



City of Avondale
City Council Meeting
Monday, February 23, 2026

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 | Dale Nannenga, Assistant City Manager

Katie Gregory, Assistant 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 23, 2026

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

a. INNOVATION TEAM RECOGNITION

City Council will recognize the graduates of the 2024-25 Avondale Innovation Team program. This item is for discussion only.

b. LIFE SAVING AWARD PRESENTATION

The following Police Department employees will be introduced to the City Council for recognition. This item is for discussion only.

- Matthew Berger, Police Officer
- Robert Cruz, Police Officer

c. PROCLAMATION - ENGINEERS WEEK

City Council will present a proclamation recognizing February 22 through February 28, 2026, as Engineers Week. This item is for discussion only.

d. PROCLAMATION - BLACK HISTORY MONTH

City Council will present a proclamation recognizing February 2026 as Black History Month. This item is for discussion only.

e. PROPERTY ALL-STAR CURB APPEAL AWARD

City Council will recognize property owners in Avondale that demonstrate community pride and maintain their properties to a higher standard. 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 February 9, 2026 City Council meeting minutes. The Council will take appropriate action.

b. RESOLUTION 1011-0226 - MUNICIPAL ART COMMITTEE BYLAWS CHANGES

City Council will consider a request to adopt Resolution 1011-0226, amending the bylaws of the Municipal Art Committee to remove outdated approval and funding language and revise committee eligibility requirements and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

c. RESOLUTION 1012-0226 - AUTHORIZING THE WAIVER OF OUTSTANDING LIBRARY FINES

City Council will consider a request to adopt Resolution 1012-0226, authorizing the waiver of outstanding library fines that accrued prior to July 1, 2023 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

d. RESOLUTION 1013-0226 - AMENDING THE WASTEWATER DEVELOPMENT IMPACT FEE

City Council will consider a request to adopt Resolution 1013-0226, amending the Wastewater Development Impact Fee and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

5. REGULAR AGENDA

a. PUBLIC HEARING - 2026-2027 HUD ANNUAL ACTION PLAN

City Council will hold a public hearing and receive an update on the draft of the City's 2027 Annual Action Plan, which is required by the U.S. Department of Housing and Urban Development (HUD) as a condition of the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funding. This item is for discussion only.

b. 'GREEN FOR GOOD' COMMUNITY SUSTAINABILITY GRANT PROGRAM

City Council will receive a presentation from Public Works on the 'Green for Good' Community Sustainability Grant Program. This item is for discussion only.

c. ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR 2025

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, 2025. This item is for information and 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 623-333-1000 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 video. 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 623-333-1000 o TDD 623-333-0010 cuando menos dos dias habiles antes de la junta del Concejo.

ITEM NUMBER: 2.a.

SUBJECT: Innovation Team Recognition

MEETING DATE: 2/23/2026

TO: Mayor and Council

FROM: Aneyssa Romo, Senior Management Analyst

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:

- Innovative and Effective Government
-

PURPOSE:

City Council will recognize the graduates of the 2024-25 Avondale Innovation Team program. This item is for discussion only.

BACKGROUND:

The Innovation Team is an internal employee training program facilitated by the City Manager's Office with the core purpose of "Empowering Avondale employees to foster a culture of innovation that equips staff to improve processes, save money or time, and improve the customer experience."

DISCUSSION:

To meet the Innovation Team's core purpose, each class is tasked with establishing a project pipeline following Lean Six Sigma (LSS) certification with the primary goal of improving public services and delivering results for Avondale's key stakeholders. The Innovation Team is uniquely equipped to aid department decision-making by integrating low-cost evaluation into the planning of new initiatives and improving existing processes.

The 2024-2025 Innovation Team Class contributed to improving two processes during their tenure: the Special Event Permit Process and Utility Billing Electronic Work Orders Process. Using Lean Six Sigma methods, the Innovation Team successfully implemented significant changes to both processes, improving efficiency in public services for Avondale's internal and external stakeholders.

The following are the Avondale staff members to be recognized as 2024-2025 Innovation Team graduates:

2024-25 Avondale Innovation Team:

Christina Baker, Finance and Budget Department

Mariela Gonzalez, Neighborhood and Family Services Department
Mayra Garibo-Davila, Neighborhood and Family Services Department

BUDGET IMPACT:

There is no budget impact.

RECOMMENDATION:

This item is for discussion only.

Contact person for document distribution: Torin Sadow; Aneyssa Romo

ITEM NUMBER: 2.b.

SUBJECT: Life Saving Award Presentation

MEETING DATE: 2/23/2026

TO: Mayor and Council

FROM: Memo Espinoza, Chief of Police

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

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

STRATEGIC PLAN:

PURPOSE:

The following Police Department employees will be introduced to the City Council for recognition. This item is for discussion only.

- Matthew Berger, Police Officer
- Robert Cruz, Police Officer

BACKGROUND:

Officer Matthew Berger was recently approved for a life-saving award for his actions on 7/16/2025, which resulted in saving the life of a three-year-old girl.

On 7/16/2025, Avondale officers responded to a community pool where 3-year-old Abby was found unresponsive in the water by her mother. Officer Berger arrived and performed life-saving measures, which were successful. Abby was transported to Phoenix Children's Hospital, where she was expected to make a full recovery. Hospital staff credited Officer Berger's early and proper CPR with saving Abby's life. Abby's mother remained calm, immediately began CPR, and called 911. Officer Berger took over CPR upon arrival and cleared Abby's airway. Doctors confirmed these actions were critical to Abby's survival and recovery.

Officer Roberto Cruz was recently approved for a life-saving award for his actions on 8/30/2025, which resulted in saving the life of a three-year-old boy.

On 08/30/2025, Officer Cruz responded to a drowning involving 3-year-old Santiago. Officer Cruz arrived first, entered the residence without hesitation, and found the child unresponsive in the backyard. He immediately took over CPR from the child's father and continued lifesaving efforts until the child regained spontaneous breathing. Officer Cruz then placed the child in the recovery position, closely monitored his condition, and assisted fire personnel upon their arrival, including carrying the child to a safer location for medical evaluation. The fire captain confirmed that Officer Cruz's immediate and sustained CPR was critical to the child's survival and full recovery.

DISCUSSION:

The City of Avondale hereby expresses its sincere gratitude and appreciation to Officer Berger and Officer Cruz for their unwavering commitment and dedicated service to our community. Both officers demonstrated extraordinary courage and applied life-saving techniques that prevented the loss of life. Their quick thinking, bravery, and decisive actions did not go unnoticed. We are proud to recognize your outstanding commitment to serving and protecting our community.

BUDGET IMPACT:

n/a

RECOMMENDATION:

Staff respectfully recommends that City Council formally recognize these two officers for their exemplary actions that saved a life.

Contact person for document distribution:

ITEM NUMBER: 2.c.

SUBJECT: Proclamation - Engineers Week

MEETING DATE: 2/23/2026

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 and Engaged Community - Avondale informs, prepares, and engages our community to ensure residents are connected to resources, the region, and each other.

PURPOSE:

City Council will present a proclamation recognizing February 22 through February 28, 2026, as Engineers Week. This item is for discussion only.

BACKGROUND:

Founded by the National Society of Professional Engineers (NSPE) in 1951, Engineers Week (February 22–28, 2026) is dedicated to ensuring a diverse and well-educated future engineering workforce by increasing understanding of and interest in engineering and technology careers.

DISCUSSION:

The City of Avondale recognizes the week of February 22 through February 28, 2026, as Engineers Week.

BUDGET IMPACT:

This item does not have a budget impact.

RECOMMENDATION:

This item is for discussion only.

Contact person for document distribution: Kimberly Moon, PE

Avondale

PROCLAMATION

ENGINEERS WEEK

Whereas, engineers provide the talents and skills necessary to analyze and solve complex problems and to create, improve, and maintain the infrastructure essential to the high quality of life enjoyed by our residents; and

Whereas, the support of an informed and engaged citizenry is vital to the efficient planning, design, construction, and operation of public infrastructure, including water systems, sanitary and storm sewers, streets and highways, bridges, public buildings, communications systems, and energy distribution networks; and

Whereas, the health, safety, welfare, comfort, and economic vitality of the City of Avondale depend upon sound engineering practices and resilient infrastructure that meet both current and future community needs; and

Whereas, engineers play a critical role in addressing the major technological and societal challenges of our time, from rebuilding communities after natural disasters to designing innovative and sustainable infrastructure for the 21st century; and

Whereas, the 2026 Engineers Week theme, “Transform Your Future,” highlights the vital role engineers play in shaping a more sustainable, innovative, and resilient future while inspiring the next generation to pursue careers in engineering and related fields; and

Whereas, the City of Avondale is fortunate to employ highly qualified and dedicated engineers whose professionalism, expertise, and commitment to public service positively influence the community and enhance the quality of life for all residents; and

NOW, THEREFORE, on behalf of the Avondale City Council, the City of Avondale, Arizona, hereby proclaims the week of February 22 through February 28, 2025, is hereby designated as Engineers Week in the City of Avondale, and the community is encouraged to recognize and celebrate the contributions of engineers in transforming our future.

Proclaimed this 23rd day of February 2026.

Mayor

Attest: _____
City Clerk

ITEM NUMBER: 2.d.

SUBJECT: Proclamation - Black History Month

MEETING DATE: 2/23/2026

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 item supports the following Avondale Strategic Outcome Area:

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

PURPOSE:

City Council will present a proclamation recognizing February 2026 as Black History Month. This item is for discussion only.

BACKGROUND:

While Black History Month initially began as Negro History Week, started by Carter B. Woodson in 1925, it is appropriate to celebrate the outstanding and often overlooked contributions and achievements of such a strong community of people throughout each year. This year's Black History Month's theme is "African Americans and the Arts" and is celebrated across the United States every February through recognition of the achievements of African Americans. The City of Avondale recognizes the enrichments of African Americans to the West Valley's rich heritage and success through the many impressions of those who came before us and those who live here now.

DISCUSSION:

The City Council will present a Proclamation recognizing February 2026 as Black History Month.

BUDGET IMPACT:

This item does not have a budget impact.

RECOMMENDATION:

This item is for presentation only.

Avondale

PROCLAMATION BLACK HISTORY MONTH

WHEREAS, In 1926, the first celebration of “Negro History Week”, was started by the educator and scholar Carter G. Woodson to honor the birthdays of President Abraham Lincoln and former slave, turned abolitionist Frederick Douglass. The objective is to educate people about Black History, share traditions from Black Culture, recognize contributions, celebrate the achievements, and share the interconnected journey of Americans of African in the United States; and

WHEREAS, In 1976 President Gerald Ford extended this celebration to be an entire month, and in 1986 Congress passed Public Law 99-244 to designate February as, “National Black (Afro-American) History Month;” and

WHEREAS, The 2026 observance is the 100th anniversary of Black History Month, happening as our nation celebrates the 250th, semi-quincentennial anniversary. Which makes this historic time one to reflect on the struggle of enslaved Africans brought to this country, as an agricultural commodity, who were then freed to participate in the cultivation, administration, and progression of our nation; and

WHEREAS, By Celebrating Black History Month, we are acknowledging the generations of African Americans who have been in this country since the 17th Century, who have worked tirelessly to achieve greatness in agriculture; who have impacted the post-Civil War reconstruction, the Women’s Suffrage Movement, Civil Rights Movement, and the Labor Movement; who have served in the U.S. Armed Forces; who continue to work for equality as we shape and strengthen the fabric of our city, our state, our nation; and who have enriched every aspect of our country’s global identity; and

WHEREAS, Black History Month honors and affirms the importance of African American History throughout our nation. By recognizing the significant contributions of the African American community over the years, it is also important to understand the many accomplishments that were made by Black Americans amid undue hardships; like the human trafficking of chattel slavery, inequality with the 3/5th rule, and extreme forms of institutionalized segregation, white supremacy, and racist violence; and

WHEREAS, While Black History Month initially began as Negro History Week, it is vital to continue to learn about people from the African diaspora in our country, descendants of the transatlantic slave trade in our hemisphere, and to celebrate the outstanding, hard-to-overlook contributions and achievements of the Black people throughout each year; and

WHEREAS, The City of Avondale recognizes the enrichments of African Americans to the West Valley’s rich heritage, seeing success through the many impressions of those who came before us and those who live here now. We celebrate our City’s diversity, recognizing we must work to extend the American Dream to Black people in our City as we Make Lives Better for all; and

NOW, THEREFORE, on behalf of the Avondale City Council, the City of Avondale, Arizona, hereby proclaims February 2026 as Black History Month and encourage all residents, organizations, and businesses to celebrate the rich heritage, immense strength, and substantial contributions of people of African descent in our community today and everyday as we continue our efforts to support the principles of freedom and equality for a more just society.

Proclaimed this 23rd day of February 2026.

Mayor

Attest: _____
City Clerk

ITEM NUMBER: 2.e.

SUBJECT: Property All-Star Curb Appeal Award

MEETING DATE: 2/23/2026

TO: Mayor and Council

FROM: Joshua Perez, Code Compliance Manager

THROUGH: Dale Nannenga, Assistant 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: **Community Well-Being**

Avondale is a city where all people feel safe, supported, and connected to resources that promote and enhance their well-being. The City prioritizes public safety, natural resources, healthcare, and wellness while promoting mental, physical, and emotional health for all to enjoy an enriching quality of life.

PURPOSE:

City Council will recognize property owners in Avondale that demonstrate community pride and maintain their properties to a higher standard. This item is for discussion only.

BACKGROUND:

The Avondale Code Compliance Division has developed a quarterly recognition program to identify and formally recognize those property owners who demonstrate community pride in maintaining their properties to a higher standard than other property owners may aspire to.

DISCUSSION:

Two Avondale property owners will be recognized for their community pride and exceptional maintenance of their properties.

BUDGET IMPACT:

There is no impact on the budget.

RECOMMENDATION:

This item is for information and discussion only.

Contact person for document distribution:

ITEM NUMBER: 4.a.

SUBJECT: Minutes

MEETING DATE: 2/23/2026

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 & Engaged Community**

Avondale informs, prepares, and engages our community to ensure residents are connected to resources, the region, and each other.

PURPOSE:

City Council will consider a request to approve the February 9, 2026 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 February 9, 2026 City Council meeting minutes.

Contact person for document distribution: Chris Pierson

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
CITY COUNCIL CHAMBER
February 9, 2026

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.

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

Members Absent: None.

Other Municipal Officials Present: 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; Liz Barker Alvarez, Intergovernmental Affairs Administrator; Kirk Beaty, Public Works Director; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Corey Larriva, Parks and Recreation Director; Chris Lopez, Neighborhood and Family Services Director; Andy Mesquita, Human Resources Director; Kimberly Moon, Engineering Director; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; Jennifer Stein, Economic Development Director; and Renee Weatherless, Finance and Budget Director.

Audience: Approximately 5 members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. PRESENTATION ITEMS (DISCUSSION ONLY)

a. EMPLOYEE ANNOUNCEMENTS

The following Public Works Department employees were introduced to City Council. This item was for discussion only.

- Frederick Flatt, Solid Waste Lead Equipment Operator
- Sergio Mejia, Civil Engineer
- Anthony Jones, Solid Waste Service Worker
- Bradley Tabora, Fleet Heavy Equipment Technician
- Christopher Gonzales, Street Maintenance Worker I
- Michael Gerhard, Water Meter Technician
- Rudy Toro, Wastewater Collections Operator

b. PROCLAMATION - GOVERNMENT COMMUNICATORS DAY - FEBRUARY 20, 2026

City Council presented a proclamation recognizing February 20, 2026, as Government Communicators Day to recognize and celebrate the invaluable contributions of public communicators across the nation. This item was for discussion only.

3. UNSCHEDULED PUBLIC APPEARANCES

None.

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. 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 12, 2026, and January 26, 2026, City Council meeting minutes.

b. APPOINTMENTS TO BOARDS AND COMMISSIONS

City Council approved the following appointments to the City's Boards and Commissions as recommended by the City Council Subcommittee on Boards and Commissions and authorized the City Clerk to process the appointments.

Board of Adjustment

- Irene Rivas Barrera as a Regular Member with a partial term to expire on 12/31/2027.
- Jay Koenig as a Regular Member with a partial term to expire on 12/31/2026.

Municipal Art Committee

- Bryan Kilgore as a Regular Member (Art Teacher) with a full term to expire on 12/31/2028.

Risk Management & Workers' Compensation Board

- Bryan Kilgore as a Regular Member with a partial term to expire on 12/31/2026.
- Joanne Spina as a Regular Member with a full term to expire on 12/31/2028.

c. SETTLEMENT AGREEMENT AND PAYMENT FOR THE CLAIM OF DONNELL MACKIE

City Council approved the settlement agreement with Donnell Mackie in the amount of \$168,000 and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

d. SETTLEMENT AGREEMENT AND PAYMENT FOR THE CLAIM OF JAMES PLYMESSER

City Council approved the settlement agreement with James Plymesser in the amount of \$194,500 and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

e. RESOLUTION 1009-0226 - AGREEMENT FOR LONG-TERM STORAGE CREDIT TRANSFER BETWEEN THE CITY OF AVONDALE AND CENTRAL ARIZONA WATER CONSERVATION DISTRICT

City Council adopted Resolution 1009-0226, authorizing entry into the Central Arizona Water Conservation District Transfer Agreement for Long-Term Storage Credits, and authorized the Mayor or City Manager, City Attorney, and City Clerk to execute necessary documents.

f. RESOLUTION 1010-0226 - AMENDMENT TO MARICOPA HOME CONSORTIUM INTERGOVERNMENTAL AGREEMENT

City Council adopted Resolution 1010-0226, approving an amendment to the Maricopa HOME Consortium Intergovernmental Agreement with the Maricopa County Human Services Department (MCHSD) to add the City of Goodyear as a new member of the HOME Consortium and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

g. ORDINANCE 2003-0226 - SECOND AMENDMENT TO LEASE AGREEMENT WITH BOYS & GIRLS CLUBS OF THE VALLEY

City Council adopted Ordinance 2003-0226, approving the Second Amendment to the Lease Agreement between the City of Avondale and Boys & Girls Clubs of the Valley to clarify maintenance and lighting responsibilities, Americans with Disabilities Act compliance obligations, incorporate an updated legal description following the City's recent replat of the property and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

h. ORDINANCE 2004-0226 - ACCEPTANCE OF AN ASSIGNMENT OF EASEMENT FROM MARICOPA COUNTY

City Council adopted Ordinance 2004-0226, authorizing the acceptance of an assignment of a drainage easement from Maricopa County and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

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

Vice Mayor Nielson attended a ribbon cutting ceremony for a new coffee shop on Lower Buckeye and Avondale as well as a ribbon cutting ceremony for The Human Bean.

Councilmember Weise shared she attended the grand opening of a new restaurant, Paco Madre, and noted she enrolled in the Fire and Medical Department's citizen academy.

Councilmember White shared she attended the Black History Month kickoff event, hosted by the Arizona Governor's Office. She sat through a panel and heard from the Department of Housing, Office of Economic Opportunity, and the Governor's Office for Resiliency. She spoke about an upcoming panel that she will be on at the Archwood Center, celebrating Black History Month.

Councilmember Conde shared she attended the Movie in the Park event. Mr. Corbin shared dinner was provided courtesy of Councilmember Conde.

Mayor Pineda shared he attended Miriam Hall's 100th birthday celebration. He attended APS event and heard from APS regarding data centers and power initiatives, noting APS is being cognizant of the fact rates for data centers will be coming from a separate bucket than those of residents. Lastly, he shared that he is working with the Marketing and Public Relations department on the State of the City video, highlighting 80 years of progress.

6. ADJOURNMENT

There being no further business before the Council, Councilmember White moved to adjourn the Regular Meeting; Councilmember Garcia 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 5:53 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 9th day of February 2026. 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

ITEM NUMBER: 4.b.

SUBJECT: Resolution 1011-0226 - Municipal Art Committee Bylaws Changes

MEETING DATE: 2/23/2026

TO: Mayor and Council

FROM: Corey Larriva, Parks, Recreation and Libraries Director

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 & Engaged Community**

Avondale informs, prepares, and engages our community to ensure residents are connected to resources, the region, and each other.

PURPOSE:

City Council will consider a request to adopt Resolution 1011-0226, amending the bylaws of the Municipal Art Committee to remove outdated approval and funding language and revise committee eligibility requirements and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The Municipal Art Committee operates under bylaws adopted by City Council to guide its advisory role regarding public art projects and funding recommendations.

On February 17, 2026, the Municipal Art Committee will hold a meeting and will vote to approve or deny the Municipal Art Committee Bylaws regarding how projects are reported to Council, financial responsibilities, and committee eligibility requirements.

DISCUSSION:

The proposed Municipal Art Bylaws include the following changes:

1. City Council Approval Requirement

Language requiring the Committee to submit all projects that will require capital expenditures to the City Council for conceptual approval prior to committing funds has been removed.

This change is intended to avoid placing unnecessary conceptual approvals on Council agendas throughout each year and instead allow staff to present an annual report on completed projects, projects in progress, and

future planned projects.

2. Removal of Municipal Art Fund Language

Language assigning the Committee responsibility for administering the Municipal Art Fund and describing the percentage of General Fund transfers to be deposited into the fund has been removed.

The Finance and Budget Department administers the funds and funding levels are determined through the City Council's annual budget process. Removal of this language also reflects recent Council actions that have exceeded the referenced percentage and provides greater flexibility for the fund.

3. Committee Eligibility Requirements

Language has been added to clarify that the identified categories are preferences rather than strict requirements.

The revisions provide that, when practicable, at least two members should represent the West Valley Arts Council or be a current art teacher within the City of Avondale. The previous reference to the Western Avenue Business and Arts District has been removed, as this is no longer an established operating entity.

Art teachers located outside the City may be considered with approval from the Council Subcommittee on Boards, Commissions, and Committees. These designated representatives are not required to be Avondale residents.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

Staff recommends City Council adopt a Resolution to amend the bylaws of the Municipal Art Committee and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Stacy Swainston, Parks, Recreation and Libraries Assistant Director

RESOLUTION NO. 1011-0226

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE,
ARIZONA, AMENDING THE CITY OF AVONDALE MUNICIPAL ART
COMMITTEE BYLAWS.

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

SECTION 1. The City of Avondale Municipal Art Committee Bylaws, Amended and Restated February 23, 2026 (the “Bylaws”), are hereby adopted 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 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 23, 2026.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1011-0226

[Bylaws]

See following pages.

**CITY OF AVONDALE
MUNICIPAL ART COMMITTEE BYLAWS
AMENDED AND RESTATED
February 23, 2026**

I. Name. The name of this organization shall be the *Municipal Art Committee* (the "Committee").

II. Powers and Duties of the Committee. The Committee shall:

A. Develop program guidelines and procedures and advise the City Council and City staff on matters and issues pertaining to the acquisition, maintenance and disposition of works of art, public art displays, monuments and memorials. This includes, but is not limited to, administering a public arts program, planning community arts events in conjunction with City Staff and maintaining an inventory of the City's public art.

B. Set long-range program goals with an annual work plan for the Committee.

C. Recommend to the City Council the placement of publicly funded art, gifts or temporary use of loaned art and memorials and/or monuments.

D. Promote and advocate for the arts and other cultural activities including special cultural events.

E. Recommend to the City Council funding sources and possible grant opportunities pertaining to the arts.

F. Support the City Council goals and be consistent with the City's Strategic Plan, Priority Areas and General Plan.

III. Membership and Composition.

A. Number of Committee Members. The Committee shall be composed of seven regular members (collectively, the "Members"). The Committee shall also have one alternate member ("Alternate Member"). The Alternate Member shall attend and may participate in Committee meetings but shall not be authorized to vote at any Committee meeting, except as provided in Section V(E) below.

B. Membership Eligibility and Appointment. Except for the representative and art teacher members, each of the Members and the Alternate Member shall be Avondale residents and shall meet all eligibility criteria as outlined in the City Council Rules of Procedure. As is practicable, at least two members shall be: a representative from the West Valley Arts Council or a current art teacher of a school within the City of Avondale. Art teachers of schools outside of the City of Avondale may be considered upon approval from the Council Subcommittee on Boards, Commissions, and Committees. The aforementioned representatives and/or art teachers need not be residents of Avondale. The Committee welcomes both artists and patrons of the arts as Members or the Alternate Member. Appointment of Members and the Alternate Member shall be conducted according to the City Council Rules of Procedure.

C. Term. Unless appointed to fill a vacancy mid-term, each Member's or Alternate Member's term of office shall be three years, unless the Member or Alternate Member resigns sooner or is removed from his or her position.

D. Term Limits. No Member may serve more than two consecutive terms; provided, however, that a Member appointed to fill a vacancy may serve two consecutive terms after the conclusion of the unexpired term to which he or she was appointed.

E. Vacancy. Any vacancy on the Committee shall be filled for the unexpired term by the Alternate Member if one has been appointed by the City Council pursuant to the City Council Rules of Procedure. If the Alternate Member has not been appointed, the position shall remain vacant until a new Member is appointed by the City Council to fill the vacancy. In cases of a vacancy due to the expiration of a Member's term, the Member shall remain seated until a successor is appointed.

F. Attendance. All Members and the Alternative Member are required to attend all Committee meetings, unless excused by the Chairperson. Three consecutive unexcused or unexplained absences from any regular or special meeting shall result in a vacancy in the position and shall be grounds for removal of the Member as outlined in Section G below.

G. Removal. Any Member and the Alternate Member may be removed upon a vote of not less than five City Council members for any cause as determined by the City Council in its sole discretion; provided, however, that in the case of removal of a Member or the Alternate Member due to excessive absences, it shall be assumed that said Member or Alternate Member has chosen to forfeit his or her seat on the Committee.

IV. Committee Officers and Staff.

A. Chairperson and Vice-Chairperson. At the first regularly scheduled Committee meeting of each calendar year, the Committee shall annually elect a Chairperson and Vice-Chairperson from among the Members. The Chairperson and the Vice-Chairperson must be an Avondale resident. The Chairperson and Vice-Chairperson shall assume responsibilities at the next scheduled meeting. The term of the Chairperson and Vice-Chairperson shall be for one year. Any Member serving as Chairperson or Vice-Chairperson shall be eligible for re-election; provided, however, that each Member may serve no more than two terms per office.

B. Duties of the Chairperson and Vice-Chairperson. The Chairperson shall (i) preside at all Committee meetings, (ii) decide all points of order and procedure, (iii) appoint subcommittees if necessary and coordinate the work of the subcommittees, (iv) serve as a representative of the Committee to other governmental units on such matters as have been approved and designated by the Committee and (v) perform any duties as required by law, ordinance or these Bylaws. The Chairperson shall have the right to vote on all matters before the Committee and shall have the right to make or second motions in the absence of a motion or a second. The Vice-Chairperson shall act as an aid to the Chairperson and shall perform the duties of the Chairperson in his or her absence or inability to serve. In the absence of the Chairperson and the Vice-Chairperson, the City Staff Liaison shall call the meeting to order and a simple majority of the Members then present shall select an acting Chairperson for the meeting. If the Members present are unable to select an acting Chairperson, the City Staff Liaison shall act as the Chairperson for the meeting but without voting privileges.

C. Vacancy. A vacancy in the office of Chairperson shall be filled by the Vice-Chairperson. A vacancy in the office of Vice Chairperson shall be filled by a simple majority vote of the Members then present at the next meeting of the Committee.

D. Removal. The Chairperson or Vice-Chairperson may be removed from office at any time at a Committee meeting by an affirmative vote of a three-fourths majority of the Members then present.

E. City Staff Liaison. An Assistant City Manager or authorized designee shall serve as the City Staff Liaison to furnish support to the Committee as requested or as required to advise and furnish professional and technical advice.

F. Legal Counsel. The Committee may request that the Avondale City Attorney or authorized designee provide legal advice on points of order, procedure, or other matters related to the Committee's duties.

V. Committee Meetings.

A. Frequency. Committee meetings shall be held quarterly at the City of Avondale Civic Center, Avondale, Arizona, unless posted differently at least 24 hours in advance.

B. Additional Committee Meetings. Additional Committee meetings may be held (i) on the call of the Chairperson, (ii) by the request of two or more Members or (iii) by giving notice to all the Members and the Alternate Member by electronic, telephone or personal delivery or by verbal comment during a regular meeting. All notices shall be given, and posted according to the Arizona Open Meeting Law, at least 24 hours before the meeting.

C. Participation by the Public. Committee meetings shall be open to the public. For any matter under consideration, any person may submit written comments and, if attending in person, may speak to the issue upon being recognized by the Chairperson and stating his or her name and, if applicable the names of any person or organization on whose behalf he or she is appearing.

D. Quorum. A majority of the Committee Members present at a meeting shall constitute a quorum. A majority vote of those Members present shall be required to take official action. No action shall be taken at any meeting in absence of a quorum, except to adjourn the meeting to a subsequent date. The Alternate Member may not vote at any Committee meeting, except as provided in Section V(E) below.

E. Alternate Member Quorum. At a Committee meeting where a majority of the Members are not present and the Alternate Member is present, the Alternate Member may be counted to constitute a quorum to conduct the meeting. The Alternate Member may also vote at the meeting. At a Committee meeting where a majority of the Members are present to constitute a quorum, the Alternate Member will not count towards the quorum and may not vote at the meeting.

F. Agenda. The agenda shall be prepared by the City Staff Liaison, reviewed by the Chairperson and posted no less than 24 hours before the Committee meeting in accordance with the Arizona Open Meeting Law.

G. Minutes. Minutes of the proceedings shall be retained and filed with the City Clerk's Department who will, in turn, file and post the minutes according to applicable law.

H. Open Meeting Law. The Committee is subject to the Arizona Open Meeting Law.

VI. Special Committees. The Committee may create special subcommittees for specific purposes as it deems necessary. Such subcommittees shall automatically dissolve when their work is completed and after their final reports have been accepted by the Committee.

VII. Amendments. Recommendations for amendments to these Bylaws must be approved by the affirmative vote of a majority of the Members then present. The Committee will then forward the recommendations for amendments to the Bylaws to the City Council for its consideration.

ITEM NUMBER: 4.c.

SUBJECT: Resolution 1012-0226 - Authorizing the Waiver of Outstanding Library Fines

MEETING DATE: 2/23/2026

TO: Mayor and Council

FROM: Corey Larriva, Parks, Recreation & Libraries Director

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 & Engaged Community**

Avondale informs, prepares, and engages our community to ensure residents are connected to resources, the region, and each other.

PURPOSE:

City Council will consider a request to adopt Resolution 1012-0226, authorizing the waiver of outstanding library fines that accrued prior to July 1, 2023 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

On June 5, 2023, the City Council adopted Resolution No. 1029-0623 amending the City of Avondale's schedule of charges for services. Included in these amendments was the elimination of certain library fines, including the \$0.20 per day late fee for overdue books. The revised fee schedule became effective July 1, 2023.

The resolution did not include the waiver of fines that accrued prior to the effective date. As a result, historical balances remain on patron accounts for late materials. The total amount of outstanding fines accrued prior to July 1, 2023 is \$149,670.

DISCUSSION:

The outstanding fines reflect a legacy fee system rather than current library practices. Since July 2023, the Library System has operated under a fine-free model intended to remove barriers to access and encourage greater community use of library services.

Waiving these historical balances would bring all patron accounts into alignment with the City's current fee policy and eliminate confusion for residents who encounter decades-old charges that are no longer assessed.

Forgiving historical balances will ensure that outdated penalties do not continue to restrict residents from fully participating in library services and programs.

BUDGET IMPACT:

This item has no budget impact due to revenues not received.

RECOMMENDATION:

Staff recommends City Council adopt a Resolution authorizing the waiver of all outstanding library fines accrued prior to July 1, 2023 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Stacy Swainston, Parks, Recreation & Libraries Assistant Director

RESOLUTION NO. 1012-0226

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, WAIVING OUTSTANDING LIBRARY PATRON CHARGES RELATED TO LIBRARY FEES THAT WERE ELIMINATED BY PRIOR COUNCIL ACTION.

WHEREAS, on June 5, 2023, the Council of the City of Avondale passed and adopted Resolution No. 1029-0623 amending the City's schedule and charges for services (the "June 5 Resolution") to eliminate several library fees (the "Eliminated Fees"), effective July 1, 2023; and

WHEREAS, the June 5 Resolution did not purport to waive any outstanding library patron charges, and there are currently \$149,670 of outstanding library patron charges related to the Eliminated Fees; and

WHEREAS, it is the intent of the City that no library patron shall remain liable for outstanding charges that are based on, derived from, or otherwise related to the Eliminated Fees and to remove any impediment to library access resulting from such charges.

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

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. All outstanding library patron charges related to the Eliminated Fees are permanently waived.

SECTION 3. To the extent a library patron owes other charges not related to the Eliminated Fees, those charges shall remain due and payable.

SECTION 4. Nothing in this Resolution reinstates any eliminated fees or limits the City's ability to assess and collect fees not included within the Eliminated Fees.

SECTION 5. 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.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
February 23, 2026.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

ITEM NUMBER: 4.d.

SUBJECT: Resolution 1013-0226 - Amending the Wastewater Development Impact Fee

MEETING DATE: 2/23/2026

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:

STRATEGIC OUTCOME: Resilient Infrastructure and Transportation

STRATEGY: Maintain and expand sewer and water infrastructure to ensure adequate capacity and water supplies for future growth.

PURPOSE:

City Council will consider a request to adopt Resolution 1013-0226, amending the Wastewater Development Impact Fee and 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 31, 2025, a notice of public hearing on the City's proposed Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP) was posted on the City's website. Copies of the LUA and IIP documents were released and posted on the City's website for inspection by interested parties.

On August 2, 2025, a notice of public hearing on the City's proposed LUA and IIP was posted in the Arizona Republic - West Valley alerting interested parties of the public hearing and the City's proposed LUA and IIP was posted on the City's website.

On October 6, 2025, City Council conducted a public hearing on the proposed updated LUA and IIP.

On November 17, 2025, City Council adopted Resolution 1069-1125, adopting the LUA and IIP and provided notice of intent to adopt revised development impact fees.

On November 19, 2025, the City posted a Notice of Intent to Assess Development Fees on the City's website.

On January 12, 2026, the City held a public hearing on the Intent to Adopt Revised Development Impact Fees. During the public hearing, no representatives from the development community approached Council with inquiries.

DISCUSSION:

The wastewater development impact fee and how the fee was calculated are included in the attached report. The final adopted fee shall not be effective for at least 75 days. The effective date of the final wastewater development impact fee will be May 9, 2026.

BUDGET IMPACT:

Approving the updated wastewater development fee enables the City to collect funds necessary to build the infrastructure associated with growth.

RECOMMENDATION:

Staff recommends City Council adopt resolution 1013-0226 Amending the Wastewater Development Impact Fee.

Contact person for document distribution: Greg Leuthje and Christina Baker

RESOLUTION NO. 1013-0226

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE WASTEWATER DEVELOPMENT IMPACT FEE IMPOSED ON NEW DEVELOPMENT FOR NECESSARY PUBLIC SERVICE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to ARIZ. REV. STAT. §9-463.05, the City of Avondale (the “City”) is authorized and has imposed reasonable development fees to offset costs to the City associated with providing necessary public services; and

WHEREAS, the Council of the City of Avondale (the “City Council”) desires to amend the current Wastewater Development Impact Fee; and

WHEREAS, the City Council, on November 17, 2025, adopted Resolution No. 1069-1125 and the Land Use Assumptions and Infrastructure Improvement Plan prepared by Raftelis Financial Consulting, a qualified consultant under the provisions of ARIZ. REV. STAT. §9-463.05, of which is attached hereto as Exhibit A to Resolution No. 1169-1125 and incorporated herein by reference; and

WHEREAS, pursuant to ARIZ. REV. STAT. §9-463.05, on November 19, 2025, the City published a Notice of Intent to Assess an amended Wastewater Development Impact Fee, and held a public hearing on the amended Wastewater Development Impact Fee on January 12, 2026.

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

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The amended Wastewater Development Impact Fee, provided for in Figure WW6 (Calculation of Proposed Development Impact Fees) on page 49 of the Land Use Assumptions and Infrastructure Improvement Plan adopted by the City Council in Resolution No. 1069-1125 and attached as Exhibit A to this Resolution, is hereby adopted.

SECTION 3. The Resolution shall become effective thirty (30) days after its adoption by the City.

SECTION 3. 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 23, 2026.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1013-0226

[Resolution No. 1069-1125]

See following pages.

RESOLUTION NO. 1069-1125

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, ADOPTING THE LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS PLAN FOR THE AMENDMENT OF DEVELOPMENT FEES IMPOSED BY THE CITY.

WHEREAS, the City of Avondale ("City") may impose development fees in accordance with the provisions of ARIZ. REV. STAT. § 9-463.05; and

WHEREAS, the City has prepared a revised set of Land Use Assumptions and an Infrastructure Improvement Plan; and

WHEREAS, the revised Infrastructure Improvements Plan was developed by Raftelis Financial Consulting as qualified professionals using generally accepted engineering and planning practices pursuant to ARIZ. REV. STAT. § 9-463.05(E); and

WHEREAS, the City released the revised set of Land Use Assumptions and an Infrastructure Improvement Plan on July 22, 2025 and held a public hearing before the City Council of Avondale on the revised set of Land Use Assumptions and an Infrastructure Improvement Plan on November 17, 2025 which is more than sixty days in accordance with ARIZ. REV. STAT. § 9-463.05(D); and

WHEREAS, less than sixty days have elapsed since the public hearing held before the City Council on the revised set of Land Use Assumptions and an Infrastructure Improvement Plan.

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

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Land Use Assumptions and Infrastructure Improvements Plan are hereby adopted in substantially the form and substance of Exhibit A, attached hereto and incorporated herein by reference.

SECTION 3. The Resolution shall become effective thirty days after its adoption by the City.

SECTION 4. 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, November 17, 2025.



Mike Pineda (Nov 18, 2025 11:25:15 MST)

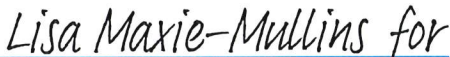
Mike Pineda, Mayor

ATTEST:



Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:



Lisa Maxie-Mullins for (Nov 24, 2025 08:06:25 MST)

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1069-1125

[Land Use Assumptions and Infrastructure Improvements Plan]

See following pages.

City of **AVONDALE**

Land Use Assumptions and Infrastructure
Improvements Plan for Parks/Recreation,
Fire, Police, Streets, Water, and Wastewater
Facilities

Updated Report

September 29, 2025

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Introduction

Arizona Revised Statutes (ARS) §9-463.05 governs how Development Impact Fees (DIF) are calculated for municipalities in Arizona. The enabling legislation calls for three integrated products: 1) Land Use Assumptions (LUA) for at least 10 years, 2) Infrastructure Improvements Plan (IIP), and 3) Development Impact Fees (DIF). Because Arizona requires a two-phase adoption process, the LUA and IIP will be reviewed, refined, and approved before focusing on impact fees.

According to requirements of Arizona's enabling legislation, DIF may be only used for construction, acquisition or expansion of public facilities that are necessary public services. "Necessary public service" means any of the following categories of facilities that have a life expectancy of three or more years and that are owned and operated by or on behalf of the municipality.

- Water Facilities
- Wastewater Facilities
- Storm Water, Drainage, and Flood Control Facilities
- Library Facilities
- Streets Facilities
- Fire and Police Facilities
- Parks and Recreational Facilities
- Any facility that was financed before June 1, 2011 and that meets the following requirements:
 1. impact fees were pledged to repay debt service obligations related to the construction of the facility.
 2. After August 1, 2014, any impact fees collected are used solely for the payment of principal and interest on the portion of the bonds, notes, or other debt service obligations issued before June 1, 2011 to finance construction of the facility.

Infrastructure Improvements Plan

Development fees must be calculated pursuant to an Infrastructure Improvements Plan (IIP). For each necessary public service that is the subject of a development fee, Subsection 9-463.05(E) requires the following.

1. *A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.*
2. *An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.*
3. *A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.*
4. *A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility*

expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.

5. The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.

6. The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.

7. A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.

Qualified Professionals

Qualified professionals must prepare the LUA, IIP and DIF, using generally accepted engineering, planning, and financial practices. A qualified professional is defined as “a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person’s license, education, or experience.” Raftelis is a financial consulting firm specializing in impact fees, infrastructure funding, user fees, cost of service studies, capital improvement plans, and utility rate studies. Raftelis has over 100 professionals located in major urban areas across America. Avondale’s LUA and IIP were prepared by qualified professionals in Denver, CO.

Land Use Assumptions

The City of Avondale will use the same land use assumptions for all types of infrastructure. In addition to population and housing unit projections, the IIP and impact fees also require demographic data on nonresidential development, such as jobs and floor area. This document contains the land use assumptions for Avondale's 2022 DIF update. The LUA and IIP must be updated every five years, making short-range projections the critical time frame. The IIP is limited to ten years, thus a very long-range "build-out" analysis may not be used to derive impact fees in Arizona.

ARS §9-463.05(T)(7) defines land use assumptions as:

"Projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the General Plan of the municipality."

Raftelis prepared current demographic **estimates** and future development **projections** for both residential and nonresidential development that are used in the IIP and calculation of impact fees. Current conditions in Fiscal Year (FY) 21-22 are used to document levels-of-service provided to existing development in Avondale. Although long-range projections are necessary for planning infrastructure systems, a ten-year timeframe is critical for the LUA and IIP.

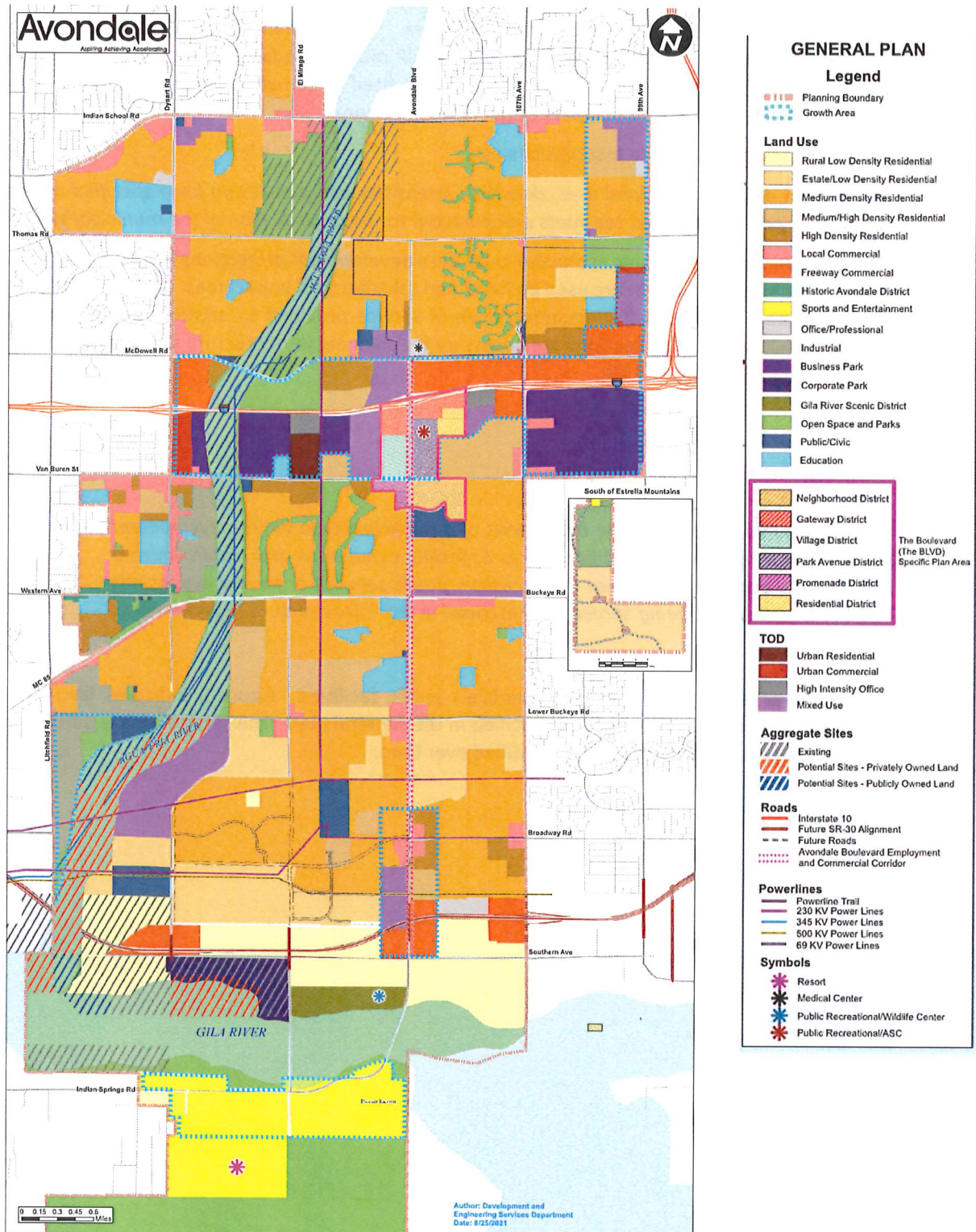
Service Area

ARS §9-463.05(T)(9) defines "service area" as:

"...Any specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan. "

A citywide service area is appropriate for Avondale's public facilities. Figure 1 indicates land uses, densities, and intensities of development as specified in the General Plan. The service area is defined as all land within the city limits of Avondale, as modified over time.

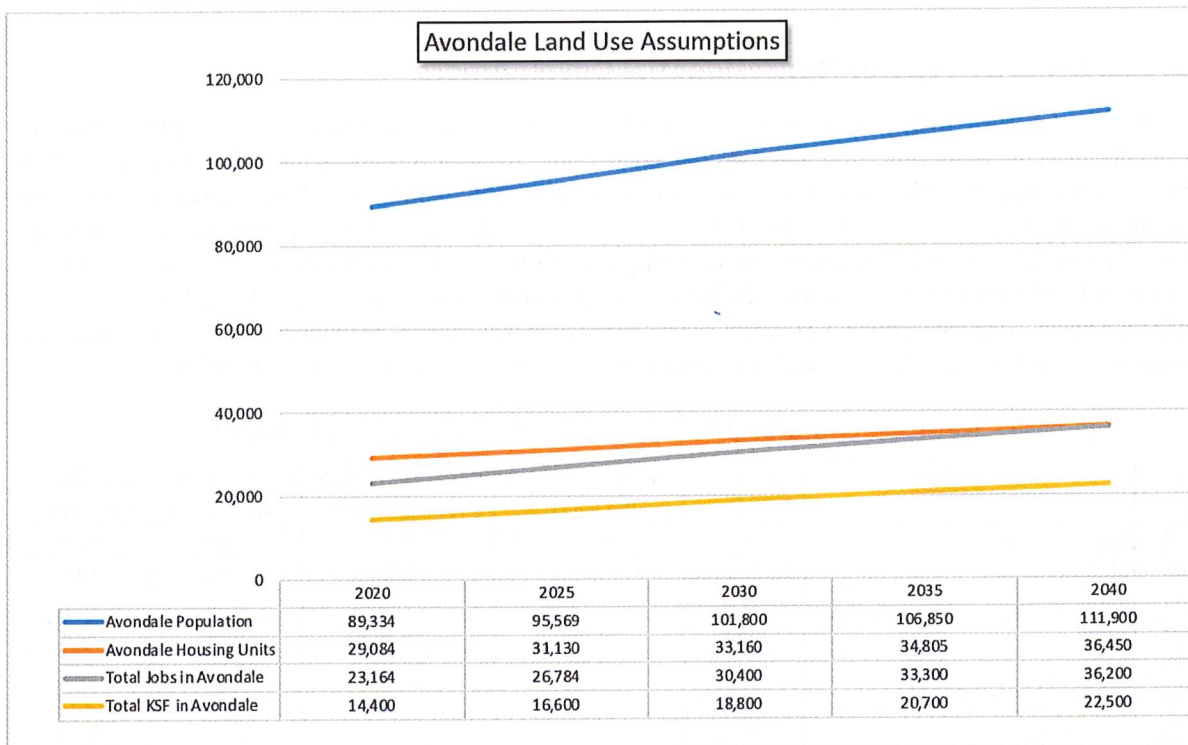
Figure 1 – Service Area Map



Summary of Growth Indicators

Service units (i.e., residents and jobs) and development units (i.e., dwellings and square feet of nonresidential floor area expressed in thousands) for 2020 through 2040 are summarized in Figure 2. These land use assumptions will be used to estimate DIF revenue and to indicate the anticipated need for growth-related infrastructure. However, DIF methodologies are designed to reduce sensitivity to accurate development projections in the determination of the proportionate-share fee amounts. If actual development is slower than projected, DIF revenues will also decline, but so will the need for growth-related infrastructure. In contrast, if development is faster than anticipated, Avondale will receive an increase in DIF revenue and will also accelerate capital improvements to keep pace with development.

Figure 2 – Chart of Projected Development



Service Units by Type of Residential Development

The U.S. Census Bureau no longer obtains detailed information using “long-form” questionnaires. Demographic data is currently collected using a continuous monthly mailing of surveys, known as the American Community Survey (ACS), which is limited by sample-size constraints. For example, data on Single Family detached housing units are now combined with attached single units (commonly known as townhouses). According to the U.S. Census Bureau, a household is a housing unit that is occupied by year-round residents. Development fees often use per capita standards and persons per housing unit, or persons per household, to derive proportionate-share fee amounts. Raftelis recommends that fees for residential development in the City of Avondale be imposed according to the number of year-round residents per housing unit. Figure 3 documents Avondale’s most recent multipliers by type of housing.

Figure 3: Persons per Housing Unit by Units in Structure*City of Avondale*

<i>Units in Structure</i>	<i>Persons</i>	<i>Housing Units</i>	<i>Persons per Housing Unit</i>	<i>Housing Mix</i>
Single Unit (detached and attached)	70,590	21,442	3.29	77%
2+ Unit (all other residential)	15,332	6,543	2.34	23%
Subtotal	85,922	27,985	3.07	

*Source: 2016-2020 ACS Tables B25024 and B25033, U.S. Census Bureau.***Service Units by Type of Nonresidential Development**

In addition to data on residential development, the calculation of impact fees requires data on nonresidential development. Raftelis uses the term “jobs” to refer to employment by place of work. In Figure 4, gold shading indicates nonresidential development prototypes that will be used to allocate costs. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates and employment densities (i.e., jobs per thousand square feet of floor area). The prototype for future Industrial development is Warehousing (ITE land use 150). For Office/Services, General Office (ITE 710) is the prototype for future development in Avondale. The prototype for Commercial (e.g., retail and restaurants) is a Shopping Center (ITE code 820).

Figure 4 – Nonresidential Trip Rates and Jobs by Type of Development

<i>ITE Code</i>	<i>Land Use / Size</i>	<i>Demand Unit</i>	<i>Weekday Trip Ends Per Demand Unit*</i>	<i>Weekday Trip Ends Per Employee*</i>	<i>Employees Per Demand Unit</i>	<i>Square Feet Per Employee</i>
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
140	Manufacturing	1,000 Sq Ft	4.75	2.51	1.89	528
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
310	Hotel	room	7.99	14.34	0.56	N/A
320	Motel	room	3.35	25.17	0.13	N/A
520	Elementary School**	1,000 Sq Ft	19.52	21.00	0.93	1,076
530	High School**	1,000 Sq Ft	14.07	22.25	0.63	1,581
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
620	Nursing Home	1,000 Sq Ft	6.75	3.31	2.04	490
710	General Office	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical/Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
820	Shopping Center	1,000 Sq Ft	37.01	17.42	2.12	471
850	Grocery/Supermarket	1,000 Sq Ft	93.84	43.86	2.14	467

* *Trip Generation, Institute of Transportation Engineers, 11th Edition (2022).*** *Trip Generation, Institute of Transportation Engineers, 10th Edition (2017).*

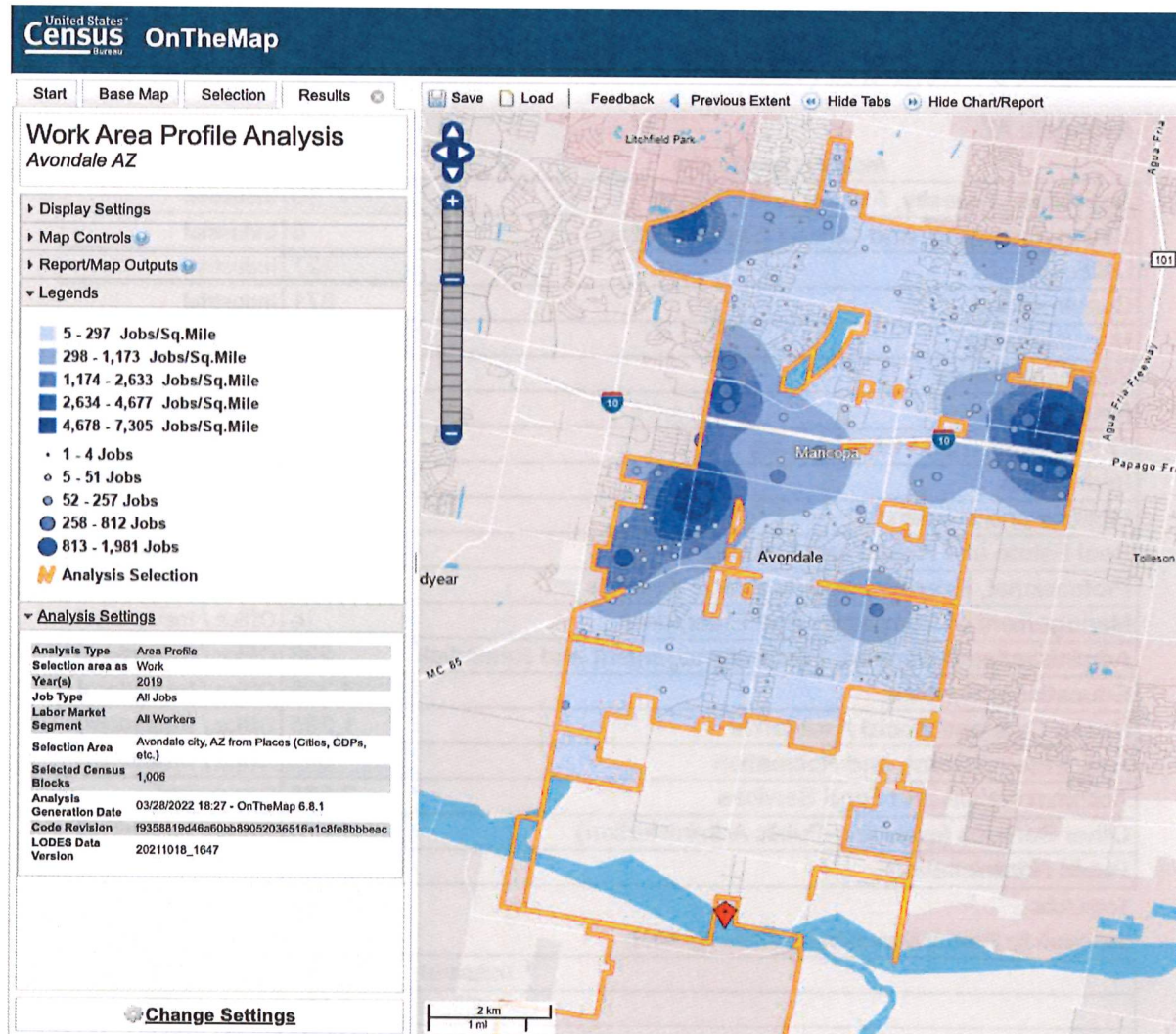
Latest data on jobs in Avondale (see Figure 5) are from the Census Bureau. Each row is an industry sector, as reported by the North American Industry Classification System. Subtotals and percentages for Avondale's three types of nonresidential development are shown at the bottom of the table.

Figure 5 – Work Area Profile

Avondale AZ

<i>Industry Classification</i>	<i>2019 Jobs</i>	<i>General Type</i>
Agriculture, Forestry, Fishing and Hunting	16	Industrial
Mining, Quarrying, and Oil and Gas Extraction	0	Industrial
Utilities	127	Industrial
Construction	871	Industrial
Manufacturing	68	Industrial
Wholesale Trade	460	Industrial
Retail Trade	5,440	Commercial
Transportation and Warehousing	235	Industrial
Information	380	Office / Institutional
Finance and Insurance	203	Office / Institutional
Real Estate and Rental and Leasing	208	Office / Institutional
Professional, Scientific, and Technical Services	272	Office / Institutional
Management of Companies and Enterprises	16	Office / Institutional
Administration & Support, Waste Management and Remediation Services	536	Office / Institutional
Educational Services	3,399	Office / Institutional
Health Care and Social Assistance	1,285	Office / Institutional
Arts, Entertainment, and Recreation	349	Office / Institutional
Accommodation and Food Services	2,565	Commercial
Other Services (excluding Public Administration)	173	Office / Institutional
Public Administration	1	Office / Institutional
Total Jobs	16,604	
<i>Subtotals by Type of Nonresidential Development</i>		
Industrial	1,777	11%
Commercial	8,005	48%
Office / Institutional	6,822	41%
Total Jobs	16,604	100%

The map below indicates the general location and concentration of jobs within Avondale (dark blue indicates more jobs per square mile).



Detailed land use assumptions are shown in Figure 6. Population and housing units in 2020 are from the U.S. Census Bureau. Projected 2030, 2040, and 2050 population in the Avondale Municipal Planning Area (MPA) are from Maricopa Association of Governments (MAG). Jobs in the Avondale MPA for 2020, 2030, 2040, and 2050 are also from MAG. Raftelis converted jobs to nonresidential floor area using average square feet per job multipliers documented in pages 23-25 of the MAG 2019 Socioeconomic Projections. Industrial average of 1,060 square feet per job is based on manufacturing and warehousing. Commercial average of 660 square feet per job is based on retail, restaurants, and hotels. Office/Services average of 459 square feet per job is based on information, finance/insurance, and real estate. See Appendix B for supporting documentation from MAG.

Figure 6 – Detailed Land Use Assumptions

2022 LUA		FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY34-35	FY44-45	FY49-50	
Avondale AZ		Base Yr	1	2	3	4	5	10	20	25	
		2020	2025	2026	2027	2028	2029	2030	2035	2045	2050
Population											
Avondale Population		89,334	95,569	96,816	98,063	99,310	100,557	101,800	106,850	115,450	119,000
Housing Units											
Persons per Housing Unit		3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07
Avondale Housing Units		29,084	31,130	31,536	31,942	32,349	32,755	33,160	34,805	37,606	38,762
Jobs (place of work)											
Industrial Jobs		2,548	2,946	3,026	3,106	3,185	3,265	3,344	3,663	4,345	4,708
Commercial Jobs		11,119	12,856	13,204	13,551	13,899	14,246	14,592	15,984	18,960	20,544
Office/Services Jobs		9,497	10,981	11,278	11,575	11,872	12,169	12,464	13,653	16,195	17,548
Total Jobs in Avondale		23,164	26,784	27,508	28,232	28,956	29,680	30,400	33,300	39,500	42,800
Jobs-Housing Ratio		0.80	0.86	0.87	0.88	0.90	0.91	0.92	0.96	1.05	1.10
Nonresidential Floor Area (square feet in thousands = KSF)											
Industrial KSF		2,700	3,100	3,200	3,300	3,400	3,500	3,500	3,900	4,600	5,000
Commercial KSF		7,300	8,500	8,700	8,900	9,200	9,400	9,600	10,500	12,500	13,600
Office/Services KSF		4,400	5,000	5,200	5,300	5,400	5,600	5,700	6,300	7,400	8,000
Total KSF in Avondale		14,400	16,600	17,100	17,500	18,000	18,500	18,800	20,700	24,500	26,600
Average Square Feet per Job		622	620	622	620	622	623	618	622	620	621

24to25	25to26	26to27	27to28	28to29	29to30	34to35	44to45	49to50
1,247	1,247	1,247	1,247	1,247	1,243	1,010	710	710
406	406	406	407	406	405	329	231	231
724	724	724	724	724	720	580	660	660
100	100	100	100	100	0	100	100	100
200	200	200	300	200	200	100	200	300
100	200	100	100	200	100	100	100	100
400	500	400	500	500	300	300	400	500

Parks/Recreation Facilities IIP

ARS § 9-463.05(T)(7)(g) defines parks and recreation facilities eligible for development fee funding.

“Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.”

In the 2022 update, the City of Avondale is using two methods to derive impact fees for park and recreation facilities. First, Avondale used a cost recovery method for a General Fund loan of \$2.5 million used to construct 5.8 acres at Alamar Park. Second, Avondale will use an incremental expansion cost method for additional park improvements. Parks/recreation development fees in Avondale exclude costs to upgrade, update, improve, expand, correct or replace necessary public services to meet existing needs/usage. Avondale fees also exclude stricter safety, efficiency, environmental or regulatory standards.

Service Area

The service area for parks/recreation development fees includes the area north of the Estrella Mountains.

Proportionate Share

ARS § 9-463.05(B)(3) states the development fee shall not exceed a proportionate share of the cost of necessary public services needed to serve new development. In Avondale, parks/recreation infrastructure standards, projected needs, and development fees are based on both residential and nonresidential development. As shown in Figure PR1, Raftelis used daytime population to allocate costs. Daytime population includes estimated residents and inflow commuters in 2019 (latest year available). Potential demand days per year assume residents might use parks every day of the year, but inflow commuters will only use parks four days per week over 48 weeks per year (i.e., two weeks of vacation and two weeks of holidays). Based on cumulative demand days, residential development accounts for 92% of the demand for parks/recreation facilities, with 8% assigned to nonresidential development.

Figure PR1 – Daytime Population

Cost Allocation Factors for Parks	Residential	Nonresidential	
2019 Daytime Population	85,595 Residents	14,888 Inflow Commuters	
Potential Demand Days per Year	365	192	Total
Cumulative Demand Days	31,242,175	2,858,496	34,100,671
Proportionate Share	92%	8%	

Source of inflow commuters is U.S. Census Bureau, Inflow/Outflow report from OnTheMap website.

Current Use and Standards for Parks/Recreation Facilities

Avondale has determined that additional parks are necessary to accommodate future development. As shown in Figure PR2, the City's current standard is approximately 1.10 acres of improved parks per 1,000 residents and approximately 0.36 acres per 1,000 jobs. These standards exclude parks less than 1.5 acres that might not provide citywide benefit. To accommodate new development over the next ten years, Avondale will expand parks, with expenditures estimated to cost of approximately \$6.72 million. According to Avondale Staff, the cost factor of \$431,000 per acre for park improvements is based on recent construction of Alamar Park.

Figure PR2 – Existing Park Improvements Standards and Growth Needs

Location	Improved
Friendship Park	30.0
Festival Fields	30.0
Alamar Park**	24.2
Las Ligas Park	8.1
Donnie Hale Park	5.3
Dessie Lorenz Park	4.6
Mountain View Park	3.6
Dennis DeConcini Park	2.0
Fred Campbell Park	1.5
Total =>	109.3
Average Size (acres)	12.1
2022 Service Units	
Acres per 1,000 Service Units	

91,828 Persons	24,612 Jobs
1.10	0.36

Projected Need for Park Improvements				
	Year	Population	Jobs	Improved Acres
Base	2022	91,828	24,612	109.3
Year 1	2023	93,075	25,336	110.9
Year 2	2024	94,322	26,060	112.5
Year 3	2025	95,569	26,784	114.2
Year 4	2026	96,816	27,508	115.8
Year 5	2027	98,063	28,232	117.4
Year 10	2032	103,820	31,560	124.9
Ten-Yr Increase		11,992	6,948	15.6
Total Project Cost per Acre =>				\$431,000
Growth Cost of Parks =>				\$6,724,000

**Source: Avondale staff (excludes parks less than 1.5 acres that might not provide citywide benefit).*

*** Impact fee eligible area (30 acres) reduced to account for area constructed*

**Source: Avondale staff (excludes parks less than 1.5 acres that might not provide citywide benefit).*

*** Impact fee eligible area (30 acres) reduced to account for area constructed*

Parks/Recreation Improvements

Figure PR3 lists planned parks/recreation improvements over the next ten years. Based on projected needs to accommodate growth, Avondale expects to spend approximately \$6.72 million to expand parks

improvements over the next ten years. Improved acres may include expansion of existing parks or an additional park site. Also, the City used General Fund revenue to front-end recent, growth-related park improvements. Based on projects under construction in FY22, the Park impact fee fund has a negative balance of approximately \$2.5 million, to account for the General Fund loan.

Figure PR3 – Parks/Recreation Projects Over Ten Years

<i>Infrastructure Needs</i>	<i>Infrastructure Units</i>	<i>Growth Quantity Over Ten Years</i>	<i>Cost Factor per Unit</i>	<i>IIP Cost (rounded)</i>
Parks and Recreation Facilities	improved acres	15.6	\$431,000	\$6,724,000

Planned Infrastructure Improvements

<i>Name/Description</i>	<i>Acreage</i>	<i>Estimated Cost</i>	<i>Growth Share</i>	<i>Growth Cost</i>
Future Park Expansion	15.6	\$6,724,000	100%	\$6,724,000
General Fund Loan Repayment		\$2,500,000	100%	\$2,500,000
Total	15.6	\$9,224,000		\$9,224,000

Fire Facilities IIP

ARS § 9-463.05(T)(7)(f) defines the fire facilities eligible for development fee funding.

“Fire and Police facilities, including all appurtenances, equipment and vehicles. Fire and Police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.”

Fee Calculation Methodology

In the 2022 update, the City of Avondale is using the incremental expansion cost method to derive development impact fees for fire facilities. Fire impact fees in Avondale exclude costs to upgrade, update, improve, expand, correct or replace necessary public services to meet existing needs/usage and stricter safety, efficiency, environmental or regulatory standards. Fire vehicles and equipment used to provide administrative services are also excluded.

Service Area

To hasten response times, public safety responders are typically dispatched from the closest facility, with multiple locations responding as warranted. Avondale has five existing fire stations, with a dispatch system that assigns calls to secondary responders, if needed. Therefore, all developed areas within the City of Avondale are served by an integrated public safety system. Avondale’s service area for fire impact fees includes the area North of the Estrella Mountains, as discussed previously in the section on Land Use Assumptions.

Proportionate Share

ARS § 9-463.05(B)(3) states the development fee shall not exceed a proportionate share of the cost of necessary public services needed to serve new development. In Avondale, fire infrastructure standards, projected needs, and development fees are based on both residential and nonresidential development. As stated in ARS §9.463.05(E)(4), impact fees must be proportionate to various types of land uses.

“A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.”

Given these requirements, Raftelis recommends using functional population to allocate capital costs of public safety facilities to residential and nonresidential development. In 2019, the U.S. Census Bureau’s commuting data indicates 1,716 persons lived and worked in Avondale, 39,522 outflow commuters went to work outside Avondale and 14,888 inflow commuters travel to jobs within Avondale. Functional population is like the U.S. Census Bureau’s definition of daytime population (based on people living and working in a jurisdiction), with the addition of journey-to-work data and weighting factors (i.e., demand hours per day) to account for time spent at residential and nonresidential locations. Residents who do not work are assigned 20 hours per day to residential development and 4 hours per day to nonresidential development (annualized averages for assumed time spent shopping, dining, obtaining personal services, going to school/church, etc.). Residents who work in Avondale are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents who work outside Avondale are

assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2019 population and job data for Avondale, the cost allocation for residential development is 81%, while nonresidential development accounts for 19% of the demand for infrastructure.

Figure F1 – Functional Population

Avondale AZ

		Service Units in 2019		Demand Hours/Day	Person Hours
Residential	Population*	85,595			
51.8%	Residents Not Working	44,357		20	887,140
48.2%	Working Residents**	41,238			
4.2%	Resident Workers**	1,716		14	24,024
95.8%	Outflow Commuters**	39,522		14	553,308
				Residential Subtotal	1,464,472
				Residential Share =>	81%
Nonresidential	Residents Not Working	44,357		4	177,428
	Jobs in Avondale**	16,604			
10.3%	Resident Workers**	1,716		10	17,160
89.7%	Inflow Commuters	14,888		10	148,880
				Nonresidential Subtotal	343,468
				Nonresidential Share =>	19%
				Total	1,807,940

* 2019 Avondale population estimate from Maricopa Association of Governments.

** 2019 Avondale Inflow/Outflow, from OnTheMap web application, U.S. Census Bureau data for all jobs.

Current Use and Available Capacity

In Avondale, fire facilities are fully utilized and there is no surplus capacity for future development. Avondale has determined that fire building space will require expansion to accommodate future development. Figure F2 inventories current fire buildings in Avondale. For residential development, population is used as the best indicator of the demand for service. For nonresidential development, Avondale will use inbound, primary vehicle trips, on an average weekday, as the service units. Figure F2 also indicates the allocation of fire building space to residential and nonresidential development. The percentages for stations 172, 174 and the Emergency Operations Center are based on approximate floor area used by fire and police personnel respectively. Current standards are 0.62 square feet of fire buildings per Avondale resident and 0.11 square feet of fire buildings per inbound, primary vehicle trip on an average weekday, to nonresidential development in Avondale.

Figure F2 – Existing Fire Buildings and Standards

<i>Building Space for Fire Functions</i>	<i>Square Feet</i>
Station 175	17,084
Station 173	16,000
Station 172 (73%)	12,391
Station 174 (60%)	10,951
Station 171	8,600
Fire Headquarters	3,000
Emergency Operations Center (50%)	2,500
Total	70,526

Data Source: Avondale Fire Department and Facilities Director.

Fire Buildings Standards	Residential	Nonresidential
Proportionate Share	81%	19%
Growth Indicator	Population	Average Weekday, Inbound, Primary Vehicle Trips to Nonres Development
2022 Service Units	91,828	122,675
Square Feet per Service Unit	0.62	0.11

Development fees will be used to expand the fleet of fire vehicles and purchase additional equipment that has a useful life of at least three years. Figure F3 lists fire vehicles and equipment currently used by the Avondale Fire Department that has an initial purchase price of at least \$23,500. Avondale currently has 37 fire vehicles, with a total value of approximately \$14.31 million. The weighted average cost factor is \$386,800 per fire vehicle.

Following the same methodology used for fire buildings, the total count of fire vehicles and equipment was allocated to residential and nonresidential development in Avondale. As shown at the bottom of Figure F3, every 1,000 persons will require Avondale to purchase 0.33 additional fire vehicles. Every 1,000 inbound, primary vehicle trips to nonresidential development, on an average weekday, requires 0.06 additional fire vehicles.

Figure F3 – Existing Fire Vehicles and Standards

<i>Fire Vehicle</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total Value</i>
FIRE TRUCK	12	\$950,000	\$11,400,000
LADDER	1	\$1,846,600	\$1,846,600
SEDAN / SUV	6	\$41,300	\$247,800
SAFETY TRAILER	1	\$101,500	\$101,500
LIGHT TRUCK	9	\$42,000	\$378,000
LARGE VAN	2	\$39,200	\$78,400
MEDIUM PICKUP	3	\$62,500	\$187,500
ATV	3	\$23,500	\$70,500
TOTAL	37		\$14,310,300
Weighted Average Cost per Vehicle =>			\$386,800

Data Source: Avondale staff.

<i>Fire Vehicle Standards</i>	<i>Residential</i>	<i>Nonresidential</i>
Proportionate Share	81%	19%
Growth Indicator	Population	Average-Weekday, Inbound, Primary Vehicle Trips to Nonres Development
2022 Service Units	91,828	122,675
Vehicles per thousand Service Units	0.33	0.06

Projected Need for Fire Facilities

To accommodate new development over the next ten years, Avondale will need to add 11,240 square feet of fire buildings, at an estimated cost of approximately \$7.5 million. As shown in Figure F4, the cost factor of \$668 per square foot is based on the recent total project cost of Van Buren fire station.

Also, Avondale Fire Department will need six additional vehicles to accommodate new development over the next ten years. The expected cost of additional fire vehicles is approximately \$2.3 million.

Figure F4 – Fire Facilities Needed to Accommodate Growth

Fire Building Standards and Capital Costs

Buildings - Residential	0.62	Sq Ft per person
Buildings - Nonresidential	0.11	Sq Ft per trip
Building Cost Factor	\$668	per square foot

Infrastructure Needed

	Year	Population	Vehicle Trips to Nonresidential Dev	Fire Buildings (sq ft)
Base	2022	91,828	122,675	70,526
Year 1	2023	93,075	126,287	71,697
Year 2	2024	94,322	130,493	72,932
Year 3	2025	95,569	133,564	74,043
Year 4	2026	96,816	137,176	75,213
Year 5	2027	98,063	140,246	76,324
Year 10	2032	103,820	157,275	81,766
Ten-Yr Increase		11,992	34,599	11,240

Growth Cost of Fire Buildings => \$7,508,000

Fire Vehicle Standards and Capital Costs

Vehicles - Residential	0.33	per 1,000 persons
Vehicles - Nonresidential	0.06	per 1,000 vehicle trips
Average Cost	\$386,800	per vehicle

Infrastructure Needed

	Year	Population	Vehicle Trips to Nonresidential Dev	Fire Vehicles
Base	2022	91,828	122,675	37
Year 1	2023	93,075	126,287	38
Year 2	2024	94,322	130,493	38
Year 3	2025	95,569	133,564	39
Year 4	2026	96,816	137,176	39
Year 5	2027	98,063	140,246	40
Year 10	2032	103,820	157,275	43
Ten-Yr Increase		11,992	34,599	6

Growth Cost of Fire Vehicles => \$2,321,000

Fire Infrastructure Improvements

Fire impact fees in Avondale are based on the same level of service provided to existing development. Using impact fee funding over the next ten years, Figure F5 indicates that Avondale will construct Alamar station. This public safety building will be used for fire and police functions. The total floor area of the new building will be approximately 27,000 square feet, with approximately 19,000 square feet used by the Fire Department. The planned floor area of Alamar Station is larger than the need for additional square feet to maintain existing standards. Therefore, impact fee revenue will only fund 59% of the expected cost.

Because fire vehicles require large garages, the total project cost per square foot for fire functions is less than the cost factor for police functions. Avondale will also purchase additional fire vehicles, expected to cost approximately \$2.3 million.

Figure F5 – Ten-Year Plan for Fire Facilities

<i>Infrastructure Type</i>	<i>Infrastructure Units</i>	<i>Growth Quantity Over Ten Years</i>	<i>Cost Factor per Unit</i>	<i>IIP Cost (rounded)</i>
Fire Buildings	square feet	11,240	\$668	\$7,508,000
Fire Vehicles (3+ years of useful life)	count	6	\$386,800	\$2,321,000

Planned Infrastructure Improvements

<i>Name/Description</i>	<i>Units</i>	<i>Estimated Cost</i>	<i>Growth Share</i>	<i>Growth Cost</i>
Alamar Fire Station	19,000	\$12,692,000	59%	\$7,508,000
Alamar Station Vehicle	1	\$1,000,000	100%	\$1,000,000
Additional Fire Vehicles			100%	\$1,321,000
Total		\$13,692,000		\$9,829,000

Police Facilities IIP

ARS § 9-463.05(T)(7)(f) defines the police facilities eligible for development fee funding.

"Fire and Police facilities, including all appurtenances, equipment and vehicles. Fire and Police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation."

Police development fees in Avondale exclude costs to upgrade, update, improve, expand, correct or replace necessary public services to meet existing needs/usage, and stricter safety, efficiency, environmental or regulatory standards. Also excluded from the Avondale development fees are police vehicles and equipment used to provide administrative services.

Service Area

All developed areas within the City of Avondale are served by an integrated public safety system. Avondale's service area for police development fees includes all land within city limits.

Proportionate Share

Based on the rationale discussed in the Fire section above, Raftelis recommends using functional population to allocate capital costs of police facilities to residential and nonresidential development. According to 2019 population and job data for Avondale, the cost allocation for residential development is 81%, while nonresidential development accounts for 19% of the demand for infrastructure.

Current Use and Available Capacity

The top of Figure P1 indicates police building space allocated to residential and nonresidential development, along with 2022 service units in Avondale. The percentages for stations 172, 174 and the Emergency Operations Center are based on approximate floor area used by fire and police personnel respectively. The standard in Avondale is 0.62 square feet of police building per resident. For nonresidential development, Avondale's standard is 0.11 square feet of police building per inbound, primary vehicle trip on an average weekday, to nonresidential development.

Development fees will also be used to expand the fleet of police vehicles that have a useful life of at least three years. The bottom of Figure P1 lists the City's current police vehicles and infrastructure standards. The current number of police vehicles were allocated to residential and nonresidential development in Avondale. Adding 1,000 residents will require Avondale to purchase 1.26 additional police vehicles. Every 1,000 inbound, primary, average weekday, vehicle trips to nonresidential development will require Avondale to purchase 0.22 additional police vehicles.

Figure P1 – Existing Police Infrastructure Standards

<i>Building Space for Police Functions</i>	<i>Square Feet</i>
Police Headquarters	41,100
Public Safety 174 (40%)	7,301
Public Safety 172 (27%)	4,583
Substation on Western	6,480
Jail	4,640
Brinker Substation	4,224
Emergency Operations Center (50%)	2,500
Total	70,828

Data Source: Avondale Police Department and Facilities Director.

Buildings Standards

	<i>Residential</i>	<i>Nonresidential</i>
Proportionate Share	81%	19%
Growth Indicator	<i>Population</i>	<i>Average-Weekday, Inbound, Primary Vehicle Trips to Nonres Dev</i>
2022 Service Units	91,828	122,675
Square Feet per Service Unit	0.62	0.11

<i>Police Vehicles</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total Value</i>
PATROL UNITS	82	\$70,000	\$5,740,000
NON- PATROL	47	\$38,000	\$1,786,000
MOTORCYCLES	6	\$45,000	\$270,000
TRUCKS	2	\$55,000	\$110,000
VANS	4	\$38,000	\$152,000
ARMORED TRUCKS	2	\$350,000	\$700,000
TOTAL	143		\$8,758,000

Weighted Average Cost per Vehicle =>

\$61,200

Data Source: Avondale Police Department.

Police Vehicle Standards

	<i>Residential</i>	<i>Nonresidential</i>
Proportionate Share	81%	19%
Growth Indicator	<i>Population</i>	<i>Average-Weekday, Inbound, Primary Vehicle Trips to Nonres Development</i>
2022 Service Units	91,828	122,675
Vehicles per thousand Service Units	1.26	0.22

To maintain existing standards over the next ten years, Avondale could justify adding 11,287 square feet of police building space. However, the planned construction of the Alamar public safety building will likely complete the Police Department's need for building space to accommodate buildout of Avondale. Therefore, the 2022 update of police impact fees caps the need for building space at 8,000 square feet.

As shown in Figure P2, the cost factor of \$998 per square foot is based on the expected cost of Police Department's portion of the Alamar public safety building. The cost factor per square foot of building space is higher for police than fire functions due to lack of large garages and the extra cost for security measures.

To maintain the current infrastructure standard over the next ten years, Avondale will need to expand the police fleet by 23 vehicles, at an estimated cost of approximately \$1.41 million. The Avondale Police Department has estimated that a new fully equipped police vehicle costs approximately \$61,200, including information technology, communications, and safety equipment.

Figure P2 – Projected Need for Police Infrastructure

Police Building Standards and Capital Costs

Buildings - Residential	0.62	Sq Ft per person
Buildings - Nonresidential	0.11	Sq Ft per trip
Building Cost Factor	\$998	per square foot

		Infrastructure Needed		
	Year	Population	Vehicle Trips to Nonresidential Dev	Police Buildings (sq ft)
Base	2022	91,828	122,675	70,828
Year 1	2023	93,075	126,287	72,003
Year 2	2024	94,322	130,493	73,244
Year 3	2025	95,569	133,564	74,359
Year 4	2026	96,816	137,176	75,535
Year 5	2027	98,063	140,246	76,651
Year 10	2032	103,820	157,275	82,115
Ten-Yr Increase		11,992	34,599	11,287
Growth Cost of Police Buildings =>				\$11,264,000

Police Vehicle Standards and Capital Costs

Vehicles - Residential	1.26	per 1,000 persons
Vehicles - Nonresidential	0.22	per 1,000 vehicle trips
Average Cost	\$61,200	per vehicle

		Infrastructure Needed		
	Year	Population	Vehicle Trips to Nonresidential Dev	Police Vehicles
Base	2022	91,828	122,675	143
Year 1	2023	93,075	126,287	145
Year 2	2024	94,322	130,493	148
Year 3	2025	95,569	133,564	150
Year 4	2026	96,816	137,176	153
Year 5	2027	98,063	140,246	155
Year 10	2032	103,820	157,275	166
Ten-Yr Increase		11,992	34,599	23
Growth Cost of Police Vehicles =>				\$1,408,000

Police Infrastructure Improvements

Police impact fees in Avondale are based on the incremental expansion cost of police vehicles (i.e., maintenance of current standards) and the plan-based need for police buildings. Using impact fee funding over the next ten years, Figure P3 indicates that Avondale will expand police buildings by 8,000 square feet, which is based on the planned floor area of the combined Alamar public safety building (i.e., 27,000 total square feet) less the Fire Department's space (i.e., 19,000 square feet). Avondale will also purchase an additional 23 police vehicles over the next ten years, expected to cost approximately \$1.4 million.

Figure P3 – Ten-Year Plan for Police Facilities

<i>Infrastructure Type</i>	<i>Infrastructure Units</i>	<i>Growth Quantity Over Ten Years</i>	<i>Cost Factor per Unit</i>	<i>IIP Cost (rounded)</i>
Police Buildings	square feet	8,000	\$998	\$7,984,000
Police Vehicles (3+ years of useful life)	count	23	\$61,200	\$1,408,000

Planned Infrastructure Improvements

<i>Name/Description</i>	<i>Units</i>	<i>Estimated Cost</i>	<i>Growth Share</i>	<i>Growth Cost</i>
Alamar Police Substation	8,000	\$7,984,000	100%	\$7,984,000
Police Vehicles & Equipment			100%	\$1,408,000
Total	8,000	\$7,984,000		\$9,392,000

Street Facilities IIP

ARS § 9-463.05(T)(7)(e) defines the facilities and assets that can be included in the Street Facilities IIP.

“Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.”

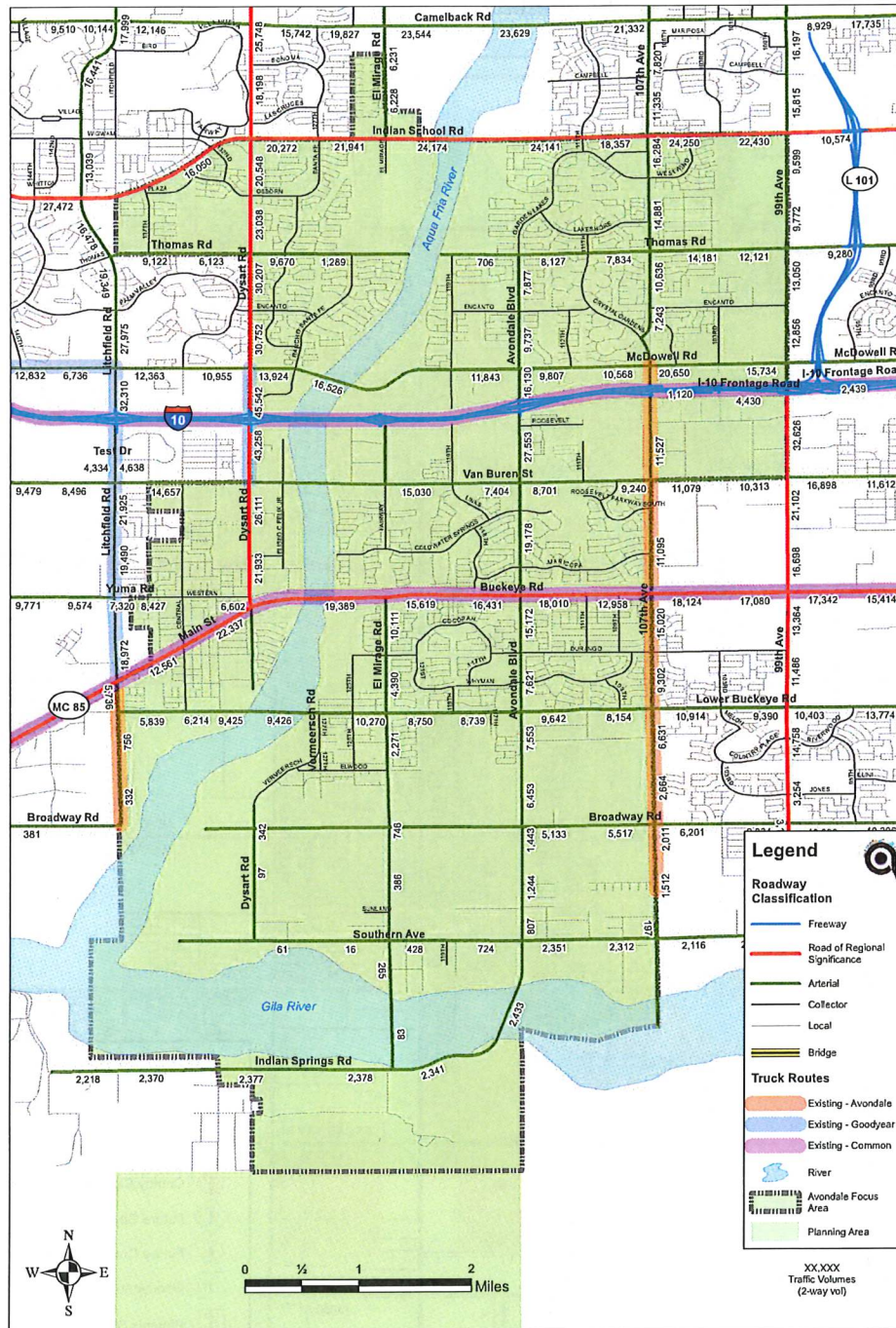
Avondale’s IIP is based on improvements to arterial streets needed to accommodate additional vehicular travel, plus the cost of preparing the LUA/IIP/DIF study required by the State of Arizona. The streets impact fee is derived from trip generation rates, trip rate adjustment factors, average trip length weighting factors, and lane capacity. Each component is described below.

Development fees in Avondale exclude costs to upgrade, update, improve, expand, correct or replace necessary public services to meet existing needs/usage and stricter safety, efficiency, environmental or regulatory standards. The service area for streets development fees includes the area north of the Estrella Mountains.

Existing Infrastructure

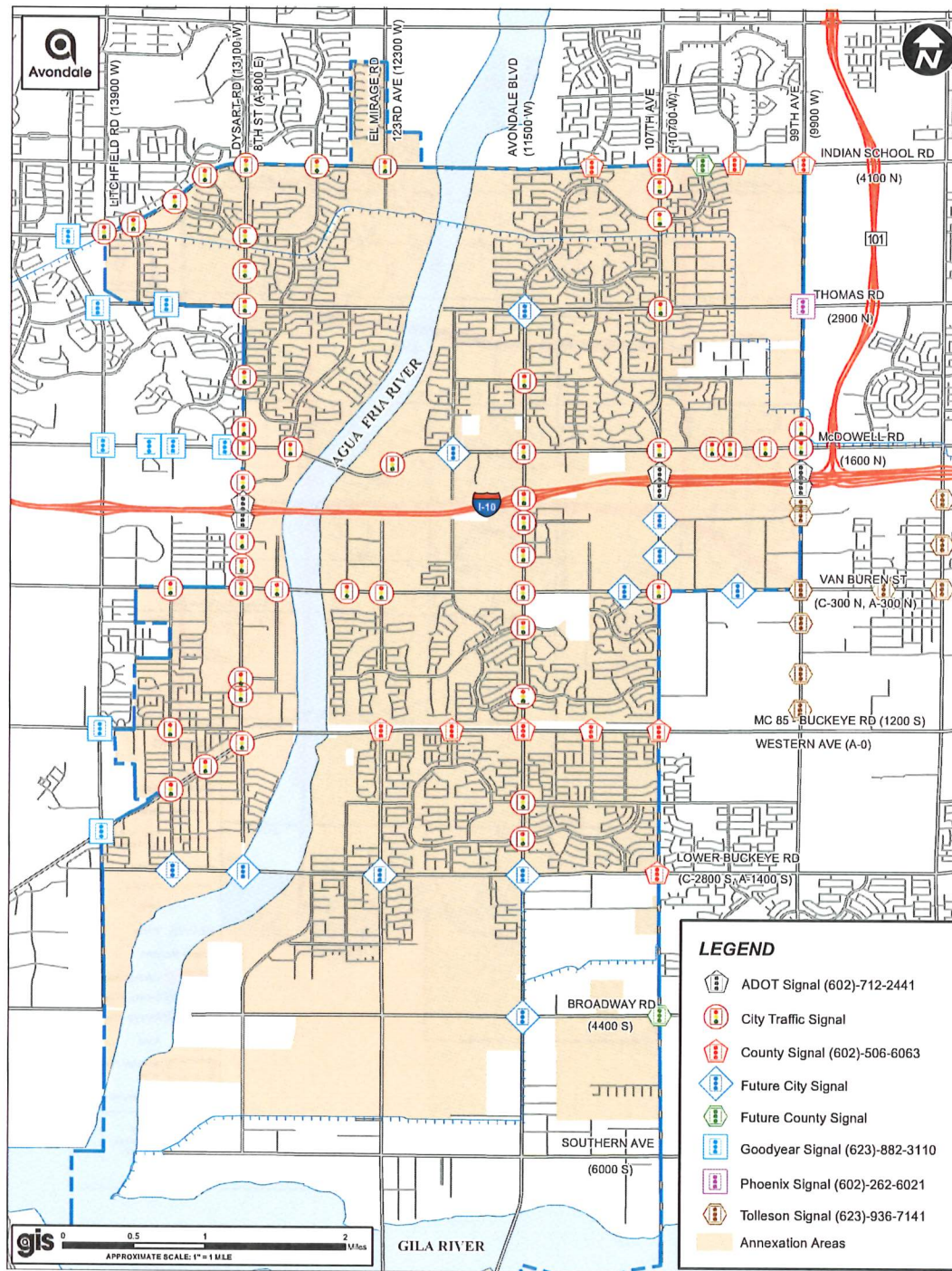
Lane miles of arterials in Avondale are mapped in Figure S1. A lane mile is a rectangular area that is one travel lane wide and a mile long. According to Staff, Avondale currently has 295 arterial lane miles on streets with four or more travel lanes. All local and collector streets are project-level improvements excluded from the impact fee calculations. The City will continue to require project level improvements, such as turn lanes and signals for ingress/egress, during the development review and approval process.

Figure S1: Arterials in Avondale



In addition to arterial lanes miles, transportation system improvements include City traffic signals and turn lanes at the intersection of an arterial with another arterial. As shown in Figure S2, there are currently 14 improved intersections (see City traffic signals in legend below) that meet the locational criteria for system improvements.

Figure S2: Traffic Signals in Avondale



Forecast of Service Units

Avondale will use average weekday Vehicle Miles of Travel (VMT) as the service units for allocating the cost of future improvements. Raftelis created an aggregate travel model to convert development units within Avondale to vehicle trips and vehicle miles of travel. The top portion of Figure S3 summarizes the input variables for the travel model. Trip generation rates, expressed as average weekday Vehicle Trip Ends (VTE), are from the Institute of Transportation Engineers (ITE 2022). HU is an abbreviation for housing unit. KSF is an abbreviation for square feet of nonresidential floor area, expressed in thousands. Each input variable is described further below.

A typical vehicle trip, such as a person leaving their home and traveling to work, generally begins on a local street that connects to a collector street, which connects to an arterial and eventually to a state or interstate highway. This progression of travel up and down the functional classification chain limits the average trip length determination, for the purpose of development fees, to the following question, "What is the average vehicle trip length on system improvements (i.e., facilities funded by development fees)?"

As shown near the bottom of Figure S3, development in Avondale currently attracts 294,732 average weekday vehicle trips. According to the land use assumptions (shaded gold), new development over the next ten years is expected to account for 16% of total vehicle trips in 2032. In contrast, Avondale is only planning to expand arterial lane miles by three lane miles, which represents a conservative 1% expansion of arterial lane miles (i.e., [298/295]-1 rounded).

Figure S3 – Travel Demand Model

Input Variables by Development Type	ITE Code	Weekday VTE	Development Unit	Trip Rate Adjustment	Trip Length Wtg Factor			
Residential	210	9.43	HU	61%	1.14			
Industrial	150	1.71	KSF	50%	0.90			
Commercial	820	37.01	KSF	33%	0.75			
Office/Services	710	10.84	KSF	50%	0.90			
Average Trip Length (miles)		0.27	<= travel on system improvements to be constructed over the next ten years					
Vehicles per Lane per Day		4,600	<= existing traffic volume per lane on Avondale Blvd south of I-10					
Year->	Base	1	2	3	4	5	10	10-Year Increase
Avondale LUA	2022	2023	2024	2025	2026	2027	2032	
Residential Housing Units	29,911	30,318	30,724	31,130	31,536	31,942	33,818	3,907
Industrial KSF	2,900	3,000	3,000	3,100	3,200	3,300	3,700	800
Commercial KSF	7,800	8,000	8,300	8,500	8,700	8,900	10,000	2,200
Office/Services KSF	4,600	4,800	4,900	5,000	5,200	5,300	5,900	1,300
Residential Trips	172,057	174,398	176,734	179,069	181,405	183,740	194,531	
Industrial Trips	2,480	2,565	2,565	2,651	2,736	2,822	3,164	
Commercial Trips	95,264	97,706	101,370	103,813	106,256	108,698	122,133	
Office/Services Trips	24,932	26,016	26,558	27,100	28,184	28,726	31,978	
Total Inbound Vehicle Trips	294,732	300,686	307,227	312,633	318,580	323,986	351,806	57,073
Vehicle Miles of Travel (VMT)	78,911	80,411	82,003	83,369	84,867	86,233	93,148	14,237
Arterial-Arterial City Traffic Signals	14	14	15	15	15	15	17	3
Improved Intersections per 10,000 VMT	1.77	1.77	1.77	1.77	1.77	1.77	1.77	
Planned Arterial Lane Miles								3.0
Growth Share of 2032 Vehicle Trips =>								16%
Growth Cost per Lane Mile =>								\$2,500,000
Growth Cost of System Improvements Over Ten Years =>								\$7,500,000

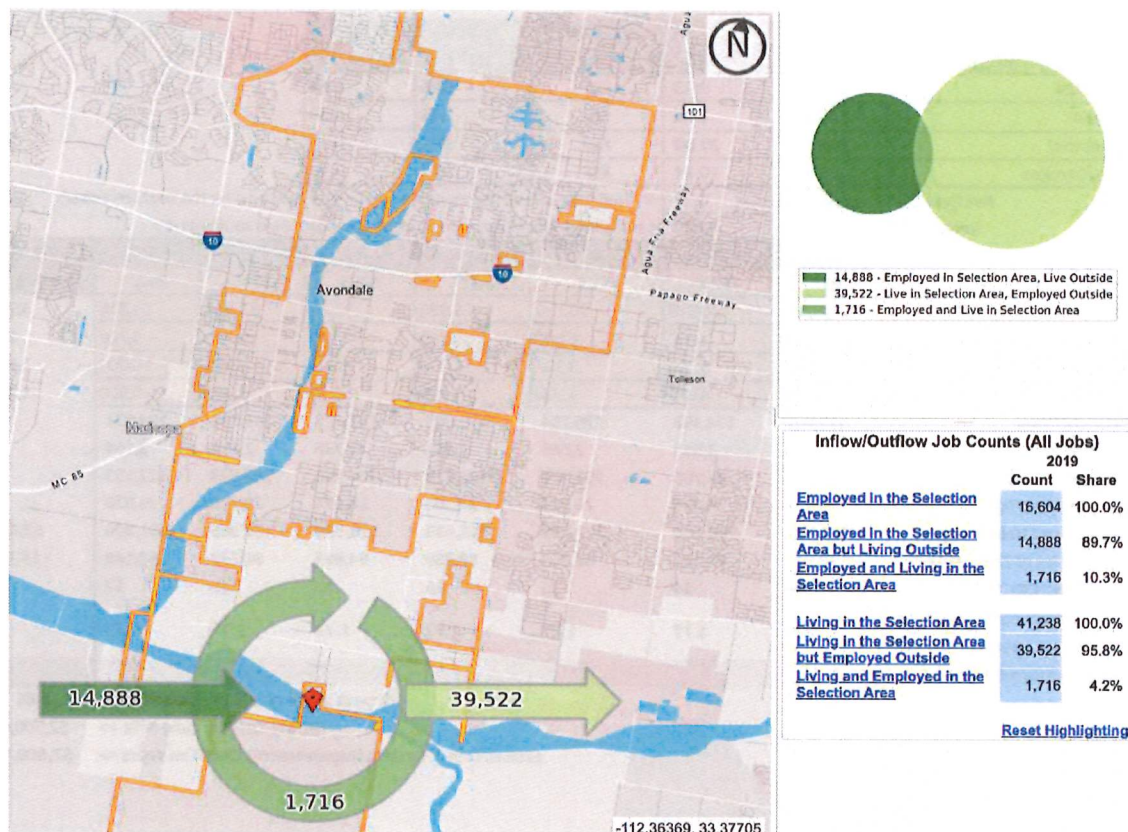
Trip Generation Rates

Avondale development fees for streets are derived using average weekday VTE. Trip generation rates are published by the Institute of Transportation Engineers (ITE 2022). A VTE represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate street impact fees, trip generation rates require an adjustment factor to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50%. As discussed further below, the fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for a particular type of development.

Adjustments for Commuting Patterns and Pass-By Trips

Residential development has a larger trip adjustment factor of 61% to account for commuters leaving Avondale for work. In other words, residential development is assigned all inbound trips plus 11% of outbound trips to account for job locations outside of Avondale. According to the National Household Travel Survey weekday work trips are typically 22.8% of production trips (i.e., all out-bound trips). As shown in Figure S4, the Census Bureau's website (<https://onthemap.ces.census.gov/>) indicates that approximately 95.8% of resident workers traveled outside Avondale for work in 2019. In combination, these factors ($0.50 \times 0.228 \times 0.958 = 0.11$ rounded) support the additional 11% allocation of trips to residential development.

Figure S4 - Inflow/Outflow Analysis



For commercial development, the trip adjustment factor is less than 50% because retail development attracts vehicles as they pass by on arterial roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For an average shopping center, ITE data indicate 34% of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66% of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor for an average size shopping center is 66% multiplied by 50%, or approximately 33% of the trip ends.

Trip Length Weighting Factor by Type of Land Use

The transportation impact fee methodology includes a percentage adjustment, or weighting factor, to account for trip length variation by type of land use. As shown in Figure S5, vehicle trips from residential development are approximately 114% of the average trip length. The residential trip length adjustment factor includes trips to work, social and recreational purposes, and home. Conversely, shopping trips associated with commercial development are roughly 75% of the average trip length, while other nonresidential development typically accounts for trips that are 90% of the average for all trips.

Figure S5: Average Trip Length Weighting Factors

Trip purpose summary	Travel Day Vehicle Trip Length		Percent of Trips	Average Trip Length	Weighting Factor
	Trips	Mean Miles			
Home	205,743	9.93	Residential		
Work	92,392	11.98	Residential		
Social/Recreational	52,877	12.60	Residential		
Subtotal	351,012		Subtotal	57%	1.14
Shopping/Errands	134,048	7.08	Commercial		
Meals	43,347	7.49	Commercial		
Subtotal	177,395		Subtotal	29%	0.75
School/Daycare/Religious activity	16,288	9.11	Other		
Medical/Dental services	11,568	10.14	Other		
Transport someone	44,991	7.25	Other		
Something else	10,045	11.95	Other		
Subtotal	82,892		Subtotal	14%	0.90
All	611,299	9.55			

Source: Federal Highway Administration, 2017 National Household Travel Survey
 Tabulation created on the NHTS website at <http://nhts.ornl.gov>

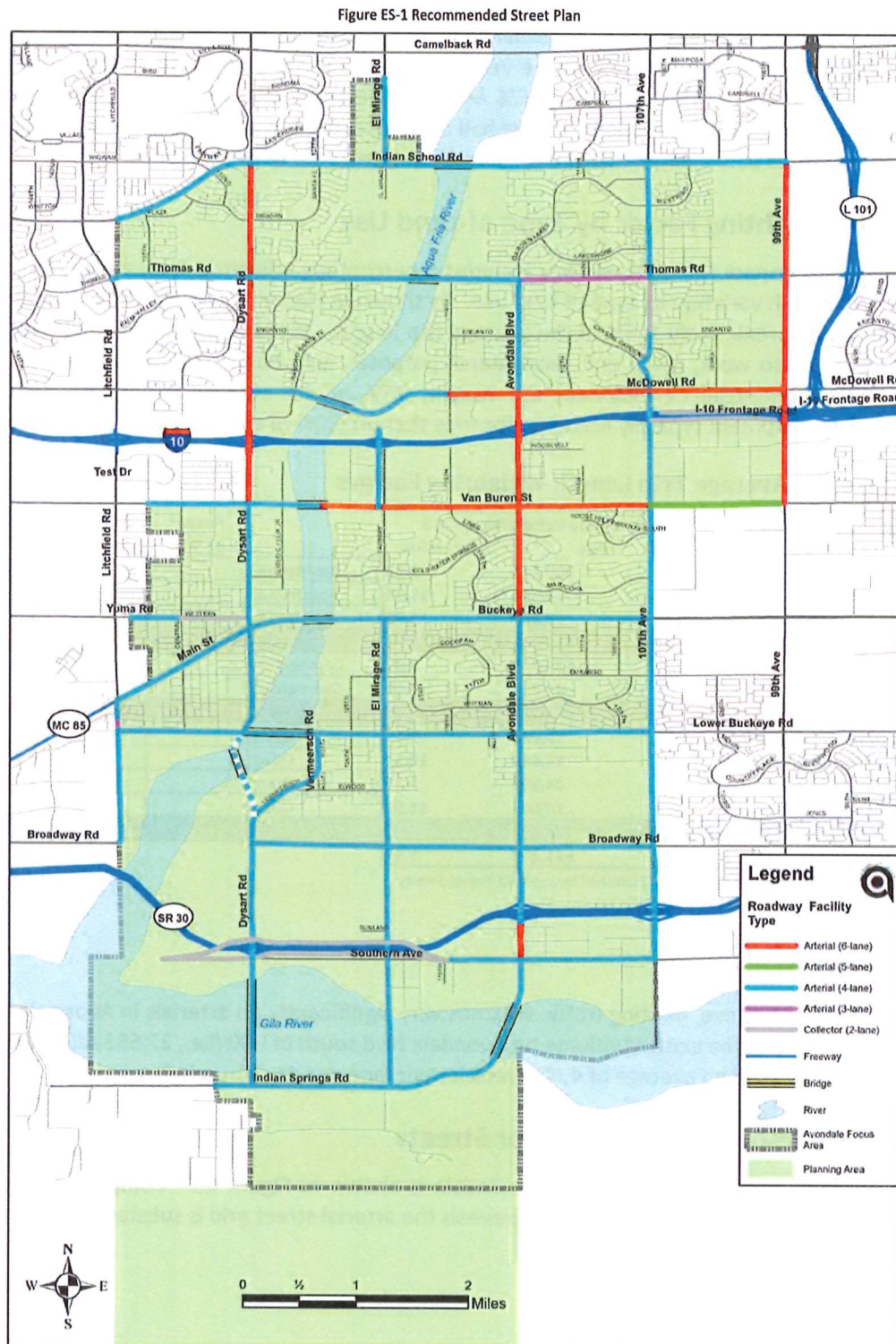
Lane Capacity

As shown in Figure S1 above, existing traffic volumes vary significantly on arterials in Avondale. For the 2022 impact fee update, the existing volume on Avondale Blvd south of I-10 (i.e., 27,553 ADT) was divided by six travel lanes to yield an average of 4,600 vehicles per lane per day (rounded).

Infrastructure Improvements Plan for Streets

The latest adopted transportation plan for Avondale is shown in Figure S6. Comparing the existing transportation network to the planned system reveals the arterial street grid is substantially complete.

Figure S6 – Avondale Transportation Plan



Note: Dashed Lines Indicate alternative roadway alignments subject to future studies.

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Avondale Staff provided the list of improvements and planning-level cost estimates in Figure S7. The ten-year plan for street improvements will benefit citywide development because vehicles flow from larger travel sheds to congested areas where improvements are planned to eliminate bottlenecks. In the area north of I-10, Avondale will improve one arterial-arterial intersection. In the area south of I-10, Avondale will improve two intersections. To accommodate new development, Avondale will add three lane miles of arterial capacity over the next ten years. The total ten-year growth cost of system improvements is approximately \$14.39 million.

Figure S7 – Ten-Year Plan for Street Improvements

Transportation System Improvements

<i>Arterial Lane Miles</i>	<i>Cost per Lane Mile</i>	<i>IIP Costs</i>
3.0	\$2,500,000	\$7,500,000
<i>Improved Intersections</i>	<i>Avg Cost per Intersection</i>	
3	\$2,295,000	\$6,885,000

Planned Infrastructure Improvements

<i>Location/Description</i>	<i>Estimated Cost</i>	<i>Growth Share</i>	<i>Growth Cost</i>
Intersection Improvements @ Thomas & Avondale Blvd	\$800,000	100%	\$800,000
Intersection Improvements @ Lower Buckeye & Avondale Blvd	\$4,949,000	100%	\$4,949,000
Intersection Improvements @ Lower Buckeye & El Mirage	\$1,136,000	100%	\$1,136,000
Future Arterial Capacity Expansion	\$7,500,000	100%	\$7,500,000
Total	\$14,385,000		\$14,385,000

Water Utility Fees

ARS §9-463.05.T.7(a) defines the facilities and assets which can be included in the Water Facilities IIP:

“Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities”

The City provides potable water with water supply consisting of a combination of ground water sources. The entire water system infrastructure includes water resources, wells, transmission, distribution, storage, administrative facilities, vehicles, and equipment including meters.

The calculation of the water facilities DIF was based on information provided by Staff in addition to the City's 2018 Integrated Utility Master Plan Report (IUMP). The findings presented in this section are based on a 10-year forecast, 2023 to 2032.

Fee Calculation Methodology

For this 2022 update, Raftelis used the plan-based approach. This approach is based on a forward-looking infrastructure improvements plan which considers the future projects needed to meet the future demands of the utility. The water development impact fee was calculated using the growth-share component of costs and the incremental capacity added from those facilities. Assumptions on included in the development of this fee were provided by Staff and the IUMP.

Service Area

The City's water system serves the land areas north of the Estrella Mountains, excluding a small area in the northwest corner of the City limits. This area is served by a private water utility. The following provides an analysis of the resource and facility costs included in the IIP and DIF calculations.

Proportionate Share

ARS §9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to provide necessary public services to the development. Page 2-8, Table 2-4 from the 2018 Integrated Utility Master Plan (IUMP) shows in 2016, the City had a total of 24,561 water meters (accounts). Of these accounts, 88% of the City's water meters were classified as residential and made up 57% of the City's annual average water use. The City's landscape meters made up 2% of the total number of water meters but accounted for 23% of the City's average annual water use. The remaining water meters and annual usage is spread across several other account types.

For the purposes of this impact fee analysis, the fees are calculated on a dwelling unit basis which is defined as a residential has a demand of 450 gallons per day. The dwelling unit demand for a $\frac{3}{4}$ " meter is the total residential and nonresidential demand divided by the total residential dwelling units. Page 2-10 in the 2018 IUMP indicates the City had 27,913 dwelling units in 2016.

Figure W1 shows the distribution of residential and nonresidential account types. Please note that these are aggregated in Figure W1 (e.g. residential rural and residential urban are classified under the category of residential below). The totals shown in the *Service Units and Demand by Land Use* are projected values and vary slightly from the values in Figure W1.

Figure W1: 2016 Distribution of the Number of Meters and Demand by Land Use Type

Account Type	Number of Meters	Percent of Total	2016 Consumption mg	Percent of Total
Residential	21,582	87.9%	6,444,937	56.9%
Multi-Family/Apartment/Hotel	140	0.6%	609,252	5.4%
Commercial	534	2.2%	1,180,512	10.4%
Schools	59	0.2%	182,868	1.6%
Churches	42	0.2%	12,296	0.1%
Industrial	3	0.0%	9,184	0.1%
Laundromat	3	0.0%	12,556	0.1%
Mobile Home Park	19	0.1%	155,074	1.4%
Hydrant Meter	1	0.0%	7,822	0.1%
Car Wash	9	0.0%	64,088	0.6%
Sewer Only	1	0.0%	663	0.0%
Landscape Meter	554	2.3%	2,550,748	22.5%
Unclassified	1,614	6.6%	88,819	0.8%
Total	24,561	100.0%	11,318,819	100.0%

[1] 2018 IUMP, Page 2-9, Table 2.4

Existing Facilities

ARS §9-463.05 (E)(1) requires:

"A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable."

ARS §9-463.05 (E)(2) requires:

"An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable."

The City's integrated water system consists of major facilities to collect, treat, and distribute water to customers. Major backbone water system facilities include:

- Water production wells
- Booster pump stations
- Storage tanks
- Transmission and distribution lines

Water Production Wells (Water Sources)

Water production wells should have sufficient capacity to meet maximum day demands. In 2018, maximum day demands were be supplied by operating wells more than 18 hours per day. Figure W2

shows that the firm water supply is 17.7 mgd which is 3.2 mgd less than the 2018 maximum daily demand of 20.9 mgd.¹

Figure W2: 2018 Existing Wells and Production Capacities

<i>Well Water Delivery System</i>	<i>Well Supply Name</i>	<i>Production Capacity mgd</i>	<i>Firm Capacity mgd</i>
Coldwater	Wells 15, 16, 25	5.3	5.3
Garden Lakes	Well 17	1.7	1.7
Gateway	Wells 8A, 24	4.0	4.0
Northside	Wells 6, 7, 20	6.3	6.3
Rancho Santa Fe	Wells 10, 11, 12, 18 and 19	12.2	12.2
Total, gpm		30.6	30.6
Resilient Supply, mgd (18 hours/day)			23.0
Firm Supply [2]			17.7
Maximum Day Demand (2018)			20.9
Surplus/(Deficiency), mgd			(3.2)

[1] A composite of tables from the 2018 IUMP, Page 4-25, Table 4.15; Page 4-7, Table 4.6

[2] If Well #16 is out, Well #15 and Well #25 will also be out of service due to blending requirements. The firm supply represents the supply with all of the Coldwater wells out of service.

Booster Pump Stations

The City has five booster pump stations and one well that pumps directly into the distribution system as shown in Figure W3. Firm pumping capacity is the design flowrate with the largest pump out of service.

Figure W3: Existing Booster Pump Stations and Capacities

<i>Facility</i>	<i>Number of Pumps</i>	<i>Total Pumping Capacity (gpm)</i>	<i>Firm Pumping Capacity (gpm)</i>
Well 23	1	800	800
Rancho Santa Fe	4	8,400	6,200
Coldwater Springs	4	16,000	12,000
Northside	4	7,200	5,400
Gateway	4	8,000	6,000
Del Rio	3	10,000	6,000
Garden Lakes	4	6,500	4,500
Total	24	56,900	40,900
Total, mgd		82.00	59.00

[1] 2018 IUMP, Page 4.9, Table 4.7

¹ This paragraph is summarized from 2018 IUMP text on Page 4-24. The IUMP text references a firm capacity 18.6 mgd and a deficiency of 2.3 mgd. However, Table 4.15 referenced in the text indicates a firm supply of 17.7 mgd and a deficiency of 3.2 mgd.

Storage

While water production facilities are typically designed to operate at a steady rate over an extended period of time, storage reservoirs are planned to accommodate fluctuating demands. The City's water system has five active reservoir sites and one inactive reservoir site (Del Rio). The total capacity of the storage facilities including Del Rio is 15.5 mg.

The City's water system operates within three pressure zones. According to the 2018 IUMP, capacity additions will be required during the study period. However, many of the facilities have available capacity to serve near term growth. The current well production capacities are the limiting factor in meeting near and long-term growth in water demands.

Figure W3: Existing Storage

Facility	Number of Tanks	Total Volume	Available Volume
		mg	mg
Northside	2	1.2	1.1
Gateway	1	1.0	0.8
Garden Lakes	1	2.0	1.3
Rancho Santa Fe	2	2.8	2.1
Coldwater	2	5.0	3.2
Del Rio (inactive)	1	3.5	0.0
Total	9	15.5	8.5

[1] 2018 IUMP Page 4-10, Table 4.8

Distribution System

The City maintains 320 miles of transmission and distribution lines as well as 8 pressure reducing valves (PRVs). Figure W5 shows the length of mains by pipe diameter.

Figure W5: Existing Transmission and Distribution Lines

Diameter	Length
inches	miles
6	48.2
8	170.5
10	3.3
12	57.7
16	31.5
18	0.1
20	5.1
24	2.7
30	0.1
36	1.3
48	0.1
Total	320.60

[1] 2018 IUMP Page 4-11, Table 4.10

The 2018 IUMP provides a detailed analysis of the available system capacities based on facilities and pressure zones. The 2018 IUMP also indicates the need for additional facilities over the 10-year study to accommodate new growth. New wells with a capacity of 6.92 mgd will be required over the study period to meet these demands. In addition, new transmission and distribution mains, and upsizing of existing mains will be required.

The existing water production wells, storage, pump stations, and transmission and distribution mains have an estimated value of \$734 million. Accounting for accumulated depreciation reduces this value to approximately \$410 million. In other words, the water system's assets are about 55% depreciated in aggregate based on accounting life. This is based on the City's most recent asset records and estimating a replacement cost of facilities using the Engineering News Record Construction Cost Index (ENR-CCI).

Expansion Facility Costs

ARS §9-463.05 (E)(3) requires:

"A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable."

New infrastructure-related facilities to serve growth over the study period include water production wells, transmission and distribution mains, booster pump stations, and reservoirs. The new wells will approximately 6.92 mgd of capacity. For the purposes of DIF calculations, the added well capacity represents the total increase in capacity to the system. In other words, the unit cost of expansion facilities (wells, reservoirs, pump stations, etc.) will be based on the added well capacity. The total cost of infrastructure facilities is approximately \$25.9 million. The City is also acquiring new water resources to meet the increase in demand due to growth. New water resources total 6,882 acre-feet at a cost of approximately \$10.0 million. Figure W6 details the proposed facilities needed for growth and their anticipated costs. The project listing and costs were provided by City Staff.

Figure W6: Expansion Facility Project Costs

Description	Total Cost	Capacity Added (mgd)	Percent Growth-Related	Growth-Related Costs
Growth-Related Infrastructure Projects				
Well #33 The BLVD Well & Transmission	\$2,880,000	1.73	100.0%	\$2,880,000
Well at 107th & Encanto - SRP Shared Well Cost in Design	455,000	1.73	100.0%	455,000
McDowell Rd 16-inch Waterline - Avondale to 99th Ave	2,650,000		25%	662,500
99th Ave Waterline - Thomas to Encanto	956,000		100%	956,000
Garden Lakes Site - 2nd Reservoir & Booster Improvements	8,358,000		100.0%	8,358,000
Future Well	2,700,000	1.73	100.0%	2,700,000
Nitrate Removal System for Coldwater Booster Station	5,545,000		100.0%	5,545,000
16-inch WL Dysart Road - Illini to Roeser	1,000,000		52.0%	520,000
16-inch WL El Mirage, Elwood to Lower Buckeye	900,000		25.0%	225,000
16-inch WL 107th - Jones to Superior	500,000		25.0%	125,000
16-inch WL 107th Ave, Superior to Lower Buckeye	700,000		25.0%	175,000
Dysart Rd. Waterline - Roeser Alignment to Southern	1,000,000		63.0%	630,000
Northside Booster Well Site - Land Purchase & DCR	75,000	1.73	100.0%	75,000
NAWS Project (Impact Fee Portion, P&I) [1]	3,682,500		100.0%	3,682,500
Total Growth-Related Projects/Expansion Capacity Share	\$31,401,500			\$26,989,000
Less: FY21 Ending Fund Balance	(\$1,134,326)			(\$1,134,326)
Net Growth-Related Projects/Expansion Capacity Share	\$30,267,174	6.92		\$25,854,674
Growth-Related Resource Projects				
		Acre-Feet		
New River-Agua Fria River Underground Storage Project (NAUSP)	\$7,200,000	6,000	100.0%	7,200,000
White Mountain Apache Tribe Water Settlement	2,800,000	882	100.0%	2,800,000
Total Growth-Related Water Resource Costs	\$10,000,000	6,882.00		\$10,000,000
Total Expansion Costs				\$35,854,674

[1] Total P&I of project reimbursed from impact fees portion of \$4,419,000 multiplied by remaining 5 mgd of the 6 mgd capacity

[2] From 2018 Utility Master Plan, page 2-10. Represents metered demand from all 3/4" meters regardless of customer class.

[3] From 2018 Utility Master Plan, page 2-13.

Service Units and Demand by Land Use

ARS §9-463.05 (E)(4) requires:

"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."

The development of a dwelling unit service demand incorporates historical water production data and peak day demand data. A dwelling unit represents the smallest service capacity in the system. For the purposes of this DIF, a dwelling unit demand is equivalent to the average day and maximum day demand for the City's 3/4" meters².

Water production from 2012 through 2016 averaged 12.0 mgd and maximum day demands averaged 17.2 mgd. The 5-year peaking factor averaged 1.4. The 2018 IUMP recommends a peaking factor of 1.65 for planning purposes³, as shown on Figure W7

Figure W7: Historical Average Day and Maximum Day Demands

Year	(a) Average Day Demand mgd	(b) Maximum Day Demand mgd	(c)=(b)/(a) Maximum Day Peak Factor
2012	12.60	17.20	1.37
2013	12.20	17.10	1.40
2014	11.60	16.80	1.45
2015	12.10	16.20	1.34
2016	12.60	18.30	1.45
Average	12.22	17.12	1.40

[1] 2018 IUMP, Page 2-14, Table 2.9

Billed water consumption is based on data from the billing and water production records. The 2018 IUMP uses 2016 data as the baseline for developing their future demand projections.

Residential water DIFs are based on average day gallons per connection and assessed on a per dwelling unit basis. As shown on Figure W8, water production in 2016 was 12.6 MGD with 27,913 connections. This gives an existing allocated water demand of 450 gallons per day for a residential connection served by a 3/4" meter. From the 2018 IUMP, Page 2-3:

"The City's TAZ data was used to estimate the number of dwelling units for each of the 2018 IUMP planning years. ...The 450 gpd/DU value is based on the number of dwelling units, which is calculated using the residential land use categories, and the total annual average production. However, because it is a composite unit water demand it includes both the residential and non-residential component of water use (including non-revenue water)."

² Dwelling unit and 3/4" equivalent unit or 3/4" meter are used synonymously throughout the water and wastewater section.

³ 2018 IUMP, Page 2-13

Figure W8: Water Demand Unit

<i>Description</i>	<i>Values</i>
Total 2016 Water Demand , mgd [1]	12,600,000
Total 2016 Dwelling Units	27,913
Average Day Demand per Dwelling Unit, gpd	450
Maximum Day Peaking Factor	1.65
Maximum Day Demand per Dwelling Unit, gpd [2]	743

[1] 2018 IUMP, Page 2-10

[2] Rounded to nearest whole number

For residential and nonresidential connections, the water development fees are assessed by meter size. Development fees for meters greater than $\frac{3}{4}$ " are multiplied by their corresponding meter capacity ratio. The meter capacity ratio represents the maximum safe allowable flow in gallons per minute for a given meter size as shown in Figure W9.

Figure W9: Average and Maximum Day Demand by Water Meter Size

<i>Meter Size</i>	<i>Meter Capacity Ratio [1]</i>	<i>Average Day Demand</i>	<i>Maximum Day Demand</i>
<i>inches</i>		<i>gpd</i>	<i>gpd</i>
0.75	1.00	450	743
1.00	1.67	750	1,238
1.50	3.33	1,500	2,475
2.00	5.33	2,400	3,960
3.00	10.67	4,800	7,920
4.00	16.67	7,500	12,375
6.00	33.33	15,000	24,750

[1] American Water Works Association M1 Manual, Principles of Water Rates, Fees, and Charges. 7th Ed.

Projected Service Units

ARS §9-463.05 (E)(5) requires:

"The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria."

ARS §9-463.05 (E)(6) requires:

"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."

It is projected that there will be an additional 3,907 dwelling units added within the City by 2032. Using the maximum day water demand per DU of 743 gpd, the projected residential peak demand will increase 2.9 mgd ($743 \times 3,907 = 2,902,901$ gpd). It is estimated that the 6.92 mgd added capacity will serve approximately 9,314 DU ($6,900,000$ gpd / 743 gpd per DU = $9,314$ DU).

Figure W10 shows the development of the current demand projection, projected demands and the total DU added during the study period. It also shows the DU that will be served by existing available capacity

and the capacity added by the IIP. The current system operates above the firm capacity of 17.7 mgd so there is no existing available capacity to serve growth.

Figure W10: Projected Added Dwelling Units and Water Demand Forecast

Line No	Description	Units
Current Dwelling Units and Demand		
1	Current 2022 DU	29,911
2	Demand per EDU, gpd	450
3	Current Ave Day Demand, gpd	13,459,950
4	Maximum Day Peak Factor	1.41
5	Avg Day of Maximum Month, gpd (Line 3 x Line 4)	18,960,633
6	Current Firm Capacity, gpd	17,700,000
7	Existing Capacity Available for Growth, gpd (Line 6 - Line 5)	0
Added Capacity		
8	Added DU, 2022 - 2032	3,907
9	Average Day Demand	450
10	Planning Maximum Day Factor	1.65
11	Maximum Day Demand per DU, gpd	743
12	Added System Maximum Day Demand, gpd (Line 8 x Line 11)	2,902,901
13	Additional Capacity Needed for Growth (Line 12 - Line 7)	2,902,901
14	DU Served by Existing Available Capacity (Line 7 / Line 11)	0
15	DU Served by 10-Year IIP (Line 13 / Line 11)	3,907
16	Total Added DU	3,907
17	DU Served by Full 6.92 mgd Capacity Addition	9,314

Facility Improvements

The City has plans to expand the existing supply system by 6.92 mgd through the addition of wells and distribution projects meet the future demands on the service area. The City is also securing additional 6,882 acre-feet water resources to meet future demands. This includes additional storage/recharge capacity at the New River-Aqua Fria River Underground Storage Project (NAUSP) operated by Salt River Project (SRP) from the City of Chandler. The cost of water infrastructure projects totals approximately \$27.0 million. This value is reduced by the FY 21 outstanding fund balance of \$1.1 million resulting in a net cost of \$25.9 million. The cost of the water infrastructure and water resources growth-related projects is \$35.85 million.

As discussed previously, the maximum day demand per DU is 743 gpd. The \$3.74 unit cost of capacity is multiplied by 743 gpd which totals \$2,776 for the infrastructure portion of the fee. The water resource fee is equal to the annual DU demand of 164,300 gallons multiplied by \$4.46 per gallon for a total of \$732. The total water DIF is \$3,519 which also includes the cost of the study of \$11.

Wastewater Utility Fees

ARS §9-463.05.T.7(b) defines the facilities and assets which can be included in the Wastewater Facilities IIP:

“Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities”

The City provides central wastewater collection, treatment, and disposal service throughout the City limits. The following analyzes the resource and facility costs included in the IIP and DIF calculations.

The calculation of the wastewater facilities DIF was based on information provided by Staff in addition to the City’s 2018 Integrated Utility Master Plan Update Report (IUMP).

Fee Calculation Methodology

For this 2025 update, Raftelis used the plan-based approach. This approach is based on a forward-looking infrastructure improvements plan that considers the future projects needed to meet the future wastewater demands of the utility. The wastewater development impact fee (DIF) was calculated using the growth-share component of costs and the incremental capacity added from those facilities. Assumptions included in the development of this fee were provided by Staff and the IUMP.

Service Area

The wastewater service area includes the northern municipal planning area down to the Estrella Mountains. The service area includes sections that are served by septic systems.

Proportionate Share

ARS §9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to provide necessary public services to the development. Page 2-8, Table 2.4 from the 2018 Integrated Utility Master Plan (IUMP) shows in 2016, the City had a total of 24,561 water meters (accounts).

Raftelis assumes that the number of wastewater account types are for the most part the same as water except for landscape meters and customers with septic tanks. Raftelis estimates the 2016 account type counts was approximately 24,000 (excluding irrigation and customers on septic systems) with a total contributed wastewater flow of 5.4 mgd. Based on a water demand of 12.6 mgd, the 2016 return to sewer factor was 44%. The 2018 IUMP indicates that 46% is an appropriate return to sewer factor for planning purposes. Figure WW1 shows the return to sewer percentages for each land use type and their respective contributed wastewater volume.

Figure WW1: 2016 Account Type Return to Sewer Factors and Contributed Volume

<i>Description</i>	<i>Return to Sewer Factor</i>	<i>Average Daily WW Flow (gpd)</i>
Rural Low Density Residential	35.0%	0
Estate/Low Density Residential	35.0%	11,000
Sports & Entertainment	45.0%	0
Medium Density Residential	40.0%	1,774,000
City Center	60.0%	93,000
Historic Avondale	50.0%	163,000
Medium – High Density Residential	50.0%	165,000
High Density Residential	60.0%	1,138,000
Urban Commercial	60.0%	144,000
Mixed Use	60.0%	351,000
Urban Residential	0.0%	0
Local Commercial	60.0%	343,000
Open Space & Parks	0.0%	0
Open Space – Irrigation	0.0%	0
Freeway Commercial	75.0%	209,000
Business Park	60.0%	263,000
Education	60.0%	244,000
Industrial	60.0%	63,000
Public / Civic	60.0%	34,000
Corporate Park	60.0%	0
Gila River Scenic District	60.0%	0
High Intensity Office	60.0%	166
Office / Professional	60.0%	13,000
Total		5,008,166
Basin No. 2 Adjustment		432,000
Net Wastewater Flow (gpd)		5,440,000
2016 Actual Average Daily WastewaterFlow at WRF		5,600,000
Variance (%)		-3.0%

[1] 2018 IUMP, Page 2-18, Table 2.13; Page 2-20, Table 2.14

Existing Facilities

ARS §9-463.05 (E)(1) requires:

“A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.”

ARS §9-463.05 (E)(2) requires:

“An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Water Reclamation Facility

The City's Water Reclamation Facility (WRF) is named the Charles M. Wolf Water Resource Center and is located on Dysart Road south of Broadway Road alignment. Wastewater is conveyed to the facility through two interceptors (36-inch and 48-inch) that enter the facility from the east. The current treatment capacity is a maximum month average daily flow (MMADF) of 9.0 million gallons per day (mgd). The MMADF occurred in September 2024 and was 7.24 mgd. The 2024 average annual daily flow to the Avondale WRF was 7.05 mgd.

Lift Stations and Force Mains

As of 2018, the City had 10 lift stations. There are nearly 6.5 miles of force mains associated with the City's lift stations, which range in size from 2 to 16 inches in diameter. Figure WW2 lists the lift stations and their firm capacity.

Figure WW2: Existing Lift Stations and Firm Capacity

Lift Station	Firm Capacity (gpd)
4th Street	3,200
10th Street	1,150
Central	200
Donatela	350
Friendship Park	350
Fulton	140
Littleton	210
PIR	30
Riley	2,200
Whyman	200

[1] 2018 IUMP Page 5-4, Table 5.1

Gravity Sewer Mains

As of 2018, the City's collection system contained 235 miles of mains ranging in size from 4 to 48 inches. Both the gravity sewer lines and lift stations have sufficient capacity to meet demands over the study period.

Expansion Facility Costs

ARS §9-463.05 (E)(3) requires:

A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.

The City's existing treatment capacity is a maximum month average daily flow (MMADF) of 9.0 mgd. As shown on Figure WW1, the 2016 average annual daily flow to the WRF is 5.6 mgd. From 2016 to 2024, the average annual daily flow increased from 5.6 mgd to 7.05 mgd, and is estimated to be 7.21 mgd in 2025. The MMADF of 7.24 mgd occurred in September 2024. The City has plans for a 3.0 mgd expansion to the Avondale Water Reclamation Facility (WRF) at a cost of \$132.4 million for the growth-related portion of the facilities.

Service Units and Demand by Land Use

ARS §9-463.05 (E)(4) requires:

"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."

The development of a dwelling unit wastewater service demand incorporates historical water use, an adjustment for water that is returned to the wastewater system, and system planning factor. A dwelling unit represents the smallest service capacity in the system. For this DIF, a dwelling unit demand is equivalent to the average daily flow and peak flow based on a water customer with a 3/4" water meter.

The existing historical water demand is 450 gpd for a residential DU served by a 3/4" meter. The contributed wastewater flow is estimated to be 46% of water usage based on the planning criteria in the 2018 IUMP. The 450 gpd and 46% product equals the average day flow per DU of 207 gpd. The MMADF factor of 1.05 is applied to account for maximum month flows, which results in a MMADF of 218 gpd. Figure WW3 shows the calculation of the MMADF flows per DU (gpd).

Figure WW3: Wastewater Demand Unit

Description	Amount
Avg Day Water Demand per DU, gpc	450
Return Factor	46%
MMADF Planning Factor	105%
MMADF Flow per DU, gpd	218

The wastewater DIFs are assessed by water meter size for residential and nonresidential connections. The MMADF for meter sizes greater than 3/4" is the product of the 3/4" peak flow multiplied by the water meter capacity ratio for that corresponding meter. Meter capacity ratios are calculated based on the maximum safe flow (gpm) to that of a 3/4" meter. Figure WW4 shows the MMADF for each meter size.

Figure WW4: Meter Capacity Ratios

Meter Size	Meter Capacity Ratio [1]	MMADF
inches		gpd
0.75	1.00	218
1.00	1.67	363
1.50	3.33	727
2.00	5.33	1,163
3.00	10.67	2,325
4.00	16.67	3,633
6.00	33.33	7,267

[1] American Water Works Association M1 Manual, Principles of Water Rates, Fees, and Charges. 7th Ed.

Projected Service Units

ARS §9-463.05 (E)(5) requires:

"The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria."

ARS §9-463.05 (E)(6) requires:

"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."

The City is projecting an additional 3,675 dwelling units will be built by 2035. Using the MMADF per dwelling unit of 218 gpd, it is estimated that the projected contributed peak wastewater flow will increase by 0.8 mgd ($218 \times 3,675 = 801,150$ gpd).

Figure WW5 shows the development of the current annual average daily flow projections, projected average daily and MMADF flow, and the total DU added during the study period. It also shows the added DUs that will be served by capacity expansion. The 3.0 mgd capacity expansion is estimated to serve approximately 13,761 DU ($3,000,000$ gpd / 218 gpd).

Figure WW5: Projected Added Dwelling Units and Wastewater Flows Forecast

Line No	Description	Units
Current Dwelling Units and Demand		
1	Current 2025 DU	31,130
2	Demand per DU, gpd	218.00
3	Current Ave Day Demand, gpd	6,786,340
4	MMADF Peak Factor	1.07
5	Avg Day of Maximum Month, gpd (Rounded) (Line 4 x Line 3)	7,241,567
6	Current Capacity, gpd	9,000,000
7	Existing Capacity Available for Growth, gpd (Line 6 - Line 5)	1,758,433
Added Demand [1]		
8	Added DU, 2026 - 2035	3,675
9	Average Day Demand	207
10	Planning MMADF factor	1.05
11	MMADF per DU, gpd (Line 9 x Line 10)	218
12	Added MMADF, gpd	801,150
14	DU Served by Existing Available Capacity (Line 7 / Line 11)	8,066
17	DU Served by Full 3.0 mgd Capacity Addition	13,761

[1] The new WWTP adds a total of 3.0 mgd of capacity.

Facility Improvements

The City has plans to expand the existing WRF by 3.0 mgd. The total cost of the WRF phase 2 expansion is \$155,750,000, of which 85 percent, or \$132,387,500, is to meet growth. The existing wastewater development fund has \$22,445,638 as of the end of fiscal year 2024. Since the expansion will be debt-financed, 10 years of discounted interest payments are included in the total cost. Debt financing is presumed at a 4.0 percent interest rate over 30 years. The discount rate is assumed to be 4.0 percent based on the 10-year treasury yield⁴. The total cost of the WRF expansion plus the discounted interest cost over ten years, less the existing wastewater DIF fund balance, is \$149,341,791, which represents the total amount to be recovered through the wastewater DIFs. This value, divided by the additional capacity added of 3.0 mgd, results in a unit cost of \$49.78 per gpd.

As discussed previously, the maximum month average daily flow per demand unit is 218 gpd for wastewater. The \$49.78 per gpd is multiplied by the MMADF per demand unit of 218 gpd to get a wastewater DIF per 3/4-inch meter of \$10,854. This includes \$2 for the cost of this impact fee study. Figure WW-6 shows the calculation of the proposed wastewater DIF.

Figure WW6: Calculation of Proposed Development Impact Fee

Line No	Description	Values
1	WWTP Phase 2	\$132,387,500
2	Plus: NPV of Future Borrowing Cost	
3	Discounted Interest Payments (10 years) [1]	39,399,929
4	Less: FY24 Ending Fund Balance	(22,445,638)
5	Total Existing and Growth-Related WWTP Costs	\$149,341,791
6	WWTP Capacity, MMADF, mgd [2]	3.00
7	<i>Unit Cost of Capacity, \$ per gpd, (Line 5 / Line 6)</i>	<i>\$49.78</i>
8	Average Day Water Demand, gpd [3]	450.0
9	Return Factor [3]	46.0%
10	MMADF Planning Factor [3]	1.05
11	<i>MMADF Flow per DU, gpd [4], (Lines 8 x 9 x 10)</i>	<i>218</i>
12	Wastewater Development Fee, \$ per 3/4" Meter, (Line 7 x Line 11)	\$10,852
13	Plus: Cost of Professional Services, \$ per 3/4" Meter	\$2
14	Wastewater Development Fee, \$ per 3/4" Meter	\$10,854
15	Existing Fee	\$3,503
16	<i>Variance (\$)</i>	<i>\$7,351</i>

[1] Estimated bond issue: = \$155,750,000 * 85%; 4.0%, 30 years

[2] MMADF: Maximum Month average day flow

[3] From Table 2.10 of Carollo 2018 Integrated Utility Master Plan

[4] A dwelling unit is assumed to be the equivalent flow of 218 gpd through a 3/4" meter

⁴ Based on April 30, 2025 ten-year treasury rate of 4.17 percent.

Appendix A – Forecast of Revenues

Arizona's enabling legislation mandates a "required offset" for "excess" construction contracting excise taxes, as stated in ARS § 9-463.05(B)(12)).

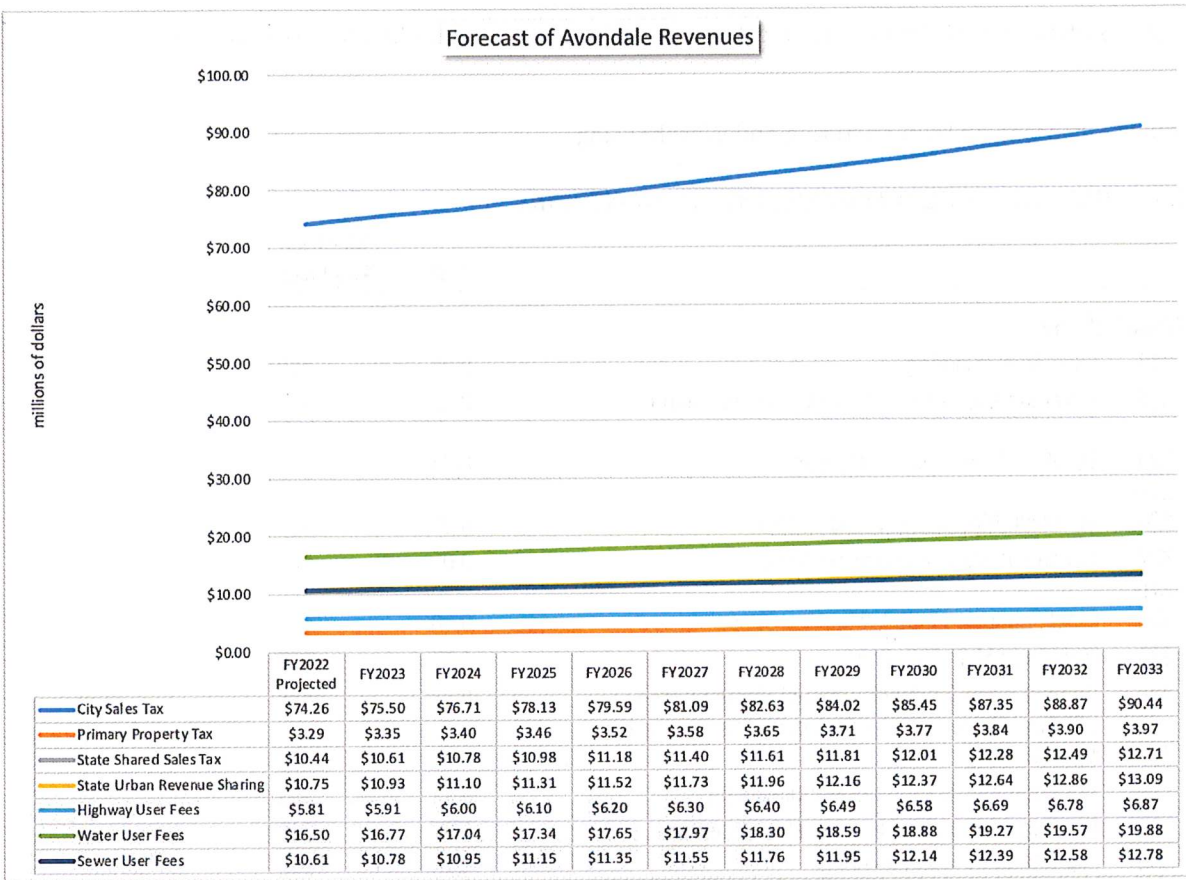
The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection.

Avondale does not charge a construction excise tax at a rate higher than the rate applicable for other types of business activities. Therefore, no such offset is required.

ARS § 9-463.05(E)(7) requires:

"A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section."

The required forecast of non-development fee revenue that might be used for growth-related improvements is shown in Figure A1. The forecast of revenues was provided by Staff.

Figure A1 – Ten-Year Revenue Projections

Appendix B: MAG Socioeconomic Documentation

Pages 23-25 from MAG Socioeconomic Projections 2019 Documentation are shown below.

Industrial is based on Manufacturing and Warehousing.

INDUSTRIAL EMPLOYMENT AND DEVELOPMENT BY INDUSTRY

	FAR	Sq.Ft. per Employee
Manufacturing		
311 Food Manufacturing	0.26	460
312 Beverage and Tobacco Product Manufacturing	0.37	761
314-		
323 Textiles/Wood Products/Printing	0.31	717
324-		
326 Petroleum/Pharmaceuticals/Plastics	0.28	596
327 Concrete/Concrete Products/Stone	0.08	580
331-		
332 Steel/Fabricated Metals/Machine Shops	0.30	549
333 Machinery Manufacturing	0.37	308
334 Computer and Electronic Product Manufacturing Electrical Equipment, Appliance, and Component	0.33	428
335 Manufacturing	0.35	697
336 Transportation Equipment Manufacturing	0.13	363
337 Furniture and Related Product Manufacturing	0.37	789
339 Miscellaneous Manufacturing	0.26	520
Total	0.25	495
Warehouse		
423 Merchant Wholesalers, Durable Goods	0.29	514
424 Merchant Wholesalers, Nondurable Goods	0.32	735
484 General Freight Trucking	0.11	191
493 Warehousing and Storage	0.33	1,625

Commercial is based on Retail, Restaurants, and Hotels.

RETAIL EMPLOYMENT AND DEVELOPMENT BY INDUSTRY

		FAR	Sq.Ft. per Employee
Retail			
441	Motor Vehicle and Parts Dealers	0.18	379
441	Recreational Vehicle Dealers	0.10	754
441	Automotive Parts and Accessories Stores	0.26	724
442	Furniture and Home Furnishings Stores	0.31	674
443	Electronics and Appliance Stores	0.31	532
444	Building Material and Garden Equipment and Supplies Dealers	0.24	637
445	Supermarkets and Grocery Stores	0.24	454
445	Other Food and Beverage Stores	0.26	498
446	Health and Personal Care Stores	0.28	562
447	Gasoline Stations	0.10	340
448	Clothing and Clothing Accessories Stores	0.38	615
451	Sporting Goods, Hobby, Book, and Music Stores	0.27	583
452	General Merchandise Stores	0.30	741
452	Warehouse Clubs and Supercenters	0.23	566
452	All Other General Merchandise Stores	0.18	702
453	Miscellaneous Store Retailers	0.32	548
454	Nonstore Retailers	0.22	506
	Retail Total	0.25	561
Restaurants			
722	Food Service Contractors and Caterers	0.23	326
722	Drinking Places (Alcoholic Beverages)	0.27	485
722	Full-Service Restaurants	0.27	471
722	Limited-Service Restaurants	0.24	464
722	Snack and Nonalcoholic Beverage Bars	0.26	485
	Restaurant Total	0.26	463
Hotels		0.37	956

Office/Institutional is based on Information, Finance/Insurance, and Real Estate.

OFFICE EMPLOYMENT AND DEVELOPMENT BY INDUSTRY

	FAR	Sq.Ft. per Employee
Information		
511 Publishing Industries (except Internet)	0.57	390
512 Motion Picture and Sound Recording Industries	0.37	574
515 Broadcasting (except Internet)	0.36	376
517 Telecommunications	0.30	500
518 Data Processing, Hosting and Related Services	0.34	349
519 Other Information Services	0.08	478
51 Total	0.29	463
Finance & Insurance		
522 Banking	0.33	429
522 Consumer Lending	0.46	441
522 Other Lending	0.25	388
523 Investments	0.53	588
524 Insurance Carriers and Related Activities	0.55	423
52 Total	0.42	445
Real Estate and Rental and Leasing		
531 Real Estate Leasing	0.25	520
531 Real Estate Agents	0.37	390
532 Car & Truck Rental	0.08	590
532 Consular Rentals	0.33	623
532 Machinery and Equipment Rental and Leasing	0.13	485
53 Total	0.19	468

Appendix C: Impact Fee References

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ITEM NUMBER: 5.a.

SUBJECT: Public Hearing - 2026-2027 HUD Annual Action Plan

MEETING DATE: 2/23/2026

TO: Mayor and Council

FROM: Christopher Lopez, Neighborhood & Family Services Director

THROUGH: Dale Nannenga, Assistant City Manager

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 - CDBG and HOME funding contribute to this outcome by investing in people, places, and our local economy and more specifically by preserving Avondale's stock of affordable housing, funding necessary public facilities, and supporting vital community services.

PURPOSE:

City Council will hold a public hearing and receive an update on the draft of the City's 2027 Annual Action Plan, which is required by the U.S. Department of Housing and Urban Development (HUD) as a condition of the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funding. This item is for discussion only.

BACKGROUND:

As an entitlement grantee, the City of Avondale receives an annual allocation of Community Development Block Grant (CDBG) funds from HUD and HOME Investment Partnerships (HOME) funds as a member of the Maricopa County HOME Consortium. Staff estimates HUD will allocate approximately \$695,530 in CDBG funds and approximately \$193,051 in HOME funds through Maricopa County to Avondale for Fiscal Year 2027. These estimates represent level funding amounts from the current year and are subject to change pending final allocations from HUD. The Federal objective of the CDBG program is to "develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities for low-moderate income persons." The objective of the HOME Program is to "create affordable housing opportunities for low-income persons." City of Avondale goals and objectives regarding CDBG and HOME are defined in the 5-Year Consolidated Plan, which was approved by the City Council in May 2025.

DISCUSSION:

HUD requires that local governments engage the public in completing the Annual Action Plan. The Neighborhood and Family Services (NFS) Department is currently seeking input as part of the public participation process for the FY 2027 Annual Action Plan. A public hearing was held at the Neighborhood & Family Services Commission meeting on November 5, 2025, to seek input from the commission members. The draft Annual Action Plan has been made available to the public on the NFS website, at both city libraries,

and City Hall during the public comment period, which began February 2, 2026, and will extend through March 6, 2026. This Council meeting, held on February 23, 2026, is the second public hearing. Data gathered from the public participation process to date support the community's priorities of funding public facilities and infrastructure, supporting vital community services, and preserving and expanding the affordable housing inventory.

To advance these goals, staff recommend the following activities and funding allocations for FY 2027:

CDBG Allocations (totaling \$695,530)

1. Public Facilities and Infrastructure-Parks and Recreation Department - \$85,000
2. Vital Community Services-Summer Teen Employment - \$40,624
3. Vital Community Services-Workforce Development - \$63,705
4. Housing Preservation-Owner Occupied Housing Rehabilitation through the Home Repair Program - \$367,095
5. Administration and Planning- \$139,106

HOME Allocations (totaling \$193,051)

1. Owner-Occupied Housing Rehabilitation - \$180,985
2. Administration - \$12,066

(This grant requires a 25% non-federal match totaling \$45,247 that will support the Home Repair Program.)

Note that these allocations are based on funding estimates and are subject to change pending final allocations from HUD.

BUDGET IMPACT:

The use of \$193,051 in HOME funds will require a 25% non-federal match from the City of Avondale (\$45,247), which will be included in the proposed budget for next fiscal year. CDBG funds do not require a match.

RECOMMENDATION:

This item is for information, discussion and direction.

Contact person for document distribution: Regina Marette

ITEM NUMBER: 5.b.

SUBJECT: 'Green for Good' Community Sustainability Grant Program

MEETING DATE: 2/23/2026

TO: Mayor and Council

FROM: Kirk Beaty, Public Works 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 Areas:

- Community Well-Being – Avondale is a city where all people feel safe, supported, and connected to resources that promote and enhance their well-being. The City prioritizes public safety, natural resources, healthcare, and wellness while promoting mental, physical, and emotional health for all to enjoy an enriching quality of life.

The Green for Good grant program can help to promote and create environmental resilience through small-scale sustainability projects that directly impact Avondale residents.

PURPOSE:

City Council will receive a presentation from Public Works on the 'Green for Good' Community Sustainability Grant Program. This item is for discussion only.

BACKGROUND:

The 'Green for Good' Community Sustainability Grant Program was established to support community-led projects that advance the goals of the Avondale Community Sustainability Plan. The program is funded through the City's Environmental Fund and was approved as part of the FY26 budget.

DISCUSSION:

Staff have developed an internally funded grant program to support community driven sustainability projects that benefit the City of Avondale. Residents, businesses, non-profit organizations and community organizations will be eligible to apply for funding, up to \$5,000, for small projects that enhance environmental resiliency in accordance with the City's Sustainability Plan.

Applications will be accepted for 'Green for Good' funding. Consideration will be given to projects that promote one of the sustainability pathways: clean transportation; resilience to extreme heat; reliable water supply; efficient buildings and renewable energy; healthy environment; waste as a resource; and/or fresh food for all.

All requests for funding will be reviewed, scored and recommended for award by the City's Sustainability Commission.

BUDGET IMPACT:

A total of \$15,000 has been budgeted for award and is approved in the FY26 budget.

RECOMMENDATION:

This item is for information and discussion only.

*Contact person for document distribution: Kirk Beaty, Public Works Director
Eric V. Bay, Public Works Assistant Director
Kim Anderson, Sustainability Officer*

ITEM NUMBER: 5.c.

SUBJECT: Annual Comprehensive Financial Report Fiscal Year 2025

MEETING DATE: 2/23/2026

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: **Innovative and Effective Government**

Avondale's elected leaders, employees, and strategic partners collaborate to serve as a model of innovation, efficiency, 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, 2025. 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, 2025. 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 13-16 of the ACFR

Single Audit

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, 2025.

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 Statutes 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:

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, 2025. 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, 2025.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 18, 2025



City of Avondale, Arizona
Single Audit Report
Year Ended June 30, 2025

City of Avondale, Arizona
Single Audit Report
For the Year Ended June 30, 2025

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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, 2025, 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 18, 2025. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

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 were not 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 18, 2025

**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, 2025. 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, 2025.

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, 2025, 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 18, 2025, which contained unmodified opinions on those financial statements. Our audit was performed 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
December 18, 2025

City of Avondale, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

<u>Federal/Pass-Through/Agency</u>	<u>AL Number</u>	<u>Federal Award Number</u>	<u>Expenditures</u>	<u>Payments to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
Passed through Arizona Department of Forestry and Fire Management:				
Inflation Reduction Act Urban & Community Forestry Program	10.727	23DG11030000-25	\$ 65,742	\$
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
CDBG Cluster -Entitlement/Special Purpose Grants:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	942,477	
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	1,435	
Total CDBG Cluster - Entitlement/Special Purpose Grants			943,912	
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	N/A	430,503	
Passed through Maricopa County Department of Human Services:				
Home Investment Partnerships Program	14.239	C-22-21-093-X01	97,047	
Home Investment Partnerships Program	14.239	C-22-21-093-X02	28,872	
Total ALN 14.239			125,919	
Total U.S. Department of Housing and Urban Development			1,500,334	
<u>U.S. Department of Justice</u>				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	N/A	19,654	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	25,000	
Passed through Arizona Department of Public Safety:				
Crime Victim Assistance	16.575	2023-311	84,067	
Crime Victim Assistance	16.575	2024-232	225,235	
Total ALN 16.575			309,302	
Passed through City of Phoenix:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	32	
Passed through National Children's Alliance:				
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	N/A	9,368	
Total U.S. Department of Justice			363,356	
<u>U.S. Department of Transportation</u>				
Passed through Arizona Department of Transportation:				
Highway Planning and Construction	20.205	20-0007817-I	383,080	
Passed through City of Phoenix:				
Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	AZ-2024-019-00	1,000,000	
Passed through Arizona Governor's Office of Highway Safety:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2024-II-001	6,488	
State and Community Highway Safety	20.600	2025OP003	6,435	
National Priority Safety Programs	20.616	2025-II-001	16,076	
Total Highway Safety Cluster			28,999	
Total U.S. Department of Transportation			1,412,079	

U.S. Department of Treasury

Direct Program:

COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,076,183	
Passed through Maricopa County Department of Human Services:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	C-22-23-078-X00	40,406	
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	C2224016X02	135,058	
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	C-22-24-004-X-0	80,199	76,013
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	C-22-22-112-X-0	136,410	
Passed through Arizona Child and Family Advocacy Network:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	GR-ARPA-ACFAN-	13,394	
Passed through Water Infrastructure Finance Authority of Arizona:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	WC2-069-2023	3,181	
Total ALN 21.027			2,484,831	
Total U.S. Department of Treasury			2,484,831	76,013

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	2025-07-AVO	22,695	
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2025-07-AVO	9,046	
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2025-07-AVO	253,774	
Nutrition Services Incentive Program	93.053	2025-07-AVO	9,791	
Total Aging Cluster			295,306	
Social Services Block Grant	93.667	2025-07-AVO	67,709	
Passed through Maricopa County Department of Human Services:				
Low-Income Home Energy Assistance	93.568	C-22-22-112-X-0	160,102	
Community Services Block Grant	93.569	C-22-22-112-X-0	8,000	
Community Services Block Grant	93.569	C-22-24-052-X-0	126,193	
Total ALN 93.569			134,193	
Total U.S. Department of Health and Human Services			657,310	

U.S. Department of Homeland Security

Passed through City of Glendale:

Assistance to Firefighters Grant	97.044	EMW-2023-FG-063	1,064	
Passed through Arizona Department of Homeland Security:				
Homeland Security Grant Program	97.067	EMW-2023-SS-000	23,924	
Total U.S. Department of Homeland Security			24,988	

Total Expenditures of Federal Awards

\$	6,508,640	\$	76,013
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City of Avondale, Arizona
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

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, 2025. 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.

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, 2025

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

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Programs or Clusters</u>
20.507	Federal Transit 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: No

Findings Related to Financial Statements Reported in Accordance with Government Auditing Standards: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: No



Fiscal Year Ended
JUNE 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Photos feature the Avondale Aquatic Center.

Avondale
ARIZONA



City of Avondale, Arizona

Avondale, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025**

Issued by:
Finance and Budget Department

City of Avondale, Arizona

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City of Avondale, Arizona

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City of Avondale, Arizona

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Introductory Section

Avondale

December 18, 2025

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 State Statute, 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, 2025. 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, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements, as of and for the fiscal year ended June 30, 2025, 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 45.75 square miles and serves a population of approximately 96,800. Unique to the City are the three rivers which traverse the City: the Gila, Salt, and Agua Fria Rivers. The convergence of these rivers within the City presents an attractive vista offering natural recreation opportunities. The City 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, race teams and racing enthusiasts converge in Avondale, spending millions of dollars.

The City 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, including police, fire and medical, streets and transportation, community and economic development, community services, and general administration. During FY2025, the City opened the new Avondale Police Detention facility and completed major renovations and upgrades at Mountain View Park, Dennis DeConcini Park, Sam Garcia Library, and A.B. Sernas Plaza. Additionally, the Old Town Avondale Phase 3 improvement project in the historic Cashion neighborhood was completed. 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 a 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 budget is compiled through a collaborative cross-departmental effort and includes proposed expenditures and revenues. 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. The City Manager submits a proposed budget for the fiscal year commencing the following July on or before June 1 to the City Council for review. 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 fund and department level. 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 on 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, low 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 3.96 percent and has remained below the national average. The Federal reserve cut the federal funds rate in September, November, and December 2024 as inflation cooled both nationally and locally. The Phoenix metro area inflation peaked at 13 percent in August 2022 and is 0.8 percent as of June 2025.

The real estate market remains relatively stable but has dipped slightly over the past year. The Phoenix metro median home price is 4.05 percent higher than five years ago but down 3.11 percent from the previous year.

The economy's impact on revenue is clouded due to statewide tax policy changes. Comparing FY2024 to FY2025, sales tax had a slight increase of less than one percent year over year, less than what has been seen over the last several years primarily due to the loss of residential rental tax beginning January 1, 2025. As anticipated, state shared revenues decreased \$4.38 million, or 18 percent, due to the implementation of the statewide flat income tax.

The City remains in a strong financial position. The general fund ending fund balance is approximately \$136.4 million, an increase of \$14.5 million over the past fiscal years. This steady 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.

As of June 30, 2025, the City has spent 99 percent of 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. The City expects to spend all the SLFRF fund by the December 31, 2026 deadline.

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. Avondale voters approved Home Rule options as an alternative expenditure limitation for fiscal years 1981 through 2025. The City does not have an alternative expenditure limitation for fiscal year 2026. An alternative expenditure limitation is not needed due voters approving a permanent adjustment of \$10,408,000 to the 1980 base on August 2, 2022.

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 2025 was \$33.3 million. 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. Finally, the City maintains a 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 Public Safety Detention Facility:** Opened in October 2024, the new \$21.3 million, 21,841-square-foot facility replaced the previous detention center at 6th Street and Western Avenue in Old Town Avondale. It features a police substation, staff offices, a defensive tactics training space, a locker room, and a detention center capable of holding up to 34 detainees. The facility incorporates the latest advancements in design and technology, significantly enhancing the safety of both officers and detainees.
- **Mountain View Park Renovation:** Originally established in 1970 as the City's first municipal park, Mountain View Park, located at 201 E. Mountain View Road, now features a newly designed playground, two spacious ramadas, and updated restroom facilities. These modern amenities have revitalized the park and enhanced its role as a central gathering place for family activities, picnics, and community events. The renovation cost \$1.1 million.
- **Sam Garcia Library and A.B. Sernas Plaza Renovation:** The City completed extensive updates to the library located in Old Town Avondale, including refreshed Information Desks, upgraded self-checkout machines, and new furniture in the children's, teen, and adult sections. Additional enhancements include new paint, modern lighting, and updated signage to create a welcoming and functional space for all library visitors. The adjacent A.B. Sernas Plaza was also updated, including updated benches, a re-seeded lawn, and new plaza signage outside the library. The renovation cost \$640,000.
- **Dennis DeConcini Park Renovation:** Located at 351 E. Western Avenue, adjacent to the Bob Bové Branch—A Thornwood Legacy Boys & Girls Club—the park is in the heart of Old Town Avondale and offers a welcoming and family-friendly experience for residents of all ages. The project was partially funded through the American Rescue Plan Act (ARPA) and a \$500,000 Land, Water & Conservation Fund (LWCF) grant from Arizona State Parks & Trails. The 2.44-acre park was completely renovated and now features two new picnic ramadas with grills, one large group ramada, new inclusive, accessible playground with shade, ninja exercise court, resurfaced basketball court, improved irrigation system, enhanced landscaping, improved drainage, LED lighting and security systems, sidewalk connectivity, and new site furnishings. One standout addition is the We-Go-Swing, a fully ADA-accessible swing designed to accommodate children using wheelchairs or mobility devices, ensuring inclusive play for all. The playground also boasts a variety of climbers, slides, and sensory panels to provide an engaging and fun experience for children of all abilities. The project cost \$2.6 million.

- **Old Town Avondale Phase 3 Improvements:** Located in the Cashion neighborhood between MC85 and Durango and from 113th Avenue to 111th Avenue, the project replaced aging underground water lines, installed new streetlights, and repaved the roadway to strengthen neighborhood livability and support long-term community growth. The project cost is \$7.0 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, 2024. 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.

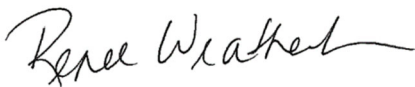
The City also received the GFOA Distinguished Budget Presentation Award for its fiscal year 2024 annual budget document. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communication device.

Finally, the City published a Popular Annual Financial Report (PAFR) for fiscal year 2024 and submitted it for GFOA PAFR award consideration. The PAFR report is intended to communicate information from the Annual Comprehensive Financial Report in an easy-to-understand format, while providing useful information to the general public.

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

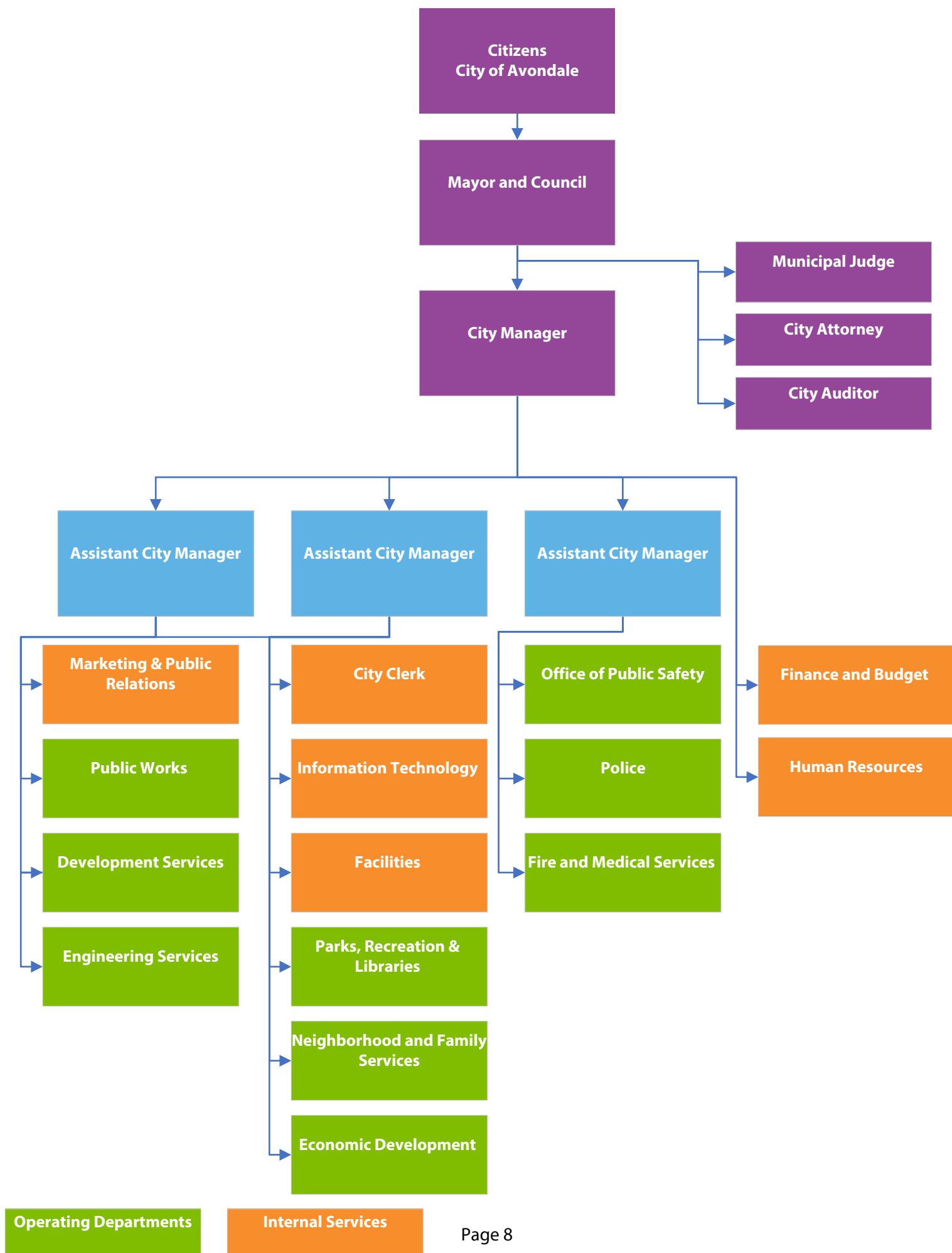
**City of Avondale
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



City of Avondale, Arizona

List of Principal Officials

Mayor and Council

Mike Pineda, Mayor

Curtis Nielson, Vice Mayor

Gloria Solorio, Councilmember

Max White, Councilmember

Tina Conde, Councilmember

Jeannette Garcia, Councilmember

Shari Weise, Councilmember

Management Staff

Ron Corbin, City Manager

Tracy Stevens, Assistant City Manager

Katie Gregory, Assistant City Manager

Dale Nannenga, Assistant City Manager

Avondale

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2025, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

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 18, 2025,, 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 18, 2025

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

Avondale

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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, 2025. 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 1-6 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, 2025 by \$1.5 billion (net position). Of this amount, \$175.8 million represents unrestricted net position, an increase of \$7.1 million (four percent) from the prior year, which may be used to meet the City's ongoing obligations to citizens and creditors.
- Net position increased \$45.7 million (three percent) from the prior year resulting from a \$40.1 million (four percent) increase in governmental activities net position and a \$5.6 million (one percent) increase in business-type activities net position between years. These figures take into account the restatement of beginning net position due to the implementation of a new accounting standard.
- Governmental activities program revenues increased \$3.1 million (six percent) and general revenues decreased by \$2.6 million (two percent) between years while expenses increased \$15.5 million during the same period. The increase in program revenue was primarily attributed to an increase in charges for services resulting from strong development activity within the City. The decrease in general revenues was primarily attributed to a decrease in the gain on sale of capital assets driven by no large land sales during the fiscal year.
- Business-type activities program revenues decreased \$5.9 million (ten percent) and general revenues increased by \$2.2 million (37 percent) over the previous year, while expenses increased \$2.1 million, or four percent. The increase in general revenues was attributed to settlement revenue from the class action PFAS (per- and polyfluoroalkyl substances) cases while the decrease in program revenues was attributed to decreased developer donations of water and wastewater infrastructure compared to prior years.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Financial Highlights (Continued)

- Government-wide assets increased \$56.2 million (3 percent) from the prior year. This was largely due to a \$31.9 million increase in overall capital assets driven by infrastructure donations from developers and construction project activity within the City and a \$32.2 million increase in cash and investments, including \$17.9 million from issuances of general obligations bonds during the year. The remaining change was primarily due to a decrease in receivables from taxes and other governments.
- Government-wide liabilities increased \$13.8 million (six percent) from the prior year. The increase was primarily due to the issuances of general obligation bonds.
- At year-end, the governmental funds reported combined fund balance of \$235.5 million, an increase of \$21.4 million over the previous year. Of this total fund balance amount, \$131.0 million was either externally restricted or internally assigned or committed to specific purposes. The unassigned fund balance remained relatively consistent increasing by \$70,103 (less than 0.1percent) from the prior year.
- Combined governmental fund revenues of \$199.9 million increased \$6.0 million and expenditures of \$197.9 million decreased \$0.9 million from the prior fiscal year.
- General Fund revenues exceeded budgeted revenues by \$22.5 million, while expenditures were \$23.4 million less than final budgeted expenditures during the year resulting a net budgetary savings of \$45.9 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.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements (Continued)

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 and economic development, and community services (human services, parks and recreation, and libraries). 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.

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 44 through 47 of this report.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements (Continued)

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 or 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.

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 53 and 56, 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.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements (Continued)

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 57-60. Budgetary comparison schedules are presented for the remaining governmental funds on pages 135-149.

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.

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 64-113 of this report.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements (Continued)

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, 2025, with comparative information from June 30, 2024.

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.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Continued)

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 288,736,881	\$ 269,896,874	\$ 143,996,311	\$138,476,103	\$ 432,733,192	\$ 408,372,977
Capital assets, net	849,908,988	817,466,186	476,802,185	477,359,478	1,326,711,173	1,294,825,664
Total assets	1,138,645,869	1,087,363,060	620,798,496	615,835,581	1,759,444,365	1,703,198,641
Deferred outflows of resources						
Deferred change on debt refunding	600,326	750,408			600,326	750,408
Deferred outflows related to pensions	27,323,544	22,582,446	1,668,993	1,155,084	28,992,537	23,737,530
Total deferred outflows of resources	27,923,870	23,332,854	1,668,993	1,155,084	29,592,863	24,487,938
Current and other liabilities	25,026,024	25,787,865	5,804,258	6,317,300	30,830,282	32,105,165
Long-term liabilities	185,118,683	170,286,630	15,306,962	15,114,047	200,425,645	185,400,677
Total liabilities	210,144,707	196,074,495	21,111,220	21,431,347	231,255,927	217,505,842
Deferred inflows of resources						
Leases	3,960,496	4,451,811			3,960,496	4,451,811
Deferred inflows related to pensions	5,234,748	3,000,123	517,556	319,781	5,752,304	3,319,904
Total deferred inflows of resources	9,195,244	7,451,934	517,556	319,781	9,712,800	7,771,715
Net position:						
Net investment in capital assets	772,323,014	739,922,188	469,151,117	470,781,251	1,241,474,131	1,210,703,439
Restricted	84,706,756	84,310,614	46,058,248	38,646,325	130,765,004	122,956,939
Unrestricted	90,200,018	82,936,683	85,629,348	85,811,961	175,829,366	168,748,644
Total net position	\$ 947,229,788	\$ 907,169,485	\$ 600,838,713	\$595,239,537	\$1,548,068,501	\$ 1,502,409,022

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 \$49.8 million from the prior year.

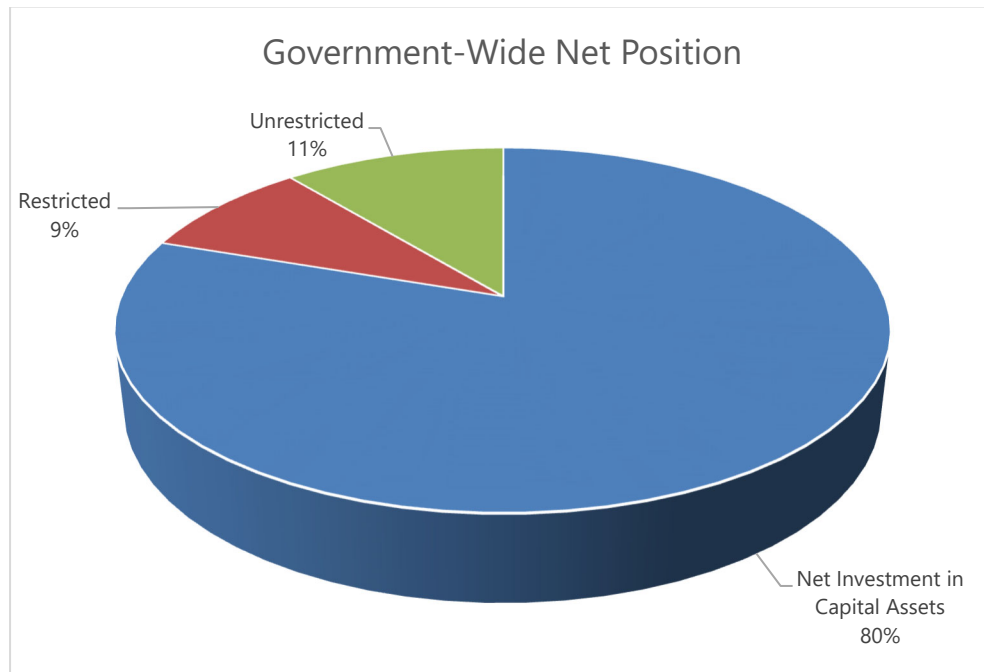
The largest portion of net position, net investment in capital assets of \$1.2 billion, reflects the City's investment in capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of bonds and other borrowings that are attributable to the acquisition, construction, 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 \$30.8 million from the prior fiscal year.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Continued)

Restricted net position of \$130.8 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 \$7.8 million from the prior fiscal year, which is largely due to increases in resources restricted for capital projects.

Unrestricted net position of \$175.8 million may be used to meet the City's ongoing obligations to its citizens and creditors. Unrestricted net position increased \$7.1 million from the prior fiscal year.



City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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, 2025 and June 30, 2024.

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 18,940,107	\$ 16,309,440	\$ 42,387,797	\$ 38,383,809	\$ 61,327,904	\$ 54,693,249
Operating grants and contributions	15,545,503	19,073,353			15,545,503	19,073,353
Capital grants and contributions	21,887,444	17,870,943	9,393,593	19,326,995	31,281,037	37,197,938
General revenues:						
Sales and use taxes	87,349,160	86,717,983			87,349,160	86,717,983
Property taxes	10,087,127	9,105,347			10,087,127	9,105,347
Franchise taxes	1,616,487	1,630,400			1,616,487	1,630,400
State-shared revenues	39,161,445	42,794,656			39,161,445	42,794,656
Investment income	14,130,225	11,874,442	6,454,663	5,505,994	20,584,888	17,380,436
Miscellaneous	637,497	449,166	1,440,373	299,647	2,077,870	748,813
Gain (loss) on disposal of capital assets	71,465	3,074,377	145,833	55,541	217,298	3,129,918
Total revenues	<u>209,426,460</u>	<u>208,900,107</u>	<u>59,822,259</u>	<u>63,571,986</u>	<u>269,248,719</u>	<u>272,472,093</u>
Expenses:						
General government	33,457,700	32,983,133			33,457,700	32,983,133
Public safety	71,007,787	64,399,855			71,007,787	64,399,855
Streets and transportation	32,114,933	24,421,641			32,114,933	24,421,641
Community and economic development	7,290,143	8,348,689			7,290,143	8,348,689
Community services	20,947,924	19,426,866			20,947,924	19,426,866
Interest on long-term	2,246,965	1,970,847			2,246,965	1,970,847
Water			25,335,853	23,076,247	25,335,853	23,076,247
Wastewater			18,587,304	18,415,633	18,587,304	18,415,633
Sanitation			8,413,991	8,729,293	8,413,991	8,729,293
Total expenses	<u>167,065,452</u>	<u>151,551,031</u>	<u>52,337,148</u>	<u>50,221,173</u>	<u>219,402,600</u>	<u>201,772,204</u>
Increase (decrease) in net position before transfers	42,361,008	57,349,076	7,485,111	13,350,813	49,846,119	70,699,889
Transfers	1,418,827	1,454,000	(1,418,827)	(1,454,000)		
Increase (decrease) in net	43,779,835	58,803,076	6,066,284	11,896,813	49,846,119	70,699,889
Net position – July 1, as restated	<u>903,449,953</u>	<u>848,366,409</u>	<u>594,772,429</u>	<u>583,342,724</u>	<u>1,498,222,382</u>	<u>1,431,709,133</u>
Net position – June 30	<u>\$947,229,788</u>	<u>\$907,169,485</u>	<u>\$600,838,713</u>	<u>\$ 595,239,537</u>	<u>\$1,548,068,501</u>	<u>\$ 1,502,409,022</u>

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Continued)

Total revenues for the current fiscal year were \$269.2 million, which is a decrease of \$3.2 million from the previous year. Governmental activities revenue increased by \$0.5 million and business-type activities revenues decreased \$3.7 million over the prior year, while expenses increased \$15.5 million and \$2.1 million for governmental and business-type activities, respectively.

Governmental Activities. Governmental activities increased the City's net position before transfers by \$42.4 million during the year, compared to \$57.3 million in the prior year. The decrease from the prior year was primarily due to increased expenses compared to prior years. Governmental activities accounted for 78 percent of the City's total revenue and 76 percent of total expense during the year. Program revenues of \$56.4 million were 27 percent of governmental activities revenues during the year, compared to \$53.3 million, or 25 percent, of total revenues in fiscal year 2023-24.

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

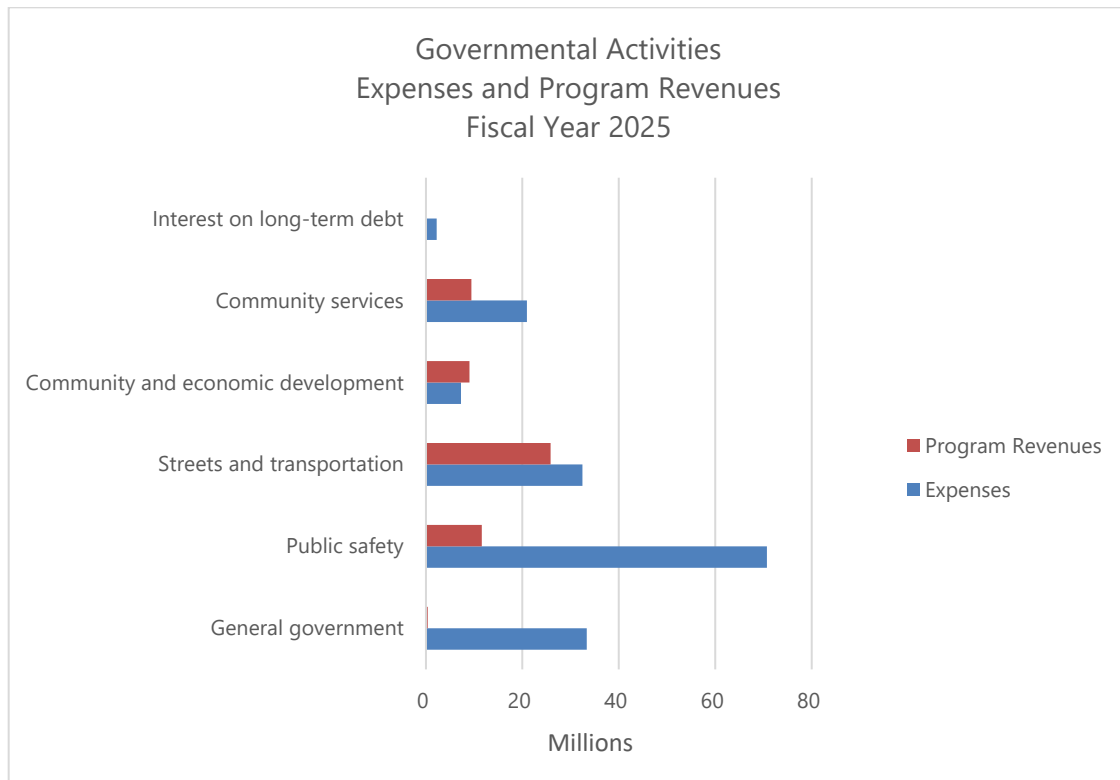
- State-shared revenues decreased \$3.6 million or eight percent due to the full implementation of the state income flat tax.
- The gain on sale of capital assets decreased by \$3.0 million due to no major land sales during the year.
- The \$2.3 million increase in investment income was due to the City's investment strategy of a diversified fixed income portfolio that continued to earn strong returns even with three rate cuts early in the fiscal year.

Governmental activities program expenses increased by \$15.5 million. The increase was dispersed among most departments with the most significant increases affecting the public safety and streets and transportation departments. The \$6.6 million increase in public safety was for continued investments in police and fire medical personnel salaries and benefits. The City increased public safety full-time equivalents (FTE) by 6.5 in addition to increasing salaries by three to eight percent. The \$7.7 million increase in streets and transportation was primarily due to pavement preservation projects that do not qualify for capitalization.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Continued)

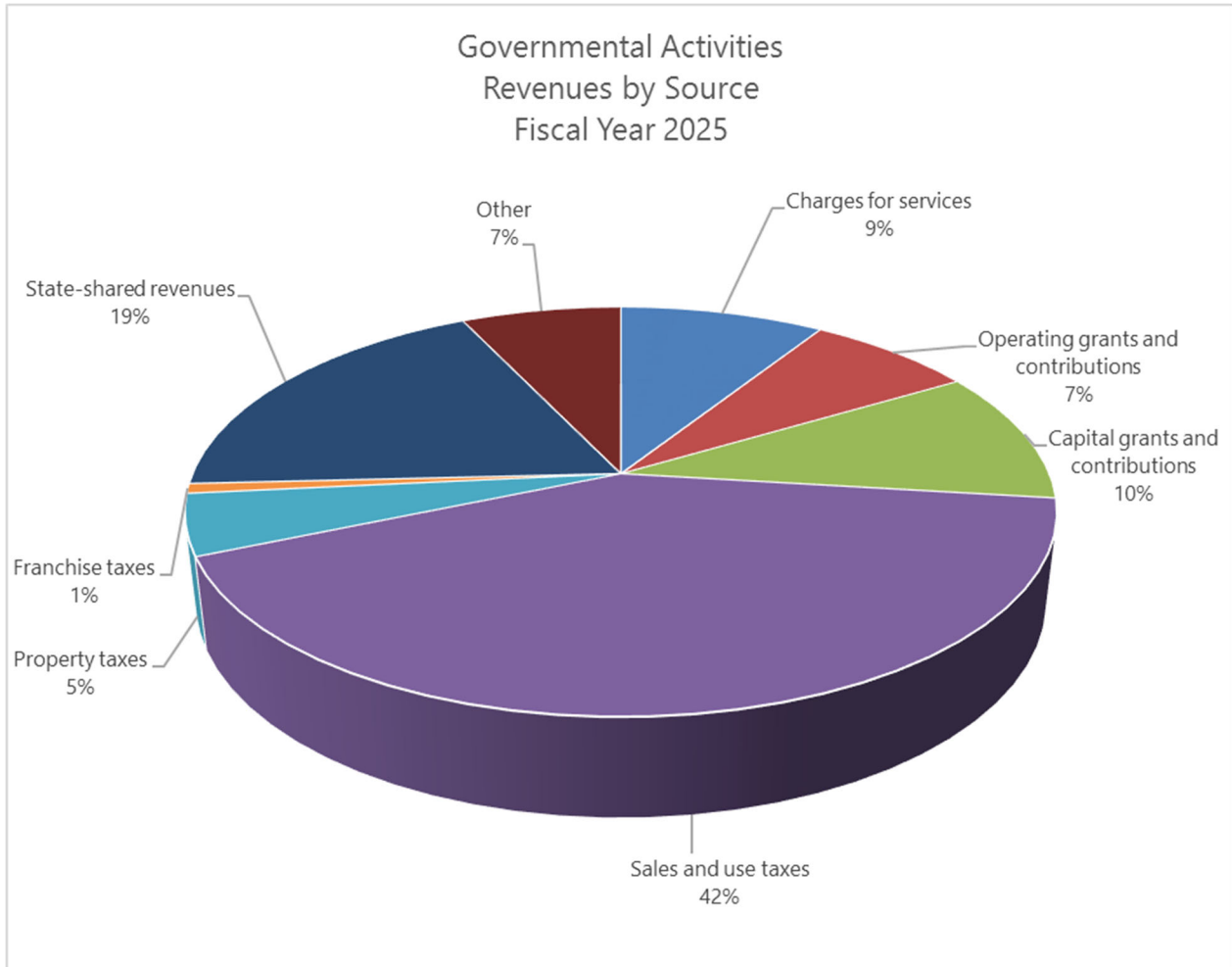
The following graph shows governmental activities functional revenues and expenses in order to demonstrate the extent to which the governmental functions produce direct revenues to offset related program expenses. It should be noted that this graph is not intended to represent a full cost allocation 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.



City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Continued)

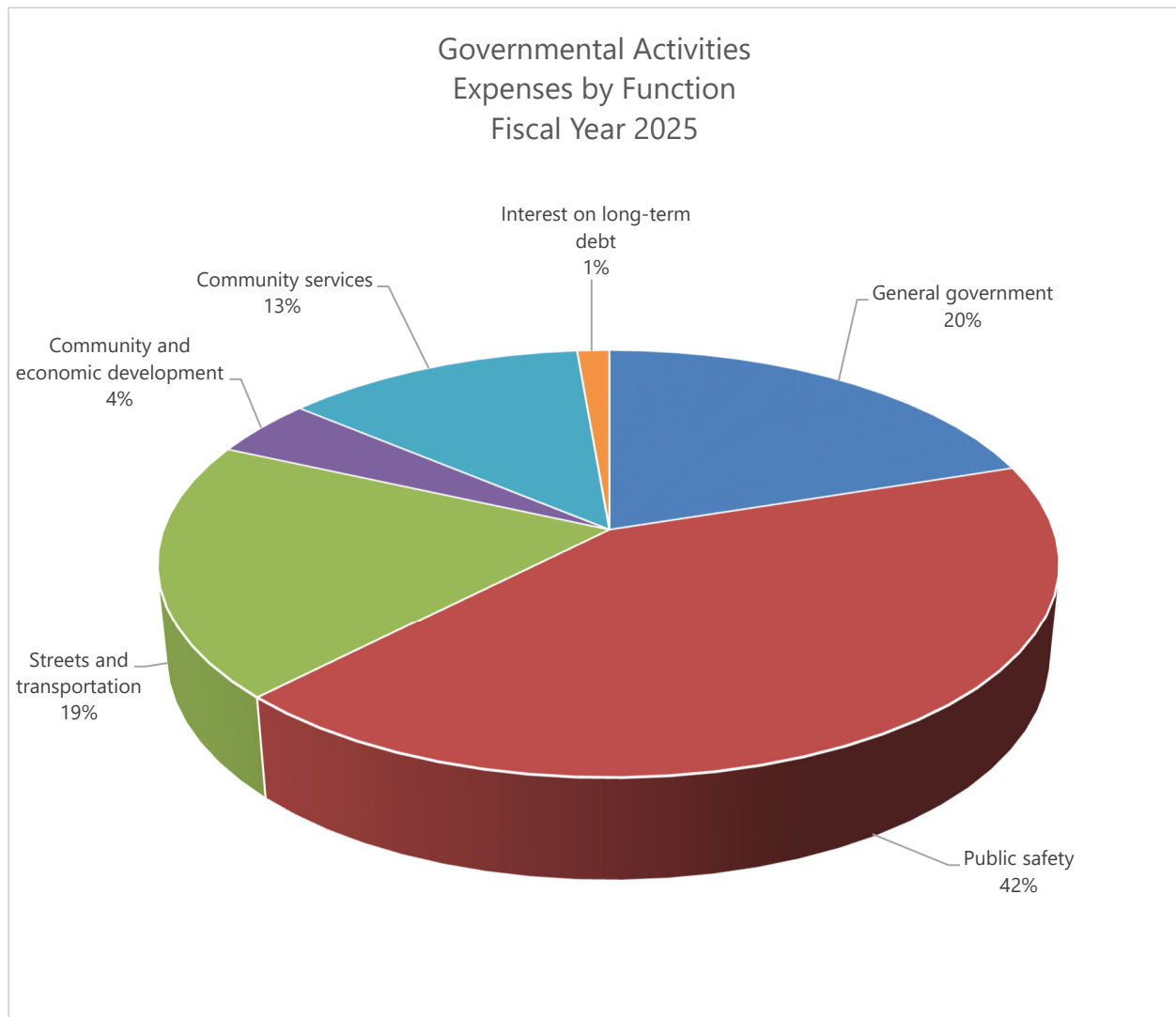
As seen in the following graph, the largest governmental activities revenue sources are sales and use taxes of \$87.3 million (42 percent), followed by state-shared revenues of \$39.2 million (19 percent), capital grants and contributions of \$21.9 million (ten percent), and charges for services of \$18.9 million (nine percent).



City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Continued)

The City's largest governmental activities expenses by function include public safety at \$71.0 million (43 percent), followed by general government at \$33.5 million (20 percent), at streets and transportation \$32.1 million (19 percent), and community services at \$20.9 million (13 percent).



Business-type Activities. Business-type activities increased net position before transfers by \$7.5 million during the year, a decrease of \$5.9 million from the prior year. Program revenues decreased \$5.9 million and general revenues increased \$2.2 million from the prior year, respectively, while expenses increased \$2.1 million from the previous year. Business-type activities accounted for 22 percent of the City's total revenue and 24 percent of total expense during the year.

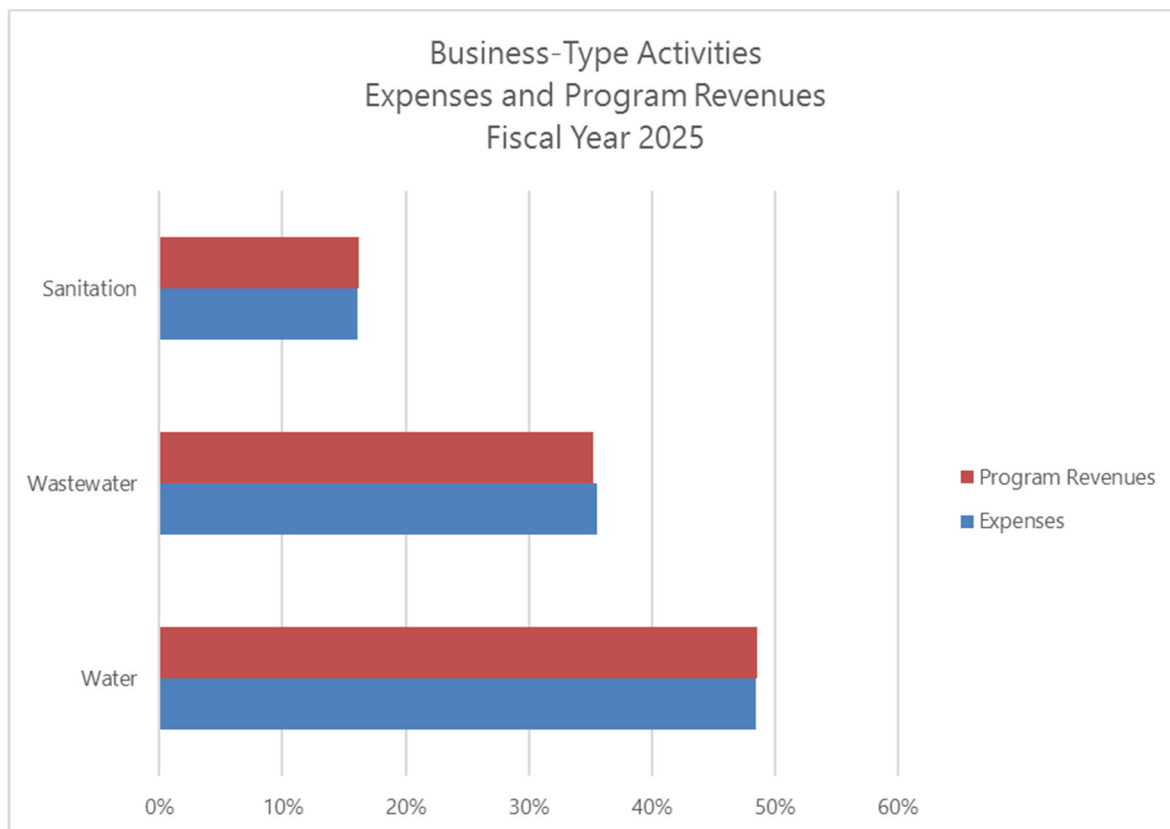
City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Continued)

A significant change in business-type activities was the \$4.0 million increase in charges for services which was driven by a growth in customers and usage charges across all enterprise departments. Additionally, capital grants and contributions experienced a \$9.9 million decrease which was due to a decrease in capital contributions received from developers.

Business-type activities program expenses increased by \$2.1 million. Water expenses increased \$2.3 million due primarily to increased supplies cost and depreciation expense on newly constructed assets. Wastewater expenses increased \$171,671, which is not significant. Sanitation expenses decreased \$315,302 due primarily to a decrease in pension expense.

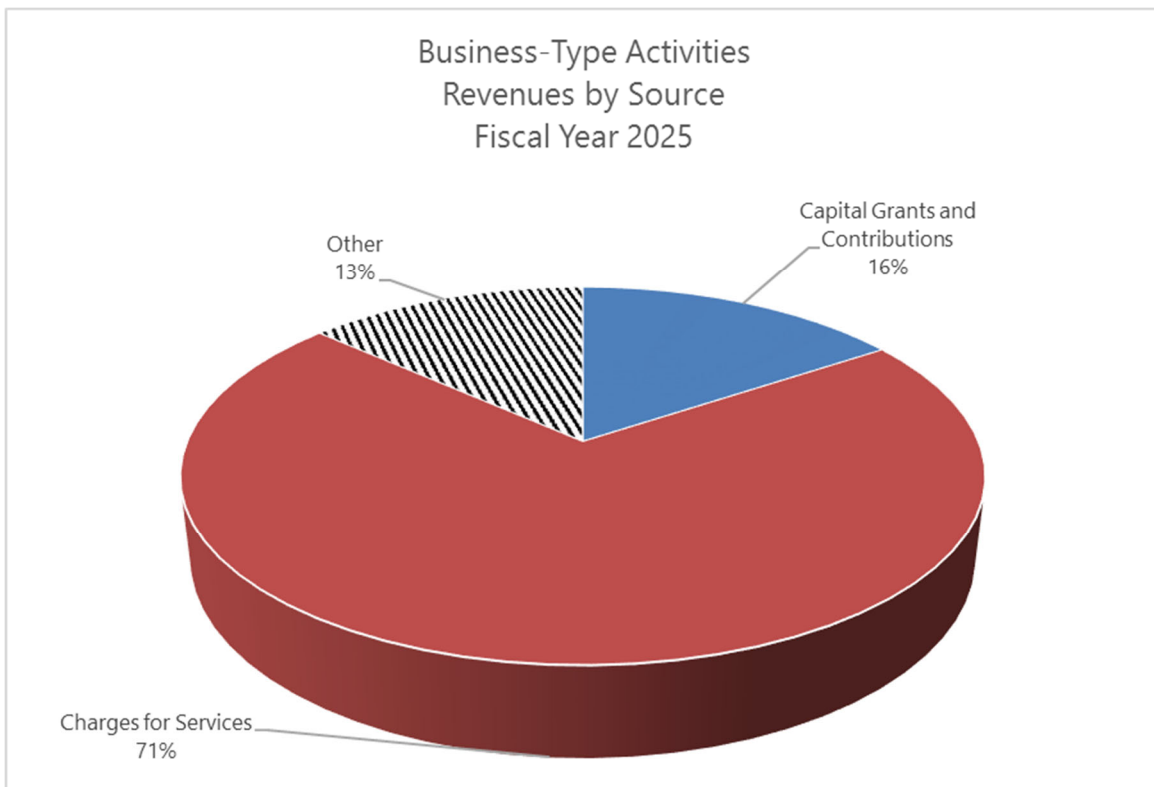
The following graph shows the revenues and expenses of the business-type activities in order to demonstrate the extent to which the business-type activities produce direct revenues to offset related program expenses. It should be noted that this graph is not intended to represent a full cost allocation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



City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Continued)

The City's largest business-type activity is water services with program expenses of \$25.3 million and program revenues of \$25.1 million, followed by wastewater services with expenses of \$18.6 million and revenues of \$18.3 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 \$42.4 million or 71 percent. Capital grants and contributions, which consist of developer infrastructure conveyances and impact development fees, provided the second largest share of revenues at \$9.4 million or 16 percent. Other revenues accounted for 13 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.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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, 2025, the City reported a combined fund balance of \$235.5 million, an increase of \$21.4 million over the previous year. Fund balance of \$102.7 million is unassigned and fund balance of \$7.5 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 \$1.8 million, restricted balances of \$90.2 million, and committed balances of \$33.3 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 \$136.4 million compared to \$135.2 million in the prior year, an increase of \$1.2 million. The overall increase in fund balance during the year was largely due to revenues increasing \$6.7 million over the previous year. Investment income and charges for services revenues increased \$6.9 million in total driven by investment returns and development within the city, respectively. Expenditures increased by \$13.5 million compared to the prior year. The largest and most significant increase of \$11.6 million in public safety expenditures was due to excess pension contributions above those actuarily required and funding operational expenditures within the General Fund after funding those expenditures with another allowable funding source in the prior year. Net other financing sources and uses decreased by \$5.5 million over the previous year primarily due to no land sales or issuance of lease agreements.

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 \$413,085 from the previous year. Transfers out of \$2.5 million were for annual debt service payments. Net fund activities increased fund balance by \$1.2 million from the previous year primarily due to revenues exceeding capital expenditures for street improvements.

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.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Financial Analysis of the City's Funds (Continued)

Revenues increased \$258,771 over the prior year. Expenditures increased \$2.5 million from the prior fiscal year. Net fund activities decreased fund balance by \$6.1 million from the previous year which is primarily due to the continued construction of a new detention center and police substation.

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 decreased \$4.8 million from the previous year while expenditures decreased by \$4.9 million from the prior year. The City spent the remaining \$2.1 million of the \$17.9 million Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) monies received in fiscal years 2021 and 2022. Expenditures exceeds revenues and transfers in leading to an overall decrease in fund balance of \$441,401.

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 \$5.5 million primarily consisted of property taxes that were sufficient to service current year principal and interest expenditures of \$5.4 million. Investment income primarily lead to the increase in fund balance of \$89,118 during the year.

Other Capital Projects Fund – The Fund accounts for capital resources and activities not accounted for in other capital projects funds. Expenditures of \$30.3 million were primarily funded by transfers in of \$27.8 million. The increase in overall fund balance of \$10.4 million is a result of the issuance of general obligations bonds and related issuance premium.

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 \$326.8 million consisted of \$252.2 million in net investment in capital assets, \$19.6 million in restricted, and \$54.9 million in unrestricted. The Wastewater Fund's net position of \$262.8 million consisted of \$212.0 million in net investment in capital assets, \$26.4 million in restricted, and \$24.4 million in unrestricted. The Sanitation Fund's net position of \$10.6 million consisted of \$4.9 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.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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 57-60. Budgetary comparison schedules for all other governmental funds can be found on pages 135-149.

General Fund Budgetary Analysis. General Fund revenues of \$135.5 million exceeded budgeted inflows by \$22.5 million or 20 percent, while expenditures of \$102.7 million were only 82 percent of final budgeted expenses of \$126.1 million. The City recorded \$22.5 million more in General Fund revenue than budgeted. The budgeted revenue represented a two percent decrease compared to the prior year. The actual revenue exceeded the prior year by five percent. The major differences between budgeted and actual revenue occurred in taxes, licenses and permits, charges for services and investment income.

The budget for tax revenue was one percent higher over the prior year, a smaller annual growth than in years past, due to a conservative forecast based on the State's elimination of the residential rental tax starting January 1, 2025. The tax revenue exceeded the budget by \$4.0 million and was consistent with the previous year actual amounts.

Licenses and permit revenue primarily comes from building permits. The budget assumed a 35 percent decrease from the prior fiscal year based on anticipated development and a return to long-term averages. Actual revenues were 26 percent higher than the prior fiscal year, which reflects a strong local economy and continued demand for development within the City despite a slowdown in the housing market. As a result, the City recorded \$3.7 million more in licenses and permits revenue than anticipated.

A primary component of charges for services revenue is building and development plan review fees. Like the license and permit forecast, this portion of charges for services exceeded expectations and resulted in \$4.8 million more revenue than budgeted.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Budgetary Highlights (Continued)

Finally, the City continued to have strong investment returns during the year, earning \$11.5 million in investment income compared to a conservative budget of \$4.1 million. The City's strong interest earnings and unrealized gains, even with the three rate cuts early in the fiscal year, were due to investing the majority of available cash in a diversified portfolio of safe interest-bearing securities with an effective duration of 2.08 years.

On the expenditure side, the City spent \$23.4 million less from the General Fund than budgeted. The primary reason for the difference is the \$23.0 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, \$5.7 million of the contingency budget was transferred to the operating budget to address operating needs and thus, \$17.3 million of budgeted contingency remained unspent.

The other major reason the City spent less than budgeted was due to vacancy savings. 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 \$65.5 million in personnel related costs but only expended \$61.7 million. Thus, \$3.8 million of the budgeted amount was left unspent.

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 \$130.2 million was amended by \$4.2 million to the final expenditure budget of \$126.0 million, which is not significant.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2025, the City had invested \$1.3 billion in governmental and business-type capital assets, net of accumulated depreciation/amortization. Total depreciation/amortization expense for the year was \$46.8 million, with \$29.0 million attributed to governmental activities and \$17.8 million to business-types activities. See Note 6 in the notes to the basic financial statements for further information regarding capital assets.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Capital Assets and Debt Administration (Continued)

The following schedule presents capital asset balances as of June 30, 2025, and June 30, 2024.

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 326,181,638	\$ 316,254,212	\$ 16,559,328	\$ 16,549,328	\$ 342,740,966	\$ 332,803,540
Building and improvements	139,856,058	129,641,281			139,856,058	129,641,281
Improvements other than buildings	58,923,057	53,093,488	218,371	258,811	59,141,428	53,352,299
Vehicles, furniture and equipment	22,820,212	18,901,190	9,125,703	9,285,906	31,945,915	28,187,096
Infrastructure	265,523,399	259,437,026	432,591,741	418,830,218	698,115,140	678,267,244
Water and user rights	1,635,561	1,763,172	8,685,396	9,288,864	10,320,957	11,052,036
Construction in progress	32,942,074	36,491,252	9,621,646	23,146,351	42,563,720	59,637,603
Intangible right-to-use assets	2,026,989	1,884,565			2,026,989	1,884,565
Total	\$ 849,908,988	\$ 817,466,186	\$ 476,802,185	\$477,359,478	\$1,326,711,173	\$1,294,825,664

The City's combined capital assets balances increased \$31.9 million from the prior fiscal year, with governmental activities increasing by \$32.4 million and business-type activities decreasing by \$557,293. More detail regarding the changes in capital asset balances is provided below.

Governmental Activities. The \$32.4 million increase from the prior fiscal year consisted of \$96.5 million of capital assets additions, including \$34.1 million of transfers from construction in progress, offset by \$29.0 million in depreciation expense during the year. Capital additions included \$30.6 million of new construction in progress and \$9.7 million in dedicated infrastructure.

Business-type Activities. The \$557,293 decrease from the prior fiscal year consisted of \$43.4 million of capital additions, 25.6 million of transfers from construction in progress and \$17.8 million in depreciation expense during the year. Capital additions included \$12.1 million of new construction in progress and \$3.4 million of additions from dedicated infrastructure.

The City adopted a five-year capital improvement plan for years 2025 through 2029, with budgeted capital outlays totaling \$654.8 million. The plan, which includes \$189.7 million of budgeted capital outlays for 2025, takes into consideration known capital needs and ties potential revenue sources to those needs. Anticipated funding for fiscal year 2024-25 includes 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.

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Capital Assets and Debt Administration (Continued)

Debt Administration. As of June 30, 2025, the City had total long-term obligations outstanding of \$200.4 million, which is an increase of eight percent from the previous year primarily due to the issuance of general obligation bonds. Of this balance, \$185.1 million was attributable to governmental activities and \$15.3 million was attributable to business-type activities. Of the total outstanding bonds of \$81.6 million, excluding unamortized discounts and premiums, \$61.8 million are general obligation bonds backed by the full faith and credit of the City and Alamar Community Facilities District, and \$19.8 million are revenue bonds secured by pledges of specific revenue sources of the City. Of the \$81.6 million of outstanding bonds, \$5.9 million is due within one year. Of the remaining long-term obligations, \$83.7 million reflects the City's net pension liabilities and \$3.3 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, 2025 and 2024, is \$71.3 million and \$51.7 million in the six percent capacity and \$250.4 million and \$196.5 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, 2025 and 2024.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Compensated absences	\$ 13,914,535	\$ 9,395,336	\$ 1,364,340	\$ 775,178	\$ 15,278,875	\$ 10,170,514
Financed purchases payable	2,509,494	2,874,739			2,509,494	2,874,739
Leases payable	813,260	1,985,985			813,260	1,985,985
Claims payable	7,248,205	8,940,791			7,248,205	8,940,791
General obligation bonds	49,675,000	41,550,000			49,675,000	41,550,000
Pledged revenue obligations	14,265,000	16,855,735		29,270	14,265,000	16,885,005
CFD general obligation bonds	12,130,000	6,550,000			12,130,000	6,550,000
Water and sewer revenue bonds			5,530,000	5,885,000	5,530,000	5,885,000
Unamortized premiums and discounts	8,624,419	8,518,159	608,627	663,957	9,233,046	9,182,116
Net pension	75,938,770	73,228,402	7,803,995	7,760,642	83,742,765	80,989,044
Total	\$185,118,683	\$ 169,899,147	\$ 15,306,962	\$ 15,114,047	\$ 200,425,645	\$ 185,013,194

City of Avondale, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Economic Factors

Avondale continued to grow throughout fiscal year 2024-25. However, overall revenues remained flat when compared to the prior year. This was due to increases being offset by the state eliminating the City's ability to assess a residential rental tax and the implementation of the statewide flat income tax. These two state tax law changes resulted in revenue decreases of \$1.6 million and \$4.3 million.

Avondale's growth activity can be seen through license and permit revenue within the General Fund, which primarily comes from building permits. License and permit revenue increased by \$1.3 million or 26 percent compared to the prior fiscal year. A significant portion of the increase was due to commercial permits, including new data centers locating in the City. Another indicator of growth is the charges for services revenue, which increased \$5.0 million from the prior year.

The City accumulated large fund balances over the past few years due to revenues exceeding the conservative forecast, expending less than budgeted, and delays in planned capital improvements. These balances have allowed the City 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, where ongoing revenues exceed ongoing expenses.

The City's fiscal year 2024-25 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 General Fund operating budget. 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, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 257,211,083	\$ 120,358,981	\$ 377,570,064
Receivables, net			
Accounts	373,126	2,236,525	2,609,651
Taxes	10,883,977		10,883,977
Interest	1,438,501	688,377	2,126,878
Leases	485,606		485,606
Due from other governments	4,949,443		4,949,443
Internal balances	(647,622)	647,622	
Inventories	423,954	1,178,140	1,602,094
Prepaid items	1,767,212		1,767,212
Restricted cash - fiscal agents	7,506,404	485,743	7,992,147
Total current assets	<u>284,391,684</u>	<u>125,595,388</u>	<u>409,987,072</u>
Noncurrent assets:			
Leases receivable	3,609,564		3,609,564
Water storage credit inventory		18,400,923	18,400,923
Equity in joint venture	735,633		735,633
Capital assets not being depreciated	359,123,712	33,457,967	392,581,679
Capital assets, net accumulated depreciation	490,785,276	443,344,218	934,129,494
Total noncurrent assets	<u>854,254,185</u>	<u>495,203,108</u>	<u>1,349,457,293</u>
Total assets	<u>1,138,645,869</u>	<u>620,798,496</u>	<u>1,759,444,365</u>
Deferred outflows of resources			
Deferred loss on refunding	600,326		600,326
Pension plan items	27,323,544	1,668,993	28,992,537
Total deferred outflows of resources	<u>27,923,870</u>	<u>1,668,993</u>	<u>29,592,863</u>
Liabilities			
Current liabilities:			
Accounts payable	13,893,715	3,311,136	17,204,851
Accrued payroll and employee benefits	2,521,965	250,789	2,772,754
Accrued interest payable	1,551,733	110,600	1,662,333
Deposits held for others	231,899	1,911,594	2,143,493
Due to other governments	380,061	220,139	600,200
Bonds payable	5,570,000	370,000	5,940,000
Unearned revenue	6,446,651		6,446,651
Claims payable	4,342,654		4,342,654
Compensated absences payable	6,313,996	626,186	6,940,182
Financed purchases payable	389,272		389,272
Leases payable	471,962		471,962
Total current liabilities	<u>42,113,908</u>	<u>6,800,444</u>	<u>48,914,352</u>
Noncurrent liabilities:			
Non-current portion of long-term obligations	168,030,799	14,310,776	182,341,575
Total noncurrent liabilities	<u>168,030,799</u>	<u>14,310,776</u>	<u>182,341,575</u>
Total liabilities	<u>210,144,707</u>	<u>21,111,220</u>	<u>231,255,927</u>

City of Avondale, Arizona
Statement of Net Position (Continued)
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Deferred inflows of resources			
Leases	3,960,496		3,960,496
Pension plan items	5,234,748	517,556	5,752,304
Total deferred inflows of resources	<u>9,195,244</u>	<u>517,556</u>	<u>9,712,800</u>
Net position			
Net investment in capital assets	772,323,014	469,151,117	1,241,474,131
Restricted for:			
Streets and transportation	11,196,471		11,196,471
Grantor and contributor purposes	4,609,802		4,609,802
Public safety	8,161,305		8,161,305
Debt service	5,949,822		5,949,822
Capital projects	54,789,356	46,058,248	100,847,604
Unrestricted	90,200,018	85,629,348	175,829,366
Total net position	<u>\$ 947,229,788</u>	<u>\$ 600,838,713</u>	<u>\$ 1,548,068,501</u>

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, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating	Capital Grants	Revenue and
		Services	Grants and	and	Changes in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Primary Government					
Governmental activities					
General government	\$ 33,457,700	\$ 382,914	\$ 6,242	\$	\$ (33,068,544)
Public safety	71,007,787	4,308,445	3,098,670	4,208,412	(59,392,260)
Streets and transportation	32,114,933	3,868,077	8,721,119	13,289,958	(6,235,779)
Community and economic development	7,290,143	8,504,916	138,006	405,503	1,758,282
Community services	20,947,924	1,875,755	3,581,466	3,983,571	(11,507,132)
Interest on long-term debt	2,246,965				(2,246,965)
Total governmental activities	<u>167,065,452</u>	<u>18,940,107</u>	<u>15,545,503</u>	<u>21,887,444</u>	<u>(110,692,398)</u>
Business-type activities					
Water	25,335,853	20,429,883		4,708,612	
Wastewater	18,587,304	13,567,111		4,684,981	
Sanitation	8,413,991	8,390,803			
Total business-type activities	<u>52,337,148</u>	<u>42,387,797</u>		<u>9,393,593</u>	
Total primary government	<u>\$ 219,402,600</u>	<u>\$ 61,327,904</u>	<u>\$ 15,545,503</u>	<u>\$ 31,281,037</u>	<u>(110,692,398)</u>
General revenues					
Taxes					
Sales and use taxes					87,349,160
Property taxes, levied for general purposes					4,033,402
Property taxes, levied for debt service					6,053,725
Franchise taxes					1,616,487
State-shared revenues, unrestricted					39,161,445
Investment income					14,130,225
Miscellaneous					637,497
Gain (loss) on disposal of capital assets					71,465
Transfers					1,418,827
Total general revenues and transfers					<u>154,472,233</u>
Changes in net position					43,779,835
Net position, beginning of year, previously reported					907,169,485
Adjustments to beginning net position					(3,719,532)
Net position, beginning of year, as restated					<u>903,449,953</u>
Net position, end of year					<u>\$ 947,229,788</u>

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
\$	\$ (33,068,544)
	(59,392,260)
	(6,235,779)
	1,758,282
	(11,507,132)
	(2,246,965)
	(110,692,398)
(197,358)	(197,358)
(335,212)	(335,212)
(23,188)	(23,188)
(555,758)	(555,758)
(555,758)	(111,248,156)
	87,349,160
	4,033,402
	6,053,725
	1,616,487
	39,161,445
6,454,663	20,584,888
1,440,373	2,077,870
145,833	217,298
(1,418,827)	
6,622,042	161,094,275
6,066,284	49,846,119
595,239,537	1,502,409,022
(467,108)	(4,186,640)
594,772,429	1,498,222,382
<u>\$ 600,838,713</u>	<u>\$ 1,548,068,501</u>

Avondale

Fund Financial Statements

City of Avondale, Arizona
Balance Sheet
Governmental Funds
June 30, 2025

	General	Dedicated Sales Tax Revenue	Public Safety Sales Tax Revenue	Grants In Aid
Assets				
Cash and investments	\$ 131,942,039	\$ 24,784,281	\$ 6,596,800	\$ 2,627,638
Receivables, net				
Accounts	228,424			6,294
Taxes	7,539,411	1,241,605	1,241,605	
Interest	1,125,457			1,350
Leases	4,095,170			
Due from other funds	379,747			
Due from other governments	599,825			3,698,980
Inventories	34,395			
Prepaid items	292,625			
Restricted cash - fiscal agent				541,260
Total assets	<u>\$ 146,237,093</u>	<u>\$ 26,025,886</u>	<u>\$ 7,838,405</u>	<u>\$ 6,875,522</u>
Liabilities				
Accounts payable	3,387,794	1,510,512	55,883	693,172
Accrued payroll and employee benefits	1,907,180		347,287	35,449
Bond interest payable				
Deposits held for others	231,899			
Due to other governments	230,061			
Bonds payable				
Due to other funds				7,029
Unearned revenue				1,763,833
Total liabilities	<u>5,756,934</u>	<u>1,510,512</u>	<u>403,170</u>	<u>2,499,483</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	52,655			
Unavailable revenues - intergovernmental	7,924			716,300
Unavailable revenues - other	56,538			2,182,968
Leases	3,960,496			
Total deferred inflows of resources	<u>4,077,613</u>			<u>2,899,268</u>
Fund balances				
Nonspendable	327,020			
Restricted		24,515,374	7,435,235	1,476,771
Committed	33,314,085			
Assigned				
Unassigned	102,761,441			
Total fund balances	<u>136,402,546</u>	<u>24,515,374</u>	<u>7,435,235</u>	<u>1,476,771</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 146,237,093</u>	<u>\$ 26,025,886</u>	<u>\$ 7,838,405</u>	<u>\$ 6,875,522</u>

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
\$ 188,490	\$ 22,712,643	\$ 52,871,229	\$ 241,723,120
	105,000	33,408	373,126
149,122	4,714	707,520	10,883,977
1,078	71,634	154,256	1,353,775
			4,095,170
			379,747
		650,638	4,949,443
			34,395
		1,469,067	1,761,692
4,565,957		2,399,187	7,506,404
<u>\$ 4,904,647</u>	<u>\$ 22,893,991</u>	<u>\$ 58,285,305</u>	<u>\$ 273,060,849</u>
	6,086,757	1,702,553	13,436,671
		107,986	2,397,902
1,050,957		500,776	1,551,733
			231,899
	150,000		380,061
3,515,000		2,055,000	5,570,000
		372,718	379,747
	4,642,326	40,492	6,446,651
<u>4,565,957</u>	<u>10,879,083</u>	<u>4,779,525</u>	<u>30,394,664</u>
68,841		11,871	133,367
		66,071	790,295
		1,955	2,241,461
			3,960,496
<u>68,841</u>		<u>79,897</u>	<u>7,125,619</u>
		1,469,067	1,796,087
269,849	12,048,820	44,475,439	90,221,488
			33,314,085
		7,483,900	7,483,900
	(33,912)	(2,523)	102,725,006
<u>269,849</u>	<u>12,014,908</u>	<u>53,425,883</u>	<u>235,540,566</u>
<u>\$ 4,904,647</u>	<u>\$ 22,893,991</u>	<u>\$ 58,285,305</u>	<u>\$ 273,060,849</u>

Avondale

City of Avondale, Arizona
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds **\$ 235,540,566**

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	\$ 1,230,453,951	
Less accumulated depreciation/amortization	(380,757,859)	
		849,696,092

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	133,367	
Intergovernmental	790,295	
Other	2,241,461	
		3,165,123

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. 600,326

Equity in joint venture assets are not current financials resources and, therefore, are not reported in the funds. 735,633

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	27,036,883	
Deferred inflows of resources related to pensions	(5,145,855)	
		21,891,028

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. 6,293,471

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(13,646,896)	
Financed purchases payable	(2,509,494)	
Leases payable	(813,260)	
Bonds payable and associated premium/discount	(79,124,419)	
Net pension liability	(74,598,382)	
		(170,692,451)

Net position of governmental activities **\$ 947,229,788**

City of Avondale, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Dedicated Sales Tax Revenue	Public Safety Sales Tax Revenue	Grants In Aid
Revenues				
Taxes	\$ 63,360,912	\$ 14,705,601	\$ 14,705,601	\$
Licenses and permits	6,352,661			
Intergovernmental	43,415,520			6,028,177
Charges for services	7,993,221			828
Fines, forfeitures, and penalties	1,911,239			569,351
Investment income	11,467,221	917		15,407
Contributions	24,131			358,176
Miscellaneous	1,010,621			95,314
Total revenues	<u>135,535,526</u>	<u>14,706,518</u>	<u>14,705,601</u>	<u>7,067,253</u>
Expenditures				
Current:				
General government	30,741,187			112,552
Public safety	50,344,138		13,884,515	891,379
Streets and transportation	3,346,605			1,867
Community and economic development	5,444,135			97,600
Community services	11,729,561			3,261,418
Capital outlay	799,291	11,543,569	6,933,012	3,243,838
Debt service:				
Principal retirement	266,342			
Interest and fiscal charges	77,813			
Bond issuance costs				
Total expenditures	<u>102,749,072</u>	<u>11,543,569</u>	<u>20,817,527</u>	<u>7,608,654</u>
Excess (deficiency) of revenues over expenditures	<u>32,786,454</u>	<u>3,162,949</u>	<u>(6,111,926)</u>	<u>(541,401)</u>
Other financing sources (uses)				
Sale of capital assets	34,110			
Transfers in	1,029,000	567,916		100,000
Transfers out	(32,672,213)	(2,494,323)		
Issuance of bonds				
Premium on sale of bonds				
Total other financing sources (uses)	<u>(31,609,103)</u>	<u>(1,926,407)</u>		<u>100,000</u>
Changes in fund balances	<u>1,177,351</u>	<u>1,236,542</u>	<u>(6,111,926)</u>	<u>(441,401)</u>
Fund balances, beginning of year	<u>135,225,195</u>	<u>23,278,832</u>	<u>13,547,161</u>	<u>1,918,172</u>
Fund balances, end of year	<u>\$ 136,402,546</u>	<u>\$ 24,515,374</u>	<u>\$ 7,435,235</u>	<u>\$ 1,476,771</u>

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
\$ 5,425,712	\$ 126,964	\$ 672,049	\$ 98,996,839
		9,410,639	15,763,300
		9,970,967	59,414,664
		1,933	7,995,982
		134,913	2,615,503
69,098	441,793	1,301,643	13,296,079
	71,325	45,890	499,522
		191,602	1,297,537
<u>5,494,810</u>	<u>640,082</u>	<u>21,729,636</u>	<u>199,879,426</u>
		329,622	31,183,361
		1,136,611	66,256,643
		8,812,491	12,160,963
			5,541,735
		457,916	15,448,895
	30,010,306	4,723,319	57,253,335
3,515,000		2,619,737	6,401,079
1,890,692		1,023,905	2,992,410
	250,903	377,878	628,781
<u>5,405,692</u>	<u>30,261,209</u>	<u>19,481,479</u>	<u>197,867,202</u>
<u>89,118</u>	<u>(29,621,127)</u>	<u>2,248,157</u>	<u>2,012,224</u>
		37,355	71,465
	27,847,294	7,609,069	37,153,279
		(567,916)	(35,734,452)
	11,205,000	5,725,000	16,930,000
	927,809	73,978	1,001,787
	<u>39,980,103</u>	<u>12,877,486</u>	<u>19,422,079</u>
<u>89,118</u>	<u>10,358,976</u>	<u>15,125,643</u>	<u>21,434,303</u>
<u>180,731</u>	<u>1,655,932</u>	<u>38,300,240</u>	<u>214,106,263</u>
<u>\$ 269,849</u>	<u>\$ 12,014,908</u>	<u>\$ 53,425,883</u>	<u>\$ 235,540,566</u>

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, 2025

Changes in fund balances - total governmental funds **\$ 21,434,303**

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	\$ 52,596,039	
Less current year depreciation/amortization	<u>(28,947,985)</u>	
		23,648,054

The net effect of miscellaneous capital asset transactions (e.g. sales, contributions, transfers, and disposals) not recorded in the governmental funds.		9,530,317
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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	(16,930,000)	
Premium on issuance of bonds	<u>(1,001,787)</u>	
		(17,931,787)

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	365,245	
Lease principal retirement	465,834	
Bond principal retirement	<u>5,570,000</u>	
		6,401,079

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	12,077,640	
Pension expense	<u>(11,920,603)</u>	
		157,037

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	(603)	
Intergovernmental revenues	299,304	
Other revenues	(1,385,351)	
Equity in joint venture expenses	(17,517)	
Deferred bond items on issuance of refunding debt expenses	(150,082)	
Amortization of deferred bond items	895,527	
Compensated absences expenses	<u>(759,023)</u>	
		(1,117,745)

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.

		<u>1,658,577</u>
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Changes in net position in governmental activities **\$ 43,779,835**

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, 2025

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ 59,386,500	\$ 59,386,500	\$ 63,360,912	\$ 3,974,412
Licenses and permits	2,672,000	2,672,000	6,352,661	3,680,661
Intergovernmental	41,639,700	41,639,700	43,415,520	1,775,820
Charges for services	3,144,500	3,144,500	7,993,221	4,848,721
Fines, forfeitures, and penalties	875,000	875,000	1,911,239	1,036,239
Investment income	4,129,000	4,129,000	11,467,221	7,338,221
Contributions	1,000	1,000	24,131	23,131
Miscellaneous	1,156,900	1,156,900	1,010,621	(146,279)
Total revenues	<u>113,004,600</u>	<u>113,004,600</u>	<u>135,535,526</u>	<u>22,530,926</u>
Expenditures				
Current:				
City Council	402,800	379,699	306,599	73,100
City Administration	7,234,500	7,281,500	7,168,359	113,141
City Attorney	2,322,300	2,522,300	2,216,598	305,702
City Clerk	1,024,000	1,024,000	904,859	119,141
Finance and Budget	6,568,900	6,568,900	6,156,661	412,239
City Auditor	369,000	369,000	349,055	19,945
Human Resources	2,183,400	2,183,400	1,990,782	192,618
Information Technology	10,447,300	10,995,200	10,418,034	577,166
Marketing and Public Relations	1,332,500	1,332,500	1,325,800	6,700
Facilities	5,720,500	5,720,500	5,379,540	340,960
Public Works	343,000	453,000	310,851	142,149
Indirect Costs	(5,475,100)	(5,475,100)	(5,475,100)	
Contingency	23,000,000	17,318,600		17,318,600
Police	27,734,100	27,732,100	27,357,290	374,810
Fire and Medical	16,242,600	17,529,147	17,516,539	12,608
City Court	1,598,400	1,598,400	1,567,911	30,489
Office of Public Safety	3,907,000	3,907,000	3,902,398	4,602
Development Services	3,292,300	3,292,300	3,009,933	282,367
Engineering Services	3,742,300	3,742,300	3,587,877	154,423
Economic Development	2,311,600	2,311,600	1,882,079	429,521
Neighborhood and Family Services	3,670,900	3,102,000	2,253,955	848,045
Parks and Recreation	10,643,100	10,577,744	9,475,606	1,102,138
Capital outlay	1,321,300	1,290,856	799,291	491,565
Debt service:				
Principal retirement	267,000	267,000	266,342	658
Interest and fiscal charges	78,200	78,200	77,813	387
Total expenditures	<u>130,281,900</u>	<u>126,102,146</u>	<u>102,749,072</u>	<u>23,353,074</u>
Excess (deficiency) of revenues over expendit	<u>(17,277,300)</u>	<u>(13,097,546)</u>	<u>32,786,454</u>	<u>45,884,000</u>
Other financing sources (uses)				
Sale of capital assets	5,000	5,000	34,110	29,110
Transfers in	1,629,000	1,629,000	1,029,000	(600,000)
Transfers out	(76,024,800)	(76,024,800)	(32,672,213)	43,352,587
Total other financing sources (uses)	<u>(74,390,800)</u>	<u>(74,390,800)</u>	<u>(31,609,103)</u>	<u>42,781,697</u>
Changes in fund balances	<u>(91,668,100)</u>	<u>(87,488,346)</u>	<u>1,177,351</u>	<u>88,665,697</u>
Fund balances, beginning of year	<u>135,225,195</u>	<u>135,225,195</u>	<u>135,225,195</u>	
Fund balances, end of year	<u>\$ 43,557,095</u>	<u>\$ 47,736,849</u>	<u>\$ 136,402,546</u>	<u>\$ 88,665,697</u>

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, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 13,465,000	\$ 13,465,000	\$ 14,705,601	\$ 1,240,601
Investment income			917	917
Total revenues	<u>13,465,000</u>	<u>13,465,000</u>	<u>14,706,518</u>	<u>1,241,518</u>
Expenditures				
Capital outlay	<u>22,730,000</u>	<u>18,884,414</u>	<u>11,543,569</u>	<u>7,340,845</u>
Total expenditures	<u>22,730,000</u>	<u>18,884,414</u>	<u>11,543,569</u>	<u>7,340,845</u>
Excess (deficiency) of revenues over expenditu	<u>(9,265,000)</u>	<u>(5,419,414)</u>	<u>3,162,949</u>	<u>8,582,363</u>
Other financing sources (uses)				
Transfers in			567,916	567,916
Transfers out	<u>(2,496,000)</u>	<u>(2,496,000)</u>	<u>(2,494,323)</u>	<u>1,677</u>
Total other financing sources (uses)	<u>(2,496,000)</u>	<u>(2,496,000)</u>	<u>(1,926,407)</u>	<u>569,593</u>
Changes in fund balances	<u>(11,761,000)</u>	<u>(7,915,414)</u>	<u>1,236,542</u>	<u>9,151,956</u>
Fund balances, beginning of year	<u>23,278,832</u>	<u>23,278,832</u>	<u>23,278,832</u>	
Fund balances, end of year	<u>\$ 11,517,832</u>	<u>\$ 15,363,418</u>	<u>\$ 24,515,374</u>	<u>\$ 9,151,956</u>

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, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 13,465,000	\$ 13,465,000	\$ 14,705,601	\$ 1,240,601
Total revenues	<u>13,465,000</u>	<u>13,465,000</u>	<u>14,705,601</u>	<u>1,240,601</u>
Expenditures				
Current:				
Public safety	15,076,100	15,075,800	13,884,515	1,191,285
Capital outlay	<u>13,056,000</u>	<u>8,000,514</u>	<u>6,933,012</u>	<u>1,067,502</u>
Total expenditures	<u>28,132,100</u>	<u>23,076,314</u>	<u>20,817,527</u>	<u>2,258,787</u>
Changes in fund balances	<u>(14,667,100)</u>	<u>(9,611,314)</u>	<u>(6,111,926)</u>	<u>3,499,388</u>
Fund balances, beginning of year	<u>13,547,161</u>	<u>13,547,161</u>	<u>13,547,161</u>	
Fund balances, end of year	<u>\$ (1,119,939)</u>	<u>\$ 3,935,847</u>	<u>\$ 7,435,235</u>	<u>\$ 3,499,388</u>

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, 2025

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Intergovernmental	\$ 11,500,000	\$ 14,870,189	\$ 6,028,177	\$ (8,842,012)
Charges for services			828	828
Fines, forfeitures, and penalties	50,000	435,700	569,351	133,651
Investment income	11,000	11,000	15,407	4,407
Contributions	361,200	439,000	358,176	(80,824)
Miscellaneous	15,844,300	11,608,611	95,314	(11,513,297)
Total revenues	<u>27,766,500</u>	<u>27,364,500</u>	<u>7,067,253</u>	<u>(20,297,247)</u>
Expenditures				
Current:				
General government	14,950,000	30,563,446	112,552	30,450,894
Public safety	2,686,300	2,525,090	891,379	1,633,711
Streets and transportation	1,900	1,900	1,867	33
Community and economic development	120,000	120,000	97,600	22,400
Community services	3,955,600	7,975,700	3,261,418	4,714,282
Capital outlay	9,970,300	10,249,530	3,243,838	7,005,692
Total expenditures	<u>31,684,100</u>	<u>51,435,666</u>	<u>7,608,654</u>	<u>43,827,012</u>
Excess (deficiency) of revenues over expenditures	<u>(3,917,600)</u>	<u>(24,071,166)</u>	<u>(541,401)</u>	<u>23,529,765</u>
Other financing sources (uses)				
Transfers in	100,000	100,000	100,000	
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	
Changes in fund balances	<u>(3,817,600)</u>	<u>(23,971,166)</u>	<u>(441,401)</u>	<u>23,529,765</u>
Fund balances, beginning of year	<u>1,918,172</u>	<u>1,918,172</u>	<u>1,918,172</u>	
Fund balances, end of year	<u>\$ (1,899,428)</u>	<u>\$ (22,052,994)</u>	<u>\$ 1,476,771</u>	<u>\$ 23,529,765</u>

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

City of Avondale, Arizona
Statement of Fund Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities			Governmental Activities	
				Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Sanitation		
Assets					
Current assets:					
Cash and investments	\$ 60,929,821	\$ 51,661,192	\$ 7,767,968	\$ 120,358,981	15,487,963
Receivables					
Accounts	947,909	810,533	478,083	2,236,525	
Interest	348,509	295,444	44,424	688,377	84,726
Inventories	1,008,677	122,561	46,902	1,178,140	389,559
Prepaid items					5,520
Restricted cash - fiscal agents		485,743		485,743	
Total current assets	<u>63,234,916</u>	<u>53,375,473</u>	<u>8,337,377</u>	<u>124,947,766</u>	<u>15,967,768</u>
Noncurrent assets:					
Water storage credit inventory	18,400,923			18,400,923	
Capital assets not being depreciated	30,402,494	3,055,473		33,457,967	
Capital assets, net accumulated depreciation	223,179,989	215,254,765	4,909,464	443,344,218	212,896
Total noncurrent assets	<u>271,983,406</u>	<u>218,310,238</u>	<u>4,909,464</u>	<u>495,203,108</u>	<u>212,896</u>
Total assets	<u>335,218,322</u>	<u>271,685,711</u>	<u>13,246,841</u>	<u>620,150,874</u>	<u>16,180,664</u>
Deferred outflows of resources					
Pension plan items	741,452	441,303	486,238	1,668,993	286,661
Total deferred outflows of resources	<u>741,452</u>	<u>441,303</u>	<u>486,238</u>	<u>1,668,993</u>	<u>286,661</u>
Liabilities					
Current liabilities:					
Accounts payable	2,588,606	504,518	218,012	3,311,136	457,044
Accrued payroll and employee benefits	109,354	70,600	70,835	250,789	124,063
Accrued interest payable		110,600		110,600	
Deposits held for others	1,906,594		5,000	1,911,594	
Due to other governments	220,139			220,139	
Bonds payable		370,000		370,000	
Claims payable					4,342,654
Compensated absences	300,993	132,227	192,966	626,186	124,963
Total current liabilities	<u>5,125,686</u>	<u>1,187,945</u>	<u>486,813</u>	<u>6,800,444</u>	<u>5,048,724</u>
Noncurrent liabilities:					
Non-current portion of long-term obligations	3,829,727	7,967,912	2,513,137	14,310,776	4,388,615
Total noncurrent liabilities	<u>3,829,727</u>	<u>7,967,912</u>	<u>2,513,137</u>	<u>14,310,776</u>	<u>4,388,615</u>
Total liabilities	<u>8,955,413</u>	<u>9,155,857</u>	<u>2,999,950</u>	<u>21,111,220</u>	<u>9,437,339</u>
Deferred inflows of resources					
Pension plan items	229,925	136,848	150,783	517,556	88,893
Total deferred inflows of resources	<u>229,925</u>	<u>136,848</u>	<u>150,783</u>	<u>517,556</u>	<u>88,893</u>
Net position					
Net investment in capital assets	252,199,033	212,042,620	4,909,464	469,151,117	212,896
Restricted for:					
Capital projects	19,631,532	26,426,716		46,058,248	
Unrestricted	54,943,871	24,364,973	5,672,882	84,981,726	6,728,197
Total net position	<u>\$ 326,774,436</u>	<u>\$ 262,834,309</u>	<u>\$ 10,582,346</u>	<u>600,191,091</u>	<u>\$ 6,941,093</u>

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 647,622

Net Position of Business-Type Activities \$ 600,838,713

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, 2025

	Business-Type Activities			Governmental Activities
	Water	Wastewater	Sanitation	Total Enterprise Funds Internal Service Funds
Operating revenues				
Charges for services	\$ 20,388,379	\$ 13,567,111	\$ 8,390,803	\$ 42,346,293
Miscellaneous	1,477,128	4,401	348	1,481,877
Total operating revenues	<u>21,865,507</u>	<u>13,571,512</u>	<u>8,391,151</u>	<u>43,828,170</u>
Operating expenses				
Salaries, wages, and benefits	4,573,750	2,864,820	2,825,293	10,263,863
Contractual services, materials, and supplies	12,224,661	7,072,350	4,869,358	24,166,369
Insurance claims and expenses				16,165,002
Depreciation and amortization	8,562,360	8,479,559	757,401	17,799,320
Total operating expenses	<u>25,360,771</u>	<u>18,416,729</u>	<u>8,452,052</u>	<u>52,229,552</u>
Operating income (loss)	<u>(3,495,264)</u>	<u>(4,845,217)</u>	<u>(60,901)</u>	<u>(8,401,382)</u>
Nonoperating revenues (expenses)				
Investment income	3,208,566	2,766,034	480,063	6,454,663
Gain (loss) on disposal of capital assets	21,595	258	123,980	145,833
Interest and fiscal charges		(177,836)		(177,836)
Total nonoperating revenue (expenses)	<u>3,230,161</u>	<u>2,588,456</u>	<u>604,043</u>	<u>6,422,660</u>
Income (loss) before transfers and capital contributions	<u>(265,103)</u>	<u>(2,256,761)</u>	<u>543,142</u>	<u>(1,978,722)</u>
Transfers out	<u>(987,827)</u>	<u>(431,000)</u>		<u>(1,418,827)</u>
Capital contributions	<u>1,423,630</u>	<u>1,996,235</u>		<u>3,419,865</u>
Development fees	<u>3,284,982</u>	<u>2,688,746</u>		<u>5,973,728</u>
Changes in net position	<u>3,455,682</u>	<u>1,997,220</u>	<u>543,142</u>	<u>5,996,044</u>
Net position, beginning of year, previously reported	323,523,903	260,913,887	10,224,365	594,662,155
Adjustments to beginning net position	(205,149)	(76,798)	(185,161)	(467,108)
Net position, beginning of year, as restated	<u>323,318,754</u>	<u>260,837,089</u>	<u>10,039,204</u>	<u>594,195,047</u>
Total net position, end of year	<u>\$ 326,774,436</u>	<u>\$ 262,834,309</u>	<u>\$ 10,582,346</u>	<u>\$ 600,191,091</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>70,240</u>
Change in Net Position of Business-Type Activities				<u>\$ 6,066,284</u>

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, 2025

	Business-Type Activities			Governmental Activities	
				Total	
	Water	Wastewater	Sanitation	Enterprise Funds	Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>					
Cash flows from operating activities					
Cash received from customers	\$ 20,482,106	\$ 13,477,909	\$ 8,382,435	\$ 42,342,450	\$ 22,052,985
Cash payments to suppliers for goods and services	(12,023,861)	(7,168,062)	(5,314,945)	(24,506,868)	(20,735,638)
Cash payments to employees for services	(4,564,333)	(2,746,861)	(3,043,569)	(10,354,763)	(1,794,322)
Miscellaneous	1,477,128	4,401	348	1,481,877	651,909
Net cash provided by/used for operating activities	5,371,040	3,567,387	24,269	8,962,696	174,934
Cash flows from noncapital financing activities					
Transfers out	(987,827)	(431,000)		(1,418,827)	
Net cash provided by/used for noncapital financing activities	(987,827)	(431,000)		(1,418,827)	
Cash flows from investing activities					
Investment income	3,331,278	2,810,522	443,915	6,585,715	824,187
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(8,253,929)	(4,537,639)	(1,512,363)	(14,303,931)	(9,188)
Principal payments on capital debt		(384,270)		(384,270)	
Interest payments on capital debt		(236,841)		(236,841)	
Development fees received	3,284,982	2,688,746		5,973,728	
Proceeds from sale of capital assets	127,799	38,170	457,184	623,153	1,025
Net cash provided by/used for operating activities	(4,841,148)	(2,431,834)	(1,055,179)	(8,328,161)	(8,163)
Net increase/decrease in cash and cash equivalents	2,873,343	3,515,075	(586,995)	5,801,423	990,958
Cash and cash equivalents, beginning of year	58,056,478	48,631,860	8,354,963	115,043,301	14,497,005
Cash and cash equivalents, end of year	\$ 60,929,821	\$ 52,146,935	\$ 7,767,968	\$ 120,844,724	\$ 15,487,963
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>					
Operating income/loss	\$ (3,495,264)	\$ (4,845,217)	\$ (60,901)	\$ (8,401,382)	\$ 893,646
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:					
Depreciation and amortization	8,562,360	8,479,559	757,401	17,799,320	37,869
Difference between pension expense and contributions	(118,577)	67,057	(221,261)	(272,781)	(26,556)
Changes in assets and liabilities:					
Increase/decrease in accounts receivable	31,436	(89,202)	(8,368)	(66,134)	727,985
Increase/decrease in inventories	144,414	183,917	(41,794)	286,537	(13,733)
Increase/decrease in prepaid items					28,520
Increase/decrease in accounts payable	56,386	(279,629)	(403,793)	(627,036)	251,996
Increase/decrease in accrued payroll and employee benefits	26,888	22,113	10,826	59,827	(72,851)
Increase/decrease in compensated absences	101,106	28,789	(7,841)	122,054	40,644
Increase/decrease in claims payable					(1,692,586)
Increase/decrease in deposits held for others	62,291			62,291	
Total adjustments	8,866,304	8,412,604	85,170	17,364,078	(718,712)
Net cash provided by/used for operating activities	\$ 5,371,040	\$ 3,567,387	\$ 24,269	\$ 8,962,696	\$ 174,934
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>					
Cash and investments	\$ 60,929,821	\$ 51,661,192	\$ 7,767,968	\$ 120,358,981	\$ 15,487,963
Restricted cash - fiscal agents		485,743		485,743	
Total cash and cash equivalents	\$ 60,929,821	\$ 52,146,935	\$ 7,767,968	\$ 120,844,724	\$ 15,487,963
<u>Noncash Capital, Financing, and Investing Activities</u>					
Amortization of bond premium	\$	\$ 55,330	\$	\$ 55,330	\$
Capital contributions	1,423,630	1,996,235		3,419,865	

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

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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.

During the year ended June 30, 2025, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. Beginning balances of compensated absences reported in the governmental activities, business-type activities, and each enterprise fund have been restated accordingly.

The more significant of the City's 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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.

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.

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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 wastewater 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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 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. Avondale voters approved Home Rule options as an alternative expenditure limitation for fiscal years 1981 through 2025. The City does not have an alternative expenditure limitation for fiscal year 2026. An alternative expenditure limitation is not needed due voters approving a permanent adjustment of \$10,408,000 to the 1980 base on August 2, 2022.

City of Avondale, Arizona
Notes to Financial Statements
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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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, and restricted cash with fiscal agents.

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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".

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, 2025, are \$48,453, \$67,027, and \$55,949, respectively.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Capital Assets

Capital assets, including public domain infrastructure assets such as roads, bridges, curbs and gutters, streets and sidewalks, water and wastewater 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 in excess of \$10,000 or groups of assets with an aggregate value in excess of \$1.0 million with 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.

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. Amortization of right-to-use assets is included with depreciation expense. The estimated useful lives and amortization periods are as follows:

Intangible right-to-use assets	5 years
Building and improvements	40 years
Improvements other than buildings	20 years
Water, wastewater, 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

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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 320 hours of vacation and Firefighters including Fire Battalion Chiefs assigned to a 24-hour shift schedule may accumulate up to 448 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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 2, 2025, 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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 necessitating 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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, 2025, the Family Advocacy Center and Fleet Management Funds, both non-major and other governmental funds, report deficits of \$2,523 and \$81,014 in fund balance, respectively. 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 Fleet Management Fund was mainly due to net pension liability of \$976,350. 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 3 – Cash and Investments (Continued)

Total City cash and investments as of June 30, 2025, are reported as follows:

Governmental activities	\$ 264,717,487
Business-type activities	<u>120,844,724</u>
Total	<u>\$ 385,562,211</u>
Cash on hand	\$ 11,457
Cash in bank	17,918,941
Investments	359,639,666
Restricted cash – fiscal agents	<u>7,992,147</u>
Total	<u>\$ 385,562,211</u>

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, 2025, 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 Type	Category	Fair Value	Investment Maturities (in years)		Moody's Investor Services	Standard & Poor's
			Less than 1	1-5		
US Agency Mortgage Backed Securities	Level 2	\$ 40,651,541	\$ 6,283,590	\$ 34,367,951	Aa1 to Aaa	AA+ to AAA
U.S. Treasury Securities	Level 1	137,685,436	39,661,720	98,023,716	Aa1 to Aaa	N/A
Corporate Bonds	Level 2	117,743,261	4,366,209	113,377,052	Baaa1 to Aaa	BBB+ to AAA
Money Market	Level 1	26,587,556	<u>26,587,556</u>		Aaa-mf	AAAm
			<u>\$ 76,899,075</u>	<u>\$ 245,768,719</u>		
State Treasurer's investment pool 7	Not Applicable	<u>36,971,872</u>	172 days average maturities		Unrated	Unrated
Total		<u>\$ 359,639,666</u>				

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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, 2025:

	Governmental Activities	Business-type Activities
Interest earned	\$ 8,419,478	\$ 3,811,236
Change in the fair value of investments	5,710,747	2,643,427
Investment income	<u>\$ 14,130,225</u>	<u>\$ 6,454,663</u>

During the year, the investments balance increased \$29.4 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 gain on these investments held at June 30, 2025, was \$997,903. 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 percent sector limit, five percent issuer limit.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 3 – Cash and Investments (Continued)

- 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.
- 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 percent sector limit, five percent 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 3 – Cash and Investments (Continued)

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, 2025 was \$17,918,941 and the bank balance was \$18,328,942. 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 \$11,457 in cash on hand.

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, 2025, the following issuers represents more than five percent of the City's total investments: 38.3 percent in U.S. Treasury securities, 11.3 in U.S. Agency Mortgage-Backed Securities and 10.28 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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 \$57,720 are recorded as miscellaneous revenue in the General Fund.

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, 2025, follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 316,254,212	\$ 9,927,426	\$	\$ 326,181,638
Construction in progress	36,491,252	30,583,813	34,132,991	32,942,074
Total capital assets, not being depreciated	352,745,464	40,511,239	34,132,991	359,123,712
Capital assets, being depreciated/amortized:				
Buildings and improvements	175,219,643	15,004,231	1,799,425	188,424,449
Improvements other than buildings	69,871,257	9,727,269		79,598,526
Vehicles, furniture and equipment	59,434,977	10,491,328	1,082,269	68,844,036
Infrastructure	509,295,987	19,219,460		528,515,447
Depreciable user rights	2,852,648			2,852,648
Intangible right-to-use building and land improvements	1,687,403			1,687,403
Intangible right-to-use equipment	1,265,610	1,511,742	706,891	2,070,461
Total capital assets being depreciated	819,627,525	55,954,030	3,588,585	871,992,970
Less accumulated depreciation/amortization for:				
Buildings and improvements	(45,578,362)	(4,618,719)	(1,628,690)	(48,568,391)
Improvements other than buildings	(16,777,769)	(3,897,700)		(20,675,469)
Vehicles, furniture and equipment	(40,533,787)	(6,546,310)	(1,056,273)	(46,023,824)
Infrastructure	(249,858,961)	(13,133,087)		(262,992,048)
Depreciable user rights	(1,089,476)	(127,611)		(1,217,087)
Intangible right-to-use building and land improvements	(1,047,354)	(349,118)		(1,396,472)
Intangible right-to-use equipment	(21,094)	(313,309)		(334,403)
Total accumulated depreciation/amortization	(354,906,803)	(28,985,854)	(2,684,963)	(381,207,694)
Total capital assets, being depreciated/amortized, net	464,720,722	26,968,176	903,622	490,785,276
Governmental activities capital assets, net	\$ 817,466,186	\$ 67,479,415	\$ 35,036,613	\$ 849,908,988

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 6 – Capital Assets (Continued)

A summary of capital asset activity for business-type activities on the government-wide financial statements for the year ended June 30, 2025 as follows:

Business-type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 16,549,328	\$ 10,000	\$	\$ 16,559,328
Nondepreciable water rights	7,276,993			7,276,993
Construction in progress	23,146,351	12,123,373	25,648,078	9,621,646
Total capital assets, not being depreciated	<u>46,972,672</u>	<u>12,133,373</u>	<u>25,648,078</u>	<u>33,457,967</u>
Capital assets, being depreciated:				
Infrastructure	704,653,648	29,326,052	258,108	733,721,592
Vehicles, furniture, & equipment	42,945,143			42,945,143
Depreciable water rights	2,980,551	1,915,161	2,444,115	2,451,597
Improvements other than buildings	868,867			868,867
Total capital assets being depreciated	<u>751,448,209</u>	<u>31,241,213</u>	<u>2,702,223</u>	<u>779,987,199</u>
Less accumulated depreciation for:				
Infrastructure	(285,823,430)	(15,306,421)		(301,129,851)
Vehicles, furniture, & equipment	(33,659,237)	(2,377,945)	(2,217,742)	(33,819,440)
Depreciable water rights	(968,680)	(74,514)		(1,043,194)
Improvements other than buildings	(610,056)	(40,440)		(650,496)
Total accumulated depreciation	<u>(321,061,403)</u>	<u>(17,799,320)</u>	<u>(2,217,742)</u>	<u>(336,642,981)</u>
Total capital assets, being depreciated, net	<u>430,386,806</u>	<u>13,441,893</u>	<u>484,481</u>	<u>443,344,218</u>
Business-type activities capital assets, net	<u>\$ 477,359,478</u>	<u>\$ 25,575,266</u>	<u>\$26,132,559</u>	<u>\$ 476,802,185</u>

Depreciation expense was charged to governmental and business-type functions as follows:

Governmental Activities:

General government	\$ 2,263,852
Public safety	4,522,287
Streets and transportation	15,205,694
Community and economic development	1,630,479
Community services	5,325,673
Internal Services	37,869
Total depreciation expense – governmental activities	<u>\$28,985,854</u>

Business-type Activities:

Water	\$ 8,562,360
Wastewater	8,479,559
Sanitation	757,401
Total depreciation expense – business-type activities	<u>\$17,799,320</u>

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 7 – Interfund Balances and Activity

At year end, interfund balances and activity were as follows:

Due to/from other funds.

The Family Advocacy Center Fund, a non-major governmental fund, had a deficit cash balance of \$368,945, which was eliminated by interfund borrowing with the General Fund. The Grants In Aid Fund received a short-term advance of \$7,029 from the General Fund for tourism-related projects that will be reimbursed with a state grant. All interfund balances are expected to be repaid within one year.

Interfund transfers:

Transfers out	Transfers in					Total
	General	Dedicated Sales Tax Revenue	Grants In Aid	Other Capital Projects	Non-Major Governmental and other Funds	
General	\$	\$	\$ 100,000	\$27,847,294	\$ 4,724,919	\$32,672,213
Dedicated Sales Tax Revenue					2,494,323	2,494,323
Water	598,000				389,827	987,827
Wastewater	431,000					431,000
Non-Major Governmental and Other Funds		567,916				567,916
Total	<u>\$ 1,029,000</u>	<u>\$ 567,916</u>	<u>\$ 100,000</u>	<u>\$27,847,294</u>	<u>\$ 7,609,069</u>	<u>\$37,153,279</u>

Transfers out of the General Fund include \$27.8 million to the Other Capital Projects Fund to fund construction projects. Transfers out of the General Fund into the nonmajor governmental funds include \$2.7 million to finance vehicle replacement purchases, \$1.5 million to service debt payment requirements, and \$251,464 to support transit operations. The Dedicated Sales Tax Revenue Fund transferred \$567,916 to service debt payment requirements and \$1.9 million to support transit operations in the nonmajor governmental funds.

Water and Wastewater Funds transferred \$598,000 and \$431,000 to the General Fund for operating activities. In addition, the Water Fund transferred \$389,827 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 8 – Long-Term Obligations

The City has issued general obligation bonds, pledged revenue obligations, and water and sewer revenue bonds to acquire and construct water and wastewater system improvements (including water production and distribution systems, wastewater collection and treatment systems, and a wastewater treatment plant), street and highway improvements, library facilities, recreation facilities and to refund prior outstanding bonds and obligations. 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.

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2025:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 41,550,000	\$ 11,205,000	\$ 3,080,000	\$ 49,675,000	\$ 3,515,000
Pledged revenue obligations	16,855,735		2,590,735	14,265,000	1,770,000
Community facilities district general obligation bonds	6,550,000	5,725,000	145,000	12,130,000	285,000
Discount	(5,823)		(243)	(5,580)	
Premium	8,523,982	1,001,787	895,770	8,629,999	
Total bonds payable	<u>73,473,894</u>	<u>17,931,787</u>	<u>6,711,262</u>	<u>84,694,419</u>	<u>5,570,000</u>
Financed purchases payable	2,874,739		365,245	2,509,494	389,272
Leases payable	1,985,985		1,172,725	813,260	471,962
Claims payable	8,940,791	12,854,476	14,547,062	7,248,205	4,342,654
Net pension liability	73,615,885	2,322,885		75,938,770	
Compensated absences payable	13,114,868	799,667		13,914,535	6,313,996
Governmental activities long-term liabilities	<u>\$174,006,162</u>	<u>\$ 33,908,815</u>	<u>\$ 22,796,294</u>	<u>\$ 185,118,683</u>	<u>\$17,087,884</u>

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 8 – Long-Term Obligations (Continued)

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Pledged revenue obligations	\$ 29,270	\$	\$ 29,270	\$	\$
Water and sewer revenue bonds	5,885,000		355,000	5,530,000	370,000
Premium	663,957		55,330	608,627	
Total bonds payable	<u>6,578,227</u>		<u>439,600</u>	<u>6,138,627</u>	<u>370,000</u>
Net pension liability	7,760,642	43,353		7,803,995	
Compensated absences payable	<u>1,242,286</u>	<u>122,054</u>		<u>1,364,340</u>	<u>626,186</u>
Business-type activities long-term liabilities	<u>\$ 15,581,155</u>	<u>\$ 165,407</u>	<u>\$ 439,600</u>	<u>\$15,306,962</u>	<u>\$ 996,186</u>

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
	2026	\$ 389,272	\$ 62,955
	2027	414,425	52,834
	2028	440,753	42,059
	2029	210,799	32,083
	2030	196,249	26,614
	2031-34	857,996	48,204
Total		<u>\$ 2,509,494</u>	<u>\$ 264,749</u>

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 8 – Long-Term Obligations (Continued)

Leases. The City has acquired office space and public safety equipment under the provisions of contracts classified as leases. 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 intangible 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:

Year ending June 30:		Governmental Activities	
		Principal	Interest
	2026	\$ 471,962	\$ 29,170
	2027	111,466	14,534
	2028	117,168	8,831
	2029	112,664	2,836
Total		<u>\$ 813,260</u>	<u>\$ 55,371</u>

The intangible 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	2,070,461
Less: Accumulated amortization	<u>1,730,875</u>
Total	<u>\$ 2,026,989</u>

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 \$16.7 million authorized but unissued general obligations bonds that could be used for water, wastewater, and streets projects.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 8 – Long-Term Obligations (Continued)

The following issues are currently outstanding:

Series	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
2017A Series Refunding Bonds	\$ 14,740,000	4.0-5.0%	7/1/25-29	\$ 8,675,000	\$ 1,910,000
2019 Series Bonds	21,390,000	3.0-5.0%	7/1/25-39	17,080,000	815,000
2021 Series Bonds	13,670,000	4.0-5.0%	7/1/25-41	12,715,000	510,000
2025 Series Bonds	11,205,000	3.25-5.0%	7/1/25-44	11,205,000	280,000
Total				<u>\$ 49,675,000</u>	<u>\$ 3,515,000</u>

Pledged Revenue Obligations. These obligations were issued to refund outstanding pledged revenue obligations 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, 2025	Due Within One Year
Governmental activities:					
2021 Series Obligations	\$ 11,770,000	5.0%	7/1/25-31	\$ 8,615,000	\$1,060,000
2021 Series Refunding Obligations	7,765,000	1.5-5.0%	7/1/25-31	5,650,000	710,000
Total				<u>\$ 14,265,000</u>	<u>\$1,770,000</u>

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 8 – Long-Term Obligations (Continued)

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.

The District has \$57.6 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, 2025	Due Within One Year
Governmental activities:					
2022 Series GO Bonds	\$ 3,675,000	4.25-5.0%	7/15/25-47	\$ 3,510,000	\$ 90,000
2023 Series GO Bonds	2,955,000	4.0-5.0%	7/15/25-48	2,895,000	60,000
2025 Series Bonds	5,725,000	5.0%	7/1/25-50	5,725,000	135,000
				<u>\$ 12,130,000</u>	<u>\$ 285,000</u>

Annual debt service requirements to maturity on governmental activities bonds at June 30, 2025, are summarized as follows:

Year ending June 30:	Governmental Activities					
	General Obligation Bonds		Pledged Revenue Obligation Bonds		General Obligation Bonds – Alamar CFD	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,515,000	\$ 2,086,220	\$ 1,770,000	\$ 630,750	\$ 285,000	\$ 447,390
2027	4,375,000	1,961,151	1,840,000	547,600	255,000	554,751
2028	3,820,000	1,749,776	1,935,000	453,225	270,000	541,626
2029	4,045,000	1,548,520	2,030,000	354,100	285,000	527,751
2030	2,275,000	1,396,457	2,130,000	250,100	295,000	513,251
2031-35	10,855,000	5,545,775	4,560,000	214,425	1,720,000	2,325,598
2036-40	13,355,000	2,999,625			2,155,000	1,880,543
2041-45	7,435,000	1,129,451			2,700,000	1,326,625
2046-50					4,165,000	632,484
Total	<u>\$ 49,675,000</u>	<u>\$ 18,416,975</u>	<u>\$ 14,265,000</u>	<u>\$ 2,450,200</u>	<u>\$ 12,130,000</u>	<u>\$ 8,750,019</u>

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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 wastewater 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, 2025	Due Within One Year
Business-type activities:					
2016 Series Obligations	\$ 8,110,000	4.0%	7/1/25 – 7/1/36	\$ 5,530,000	\$ 370,000

Annual debt service requirements to maturity on business-type activities bonds at June 30, 2025, are summarized as follows:

Year ending June 30:	Business-Type Activities	
	Pledged Revenue	
	Obligation Bonds	
	Principal	Interest
2026	\$ 370,000	\$ 213,800
2027	380,000	198,800
2028	400,000	183,200
2029	415,000	166,900
2030	430,000	150,000
2031-35	2,425,000	472,500
2036-37	1,110,000	44,800
Total	<u>\$ 5,530,000</u>	<u>\$ 1,430,000</u>

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 8 – Long-Term Obligations (Continued)

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 \$19.5 million of Pledged Revenue Refunding Obligations, Series 2021 and Pledged Revenue Obligations, Series 2021. At year-end, \$14.3 million in bonds remains outstanding to be repaid with future excise tax revenues over the next seven years. For the year ended June 30, 2025, the excise taxes available to service debt was \$103.3 million, and the principal and interest on this debt was \$2.4 million resulting in a coverage of 42.35 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, \$5.5 million in bonds remains outstanding to be repaid with future water and wastewater revenues over the next 12 years. For the year ended June 30, 2025, the net water and wastewater utility net revenues available to service debt was \$20.7 million and the principal and interest on this debt was \$576,200 resulting in a coverage of 35.88 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 9 – Self-Insurance (Continued)

The City maintains excess commercial insurance including but not limited to the following coverages and limits:

Coverage	Limit
Property damage	\$ 1,000,000,000
Breakdown of equipment	500,000,000
Flood – low hazard	50,000,000
Cyber	5,000,000
Mobile equipment	535,000

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.

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 9 – Self-Insurance (Continued)

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
<u>Risk Management</u>				
2024-25	\$ 5,624,589	\$ 2,637,225	\$ 3,967,292	\$ 4,294,492
2023-24	4,618,421	1,615,068	608,900	5,624,589
<u>Workers' Compensation</u>				
2024-25	822,476	471,968	483,482	810,962
2023-24	598,605	520,788	296,917	822,476
<u>Employee Benefits</u>				
2024-25	2,493,726	9,745,283	10,096,288	2,142,751
2023-24	953,554	11,390,522	9,850,350	2,493,726
<u>Total</u>				
2024-25	8,940,791	12,854,476	14,547,062	7,248,205
2023-24	6,170,580	13,526,378	10,756,167	8,940,791

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 10 – Pensions

The City contributes to the plans described below. The plans are component units of the State of Arizona. At June 30, 2025, the City reported the following aggregate amounts related to 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	\$ 37,416,259	\$ 7,803,995	\$ 45,220,254
PSPRS	37,323,601		37,323,601
CORP	556,116		556,116
EORP	642,794		642,794
Total	<u>\$ 75,938,770</u>	<u>\$ 7,803,995</u>	<u>\$ 83,742,765</u>
Deferred outflows of resources			
Pension			
ASRS	\$ 8,001,987	\$ 1,668,993	\$ 9,670,980
PSPRS	18,977,102		18,977,102
CORP	289,387		289,387
EORP	55,068		55,068
Total	<u>\$ 27,323,544</u>	<u>\$ 1,668,993</u>	<u>\$ 28,992,537</u>
Deferred inflows of resources			
Pension			
ASRS	\$ 2,481,421	\$ 517,556	\$ 2,998,977
PSPRS	2,604,599		2,604,599
CORP	141,951		141,951
EORP	6,777		6,777
Total	<u>\$ 5,234,748</u>	<u>\$ 517,556</u>	<u>\$ 5,752,304</u>
Expenses			
Pension			
ASRS	\$ 4,887,537	\$ 642,485	\$ 5,530,022
PSPRS	6,807,318		6,807,318
CORP	135,791		135,791
EORP	220,609		220,609
Total	<u>\$ 12,051,255</u>	<u>\$ 642,485</u>	<u>\$ 12,693,740</u>

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 10 – Pensions (Continued)

The City reported \$13.2 million of pension contributions as expenditures in the governmental funds or as deferred outflows of resources in the proprietary 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

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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 12.27 percent (12.12 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 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2025 were \$5,303,510.

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 10.19 percent (10.14 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

During fiscal year 2025, the City paid for ASRS contributions as follows: 68 percent from the General Fund, 23 percent from other major funds, and nine percent from nonmajor and other funds.

Pension Liability. The net pension liability was measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 10 – Pensions (Continued)

At June 30, 2024, the City reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2024, the City's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2023 was:

Net Liability	City % Proportion	Increase (Decrease)
\$ 45,220,254	0.283	0.017

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, 2025 was \$5,530,022.

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	\$ 2,524,152	\$
Net difference between projected and actual		2,887,808
Changes in proportion and differences between contributions and proportionate share of contributions	1,843,318	111,169
Contributions subsequent to the measurement date	5,303,510	
Total	<u>\$ 9,670,980</u>	<u>\$ 2,998,977</u>

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, 2026. 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:		
2026	\$	(455,771)
2027		3,085,210
2028		(730,999)
2029		(529,947)

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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, 2023
Actuarial roll forward date	June 30, 2024
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, 2023, 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%	4.48%
Credit	23%	4.40
Interest rate sensitive	6%	(0.45)
Private equity	10%	6.11
Real estate	17%	6.05
Total	100%	

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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	\$ 69,241,455	\$ 45,220,254	\$ 25,200,680

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).

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 10 – Pensions (Continued)

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.

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 10 – Pensions (Continued)

Employees Covered by Benefit Terms. At June 30, 2025, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS - Police	PSPRS - Fire
Retirees and beneficiaries	41	22
Inactive, non-retired members	39	7
Active members	71	51
Total	151	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, 2025, 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	31.89%	31.54%

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, 2025, were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	\$ 4,036,333	\$ 3,578,933

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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 10 – Pensions (Continued)

Pension Assets/Liabilities. At June 30, 2025, the City reported the following pension assets and liabilities.

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets)		
Liabilities	\$ 23,806,161	\$ 13,517,440

The net pension assets/liabilities were measured as of June 30, 2024. 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, 2024
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, 2024, 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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%	3.62%
International public equity	16	4.47
Global private equity	27	7.05
Core bonds	6	2.44
Private credit	20	6.24
Diversifying strategies	5	3.15
Cash – Mellon	2	0.89
Total	<u>100%</u>	

Discount Rate. At June 30, 2024, 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 10 – Pensions (Continued)

Changes in the Net Pension (Assets)/Liabilities

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
PSPRS - Police			
Balances at June 30, 2024	\$ 76,464,021	\$ 51,818,228	\$ 24,645,793
Service cost	1,955,893		1,955,893
Interest on the total pension liability	5,570,269		5,570,269
Differences between expected and actual experience in the measurement of the pension liability	2,081,756		2,081,756
Contributions – employer		4,303,304	(4,303,304)
Contributions – employee		674,293	(674,293)
Net investment income		5,531,631	(5,531,631)
Benefit payments, including refunds of employee contributions	(2,110,135)	(2,110,135)	
Administrative expense		(44,675)	44,675
Other changes		(17,003)	17,003
Net changes	7,497,783	8,337,415	(839,632)
Balances at June 30, 2025	<u>\$ 83,961,804</u>	<u>\$ 60,155,643</u>	<u>\$ 23,806,161</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
PSPRS - Fire			
Balances at June 30, 2024	\$ 54,104,584	\$ 41,360,994	\$ 12,743,590
Service cost	1,594,719		1,594,719
Interest on the total pension liability	3,950,130		3,950,130
Differences between expected and actual experience in the measurement of the pension liability	3,046,339		3,046,339
Contributions – employer		2,941,907	(2,941,907)
Contributions – employee		503,765	(503,765)
Net investment income		4,395,100	(4,395,100)
Benefit payments, including refunds of employee contributions	(1,672,771)	(1,672,771)	
Administrative expense		(23,434)	23,434
Other changes			
Net changes	6,918,417	6,144,567	773,850
Balances at June 30, 2025	<u>\$ 61,023,001</u>	<u>\$ 47,505,561</u>	<u>\$ 13,517,440</u>

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
PSPRS - Police:			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 36,865,229	\$ 23,806,161	\$ 13,304,639
PSPRS - Fire			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 22,829,973	\$ 13,517,440	\$ 5,955,386

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, 2025, the City recognized the following as pension expense:

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Pension expense	\$ 4,730,581	\$ 2,076,737

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 10 – Pensions (Continued)

Pension Deferred Outflows/Inflows of Resources. At June 30, 2025, 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	\$ 5,398,927	\$ 240,816
Changes of assumptions or other inputs	836,403	
Net difference between projected and actual earnings on pension plan investments		914,900
Contributions subsequent to the measurement date	4,036,333	
Total	<u>\$ 10,271,663</u>	<u>\$ 1,155,716</u>
PSPRS - Fire		
Differences between expected and actual experience	\$ 4,373,925	\$ 740,564
Changes of assumptions or other inputs	752,581	
Net difference between projected and actual earnings on pension plan investments		708,319
Contributions subsequent to the measurement date	3,578,933	
Total	<u>\$ 8,705,439</u>	<u>\$ 1,448,883</u>

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, 2026. 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
2026	\$ 894,308	\$ 375,989
2027	2,357,778	1,445,481
2028	1,275,428	570,260
2029	552,100	575,589
2030		710,304

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 11 – Fund Balances

The fund balance classifications of the governmental funds as of June 30, 2025 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	\$ 34,395	\$	\$	\$	\$	\$	\$
Prepaid items	292,625						1,469,067
Restricted:							
Streets and transportation							9,661,825
Grantor and contributor purposes				1,476,771			232,905
Public safety			7,435,235				726,070
Debt service					269,849		30,119
Capital projects						12,048,820	33,824,520
Water, sewer, streets and transporation		24,515,374					
Committed:							
Budgetary stabilization	33,314,085						
Assigned:							
Vehicle replacement							7,483,900
Unassigned	102,761,441					(33,912)	(2,523)
Total fund balances	<u>\$ 136,402,546</u>	<u>\$ 24,515,374</u>	<u>\$ 7,435,235</u>	<u>\$ 1,476,771</u>	<u>\$ 269,849</u>	<u>\$ 12,014,908</u>	<u>\$ 53,425,883</u>

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, 2025, and some grants have been audited as of June 30, 2025. The City expects no material disallowance of expenditures.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 12 – Contingencies, Commitments and Other Claims (Continued)

Contractual Commitments. The City had major contractual commitments related to various capital projects at June 30, 2025. As of June 30, 2025, the City had spent \$42.6 million on these projects and had remaining contractual commitments with contractors of \$268.9 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, 2025 are as follows:

	<u>Balance</u>
General government construction and improvements	\$ 289,773
Street construction and improvements	24,205,998
Community services construction and improvements	15,667,384
Public safety construction and improvements	45,488,148
Water system construction and improvements	21,853,920
Wastewater system construction and improvements	15,542,139
Total	<u>\$ 123,047,362</u>

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, 2025, was \$735,633 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.

City of Avondale, Arizona
Notes to Financial Statements
June 30, 2025

Note 14 – Restatements of Beginning Balances

Change in Accounting Principle – As described in Note 1, the City implemented the provisions of GASB Statement No. 101, which resulted in a change in net position of the governmental activities, business-type activities, and the Water, Wastewater, and Sanitation Funds.

	June 30, 2024, As Previously Reported	Change in Accounting Principle	June 30, 2024, As Restated
Government-Wide			
Governmental activities	\$ 907,169,485	\$ (3,719,532)	\$ 903,449,953
Business-type activities	595,239,537	(467,108)	594,772,429
Total primary government	<u>\$1,502,409,022</u>	<u>\$ (4,186,640)</u>	<u>\$ 1,498,222,382</u>
Proprietary Funds			
Major Funds:			
Water Fund	\$ 323,523,903	\$ (205,149)	\$ 323,318,754
Wastewater Fund	260,913,887	(76,798)	260,837,089
Sanitation Fund	10,224,365	(185,161)	10,039,204
Total Proprietary Funds	<u>\$ 594,662,155</u>	<u>\$ (467,108)</u>	<u>\$ 594,195,047</u>

Note 15 – Tax Abatements

For the fiscal year ended June 30, 2025, no tax abatement agreements meeting the criteria of GASB Statement No. 77 were noted.

Avondale

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
City's proportion of the net pension (assets) liability	0.28%	0.27%	0.27%	0.25%	0.23%
City's proportionate share of the net pension (assets) liability	\$45,220,254	\$42,943,937	\$43,717,437	\$33,011,820	\$40,436,632
City's covered payroll	\$38,486,999	\$34,259,388	\$31,881,107	\$28,133,798	\$25,518,191
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	117.49%	125.35%	137.13%	117.34%	158.46%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City's proportion of the net pension (assets) liability	0.23%	0.22%	0.21%	0.21%	0.20%
City's proportionate share of the net pension (assets) liability	\$33,554,983	\$30,846,826	\$32,841,652	\$33,876,740	\$31,729,753
City's covered payroll	\$24,271,500	\$22,151,275	\$20,721,364	\$19,651,484	\$18,779,494
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.25%	139.26%	158.49%	172.39%	168.96%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total pension liability				
Service cost	\$ 1,955,893	\$ 1,736,386	\$ 1,781,605	\$ 1,881,975
Interest	5,570,269	5,013,157	4,609,302	4,353,594
Changes of benefit terms				
Differences between expected and actual	2,081,756	2,853,414	1,758,428	(400,269)
Changes of assumptions or other inputs			522,917	
Benefit payments, including refunds of employee contributions	(2,110,135)	(2,059,462)	(2,222,498)	(2,241,662)
Net change in total pension liability	<u>7,497,783</u>	<u>7,543,495</u>	<u>6,449,754</u>	<u>3,593,638</u>
Total pension liability—beginning	<u>76,464,021</u>	<u>68,920,526</u>	<u>62,470,772</u>	<u>58,877,134</u>
Total pension liability—ending	<u><u>\$ 83,961,804</u></u>	<u><u>\$ 76,464,021</u></u>	<u><u>\$ 68,920,526</u></u>	<u><u>\$ 62,470,772</u></u>
Plan fiduciary net position				
Contributions—employer	\$ 4,303,304	\$ 3,992,043	\$ 3,762,970	\$ 3,294,964
Contributions—employee	674,293	832,759	848,410	753,573
Net investment income	5,531,631	3,686,690	(1,878,591)	9,844,974
Benefit payments, including refunds of employee contributions	(2,110,135)	(2,059,462)	(2,222,498)	(2,241,662)
Hall/Parker settlement				
Administrative expense	(44,675)	(34,220)	(33,847)	(45,554)
Other changes	(17,003)	(95,518)	19,766	(51,880)
Net change in plan fiduciary net position	<u>8,337,415</u>	<u>6,322,292</u>	<u>496,210</u>	<u>11,554,415</u>
Plan fiduciary net position—beginning	<u>51,818,228</u>	<u>45,495,936</u>	<u>44,999,726</u>	<u>33,445,311</u>
Plan fiduciary net position—ending	<u><u>\$ 60,155,643</u></u>	<u><u>\$ 51,818,228</u></u>	<u><u>\$ 45,495,936</u></u>	<u><u>\$ 44,999,726</u></u>
Net pension (assets) liability—ending	<u><u>\$ 23,806,161</u></u>	<u><u>\$ 24,645,793</u></u>	<u><u>\$ 23,424,590</u></u>	<u><u>\$ 17,471,046</u></u>
Plan fiduciary net position as a percentage of the total pension	71.65%	67.77%	66.01%	72.03%
Covered payroll	\$ 15,541,802	\$ 13,500,125	\$ 11,122,884	\$ 10,471,894
Net pension (assets) liability as a percentage of covered payroll	153.18%	182.56%	210.60%	166.84%

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 1,883,469	\$ 2,082,977	\$ 1,946,106	\$ 1,976,541	\$ 1,525,046	\$ 1,415,787
3,900,492	3,552,659	3,186,313	2,821,376	2,457,622	2,231,813
			381,272	2,654,715	
2,354,080	(207,819)	326,924	966,425	(894,754)	367,549
	1,724,828		771,117	1,538,022	
(1,617,666)	(1,443,623)	(1,793,686)	(1,129,451)	(1,261,226)	(1,125,230)
6,520,375	5,709,022	3,665,657	5,787,280	6,019,425	2,889,919
52,356,759	46,647,737	42,982,080	37,194,800	31,175,375	28,285,456
<u>\$ 58,877,134</u>	<u>\$ 52,356,759</u>	<u>\$ 46,647,737</u>	<u>\$ 42,982,080</u>	<u>\$ 37,194,800</u>	<u>\$ 31,175,375</u>
\$ 2,781,031	\$ 2,793,143	\$ 2,451,734	\$ 1,823,389	\$ 1,683,672	\$ 1,318,663
786,026	802,184	825,215	976,415	932,789	861,574
421,649	1,545,862	1,759,091	2,570,277	118,764	689,299
(1,617,666)	(1,443,623)	(1,793,686)	(1,129,451)	(1,261,226)	(1,125,230)
		(981,953)			
(34,374)	(27,850)	(27,473)	(23,143)	(17,489)	(17,204)
(57,998)	(16,823)	(5,262)	21,812	(380,099)	1,164
2,278,668	3,652,893	2,227,666	4,239,299	1,076,411	1,728,266
31,166,643	27,513,750	25,286,084	21,046,785	19,970,374	18,242,108
<u>\$ 33,445,311</u>	<u>\$ 31,166,643</u>	<u>\$ 27,513,750</u>	<u>\$ 25,286,084</u>	<u>\$ 21,046,785</u>	<u>\$ 19,970,374</u>
<u>\$ 25,431,823</u>	<u>\$ 21,190,116</u>	<u>\$ 19,133,987</u>	<u>\$ 17,695,996</u>	<u>\$ 16,148,015</u>	<u>\$ 11,205,001</u>
56.81%	59.53%	58.98%	58.83%	56.59%	64.06%
\$ 8,395,893	\$ 8,403,967	\$ 8,742,614	\$ 8,903,336	\$ 8,099,025	\$ 7,704,528
302.91%	252.14%	218.86%	198.76%	199.38%	145.43%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total pension liability				
Service cost	\$ 1,594,719	\$ 1,569,156	\$ 1,537,021	\$ 1,374,881
Interest	3,950,130	3,608,676	3,416,472	3,090,479
Changes of benefit terms				
Differences between expected and actual	3,046,339	1,021,437	(913,931)	1,066,550
Changes of assumptions or other inputs			419,168	
Benefit payments, including refunds of employee contributions	(1,672,771)	(1,292,052)	(1,050,667)	(1,406,105)
Net change in total pension liability	<u>6,918,417</u>	<u>4,907,217</u>	<u>3,408,063</u>	<u>4,125,805</u>
Total pension liability—beginning	<u>54,104,584</u>	<u>49,197,367</u>	<u>45,789,304</u>	<u>41,663,499</u>
Total pension liability—ending	<u><u>\$ 61,023,001</u></u>	<u><u>\$ 54,104,584</u></u>	<u><u>\$ 49,197,367</u></u>	<u><u>\$ 45,789,304</u></u>
Plan fiduciary net position				
Contributions—employer	\$ 2,941,907	\$ 2,246,167	\$ 2,280,197	\$ 1,951,256
Contributions—employee	503,765	545,698	527,871	559,214
Net investment income	4,395,100	2,959,415	(1,524,837)	8,010,490
Benefit payments, including refunds of employee contributions	(1,672,771)	(1,292,052)	(1,050,667)	(1,406,105)
Hall/Parker settlement				
Administrative expense	(23,434)	(18,549)	(27,484)	(37,301)
Other changes		(82,769)		
Net change in plan fiduciary net position	<u>6,144,567</u>	<u>4,357,910</u>	<u>205,080</u>	<u>9,077,554</u>
Plan fiduciary net position—beginning	<u>41,360,994</u>	<u>37,003,084</u>	<u>36,798,004</u>	<u>27,720,450</u>
Plan fiduciary net position—ending	<u><u>\$ 47,505,561</u></u>	<u><u>\$ 41,360,994</u></u>	<u><u>\$ 37,003,084</u></u>	<u><u>\$ 36,798,004</u></u>
Net pension (assets) liability—ending	<u><u>\$ 13,517,440</u></u>	<u><u>\$ 12,743,590</u></u>	<u><u>\$ 12,194,283</u></u>	<u><u>\$ 8,991,300</u></u>
Plan fiduciary net position as a percentage of the total pension	77.85%	76.45%	75.21%	80.36%
Covered payroll	\$ 9,195,804	\$ 8,149,631	\$ 7,461,345	\$ 6,745,865
Net pension (assets) liability as a percentage of covered payroll	147.00%	156.37%	163.43%	133.29%

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 1,323,149	\$ 1,441,304	\$ 1,418,344	\$ 1,296,498	\$ 1,059,427	\$ 980,484
2,818,243	2,606,870	2,309,854	2,098,727	1,702,937	1,544,325
			170,572	2,475,378	
702,714	(392,200)	574,991	(55,836)	216,529	(131,687)
	841,106		303,190	1,109,853	
(927,059)	(1,074,604)	(968,557)	(317,165)	(469,042)	(355,057)
3,917,047	3,422,476	3,334,632	3,495,986	6,095,082	2,038,065
37,746,452	34,323,976	30,989,344	27,493,358	21,398,276	19,360,211
<u>\$ 41,663,499</u>	<u>\$ 37,746,452</u>	<u>\$ 34,323,976</u>	<u>\$ 30,989,344</u>	<u>\$ 27,493,358</u>	<u>\$ 21,398,276</u>
\$ 1,682,468	\$ 1,584,692	\$ 1,682,744	\$ 955,224	\$ 940,588	\$ 851,284
591,599	497,947	512,464	642,054	729,183	597,484
352,659	1,315,049	1,520,488	2,229,110	102,392	585,392
(927,059)	(1,074,604)	(968,557)	(317,165)	(469,042)	(355,057)
		(824,447)			
(28,754)	(23,850)	(23,842)	(20,124)	(15,135)	(14,673)
	(10,545)	250	2,937	(84,529)	(8,867)
1,670,913	2,288,689	1,899,100	3,492,036	1,203,457	1,655,563
26,049,537	23,760,848	21,861,748	18,369,712	17,166,255	15,510,692
<u>\$ 27,720,450</u>	<u>\$ 26,049,537</u>	<u>\$ 23,760,848</u>	<u>\$ 21,861,748</u>	<u>\$ 18,369,712</u>	<u>\$ 17,166,255</u>
<u>\$ 13,943,049</u>	<u>\$ 11,696,915</u>	<u>\$ 10,563,128</u>	<u>\$ 9,127,596</u>	<u>\$ 9,123,646</u>	<u>\$ 4,232,021</u>
66.53%	69.01%	69.23%	70.55%	66.82%	80.22%
\$ 6,422,114	\$ 5,733,847	\$ 6,012,478	\$ 5,659,091	\$ 5,500,657	\$ 5,207,816
217.11%	204.00%	175.69%	161.29%	165.86%	81.26%

City of Avondale, Arizona
Schedule Of Pension Contributions
All Pension Plans
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 5,303,510	\$ 4,629,986	\$ 4,083,719	\$ 3,828,921
Contributions in relation to the actuarially determined contribution	<u>5,303,510</u>	<u>4,629,986</u>	<u>4,083,719</u>	<u>3,828,921</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 44,012,531	\$ 38,486,999	\$ 34,259,388	\$ 31,881,107
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 3,033,268	\$ 4,574,027	\$ 4,052,949	\$ 4,084,982
Contributions in relation to the actuarially determined contribution	<u>4,036,333</u>	<u>4,574,027</u>	<u>4,052,949</u>	<u>4,084,982</u>
Contribution deficiency (excess)	<u>\$ (1,003,065)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 8,825,269	\$ 15,541,802	\$ 13,500,125	\$ 11,122,884
Contributions as a percentage of covered payroll	45.74%	29.43%	30.02%	36.73%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 2,569,402	\$ 2,249,669	\$ 2,262,891	\$ 2,398,322
Contributions in relation to the actuarially determined contribution	<u>3,578,933</u>	<u>2,249,669</u>	<u>2,262,891</u>	<u>2,398,322</u>
Contribution deficiency (excess)	<u>\$ (1,009,531)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 7,357,863	\$ 9,195,804	\$ 8,149,631	\$ 7,461,345
Contributions as a percentage of covered payroll	48.64%	24.46%	27.77%	32.14%

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 3,314,660	\$ 2,922,778	\$ 2,718,912	\$ 2,414,489	\$ 2,233,763	\$ 2,132,186
<u>3,314,660</u>	<u>2,922,778</u>	<u>2,718,912</u>	<u>2,414,489</u>	<u>2,233,763</u>	<u>2,132,186</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 28,133,798	\$ 25,518,191	\$ 24,271,500	\$ 22,151,275	\$ 20,721,364	\$ 19,651,484
11.78%	11.45%	11.20%	10.90%	10.78%	10.85%
\$ 3,511,743	\$ 2,781,031	\$ 2,832,186	\$ 2,452,912	\$ 1,823,389	\$ 1,683,672
<u>3,511,743</u>	<u>2,781,031</u>	<u>2,832,186</u>	<u>1,485,625</u>	<u>1,823,389</u>	<u>1,683,672</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 967,287</u>	<u>\$</u>	<u>\$</u>
\$ 10,471,894	\$ 8,395,893	\$ 8,403,967	\$ 8,742,614	\$ 8,903,336	\$ 8,099,025
33.53%	33.12%	33.70%	16.99%	20.48%	20.79%
\$ 1,984,099	\$ 1,682,468	\$ 1,858,991	\$ 1,391,519	\$ 955,224	\$ 940,588
<u>1,984,099</u>	<u>1,682,468</u>	<u>1,858,991</u>	<u>581,486</u>	<u>955,224</u>	<u>940,588</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 810,033</u>	<u>\$</u>	<u>\$</u>
\$ 6,745,865	\$ 6,422,114	\$ 5,733,847	\$ 6,012,478	\$ 5,659,091	\$ 5,500,657
29.41%	26.20%	32.42%	9.67%	16.88%	17.10%

City of Avondale, Arizona
Notes to Required Supplementary Information
June 30, 2025

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, 2023 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, 2024 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, 2022 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 and 2019.

**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, 2025

Special Revenue Funds

	Highway User Revenue	Local Transportation Assistance	Senior Programs	Judicial Funds
Assets				
Cash and investments	\$ 9,944,372	\$ 514,456	\$ 62,404	\$ 726,070
Receivables, net				
Accounts		3	1,988	
Taxes	695,033			
Interest				
Due from other governments		65,579	129,687	
Prepaid items	1,469,067			
Restricted cash - fiscal agent				
Total assets	<u>\$ 12,108,472</u>	<u>\$ 580,038</u>	<u>\$ 194,079</u>	<u>\$ 726,070</u>
Liabilities				
Accounts payable	\$ 907,016	\$ 508,262	\$ 5,983	\$
Accrued payroll and employee benefits	70,564	6,197	8,925	
Bond interest payable				
Bonds payable				
Due to other funds				
Unearned revenue				
Total liabilities	<u>977,580</u>	<u>514,459</u>	<u>14,908</u>	<u></u>
Deferred inflows of resources				
Unavailable revenues - property taxes				
Unavailable revenues - intergovernmental		65,579		
Unavailable revenues - other				
Total deferred inflows of resources	<u></u>	<u>65,579</u>	<u></u>	<u></u>
Fund balances				
Nonspendable	1,469,067			
Restricted	9,661,825		179,171	726,070
Assigned				
Unassigned				
Total fund balances	<u>11,130,892</u>	<u></u>	<u>179,171</u>	<u>726,070</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,108,472</u>	<u>\$ 580,038</u>	<u>\$ 194,079</u>	<u>\$ 726,070</u>

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
\$	\$ 1,337,318	\$ 57,462	\$ 1,376	\$ 7,533	\$ 177,172	\$ 26,953,216
	31,417	903		56	11,584	154,200
455,372			675	2,103,950	294,562	
<u>\$ 455,372</u>	<u>\$ 1,368,735</u>	<u>\$ 58,365</u>	<u>\$ 2,051</u>	<u>\$ 2,111,539</u>	<u>\$ 483,318</u>	<u>\$ 27,107,416</u>
\$ 27,455 18,556	\$ 36,569 3,744	\$	\$	\$	\$	\$ 32,768
				333,950 1,770,000	166,826 285,000	
368,945 40,492		3,773				
<u>455,448</u>	<u>40,313</u>	<u>3,773</u>		<u>2,103,950</u>	<u>451,826</u>	<u>32,768</u>
		858			11,013	
492 1,955						
<u>2,447</u>		<u>858</u>			<u>11,013</u>	
	1,328,422	53,734	2,051	7,589	20,479	27,074,648
(2,523)						
<u>(2,523)</u>	<u>1,328,422</u>	<u>53,734</u>	<u>2,051</u>	<u>7,589</u>	<u>20,479</u>	<u>27,074,648</u>
<u>\$ 455,372</u>	<u>\$ 1,368,735</u>	<u>\$ 58,365</u>	<u>\$ 2,051</u>	<u>\$ 2,111,539</u>	<u>\$ 483,318</u>	<u>\$ 27,107,416</u>

City of Avondale, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

	Capital Projects Funds			
	Vehicle Replacement	Equipment Replacement	Alamar CFD Capital Projects	Total Non- Major Governmental Funds
Assets				
Cash and investments	\$ 7,666,287	\$ 2,113	\$ 5,421,450	\$ 52,871,229
Receivables, net				
Accounts				33,408
Taxes				707,520
Interest				154,256
Due from other governments				650,638
Prepaid items				1,469,067
Restricted cash - fiscal agent				2,399,187
Total assets	<u>\$ 7,666,287</u>	<u>\$ 2,113</u>	<u>\$ 5,421,450</u>	<u>\$ 58,285,305</u>
Liabilities				
Accounts payable	\$ 182,387	\$ 2,113	\$	\$ 1,702,553
Accrued payroll and employee benefits				107,986
Bond interest payable				500,776
Bonds payable				2,055,000
Due to other funds				372,718
Unearned revenue				40,492
Total liabilities	<u>182,387</u>	<u>2,113</u>	<u></u>	<u>4,779,525</u>
Deferred inflows of resources				
Unavailable revenues - property taxes				11,871
Unavailable revenues - intergovernmental				66,071
Unavailable revenues - other				1,955
Total deferred inflows of resources	<u></u>	<u></u>	<u></u>	<u>79,897</u>
Fund balances				
Nonspendable				1,469,067
Restricted			5,421,450	44,475,439
Assigned	7,483,900			7,483,900
Unassigned				(2,523)
Total fund balances	<u>7,483,900</u>	<u></u>	<u>5,421,450</u>	<u>53,425,883</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,666,287</u>	<u>\$ 2,113</u>	<u>\$ 5,421,450</u>	<u>\$ 58,285,305</u>

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, 2025

Special Revenue Funds

	Highway User Revenue	Local Transportation Assistance	Senior Programs	Judicial Funds
Revenues				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental	7,081,687	1,225,881	439,714	
Charges for services	1,933			
Fines, forfeitures, and penalties				134,913
Investment income				
Contributions			32,905	
Miscellaneous	139	191,463		
Total revenues	<u>7,083,759</u>	<u>1,417,344</u>	<u>472,619</u>	<u>134,913</u>
Expenditures				
Current:				
General government				
Public safety				23,715
Streets and transportation	5,356,534	3,455,957		
Community services			457,916	
Capital outlay	2,277,124	150,000		
Debt service:				
Principal retirement	199,783			
Interest and fiscal charges	19,756			
Bond issuance costs				
Total expenditures	<u>7,853,197</u>	<u>3,605,957</u>	<u>457,916</u>	<u>23,715</u>
Excess (deficiency) of revenues over expenditures	<u>(769,438)</u>	<u>(2,188,613)</u>	<u>14,703</u>	<u>111,198</u>
Other financing sources (uses)				
Sale of capital assets	7,880			
Transfers in		2,188,494		
Transfers out				
Issuance of bonds				
Premium on sale of bonds				
Total other financing sources (uses)	<u>7,880</u>	<u>2,188,494</u>		
Changes in fund balances	<u>(761,558)</u>	<u>(119)</u>	<u>14,703</u>	<u>111,198</u>
Fund balances, beginning of year	<u>11,892,450</u>	<u>119</u>	<u>164,468</u>	<u>614,872</u>
Fund balances, end of year	<u>\$ 11,130,892</u>	<u>\$</u>	<u>\$ 179,171</u>	<u>\$ 726,070</u>

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
\$	\$	\$	\$	\$	\$	\$
1,223,685	335,496	48,583			623,466	9,075,143
			31	22,507		1,279,105
12,985						
<u>1,236,670</u>	<u>335,496</u>	<u>48,583</u>	<u>31</u>	<u>22,507</u>	<u>623,466</u>	<u>10,354,248</u>
1,112,896	320,223	9,399				
11,472						888,384
364,954				1,770,000	285,000	
28,322				663,738	312,089	
<u>1,517,644</u>	<u>320,223</u>	<u>9,399</u>	<u></u>	<u>2,433,738</u>	<u>597,089</u>	<u>888,384</u>
<u>(280,974)</u>	<u>15,273</u>	<u>39,184</u>	<u>31</u>	<u>(2,411,231)</u>	<u>26,377</u>	<u>9,465,864</u>
286,675				2,437,900 (567,916)		
<u>286,675</u>	<u></u>	<u></u>	<u></u>	<u>1,869,984</u>	<u></u>	<u></u>
<u>5,701</u>	<u>15,273</u>	<u>39,184</u>	<u>31</u>	<u>(541,247)</u>	<u>26,377</u>	<u>9,465,864</u>
<u>(8,224)</u>	<u>1,313,149</u>	<u>14,550</u>	<u>2,020</u>	<u>548,836</u>	<u>(5,898)</u>	<u>17,608,784</u>
<u>\$ (2,523)</u>	<u>\$ 1,328,422</u>	<u>\$ 53,734</u>	<u>\$ 2,051</u>	<u>\$ 7,589</u>	<u>\$ 20,479</u>	<u>\$ 27,074,648</u>

City of Avondale, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	<u>Capital Projects Funds</u>		
		Alamar CFD	Total Non-
	Vehicle	Capital	Major
	Replacement	Projects	Governmental
			Funds
Revenues			
Taxes	\$	\$	\$ 672,049
Licenses and permits			9,410,639
Intergovernmental			9,970,967
Charges for services			1,933
Fines, forfeitures, and penalties			134,913
Investment income			1,301,643
Contributions			45,890
Miscellaneous			191,602
Total revenues			<u>21,729,636</u>
Expenditures			
Current:			
General government			329,622
Public safety			1,136,611
Streets and transportation			8,812,491
Community services			457,916
Capital outlay	1,396,339		4,723,319
Debt service:			
Principal retirement			2,619,737
Interest and fiscal charges			1,023,905
Bond issuance costs		377,878	377,878
Total expenditures	<u>1,396,339</u>	<u>377,878</u>	<u>19,481,479</u>
Excess (deficiency) of revenues over expenditures	<u>(1,396,339)</u>	<u>(377,878)</u>	<u>2,248,157</u>
Other financing sources (uses)			
Sale of capital assets	29,475		37,355
Transfers in	2,696,000		7,609,069
Transfers out			(567,916)
Issuance of bonds		5,725,000	5,725,000
Premium on sale of bonds		73,978	73,978
Total other financing sources (uses)	<u>2,725,475</u>	<u>5,798,978</u>	<u>12,877,486</u>
Changes in fund balances	<u>1,329,136</u>	<u>5,421,100</u>	<u>15,125,643</u>
Fund balances, beginning of year	<u>6,154,764</u>	<u>350</u>	<u>38,300,240</u>
Fund balances, end of year	<u>\$ 7,483,900</u>	<u>\$ 5,421,450</u>	<u>\$ 53,425,883</u>

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, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 7,061,000	\$ 7,061,000	\$ 7,081,687	\$ 20,687
Charges for services			1,933	1,933
Miscellaneous			139	139
Total revenues	<u>7,061,000</u>	<u>7,061,000</u>	<u>7,083,759</u>	<u>22,759</u>
Expenditures				
Current:				
Streets and transportation	5,984,000	5,984,000	5,356,534	627,466
Capital outlay	7,302,300	7,172,508	2,277,124	4,895,384
Debt service:				
Principal retirement	200,000	200,000	199,783	217
Interest and fiscal charges	20,000	20,000	19,756	244
Total expenditures	<u>13,506,300</u>	<u>13,376,508</u>	<u>7,853,197</u>	<u>5,523,311</u>
Excess (deficiency) of revenues over expenditu	<u>(6,445,300)</u>	<u>(6,315,508)</u>	<u>(769,438)</u>	<u>5,546,070</u>
Other financing sources (uses)				
Sale of capital assets			7,880	7,880
Total other financing sources (uses)			<u>7,880</u>	<u>7,880</u>
Changes in fund balances	<u>(6,445,300)</u>	<u>(6,315,508)</u>	<u>(761,558)</u>	<u>5,553,950</u>
Fund balances, beginning of year	<u>11,892,450</u>	<u>11,892,450</u>	<u>11,892,450</u>	
Fund balances, end of year	<u>\$ 5,447,150</u>	<u>\$ 5,576,942</u>	<u>\$ 11,130,892</u>	<u>\$ 5,553,950</u>

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, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	1,225,800	1,225,800	\$ 1,225,881	\$ 81
Miscellaneous			191,463	191,463
Total revenues	<u>1,225,800</u>	<u>1,225,800</u>	<u>1,417,344</u>	<u>191,544</u>
Expenditures				
Current:				
Streets and transportation	3,498,700	3,570,700	3,455,957	114,743
Capital outlay	164,000	164,000	150,000	14,000
Total expenditures	<u>3,662,700</u>	<u>3,734,700</u>	<u>3,605,957</u>	<u>128,743</u>
Excess (deficiency) of revenues over expenditures	<u>(2,436,900)</u>	<u>(2,508,900)</u>	<u>(2,188,613)</u>	<u>320,287</u>
Other financing sources (uses)				
Transfers in	2,437,000	2,437,000	2,188,494	(248,506)
Total other financing sources (uses)	<u>2,437,000</u>	<u>2,437,000</u>	<u>2,188,494</u>	<u>(248,506)</u>
Changes in fund balances	<u>100</u>	<u>(71,900)</u>	<u>(119)</u>	<u>71,781</u>
Fund balances, beginning of year	<u>119</u>	<u>119</u>	<u>119</u>	
Fund balances, end of year	<u>\$ 219</u>	<u>\$ (71,781)</u>	<u>\$</u>	<u>\$ 71,781</u>

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Senior Programs
For the Year Ended June 30, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 432,700	\$ 434,700	\$ 439,714	\$ 5,014
Contributions	18,200	18,200	32,905	14,705
Total revenues	<u>450,900</u>	<u>452,900</u>	<u>472,619</u>	<u>19,719</u>
Expenditures				
Current:				
Community services	450,900	452,900	457,916	(5,016)
Total expenditures	<u>450,900</u>	<u>452,900</u>	<u>457,916</u>	<u>(5,016)</u>
Changes in fund balances			14,703	14,703
Fund balances, beginning of year	<u>164,468</u>	<u>164,468</u>	<u>164,468</u>	
Fund balances, end of year	<u>\$ 164,468</u>	<u>\$ 164,468</u>	<u>\$ 179,171</u>	<u>\$ 14,703</u>

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Judicial Funds
For the Year Ended June 30, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines, forfeitures, and penalties	\$ 57,000	\$ 134,913	\$ 77,913
Total revenues	<u>57,000</u>	<u>134,913</u>	<u>77,913</u>
Expenditures			
Current:			
Public safety	108,700	23,715	84,985
Total expenditures	<u>108,700</u>	<u>23,715</u>	<u>84,985</u>
Changes in fund balances	<u>(51,700)</u>	<u>111,198</u>	<u>162,898</u>
Fund balances, beginning of year	<u>614,872</u>	<u>614,872</u>	
Fund balances, end of year	<u>\$ 563,172</u>	<u>\$ 726,070</u>	<u>\$ 162,898</u>

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, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 1,245,200	\$ 1,645,200	\$ 1,223,685	\$ (421,515)
Contributions	200,000	200,000	12,985	(187,015)
Total revenues	<u>1,445,200</u>	<u>1,845,200</u>	<u>1,236,670</u>	<u>(608,530)</u>
Expenditures				
Current:				
Public safety	1,469,600	1,869,600	1,112,896	756,704
Capital outlay	11,500	11,500	11,472	28
Debt service:				
Principal retirement	365,000	365,000	364,954	46
Interest and fiscal charges	28,400	28,400	28,322	78
Total expenditures	<u>1,874,500</u>	<u>2,274,500</u>	<u>1,517,644</u>	<u>756,856</u>
Excess (deficiency) of revenues over expenditures	<u>(429,300)</u>	<u>(429,300)</u>	<u>(280,974)</u>	<u>148,326</u>
Other financing sources (uses)				
Transfers in	426,800	426,800	286,675	(140,125)
Total other financing sources (uses)	<u>426,800</u>	<u>426,800</u>	<u>286,675</u>	<u>(140,125)</u>
Changes in fund balances	<u>(2,500)</u>	<u>(2,500)</u>	<u>5,701</u>	<u>8,201</u>
Fund balances, beginning of year	<u>(8,224)</u>	<u>(8,224)</u>	<u>(8,224)</u>	
Fund balances, end of year	<u>\$ (10,724)</u>	<u>\$ (10,724)</u>	<u>\$ (2,523)</u>	<u>\$ 8,201</u>

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Environmental Fees
For the Year Ended June 30, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Licenses and permits	\$ 305,000	\$ 305,000	\$ 335,496	\$ 30,496
Total revenues	<u>305,000</u>	<u>305,000</u>	<u>335,496</u>	<u>30,496</u>
Expenditures				
Current:				
General government	297,200	305,745	320,223	(14,478)
Capital outlay	<u>20,000</u>	<u>11,455</u>		<u>11,455</u>
Total expenditures	<u>317,200</u>	<u>317,200</u>	<u>320,223</u>	<u>(3,023)</u>
Changes in fund balances	<u>(12,200)</u>	<u>(12,200)</u>	<u>15,273</u>	<u>27,473</u>
Fund balances, beginning of year	<u>1,313,149</u>	<u>1,313,149</u>	<u>1,313,149</u>	
Fund balances, end of year	<u>\$ 1,300,949</u>	<u>\$ 1,300,949</u>	<u>\$ 1,328,422</u>	<u>\$ 27,473</u>

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, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 49,555	\$ 48,583	\$ (972)
Total revenues	<u>49,555</u>	<u>48,583</u>	<u>(972)</u>
Expenditures			
Current:			
General government	<u>149,555</u>	<u>9,399</u>	<u>140,156</u>
Total expenditures	<u>149,555</u>	<u>9,399</u>	<u>140,156</u>
Changes in fund balances	<u>(100,000)</u>	<u>39,184</u>	<u>139,184</u>
Fund balances, beginning of year	<u>14,550</u>	<u>14,550</u>	
Fund balances, end of year	<u>\$ (85,450)</u>	<u>\$ 53,734</u>	<u>\$ 139,184</u>

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, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 5,367,200	\$ 5,425,712	\$ 58,512
Investment income	1,000	69,098	68,098
Total revenues	<u>5,368,200</u>	<u>5,494,810</u>	<u>126,610</u>
Expenditures			
Debt service:			
Principal retirement	3,515,000	3,515,000	
Interest and fiscal charges	1,909,000	1,890,692	18,308
Total expenditures	<u>5,424,000</u>	<u>5,405,692</u>	<u>18,308</u>
Changes in fund balances	<u>(55,800)</u>	<u>89,118</u>	<u>144,918</u>
Fund balances, beginning of year	<u>180,731</u>	<u>180,731</u>	
Fund balances, end of year	<u>\$ 124,931</u>	<u>\$ 269,849</u>	<u>\$ 144,918</u>

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, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Investment income	\$ _____	\$ 31	\$ 31
Total revenues	_____	31	31
Changes in fund balances	_____	31	31
Fund balances, beginning of year	2,020	2,020	
Fund balances, end of year	<u>\$ 2,020</u>	<u>\$ 2,051</u>	<u>\$ 31</u>

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, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Investment income	\$ 21,000	\$ 22,507	\$ 1,507
Total revenues	<u>21,000</u>	<u>22,507</u>	<u>1,507</u>
Expenditures			
Debt service:			
Principal retirement	1,770,000	1,770,000	
Interest and fiscal charges	<u>674,000</u>	<u>663,738</u>	<u>10,262</u>
Total expenditures	<u>2,444,000</u>	<u>2,433,738</u>	<u>10,262</u>
Excess (deficiency) of revenues over expenditures	<u>(2,423,000)</u>	<u>(2,411,231)</u>	<u>11,769</u>
Other financing sources (uses)			
Transfers in	2,444,000	2,437,900	(6,100)
Transfers out	<u></u>	<u>(567,916)</u>	<u>(567,916)</u>
Total other financing sources (uses)	<u>2,444,000</u>	<u>1,869,984</u>	<u>(574,016)</u>
Changes in fund balances	<u>21,000</u>	<u>(541,247)</u>	<u>(562,247)</u>
Fund balances, beginning of year	<u>548,836</u>	<u>548,836</u>	<u></u>
Fund balances, end of year	<u>\$ 569,836</u>	<u>\$ 7,589</u>	<u>\$ (562,247)</u>

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, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 635,956	\$ 623,466	\$ (12,490)
Total revenues	<u>635,956</u>	<u>623,466</u>	<u>(12,490)</u>
Expenditures			
Debt service:			
Principal retirement	\$ 285,000	\$ 285,000	\$
Interest and fiscal charges	<u>350,956</u>	<u>312,089</u>	<u>38,867</u>
Total expenditures	<u>635,956</u>	<u>597,089</u>	<u>38,867</u>
Changes in fund balances	<u></u>	<u>26,377</u>	<u>26,377</u>
Fund balances, beginning of year	<u>(5,898)</u>	<u>(5,898)</u>	<u></u>
Fund balances, end of year	<u>\$ (5,898)</u>	<u>\$ 20,479</u>	<u>\$ 26,377</u>

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Development Fees
For the Year Ended June 30, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Licenses and permits	\$ 4,918,000	\$ 4,918,000	\$ 9,075,143	\$ 4,157,143
Investment income	805,000	805,000	1,279,105	474,105
Total revenues	<u>5,723,000</u>	<u>5,723,000</u>	<u>10,354,248</u>	<u>4,631,248</u>
Expenditures				
Capital outlay	4,351,000	3,110,385	888,384	2,222,001
Total expenditures	<u>4,351,000</u>	<u>3,110,385</u>	<u>888,384</u>	<u>2,222,001</u>
Changes in fund balances	<u>1,372,000</u>	<u>2,612,615</u>	<u>9,465,864</u>	<u>6,853,249</u>
Fund balances, beginning of year	<u>17,608,784</u>	<u>17,608,784</u>	<u>17,608,784</u>	
Fund balances, end of year	<u>\$ 18,980,784</u>	<u>\$ 20,221,399</u>	<u>\$ 27,074,648</u>	<u>\$ 6,853,249</u>

City of Avondale, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Vehicle Replacement
For the Year Ended June 30, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures				
Capital outlay	\$ 5,906,000	\$ 2,516,381	\$ 1,396,339	\$ 1,120,042
Total expenditures	<u>5,906,000</u>	<u>2,516,381</u>	<u>1,396,339</u>	<u>1,120,042</u>
Excess (deficiency) of revenues over expenditures	<u>(5,906,000)</u>	<u>(2,516,381)</u>	<u>(1,396,339)</u>	<u>1,120,042</u>
Other financing sources (uses)				
Sale of capital assets	160,000	160,000	29,475	(130,525)
Transfers in	<u>2,696,000</u>	<u>2,696,000</u>	<u>2,696,000</u>	
Total other financing sources (uses)	<u>2,856,000</u>	<u>2,856,000</u>	<u>2,725,475</u>	<u>(130,525)</u>
Changes in fund balances	<u>(3,050,000)</u>	<u>339,619</u>	<u>1,329,136</u>	<u>989,517</u>
Fund balances, beginning of year	<u>6,154,764</u>	<u>6,154,764</u>	<u>6,154,764</u>	
Fund balances, end of year	<u>\$ 3,104,764</u>	<u>\$ 6,494,383</u>	<u>\$ 7,483,900</u>	<u>\$ 989,517</u>

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, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$	\$	\$ 126,964	\$ 126,964
Investment income	70,000	70,000	441,793	371,793
Contributions	1,094,000	1,094,000	71,325	(1,022,675)
Miscellaneous	65,000	65,000		(65,000)
Total revenues	<u>1,229,000</u>	<u>1,229,000</u>	<u>640,082</u>	<u>(588,918)</u>
Expenditures				
Capital outlay	83,362,000	79,188,360	30,010,306	49,178,054
Debt service:				
Bond issuance costs		251,000	250,903	97
Total expenditures	<u>83,362,000</u>	<u>79,439,360</u>	<u>30,261,209</u>	<u>49,178,151</u>
Excess (deficiency) of revenues over expenditures	<u>(82,133,000)</u>	<u>(78,210,360)</u>	<u>(29,621,127)</u>	<u>48,589,233</u>
Other financing sources (uses)				
Transfers in	70,208,000	70,208,000	27,847,294	(42,360,706)
Issuance of bonds	8,500,000	8,500,000	11,205,000	2,705,000
Premium on sale of bonds			927,809	927,809
Total other financing sources (uses)	<u>78,708,000</u>	<u>78,708,000</u>	<u>39,980,103</u>	<u>(38,727,897)</u>
Changes in fund balances	<u>(3,425,000)</u>	<u>497,640</u>	<u>10,358,976</u>	<u>9,861,336</u>
Fund balances, beginning of year	<u>1,655,932</u>	<u>1,655,932</u>	<u>1,655,932</u>	
Fund balances, end of year	<u>\$ (1,769,068)</u>	<u>\$ 2,153,572</u>	<u>\$ 12,014,908</u>	<u>\$ 9,861,336</u>

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, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures			
Capital outlay	\$ 2,122,100	\$	\$ 2,122,100
Debt service:			
Bond issuance costs	<u>377,900</u>	<u>377,878</u>	<u>22</u>
Total expenditures	<u>2,500,000</u>	<u>377,878</u>	<u>2,122,122</u>
Excess (deficiency) of revenues over expenditures	<u>(2,500,000)</u>	<u>(377,878)</u>	<u>2,122,122</u>
Other financing sources (uses)			
Issuance of bonds	2,500,000	5,725,000	3,225,000
Premium on sale of bonds	<u></u>	<u>73,978</u>	<u>73,978</u>
Total other financing sources (uses)	<u>2,500,000</u>	<u>5,798,978</u>	<u>3,298,978</u>
Changes in fund balances	<u></u>	<u>5,421,100</u>	<u>5,421,100</u>
Fund balances, beginning of year	<u>350</u>	<u>350</u>	<u></u>
Fund balances, end of year	<u>\$ 350</u>	<u>\$ 5,421,450</u>	<u>\$ 5,421,100</u>

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, 2025

	Risk Management	Workers' Compensation	Fleet Management	Employee Benefits	Total Internal Service Funds
Assets					
Current assets:					
Cash and investments	\$ 7,069,572	\$ 2,773,367	\$ 672,836	\$ 4,972,188	\$ 15,487,963
Receivables					
Interest	40,430	15,861		28,435	84,726
Inventories			389,559		389,559
Prepaid items	5,520				5,520
Total current assets	<u>7,115,522</u>	<u>2,789,228</u>	<u>1,062,395</u>	<u>5,000,623</u>	<u>15,967,768</u>
Noncurrent assets:					
Capital assets, net accumulated depreciatic			212,896		212,896
Total noncurrent assets			<u>212,896</u>		<u>212,896</u>
Total assets	<u>7,115,522</u>	<u>2,789,228</u>	<u>1,275,291</u>	<u>5,000,623</u>	<u>16,180,664</u>
Deferred outflows of resources					
Pension plan items	19,978	26,195	208,806	31,682	286,661
Total deferred outflows of resources	<u>19,978</u>	<u>26,195</u>	<u>208,806</u>	<u>31,682</u>	<u>286,661</u>
Liabilities					
Current liabilities:					
Accounts payable	49,723	19,566	256,902	130,853	457,044
Accrued payroll and employee benefits	2,586	3,775	32,169	85,533	124,063
Claims payable	1,762,542	437,361		2,142,751	4,342,654
Compensated absences	4,492	4,753	108,696	7,022	124,963
Total current liabilities	<u>1,819,343</u>	<u>465,455</u>	<u>397,767</u>	<u>2,366,159</u>	<u>5,048,724</u>
Noncurrent liabilities:					
Non-current portion of long-term obligations	2,630,132	501,009	1,102,593	154,881	4,388,615
Total noncurrent liabilities	<u>2,630,132</u>	<u>501,009</u>	<u>1,102,593</u>	<u>154,881</u>	<u>4,388,615</u>
Total liabilities	<u>4,449,475</u>	<u>966,464</u>	<u>1,500,360</u>	<u>2,521,040</u>	<u>9,437,339</u>
Deferred inflows of resources					
Pension plan items	6,195	8,123	64,751	9,824	88,893
Total deferred inflows of resources	<u>6,195</u>	<u>8,123</u>	<u>64,751</u>	<u>9,824</u>	<u>88,893</u>
Net position					
Net investment in capital assets			212,896		212,896
Unrestricted	2,679,830	1,840,836	(293,910)	2,501,441	6,728,197
Total net position	<u>\$ 2,679,830</u>	<u>\$ 1,840,836</u>	<u>\$ (81,014)</u>	<u>\$ 2,501,441</u>	<u>\$ 6,941,093</u>

City of Avondale, Arizona
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	Workers' Compensation	Fleet Management	Employee Benefits	Total Internal Service Funds
Operating revenues					
Charges for services	\$ 5,325,000	\$ 847,341	\$ 4,101,245	\$ 11,051,414	\$ 21,325,000
Miscellaneous	71,217		1,273	579,419	651,909
Total operating revenues	<u>5,396,217</u>	<u>847,341</u>	<u>4,102,518</u>	<u>11,630,833</u>	<u>21,976,909</u>
Operating expenses					
Salaries, wages, and benefits	113,656	160,014	1,279,108	182,781	1,735,559
Contractual services, materials, and supplies	214,428	57,933	2,748,578	123,894	3,144,833
Insurance claims and expenses	3,721,128	748,851		11,695,023	16,165,002
Depreciation and amortization	2,092		35,777		37,869
Total operating expenses	<u>4,051,304</u>	<u>966,798</u>	<u>4,063,463</u>	<u>12,001,698</u>	<u>21,083,263</u>
Operating income (loss)	<u>1,344,913</u>	<u>(119,457)</u>	<u>39,055</u>	<u>(370,865)</u>	<u>893,646</u>
Nonoperating revenues (expenses)					
Investment income	491,397	159,320	253	183,176	834,146
Gain (loss) on disposal of capital assets			1,025		1,025
Total nonoperating revenue (expenses)	<u>491,397</u>	<u>159,320</u>	<u>1,278</u>	<u>183,176</u>	<u>835,171</u>
Changes in net position	<u>1,836,310</u>	<u>39,863</u>	<u>40,333</u>	<u>(187,689)</u>	<u>1,728,817</u>
Net position, beginning of year, previously reported	843,520	1,800,973	(49,079)	2,696,622	5,292,036
Adjustments to beginning net position			(72,268)	(7,492)	(79,760)
Net position, beginning of year, as restated	<u>843,520</u>	<u>1,800,973</u>	<u>(121,347)</u>	<u>2,689,130</u>	<u>5,212,276</u>
Total net position, end of year	<u>\$ 2,679,830</u>	<u>\$ 1,840,836</u>	<u>\$ (81,014)</u>	<u>\$ 2,501,441</u>	<u>\$ 6,941,093</u>

City of Avondale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	Workers' Compensation	Fleet Management	Employee Benefits	Total Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>					
Cash flows from operating activities					
Cash received from customers	\$ 5,325,000	\$ 847,341	\$ 4,101,245	\$ 11,779,399	\$ 22,052,985
Cash payments to suppliers for goods and services	(5,239,044)	(805,953)	(2,680,122)	(12,010,519)	(20,735,638)
Cash payments to employees for services	(113,187)	(138,053)	(1,264,425)	(278,657)	(1,794,322)
Miscellaneous	71,217		1,273	579,419	651,909
Net cash provided by/used for operating activities	43,986	(96,665)	157,971	69,642	174,934
Cash flows from investing activities					
Investment income	494,172	155,389	253	174,373	824,187
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets			(9,188)		(9,188)
Proceeds from sale of capital assets			1,025		1,025
Net cash provided by/used for operating activities			(8,163)		(8,163)
Net increase/decrease in cash and cash equivalents	538,158	58,724	150,061	244,015	990,958
Cash and cash equivalents, beginning of year	6,531,414	2,714,643	522,775	4,728,173	14,497,005
Cash and cash equivalents, end of year	\$ 7,069,572	\$ 2,773,367	\$ 672,836	\$ 4,972,188	\$ 15,487,963
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>					
Operating income/loss	\$ 1,344,913	\$ (119,457)	\$ 39,055	\$ (370,865)	\$ 893,646
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:					
Depreciation and amortization	2,092		35,777		37,869
Difference between pension expense and contributions	(9,728)	8,508	(18,724)	(6,612)	(26,556)
Changes in assets and liabilities:					
Increase/decrease in accounts receivable				727,985	727,985
Increase/decrease in inventories			(13,733)		(13,733)
Increase/decrease in prepaid items				28,520	28,520
Increase/decrease in accounts payable	26,609	12,345	82,189	130,853	251,996
Increase/decrease in accrued payroll and employee benefits	939	3,775	8,621	(86,186)	(72,851)
Increase/decrease in compensated absences	9,258	9,678	24,786	(3,078)	40,644
Increase/decrease in claims payable	(1,330,097)	(11,514)		(350,975)	(1,692,586)
Total adjustments	(1,300,927)	22,792	118,916	440,507	(718,712)
Net cash provided by/used for operating activities	\$ 43,986	\$ (96,665)	\$ 157,971	\$ 69,642	\$ 174,934

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.

City of Avondale, Arizona
Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018 ¹	2019
Governmental activities				
Net investment in capital assets	\$ 503,290,685	\$ 514,022,743	\$ 512,002,472	\$ 534,401,329
Restricted	31,111,470	31,791,041	37,254,164	43,841,243
Unrestricted	23,773,087	21,900,625	33,300,813	36,069,630
Total governmental activities net position	<u>\$ 558,175,242</u>	<u>\$ 567,714,409</u>	<u>\$ 582,557,449</u>	<u>\$ 614,312,202</u>
Business-type activities				
Net investment in capital assets	\$ 458,698,957	\$ 449,877,043	\$ 446,239,125	\$ 444,455,024
Restricted	11,795,732	26,297,393	15,578,778	21,853,516
Unrestricted	48,661,412	43,521,686	60,239,113	72,371,991
Total business-type activities net position	<u>\$ 519,156,101</u>	<u>\$ 519,696,122</u>	<u>\$ 522,057,016</u>	<u>\$ 538,680,531</u>
Primary government				
Net investment in capital assets	\$ 961,989,642	\$ 963,899,786	\$ 958,241,597	\$ 978,856,353
Restricted	42,907,202	58,088,434	52,832,942	65,694,759
Unrestricted	72,434,499	65,422,311	93,539,926	108,441,621
Total primary government net position	<u>\$ 1,077,331,343</u>	<u>\$ 1,087,410,531</u>	<u>\$ 1,104,614,465</u>	<u>\$ 1,152,992,733</u>

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.

Schedule 1

2020	2021	2022	2023	2024	2025
\$ 557,935,106	\$ 614,783,697	\$ 675,283,655	\$ 699,291,076	\$ 739,922,188	\$ 772,323,014
48,362,118	48,808,455	59,186,035	75,006,320	84,310,614	84,706,756
40,943,280	50,005,785	58,551,122	74,069,013	82,936,683	90,200,018
<u>\$ 647,240,504</u>	<u>\$ 713,597,937</u>	<u>\$ 793,020,812</u>	<u>\$ 848,366,409</u>	<u>\$ 907,169,485</u>	<u>\$ 947,229,788</u>
\$ 440,909,317	\$ 448,567,411	\$ 444,088,746	\$ 461,140,523	\$ 470,781,251	\$ 469,151,117
23,923,066	25,002,166	23,818,992	31,149,645	38,646,325	46,058,248
83,178,540	92,488,337	108,180,491	91,052,556	85,811,961	85,629,348
<u>\$ 548,010,923</u>	<u>\$ 566,057,914</u>	<u>\$ 576,088,229</u>	<u>\$ 583,342,724</u>	<u>\$ 595,239,537</u>	<u>\$ 600,838,713</u>
\$ 998,844,423	\$ 1,063,351,108	\$ 1,119,372,401	\$ 1,160,431,599	\$ 1,210,703,439	\$ 1,241,474,131
72,285,184	73,810,621	83,005,027	106,155,965	122,956,939	130,765,004
124,121,820	142,494,122	166,731,613	165,121,569	168,748,644	175,829,366
<u>\$ 1,195,251,427</u>	<u>\$ 1,279,655,851</u>	<u>\$ 1,369,109,041</u>	<u>\$ 1,431,709,133</u>	<u>\$ 1,502,409,022</u>	<u>\$ 1,548,068,501</u>

City of Avondale, Arizona
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 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	\$ 33,457,700
Public safety	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	71,007,787
Highways and streets ¹	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	32,114,933
Health and welfare ²	3,509,117	3,200,864	3,592,893	3,476,278	3,387,949	4,379,888	-	-	-	-
Community and economic development	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	7,290,143
Culture and recreation ²	5,576,173	5,416,224	5,964,961	6,790,207	7,338,930	8,557,624	-	-	-	-
Transportation ¹	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	20,947,924
Interest on long-term debt	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	2,246,965
Total governmental activities expenses	<u>77,182,462</u>	<u>87,923,016</u>	<u>88,131,494</u>	<u>87,354,133</u>	<u>96,923,193</u>	<u>104,212,674</u>	<u>113,962,306</u>	<u>144,298,473</u>	<u>151,551,031</u>	<u>167,065,452</u>
Business-type activities:										
Water utility	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	25,335,853
Wastewater utility	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	18,587,304
Sanitation utility	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	8,413,991
Total business-type activities expenses	<u>32,253,106</u>	<u>33,211,366</u>	<u>32,991,388</u>	<u>31,226,760</u>	<u>37,003,472</u>	<u>40,451,905</u>	<u>40,988,753</u>	<u>49,309,231</u>	<u>50,221,173</u>	<u>52,337,148</u>
Total primary government expenses	<u>\$ 109,435,568</u>	<u>\$ 121,134,382</u>	<u>\$ 121,122,882</u>	<u>\$ 118,580,893</u>	<u>\$ 133,926,665</u>	<u>\$ 144,664,579</u>	<u>\$ 154,951,059</u>	<u>\$ 193,607,704</u>	<u>\$ 201,772,204</u>	<u>\$ 219,402,600</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,959,842	\$ 1,747,987	\$ 2,074,885	\$ 175,579	\$ 242,267	\$ 211,385	\$ 271,535	\$ 186,197	\$ 375,808	\$ 382,914
Public safety	493,996	516,750	440,119	389,186	422,326	720,835	3,842,898	3,392,199	7,838,423	4,308,445
Highways and streets ¹	-	-	97,442	-	-	-	-	-	-	-
Streets and transportation ¹	-	-	-	-	-	-	2,420,242	2,197,219	1,918,011	3,868,077
Community and economic development	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	8,504,916
Culture and recreation ²	404,776	369,495	383,379	413,902	327,337	494,439	-	-	-	-
Community services ²	-	-	-	-	-	-	1,048,516	1,519,247	1,448,884	1,875,755
Operating grants and contributions	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	15,545,503
Capital grants and contributions	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	21,887,444
Total governmental activities program revenues	<u>15,274,770</u>	<u>19,840,719</u>	<u>21,852,517</u>	<u>30,411,959</u>	<u>36,757,850</u>	<u>64,375,482</u>	<u>78,345,054</u>	<u>57,283,548</u>	<u>53,253,736</u>	<u>56,373,054</u>
Business-type activities:										
Charges for Services:										
Water	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	20,429,883
Wastewater	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	13,567,111
Sanitation	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	8,390,803
Capital grants and contributions	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	9,393,593
Total business-type activities program revenues	<u>29,783,001</u>	<u>33,037,426</u>	<u>34,673,148</u>	<u>34,160,399</u>	<u>42,791,804</u>	<u>59,736,353</u>	<u>56,854,262</u>	<u>55,270,096</u>	<u>57,710,804</u>	<u>51,781,390</u>
Total primary government program revenues	<u>\$ 45,057,771</u>	<u>\$ 52,878,145</u>	<u>\$ 56,525,665</u>	<u>\$ 64,572,358</u>	<u>\$ 79,549,654</u>	<u>\$ 124,111,835</u>	<u>\$ 135,199,316</u>	<u>\$ 112,553,644</u>	<u>\$ 110,964,540</u>	<u>\$ 108,154,444</u>

(Continuation)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense) Revenue										
Governmental activities	\$ (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)	\$ (110,692,398)
Business-type activities	(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	(555,758)
Total primary government net (expenses) revenues	<u>\$ (64,377,797)</u>	<u>\$ (68,256,237)</u>	<u>\$ (64,597,217)</u>	<u>\$ (54,008,535)</u>	<u>\$ (54,377,011)</u>	<u>\$ (20,552,744)</u>	<u>\$ (19,751,743)</u>	<u>\$ (81,054,060)</u>	<u>\$ (90,807,664)</u>	<u>\$ (111,248,156)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales and use taxes	\$ 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	\$ 87,349,160
Property taxes, levied for general purposes	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	4,033,402
Property taxes, levied for debt service	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	6,053,725
Franchise taxes	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	1,616,487
State shared revenues, unrestricted	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	39,161,445
Investment income	399,174	400,040	660,720	3,113,051	3,536,012	98,749	(3,965,905)	713,742	11,874,442	14,130,225
Gain on sale of capital assets	248,858	268,568	(40,759)	590,335	(27,200)	-	1,654,856	6,778,966	3,074,377	71,465
Miscellaneous	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	637,497
Transfers	(150,000)	(150,000)	(150,000)	(300,000)	(300,000)	1,449,000	1,321,000	1,344,000	1,454,000	1,418,827
Total governmental activities	<u>72,371,157</u>	<u>77,621,464</u>	<u>81,592,813</u>	<u>88,226,136</u>	<u>93,093,645</u>	<u>106,194,625</u>	<u>115,040,127</u>	<u>142,360,522</u>	<u>157,100,371</u>	<u>154,472,233</u>
Business-type activities:										
Investment income	381,482	310,375	500,622	2,678,897	3,197,825	5,234	(4,889,794)	2,354,329	5,505,994	6,454,663
Gain on sale of capital assets	155,204	104,002	124,425	38,168	44,235	-	266,275	121,118	55,541	145,833
Miscellaneous	358,992	149,584	456,716	-	-	241,132	74,502	162,183	299,647	1,440,373
Transfers	150,000	150,000	150,000	300,000	300,000	(1,449,000)	(1,321,000)	(1,344,000)	(1,454,000)	(1,418,827)
Total business-type activities	<u>1,045,678</u>	<u>713,961</u>	<u>1,231,763</u>	<u>3,017,065</u>	<u>3,542,060</u>	<u>(1,202,634)</u>	<u>(5,870,017)</u>	<u>1,293,630</u>	<u>4,407,182</u>	<u>6,622,042</u>
Total primary government	<u>\$ 73,416,835</u>	<u>\$ 78,335,425</u>	<u>\$ 82,824,576</u>	<u>\$ 91,243,201</u>	<u>\$ 96,635,705</u>	<u>\$ 104,991,991</u>	<u>\$ 109,170,110</u>	<u>\$ 143,654,152</u>	<u>\$ 161,507,553</u>	<u>\$ 161,094,275</u>
Changes in Net Position										
Governmental activities	\$ 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	\$ 43,779,835
Business-type activities	(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	6,066,284
Total primary government	<u>\$ 9,039,038</u>	<u>\$ 10,079,188</u>	<u>\$ 18,227,359</u>	<u>\$ 37,234,662</u>	<u>\$ 42,258,694</u>	<u>\$ 84,439,247</u>	<u>\$ 89,418,367</u>	<u>\$ 62,600,092</u>	<u>\$ 70,699,889</u>	<u>\$ 49,846,119</u>

Source: Audited City of Avondale, Arizona, Annual Comprehe

¹ In fiscal year 2021-22, functional groupings Highway and streets and Transportation were combined to form functional group Streets and transportation.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)

	2016	2017	2018	2019
General Fund				
Nonspendable:				
Inventory	\$ 434	\$ 6,526	\$ -	\$ 185,773
Prepaid items	112,432	66,495	86,099	207,169
Due from other funds	833,000	-	-	-
Advances to other funds	-	833,000	833,000	128,000
Restricted for:				
Public safety	254,758	102,794	50,965	77,977
Committed to:				
Budgetary stabilization	20,092,995	21,400,558	21,867,357	26,907,594
Assigned to:				
Other purposes	3,997,254	12,651,519	2,386,030	6,990,024
Unassigned	16,497,354	15,704,372	22,849,263	22,997,628
Total General Fund	<u>\$ 41,788,227</u>	<u>\$ 50,765,264</u>	<u>\$ 48,072,714</u>	<u>\$ 57,494,165</u>
All other governmental funds				
Nonspendable:				
Inventory	\$ 305,262	\$ 307,706	\$ 267,598	\$ 382,970
Prepaid items	400,766	61,168	7,765	189,741
Restricted for:				
Transit services	1,356,976	1,579,099	1,752,045	1,621,340
Highway and streets	5,826,016	7,169,856	8,739,999	7,454,379
Streets and transportation	-	-	-	-
Court	639,778	613,041	575,788	568,017
Grant and contributor purposes	817,062	1,337,527	1,805,961	2,216,806
Public safety	7,438,683	7,790,078	8,602,953	9,772,966
Debt service	8,912,477	6,117,403	7,598,789	7,846,612
Capital projects	1,388,787	1,436,817	2,664,535	21,794,996
Water, sewer and street projects	2,908,567	4,059,144	5,659,841	7,617,695
Crime victim advocacy	141,475	143,216	156,204	274,366
Committed to:				
Capital projects	3,544,816	1,667,731	2,969,597	-
Crime victim advocacy	47,158	47,738	52,068	91,452
Assigned to:				
Vehicle replacement	7,271,801	6,923,450	7,979,615	8,885,144
Equipment replacement	1,051,461	1,013,680	1,298,485	1,073,667
Capital projects	5,245,637	4,787,077	15,498,698	12,025,797
Transit services	-	-	-	-
Unassigned	(35,283)	(77,490)	(77,490)	(1,717,345)
Total all other governmental funds	<u>\$ 47,261,439</u>	<u>\$ 44,977,241</u>	<u>\$ 65,552,451</u>	<u>\$ 80,098,603</u>

Source: Audited City of Avondale, Arizona, Annual Comprehensive Financial Reports.

2020	2021	2022	2023	2024	2025
\$ 9,415	\$ 9,414	\$ 11,104	\$ 12,677	\$ 23,798	\$ 34,395
507,805	239,543	326,547	270,638	109,963	292,625
-	-	-	-	-	-
128,000	128,000	-	-	-	-
248,072	-	-	-	-	-
21,752,584	23,098,061	23,187,990	27,235,530	30,801,015	33,314,085
-	-	-	-	-	-
36,695,305	64,171,656	69,969,725	94,351,874	104,290,419	102,761,441
<u>\$ 59,341,181</u>	<u>\$ 87,646,674</u>	<u>\$ 93,495,366</u>	<u>\$ 121,870,719</u>	<u>\$ 135,225,195</u>	<u>\$ 136,402,546</u>
\$ 19,971	\$ 14,230	\$ 11,688	\$ 10,698	\$ 5,836	\$ -
765,442	653,890	334,862	926,120	1,370,505	1,469,067
2,050,132	1,896,598	-	-	-	-
3,938,426	5,889,551	-	-	-	-
-	-	8,512,366	9,701,440	10,637,346	9,661,825
548,403	530,463	509,243	553,645	614,872	-
2,251,488	2,125,315	1,507,618	2,584,302	2,055,321	1,709,676
11,573,467	13,371,078	12,675,247	17,345,385	13,473,629	8,161,305
8,656,344	4,178,390	814,570	718,009	731,587	299,968
24,946,031	9,045,005	34,534,165	30,008,334	22,193,892	45,873,340
8,872,136	13,297,352	22,697,168	20,111,705	23,278,832	24,515,374
337,224	122,878	52,941	38,732	-	-
-	-	203,151	-	-	-
112,410	40,959	-	-	-	-
11,275,728	10,979,794	10,710,745	7,517,482	6,154,764	7,483,900
2,183,868	838,141	392,749	221,160	-	-
14,637,867	-	-	-	-	-
115,567	-	-	-	-	-
-	(1,821,707)	(180,745)	(1,488,245)	(1,635,516)	(36,435)
<u>\$ 92,284,504</u>	<u>\$ 61,161,937</u>	<u>\$ 92,775,768</u>	<u>\$ 88,248,767</u>	<u>\$ 78,881,068</u>	<u>\$ 99,138,020</u>

City of Avondale, Arizona
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019
Revenues				
Taxes	\$ 50,433,911	\$ 53,621,688	\$ 56,655,533	\$ 60,385,319
Licenses and permits	3,687,377	5,297,673	7,142,796	4,427,131
Intergovernmental	27,914,071	29,665,270	31,229,183	32,551,139
Charges for services	1,233,719	1,677,400	2,149,686	1,502,560
Fines, forfeitures, and penalties	1,255,197	1,059,626	1,275,599	1,257,723
Investment income	375,359	380,740	627,961	2,915,435
Contributions	315,948	362,695	338,603	514,193
Miscellaneous	2,087,860	2,373,397	2,295,587	2,167,739
Total revenues	<u>87,303,442</u>	<u>94,438,489</u>	<u>101,714,948</u>	<u>105,721,239</u>
Expenditures				
General government	12,885,068	12,325,497	14,597,179	12,853,986
Public safety	29,453,443	31,889,715	34,895,720	36,287,670
Highways and streets ¹	2,354,255	2,572,848	2,908,744	3,433,985
Streets and transportation ¹	-	-	-	-
Health and welfare ²	3,590,178	3,300,924	3,719,705	3,456,788
Economic and community development	6,049,229	6,094,461	6,332,025	6,885,367
Culture and recreation ²	3,716,124	3,849,886	4,185,181	4,764,881
Community services	-	-	-	-
Transportation ¹	704,440	772,784	1,029,151	1,248,002
Debt Service				
Principal	6,436,835	7,131,893	6,621,797	8,315,593
Interest and other charges	3,409,627	3,282,008	1,914,361	2,003,434
Bond issuance costs	-	-	-	-
Capital outlay	<u>7,799,212</u>	<u>13,693,511</u>	<u>12,936,782</u>	<u>27,127,880</u>
Total expenditures	<u>76,398,411</u>	<u>84,913,527</u>	<u>89,140,645</u>	<u>106,377,586</u>
Excess of revenues over (under) expenditures	10,905,031	9,524,962	12,574,303	(656,347)
Other Financing Sources (Uses)				
Bond issuance	-	-	-	21,390,000
Refunding bonds issued	-	23,457,070	21,350,000	-
Payment to refunding bonds escrow	-	(29,768,467)	(23,395,316)	-
Bond premium (discount)	-	3,012,110	2,464,479	2,930,479
Leases	-	-	-	-
Financed purchases	-	304,326	4,542,254	-
Sale of capital assets	295,690	283,585	487,210	1,333,351
Transfer in	15,549,460	15,862,362	27,045,943	18,514,412
Transfer out	(15,687,300)	(15,983,109)	(27,186,213)	(19,544,292)
Total other financing sources (uses)	<u>157,850</u>	<u>(2,832,123)</u>	<u>5,308,357</u>	<u>24,623,950</u>
Net change in fund balances	<u>\$ 11,062,881</u>	<u>\$ 6,692,839</u>	<u>\$ 17,882,660</u>	<u>\$ 23,967,603</u>
Debt service as a percentage of noncapital expenditures	12.9%	12.3%	9.6%	9.7%

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 transportation.

² In fiscal year 2021-22, functional groupings Health and welfare and Culture and recreation were combined to form functional group Community services.

2020	2021	2022	2023	2024	2025
\$ 64,299,980	\$ 75,211,122	\$ 86,516,299	\$ 97,875,024	\$ 97,466,946	\$ 98,996,839
5,541,167	13,421,020	20,528,163	17,950,247	12,175,562	15,763,300
39,587,746	41,207,834	44,976,509	56,644,780	66,647,960	59,414,664
1,701,390	1,953,877	2,604,389	3,622,819	3,107,558	7,995,982
1,094,797	1,034,521	1,142,447	943,165	1,209,117	2,615,503
3,333,448	98,219	(3,817,151)	756,436	11,164,247	13,296,079
420,716	681,515	589,248	514,886	920,347	499,522
1,835,572	1,655,973	1,579,314	897,830	1,230,094	1,297,537
<u>117,814,816</u>	<u>135,264,081</u>	<u>154,119,218</u>	<u>179,205,187</u>	<u>193,921,831</u>	<u>199,879,426</u>
15,344,639	18,074,080	19,590,468	23,739,751	30,008,336	31,183,361
37,073,434	40,622,318	45,808,205	52,413,883	58,834,767	66,256,643
3,831,136	2,528,919	-	-	-	-
-	-	7,771,209	10,380,417	10,960,597	12,160,963
3,196,520	4,082,446	-	-	-	-
7,644,528	8,998,339	7,010,446	5,093,116	6,726,871	5,541,735
4,699,724	5,033,025	-	-	-	-
-	-	10,059,941	10,802,057	14,364,375	15,448,895
1,111,568	134,950	-	-	-	-
7,710,198	12,044,381	7,967,888	7,712,225	6,512,687	6,401,079
2,639,197	2,249,666	2,676,080	3,182,689	3,025,860	2,992,410
-	-	481,137	346,539	331,399	628,781
<u>31,674,938</u>	<u>48,007,738</u>	<u>52,559,825</u>	<u>54,262,350</u>	<u>68,020,285</u>	<u>57,253,335</u>
<u>114,925,882</u>	<u>141,775,862</u>	<u>153,925,199</u>	<u>167,933,027</u>	<u>198,785,177</u>	<u>197,867,202</u>
2,888,934	(6,511,781)	194,019	11,272,160	(4,863,346)	2,012,224
10,096,000	-	25,455,980	3,675,000	2,955,000	16,930,000
-	-	7,765,000	-	-	-
-	-	(8,881,022)	-	-	-
-	-	6,586,638	36,514	(6,066)	1,001,787
-	-	-	-	1,265,610	-
-	-	-	-	-	-
135,768	2,242,707	5,462,612	7,078,974	3,181,579	71,465
56,646,323	10,221,007	31,527,338	14,910,601	36,289,827	37,153,279
<u>(55,734,108)</u>	<u>(8,769,007)</u>	<u>(30,206,338)</u>	<u>(13,566,601)</u>	<u>(34,835,827)</u>	<u>(35,734,452)</u>
<u>11,143,983</u>	<u>3,694,707</u>	<u>37,710,208</u>	<u>12,134,488</u>	<u>8,850,123</u>	<u>19,422,079</u>
<u>\$ 14,032,917</u>	<u>\$ (2,817,074)</u>	<u>\$ 37,904,227</u>	<u>\$ 23,406,648</u>	<u>\$ 3,986,777</u>	<u>\$ 21,434,303</u>
9.0%	10.1%	10.4%	8.8%	7.2%	6.5%

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
2025	\$262,676,825	\$158,317,498	\$ 216,502,694	\$135,496,586	\$ 621,369	\$ 342,654
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

Assessment Ratios³ 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
2025	10.0 %	10.0 %	16.5 %	15.0 %	14.0 %	5.0 %
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

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 Value¹	Total Direct Tax Rate	Estimated Actual Taxable Value	Gross Valuation as a Percentage of Actual Value⁴
\$ 70,410	\$774,028,036	\$(126,494,991)	\$647,533,045	1.46	\$6,443,722,995	12.01 %
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

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. 216	Pendergast Elementary School District No. 92
		County-wide	Community College			
2025 Primary	0.62	1.16	1.05	1.75	1.89	1.69
Secondary	<u>0.84</u> 1.46	0.00	0.06	2.28	2.81	3.71
2024 Primary	0.64	1.20	1.08	1.91	1.69	1.78
Secondary	<u>0.82</u> 1.46	0.00	0.06	2.36	3.63	3.90
2023 Primary	0.65	1.25	1.09	1.92	1.77	1.87
Secondary	<u>0.91</u> 1.56	0.00	0.10	2.39	3.64	3.82
2022 Primary	0.67	1.35	1.11	1.95	2.00	2.02
Secondary	<u>0.76</u> 1.43	0.00	0.11	2.43	2.74	3.79
2021 Primary	0.68	1.40	1.13	2.04	2.10	1.98
Secondary	<u>0.74</u> 1.42	0.00	0.16	2.56	2.60	4.04
2020 Primary	0.70	1.40	1.16	2.09	2.61	2.05
Secondary	<u>0.95</u> 1.65	0.00	0.17	2.85	2.40	4.28
2019 Primary	0.73	1.40	1.17	2.14	2.67	2.16
Secondary	<u>1.03</u> 1.76	0.00	0.20	2.71	1.78	4.55
2018 Primary	0.75	1.40	1.20	2.12	2.16	2.26
Secondary	<u>0.85</u> 1.60	0.00	0.21	2.35	1.77	4.60
2017 Primary	0.77	1.40	1.24	2.22	2.27	2.16
Secondary	<u>0.93</u> 1.70	0.00	0.23	2.59	1.29	4.53
2016 Primary	0.78	1.36	1.26	2.07	2.40	2.53
Secondary	<u>0.97</u> 1.75	0.00	0.23	2.71	1.61	4.35

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, 2024 Tax Rates Maricopa County, Arizona.

Overlapping Rates¹

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
1.75	1.65	2.03	1.67	2.11
1.24	1.57	1.22	2.74	1.65
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

City of Avondale, Arizona
Principal Property Taxpayers
Current Year and Nine Years Prior

Schedule 7

Taxpayer	2025			2016		
	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value
Phoenix Speedway Corp	\$ 8,984,339	1	1.26 %	\$ 6,299,190	2	1.12 %
J & J Coldwater LLC	8,513,565	2	1.20	6,081,732	3	1.08
Salt River Project	8,321,931	3	1.17			
CPUS Fairway LP	6,667,134	4	0.94			
Arizona Public Service	6,613,501	5	0.93	3,863,688	5	0.69
Avari LLC	5,876,577	6	0.83			
Avalon LLC	5,539,062	7	0.78			
JIC Avondale LLC	5,445,937	8	0.77			
Van Buren II Owner LLC	5,271,792	9	0.74			
PR 101 Logistics Park Building 2 LLC	4,550,855	10	0.64			
Inland Westland Avondale McDowell LLC				5,264,406	1	0.93
Raintree Pad 2 LLC				4,403,808	4	0.78
Smiths Food & Drug Centers Inc				3,114,792	6	0.55
Moreland Arizona Properties LLC				3,945,322	7	0.70
FP4A Mirabella LLC				3,210,300	8	0.57
Mechanic (AZ) QRS 15-41 INC				4,606,308	9	0.82
Crystal Springs Apartments LLC				3,100,000	10	0.55
Total	<u>\$ 65,784,693</u>		<u>9.26 %</u>	<u>\$ 43,889,546</u>		<u>7.79 %</u>

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
2025	\$ 9,432,591	\$ 9,273,198	98.31 %	\$ -	\$9,273,198	98.31 %
2024	8,535,011	8,414,661	98.59	117,126	8,531,786	99.96
2023	8,429,081	8,293,953	98.40	133,038	8,426,990	99.98
2022	6,995,316	6,877,147	98.31	108,629	6,985,776	99.86
2021	6,579,129	6,414,655	97.50	91,939	6,506,593	98.90
2020	7,162,807	6,989,449	97.58	121,276	7,110,725	99.27
2019	7,049,735	6,960,919	98.74	39,693	7,000,612	99.30
2018	5,941,343	5,858,479	98.61	64,000	5,922,479	99.68
2017	5,913,568	5,825,124	98.50	66,506	5,891,630	99.63
2016	5,882,634	5,781,431	98.28	75,005	5,856,436	99.55

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, 2025*.

City of Avondale, Arizona
Direct and Overlapping Net Limited Assessed
Property Values and Tax Rates
Last Ten Fiscal Years

Schedule 9

	2024-25 Net Limited Assessed Value for Tax Purposes	2024-25 Total Tax Rate Per \$100 Net Limited Assessed Value for Tax Purposes
Overlapping Jurisdiction		
State of Arizona	\$ 88,425,611,337	None
Maricopa County	58,328,686,358	1.1591
Maricopa County Community College District	58,328,686,358	1.1047
Maricopa County Fire District Assistance Tax	58,328,686,358	0.0080
Maricopa County Special Health Care District	57,548,876,687	0.2665
Maricopa County Library District	58,328,686,358	0.0470
Maricopa County Flood Control District	53,876,587,196	0.1470
Central Arizona Water Conservation District	57,548,876,687	0.1400
Tolleson Elementary School District No. 17	294,962,589	4.0299
Liberty Elementary School District No. 25	473,488,465	3.7615
Avondale Elementary School District No. 44	773,268,016	3.2130
Littleton Elementary School District No. 65	442,941,876	4.4069
Litchfield Elementary School District No. 79	1,677,502,051	2.9955
Pendergast Elementary School District No. 92	552,883,050	5.3994
Agua Fria Union High School District No. 216	2,450,770,067	3.2529
Buckeye Union High School District No. 201	1,212,427,951	2.9662
Tolleson Union High School District No. 214	1,928,260,874	4.6994
Western Maricopa Education Center	22,530,836,261	0.1825
Alamar Community Facilities District	16,327,696	4.1500
City of Avondale	647,533,045	1.4592

Source: 2024 Property Tax Levy Book-Maricopa County Finance Department|State of AZ 2024 Tax Handbook-

Avondale

City of Avondale, Arizona
Transaction Privilege Taxes By Industry Classification
Last Ten Fiscal Years

	2016	2017	2018	2019
Retail	\$28,562,740	\$30,102,662	\$31,705,835	\$33,716,323
Construction	1,346,678	2,952,141	3,648,705	3,500,442
Real Estate & Rentals	4,280,205	4,300,470	4,494,779	4,789,384
Communication & Utilities	2,142,543	2,022,266	1,933,124	1,871,771
Restaurants & Bars	3,487,810	3,780,226	4,311,152	4,566,490
Amusement	734,094	672,178	698,255	716,798
Use Tax	346,127	440,636	488,579	548,682
Equipment Rental	805,719	1,135,654	1,069,078	1,171,147
All Others	430,470	466,508	516,266	546,654
Total	\$42,136,386	\$45,872,741	\$48,865,773	\$51,427,691

	Year-over-Year Increase (Decrease)			
Retail	5.8 %	5.4 %	5.3 %	6.3 %
Construction	16.6	119.2	23.6	(4.1)
Real Estate & Rentals	0.0	0.5	4.5	6.6
Communication & Utilities	5.5	(5.6)	(4.4)	(3.2)
Restaurants & Bars	10.2	8.4	14.0	5.9
Amusement	8.0	(8.4)	3.9	2.7
Use Tax	1.7	27.3	10.9	12.3
Equipment Rental	8.9	40.9	(5.9)	9.5
All Others	11.6	8.4	10.7	5.9
Total	6.0 %	8.9 %	6.5 %	5.2 %

¹ Totals may differ from governmental activities tax revenues due to differences in reporting periods.

Source: City records.

2020	2021	2022	2023	2024	2025
\$37,147,412	\$45,169,387	\$49,342,473	\$51,681,311	\$52,012,686	\$54,348,572
3,493,454	5,514,964	8,027,408	13,124,613	11,202,841	9,704,909
5,110,127	5,521,829	6,191,475	7,061,744	7,960,607	6,397,517
1,949,122	1,934,243	2,083,039	2,506,377	3,022,400	2,979,581
4,509,634	5,344,550	6,272,334	7,073,450	7,483,454	7,714,074
683,355	424,704	931,493	1,463,066	1,333,555	1,336,908
619,413	761,134	1,052,570	1,076,890	1,083,454	854,543
1,201,403	1,372,441	1,395,508	1,566,886	1,446,544	1,841,490
554,802	693,207	1,099,380	1,302,178	1,362,808	1,475,518
<u>\$55,268,722</u>	<u>\$66,736,459</u>	<u>\$76,395,680</u>	<u>\$86,856,516</u>	<u>\$86,908,349</u>	<u>\$86,653,112</u>

Year-over-Year Increase (Decrease)					
10.2 %	21.6 %	9.2 %	4.7 %	0.6 %	4.5 %
(0.2)	57.9	45.6	63.5	(14.6)	(13.4)
6.7	8.1	12.1	14.1	12.7	(19.6)
4.1	(0.8)	7.7	20.3	20.6	(1.4)
(1.2)	18.5	17.4	12.8	5.8	3.1
(4.7)	(37.9)	119.3	57.1	(8.9)	0.3
12.9	22.9	38.3	2.3	0.6	(21.1)
2.6	14.2	1.7	12.3	(7.7)	27.3
1.5	24.9	58.6	18.4	4.7	8.3
<u>7.5 %</u>	<u>20.7 %</u>	<u>14.5 %</u>	<u>13.7 %</u>	<u>0.1 %</u>	<u>(0.3) %</u>

City of Avondale, Arizona
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Amounts Expressed in Thousands Except Per Capita Amount)

Fiscal Year	Governmental Activities ¹						Financed Purchases ⁴
	General Obligation Bonds	HURF Bonds	Municipal Development Corporation Bonds ²	Pledged Revenue Refunding Obligations ²	Direct Placement Pledged Revenue Obligations		
2025	\$ 68,070	\$ -	\$ -	\$ 16,625	\$ -	\$ 2,510	
2024	53,896	-	-	19,579	-	2,875	
2023	54,460	-	-	24,335	-	3,217	
2022	53,609	-	-	29,336	-	3,537	
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	-	-	

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.

Governmental Activities ¹		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
Leases ⁴							
\$	813	\$ 6,139	\$ -	\$ -	\$ 94,157	\$ 1.10	973
	1,279	6,549	-	29	84,207	1.03	888
	1,075	6,944	-	119	90,150	1.46	976
	1,387	7,325	-	205	95,399	1.73	1,033
	-	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

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	2025
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	\$ 1,430,925,867
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	286,185,173
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	40,505,220
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)	(4,754,447)
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	35,750,773
Legal debt margin		<u>\$ 70,747,673</u>	<u>\$ 80,314,027</u>	<u>\$ 84,640,573</u>	<u>\$ 99,858,740</u>	<u>\$ 116,465,506</u>	<u>\$ 123,895,461</u>	<u>\$ 142,945,703</u>	<u>\$ 196,454,816</u>	<u>\$ 250,434,400</u>
	2016 ²	2017 ²	2018 ²	2019 ²	2020 ²	2021 ²	2022 ²	2023 ²	2024 ²	2025 ²
Property Assessed Value ²	\$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	\$ 1,430,925,867
<u>20% Limitation</u>										
Debt limit	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	286,185,173
Net debt applicable to limit	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	35,750,773
Legal debt margin	<u>\$ 61,211,078</u>	<u>\$ 70,747,673</u>	<u>\$ 80,314,027</u>	<u>\$ 84,640,573</u>	<u>\$ 99,858,740</u>	<u>\$ 116,465,506</u>	<u>\$ 123,895,461</u>	<u>\$ 142,945,703</u>	<u>\$ 196,454,816</u>	<u>\$ 250,434,400</u>
Total net debt applicable to the limit as a percentage of debt limit	28.4%	23.6%	21.3%	25.6%	21.2%	17.8%	20.7%	17.2%	12.1%	12.5%
<u>Legal Debt Margin Calculation:</u>										
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	\$ 1,430,925,867
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	85,855,552
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	14,561,830
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	14,561,830
Legal debt margin		<u>\$ 27,559,161</u>	<u>\$ 30,616,208</u>	<u>\$ 25,754,403</u>	<u>\$ 29,861,983</u>	<u>\$ 34,680,227</u>	<u>\$ 30,641,613</u>	<u>\$ 35,855,609</u>	<u>\$ 51,705,845</u>	<u>\$ 71,293,722</u>
<u>6% Limitation</u>										
Debt limit	\$ 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	\$ 85,855,552
Net debt applicable to limit	435,000	225,000	-	8,396,901	8,153,151	7,839,201	16,254,727	15,943,835	15,355,901	14,561,830
Legal debt margin	<u>\$ 25,222,824</u>	<u>\$ 27,559,161</u>	<u>\$ 30,616,208</u>	<u>\$ 25,754,403</u>	<u>\$ 29,861,983</u>	<u>\$ 34,680,227</u>	<u>\$ 30,641,613</u>	<u>\$ 35,855,609</u>	<u>\$ 51,705,845</u>	<u>\$ 71,293,722</u>
Total net debt applicable to the limit as a percentage of debt limit	1.7%	0.8%	0.0%	24.6%	21.4%	18.4%	34.7%	30.8%	22.9%	17.0%

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total operating revenues ¹	\$ 21,267,916	\$ 23,838,505	\$ 25,588,712	\$ 26,769,958
Total operating expenses ²	<u>13,969,692</u>	<u>14,413,815</u>	<u>13,875,307</u>	<u>12,239,449</u>
Net operating income	<u>7,298,224</u>	<u>9,424,690</u>	<u>11,713,405</u>	<u>14,530,509</u>
Other revenues (expenses)	<u>3,791,014</u>	<u>4,186,861</u>	<u>4,491,307</u>	<u>4,277,594</u>
Net revenues before debt service	<u>\$ 11,089,238</u>	<u>\$ 13,611,551</u>	<u>\$ 16,204,712</u>	<u>\$ 18,808,103</u>
Debt service ³	\$ 576,300	\$ 1,166,883	\$ 1,347,593	\$ 1,281,404
Debt service coverage	19.24	11.66	12.02	14.68

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

2020	2021	2022	2023	2024	2025
\$ 26,289,355	\$ 33,071,240	\$ 27,449,938	\$ 25,990,201	\$ 31,083,284	\$ 35,437,019
13,505,847	16,461,157	16,598,218	22,203,152	23,023,368	26,735,581
12,783,508	16,610,083	10,851,720	3,787,049	8,059,916	8,701,438
6,212,953	21,417,272	19,178,512	9,943,347	11,438,318	11,970,181
<u>\$ 18,996,461</u>	<u>\$ 38,027,355</u>	<u>\$ 30,030,232</u>	<u>\$ 13,730,396</u>	<u>\$ 19,498,234</u>	<u>\$ 20,671,619</u>
\$ 1,140,234	\$ 1,113,615	\$ 577,000	\$ 574,000	\$ 575,400	\$ 576,200
16.66	34.15	52.05	23.92	33.89	35.88

City of Avondale, Arizona
Actual Excise Tax Revenues
Last Ten Fiscal Years

Source	2016	2017	2018	2019
City sales tax	\$ 43,026,818	\$ 46,288,365	\$ 49,355,518	\$ 52,003,028
State sales tax	7,217,550	7,402,225	7,970,742	8,467,056
State revenue sharing	9,179,045	9,871,106	10,265,600	10,175,417
Utility and cable franchise fees	1,090,134	1,135,350	1,256,448	1,223,385
Licenses and permits	1,580,691	2,652,563	3,202,591	2,795,566
Fines and forfeitures	1,105,057	937,816	1,095,068	1,102,503
Totals	<u>\$ 63,199,295</u>	<u>\$ 68,287,425</u>	<u>\$ 73,145,967</u>	<u>\$ 75,766,955</u>

¹ This schedule has been presented to meet the City's ongoing debt disclosure requirements.

Source: City records.

2020	2021	2022	2023	2024	2025
\$ 55,933,503	\$ 67,417,939	\$ 78,352,718	\$ 87,525,837	\$ 86,717,982	\$ 57,937,958
8,884,163	10,431,529	12,598,955	12,860,921	14,387,117	14,387,309
11,099,709	12,566,568	11,730,210	17,180,132	24,277,729	19,899,635
1,136,532	1,181,424	1,106,972	1,583,189	1,630,398	1,559,949
3,353,121	5,488,086	6,950,003	5,244,650	3,943,494	7,558,703
993,526	1,129,334	1,113,661	943,165	1,307,699	1,911,239
<u>\$ 81,400,554</u>	<u>\$ 98,214,880</u>	<u>\$ 111,852,519</u>	<u>\$ 125,337,894</u>	<u>\$ 132,264,419</u>	<u>\$ 103,254,793</u>

City of Avondale, Arizona
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 15

Fiscal Year	Property Assessed Value ^{1,2}	General Obligation Bonds⁴	Less: Amounts Available in Debt Service Fund	Net General Obligation Bonded Debt⁴	Percentage of Net Bonded Debt to Estimated Actual Taxable Value of Property	Per Capita³
2025	\$ 647,533,045	\$68,069,796	\$ 4,754,447	\$ 63,315,349	9.78 %	\$ 654
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

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 include 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
Direct and Overlapping Governmental Activities Debt
As of the End of the Fiscal Year
(Amounts Expressed in Thousands)

Schedule 16

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	\$ 119,616	1.01	\$ 1,208
Maricopa County Special Health Care District	629,659	1.01	6,360
Tolleson Elementary School District No. 17	40,903	11.04	4,516
Avondale Elementary School District No. 44	38,413	12.37	4,752
Littleton Elementary School District No. 65	48,749	58.87	28,699
Litchfield Elementary School District No. 79	99,766	8.64	8,620
Pendergast Elementary School District No. 92	100,138	30.33	30,372
Agua Fria Union High School District No. 216	310,770	9.85	30,611
Tolleson Union High School District No. 214	340,850	22.57	76,930
Western Maricopa Education Center District No. 402	123,672	2.73	3,376
Total overlapping repaid with property taxes			195,444
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	2,875	100.00	2,875
Total direct debt			76,350
Total Direct and Overlapping Debt			\$ 271,794

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, 2024 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.

City of Avondale, Arizona
Sources of the Water System
Last Ten Calendar Years

Legal Availability (Acre-Feet)	2016	2017	2018	2019
Central Arizona Project (CAP) ²	5,416	5,416	5,416	5,416
Salt River Project (SRP) ³	15,364	15,364	15,394	15,269
City-owned wells ⁴	35,779	35,779	35,779	35,779
Reclaimed water delivered to City's underground storage facility (USF) ⁵	6,338	6,397	6,430	6,491
Underground Storage Facility (USF) ⁶	20,000	20,000	20,000	20,000
Volume Produced (Acre-Feet)				
Central Arizona Project (CAP) ⁷	5,416	5,416	5,383	5,416
Salt River Project (SRP) ⁸	5,855	5,855	6,117	7,080
City-owned wells ⁹	13,974	13,974	14,056	14,044
Reclaimed water delivered to City's underground storage facility (USF) ¹⁰	5,633	5,857	5,938	4,673
Underground Storage Facility (USF) ¹¹	11,471	11,471	11,973	14,566
Volume Produced (Gallons in Millions)				
Central Arizona Project (CAP)	1,765	1,765	1,754	1,765
Salt River Project (SRP)	1,908	1,908	1,993	2,307
City-owned wells	4,553	4,553	4,580	4,576
Reclaimed water delivered to City's underground storage facility (USF)	1,836	1,909	1,935	1,523
Underground Storage Facility (USF)	3,738	3,738	3,901	4,746

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 misrepresentation

Source: City Public Works Department.

2020	2021	2022	2023	2024	2025
5,416	5,416	5,416	5,416	5,416	5,416
15,123	15,123	16,635	13,398	13,398	13,398
35,779	35,779	35,330	35,330	35,330	35,330
6,831	7,335	7,291	12,107	10,081	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
7,200	7,416	7,271	6,315	8,616	10,266
13,955	14,603	11,387	12,454	11,218	11,871
5,420	6,368	6,529	6,730	6,882	6,893
13,187	14,543	14,635	15,345	15,361	15,953
1,765	1,765	1,765	1,765	1,765	1,765
2,346	2,417	2,369	2,058	2,808	3,345
4,547	4,758	3,710	4,058	3,655	3,868
1,766	2,075	2,127	2,193	2,243	2,246
4,297	4,739	4,769	5,000	5,005	5,198

City of Avondale, Arizona
Schedule of Water and Wastewater Sales, Number of Customers,
and Other Fees and Revenue
Last Ten Fiscal Years

<u>Water System</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water Sales ²				
Residential	\$ 8,049,255	\$ 8,677,097	\$ 9,324,192	\$ 9,017,975
Commercial	4,334,215	5,255,829	5,589,036	5,051,352
Total	<u>\$ 12,383,470</u>	<u>\$ 13,932,926</u>	<u>\$ 14,913,228</u>	<u>\$ 14,069,328</u>
Number of Water Customers ³				
Residential	21,260	26,032	25,954	22,136
Commercial ⁴	1,353	1,343	1,352	1,228
Total	<u>22,613</u>	<u>27,375</u>	<u>27,306</u>	<u>23,364</u>
Other Fees and Revenue				
Meter Installation	\$ 124,283	\$ 135,593	\$ 132,060	\$ 58,040
Turn-on Fees	425,777	457,448	414,507	391,277
Interest Earnings	126,072	208,814	411,330	713,287
Total	<u>\$ 676,132</u>	<u>\$ 801,855</u>	<u>\$ 957,897</u>	<u>\$ 1,162,604</u>
<u>Wastewater System</u>				
Wastewater Sales ²				
Residential	\$ 7,413,869	\$ 8,081,505	\$ 8,573,843	\$ 9,176,311
Commercial	916,321	894,066	966,950	992,668
Total	<u>\$ 8,330,190</u>	<u>\$ 8,975,571</u>	<u>\$ 9,540,793</u>	<u>\$ 10,168,979</u>
Number of Wastewater Customers ³				
Residential	21,012	25,187	25,261	24,999
Commercial ⁴	1,280	618	631	653
Total	<u>22,292</u>	<u>25,805</u>	<u>25,892</u>	<u>25,652</u>
Other Fees and Revenue				
Tap Fees	\$ 72,300	\$ 81,143	\$ 80,400	\$ 30,000
Interest Earnings	40,392	60,775	129,569	265,385
Total	<u>\$ 112,692</u>	<u>\$ 141,918</u>	<u>\$ 209,969</u>	<u>\$ 295,385</u>

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 wastewater sales were revised from the prior year.

Source: City records.

2020	2021	2022	2023 ⁵	2024	2025
\$ 9,738,920	\$ 10,678,546	\$ 10,162,304	\$ 8,797,434	\$ 10,637,945	\$ 11,742,166
5,546,702	6,745,053	6,177,708	5,874,737	7,444,434	7,886,460
<u>\$ 15,285,622</u>	<u>\$ 17,423,599</u>	<u>\$ 16,340,012</u>	<u>\$ 14,672,171</u>	<u>\$ 18,082,379</u>	<u>\$ 19,628,626</u>
22,258	26,146	26,973	28,695	29,216	29,832
1,468	1,377	1,516	1,664	1,765	1,879
<u>23,726</u>	<u>27,523</u>	<u>28,489</u>	<u>30,359</u>	<u>30,981</u>	<u>31,711</u>
\$ 139,789	\$ 352,917	\$ 612,932	\$ 327,755	\$ 394,070	\$ 331,130
340,153	340,270	371,119	379,885	397,330	406,560
831,870	612,124	463,934	990,568	2,962,587	2,427,964
<u>\$ 1,311,811</u>	<u>\$ 1,305,311</u>	<u>\$ 1,447,985</u>	<u>\$ 1,698,208</u>	<u>\$ 3,753,987</u>	<u>\$ 3,165,654</u>
\$ 9,033,194	\$ 9,461,739	\$ 9,794,964	\$ 8,835,732	\$ 9,781,355	\$ 11,345,708
1,029,349	999,338	1,240,460	1,438,375	1,881,303	2,032,278
<u>\$ 10,062,544</u>	<u>\$ 10,461,076</u>	<u>\$ 11,035,424</u>	<u>\$ 10,274,107</u>	<u>\$ 11,662,658</u>	<u>\$ 13,377,986</u>
25,024	25,751	26,285	27,976	28,480	29,131
641	658	698	726	781	789
<u>25,665</u>	<u>26,409</u>	<u>26,983</u>	<u>28,702</u>	<u>29,261</u>	<u>29,920</u>
\$ 71,500	\$ 227,016	\$ 372,450	\$ 173,850	\$ 247,200	\$ 189,125
324,991	237,864	278,882	788,548	2,428,898	1,349,695
<u>\$ 396,491</u>	<u>\$ 464,880</u>	<u>\$ 651,332</u>	<u>\$ 962,398</u>	<u>\$ 2,676,098</u>	<u>\$ 1,538,820</u>

City of Avondale, Arizona
Current Year Statistics
Last Ten Fiscal Years

Statistics	2016	2017	2018	2019
General Obligation Bonds Outstanding	\$ 24,750,000	\$ 22,310,000	\$ 21,740,000	\$ 39,940,000
Water and Sewer System Revenue Obligations Outstanding	3,456,965	9,915,000	9,080,000	8,270,000
Excise Tax Revenue Bonded Debt Outstanding	37,263,034	28,175,000	23,045,001	17,975,001
Net Limited Assessed Property Value (formerly referred to as Primary Assessed Valuation)	337,158,512	349,102,604	370,922,156	398,288,948
Net Full Cash Assessed Value (formerly referred to as Secondary Assessed Valuation)	427,620,861	463,069,349	510,270,136	569,188,401
Estimated Net Full Cash Value	3,490,967,838	3,812,520,675	4,202,837,020	4,728,955,006

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.

2020	2021	2022	2023	2024	2025
\$ 37,695,000	\$ 35,375,000	\$ 46,825,980	\$ 48,150,000	\$ 48,100,000	\$ 61,805,000
7,580,000	6,865,000	6,550,000	6,225,000	5,885,000	5,530,000
22,741,001	17,583,001	25,315,001	20,980,005	16,885,005	14,265,000
434,094,952	462,085,095	493,207,192	544,220,341	586,321,066	647,533,045
633,585,560	708,657,126	781,605,665	863,324,061	1,117,695,766	1,430,925,867
5,238,398,192	5,889,268,184	6,477,548,277	7,200,776,315	9,536,947,184	12,332,128,916

City of Avondale, Arizona
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 20

Fiscal Year	Population⁴	Personal Income (in thousands)¹	Per Capita Personal Income¹	Estrella Mountain Community College Enrollment²	City of Avondale Unemployment Rate³	State of Arizona Unemployment Rate³
2025	96,803	\$ 8,533,378	\$ 88,152	13,583	4.6 %	4.8 %
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

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 recently 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 Arizona Office of Economic Opportunity.

**City of Avondale, Arizona
Principal Employers
Current Year and Nine Years Prior**

Schedule 21

Employer	2025			2016		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Amazon	1,030	1	4.78 %			%
Maricopa County Community College District	830	2	3.85	250	8	0.65
City of Avondale	750	3	3.48	450	1	1.16
Tolleson Union High School District 214	550	4	2.55	260	7	0.67
Frys Food Stores	470	5	2.18	380	2	0.98
Avondale Elementary School District 44	460	6	2.13	330	4	0.85
Akos	400	7	1.85			
Costco Wholesale	390	8	1.81	250	9	0.65
Walmart	370	9	1.72	330	5	0.85
Littleton Elementary School District 65	370	10	1.72	340	3	0.88
State of Arizona	329	11	1.53	230	10	0.60
Agua Fria Union High School District 216	320	12	1.48	300	6	0.78
Total	6,269		29.08 %	3,120		8.07 %

Source: Maricopa Association of Governments

City of Avondale, Arizona
Full-Time Equivalent City Government Employees By Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019
General government				
City administration	10.00	10.00	10.00	10.00
Finance and budget	29.50	29.50	29.50	30.50
Other	45.50	40.50	33.00	33.00
Public safety				
Police				
Officers	128.00	128.00	134.00	138.00
Civilians	47.00	54.00	50.00	48.00
Fire				
Firefighters and officers	63.00	65.00	64.00	64.00
Civilians	12.00	10.00	13.00	13.00
City court	13.00	13.00	14.00	14.00
Office of public safety ¹				
Highways and streets ²	28.00	38.25	47.90	49.90
Economic and community development	4.00	4.00	4.00	5.00
Health and welfare ³	10.00	24.50	22.50	22.50
Culture and recreation ³	26.25	27.75	27.75	34.75
Community Services ³				
Streets and transportation ²				
Sanitation	36.75	20.25	20.50	21.50
Water resources	33.14	34.50	33.80	33.80
Wastewater	21.11	21.50	21.80	21.80
Total	<u>507.25</u>	<u>520.85</u>	<u>525.75</u>	<u>539.75</u>

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

In fiscal year 2021 - 22, Functions Health and welfare and Culture and recreation were

³ merged into function Community services

Source: City of Avondale, Arizona *Annual Budget and Financial Plan* for the applicable fiscal year.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
10.00	12.50	11.00	11.00	10.00	9.00
32.50	34.00	36.00	37.00	38.00	38.00
44.50	45.00	68.00	72.00	87.20	87.80
149.00	160.00	144.50	162.00	175.00	170.00
53.00	57.00	83.50	79.00	70.00	78.50
64.00	64.00	80.00	89.00	88.00	87.00
14.00	15.00	17.00	8.00	11.00	14.00
14.00	14.00	14.00	15.00	16.00	16.00
		20.00	24.00	24.00	24.00
51.90	63.40				
5.00	6.00	49.00	61.00	46.50	49.21
40.25	40.25				
33.50	35.00				
		87.05	133.05	97.05	100.95
		28.25	13.50	25.75	27.09
21.50	22.00	26.75	27.75	27.25	27.50
33.30	35.30	37.00	39.50	39.90	41.20
22.30	22.30	23.00	23.50	23.90	25.70
<u>588.75</u>	<u>625.75</u>	<u>725.05</u>	<u>795.30</u>	<u>779.55</u>	<u>795.95</u>

City of Avondale, Arizona
Operating Indicators By Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019
Police				
Calls for service	74,491	76,704	69,878	67,581
Citations	5,238	2,497	2,964	3,148
Physical arrests	4,418	4,355	4,186	3,431
Fire				
Number of emergency responses	10,004	10,578	11,532	10,670
Inspections	3,384	2,151	2,422	2,516
Number of fires extinguished	557	403	403	1,361
Sanitation				
Refuse collected (tons per day) ²	145	146	146	147
Recyclables collected (tons per day) ²	47	49	49	49
Water				
New connections ³	24,560	27,375	27,306	24,287
Water mains breaks	9	-	-	6
Average daily consumption (thousands of gallons)	12,863	13,698	13,497	11,867
Wastewater				
Average daily sewage treatment (thousands of gallons)	5,627	5,718	5,711	5,741

¹ Indicators are not available for the general government function.

² Collection schedule in 2024 was 3 days per week and 4 days per week in 2025

³ Connections reported in 2025 only include new water connections, previous years reported total connections

Source: City departments.

2020	2021	2022	2023	2024	2025
67,656	65,787	72,009	74,758	75,516	75,898
2,928	2,677	3,317	3,601	4,678	5,968
3,384	1,247	1,182	1,075	1,875	1,698
11,226	12,373	14,470	13,341	14,527	12,967
1,349	703	1,367	1,201	1,501	1,361
393	409	384	290	1,123	300
164	181	183	184	179	137
52	60	45	48	57	28
24,203	25,128	26,149	26,724	27,267	526
1	1	-	-	2	7
14,767	12,326	11,512	12,510	13,650	14,539
5,860	6,370	6,602	6,429	6,895	7,400

City of Avondale, Arizona
Capital Asset Statistics By Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019
Public Safety				
Police:				
Stations	5	5	5	5
Patrol units	108	116	111	113
Fire stations				
Stations	4	4	4	4
Fire trucks	10	10	11	11
Fire vehicles (excl. fire trucks)	12	18	14	19
Sanitation				
Collection trucks	19	19	18	18
Highways and streets				
Streets (miles)	266	283	261	309
Streetlights	7,958	7,964	7,964	8,113
Traffic signals	48	47	49	48
Culture and recreation				
Parks acreage	265	265	265	310
Parks	11	11	11	11
Basketball courts	18	18	18	20
Volleyball courts	2	2	2	2
Baseball fields	4	4	4	6
Softball fields	7	7	7	7
Soccer fields	12	12	12	12
Swimming pools	0	0	0	0
Tennis courts	2	2	2	2
Community centers	1	1	1	1
Dog park	1	1	1	2
Playgrounds	8	8	8	9
Amphitheatre	2	2	2	2
Ramadas	15	15	15	20
Football Fields	1	1	1	1
Splash Pad	1	1	1	2
Pickleball Courts	4	4	4	8
Water				
Number of service connections	23,276	23,610	24,259	24,287
Water mains (miles)	444	335	444	448
Fire hydrants	2,733	2,831	2,752	2,764
Wastewater				
Number of service connections	22,130	22,683	22,162	22,199
Sanitary sewers (miles)	237	243	243	243
Storm sewers (miles)	58	58	35	36
Treatment plants	1	1	1	1

¹ Indicators are not available for the general government function.

Source: City departments.

2020	2021	2022	2023	2024	2025
5	5	5	6	6	6
110	110	156	145	149	199
4	5	5	5	5	5
11	14	14	14	15	16
17	26	23	20	18	31
18	22	23	24	23	24
323	331	291	299	325	325
8,114	8,787	11,000	11,800	12,500	12,530
49	49	51	55	59	62
150	150	191	191	191	191
10	10	12	12	12	12
11	11	12	12	12	12
2	2	2	2	5	5
6	6	10	7	8	8
5	5	5	5	5	5
9	9	10	10	10	10
0	0	0	0	1	1
2	2	3	3	3	3
1	1	1	1	1	1
2	2	3	3	3	3
10	12	15	15	15	15
2	2	3	3	3	3
24	24	30	30	32	32
1	1	1	1	1	1
2	2	4	4	4	4
4	4	8	8	8	8
24,203	25,128	26,149	26,724	28,026	28,299
338	321	349	358	377	379
2,848	2,892	2,903	3,016	3,190	3,239
23,013	23,491	23,636	24,874	26,110	25,998
243	243	243	253	264	264
36	36	37	37	36	36
1	1	1	1	1	1

Avondale