



# City of EL MIRAGE

Arizona

*GRAND HERITAGE, BRIGHT FUTURE!*

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended June 30, 2015**



**CITY OF EL MIRAGE, ARIZONA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:  
Finance Department

# CITY OF EL MIRAGE, ARIZONA

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## **INTRODUCTORY SECTION**

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November 19, 2015

Honorable Mayor and Members of the City Council  
El Mirage, AZ 85335

State law mandates that all general-purpose local governments are required to undergo an annual Single Audit and publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of El Mirage, Arizona (City) for the fiscal year ended June 30, 2015.

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

The City's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

## El Mirage Community Profile

**Background, Population, and Business.** El Mirage is situated on approximately 10 square miles in the heart of the rapidly growing West Valley. The City was founded in 1937 by migrant farm workers who settled on the west bank of the Agua Fria River and harvested the acres of roses, cotton, and other crops that would come to define the City's agricultural heritage. Since its incorporation in 1951, the community has transcended its agricultural beginnings to become a vibrant, diverse community with a current population in excess of 32,000.

In recent years, El Mirage has adopted economic development initiatives to attract new commercial and industrial businesses to the City. Impact fees

normally charged for

infrastructure expansion have been eliminated, and El Mirage has joined with other West Valley cities to form the Greater Maricopa Foreign Trade Zone, allowing goods to be moved through the region exempt from certain U.S. Customs fees.

Local employers include Burlington Northern Santa Fe Railroad, which operates an 82-acre vehicle distribution center in El Mirage. Vulcan Materials Group, Union Rock and Materials, Hanson Pipe, Dakota Fabricating, and Contech Engineered Solutions are also among the firms representing the City's industrial base. Luke Air Force Base, located one mile west of El Mirage, is the largest jet fighter training base in the world and employs over 1,500 civilians, many of whom are El Mirage residents.

The City of El Mirage offers a range of community facilities including a senior center and library. Thirteen-acre Gateway Park is the center for sports and family gatherings in El Mirage, with an amphitheater, picnic ramadas, shaded playgrounds, lighted sports fields, and a skate plaza that is the first of its kind in Arizona. El Mirage is also home to Bill Gentry Park, a newly renovated little league field that draws teams from throughout the Valley for regular play, as well as regional tournaments. The nationally renowned Pueblo El Mirage Golf Resort, situated on 310 acres in the City, boasts an 18-hole professional golf course and has home choices, as well as a host of indoor and outdoor activities for active seniors.



In November 2011, El Mirage voters authorized \$2.5 million in bonds to construct a premier recreation facility with swimming pool and \$6.0 million for a new police facility. The police facility was completed in December 2013, while the recreational facility opened for business in July 2014.

**Governing Structure.** Like most Arizona cities and towns, El Mirage operates under a council-manager form of government. Under this system, the City Council hires a City Manager to implement policy, as well as oversee the daily administration and management of all City departments. The City Manager is responsible for developing a balanced budget and a capital improvement plan for council review and approval each year. The City Manager also keeps the council advised of the City's financial condition and future needs. As City Manager, Dr. Spencer A. Isom is responsible for the activities of seven City departments and more than 170 employees. He also oversees an \$87.6 million budget to provide services for the City's 32,000 plus residents. This year's budget utilizes the theme "*Emphasizing Leadership and Excellence in Public Service.*"



Policymaking and legislative authority are vested in a governing council consisting of the Mayor and six Councilors. One of whom is selected as Vice-Mayor. All seven members of the council are elected at large and on a non-partisan basis to serve a four-year term. Elections are staggered so three councilors are elected every two years and the mayor is elected every four years. The council is responsible for passing ordinances, adopting the budget, appointing committees, and selecting the City Attorney and Judge in addition to the City Manager.

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

**Budget Process and Legal Level of Control.** The annual expenditure budget serves as the foundation for City financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the City Council. All City departments are required to submit requests for appropriations during the budget process. The City Manager and Finance Department use these requests plus the prior year's operating budget as the starting point for assembling a proposed budget for Council consideration. The Council holds a workshop to discuss the proposed budget where presentations are made to the Council on revenues, expenditures, capital, staffing, and taxes. Public hearings are then held on both the budget and proposed property levies. Both the budget and the tax levy are approved by the Council before the 15th of August each year. Maricopa County is required to set the tax rate to collect the levy that the Council sets. The County sets the rate on the third Monday in August. The budget schedules provided by the state are adopted at both the fund and department levels, which are the legal levels of control for the state.

## Factors Affecting Economic Conditions

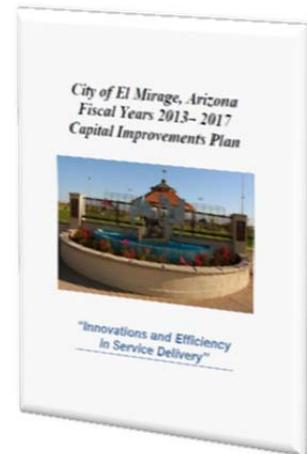
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the City operates.



***Local Economy.*** The El Mirage economy was primarily dependent on housing construction for many years. In 2004, however, the City began to approach residential build-out and the Maricopa County housing market began to diminish causing unemployment statewide, countywide, and locally to spike (The local unemployment rate tends to be slightly higher than county and state levels.). Since that time, the City has turned its focus

toward retail and industrial growth resulting in the opening of a Walmart Supercenter, Aarons, Auto Zone, and Dakota Fabricating in recent years. In addition, the number of local businesses currently stands at 883. The recession and weaker than expected recovery have made further commercial growth challenging, resulting in the City's reliance on state shared revenues as much as local sales and property taxes to remain fiscally healthy. State shared revenues are distributions of sales, income, vehicle, and gasoline taxes based on a statewide formula that was implemented as a result of limitations placed on the ability of cities and towns to collect local revenues. Further information on the history of City revenues may be found in the MD&A, page 5, and the statistical section that begins on page 109 of this financial statement.

***Long-term Financial Planning.*** In 2011, the Council adopted the City's first-ever, five-year Capital Improvements Plan (CIP) which is updated annually. The CIP is based in part on a series of goals recently adopted by the Council. The Council goals and the CIP are intended to make the City more attractive to commercial development. As part of the CIP, the City developed a five-year financial projection. If the City is successful in expanding its commercial base, the CIP will be revised upward each year.



To improve the City's ability to attract business, three departments - Community Development, Economic Development, and Engineering - were combined to streamline processes.

The presence of Luke Air Force Base provides a significant employment and economic engine for the community. However, Luke's presence has placed significant land use restrictions on large tracks of City property. Although such property is primarily zoned 'agricultural' at present, the City and the primary property owner have long-term plans to convert this property for commercial and industrial uses. Conceivably, this process may take thirty years to complete. Until the property owner is prepared to move forward with development, the City will concentrate on infill properties ranging in size from a few acres to more than 80 acres for continued business growth.

Given the continuing economic uncertainty at the local, state, and national levels, the City Council and administration recognize the need to assure reserves are available for future revenue shortfalls. Therefore, the budget reflects a General Fund reserve of \$6.0 million. When the Council approved a utility rate study in 2011, it established reserves for each of the three utilities ranging from one month to three months. The reserves are not budgeted. The reserves are only intended to offset shortfalls in revenue collections, not as an opportunity to increase expenditures. By resolution, the Council also directed that all primary property taxes be restricted to uses in support of police and fire operations.

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



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

- The City shall maintain a prudent level of financial resources to protect against reducing service levels, incurring debt, or raising taxes and fees because of unexpected revenue shortfalls, unanticipated expenditures, and similar circumstances.
- The City shall rely on ongoing revenues to fund ongoing expenditures and avoid one-time sources of revenues to fund ongoing activities.
- The Finance Director shall annually prepare five-year revenue and expenditure forecasts to examine the City’s ability to absorb operating costs due to changes in the economy, service demands, service levels, and capital improvements.
- The City shall fund current year capital projects with bonds, grants, or funds accumulated (fund balances) prior to budgeting for capital expenditures.
- The City shall practice conservatism in budgeting for both revenues and expenditures to ensure the City can meet its ongoing obligations. The City shall not budget excess funds collected (fund balance) for ongoing expenditures.
- The City shall develop diversified and stable revenue sources to protect activities from short-term fluctuations in any single revenue source.
- The City shall not dedicate revenues for specific purposes unless required by law, Council policy, or Generally Accepted Accounting Principles (GAAP). The Finance Director shall deposit all non-restricted revenues in the General Fund for appropriation through the budget process.
- The Council shall review user fees and charges annually to ensure recovery of all direct and indirect costs of service, unless full cost recovery would be excessively burdensome on citizens receiving service.

**Major Initiatives.** For the fiscal year ended June 30, 2015, the City had one major capital initiative under construction that will have significant future impact on the quality of life for its citizens, while expanding infrastructure and increasing the resources available for economic development.

El Mirage Road - The City is partnering with Maricopa County Department of Transportation (McDOT) and the Maricopa Association of Governments (MAG) to complete construction of El Mirage Road from Northern Avenue to Thunderbird Road and to complete improvements along Thunderbird Road from



Grand Avenue to west of El Mirage Road. The City issued \$6.0 million in bonds to pay for its share of the improvements. McDOT will provide \$6.0 million and MAG will provide 70% funding up to approximately \$36 million. The City issued \$8.8 million of excise tax debt payable from grant money to accelerate the project to complete improvements in less than five years. The original projection for project completion was approximately ten years.

## Award and Acknowledgments

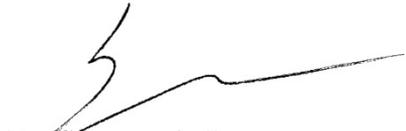
**Award.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. To be awarded this certificate, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles in the United States and applicable legal requirements.

This certificate is valid for a period of one year only. City finance officers believe that the current comprehensive annual financial report meets the program's requirements and we will be submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2015 certificate.

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

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

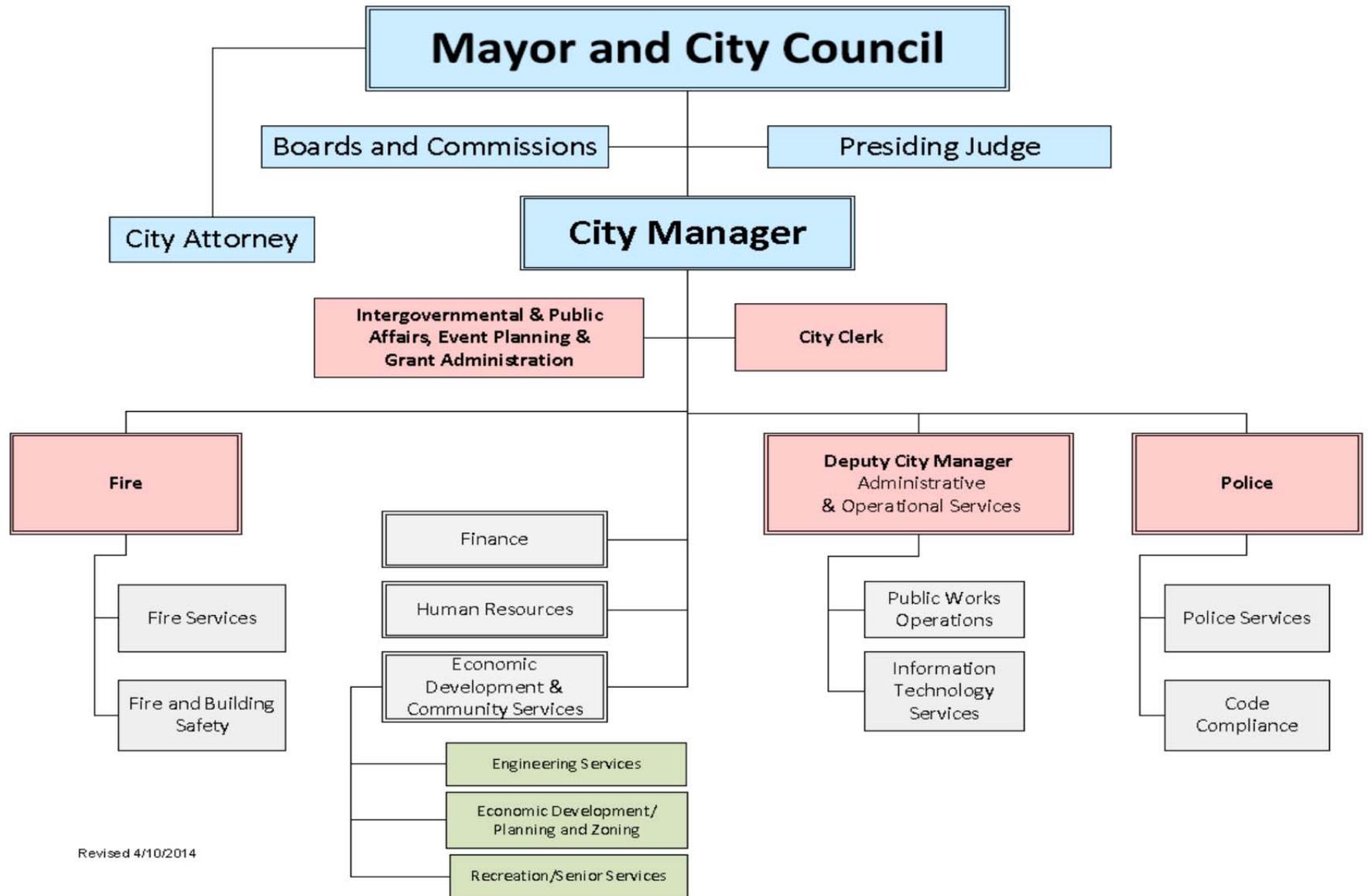
Respectfully submitted,



Dr. Spencer A. Isom  
City Manager



Robert Nilles  
Deputy City Manager/Finance Director



## CITY OF EL MIRAGE, ARIZONA

### LIST OF ELECTED CITY OFFICIALS



#### Mayor Lana Mook

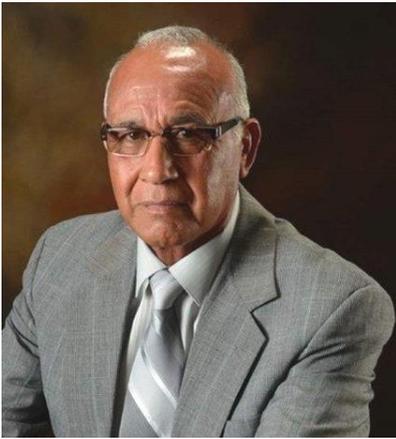
Mayor Lana Mook has called Arizona home for nearly 30 years. After retiring from approximately three decades in management, training and patient relations in the health care industry, Mook devoted much of her time to volunteering in El Mirage, pursuing her commitment to do everything she could to improve her community. With a number of other community volunteers, she co-founded the People of El Mirage (POEM), a civic-based community organization focused on helping those in need, as well as informing the public on local issues. Under her leadership, the organization promoted local support for Luke Air Force Base, raised funds for local Cub Scouts and participated in numerous food and clothing drives for the area's residents in need. In addition, POEM members partnered with local public safety officials to increase safety and awareness in El Mirage neighborhoods.

In 2010, Mook was elected Mayor of the City of El Mirage. She currently serves on the Executive Committee of the Arizona League of Cities and Towns, the Executive Committee of the Maricopa Association of Governments (MAG), the Executive Committee of the Western Maricopa Coalition (Westmarc), the Board of the Valley Metro/Regional Public Transportation Authority, and the Transportation Committee of the National League of Cities.

Mayor Mook has provided many years of service to a number of organizations including the Phoenix Suns Charities, the Girl Scouts of America, the U.S. Forest Service (Smokey Bear and Woodsy Owl Fire Prevention Programs), and is a past Vice-President of the Greater Phoenix American Bowling Association.

#### Accomplishments

- Played a significant role in improving the City's image throughout the West Valley and the entire Phoenix Metropolitan area. This included developing a partnership with Luke Air Force Base and Supporting the F-35A mission.
- Successfully passed an \$8 million bond measure to provide El Mirage residents with a community recreational facility with swimming pool and a new police facility.
- Appointed to the League of Arizona Cities and Towns' Executive Committee consisting of 25 mayors and councilmembers from across the state. The League provides an important link among the 90 incorporated cities and towns in Arizona representing collective interests at the State Legislature and providing timely information on important municipal issues.
- Protected basic services such as public safety by successfully advocating for the rehire of four first responders for the Fire Department after they were laid off in 2010. In addition, she encouraged the police department to address speeding throughout the community with the assistance of RedFlex photo radar.
- Worked to develop El Mirage's future economic base by approving projects to design quality transportation corridors throughout the City.
- Improved the appearance and quality of life of El Mirage through enhancements to Gentry Park and Grand Avenue



### **Vice Mayor Joe Ramirez**

Vice Mayor Joe Ramirez has been proud to call El Mirage home for more than 50 years. He graduated from Dysart High School and attended Glendale Community College before beginning work in the construction industry, which led him to a 30-year career that included owning his own construction firm. A straight-to-the-point individual, Vice Mayor Ramirez has always been a supporter of El Mirage and the West Valley. In addition to serving on the City Council, he volunteers his time on numerous civic projects and participates in local events including the Christmas Toy Drive, the Clean Our Community Program, and Habitat for Humanity. Ramirez invites residents to learn more about the issues in the community and join him in working toward a better El Mirage.



### **Councilman Roy Delgado**

Councilman Roy Delgado has served on the El Mirage City Council for 11 years and was last elected in September 2012 to a four-year term. Delgado spent over 20 years in the U.S. Army and National Guard, as well as more than 30 years in management in the oil industry in California and Arizona. His current government service includes the Community Development Advisory Committee (CDAC), which oversees the flow of federal housing and infrastructure project funds received by Maricopa County and awarded on a competitive basis to local governments. The CDAC's funding recommendations are vetted and ultimately approved by the County Board of Supervisors

Delgado is also a board member of the Citizens Advisory Committee of the County Library District. He was appointed to the position by Former Supervisor Max Wilson and, along with other committee members, serves as a liaison between the district's board of directors, the library administration, and the community.

Councilman Delgado is equally proud of his community service activities. He retired in January 2014 after years of service as a teacher of hunter safety for the Arizona Game and Fish Department. He is currently a volunteer usher for Luke AFB's Catholic community; and he helps raise funds, along with his wife Sue, for student scholarships on behalf of Dysart Unified School District and the West Valley Neighborhood Coalition. As a member of the Elks, the American Legion, and two military officers' associations, Delgado maintains strong ties with the Valley's military community.



### **Councilman Bob Jones**

Councilman Robert (Bob) Jones has called Arizona home for over 50 years, and has been a proud El Mirage resident since 2002. Councilman Jones has a diverse business background which includes years of experience in retail management, sales and distribution, and customer service in both large corporate environments, and as a small business entrepreneur. Later in his career, he followed his heart and entered the world of education, spending years as an elementary school teacher until he retired in 2005. Since that time, Jones has focused his time and energy in the El Mirage community.

Councilman Jones acted as an advocate for children in El Mirage, working on the task force to add Riverview Elementary School as an El Mirage addition to the Dysart Unified School District. He acquired a charter and introduced a Cub Scout program to El Mirage, serving as a Cub Master. He has also served as a member of the Dysart Community Center's Board of Directors. Jones is a member of the Cactus Park Homeowners' Association, and has served as HOA President since 2010. As president, he collaborated with other HOA's and El Mirage City leaders on community affairs. He was appointed to the El Mirage Planning and Zoning Committee in 2007 and again in 2012, and has served as a committee chairman. He left the P & Z Committee to complete a successful run for City Council in 2014.

Bob has six children and nine grandchildren. He has been married to his wife, Cathy for over 15 years. He decided to run for El Mirage City Council to ensure that El Mirage continues to be an incredible place to live and work.



### **Councilman Jack Palladino**

Born and raised in Chelsea, Massachusetts, Councilman Jack Palladino's commitment to community began over 40 years ago with his service as a medic in the United States Army. After retiring from active duty, he married his sweetheart, Michele, and went to work for the U.S. Post Office as a letter carrier. Over the course of more than 30 years, Palladino's hard work and perseverance were recognized and he was promoted to management in a U.S.P.S. Boston facility. During this time, he also volunteered as a Little League coach and served with the Knights of Columbus. Shortly after retiring in 2003, Palladino and his wife moved to Arizona where he currently works part time for the Pueblo El Mirage Post Office. The Palladinos have one son, a nine year-old grandson, and a two year-old granddaughter who also live in

the West Valley. The couple has been married for 45 years. After attending numerous local City Council meetings and volunteering in the community, Palladino decided to run for El Mirage City Council and was overwhelmingly elected in 2010. Palladino believes that one person *can* make a difference!



### **Councilman Lynn Selby**

Born and raised in Los Angeles, California, Councilman Lynn Selby has a business background spanning more than 30 years. He has managed cash flow and inventories, developed yearly budgets, and managed personnel. Selby and his wife, Danielle retired to El Mirage and began attending City Council meetings regularly and volunteering in the community. In attending the Council meetings, Selby became interested in the workings of the City and wanted to give something back to the community he loves and calls home. Selby was elected to the City Council in August 2010. He served in the U.S. Navy and now volunteers his time as an engineer every Sunday from September through May with the Maricopa Live Steamers Club, giving free rides to the public. Selby also helps the El Mirage Fire Department distribute and install free smoke detectors. He represents Operation Lifesaver throughout the State of Arizona, presenting railroad safety programs to government agencies and local organizations. The Selbys have been married for more than 52 years and have three daughters and four grandchildren.



### **Councilman David Shapera**

Councilman David M. Shapera, recently re-elected to a second four-year term to the El Mirage City Council, was also a past member and Chairman of the El Mirage Planning and Zoning Commission. He has over 39 years in elected and appointed positions in government. He and his wife, Linda have been married for 38 years and have four adult children and eight grandchildren. The Shaperas moved to El Mirage in 2002.

Shapera is a retired police officer and worked for the Clark County Coroner Medical Examiner in Las Vegas, Nevada. He recently retired from the Dysart Unified School District. He continues to guest teach at El Mirage schools and is a member of the Thompson Ranch Elementary PTSA. Shapera has also been a proud member of the Elks Lodge for 35 years.

As an advocate for the new police station and YMCA recreational facility, Councilman Shapera continues to ensure both buildings will be used to proudly serve the El Mirage community. He strongly supports public safety, and continues working to upgrade City infrastructure within the parameters of affordability.

A vocal advocate for Luke Air Force Base, Shapera works with Luke's leadership toward common goals. Supporting economic development in El Mirage is a priority. Shapera has worked to streamline and assist businesses to open in the City. His new program was adopted by the City Council, which calls for directional signs to help businesses thrive.

Shapera is among council members who are strong advocates for the use of solar panels on City buildings, and he was at the forefront of bringing utility savings to City buildings.

## **LIST OF APPOINTED CITY OFFICIALS**

**City Manager – Dr. Spencer A. Isom**  
**City Attorney – Robert M. Hall**  
**City Magistrate – Monte Morgan**



Government Finance Officers Association

**Certificate of  
Achievement  
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Reporting**

Presented to

**City of El Mirage  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
City of El Mirage, Arizona

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of El Mirage, Arizona (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of El Mirage, Arizona, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 1, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

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

***Other 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 Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2015, on our consideration of City of El Mirage, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of El Mirage, Arizona's internal control over financial reporting and compliance.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

November 19, 2015

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Required Supplementary Information)**

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**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

As management of the City of El Mirage, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The City's total net position of governmental activities increased \$5.9 million to \$47.8 million and business-type activities increased \$3.2 million to \$40.0 million representing an increase of 14 percent and nine percent, respectively. The total net position is \$87.8 million.
- General revenues before transfers from governmental activities accounted for \$18.9 million in revenue, or 69 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8.5 million or 31 percent of total governmental activities revenues. The City had \$14.2 million of program revenues and \$5,764 in general revenues related to business-type activities.
- The City had \$23.4 million in expenses related to governmental activities, a decrease of one percent from the prior fiscal year. The City had \$9.0 million in expenses related to business-type activities a decrease of 28 percent from the prior fiscal year, primarily due to the completion of the water meter replacement project.
- Among major funds, the General Fund had \$18.4 million in revenues, which primarily consisted of taxes and intergovernmental revenues. The total expenditures of the General Fund were \$16.1 million. The General Fund's fund balance increased from \$14.5 million to \$19.5 million, due primarily to a reduction in budgeted transfers to other funds for capital and major projects.
- The Streets Fund had \$2.1 million in revenues. The total expenditures of the Streets Fund were \$3.8 million. The Streets Fund's fund balance decreased from \$8.0 million to \$7.0 million, at the end of the current fiscal year due to capital expenditures for road improvement projects.
- The Water Fund net position increased \$2.6 million due primarily to the completion of the water meter replacement project. The Water Fund had operating revenues of \$9.4 million and operating expenses of \$5.2 million.
- The Sewer Fund net position increased \$371,733. Operating expenses of \$2.2 million were exceeded by operating revenues of \$3.2 million.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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 in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

In the government-wide financial statements the City's activities are presented in the following categories:

- **Governmental activities** – Most of the City's basic services are included here, such as general government, public safety, highways and streets, culture and recreation, health and welfare, and interest on long-term debt. General revenues finance most of these activities.
- **Business-type activities** – The services provided by the City included here are water, sewer and solid waste services. The services are primarily financed through user fees and charges.

**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. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General and Streets Funds, both 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 non-major governmental funds is provided in the form of combining statements and schedules.

**Proprietary funds.** Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and solid waste operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water, Sewer, and Non-Major Enterprise Funds.

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

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

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$87.8 million at the current fiscal year end.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, land improvements; buildings and improvements; sewer plant; water mains and lines; sewer collection system; infrastructure; vehicles, machinery, and equipment; and construction in progress), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	2015 Governmental Activities	2014 Governmental Activities	2015 Business-type Activities	2014 Business-type Activities	2015 Total	2014 Total
Current assets	\$ 32,566,983	\$ 30,361,615	\$ 20,466,808	\$ 14,001,446	\$ 53,033,791	\$ 44,363,061
Capital assets, net	55,678,645	53,340,640	42,370,369	44,590,081	98,049,014	97,930,721
Total assets	<u>88,245,628</u>	<u>83,702,255</u>	<u>62,837,177</u>	<u>58,591,527</u>	<u>\$151,082,805</u>	<u>142,293,782</u>
Deferred outflows	<u>3,278,443</u>	<u>115,822</u>	<u>376,476</u>	<u>123,063</u>	<u>3,654,919</u>	<u>238,885</u>
Current and other liabilities	1,731,324	2,381,718	2,707,068	2,432,893	4,438,392	4,814,611
Long-term liabilities	39,988,796	27,521,290	20,044,389	18,671,181	60,033,185	46,192,471
Total liabilities	<u>41,720,120</u>	<u>29,903,008</u>	<u>22,751,457</u>	<u>21,104,074</u>	<u>64,471,577</u>	<u>51,007,082</u>
Deferred inflows	<u>1,990,979</u>		<u>440,704</u>		<u>2,431,683</u>	
Net investment in capital assets	30,947,824	31,357,672	24,691,276	25,975,719	55,639,100	57,333,391
Restricted	8,155,286	9,768,498			8,155,286	9,768,498
Unrestricted	8,709,862	12,788,899	15,330,216	11,634,797	24,040,078	24,423,696
Total net position	<u>\$ 47,812,972</u>	<u>\$ 53,915,069</u>	<u>\$ 40,021,492</u>	<u>\$ 37,610,516</u>	<u>\$ 87,834,464</u>	<u>\$ 91,525,585</u>

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

- The addition of \$5.0 million in governmental activities capital assets.
- The payment of \$1.0 million in governmental long-term liabilities and \$1.3 million in business-type long-term liabilities.
- The addition of \$15.8 million in pension liabilities due to the implementation of new pension reporting standards.
- The addition of \$328,073 of business-type long-term liability water infrastructure loans.
- The addition of \$2.1 million of water credit inventory.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Changes in net position.** The City's total revenues for the current fiscal year were \$41.6 million. The total cost of all programs and services was \$32.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	2015 Governmental Activities	2014 Governmental Activities	2015 Business-type Activities	2014 Business-type Activities	2015 Total	2014 Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,534,157	\$ 3,885,413	\$ 14,205,340	\$ 13,463,395	\$ 17,739,497	\$ 17,348,808
Operating grants and contributions	2,440,443	2,355,917			2,440,443	2,355,917
Capital grants and contributions	2,482,244	1,787,244		521,870	2,482,244	2,309,114
General revenues:						
Property taxes	3,505,551	3,587,541			3,505,551	3,587,541
City sales taxes	6,685,666	6,480,147			6,685,666	6,480,147
Franchise taxes	692,154	688,216			692,154	688,216
Unrestricted state revenues	7,970,499	7,447,112			7,970,499	7,447,112
Investment income	50,727	30,894	5,764	6,922	56,491	37,816
<b>Total revenues</b>	<u>27,361,441</u>	<u>26,262,484</u>	<u>14,211,104</u>	<u>13,992,187</u>	<u>41,572,545</u>	<u>40,254,671</u>
<b>Expenses:</b>						
General government	5,563,291	6,066,519			5,563,291	6,066,519
Public safety	11,638,718	11,083,112			11,638,718	11,083,112
Highways and streets	2,998,087	3,391,878			2,998,087	3,391,878
Culture and recreation	1,739,595	1,594,482			1,739,595	1,594,482
Health and welfare	395,627	395,851			395,627	395,851
Interest on long-term debt	1,080,786	1,111,716			1,080,786	1,111,716
Water			5,687,906	9,234,221	5,687,906	9,234,221
Sewer			2,250,655	2,242,448	2,250,655	2,242,448
Solid waste			1,054,154	1,036,762	1,054,154	1,036,762
<b>Total expenses</b>	<u>23,416,104</u>	<u>23,643,558</u>	<u>8,992,715</u>	<u>12,513,431</u>	<u>32,408,819</u>	<u>36,156,989</u>
<b>Transfers</b>	<u>2,000,000</u>	<u>(1,170,000)</u>	<u>(2,000,000)</u>	<u>1,170,000</u>		
<b>Changes in net position</b>	<u>5,945,337</u>	<u>1,448,926</u>	<u>3,218,389</u>	<u>2,648,756</u>	<u>9,163,726</u>	<u>4,097,682</u>
<b>Net position, beginning (as restated)</b>	<u>41,867,635</u>	<u>52,466,143</u>	<u>36,803,103</u>	<u>34,961,760</u>	<u>78,670,738</u>	<u>87,427,903</u>
<b>Net position, ending</b>	<u>\$ 47,812,972</u>	<u>\$ 53,915,069</u>	<u>\$ 40,021,492</u>	<u>\$ 37,610,516</u>	<u>\$ 87,834,464</u>	<u>\$ 91,525,585</u>

- Charges for services related to governmental activities decreased \$351,256 primarily due to a reduction of photo enforcement revenues due to increased public awareness.
- Capital grants and contributions related to governmental activities increased by \$695,000 related to funding for street projects.
- Charges for services related to business-type activities increased \$741,945 primarily due to a City recharge water rate increase of 13 percent.
- Unrestricted state revenues increased \$523,387 due to the improved state economy.
- Governmental activities expense decreased \$227,454, or one percent.
- Business-type activities expenses decreased \$3.5 million due to the completion of the water meter replacement project.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	Year ended June 30, 2015		Year Ended June 30, 2014	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
<b>Governmental Activities</b>				
General government	\$ 5,563,291	\$ (2,989,176)	\$ 6,066,519	\$ (3,016,032)
Public safety	11,638,718	(10,385,297)	11,083,112	(9,841,512)
Highways and streets	2,998,087	1,555,612	3,391,878	(462,644)
Culture and recreation	1,739,595	(1,663,986)	1,594,482	(787,229)
Health and welfare	395,627	(395,627)	395,851	(395,851)
Interest on long-term debt	1,080,786	(1,080,786)	1,111,716	(1,111,716)
<b>Total</b>	<b>\$ 23,416,104</b>	<b>\$ (14,959,260)</b>	<b>\$ 23,643,558</b>	<b>\$ (15,614,984)</b>
<b>Business-type Activities</b>				
Water	\$ 5,687,906	\$ 3,736,467	\$ 9,234,221	\$ 43,613
Sewer	2,250,655	947,790	2,242,448	906,720
Solid waste	1,054,154	528,368	1,036,762	521,501
<b>Total</b>	<b>\$ 8,992,715</b>	<b>\$ 5,212,625</b>	<b>\$ 12,513,431</b>	<b>\$ 1,471,834</b>

- Federal and State grants and charges for services subsidized certain governmental programs with revenues of \$8.4 million.
- Net cost of governmental activities of \$15.0 million was financed by general revenues, which are primarily property tax, local sales taxes, and unrestricted state revenues totaling \$18.9 million.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$30.8 million, an increase of \$2.9 million, or 10 percent from the prior year, primarily due to decreased capital expenditures related to various completed projects.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The increase in the General Fund's fund balance of \$5.0 million was due primarily to a reduction of transfers out to other funds for completed major purchases and capital projects.

The Streets Fund reported a fund balance decrease of \$1.0 million due to capital costs for road improvement projects.

**Proprietary funds.** Net position of the Enterprise Funds at the end of the year amounted to \$40.0 million, an increase of \$3.2 million, or a nine percent increase from the prior year.

**BUDGETARY HIGHLIGHTS**

A schedule showing the original and final budget amounts compared to the City's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances between budget and actual in the General Fund are summarized as follows:

- The favorable variance of \$655,666 in City sales tax was a result of conservative budgeting and improving local economy.
- The favorable variance of \$322,626 in intergovernmental revenues was a result of conservative budgeting and increased state shared revenues.
- The favorable variance of \$296,040 in charges for services was a result of continued demand for new housing within the City.
- The favorable variance of \$594,157 in general government expenditures was a result of lower than projected jail housing costs and unspent Council contingency.
- The favorable variance of \$1,180,149 in public safety expenditures was primarily a result of personnel savings.
- The favorable variance of \$244,657 in culture and recreation expenditures was a result of lower than projected special event and electricity costs.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the City had invested \$142.9 million in capital assets. This amount represents a net increase prior to depreciation of \$3.8 million from the prior fiscal year, primarily due to construction for various projects. Total depreciation expense for the year was \$5.1 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

	2015 Governmental Activities	2014 Governmental Activities	2015 Business-type Activities	2014 Business-type Activities
Non-depreciable assets	\$ 17,145,746	\$ 13,025,174	\$ 921,620	\$ 921,620
Depreciable assets	54,744,088	55,130,775	70,041,339	69,945,831
Less: Accumulated depreciation	(16,211,189)	(14,815,309)	(28,592,590)	(26,277,370)
Total capital assets, net	<u>\$ 55,678,645</u>	<u>\$ 53,340,640</u>	<u>\$ 42,370,369</u>	<u>\$ 44,590,081</u>

Additional information on the City's capital assets can be found in Note 5.

**Debt Administration.** At year end, the City had \$43.6 million in long-term debt outstanding, including \$2.3 million due within one year. The following table presents a summary of the City's outstanding long-term debt for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of June 30, 2015	As of June 30, 2014
General obligation bonds	\$ 25,899,465	\$ 26,943,122
Capital leases	11,974	14,803
WIFA loans	17,679,093	18,614,362
<b>Total</b>	<u>\$ 43,590,532</u>	<u>\$ 45,572,287</u>

The Arizona Constitution and State Statutes limit a municipality's bonded debt capacity to certain percentages of its secondary assessed valuation and by the type of project to be constructed with general obligation (GO) bonds. For projects involving water, wastewater, artificial lighting, parks, open space, recreational facility improvements, streets, public safety, and fire and emergency facilities, the City can issue GO bonds up to 20 percent of its secondary assessed valuation. For any other general-purpose improvements, the City may issue bonds up to six percent of its secondary assessed valuation. The City's available debt margin at year end was \$6.5 million in the six percent capacity and \$21.8 million in the 20 percent capacity. The City has \$4.1 million of general obligation debt applicable to the six percent limit and \$21.8 million of debt applicable to the 20 percent limit. Additional information on the City's long-term debt can be found in Notes 6 through 9.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The adopted combined operating and capital expenditure budget for fiscal year 2015-16 totals \$87.6 million, an increase of \$3.0 million or three percent more than fiscal year 2014-15 as a result of budgeting for the construction of a new city hall. To construct the new city hall two debt issues were made. One in August 2015 for \$2.0 million, which was privately placed General Obligation (GO) Bonds that had been previously approved by the voters. The second debt issue was made in September 2015 for \$10.5 million. The September debt issue was an Excise Tax Bond issue that provided funding for both city hall and the acceleration of the El Mirage Road improvement project.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Department, 12145 NW Grand Avenue, El Mirage, Arizona 85335.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF EL MIRAGE, ARIZONA  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 29,039,865	\$ 17,014,396	\$ 46,054,261
Accounts receivable	176,684	1,474,860	1,651,544
Property taxes receivable	126,377		126,377
Due from governmental entities	1,094,926		1,094,926
Loans receivable		328,073	328,073
Internal balances	2,125,000	(2,125,000)	
Inventory		3,774,479	3,774,479
Prepaid items	4,131		4,131
<b>Total current assets</b>	<u>32,566,983</u>	<u>20,466,808</u>	<u>53,033,791</u>
Noncurrent assets:			
Capital assets, non-depreciable	17,145,746	921,620	18,067,366
Capital assets, depreciable (net)	38,532,899	41,448,749	79,981,648
<b>Total noncurrent assets</b>	<u>55,678,645</u>	<u>42,370,369</u>	<u>98,049,014</u>
<b>Total assets</b>	<u>88,245,628</u>	<u>62,837,177</u>	<u>151,082,805</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	104,240	105,483	209,723
Pension plan items	3,174,203	270,993	3,445,196
<b>Total deferred outflows of resources</b>	<u>3,278,443</u>	<u>376,476</u>	<u>3,654,919</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	1,192,976	705,984	1,898,960
Construction contracts payable	10,306		10,306
Accrued payroll and employee benefits	332,725	49,315	382,040
Accrued interest		267,692	267,692
Due to governmental entities	188,298		188,298
Compensated absences payable	183,971	22,470	206,441
Customer deposits	7,019	1,684,077	1,691,096
Capital leases payable	3,074		3,074
Loans payable		1,267,267	1,267,267
General obligation bonds payable	1,035,000		1,035,000
<b>Total current liabilities</b>	<u>2,953,369</u>	<u>3,996,805</u>	<u>6,950,174</u>
Noncurrent liabilities:			
Non-current portion of long-term liabilities	38,766,751	18,754,652	57,521,403
<b>Total noncurrent liabilities</b>	<u>38,766,751</u>	<u>18,754,652</u>	<u>57,521,403</u>
<b>Total liabilities</b>	<u>41,720,120</u>	<u>22,751,457</u>	<u>64,471,577</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension plan items	1,990,979	440,704	2,431,683
<b><u>NET POSITION</u></b>			
Net investment in capital assets	30,947,824	24,691,276	55,639,100
Restricted for:			
Debt service	578,323		578,323
Streets projects	7,342,997		7,342,997
Court and police programs	128,790		128,790
Other purposes	105,176		105,176
Unrestricted	8,709,862	15,330,216	24,040,078
<b>Total net position</b>	<u>\$ 47,812,972</u>	<u>\$ 40,021,492</u>	<u>\$ 87,834,464</u>

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

**CITY OF EL MIRAGE, ARIZONA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015**

<b>Functions/Programs</b>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 5,563,291	\$ 2,574,115	\$	\$ (2,989,176)
Public safety	11,638,718	884,433	368,988	(10,385,297)
Highways and streets	2,998,087		2,071,455	2,482,244
Culture and recreation	1,739,595	75,609		(1,663,986)
Health and welfare	395,627			(395,627)
Interest on long-term debt	1,080,786			(1,080,786)
Total governmental activities	<u>23,416,104</u>	<u>3,534,157</u>	<u>2,440,443</u>	<u>2,482,244</u>
Business-type activities:				
Water	5,687,906	9,424,373		
Sewer	2,250,655	3,198,445		
Solid waste	1,054,154	1,582,522		
Total business-type activities	<u>8,992,715</u>	<u>14,205,340</u>		
<b>Total primary government</b>	<u>\$ 32,408,819</u>	<u>\$ 17,739,497</u>	<u>\$ 2,440,443</u>	<u>\$ 2,482,244</u>

**General revenues:**

Taxes:	
Property taxes, levied for general purposes	1,603,159
Property taxes, levied for debt purposes	1,902,392
City sales taxes	6,685,666
Franchise taxes	692,154
Unrestricted state revenues	7,970,499
Investment income	50,727
<b>Transfers</b>	<u>2,000,000</u>
<b>Total general revenues and transfers</b>	<u>20,904,597</u>

<b>Changes in net position</b>	5,945,337
<b>Net position, beginning of year, as restated</b>	<u>41,867,635</u>
<b>Net position, end of year</b>	<u>\$ 47,812,972</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	Totals
\$	\$ (2,989,176) (10,385,297) 1,555,612 (1,663,986) (395,627) (1,080,786) <hr style="border: 0.5px solid black;"/> (14,959,260) <hr style="border: 0.5px solid black;"/>
3,736,467	3,736,467
947,790	947,790
528,368	528,368
<hr style="border: 0.5px solid black;"/> 5,212,625	<hr style="border: 0.5px solid black;"/> 5,212,625
<hr style="border: 0.5px solid black;"/> 5,212,625	<hr style="border: 0.5px solid black;"/> (9,746,635)
5,764	1,603,159
(2,000,000)	1,902,392
<hr style="border: 0.5px solid black;"/> (1,994,236)	6,685,666
3,218,389	692,154
36,803,103	7,970,499
<hr style="border: 0.5px solid black;"/> \$ 40,021,492	56,491
\$ 40,021,492	<hr style="border: 0.5px solid black;"/> 18,910,361
<hr style="border: 0.5px solid black;"/> \$ 40,021,492	9,163,726
<hr style="border: 0.5px solid black;"/> \$ 40,021,492	<hr style="border: 0.5px solid black;"/> 78,670,738
<hr style="border: 0.5px solid black;"/> \$ 40,021,492	<hr style="border: 0.5px solid black;"/> \$ 87,834,464

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**FUND FINANCIAL STATEMENTS**

**CITY OF EL MIRAGE, ARIZONA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	General	Streets	Non-Major Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments	\$ 17,469,052	\$ 7,291,085	\$ 4,279,728
Accounts receivable	176,684		
Property taxes receivable	60,022		66,355
Due from governmental entities	691,965		402,961
Due from other funds	2,168,517		
Prepaid items	3,731		400
<b>Total assets</b>	<b>\$ 20,569,971</b>	<b>\$ 7,291,085</b>	<b>\$ 4,749,444</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 527,008	\$ 264,370	\$ 401,598
Construction contracts payable			10,306
Accrued payroll and employee benefits	324,552		8,173
Due to governmental entities	188,298		
Due to other funds			43,517
Customer deposits			7,019
<b>Total liabilities</b>	<b>1,039,858</b>	<b>264,370</b>	<b>470,613</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	33,416		36,096
Fund balances:			
Nonspendable	3,731		400
Restricted		7,026,715	1,092,075
Committed	322,037		3,150,260
Assigned	209,007		
Unassigned	18,961,922		
<b>Total fund balances</b>	<b>19,496,697</b>	<b>7,026,715</b>	<b>4,242,735</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 20,569,971</b>	 <b>\$ 7,291,085</b>	 <b>\$ 4,749,444</b>

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

Total  
Governmental  
Funds

\$ 29,039,865  
176,684  
126,377  
1,094,926  
2,168,517  
4,131  
\$ 32,610,500

\$ 1,192,976  
10,306  
332,725  
188,298  
43,517  
7,019  
1,774,841

69,512

4,131  
8,118,790  
3,472,297  
209,007  
18,961,922  
30,766,147

\$ 32,610,500

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**CITY OF EL MIRAGE, ARIZONA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

**Total governmental fund balances** **\$ 30,766,147**

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	\$ 71,889,834	
Less accumulated depreciation	<u>(16,211,189)</u>	55,678,645

Property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 69,512

Deferred items related to the net cost of issuance of debt are amortized over the life of the associated debt issue in the government-wide statements but not reported in the funds. 104,240

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	3,174,203	
Deferred inflows of resources related to pensions	<u>(1,990,979)</u>	1,183,224

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

Compensated absences payable	(551,230)	
Obligations under capital leases	(11,974)	
Net pension liability	(13,526,127)	
Bonds payable	<u>(25,899,465)</u>	<u>(39,988,796)</u>

**Net position of governmental activities** **\$ 47,812,972**

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

**CITY OF EL MIRAGE, ARIZONA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	General	Streets	Non-Major Governmental Funds
<b>Revenues:</b>			
Property taxes	\$ 1,608,025	\$	\$ 1,908,584
City sales taxes	6,685,666		
Franchise taxes	692,154		
Licenses and permits	344,937		
Intergovernmental	8,072,626	2,114,947	2,705,613
Charges for services	441,040		
Fines and forfeits	360,348		2,164,975
Investment income	31,030	17,864	1,833
Rents	67,487		
Contributions and donations	32,736		15,112
Other income	106,368		1,154
<b>Total revenues</b>	18,442,417	2,132,811	6,797,271
<b>Expenditures:</b>			
Current -			
General government	4,227,988		1,057,116
Public safety	10,265,851		448,091
Highways and streets			2,057,440
Culture and recreation	1,229,843		85,629
Capital outlay	354,410	3,778,781	884,840
Debt service -			
Principal retirement	2,829		1,005,000
Interest and fiscal charges	1,128		1,106,733
<b>Total expenditures</b>	16,082,049	3,778,781	6,644,849
<b>Excess (deficiency) of revenues over expenditures</b>	2,360,368	(1,645,970)	152,422
<b>Other financing sources (uses):</b>			
Transfers in	3,165,000	902,592	560,962
Transfers out	(485,962)	(250,000)	(1,892,592)
<b>Total other financing sources (uses):</b>	2,679,038	652,592	(1,331,630)
<b>Changes in fund balances</b>	5,039,406	(993,378)	(1,179,208)
<b>Fund balances, beginning of year</b>	14,457,291	8,020,093	5,421,943
<b>Fund balances, end of year</b>	\$ 19,496,697	\$ 7,026,715	\$ 4,242,735

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

Total  
Governmental  
Funds

---

\$ 3,516,609  
6,685,666  
692,154  
344,937  
12,893,186  
441,040  
2,525,323  
50,727  
67,487  
47,848  
107,522  

---

27,372,499

5,285,104  
10,713,942  
2,057,440  
1,315,472  
5,018,031

1,007,829  
1,107,861  

---

26,505,679

---

866,820

4,628,554  
(2,628,554)  

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2,000,000

---

2,866,820

27,899,327

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\$ 30,766,147

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**CITY OF EL MIRAGE, ARIZONA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

**Net changes in fund balances - total governmental funds** **\$ 2,866,820**

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 as depreciation expense.

Expenditures for capitalized assets	\$ 5,007,725	
Less current year depreciation	<u>(2,615,945)</u>	2,391,780

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(11,058)
---	--	----------

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.

Capital lease principal retirement	2,829	
Bond principal retirement	<u>1,005,000</u>	1,007,829

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 pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,291,917	
Pension expense	<u>(1,587,386)</u>	(295,469)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of assets	(53,775)	
Amortization of deferred bond items	27,075	
Compensated absences	<u>12,135</u>	<u>(14,565)</u>

**Changes in net position in governmental activities** **\$ 5,945,337**

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

**CITY OF EL MIRAGE, ARIZONA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015**

	Enterprise Funds		
	Water	Sewer	Non-Major Enterprise Funds
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 12,110,016	\$ 4,625,662	\$ 278,718
Accounts receivable	1,011,907	320,080	142,873
Loans receivable	328,073		
Inventory	3,774,479		
<b>Total current assets</b>	<u>17,224,475</u>	<u>4,945,742</u>	<u>421,591</u>
Noncurrent assets:			
Capital assets, non-depreciable	129,768	791,852	
Capital assets, depreciable (net)	21,257,635	20,191,114	
<b>Total noncurrent assets</b>	<u>21,387,403</u>	<u>20,982,966</u>	
<b>Total assets</b>	<u>38,611,878</u>	<u>25,928,708</u>	<u>421,591</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	105,483		
Pension plan items	195,115	75,878	
<b>Total deferred outflows of resources</b>	<u>300,598</u>	<u>75,878</u>	
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	477,962	79,426	148,596
Accrued payroll and employee benefits	36,903	12,412	
Accrued interest	234,345	33,347	
Due to other funds	2,125,000		
Compensated absences payable	16,721	5,749	
Customer deposits	1,684,077		
Loans payable	1,118,316	148,951	
<b>Total current liabilities</b>	<u>5,693,324</u>	<u>279,885</u>	<u>148,596</u>
Noncurrent liabilities:			
Compensated absences payable	40,205	11,672	
Loans payable	14,209,711	2,202,115	
Net pension liability	1,649,483	641,466	
<b>Total noncurrent liabilities</b>	<u>15,899,399</u>	<u>2,855,253</u>	
<b>Total liabilities</b>	<u>21,592,723</u>	<u>3,135,138</u>	<u>148,596</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension plan items	317,307	123,397	
<b><u>NET POSITION</u></b>			
Net investment in capital assets	6,059,376	18,631,900	
Unrestricted	10,943,070	4,114,151	272,995
<b>Total net position</b>	<u>\$ 17,002,446</u>	<u>\$ 22,746,051</u>	<u>\$ 272,995</u>

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

Enterprise Funds

Totals

\$ 17,014,396  
1,474,860  
328,073  
3,774,479  
22,591,808

921,620  
41,448,749  
42,370,369  
64,962,177

105,483  
270,993  
376,476

705,984  
49,315  
267,692  
2,125,000  
22,470  
1,684,077  
1,267,267  
6,121,805

51,877  
16,411,826  
2,290,949  
18,754,652  
24,876,457

440,704

24,691,276  
15,330,216  
\$ 40,021,492

**CITY OF EL MIRAGE, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Enterprise Funds		
	Water	Sewer	Non-Major Enterprise Funds
<b>Operating revenues:</b>			
Charges for services	\$ 9,424,373	\$ 3,198,445	\$ 1,582,522
<b>Total operating revenues</b>	<u>9,424,373</u>	<u>3,198,445</u>	<u>1,582,522</u>
<b>Operating expenses:</b>			
Cost of sales and services	3,714,293	1,228,781	1,054,154
Depreciation	1,527,513	955,638	
<b>Total operating expenses</b>	<u>5,241,806</u>	<u>2,184,419</u>	<u>1,054,154</u>
<b>Operating income (loss)</b>	<u>4,182,567</u>	<u>1,014,026</u>	<u>528,368</u>
<b>Nonoperating revenues (expenses):</b>			
Investment income	4,321	1,443	
Interest expense	(446,100)	(66,236)	
<b>Total nonoperating revenues (expenses)</b>	<u>(441,779)</u>	<u>(64,793)</u>	
<b>Income (loss) before transfers</b>	<u>3,740,788</u>	<u>949,233</u>	<u>528,368</u>
<b>Transfers in</b>	350,000	227,500	
<b>Transfers out</b>	<u>(1,477,500)</u>	<u>(805,000)</u>	<u>(295,000)</u>
<b>Changes in net position</b>	<u>2,613,288</u>	<u>371,733</u>	<u>233,368</u>
<b>Total net position, beginning of year, as restated</b>	14,389,158	22,374,318	39,627
<b>Total net position, end of year</b>	<u>\$ 17,002,446</u>	<u>\$ 22,746,051</u>	<u>\$ 272,995</u>

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

Enterprise Funds

Totals  
\$ 14,205,340  
14,205,340

5,997,228  
2,483,151  
8,480,379  
5,724,961

5,764  
(512,336)  
(506,572)

5,218,389

577,500  
(2,577,500)

3,218,389

36,803,103

\$ 40,021,492

**CITY OF EL MIRAGE, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Non-Major Enterprise</b>
<b><u>Increase (Decrease) In Cash and Cash Equivalents</u></b>			
Cash flows from operating activities:			
Cash received from customers	\$ 9,566,511	\$ 3,226,334	\$ 1,590,945
Cash payments to suppliers for goods and services	(4,264,612)	(713,297)	(1,012,425)
Cash payments to employees for services	(1,453,634)	(502,310)	
<b>Net cash provided by (used for) operating activities</b>	<b>3,848,265</b>	<b>2,010,727</b>	<b>578,520</b>
Cash flows from noncapital and related financing activities:			
Interfund borrowing			(600,000)
Interfund transfers in	350,000	227,500	
Interfund transfers out	(1,477,500)	(805,000)	(295,000)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(1,127,500)</b>	<b>(577,500)</b>	<b>(895,000)</b>
Cash flows from capital and related financing activities:			
Proceeds from loans	750,275	568,113	
Principal paid on loans	(1,087,436)	(175,906)	
Interest paid on loans	(406,051)	(60,790)	
Acquisition and construction of capital assets	(90,611)	(172,826)	
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(833,823)</b>	<b>158,591</b>	
Cash flows from investing activities:			
Interest on investments	4,321	1,443	
<b>Net cash provided by investing activities</b>	<b>4,321</b>	<b>1,443</b>	
<b>Net increase in cash and cash equivalents</b>	<b>1,891,263</b>	<b>1,593,261</b>	<b>(316,480)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>10,218,753</b>	<b>3,032,401</b>	<b>595,198</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 12,110,016</b>	<b>\$ 4,625,662</b>	<b>\$ 278,718</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities</u></b>			
<b>Operating income (loss)</b>	<b>\$ 4,182,567</b>	<b>\$ 1,014,026</b>	<b>\$ 528,368</b>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,527,513	955,638	
Changes in assets and liabilities:			
Decrease in accounts receivable	49,534	27,889	8,423
Increase in inventories	(2,100,000)		
Increase in accounts payable	78,851	16,719	41,729
Increase in accrued payroll and employee benefits	12,328	4,027	
Increase (decrease) in compensated absences payable	19,155	(1,627)	
Increase in deposits held for others	92,604		
Decrease in pension items	(14,287)	(5,945)	
<b>Total adjustments</b>	<b>(334,302)</b>	<b>996,701</b>	<b>50,152</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 3,848,265</b>	<b>\$ 2,010,727</b>	<b>\$ 578,520</b>

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

**Enterprise Funds**

**Totals**

\$	14,383,790
	(5,990,334)
	(1,955,944)
	<u>6,437,512</u>
	(600,000)
	577,500
	<u>(2,577,500)</u>
	<u>(2,600,000)</u>
	1,318,388
	(1,263,342)
	(466,841)
	<u>(263,437)</u>
	<u>(675,232)</u>
	<u>5,764</u>
	<u>5,764</u>
	<u>3,168,044</u>
	<u>13,846,352</u>
\$	<u>17,014,396</u>

5,724,961

2,483,151

85,846  
(2,100,000)

137,299

16,355

17,528

92,604

(20,232)

712,551

\$ 6,437,512

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

During the year ended June 30, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

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

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

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the City as a whole. The reported information includes all of the nonfiduciary activities of the City. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the City.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted state revenues, investment income and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements. The City does not present funds that do not have activity.

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

**Government-wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

**Fund Financial Statements** – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Other income is not susceptible to accrual because generally they are not measurable until received in cash. Unearned revenue arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The City reports the following major governmental funds.

General Fund – This fund accounts for all financial resources of the City, except those required to be accounted for in other funds. The General Fund includes the Municipal Court Fund. This fund is maintained as a separate fund for accounting and budgeting purposes but does not meet the criteria for separate reporting in the financial statements.

Streets Fund – This fund accounts for the construction and acquisition of streets and street department facilities.

The City reports the following major proprietary funds.

Water Fund – This fund is used to account for all water operations.

Sewer Fund – This fund is used to account for all wastewater operations.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for water, sewer and solid waste. Operating expenses for these funds include the cost of sales and services and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Cash and Investments**

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash on hand, restricted and unrestricted cash in bank and investments.

Arizona statutes authorize the City to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, in obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. By identification of permitted investments, all other investments are prohibited by the same statutes. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the City's investments.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

**E. Investment Income**

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

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position. All trade and property tax receivables, are shown net of an allowance for uncollectibles.

**G. Property Tax Calendar**

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county 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. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

Pursuant to A.R.S., a lien against assessed 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 does not arise.

**H. Inventory**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of water credits purchased and held for future consumption. Inventories are recorded as assets when purchased and expenses when consumed in the proprietary and government-wide financial statements.

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the proprietary and government-wide financial statements and as expenditures when purchased in the fund financial statements.

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**J. Capital Assets**

Capital assets, which include land; land improvements; buildings and improvements; sewer plant; water mains and lines; sewer collection system, vehicles, machinery, and equipment; construction in progress; and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. General government infrastructure capital assets include only those assets acquired or constructed since July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Certain capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	10-50	Land improvements	10-25
Improvements other than buildings	10-50	Sewer plant	20-50
Vehicles, machinery and equipment	5-20	Sewer collection system	15-25
Streets infrastructure	7-30	Water infrastructure	10

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**L. Compensated Absences**

The City's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation benefits vest at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

**M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's 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.

**N. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities on the statement of net position. Debt premiums and discounts, and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the debt using the straight-line method over the term of the related debt.

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

**O. Interfund Activity**

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**P. Net Position Flow Assumption**

In the government-wide and proprietary fund financial statements the City applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

**Q. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the 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, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

***Nonspendable.*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

***Restricted.*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

***Committed.*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a City Council resolution adopted prior to the end of the fiscal year. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts (i.e. Council resolution).

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

*Assigned.* Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council or a management official delegated that authority by the formal City Council action. The City Manager is delegated authority to establish intended uses by Council action under City ordinance, Chapter 31.

*Unassigned.* Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be restricted, committed, or assigned.

The City applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the City’s fund balance classifications at year end.

	General Fund	Streets Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Prepaid items	\$ 3,731	\$	\$ 400
Restricted:			
Debt service			542,227
Streets projects		7,026,715	315,882
Court and police programs			128,790
Other purposes			105,176
Committed			
Court and police programs			3,150,260
Other purposes	322,037		
Assigned			
Court and police programs	209,007		
Unassigned	18,961,922		
Total fund balances	\$ 19,496,697	\$ 7,026,715	\$ 4,242,735

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

The City reclassified the activity of the Special Projects Fund (a non-major governmental fund) based on the provisions of GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Special Projects Fund was previously reported in the General Fund. The resulting beginning fund balances have been restated from the prior year to reflect the change

	General Fund	Non-Major Governmental Funds
Fund balance, June 30, 2014, as previously reported	\$ 14,615,799	\$ 5,263,435
Fund reclassification	(158,508)	158,508
Fund balance, July 1, 2014, as restated	\$ 14,457,291	\$ 5,421,943

**NOTE 3 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the City’s deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City’s deposits was \$4,915,765 and the bank balance was \$4,918,350. The bank balance was covered entirely by FDIC coverage and collateral held by the pledging financial institution in the City’s name.

The State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and 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.

At year end, the City’s investments consisted of the following:

Investment Type	Maturities	Fair Value
State Treasurer’s investment pool 5	47 days	\$ 36,857,736
State Treasurer’s investment pool 7	62 days	4,280,760
Total		\$ 41,138,496

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3 – CASH AND INVESTMENTS**

*Interest Rate Risk.* The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The City has no investment policy that would further limit its investment choices. As of year end, the City’s investment in the State’s investment pool 5 received a credit quality rating of Aaa from Moody’s and the State’s investment pool 7 had a weighted average rating of Aaa at year end as it was invested in obligations of the U.S. Government or obligations guaranteed by the U.S. Government.

*Custodial Credit Risk – Investments.* The City’s investment in the State Treasurer’s investment pools represents a proportionate interest in the pool’s portfolio; however, the City’s portion is not identified with specific investments and is not subject to custodial credit risk.

**NOTE 4 – RECEIVABLES**

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the City’s individual major funds and non-major governmental and proprietary funds in the aggregate were as follows:

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$	\$ 214,501
Due from state government	691,965	188,460
Net due from governmental entities	\$ 691,965	\$ 402,961

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – CAPITAL ASSETS**

A summary of capital asset activity for the current fiscal year follows:

<b>Governmental Activities</b>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 9,426,231	\$	\$	\$ 9,426,231
Construction in progress	3,598,943	4,329,021	208,449	7,719,515
Total capital assets, not being depreciated	<u>13,025,174</u>	<u>4,329,021</u>	<u>208,449</u>	<u>17,145,746</u>
Capital assets, being depreciated:				
Land improvements	893,563			893,563
Buildings and improvements	19,208,179	24,607		19,232,786
Infrastructure	27,132,904	170,833		27,303,737
Machinery, equipment and vehicles	7,896,129	691,713	1,273,840	7,314,002
Total capital assets being depreciated	<u>55,130,775</u>	<u>887,153</u>	<u>1,273,840</u>	<u>54,744,088</u>
Less accumulated depreciation for:				
Land improvements	(439,916)	(52,147)		(492,063)
Buildings and improvements	(1,591,431)	(454,257)		(2,045,688)
Infrastructure	(7,932,123)	(1,475,776)		(9,407,899)
Machinery, equipment and vehicles	(4,851,839)	(633,765)	(1,220,065)	(4,265,539)
Total accumulated depreciation	<u>(14,815,309)</u>	<u>(2,615,945)</u>	<u>(1,220,065)</u>	<u>(16,211,189)</u>
Total capital assets, being depreciated, net	40,315,466	(1,728,792)	53,775	38,532,899
Governmental activities capital assets, net	<u>\$ 53,340,640</u>	<u>\$ 2,600,229</u>	<u>\$ 262,224</u>	<u>\$ 55,678,645</u>

Governmental activities:

General government	\$ 288,576
Public safety	610,843
Highways and streets	887,745
Culture and recreation	433,154
Health and welfare	395,627
Total depreciation expense	<u>\$ 2,615,945</u>

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – CAPITAL ASSETS**

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 921,620	\$	\$	\$ 921,620
Total	<u>921,620</u>			<u>921,620</u>
Capital assets, being depreciated:				
Sewer plant	20,455,101			20,455,101
Water mains and lines	32,196,320			32,196,320
Sewer collection system	8,541,009			8,541,009
Land improvements	5,531,190			5,531,190
Buildings and improvements	581,097			581,097
Machinery, equipment and vehicles	2,629,358	265,383	169,875	2,724,866
Infrastructure	11,756			11,756
Total capital assets being depreciated	<u>69,945,831</u>	<u>265,383</u>	<u>169,875</u>	<u>70,041,339</u>
Less accumulated depreciation for:				
Sewer plant	(4,647,371)	(465,303)		(5,112,674)
Water mains and lines	(11,602,382)	(1,306,815)		(12,909,197)
Sewer collection system	(4,823,188)	(338,698)		(5,161,886)
Land improvements	(3,899,627)	(93,649)		(3,993,276)
Buildings and improvements	(219,364)	(42,145)		(261,509)
Machinery, equipment and vehicles	(1,076,928)	(235,365)	(167,931)	(1,144,362)
Infrastructure	(8,510)	(1,176)		(9,686)
Total accumulated depreciation	<u>(26,277,370)</u>	<u>(2,483,151)</u>	<u>(167,931)</u>	<u>(28,592,590)</u>
Total capital assets, being depreciated, net	43,668,461	(2,217,768)	1,944	41,448,749
Business-type activities capital assets, net	<u>\$ 44,590,081</u>	<u>\$ (2,217,768)</u>	<u>\$ 1,944</u>	<u>\$ 42,370,369</u>
Business-type activities:				
Water			\$ 1,527,513	
Sewer			955,638	
Total depreciation expense – business-type activities			<u>\$ 2,483,151</u>	

**Construction Commitments** – At year end, the City had contractual commitments related to various capital projects for the construction of street improvements. At year end, the City had spent \$7.7 million on the projects and had estimated remaining contractual commitments of \$28.5 million.

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 – OBLIGATIONS UNDER CAPITAL LEASES**

The City has acquired copiers under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the capital lease obligation. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the City’s capitalization threshold are as follows:

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 12,118
Less: Accumulated depreciation	(3,532)
Total	\$ 8,586

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows:

	Governmental Activities
Year Ending June 30:	
2016	\$ 3,957
2017	3,957
2018	3,957
2019	1,977
Total minimum lease payments	13,848
Less: amount representing interest	1,874
Present value of minimum lease payments	\$ 11,974
Due within one year	\$ 3,074

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE**

The City has entered into Greater Arizona Development Authority (GADA) bond agreements and issued other general obligation and refunding bonds to refund prior year issuances and to finance various public safety, streets, and park projects. The total outstanding principal does not include related bond premiums and discounts of \$825,795 and \$41,330, respectively.

	Original Amount Issued	Interest Rate	Remaining Maturities	Outstanding Principal June 30, 2015
<u>Governmental activities:</u>				
GADA Bond, Series 2007 B	\$ 1,145,000	4.00-5.00%	8/1/16-27	\$ 800,000
GADA Bond, Series 2009 B	9,600,000	3.50-5.00%	7/1/16-29	7,525,000
G.O. Bonds 2012A	14,900,000	3.00-5.00%	7/1/16-42	14,030,000
Refunding Bonds 2012B	3,305,000	3.00-4.00%	7/1/16-24	2,760,000
Total				<u>\$ 25,115,000</u>

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,035,000	\$ 1,070,433
2017	1,075,000	1,034,883
2018	1,110,000	996,895
2019	1,150,000	955,971
2020	1,185,000	917,227
2021-25	6,340,000	3,835,194
2026-30	5,150,000	2,567,740
2031-35	2,820,000	1,714,450
2036-40	3,560,000	974,000
2041-42	1,690,000	127,750
Total	<u>\$ 25,115,000</u>	<u>\$ 14,194,543</u>

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8 – LOANS PAYABLE**

The City has entered into a number of separate Water Infrastructure Finance Authority (WIFA) loan agreements to refund a prior year issuance and to finance water and sewer facilities and infrastructure upgrades. The funding is drawn-down from the lender as the upgrade costs are incurred, as such not all proceeds have been received as of year-end.

	Original Amount Issued	Interest Rate (Including Fees)	Remaining Maturities	Outstanding Principal June 30, 2015
<u>Business-type activities:</u>				
WIFA Loan, DW 050-2005	\$ 16,550,000	2.93%	7/1/15-25	\$ 9,462,434
WIFA Loan, CW 030-2005	1,108,911	2.96%	7/1/15-25	688,653
WIFA Loan, CW 2008	1,900,000	2.75%	7/1/15-27	908,089
WIFA Loan, DW 2008	4,040,000	2.75%	7/1/15-27	3,107,834
WIFA Loan, ARRA 91A121-10	648,000	2.87%	7/1/15-29	275,960
WIFA Loan, ARRA 91A152-10	140,000	2.68%	7/1/15-29	67,070
WIFA Loan, ARRA 91A153-10	498,000	1.50%	7/1/15-29	136,749
WIFA Loan, 920227-13	4,550,000	2.80%	7/1/15-26	2,553,944
WIFA Loan, 910154-13	500,000	2.80%	7/1/15-32	478,360
Total				<u>\$ 17,679,093</u>

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

Year ending June 30:	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,267,267	\$ 462,434
2017	1,303,386	449,815
2018	1,340,730	411,928
2019	1,379,148	372,953
2020	1,418,666	332,859
2021-25	7,727,003	993,375
2025-30	3,146,871	105,988
2030-33	96,022	4,044
Total	<u>\$ 17,679,093</u>	<u>\$ 3,133,396</u>

**Pledged revenues – business-type activities.** The City has pledged future water and sewer revenues to repay the outstanding WIFA loans of \$17.7 million as of year end. Proceeds from the original loan issuances provided financing for improvements to the City’s water and sewer systems infrastructure and to refund certificates of participation. The loans are paid solely from water and sewer revenues and are payable through 2033. The total principal and interest to be paid on the loans is \$20.8 million. The current total customer gross revenues were \$12.6 million and the total principal and interest paid on the loans was \$1.7 million, or 14 percent of gross revenues.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds payable	\$ 26,120,000	\$	\$ 1,005,000	\$ 25,115,000	\$ 1,035,000
Bond premium	867,404		41,609	825,795	
Bond discount	(44,282)		(2,952)	(41,330)	
Net bonds payable	<u>26,943,122</u>		<u>1,043,657</u>	<u>25,899,465</u>	<u>1,035,000</u>
Net pension liability	12,047,434	1,478,693		13,526,127	
Compensated absences	563,365	504,430	516,565	551,230	183,971
Obligations under capital leases	14,803		2,829	11,974	3,074
Governmental activity long-term liabilities	<u>\$ 39,568,724</u>	<u>\$ 1,983,123</u>	<u>\$ 1,563,051</u>	<u>\$ 39,988,796</u>	<u>\$ 1,222,045</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 56,819	\$ 68,326	\$ 50,798	\$ 74,347	\$ 22,470
Loans payable	18,614,362	328,073	1,263,342	17,679,093	1,267,267
Net pension liability	<u>2,481,892</u>		<u>190,943</u>	<u>2,290,949</u>	
Business-type activities long-term liabilities	<u>\$ 21,153,073</u>	<u>\$ 396,399</u>	<u>\$ 1,505,083</u>	<u>\$ 20,044,389</u>	<u>\$ 1,289,737</u>

**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Due to/from other funds** – At year end, the Community Development Block Grant Fund, a non-major governmental fund had a negative cash balance of \$43,517. Negative cash on deposit was reduced by interfund borrowing with the General Fund. Short-term borrowing arrangements were established between the General Fund and the Water Fund of \$2,125,000 to cover operational cash deficits that occurred during the prior year. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

Transfers out	Transfers in		
	General Fund	Streets Fund	Non-Major Governmental Funds
General Fund	\$	\$	\$ 310,962
Streets Fund			250,000
Non-Major Governmental Funds	815,000	902,592	
Water Fund	1,250,000		
Sewer Fund	805,000		
Non-Major Enterprise Fund	295,000		
Total	<u>\$ 3,165,000</u>	<u>\$ 902,592</u>	<u>\$ 560,962</u>

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

<u>Transfers out</u>	<u>Transfers in</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
General Fund	\$ 175,000	\$	\$ 485,962
Streets Fund			250,000
Non-Major Governmental Funds	175,000		1,892,592
Water Fund		227,500	1,477,500
Sewer Fund			805,000
Non-Major Enterprise Fund			295,000
<b>Total</b>	<u>\$ 350,000</u>	<u>\$ 227,500</u>	<u>\$ 5,206,054</u>

Transfers between funds were primarily used (1) to move funds to the General Fund to support operations, and (2) to move funds from the General Fund to other funds for capital and major projects.

**NOTE 11 – CONTINGENT LIABILITIES**

**Lawsuits** – The City is a defendant in a number of lawsuits as of June 30, 2015. It is the opinion of management and City counsel that the amount of losses resulting from these litigations at June 30, 2015, would not be material to the financial position of the City.

**NOTE 12 – RISK MANAGEMENT**

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

The City’s insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member. The limit for basic coverage is \$2.0 million per occurrence on a claims made basis. Excess coverage is for an additional \$8.0 million per occurrence on a follow form, claims made basis. The aggregate limit is also \$2.0 million. The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the Pool to meet its expected financial obligations. The Pool has the authority to assess its members additional premiums should reserves and annual premiums be insufficient to meet the Pool’s obligations. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 12 – RISK MANAGEMENT**

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

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

**NOTE 13 – PRIOR PERIOD ADJUSTMENTS**

The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle. Additionally, the Water Fund and business-type activities net position as of July 1, 2014, have also been restated for a change in inventory related to purchased water credits on hand at the beginning of the year.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Net position/fund balance,				
June 30, 2014, as previously reported	\$ 53,915,069	\$ 37,610,516	\$ 14,501,641	\$ 23,069,248
Net pension liability	(12,047,434)	(2,481,892)	(1,786,962)	(694,930)
Inventory restatement		<u>1,674,479</u>	<u>1,674,479</u>	
Net position/fund balance, July 1, 2014, as restated	<u>\$ 41,867,635</u>	<u>\$ 36,803,103</u>	<u>\$ 14,389,158</u>	<u>\$ 22,374,318</u>

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14– PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The City contributes to the pension plans described below. The plans are component units of the State of Arizona.

The City reported \$1.3 million of pension expenditures in the governmental funds related to all pension plans to which it contributes.

**A. Arizona State Retirement System**

**Plan Description.** City employees not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at [www.azasrs.gov](http://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 EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment 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 members' 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 11.60 percent (11.48 percent for retirement and 0.12 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 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2015 were \$618,244.

The City's contributions for the current and two preceding years for the Arizona State Retirement System OPEB, all of which were equal to the required contributions, were as follows:

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2015	\$	33,495	\$	6,813
2014		33,592		13,437
2013		36,479		13,469

**Pension Liability.** At June 30, 2015, the City reported a liability of \$9.2 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the City's proportion was 0.062 percent, which was a decrease of 0.001 from its proportion measured as of June 30, 2013.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension Expense and Deferred Outflows/Inflows of Resources.** For the year ended June 30, 2015, the City recognized pension expense for ASRS of \$533,310 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 465,731	\$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		1,602,466
Changes in proportion and differences between contributions and proportionate share of contributions		160,348
Contributions subsequent to the measurement date	618,244	
Total	<u>\$ 1,083,975</u>	<u>\$ 1,762,814</u>

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2016	\$ (267,841)
2017	(267,841)
2018	(360,784)
2019	(400,617)

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. 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, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class of ASRS are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	63%	7.03%
Fixed income	25	3.20
Real estate	8	4.75
Commodities	4	4.50
Total	<u>100%</u>	

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Discount Rate.** The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 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 pension 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 pension plan 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 8.0 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 (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
City’s proportionate share of the net pension liability	\$11,582,566	\$9,163,794	\$7,851,489

**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](http://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). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A seven-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.

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](http://www.psprs.com).

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Benefits Provided.** The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Certain retirement and disability benefits are calculated on the basis of age, average monthly compensation, and service credit as follows. See the publicly available PSPRS financial report for additional benefits information.

	Retirement Initial Membership Date:	
	Before January 1, 2012	On or After January 1, 2012
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 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%	2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Survivor benefit:		
Retired members	80% of retired member's pension benefit	
Active members	80% 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 excess investment earning. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Employees Covered by Benefit Terms.** At June 30, 2015, the following employees were covered by the agent pension plan’s benefit terms:

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Retirees and beneficiaries	10	3
Inactive, non-retired members	8	1
Active members	<u>37</u>	<u>24</u>
Total	<u>55</u>	<u>28</u>

**Contributions and Annual OPEB Cost.** 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, 2015, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Active members – pension	11.05%	11.05%
City:		
Pension	19.75	12.47
Health insurance	0.89	0.60

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

For the agent plans, the contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended were:

	PSPRS – Police	PSPRS – Fire
Pension:		
Contributions made	\$ 598,735	\$ 229,498
Health insurance premium benefit:		
Annual OPEB cost	26,981	11,042
Contributions made	26,981	11,042

**Pension Liability.** At June 30, 2015, the City reported \$5.6 million in net pension liability for police and \$1.0 million net pension liability for fire. The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2014, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption

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

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0 - 8.0%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table, adjusted by 105% for both males and females

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2011.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 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
Short-term investments	2%	3.25%
Absolute return	4	6.75
Risk parity	4	6.04
Fixed income	7	4.75
Real assets	8	5.96
GTAA	10	5.73
Private equity	11	9.50
Real estate	11	6.50
Credit opportunities	13	8.00
Non-U.S. equity	14	8.63
U.S. equity	16	7.60
Total	<u>100%</u>	

**Pension Discount Rates.** The discount rate of 7.85 was used to measure the total pension liability.

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the PSPRS pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Changes in the Agent Plans Net Pension Liability**

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>PSPRS – Police</b>			
Balances at June 30, 2014	\$ 10,769,681	\$ 6,033,759	\$ 4,735,922
Changes for the year:			
Service cost	522,850		522,850
Interest on the total pension liability	849,641		849,641
Changes of benefit terms	190,732		190,732
Differences between expected and actual experience in the measurement of the pension liability	(284,861)		(284,861)
Changes of assumptions or other inputs	1,185,003		1,185,003
Contributions – employer		531,345	(531,345)
Contributions – employee		326,197	(326,197)
Net investment income		845,982	(845,982)
Benefit payments, including refunds of employee contributions	(415,304)	(415,304)	
Administrative expense		(6,813)	6,813
Other changes		(141,456)	141,456
Net changes	<u>2,048,061</u>	<u>1,139,951</u>	<u>908,110</u>
Balances at June 30, 2015	<u>\$ 12,817,742</u>	<u>\$ 7,173,710</u>	<u>\$ 5,644,032</u>

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Changes in the Agent Plans Net Pension Liability**

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>PSPRS – Fire</b>			
Balances at June 30, 2014	\$ 3,977,921	\$ 3,322,467	\$ 655,454
Changes for the year:			
Service cost	318,083		318,083
Interest on the total pension liability	317,292		317,292
Changes of benefit terms	16,409		16,409
Differences between expected and actual experience in the measurement of the pension liability	361,588		361,588
Changes of assumptions or other inputs	228,856		228,856
Contributions – employer		258,272	(258,272)
Contributions – employee		182,336	(182,336)
Net investment income		468,516	(468,516)
Benefit payments, including refunds of employee contributions	(190,050)	(190,050)	
Administrative expense		(3,773)	3,773
Other changes		(16,919)	16,919
Net changes	1,052,178	698,382	353,796
Balances at June 30, 2015	\$ 5,030,099	\$ 4,020,849	\$ 1,009,250

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the City’s net pension liability calculated using the discount rates noted above, as well as what 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
<b>PSPRS – Police:</b>			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 7,492,655	\$ 5,644,032	\$ 4,123,121
<b>PSPRS – Fire:</b>			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 1,822,953	\$ 1,009,250	\$ 348,273

**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](http://www.psprs.com).

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension Expense.** For the year ended June 30, 2015, the City the following pension expense:

	Pension Expense
PSPRS – Police	\$ 961,228
PSPRS – Fire	226,176

**Pension Deferred Outflows/Inflows of Resources.** At June 30, 2015, 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
<b>PSPRS – Police</b>		
Differences between expected and actual experience	\$	\$ 238,910
Changes of assumptions or other inputs	993,849	
Net difference between projected and actual earnings on pension plan investments		276,712
Contributions subsequent to the measurement date	598,735	
Total	\$ 1,592,584	\$ 515,622

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS – Fire</b>		
Differences between expected and actual experience	\$ 330,169	\$
Changes of assumptions or other inputs	208,970	
Net difference between projected and actual earnings on pension plan investments		153,247
Contributions subsequent to the measurement date	229,498	
Total	\$ 768,637	\$ 153,247

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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:	PSPRS – Police	PSPRS – Fire
2016	\$ 76,025	\$ 12,993
2017	76,025	12,993
2018	76,025	12,993
2019	76,025	12,993
2020	145,203	51,305
Thereafter	28,924	282,615

**Agent Plan OPEB Trend Information.** The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
<b>PSPRS – Police:</b>			
June 30, 2015	\$ 26,499	100%	\$- 0 -
June 30, 2014	22,385	100%	- 0 -
June 30, 2013	25,101	100%	- 0 -
<b>PSPRS – Fire:</b>			
June 30, 2015	\$ 10,628	100%	\$- 0 -
June 30, 2014	8,682	100%	- 0 -
June 30, 2013	10,399	100%	- 0 -

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

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

Projections of benefits are based on (1) the plan as understood by the City and plan’s members and include the types of benefits inforce at the valuation date, and (2) the pattern of sharing benefit costs between the City and plan’s members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements, are as follows:

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases includes inflation at	4.5%-8.5% 4.5%

The funded status of the PSPRS health insurance premium benefit plan in the June 30, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases includes inflation at	4%-8% 4%

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Agent Plan OPEB Funded Status.** The following table presents the funded status of the health insurance premium benefit plan as of the most recent valuation date, June 30, 2014.

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Actuarial value of assets	\$ 249,081	\$ 102,992
Actuarial accrued liability	283,104	92,837
Unfunded actuarial accrued liability (funding excess)	34,023	(10,155)
Funded ratio	87.98%	110.94%
Annual covered payroll	2,738,838	1,735,841
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	1.24%	0.59%

**NOTE 15 – SUBSEQUENT EVENTS**

The City issued \$2.0 million in previously authorized privately placed GO Bonds on August 6, 2015 and an additional \$10.5 million in Excise Tax Bonds on September 23, 2015. The purpose of these bonds is to accelerate the completion of El Mirage Road and to provide funding for the construction of City Hall.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF EL MIRAGE, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 1,625,000	\$ 1,625,000	\$ 1,608,025	\$ (16,975)
City sales taxes	6,030,000	6,030,000	6,685,666	655,666
Franchise taxes	700,000	700,000	692,154	(7,846)
Licenses and permits	265,000	265,000	344,937	79,937
Intergovernmental	7,600,000	7,750,000	8,072,626	322,626
Charges for services	145,000	145,000	441,040	296,040
Fines and forfeits	10,000	10,000	22,174	12,174
Investment income	20,000	20,000	31,030	11,030
Rents	60,000	60,000	67,487	7,487
Contributions and donations			32,736	32,736
Other income	75,000	75,000	106,368	31,368
<b>Total revenues</b>	<b>16,530,000</b>	<b>16,680,000</b>	<b>18,104,243</b>	<b>1,424,243</b>
<b>Expenditures:</b>				
Current -				
General government	4,243,960	4,203,000	3,608,843	594,157
Public safety	11,796,000	11,446,000	10,265,851	1,180,149
Culture and recreation	1,496,655	1,474,500	1,229,843	244,657
Capital outlay	418,500	301,500	354,410	(52,910)
Contingency		200,000		200,000
Debt service -				
Principal retirement			2,829	(2,829)
Interest and fiscal charges			1,128	(1,128)
<b>Total expenditures</b>	<b>17,955,115</b>	<b>17,625,000</b>	<b>15,462,904</b>	<b>2,162,096</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,425,115)</b>	<b>(945,000)</b>	<b>2,641,339</b>	<b>3,586,339</b>
<b>Other financing sources (uses):</b>				
Transfers in		3,165,000	3,165,000	
Transfers out		(702,000)	(704,962)	(2,962)
<b>Total other financing sources (uses):</b>		<b>2,463,000</b>	<b>2,460,038</b>	<b>(2,962)</b>
<b>Changes in fund balances</b>	<b>(1,425,115)</b>	<b>1,518,000</b>	<b>5,101,377</b>	<b>3,583,377</b>
<b>Fund balances, beginning of year</b>			14,186,313	14,186,313
<b>Fund balances (deficits), end of year</b>	<b>\$ (1,425,115)</b>	<b>\$ 1,518,000</b>	<b>\$ 19,287,690</b>	<b>\$ 17,769,690</b>

See accompanying notes to this schedule.

**CITY OF EL MIRAGE, ARIZONA  
 SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 ARIZONA STATE RETIREMENT SYSTEM  
 YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
<b>City's proportion of the net pension liability (asset)</b>	0.06%
<b>City's proportionate share of the net pension liability (asset)</b>	\$ 9,163,794
<b>City's covered-employee payroll</b>	\$ 5,717,655
<b>City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</b>	160.27%
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	69.49%

**CITY OF EL MIRAGE, ARIZONA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE**  
**YEAR ENDED JUNE 30, 2015**

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 522,850
Interest	849,641
Changes of benefit terms	190,732
Differences between expected and actual experience	(284,861)
Changes of assumptions	1,185,003
Benefit payments, including refunds	(415,304)
<b>Net change in total pension liability</b>	<b>2,048,061</b>
<b>Total pension liability—beginning</b>	<b>10,769,681</b>
<b>Total pension liability—ending</b>	<b>\$ 12,817,742</b>
 <b>Plan fiduciary net position</b>	
Contributions—employer	\$ 531,345
Contributions—employee	326,197
Net investment income	845,982
Benefit payments, including refunds	(415,304)
Administrative expense	(6,813)
Other	(141,456)
<b>Net change in plan fiduciary net position</b>	<b>1,139,951</b>
<b>Plan fiduciary net position—beginning</b>	<b>6,033,759</b>
<b>Plan fiduciary net position—ending</b>	<b>\$ 7,173,710</b>
 <b>Net pension liability—ending</b>	<b>\$ 5,644,032</b>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>55.97%</b>
 <b>Covered-employee payroll</b>	<b>\$ 2,949,272</b>
 <b>Net pension liability as a percentage of covered-employee payroll</b>	<b>191.37%</b>

**CITY OF EL MIRAGE, ARIZONA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE**  
**YEAR ENDED JUNE 30, 2015**

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 318,083
Interest	317,292
Changes of benefit terms	16,409
Differences between expected and actual experience	361,588
Changes of assumptions	228,856
Benefit payments, including refunds	(190,050)
<b>Net change in total pension liability</b>	<b>1,052,178</b>
<b>Total pension liability—beginning</b>	<b>3,977,921</b>
<b>Total pension liability—ending</b>	<b>\$ 5,030,099</b>
 <b>Plan fiduciary net position</b>	
Contributions—employer	\$ 258,272
Contributions—employee	182,336
Net investment income	468,516
Benefit payments, including refunds	(190,050)
Administrative expense	(3,773)
Other	(16,919)
<b>Net change in plan fiduciary net position</b>	<b>698,382</b>
<b>Plan fiduciary net position—beginning</b>	<b>3,322,467</b>
<b>Plan fiduciary net position—ending</b>	<b>\$ 4,020,849</b>
 <b>Net pension liability—ending</b>	<b>\$ 1,009,250</b>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>79.94%</b>
 <b>Covered-employee payroll</b>	<b>\$ 1,844,913</b>
 <b>Net pension liability as a percentage of covered-employee payroll</b>	<b>54.70%</b>

**CITY OF EL MIRAGE, ARIZONA  
SCHEDULE OF CONTRIBUTIONS  
ALL PENSION PLANS  
YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
<b>Arizona State Retirement System:</b>	
Actuarially determined contribution	\$ 618,244
Contributions in relation to the actuarially determined contribution	<u>618,244</u>
Contribution deficiency (excess)	<u>\$</u>
City's covered-employee payroll	\$ 5,485,708
Contributions as a percentage of covered-employee payroll	11.27%
<b>Public Safety Personnel Retirement System - Police:</b>	
Actuarially determined contribution	\$ 598,735
Contributions in relation to the actuarially determined contribution	<u>598,735</u>
Contribution deficiency (excess)	<u>\$</u>
City's covered-employee payroll	\$ 2,949,272
Contributions as a percentage of covered-employee payroll	20.30%
<b>Public Safety Personnel Retirement System - Fire:</b>	
Actuarially determined contribution	\$ 229,498
Contributions in relation to the actuarially determined contribution	<u>229,498</u>
Contribution deficiency (excess)	<u>\$</u>
City's covered-employee payroll	\$ 1,844,913
Contributions as a percentage of covered-employee payroll	12.44%

**CITY OF EL MIRAGE, ARIZONA  
SCHEDULE OF FUNDING PROGRESS  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
OTHER POSTEMPLOYMENT BENEFITS  
LAST THREE ACTUARIAL VALUATIONS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Valuation of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a percentage of Covered Payroll</b>
<b>PSPRS - Police:</b>						
2014	249,081	283,104	(34,023)	87.98	2,738,838	(1.24)
2013	-0-	256,469	(256,469)	0.00	2,726,506	(9.41)
2012	-0-	226,898	(226,898)	0.00	2,603,058	(8.72)
<b>PSPRS - Fire:</b>						
2014	102,992	92,837	10,155	110.94	1,735,841	0.58
2013	-0-	80,685	(80,685)	0.00	1,622,055	(4.97)
2012	-0-	66,229	(66,229)	0.00	1,574,920	(4.21)

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

The following schedule reconciles expenditures and fund balances at the end of year:

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 16,082,049	\$ 19,496,697
Activity budgeted as special revenue funds	(619,145)	(209,007)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 15,462,904	\$ 19,287,690

**NOTE 2 – 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, 2013, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. 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, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2014, valuation for PSPRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2011. The total pension liability used to calculate the net pension liability for PSPRS was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2014, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption from 4.5% to 4.0%.

**COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS  
AND SCHEDULES**

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**GOVERNMENTAL FUNDS**

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2015**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,767,760	\$ 511,968	\$ 4,279,728
Property taxes receivable		66,355	66,355
Due from governmental entities	402,961		402,961
Prepaid items	400		400
<b>Total assets</b>	<b><u><u>\$ 4,171,121</u></u></b>	<b><u><u>\$ 578,323</u></u></b>	<b><u><u>\$ 4,749,444</u></u></b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 401,598	\$	\$ 401,598
Construction contracts payable	10,306		10,306
Accrued payroll and employee benefits	8,173		8,173
Due to other funds	43,517		43,517
Customer deposits	7,019		7,019
<b>Total liabilities</b>	<b><u><u>470,613</u></u></b>		<b><u><u>470,613</u></u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		<u>36,096</u>	<u>36,096</u>
Fund balances:			
Nonspendable	400		400
Restricted	549,848	542,227	1,092,075
Committed	3,150,260		3,150,260
<b>Total fund balances</b>	<b><u><u>3,700,508</u></u></b>	<b><u><u>542,227</u></u></b>	<b><u><u>4,242,735</u></u></b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b><u><u>\$ 4,171,121</u></u></b>	 <b><u><u>\$ 578,323</u></u></b>	 <b><u><u>\$ 4,749,444</u></u></b>

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**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2015**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Revenues:</b>			
Property taxes	\$	\$ 1,908,584	\$
Intergovernmental	2,705,613		
Fines and forfeits	2,164,975		
Investment income	511	362	960
Contributions and donations	15,112		
Other income		1,154	
<b>Total revenues</b>	<u>4,886,211</u>	<u>1,910,100</u>	<u>960</u>
<b>Expenditures:</b>			
Current -			
General government	1,057,116		
Public safety	448,091		
Highways and streets	2,057,440		
Culture and recreation			85,629
Capital outlay	795,219		89,621
Debt service -			
Principal retirement		1,005,000	
Interest and fiscal charges		1,106,733	
<b>Total expenditures</b>	<u>4,357,866</u>	<u>2,111,733</u>	<u>175,250</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>528,345</u>	<u>(201,633)</u>	<u>(174,290)</u>
<b>Other financing sources (uses):</b>			
Transfers in	210,962	100,000	250,000
Transfers out	(1,725,000)		(167,592)
<b>Total other financing sources (uses):</b>	<u>(1,514,038)</u>	<u>100,000</u>	<u>82,408</u>
<b>Changes in fund balances</b>	<u>(985,693)</u>	<u>(101,633)</u>	<u>(91,882)</u>
<b>Fund balances, beginning of year</b>	4,686,201	643,860	91,882
<b>Fund balances, end of year</b>	<u>\$ 3,700,508</u>	<u>\$ 542,227</u>	<u>\$</u>

Total Non-  
Major  
Governmental  
Funds

---

\$ 1,908,584  
2,705,613  
2,164,975  
1,833  
15,112  
1,154  

---

6,797,271

1,057,116  
448,091  
2,057,440  
85,629  
884,840

1,005,000  
1,106,733  

---

6,644,849

---

152,422

560,962  
(1,892,592)  
(1,331,630)

---

(1,179,208)

5,421,943

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\$ 4,242,735  

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## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds account for the proceeds of specific revenue sources, other than major capital projects, that are restricted to expenditures for specified purposes.

**Municipal Court** – accounts for the operations of the City’s municipal court.

**Municipal Court Enhance** – accounts for the technology and functional improvements of court operations.

**Court Photo Enforcement** – accounts for the operations of the City’s photo enforcement.

**Streets (HURF)** – accounts for state shared highway use tax revenues for street improvements, maintenance, and capital additions.

**Dial-A-Ride (LTAF)** – accounts for state funding for taxi voucher service and street construction.

**Police Towing** – accounts for charges for services to be used to enhance police department operations.

**Community Development Block Grant** – accounts for the CDBG grant activities.

**Special Projects** – accounts for the funding for various City special projects.

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**

	<u>Municipal Court Enhance Fund</u>	<u>Court Photo Enforcement</u>	<u>Streets (HURF)</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,182,019	\$ 2,140,931	\$ 33,721
Due from governmental entities			183,976
Prepaid items			400
<b>Total assets</b>	<u>\$ 1,182,019</u>	<u>\$ 2,140,931</u>	<u>\$ 218,097</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 46,761	\$ 118,910	\$ 87,161
Construction contracts payable			
Accrued payroll and employee benefits			8,173
Due to other funds			
Customer deposits	7,019		
<b>Total liabilities</b>	<u>53,780</u>	<u>118,910</u>	<u>95,334</u>
Fund balances:			
Nonspendable			400
Restricted			122,363
Committed	1,128,239	2,022,021	
<b>Total fund balances</b>	<u>1,128,239</u>	<u>2,022,021</u>	<u>122,763</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ 1,182,019</u>	 <u>\$ 2,140,931</u>	 <u>\$ 218,097</u>

<u>Dial-A-Ride (LTAF)</u>	<u>Police Towing</u>	<u>Community Development Block Grant</u>	<u>Special Projects</u>	<u>Totals</u>
\$ 193,519	\$ 128,790	\$ 206,125	\$ 88,780 12,860	\$ 3,767,760 402,961 400
<u>\$ 193,519</u>	<u>\$ 128,790</u>	<u>\$ 206,125</u>	<u>\$ 101,640</u>	<u>\$ 4,171,121</u>
\$	\$	\$ 148,668 10,306 43,517	\$ 98	\$ 401,598 10,306 8,173 43,517 7,019
		<u>202,491</u>	<u>98</u>	<u>470,613</u>
193,519	128,790	3,634	101,542	400 549,848
<u>193,519</u>	<u>128,790</u>	<u>3,634</u>	<u>101,542</u>	<u>3,150,260</u> <u>3,700,508</u>
<u>\$ 193,519</u>	<u>\$ 128,790</u>	<u>\$ 206,125</u>	<u>\$ 101,640</u>	<u>\$ 4,171,121</u>

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	<u>Municipal Court Enhance Fund</u>	<u>Court Photo Enforcement</u>	<u>Streets (HURF)</u>
<b>Revenues:</b>			
Intergovernmental	\$	\$	\$ 1,969,328
Fines and forfeits	383,289	1,703,086	
Investment income	511		
Contributions and donations			
<b>Total revenues</b>	<u>383,800</u>	<u>1,703,086</u>	<u>1,969,328</u>
<b>Expenditures:</b>			
Current -			
General government	186,767	870,349	
Public safety			
Highways and streets			2,057,440
Capital outlay	98,468		133,330
<b>Total expenditures</b>	<u>285,235</u>	<u>870,349</u>	<u>2,190,770</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>98,565</u>	<u>832,737</u>	<u>(221,442)</u>
<b>Other financing sources (uses):</b>			
Transfers in			208,000
Transfers out		(1,470,000)	(175,000)
<b>Total other financing sources (uses):</b>		<u>(1,470,000)</u>	<u>33,000</u>
<b>Changes in fund balances</b>	<u>98,565</u>	<u>(637,263)</u>	<u>(188,442)</u>
<b>Fund balances, beginning of year</b>	1,029,674	2,659,284	311,205
<b>Fund balances, end of year</b>	<u>\$ 1,128,239</u>	<u>\$ 2,022,021</u>	<u>\$ 122,763</u>

<u>Dial-A-Ride (LTAf)</u>	<u>Police Towing</u>	<u>Community Development Block Grant</u>	<u>Special Projects</u>	<u>Totals</u>
\$	\$	\$	\$	\$
	78,600	206,125	530,160	2,705,613
				2,164,975
				511
			15,112	15,112
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	78,600	206,125	545,272	4,886,211
				1,057,116
	23,008		425,083	448,091
				2,057,440
176,406		206,898	180,117	795,219
<u>176,406</u>	<u>23,008</u>	<u>206,898</u>	<u>605,200</u>	<u>4,357,866</u>
<u>(176,406)</u>	<u>55,592</u>	<u>(773)</u>	<u>(59,928)</u>	<u>528,345</u>
			2,962	210,962
		<u>(80,000)</u>		<u>(1,725,000)</u>
		<u>(80,000)</u>	<u>2,962</u>	<u>(1,514,038)</u>
<u>(176,406)</u>	<u>55,592</u>	<u>(80,773)</u>	<u>(56,966)</u>	<u>(985,693)</u>
369,925	73,198	84,407	158,508	4,686,201
<u>\$ 193,519</u>	<u>\$ 128,790</u>	<u>\$ 3,634</u>	<u>\$ 101,542</u>	<u>\$ 3,700,508</u>

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Municipal Court		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$	\$	\$
Fines and forfeits	355,000	338,174	(16,826)
Investment income			
Contributions and donations			
<b>Total revenues</b>	<u>355,000</u>	<u>338,174</u>	<u>(16,826)</u>
<b>Expenditures:</b>			
Current -			
General government	724,000	619,145	104,855
Public safety			
Highways and streets			
Capital outlay			
<b>Total expenditures</b>	<u>724,000</u>	<u>619,145</u>	<u>104,855</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(369,000)</u>	<u>(280,971)</u>	<u>88,029</u>
<b>Other financing sources (uses):</b>			
Transfers in	219,000	219,000	
Transfers out			
<b>Total other financing sources (uses):</b>	<u>219,000</u>	<u>219,000</u>	
<b>Changes in fund balances</b>	<u>(150,000)</u>	<u>(61,971)</u>	<u>88,029</u>
<b>Fund balances, beginning of year</b>		270,978	270,978
<b>Fund balances (deficits), end of year</b>	<u>\$ (150,000)</u>	<u>\$ 209,007</u>	<u>\$ 359,007</u>

Municipal Court Enhance Fund			Court Photo Enforcement		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 395,000	\$ 383,289 511	\$ (11,711) 511	\$ 1,780,000	\$ 1,703,086	\$ (76,914)
<u>395,000</u>	<u>383,800</u>	<u>(11,200)</u>	<u>1,780,000</u>	<u>1,703,086</u>	<u>(76,914)</u>
1,360,000	186,767	1,173,233	2,245,000	870,349	1,374,651
	98,468	(98,468)			
<u>1,360,000</u>	<u>285,235</u>	<u>1,074,765</u>	<u>2,245,000</u>	<u>870,349</u>	<u>1,374,651</u>
<u>(965,000)</u>	<u>98,565</u>	<u>1,063,565</u>	<u>(465,000)</u>	<u>832,737</u>	<u>1,297,737</u>
			(1,470,000)	(1,470,000)	
			(1,470,000)	(1,470,000)	
<u>(965,000)</u>	<u>98,565</u>	<u>1,063,565</u>	<u>(1,935,000)</u>	<u>(637,263)</u>	<u>1,297,737</u>
	1,029,674	1,029,674		2,659,284	2,659,284
<u>\$ (965,000)</u>	<u>\$ 1,128,239</u>	<u>\$ 2,093,239</u>	<u>\$ (1,935,000)</u>	<u>\$ 2,022,021</u>	<u>\$ 3,957,021</u>

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Streets (HURF)		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,800,000	\$ 1,969,328	\$ 169,328
Fines and forfeits			
Investment income			
Contributions and donations			
<b>Total revenues</b>	<u>1,800,000</u>	<u>1,969,328</u>	<u>169,328</u>
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Highways and streets	1,250,500	2,057,440	(806,940)
Capital outlay	952,000	133,330	818,670
<b>Total expenditures</b>	<u>2,202,500</u>	<u>2,190,770</u>	<u>11,730</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(402,500)</u>	<u>(221,442)</u>	<u>181,058</u>
<b>Other financing sources (uses):</b>			
Transfers in	208,000	208,000	
Transfers out	(175,000)	(175,000)	
<b>Total other financing sources (uses):</b>	<u>33,000</u>	<u>33,000</u>	
<b>Changes in fund balances</b>	<u>(369,500)</u>	<u>(188,442)</u>	<u>181,058</u>
<b>Fund balances, beginning of year</b>		311,205	311,205
<b>Fund balances (deficits), end of year</b>	<u>\$ (369,500)</u>	<u>\$ 122,763</u>	<u>\$ 492,263</u>

Dial-A-Ride (LTAF)			Police Towing		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
			60,000	78,600	18,600
			60,000	78,600	18,600
			120,000	23,008	96,992
142,000		142,000			
193,000	176,406	16,594			
335,000	176,406	158,594	120,000	23,008	96,992
(335,000)	(176,406)	158,594	(60,000)	55,592	115,592
(335,000)	(176,406)	158,594	(60,000)	55,592	115,592
	369,925	369,925		73,198	73,198
\$ (335,000)	\$ 193,519	\$ 528,519	\$ (60,000)	\$ 128,790	\$ 188,790

(Continued)

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Community Development Block Grant		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 291,000	\$ 206,125	\$ (84,875)
Fines and forfeits			
Investment income			
Contributions and donations			
<b>Total revenues</b>	291,000	206,125	(84,875)
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Highways and streets			
Capital outlay	211,000	206,898	4,102
<b>Total expenditures</b>	211,000	206,898	4,102
<b>Excess (deficiency) of revenues over expenditures</b>	80,000	(773)	(80,773)
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(80,000)	(80,000)	
<b>Total other financing sources (uses):</b>	(80,000)	(80,000)	
<b>Changes in fund balances</b>		(80,773)	(80,773)
<b>Fund balances, beginning of year</b>		84,407	84,407
<b>Fund balances (deficits), end of year</b>	\$	\$ 3,634	\$ 3,634

Special Projects			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 10,246,000	\$ 530,160	\$ (9,715,840)	\$ 12,337,000	\$ 2,705,613	\$ (9,631,387)
			2,590,000	2,503,149	(86,851)
				511	511
50,000	15,112	(34,888)	50,000	15,112	(34,888)
<u>10,296,000</u>	<u>545,272</u>	<u>(9,750,728)</u>	<u>14,977,000</u>	<u>5,224,385</u>	<u>(9,752,615)</u>
			4,329,000	1,676,261	2,652,739
10,202,500	425,083	9,777,417	10,322,500	448,091	9,874,409
			1,392,500	2,057,440	(664,940)
20,000	180,117	(160,117)	1,376,000	795,219	580,781
<u>10,222,500</u>	<u>605,200</u>	<u>9,617,300</u>	<u>17,420,000</u>	<u>4,977,011</u>	<u>12,442,989</u>
73,500	(59,928)	(133,428)	(2,443,000)	247,374	2,690,374
	2,962	2,962	427,000	429,962	2,962
			(1,725,000)	(1,725,000)	
	<u>2,962</u>	<u>2,962</u>	<u>(1,298,000)</u>	<u>(1,295,038)</u>	<u>2,962</u>
73,500	(56,966)	(130,466)	(3,741,000)	(1,047,664)	2,693,336
	158,508	158,508		4,957,179	4,957,179
<u>\$ 73,500</u>	<u>\$ 101,542</u>	<u>\$ 28,042</u>	<u>\$ (3,741,000)</u>	<u>\$ 3,909,515</u>	<u>\$ 7,650,515</u>

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## **DEBT SERVICE FUND**

**Debt Service (GADA)** – accounts for the accumulation of resources and the payment of long-term debt principal, interest, and related costs.

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Debt Service - GADA		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Property taxes	\$ 1,960,000	\$ 1,908,584	\$ (51,416)
Investment income		362	362
Other income		1,154	1,154
<b>Total revenues</b>	<u>1,960,000</u>	<u>1,910,100</u>	<u>(49,900)</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	1,005,000	1,005,000	
Interest and fiscal charges	1,118,500	1,106,733	11,767
<b>Total expenditures</b>	<u>2,123,500</u>	<u>2,111,733</u>	<u>11,767</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(163,500)</u>	<u>(201,633)</u>	<u>(38,133)</u>
<b>Other financing sources (uses):</b>			
Transfers in	100,000	100,000	
<b>Total other financing sources (uses):</b>	<u>100,000</u>	<u>100,000</u>	
<b>Changes in fund balances</b>	<u>(63,500)</u>	<u>(101,633)</u>	<u>(38,133)</u>
<b>Fund balances, beginning of year</b>		643,860	643,860
<b>Fund balances (deficits), end of year</b>	<u>\$ (63,500)</u>	<u>\$ 542,227</u>	<u>\$ 605,727</u>

## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are created to account for the purchase or construction of major capital facilities which are not financed by the general, enterprise, or special revenue funds.

**Streets** – accounts for the construction and acquisition of streets and street department facilities.

**Park Improvements** – accounts for the construction and acquisition of Gateway Park.

**Municipal Facilities and Equipment Impact Fees** – accounts for the construction and acquisition of capital facilities, infrastructure, and equipment for municipal operations.

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Park Improvements	Municipal Facilities and Equipment Impact Fees	Totals
<b>Revenues:</b>			
Investment income	\$ 960	\$	\$ 960
<b>Total revenues</b>	960		960
<b>Expenditures:</b>			
Current -			
Culture and recreation	85,629		85,629
Capital outlay	24,607	65,014	89,621
<b>Total expenditures</b>	110,236	65,014	175,250
<b>Excess (deficiency) of revenues over expenditures</b>	(109,276)	(65,014)	(174,290)
<b>Other financing sources (uses):</b>			
Transfers in	250,000		250,000
Transfers out	(167,592)		(167,592)
<b>Total other financing sources (uses):</b>	82,408		82,408
<b>Changes in fund balances</b>	(26,868)	(65,014)	(91,882)
<b>Fund balances, beginning of year</b>	26,868	65,014	91,882
<b>Fund balances, end of year</b>	\$	\$	\$

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**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Streets		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 21,947,000	\$ 2,114,947	\$ (19,832,053)
Investment income		17,864	17,864
<b>Total revenues</b>	<u>21,947,000</u>	<u>2,132,811</u>	<u>(19,814,189)</u>
<b>Expenditures:</b>			
Current -			
Culture and recreation			
Capital outlay	30,945,500	3,778,781	27,166,719
<b>Total expenditures</b>	<u>30,945,500</u>	<u>3,778,781</u>	<u>27,166,719</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(8,998,500)</u>	<u>(1,645,970)</u>	<u>7,352,530</u>
<b>Other financing sources (uses):</b>			
Transfers in	735,000	902,592	167,592
Transfers out		(250,000)	(250,000)
Issuance of bonds	3,045,500		(3,045,500)
<b>Total other financing sources (uses):</b>	<u>3,780,500</u>	<u>652,592</u>	<u>(3,127,908)</u>
<b>Changes in fund balances</b>	<u>(5,218,000)</u>	<u>(993,378)</u>	<u>4,224,622</u>
<b>Fund balances, beginning of year</b>		8,020,093	8,020,093
<b>Fund balances (deficits), end of year</b>	<u>\$ (5,218,000)</u>	<u>\$ 7,026,715</u>	<u>\$ 12,244,715</u>

Park Improvements			Municipal Facilities and Equipment Impact Fees		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	960	960			
	960	960			
	85,629	(85,629)			
353,500	24,607	328,893	65,500	65,014	486
353,500	110,236	243,264	65,500	65,014	486
(353,500)	(109,276)	244,224	(65,500)	(65,014)	486
	250,000	250,000			
	(167,592)	(167,592)			
	82,408	82,408			
(353,500)	(26,868)	326,632	(65,500)	(65,014)	486
	26,868	26,868		65,014	65,014
\$ (353,500)	\$	\$ 353,500	\$ (65,500)	\$	\$ 65,500

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Totals		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 21,947,000	\$ 2,114,947	\$ (19,832,053)
Investment income		18,824	18,824
<b>Total revenues</b>	21,947,000	2,133,771	(19,813,229)
<b>Expenditures:</b>			
Current -			
Culture and recreation		85,629	(85,629)
Capital outlay	31,364,500	3,868,402	27,496,098
<b>Total expenditures</b>	31,364,500	3,954,031	27,410,469
<b>Excess (deficiency) of revenues over expenditures</b>	(9,417,500)	(1,820,260)	7,597,240
<b>Other financing sources (uses):</b>			
Transfers in	735,000	1,152,592	417,592
Transfers out		(417,592)	(417,592)
Issuance of bonds	3,045,500		(3,045,500)
<b>Total other financing sources (uses):</b>	3,780,500	735,000	(3,045,500)
<b>Changes in fund balances</b>	(5,637,000)	(1,085,260)	4,551,740
<b>Fund balances, beginning of year</b>		8,111,975	8,111,975
<b>Fund balances (deficits), end of year</b>	\$ (5,637,000)	\$ 7,026,715	\$ 12,663,715

## 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 property 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 municipalities.

### **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.

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Net Position:</b>					
<b>Governmental activities</b>					
Net investment in capital assets	\$ 30,947,824	\$ 31,357,672	\$ 28,939,841	\$ 30,394,556	\$ 31,113,879
Restricted	8,155,286	9,768,498	15,870,123	3,787,197	1,640,241
Unrestricted	8,709,862	12,788,899	7,656,179	13,128,085	11,952,271
Total governmental activities net position	<u>\$ 47,812,972</u>	<u>\$ 53,915,069</u>	<u>\$ 52,466,143</u>	<u>\$ 47,309,838</u>	<u>\$ 44,706,391</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 24,691,276	\$ 25,975,719	\$ 29,473,825	\$ 31,646,838	\$ 29,826,764
Restricted					
Unrestricted	15,330,216	11,634,797	5,487,935	1,010,211	2,808,527
Total business-type activities net position	<u>\$ 40,021,492</u>	<u>\$ 37,610,516</u>	<u>\$ 34,961,760</u>	<u>\$ 32,657,049</u>	<u>\$ 32,635,291</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 55,639,100	\$ 57,333,391	\$ 58,413,666	\$ 62,041,394	\$ 60,940,643
Restricted	8,155,286	9,768,498	15,870,123	3,787,197	1,640,241
Unrestricted	24,040,078	24,423,696	13,144,114	14,138,296	14,760,798
Total primary government net position	<u>\$ 87,834,464</u>	<u>\$ 91,525,585</u>	<u>\$ 87,427,903</u>	<u>\$ 79,966,887</u>	<u>\$ 77,341,682</u>
<b>Net Position:</b>					
<b>Governmental activities</b>					
Net investment in capital assets	\$ 32,963,664	\$ 30,325,304	\$ 16,414,625	\$ 11,712,399	\$ 4,317,496
Restricted					4,229,819
Unrestricted	9,846,990	11,269,370	18,202,006	15,001,274	8,430,525
Total governmental activities net position	<u>\$ 42,810,654</u>	<u>\$ 41,594,674</u>	<u>\$ 34,616,631</u>	<u>\$ 26,713,673</u>	<u>\$ 16,977,840</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 27,967,960	\$ 28,096,706	\$ 27,467,007	\$ 24,736,784	\$ 27,322,369
Restricted	1,372,070	1,372,070			
Unrestricted	3,613,194	3,745,828	5,679,870	7,317,330	1,481,640
Total business-type activities net position	<u>\$ 32,953,224</u>	<u>\$ 33,214,604</u>	<u>\$ 33,146,877</u>	<u>\$ 32,054,114</u>	<u>\$ 28,804,009</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 60,931,624	\$ 58,422,010	\$ 43,881,632	\$ 36,449,183	\$ 31,639,865
Restricted	1,372,070	1,372,070			4,229,819
Unrestricted	13,460,184	15,015,198	23,881,876	22,318,604	9,912,165
Total primary government net position	<u>\$ 75,763,878</u>	<u>\$ 74,809,278</u>	<u>\$ 67,763,508</u>	<u>\$ 58,767,787</u>	<u>\$ 45,781,849</u>

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

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

	Fiscal Year Ended June 30				
	2015	2014	2013	2012	2011
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,563,291	\$ 6,066,519	\$ 5,740,420	\$ 5,217,013	\$ 5,559,107
Public safety	11,638,718	11,083,112	10,474,809	10,207,265	9,899,205
Highways and streets	2,998,087	3,391,878	2,224,551	2,386,465	3,692,419
Culture and recreation	1,739,595	1,594,482	1,463,716	1,243,125	1,563,881
Redevelopment and housing				105,336	557,830
Health and welfare	395,627	395,851	396,127	469,933	497,956
Interest on long-term debt	1,080,786	1,111,716	1,118,359	623,167	646,132
Total governmental activities expenses	23,416,104	23,643,558	21,417,982	20,252,304	22,416,530
Business-type activities:					
Water and sewer	\$	\$	\$	\$ 9,370,528	\$ 8,132,429
Water	5,687,906	9,234,221	5,369,790		
Sewer	2,250,655	2,242,448	2,305,425		
Solid waste	1,054,154	1,036,762	945,224	1,482,640	865,111
Total business-type activities expenses	8,992,715	12,513,431	8,620,439	10,853,168	8,997,540
<b>Total primary government expenses</b>	<b>\$ 32,408,819</b>	<b>\$ 36,156,989</b>	<b>\$ 30,038,421</b>	<b>\$ 31,105,472</b>	<b>\$ 31,414,070</b>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,505,436	\$ 5,699,131	\$ 5,054,911	\$ 5,031,078	\$ 2,740,575
Public safety	10,748,374	11,167,552	9,355,876	6,360,485	6,015,430
Highways and streets	2,035,720	2,205,517	1,804,617	1,436,644	1,097,115
Culture and recreation	1,645,357	1,479,963	1,232,624	880,332	489,768
Redevelopment and housing	487,603	171,758	621,504	292,338	319,126
Health and welfare	587,306	471,004	498,598	402,143	417,346
Interest on long-term debt	722,153	237,188	262,285	205,057	251,268
Total governmental activities expenses	<u>22,731,949</u>	<u>21,432,113</u>	<u>18,830,415</u>	<u>14,608,077</u>	<u>11,330,628</u>
Business-type activities:					
Water and sewer	\$ 7,754,833	\$ 7,688,567	\$ 7,293,423	\$ 6,731,838	\$ 7,622,235
Water					
Sewer					
Solid waste	926,067	858,629	896,410	899,035	839,409
Total business-type activities expenses	<u>8,680,900</u>	<u>8,547,196</u>	<u>8,189,833</u>	<u>7,630,873</u>	<u>8,461,644</u>
<b>Total primary government expenses</b>	<u>\$ 31,412,849</u>	<u>\$ 29,979,309</u>	<u>\$ 27,020,248</u>	<u>\$ 22,238,950</u>	<u>\$ 19,792,272</u>

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

**Notes:** (1) In fiscal year 2013 the City separated the Water and Sewer funds from a combined reporting fund into individual reporting funds.

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 2,574,115	\$ 3,050,487	\$ 3,670,957	\$ 2,661,625	\$ 395,327
Public safety	884,433	759,473	634,969	435,437	1,005,833
Highways and streets		2,500	10,299	46,409	36,145
Culture and recreation	75,609	72,953	74,194	52,055	32,456
Revelopment and housing				96,066	128,438
Health and welfare				32,000	
Interest on long-term debt					
Operating grants and contributions	2,440,443	2,355,917	1,722,354	1,757,715	3,753,356
Capital grants and contributions	2,482,244	1,787,244	1,328,998	642,943	2,031,513
<b>Total governmental activities program revenues</b>	<u>8,456,844</u>	<u>8,028,574</u>	<u>7,441,771</u>	<u>5,724,250</u>	<u>7,383,068</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 9,424,373	\$ 8,777,834	\$ 8,003,552	\$ 9,768,612	\$ 8,707,594
Water	3,198,445	3,127,298	3,203,962		
Sewer	1,582,522	1,558,263	1,409,148	1,267,723	1,122,709
Solid Waste		521,870			
Capital grants and contributions					
<b>Total business-type activities program revenues</b>	<u>14,205,340</u>	<u>13,985,265</u>	<u>12,616,662</u>	<u>11,036,335</u>	<u>9,830,303</u>
<b>Total primary government revenues</b>	<u>\$ 22,662,184</u>	<u>\$ 22,013,839</u>	<u>\$ 20,058,433</u>	<u>\$ 16,760,585</u>	<u>\$ 17,213,371</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (14,959,260)	\$ (15,614,984)	\$ (13,976,211)	\$ (14,528,054)	\$ (15,033,462)
Business-type activities	5,212,625	1,471,834	3,996,223	183,167	832,763
<b>Total primary government net (expense)/revenues</b>	<u>\$ (9,746,635)</u>	<u>\$ (14,143,150)</u>	<u>\$ (9,979,988)</u>	<u>\$ (14,344,887)</u>	<u>\$ (14,200,699)</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 476,296	\$ 415,062	\$ 886,555	\$ 940,728	\$ 1,551,904
Public safety	955,739	531,233	98,318	106,417	95,209
Highways and streets	4,666	2,127	2,263	3,704	
Culture and recreation	21,620	9,493	9,400	51,623	72,240
Revelopment and housing	58,322	124,647	312,340	294,766	
Health and welfare	1,599	2,885		350	
Interest on long-term debt					
Operating grants and contributions	2,407,165	1,827,229	2,097,098	2,298,062	1,502,690
Capital grants and contributions	1,285,278	7,118,339	3,790,817	3,403,725	247,210
<b>Total governmental activities program revenues</b>	<u>5,210,685</u>	<u>10,031,015</u>	<u>7,196,791</u>	<u>7,099,375</u>	<u>3,469,253</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 9,075,408	\$ 8,828,737	\$ 8,502,311	\$ 8,828,318	\$ 7,447,621
Solid Waste	908,033	911,504	935,224	961,324	980,264
Capital grants and contributions	642,039		417,795	1,237,978	
<b>Total business-type activities program revenues</b>	<u>10,625,480</u>	<u>9,740,241</u>	<u>9,855,330</u>	<u>11,027,620</u>	<u>8,427,885</u>
<b>Total primary government revenues</b>	<u>\$ 15,836,165</u>	<u>\$ 19,771,256</u>	<u>\$ 17,052,121</u>	<u>\$ 18,126,995</u>	<u>\$ 11,897,138</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (17,521,264)	\$ (11,401,098)	\$ (11,633,624)	\$ (7,508,702)	\$ (7,861,375)
Business-type activities	1,944,580	1,193,045	1,665,497	3,396,747	(33,759)
<b>Total primary government net (expense)/revenues</b>	<u>\$ (15,576,684)</u>	<u>\$ (10,208,053)</u>	<u>\$ (9,968,127)</u>	<u>\$ (4,111,955)</u>	<u>\$ (7,895,134)</u>

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>General Revenues:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,505,551	\$ 3,587,541	\$ 3,738,856	\$ 3,068,722	\$ 2,998,935
City sales taxes	6,685,666	6,480,147	6,051,967	5,534,445	5,368,649
Franchise taxes	692,154	688,216	687,341	667,559	654,999
Unrestricted state shared revenues	7,970,499	7,447,112	6,914,460	6,188,822	6,620,951
Investment income	50,727	30,894	41,983	23,535	23,200
Development impact fees					49,677
Miscellaneous					
Transfers	2,000,000	(1,170,000)	1,697,909	1,648,418	1,212,788
<b>Total governmental activities</b>	<b>\$ 20,904,597</b>	<b>\$ 17,063,910</b>	<b>\$ 19,132,516</b>	<b>\$ 17,131,501</b>	<b>\$ 16,929,199</b>
Business-type activities:					
Investment income	\$ 5,764	\$ 6,922	\$ 6,397	\$ 5,546	\$ 5,116
Development impact fees					56,976
Miscellaneous					
Transfers	(2,000,000)	1,170,000	(1,697,909)	(1,648,418)	(1,212,788)
<b>Total business-type activities</b>	<b>\$ (1,994,236)</b>	<b>\$ 1,176,922</b>	<b>\$ (1,691,512)</b>	<b>\$ (1,642,872)</b>	<b>\$ (1,150,696)</b>
<b>Changes in Net Position</b>					
Governmental activities	\$ 5,945,337	\$ 1,448,926	\$ 5,156,305	\$ 2,603,447	\$ 1,895,737
Business-type activities	3,218,389	2,648,756	2,304,711	(1,459,705)	(317,933)
<b>Total primary government</b>	<b>\$ 9,163,726</b>	<b>\$ 4,097,682</b>	<b>\$ 7,461,016</b>	<b>\$ 1,143,742</b>	<b>\$ 1,577,804</b>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General Revenues:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 2,914,705	\$ 2,045,848	\$ 1,879,993	\$ 1,812,217	\$ 1,684,032
City sales taxes	5,366,105	5,908,742	5,931,713	5,819,145	4,945,375
Franchise taxes	622,259	636,826	643,844	617,759	561,454
Unrestricted state shared revenues	7,567,145	8,450,717	8,744,518	8,016,571	2,260,241
Investment income	54,459	14,750	839,564	534,942	399,638
Development impact fees	24,494	114,829	428,434	66,257	47,995
Miscellaneous					65,580
Transfers	2,254,544	1,207,429	1,068,516	377,644	71,164
<b>Total governmental activities</b>	<u>\$ 18,803,711</u>	<u>\$ 18,379,141</u>	<u>\$ 19,536,582</u>	<u>\$ 17,244,535</u>	<u>\$ 10,035,479</u>
Business-type activities:					
Investment income	\$ 11,052	\$ 22,859	\$ 331,023	\$ 215,125	\$ 228,702
Development impact fees	37,532	59,252	155,212	331,939	1,734,800
Miscellaneous			9,547	14,663	
Transfers	(2,254,544)	(1,207,429)	(1,068,516)	(377,644)	(71,164)
<b>Total business-type activities</b>	<u>\$ (2,205,960)</u>	<u>\$ (1,125,318)</u>	<u>\$ (572,734)</u>	<u>\$ 184,083</u>	<u>\$ 1,892,338</u>
<b>Changes in Net Position</b>					
Governmental activities	\$ 1,282,447	\$ 6,978,043	\$ 7,902,958	\$ 9,735,833	\$ 2,174,107
Business-type activities	(261,380)	67,727	1,092,763	3,580,830	1,858,579
<b>Total primary government</b>	<u>\$ 1,021,067</u>	<u>\$ 7,045,770</u>	<u>\$ 8,995,721</u>	<u>\$ 13,316,663</u>	<u>\$ 4,032,686</u>

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
General Fund:					
Nonspendable	\$ 3,731	\$ 2,665	\$ 2,585	\$ 130,827	\$ 12,688
Restricted		158,508			
Committed	322,037	151,041	80,500	59,267	170,634
Assigned	209,007	270,978		163,436	148,381
Unassigned	18,961,922	14,032,607	16,754,043	13,398,103	10,875,367
Reserved					
Unreserved					
Total General Fund	<b>\$ 19,496,697</b>	<b>\$ 14,615,799</b>	<b>\$ 16,837,128</b>	<b>\$ 13,751,633</b>	<b>\$ 11,207,070</b>
All Other Governmental Funds:					
Nonspendable	\$ 400				
Restricted	8,118,790	\$ 9,567,702	\$ 15,824,795	\$ 4,395,075	\$ 5,907,367
Committed	3,150,260	3,688,958	3,346,167	989,644	914,719
Assigned		26,868			75,651
Unassigned				(54,168)	(73,300)
Reserved					
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
Total all other governmental funds	<b>\$ 11,269,450</b>	<b>\$ 13,283,528</b>	<b>\$ 19,170,962</b>	<b>\$ 5,330,551</b>	<b>\$ 6,824,437</b>

**(Continued)**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved					\$ 3,619
Unreserved	\$ 8,368,983	\$ 11,804,555	\$ 16,180,323	\$ 13,980,358	8,670,805
Total General Fund	<u>\$ 8,368,983</u>	<u>\$ 11,804,555</u>	<u>\$ 16,180,323</u>	<u>\$ 13,980,358</u>	<u>\$ 8,674,424</u>
All Other Governmental Funds:					
Reserved					
Unreserved, reported in:					
Special revenue funds	\$ 7,388,557	\$ 5,556,943	\$ 589,948	\$ 770,996	\$ 262,812
Capital projects funds	(30,029)	52,420	1,373,303	2,285,035	1,380,687
Debt service fund	(189,503)	(36,138)	(22,871)	1,701	2,586,320
Total all other governmental funds	<u>\$ 7,169,025</u>	<u>\$ 5,573,225</u>	<u>\$ 1,940,380</u>	<u>\$ 3,057,732</u>	<u>\$ 4,229,819</u>

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

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Revenues:</b>					
Property taxes	\$ 3,516,609	\$ 3,596,707	\$ 3,756,880	\$ 3,104,974	\$ 3,028,998
City sales taxes	6,685,666	6,480,147	6,051,967	5,534,445	5,368,649
Franchise taxes	692,154	688,216	687,341	667,559	654,999
Licenses and permits	344,937	333,821	369,465	193,211	190,237
Intergovernmental	12,893,186	10,862,941	10,012,341	8,503,662	12,323,411
Charges for services	441,040	300,296	224,086	208,970	190,847
Fines and forfeits	2,525,323	3,078,326	3,641,326	2,695,603	1,092,123
Investment income (loss)	50,727	30,894	41,983	23,535	23,199
Rents	67,487	61,854	49,029	34,952	29,486
Development impact fees				38,094	49,677
Contributions and donations	47,848	6,524	4,800	2,100	2,500
Other income	107,522	97,624	141,804	181,597	143,678
<b>Total revenues</b>	<u><u>\$ 27,372,499</u></u>	<u><u>\$ 25,537,350</u></u>	<u><u>\$ 24,981,022</u></u>	<u><u>\$ 21,188,702</u></u>	<u><u>\$ 23,097,804</u></u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Revenues:</b>					
Property taxes	\$ 2,917,548	\$ 1,993,173	\$ 1,755,750	\$ 1,812,217	\$ 1,684,032
City sales taxes	5,366,105	5,908,742	5,931,713	5,819,145	4,945,375
Franchise taxes	622,259	636,826	643,844	617,759	561,454
Licenses and permits	167,934	138,369	205,823	439,521	1,162,150
Intergovernmental	11,927,801	12,271,224	13,666,097	12,234,579	4,000,616
Charges for services	150,519	185,355	350,475	453,168	295,658
Fines and forfeits	976,780	485,999	470,211	286,698	215,058
Investment income (loss)	54,459	14,750	839,564	534,942	399,638
Rents	28,064	26,552	25,105	24,542	46,487
Development impact fees	24,494	114,829	428,434	66,257	47,995
Contributions and donations	7,010	6,901	809,351		9,525
Other income	195,045	251,646	782,757	200,888	65,580
<b>Total revenues</b>	<u>\$ 22,438,018</u>	<u>\$ 22,034,366</u>	<u>\$ 25,909,124</u>	<u>\$ 22,489,716</u>	<u>\$ 13,433,568</u>

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

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

	<b>Fiscal Year Ended June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenditures:</b>					
Current -					
General government	\$ 5,285,104	\$ 5,243,949	\$ 5,461,931	\$ 4,876,034	\$ 5,407,094
Public safety	10,713,942	10,364,107	10,050,592	9,469,637	9,366,020
Highways and streets	2,057,440	2,510,736	1,121,260	1,308,612	1,084,093
Culture and recreation	1,315,472	1,283,670	1,158,665	954,131	1,292,708
Redevelopment and housing				53,003	535,952
Health and welfare				5,370	101,698
Capital outlay	5,018,031	10,979,663	5,600,612	4,201,944	3,363,750
Debt service -					
Principal retirement	1,007,829	971,329	932,252	630,868	609,599
Interest and fiscal charges	1,107,861	1,138,791	1,117,939	615,426	638,391
Bond issuance costs			380,705		
<b>Total expenditures</b>	<u>\$ 26,505,679</u>	<u>\$ 32,492,245</u>	<u>\$ 25,823,956</u>	<u>\$ 22,115,025</u>	<u>\$ 22,399,305</u>
Expenditures for capitalized assets	\$ 5,007,725	\$ 10,969,912	\$ 4,943,382	\$ 3,470,798	\$ 818,462
Debt service as a percentage of noncapital expenditures	10%	10%	12%	7%	6%

**(Continued)**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenditures:</b>					
Current -					
General government	\$ 6,226,614	\$ 5,614,024	\$ 5,736,434	\$ 6,130,812	\$ 2,685,698
Public safety	10,498,529	11,284,832	10,827,987	7,353,015	5,994,913
Highways and streets	1,315,079	9,409,296	6,455,341	3,349,117	1,056,373
Culture and recreation	1,568,919	5,567,939	1,389,734	835,658	443,443
Redevelopment and housing	485,052	607,800	1,745,732	1,242,338	319,126
Health and welfare	189,644	431,889	480,694	391,781	412,656
Capital outlay	5,010,337				
Debt service -					
Principal retirement	517,714	230,000	210,000	175,000	1,980,000
Interest and fiscal charges	714,412	239,423	234,520	205,792	252,003
Bond issuance costs		140,473			
<b>Total expenditures</b>	<u>\$ 26,526,300</u>	<u>\$ 33,525,676</u>	<u>\$ 27,080,442</u>	<u>\$ 19,683,513</u>	<u>\$ 13,144,212</u>
Expenditures for capitalized assets	\$ 4,926,075	\$ 13,269,637	\$ 8,777,111		\$ 385,926
Debt service as a percentage of noncapital expenditures	6%	3%	2%	2%	17%

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

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 866,820	\$ (6,954,895)	\$ (842,934)	\$ (926,323)	\$ 698,499
<b>Other financing sources (uses):</b>					
Issuance of bonds			18,205,000		
Premium on sale of bonds			864,326		
Discount on sale of bonds					
Payment to refunded bond escrow agent			(3,363,986)		
Loan proceeds					
Capital lease agreements		16,132			
Transfers in	4,628,554	8,224,707	2,936,500	2,764,716	2,726,317
Transfers out	(2,628,554)	(9,394,707)	(873,000)	(787,716)	(931,317)
Total other financing sources (uses)	<u>2,000,000</u>	<u>- 1,153,868</u>	<u>17,768,840</u>	<u>1,977,000</u>	<u>1,795,000</u>
<b>Changes in fund balances</b>	<u>\$ 2,866,820</u>	<u>\$ (8,108,763)</u>	<u>\$ 16,925,906</u>	<u>\$ 1,050,677</u>	<u>\$ 2,493,499</u>
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (4,088,282)	\$ (11,491,310)	\$ (1,647,318)	\$ 2,806,203	\$ 289,356
<b>Other financing sources (uses):</b>					
Issuance of bonds		9,600,000			
Discount on sale of bonds		(59,042)			
Loan proceeds			1,145,000		
Capital lease agreements	60,433				
Transfers in	5,990,234	6,843,403	3,669,608	1,878,684	1,798,982
Transfers out	(3,735,690)	(5,635,974)	(2,084,677)	(551,040)	(1,727,818)
Total other financing sources (uses)	<u>2,314,977</u>	<u>10,748,387</u>	<u>2,729,931</u>	<u>1,327,644</u>	<u>71,164</u>
<b>Changes in fund balances</b>	<u>\$ (1,773,305)</u>	<u>\$ (742,923)</u>	<u>\$ 1,082,613</u>	<u>\$ 4,133,847</u>	<u>\$ 360,520</u>

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

**CITY OF EL MIRAGE, ARIZONA  
TAXABLE SALES BY CATEGORY  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Construction	\$ 246,914	\$ 353,889	\$ 210,964	\$ 238,256	\$ 220,055
Retail trade	3,082,885	2,830,200	2,765,499	2,517,612	2,518,800
Communications and utilities	1,375,321	1,308,741	1,305,915	1,234,096	1,214,447
Restaurant and bar	262,924	232,918	248,927	250,297	229,159
Real estate, rental and leasing	1,048,292	1,060,021	942,324	673,735	585,101
Accommodation	180,105	182,758	160,274	175,383	161,364
Services	116,345	132,962	142,586	117,129	99,732
Other	363,134	362,329	277,488	256,347	225,765
Total	<u>\$ 6,675,920</u>	<u>\$ 6,463,818</u>	<u>\$ 6,053,977</u>	<u>\$ 5,462,855</u>	<u>\$ 5,254,423</u>

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Construction	\$ 326,776	\$ 577,636	\$ 611,544	\$ 1,631,054	\$ 1,777,262
Retail trade	2,529,084	2,847,174	2,794,950	1,428,371	1,282,568
Communications and utilities	1,218,109	1,187,770	1,262,128	1,201,177	1,030,071
Restaurant and bar	207,132	207,181	165,313	128,344	115,593
Real estate, rental and leasing	521,487	587,217	527,449	773,134	342,199
Accommodation	167,379	114,177	146,253	126,976	93,069
Services	128,749	131,616	130,634	126,095	128,075
Other	260,092	232,112	291,297	213,133	150,773
Total	<u>\$ 5,358,808</u>	<u>\$ 5,884,883</u>	<u>\$ 5,929,568</u>	<u>\$ 5,628,284</u>	<u>\$ 4,919,610</u>

**Source:** The source of this information is the Arizona Department of Revenue.

**CITY OF EL MIRAGE, ARIZONA  
TRANSACTION PRIVILEGE (SALES) TAX REVENUE PAYERS BY INDUSTRY  
FISCAL YEARS 2015 AND 2006**

<u>Description of Payers Business</u>	<u>Fiscal Year 2015</u>				<u>Fiscal Year 2006</u>			
	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Collections</u>	<u>Percentage of Total</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Collections</u>	<u>Percentage of Total</u>
Construction	973	24%	\$ 247,471	4%	531	27%	1,777,262	36%
Retail trade	842	20%	3,081,233	46%	514	26%	1,282,568	26%
Communications and utilities	121	3%	1,375,480	20%	87	4%	1,030,071	21%
Restaurant and bar	26	1%	262,924	4%	15	1%	115,593	2%
Real estate, rental and leasing	929	22%	1,050,864	16%	248	13%	342,199	7%
Accomodation	3	0%	180,105	3%	2	0%	93,069	2%
Services	386	9%	117,443	2%	163	8%	128,075	3%
Other	880	21%	360,400	5%	380	20%	150,773	3%
<b>Total</b>	<b>4,160</b>	<b>100%</b>	<b>6,675,920</b>	<b>100%</b>	<b>1,940</b>	<b>100%</b>	<b>4,919,610</b>	<b>100%</b>
Tax Collections from top ten taxpayers	10	<1%	3,799,502	57%	10	1%	2,690,202	55%

**Source:** Arizona Department of Revenue

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

Arizona Department of Revenue collections only, does not include local audits.

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

<b>Fiscal Year Ended June 30</b>	<b>Direct Rates</b>			<b>Overlapping Rates</b>	
	<b>Basic Rate</b>	<b>General Obligation Debt Service</b>	<b>City of El Mirage</b>	<b>Peoria Unorganized</b>	<b>Dysart #89 Unified</b>
2015	1.74	1.80	3.54	15.66	22.09
2014	1.86	2.18	4.04	16.24	23.25
2013	1.86	2.03	3.89	15.35	22.44
2012	1.67	1.20	2.87	13.41	18.67
2011	1.35	0.94	2.29	11.00	15.94
2010	0.93	0.64	1.57	9.33	14.23
2009	0.98	0.22	1.20	8.70	14.78
2008	1.08	0.20	1.28	9.37	16.02
2007	1.17	0.30	1.47	10.30	18.18
2006	1.21	0.33	1.54	11.43	19.54

**Source:** The source of this information is the Maricopa County Department of Finance Annual Tax Rate Report.  
**Note:** The City rounds the rate to two digits from the four presented by the County.

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

<b>Fiscal Year Ended June 30</b>	<b>Primary Taxes Levied for the Fiscal Year</b>	<b>Primary Taxes Collected within the Fiscal Year of the Levy</b>		<b>Primary Taxes Collected in Subsequent Fiscal Years (2)</b>	<b>Primary Taxes Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2015	\$ 1,654,937	\$ 1,570,135	94.88 %	\$	\$ 1,570,135	94.88 %
2014	1,663,972	1,608,532	96.67	35,472	1,644,004	98.80
2013	1,784,458	1,717,299	96.24	63,201	1,780,500	99.78
2012	1,784,422	1,719,599	96.37	61,245	1,780,845	99.80
2011	1,756,305	1,666,807	94.90	78,773	1,745,579	99.39
2010	1,665,797	1,590,138	95.46	65,117	1,655,255	99.37
2009	1,583,021	1,506,643	95.18	69,319	1,575,962	99.55
2008	1,506,629	1,428,276	94.80	72,344	1,500,620	99.60
2007	1,408,982	1,339,278	95.05	58,655	1,397,932	99.22
2006	1,319,457	1,248,808	94.65	59,027	1,307,834	99.12

**Source:** The source of this information is the Maricopa County Treasurer- Secured Levy Report.

- Notes:** 1) Amounts collected are on a cash basis.  
2) Includes collections and resolutions.

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

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>		<b>Less: Tax Exempt Real Property</b>	<b>Net Assessed Valuation</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Ratio of Net Assessed to Estimated Actual Value</b>
	<b>Assessed Value Residential Property</b>	<b>Assessed Value Commercial Property</b>					
2015	\$ 74,983,878	\$ 44,634,235	\$ 18,393,917	\$ 101,224,196	3.5406	\$ 1,012,776,750	9.99 %
2014	57,040,759	41,454,636	17,329,628	81,165,767	4.0400	810,973,826	10.01
2013	60,334,448	39,588,129	11,598,951	88,323,626	3.8900	814,853,756	10.84
2012	66,285,384	44,371,128	12,947,874	97,708,638	2.8740	912,660,076	10.71
2011	82,991,005	62,613,120	14,825,157	130,778,968	2.2939	1,151,047,161	11.36
2010	170,216,747	47,573,428	12,389,673	205,400,502	1.5713	1,953,011,602	10.52
2009	149,700,332	39,050,414	10,580,425	178,170,321	1.2028	1,700,811,041	10.48
2008	93,434,779	34,926,242	8,562,279	119,798,742	1.2787	1,114,835,777	10.75
2007	89,081,374	28,590,098	7,832,931	109,838,541	1.4701	1,041,782,657	10.54
2006	74,639,816	25,815,470	7,154,416	93,300,870	1.5346	883,610,575	10.56

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

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

Taxpayer	2015			Taxpayer	2006		
	Secondary Assessed Valuation	Rank	Percentage of Net Assessed Valuation		Secondary Assessed Valuation	Rank	Percentage of Net Assessed Valuation
ARIZONA PUBLIC SERVICE COMPANY	\$ 3,823,561	1	3.78%	ARIZONA PUBLIC SERVICE COMPANY	\$ 2,970,120	1	4.10%
ROBERTS PROPERTIES LTD	2,798,081	2	2.76%	BNSF RAILWAY COMPANY	2,468,035	2	3.00%
WAL MART STORES INC	2,420,281	3	2.39%	ROBERTS PROPERTIES LTD	1,862,304	3	2.59%
BNSF RAILWAY COMPANY	1,624,996	4	1.61%	ARIZONA SAND & ROCK CO	1,700,547	4	1.74%
CLAYTON HOMES INC	1,128,275	5	1.11%	CLAYTON HOMES INC	1,476,720	5	1.21%
HANSON PIPE & PRODUCTS INC	1,111,783	6	1.10%	PREMIERE RV & MINI STORAGE LLC	1,391,708	6	1.19%
IIP OASIS LLC	708,593	7	0.70%	UNION ROCK & MATERIAL CORP	1,017,112	7	0.76%
COYOTE PASS RV AND MINI STORAGE I	687,649	8	0.68%	JDL & COMPANY L L C	988,607	8	0.74%
EPCOR - SUN CITY WATER DIVISION	658,837	9	0.65%	TAYLOR WOODROW/ARIZONA INC	607,780	9	0.71%
QWEST CORPORATION	606,766	10	0.60%	T BAR C LAND AND CAMEL COMPANY LLC	599,870	10	0.65%
ARIZONA SAND & ROCK CO	568,232	11	0.56%	SOUTHWEST GAS CORPORATION (T&D)	594,433	11	0.61%
SUMERLIN LLC	550,610	12	0.54%	NAMWEST-PALMS LLC	536,500	12	0.59%
EPCOR - SUN CITY SEWER	538,730	13	0.53%	MAX TAYLOR AND COMPANY LLC	498,351	13	0.58%
DAKOTA FABRICATING INC	528,398	14	0.52%	COYOTE PASS RV AND MINI STORAGE LLC	469,151	14	0.57%
PREMIERE RV & MINI STORAGE LLC	492,989	15	0.49%	KETCHUM REAL ESTATE INVESTMENTS EL MIRAGE	457,875	15	0.53%
LILI RUBIN INVESTMENT PROPERTIES 3	479,350	16	0.47%	RELIANCE WEST LAND CO	373,937	16	0.51%
UNION ROCK & MATERIAL CORP	475,553	17	0.47%	QWEST CORPORATION	366,297	17	0.51%
T BAR C LAND AND CAMEL COMPANY I	394,975	18	0.39%	PARTNERSHIP FOR QUALITY AFFORD HOUS #1	366,191	18	0.42%
CAH 2014-1 BORROWER LLC	372,550	19	0.37%	ASI EL MIRAGE LLC	352,713	19	0.40%
JIA CORP	364,421	20	0.36%	COX ARIZONA TELECOM LLC	349,634	20	0.39%
THOMPSON RANCH PARTNERSHIP	360,000	21	0.36%	CMH PARKS INC	340,925	21	0.39%
SOUTHWEST GAS CORPORATION (T&D)	347,252	22	0.34%	EL MIRAGE RETAIL LC	337,678	22	0.37%
REALTY INCOME PROPERTIES 25 LLC	339,586	23	0.34%	SUNWEST CEMETERY & CREMATORY INC	334,838	23	0.36%
CONSTELLATION SOLAR ARIZONA, LLC	325,670	24	0.32%	DREISESZUN HERBERT E/PATRICIA A/JEROME V	325,040	24	0.35%
MCS ENTERPRISES LLC	321,364	25	0.32%	WESTERN SKY INVESTMENTS LLC	320,239	25	0.34%

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

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds (Greater Arizona Development Authority Loan)	Capital Leases	Certificates of Participation	Water and Sewer Revenue Bonds	Certificates of Participation	Water Infrastructure Financing Authority Loan			
2015	\$ 25,899,465	\$ 11,974	\$	\$	\$	\$ 17,679,093	\$ 43,590,532	N/A	\$ 1,327
2014	26,943,122	14,803				18,614,362	45,572,287	N/A	\$ 1,403
2013	27,999,013					16,716,896	44,715,909	2.79	1,373
2012	13,121,296	7,252				14,220,261	27,348,809	1.77	858
2011	13,738,373	28,120				15,216,844	28,983,337	1.96	912
2010	14,235,000					16,335,810	30,570,810	2.15	953
2009	14,740,000					16,244,887	30,984,887	2.11	960
2008	5,370,000					15,636,439	21,006,439	1.44	648
2007	4,435,000					15,949,696	20,384,696	1.47	644
2006	4,610,000					3,483,567	8,093,567	0.64	260

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

**Note:** Details of the outstanding debt can be found in the notes to the financial statements.

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2015	\$ 25,899,465	\$ 542,227	\$ 25,357,238	2.504 %	\$ 772
2014	26,943,122	643,861	25,476,139	3.141	775
2013	27,999,013	695,004	27,304,009	3.367	838
2012	13,121,296	152,811	12,968,485	1.592	407
2011	13,738,373	67,028	13,671,345	1.498	430
2010	14,235,000	(30,029)	14,265,029	1.239	445
2009	14,740,000	(36,138)	14,776,138	0.757	458
2008	5,370,000	(22,871)	5,392,871	0.317	166
2007	4,435,000	1,701	4,433,299	0.398	140
2006	4,610,000	905	4,609,095	0.442	148

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

**Note:** N/A indicates that the information is not available.

**CITY OF EL MIRAGE, ARIZONA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to City</u>	<u>Estimated Amount Applicable to City</u>
Debt repaid with property taxes:			
Dysart Unified School District No. 89	\$ 166,855,000	9.5303 %	<u>\$ 15,901,805</u>
Subtotal, Overlapping Debt			<u>15,901,805</u>
Direct:			
City of El Mirage			<u>25,911,439</u>
Total Direct and Overlapping Debt			<u><u>\$ 41,813,244</u></u>

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

**Note:** Estimated percentage of debt outstanding applicable to the City is calculated based on the City's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

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

	<b>Unrestricted</b>									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit 6%	6,540,468	6,540,468	5,762,741	6,483,550	8,261,491	11,757,479	12,754,025	11,102,578	7,618,653	6,939,290
Total net debt applicable to limit	4,097,905	5,762,741	5,762,741							
Unrestricted legal debt margin	2,442,563	777,727	-	6,483,550	8,261,491	11,757,479	12,754,025	11,102,578	7,618,653	6,939,290
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	62.65%	88.11%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<b>Restricted</b>									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit 20%	21,801,560	21,804,560	19,209,136	21,611,833	27,538,305	39,191,596	42,513,415	37,008,592	25,395,509	23,130,966
Total net debt applicable to limit	21,801,560	21,180,381	22,236,272	22,236,272	27,999,013	14,740,000	5,370,000	5,370,000	4,435,000	4,775,000
Restricted legal debt margin	-	624,179	(3,027,136)	(624,439)	(460,708)	24,451,596	37,143,415	31,638,592	20,960,509	18,355,966
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	100.00%	97.14%	115.76%	102.89%	101.67%	37.61%	12.63%	14.51%	17.46%	20.64%

**Source:** Arizona Department of Revenue - Bonded Indebtedness and Debt Limitations

**Note:** A decrease in the 2013 assessed valuation resulted in the debt margin exceeding the restricted debt limit. The City is prohibited from issuing new debt until there is a positive debt margin.

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

<u>Year</u>	<u>City of El Mirage Population</u>	<u>Maricopa County Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2015	32,857	4,008,651	\$ N/A	\$ N/A	6.1 %
2014	32,472	3,944,859	\$ N/A	\$ N/A	7.4
2013	32,067	3,884,705	160,498,000	40,030	8.8
2012	31,862	3,843,370	156,763,000	39,781	9.6
2011	31,797	3,817,117	148,687,000	38,431	11.5
2010	32,076	3,821,136	142,091,618	35,319	9.3
2009	32,280	3,808,829	146,898,132	37,112	13.9
2008	32,396	3,753,413	145,880,680	37,666	8.1
2007	31,629	3,663,915	139,069,591	35,046	4.9
2006	31,154	3,577,074	126,010,741	34,551	5.8

**Source:** The source of this information is the Arizona Department of Administration, the U.S. Department of Commerce, and the U.S. Department of Labor.

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

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

<u>Employer</u>	<u>2014</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Dysart Unified School District 89	532	19.44 %	522	29.41 %
Walmart	225	8.22		
City Of El Mirage	187	6.83	63	3.55
DVC Construction Company Inc.	140	5.12		
Parks & Sons Sanitation Service	135	4.93		
Bnsf Railway Co	110	4.02		
Southwest Steel Inc	100	3.65		
Sutter Masonry Inc	75	2.74	90	5.07
Look Trailers	67	2.45		
Bashas	60	2.19		
Haulmark Industries of Arizona			70	3.94
Southwest Stair Inc			65	3.66
Bunneys Inc			50	2.82
County of Maricopa			50	2.82
Kevens Landscaping Co			50	2.82
Westside Social Services Inc			45	2.54
Total	<u>1,631</u>	<u>59.59</u> %	<u>1,005</u>	<u>56.63</u> %
Total employment	<u>2,737</u>		<u>1,775</u>	

**Source:** The source of this information is the City of El Mirage and Maricopa Association of Governments

**Note:** Amounts presented are as of December 31

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

	<b>Full-time Equivalent Employees as of June 30</b>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General Government</b>	31.20	29.30	23.50	24.50	26.00	26.00	26.00	24.00	24.00	11.00
<b>Public Safety</b>										
Police	60.20	58.50	56.00	48.50	53.50	59.00	53.00	54.00	49.00	55.00
Fire	29.00	29.00	28.00	25.00	27.00	21.00	21.00	22.00	18.00	18.00
Court	13.10	12.20	13.10	10.10	9.10	9.00	6.50	6.50	6.50	6.50
<b>Public Works</b>			4.00	3.00	10.00	10.00	10.00	13.00	10.00	8.00
Streets	6.00	6.00	6.00	6.00	7.00	8.00	8.00	9.00	12.00	7.00
<b>Development Services</b>	4.00	3.00	3.00	10.25	12.75	13.50	13.50	13.00	10.00	7.00
<b>Parks and Recreation</b>	4.80	4.80	4.80	6.00	5.50	9.50	10.00	10.50	8.50	8.50
<b>Health and Welfare</b>						1.50	2.00	4.00	3.00	3.00
Water	16.70	18.00	18.00	18.00	11.00	11.00	11.00	13.00	14.00	9.00
Sewer	8.00	9.00	10.00	10.00	10.00	11.00	11.00	10.00	9.00	7.00
Solid Waste (1)										
Customer Service	4.50	4.50	4.50	4.00	5.00	4.00	4.00	3.00	4.00	4.00
	<u>177.50</u>	<u>174.30</u>	<u>170.90</u>	<u>165.35</u>	<u>176.85</u>	<u>183.50</u>	<u>176.00</u>	<u>182.00</u>	<u>168.00</u>	<u>144.00</u>

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

**Notes:** (1) Subsequent to FY 05 Solid Waste services were outsourced

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

Fiscal Year Ended June 30

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	43	43	43	41	41	41	38	36	28	34
<b>Fire</b>										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines and ladder trucks	3	3	3	3	3	3	3	3	3	2
<b>Other Public Works</b>										
Street miles	240	240	240	240	240	240	240	240	240	
Traffic signals	11	11	10	10	10	10	10	9	6	
<b>Community Development</b>										
Inspection vehicles	8	8	8	8	8	8	8	6	8	9
<b>Culture and recreation</b>										
Parks acreage	52.3	52.3	44.8	44.8	9.5	9.5	9.5	9.5	1.5	
Parks	13	13	12	12	2	2	2	2	1	
Softball fields	2	2	2	2	3	3	3	3	1	
Baseball fields	3	3	3	3	3	3	3	3	1	
Libraries	1	1	1	1	1	1	1	1	1	
<b>Water</b>										
Maximum pump capacity (MGD)(1)	11.58	11.58	11.58	25.07	25.07	25.07	25.07	25.07	25.07	
Total Storage (MGD)	7.36	7.36	7.36							
Wells	10	10	10							
Miles of water lines	120	120	120							
Valves	2,514	2,501	2,501							
Hydrants	1,171	1,160	1,160							
<b>Sewer</b>										
Sewer treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily treatment capacity	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Miles of sewer lines	63	63	63							

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

**Note:** (1) MGD= million gallons per day

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

<u>Function/Program</u>	<u>Calendar Year</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Public Safety</b>										
<b>Police</b>										
Calls/incidents responded to	29,530	29,587	29,884	32,412	37,347	38,121	30,141			
Citations issued	2,246	1,807	1,825	1,785	2,549	3,050	2,994			
<b>Fire</b>										
Number of responses	4,054	4,564	3,685	3,372	2,997	3,312	2,989	3,089	2,254	3071
Inspections	267	214	295	298	244	429	30	14	4	31
<b>Public Works and Streets</b>										
Square feet of buildings to maintain	87,654	87,654	76,425	63,425	63,425	63,425	63,425	63,425	60,737	60,737
Vehicles/equipment maintained per month	123	119	113	108	108	108	108	108	91	91
Street miles maintained	240	240	240	240	240	240	240	240	240	240
<b>Community Development</b>										
Building safety inspections performed	3,919	3,978	2,681	1,989	2533	2,447				
Annual new residential starts	58	77	47	18		1	15	21	261	320
<b>Water</b>										
Water accounts billed										
Residential	10,447	10,630	10,015	12,787	12,029	12,498				
Commercial	611	512	584	652	573	579				
Acre feet of water delivered	4,612	4,415	4,426	4,460	4,246	4,777				
<b>Sewer</b>										
Sewage treated (million gallons per day)	1.87	1.87	1.87	1.87	1.77	1.79	1.77	1.69	1.60	1.55
Sewer service connections	10,606	9,077	9,077	11,754	11,284	11,963				

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

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