,003	45,003
Changes in fund balances	(11,165,400)	(11,269,785)	(3,798,224)	7,471,561
Fund balances, beginning of year	17,345,385	17,345,385	17,345,385	
Fund balances, end of year	$ 6,179,985	$ 6,075,600	$ 13,547,161	$ 7,471,561

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

City of Avondale, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Grants In Aid
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 10,685,700	$ 15,318,313	$ 11,427,059	$ (3,891,254)
Charges for services		487,000	123,797	(363,203)
Fines, forfeitures, and penalties	49,000	49,000	70,949	21,949
Investment income	9,000	9,000	11,284	2,284
Contributions	340,500	401,236	151,607	(249,629)
Miscellaneous	17,598,300	12,302,451	129,160	(12,173,291)
Total revenues	28,682,500	28,567,000	11,913,856	(16,653,144)
Expenditures				
Current:				
General government	17,003,000	34,437,957		34,437,957
Public safety	6,335,000	7,514,600	5,857,839	1,656,761
Streets and transportation		70,900	25,245	45,655
Community and economic development	820,000	820,000	555,232	264,768
Community services	6,879,600	10,346,300	3,304,992	7,041,308
Capital outlay	8,078,700	9,734,220	2,754,069	6,980,151
Total expenditures	39,116,300	62,923,977	12,497,377	50,426,600
Excess (deficiency) of revenues over expenditures	(10,433,800)	(34,356,977)	(583,521)	33,773,456
Other financing sources (uses)				
Transfers in	100,000	100,000	100,000	
Transfers out			(77,286)	(77,286)
Total other financing sources (uses)	100,000	100,000	22,714	(77,286)
Changes in fund balances	(10,333,800)	(34,256,977)	(560,807)	33,696,170
Fund balances, beginning of year	2,478,979	2,478,979	2,478,979	
Fund balances, end of year	$ (7,854,821)	$ (31,777,998)	$ 1,918,172	$ 33,696,170

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

City of Avondale, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Total Enterprise Funds	Internal Service Funds
Assets					
Current assets:					
Cash and investments	$ 56,212,175	$ 48,120,259	$ 8,349,963	$ 112,682,397	14,497,005
Receivables					
Accounts	979,345	721,331	469,715	2,170,391	727,985
Interest	471,221	339,932	8,276	819,429	74,767
Due from other governments					
Inventories	1,153,091	306,478	5,108	1,464,677	375,826
Prepaid items					34,040
Restricted cash					
Fiscal agents		511,601		511,601	
Customer deposits	1,844,303		5,000	1,849,303	
Total current assets	60,660,135	49,999,601	8,838,062	119,497,798	15,709,623
Noncurrent assets:					
Water storage credit inventory	18,400,923			18,400,923	
Capital assets not being depreciated	35,222,264	11,750,408		46,972,672	
Capital assets, net accumulated depreciation	217,351,224	208,547,704	4,487,878	430,386,806	241,574
Total noncurrent assets	270,974,411	220,298,112	4,487,878	495,760,401	241,574
Total assets	331,634,546	270,297,713	13,325,940	615,258,199	15,951,197
Deferred outflows of resources					
Pension plan items	512,713	282,204	360,167	1,155,084	195,007
Total deferred outflows of resources	512,713	282,204	360,167	1,155,084	195,007
Liabilities					
Current liabilities:					
Accounts payable	2,532,220	784,414	621,977	3,938,611	205,050
Accrued payroll and employee benefits	82,466	48,487	60,009	190,962	196,914
Accrued interest payable		118,285		118,285	
Deposits held for others	1,844,303		5,000	1,849,303	
Due to other governments	220,139			220,139	
Bonds payable		384,270		384,270	
Claims payable					6,630,552
Compensated absences	286,025	129,959	204,158	620,142	117,788
Total current liabilities	4,965,153	1,465,415	891,144	7,321,712	7,150,304
Noncurrent liabilities:					
Non-current portion of long-term obligations	3,516,260	8,122,488	2,470,887	14,109,635	3,649,878
Total noncurrent liabilities	3,516,260	8,122,488	2,470,887	14,109,635	3,649,878
Total liabilities	8,481,413	9,587,903	3,362,031	21,431,347	10,800,182
Deferred inflows of resources					
Pension plan items	141,943	78,127	99,711	319,781	53,986
Total deferred inflows of resources	141,943	78,127	99,711	319,781	53,986
Net position					
Net investment in capital assets	252,573,488	213,719,885	4,487,878	470,781,251	241,574
Restricted for:					
Debt service		393,316		393,316	
Capital outlay	15,918,562	22,334,447		38,253,009	
Unrestricted	55,031,853	24,466,239	5,736,487	85,234,579	5,050,462
Total net position	$ 323,523,903	$ 260,913,887	$ 10,224,365	594,662,155	$ 5,292,036
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				577,382	
Net Position of Business-Type Activities				$ 595,239,537	

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

City of Avondale, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Total Enterprise Funds	Internal Service Funds
Operating revenues					
Charges for services	$ 18,873,779	$ 11,909,858	$ 7,600,172	$ 38,383,809	$ 21,051,611
Miscellaneous	299,647			299,647	402,901
Total operating revenues	19,173,426	11,909,858	7,600,172	38,683,456	21,454,512
Operating expenses					
Salaries, wages, and benefits	4,696,945	2,353,088	3,225,761	10,275,794	1,828,651
Contractual services, materials, and supplies	10,287,784	5,685,551	4,831,027	20,804,362	2,891,804
Insurance claims and expenses					16,453,920
Depreciation and amortization	8,086,749	10,194,550	745,152	19,026,451	66,157
Total operating expenses	23,071,478	18,233,189	8,801,940	50,106,607	21,240,532
Operating income (loss)	(3,898,052)	(6,323,331)	(1,201,768)	(11,423,151)	213,980
Nonoperating revenues (expenses)					
Investment income	2,812,286	2,334,409	359,299	5,505,994	710,195
Gain (loss) on disposal of capital assets	9,767	101	45,673	55,541	570
Interest and fiscal charges		(170,562)		(170,562)	
Total nonoperating revenue (expenses)	2,822,053	2,163,948	404,972	5,390,973	710,765
Income (loss) before transfers and capital contributions	(1,075,999)	(4,159,383)	(796,796)	(6,032,178)	924,745
Transfers out	(995,000)	(459,000)		(1,454,000)	
Capital contributions	7,062,440	5,982,800		13,045,240	
Development fees	3,301,435	2,980,320		6,281,755	
Changes in net position	8,292,876	4,344,737	(796,796)	11,840,817	924,745
Total net position, beginning of year	315,231,027	256,569,150	11,021,161	582,821,338	4,367,291
Total net position, end of year	$ 323,523,903	$ 260,913,887	$ 10,224,365	594,662,155	$ 5,292,036
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				55,996	
Change in Net Position of Business-Type Activities				$ 11,896,813	

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

City of Avondale, Arizona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Total Enterprise Funds	Internal Service Funds
Increase/Decrease in Cash and Cash Equivalents					
Cash flows from operating activities					
Cash received from customers	$ 18,414,380	$ 12,434,036	$ 8,017,064	$ 38,865,480	$ 21,066,509
Cash payments to suppliers for goods and services	(11,725,937)	(8,269,982)	(4,410,118)	(24,406,037)	(16,565,683)
Cash payments to employees for services	(4,116,963)	(2,309,034)	(2,966,954)	(9,392,951)	(1,510,336)
Miscellaneous	299,647			299,647	402,901
Net cash provided by/used for operating activities	2,871,127	1,855,020	639,992	5,366,139	3,393,391
Cash flows from noncapital financing activities					
Transfers out	(995,000)	(459,000)		(1,454,000)	
Net cash provided by/used for noncapital financing activiti	(995,000)	(459,000)		(1,454,000)	
Cash flows from investing activities					
Investment income	2,720,814	2,259,392	414,979	5,395,185	679,124
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(8,497,357)	(5,360,185)	(1,254,067)	(15,111,609)	(33,110)
Principal payments on capital debt		(417,624)		(417,624)	
Interest payments on capital debt		(245,582)		(245,582)	
Development fees received	3,301,435	2,980,320		6,281,755	
Proceeds from sale of capital assets	9,767	101	45,500	55,368	570
Net cash provided by/used for operating activities	(5,186,155)	(3,042,970)	(1,208,567)	(9,437,692)	(32,540)
Net increase/decrease in cash and cash equivalents	(589,214)	612,442	(153,596)	(130,368)	4,039,975
Cash and cash equivalents, beginning of year	58,645,692	48,019,418	8,508,559	115,173,669	10,457,030
Cash and cash equivalents, end of year	$ 58,056,478	$ 48,631,860	$ 8,354,963	$ 115,043,301	$ 14,497,005
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities					
Operating income/loss	$ (3,898,052)	$ (6,323,331)	$ (1,201,768)	$ (11,423,151)	$ 213,980
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:					
Depreciation and amortization	8,086,749	10,194,550	745,152	19,026,451	66,157
Difference between pension expense and contributions	487,601	47,290	198,232	733,123	207,728
Changes in assets and liabilities:					
Increase/decrease in accounts receivable	1,430,406	524,178	416,892	2,371,476	-
Increase/decrease in due from other governments					14,898
Increase/decrease in inventories	(326,753)	(205,407)	61,287	(470,873)	(54,800)
Increase/decrease in prepaid items					-
Increase/decrease in accounts payable	(1,111,400)	(2,379,024)	359,622	(3,130,802)	64,627
Increase/decrease in accrued payroll and employee benefits	61,336	34,184	35,246	130,766	133,161
Increase/decrease in due to other governments					-
Increase/decrease in compensated absences	31,045	(37,420)	25,329	18,954	(22,574)
Increase/decrease in claims payable					2,770,214
Increase/decrease in deposits held for others	(1,889,805)			(1,889,805)	
Total adjustments	6,769,179	8,178,351	1,841,760	16,789,290	3,179,411
Net cash provided by/used for operating activities	$ 2,871,127	$ 1,855,020	$ 639,992	$ 5,366,139	$ 3,393,391
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position					
Cash and investments	$ 56,212,175	$ 48,120,259	$ 8,349,963	$ 112,682,397	$ 14,497,005
Restricted cash - trustee and customer deposits	1,844,303	511,601	5,000	2,360,904	
Total cash and cash equivalents	$ 58,056,478	$ 48,631,860	$ 8,354,963	$ 115,043,301	$ 14,497,005
Noncash Capital, Financing, and Investing Activities					
Amortization of premium and deferred charges on refunding	$	$ 66,008	$	$ 66,008	$
Capital contributions	7,062,440	5,982,800		13,045,240	

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

Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Reporting Entity

The City of Avondale, Arizona (the City) was incorporated in 1946 under the provisions of the Constitution of Arizona and Arizona Revised Statutes (A.R.S.). Avondale operates under the Council-Manager form of government in accordance with its Charter. Legislative authority is vested in a seven-member City Council consisting of a mayor and six councilmembers elected at large for a term of four years. The City Council appoints the City Manager and such other officers deemed necessary and proper for the orderly administration of the City's affairs. The City provides a full range of municipal services including police and fire protection, planning and development, parks and recreation, library, transportation, certain human services, and general administration. The City also owns and operates an enterprise whose activities include water, wastewater and sanitation services.

The accompanying financial statements present the activities of the City (the primary government) and its blended component units collectively referred to as "the financial reporting entity." The component units referred to below and the following page has been included in the City's reporting entity because of the significance of its operational and financial relationship with the City. The City has no discretely presented component units.

The City of Avondale Employee Benefit Trust (EBT) was formed in 2021 for the purpose of managing the health insurance for City employees and their covered beneficiaries. The EBT is governed by five Trustees appointed by the City Manager. No more than one of the Trustees may be a member of the City Council, and no more than one of the Trustees may be a City employee. Although it is legally separate from the City, the EBT is reported as if it were part of the City government, because its sole purpose is to provide services exclusively to City employees through a self-insured health plan. The EBT's activity is reported in an internal service fund.

The Avondale Risk Management Trust (RMT) was formed for the purpose of managing the City's property and liability self-insurance program. The RMT is governed by five Board members. The Board consists of three non-staff citizen members, one member of City Council and one employee. Although it is legally separate from the City, the RMT is reported as if it were part of the City government, because its sole purpose is to provide services exclusively to the City departments, employees, and council members in their official capacities. The RMT's activity is reported in an internal service fund.

Note 1 – Summary of Significant Accounting Policies (Continued)

The City of Avondale Workers' Compensation Trust (WCT) was formed for the purpose of managing the City's workers' compensation obligations. The WCT is governed by five Board members. The Board consists of three non-staff citizen members, one member of City Council, and one employee. Although it is legally separate from the City, the WCT is reported as if it were part of the City government, because its sole purpose is to provide services exclusively to the City departments, employees, and council members in their official capacities. The WCT's activity is reported in an internal service fund.

The Alamar Community Facilities District was formed by petition to the City Council in 2018. Alamar's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, Alamar can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for Alamar's property taxes, and thus for the costs of operating the district and debt service for any issued bonds. The Alamar Community Facilities District is governed by a board of directors that consists of the members of the Avondale City Council. The City has no liability for the district's debt once issued. Alamar's activities are reported in a special revenue fund, capital projects fund, and debt service fund.

Separately issued financial statements are only prepared for the Alamar Community Facilities District. These financial statements can be obtained by please visiting our website at http://www.avondaleaz.gov or contacting :

Finance and Budget Department
11465 W. Civic Center Drive, Suite 250
Avondale, Arizona 85323
(623) 333-2000

B. Government-Wide and Fund Financial Statements

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

Government-Wide Financial Statements: The government-wide financial statements (the statement of net position and the statement of activities), which exclude fiduciary funds, provide information about the City as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The government-wide focus emphasizes the sustainability of the City and aggregate change in financial position resulting from the activities of the fiscal period.

Note 1 – Summary of Significant Accounting Policies (Continued)

The statement of net position presents all financial and capital resources of the City. It is presented in a format that displays assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, with assets and liabilities presented in order of their relative liquidity. Net position is presented in three components—net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of bonds, leases, financed purchases notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources related to the acquisition, construction, or improvement of those assets or related debt also are included in net investment in capital assets. Restricted net position consists of restricted assets with constraints placed on their use externally either by creditors (such as bond covenants), grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation, reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position equals that portion of assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, which are not otherwise classified as part of net investment in capital assets or restricted net position.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Interest on long-term debt is not allocated to various functions in the governmental activities so it is reported separately. Program revenues include 1) charges to customers or users who purchase, use or directly benefit from the goods, services or privileges provided by a particular function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including internally dedicated resources and all taxes the City levies or imposes, are reported as general revenues. General revenues support the net costs of the functions and segments not covered by program revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double-counting of internal activities. Net interfund activity and balances between governmental activities and business-type activities are presented in the government-wide financial statements. Certain charges for interfund services provided and used, such as charges between the Enterprise Fund utility segments and various functional activities, were not eliminated if the charges approximated their exchange values. The General Fund charges administrative service fees to other operating funds to support general services (e.g., purchasing, accounting, and administration) used by the other operating funds. These administrative fees were not eliminated from the government-wide or fund financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds, including blended component units. Separate statements are presented for the governmental and proprietary fund categories. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All nonmajor governmental funds, as well as the internal service funds, are summarized into a single column on the fund financial statements and detailed in combining statements included as supplementary information after the basic financial statements. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Government-Wide Financial Statements: The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flows occur. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental Fund Financial Statements: The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available to finance the City's operations. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The City's principal revenue sources that are susceptible to accrual are sales taxes, property taxes, intergovernmental, and investment income.

City sales taxes collected and held by merchants at year-end on behalf of the City are recognized as revenue. State-shared revenues, including sales and income taxes, highway user and auto lieu taxes, and lottery distributions for transportation assistance, which are collected and held by the State at year-end on behalf of the City, are also recognized as revenue. Licenses and permits, charges for services, fines, forfeitures and penalties, contributions, and miscellaneous revenues are recorded as revenue when received because they are generally not available until actually received. Changes in the fair value of investments are recognized as part of revenue at year-end.

In applying the susceptible to accrual concept to intergovernmental revenues and receivables, revenues are recognized when all the applicable eligibility requirements, including time requirements, have been met. Resources received before all eligibility requirements are met are reported as deferred inflows of resources. Revenue for reimbursement grants is recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met, provided that the available criterion is met.

Note 1 – Summary of Significant Accounting Policies (Continued)

Expenditures are recorded when the related fund liability is incurred except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Long-term debt issuances and proceeds and acquisitions under lease and financed purchase agreements are reported as other financing sources.

The governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements. Therefore, a reconciliation is presented on the page following each governmental fund financial statement that briefly explains the adjustments necessary to transform the governmental fund financial statements into the governmental activities column of the government-wide financial statements.

Proprietary Fund Financial Statements: The financial statements of the proprietary funds are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements described above.

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

The internal service funds, which provide services to the other funds of the City, are presented in a single combined column in the proprietary fund financial statements. Because the principal users of the internal service funds are the City's governmental activities, the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the internal service funds are consolidated into the governmental column of the government-wide Statement of Net Position. The costs of the internal service funds services are spread to the appropriate function or segment on the governmental and business-type activities columns of government-wide Statement of Activities, and the revenues and expenses within the internal service funds are eliminated from the government-wide financial statements to avoid any doubling-up effect of these revenues and expenses.

Note 1 – Summary of Significant Accounting Policies (Continued)

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses. The various funds are reported by generic classification within the fund financial statements. GASB Statement No. 34 sets forth minimum criteria for the determination of major funds. The City has elected to present some additional governmental funds as major funds because of community focus. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining fund financial section.

D. Fund Accounting

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 those required to be accounted for in another fund.

The *Dedicated Sales Tax Revenue Fund*, a special revenue fund, accounts for the voter-approved 0.5-cent dedicated sales tax revenues. The use of these revenues is restricted to maintaining, improving, renovating, and constructing water and sewer systems, streets, and transportation projects and services that serve city neighborhoods. The tax was approved by the voters and became effective in July 2001. In September 2008, voters approved the expanded use of tax revenue to include transportation projects and services.

The *Public Safety Sales Tax Revenue Fund*, a special revenue fund, accounts for the voter-approved 0.5-cent public safety sales tax revenues. The use of these revenues is restricted to providing increased public safety services for city neighborhoods. The tax was approved by the voters and became effective in January 2004.

The *Grants In Aid Fund*, a special revenue fund, accounts for grant funding and private donations/contributions for specific purposes not accounted for in other special revenue funds or otherwise committed or restricted to capital projects.

The *General Obligation Bonds Debt Service Fund*, a debt service fund, accounts for the accumulation resources and payment of principal and interest on the City's general obligation bonds. The principal and interest on general obligation bonds is normally paid with revenues generated from the secondary property tax levy sufficient to make the required debt service payments.

The *Other Capital Projects Fund*, a capital projects fund, accounts for capital resources and activities not accounted for in other capital project funds.

Note 1 – Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operation, maintenance, and financing of the City's water system, which provides for the production, treatment, storage, and distribution of potable water supplies to city customers.

The *Wastewater Fund* accounts for the operation, maintenance, and financing of the City's wastewater system, which ensures the effective operation of the wastewater collection system and the water reclamation facility in compliance with applicable laws and regulations.

The *Sanitation Fund* accounts for the operation, maintenance, and financing of the City's refuse collection and disposal program, which includes solid waste and recycling.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for the operations that provide services to other city departments on a cost-reimbursement basis. The services include self-insurance and fleet management.

E. Budgets and Budgetary Accounting

On June 3, 1980, Arizona voters approved a constitutional amendment prescribing an expenditure limitation for all local governments. This constitutional amendment was enacted to control expenditures and limit future increases in spending adjustments for inflation and population growth. This limitation restricts the growth of expenditures to a percentage determined by population and inflation, with certain expenditures excluded from the limitation. Prior to April 1st of each year, the State Economic Estimates Commission determines and publishes the expenditure limitation for the following fiscal year for each governmental unit. Fiscal year 1979-80 is the base year for calculations.

The constitutional amendment includes provisions that require voter approval to establish an alternative expenditure limitation for cities and towns. The alternative expenditure limitation is valid for a period of two to seven years. On August 5, 2020, city voters approved an alternative expenditures limitation (Home Rule Option), the effect of which, allows total budgeted expenditures of the City's adopted budget to become the expenditure limitation for that year on a total budget basis. City voters have approved the Home Rule Option every four years since 1981. This alternative expenditure limitation is effective until June 30, 2025.

Note 1 – Summary of Significant Accounting Policies (Continued)

The following provides a brief budgetary overview of the City.

1. The City's fiscal year is established by state law and runs from July 1 through June 30 of each year.
2. A structurally balanced operating and capital budget are presented annually for Council review and adoption no later than July 1st of the fiscal year and in accordance with the requirements of state law.
3. The budget is adopted by the City Council by department and by fund (excluding the Alamar CFD). Budget transfers may be executed throughout the year when the adopted purpose varies from operational needs identified during the fiscal year pursuant to the following guidelines. Transfers must be fully executed before the authorization of or expenditure of funds.
4. Operating Budget Transfer Guidelines:
    a. Use of contingency fund appropriation requires City Council approval.
    b. Transfers of appropriation between funds require City Council approval. Administrative funds shall be treated as belonging to their parent funds for the purpose of this provision.
    c. Transfers of appropriation between departments require City Council approval.
    d. Transfers needed to appropriate previously accepted grants or private donations may be approved by Finance and Budget.
    e. Transfers of appropriation to / from personal services (salaries, wages, and benefits) line items within the same department and fund require City Manager approval and must be one-time in nature so as not to impact the department's authorized FTE counts. Savings in personal services will not be used to offset deficits in department operating budgets without written authorization from the City Manager.
    f. Finance and Budget staff may transfer realized vacancy savings from department budgets to the non-departmental budget to satisfy the budgeted vacancy savings.
    g. Department heads are authorized for all other transfer types between divisions and category of expenditures within the same fund.
5. Staff monitor the budget and communicate potential over expenditures of fund and department budgets to Council.
6. A Capital Improvement Plan (CIP) is developed for a five-year period to allow for appropriate planning. The CIP shall be considered balanced when all sources of funds (revenue, transfers in, and fund balances) are greater than or equal to all uses of funds (expenditures, transfers out, and contingencies) by year for each fund in the capital program.
7. Projects are only approved with funding from designated sources that are known – or considered reasonably likely during the project's plan – and meet the project's estimated development costs and costs to support.
8. Changes to the approved CIP in terms of material individual project changes in scope, proposed transfer of funds between approved projects require City Council review and authorization.
9. Transfers of available appropriation in the CIP of under $50,000 within projects of the same department and fund may be approved by the City Manager or designee. Such amendments are communicated quarterly to the Council. Transfers of available appropriation in the CIP greater than $50,000 require City Council review and authorization.
10. GAAP serves as the basis of budgeting.

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Cash and Investments

For the statement of cash flows, the City's cash and cash equivalents are considered to be all pooled cash and investments, cash on hand, demand deposits, restricted cash with fiscal agents, and restricted cash for customer deposits.

Investment income includes interest and dividend earnings and changes in fair value of applicable investments during the fiscal year. The City maintains one pool of cash and investments for most funds with a separate pool for the Alamar CFD funds (operating, debt service, and capital projects). All pooled investments are considered cash equivalents. Interest income from pooled cash and investments is allocated to the individual funds based on the fund's interest earnings requirements and its month-end cash balance in relation to the total pooled investments. Each fund's equity in the pooled cash and investments is tracked on an ongoing basis. In the event that a fund overdraws its share of pooled cash, the overdraft is reported as a due to the General Fund at year-end. In the event that the Alamar CFD Debt Service or Alamar CFD Capital Projects Funds overdraw their share of pooled cash and investments. The overdraft is reported as a due to the Alamar CFD Operating Fund at year end. Investments are stated at fair value.

G. Restricted Assets

The City has executed trust indentures for all bond series issued that require all cash and investments of each bond series to be held on deposit by fiscal agents. These assets are restricted to retirement of principal balances, payment of interest, trustee fees associated with the bond issues, and to finance various capital projects. Accordingly, these assets are classified as restricted on the Balance Sheet, Statement of Net Position, and Statement of Fund Net Position – Proprietary Funds.

H. Inventories

Supplies inventories are accounted for in the governmental fund and government-wide financial statements using the consumption method. These inventories consist of items that are held for sale in the ordinary course of operations. Amounts on hand at year-end are shown as assets on the Balance Sheet and Statement of Net Position. In the governmental fund financial statements, inventories are shown as nonspendable fund balance to indicate that they do not constitute "available spendable resources".

Note 1 – Summary of Significant Accounting Policies (Continued)

Water Fund inventories include long-term storage water credits credited to the City's long-term storage account by the Arizona Department of Water Resources. Effluent water credits are stated at cost based on the City's cost of treating the wastewater and recharging the resulting effluent water into the Phoenix Active Management Area. All other water credits are valued using the applicable Central Arizona Project water rate in effect at the time the water credit was credited to the City's long-term storage account. Inventories are valued using the first-in, first-out inventory flow assumption.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmental fund and government-wide financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the governmental fund financial statements, prepaid items are shown as nonspendable fund balance to indicate that they do not constitute "available spendable resources".

J. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at fiscal year-end are reported as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Trade and other receivables in the General, Special Revenue, Debt Service, Capital Projects, and Internal Service Funds are considered to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established in these funds. The allowances for doubtful accounts for receivables in the Water, Wastewater, and Sanitation Funds at June 30, 2024, are $150,575, $97,305, and $33,805, respectively.

K. Capital Assets

Capital assets, including public domain infrastructure assets such as roads, bridges, curbs and gutters, streets and sidewalks, water and sewer systems, lighting systems, and other assets that are immovable and of value only to the City, and intangible right-to-use assets such as water rights, which lack physical substance, are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life more than one year. The City values these assets at cost or estimated historical cost if purchased or constructed; acquisition value for donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement; and estimated fair value at the grant or allotment date for water rights. The City's water rights have indefinite useful lives and, therefore, the City does not amortize these intangible assets. Capital assets are reported in the applicable governmental or business-type activities column of the government-wide financial statements and the proprietary fund financial statements. No capital assets, depreciation, or amortization are presented in the governmental fund financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

The cost of normal maintenance and repairs that do not significantly extend the useful lives of assets or increase their capacity are not capitalized. Major improvements are capitalized and depreciated over the remaining useful life of the improved capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The City has chosen not to apply the modified approach to any infrastructure networks, systems, or subsystems. Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Leased assets	5 years
Building and improvements	40 years
Improvements other than buildings	20 years
Water, sewer, and storm drain systems improvements	50 years
Street systems	20 to 40 years
Park facilities, streetscape, and artwork	20 years
Furniture	7 years
Machinery and equipment	3 to 15 years
Depreciable user rights	5-30 years
Depreciable water rights	40 years

L. Deferred Outflows and Inflows of Resources

The Statement of Net Position and Balance Sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will be recognized as an expense in future periods (i.e. deferred charges on the refunding and deferred outflows related to pensions). Deferred inflows of resources represent the acquisition of net assets that applies to future periods that will be recognized as revenue and amortized in future periods (deferred inflows on pensions).

Deferred inflows in the governmental funds represent revenues received more than 60 days after fiscal year end. These revenues will be recognized in the governmental fund financial statements in the next fiscal year, when available, and represent a reconciling item between the governmental fund financial statements and the governmental activities in the government-wide financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Compensated Absences

Compensated absences payable consist of vacation leave and a calculated amount of sick leave employees earned based on services already rendered. Vacation benefits vest with the employees when it is earned. The amount of sick leave benefits that vest with employees depends on the employees' number of years of continuous service and accumulated sick leave hours upon terminating employment. Regular full-time employees may accumulate up to 280 hours of vacation and Firefighters including Fire Battalion Chiefs assigned to a 24-hour shift schedule may accumulate up to 392 hours of vacation on a calendar year basis. Employees forfeit vacation hours in excess of these limits if not used by December 31 of each calendar year. All regular full-time employees may accumulate an unlimited number of sick leave hours.

Upon resignation, the City compensates employees for 33.3 percent of their accumulated sick leave at the employees' current hourly rate. Upon retirement, the City compensates employees as follows:

- Employees with 10 years of continuous service with the City will receive 100 percent of accrued sick leave up to 250 hours at the employees' current hourly rate, or 33.3 percent of the total balance of accrued sick leave, whichever is greater.
- Employees with 15 years of continuous service with the City will receive 100 percent of accrued sick leave up to 375 hours at the employees' current hourly rate, or 33.3 percent of the total balance of accrued sick leave, whichever is greater.
- Employees with 20 years of continuous service with the City will receive 100 percent of accrued sick leave up to 500 hours at the employees' current hourly rate, or 33.3 percent of the total balance of accrued sick leave, whichever is greater.

Compensated absences payable is accrued as a liability in the government-wide and proprietary fund financial statements. Liabilities for these amounts are reported in the governmental fund financial statements only as they become due (e.g., as a result of employee resignations and retirements by fiscal year-end).

N. Leases

As lessee, the City recognizes lease liabilities with an initial, individual value of $100,000 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 interest rate from recent debt issuances.

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 an interest rate based on the applicable rate on federal securities as the discount rate to measure lease receivables.

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Subscription-Based Information Technology Arrangements (SBITAs)

As an end user of subscription-based technology, the City recognizes SBITA obligations with an initial, individual value of $100,000 or more. The City uses its estimated incremental borrowing rate to measure SBITA obligations unless it can readily determine the interest rate implicit in the SBITA contract. The City's estimated incremental borrowing rate is based on describe how the City determined its estimated incremental borrowing rate.

P. Long-Term Obligations

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

In the government-wide and proprietary fund financial statements, long-term debt and other obligations are reported as liabilities on the Statement of Net Position. Bond discounts and premiums and deferred charges or credits on debt refunding are amortized over the life of the bonds using the straight-line method.

Q. Pension

For purposes of measuring the net pension assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

R. Interfund Activity

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

Cash flows from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental activities and business type activities are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as "other financing sources (uses)" in governmental funds and after nonoperating revenues and expenses in proprietary funds.

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Fund Balance Classifications

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

Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact.

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

Committed fund balances are self-imposed limitations that the City Council approved, which is the highest level of decision-making authority within the City. Only the City Council can remove or change the constraints placed on the committed fund balances. Commitments must be made prior to fiscal year-end to be reported as a commitment. Committed fund balances also include resources that have been specifically committed to satisfy contractual requirements.

Assigned fund balances are spendable resources constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed.

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

On June 3, 2024, the City Council approved a resolution adopting a formal City fund balance policy and stabilization arrangement. The significant components of the policy and arrangement follow:

The City Council delegated authority to the Finance and Budget Director to assign fund balances for specific purposes. Any fund balance assignments must be reported to the City Manager in writing and such assignments will be identified and incorporated in the City's annual budget planning process.

The City Council established a two-tier fiscal stabilization arrangement as committed fund balance in the General Fund of no less than 35 percent of budgeted General Fund expenditures from the prior fiscal year to provide a comfortable margin of safety to address potential natural disasters, unexpected economic events, revenue shortfalls, or other budget contingencies. The two tiers include an emergency reserve of 25 percent and a rainy day reserve of 10 percent.

Note 1 – Summary of Significant Accounting Policies (Continued)

The first-tier commitment consists of a 25 percent Emergency Reserve that may only be used for the following reasons:

- Mitigate damage and expenditures caused by natural disasters or declared public emergency for which no reasonable budget adjustments are available to continue or restore essential services.
- Address emergency events that jeopardize the public safety.
- Provide and maintain essential services to the public during natural disasters or emergency events.

The second-tier commitment consists of a 10 percent Rainy-Day Reserve that may only be used under the following circumstances:

- The City experiences sudden and/or unexpected declines in ongoing revenues (taxes or shared revenues) or charges for service that is greater than 10 percent of General Fund operating revenues from the prior year.
- The City experiences sudden and/or unexpected declines in state-shared revenues that is greater than 10 percent of General Fund operating expenditures from the prior year.
- Provide and maintain essential services to the public during natural disasters or emergency events.

Once the City Manager, or their designee, has determined that it is necessary to spend down stabilization reserves, the City Manager shall provide written communication to the Council explaining the nature of the event/occurrence necessitation their use for Council approval. If the reserves are reduced below the minimum required levels, the City staff shall develop a plan for Council approval to restore the reserves to, the appropriate balances. The City shall replenish the emergency and rainy-day reserves within two (2) fiscal years and five (5) fiscal years following the fiscal year of the event, respectively. If the depletion occurs during an ongoing economic downturn, the City shall restore the funds within two (2) years of revenue stabilization, as applicable. The progress of replenishment shall be reported in the City's Annual Budget.

T. Resource Flow Assumptions

When an expenditure/expense is incurred that can be paid from either restricted or unrestricted fund balances/net position, the City will generally use restricted fund balances/net position first. When disbursing unrestricted fund balances, the City will use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

Note 1 – Summary of Significant Accounting Policies (Concluded)

U. 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. These estimates and assumptions affect the reported amount of assets and liabilities, deferred outflows and inflows of resources, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from these estimates.

Note 2 – Stewardship, Compliance and Accountability

Deficit Fund Balances/Net Positions – At June 30, 2024, the following non-major governmental and other funds reported deficits in fund balance or net position.

	Deficit
Non-Major Governmental Fund and Other Funds:	
Family Advocacy Center	$ (8,224)
Alamar CFD Debt Service	(5,898)
Fleet Management	(49,079)

The deficit in the Family Advocacy Center Fund was due to operational requirements exceeding available resources in the fund. Future monies under the intergovernmental agreement between other West Valley cities are expected to eliminate the deficit.

The deficit in the Alamar CFD Debt Service Funds was due to debt service requirements exceeding available resources in the fund. Future property tax revenues are expected to eliminate the deficits.

The deficit in the Fleet Management Fund was mainly due to net pension liability of $953,664. Fleet management has made incremental changes to the markup on parts and labor rates to begin fully recovering the cost of providing fleet management services to city departments. City management plans to eliminate the remaining net position deficit by recovering prior years' cumulative fleet management undercharges from user departments.

Note 3 – Cash and Investments

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 7) with no regulatory oversight. The pools as an investment company are not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

Note 3 – Cash and Investments (Continued)

Total City cash and investments as of June 30, 2024, are reported as follows:

Governmental activities	$ 240,467,883
Business-type activities	115,043,301
Total	$ 355,511,184
Cash on hand	$ 5,672
Cash in bank	17,005,796
Investments	330,234,515
Restricted cash – fiscal agents	8,265,201
Total	$ 355,511,184

Fair Value Measurement/Application for Investments and Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity period of an investment, the greater the sensitivity of its fair value to the changes in market interest rates.

The City's formal investment policy manages its exposure to interest rate risk by requiring investments to match the anticipated cash flow requirements. Unless matched to a specific cash flow, the maturity of investments are limited to less than five years. Additionally, the City maintains a sufficient cash balance in its operating bank account to preclude the necessity of liquidating any investments at a loss. The City's investments at June 30, 2024, categorized within the fair value hierarchy established by accounting principles generally accepted in the United States of America, and accounting for credit and interest rate risk were as follows:

			Investment Maturities (in years)		Moody's Investor	Standard
Investment Type	Category	Fair Value	Less than 1	1-5	Services	& Poor's
US Agency Mortgage Backed Securities	Level 2	$ 30,816,603	$	$ 30,816,603	Aaa	AA+ to AAA
U.S. Treasury Securities	Level 1	130,373,322	15,729,977	114,643,345	Aaa	N/A
Corporate Bonds	Level 2	123,245,237	1,528,480	121,716,757	Baaa1 to Aaa	BBB+ to AAA
Money Market	Level 1	2,642,332	2,642,332		Aaa-mf	AAAm
			$ 19,900,789	$ 267,176,705		
State Treasurer's investment pool 7	Not Applicable	43,157,021	29 days average maturities		Unrated	Unrated
Total		$330,234,515				

Note 3 – Cash and Investments (Continued)

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued using institutional bond quotes and evaluations based on various market and industry inputs. Investments in the State Treasurer's Investment Pool 7 are valued at the pool's share price multiplied by the number of shares the City held. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's Investment Pool 7.

Investment income is comprised of the following for the year ended June 30, 2024:

	Governmental Activities	Business-type Activities
Interest earned	$ 12,508,400	$ 5,793,923
Change in the fair value of investments	(633,958)	(287,929)
Investment income	$ 11,874,442	$ 5,505,994

During the year, the investments balance increased $7.3 million due to the City investing excess cash balances. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on these investments held at June 30, 2024, was $5.6 million. The calculation of realized gains and losses on investments is independent of the calculation of the change in fair value of investments. In addition, gains and losses of the current period include unrealized amounts from the prior period.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The City's formal investment policy manages its exposure to credit risk by requiring high grade investments. Additionally, the City maintains a sufficient cash balance in its operating bank account to preclude the necessity of liquidating any investments at a loss. The following describe the City's policy:

- Certificates of deposit in eligible depositories-50 percent sector limit, must be insured or fully collateralized.
- Negotiable or brokered certificates of deposit issued by a nationally or state chartered bank or savings and loan association; that are rated "A" (long-term) or A-1 (short-term) or the equivalent or better by a NRSRO-50% sector limit, five percent issuer limit.
- Commercial paper, of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States-50 percent sector limit, five percent issuer limit.
- Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry. Deposits in excess of the insured amount are secured by collateral as outlined in A.R.S. §35-323.

Note 3 – Cash and Investments (Continued)

- The pooled investment funds established by the state treasurer pursuant to A.R.S. §35-326.
- Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
- Bonds or other evidence of indebtedness of this state or any of its counties, incorporated cities or school districts-40 percent sector limit, five percent issuer limit.
- Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district-40% sector limit, 5% issuer limit. An investment shall not be made if:
    - The face value of all such obligations, and similar obligations outstanding, exceeds 50 percent of the fair value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.
    - A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.
- Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies-50 percent sector limit, five percent issuer limit.
- Repurchase agreements with a maximum maturity of one hundred eighty days-40 percent sector limit, 20 percent issuer limit.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's formal investment policy requires deposits to be in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry. Deposits in excess of the insured amount must be secured by collateral as outlined in A.R.S. §35-323.

Cash in bank – The carrying amount of City's bank account deposits at June 30, 2024 was $17,005,796 and the bank balance was $23,294,561. The difference between the carrying amount and bank balance was due to outstanding checks and deposits, and other reconciling items. These balances were either covered by the Federal Depository Insurance Corporation (FDIC) or collateralized at 102 percent of deposits not covered by FDIC. In addition, the City holds $5,672 in cash on hand.

Note 3 – Cash and Investments (Concluded)

Concentration of credit risk. Concentration of credit risk is the risk of loss attributable to the magnitude of deposits or investments in a single depository institution or issuer. The City's formal investment policy limits the concentration of investments by investment type, sector, and issuer to manage credit risk. Additionally, minimum credit ratings are required for the various investments.

At June 30, 2024, the following issuers represents more than five percent of the City's total investments: 39.0 percent in U.S. Treasury Notes and 13.0 percent invested in the State Treasurer's Investment Pool 7.

Note 4 – Property Tax Calendar

The City levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

Pursuant to A.R.S. a lien assessed against real and personal property attaches on the first day of January preceding assessment and levy; however, according to case law an enforceable legal claim to the asset doesn't arise.

Note 5 – Leases Receivable

The City leases a multipurpose recreational sports facility and building office space under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of $491,315 and related interest revenue of $62,157 are recorded as miscellaneous revenue in the General Fund.

Future minimum lease payments to be received under the lease agreements at year end are summarized as follows:

Year ending June 30:		
	2025	$ 523,195
	2026	538,725
	2027	554,255
	2028	381,098
	2029	195,000
	2030-34	975,000
	2035-39	975,000
	2040-44	975,000
Total		$ 5,117,273

Note 6 – Capital Assets

A summary of capital asset activity for governmental activities on the government-wide financial statements for the year ended June 30, 2024, follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 316,053,419	$ 200,793	$	$ 316,254,212
Construction in progress	31,102,032	49,155,060	43,765,840	36,491,252
Total capital assets, not being depreciated	347,155,451	49,355,853	43,765,840	352,745,464
Capital assets, being depreciated:				
Buildings and improvements	143,160,770	32,058,873		175,219,643
Improvements other than buildings	64,965,063	4,906,194		69,871,257
Vehicles, furniture and equipment	64,814,292	4,552,118	9,931,433	59,434,977
Infrastructure	482,923,304	26,372,683		509,295,987
Depreciable user rights	2,852,648			2,852,648
Leased building and land improvements	1,687,403			1,687,403
Leased equipment		1,265,610		1,265,610
Total capital assets being depreciated	760,403,480	69,155,478	9,931,433	819,627,525
Less accumulated depreciation for:				
Buildings and improvements	(41,435,900)	(4,142,462)		(45,578,362)
Improvements other than buildings	(13,234,955)	(3,542,814)		(16,777,769)
Vehicles, furniture and equipment	(45,230,318)	(4,549,277)	(9,245,808)	(40,533,787)
Infrastructure	(237,602,227)	(12,256,734)		(249,858,961)
Depreciable user rights	(961,865)	(127,611)		(1,089,476)
Leased building and land improvements	(698,236)	(349,118)		(1,047,354)
Leased equipment		(21,094)		(21,094)
Total accumulated depreciation/amortization	(339,163,501)	(24,989,110)	(9,245,808)	(354,906,803)
Total capital assets, being depreciated, net	421,239,979	44,166,368	685,625	464,720,722
Governmental activities capital assets, net	$ 768,395,430	$ 93,522,221	$ 44,451,465	$ 817,466,186

Note 6 – Capital Assets (Concluded)

A summary of capital asset activity for business-type activities on the government-wide financial statements for the year ended June 30, 2024, follows:

Business-type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 16,341,379	$ 207,949	$	$ 16,549,328
Nondepreciable water rights	7,276,993			7,276,993
Construction in progress	12,955,971	11,430,157	1,239,777	23,146,351
Total capital assets, not being depreciated	36,574,343	11,638,106	1,239,777	46,972,672
Capital assets, being depreciated:				
Infrastructure	688,368,507	16,285,141		704,653,648
Buildings & improvements	361,657		361,657	
Vehicles, furniture, & equipment	42,133,349	1,705,996	894,202	42,945,143
Depreciable water rights	2,980,551			2,980,551
Improvements other than buildings	868,867			868,867
Total capital assets being depreciated	734,712,931	17,991,137	1,255,859	751,448,209
Less accumulated depreciation for:				
Infrastructure	(271,977,106)	(13,846,324)		(285,823,430)
Buildings & improvements	(155,737)		(155,737)	
Vehicles, furniture, & equipment	(29,488,266)	(5,065,173)	(894,202)	(33,659,237)
Depreciable water rights	(894,166)	(74,514)		(968,680)
Improvements other than buildings	(569,616)	(40,440)		(610,056)
Total accumulated depreciation	(303,084,891)	(19,026,451)	(1,049,939)	(321,061,403)
Total capital assets, being depreciated, net	431,628,040	(1,035,314)	205,920	430,386,806
Business-type activities capital assets, net	$ 468,202,383	$ 10,602,792	$ 1,445,697	$ 477,359,478

Depreciation and amortization expenses were charged to governmental and business-type functions as follows:

Governmental Activities:	
General government	$ 1,955,053
Public safety	3,829,022
Streets and transportation	1,408,075
Community and economic development	4,599,229
Community services	13,131,574
Internal Services	66,157
Total depreciation expense – governmental activities	$24,989,110
Business-type Activities:	
Water	$ 8,086,749
Wastewater	10,194,550
Sanitation	745,152
Total depreciation expense – business-type activities	$19,026,451

Note 7 – Interfund Balances and Activity

At year end, interfund balances and activity were as follows:

Due to/from other funds.

	General	Non-Major Governmental Funds	Total Due to Other Funds
Other Capital Projects	$ 119,800	$ 379,424	$ 499,224
Non-Major Governmental Funds		9,296	9,296
Total Due from Other Funds	$ 119,800	$ 388,720	$ 508,520

At year end, two non-major funds had deficit cash balances. Deficit cash was reduced by interfund borrowing with the General and the Alamar CFD Operating Funds. The General Fund also loaned the Other Capital Projects Fund monies to begin projects that will be reimbursed with a future debt issuance. All interfund balances are expected to be repaid within one year.

Interfund transfers:

	Transfers in				
Transfers out	General	Grants In Aid	Other Capital Projects	Non-Major Governmental and Other Funds	Total
General	$	$ 100,000	$ 27,504,141	$ 4,013,500	$ 31,617,641
Dedicated Sales Tax Revenue				3,140,900	3,140,900
Grants In Aid	77,286				77,286
Water	604,000			391,000	995,000
Wastewater	459,000				459,000
Total	$ 1,140,286	$ 100,000	$ 27,504,141	$ 7,545,400	$ 36,289,827

Transfers out of the General Fund include $27.5 million to the Other Capital Projects Fund to fund construction projects. Transfers out of the General Fund into the nonmajor governmental funds also include $1.7 million to finance vehicle replacement purchases, $1.5 million to service debt payment requirements, and $650,800 million to support transit operations. The $3.1 million transfer out of the Dedicated Sales Tax Revenue Fund was to service debt payment requirements in the nonmajor governmental funds.

Water and Wastewater Funds transferred $604,000 and $459,000 to the General Fund for operating activities. In addition, the Water Fund transferred $391,000 to the nonmajor governmental funds to service debt payment requirements.

Remaining transfers were in the normal course of business and were according to the adopted budget.

Note 8 – Long-Term Obligations

The City has issued general obligation bonds to acquire and construct water and sewer system improvements, street and highway improvements, library facilities, a multi-purpose recreation center and to refund prior outstanding general obligation bonds. The City has also issued governmental activities pledged revenue refunding obligations and highway user revenue refunding bonds to refund prior outstanding pledged revenue and highway user revenue bonds, as well as business-type activities water and sewer system revenue bonds to finance and acquire improvements to the water production and distribution system, sewer collection and treatment system, and wastewater treatment plant. The City also issued financed purchases and leases in the governmental activities and reports a liability for compensated absences in the governmental and business-type activities.

Compensated absences payable are paid from various funds in the same proportion that those funds pay payroll and employee benefit costs. During the year ended June 30, 2024, the City primarily paid for compensated absences from the General Fund.

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 44,475,000	$	$ 2,925,000	$ 41,550,000	$ 3,080,000
Pledged revenue obligations	20,873,111		4,017,376	16,855,735	2,590,735
Community facilities district general obligation bonds	3,675,000	2,955,000	80,000	6,550,000	145,000
Discount		(6,066)	(243)	(5,823)	
Premium	9,772,474		1,248,492	8,523,982	
Total bonds payable	78,795,585	2,948,934	8,270,625	73,473,894	5,815,735
Financed purchases payable	3,217,043		342,304	2,874,739	365,245
Leases payable	1,075,023	1,265,610	354,648	1,985,985	429,668
Claims payable	6,170,577	13,526,378	10,756,164	8,940,791	6,630,552
Net pension liability	73,222,880	393,005		73,615,885	
Compensated absences payable	8,810,495	7,104,303	6,519,462	9,395,336	7,516,269
Governmental activity long-term liabilities	$171,291,603	$ 25,238,230	$26,243,203	$170,286,630	$20,757,469

Note 8 – Long-Term Obligations (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Pledged revenue obligations	$ 106,895	$	$ 77,625	$ 29,270	$ 29,270
Water and sewer revenue bonds	6,225,000		340,000	5,885,000	355,000
Premium	731,459		67,502	663,957	
Total bonds payable	7,063,354		485,127	6,578,227	384,270
Net other postemployment benefit liability					
Net pension liability	7,579,749	180,893		7,760,642	
Compensated absences payable	756,224	683,512	664,558	775,178	620,142
Governmental activity long-term liabilities	$15,399,327	$ 864,405	$ 1,149,685	$15,114,047	$ 1,004,412

A. Governmental Activities Long-Term Debt

Financed Purchases. The City has acquired streetlights and HVAC equipment under the provisions of contracts classified as financed purchases payables. Revenues from the Highway Users Revenue Fund, a non-major governmental fund, and the General Fund are used to pay the debt obligations.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2025	$ 365,245	$ 72,448
	2026	389,272	62,955
	2027	414,425	52,834
	2028	440,753	42,059
	2029	210,799	32,083
	2030-34	1,054,245	74,818
Total		$ 2,874,739	$ 337,197

Note 8 – Long-Term Obligations (Continued)

Leases. The City has acquired office space and public safety equipment under the provisions of a contract classified as a lease. The related obligation under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Family Advocacy Center Fund, a non-major governmental fund, are used to pay the office space lease obligation while revenues from the General Fund are used to repay the public safety equipment obligation. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

The net present value and future minimum lease payments at year end were as follows:

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2025	$ 429,668	$ 89,608
	2026	500,243	66,910
	2027	345,118	44,966
	2028	367,582	27,289
	2029	343,374	8,156
Total		$ 1,985,985	$ 236,929

The right-to-use assets recorded under leases that meet the City's capitalization threshold are as follows:

	Governmental Activities
Asset:	
Buildings and improvements	$ 1,687,403
Equipment	1,265,610
Less: Accumulated amortization	1,068,448
Total	$ 1,884,565

General Obligation Bonds. The general obligations bonds were issued for the purpose of constructing capital assets and related improvements, including a resource center, park improvements, police station expansion, new fire station, new detention center, a conference center, or refunding outstanding general obligation debt. The general obligation bonds are secured by property taxes (ad valorem taxes) levied by the City on all taxable property within the City sufficient to pay all principal and interest on the bonds as they come due. The bonds are backed by the taxing authority of the City and are approved by the voters. Principal payments are due annually and interest payments are due semiannually.

The City has $28.7 million authorized but unissued general obligations bonds that could be used for water, sewer, and streets projects.

Note 8 – Long-Term Obligations (Continued)

The following issues are currently outstanding:

Series	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
2017A Series Refunding Bonds	$ 14,740,000	4.0-5.0%	7/1/24-29	$ 10,490,000	$ 1,815,000
2019 Series Bonds	21,390,000	3.0-5.0%	7/1/24-39	17,855,000	775,000
2021 Series Bonds	13,670,000	4.0-5.0%	7/1/24-41	13,205,000	490,000
Total				$ 41,550,000	$ 3,080,000

Pledged Revenue Obligations. These obligations were issued to refund outstanding Municipal Development Corporation (MDC) Revenue Bonds and are backed by the City's general excise taxes, and in 2021, fund construction of an aquatic center. Principal payments are due annually and interest payments are due semiannually.

The following issues are currently outstanding:

Series	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
2016 Series Refunding Obligations (96.87% of total issue)	$ 23,458,281	4.0-5.0%	7/1/24	$ 905,735	$ 905,735
2021 Series Obligations	11,770,000	5.0%	7/1/24-31	9,625,000	1,010,000
2021 Series Refunding Obligations	7,765,000	1.5-5.0%	7/1/24-31	6,325,000	675,000
Total				$ 16,855,735	$2,590,735

Community Facilities District General Obligation Bonds. These obligations were issued to fund the construction of public infrastructure within the Alamar Community Facilities District. The general obligation bonds are secured by property taxes (ad valorem taxes) levied by the District on all taxable property within the District sufficient to pay all principal and interest on the bonds as they come due. The bonds are backed by the taxing authority of the District and are approved by the voters. Principal payments are due annually and interest payments are due semiannually. As previously stated in note 1, the City has no liability for the community facilities district's debt.

It is anticipated that general obligation bonds will continue to be issued in series over time when the secondary assessed value of the property within the District is sufficient to support the bond debt service at the target tax rate of $3.85 per $100 of net assessed limited property valuation.

Note 8 – Long-Term Obligations (Continued)

The District has $63.4 million authorized but unissued general obligations bonds that could be used for constructing public infrastructure.

The following issues are currently outstanding:

Series	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
2022 Series GO Bonds	$ 3,675,000	4.25-5.0%	7/15/24-47	$ 3,595,000	$ 85,000
2023 Series GO Bonds	2,955,000	4.0-5.0%	7/15/24-48	2,955,000	60,000
				$ 6,550,000	$ 145,000

Annual debt service requirements to maturity on governmental activities bonds at June 30, 2024, are summarized as follows:

	Governmental Activities					
	General Obligation Bonds		Pledged Revenue Obligation Bonds		General Obligation Bonds – Alamar CFD	
Year ending June 30:	Principal	Interest	Principal	Interest		
2025	$ 3,080,000	$ 1,745,175	$ 2,590,735	$ 727,870	$ 145,000	$ 292,751
2026	3,235,000	1,605,925	1,770,000	630,750	150,000	285,376
2027	3,395,000	1,449,725	1,840,000	547,600	160,000	277,626
2028	3,585,000	1,275,225	1,935,000	453,225	165,000	269,501
2029	3,785,000	1,090,975	2,030,000	354,100	175,000	261,001
2030-34	9,230,000	3,927,575	6,690,000	464,525	1,005,000	1,162,492
2035-39	10,835,000	1,904,800			1,260,000	910,124
2040-44	4,405,000	208,300			1,555,000	610,647
2045-49					1,935,000	223,488
Total	$ 41,550,000	$ 13,207,700	$ 16,855,735	$ 3,178,070	$ 6,550,000	$ 4,293,006

Note 8 – Long-Term Obligations (Continued)

B. Business-Type Activities Long-Term Debt

Water and Sewer Revenue Bonds. The revenue produced by the water and sewer facilities secures water and sewer revenue bonds. The voters must approve these bonds. Principal payments are due annually and interest payments are due semiannually.

The following issue is currently outstanding:

Issue	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Business-type activities:					
2016 Series Obligations	$ 8,110,000	4.0%	7/1/24 – 7/1/36	$ 5,885,000	$ 355,000

Pledged Revenue Obligations. These obligations were issued to refund outstanding Municipal Development Corporation Revenue Bonds and are backed by the City's general excise taxes. Principal payments are due annually and interest payments are due semiannually.

The following issue is currently outstanding:

Issue	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Business-type activities:					
2016 Series Refunding Obligations (3.13% of total issue)	$ 756,719	4.0%	7/1/24	$ 29,270	$ 29,270

Annual debt service requirements to maturity on business-type activities bonds at June 30, 2024, are summarized as follows:

	Business-type Activities			
	General Obligation Bonds		Pledged Revenue Refunding Bonds	
Year ending June 30:	Principal	Interest	Principal	Interest
2025	$ 355,000	$ 228,300	$ 29,270	$ 856
2026	370,000	213,800		
2027	380,000	198,800		
2028	400,000	183,200		
2029	415,000	166,900		
2030-34	2,330,000	567,600		
2035-37	1,635,000	99,700		
Total	$ 5,885,000	$ 1,658,300	$ 29,270	$ 856

Note 8 – Long-Term Obligations (Concluded)

The City has pledged certain future revenues to repay specific revenue bonded debt as follows:

- The City has pledged future excise tax revenues, including local sales taxes and state-shared sales and income taxes, to repay $43.8 million of Pledged Revenue Refunding Obligations, Series 2016 and 2021 and Pledged Revenue Obligations, Series 2021. At year-end, $16.9 million in bonds remains outstanding to be repaid with future excise tax revenues over the next 8 years. For the year ended June 30, 2024, the excise taxes available to service debt was $104.0 million, and the principal and interest on this debt was $3.4 million resulting in a coverage of 30.47 times. This exceeds the minimum coverage of 3.0 times required in the bond indenture.

- The City has pledged future water and wastewater utility revenues to repay $8.1 million of Water and Sewer System Revenue Obligations, Series 2016. At year-end, $5.9 million in bonds remains outstanding to be repaid with future water and sewer revenues over the next 13 years. For the year ended June 30, 2024, the net water and wastewater utility net revenues available to service debt was $19.5 million and the principal and interest on this debt was $575,400 resulting in a coverage of 33.89 times. This exceeds the minimum coverage of 1.2 times required in the bond indenture.

Note 9 – Self-Insurance

The City is exposed to various risks of loss and administers and accounts for these risks in the Risk Management, Workers' Compensation, and Employee Benefits Funds, which are all internal service funds. In fiscal year 2005, the City established a self-insurance fund to manage losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured for the first $1,000,000 of any general liability with an annual aggregate of $2,000,000 and automobile liability occurrence and purchases commercial insurance to protect from losses in excess of $100,000.

The excess commercial insurance coverages and limits follow:

Coverage	Limit
Property damage	$ 1,000,000,000
Breakdown of equipment	100,000,000
Flood	10,000,000
Cyber	5,000,000
Mobile equipment	1,325,000

Beginning July 1, 2018, the City is self-insured against workers' compensation claims. The City is self-insured for the first $750,000 for firefighters, police, and emergency medical technicians and $500,000 for all other employees. The excess commercial insurance coverage limits are $1.0 million per occurrence and aggregate and $1.0 million for the liability period.

Note 9 – Self-Insurance (Continued)

Beginning July 1, 2021, the City is self-insured against employee health and dental benefit claims for its employees and their dependents. The City is self-insured for the first $150,000 of each claim not to exceed an annual aggregate of 125 percent of expected claims.

The City retains all risks not covered by commercial insurance carriers and has effectively managed risk through various employee education and prevention programs. There have not been any losses in excess of the coverages provided by the self-insurance funds since their inception.

Funds receiving insurance coverage pay monthly premiums to the Risk Management, Workers' Compensation, and Employee Benefits Funds based upon a budget model taking into consideration actuarial analysis and projections, prior loss experience, staffing, and operating budget. Premium payments to insurance carriers, loss control, and self-insurance expenses are made directly from the self-insurance funds.

Based on information provided by the actuary, claims liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Claims liabilities include case reserves, the development of known claims, claims that have been incurred but not reported, and allocated loss adjustment expenses. The claims liabilities consider the effects of inflation, claims settlement trends, such as frequency and severity, and other factors. These liabilities are limited to the self-funded retention and deductibles.

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
Risk Management				
2023-24	$ 4,618,421	$ 1,615,068	$ 608,900	$ 5,624,589
2022-23	4,574,364	1,767,937	1,723,880	4,618,421
Workers' Compensation				
2023-24	598,605	520,788	296,917	822,476
2022-23	779,578	244,809	425,782	598,605
Employee Benefits				
2023-24	953,554	11,390,522	9,850,350	2,493,726
2022-23	819,803	6,967,049	6,833,298	953,554
Total				
2023-24	6,170,580	13,526,378	10,756,167	8,940,791
2022-23	6,173,745	8,979,795	8,982,960	6,170,580

Note 10 – Pensions

The City contributes to the plans described below. The plans are component units of the State of Arizona. At June 30, 2024, the City reported the following aggregate amounts related to pension plans to which it contributes. The CORP and EORP plans are not further disclosed because of their relative insignificance to the City's financial statements.

	Governmental Activities	Business-type Activities	Total
Assets and liabilities			
Net pension liabilities			
ASRS	$ 35,183,295	$ 7,760,642	$ 42,943,937
PSPRS	37,389,383		37,389,383
CORP	686,200		686,200
EORP	357,007		357,007
Total	$ 73,615,885	$ 7,760,642	$ 81,376,527
Deferred outflows of resources			
Pension			
ASRS	$ 5,236,639	$ 1,155,084	$ 6,391,723
PSPRS	16,864,093		16,864,093
CORP	405,812		405,812
EORP	75,902		75,902
Total	$ 22,582,446	$ 1,155,084	$ 23,737,530
Deferred inflows of resources			
Pension			
ASRS	$ 1,449,744	$ 319,781	$ 1,769,525
PSPRS	1,233,756		1,233,756
CORP	168,766		168,766
EORP	147,857		147,857
Total	$ 3,000,123	$ 319,781	$ 3,319,904
Expenses			
Pension			
ASRS	$ 5,667,279	$ 1,569,834	$ 7,237,113
PSPRS	6,984,126		6,984,126
CORP	21,911		21,911
EORP	(104,661)		(104,661)
Total	$ 12,568,655	$ 1,569,834	$ 14,138,489

Note 10 – Pensions (Continued)

The City's accrued payroll and benefits includes $530,148 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2024. Also, the City reported $10.8 million of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan Description. City employees 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. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS 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:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 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

Note 10 – Pensions (Continued)

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 earnings. 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.

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 current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2024 were $ 4,629,986.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

During fiscal year 2024, the City paid for ASRS contributions as follows: 66 percent from the General Fund, 23 percent from other major funds, and 11 percent from nonmajor and other funds.

Pension Liability. The net pension liability was measured as of June 30, 2023. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023. The City's proportion of the net liability was based on the City's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2023.

Note 10 – Pensions (Continued)

At June 30, 2023, the City reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2023, the City's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2022 was:

Net Liability	City % Proportion	Increase (Decrease)
$ 42,943,937	0.265	(0.003)

Pension Expense and Deferred Outflows/Inflows of Resources. The City has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The City's pension expense for the year ended June 30, 2024 was $7,237,113.

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 970,362	$
Net difference between projected and actual		1,519,394
Changes in proportion and differences between contributions and proportionate share of contributions	791,375	250,131
Contributions subsequent to the measurement date	4,629,986	
Total	$ 6,391,723	$ 1,769,525

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2025	$ 433,500
2026	(1,889,936)
2027	1,637,457
2028	(188,809)

Note 10 – Pensions (Continued)

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

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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 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, excluding any 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%	3.50%
Credit	23%	5.90
Interest rate sensitive	6%	1.50
Private equity	10%	6.70
Real estate	17%	5.90
Total	100%	

Note 10 – Pensions (Continued)

Discount Rate. The discount rate used to measure the total pension 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 plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	$ 64,323,710	$ 42,943,937	$ 25,116,988

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

B. Public Safety Personnel Retirement System

Plan Descriptions. City public safety 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 (PSDCRP). 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 employees who became PSPRS members on or after July 1, 2017, participate in either agent plans or cost-sharing plans (PSPRS Tier 3 Risk Pool). The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at www.psprs.com.

The PSPRS Tier 3 Risk Pool plans are not further disclosed because of their relative insignificance to the City's financial statements.

Note 10 – Pensions (Continued)

Benefits Provided. The PSPRS provides retirement, disability, and survivor benefits. State statute establishes benefits 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
Retirement and disability:		
Years of service and age required to receive benefit	20 years of service, at any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
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	

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.

Note 10 – Pensions (Continued)

Employees Covered by Benefit Terms. At June 30, 2024, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS - Police	PSPRS - Fire
Retirees and beneficiaries	41	19
members	39	8
Active members	77	53
Total	157	80

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 PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2024, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members – pension	7.65% to 11.65%	7.65% to 11.65%
City:		
Pension	26.34% to 31.69%	22.47% to 30.75%

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to PSPRS. The City was required by statute to contribute at the actuarially determined rate of 17.65 percent for police retirees and 13.66 percent for fire retirees to the PSPRS. ACR contributions are included in employer contributions presented below.

The City's contributions to the pension plans for the year ended June 30, 2024, were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	$ 4,574,027	$ 2,249,669

The City's pension contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

Note 10 – Pensions (Continued)

Pension Assets/Liabilities. At June 30, 2024, the City reported the following pension assets and liabilities.

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets) Liabilities	$ 24,645,793	$ 12,743,590

The net pension assets/liabilities were measured as of June 30, 2023. The total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	2.75-15.0%
Price inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022, actuarial evaluation.

Note 10 – Pensions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. public equity	24%	3.98%
International public equity	16	4.49
Global private equity	20	7.28
Other assets (capital appreciation)	7	4.49
Core bonds	6	1.90
Private credit	20	6.19
Diversifying strategies	5	3.68
Cash – Mellon	2	0.69
Total	100%	

Discount Rate. At June 30, 2023, the discount rate used to measure the total pension liability was 7.2 percent.

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

Note 10 – Pensions (Continued)

Changes in the Net Pension (Assets)/Liabilities

	Increase (Decrease)		
PSPRS - Police	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at June 30, 2023	$ 68,920,526	$ 45,495,936	$ 23,424,590
Service cost	1,736,386		1,736,386
Interest on the total pension liability	5,013,157		5,013,157
Differences between expected and actual experience in the measurement of the pension liability	2,853,414		2,853,414
Contributions – employer		3,992,043	(3,992,043)
Contributions – employee		832,759	(832,759)
Net investment income		3,686,690	(3,686,690)
Benefit payments, including refunds of employee contributions	(2,059,462)	(2,059,462)	
Administrative expense		(34,220)	34,220
Other changes		(95,518)	95,518
Net changes	7,543,495	6,322,292	1,221,203
Balances at June 30, 2024	$ 76,464,021	$ 51,818,228	$ 24,645,793

	Increase (Decrease)		
PSPRS - Fire	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at June 30, 2023	$ 49,197,367	$ 37,003,084	$ 12,194,283
Service cost	1,569,156		1,569,156
Interest on the total pension liability	3,608,676		3,608,676
Differences between expected and actual experience in the measurement of the pension liability	1,021,437		1,021,437
Contributions – employer		2,246,167	(2,246,167)
Contributions – employee		545,698	(545,698)
Net investment income		2,959,415	(2,959,415)
Benefit payments, including refunds of employee contributions	(1,292,052)	(1,292,052)	
Administrative expense		(18,549)	18,549
Other changes		(82,769)	82,769
Net changes	4,907,217	4,357,910	549,307
Balances at June 30, 2024	$ 54,104,584	$ 41,360,994	$ 12,743,590

Note 10 – Pensions (Continued)

Sensitivity of the Net Pension (Assets) Liabilities to Changes in the Discount Rate. The following presents the City's net pension (assets) liabilities calculated using the discount rate noted above, as well as what the City's net pension (assets) liabilities 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	Current Discount Rate	1% Increase
PSPRS - Police:			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	$ 36,677,870	$ 24,645,793	$ 14,980,367
PSPRS - Fire			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	$ 21,146,810	$ 12,743,590	$ 5,926,701

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

Pension Expense. For the year ended June 30, 2024, the City recognized the following as pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	$ 4,297,047	$ 2,687,079

Note 10 – Pensions (Concluded)

Pension Deferred Outflows/Inflows of Resources. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:		
Differences between expected and actual experience	$ 4,888,769	$ 321,088
Changes of assumptions or other inputs	1,159,518	
Net difference between projected and actual earnings on pension plan investments	348,601	
Contributions subsequent to the measurement date	4,574,027	
Total	$ 10,970,915	$ 321,088
PSPRS - Fire		
Differences between expected and actual experience	$ 2,258,169	$ 912,668
Changes of assumptions or other inputs	1,074,056	
Net difference between projected and actual earnings on pension plan investments	311,284	
Contributions subsequent to the measurement date	2,249,669	
Total	$ 5,893,178	$ 912,668

The amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an increase in the net pension assets or a reduction of the net pension liabilities in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expenses as follows:

Year Ending June 30:	PSPRS - Police	PSPRS - Fire
2025	$ 1,302,310	$ 508,529
2026	817,777	139,092
2027	2,281,247	1,208,584
2028	1,198,897	333,363
2029	475,569	338,692
Thereafter		202,581

Note 11 – Fund Balances

The fund balance classifications of the governmental funds as of June 30, 2024 were as follows:

	General	Dedicated Sales Tax Revenue	Public Safety Sales Tax Revenue	Grants in Aid	General Obligation Bonds Debt Service	Other Capital Projects	Non-Major Governmental Funds
Fund Balances:							
Nonspendable:							
Inventory	$ 23,798	$	$	$	$	$	$ 5,836
Prepaid items	109,963		73,532	41,869			1,255,104
Restricted:							
Streets and transportation							10,637,346
Courts							614,872
Grantor and contributor purposes				1,876,303			179,018
Public safety			13,473,629				
Debt service					180,731		550,856
Capital projects						3,271,609	18,922,283
Water, sewer, streets and transporation		23,278,832					
Committed:							
Budgetary stabilization	30,801,015						
Assigned:							
Vehicle replacement							6,154,764
Unassigned	104,290,419					(1,615,677)	(19,839)
Total fund balances	$135,225,195	$ 23,278,832	$ 13,547,161	$1,918,172	$ 180,731	$ 1,655,932	$ 38,300,240

Note 12 – Contingencies, Commitments and Other Claims

Litigation. The City is in litigation arising in the ordinary course of its operations. The City believes that the liability, if any, in connection with these matters will not have a material adverse effect on the City's financial position, changes in financial position, or liquidity.

Federal and State Grants. The City received grants from both the federal and state governments during the year ended June 30, 2024, and some grants have been audited as of June 30, 2024. The City expects no material disallowance of expenditures.

Note 12 – Contingencies, Commitments and Other Claims (Concluded)

Contractual Commitments. The City had major contractual commitments related to various capital projects at June 30, 2024. As of June 30, 2024, the City had spent $59.6 million on these projects and had remaining contractual commitments with contractors of $34.5 million. These projects are being financed from development fees, bond proceeds, intergovernmental revenues, operating and capital grants, and general operating fund balances. The project categories and remaining commitments at June 30, 2024 are as follows:

	Balance
General government construction and improvements	$ 134,887
Street construction and improvements	764,315
Park construction and improvements	5,864,659
Public safety construction and improvements	7,728,356
Water system construction and improvements	15,474,407
Sewer system construction and improvements	4,496,543
Total	$ 34,463,167

Note 13 – Joint Ventures

The City participates in the Regional Wireless Cooperative (RWC), an Arizona joint venture, multi-jurisdictional organization formed in 2008 to oversee the construction, operation, and maintenance of a regional communications network. The regional communications network was built to seamlessly serve the interoperable communication needs of first responders and other municipal radio users in and around the Phoenix Metropolitan Region. All members share ongoing financial responsibilities based on their relative size, which is measured by the number of subscriber units (radios) on the network. Currently, the City of Phoenix is responsible for the day-to-day operations and maintenance of the network, as well as the management of the RWC's organization and finances.

The City records its share of equity in the joint venture in the government-wide financial statements. The City's equity balance as of June 30, 2024, was $753,150 or 0.9 percent of the RWC's total net position. The RWC Annual Comprehensive Financial Report is available from the Regional Wireless Cooperative, 200 West Washington Street, 12th Floor, Phoenix, Arizona, 85003.

Note 14 – Restatements of Beginning Balances

Change within the Financial Reporting Entity – In the current fiscal year, there has been a change in major funds. The General Obligation Bonds Debt Service Fund now has liabilities that exceed five percent of governmental fund liabilities and ten percent of total liabilities government-wide. The change is reflected on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances as a restatement to beginning of year fund balances.

	June 30, 2023, As Previously Reported	Change within the Financial Reporting Entity	June 30, 2023, As Restated
Governmental Funds			
Major Funds:			
General Fund	$ 121,870,719	$	$ 121,870,719
Dedicated Sales Tax Revenue Fund	20,111,705		20,111,705
Public Safety Sales Tax Revenue Fund	17,345,385		17,345,385
Grants In Aid Fund	2,478,979		2,478,979
General Obligation Bonds Debt Service Fund		151,810	151,810
Other Capital Projects Fund	13,279,059		13,279,059
Non-Major Governmental Funds	35,033,639	(151,810)	34,881,829
Total Governmental Funds	$ 210,119,486	$	$ 210,119,486

Note 15 – Tax Abatements

For the fiscal year ended June 30, 2024, no tax abatement agreements meeting the criteria of GASB Statement No. 77 were noted.

Required Supplementary Information

Avondale

City of Avondale, Arizona
Schedule Of The Proportionate Share Of The Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's proportion of the net pension (assets) liability	0.27%	0.27%	0.25%	0.23%	0.23%
City's proportionate share of the net pension (assets) liability	$ 42,943,937	$ 43,717,437	$ 33,011,820	$ 40,436,632	$ 33,554,983
City's covered payroll	$ 34,259,388	$ 31,881,107	$ 28,133,798	$ 25,518,191	$ 24,271,500
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	125.35%	137.13%	117.34%	158.46%	138.25%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%

	2019	2018	2017	2016	2015
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the net pension (assets) liability	0.22%	0.21%	0.21%	0.20%	0.20%
City's proportionate share of the net pension (assets) liability	$ 30,846,826	$ 32,841,652	$ 33,876,740	$ 31,729,753	$ 29,600,287
City's covered payroll	$ 22,151,275	$ 20,721,364	$ 19,651,484	$ 18,779,494	$ 18,032,916
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	139.26%	158.49%	172.39%	168.96%	164.15%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

See accompanying notes to this schedule.

City of Avondale, Arizona
Schedule Of Changes In The Net Pension Liability And Related Ratios
Public Safety Personnel Retirement System - Police
Last Ten Fiscal Years

	2024	2023	2022	2021
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability				
Service cost	$ 1,736,386	$ 1,781,605	$ 1,881,975	$ 1,883,469
Interest	5,013,157	4,609,302	4,353,594	3,900,492
Changes of benefit terms				
Differences between expected and actual experience	2,853,414	1,758,428	(400,269)	2,354,080
Changes of assumptions or other inputs		522,917		
Benefit payments, including refunds of employee contributions	(2,059,462)	(2,222,498)	(2,241,662)	(1,617,666)
Net change in total pension liability	7,543,495	6,449,754	3,593,638	6,520,375
Total pension liability—beginning	68,920,526	62,470,772	58,877,134	52,356,759
Total pension liability—ending	$ 76,464,021	$ 68,920,526	$ 62,470,772	$ 58,877,134
Plan fiduciary net position				
Contributions—employer	$ 3,992,043	$ 3,762,970	$ 3,294,964	$ 2,781,031
Contributions—employee	832,759	848,410	753,573	786,026
Net investment income	3,686,690	(1,878,591)	9,844,974	421,649
Benefit payments, including refunds of employee contributions	(2,059,462)	(2,222,498)	(2,241,662)	(1,617,666)
Hall/Parker settlement				
Administrative expense	(34,220)	(33,847)	(45,554)	(34,374)
Other changes	(95,518)	19,766	(51,880)	(57,998)
Net change in plan fiduciary net positior	6,322,292	496,210	11,554,415	2,278,668
Plan fiduciary net position—beginning	45,495,936	44,999,726	33,445,311	31,166,643
Plan fiduciary net position—ending	$ 51,818,228	$ 45,495,936	$ 44,999,726	$ 33,445,311
Net pension (assets) liability—ending	$ 24,645,793	$ 23,424,590	$ 17,471,046	$ 25,431,823
Plan fiduciary net position as a percentage of the total pension	67.77%	66.01%	72.03%	56.81%
Covered payroll	$ 13,500,125	$ 11,122,884	$ 10,471,894	$ 8,395,893
Net pension (assets) liability as a percentage of covered payroll	182.56%	210.60%	166.84%	302.91%

See accompanying notes to this schedule.

2020	2019	2018	2017	2016	2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
$ 2,082,977	$ 1,946,106	$ 1,976,541	$ 1,525,046	$ 1,415,787	$ 1,331,141
3,552,659	3,186,313	2,821,376	2,457,622	2,231,813	1,846,508
		381,272	2,654,715		295,006
(207,819)	326,924	966,425	(894,754)	367,549	380,206
1,724,828		771,117	1,538,022		2,093,103
(1,443,623)	(1,793,686)	(1,129,451)	(1,261,226)	(1,125,230)	(1,034,663)
5,709,022	3,665,657	5,787,280	6,019,425	2,889,919	4,911,301
46,647,737	42,982,080	37,194,800	31,175,375	28,285,456	23,374,155
$ 52,356,759	$ 46,647,737	$ 42,982,080	$ 37,194,800	$ 31,175,375	$ 28,285,456
$ 2,793,143	$ 2,451,734	$ 1,823,389	$ 1,683,672	$ 1,318,663	$ 1,232,188
802,184	825,215	976,415	932,789	861,574	743,958
1,545,862	1,759,091	2,570,277	118,764	689,299	2,121,707
(1,443,623)	(1,793,686)	(1,129,451)	(1,261,226)	(1,125,230)	(1,034,663)
	(981,953)				
(27,850)	(27,473)	(23,143)	(17,489)	(17,204)	(3,445)
(16,823)	(5,262)	21,812	(380,099)	1,164	(472,452)
3,652,893	2,227,666	4,239,299	1,076,411	1,728,266	2,587,293
27,513,750	25,286,084	21,046,785	19,970,374	18,242,108	15,654,815
$ 31,166,643	$ 27,513,750	$ 25,286,084	$ 21,046,785	$ 19,970,374	$ 18,242,108
$ 21,190,116	$ 19,133,987	$ 17,695,996	$ 16,148,015	$ 11,205,001	$ 10,043,348
59.53%	58.98%	58.83%	56.59%	64.06%	64.49%
$ 8,403,967	$ 8,742,614	$ 8,903,336	$ 8,099,025	$ 7,704,528	$ 7,503,472
252.14%	218.86%	198.76%	199.38%	145.43%	133.85%

City of Avondale, Arizona
Schedule Of Changes In The Net Pension Liability And Related Ratios
Public Safety Personnel Retirement System - Fire
Last Ten Fiscal Years

	2024	2023	2022	2021
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability				
Service cost	$ 1,569,156	$ 1,537,021	$ 1,374,881	$ 1,323,149
Interest	3,608,676	3,416,472	3,090,479	2,818,243
Changes of benefit terms				
Differences between expected and actual experience	1,021,437	(913,931)	1,066,550	702,714
Changes of assumptions or other inputs		419,168		
Benefit payments, including refunds of employee contributions	(1,292,052)	(1,050,667)	(1,406,105)	(927,059)
Net change in total pension liability	4,907,217	3,408,063	4,125,805	3,917,047
Total pension liability—beginning	49,197,367	45,789,304	41,663,499	37,746,452
Total pension liability—ending	$ 54,104,584	$ 49,197,367	$ 45,789,304	$ 41,663,499
Plan fiduciary net position				
Contributions—employer	$ 2,246,167	$ 2,280,197	$ 1,951,256	$ 1,682,468
Contributions—employee	545,698	527,871	559,214	591,599
Net investment income	2,959,415	(1,524,837)	8,010,490	352,659
Benefit payments, including refunds of employee contributions	(1,292,052)	(1,050,667)	(1,406,105)	(927,059)
Hall/Parker settlement				
Administrative expense	(18,549)	(27,484)	(37,301)	(28,754)
Other changes	(82,769)			
Net change in plan fiduciary net positior	4,357,910	205,080	9,077,554	1,670,913
Plan fiduciary net position—beginning	37,003,084	36,798,004	27,720,450	26,049,537
Plan fiduciary net position—ending	$ 41,360,994	$ 37,003,084	$ 36,798,004	$ 27,720,450
Net pension (assets) liability—ending	$ 12,743,590	$ 12,194,283	$ 8,991,300	$ 13,943,049
Plan fiduciary net position as a percentage of the total pension	76.45%	75.21%	80.36%	66.53%
Covered payroll	$ 8,149,631	$ 7,461,345	$ 6,745,865	$ 6,422,114
Net pension (assets) liability as a percentage of covered payroll	156.37%	163.43%	133.29%	217.11%

See accompanying notes to this schedule.

2020	2019	2018	2017	2016	2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
$ 1,441,304	$ 1,418,344	$ 1,296,498	$ 1,059,427	$ 980,484	$ 837,218
2,606,870	2,309,854	2,098,727	1,702,937	1,544,325	1,312,216
		170,572	2,475,378		106,903
(392,200)	574,991	(55,836)	216,529	(131,687)	50,110
841,106		303,190	1,109,853		932,687
(1,074,604)	(968,557)	(317,165)	(469,042)	(355,057)	(352,875)
3,422,476	3,334,632	3,495,986	6,095,082	2,038,065	2,886,259
34,323,976	30,989,344	27,493,358	21,398,276	19,360,211	16,473,952
$ 37,746,452	$ 34,323,976	$ 30,989,344	$ 27,493,358	$ 21,398,276	$ 19,360,211
$ 1,584,692	$ 1,682,744	$ 955,224	$ 940,588	$ 851,284	$ 769,757
497,947	512,464	642,054	729,183	597,484	506,808
1,315,049	1,520,488	2,229,110	102,392	585,392	1,788,116
(1,074,604)	(968,557)	(317,165)	(469,042)	(355,057)	(352,875)
	(824,447)				
(23,850)	(23,842)	(20,124)	(15,135)	(14,673)	(2,904)
(10,545)	250	2,937	(84,529)	(8,867)	(254,889)
2,288,689	1,899,100	3,492,036	1,203,457	1,655,563	2,454,013
23,760,848	21,861,748	18,369,712	17,166,255	15,510,692	13,056,679
$ 26,049,537	$ 23,760,848	$ 21,861,748	$ 18,369,712	$ 17,166,255	$ 15,510,692
$ 11,696,915	$ 10,563,128	$ 9,127,596	$ 9,123,646	$ 4,232,021	$ 3,849,519
69.01%	69.23%	70.55%	66.82%	80.22%	80.12%
$ 5,733,847	$ 6,012,478	$ 5,659,091	$ 5,500,657	$ 5,207,816	$ 5,123,433
204.00%	175.69%	161.29%	165.86%	81.26%	75.14%

City of Avondale, Arizona
Schedule Of Pension Contributions
All Pension Plans
Last Ten Fiscal Years

	2024	2023	2022	2021
Arizona State Retirement System:				
Actuarially determined contribution	$ 4,629,986	$ 4,083,719	$ 3,828,921	$ 3,314,660
Contributions in relation to the actuarially determined contribution	4,629,986	4,083,719	3,828,921	3,314,660
Contribution deficiency (excess)	$	$	$	$
City's covered payroll	$ 38,486,999	$ 34,259,388	$ 31,881,107	$ 28,133,798
Contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.78%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	$ 4,574,027	$ 4,052,949	$ 4,084,982	$ 3,511,743
Contributions in relation to the actuarially determined contribution	4,574,027	4,052,949	4,084,982	3,511,743
Contribution deficiency (excess)	$	$	$	$
City's covered payroll	$ 15,541,802	$ 13,500,125	$ 11,122,884	$ 10,471,894
Contributions as a percentage of covered payroll	29.43%	30.02%	36.73%	33.53%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	$ 2,249,669	$ 2,262,891	$ 2,398,322	$ 1,984,099
Contributions in relation to the actuarially determined contribution	2,249,669	2,262,891	2,398,322	1,984,099
Contribution deficiency (excess)	$	$	$	$
City's covered payroll	$ 9,195,804	$ 8,149,631	$ 7,461,345	$ 6,745,865
Contributions as a percentage of covered payroll	24.46%	27.77%	32.14%	29.41%

See accompanying notes to this schedule.

2020	2019	2018	2017	2016	2015
$ 2,922,778	$ 2,718,912	$ 2,414,489	$ 2,233,763	$ 2,132,186	$ 2,043,209
2,922,778	2,718,912	2,414,489	2,233,763	2,132,186	2,043,209
$	$	$	$	$	$
$ 25,518,191	$ 24,271,500	$ 22,151,275	$ 20,721,364	$ 19,651,484	$ 18,779,494
11.45%	11.20%	10.90%	10.78%	10.85%	10.88%
$ 2,781,031	$ 2,832,186	$ 2,452,912	$ 1,823,389	$ 1,683,672	$ 1,318,663
2,781,031	2,832,186	1,485,625	1,823,389	1,683,672	1,318,663
$	$	$ 967,287	$	$	$
$ 8,395,893	$ 8,403,967	$ 8,742,614	$ 8,903,336	$ 8,099,025	$ 7,704,528
33.12%	33.70%	16.99%	20.48%	20.79%	17.12%
$ 1,682,468	$ 1,858,991	$ 1,391,519	$ 955,224	$ 940,588	$ 851,284
1,682,468	1,858,991	581,486	955,224	940,588	851,284
$	$	$ 810,033	$	$	$
$ 6,422,114	$ 5,733,847	$ 6,012,478	$ 5,659,091	$ 5,500,657	$ 5,207,816
26.20%	32.42%	9.67%	16.88%	17.10%	16.35%

Note 1 – Pension Plan Schedules

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The actuarial assumptions used in the June 30, 2023 valuation for PSPRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2021 actuarial valuation.

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 plan's OR plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

The City refunded excess employee contributions to PSPRS members. PSPRS allowed the City to reduce its actual employer contributions for the refund amounts. As a result, the City's pension contributions were less than the actuarially or statutorily determined contributions for 2018.

Combining and Individual
Fund Financial Statements and Schedules

Nonmajor Governmental Funds
Combining Fund Statements

Special Revenue Funds

Highway User Revenue Fund accounts for excise fuel taxes and other fees and charges relating to the registration and operation of motor vehicles on the public highways of the State. These revenues are distributed to cities and towns based on a formula. A constitutional provision requires that these revenues be used for highway and street purposes.

Local Transportation Assistance Fund accounts for transit grants that provide resources to support public transportation services. This fund also accounts for special distributions of state lottery monies that are restricted for transit-related projects and programs.

Senior Programs Fund accounts for senior services provided to senior citizens within the community. These services are funded mainly by federal and state programs that provide resources to preserve and promote nutrition and health, prevent and reduce the risk of chronic diseases, and to promote and maintain independence and independent living.

Judicial Funds accounts for resources required to improve, maintain, and enhance the ability to collect and manage monies assessed or received by the City Court including restitution, child support, fines and civil penalties, as well as to improve court automation projects likely to improve case processing or the administration of justice.

Family Advocacy Center Fund accounts for resources to operate the Southwest Family Advocacy Center which provides services to victims of domestic violence and other crimes. The City jointly funds and administers the Center with the municipalities and police departments of Avondale, Buckeye, Goodyear, and the Maricopa County Sheriff's Office through the County of Maricopa.

Environmental Fees Fund accounts for environment fees collected and spent by the City to administer and enforce environmental programs such as the National Pollutant Discharge Elimination System Program and Particulate Matter Program.

Alamar CFD Operating Fund accounts for resources required to operate and maintain public infrastructures in the Alamar Community Facilities District within the City.

Debt Service Funds

Dedicated Sales Tax Revenue Bonds Debt Service Fund accounts for the accumulation of resources and payment of principal and interest on MDC revenue bonds and pledged revenue refunding obligations issued by the City. The City has pledged the voter-approved 0.5-cent sales tax revenues and general excise taxes to make the required debt services payments.

Other Debt Service Fund accounts for the accumulation of resources and payment of principal and interest on the City's general long-term bond indebtedness not accounted for in the other debt service funds. The City has pledged its general excise taxes to make the required debt service payments.

Alamar CFD Debt Service Fund accounts for the accumulation resources and payment of principal and interest on the Alamar Community Facility District's general obligation bonds. The principal and interest on general obligation bonds is normally paid with revenues generated from the secondary property tax levy on property within the District sufficient to make the required debt service payments.

Capital Projects Funds

Development Fees Fund accounts for developer fees collected to finance growth-related development and construction, bond proceeds, sales tax and grant revenues, and fund transfers that are restricted, committed, or assigned to capital development and maintenance.

Vehicle Replacement Fund accounts for reserves set aside for the replacement of city vehicles other than those vehicles used in the City's enterprise activities. A consistent methodology is used to accumulate replacement reserves for operating department vehicle replacement needs. Vehicles are assigned replacement values and estimated useful lives. Operating departments are then charged annual replacement charges such that the replacement reserves are available upon retirement of the vehicles.

Equipment Replacement Fund accounts for reserves set aside for the replacement of city technology equipment other than equipment used in the City's enterprise activities. A consistent methodology is used to accumulate replacement reserves for operating department replacement needs. Equipment is assigned replacement values and estimated useful lives. Operating departments are then charged annual replacement charges such that the replacement reserves are available upon retirement of the equipment.

Alamar CFD Capital Projects Fund accounts general obligation proceeds issued to construct public infrastructures in the Alamar Community Facilities District within the City.

City of Avondale, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Highway User Revenue	Local Transportation Assistance	Senior Programs	Judicial Funds
Assets				
Cash and investments	$ 10,214,532	$ 326,599	$ 50,841	$ 615,912
Receivables, net				
Accounts		2		
Taxes				
Interest	11,702	3,544		
Due from other funds				
Due from other governments	707,255	53,893	127,257	
Inventories		5,836		
Prepaid items	1,255,104			
Restricted cash - fiscal agent				
Total assets	$ 12,188,593	$ 389,874	$ 178,098	$ 615,912
Liabilities				
Accounts payable	$ 237,146	$ 177,603	$ 6,010	$ 1,040
Accrued payroll and employee benefits	58,997	5,074	7,620	
Bond interest payable				
Due to other governments		153,185		
Bonds payable				
Due to other funds				
Unearned revenue				
Total liabilities	296,143	335,862	13,630	1,040
Deferred inflows of resources				
Unavailable revenues - property taxes				
Unavailable revenues - intergovernmental		53,893		
Unavailable revenues - other				
Total deferred inflows of resources		53,893		
Fund balances				
Nonspendable	1,255,104	5,836		
Restricted	10,637,346		164,468	614,872
Assigned				
Unassigned		(5,717)		
Total fund balances	11,892,450	119	164,468	614,872
Total liabilities, deferred inflows of resources and fund balances	$ 12,188,593	$ 389,874	$ 178,098	$ 615,912

Special Revenue Funds				Debt Service Funds			Capital Projects Funds
Family Advocacy Center	Environmental Fees	Alamar CFD Operating	Dedicated Sales Tax Revenue Bonds Debt Service	Other Debt Service	Alamar CFD Debt Service	Development Fees	
$	$ 1,282,111	$ 5,741	$ 1,339	$ 545,404	$	$ 17,538,772	
	40,935						
		254			3,398		
			6	2,432		82,938	
		9,296					
428,500							
			874,169	2,112,430	293,188		
$ 428,500	$ 1,323,046	$ 15,291	$ 875,514	$ 2,660,266	$ 296,586	$ 17,621,710	
$ 14,216	$ 6,927	$	$	$	$	$ 12,926	
16,296	2,970						
			17,127	377,062	148,188		
			856,367	1,734,368	145,000		
378,683		741			9,296		
19,216							
428,411	9,897	741	873,494	2,111,430	302,484	12,926	
8,313							
8,313							
	1,313,149	14,550	2,020	548,836		17,608,784	
(8,224)					(5,898)		
(8,224)	1,313,149	14,550	2,020	548,836	(5,898)	17,608,784	
$ 428,500	$ 1,323,046	$ 15,291	$ 875,514	$ 2,660,266	$ 296,586	$ 17,621,710	

City of Avondale, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Capital Projects Funds			
	Vehicle Replacement	Equipment Replacement	Alamar CFD Capital Projects	Total Non-Major Governmental Funds
Assets				
Cash and investments	$ 6,329,985	$ 2,113	$ 350	$ 36,913,699
Receivables, net				
Accounts				40,937
Taxes				3,652
Interest	33,945			134,567
Due from other funds				9,296
Due from other governments				1,316,905
Inventories				5,836
Prepaid items				1,255,104
Restricted cash - fiscal agent				3,279,787
Total assets	$ 6,363,930	$ 2,113	$ 350	$ 42,959,783
Liabilities				
Accounts payable	$ 209,166	$ 2,113	$	$ 667,147
Accrued payroll and employee benefits				90,957
Bond interest payable				542,377
Due to other governments				153,185
Bonds payable				2,735,735
Due to other funds				388,720
Unearned revenue				19,216
Total liabilities	209,166	2,113		4,597,337
Deferred inflows of resources				
Unavailable revenues - property taxes				
Unavailable revenues - intergovernmental				62,206
Unavailable revenues - other				
Total deferred inflows of resources				62,206
Fund balances				
Nonspendable				1,260,940
Restricted			350	30,904,375
Assigned	6,154,764			6,154,764
Unassigned				(19,839)
Total fund balances	6,154,764		350	38,300,240
Total liabilities, deferred inflows of resources and fund balances	$ 6,363,930	$ 2,113	$ 350	$ 42,959,783

Avondale

City of Avondale, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Highway User Revenue	Local Transportation Assistance	Senior Programs	Judicial Funds
Revenues				
Taxes	$	$	$	$
Licenses and permits				
Intergovernmental	6,937,267	725,884	437,928	16,869
Fines, forfeitures, and penalties				70,454
Investment income	2,178	430		2,677
Contributions			41,713	
Miscellaneous	3,161	11,400		
Total revenues	6,942,606	737,714	479,641	90,000
Expenditures				
Current:				
General government				
Public safety				11,905
Streets and transportation	4,742,279	3,077,459		
Community and economic development				
Community services			451,488	
Capital outlay	618,018			16,868
Debt service:				
Principal retirement	188,841			
Interest and fiscal charges	24,373			
Bond issuance costs				
Total expenditures	5,573,511	3,077,459	451,488	28,773
Excess (deficiency) of revenues over expenditures	1,369,095	(2,339,745)	28,153	61,227
Other financing sources (uses)				
Sale of capital assets				
Transfers in		2,339,700		
Transfers out				
Issuance of bonds				
Discount on sale of bonds				
Total other financing sources (uses)		2,339,700		
Changes in fund balances	1,369,095	(45)	28,153	61,227
Fund balances, beginning of year, as previously reported	10,523,355	164	136,315	553,645
Adjustments to beginning fund balance				
Fund balances, beginning of year, as restated	10,523,355	164	136,315	553,645
Fund balances, end of year	$ 11,892,450	$ 119	$ 164,468	$ 614,872

Special Revenue Funds			Debt Service Funds			
Family Advocacy Center	Environmental Fees	Alamar CFD Operating	General Obligation Bond Debt Service	Dedicated Sales Tax Revenue Bonds Debt Service	Other Debt Service	Alamar CFD Debt Service
$	$	$ 33,966	$	$	$	$ 441,825
1,218,995	325,404					
20,500				504	28,240	
1,239,495	325,404	33,966		504	28,240	441,825
136,700		7,680		1,914	110	700
989,874	225,972					
344,148				856,367	1,734,368	145,000
45,936				34,255	754,125	297,099
1,516,658	225,972	7,680		892,536	2,488,603	442,799
(277,163)	99,432	26,286		(892,032)	(2,460,363)	(974)
197,700				895,000	2,443,000	
197,700				895,000	2,443,000	
(79,463)	99,432	26,286		2,968	(17,363)	(974)
71,239	1,213,717	(11,736)	151,810	(948)	566,199	(4,924)
			(151,810)			
71,239	1,213,717	(11,736)		(948)	566,199	(4,924)
$ (8,224)	$ 1,313,149	$ 14,550	$	$ 2,020	$ 548,836	$ (5,898)

City of Avondale, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects Funds			
	Development Fees	**Vehicle Replacement**	**Equipment Replacement**	**Alamar CFD Capital Projects**
Revenues				
Taxes	$	$	$	$
Licenses and permits	6,820,134			
Intergovernmental				
Fines, forfeitures, and penalties				
Investment income	1,008,994			
Contributions				
Miscellaneous	8,961			
Total revenues	7,838,089			
Expenditures				
Current:				
General government			40,706	
Public safety	125	21,863		
Streets and transportation		56,040		
Community and economic development				
Community services				
Capital outlay	4,284,635	3,017,584	221,160	2,617,185
Debt service:				
Principal retirement				
Interest and fiscal charges				
Bond issuance costs				331,399
Total expenditures	4,284,760	3,095,487	261,866	2,948,584
Excess (deficiency) of revenues over expenditures	3,553,329	(3,095,487)	(261,866)	(2,948,584)
Other financing sources (uses)				
Sale of capital assets		62,769		
Transfers in		1,670,000		
Transfers out				
Issuance of bonds				2,955,000
Discount on sale of bonds				(6,066)
Total other financing sources (uses)		1,732,769		2,948,934
Changes in fund balances	3,553,329	(1,362,718)	(261,866)	350
Fund balances, beginning of year, as previously reported	14,055,455	7,517,482	261,866	
Adjustments to beginning fund balance				
Fund balances, beginning of year, as restated	14,055,455	7,517,482	261,866	
Fund balances, end of year	$ 17,608,784	$ 6,154,764	$	$ 350

Total Non-Major Governmental Funds
$ 475,791
7,145,538
9,336,943
70,454
1,043,023
62,213
23,522
18,157,484
187,810
1,023,767
8,101,750
451,488
10,775,450
3,268,724
1,155,788
331,399
25,296,176
(7,138,692)
62,769
7,545,400
2,955,000
(6,066)
10,557,103
3,418,411
35,033,639
(151,810)
34,881,829
$ 38,300,240

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Highway User Revenue
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 6,923,000	$ 6,923,000	$ 6,937,267	$ 14,267
Investment income			2,178	2,178
Miscellaneous			3,161	3,161
Total revenues	6,923,000	6,923,000	6,942,606	19,606
Expenditures				
Current:				
Streets and transportation	5,638,400	5,638,400	4,742,279	896,121
Capital outlay	9,415,000	8,232,197	618,018	7,614,179
Debt service:				
Principal retirement	189,000	189,000	188,841	159
Interest and fiscal charges	25,000	25,000	24,373	627
Total expenditures	15,267,400	14,084,597	5,573,511	8,511,086
Changes in fund balances	(8,344,400)	(7,161,597)	1,369,095	8,530,692
Fund balances, beginning of year	10,523,355	10,523,355	10,523,355	
Fund balances, end of year	$ 2,178,955	$ 3,361,758	$ 11,892,450	$ 8,530,692

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Local Transportation Assistance
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	1,025,800	1,025,800	$ 725,884	$ (299,916)
Investment income			430	430
Miscellaneous			11,400	11,400
Total revenues	1,025,800	1,025,800	737,714	(288,086)
Expenditures				
Current:				
Streets and transportation	2,662,200	3,140,200	3,077,459	62,741
Capital outlay	164,000	164,000		164,000
Total expenditures	2,826,200	3,304,200	3,077,459	226,741
Excess (deficiency) of revenues over expenditures	(1,800,400)	(2,278,400)	(2,339,745)	(61,345)
Other financing sources (uses)				
Transfers in	1,815,000	1,815,000	2,339,700	524,700
Total other financing sources (uses)	1,815,000	1,815,000	2,339,700	524,700
Changes in fund balances	14,600	(463,400)	(45)	463,355
Fund balances, beginning of year	164	164	164	
Fund balances, end of year	$ 14,764	$ (463,236)	$ 119	$ 463,355

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Senior Programs
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 424,100	$ 439,500	$ 437,928	$ (1,572)
Investment income	3,000	3,000		(3,000)
Contributions	15,100	15,100	41,713	26,613
Total revenues	442,200	457,600	479,641	22,041
Expenditures				
Current:				
Community services	439,400	454,800	451,488	3,312
Total expenditures	439,400	454,800	451,488	3,312
Changes in fund balances	2,800	2,800	28,153	25,353
Fund balances, beginning of year	136,315	136,315	136,315	
Fund balances, end of year	$ 139,115	$ 139,115	$ 164,468	$ 25,353

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Judicial Funds
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$	$	$ 16,869	$ 16,869
Fines, forfeitures, and penalties	52,200	52,200	70,454	18,254
Investment income	7,000	7,000	2,677	(4,323)
Total revenues	59,200	59,200	90,000	30,800
Expenditures				
Current:				
Public safety	108,700	108,700	11,905	96,795
Capital outlay		21,000	16,868	4,132
Total expenditures	108,700	129,700	28,773	100,927
Changes in fund balances	(49,500)	(70,500)	61,227	131,727
Fund balances, beginning of year	553,645	553,645	553,645	
Fund balances, end of year	$ 504,145	$ 483,145	$ 614,872	$ 131,727

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Family Advocacy Center
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 1,201,900	$ 1,302,000	$ 1,218,995	$ (83,005)
Contributions	200,000	200,000	20,500	(179,500)
Total revenues	1,401,900	1,502,000	1,239,495	(262,505)
Expenditures				
Current:				
General government	136,700	136,700	136,700	
Public safety	1,629,100	1,729,200	989,874	739,326
Principal retirement			344,148	(344,148)
Interest and fiscal charges			45,936	(45,936)
Bond issuance costs				
Total expenditures	1,765,800	1,865,900	1,516,658	349,242
Excess (deficiency) of revenues over expenditures	(363,900)	(363,900)	(277,163)	86,737
Other financing sources (uses)				
Transfers in	363,700	363,700	197,700	(166,000)
Total other financing sources (uses)	363,700	363,700	197,700	(166,000)
Changes in fund balances	(200)	(200)	(79,463)	(79,263)
Fund balances, beginning of year	71,239	71,239	71,239	
Fund balances, end of year	$ 71,039	$ 71,039	$ (8,224)	$ (79,263)

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Environmental Fees
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Licenses and permits	$ 300,000	$ 300,000	$ 325,404	$ 25,404
Investment income	29,000	29,000		(29,000)
Total revenues	329,000	329,000	325,404	(3,596)
Expenditures				
Current:				
Streets and transportation	398,000	388,000	225,972	162,028
Total expenditures	398,000	388,000	225,972	162,028
Changes in fund balances	(69,000)	(59,000)	99,432	158,432
Fund balances, beginning of year	1,213,717	1,213,717	1,213,717	
Fund balances, end of year	$ 1,144,717	$ 1,154,717	$ 1,313,149	$ 158,432

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Alamar CFD Operating
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Taxes	$ 36,334	$ 33,966	$ (2,368)
Miscellaneous	100,000		(100,000)
Total revenues	136,334	33,966	(102,368)
Expenditures			
Current:			
General government	136,334	7,680	128,654
Total expenditures	136,334	7,680	128,654
Changes in fund balances		26,286	26,286
Fund balances, beginning of year	(11,736)	(11,736)	
Fund balances, end of year	$ (11,736)	$ 14,550	$ 26,286

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Obligation Bonds Debt Service
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Taxes	$ 4,812,000	$ 4,870,737	$ 58,737
Investment income	1,000	54,294	53,294
Total revenues	4,813,000	4,925,031	112,031
Expenditures			
Current:			
General government	10,000	3,010	6,990
Debt service:			
Principal retirement	3,080,000	3,080,000	
Interest and fiscal charges	1,814,000	1,813,100	900
Total expenditures	4,904,000	4,896,110	7,890
Changes in fund balances	(91,000)	28,921	119,921
Fund balances, beginning of year	151,810	151,810	
Fund balances, end of year	$ 60,810	$ 180,731	$ 119,921

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Dedicated Sales Tax Revenue Bonds Debt Service
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Investment income	$	$ 504	$ 504
Total revenues		504	504
Expenditures			
Current:			
General government	$ 3,000	$ 1,914	$ 1,086
Debt service:			
Principal retirement	857,000	856,367	633
Interest and fiscal charges	35,000	34,255	745
Total expenditures	895,000	892,536	2,464
Excess (deficiency) of revenues over expenditures	(895,000)	(892,032)	2,968
Other financing sources (uses)			
Transfers in	1,076,000	895,000	(181,000)
Total other financing sources (uses)	1,076,000	895,000	(181,000)
Changes in fund balances	181,000	2,968	(178,032)
Fund balances, beginning of year	(948)	(948)	
Fund balances, end of year	$ 180,052	$ 2,020	$ (178,032)

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Debt Service
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Investment income	$ 14,000	$ 28,240	$ 14,240
Total revenues	14,000	28,240	14,240
Expenditures			
Current:			
General government	3,000	110	2,890
Debt service:			
Principal retirement	1,735,000	1,734,368	632
Interest and fiscal charges	758,000	754,125	3,875
Total expenditures	2,496,000	2,488,603	7,397
Excess (deficiency) of revenues over expenditures	(2,482,000)	(2,460,363)	21,637
Other financing sources (uses)			
Transfers in	2,443,000	2,443,000	
Total other financing sources (uses)	2,443,000	2,443,000	
Changes in fund balances	(39,000)	(17,363)	21,637
Fund balances, beginning of year	566,199	566,199	
Fund balances, end of year	$ 527,199	$ 548,836	$ 21,637

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Alamar CFD Debt Service
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Taxes	$ 466,289	$ 441,825	$ (24,464)
Total revenues	466,289	441,825	(24,464)
Expenditures			
Current:			
General government		700	(700)
Debt service:			
Principal retirement	$ 200,000	$ 145,000	$ 55,000
Interest and fiscal charges	266,289	297,099	(30,810)
Total expenditures	466,289	442,799	23,490
Changes in fund balances		(974)	(974)
Fund balances, beginning of year	(4,924)	(4,924)	
Fund balances, end of year	$ (4,924)	$ (5,898)	$ (974)

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Development Fees
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Licenses and permits	$ 6,866,000	$ 6,866,000	$ 6,820,134	$ (45,866)
Investment income	289,000	289,000	1,008,994	719,994
Miscellaneous			8,961	8,961
Total revenues	7,155,000	7,155,000	7,838,089	683,089
Expenditures				
Current:				
Public safety			125	(125)
Capital outlay	8,521,000	7,799,956	4,284,635	3,515,321
Total expenditures	8,521,000	7,799,956	4,284,760	3,515,196
Changes in fund balances	(1,366,000)	(644,956)	3,553,329	4,198,285
Fund balances, beginning of year	14,055,455	14,055,455	14,055,455	
Fund balances, end of year	$ 12,689,455	$ 13,410,499	$ 17,608,784	$ 4,198,285

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Vehicle Replacement
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Expenditures				
Current:				
Public safety	$	$	$ 21,863	$ (21,863)
Streets and transportation	60,000	60,000	56,040	3,960
Capital outlay	1,469,000	4,080,827	3,017,584	1,063,243
Total expenditures	1,529,000	4,140,827	3,095,487	1,045,340
Excess (deficiency) of revenues over expenditures	(1,529,000)	(4,140,827)	(3,095,487)	1,045,340
Other financing sources (uses)				
Sale of capital assets	62,000	62,000	62,769	769
Transfers in	1,670,000	1,670,000	1,670,000	
Total other financing sources (uses)	1,732,000	1,732,000	1,732,769	769
Changes in fund balances	203,000	(2,408,827)	(1,362,718)	1,046,109
Fund balances, beginning of year	7,517,482	7,517,482	7,517,482	
Fund balances, end of year	$ 7,720,482	$ 5,108,655	$ 6,154,764	$ 1,046,109

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Equipment Replacement
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Expenditures				
Current:				
General government	$	$	$ 40,706	$ (40,706)
Capital outlay	251,000	225,412	221,160	4,252
Total expenditures	251,000	225,412	261,866	(36,454)
Changes in fund balances	(251,000)	(225,412)	(261,866)	(36,454)
Fund balances, beginning of year	261,866	261,866	261,866	
Fund balances, end of year	$ 10,866	$ 36,454	$	$ (36,454)

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$	$	$ 80,183	$ 80,183
Investment income	30,000	30,000	473,522	443,522
Contributions			16,703	16,703
Miscellaneous	70,000	70,000		(70,000)
Total revenues	100,000	100,000	570,408	470,408
Expenditures				
Current:				
General government			88,208	(88,208)
Public safety			36,888	(36,888)
Community services			24,219	(24,219)
Capital outlay	81,550,600	76,484,078	39,548,361	36,935,717
Total expenditures	81,550,600	76,484,078	39,697,676	36,786,402
Excess (deficiency) of revenues over expenditures	(81,450,600)	(76,384,078)	(39,127,268)	37,256,810
Other financing sources (uses)				
Transfers in	61,220,000	61,220,000	27,504,141	(33,715,859)
Total other financing sources (uses)	61,220,000	61,220,000	27,504,141	(33,715,859)
Changes in fund balances	(20,230,600)	(15,164,078)	(11,623,127)	3,540,951
Fund balances, beginning of year	13,279,059	13,279,059	13,279,059	
Fund balances, end of year	$ (6,951,541)	$ (1,885,019)	$ 1,655,932	$ 3,540,951

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Alamar CFD Capital Projects
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Expenditures			
Capital outlay	$ 3,748,000	$ 2,617,185	$ 1,130,815
Debt service:			
Bond issuance costs	252,000	331,399	(79,399)
Total expenditures	4,000,000	2,948,584	1,051,416
Excess (deficiency) of revenues over expenditures	(4,000,000)	(2,948,584)	1,051,416
Other financing sources (uses)			
Issuance of bonds	4,000,000	2,955,000	(1,045,000)
Discount on sale of bonds		(6,066)	(6,066)
Total other financing sources (uses)	4,000,000	2,948,934	(1,051,066)
Changes in fund balances		350	350
Fund balances, beginning of year			
Fund balances, end of year	$	$ 350	$ 350

Avondale

Internal Service Funds
Combining Financial Statements

Risk Management Fund accounts for the City's property and liability self-insurance program. Coverage is provided using a combination of self-insurance and private carrier insurance. This fund provides liability insurance coverage for claims over the self-insurance limit; claims under the limit are charged directly to the fund. The fund charges city departments a premium. The premiums are intended to cover current claims, administration, and to establish and maintain a reserve to cover the risk that is being transferred to the fund.

Worker's Compensation Fund accounts for the City's self-insured worker's compensation program. The fund charges city departments a premium. The premiums are intended to cover current claims, administration, excess insurance coverage, and to establish and maintain a reserve to cover the risk that is being transferred to the fund.

Fleet Management Fund accounts for the operation, maintenance, and repair of city-owned fleet vehicles and equipment with costs supported by billing user departments for administrative costs, labor, parts, and fuel charges when fleet services are provided.

Employee Benefits Fund accounts for the City's self-insured health and dental programs for employees. The fund charges the city departments a set premium amount per participating employee. The premiums are intended to cover current claims, administration, excess insurance coverage, and to establish and maintain a reserve to cover the risk that is being transferred to the fund.

City of Avondale, Arizona
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2024

	Risk Management	Workers' Compensation	Fleet Management	Employee Benefits	Total Internal Service Funds
Assets					
Current assets:					
Cash and investments	$ 6,531,414	$ 2,714,643	$ 522,775	$ 4,728,173	$ 14,497,005
Receivables					
Accounts				727,985	727,985
Interest	43,205	11,930		19,632	74,767
Inventories			375,826		375,826
Prepaid items	5,520			28,520	34,040
Total current assets	6,580,139	2,726,573	898,601	5,504,310	15,709,623
Noncurrent assets:					
Capital assets, net accumulated depreciation	2,090		239,484		241,574
Total noncurrent assets	2,090		239,484		241,574
Total assets	6,582,229	2,726,573	1,138,085	5,504,310	15,951,197
Deferred outflows of resources					
Pension plan items	14,904	15,996	141,942	22,165	195,007
Total deferred outflows of resources	14,904	15,996	141,942	22,165	195,007
Liabilities					
Current liabilities:					
Accounts payable	23,116	7,221	174,713		205,050
Accrued payroll and employee benefits	1,647		23,548	171,719	196,914
Claims payable	3,712,229	424,597		2,493,726	6,630,552
Compensated absences			110,308	7,480	117,788
Total current liabilities	3,736,992	431,818	308,569	2,672,925	7,150,304
Noncurrent liabilities:					
Non-current portion of long-term obligations	2,012,495	505,350	981,241	150,792	3,649,878
Total noncurrent liabilities	2,012,495	505,350	981,241	150,792	3,649,878
Total liabilities	5,749,487	937,168	1,289,810	2,823,717	10,800,182
Deferred inflows of resources					
Pension plan items	4,126	4,428	39,296	6,136	53,986
Total deferred inflows of resources	4,126	4,428	39,296	6,136	53,986
Net position					
Net investment in capital assets	2,090		239,484		241,574
Unrestricted	841,430	1,800,973	(288,563)	2,696,622	5,050,462
Total net position	$ 843,520	$ 1,800,973	$ (49,079)	$ 2,696,622	$ 5,292,036

City of Avondale, Arizona
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Risk Management	Workers' Compensation	Fleet Management	Employee Benefits	Total Internal Service Funds
Operating revenues					
Charges for services	$ 6,052,000	$ 781,371	$ 4,167,536	$ 10,050,704	$ 21,051,611
Miscellaneous	70,451		610	331,840	402,901
Total operating revenues	6,122,451	781,371	4,168,146	10,382,544	21,454,512
Operating expenses					
Salaries, wages, and benefits	101,659	106,310	1,294,012	326,670	1,828,651
Contractual services, materials, and supplies	160,246	60,565	2,598,334	72,659	2,891,804
Insurance claims and expenses	4,296,220	767,178		11,390,522	16,453,920
Depreciation and amortization	36,505		29,652		66,157
Total operating expenses	4,594,630	934,053	3,921,998	11,789,851	21,240,532
Operating income (loss)	1,527,821	(152,682)	246,148	(1,407,307)	213,980
Nonoperating revenues (expenses)					
Investment income	350,519	128,200		231,476	710,195
Gain (loss) on disposal of capital assets			570		570
Total nonoperating revenue (expenses)	350,519	128,200	570	231,476	710,765
Changes in net position	1,878,340	(24,482)	246,718	(1,175,831)	924,745
Total net position, beginning of year	(1,034,820)	1,825,455	(295,797)	3,872,453	4,367,291
Total net position, end of year	$ 843,520	$ 1,800,973	$ (49,079)	$ 2,696,622	$ 5,292,036

City of Avondale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Risk Management	Workers' Compensation	Fleet Management	Employee Benefits	Total Internal Service Funds
Increase/Decrease in Cash and Cash Equivalents					
Cash flows from operating activities					
Cash received from customers	$ 6,052,000	$ 781,371	$ 4,182,434	$ 10,050,704	$ 21,066,509
Cash payments to suppliers for goods and services	(3,495,105)	(597,940)	(2,549,629)	(9,923,009)	(16,565,683)
Cash payments to employees for services	(141,148)	(166,532)	(1,146,263)	(56,393)	(1,510,336)
Miscellaneous	70,451		610	331,840	402,901
Net cash provided by/used for operating activities	2,486,198	16,899	487,152	403,142	3,393,391
Cash flows from investing activities					
Investment income	331,978	123,607		223,539	679,124
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets			(33,110)		(33,110)
Proceeds from sale of capital assets			570		570
Net cash provided by/used for operating activities			(32,540)		(32,540)
Net increase/decrease in cash and cash equivalents	2,818,176	140,506	454,612	626,681	4,039,975
Cash and cash equivalents, beginning of year	3,713,238	2,574,137	68,163	4,101,492	10,457,030
Cash and cash equivalents, end of year	$ 6,531,414	$ 2,714,643	$ 522,775	$ 4,728,173	$ 14,497,005
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities					
Operating income/loss	$ 1,527,821	$ (152,682)	$ 246,148	$ (1,407,307)	$ 213,980
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:					
Depreciation and amortization	36,505	-	29,652	-	66,157
Difference between pension expense and contributions	(13,013)	(31,249)	119,097	132,893	207,728
Changes in assets and liabilities:					
Increase/decrease in accounts receivable					
Increase/decrease in due from other governments			14,898		14,898
Increase/decrease in inventories			(54,800)		(54,800)
Increase/decrease in prepaid items					
Increase/decrease in accounts payable	(44,810)	5,932	103,505		64,627
Increase/decrease in accrued payroll and employee benefits	(3,346)		8,473	128,034	133,161
Increase/decrease in compensated absences	(23,130)	(28,973)	20,179	9,350	(22,574)
Increase/decrease in claims payable	1,006,171	223,871		1,540,172	2,770,214
Total adjustments	958,377	169,581	241,004	1,810,449	3,179,411
Net cash provided by/used for operating activities	$ 2,486,198	$ 16,899	$ 487,152	$ 403,142	$ 3,393,391

Statistical Section

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the City's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the City's current levels of outstanding debt as well as assess the City's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the City's operations and various resources to help the reader draw conclusions as to how the City's financial information relates to the services provided by the City.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

City of Avondale, Arizona
Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2015	2016	2017	2018[1]
Governmental activities				
Net investment in capital assets	$ 504,180,483	$ 503,290,685	$ 514,022,743	$ 512,002,472
Restricted	27,279,288	31,111,470	31,791,041	37,254,164
Unrestricted	16,252,006	23,773,087	21,900,625	33,300,813
Total governmental activities net position	$ 547,711,777	$ 558,175,242	$ 567,714,409	$ 582,557,449
Business-type activities				
Net investment in capital assets	$ 469,377,530	$ 458,698,957	$ 449,877,043	$ 446,239,125
Restricted	7,247,176	11,795,732	26,297,393	15,578,778
Unrestricted	43,955,822	48,661,412	43,521,686	60,239,113
Total business-type activities net position	$ 520,580,528	$ 519,156,101	$ 519,696,122	$ 522,057,016
Primary government				
Net investment in capital assets	$ 973,558,013	$ 961,989,642	$ 963,899,786	$ 958,241,597
Restricted	34,526,464	42,907,202	58,088,434	52,832,942
Unrestricted	60,207,828	72,434,499	65,422,311	93,539,926
Total primary government net position	$ 1,068,292,305	$ 1,077,331,343	$ 1,087,410,531	$ 1,104,614,465

[1] The beginning net position for 2018 was restated due to implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions.*

Source: Audited City of Avondale, Arizona, Annual Comprehensive Financial Reports.

2019	2020	2021	2022	2023	2024
$ 534,401,329	$ 557,935,106	$ 614,783,697	$ 675,283,655	$ 699,291,076	$ 739,922,188
43,841,243	48,362,118	48,808,455	59,186,035	75,006,320	84,310,614
36,069,630	40,943,280	50,005,785	58,551,122	74,069,013	82,936,683
$ 614,312,202	$ 647,240,504	$ 713,597,937	$ 793,020,812	$ 848,366,409	$ 907,169,485
$ 444,455,024	$ 440,909,317	$ 448,567,411	$ 444,088,746	$ 461,140,523	$ 470,781,251
21,853,516	23,923,066	25,002,166	23,818,992	31,149,645	38,646,325
72,371,991	83,178,540	92,488,337	108,180,491	91,052,556	85,811,961
$ 538,680,531	$ 548,010,923	$ 566,057,914	$ 576,088,229	$ 583,342,724	$ 595,239,537
$ 978,856,353	$ 998,844,423	$ 1,063,351,108	$ 1,119,372,401	$ 1,160,431,599	$ 1,210,703,439
65,694,759	72,285,184	73,810,621	83,005,027	106,155,965	122,956,939
108,441,621	124,121,820	142,494,122	166,731,613	165,121,569	168,748,644
$ 1,152,992,733	$ 1,195,251,427	$ 1,279,655,851	$ 1,369,109,041	$ 1,431,709,133	$ 1,502,409,022

City of Avondale, Arizona
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	$ 12,920,373	$ 13,902,546	$ 14,309,548	$ 17,413,185	$ 13,286,390	$ 17,518,396	$ 21,739,830	$ 23,637,972	$ 30,165,391	$ 32,983,133
Public safety	29,193,364	31,025,502	42,260,573	38,601,762	38,891,455	42,226,785	45,185,028	45,992,791	56,415,999	64,399,855
Highways and streets[1]	14,148,176	12,849,769	12,539,013	13,797,634	14,906,217	14,895,706	12,606,011	-	-	-
Streets and transportation[1]	-	-	-	-	-	-	-	19,541,983	33,990,018	24,421,641
Health and welfare[2]	3,086,230	3,509,117	3,200,864	3,592,893	3,476,278	3,387,949	4,379,888	-	-	-
Community and economic development	5,318,125	6,205,863	6,418,604	6,354,065	6,924,053	8,066,194	9,610,270	8,519,858	6,341,713	8,348,689
Culture and recreation[2]	5,048,110	5,576,173	5,416,224	5,964,961	6,790,207	7,338,930	8,557,624	-	-	-
Transportation[1]	890,857	744,751	890,706	1,138,438	1,357,022	1,212,967	247,288	-	-	-
Community services[2]								14,289,084	15,257,920	19,426,866
Interest on long-term debt	3,574,631	3,368,741	2,887,484	1,268,556	1,722,511	2,276,266	1,886,735	1,980,618	2,127,432	1,970,847
Total governmental activities expenses	74,179,866	77,182,462	87,923,016	88,131,494	87,354,133	96,923,193	104,212,674	113,962,306	144,298,473	151,551,031
Business-type activities:										
Water utility	14,978,673	15,648,760	16,242,773	16,560,738	15,843,476	16,994,862	18,213,754	17,781,575	22,090,163	23,076,247
Wastewater utility	12,039,948	11,862,023	12,389,737	11,620,939	10,355,180	14,409,900	16,330,330	16,904,179	18,829,593	18,415,633
Sanitation utility	4,573,971	4,742,323	4,578,856	4,809,711	5,028,104	5,598,710	5,907,821	6,302,999	8,389,475	8,729,293
Total business-type activities expenses	31,592,592	32,253,106	33,211,366	32,991,388	31,226,760	37,003,472	40,451,905	40,988,753	49,309,231	50,221,173
Total primary government expenses	$ 105,772,458	$ 109,435,568	$ 121,134,382	$ 121,122,882	$ 118,580,893	$ 133,926,665	$ 144,664,579	$ 154,951,059	$ 193,607,704	$ 201,772,204
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 2,024,897	$ 1,959,842	$ 1,747,987	$ 2,074,885	$ 175,579	$ 242,267	$ 211,385	$ 271,535	$ 186,197	$ 375,808
Public safety	515,920	493,996	516,750	440,119	389,186	422,326	720,835	3,842,898	3,392,199	7,838,423
Highways and streets[1]	-	-	-	97,442	-	-	-	-	-	-
Streets and transportation[1]	-	-	-	-	-	-	-	2,420,242	2,197,219	1,918,011
Community and economic development	1,118,951	1,501,234	2,637,557	3,255,772	4,595,774	5,107,216	8,693,777	7,805,105	6,111,300	4,728,314
Culture and recreation[2]	404,179	404,776	369,495	383,379	413,902	327,337	494,439	-	-	-
Community services[2]	-	-	-	-	-	-	-	1,048,516	1,519,247	1,448,884
Operating grants and contributions	8,653,787	8,362,914	9,058,945	9,759,508	10,156,821	16,024,179	14,311,696	11,934,356	18,684,256	19,073,353
Capital grants and contributions	2,044,100	2,552,008	5,509,985	5,841,412	14,680,697	14,634,525	39,943,350	51,022,402	25,193,130	17,870,943
Total governmental activities program revenues	14,761,834	15,274,770	19,840,719	21,852,517	30,411,959	36,757,850	64,375,482	78,345,054	57,283,548	53,253,736
Business-type activities:										
Charges for Services:										
Water	11,527,730	12,840,329	14,655,947	15,451,443	15,024,198	15,829,321	17,809,542	16,340,012	15,380,061	18,873,779
Wastewater	7,988,157	8,247,723	9,133,838	9,731,664	10,515,981	10,140,190	15,123,431	11,035,424	10,447,957	11,909,858
Sanitation	5,055,904	5,104,181	5,139,643	5,247,119	5,326,271	5,323,312	5,426,072	5,903,724	6,504,745	7,600,172
Capital grants and contributions	1,299,643	3,590,768	4,107,998	4,242,922	3,293,949	11,498,981	21,377,308	23,575,102	22,937,333	19,326,995
Total business-type activities program revenues	25,871,434	29,783,001	33,037,426	34,673,148	34,160,399	42,791,804	59,736,353	56,854,262	55,270,096	57,710,804
Total primary government program revenues	$ 40,633,268	$ 45,057,771	$ 52,878,145	$ 56,525,665	$ 64,572,358	$ 79,549,654	$ 124,111,835	$ 135,199,316	$ 112,553,644	$ 110,964,540

(Continuation)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense) Revenue										
Governmental activities	$ (59,418,032)	$ (61,907,692)	$ (68,082,297)	$ (66,278,977)	$ (56,942,174)	$ (60,165,343)	$ (39,837,192)	$ (35,617,252)	$ (87,014,925)	$ (98,297,295)
Business-type activities	(5,721,158)	(2,470,105)	(173,940)	1,681,760	2,933,639	5,788,332	19,284,448	15,865,509	5,960,865	7,489,631
Total primary government net (expenses) revenues	$ (65,139,190)	$ (64,377,797)	$ (68,256,237)	$ (64,597,217)	$ (54,008,535)	$ (54,377,011)	$ (20,552,744)	$ (19,751,743)	$ (81,054,060)	$ (90,807,664)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales and use taxes	$ 40,955,916	$ 43,352,256	$ 46,473,655	$ 49,443,328	$ 52,003,028	$ 55,933,503	$ 67,417,939	$ 78,353,496	$ 87,525,837	$ 86,717,983
Property taxes, levied for general purposes	2,478,599	2,607,457	2,681,915	2,794,009	2,939,551	3,140,055	3,026,822	3,260,871	3,625,941	3,802,696
Property taxes, levied for debt service	3,373,624	3,336,779	3,275,427	3,166,482	4,174,643	4,168,579	3,456,538	3,697,381	5,287,244	5,302,651
Franchise taxes	1,150,766	1,090,135	1,135,350	1,256,448	1,223,384	1,136,532	1,181,424	1,106,972	1,583,188	1,630,400
State shared revenues, unrestricted	19,151,120	19,590,959	20,499,811	21,713,658	22,314,405	23,670,592	27,301,034	28,445,894	35,060,313	42,794,656
Investment income	342,423	399,174	400,040	660,720	3,113,051	3,536,012	98,749	(3,965,905)	713,742	11,874,442
Gain on sale of capital assets	138,810	248,858	268,568	(40,759)	590,335	(27,200)	-	1,654,856	6,778,966	3,074,377
Miscellaneous	2,103,045	1,895,539	3,036,698	2,748,927	2,167,739	1,835,572	2,263,119	1,165,562	441,291	449,166
Transfers	(150,000)	(150,000)	(150,000)	(150,000)	(300,000)	(300,000)	1,449,000	1,321,000	1,344,000	1,454,000
Total governmental activities	69,544,303	72,371,157	77,621,464	81,592,813	88,226,136	93,093,645	106,194,625	115,040,127	142,360,522	157,100,371
Business-type activities:										
Investment income	286,576	381,482	310,375	500,622	2,678,897	3,197,825	5,234	(4,889,794)	2,354,329	5,505,994
Gain on sale of capital assets	25,231	155,204	104,002	124,425	38,168	44,235	-	266,275	121,118	55,541
Miscellaneous	236,635	358,992	149,584	456,716	-	-	241,132	74,502	162,183	299,647
Transfers	150,000	150,000	150,000	150,000	300,000	300,000	(1,449,000)	(1,321,000)	(1,344,000)	(1,454,000)
Total business-type activities	698,442	1,045,678	713,961	1,231,763	3,017,065	3,542,060	(1,202,634)	(5,870,017)	1,293,630	4,407,182
Total primary government	$ 70,242,745	$ 73,416,835	$ 78,335,425	$ 82,824,576	$ 91,243,201	$ 96,635,705	$ 104,991,991	$ 109,170,110	$ 143,654,152	$ 161,507,553
Changes in Net Position										
Governmental activities	$ 10,126,271	$ 10,463,465	$ 9,539,167	$ 15,313,836	$ 31,283,957	$ 32,928,302	$ 66,357,433	$ 79,422,875	$ 55,345,597	$ 58,803,076
Business-type activities	(5,022,716)	(1,424,427)	540,021	2,913,523	5,950,705	9,330,392	18,081,814	9,995,492	7,254,495	11,896,813
Total primary government	$ 5,103,555	$ 9,039,038	$ 10,079,188	$ 18,227,359	$ 37,234,662	$ 42,258,694	$ 84,439,247	$ 89,418,367	$ 62,600,092	$ 70,699,889

Source: Audited City of Avondale, Arizona, Annual Comprehensive

[1] In fiscal year 2021-22, functional groupings Highway and streets and Transportation were combined to form functional group Streets and transportion.

[2] In fiscal year 2021-22, functional groupings Health and welfare, and Culture and recreation were combined to form functional group Community services.

City of Avondale, Arizona
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018
General Fund				
Nonspendable:				
Inventory	$ -	$ 434	$ 6,526	$ -
Prepaid items	342,255	112,432	66,495	86,099
Due from other funds	3,838,468	833,000	-	-
Advances to other funds	-	-	833,000	833,000
Restricted for:				
Public safety	335,058	254,758	102,794	50,965
Committed to:				
Budgetary stabilization	19,405,505	20,092,995	21,400,558	21,867,357
Assigned to:				
Other purposes	4,882,920	3,997,254	12,651,519	2,386,030
Unassigned	7,521,330	16,497,354	15,704,372	22,849,263
Total General Fund	$ 36,325,536	$ 41,788,227	$ 50,765,264	$ 48,072,714
All other governmental funds				
Nonspendable:				
Inventory	$ 320,636	$ 305,262	$ 307,706	$ 267,598
Prepaid items	361,123	400,766	61,168	7,765
Restricted for:				
Transit services	977,138	1,356,976	1,579,099	1,752,045
Highway and streets	4,673,503	5,826,016	7,169,856	8,739,999
Streets and transportation	-	-	-	-
Court	657,831	639,778	613,041	575,788
Grant and contributor purposes	914,738	817,062	1,337,527	1,805,961
Public safety	6,033,061	7,438,683	7,790,078	8,602,953
Debt service	8,430,380	8,912,477	6,117,403	7,598,789
Capital projects	1,291,443	1,388,787	1,436,817	2,664,535
Water, sewer and street projects	2,251,750	2,908,567	4,059,144	5,659,841
Crime victim advocacy	163,340	141,475	143,216	156,204
Committed to:				
Capital projects	263,234	3,544,816	1,667,731	2,969,597
Crime victim advocacy	54,447	47,158	47,738	52,068
Assigned to:				
Vehicle replacement	7,519,081	7,271,801	6,923,450	7,979,615
Equipment replacement	762,199	1,051,461	1,013,680	1,298,485
Capital projects	7,728,456	5,245,637	4,787,077	15,498,698
Transit services	-	-	-	-
Unassigned	(741,111)	(35,283)	(77,490)	(77,490)
Total all other governmental funds	$ 41,661,249	$ 47,261,439	$ 44,977,241	$ 65,552,451

Source: Audited City of Avondale, Arizona, Annual Comprehensive Financial Reports.

2019	2020	2021	2022	2023	2024
$ 185,773	$ 9,415	$ 9,414	$ 11,104	$ 12,677	$ 23,798
207,169	507,805	239,543	326,547	270,638	109,963
-	-	-	-	-	-
128,000	128,000	128,000	-	-	-
77,977	248,072	-	-	-	-
26,907,594	21,752,584	23,098,061	23,187,990	27,235,530	30,801,015
6,990,024	-	-	-	-	-
22,997,628	36,695,305	64,171,656	69,969,725	94,351,874	104,290,419
$ 57,494,165	$ 59,341,181	$ 87,646,674	$ 93,495,366	$ 121,870,719	$ 135,225,195
$ 382,970	$ 19,971	$ 14,230	$ 11,688	$ 10,698	$ 5,836
189,741	765,442	653,890	334,862	926,120	1,370,505
1,621,340	2,050,132	1,896,598	-	-	-
7,454,379	3,938,426	5,889,551	-	-	-
-	-	-	8,512,366	9,701,440	10,637,346
568,017	548,403	530,463	509,243	553,645	614,872
2,216,806	2,251,488	2,125,315	1,507,618	2,584,302	2,055,321
9,772,966	11,573,467	13,371,078	12,675,247	17,345,385	13,473,629
7,846,612	8,656,344	4,178,390	814,570	718,009	731,587
21,794,996	24,946,031	9,045,005	34,534,165	30,008,334	22,193,892
7,617,695	8,872,136	13,297,352	22,697,168	20,111,705	23,278,832
274,366	337,224	122,878	52,941	38,732	-
-	-	-	203,151	-	-
91,452	112,410	40,959	-	-	-
8,885,144	11,275,728	10,979,794	10,710,745	7,517,482	6,154,764
1,073,667	2,183,868	838,141	392,749	221,160	-
12,025,797	14,637,867	-	-	-	-
-	115,567	-	-	-	-
(1,717,345)	-	(1,821,707)	(180,745)	(1,488,245)	(1,635,516)
$ 80,098,603	$ 92,284,504	$ 61,161,937	$ 92,775,768	$ 88,248,767	$ 78,881,068

City of Avondale, Arizona
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018
Revenues				
Taxes	$ 48,121,583	$ 50,433,911	$ 53,621,688	$ 56,655,533
Licenses and permits	2,532,559	3,687,377	5,297,673	7,142,796
Intergovernmental	27,061,879	27,914,071	29,665,270	31,229,183
Charges for services	1,244,710	1,233,719	1,677,400	2,149,686
Fines, forfeitures, and penalties	1,403,457	1,255,197	1,059,626	1,275,599
Investment income	335,873	375,359	380,740	627,961
Contributions	320,386	315,948	362,695	338,603
Miscellaneous	2,345,170	2,087,860	2,373,397	2,295,587
Total revenues	83,365,617	87,303,442	94,438,489	101,714,948
Expenditures				
General government	11,269,744	12,885,068	12,325,497	14,597,179
Public safety	27,588,742	29,453,443	31,889,715	34,895,720
Highways and streets[1]	3,645,538	2,354,255	2,572,848	2,908,744
Streets and transportation[1]	-	-	-	-
Health and welfare[2]	3,109,810	3,590,178	3,300,924	3,719,705
Economic and community development	5,491,412	6,049,229	6,094,461	6,332,025
Culture and recreation[2]	3,851,074	3,716,124	3,849,886	4,185,181
Community services	-	-	-	-
Transportation[1]	894,655	704,440	772,784	1,029,151
Debt Service				
Principal	6,324,153	6,436,835	7,131,893	6,621,797
Interest and other charges	3,614,285	3,409,627	3,282,008	1,914,361
Bond issuance costs	-	-	-	-
Capital outlay	11,544,285	7,799,212	13,693,511	12,936,782
Total expenditures	77,333,698	76,398,411	84,913,527	89,140,645
Excess of revenues over (under) expenditures	6,031,919	10,905,031	9,524,962	12,574,303
Other Financing Sources (Uses)				
Bond issuance	-	-	-	-
Refunding bonds issued	-	-	23,457,070	21,350,000
Payment to refunding bonds escrow agent	-	-	(29,768,467)	(23,395,316)
Bond premium (discount)	-	-	3,012,110	2,464,479
Leases	-	-	-	-
Financed purchases	-	-	304,326	4,542,254
Sale of capital assets	187,050	295,690	283,585	487,210
Transfer in	19,485,856	15,549,460	15,862,362	27,045,943
Transfer out	(19,818,016)	(15,687,300)	(15,983,109)	(27,186,213)
Total other financing sources (uses)	(145,110)	157,850	(2,832,123)	5,308,357
Net change in fund balances	$ 5,886,809	$ 11,062,881	$ 6,692,839	$ 17,882,660
Debt service as a percentage of noncapital expenditures	12.9%	12.9%	12.3%	9.6%

Source: Audited City of Avondale, Arizona, Annual Comprehensive Financial Reports.

[1] In fiscal year 2021-22, functional groupings Highway and streets and Transportation were combined to form functional group Streets and transportion.

[2] In fiscal year 2021-22, functional groupings Health and welfare and Culture and recreation were combined to form functional group Community services.

2019	2020	2021	2022	2023	2024
$ 60,385,319	$ 64,299,980	$ 75,211,122	$ 86,516,299	$ 97,875,024	$ 97,466,946
4,427,131	5,541,167	13,421,020	20,528,163	17,950,247	12,175,562
32,551,139	39,587,746	41,207,834	44,976,509	56,644,780	66,647,960
1,502,560	1,701,390	1,953,877	2,604,389	3,622,819	3,107,558
1,257,723	1,094,797	1,034,521	1,142,447	943,165	1,209,117
2,915,435	3,333,448	98,219	(3,817,151)	756,436	11,164,247
514,193	420,716	681,515	589,248	514,886	920,347
2,167,739	1,835,572	1,655,973	1,579,314	897,830	1,230,094
105,721,239	117,814,816	135,264,081	154,119,218	179,205,187	193,921,831
12,853,986	15,344,639	18,074,080	19,590,468	23,739,751	30,008,336
36,287,670	37,073,434	40,622,318	45,808,205	52,413,883	58,834,767
3,433,985	3,831,136	2,528,919	-	-	-
-	-	-	7,771,209	10,380,417	10,960,597
3,456,788	3,196,520	4,082,446	-	-	-
6,885,367	7,644,528	8,998,339	7,010,446	5,093,116	6,726,871
4,764,881	4,699,724	5,033,025	-	-	-
-	-	-	10,059,941	10,802,057	14,364,375
1,248,002	1,111,568	134,950	-	-	-
8,315,593	7,710,198	12,044,381	7,967,888	7,712,225	6,512,687
2,003,434	2,639,197	2,249,666	2,676,080	3,182,689	3,025,860
-	-	-	481,137	346,539	331,399
27,127,880	31,674,938	48,007,738	52,559,825	54,262,350	68,020,285
106,377,586	114,925,882	141,775,862	153,925,199	167,933,027	198,785,177
(656,347)	2,888,934	(6,511,781)	194,019	11,272,160	(4,863,346)
21,390,000	10,096,000	-	25,455,980	3,675,000	2,955,000
-	-	-	7,765,000	-	-
-	-	-	(8,881,022)	-	-
2,930,479	-		6,586,638	36,514	(6,066)
-	-	-	-	-	1,265,610
-	-	-	-	-	-
1,333,351	135,768	2,242,707	5,462,612	7,078,974	3,181,579
18,514,412	56,646,323	10,221,007	31,527,338	14,910,601	36,289,827
(19,544,292)	(55,734,108)	(8,769,007)	(30,206,338)	(13,566,601)	(34,835,827)
24,623,950	11,143,983	3,694,707	37,710,208	12,134,488	8,850,123
$ 23,967,603	$ 14,032,917	$ (2,817,074)	$ 37,904,227	$ 23,406,648	$ 3,986,777
9.7%	9.0%	10.1%	10.4%	8.8%	7.2%

City of Avondale, Arizona
Assessed Value, Estimated Actual Value, and
Assessment Ratios of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Owner Occupied Property	Residential Rental Property	Commercial and Industrial Property	Agricultural and Vacant Property	Railroad Property	Residential Historical Property
2024	$ 233,940,793	$ 141,918,832	$ 201,935,892	$ 127,068,815	$ 564,173	$ -
2023	217,940,840	124,445,592	191,594,161	122,064,301	519,234	-
2022	200,689,320	113,447,917	171,839,182	116,392,665	322,535	-
2021	188,489,554	108,252,446	158,786,988	110,633,849	309,352	-
2020	175,576,958	102,852,966	150,835,339	100,325,822	322,790	-
2019	163,970,338	93,961,360	136,339,793	91,429,994	319,883	-
2018	149,686,468	92,400,739	126,136,282	90,465,727	900,915	-
2017	137,409,818	90,426,563	118,616,719	88,235,352	333,596	25,525
2016	128,105,887	88,843,605	117,207,777	87,680,276	366,205	31,770
2015	132,908,565	93,145,393	118,877,122	93,364,094	394,449	146,376

Assessment Ratios[3] of Taxable Property

Fiscal Year	Residential Owner Occupied Property	Residential Rental Property	Commercial and Industrial Property	Agricultural and Vacant Property	Railroad Property	Residential Historical Property
2024	10.0 %	10.0 %	17.0 %	15.0 %	14.0 %	5.0 %
2023	10.0	10.0	17.5	15.0	15.0	5.0
2022	10.0	10.0	17.5	15.0	15.0	5.0
2021	10.0	10.0	18.0	15.0	15.0	5.0
2020	10.0	10.0	18.0	15.0	15.0	5.0
2019	10.0	10.0	18.0	15.0	15.0	5.0
2018	10.0	10.0	18.0	15.0	15.0	5.0
2017	10.0	10.0	18.0	15.0	15.0	5.0
2016	10.0	10.0	18.0	15.0	14.0	5.0
2015	10.0	10.0	18.5	16.0	15.0	5.0

[1] Prior to FY 2016, secondary assessed property value was used for secondary ad valorem taxes levied for debt service. Beginning in FY 2016, with a voter-approved Constitutional amendment, secondary ad valorem taxes are now levied on limited assessed property value.

[2] Property in Maricopa County is required to be reassessed yearly. Tax rates are determined using assessed using property assessed values and the required tax levy. The assessed value divided by 100 multiplied by the tax rate determines the taxes billed.

[3] The assessment ratios for each property classification is applied to the total property assessed value to determine the respective assessed valuation for tax levy purposes.

[4] Includes tax exempt property.

Source: Maricopa County Assessor's Office and Arizona Department of Revenue, *Abstract of the Assessment Roll* and the Maricopa County Tax Rate Book web publication for the applicable years.

Municipal Property Improvements	Gross Valuation	Less: Tax Exempt Real Property	Total Property Assessed Value[1]	Total Direct Tax Rate	Estimated Actual Taxable Value	Valuation as a Percentage of Actual Value[4]
$ 109,770	$ 705,538,275	$ (119,216,962)	$ 586,321,313	1.46	$ 5,805,038,742	12.15 %
58,454	656,622,582	(112,402,241)	544,220,341	1.55	5,341,686,682	12.29
55,670	602,747,289	(109,540,097)	493,207,192	1.42	4,879,609,743	12.35
53,020	566,525,209	(104,440,114)	462,085,095	1.42	4,594,437,592	12.33
50,495	529,964,370	(95,869,418)	434,094,952	1.65	4,298,259,968	12.33
81,557	486,102,925	(87,813,977)	398,288,948	1.76	3,956,687,355	12.29
45,801	459,635,932	(88,713,776)	370,922,156	1.60	3,734,960,323	12.31
44,438	435,092,011	(85,989,407)	349,102,604	1.70	3,534,105,675	12.31
-	422,235,520	(85,077,008)	337,158,512	1.75	3,355,310,655	12.58
59,574	438,895,573	(88,208,960)	350,686,613	1.75	3,478,927,843	12.62

City of Avondale, Arizona
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Rate Per $100 of Assessed Valuation)

Fiscal Year		Direct Rate	Overlapping Rates[1]				
		City of Avondale, Arizona	County		Tolleson Elementary School District No. 17	Tolleson Union High School District No. 214	Pendergast Elementary School District No. 92
			County-wide	Community College			
2024	Primary	0.64	1.20	1.08	1.91	1.69	1.78
	Secondary	0.82	0.00	0.06	2.36	3.63	3.90
		1.46					
2023	Primary	0.65	1.25	1.09	1.92	1.77	1.87
	Secondary	0.91	0.00	0.10	2.39	3.64	3.82
		1.56					
2022	Primary	0.67	1.35	1.11	1.95	2.00	2.02
	Secondary	0.76	0.00	0.11	2.43	2.74	3.79
		1.43					
2021	Primary	0.68	1.40	1.13	2.04	2.10	1.98
	Secondary	0.74	0.00	0.16	2.56	2.60	4.04
		1.42					
2020	Primary	0.70	1.40	1.16	2.09	2.61	2.05
	Secondary	0.95	0.00	0.17	2.85	2.40	4.28
		1.65					
2019	Primary	0.73	1.40	1.17	2.14	2.67	2.16
	Secondary	1.03	0.00	0.20	2.71	1.78	4.55
		1.76					
2018	Primary	0.75	1.40	1.20	2.12	2.16	2.26
	Secondary	0.85	0.00	0.21	2.35	1.77	4.60
		1.60					
2017	Primary	0.77	1.40	1.24	2.22	2.27	2.16
	Secondary	0.93	0.00	0.23	2.59	1.29	4.53
		1.70					
2016	Primary	0.78	1.36	1.26	2.07	2.40	2.53
	Secondary	0.97	0.00	0.23	2.71	1.61	4.35
		1.75					
2015	Primary	0.78	1.32	1.28	1.98	2.86	2.68
	Secondary	0.97	0.00	0.24	2.59	1.68	4.51
		1.75					

[1] Overlapping rates are those of local and county governments that apply to the property owners within the City of Avondale. Not all overlapping rates apply to all Avondale property owners. For example, although county property tax rates apply to all city property owners, the school district rates apply only to those property owners whose property is located within the district's geographical boundaries.

Source: Maricopa County Finance Department web publication, 2023 Tax Rates Maricopa County, Arizona.

Overlapping Rates[1]				
Litchfield Elementary School District No. 79	**Avondale Elementary School District No. 44**	**Agua Fria Union High School District No. 216**	**Littleton Elementary School District No. 65**	**Liberty Elementary School District No. 25**
1.69	1.75	2.11	1.82	2.16
1.32	1.75	1.21	2.90	1.94
1.79	1.83	1.84	1.97	2.10
1.51	1.85	1.29	3.17	1.71
1.95	2.29	2.04	2.18	2.29
1.55	1.95	1.26	3.29	1.83
1.90	1.94	2.03	2.17	2.00
1.62	2.33	1.32	3.37	1.93
1.90	1.99	2.07	2.24	2.17
1.77	2.55	1.26	3.42	2.94
1.97	2.12	2.03	2.20	2.01
1.88	2.90	1.45	3.38	1.53
2.04	2.28	2.46	2.42	2.07
1.44	2.94	1.26	3.46	1.66
2.24	3.31	2.08	2.33	2.00
1.57	3.09	1.39	3.64	1.80
2.26	3.11	2.07	2.48	2.55
1.57	3.12	1.19	3.45	1.72
2.33	2.74	2.99	2.59	2.80
1.45	3.06	1.21	3.31	1.70

City of Avondale, Arizona **Schedule 7**

Principal Property Taxpayers

Current Year and Nine Years Prior

	2024			2015		
Taxpayer	**Taxable Assessed Value [1]**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value [1]**	**Rank**	**Percentage of Total Taxable Assessed Value**
J & J Coldwater LLC	$ 8,824,509	1	1.36 %			
Phoenix Speedway Corp	8,819,837	2	1.36	$ 4,581,400	3	0.88 %
CPUS Fairway LP	6,548,078	3	1.01			
Avari LLC	6,120,000	4	0.95			
JIC Avondale LLC	5,348,688	5	0.83			
Avalon Tic Two Llcavalon Tic One LLC	5,275,297	6	0.81			
Van Buren II Owner LLC	5,169,260	7	0.80			
PR 101 Logistics Park Building 2 LLC	4,469,590	8	0.69			
KRG Avondale McDowell LLC	4,164,264	9	0.64			
MREI IV Mirabella LLC	4,161,705	10	0.64			
J&J Coldwater LLC			-	5,883,416	1	1.14
Inland Westland Avondale McDowell LLC			-	5,129,072	2	0.99
Raintree Pad 2 LLC			-	4,082,473	4	0.79
Arizona Public Service Company			-	3,855,635	5	0.74
Mechanic (AZ) QRS 15-41 INC			-	3,633,289	6	0.70
Moreland Arizona Properties LLC			-	3,376,530	7	0.65
Crystal Springs Apartments LLC			-	3,100,000	8	0.60
Smiths Food & Drug Centers Inc			-	3,050,745	9	0.59
FPA4 Mirabella LLC			-	2,860,950	10	0.55
Total	$ 58,901,228		9.09 %	$ 39,553,510		7.63 %

[1] Prior to FY 2016, secondary assessed property value was used for secondary ad valorem taxes levied for debt service. Beginning in FY 2016, with a voter-approved Constitutional amendment, secondary ad valorem taxes are now levied on limited assessed property value.

Source: Maricopa County Assessor records.

City of Avondale, Arizona
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

Fiscal Year	Original Property Tax Levy	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	$ 6,995,316	$ 6,877,147	98.31 %	$ -	$ 6,877,147	98.31 %
2023	6,995,316	6,877,147	98.31	130,088	7,007,235	100.17
2022	6,995,316	6,877,147	98.31	108,177	6,985,324	99.86
2021	6,579,129	6,414,655	97.50	91,636	6,506,290	98.89
2020	7,162,807	6,989,449	97.58	121,544	7,110,993	99.28
2019	7,049,735	6,960,919	98.74	39,510	7,000,429	99.30
2018	5,941,343	5,858,479	98.61	63,882	5,922,361	99.68
2017	5,913,568	5,825,124	98.50	66,388	5,891,512	99.63
2016	5,882,634	5,781,431	98.28	74,920	5,856,351	99.55
2015	5,948,064	5,830,887	98.03	84,128	5,915,015	99.44

[1] Property taxes are payable in two installments. The first installment becomes due on the first day of October and is delinquent after the first business day of November. The second installment is due on the first day of March and becomes delinquent after the first business day of May. Delinquent property taxes are subject to a penalty of 16% per annum, prorated at a monthly rate of 1.33%.

Source: Maricopa County Budget Department and Maricopa County Treasurer's Office, *Secured Levy Report Through June 30, 2024.*

City of Avondale, Arizona **Schedule 9**

Direct and Overlapping Net Limited Assessed Property Values and Tax Rates

Last Ten Fiscal Years

Overlapping Jurisdiction	2023-24 Net Limited Assessed Value for Tax Purposes	2023-24 Total Tax Rate Per $100 Net Limited Assessed Value for Tax Purposes
State of Arizona	$ 83,026,530,244	None
Maricopa County	54,722,310,149	1.2044
Maricopa County Community College District	54,722,310,149	1.1388
Maricopa County Fire District Assistance Tax	54,722,310,149	0.0081
Maricopa County Special Health Care District	55,027,363,791	0.2716
Maricopa County Library District	54,722,310,149	0.0488
Maricopa County Flood Control District	50,354,573,089	0.1536
Central Arizona Water Conservation District	55,027,363,791	0.1400
Tolleson Elementary School District No. 17	257,910,639	4.2725
Liberty Elementary School District No. 25	340,322,967	4.0943
Avondale Elementary School District No. 44	599,104,380	3.5010
Littleton Elementary School District No. 65	348,508,078	4.7215
Litchfield Elementary School District No. 79	1,226,791,462	3.0068
Pendergast Elementary School District No. 92	445,257,580	5.6782
Agua Fria Union High School District No. 216	1,825,895,664	3.3197
Buckeye Union High School District No. 201	952,234,728	2.9938
Tolleson Union High School District No. 214	1,607,350,531	5.3127
Western Maricopa Education Center	19,300,490,997	0.1807
City of Avondale	544,220,341	1.4579

Source: 2023 Property Tax Levy Book-Maricopa County Finance Department|State of AZ 2023 Tax Handbook-JLBC

Avondale

City of Avondale, Arizona
Transaction Priviledge Taxes By Industry Classification
Last Ten Fiscal Years

	2015	2016	2017	2018
Retail	$26,986,156	$28,562,740	$30,102,662	$31,705,835
Construction	1,155,268	1,346,678	2,952,141	3,648,705
Real Estate & Rentals	4,278,607	4,280,205	4,300,470	4,494,779
Communication & Utilities	2,031,513	2,142,543	2,022,266	1,933,124
Restaurants & Bars	3,164,390	3,487,810	3,780,226	4,311,152
Amusement	679,671	734,094	672,178	698,255
Use Tax	340,492	346,127	440,636	488,579
Equipment Rental	739,617	805,719	1,135,654	1,069,078
All Others	385,657	430,470	466,508	516,266
Total	$39,761,371	$42,136,386	$45,872,741	$48,865,773

	Year-over-Year Increase (Decrease)			
Retail	10.1 %	5.8 %	5.4 %	5.3 %
Construction	1.4	16.6	119.2	23.6
Real Estate & Rentals	6.3	0.0	0.5	4.5
Communication & Utilities	(0.9)	5.5	(5.6)	(4.4)
Restaurants & Bars	(1.9)	10.2	8.4	14.0
Amusement	2.0	8.0	(8.4)	3.9
Use Tax	22.4	1.7	27.3	10.9
Equipment Rental	11.2	8.9	40.9	(5.9)
All Others	21.0	11.6	8.4	10.7
Total	7.8 %	6.0 %	8.9 %	6.5 %

[1] Totals may differ from governmental activities tax revenues due to differences in reporting periods.

Source: City records.

2019	2020	2021	2022	2023	2024
$33,716,323	$37,147,412	$45,169,387	$49,342,473	$51,681,311	$52,012,686
3,500,442	3,493,454	5,514,964	8,027,408	13,124,613	11,202,841
4,789,384	5,110,127	5,521,829	6,191,475	7,061,744	7,960,607
1,871,771	1,949,122	1,934,243	2,083,039	2,506,377	3,022,400
4,566,490	4,509,634	5,344,550	6,272,334	7,073,450	7,483,454
716,798	683,355	424,704	931,493	1,463,066	1,333,555
548,682	619,413	761,134	1,052,570	1,076,890	1,083,454
1,171,147	1,201,403	1,372,441	1,395,508	1,566,886	1,446,544
546,654	554,802	693,207	1,099,380	1,302,178	1,362,808
$51,427,691	$55,268,722	$66,736,459	$76,395,680	$86,856,516	$86,908,349

Year-over-Year Increase (Decrease)

6.3 %	10.2 %	21.6 %	9.2 %	4.7 %	0.6 %
(4.1)	(0.2)	57.9	45.6	63.5	(14.6)
6.6	6.7	8.1	12.1	14.1	12.7
(3.2)	4.1	(0.8)	7.7	20.3	20.6
5.9	(1.2)	18.5	17.4	12.8	5.8
2.7	(4.7)	(37.9)	119.3	57.1	(8.9)
12.3	12.9	22.9	38.3	2.3	0.6
9.5	2.6	14.2	1.7	12.3	(7.7)
5.9	1.5	24.9	58.6	18.4	4.7
5.2 %	7.5 %	20.7 %	14.5 %	13.7 %	0.1 %

City of Avondale, Arizona
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Amounts Expressed in Thousands Except Per Capita Amount)

	Governmental Activities[1]					
Fiscal Year	General Obligation Bonds	HURF Bonds	Municipal Development Corporation Bonds[2]	Pledged Revenue Refunding Obligations[2]	Direct Placement Pledged Revenue Obligations	Leases and Financed Purchases[4]
2024	$ 53,896	$ -	$ -	$ 19,579	$ -	$ 4,861
2023	54,460	-	-	24,335	-	4,292
2022	53,609	-	-	29,336	-	4,981
2021	35,375	-	-	7,779	9,553	3,824
2020	42,303	-	-	13,788	10,096	4,088
2019	44,785	-	-	19,360	-	4,359
2018	24,001	-	-	24,738	-	4,542
2017	22,315	330	-	30,175	-	273
2016	24,762	720	32,902	5,063	-	-
2015	26,540	1,093	34,899	7,474	-	-

[1] Amounts above include unamortized discounts and premiums.

[2] The City issued Pledged Revenue Refunding Obligations and refunded all outstanding Municipal Development Corporation Bonds in fiscal year 2017.

[3] See Demographics and Economic Statistics Schedule 20 for personal income and population data.

[4] Note: The provisions of Governmental Accounting Standards Board (GASB) Statement No.87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2013-2021 information within this column relates to the transactions previously designated as capital leases.

Source: City records.

Business-Type Activities[1]						
Water and Sewer System Revenue Obligations	Municipal Development Corporation Bonds[2]	Pledged Revenue Refunding Obligations[2]	Total Primary Government	Percentage of Personal Income[3]	Per Capita[3]
$ 6,549	$ -	$ 29	$ 84,914	1.04	895
6,944	-	119	90,150	1.46	976
7,325	-	205	95,456	1.73	1,034
6,865	-	251	63,647	1.50	748
8,465	-	412	79,152	1.94	936
9,259	-	559	78,322	1.99	948
10,872	-	700	64,853	1.80	810
11,110	-	843	65,046	1.81	812
2,472	1,177	-	67,096	2.02	851
2,980	1,240	-	74,226	2.25	951

City of Avondale, Arizona
Legal Debt Margin Information
Last Ten Fiscal Years

Schedule 12

Legal Debt Margin Calculation:	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Net assessed valuation:	$ 463,069,349	$ 510,270,136	$ 569,188,401	$ 633,585,560	$ 708,657,126	$ 781,605,665	$ 863,324,061	$ 1,117,695,766
Debt limit (20% of assessed value):	92,613,870	102,054,027	113,837,680	126,717,112	141,731,425	156,321,133	172,664,812	223,539,153
Less amount of debt applicable to limit:								
General obligation bonds outstanding	22,085,000	21,740,000	31,543,099	29,541,849	27,535,799	35,806,804	33,690,738	31,164,679
Less cash available for repayment of general obligation debt	(218,803)	-	(2,345,992)	(2,683,477)	(2,269,880)	(3,381,132)	(3,971,629)	(4,080,342)
Total net debt applicable to the limit	21,866,197	21,740,000	29,197,107	26,858,372	25,265,919	32,425,672	29,719,109	27,084,337
Legal debt margin	$ 70,747,673	$ 80,314,027	$ 84,640,573	$ 99,858,740	$ 116,465,506	$ 123,895,461	$ 142,945,703	$ 196,454,816

	2015	**2016** [2]	**2017** [2]	**2018** [2]	**2019** [2]	**2020** [2]	**2021** [2]	**2022** [2]	**2023** [2]	**2023** [2]
Property Assessed Value[2]	$ 350,686,613	$ 427,630,392	$ 463,069,349	$ 510,270,136	$ 569,188,401	$ 633,585,560	$ 708,657,126	$ 781,605,665	$ 863,324,061	$ 1,117,695,766
20% Limitation										
Debt limit	70,137,323	85,526,078	92,613,870	102,054,027	113,837,680	126,717,112	141,731,425	156,321,133	172,664,812	223,539,153
Net debt applicable to limit	25,880,000	24,315,000	21,866,197	21,740,000	29,197,107	26,858,372	25,265,919	32,425,672	29,719,109	27,084,337
Legal debt margin	$ 44,257,323	$ 61,211,078	$ 70,747,673	$ 80,314,027	$ 84,640,573	$ 99,858,740	$ 116,465,506	$ 123,895,461	$ 142,945,703	$ 196,454,816
Total net debt applicable to the limit as a percentage of debt limit	36.9%	28.4%	23.6%	21.3%	25.6%	21.2%	17.8%	20.7%	17.2%	12.1%
Legal Debt Margin Calculation:										
Net assessed valuation:			$ 463,069,349	$ 510,270,136	$ 569,188,401	$ 633,585,560	$ 708,657,126	$ 781,605,665	$ 863,324,061	$ 1,117,695,766
Debt limit (6% of assessed value):			27,784,161	30,616,208	34,151,304	38,015,134	42,519,428	46,896,340	51,799,444	67,061,746
Less amount of debt applicable to limit:										
General obligation bonds outstanding			225,000	-	8,396,901	8,153,151	7,839,201	16,254,727	15,943,835	15,355,901
Less cash available for repayment of general obligation debt			-	-	-	-	-	-	-	-
Total net debt applicable to the limit			225,000	-	8,396,901	8,153,151	7,839,201	16,254,727	15,943,835	15,355,901
Legal debt margin			$ 27,559,161	$ 30,616,208	$ 25,754,403	$ 29,861,983	$ 34,680,227	$ 30,641,613	$ 35,855,609	$ 51,705,845
6% Limitation										
Debt limit	$ 21,041,197	$ 25,657,824	$ 27,784,161	$ 30,616,208	$ 34,151,304	$ 38,015,134	$ 42,519,428	$ 46,896,340	$ 51,799,444	$ 67,061,746
Net debt applicable to limit	635,000	435,000	225,000	-	8,396,901	8,153,151	7,839,201	16,254,727	15,943,835	15,355,901
Legal debt margin	$ 20,406,197	$ 25,222,824	$ 27,559,161	$ 30,616,208	$ 25,754,403	$ 29,861,983	$ 34,680,227	$ 30,641,613	$ 35,855,609	$ 51,705,845
Total net debt applicable to the limit as a percentage of debt limit	3.0%	1.7%	0.8%	0.0%	24.6%	21.4%	18.4%	34.7%	30.8%	22.9%

[1] Under the provisions of the Arizona Constitution, the City's combined outstanding general obligation bonded debt for water, sewer, light, open space preserves, parks, playgrounds and recreational facilities may not exceed 20% of the City's net secondary assessed valuation, nor may general obligation bonded debt for all other purposes exceed 6% of the City's net secondary assessed valuation. In fiscal year 2008, the State amended the law and moved streets and public safety to the 20% limitation from the 6% limitation.

[2] Prior to FY 2016, property assessed value was based on secondary assessed property value. Beginning in FY 2016, with a voter-approved Constitutional amendment, property assessed value is based on full cash assessed property value.

Source: Maricopa County Assessor and City records.

Avondale

City of Avondale, Arizona
Avondale Water and Sewer Systems Pledged Revenue Coverage
Last Ten Fiscal Years

	2015	2016	2017	2018
Total operating revenues[1]	$ 19,580,966	$ 21,267,916	$ 23,838,505	$ 25,588,712
Total operating expenses[2]	14,030,221	13,969,692	14,413,815	13,875,307
Net operating income	5,550,745	7,298,224	9,424,690	11,713,405
Other revenues (expenses)	1,560,864	3,791,014	4,186,861	4,491,307
Net revenues before debt service	$ 7,111,609	$ 11,089,238	$ 13,611,551	$ 16,204,712
Debt service[3]	$ 575,100	$ 576,300	$ 1,166,883	$ 1,347,593
Debt service coverage	12.37	19.24	11.66	12.02

1 Includes all water and sewer operating revenues.

2 Excludes depreciation and interest expenses.

3 Debt service includes all bonds having a water and sewer system revenue pledge.

Note: See Note 9 - Long-term Obligations for additional detailed information on the City's long-term debt and pledged revenues.

Source: City records

2019	2020	2021	2022	2023	2024
$ 26,769,958	$ 26,289,355	$ 33,071,240	$ 27,449,938	$ 25,990,201	$ 31,083,284
12,239,449	13,505,847	16,461,157	16,598,218	22,203,152	23,023,368
14,530,509	12,783,508	16,610,083	10,851,720	3,787,049	8,059,916
4,277,594	6,212,953	21,417,272	19,178,512	9,943,347	11,438,318
$ 18,808,103	$ 18,996,461	$ 38,027,355	$ 30,030,232	$ 13,730,396	$ 19,498,234
$ 1,281,404	$ 1,140,234	$ 1,113,615	$ 577,000	$ 574,000	$ 575,400
14.68	16.66	34.15	52.05	23.92	33.89

City of Avondale, Arizona
Actual Excise Tax Revenues
Last Ten Fiscal Years

Source	2015	2016	2017	2018
City sales tax	$ 40,533,299	$ 43,026,818	$ 46,288,365	$ 49,355,518
State sales tax	6,967,295	7,217,550	7,402,225	7,970,742
State revenue sharing	9,229,081	9,179,045	9,871,106	10,265,600
Utility and cable franchise fees	1,150,766	1,090,134	1,135,350	1,256,448
Licenses and permits	1,263,670	1,580,691	2,652,563	3,202,591
Fines and forfeitures	1,208,797	1,105,057	937,816	1,095,068
Totals	$ 60,352,908	$ 63,199,295	$ 68,287,425	$ 73,145,967

[1] This schedule has been presented to meet the City's ongoing debt disclosure requirements.

Source: City records.

2019	2020	2021	2022	2023	2024
$ 52,003,028	$ 55,933,503	$ 67,417,939	$ 78,352,718	$ 87,525,837	$ 86,717,982
8,467,056	8,884,163	10,431,529	12,598,955	12,860,921	14,387,117
10,175,417	11,099,709	12,566,568	11,730,210	17,180,132	24,277,729
1,223,385	1,136,532	1,181,424	1,106,972	1,583,189	1,630,398
2,795,566	3,353,121	5,488,086	6,950,003	5,244,650	3,943,494
1,102,503	993,526	1,129,334	1,113,661	943,165	1,307,699
$ 75,766,955	$ 81,400,554	$ 98,214,880	$ 111,852,519	$ 125,337,894	$ 132,264,419

Avondale

City of Avondale, Arizona **Schedule 15**

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	Property Assessed Value [1,2]	General Obligation Bonds[4]	Less: Amounts Available in Debt Service Fund	Net General Obligation Bonded Debt[4]	Percentage of Net Bonded Debt to Estimated Actual Taxable Value of	Per Capita[3]
2024	$ 586,321,066	$ 53,895,516	$ 4,080,342	$ 49,815,174	8.50 %	$ 525
2023	544,220,341	54,460,299	3,971,629	50,488,670	9.28	547
2022	493,207,192	53,608,725	3,381,132	50,227,593	10.18	544
2021	462,085,095	39,630,996	2,269,880	37,361,116	8.09	439
2020	434,094,952	42,302,894	2,683,477	39,619,417	9.13	468
2019	398,288,948	44,784,665	2,345,992	42,438,673	10.66	514
2018	370,922,156	23,999,105	-	23,999,105	6.47	294
2017	349,102,604	22,315,363	218,803	22,096,560	6.33	276
2016	337,158,512	24,761,775	555,127	24,206,648	7.18	307
2015	350,686,613	26,539,823	182,462	26,357,361	7.52	338

[1] Prior to FY 2016, secondary assessed property value was used for secondary ad valorem taxes levied for debt service. Beginning in FY 2016, with a voter-approved Constitutional amendment, secondary ad valorem taxes are now levied on limited assessed property value.

[2] See Assessed Value, Estimated Actual Value and Assessment Ratios of Taxable Property in Schedule 5 for property assessed valuation data.

[3] See Demographics and Economic Statistics In Schedule 20 for population data.

[4] Bonds amounts inlcude unamortized discounts and premiums.

Source: Maricopa County Assessor's Office and Arizona Department of Revenue, *Abstract of the Assessment Role* and city records.

City of Avondale, Arizona **Schedule 16**

Direct and Overlapping Governmental Activities Debt

As of the End of the Fiscal Year

(Amounts Expressed in Thousands)

Governmental Unit	Debt Outstanding[2]	Proportion Applicable to the City[3] Approximate Percent	Net Debt Amount
Overlapping debt–General obligation bonded debt:			
State of Arizona	None	0.66 %	None
Maricopa County	None	1.01	None
Maricopa County Community College District	$ 180,633	1.01	$ 1,824
Maricopa County Special Health Care District	666,876	1.01	6,735
Tolleson Elementary School District No. 17	22,809	11.04	2,518
Avondale Elementary School District No. 44	41,529	12.37	5,137
Littleton Elementary School District No. 65	51,188	58.87	30,134
Litchfield Elementary School District No. 79	37,130	8.64	3,208
Pendergast Elementary School District No. 92	89,417	30.33	27,120
Agua Fria Union High School District No. 216	157,820	9.85	15,545
Tolleson Union High School District No. 214	271,234	22.57	61,218
Western Maricopa Education Center District No. 402	140,982	2.73	3,849
Total overlapping repaid with property taxes			157,288
Direct debt–City of Avondale:			
General obligation bonded debt	53,896	100.00	53,896
Pledged revenue bonds	19,579	100.00	19,579
Leases and financed purchases	4,861	100.00	4,861
Total direct debt			78,336
Total Direct and Overlapping Debt			$ 235,624

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[1] Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Avondale. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering a City's ability to issue and repay long-term debt, the entire debt burden borne by residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

[2] General obligation bonded debt does not include outstanding principal amounts of certificates of participation, revenue obligations, loan obligations, improvement bonds, or other debt not secured by ad valorem property taxes. Includes total stated principal amount of general obligation bonds outstanding, however, does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may be authorized by voters within overlapping jurisdictions pursuant to future elections. Direct bonded debt is presented net of unamortized bond discounts and premiums.

[3] Outstanding debt as of June 30, 2023 is presented for the overlapping governments as this is the most recent available information.

[4] Proportion applicable to the City for overlapping debt was provided by Stifel, Nicolaus & Company, Incorporated.

Source: The various entities, Property Tax Rates and Assessed Values, Arizona Tax Research Association, Treasurer and Assessor of Maricopa County records, and city records.

Avondale

City of Avondale, Arizona
Sources of the Water System
Last Ten Calendar Years

Legal Availability (Acre-Feet)	**2015**	**2016**	**2017**	**2018**
Central Arizona Project (CAP)[2]	5,416	5,416	5,416	5,416
Salt River Project (SRP)[3]	16,030	15,364	15,364	15,394
City-owned wells[4]	35,779	35,779	35,779	35,779
Reclaimed water delivered to City's underground storage facility (USF)[5]	6,303	6,338	6,397	6,430
Underground Storage Facility (USF)[6]	20,000	20,000	20,000	20,000
Volume Produced (Acre-Feet)				
Central Arizona Project (CAP)[7]	5,380	5,416	5,416	5,383
Salt River Project (SRP)[8]	3,712	5,855	5,855	6,117
City-owned wells[9]	13,727	13,974	13,974	14,056
Reclaimed water delivered to City's underground storage facility (USF)[10]	5,770	5,633	5,857	5,938
Underground Storage Facility (USF)[11]	9,533	11,471	11,471	11,973
Volume Produced (Gallons in Millions)				
Central Arizona Project (CAP)	1,753	1,765	1,765	1,754
Salt River Project (SRP)	1,210	1,908	1,908	1,993
City-owned wells	4,473	4,553	4,553	4,580
Reclaimed water delivered to City's underground storage facility (USF)	1,880	1,836	1,909	1,935
Underground Storage Facility (USF)	3,106	3,738	3,738	3,901

1 The City monitors and reports its water rights and related activities on a calendar year basis. This schedule is presented on the same basis.

2 Includes the City's standard CAP Municipal and Industrial Contract Allocation.

3 According to the City's DAWS, the City has a right to 13,398Ac-Ft of Surface Water Annually.

4 Represents the capacity of active wells if run 24 hours a day, 365 days a year. The City can legally pump as much as its wells can produce.

5 Amount of water treated by the Wolf Water Resource Center.

6 Permitted capacity of the City's Underground Storage Facility.

7 Includes additional CAP allocation received from SRP as an exchange.

8 The City can only take the amount to satisfy their SRP customer demand including service and recovery water.

9 Amount recovered from one or more of the City's wells for delivery to customers.

10 Amount of water that was recharged at the City's USF.

11 Amount of water (surface and reclaimed) delivered to the City's USF.

12 Total of Legal Availability and Volume Produced have been removed to prevent misrepresenation

Source: City Public Works Department.

2019	2020	2021	2022	2023	2024
5,416	5,416	5,416	5,416	5,416	5,416
15,269	15,123	15,123	16,635	13,398	13,398
35,779	35,779	35,779	35,330	35,330	35,330
6,491	6,831	7,335	7,291	12,107	10,081
20,000	20,000	20,000	20,000	20,000	20,000
5,416	5,416	5,416	5,416	5,416	5,416
7,080	7,200	7,416	7,271	6,315	8,616
14,044	13,955	14,603	11,387	12,454	11,218
4,673	5,420	6,368	6,529	6,730	6,882
14,566	13,187	14,543	14,635	15,345	15,361
1,765	1,765	1,765	1,765	1,765	1,765
2,307	2,346	2,417	2,369	2,058	2,808
4,576	4,547	4,758	3,710	4,058	3,655
1,523	1,766	2,075	2,127	2,193	2,243
4,746	4,297	4,739	4,769	5,000	5,005

City of Avondale, Arizona
Schedule of Water and Sewer Sales, Number of Customers,
and Other Fees and Revenue
Last Ten Fiscal Years

Water System	**2015**	**2016**	**2017**	**2018**
Water Sales[2]				
Residential	$ 7,267,073	$ 8,049,255	$ 8,677,097	$ 9,324,192
Commercial	3,885,595	4,334,215	5,255,829	5,589,036
Total	$ 11,152,668	$ 12,383,470	$ 13,932,926	$ 14,913,228
Number of Water Customers[3]				
Residential	21,053	21,260	26,032	25,954
Commercial[4]	1,359	1,353	1,343	1,352
Total	22,412	22,613	27,375	27,306
Other Fees and Revenue				
Meter Installation	$ 45,060	$ 124,283	$ 135,593	$ 132,060
Turn-on Fees	455,755	425,777	457,448	414,507
Interest Earnings	148,629	126,072	208,814	411,330
Total	$ 649,444	$ 676,132	$ 801,855	$ 957,897
Sewer System				
Sewer Sales[2]				
Residential	$ 7,025,034	$ 7,413,869	$ 8,081,505	$ 8,573,843
Commercial	885,157	916,321	894,066	966,950
Total	$ 7,910,191	$ 8,330,190	$ 8,975,571	$ 9,540,793
Number of Sewer Customers[3]				
Residential	20,806	21,012	25,187	25,261
Commercial[4]	1,296	1,280	618	631
Total	22,102	22,292	25,805	25,892
Other Fees and Revenue				
Tap Fees	$ 23,400	$ 72,300	$ 81,143	$ 80,400
Interest Earnings	58,242	40,392	60,775	129,569
Total	$ 81,642	$ 112,692	$ 141,918	$ 209,969

[1] This schedule has been presented to meet the City's ongoing debt disclosure requirements.

[2] Sales revenues presented in this schedule may differ from enterprise fund revenues due to differences in reporting periods.

[3] Customer counts reflect the number of unique customer accounts billed during the year.

[4] Commercial customers include industrial and multi-unit customers. The City imposes the same user rates and fees on all commercial customers.

[5] The proportion of residential to commercial water and sewer sales were revised from the prior year.

Source: City records.

2019	2020	2021	2022	2023[5]	2024
$ 9,017,975	$ 9,738,920	$ 10,678,546	$ 10,162,304	$ 8,797,434	$ 10,637,945
5,051,352	5,546,702	6,745,053	6,177,708	5,874,737	7,444,434
$ 14,069,328	$ 15,285,622	$ 17,423,599	$ 16,340,012	$ 14,672,171	$ 18,082,379
22,136	22,258	26,146	26,973	28,695	29,216
1,228	1,468	1,377	1,516	1,664	1,765
23,364	23,726	27,523	28,489	30,359	30,981
$ 58,040	$ 139,789	$ 352,917	$ 612,932	$ 327,755	$ 394,070
391,277	340,153	340,270	371,119	379,885	397,330
713,287	831,870	612,124	463,934	990,568	3,962,587
$ 1,162,604	$ 1,311,811	$ 1,305,311	$ 1,447,985	$ 1,698,208	$ 4,753,987
$ 9,176,311	$ 9,033,194	$ 9,461,739	$ 9,794,964	$ 8,835,732	$ 9,781,355
992,668	1,029,349	999,338	1,240,460	1,438,375	1,881,303
$ 10,168,979	$ 10,062,544	$ 10,461,076	$ 11,035,424	$ 10,274,107	$ 11,662,658
24,999	25,024	25,751	26,285	27,976	28,480
653	641	658	698	726	781
25,652	25,665	26,409	26,983	28,702	29,261
$ 30,000	$ 71,500	$ 227,016	$ 372,450	$ 173,850	$ 247,200
265,385	324,991	237,864	278,882	788,548	2,428,898
$ 295,385	$ 396,491	$ 464,880	$ 651,332	$ 962,398	$ 2,676,098

City of Avondale, Arizona
Current Year Statistics
Last Ten Fiscal Years

Statistics	2015	2016	2017
General Obligation Bonds Outstanding	$ 26,515,000	$ 24,750,000	$ 22,310,000
Water and Sewer System Revenue Obligations Outstanding	3,980,130	3,456,965	9,915,000
Excise Tax Revenue Bonded Debt Outstanding	41,559,868	37,263,034	28,175,000
Net Limited Assessed Property Value (formerly referred to as Primary Assessed Valuation)	327,955,701	337,158,512	349,102,604
Net Full Cash Assessed Value (formerly referred to as Secondary Assessed Valuation)	350,686,613	427,620,861	463,069,349
Estimated Net Full Cash Value	2,779,735,083	3,490,967,838	3,812,520,675

Source: City records and State of Arizona Department of Revenue, *Abstract of the Assessment Roll* .

NOTES:
Estimated Net Full Cash Value is a formula that applies the ratio of assessed property not exempt from taxation to the Full Cash Value.

2018	2019	2020	2021	2022	2023	2024
$ 21,740,000	$ 39,940,000	$ 37,695,000	$ 35,375,000	$ 46,825,980	$ 48,150,000	$ 48,100,000
9,080,000	8,270,000	7,580,000	6,865,000	6,550,000	6,225,000	5,885,000
23,045,001	17,975,001	22,741,001	17,583,001	25,315,001	20,980,005	16,885,005
370,922,156	398,288,948	434,094,952	462,085,095	493,207,192	544,220,341	586,321,066
510,270,136	569,188,401	633,585,560	708,657,126	781,605,665	863,324,061	1,117,695,766
4,202,837,020	4,728,955,006	5,238,398,192	5,889,268,184	6,477,548,277	7,200,776,315	9,536,947,184

City of Avondale, Arizona
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 20

Fiscal Year	Population[4]	Personal Income (in thousands)[1]	Per Capita Personal Income[1]	Estrella Mountain Community College Enrollment[2]	City of Avondale Unemployment Rate[3]	State of Arizona Unemployment Rate[3]
2024	94,830	$ 8,195,967	$ 86,428	13,677	3.6 %	3.4 %
2023	92,324	6,167,336	66,801	12,951	4.2	3.5
2022	90,755	5,423,428	59,759	12,086	4.0	3.8
2021	89,480	4,447,514	49,704	12,122	7.4	7.1
2020	88,552	4,260,502	48,113	15,209	5.8	6.2
2019	86,057	3,938,399	45,765	15,061	4.5	4.9
2018	84,719	3,719,714	45,573	15,385	4.4	4.7
2017	82,940	3,722,762	44,885	14,811	4.6	5.1
2016	81,321	3,419,792	42,053	14,404	5.2	5.8
2015	79,975	3,335,277	41,704	13,915	6.0	6.4

[1] Per Capita Personal Income is based on data obtained from the U.S. Department of Commerce, Bureau of Economic Analysis for Maricopa County. Information provided is the most recenlty available at the time, which is two years prior to the fiscal year. Personal Income (in thousands) is an estimate based on the population, multiplied by the Per Capita Personal Income.

[2] Obtained from Estrella Mountain Community College.

[3] Based on data obtained from the U.S. Department of Labor, Bureau of Labor Statistics and Arizona Department of Economic Security.

[4] Based on data obtained from the Maricopa Association of Governments, U.S. Census Bureau, and Arizona Department of Administration Office of Employment & Population Statistics.

City of Avondale, Arizona
Principal Employers
Current Year and Nine Years Prior

Schedule 21

	2024			2015		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Amazon	1,030	1	5.01 %			%
Maricopa County Community College District/Estrella Mountain	450	2	2.19	250	7	0.66
Akos	400	3	1.95			
Walmart	380	4	1.85	310	6	0.82
Costco Wholesale	370	5	1.80	240	8	0.63
Home Depot	250	6	1.22			
Frys Food Stores	220	7	1.07	390	2	1.03
Tolleson Union High School District 214	210	8	1.02	310	5	0.82
Vitamin Shoppe	200	9	0.97			
Agua Fria Union High School District 216	190	10	0.92			
Avondale Elementary School District 44	190	11	0.92	340	4	0.90
Sams Club	190	12	0.92			
Tolleson Union High School District 214	190	13	0.92			
Gateway Chevrolet	180	14	0.88			
Earnhardt Auto Center	170	15	0.83			
State of Arizona	170	16	0.83	220	10	0.58
Macpie LLC	170	17	0.83			
City of Avondale				450	1	1.19
Littleton Elementary School District 65				340	3	0.90
Pendergast Elementary School District 92				230	9	0.61
Total	4,960		24.13 %	3,080		8.14 %

Source: 2024 Arizona COG/MPO Employer Database.

City of Avondale, Arizona
Full-Time Equivalent City Government Employees By Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018
General government				
City administration	11.00	10.00	10.00	10.00
Finance and budget	28.50	29.50	29.50	29.50
Other	40.00	45.50	40.50	33.00
Public safety				
Police				
Officers	127.00	128.00	128.00	134.00
Civilians	45.00	47.00	54.00	50.00
Fire				
Firefighters and officers	63.00	63.00	65.00	64.00
Civilians	11.00	12.00	10.00	13.00
City court	13.00	13.00	13.00	14.00
Office of public safety[1]				
Highways and streets[2]	27.00	28.00	38.25	47.90
Economic and community development	4.00	4.00	4.00	4.00
Health and welfare[3]	10.00	10.00	24.50	22.50
Culture and recreation[3]	33.00	26.25	27.75	27.75
Community Services[3]				
Streets and transportation[2]				
Sanitation	35.75	36.75	20.25	20.50
Water resources	33.14	33.14	34.50	33.80
Sewer	21.11	21.11	21.50	21.80
Total	502.50	507.25	520.85	525.75

[1] In fiscal year 2021 - 22, Office of Public Safety was established . A component of Highways and streets was merged into Office of public safety

[2] In fiscal year 2021 - 22 , Function Highways and streets was discontinued. A new function Streets and transportation was created. A portion of Highway and streets was merged to function Streets and transportation, a portion was merged to Public safety and the rest of was combined with function Economic and community development

[3] In fiscal year 2021 - 22, Functions Health and welfare and Culture and recreation were merged into function Community services

Source: City of Avondale, Arizona *Annual Budget and Financial Plan* for the applicable fiscal year.

2019	2020	2021	2022	2023	2024
10.00	10.00	12.50	11.00	11.00	10.00
30.50	32.50	34.00	36.00	37.00	38.00
33.00	44.50	45.00	68.00	72.00	87.20
138.00	149.00	160.00	144.50	162.00	175.00
48.00	53.00	57.00	83.50	79.00	70.00
64.00	64.00	64.00	80.00	89.00	88.00
13.00	14.00	15.00	17.00	8.00	11.00
14.00	14.00	14.00	14.00	15.00	16.00
			20.00	24.00	24.00
49.90	51.90	63.40			
5.00	5.00	6.00	49.00	61.00	46.50
22.50	40.25	40.25			
34.75	33.50	35.00			
			87.05	133.05	97.05
			28.25	13.50	25.75
21.50	21.50	22.00	26.75	27.75	27.25
33.80	33.30	35.30	37.00	39.50	39.90
21.80	22.30	22.30	23.00	23.50	23.90
539.75	588.75	625.75	725.05	795.30	779.55

City of Avondale, Arizona
Operating Indicators By Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018
Police				
Calls for service	76,687	74,491	76,704	69,878
Citations	7,165	5,238	2,497	2,964
Physical arrests	4,635	4,418	4,355	4,186
Fire				
Number of emergency responses	9,861	10,004	10,578	11,532
Inspections	3,529	3,384	2,151	2,422
Number of fires extinguished	416	557	403	403
Sanitation				
Refuse collected (tons per day)	143	145	146	146
Recyclables collected (tons per day)	47	47	49	49
Water				
Connections	23,150	24,560	27,375	27,306
Water mains breaks	7	9	-	-
Average daily consumption (thousands of gallons)	12,849	12,863	13,698	13,497
Wastewater				
Average daily sewage treatment (thousands of gallons)	5,810	5,627	5,718	5,711

Source: City departments.

2019	2020	2021	2022	2023	2024
67,581	67,656	65,787	72,009	74,758	75,516
3,148	2,928	2,677	3,317	3,601	4,678
3,431	3,384	1,247	1,182	1,075	1,875
10,670	11,226	12,373	14,470	13,341	14,527
2,516	1,349	703	1,367	1,201	1,501
1,361	393	409	384	290	1,123
147	164	181	183	184	179
49	52	60	45	48	57
24,287	24,203	25,128	26,149	26,724	27,267
6	1	1	-	-	2
11,867	14,767	12,326	11,512	12,510	13,650
5,741	5,860	6,370	6,602	6,429	6,895

City of Avondale, Arizona
Capital Asset Statistics By Function
Last Ten Fiscal Years

Function	2015	2016	2017
Public Safety			
Police:			
Stations	5	5	5
Patrol units	107	108	116
Fire stations			
Stations	4	4	4
Fire trucks	10	10	10
Fire vehicles (excl. fire trucks)	12	12	18
Sanitation			
Collection trucks	22	19	19
Highways and streets			
Streets (miles)	294	266	283
Streetlights	7,843	7,958	7,964
Traffic signals	47	48	47
Culture and recreation			
Parks acreage	265	265	265
Parks	11	11	11
Racquetball courts	0	0	0
Basketball courts	18	18	18
Volleyball courts	2	2	2
Baseball fields	4	4	4
Softball fields	7	7	7
Soccer fields	14	12	12
Swimming pools	0	0	0
Tennis courts	2	2	2
Community centers	1	1	1
Dog park	1	1	1
Playgrounds	8	8	8
Amphitheatre	2	2	2
Ramadas	12	15	15
Football Fields	1	1	1
Splash Pad	0	1	1
Pickleball Courts	0	4	4
Water			
Number of service connections	23,150	23,276	23,610
Water mains (miles)	451	444	335
Fire hydrants	2,733	2,733	2,831
Sewer			
Number of service connections	22,125	22,130	22,683
Sanitary sewers (miles)	237	237	243
Storm sewers (miles)	60	58	58
Wastewater			
Treatment plants	1	1	1

[1] Indicators are not available for the general government function.

Source: City departments.

2018	2019	2020	2021	2022	2023	2024
5	5	5	5	5	6	6
111	113	110	110	156	145	149
4	4	4	5	5	5	5
11	11	11	14	14	14	15
14	19	17	26	23	20	18
18	18	18	22	23	24	23
261	309	323	331	291	299	325
7,964	8,113	8,114	8,787	11,000	11,800	12,500
49	48	49	49	51	55	59
265	310	150	150	191	191	191
11	11	10	10	12	12	12
0	0	0	0	0	0	0
18	20	11	11	12	12	12
2	2	2	2	2	2	5
4	6	6	6	10	7	8
7	7	5	5	5	5	5
12	12	9	9	10	10	10
0	0	0	0	0	0	1
2	2	2	2	3	3	3
1	1	1	1	1	1	1
1	2	2	2	3	3	3
8	9	10	12	15	15	15
2	2	2	2	3	3	3
15	20	24	24	30	30	32
1	1	1	1	1	1	1
1	2	2	2	4	4	4
4	8	4	4	8	8	8
24,259	24,287	24,203	25,128	26,149	26,724	28,026
444	448	338	321	349	358	377
2,752	2,764	2,848	2,892	2,903	3,016	3,190
22,162	22,199	23,013	23,491	23,636	24,874	26,110
243	243	243	243	243	253	264
35	36	36	36	37	37	36
1	1	1	1	1	1	1

Avondale

Independent Accountant's Report

Honorable Mayor and Members of the City Council
City of Avondale, Arizona

We have examined the City of Avondale, Arizona's (City) compliance as to whether highway user revenue fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City, were used solely for authorized transportation purposes during the fiscal year ended June 30, 2024. Management is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Avondale, Arizona complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2024.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 19, 2024

City of Avondale, Arizona
Single Audit Report
Year Ended June 30, 2024

City of Avondale, Arizona
Single Audit Report
For the Year Ended June 30, 2024

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Independent Auditor's 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*

Honorable Mayor and Members of the City Council
City of Avondale, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Avondale, Arizona, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Avondale, Arizona's basic financial statements, and have issued our report thereon dated December 19, 2024.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 19, 2024

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Honorable Mayor and Members of the City Council
City of Avondale, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Avondale, Arizona's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Avondale, Arizona's major federal programs for the year ended June 30, 2024. City of Avondale, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Avondale, Arizona complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Avondale, Arizona and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Avondale, Arizona's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Avondale, Arizona's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Avondale, Arizona's compliance based on our audit.

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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about City of Avondale, Arizona's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Avondale, Arizona's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Avondale, Arizona's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Avondale, Arizona's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Avondale, Arizona as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Avondale, Arizona's basic financial statements. We issued our report thereon dated December 19, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
January 22, 2025

City of Avondale, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal/Pass-Through/Agency	AL Number	Federal Award Number	Expenditures	Payments to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Programs:				
CDBG-Entitlement/Special Purpose Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	$ 1,309,096	$
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	130,176	
Total CDBG-Entitlement/Special Purpose Grants Cluster			1,439,272	
Passed through Maricopa County Department of Human Services:				
Home Investment Partnerships Program	14.239	C-22-21-093-X01	158,768	
Total U.S. Department of Housing and Urban Development			1,598,040	
U.S. Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	N/A	11,600	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	1,577	
Passed through Arizona Department of Public Safety:				
Crime Victim Assistance	16.575	2018-V2-GX-001	75,818	
Passed through City of Phoenix:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	13688934	21,021	
Total U.S. Department of Justice			110,016	
U.S. Department of Transportation				
Passed through Arizona Department of Transportation:				
Highway Planning and Construction	20.205	IGA 22-0008752-I	245,029	
Passed through City of Phoenix:				
Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	AZ-2023-026	222,776	
Passed through Arizona Governor's Office of Highway Safety:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2024-II-001	18,512	
National Priority Safety Programs	20.616	2023-II-001	6,022	
Total Highway Safety Cluster			24,534	
Total U.S. Department of Transportation			492,339	
U.S. Department of Treasury				
Passed through Maricopa County Department of Human Services:				
COVID-19 Emergency Rental Assistance Program	21.023	C-22-22-112-X-0	164,077	
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	7,733,854	160,000
Passed through Maricopa County Department of Human Services:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	C-22-24-004-X-0	70,277	
Passed through Arizona Child and Family Advocacy Network:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	GR-ARPA-ACFAN-	18,624	
Passed through Arizona Department of Public Safety:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2023-311	216,743	
Passed through Water Infrastructure Finance Authority of Arizona:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	WC2-069-2023	10,980	
Total AL Number 21.027			8,050,478	
Total U.S. Department of Treasury			8,214,555	160,000

U.S. Department of Health and Human Services				
Passed through Area Agency on Aging, Region One, Inc.:				
Aging Cluster:				
Special Programs for the Aging--Title III, Part B—Grants for Supportive Services and Senior Centers	93.044	2024-07-AVO	9,954	
COVID-19 Special Programs for the Aging--Title III, Part B—Grants for Supportive Services and Senior Centers	93.044	2024-07-AVO	14,269	
Special Programs for th Aging, Title III, Part C, Nutrition Services	93.045	2024-07-AVO	239,685	
Nutrition Services Incentive Program	93.053	2024-07-AVO	19,336	
Total Aging Cluster			283,244	
Social Services Block Grant	93.667	2024-07-AVO	70,859	
Passed through Maricopa County Department of Human Services:				
Low-Income Home Energy Assistance	93.568	C-22-22-112-X-0	129,867	
Community Services Block Grant	93.569	C-22-24-052-X-0	53,188	
Total U.S. Department of Health and Human Services			537,158	
U.S. Department of Homeland Security				
Direct Program:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	542,963	
Passed through Arizona Department of Homeland Security:				
Homeland Security Grant Program	97.067	EMW-2023-SS-000	55,981	
Total U.S. Department of Homeland Security			598,944	
Total Expenditures of Federal Awards			$ 11,551,052	$ 160,000

See accompanying notes to schedule.

City of Avondale, Arizona
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of Avondale, Arizona under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

10% De Minimis Indirect Cost Rate

The auditee did not use the de minimis indirect cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

City of Avondale, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Programs or Clusters
14.218	CDBG-Entitlement/Special Purpose Grants Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: Yes

11465 W Civic Ctr Dr. | Avondale, AZ 85323 | (623) 333-2000 | Fax: (623) 333-0120 | www.AvondaleAZ.gov

December 19, 2024

To Whom It May Concern:

The accompanying Summary Schedule of Prior Audit Findings has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The status for each finding included in the prior year audit's Schedule of Findings and Questioned Costs has been provided.

Sincerely,

Renee Weatherless
Director of Finance and Budget

City of Avondale, Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Status of Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Number: FS-2023-001, FS-2022-001
Status: Fully corrected.

CITY COUNCIL REPORT

ITEM NUMBER: 5.c.

SUBJECT: Utility Rate Discussion

MEETING DATE: 2/24/2025

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:
This agenda item supports the following Avondale Strategic Outcome Areas:

- Creative and Sustainable Community Development - Avondale is committed to creating a sense of place, a community of residents and local businesses unified by pride and common values.
- Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.
- Natural Resources and Open Spaces - Avondale recognizes the value of its natural resources and promotes environmental sustainability and conservation in its operations, activities, and planning.

Fiscally sustainable water, sewer, and solid waste service is essential to ensure public health and safety, sustainability, and continued growth of the city.

PURPOSE:
City Council will receive a presentation from staff on the financial forecast for the water, sewer, and solid waste utilities. Feedback and direction from City Council is necessary in order to finalize a final recommendation on utility rates that will be presented to Council at a future date. This item is for discussion only.

BACKGROUND:
The city operates three utilities; water, sewer, and solid waste. These utilities operate as enterprises, with the utility rates charged to residents and businesses needing to cover the costs of operating each utility. These utility rates must be periodically evaluated to ensure the utilities can cover their costs and remain fiscally sustainable. Council last approved increase utility rates in June 2023.

DISCUSSION:
Utility rates must be adjusted in order to cover the expenses related to these utilities. Each of these utilities has unique expenditure and inflationary pressures that will increase costs. Additionally, water has additional

regulatory requirements that were not anticipated in the rate increases passed by council in 2023.

BUDGET IMPACT:
This discussion will inform staff's recommendation for utility rate increases, which will decide what ultimately can be funded for operations, maintenance, and repairs for the utilities in the FY2026 budget and future budgets.

RECOMMENDATION:
This item is for discussion only.

Contact person for document distribution: