

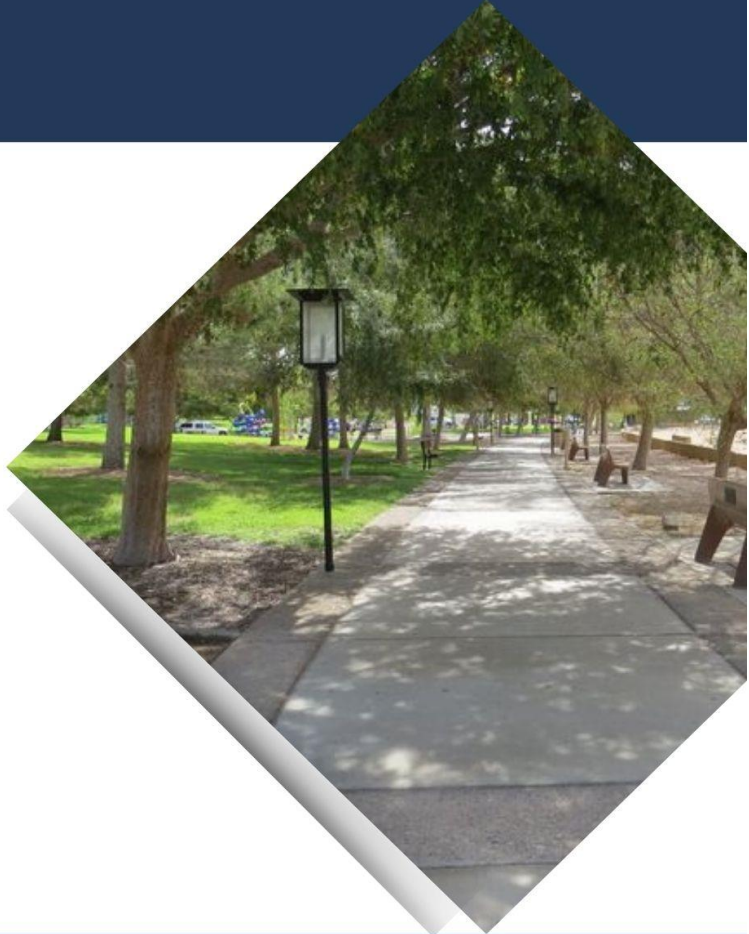
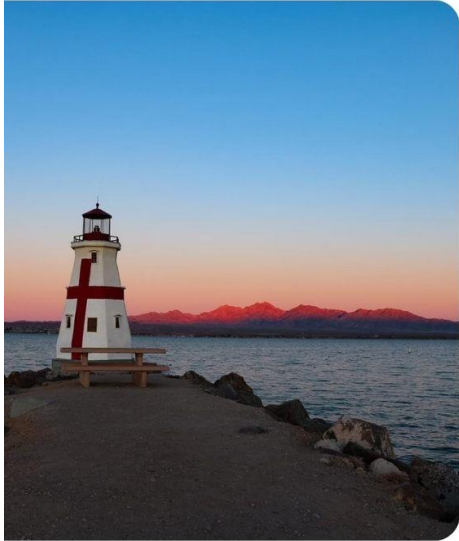


ANNUAL COMPREHENSIVE FINANCIAL REPORT



LAKE HAVASU CITY, AZ
YEAR ENDED
June 30, 2024





LAKE HAVASU CITY, AZ

**Prepared by the Administrative Services
Department**

**Jill Olsen
Administrative Services Director**



**Trinna Ware, MBA
Finance Division Manager**



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INTRODUCTORY SECTION





January 3, 2025



To The Honorable Mayor and Members of the City Council and Citizens of Lake Havasu City, Arizona

We are pleased to submit the Annual Comprehensive Financial Report of Lake Havasu City, Arizona, for the fiscal year ending June 30, 2024. Arizona Revised Statutes, Section 9-481, requires that incorporated cities publish a complete set of financial statements annually. The financial statements must be presented in accordance with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a certified public accountant or a public accountant licensed by the Arizona Board of Accountancy. This report complies with these requirements.

The Annual Comprehensive Financial Report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed both to protect City 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. The City's comprehensive internal controls framework has been designed to provide reasonable, rather than an absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen LLP, a licensed, certified public accountants firm, audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2024, are free of material misstatement. Based upon their audit, the independent auditor concluded that the City's financial statements for the fiscal year ended June 30, 2024, are fairly presented in accordance with accounting principles generally accepted in the United States of America. This is the most favorable conclusion and is commonly referred to as an unmodified or "clean" opinion. The independent auditor's report is presented as the first component of the financial section of this report.



The independent audit of the City's financial statements was part of a broader, federal, and state-mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, with particular emphasis on internal controls and legal requirements involving the administration of federal and state awards. These auditor reports are available on the City's website.

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 independent auditors' report.

Profile of Lake Havasu City

History - Lake Havasu was created by constructing the Parker Dam in the 1930s. Before this, Lake Havasu was a remote section of the Colorado River. In 1963, Robert P. McCulloch purchased a 26-square-mile parcel of barren desert that would become the site for Lake Havasu City.

Lake Havasu City was founded as a master-planned community emphasizing recreation and residential retirement. Robert P. McCulloch captured the world's attention in 1967 when he purchased the London Bridge and relocated it from England to the stunning Colorado River. The bridge structure was dismantled brick by brick in London, transported to Lake Havasu City, and authentically reconstructed over three years. In addition, a mile-long bridge channel was dredged, which links an island in the Colorado River with the main part of Lake Havasu City. The bridge was completed, and the "rededication" of the London Bridge occurred on October 10, 1971.

In 1963, Lake Havasu City did not qualify for incorporation under state law and became a recognized Irrigation and Drainage District (IDD). The IDD's Board of Directors acted as City Councilmembers to run the City. In the early 1970s, the Board took steps toward incorporation. Near the end of the decade, incorporation was made possible with a new state law that enabled a new municipality to organize as a city and to assume trusteeship of bonded debts and special districts. The City was incorporated in 1978 by a vote of the residents.

Current Profile - Lake Havasu City is situated in the western part of Arizona in the fifth largest county in the United States, Mohave County. The sparkling Colorado River shores serve as the city's western border, while the Mohave Mountains lie to the east. Lake Havasu City is two hours south of the world-famous Hoover Dam and three-and-a-half hours southwest of the Grand Canyon, Arizona's own World Wonder. Lake Havasu City, the largest city in Mohave County, covers 46 square miles and has an estimated population of 59,257. Lake Havasu City ranks in the upper quartile for Population Density compared to other cities, towns, and Census Designated Places in Arizona. The area attracts more than 1 million visitors annually with its historic London Bridge, pristine lake, friendly community, abundant sunshine, annual events,



ideal weather, and wide range of restaurants and lodging. Many of Lake Havasu City's residents are retired. The median age of City residents is 54 years old and has steadily increased over the last fifteen years. Boasting 300 days of sunshine, the City is also temporarily home to approximately 15,000 winter visitors from fall through the early spring. These seasonal visitors typically come from colder climates across North America. The influx of winter visitors increases the population of the City by approximately 25 percent. The City's top industries include retail, healthcare, social services, accommodations, and food service.

Government and Organization - Lake Havasu City has operated under the council-manager form of government since its incorporation in 1978. The Mayor and six City Council members are elected at large on a non-partisan ballot and serve overlapping four-year terms. The City Council sets the City's policy and direction. The Council appoints the City Manager, City Attorney, and City Magistrate, responsible for carrying out City Council policies and administering day-to-day operations. Per the City Code, the Department Directors are appointed by the City Manager. The City provides a full range of municipal services, including police and fire protection, water and sewer services, construction and maintenance of streets, recreational activities, and other traditional support activities.

The City is empowered to levy a property tax on real and certain personal properties within its boundaries. It is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

Budgetary Controls - The annual budget is the foundation for Lake Havasu City's financial planning and control. The City Council formally adopts the budget and legally allocates, or appropriates, available monies for the City's various funds. The City Manager submits to the City Council a proposed fiscal year budget commencing July 1st. The budget includes all proposed expenditures and the means to finance them. The City's budget includes contingency funds, which can be authorized for unanticipated expenses and emergency events. The City Council must hold public hearings on the proposed budget and the tax levy to allow taxpayers to comment. The budget is legally enacted through the passage of a resolution that sets the limit for expenditures during the fiscal year. The City Council must adopt a tentative budget by the third Monday in July, but the City makes every effort to have the final budget adopted before the start of the new fiscal year.

The expenditure appropriations in the adopted budget are by department and fund, which also set the legal level of budgetary control; however, department appropriations may be amended during the year. On the recommendation of the City Manager and with the approval of the City Council: 1) transfers may be made from the appropriations for contingencies to departments, and 2) unexpended appropriations may be transferred from one department to another.



Local Economy

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

Lake Havasu City continues to emphasize recreation and residential retirement.

Business

Lake Havasu City's economy is primarily driven by tourism, with our natural beauty and numerous multi-seasonal recreational opportunities attracting visitors. The four major industries are tourism and recreation, retail and hospitality, healthcare services, and the real estate and construction sector. Lake Havasu City has seen growth in population and rooftops over the past decade. Over the past half decade, our community has grown in population to 59,257 residents.. The growth in population and housing reflects increasing demand in the retail, hospitality, healthcare, and real estate sectors. This expansion suggests a dynamic community with evolving needs and opportunities.

Lake Havasu City's healthcare sector continues to invest in technology and expanded services. Havasu Regional Medical Center added 137 employed and independent providers in the last year while making over \$10 million in capital improvements. Lake Havasu Community Health Center is making a significant investment of \$15 million in a new 36,000-square-foot facility that will add sixty-plus new healthcare jobs while adding additional capacity to our healthcare options. The presence of healthcare services ensures residents have access to medical care, contributing to a higher quality of life and community well-being.

Lake Havasu City's median household income is \$69,117, with an average household expenditure of \$68,425. The city's Cost-of-Living Index (COLI) is 122.5, reflecting a higher cost of living compared to the national average, largely driven by a substantial housing cost index of 174.8. This makes housing in Lake Havasu City notably more expensive than in Phoenix, where the overall COLI is 104.3 and the housing index is 113.2.

The city's recent investment boom has spurred growth across multiple sectors. The rollout of Allo Fiber's comprehensive fiber infrastructure has improved internet connectivity for both residents and businesses. The DL Ranch development in the neighboring community of Havasu Heights is expanding residential and potentially commercial opportunities, addressing the need for workforce housing. The Havasu Riviera Marina is another key development, which has boosted the city's recreational and tourism infrastructure.

Tourism and Visitation

Tourism is Lake Havasu City's largest industry and a significant contributor to the City's economy. The balance of lake and desert tours and activities, along with the incredible London Bridge, attracts more than one million visitors throughout the year to the city. The creativity of Robert P. McCulloch captured the world's attention in 1967 after he purchased the London Bridge and relocated it from the River Thames in England to the stunning Colorado River. The city's tourism amenities profile includes the most visited state park in Arizona, Lake Havasu State Park, and the new public-private partnership of the Havasu Riviera, which features a new launch ramp, marina, and gas docks. Tourists are attracted to the city due to the natural beauty of the Colorado River and the Mojave Desert. During the summer months, boaters enjoy 60 miles of an uninterrupted navigable waterway that features 28 functional replica lighthouses, more than any other U.S. City, petroglyph rocks, and the stunning rock formations of Pilot Rock, Copper Canyon, and Topock Gorge. In the winter months, off-road Jeep, utility terrain vehicle (UTV), and dirt bike enthusiasts take advantage of the 1,800 miles of off-road trails surrounding the city, as well as a 1,100-acre hiking and mountain biking park and one of the largest BMX, scooter and skateparks in the nation. Lake Havasu City also proudly hosts more than 400 events annually, including one of the nation's largest hot air balloon festivals, a yoga festival, and one of the largest classic car shows in the Southwest. In addition, Lake Havasu continues to draw top anglers and fishing tournaments for small and largemouth bass, as it features a world record for redear sunfish. Lake Havasu City visitors explore the desert, discover secret lake coves in kayaks, or lounge in the Bridgewater Channel in luxury high-performance luxury boats.

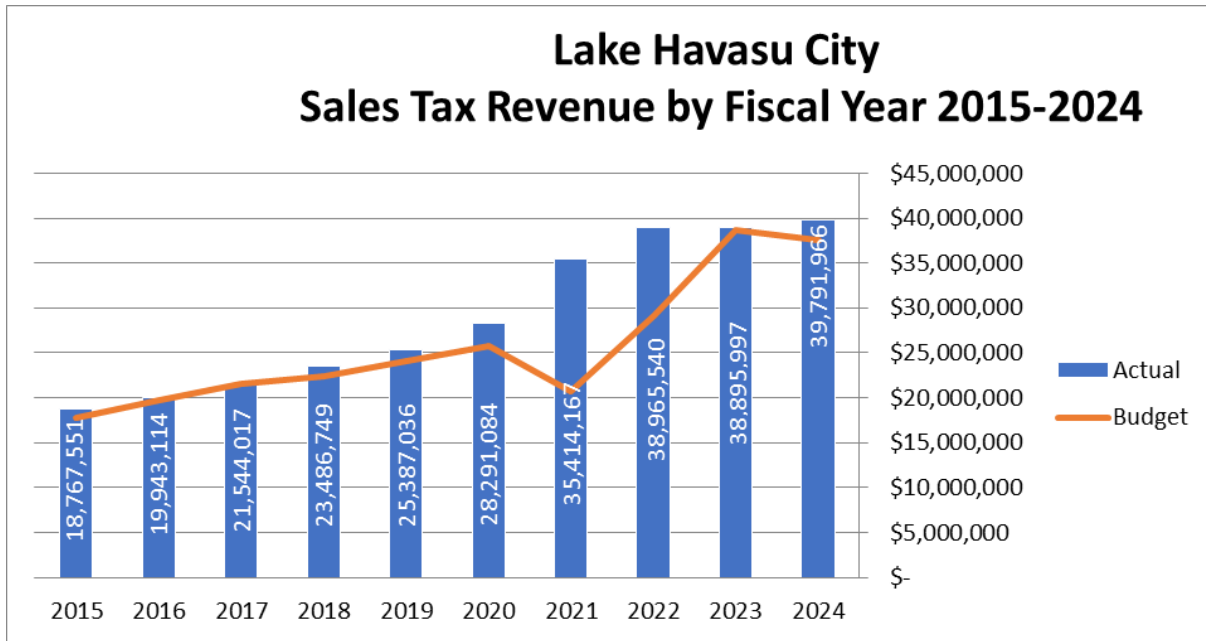


Transaction Privilege (Sales) Tax

Lake Havasu City's most significant general fund revenue source is sales tax from various business categories, including automotive, retail stores, hotels, restaurants, utilities, and rentals. Sales tax is generated directly from the City's applied tax rate and indirectly as it receives its share of sales tax from the State of Arizona's applied tax rate. Overall, local sales tax collections increased by 2.3% percent from the fiscal year 2023 to 2024. This moderate growth directly correlates to consumers spending more of their income on non-taxable items such as food and housing. The business categories communication and utilities, as well as construction, showed the largest gains. The City's three-cent hotel/motel tax revenues (bed tax) decreased



by 0.9%, and the restaurant and bar one-cent tax revenues increased by 3.5% from the fiscal year 2023.



Economic Development

Residential permits saw an overall decrease of 14.7% compared to the previous year, with single-family housing permits down by 7.5% and multi-family housing permits down by 84.1%. Residential valuations decreased 13.7%, from \$99.3 million in the fiscal year 2023 to \$85.7 million in the fiscal year 2024. Commercial/Tenant Improvement permits remained consistent with the previous year, but new commercial buildings decreased by 15.4%. Commercial valuations were down 56.0% over the previous year. Revenue generated from residential and commercial building permits decreased by 7.7%, from \$1.7 million in the fiscal year 2023 to \$1.6 million in the fiscal year 2024. Residential and commercial growth has continued to be supported by development code changes, rezones, and general plan amendments.

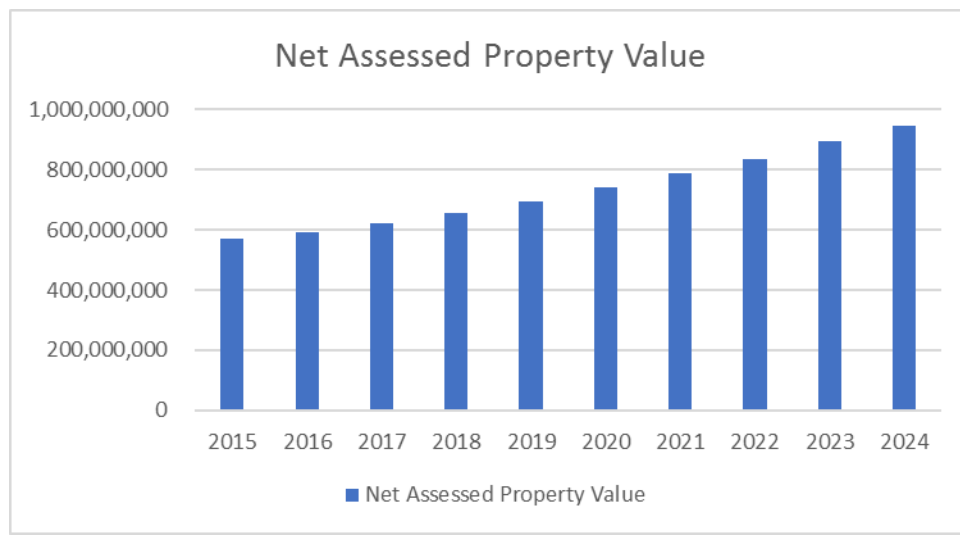
Havasu Riviera subdivision has preliminary platted the remaining phases, consisting of approximately 200 new single-family lots.

The Commercial development in Lake Havasu City has continued to progress. Notable commercial projects include Buffalo Wild Wings, El Paraiso Mexican Restaurant, Golf “N” Brews, Oasis Food Truck Court, Showplace Storage, EZ Box Storage, and Mohave County Sheriff’s Office.



Property Values

Lake Havasu City’s primary assessed property tax values increased by 6.0% in fiscal year 2024 and 6.4% in fiscal year 2025. New construction accounted for \$15.6 million of the \$60.5 million assessed valuation increase. The City is statutorily allowed to set the primary property tax rate at a 2.0% annual revenue growth plus new construction.



Long-Term Financial Planning

As part of the annual budget process, the City prepares a five-year financial forecast incorporating the ongoing revenues and expenditure projections for each of the City’s major operating funds. The City also prepares a five-year Capital Improvement Plan (CIP) to ensure sustainable construction of projects upon commencement. The forecast provides a long-term view of current-year budget decisions affecting the City. It estimates fund balance and sensitivity to revenue and expenditure changes over the forecasted period.

A key financial goal of the City is to maintain healthy reserve levels. Other financial practices are designed to avoid the funding of recurring expense needs with one-time revenue resources and to ensure an ongoing mix of pay-as-you-go funding and long-term debt for capital needs.

Major Accomplishments

Several major projects were completed as part of the City's Capital Improvement Plan. Noteworthy projects included the completion of the Municipal Courthouse, which cost \$9.4 million, including the purchase cost of the building. The Site 6 Boat Ramp was also completed, at a cost of \$1.2 million, with grant funding covering \$800,000 of the total.

The following highlights several of the accomplishments achieved by the City in the fiscal year 2024:

- Projects and Infrastructure Improvements:
 - Development Services completed the implementation of a new Land Management Software System.
 - Airport Runway Strengthening and Overlay
 - Wash Improvements Daytona Wash 4
 - Sewer Lift Station Upgrades
 - Water Tank Improvements and Replacements
 - Police Facility Rehabilitation Phase One
 - Major Street Repaving



For the Future

Lake Havasu City has adopted a budget for fiscal year 2025 that aligns with the City Council's priorities and policy direction while supporting core services. The total budget for the fiscal year commencing on July 1, 2024, combining capital and operating expenses, amounts to \$242 million, excluding depreciation. The City has projected a slight revenue increase of \$4.2 million over the prior year's budget. Balancing the budget presents challenges, including limited resources in some funds and the need to balance ongoing budget expense requests with continued funding. The budget balances moderate projected revenue increases, supplemented with potential grant funding and a reduction in state-shared revenue due to the State implementing a flat tax on income in 2023. Additional expenditures in priority areas, such as



vehicle replacements, public safety retirement, compensation programs, and employee healthcare, are also included.

- 6.4% or \$406,390 increase in property tax revenue for new construction and holding the tax levy rate.
- 1.1% or \$423,085 increase in City Sales Tax
- Wages and benefits increased by 8.0% or \$5.8 million to fully staff and continue Citywide step increases. The increase also includes a 3.5% wage stabilization increase and 14 new full-time positions, throughout the City departments.

The 2025 capital budget includes new and continuing projects totaling \$61.7 million,

including:

- \$3.5 million, which is part of a multi-year \$5.4 million Police and Jail Rehabilitation project
- \$3.5 million, which is part of a multi-year \$6.0 million new fire station
- \$10.7 million in wastewater infrastructure improvements
- \$5.0 million for new water treatment and rehabilitation of existing plant
- \$5.7 million water main replacements
- \$6.6 million in other water infrastructure improvements
- \$4.1 million in wash stabilization and drainage improvements
- \$3.6 million in new park development
- \$6.2 million in airport runway improvements
- \$5.5 million, which is part of a multi-year \$35.5 million Second Bridge project
- \$5.9 million in street conservation and paving

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2023. The City has received this prestigious recognition for its Annual Comprehensive Financial Report since 1986. To be awarded a Certificate of Achievement, a government must publish an Annual Comprehensive Financial Report that reflects transparency and full disclosure that goes beyond



the minimum requirements of generally accepted accounting principles and meets applicable legal requirements. A Certificate of Achievement is only valid for one year. We believe the City's current Annual Comprehensive Financial Report will continue to meet the Certificate of Achievement Program's requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

The City also received the *Distinguished Budget Presentation Award* from the GFOA for conformity in budget presentation for the fiscal year beginning July 1, 2023. Our current budget continues to conform to the program requirements, and we expect to receive this award again for the fiscal year beginning July 1, 2024.

The preparation of this report would not have been possible without the skill, effort, and dedication of the City's Administrative Services Department, primarily the Finance Division. It is also appropriate to thank the Mayor, City Council Members, and the City Manager for their support in planning and conducting the City's financial affairs, which have contributed to the City's excellent financial position.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jill Olsen".

Jill Olsen
Administrative Services Director

A handwritten signature in blue ink that reads "Trinna Ware".

Trinna Ware
Finance Division Manager, MBA



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lake Havasu City
Arizona**

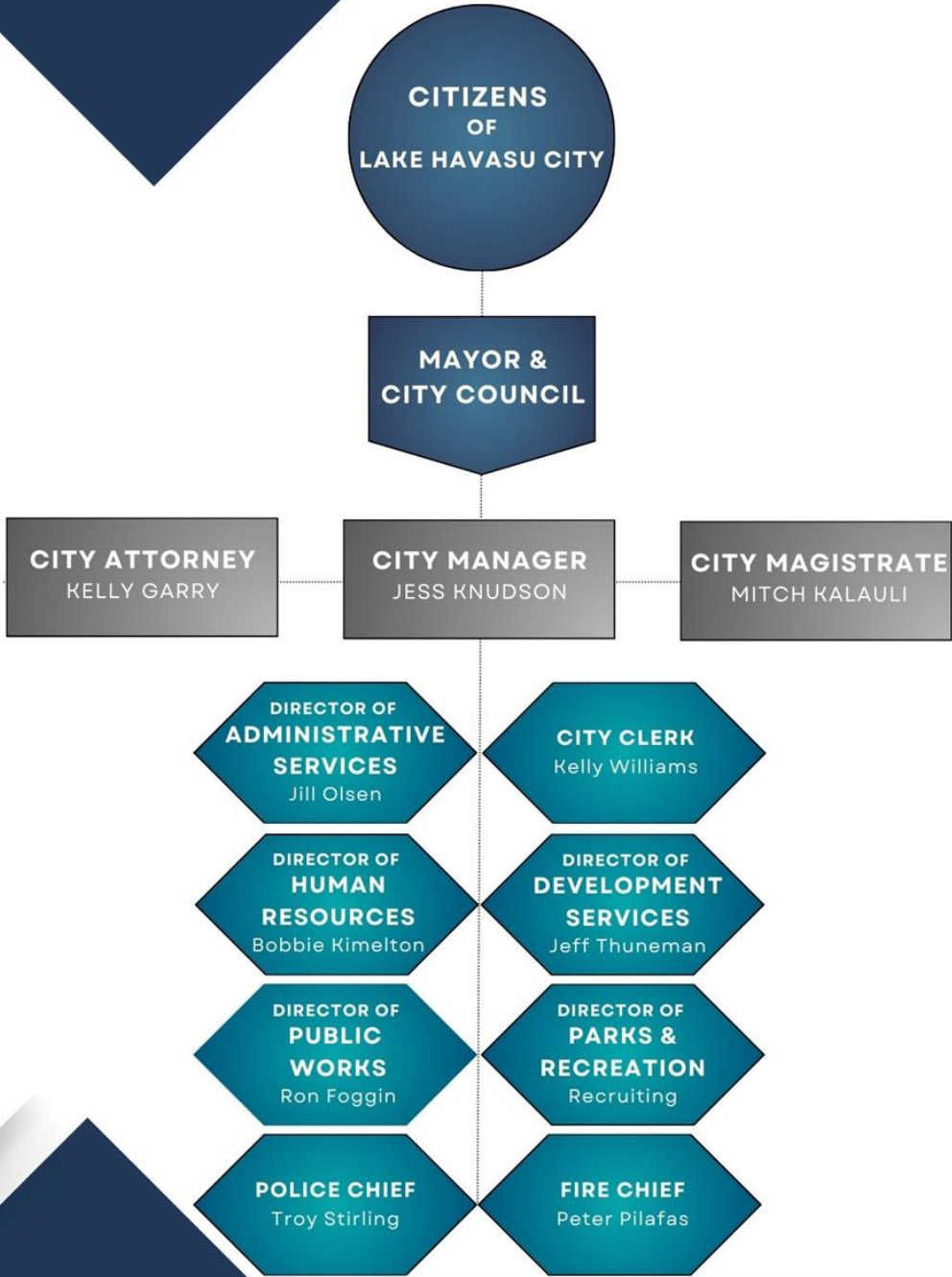
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART





CITY COUNCIL

Jim Dolan, Councilmember
Nancy Campbell, Councilmember
Cal Sheehy, Mayor
Jeni Coke, Councilmember
David Lane, Vice Mayor
Michele Lin, Councilmember
Cameron Moses, Councilmember

2330 MCCULLOCH BLVD. N. LAKE HAVASU CITY, AZ. 86403 | LHCAZ.GOV



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
Lake Havasu City, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake Havasu City, Arizona (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Highway User Revenue (HURF) Fund and the Second Bridge Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Restatement for Change in Financial Reporting Entity

As discussed in Note 1E to the financial statements, the City restated beginning governmental activities and business-type activities net position for a change in financial reporting entity due to the dissolution of the irrigation and drainage district. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the City's Net OPEB Liability and Related Ratios, the Schedule of the City's Proportionate Share of Net Pension Liability, Schedule of City Pension Contributions, and Schedule of Changes in the City's Net Pension Liability and Related Ratios, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and City Council
Lake Havasu City, Arizona

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Phoenix, Arizona
January 3, 2025

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Management's Discussion and Analysis

This section of the Lake Havasu City, Arizona's (the City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and comparative analysis of the financial activities of the City for the fiscal years ended June 30, 2024, and 2023. Readers are encouraged to consider the information presented here in conjunction with the basic financial statements that immediately follow, along with the letter of transmittal, and other portions of this Annual Comprehensive Financial Report.

- The City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of the fiscal year 2024 by \$429.4 million (net position). Of this amount, \$79.5 million represents an unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. This is an increase in the unrestricted net position of \$9.1 million from the fiscal year 2023.
- As of June 30, 2024, the City's governmental funds had a combined ending fund balance of \$156.6 million, an increase of \$56.8 million (56.9%) compared with the prior fiscal year. The increase in fund balance was primarily due to an increase in intergovernmental revenue of \$50.7 million and \$5.2 million in investment earnings. This increase in intergovernmental revenue is primarily due to \$35.5 million received from the state for the future construction of the second bridge to the island. In addition, the state's Urban Revenue Sharing included a one-time \$2.6 million increase from state adjustments to income tax and shared percentages.
- At the close of the fiscal year, the General Fund had an ending fund balance of \$87.3 million, representing a \$10.7 million increase from the prior fiscal year. Of that amount, the unassigned fund balance for the General Fund was \$85.0 million or 118.5% of the total General Fund expenditures of \$73.7 million.
- The City's total liabilities decreased by \$9.3 million to \$350.1 million during the current fiscal year. This decrease was primarily due to a \$4.3 million decrease in unearned revenue due to additional American Rescue Plan Act (ARPA) funds received that are held for future projects, and a \$7.3 million decrease in noncurrent debt from scheduled debt service payments.

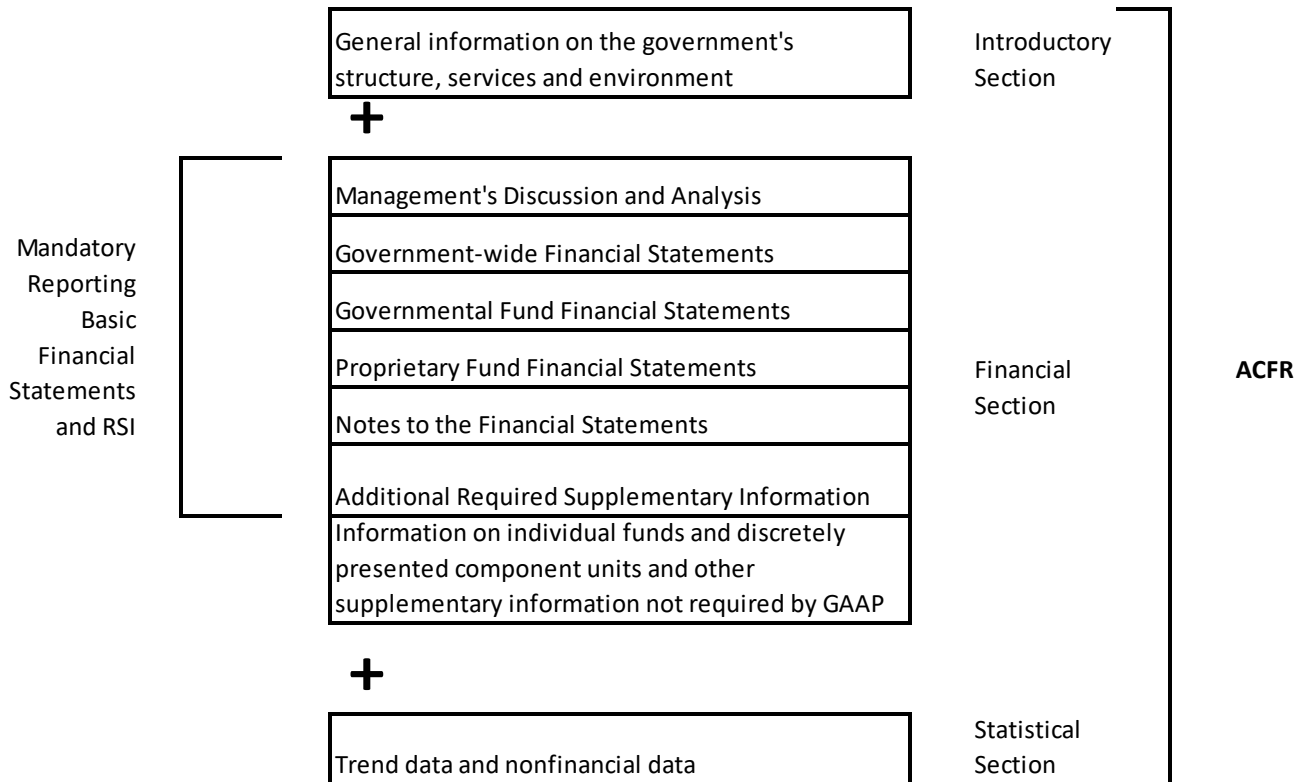
**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

This report also contains supplementary information in addition to the basic financial statements themselves.

**The Annual Comprehensive Financial Report (ACFR) and
Relationship to the Basic Financial Statements and Required
Supplementary Information (RSI)**



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

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The **statement of activities** presents information showing how the government'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 vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, culture and recreation, tourism and promotion, and transportation services. The business-type activities of the City include water, wastewater, trash (Refuse) utilities, and the airport. These activities are primarily supported through user charges and fees.

The government-wide financial statements include not only the City itself but other separate legal entities in its report. The Metropolitan Planning Organization (MPO) represent a legally separate, "component unit." These are important to note because the City is financially accountable for these component units. A description of these units is available in Note 1 A. on page 53. Separate financial statements are not prepared for these component units.

The government-wide financial statements can be found immediately following the Management's Discussion and Analysis in this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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 focus on *near-term inflows and outflows 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 a government'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 government's near-term financing decisions. 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*.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The City maintains several individual governmental funds organized according to their purpose (special revenue, debt service, and capital projects) 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 Fund, and Highway User Revenue Fund (HURF) which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in a separate section in this report.

The City adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and HURF Fund as part of the basic financial statements to demonstrate compliance with this budget. Budgetary comparisons for all other governmental funds are provided in the combining and individual fund statements and schedules.

The basic governmental fund financial statements immediately follow the government-wide financial statements in this report.

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges its customers - either outside customers, internal units, or departments of the City. The City maintains two different types of proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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, wastewater, trash (Refuse), and airport operations. All of the City's enterprise funds, the Water, Wastewater, Refuse and Airport are considered to be major funds of the City.

The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements in this report.

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements immediately follow the proprietary fund financial statements in this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and other postemployment benefits for eligible city employees hired before July 1, 2004. The required and supplementary information immediately follows the notes to the basic financial statements in this report.

Combining Statements. The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental and enterprise funds are presented immediately following the required supplementary information in this report.

Statistical Information. The statistical section, found immediately following the combining and individual fund statements and schedules in this report, presents detailed information as a context for understanding what the information in the financial statements, notes, disclosures, and required supplementary information indicates about the City's overall financial health.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the Statement of Net Position and the Statement of Activities serve to provide information on how the City, as a whole, did financially throughout the year. These statements use the accrual basis of accounting similar to the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

As noted earlier, net position may serve, over time, as a valuable indicator of a government's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$429.4 million at the close of the fiscal year 2024 and \$355.8 million at the close of the fiscal year 2023.

The following table is a condensed summary of the City's net position for governmental and business-type activities:

**Condensed Statement of Net Position
June 30, 2024 and 2023
(in thousands of dollars)**

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2024	2023	2024	2023	2024	2023	
Assets:							
Current and Other Assets	\$ 181,398	\$ 122,068	\$ 94,665	\$ 105,116	\$ 276,063	\$ 227,183	21.5 %
Capital Assets:							
Nondepreciable	40,004	37,649	31,619	32,141	71,623	69,790	2.6
Depreciable	102,220	76,624	310,983	326,703	413,204	403,328	2.4
Total Assets	323,623	236,341	437,268	463,960	760,890	700,301	
Deferred Outflows of Resources	22,599	21,022	1,002	1,029	23,601	22,051	7.0
Liabilities:							
Other Liabilities	21,907	20,075	8,932	13,396	30,839	33,471	(7.9)
Noncurrent Liabilities:							
Due Within One Year	4,816	4,878	6,778	6,583	11,594	11,461	1.2
Due in More Than One Year	104,685	105,209	202,487	209,311	307,172	314,520	(2.3)
Total Liabilities	131,408	130,162	218,197	229,290	349,605	359,452	
Deferred Inflows of Resources	2,934	4,238	2,570	2,847	5,505	7,085	(22.3)
Net Positions:							
Net Investment in Capital Assets	136,954	109,642	138,949	144,591	275,902	254,233	8.5
Restricted	64,310	22,156	9,506	8,986	73,816	31,142	137.0
Unrestricted	10,616	(8,835)	69,047	79,276	79,664	70,441	13.1
Total Net Positions	\$ 211,880	\$ 122,963	\$ 217,502	\$ 232,852	\$ 429,382	\$ 355,815	

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The most significant portion of the City's net position in the fiscal year 2024 and fiscal year 2023, \$275.9 million (64.2%) and \$254.2 million (71.5%), respectively, reflect its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire these assets still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, in the amount of \$73.9 million (17.3%) in the fiscal year 2024, represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$79.6 million (18.5%), may be used to meet the government's ongoing obligations to citizens and creditors. In the fiscal year 2023, \$31.1 million (8.7%) of the City's net position was subject to external restrictions, and \$70.4 million (19.8%) was available to meet the government's ongoing obligations to citizens and creditors. \$35.5 million of the increase in restrictions is due to funds received from the state to construct a second bridge to the island.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Analysis of Changes in Net Position

Total revenues exceeded total expenses in the current year, resulting in an increase in the City's total net position of \$73.6 million in the fiscal year 2024 compared to an increase in net position of \$22.5 million during the fiscal year 2023. These changes are explained in the government and business-type activities discussion.

**Statement of Activities
Fiscal Years Ended June 30, 2024 and 2023
(in thousands of dollars)**

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2024	2023	2024	2023	2024	2023	
REVENUES							
Program Revenues:							
Charges for Services	\$ 6,150	\$ 5,932	\$ 50,597	\$ 46,041	\$ 56,747	\$ 51,973	9.2 %
Operating Grants and Contributions	9,259	9,746	43	-	9,301	9,746	(4.6)
Capital Grants and Contributions	48,395	847	1,030	9,107	49,425	9,954	396.5
General Revenues:							
Property Taxes	6,380	6,067	4	-	6,383	6,067	5.2
Business Taxes	40,145	39,174	14	15	40,159	39,189	2.5
Other Taxes and State Shared Revenues	32,445	27,256	-	-	32,445	27,256	19.0
Investment Earnings	6,239	1,051	5,582	1,698	11,821	2,749	330.0
Gain (Loss) on Disposal of Capital Assets	1,742	-	-	-	1,742	-	100.0
Other	898	729	174	135	1,072	864	24.1
Total Revenues	151,652	90,802	57,444	56,996	209,095	147,798	
EXPENSES							
General Government	24,788	18,085	-	-	24,788	18,085	37.1
Public Safety	37,979	37,046	-	-	37,979	37,046	2.5
Highways and Streets	6,296	5,050	-	-	6,296	5,050	24.7
Culture and Recreation	8,497	7,768	-	-	8,497	7,768	9.4
Tourism and Promotion	2,139	2,092	-	-	2,139	2,092	2.2
Transportation	929	1,044	-	-	929	1,044	(11.0)
Interest on Long-Term Debt	61	-	-	-	61	-	100.0
Refuse	-	-	7,900	7,521	7,900	7,521	5.0
Water	-	-	15,759	15,982	15,759	15,982	(1.4)
Wastewater	-	-	29,301	28,938	29,301	28,938	1.3
Airport	-	-	1,880	1,791	1,880	1,791	5.0
Total Expenses	80,689	71,087	54,840	54,232	135,528	125,319	
CHANGE IN NET POSITIONS BEFORE TRANSFERS	70,963	19,715	2,604	2,764	73,567	22,479	227.3
Transfers	96	238	(96)	(238)	-	-	
CHANGE IN NET POSITIONS	71,059	19,953	2,508	2,526	73,567	22,479	
Net Positions - Beginning of Year, as previously presented	122,963	103,010	232,852	230,326	355,815	333,336	
Change in financial reporting entity (formerly business-type activity to governmental activity)	17,858	-	(17,858)	-	-	-	
Net Positions - Beginning of Year, as adjusted	140,821	103,010	214,994	230,326	355,815	333,336	
NET POSITIONS - END OF YEAR	\$ 211,880	\$ 122,963	\$ 217,502	\$ 232,852	\$ 429,382	\$ 355,815	

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Governmental Activities. Compared to the beginning balance, Governmental activities increased the City's net position by \$71.1 million (57.8%) in the fiscal year 2024 and increased the City's net position by \$20.0 million (19.4%) in the fiscal year 2023.

Total revenue for Governmental activities increased by \$60.8 million (67.0%) over the previous fiscal year. Program revenues represent fees and charges on those who directly benefit from these fee-based programs, such as permit and inspection fees and charges for recreation and aquatic classes and programs. General revenues fund the cost of services not covered by program revenues. General revenues consist primarily of tax revenues such as sales taxes (also referred to as transaction privilege taxes), property taxes, and state-shared taxes.

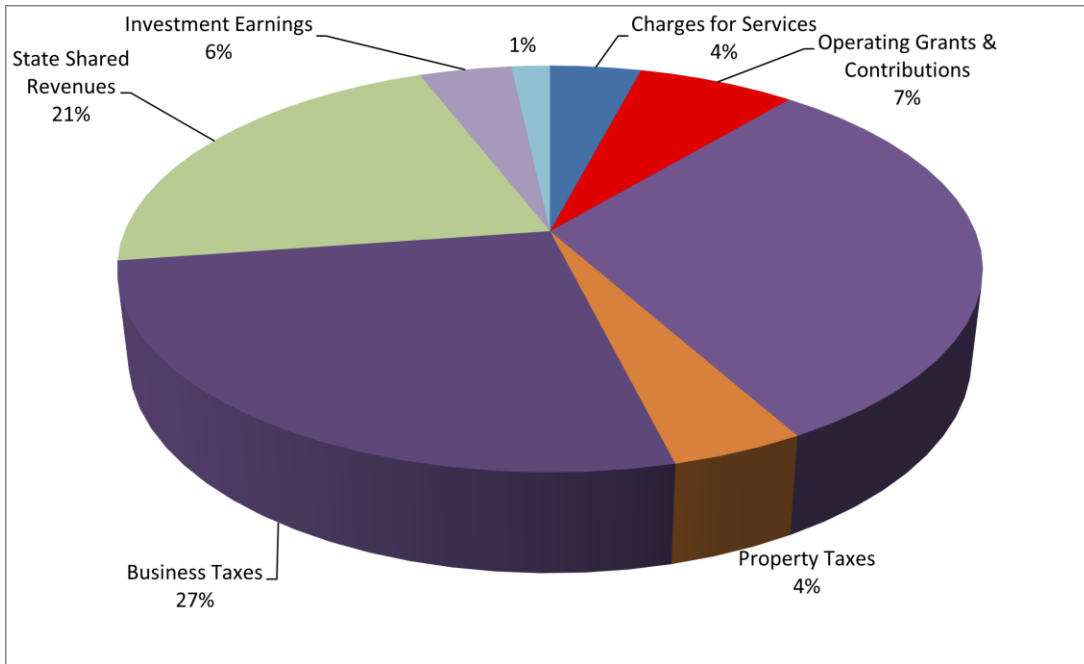
The City experienced an increase in total revenues from Governmental activities over the prior year primarily due to the following:

- Other taxes and state-shared revenues increased by \$5.2 million (19.0%) from the previous fiscal year. The state-shared revenues in this category were up \$5.1 million (16.2%). This increase was due to the State's Urban Revenue Sharing, which included a one-time \$2.6 million adjustment due to a change in the State's income tax and shared percentage. Franchise taxes are included in this category and increased by \$220.3 thousand (9.7%).
- Capital grants and contributions revenue increased by \$47.6 million (5,617.3%). With the new intergovernmental agreement with ADOT for the second bridge project funding, Highways and Streets increased by \$35.6 million (100.0%), and Culture and recreation increased by \$2.6 million (423.9%)
- Investment earnings increased by \$5.2 million (494.0%) primarily due to changes in the market interest rates.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The source of funds for overall governmental activities, without regard to program, is presented below:

**Governmental Activities Revenues
Fiscal Year 2023-24**



The total cost of programs and services for governmental activities increased by \$9.6 million (13.5%) over the previous fiscal year to \$81.3 million. Notable changes in the costs of programs and services are:

- Public Safety, comprised of the Police and Fire Departments, is the most significant governmental cost (47.1%). Public Safety costs increased by \$0.9 million (2.5%) over the previous year. Wages and benefits were up \$3.5 million (10.3%) which is contributed to 3.5% merit step increase and a 5.0% cost of living increase.
- General Government is the second largest governmental cost (30.7%). General Government includes Public Works, Municipal Court, Development Services (Building and Planning Divisions), and the City Administrative Departments. General Government increased \$6.7 million (37.1%) over the previous year. The increases include \$1.6 million in wages and benefits, \$1 million ARPA funds distributed to community organizations, and \$1 million in information technology services and supplies, and general insurance claims.
- Highways and Streets costs decreased by \$1.2 million (-24.7%) over the previous fiscal year due to delays in street restoration projects.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

- Culture and Recreation increased \$728.7 thousand (9.4%) due to increase in labor and utilities.

Business-Type Activities. Business-type activities decreased the City's net position in the fiscal year 2024 by \$15.3 million (6.6%), bringing the total net position to \$217.5 million.

Total revenue for Business-type activities increased by \$448 thousand (0.8%).

- Water fees, fines, and service charges increased by \$2.0 million (17.4%), due to a rate increase in fiscal year 2024, changing both the rates and usage tiers. In addition water usage increased when compared to the prior year. However, grants decreased by \$2.9 million.
- Wastewater fees, fines, and charges for services increased by \$1.5 million (5.9%) over the previous fiscal year due to rate changes in fiscal year 2024.
- Refuse charges for services increased by \$1.0 million (12.6%). This is due to a CPI rate increases of 13.9% in March 2023 and an increase of 4.5% in January 2024.
- Investment earnings increased \$3.8 million due to increases in market interest rates.
- Grants for the airport decreased by \$5.1 million as projects on the runways were completed.

Total costs of programs and services for Business-type activities increased by \$608 thousand (1.1%) over the previous fiscal year. Significant changes in the costs of programs and services include:

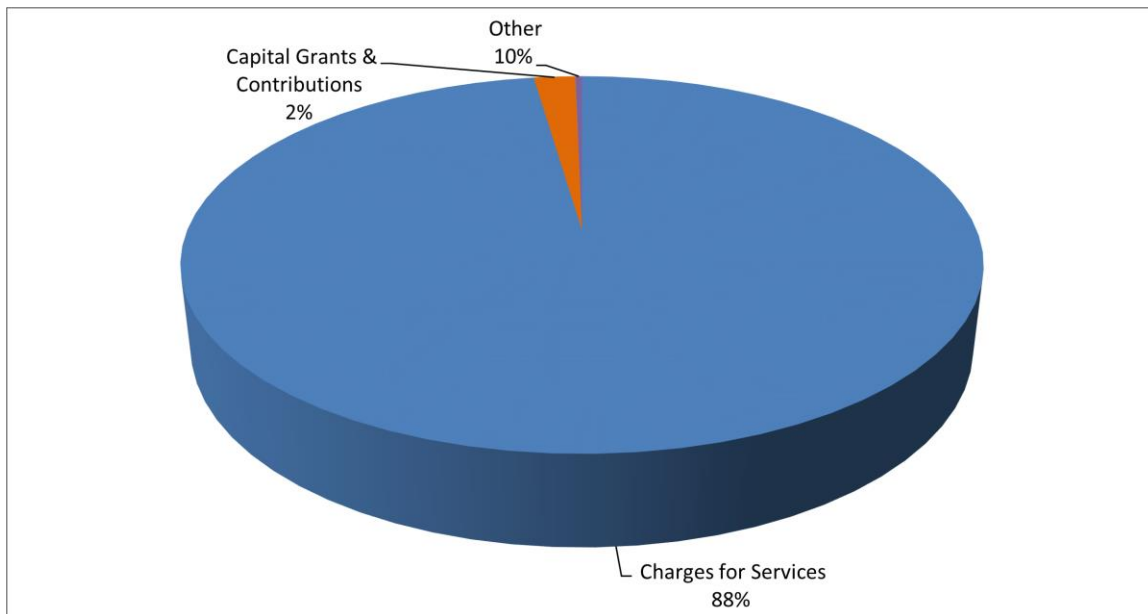
- The expenses in the water fund have decreased by \$223.3 thousand (1.4%) in this fiscal year. The wages and benefits have seen an increase of \$709.2 thousand (21.4%), which can be attributed to a pay scale adjustment, a 3.5% merit step increase, and a 5.0% cost of living increase. However there have been decreases in repairs and maintenance, instrument controls, general insurance claims, and other system supplies
- The overall expenses in the Wastewater Fund have increased by \$363.6 thousand (1.3%) this fiscal year. The cost of several operating items has risen over the fiscal year. Wage and benefits increased by \$384.9 thousand, resulting from a combination of pay scale adjustment, a 3.5% merit step increase, a 5.0% cost-of-living increase

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

- The collection of residential trash is contracted to a third party based on the number of trash accounts billed by the City. Expenses increased in the Refuse Fund by \$378.6 thousand (5.0%) over the prior fiscal year. The cost is primarily due to a 3.0% increase in the city's rate to the contractor for trash collection.
- Expenses in the Airport Fund increased by \$89 thousand (5.0%) this fiscal year. Wage and benefits increased by \$12.7 thousand, which included a 3.5% merit step increase and a 5.0% cost of living; this was offset by an adjustment in compensated absence liability due to changes in personnel. Airfield supplies and depreciation increased in expenses.

As shown in the "Business-type Activities Revenues by Source" chart, charges for services provided the largest share of revenues (88%), followed by other revenues (10%).

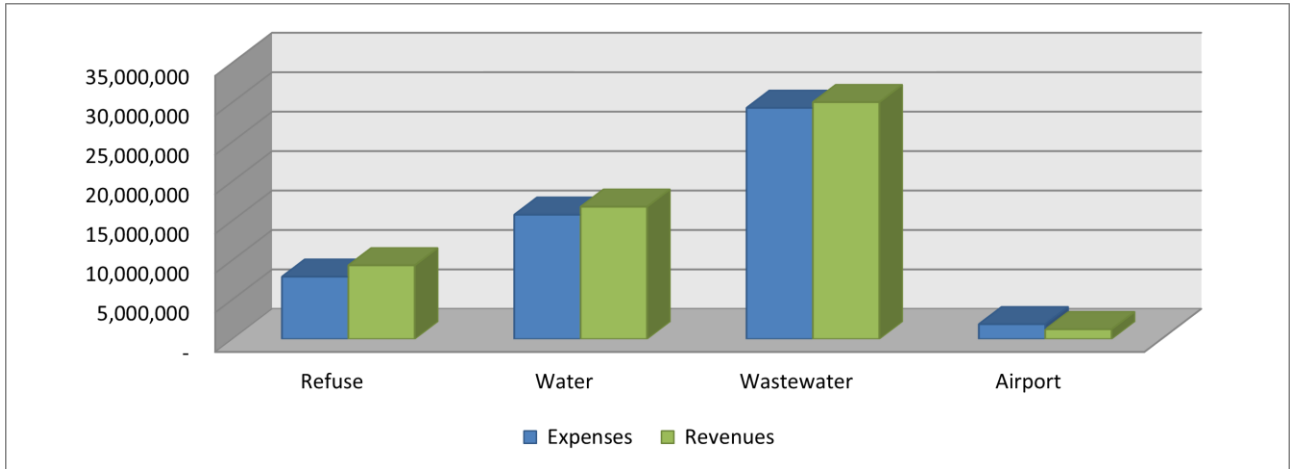
**Business-type Activities Revenues by Source
Fiscal Year 2023-24**



As shown in the "Business-type Activities Program Revenues and Expenses" chart below, the largest of Lake Havasu City's business-type activities, Wastewater, had program expenses of \$29.3 million in the fiscal year 2024, followed Water with \$15.8 million.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

**Business-type Activities Program Revenues and Expenses
Fiscal Year 2023-24**



The City's Wastewater Division is responsible for collecting and treating all sewage generated in the City connected to the sewer system. More than 81 lift stations are positioned in the City to pump the sewage to the three (3) separate treatment plants.

The City's Water Division provides potable water to the City's residents; operates and maintains the water treatment plant and all existing wells, pump stations, storage reservoirs, transmissions, and distribution lines; and provides and installs service connections and meters to every residence and business in the City.

Financial Analysis of Lake Havasu City's Funds

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

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 and may serve as a useful measure of a government's net financial resources available for spending at the end of the fiscal year to finance the City's programs. The types of governmental funds reported by the City include the General Fund, Special Revenue Funds, and Capital Project Funds.

As of the end of the fiscal year 2024, the City's governmental funds reported combined ending fund balances of \$156.6 million, an increase of \$56.8 million (56.9%) compared with the fiscal year 2023 fund balance of \$99.8 million. The majority of the fund balance, \$85.0 million (54.2%), is unassigned and available for use at the government's discretion. Approximately \$61.5 million (39.3%) is restricted in its usage by externally enforceable limitations. The restricted balance increased by \$40.9 million \$35.5 million is due to funds received from the State for the construction of a second bridge. Approximately \$8.0 million (5.1%) is assigned by management for specifically identified uses. The remaining \$2.2 million (1.4%) is non-spendable and is the portion of net resources that cannot be spent because of their form (inventory, prepaid expenses).

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The General Fund is the chief operating fund of the City. At the end of the fiscal year 2024, the total fund balance of the General Fund reached \$87.3 million, a 14.0% increase over the prior year. The non-spendable portion of the fund balance is \$2.1 million (2.5%), reflecting inventory and prepaid expenses. The restricted portion of the fund balance is \$112 thousand (0.1%), and the unassigned fund balance is \$85.0 million (97.4%), which is available at the City's discretion. At the end of the fiscal year 2023, the total fund balance was \$76.6 million. Of that fund balance, \$2.0 million (2.6%) was non-spendable, \$87.9 thousand (0.1%) was restricted, \$145.5 thousand (0.2%) was assigned, and \$74.4 million (97.1%) was unassigned.

The City's General Fund balance increased by \$10.7 million (14.0%) during the fiscal year 2024. Key factors for this increase are:

- Overall, total revenues in the fiscal year 2024 reflected an increase of \$13.2 million (16.5%). Revenues increased primarily due to intergovernmental revenue and investment earnings. A \$4.6 million increase in State Urban Revenue Sharing and \$287.5 thousand in State Shared Sales Tax was received. Investment earnings increased by \$3.9 million due to interest rate increases in the market.
- There was an increase of \$970 thousand (2.5%) in sales tax revenue for the General Fund in fiscal year 2024 compared to fiscal year 2023. The increase is due primarily to growth in communication and utilities, construction and Use Tax business class codes. The City's sales tax growth has decreased in the past two years due to rising inflation and increased spending on non-taxable items like groceries, mortgages, and rent.
- Property tax and franchise taxes both had increases of \$313 thousand (5.2%) and \$220 thousand (9.7%) respectively.
- Charges for services increased \$430 thousand (34.7%). The City began providing ambulance transport services in June 2024, which contributed \$317 thousand in revenue. Additionally, parks and recreation revenue increased \$107 thousand (12.1%) over the prior year.
- In the fiscal year 2024, the General Fund expenditures increased by \$8.2 million, which represents a 12.5% increase. General Government spending rose by \$2.4 million (13.7%), Public Safety increased by \$3.8 million (10.2%), and Culture and Recreation increased by \$1.6 million (21.8%). The primary reasons for the General Government increase were increases in salary and benefit of \$2.2 million, \$374 thousand in building and ground maintenance, and \$605 thousand in furniture and equipment for the new courthouse.. The Public Safety increase was mainly due to additional salary and benefits of \$3.2 million. As for Culture and Recreation, the wages and benefits increased \$997 thousand and a combination of utilities, building and park maintenance supplies.

The HURF Fund, which accounts for the City's highway and street activities, had a net decrease in fund balance of \$1.2 million (6.0%) in the fiscal year 2024. This is a result of increased capital outlay expenditures for planned street resurfacing projects.

The Second Bridge Fund, which accounts for the appropriated funding from the State general fund for highway projects to construct a second bridge to use in case of emergency evacuation, was a new reporting entity for the City in the fiscal year 2024. At the end of fiscal year 2024, the Second Bridge Fund had a fund balance of \$35.6 million.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal years 2024 and 2023, the unrestricted net position for the Water Fund was \$40.2 million and \$47.1 million, respectively; the Wastewater Fund was \$21.9 million and \$22.8 million, respectively; the Refuse Fund was \$6.8 million and \$5.3 million, respectively; the total Airport Fund was \$51.7 thousand and \$4.1 million, respectively. Factors concerning the finances of these funds have been addressed previously in the discussion of the City's Business-type activities.

Changes to Financial Reporting Entities. During the year, the City had changes in reporting units as a result of the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*. The table below summarizes the changes in reporting units and the beginning balances at 6/30/2023, as adjusted, presented in the basic financial statements. Additional information on the changes can be found in Note 1 and Note 1.A. to the financial statements.

	Reporting Units Affected by Adjustments to Beginning Balances				
	Funds			Government-Wide	
	Capital Projects Fund	Nonmajor Governmental	Water Fund	Governmental Activities	Business-Type Activities
6/30/2023, as previously reported	\$ -	\$ 3,431,537	\$ 133,545,808	\$ 122,962,938	\$ 232,851,942
Change from nonmajor to major fund	2,334,832	(2,334,832)	-	-	-
Change from major proprietary fund to nonmajor governmental fund	-	7,290,291	(17,858,180)	-	-
Change from business-type activity to governmental activities	-	-	-	17,858,180	(17,858,180)
7/1/2023, as adjusted	<u>\$ 2,334,832</u>	<u>\$ 8,386,996</u>	<u>\$ 115,687,628</u>	<u>\$ 140,821,118</u>	<u>\$ 214,993,762</u>

General Fund Budgetary Highlights

The City adopts an annual appropriated budget for its General Fund. A Budgetary Comparison Statement has been provided for the General Fund to demonstrate compliance with this budget. General Fund revenues for the fiscal year 2024 were \$6.0 million more than projected. The most significant differences between final estimated revenues and actual revenues were as follows (in thousands):

Revenue Source:	Actual Revenues	Estimated Revenues	Difference
Taxes	\$ 49,008	\$ 46,499	\$ 2,509
Investments	4,826	684	4,142
Intergovernmental Revenues	33,393	33,759	(367)

The increase in taxes resulted from transaction privilege taxes exceeding projections due to the City performing better at than anticipated the end of the fiscal year. The increase in investments resulted in the increase of market interest rates. The decreased intergovernmental revenues were due to receiving slightly less than anticipated grant funding. The increase in investments resulted in the increase of market interest rates. The decreased intergovernmental revenues were due to less than anticipated grant funding received.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The cost of programs and services was \$13.9 million less than the fiscal year 2024 budget, mainly due to the following:

- Non-Departmental expenses were \$4.1 million less; additional funds were budgeted for unknown grants and economic recovery funds.
- The Magistrate Court expenses were \$647 thousand less than projected. \$335 thousand is due to coming in under budget on furniture and equipment for the new courthouse.
- Public Safety expenses were \$5.0 million less than projected. \$3.3 million less in capital outlay which \$2.7 is due to delays in delivery of fire trucks. Fire is \$1.3 million below budget in compensation.
- Culture and Recreation were \$737 thousand less than projected. This was due to \$150 thousand less in compensation than projected and \$274 thousand in supplies and \$610 thousand delay in capital outlay.
- Administrative services were \$2.4 million less than projected. This is due to fewer expenses in Information technology software agreements, hardware replacements, and software. Finance and Information technology has also experienced recruiting challenges; therefore, wages and benefits were \$164 thousand less than projected.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its Governmental and Business-type activities as of June 30, 2024, and 2023, totaled \$484.2 million and \$473.1 million, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other improvements, water rights, machinery and equipment, park facilities, roads, highways, and the right to use for leases. The change in the City's capital assets (net of accumulated depreciation) between fiscal years 2024 and 2023 was an increase of 2.3%.

**Capital Assets, Net of Depreciation
June 30, 2024 and 2023
(in thousands of dollars)**

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2024	2023	2024	2023	2024	2023	
Land	\$ 29,088	\$ 29,187	\$ 3,298	\$ 3,298	\$ 32,385	\$ 32,485	(0.3)%
Improvements to Land	12,595	13,208	-	-	12,595	13,208	(4.6)
Buildings, Structures, and Improvements	28,173	17,804	13,607	14,317	41,781	32,122	30.1
Furniture, Machinery, and Equipment	15,424	12,086	7,083	6,912	22,507	18,999	18.5
Construction in Progress	10,917	8,462	20,737	21,259	31,652	29,720	6.5
Infrastructure	44,226	31,568	288,755	303,876	332,981	335,444	(0.7)
Water Allocation Rights	-	-	9,123	9,182	9,123	9,182	(0.6)
Right-to-Use Lease Assets	1,440	1,513	-	-	1,440	1,513	(4.8)
Right-to-Use Subscription Assets	363	446	-	-	363	446	(18.5)
Total Capital Assets	\$ 142,224	\$ 114,273	\$ 342,603	\$ 358,845	\$ 484,827	\$ 473,118	2.5

Major capital asset events completed during the current fiscal year included the following:

- Infrastructure Improvements.
 - Lift Station Upgrades
 - Water Tank Improvements and Replacements
 - Major Street Repaving
- Building Improvements.
 - Police Facility Rehabilitation Phase One
- Airport Runway Strengthening and Overlay
- Drainage Enhancements
 - Daytona Wash 4

Additional information on the City's capital assets can be found in Note 3 A.3.

Long-Term Debt. At the end of the fiscal year 2024, the City had a total bonded debt outstanding of \$200.4 million, a decrease of \$6.7 million (3.3%). At the end of the fiscal year 2023, the bonded debt totaled \$207.1 million. Of the fiscal year 2024 total bonded debt, \$51.5 million is in general obligation bonds backed by the full faith and credit of the government; \$98.3 million is in revenue bonds pledging wastewater revenues for repayment, and \$42.9 million is in the form of loans from WIFA for loans associated with the water and wastewater systems.

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

State statutes impose debt limitations on the City of 6% and 20% of the City's outstanding limited property assessed valuation. The City's available debt margin on June 30, 2024, is \$93.5 million in the 6% capacity and \$225.1 million in the 20% capacity. In the fiscal year 2023, the 6% capacity limit was \$73.4 million, and \$151.7 million was in the 20% capacity limit. Additional information on the debt limitations and capacities may be found in the statistical section of this report.

In accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the City's proportionate share of its unfunded pension liabilities for pension plans in which it participates is also included in its outstanding long-term liabilities. The City's net pension liabilities at the end of fiscal years 2024 and 2023 were \$102.1 million and \$102.0 million, respectively. Additional information on the City's pensions can be found starting on page 80.

In accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, the City must also include other post-employment benefits that it provides in its outstanding long-term liabilities. The City's other post-employment benefits at the end of the fiscal year 2024 and 2023 were \$10.0 million and \$10.4 million, respectively. Additional information on the City's OPEB can be found starting on page 94.

Additional information on the City's long-term liabilities can be found in Note 3.C and D. to the financial statements.

**Outstanding Obligations
June 30, 2024 and 2023
(in thousands of dollars)**

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2024	2023	2024	2023	2024	2023	
General Obligation Bonds	\$ -	\$ -	\$ 51,520	\$ 54,160	\$ 51,520	\$ 54,160	(4.9)
Revenue Bonds	-	-	98,300	98,300	98,300	98,300	-
Bond Premium	-	-	7,662	8,384	7,662	8,384	(8.6)
WIFA Loans Payable	-	-	42,937	46,308	42,937	46,308	(7.3)
Financed Purchases Payable	349	673	-	-	349	673	(48.1)
Leases Payable	1,222	1,314	-	-	1,222	1,314	(7.0)
Subscription Payable	301	434	-	-	301	434	
Compensated Absences	3,816	3,563	510	487	4,326	4,050	6.8
Other Postemployment Benefits	7,373	7,631	2,687	2,728	10,060	10,359	(2.9)
Total Long-Term Liabilities	<u>\$ 13,059</u>	<u>\$ 13,614</u>	<u>\$ 203,617</u>	<u>\$ 210,367</u>	<u>\$ 216,677</u>	<u>\$ 223,982</u>	

**LAKE HAVASU CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Economic Factors and Next Year's Budgets and Rates

The City's economy has continued to reflect a positive trend. Through the budget plans, City management and staff remain committed to providing Lake Havasu City citizens with a high-quality service at a reasonable cost. In June 2024, the City Council approved a \$241.8 million budget.

Highlights of the City's budget for the 2025 fiscal year include the following:

The 2025 combined budgets for operating and capital programs total \$241.8 million, representing a \$28.4 million or 13.8% increase over the 2024 combined budget.

The budget includes \$2.6 million in contingency for standard unexpected expenses as well as additional contingency for higher than expected revenues or additional revenue from grant funding.

The primary revenue source, local tax, is budgeted at \$47.7 million, an increase of \$1.2 million (2.6%) over the 2024 budget.

The 2025 capital budget includes new and continuing projects totaling \$61.7 million. Notable projects in the total 5-Year CIP include phase two of the rehabilitation of the police facility, \$6.0 million for construction of a new fire station, \$1.1 million for a new City Fuel Facility, \$25 million in airport improvements, \$52.2 million in street new and street repaving, and \$233.5 million in utility infrastructure.

Overall revenue projections are \$4.2 million more than the prior year's budget. The City has projected that utilities, local tax, and charges for service will increase. Charges for service increase is driven by the new ambulance transport services. State shared revenue will decrease \$3.2 million due to a change in the State's formula.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to:

Administrative Services Department
Lake Havasu City
2330 McCulloch Blvd. N.
Lake Havasu City, AZ 86403
Telephone (928) 855-2116
Fax (928) 855-0551
Website: www.lhcaz.gov



BASIC FINANCIAL STATEMENTS



**LAKE HAVASU CITY, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 160,983,144	\$ 70,176,617	\$ 231,159,761
Restricted Cash	5,044,865	16,128,274	21,173,139
Receivables, Net:			
Accounts Receivable	1,017,311	5,469,388	6,486,699
Property Taxes Receivable	29,755	2,017	31,772
Intergovernmental Receivable	9,328,303	311,674	9,639,977
Interest Receivable	444,954	445,140	890,094
Lease Receivable	929,236	1,271,417	2,200,653
Internal Balances	2,515	(2,515)	-
Inventories	167,067	-	167,067
Prepaid Items	2,017,585	28,948	2,046,533
Other Assets	-	650,733	650,733
Net Pension OPEB Asset	1,433,523	183,195	1,616,718
Capital Assets:			
Nondepreciable	40,004,104	31,619,382	71,623,486
Depreciable	102,220,281	310,983,340	413,203,621
Total Assets	<u>323,622,643</u>	<u>437,267,610</u>	<u>760,890,253</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Pension Liability	21,812,577	809,430	22,622,007
Deferred Outflows of Resources - Net OPEB Liability	204,497	30,459	234,956
Deferred Outflows of Resources - OPEB Liability	582,129	162,204	744,333
Total Deferred Outflows of Resources	<u>22,599,203</u>	<u>1,002,093</u>	<u>23,601,296</u>
LIABILITIES			
Accounts Payable	8,617,866	3,065,882	11,683,748
Accrued Salaries and Fringes	4,327,550	218,280	4,545,830
Accrued Interest Payable	-	4,052,795	4,052,795
Intergovernmental Payable	201,231	156,633	357,864
Developer Agreements	4,583,624	-	4,583,624
Retainage Payable	1,327,638	566,887	1,894,525
Unearned Revenue	2,580,475	374,380	2,954,855
Performance Bonds Payable	268,204	-	268,204
Liabilities Payable from Restricted Assets	-	497,202	497,202
Noncurrent Liabilities:			
Due Within One Year	4,815,710	6,778,025	11,593,735
Due in More Than One Year	104,685,110	202,487,371	307,172,481
Total Liabilities	<u>131,407,408</u>	<u>218,197,455</u>	<u>349,604,863</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Pension Liability	855,393	80,118	935,511
Deferred Inflows of Resources - Net OPEB Liability	596,798	89,060	685,858
Deferred Inflows of Resources - OPEB Liability	553,044	81,881	634,925
Deferred Inflows of Resources - Leases	929,236	1,271,417	2,200,653
Deferred Inflows of Resources - Bond Refinancing	-	1,047,839	1,047,839
Total Deferred Inflows of Resources	<u>2,934,471</u>	<u>2,570,315</u>	<u>5,504,786</u>
NET POSITION			
Net Investment in Capital Assets	136,953,671	138,948,553	275,902,224
Restricted for:			
Public Safety	371,165	-	371,165
Highways and Streets	19,576,974	-	19,576,974
Second Bridge	35,583,874	-	35,583,874
Opioid Programs	660,291	-	660,291
Debt Service	-	9,322,734	9,322,734
Flood Control	5,940,569	-	5,940,569
OPEB Benefits	1,433,523	183,195	1,616,718
Other Purposes	743,595	-	743,595
Unrestricted	10,616,305	69,047,451	79,663,756
Total Net Position	<u>\$ 211,879,967</u>	<u>\$ 217,501,933</u>	<u>\$ 429,381,900</u>

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General Government	\$ 24,787,733	\$ 4,481,784	\$ 474,269	\$ 5,345,915
Public Safety	37,978,758	597,255	919,751	3,526,010
Highways and Streets	6,295,811	-	6,508,455	36,359,770
Culture and Recreation	8,497,359	995,732	21,481	3,163,750
Tourism and Promotion	2,138,665	-	-	-
Transportation Services	928,811	74,977	1,334,751	-
Interest on Long-term Debt	61,474	-	-	-
Total Governmental Activities	80,688,611	6,149,748	9,258,707	48,395,445
Business-Type Activities:				
Refuse	7,899,953	9,004,582	-	-
Water	15,758,593	13,652,977	-	-
Wastewater	29,301,219	27,263,276	-	518,080
Airport	1,880,101	676,328	42,790	511,618
Total Business-Type Activities	54,839,866	50,597,163	42,790	1,029,698
Total Primary Government	\$ 135,528,477	\$ 56,746,911	\$ 9,301,497	\$ 49,425,143

GENERAL REVENUES

Taxes:

Sales Taxes

Property Taxes

Franchise Taxes

Unrestricted State Urban Revenue Sharing

Unrestricted State Sales Tax Revenue Sharing

Unrestricted Auto Lieu Tax Revenue Sharing

Unrestricted Miscellaneous Revenue Sharing

Investment Earnings

Gain/Loss on Disposal of Capital Assets

Other

Transfers

Total General Revenues and Transfers

CHANGES IN NET POSITION

Net Position - Beginning of Year, as Previously Presented

Change in Financial Reporting Entity (Formerly
Business-Type Activity to Governmental Activity)

Net Position - Beginning of Year, as Adjusted

NET POSITION - END OF YEAR

See accompanying Notes to Basic Financial Statements.

Net Revenue (Expense) and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (14,485,765)	\$ -	\$ (14,485,765)
(32,935,742)	-	(32,935,742)
36,572,414	-	36,572,414
(4,316,396)	-	(4,316,396)
(2,138,665)	-	(2,138,665)
480,917	-	480,917
(61,474)	-	(61,474)
<u>(16,884,711)</u>	<u>-</u>	<u>(16,884,711)</u>
-	1,104,629	1,104,629
-	(2,105,616)	(2,105,616)
-	(1,519,863)	(1,519,863)
-	(649,365)	(649,365)
<u>-</u>	<u>(3,170,215)</u>	<u>(3,170,215)</u>
(16,884,711)	(3,170,215)	(20,054,926)
40,144,705	14,253	40,158,958
6,379,515	3,527	6,383,042
2,498,944	-	2,498,944
15,614,891	-	15,614,891
8,903,135	-	8,903,135
4,985,085	-	4,985,085
443,007	-	443,007
6,238,688	5,581,943	11,820,631
1,742,000	-	1,742,000
897,898	174,355	1,072,253
95,692	(95,692)	-
<u>87,943,560</u>	<u>5,678,386</u>	<u>93,621,946</u>
71,058,849	2,508,171	73,567,020
122,962,938	232,851,942	355,814,880
<u>17,858,180</u>	<u>(17,858,180)</u>	<u>-</u>
<u>140,821,118</u>	<u>214,993,762</u>	<u>355,814,880</u>
<u>\$ 211,879,967</u>	<u>\$ 217,501,933</u>	<u>\$ 429,381,900</u>

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

ASSETS	General	HURF	Second Bridge	Capital Projects
Cash and Investments	\$ 86,564,647	\$ 20,514,161	\$ 35,583,874	\$ 8,757,270
Restricted Cash	4,921,796	-	-	-
Receivables:				
Accounts Receivable	1,012,961	-	-	-
Taxes Receivable	29,701	-	-	-
Intergovernmental Receivable	6,437,574	676,392	-	1,486,284
Leases Receivable	929,236	-	-	-
Interest Receivable	346,326	47,086	-	20,821
Due from Other Funds	63,492	-	-	-
Inventories	167,067	-	-	-
Prepaid Items	2,014,884	-	-	-
Total Assets	\$ 102,487,684	\$ 21,237,639	\$ 35,583,874	\$ 10,264,375
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 4,880,847	\$ 2,333,843	\$ -	\$ 1,272,647
Accrued Wages and Benefits	4,220,756	61,415	-	-
Intergovernmental Payable	197,406	-	-	-
Developer Agreements	4,583,624	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	113,511	-	-	-
Retainage Payable	-	288,593	-	835,461
Performance Bonds Payable	268,204	-	-	-
Total Liabilities	14,264,348	2,683,851	-	2,108,108
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Leases	929,236	-	-	-
Deferred Inflows - Unavailable Revenue	-	-	-	449,148
Total Deferred Inflows of Resources	929,236	-	-	449,148
FUND BALANCE				
Nonspendable	2,181,951	-	-	-
Restricted	123,437	18,553,788	35,583,874	-
Assigned	-	-	-	7,707,119
Unassigned	84,988,712	-	-	-
Total Fund Balance	87,294,100	18,553,788	35,583,874	7,707,119
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 102,487,684	\$ 21,237,639	\$ 35,583,874	\$ 10,264,375

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

Nonmajor Funds	Totals
\$ 9,563,192	\$ 160,983,144
123,069	5,044,865
4,350	1,017,311
54	29,755
728,053	9,328,303
-	929,236
30,721	444,954
-	63,492
-	167,067
2,701	2,017,585
\$ 10,452,140	\$ 180,025,712
\$ 130,529	\$ 8,617,866
45,379	4,327,550
3,825	201,231
-	4,583,624
60,977	60,977
2,466,964	2,580,475
203,584	1,327,638
-	268,204
2,911,258	21,967,565
-	929,236
84,551	533,699
84,551	1,462,935
2,701	2,184,652
7,250,626	61,511,725
290,257	7,997,376
(87,253)	84,901,459
7,456,331	156,595,212
\$ 10,452,140	\$ 180,025,712

See accompanying Notes to Basic Financial Statements.

LAKE HAVASU CITY, ARIZONA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances for Governmental Funds \$ 156,595,212

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

Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Capital and Right-to-Use Assets	280,943,846
Less: Accumulated Depreciation and Amortization	(138,719,461)
Capital and Right-to-Use Assets Used in Governmental Activities	142,224,385

Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.. 533,699

Net pension OPEB assets are not current financial resources and, therefore, are not reported in the governmental funds. 1,433,523

Deferred outflows relating to deferred amounts on pensions and OPEB are not financial resources; therefore, are not reported in the funds.

Deferred Outflows of Resources Related to Pensions	21,812,577
Deferred Outflows of Resources Related to Pension OPEB	204,497
Deferred Outflows of Resources Related to OPEB	582,129

Deferred inflows relating to pensions and OPEB represent a future acquisition of net position that is not reported in the funds.

Deferred Inflows of Resources Related to Pensions	(855,393)
Deferred Inflows of Resources Related to Pension OPEB	(596,798)
Deferred Inflows of Resources Related to OPEB	(553,044)

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

Subscriptions Payable	(300,019)
Leases Payable	(1,221,081)
Financed Purchases Liability	(349,085)
Compensated Absences	(3,816,206)
Other Postemployment Benefits	(7,372,635)
Net OPEB Liability	(15,526)
Net Pension Liability	(96,426,268)

Total Net Position of Governmental Activities \$ 211,879,967

See accompanying Notes to Basic Financial Statements.

LAKE HAVASU CITY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	HURF	Second Bridge	Formerly Non- major Fund Capital Projects
REVENUE				
Taxes:				
Sales Taxes	\$ 40,144,705	\$ -	\$ -	\$ -
Property Taxes	6,364,014	-	-	-
Franchise Taxes	2,498,944	-	-	-
Intergovernmental Revenue	33,392,687	6,834,528	35,583,874	3,753,607
Fines and Forfeitures	1,421,074	-	-	-
Licenses and Permits	2,813,751	-	-	-
Charges for Services	1,668,409	-	-	-
Rents and Royalties	160,700	-	-	-
Contributions and Donations	71,430	-	-	1,000,000
Investment Earnings (Loss)	4,826,183	830,451	-	222,104
Other	209,750	26,492	-	-
Total Revenue	<u>93,571,647</u>	<u>7,691,471</u>	<u>35,583,874</u>	<u>4,975,711</u>
EXPENDITURES				
Current:				
General Government	16,667,083	-	-	-
Public Safety	39,381,391	-	-	-
Highways and Streets	-	6,350,826	-	-
Culture and Recreation	8,331,283	-	-	-
Tourism and Promotion	2,138,665	-	-	-
Transportation Services	735,785	-	-	-
Debt Service:				
Principal Retirement	1,012,866	-	-	-
Interest on Long-Term Debt	61,474	-	-	-
Capital Outlay	5,195,484	4,977,054	-	9,345,424
Total Expenditures	<u>73,524,031</u>	<u>11,327,880</u>	<u>-</u>	<u>9,345,424</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	20,047,616	(3,636,409)	35,583,874	(4,369,713)
OTHER FINANCING SOURCES (USES)				
Transfers In	369,058	2,500,000	-	8,000,000
Transfers Out	(10,196,023)	(40,000)	-	-
Issuance of Leases	296,682	-	-	-
Issuance of Subscriptions	166,618	-	-	-
Sale of Capital Assets	-	-	-	1,742,000
Total Other Financing Sources (Uses)	<u>(9,363,665)</u>	<u>2,460,000</u>	<u>-</u>	<u>9,742,000</u>
NET CHANGE IN FUND BALANCE	10,683,951	(1,176,409)	35,583,874	5,372,287
Fund Balance - Beginning of Year, as Previously Presented	76,610,149	19,730,197	-	-
Change within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-	2,334,832
Change within Financial Reporting Entity (Major Proprietary to Nonmajor Governmental Fund)	-	-	-	-
Fund Balance - Beginning of Year, as Adjusted	<u>76,610,149</u>	<u>19,730,197</u>	<u>-</u>	<u>2,334,832</u>
FUND BALANCE - END OF YEAR	<u>\$ 87,294,100</u>	<u>\$ 18,553,788</u>	<u>\$ 35,583,874</u>	<u>\$ 7,707,119</u>

See accompanying Notes to Basic Financial Statements.

LAKE HAVASU CITY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

<u>Nonmajor Funds</u>	<u>Totals</u>
\$ -	\$ 40,144,705
15,501	6,379,515
-	2,498,944
6,467,584	86,032,280
85,771	1,506,845
-	2,813,751
43	1,668,452
-	160,700
4,347	1,075,777
359,964	6,238,702
661,656	897,898
7,594,866	149,417,569
808,221	17,475,304
1,638,386	41,019,777
-	6,350,826
13,408	8,344,691
-	2,138,665
193,026	928,811
-	1,012,866
-	61,474
5,335,147	24,853,109
7,988,188	102,185,523
(393,322)	47,232,046
-	10,869,058
(537,343)	(10,773,366)
-	296,682
-	166,618
-	1,742,000
(537,343)	2,300,992
(930,665)	49,533,038
3,431,537	99,771,883
(2,334,832)	-
7,290,291	7,290,291
8,386,996	107,062,174
\$ 7,456,331	\$ 156,595,212

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
RECONCILIATION TO THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 49,533,038

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Expenditures for Capital and Right-to-Use Assets	24,511,221
Less: Current Year Depreciation and Amortization	(6,949,782)
Excess Capital Expenditures Over Depreciation and Amortization	17,561,439

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, and donations) to decrease net position. (178,168)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position.

Principal Payments on Long-term Debt	1,012,866
Proceeds from Debt	(463,300)

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.

Net Increase in Compensated Absences	(253,037)
OPEB Expense	1,044,158
Net OPEB Expense	206,481
Pension Expense	(13,293,705)

Current-year pension contributions are reclassified to deferred outflows of resources on the statement of activities, and, therefore, are not a reduction of net position.

Current-Year Pension Contributions	15,832,079
Current-Year OPEB Contributions	56,998
	15,889,077

Changes in Net Position of Governmental Activities \$ 71,058,849

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Taxes				
Sales Taxes	\$ 37,815,800	\$ 37,815,800	\$ 40,144,705	\$ 2,328,905
Property Taxes	6,403,025	6,403,025	6,364,014	(39,011)
Franchise Taxes	2,280,000	2,280,000	2,498,944	218,944
Intergovernmental Revenue	33,759,425	33,759,425	33,392,687	(366,738)
Fines and Forfeitures	1,494,800	1,494,800	1,421,074	(73,726)
Licenses and Permits	2,205,000	2,205,000	2,813,751	608,751
Charges for Services	2,450,250	2,562,750	1,668,409	(894,341)
Rents and Royalties	50,000	50,000	160,700	110,700
Contributions and Donations	80,500	80,500	71,430	(9,070)
Investment Earnings	684,085	684,085	4,826,183	4,142,098
Other	235,000	235,000	209,752	(25,248)
Total Revenue	<u>87,457,885</u>	<u>87,570,385</u>	<u>93,571,649</u>	<u>6,001,264</u>
EXPENDITURES				
Current:				
General Government:				
City Council	283,635	283,635	260,995	22,640
City Clerk	308,314	318,314	302,775	15,539
Magistrate Court	3,610,230	3,610,230	2,963,101	647,129
City Manager	894,565	894,565	844,029	50,536
Human Resources	883,837	883,837	757,903	125,934
Administrative Services	9,834,936	9,834,936	7,282,956	2,551,980
City Attorney	1,348,860	1,338,860	1,192,241	146,619
Nondepartmental	6,353,614	6,353,614	2,225,396	4,128,218
Public Works	3,864,709	3,864,709	2,474,789	1,389,920
Development Services	2,317,823	2,317,823	1,941,842	375,981
Total General Government	<u>29,700,523</u>	<u>29,700,523</u>	<u>20,246,027</u>	<u>9,454,496</u>
Public Safety:				
Police	22,987,805	22,987,805	22,097,310	890,495
Fire	23,527,350	23,527,350	19,389,736	4,137,614
Total Public Safety	<u>46,515,155</u>	<u>46,515,155</u>	<u>41,487,046</u>	<u>5,028,109</u>
Culture and Recreation:				
Recreation Department	8,045,135	8,045,135	8,703,194	(658,059)
Tourism and Promotion:				
Tourism/Economic Development	2,100,000	2,100,000	2,094,156	5,844
Transportation Services:				
Havasu Transit	1,115,563	1,115,563	993,610	121,953
Total Expenditures	<u>87,476,376</u>	<u>87,476,376</u>	<u>73,524,033</u>	<u>13,952,343</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(18,491)	94,009	20,047,616	19,953,607
OTHER FINANCING SOURCES (USES)				
Transfers In	125,000	125,000	369,058	244,058
Transfers Out	(10,515,000)	(10,515,000)	(10,196,023)	318,977
Issuance of Leases	346,055	346,055	296,682	(49,373)
Issuance of Subscriptions	-	-	166,618	166,618
Total Other Financing Sources (Uses)	<u>(10,043,945)</u>	<u>(10,043,945)</u>	<u>(9,363,665)</u>	<u>680,280</u>
NET CHANGE IN FUND BALANCE	(10,062,436)	(9,949,936)	10,683,951	20,633,887
Fund Balance - Beginning of Year	<u>72,880,141</u>	<u>72,880,141</u>	<u>76,610,149</u>	<u>3,730,008</u>
FUND BALANCE - END OF YEAR	<u>\$ 62,817,705</u>	<u>\$ 62,930,205</u>	<u>\$ 87,294,100</u>	<u>\$ 24,363,895</u>

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
SECOND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Variance with Final Budget
	Original and Final	Actual	
REVENUE			
Intergovernmental Revenue	\$ -	\$ 35,583,874	\$ 35,583,874
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	35,583,874	35,583,874
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 35,583,874</u>	<u>\$ 35,583,874</u>

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	Business-Type Activities				Total
	Water	Wastewater	Refuse	Airport	Business-Type Activities
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 43,562,941	\$ 20,173,645	\$ 6,440,031	\$ -	\$ 70,176,617
Restricted Cash	390,315	15,709,668	-	28,291	16,128,274
Receivables, Net:					
Accounts Receivable	1,462,449	2,933,646	1,013,999	59,294	5,469,388
Taxes Receivable	2,017	-	-	-	2,017
Intergovernmental Receivable	-	-	-	311,674	311,674
Interest Receivable	265,212	152,092	27,139	697	445,140
Lease Receivable	-	-	-	84,157	84,157
Prepaid Items	27,160	1,788	-	-	28,948
Other Assets	-	650,733	-	-	650,733
Total Current Assets	<u>45,710,094</u>	<u>39,621,572</u>	<u>7,481,169</u>	<u>484,113</u>	<u>93,296,948</u>
Noncurrent Assets:					
Lease Receivable	-	-	-	1,187,260	1,187,260
Net Pension OPEB Asset	88,721	82,174	-	12,300	183,195
Capital Assets					
Nondepreciable	12,321,794	12,357,764	-	6,939,824	31,619,382
Depreciable (Net)	67,885,184	226,046,214	-	17,051,942	310,983,340
Total Noncurrent Assets	<u>80,295,699</u>	<u>238,486,152</u>	<u>-</u>	<u>25,191,326</u>	<u>343,973,177</u>
Total Assets	<u>126,005,793</u>	<u>278,107,724</u>	<u>7,481,169</u>	<u>25,675,439</u>	<u>437,270,125</u>
DEFERRED OUTFLOWS OF RESOURCES	532,265	419,085	-	50,743	1,002,093
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,292,305	939,888	636,297	197,392	3,065,882
Accrued Wages and Benefits	112,960	93,655	-	11,665	218,280
Intergovernmental Payable	149,505	6,668	-	460	156,633
Interest Payable	44,310	4,008,485	-	-	4,052,795
Retainage Payable	241,997	299,594	-	25,296	566,887
Unearned Revenue	95,892	195,114	63,083	20,291	374,380
Liabilities Payable from Restricted					
Assets	354,091	114,820	-	28,291	497,202
Due to Other Funds	-	-	-	2,515	2,515
Compensated Absences	190,841	235,831	-	25,802	452,474
Other Postemployment Benefits	57,945	37,200	-	-	95,145
Bonds and Notes Payable	524,695	5,705,711	-	-	6,230,406
Total Current Liabilities	<u>3,064,541</u>	<u>11,636,966</u>	<u>699,380</u>	<u>311,712</u>	<u>15,712,599</u>
Noncurrent Liabilities:					
Compensated Absences	24,325	30,060	-	3,289	57,674
Other Postemployment Benefits	1,426,430	1,165,645	-	-	2,592,075
Net Pension OPEB Liability	3,691	1,383	-	(79)	4,995
Net Pension Liability	3,033,328	2,336,112	-	274,401	5,643,841
Bonds and Notes Payable	2,281,592	191,907,194	-	-	194,188,786
Total Noncurrent Liabilities	<u>6,769,366</u>	<u>195,440,394</u>	<u>-</u>	<u>277,611</u>	<u>202,487,371</u>
Total Liabilities	<u>9,833,907</u>	<u>207,077,360</u>	<u>699,380</u>	<u>589,323</u>	<u>218,199,970</u>
DEFERRED INFLOWS OF RESOURCES	115,521	1,166,837	-	1,287,957	2,570,315
NET POSITION					
Net Investment in Capital Assets	76,215,477	38,948,207	-	23,784,869	138,948,553
Restricted for OPEB Benefits	88,721	82,174	-	12,300	183,195
Restricted for Debt Service	36,224	9,286,510	-	-	9,322,734
Unrestricted	40,248,208	21,965,721	6,781,789	51,733	69,047,451
Total Net Position	<u>\$ 116,588,630</u>	<u>\$ 70,282,612</u>	<u>\$ 6,781,789</u>	<u>\$ 23,848,902</u>	<u>\$ 217,501,933</u>

See accompanying Notes to Basic Financial Statements.

LAKE HAVASU CITY, ARIZONA
STATEMENT REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities				Total Business-Type Activities
	Water	Wastewater	Refuse	Airport	
OPERATING REVENUE					
Charges for Services	\$ 13,652,977	\$ 27,263,276	\$ 9,004,582	\$ 676,328	\$ 50,597,163
OPERATING EXPENSES					
Cost of Sales and Services	12,659,434	11,051,781	7,899,953	831,824	32,442,992
Depreciation	2,891,239	10,969,225	-	1,048,277	14,908,741
Total Operating Expenses	<u>15,550,673</u>	<u>22,021,006</u>	<u>7,899,953</u>	<u>1,880,101</u>	<u>47,351,733</u>
OPERATING INCOME (LOSS)	(1,897,696)	5,242,270	1,104,629	(1,203,773)	3,245,430
NONOPERATING REVENUE (EXPENSE)					
Taxes	3,527	-	-	14,253	17,780
Intergovernmental	-	-	-	42,790	42,790
Investment Earnings (Loss)	3,070,679	2,172,179	333,421	5,664	5,581,943
Gain (Loss) on Sale of Capital Assets	(119,304)	(41,536)	-	-	(160,840)
Interest Expense	(88,616)	(7,199,741)	-	-	(7,288,357)
Issuance Costs	-	(38,936)	-	-	(38,936)
Other Income (Expense)	40,800	74,525	7,070	51,960	174,355
Total Nonoperating Revenue (Expense)	<u>2,907,086</u>	<u>(5,033,509)</u>	<u>340,491</u>	<u>114,667</u>	<u>(1,671,265)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,009,390	208,761	1,445,120	(1,089,106)	1,574,165
CAPITAL CONTRIBUTIONS	-	518,080	-	511,618	1,029,698
TRANSFERS IN	-	-	-	196,023	196,023
TRANSFERS OUT	<u>(108,388)</u>	<u>(183,327)</u>	<u>-</u>	<u>-</u>	<u>(291,715)</u>
CHANGE IN NET POSITION	901,002	543,514	1,445,120	(381,465)	2,508,171
Net Position - Beginning of Year, as Previously Presented	133,545,808	69,739,098	5,336,669	24,230,367	232,851,942
Change within Financial Reporting Entity (Major Proprietary to Nonmajor Governmental Fund)	<u>(17,858,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,858,180)</u>
Net Position - Beginning of Year, as Adjusted	<u>115,687,628</u>	<u>69,739,098</u>	<u>5,336,669</u>	<u>24,230,367</u>	<u>214,993,762</u>
NET POSITION - END OF YEAR	<u>\$ 116,588,630</u>	<u>\$ 70,282,612</u>	<u>\$ 6,781,789</u>	<u>\$ 23,848,902</u>	<u>\$ 217,501,933</u>

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities – Enterprise Funds				Total Business-Type Activities - Enterprise Funds
	Water	Wastewater	Refuse	Airport	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 13,348,271	\$ 26,570,709	\$ 8,634,888	\$ 681,766	\$ 49,235,634
Payments to Suppliers	(7,770,061)	(7,953,042)	(7,842,836)	(418,548)	(23,984,487)
Payments to Employees	(4,110,849)	(3,329,206)	-	(404,927)	(7,844,982)
Other Nonoperating Receipts (Expenses)	40,800	74,525	7,070	51,960	174,355
Customer Deposits (Payments)	(27,986)	15,598	-	1,949	(10,439)
Net Cash Flows Provided (Used) by Operating Activities	1,480,175	15,378,584	799,122	(87,800)	17,570,081
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	-	-	-	196,023	196,023
Transfers Out	(108,388)	(183,327)	-	-	(291,715)
Tax Receipts	3,795	-	-	14,253	18,048
Intergovernmental Agreements	-	-	-	42,790	42,790
Net Cash Flows Provided by Noncapital Financing Activities	(104,593)	(183,327)	-	253,066	(34,854)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants and Contributions	-	518,080	-	4,344,521	4,862,601
Purchases of Capital Assets	(3,528,295)	(6,341,094)	-	(4,731,396)	(14,600,785)
Principal Paid on Capital Debt	(508,134)	(5,502,917)	-	-	(6,011,051)
Interest Paid on Capital Debt	(96,896)	(7,299,635)	-	-	(7,396,531)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(4,252,629)	(18,625,566)	-	(386,875)	(23,265,070)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends	3,043,426	2,158,644	330,106	5,653	5,537,829
NET CHANGE IN CASH AND CASH EQUIVALENTS	166,379	(1,271,665)	1,129,228	(215,956)	(192,014)
Cash and Cash Equivalents - Beginning of Year, as Previously Presented	48,402,952	37,154,978	5,310,803	244,247	91,112,980
Change within Financial Reporting Entity (Major Proprietary to Nonmajor Governmental Fund)	(4,616,075)	-	-	-	(4,616,075)
Beginning of Year, as Adjusted	43,786,877	37,154,978	5,310,803	244,247	86,496,905
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 43,953,256</u>	<u>\$ 35,883,313</u>	<u>\$ 6,440,031</u>	<u>\$ 28,291</u>	<u>\$ 86,304,891</u>
RECONCILIATION TO STATEMENT OF NET POSITION					
Cash and Investments	\$ 43,562,941	\$ 20,173,645	\$ 6,440,031	\$ -	\$ 70,176,617
Restricted Cash and Investments	390,315	15,709,668	-	28,291	16,128,274
Total Cash and Cash Equivalents	<u>\$ 43,953,256</u>	<u>\$ 35,883,313</u>	<u>\$ 6,440,031</u>	<u>\$ 28,291</u>	<u>\$ 86,304,891</u>

See accompanying Notes to Basic Financial Statements.

**LAKE HAVASU CITY, ARIZONA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities – Enterprise Funds				Total Business-Type Activities - Enterprise Fund
	Water	Wastewater	Refuse	Airport	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (1,897,696)	\$ 5,242,270	\$ 1,104,629	\$ (1,203,773)	\$ 3,245,430
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,891,239	10,969,225	-	1,048,277	14,908,741
Other Nonoperating Receipts (Expenses)	40,800	74,525	7,070	51,960	174,355
Change in Assets/Liabilities:					
Receivables, Net	(283,772)	(625,911)	(351,487)	6,200	(1,254,970)
Prepaid Items	10,489	138,757	-	222	149,468
OPEB Asset	498	399	-	137	1,034
Accounts Payable	862,558	(308,873)	57,117	11,137	621,939
Intergovernmental Payable	7,624	(4,264)	-	920	4,280
Accrued Wages and Benefits	(67,289)	(83,846)	-	(3,274)	(154,409)
Compensated Absences	(4,687)	36,042	-	(8,069)	23,286
Unearned Revenue	(20,934)	(66,656)	(18,207)	(762)	(106,559)
Customer Deposits Payable	(27,986)	15,598	-	1,949	(10,439)
Pension and OPEB Liability	38,998	35,198	-	6,744	80,940
Deferred Outflows of Resources - Pension and OPEB	16,510	10,496	-	(61)	26,945
Deferred Inflows of Resources - Pension and OPEB	(86,177)	(54,376)	-	593	(139,960)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,480,175</u>	<u>\$ 15,378,584</u>	<u>\$ 799,122</u>	<u>\$ (87,800)</u>	<u>\$ 17,570,081</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Other costs of \$38,936, deferred amount on refunding of \$95,258 and premiums of \$721,967 were amortized in the Wastewater Fund during the year.

Capital asset purchases of \$943,214, \$495,436, and \$181,601 were included in accounts payable at year-end in the Water Fund, Wastewater Fund, and Airport Fund, respectively.

See accompanying Notes to Basic Financial Statements.



NOTES TO BASIC FINANCIAL STATEMENTS



LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Havasu City, Arizona (the City) was incorporated in 1978. The City operates under a council-manager form of government and provides services as authorized by Title 9, Arizona Revised Statutes including: public safety (police and fire), highway and streets, culture and recreation, planning and zoning, and general administrative services.

The accompanying financial statements of Lake Havasu City, Arizona have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2024, the City implemented the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*. This standard defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

GASB Statement No. 101 *Compensated Absences* establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The City will implement this standard in fiscal year 2025.

GASB Statement No. 102 *Certain Risk Disclosures* establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The City will implement this standard in fiscal year 2025.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity

A summary of the City's more significant accounting policies follows:

The City is a municipal government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. The accompanying 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.

The City has blended the following entities into its Annual Comprehensive Financial Report:

1. Improvement District No. 2

The City has one improvement district that was created to fund maintenance and improvements for specific property owners. Financing is provided through the assessment of property taxes. The members of the City Council are the Improvement Districts' board members and have the ability to significantly influence operations.

2. Metropolitan Planning Organization

The City has an intergovernmental agreement with the organization to provide support services to account for federal grants providing leadership and guidance for regional transportation planning. Members of the City Council are appointed to the board and hold three of the five board seats and have the ability to significantly influence operations.

Separate financial statements for the Improvement District No. 2 and Metropolitan Planning Organization are not prepared.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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 and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

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 provider have been met.

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, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term interest due early in the following year, the expenditures have been recognized in the current year in the Debt Service Fund.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *HURF Fund* accounts for the operations of the street maintenance department. Financing is provided by the City's share of gasoline taxes.

The *Second Bridge Fund* was established to account for financial resources to be used to construct a second bridge to the island.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

The government reports the following major proprietary funds:

The *Water Fund* accounts for the activities of the City's water system.

The *Wastewater Fund* accounts for the activities of the City's sewer system.

The *Refuse Fund* accounts for the activities of the City's waste management system.

The *Airport Fund* accounts for the activities of the City's airport operations.

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use for governmental activities, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. For business-type activities, the use of restricted resources is governed by the applicable bond covenants.

1. Deposits and Investments

On the City's statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits, investments held by the State Treasurer and government securities held in a third-party safekeeping custody account.

Cash and investments are pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on the average daily cash balances.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Deposits and Investments (Continued)

Arizona Revised Statute, Title 35-323, allows public monies to be invested with a maximum maturity of five years. The City's investment policy is empowered by state statute to invest in obligations issued or guaranteed by the United States, certificates of deposit, commercial paper, bonds, and the State of Arizona's Local Government Investment Pool. The primary objectives in priority order of the City's investment activities shall be safety, liquidity, and yield. Investments in LGIP are stated at fair value which also approximates the value of the investments upon withdrawal.

2. Receivables

All trade and property taxes receivable are shown net of an allowance for uncollectible.

Mohave County levies real 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. However, a lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

3. Short-Term Interfund Receivables/Payables

During the course of operations, individual funds within the City's pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

4. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the weighted average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

5. Restricted Assets

Certain proceeds of the City’s bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Customer deposits are also restricted.

6. Capital Assets

Capital assets, which include land, improvements to land, buildings and building improvements, furniture, machinery, equipment, vehicles, intangibles (e.g., water rights, software) 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 and in the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year.

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation/amortization on all assets is provided on a straight-line basis over the following estimated useful lives:

Building and Improvements	40 Years
Water Allocation Rights	40 Years
Improvements Other than Buildings	10 to 20 Years
Infrastructure	40 to 50 Years
Furniture, Machinery, and Equipment	3 to 10 Years
Vehicles	3 to 10 Years
Intangibles:	
Right-to-Use Lease Assets:	
Buildings and Improvements	3 Years
Furniture, Machinery, and Equipment	4 to 8 Years
Subscription Assets	2 to 5 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

6. Capital Assets (Continued)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund financial statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

All benefit eligible employees accrue Paid Time Off (PTO) to be used for vacation and personal leave. The maximum PTO leave carry forward for all regular and probationary employees is 478 hours or 672 hours for Fire employees working 24-hour shifts. Hours accrued in excess of the maximum will be forfeited if not used by January 1 of each calendar year. The value of the forfeited hours, to a maximum of 48 hours annually for regular employees and 72 hours annually for Fire shift employees, will be automatically contributed to a retiree health savings account annually in January.

8. Leases and SBITAs

As lessee, the City recognizes lease or subscription liabilities with an initial, individual value of \$10,000 or more. The City uses its estimated incremental borrowing rate to measure lease and subscription liabilities unless it can readily determine the interest rate implicit in the lease. The City used the incremental borrowing rates provided by their financial institution if the explicit interest and implicit rates are unknown. These rates are based on the number of years remaining in the term as of inception of the lease or SBITA arrangement.

As lessor, the City recognizes lease receivables with an initial, individual value of \$10,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The City's estimated incremental borrowing rate is calculated as described above.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

9. 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. Deferred outflows of resources are presented in detail for governmental activities in the statement of net position. See the below table for deferred outflows of resources in detail for the City's major proprietary funds:

Deferred Outflows	Water	Wastewater	Airport
Deferred Outflows of Resources - Pension Liability	\$ 421,055	\$ 338,569	\$ 49,806
Deferred Outflows of Resources - Net OPEB Liability	18,149	11,373	937
Deferred Outflows of Resources - OPEB Liability	93,061	69,143	-
Total Deferred Outflows of Resources	<u>\$ 532,265</u>	<u>\$ 419,085</u>	<u>\$ 50,743</u>

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. Deferred inflows of resources are presented in detail for governmental activities in the statement of net position. See the below table for deferred inflows of resources in detail for the City's major proprietary funds:

Deferred Inflows	Water	Wastewater	Airport
Deferred Inflows of Resources - Pension Liability	\$ 15,456	\$ 54,112	\$ 10,550
Deferred Inflows of Resources - Net OPEB Liability	42,797	40,273	5,990
Deferred Inflows of Resources - OPEB Liability	57,268	24,613	-
Deferred Inflows of Resources - Leases	-	-	1,271,417
Deferred Inflows of Resources - Amounts Resulting from Refunded Debt	-	1,047,839	-
Total Deferred Inflows of Resources	<u>\$ 115,521</u>	<u>\$ 1,166,837</u>	<u>\$ 1,287,957</u>

10. Pensions/OPEB

For purposes of measuring the net pension/OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the pension/OPEB 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.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

11. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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.

12. Net Position

In the government-wide and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets is separately reported because capital assets make up a significant portion of total net position. Restricted net position accounts for the portion of net position restricted by parties outside the City. Unrestricted net position is the remaining net position not included in the previous two categories.

13. Fund Balance

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are nonspendable, restricted, committed, assigned, and unassigned. Nonspendable and restricted fund balance represent restricted classifications and committed, assigned, and unassigned represent unrestricted classifications.

Nonspendable fund balance includes amounts that cannot be spent because either 1) it is not in a spendable form, such as inventory or prepaid items or 2) it is legally or contractually required to be maintained intact. Restricted fund balance includes amounts that have externally (outside the City) enforceable limitations imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation. Committed fund balance is from self-imposed limitations imposed at the highest level of decision-making authority, namely, Mayor and Council. Mayor and Council approval is required to commit resources or to rescind the commitment through formal action by City

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

13. Fund Balance (Continued)

Council. Assigned fund balance represents limitations imposed by City Council, City Manager, or designee, through approval for contract execution.

Unassigned fund balance represents the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed and assigned are considered spent before unassigned amounts.

The City Council approved by resolution a Fiscal Sustainability Policy in May 2021, which requires the City to maintain a General Fund reserve of 25% based on the average actual General Fund revenues for the preceding five fiscal years. The City will maintain a fund balance reserve of 10% of the average actual revenues for the preceding five fiscal years in the IDD Fund, Wastewater Fund, and HURF Fund. These funds will not be appropriated except to cover emergencies and unexpected declines in revenue in the following budget year. They must be replenished within three fiscal years following the fiscal year in which the event occurred. The fiscal year 2024 adopted budget required reserves as follows: General Fund \$32,664,380; HURF Fund \$885,600; Water Fund \$2,930,300; Wastewater Fund \$3,595,900.

As of June 30, 2024, the governmental fund balance details by classification are listed below:

	General Fund	HURF	Second Bridge	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 167,067	\$ -	\$ -	\$ -	\$ -	\$ 167,067
Prepaid Expenditures	2,014,884	-	-	-	2,701	2,017,585
Total Nonspendable	2,181,951	-	-	-	2,701	2,184,652
Restricted:						
Highway User Tax for						
Transportation	-	18,553,788	-	-	-	18,553,788
Capital Projects	-	-	35,583,874	-	-	35,583,874
Flood Control	-	-	-	-	5,722,081	5,722,081
Public Safety Special Programs	123,437	-	-	-	124,659	248,096
Court Enhancement	-	-	-	-	731,404	731,404
Opioid Programs	-	-	-	-	660,291	660,291
Improvement Districts	-	-	-	-	12,191	12,191
Total Restricted	123,437	18,553,788	35,583,874	-	7,250,626	61,511,725
Assigned:						
Public Safety Special Programs	-	-	-	-	290,257	290,257
Capital Projects	-	-	-	7,707,119	-	7,707,119
Total Assigned	-	-	-	7,707,119	290,257	7,997,376
Unassigned:						
	84,988,712	-	-	-	(87,253)	84,901,459
Total Fund Balances	\$ 87,294,100	\$ 18,553,788	\$ 35,583,874	\$ 7,707,119	\$ 7,456,331	\$ 156,595,212

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Changes to or within Financial Reporting Entity

Change in Component Unit Presentation

Irrigation and Drainage District (District) was previously reported as a blended component unit in the City's Water Fund because its board was substantively the same as their City Council. However, the District dissolved effective July 1, 2023 with the retirement of the general obligation debt. Therefore, the District is no longer presented as a blended component unit. The remaining business-type operations are presented as the City's major proprietary Water Fund, and a nonmajor special revenue governmental fund is now presented to manage the flood control operations for the fiscal year ended June 30, 2024. The effects of that change to or within the financial reporting entity are shown in the table below.

Change in Fund Presentation from Major to Nonmajor

Capital Projects fund previously did not meet the criteria to be reported as a major governmental fund. However, effective July 1, 2023, the fund met the criteria to be reported as a major fund and is reported as a major governmental fund for the fiscal year ended June 30, 2024. The effect of that change to or within the financial reporting entity is shown in the table below

Adjustments to Beginning Balances

During fiscal year 2024, changes to or within the financial reporting entity for the implementation of GASB Statement No. 100 resulted in adjustments to beginning net position and fund balances, as follows:

	Reporting Units Affected by Adjustments to Beginning Balances				
	Funds			Government-Wide	
	Capital Projects Fund	Nonmajor Governmental	Water Fund	Governmental Activities	Business-Type Activities
6/30/2023, as previously reported	\$ -	\$ 3,431,537	\$ 133,545,808	\$ 122,962,938	\$ 232,851,942
Change from nonmajor to major fund	2,334,832	(2,334,832)	-	-	-
Change from major proprietary fund to nonmajor governmental fund	-	7,290,291	(17,858,180)	-	-
Change from business-type activity to governmental activities	-	-	-	17,858,180	(17,858,180)
7/1/2023, as adjusted	<u>\$ 2,334,832</u>	<u>\$ 8,386,996</u>	<u>\$ 115,687,628</u>	<u>\$ 140,821,118</u>	<u>\$ 214,993,762</u>

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the City Manager submits a proposed budget for the fiscal year commencing the following July 1 to the City Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. State law requires that, prior to April 1, the Economic Estimates Commission provide the City with a final expenditure limit for the coming fiscal year. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the state each year. This report, issued under a separate cover, reconciles total City expenditures from the audited basic financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).
4. Expenditures may not legally exceed the expenditure limitation described above of all fund types as a whole. The City adopts a budget by department for the General Fund and in total by fund for other funds, which is the legal level of budgetary control for these funds, except for the Metropolitan Planning Organization Fund which was not budgeted. The City Manager may at any time transfer any unencumbered appropriation balance or portion thereof within a department or activity. The adopted budget cannot be amended without City Council approval.
5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service, and Capital Projects Funds on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

The City is subject to the State of Arizona's Spending Limitation Law for Cities and Towns. This law does not permit the City to spend more than budgeted revenues plus the carryover unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The City complied with this law during the year.

On June 25, 2024, the City Council authorized a budgetary amendment transferring from the General Fund City Attorney's Office to the General Fund City Clerk's Office.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

Deposits and investments at June 30, 2024 consist of the following:

Deposits:	
Cash on Hand	\$ 8,650
Cash in Bank	2,489,778
Cash on Deposit with County Treasurer	159,293
Investments:	
State Treasurer's Investment Pool (LGIP)	127,768,200
U.S. Government Securities	99,986,986
Certificates of Deposit	6,193,545
Money Market	15,726,447
Total Deposits and Investments	<u>252,332,899</u>
Restricted Assets	<u>(21,173,139)</u>
Total Cash and Investments	<u><u>\$ 231,159,760</u></u>

Investments

The City's Investment Policy, adopted on July 10, 2002 and updated October 11, 2011, authorizes the City to invest in obligations of the United States Treasury and United States Agencies, certificates of deposit in eligible depositories, Banker's Acceptances, repurchase agreements, money market funds, or any obligations guaranteed by the United States of America or any of its agencies as well as commercial paper rated in the highest tier by a nationally recognized rating agency. The City is also empowered to invest, by resolution, in the State of Arizona Local Government Investment Pool (LGIP).

The State Investment Board provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of participant's position in the pool approximates the value of that participant's pool shares. The shares are not identified with specific investments and are not subject to custodial credit risk. All other investments of the City are uninsured and unregistered with the securities held by the counterparty's trust department of agent in the City's name.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Investments (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Financial assets and liabilities recorded on the statement of net position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset or inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

Debt securities classified in Level 2 are valued using quoted prices for similar securities in active markets.

Investments valued using the net asset value (NAV) per share (or its equivalent) are City investments in the Arizona State Treasurer's Investment Pool (LGIP) and unlike more traditional investments, generally do not have readily obtainable fair values. Investments valued at NAV utilized Net Asset Values as provided by the State of Arizona Treasurer's Office at June 30, 2024.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Investments (Continued)

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

	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Debt Securities:				
Federal Agency Bonds	\$ 99,986,986	\$ 4,879,150	\$ 95,107,836	\$ -
Total Debt Securities	99,986,986	4,879,150	95,107,836	-
Certificates of Deposits	6,193,545	-	6,193,545	-
Total Investments by Fair Value Level	106,180,531	\$ 4,879,150	\$ 101,301,381	\$ -
Investments Measured at Fair Value:				
State Treasurer's Investment Pool	127,768,200			
Total Investments Measured at Fair Value	233,948,731			
Investments by Amortized Cost:				
Money Market Funds	15,726,447			
Total Investments	\$ 249,675,178			

Interest Rate Risk

Interest rate risk is defined as the possibility of a reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time. As a means of limiting its exposure of fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of five years.

The City's investments at June 30, 2024 consist of the following:

Investment	Amount	Investment Maturities (in Years)		
		Less than 1	1-3	4-5
State Treasurer's Investment Pools	\$ 127,768,200	\$ 127,768,200	\$ -	\$ -
Certificates of Deposit	6,193,545	487,422	4,962,820	743,303
Money Market	15,726,447	15,726,447	-	-
U.S. Government Securities	99,986,986	29,483,690	65,626,786	4,876,510
Total Investments	\$ 249,675,178	\$ 173,465,759	\$ 70,589,606	\$ 5,619,813

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Credit Risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to invest in securities with the highest rating issued by NRSROs. Presented below is the rating as of June 30, 2024 for each investment type.

S&P Ratings Investment Type	Total	AAA/S1+	AAA	AA+	AA-3	Not Rated	Investment Percent
State Treasurer's Investment Pools	\$ 127,768,200	\$ 48,616,089	\$ 5,595,909	\$ -	\$ 73,556,202	\$ -	51 %
Certificates of Deposit	6,193,545	-	-	-	-	6,193,545	2
Money Market	15,726,447	-	-	-	-	15,726,447	6
U.S. Treasury Notes	4,879,150	-	-	-	-	4,879,150	2
U.S. Government Securities	95,107,836	-	-	93,609,696	-	1,498,140	39
Total Investments	<u>\$ 249,675,178</u>	<u>\$ 48,616,089</u>	<u>\$ 5,595,909</u>	<u>\$ 93,609,696</u>	<u>\$ 73,556,202</u>	<u>\$ 28,297,282</u>	<u>100 %</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2024, the City's deposits were covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name. No deposits were exposed to custodial credit risk.

The custodial credit risk for investments is the risk that, in the event of default by the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City be conducted on a delivery-versus-payment basis. Securities are held by a third-party custodian.

The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments.

The City's investment in U.S. government securities was rated AAA by Moody's Investors Service.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Concentration of Credit Risk

The City's Investment Policy states that the City shall diversify its investments by security type and institution. With the exception of U.S. Treasury securities, authorized pools, and overnight repurchase agreements, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

2. Restricted Assets

Restricted assets at June 30, 2024 consisted of the following:

Customer Deposits	\$ 497,202
Performance Bonds Deposits	268,204
Developer Agreements	4,583,624
Court Bonds	59,000
Police Property Evidence	10,968
Forfeitures	123,069
Future Debt Service	15,631,072
Total	<u>\$ 21,173,139</u>

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance (as adjusted)	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 29,187,086	\$ -	\$ (99,585)	\$ 29,087,501
Construction in Progress	8,984,427	17,867,758	(15,935,582)	10,916,603
Total Capital Assets, Not Being Depreciated/ Amortized	38,171,513	17,867,758	(16,035,167)	40,004,104
Capital Assets, Being Depreciated/ Amortized:				
Buildings and Improvements	42,726,725	11,613,549	-	54,340,274
Improvements to Land	22,929,620	-	-	22,929,620
Infrastructure	115,216,949	4,531,391	-	119,748,340
Furniture, Machinery, and Equipment	36,403,362	5,802,747	(1,957,359)	40,248,750
Intangibles:				
Right-to-Use Assets:				
Subscription-Based IT Arrangements	877,755	201,618	-	1,079,373
Land, Buildings, and Improvements	310,074	-	-	310,074
Furniture, Machinery, and Equipment	1,914,094	429,740	(60,523)	2,283,311
Total Capital Assets, Being Depreciated/Amortized	220,378,579	22,579,045	(2,017,882)	240,939,742
Accumulated Depreciation/ Amortization for:				
Buildings and Improvements	(24,922,577)	(1,244,798)	-	(26,167,375)
Improvements to Land	(9,721,695)	(612,824)	-	(10,334,519)
Infrastructure	(73,604,152)	(1,918,596)	-	(75,522,748)
Furniture, Machinery, and Equipment	(24,317,133)	(2,386,615)	1,878,776	(24,824,972)
Intangibles:				
Right-to-Use Assets:				
Subscription-Based IT Arrangements	(432,127)	(283,869)	-	(715,996)
Land, Buildings, and Improvements	(181,376)	(125,770)	-	(307,146)
Furniture, Machinery, and Equipment	(529,918)	(377,310)	60,523	(846,705)
Total Accumulated Depreciation/Amortization	(133,708,978)	(6,949,782)	1,939,299	(138,719,461)
Total Capital Assets, Being Depreciated/Amortized, Net	86,669,601	15,629,263	(78,583)	102,220,281
Governmental Activities Capital Assets, Net	<u>\$ 124,841,114</u>	<u>\$ 33,497,021</u>	<u>\$ (16,113,750)</u>	<u>\$ 142,224,385</u>

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets (Continued)

	Beginning Balance (as adjusted)	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,298,415	\$ -	\$ -	\$ 3,298,415
Water Allocation Rights	7,584,201	-	-	7,584,201
Construction in Progress	20,736,231	8,483,377	(8,482,842)	20,736,766
Total Capital Assets, Not Being Depreciated	31,618,847	8,483,377	(8,482,842)	31,619,382
Capital Assets, Being Depreciated:				
Buildings and Improvements	28,071,124	-	-	28,071,124
Infrastructure	516,179,543	7,734,073	(69,227)	523,844,389
Machinery, Equipment, and Vehicles	17,776,749	1,541,439	(426,860)	18,891,328
Water Allocation Rights	2,374,554	-	-	2,374,554
Total Capital Assets, Being Depreciated	564,401,970	9,275,512	(496,087)	573,181,395
Accumulated Depreciation for:				
Buildings and Improvements	(13,753,773)	(710,498)	-	(14,464,271)
Infrastructure	(222,348,674)	(12,768,001)	27,691	(235,088,984)
Machinery, Equipment, and Vehicles	(10,864,742)	(1,370,877)	426,860	(11,808,759)
Water Allocation Rights	(776,677)	(59,364)	-	(836,041)
Total Accumulated Depreciation	(247,743,866)	(14,908,740)	454,551	(262,198,055)
Total Capital Assets, Being Depreciated, Net	316,658,104	(5,633,228)	(41,536)	310,983,340
Business-Type Activities Capital Assets, Net	<u>\$ 348,276,951</u>	<u>\$ 2,850,149</u>	<u>\$ (8,524,378)</u>	<u>\$ 342,602,722</u>

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 2,106,508
Public Safety	1,461,672
Public Works	1,832,160
Culture and Recreation	1,091,348
Transportation Services	180,529
Public Works	277,565
Total Depreciation/Amortization Expense	\$ 6,949,782
Business-Type Activities:	
Irrigation and Drainage	\$ 2,891,238
Wastewater	10,969,225
Airport	1,048,277
Total Depreciation Expense	\$ 14,908,740

4. Construction and Other Significant Commitments

The City had active construction projects at June 30, 2024. The projects include various infrastructure projects, water system upgrades, wastewater system upgrades, airport improvements and park improvements. At fiscal year-end, the City's commitments with contractors were as follows:

Project	Governmental Activities	
	Spent-to-Date	Remaining Commitment
General Government	\$ 4,726,032	\$ 5,433
Streets	2,811,993	2,417,432
Total Governmental Activities	\$ 7,538,025	\$ 2,422,865
Project	Business-Type Activities	
	Spent-to-Date	Remaining Commitment
Water System	\$ 2,129,961	\$ 1,835,673
Wastewater System	282,832	966,668
Total Business-Type Activities	\$ 2,412,793	\$ 2,802,341

In addition, the City had the following contractual commitments at June 30, 2024: \$217,584 to Kimley-Horn and Associates for traffic signal analysis, \$199,959 to Mythics for ORACLE ERP licensing, and \$169,216 to Air Control Air Conditioning for HVAC system repairs.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

5. Lease Receivable

The City, acting as lessor, leases airport hangars, land, and building space under long-term, noncancelable lease agreements. The leases expire at various dates through 2041 and provide for renewal options ranging from three months to thirty years. During the year ended June 30, 2024, the City recognized \$191,756 and \$32,140 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Governmental Activities

Land leases. Annual installments totaling \$66,989 plus interest at rates ranging from 1.15% to 1.51%, due dates ranging from 2025 to 2042.

Building lease: Annual installments totaling \$13,915 plus interest at an interest rate of 1.18%, due dates ranging from 2025 to 2029.

Business-Type Activities

Hangar and land leases. Annual installments totaling \$84,157 plus interest at rates ranging from 1.18% to 1.51%, due dates ranging from 2025 to 2049.

B. Interfund Receivables, Payables, and Transfers

As of June 30, 2024, interfund receivables and payables were as follows:

	Due From	
Due To	Nonmajor Governmental Funds	Airport
General Fund	\$ 60,977	\$ 2,515

The above interfund receivables and payables reflect a short-term loan from the General Fund to the Metropolitan Planning Organization, a Nonmajor Governmental Fund, and the Airport Fund, for negative ending cash balances.

Interfund transfers for the year ended June 30, 2024 consisted of the following:

	Transfers From					
	General Fund	HURF Fund	Nonmajor Governmenta Funds	Water	Wastewater	
General Fund	\$ -	\$ 40,000	\$ 37,343	\$ 108,388	\$ 183,327	\$ 369,058
HURF Fund	2,000,000	-	500,000	-	-	2,500,000
Capital	8,000,000	-	-	-	-	8,000,000
Airport Fund	196,023	-	-	-	-	196,023
Total	\$ 10,196,023	\$ 40,000	\$ 537,343	\$ 108,388	\$ 183,327	\$ 11,065,081

Transfers were made for general operating purposes and to fund capital projects within the various funds.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Obligations

The City has long-term bonds and loans payable issued to provide funds for the acquisition and construction of major capital facilities. The City has also issued debt to refund earlier obligations with higher interest rates. The debt is being repaid by the Debt Service, Water and Wastewater Funds. Compensated absences are paid by the applicable fund where each employee is regularly paid, primarily the General Fund. Capital leases are paid by the applicable fund where the vehicles and equipment purchased will be used, primarily the General Fund, Water Fund, Wastewater Fund, and Airport Fund. The City's pension liability and other postemployment benefits (OPEB) are paid by the applicable fund for each employee, primarily the General Fund.

The City has pledged future revenues of the wastewater system, net of operation expenses, to repay \$71,775,000 plus interest at 3.0% - 5.0% through 2045 for refunding bonds issued September 2015 [Series 2015A].

The City has pledged future revenues of the wastewater system, net of operation expenses, to repay \$98,300,000 plus interest at 4.0 - 5.0% through 2045 for refunding bonds issued September 2015 [Series 2015B].

The City has pledged future revenues of the wastewater system, net of operation expenses, to repay \$60,269,432 plus interest at 2.368% through 2035 for a WIFA loan issued September 2015 to construct an expansion of the basin and suction line of the Mulberry Wastewater Treatment Plant reuse pump station.

If net revenues are insufficient to provide for debt service payments, the City has pledged and granted a lien on and will levy on all of the taxable property in the City a direct, ad valorem tax sufficient with the net revenues through 2037. Proceeds of the WIFA loan, along with the \$71,775,000 Series 2015A proceeds and the \$98,300,000 2015B proceeds were used for a current refunding of all remaining Wastewater debt, totaling \$210,840,840.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$8,922,300 in authorized water system loans from the WIFA issued June 2007 (\$5,700,000) at 3.504% and July 2010 (\$11,400,000) at 2.775%. Proceeds from the loans provided financing for construction of water service line replacement and water main line replacement within the Wastewater System Expansion Program. The loans are payable solely from water customer net revenues and are payable through 2031 with the exception of \$8,177,700, which was principal paid directly to WIFA with Federal funds. Total principal and interest remaining to be paid on the WIFA loans is \$2,998,094. Principal and interest paid for the current year and total customer net revenues were \$596,750 and \$4,116,199 respectively. Loan covenants require the City to maintain 1.2 times coverage of net revenues to current year debt service payments. Debt coverage to current year debt service payments is 6.90.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Obligations (Continued)

Loan covenants on the Wastewater debt (Series 2015A, 2015B and the WIFA loan) require the City to maintain 120% coverage of net revenues to current year debt service payments. Loan covenants also required the City to establish a Rate Stabilization Fund with a trustee in the amount of \$4,500,000 to ensure loan covenant requirements are met. Total principal and interest remaining to be paid on the Series 2015A is \$69,601,675, Series 2015B \$178,292,400, and WIFA \$45,621,708. Principal and interest (excluding amortized premium) paid for the current year and total customer net revenues were \$9,706,675 and \$22,966,578, respectively. Debt coverage on the Senior Lien debt is 1.70.

Long-term obligations are comprised of the following:

	<u>Long-Term Obligations Outstanding (in Thousands)</u>
<u>General Obligation Bonds</u>	
2015 Senior Lien Wastewater Revenue Refunding Bonds, Series 2015 A (issued September 15, 2015) due in annual installments of \$755,000 to \$8,575,000 through July 1, 2037; interest at 4% to 5%. Original issue amount \$71,775,000.	\$ 51,520
<u>Revenue Bonds</u>	
Senior Lien Wastewater Revenue Bonds, Series 2015 B (issued September 15, 2015) due in annual installments of \$8,245,000 to \$13,160,000 commencing July 1, 2038 through July 1, 2046; interest at 4% to 5%. Original issue amount \$98,300,000.	98,300
<u>Water Infrastructure Financing Authority (WIFA) Loans</u>	
2007 SR Drinking Water (issued June 25, 2007) due in annual installments of \$201,475 to \$387,621 through July 1, 2027; interest at 3.504%. Original issue amount \$5,700,000.	1,474
2010 SR Drinking Water (issued July 11, 2010) due in annual installments of \$122,690 to \$206,382 through July 1, 2030; interest at 2.775%. Original issue amount \$3,222,300.	1,333
2015 Senior Lien (GO) WIFA Loan (issued September 15, 2015) due in annual installments of \$1,436,925 to \$3,791,223 through July 1, 2035; interest at 2.368%. Original issue amount \$60,269,432.	40,130
Total Business-Type Long-Term Liabilities	<u>\$ 192,757</u>

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Obligations (Continued)

Changes in long-term obligations for the year ended June 30, 2024 are as follows:

	July 1, 2023	Increases	Decreases	June 30, 2024	Due Within One Year
Governmental Activities:					
Other Liabilities:					
Financed Purchases	\$ 673,131	\$ -	\$ (324,046)	\$ 349,085	\$ 176,487
Leases Payable	1,313,426	296,682	(389,027)	1,221,081	495,764
Subscriptions Payables	433,194	166,618	(299,793)	300,019	112,750
Compensated Absences	3,563,169	3,334,172	(3,081,135)	3,816,206	3,382,824
Other Postemployment Benefits	7,631,274	-	(258,639)	7,372,635	647,885
Net OPEB Liability	10,514	5,012	-	15,526	-
Net Pension Liability	96,461,792	-	(35,524)	96,426,268	-
Total Other Liabilities					
Governmental Activities					
Long-Term Liabilities	<u>\$ 110,086,500</u>	<u>\$ 3,802,484</u>	<u>\$ (4,388,164)</u>	<u>\$ 109,500,820</u>	<u>\$ 4,815,710</u>
Business-Type Activities					
Bonds, Notes, and Loans Payable:					
General Obligation Bonds	\$ 54,160,000	\$ -	\$ (2,640,000)	\$ 51,520,000	\$ 2,775,000
Revenue Bonds	98,300,000	-	-	98,300,000	-
WIFA Loans Payable	46,307,771	-	(3,371,050)	42,936,721	3,455,406
Plus Deferred Amount on Premium	8,384,439	-	(721,967)	7,662,472	-
Total Bonds, Notes, and Loans Payable	207,152,210	-	(6,733,017)	200,419,193	6,230,406
Other Liabilities:					
Compensated Absences	486,862	534,310	(511,024)	510,227	452,474
Other Postemployment Benefits	2,727,540	-	(40,399)	2,687,141	95,145
Net OPEB Liability	3,687	1,308	-	4,995	-
Net Pension Liability	5,523,968	119,872	-	5,643,840	-
Total Other Liabilities	<u>8,742,057</u>	<u>655,490</u>	<u>(551,423)</u>	<u>8,846,203</u>	<u>547,619</u>
Business-Type Activities					
Long-Term Liabilities	<u>\$ 215,894,267</u>	<u>\$ 655,490</u>	<u>\$ (7,284,440)</u>	<u>\$ 209,265,396</u>	<u>\$ 6,778,025</u>

Debt service requirements on long-term debt at June 30, 2024 are as follows:

Year Ending June 30,	Business-Type Activities	
	General Obligation Bonds	
	Principal	Interest
2025	\$ 2,775,000	\$ 2,326,575
2026	2,855,000	2,226,650
2027	2,955,000	2,108,450
2028	3,075,000	1,985,450
2029	3,200,000	1,825,450
2030-2034	18,545,000	6,436,000
2035-2039	18,115,000	1,173,100
Total	<u>\$ 51,520,000</u>	<u>\$ 18,081,675</u>

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Obligations (Continued)

<u>Year Ending June 30,</u>	Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2025	\$ -	\$ 4,656,850
2026	-	4,656,850
2027	-	4,656,850
2028	-	4,656,850
2029	-	4,656,850
2030-2034	17,690,000	23,284,250
2035-2039	54,795,000	21,987,500
2040-2044	25,815,000	10,910,000
2045-2047	-	526,400
Total	<u>\$ 98,300,000</u>	<u>\$ 79,992,400</u>

<u>Year Ending June 30,</u>	WIFA Loans Payable	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,455,405	\$ 952,397
2026	3,541,913	863,682
2027	3,630,629	772,701
2028	3,721,610	679,396
2029	3,413,711	597,765
2030-2034	17,678,699	1,727,360
2035-2039	7,494,754	89,776
Total	<u>\$ 42,936,721</u>	<u>\$ 5,683,078</u>

D. Financed Purchases

The City has acquired equipment and vehicles under contract agreements at a total purchase price of \$6,407,727. The following schedule details debt service requirements to maturity for the City's financed purchases at June 30, 2024.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 176,487	\$ -
2026	172,598	-
Total	<u>\$ 349,085</u>	<u>\$ -</u>

E. Leases

A summary of the City's lease agreement terms and interest rates is as follows:

Governmental Activities

Leases with options to purchase equipment. Annual installments totaling \$394,785 plus interest at rates ranging from 1.2% to 4.5%, due dates ranging from 2025 to 2028.

Land, building, and office space lease. Annual installments totaling \$26,830 plus interest at a rate of 1.5%, due dates ranging from 2025 to 2030.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Leases (Continued)

Governmental Activities (Continued)

Total future minimum payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 495,764	\$ 39,458
2026	374,449	26,139
2027	303,552	13,742
2028	36,061	2,385
2029	8,892	282
2030-2034	2,364	36
Total	<u>\$ 1,221,082</u>	<u>\$ 82,042</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Governmental Activities</u>
Buildings	\$ 310,074
Equipment	2,283,311
Less: Accumulated Amortization	(1,153,851)
Total	<u>\$ 1,439,534</u>

F. Subscription-Based Information Technology Arrangements

The City has entered into subscription based-information technology arrangements (SBITAs) for software related to the ERP system, civic engagement efforts, and police department tasers. Annual installments of \$112,750 to \$34,609, plus interest at rates ranging from 4.10% to 4.51%, due dates ranging from 2025 to 2027.

As of June 30, 2024, SBITA assets and the related accumulated amortization totaled \$1,079,373 and \$715,996, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 112,750	\$ 13,644
2026	75,080	9,160
2027	77,580	4,545
2028	34,609	1,391
Total	<u>\$ 300,019</u>	<u>\$ 28,740</u>

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The City's insurance protection is provided by the Arizona Municipal Risk Retention Pool, which the City is a participating member. The basic coverage is \$2,000,000 per occurrence with a \$6,000,000 annual aggregate. In addition, the City has a \$13,000,000 excess policy. No significant reduction in insurance coverage occurred during the year, and no settlements exceeded insurance coverage during any of the past three fiscal years.

Arizona Municipal Risk Retention Pool Workers Compensation insures the City for potential worker-related accidents.

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.

The City joined the Northern Arizona Employee Benefit Trust (NAEBT) as the employee benefits pool to provide employee benefits to eligible employees of the City and their dependents effective July 1, 2012.

B. Contingent Liabilities

The City is involved in litigation arising in the ordinary course of its operations. The City believes that its ultimate liability, if any, in connection with these matters will not adversely affect its financial position, changes in financial position, or liquidity.

C. Budgetary Basis of Accounting

The adopted budget of the City was prepared on a basis consistent with accounting principles generally accepted in the United States of America.

D. Development Agreements

The development agreement between Lake Havasu City and Woford Development, Inc. dated June 14, 2005 expired on August 8, 2024. The agreement was reviewed and a determination was made that the interest paid in prior years to Regions Bank was not payable to the bank resulting in an overpayment for taxes due. The City believes the interest liability is not probable due to the contract's expiration. Additionally, it is difficult to determine whether Regions Bank or any other party has the legal right to the interest. Therefore, in fiscal year 2025, the liability of \$4,583,624 will no longer be recorded.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

In February 2024 Council approved the sale of real property for \$1,740,000. The City recorded the sale as revenue as it met all revenue recognition requirements. The property was sold with a contingency that if the purchaser fails to develop and receive a certificate of occupancy issued within 72 months or the property shall automatically revert to the City upon the City refunding to the purchaser the original bid purchase price or the appraised value of the property less the appraisal fee at the time of this condition default, whichever is less.

E. Development Fees

The City had collected development fees for constructing a second bridge to the island. The agreement specified that the bridge must be built within ten years. However, the bridge was not constructed within the given timeframe. Consequently, the Developer or the then owner(s) of the portion of the Property that paid the fee, or their successors in interest, might have the right to request a refund.

The City believes that liability is not probable due to the age of the contract, and many of the businesses that paid the development fees are no longer in operation. Therefore, it is difficult to determine the amount, if any, that could be requested during the remaining period, nor whether they would have a legal right to the refund. The time to request a refund will expire on May 14, 2028.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans

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

At June 30, 2024, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business Activities	Total
Net OPEB Asset	\$ 1,433,523	\$ 183,195	\$ 1,616,718
Net OPEB Liability	15,526	4,995	20,521
OPEB Liability	7,372,635	2,687,141	10,059,776
Net Pension Liability	96,426,268	5,643,840	102,070,108
Deferred Outflows of Resources - Net OPEB	204,497	30,459	234,956
Deferred Outflows of Resources - OPEB	582,129	162,204	744,333
Deferred Outflows of Resources - Pension	21,812,577	809,430	22,622,007
Deferred Inflows of Resources - Net OPEB	596,798	89,060	685,858
Deferred Inflows of Resources - OPEB	553,044	81,881	634,925
Deferred Inflows of Resources - Pension	855,393	80,118	935,511
Net OPEB Expense	(118,445)	(88,036)	(206,481)
OPEB Expense	(335,027)	(162,777)	(497,804)
Pension Expense	12,448,809	811,328	13,260,137

The City reported \$2.0 million of pension and OPEB expenditures in the governmental funds and \$596,139 in enterprise funds related to all plans to which it contributes.

1. Arizona State Retirement System
Plan Description

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

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

1. Arizona State Retirement System (Continued)

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	
	July 1, 2011	July 1, 2011
Years of Service and Age	Sum of Years and Age	30 Years, Age 55
Required to Receive Benefits	Equals 80	25 Years, Age 60
	10 Years, Age 62	10 Years, Age 62
	5 Years, Age 50*	5 Years, Age 50*
	Any Years, Age 65	Any Years, Age 65
Final Average Salary is Based on	Highest 36 Consecutive Months of Last 120 Months	Highest 60 Consecutive Months of Last 120 Months
Benefit Percentage Per Year of Service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment 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.

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

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

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

1. Arizona State Retirement System (Continued)

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.29% (12.14% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and statute required the City to contribute at the actuarially determined rate of 12.29% (12.03% for retirement, 0.11% for health insurance premium benefit, and 0.15% for long-term disability) of the members' annual covered payroll.

In addition, the City was required by statute to contribute at the actuarially determined rate of 9.99% (9.94% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS. The City's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024 were \$2,770,132, \$34,227, and \$34,648, respectively.

During fiscal year 2024, the City paid for ASRS pension and OPEB contributions as follows: 71% from the General Fund, 6% from the HURF Fund, and 23% from all other funds.

Pension Liability

At June 30, 2024, the City reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability:

	Net Pension/ OPEB (Asset) Liability
ASRS:	
Pension	\$ 25,168,619
Health Insurance Premium Benefit	(854,273)
Long-Term Disability	20,520

The net asset and net liabilities were measured as of June 30, 2023. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

1. Arizona State Retirement System (Continued)

Pension Liability (Continued)

The City's proportion of the net asset or net liability was based on the City's actual contributions for the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The City's proportion measured as of June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

	Proportion June 30, 2023	Increase (Decrease) from June 30, 2022
ASRS:		
Pension	0.15554 %	0.00458 %
Health Insurance Premium Benefit	0.15822	0.00440
Long-Term Disability	0.15660	0.00460

Expense

For the year ended June 30, 2024, the City recognized the following pension and OPEB expense.

	Pension/OPEB Expense
ASRS:	
Pension	\$ 3,509,402
Health Insurance Premium Benefit	(103,811)
Long-Term Disability	18,622

Deferred Outflows/Inflows of Resources

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit		Long-Term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 568,710	\$ -	\$ 36,049	\$ 318,579	\$ 18,527	\$ 11,550
Changes of Assumptions or Other Inputs	-	-	-	17,000	5,415	29,870
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	890,488	-	37,522	-	1,642
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	464,588	22,363	1,276	8,878	1,225	4,452
City Contributions Subsequent to the Measurement Date	2,770,132	-	34,227	-	34,648	-
Total	<u>\$ 3,803,430</u>	<u>\$ 912,851</u>	<u>\$ 71,552</u>	<u>\$ 381,979</u>	<u>\$ 59,815</u>	<u>\$ 47,514</u>

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

1. Arizona State Retirement System (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from City contributions subsequent to the measurement date as reported in the table above will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>	<u>Long-Term Disability</u>
2025	\$ 107,440	\$ (144,337)	\$ (3,484)
2026	(836,018)	(158,564)	(6,872)
2027	959,682	(21,928)	(253)
2028	(110,657)	(21,723)	(6,047)
2029	-	1,898	(5,299)
Thereafter	-	-	(392)

Actuarial Assumptions

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

Actuarial Valuation Date	June 30, 2022
Actuarial Roll Forward Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.0%
Projected Salary Increases	2.9-8.4% for Pension/Not Applicable for OPEB
Inflation	2.3%
Permanent Benefit Increase	Included for Pensions/Not Applicable for OPEB
Mortality Rates	2017 SRA Scale U-MP for Pensions and Health Insurance Premium Benefit
Recovery Rates	2012 GLDT for Long-Term Disability
Healthcare Cost Trend Rate	Not Applicable

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

1. Arizona State Retirement System (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on ASRS plan investments was determined to be 7.0% 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.

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public Equity	44 %	3.50 %
Credit	23	5.90
Real Estate	17	5.90
Private Equity	10	6.70
Interest Rate Sensitive	06	1.50
Total	100 %	

Discount Rate

At June 30, 2023, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0%. 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/OPEB liability.

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

1. Arizona State Retirement System (Continued)

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/OPEB (asset) liability calculated using the discount rate of 7.0%, as well as what the proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's Proportionate Share of the Net Pension Liability	\$ 37,698,895	\$ 25,168,619	\$ 14,720,586
Net Insurance Premium Benefit Liability (Asset)	(597,100)	(854,273)	(1,072,813)
Net Long-Term Disability Liability	30,007	20,520	11,187

Pension Plan Fiduciary Net Position

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

2. Public Safety Personnel Retirement System

Plan Descriptions

City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A 9-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the City's financial statements.

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

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

2. Public Safety Personnel Retirement System (Continued)

Benefits Provided

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

Retirement and Disability	Initial Membership Date:	
	Before January 1, 2012	On or After January 1, 2012 and Before July 1, 2017
Years of Service and Age Required to Receive Benefit	20 Years of Service, Any Age 15 Years of Service, Age 62	25 Years of Service or 15 Years of Credited Service, Age 52.5
Final Average Salary is Based on	Highest 36 Consecutive Months of Last 20 Years	Highest 60 Consecutive Months of Last 20 Years
Benefit Percentage		
Normal Retirement	50% Less 2.0% for Each Year of Credited Service Less than 20 Years OR Plus 2.0% to 2.5% for Each Year of Credited Service Over 20 Years, Not to Exceed 80%	1.5% to 2.5% for Each Year of Credited Service, Not to Exceed 80%
Accidental Disability Retirement	50% or Normal Retirement, Whichever is Greater	
Catastrophic Disability Retirement	90% for the First 60 Months then Reduced to Either 62.5% or Normal Retirement, Whichever is Greater	
Ordinary Disability Retirement	Normal Retirement Calculated with Actual Years of Credited Service or 20 Years of Credited Service, Whichever is Greater, Multiplied by Years of Credited Service (Not to Exceed 20 Years) Divided by 20	
<u>Survivor Benefit</u>		
Retired Members	80-100% of Retired Member's Pension Benefit	
Active Members	80-100% of Accidental Disability Retirement Benefit or 100% of Average Monthly Compensation if Death was the Result of Injuries Received on the Job	

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

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

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

2. Public Safety Personnel Retirement System (Continued)

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the agent pension plan's benefit terms:

	Police		Fire	
	Pension	Health	Pension	Health
Inactive Employees or Beneficiaries				
Currently Receiving Benefits	66	66	53	53
Inactive Employees Entitled to but				
Not Yet Receiving Benefits	22	4	18	9
Active Employees	46	46	55	55
Total	134	116	126	117

Contributions

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2024, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
	Active Members - Pension	7.65-8.41%
City:		
PSPRS Tier 1/2	69.30	69.89
PSPRS Tier 3	8.81	8.81

In addition, statute required the City to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the PSPRS would typically fill and employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the City's required contributions to the PSPRS Tier 3 Risk Pool.

For the agent plans, the contributions to the pension plan for the year ended were:

	Police		Fire	
	Pension	Health	Pension	Health
Pension:				
Contributions Made	\$ 5,719,876	\$ 27,083	\$ 8,246,805	\$ -

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

2. Public Safety Personnel Retirement System (Continued)

Contributions (Continued)

During fiscal year 2024, the City paid PSPRS pension contributions 96% from the General Fund, and 4% from other funds.

Liability

At June 30, 2024, the City reported the following asset and liabilities:

	Net Pension Liability	Net OPEB (Asset) Liability
PSPRS Police	\$ 39,701,819	\$ (225,366)
PSPRS Fire	37,199,669	(537,079)

The net assets and liabilities were measured as of June 30, 2023, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

2. Public Safety Personnel Retirement System (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Individual Entry Age Normal
Investment Rate of Return	7.2%
Wage Inflation	3.0 - 6.25%% for Pensions/Not Applicable for OPEB
Price Inflation	2.5% for Pensions/Not Applicable for OPEB
Cost-of-Living Adjustment	1.85% for Pensions/Not Applicable for OPEB
Mortality Rates	PubS-2010 Tables
Healthcare Cost Trend Rate	Not Applicable

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.2% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 Geometric Real Rate of Return
U.S. Public Equity	24 %	3.98 %
International Public Equity	16	4.49
Global Private Equity	20	7.28
Other Assets (Capital Appreciation)	7	4.49
Core Bonds	6	1.90
Private Credit	20	6.19
Diversifying Strategies	5	3.68
Cash - Mellon	2	0.69
Total	<u>100 %</u>	

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

2. Public Safety Personnel Retirement System (Continued)

Discount Rate

At June 30, 2023, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.2%. 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 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/OPEB liability.

Changes in the Agent Plans Net Pension/OPEB (Asset) Liability

The following tables present changes in the City's net pension/OPEB (asset) liability for PSPRS Police and PSPRS Fire plans as follows:

	PSPRS Police					
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balances at June 30, 2023	\$ 73,160,777	\$ 33,429,002	\$ 39,731,775	\$ 1,178,644	\$ 1,281,977	\$ (103,333)
Changes for the Year:						
Service Cost	868,019	-	868,019	17,274	-	17,274
Interest on the Total Pension Liability	5,185,802	-	5,185,802	84,288	-	84,288
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	1,300,012	-	1,300,012	(115,999)	-	(115,999)
Contributions - Employer	-	4,370,710	(4,370,710)	-	12,628	(12,628)
Contributions - Employee	-	436,432	(436,432)	-	-	-
Net Investment Income	-	2,602,607	(2,602,607)	-	95,985	(95,985)
Benefit Payments, Including Refunds of Employee Contributions	(4,007,544)	(4,007,544)	-	(50,507)	(50,507)	-
Administrative Expenses	-	(25,960)	25,960	-	(1,017)	1,017
Net Changes	<u>3,346,289</u>	<u>3,376,245</u>	<u>(29,956)</u>	<u>(64,944)</u>	<u>57,089</u>	<u>(122,033)</u>
Balances at June 30, 2024	<u>\$ 76,507,066</u>	<u>\$ 36,805,247</u>	<u>\$ 39,701,819</u>	<u>\$ 1,113,700</u>	<u>\$ 1,339,066</u>	<u>\$ (225,366)</u>

LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

2. Public Safety Personnel Retirement System (Continued)

Changes in the Agent Plans Net Pension/OPEB (Asset) Liability (Continued)

	PSPRS Fire					
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2023	\$ 74,828,604	\$ 37,214,646	\$ 37,613,958	\$ 1,155,353	\$ 1,699,321	\$ (543,968)
Changes for the Year:						
Service Cost	1,165,253	-	1,165,253	23,897	-	23,897
Interest on the Total Pension Liability	5,345,889	-	5,345,889	82,827	-	82,827
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	533,277	-	533,277	27,552	-	27,552
Contributions - Employer	-	4,147,148	(4,147,148)	-	-	-
Contributions - Employee	-	419,244	(419,244)	-	-	-
Net Investment Income	-	2,915,300	(2,915,300)	-	128,465	(128,465)
Benefit Payments, Including Refunds of Employee Contributions	(3,490,800)	(3,490,800)	-	(57,756)	(57,756)	-
Administrative Expenses	-	(22,984)	22,984	-	(1,078)	1,078
Net Changes	<u>3,553,619</u>	<u>3,967,908</u>	<u>(414,289)</u>	<u>76,520</u>	<u>69,631</u>	<u>6,889</u>
Balances at June 30, 2024	<u>\$ 78,382,223</u>	<u>\$ 41,182,554</u>	<u>\$ 37,199,669</u>	<u>\$ 1,231,873</u>	<u>\$ 1,768,952</u>	<u>\$ (537,079)</u>

Sensitivity of the Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate

The following presents the City's net pension/OPEB (asset) liability calculated using the discount rates noted above, as well as what the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
PSPRS Police:			
Net Pension Liability	\$ 50,197,011	\$ 39,701,819	\$ 31,177,617
Net OPEB (Asset) Liability	(103,107)	(225,366)	(328,132)
PSPRS Fire:			
Net Pension Liability	\$ 47,765,782	\$ 37,199,669	\$ 28,532,483
Net OPEB (Asset) Liability	(396,944)	(537,079)	(655,338)

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.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

2. Public Safety Personnel Retirement System (Continued)

Expense

For the year ended June 30, 2024, the City recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense
PSPRS Police	\$ 5,126,475	\$ (58,335)
PSPRS Fire	4,624,260	(62,957)

Deferred Outflows/Inflows of Resources

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	PSPRS - Police			
	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,789,797	\$ -	\$ 156	\$ 116,860
Changes of Assumptions or Other Inputs	370,302	-	6,286	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	218,200	-	12,558	-
City Contributions Subsequent to the Measurement Date	5,719,876	-	27,083	-
Total	\$ 8,098,175	\$ -	\$ 46,083	\$ 116,860

	PSPRS - Fire			
	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,574,852	\$ 22,661	\$ 20,664	\$ 139,368
Changes of Assumptions or Other Inputs	677,460	-	22,805	137
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	221,285	-	14,037	-
City Contributions Subsequent to the Measurement Date	8,246,805	-	-	-
Total	\$ 10,720,402	\$ 22,661	\$ 57,506	\$ 139,505

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Retirement Plans (Continued)

2. Public Safety Personnel Retirement System (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Police</u>		<u>Fire</u>	
	<u>Pension</u>	<u>Health</u>	<u>Pension</u>	<u>Health</u>
2025	\$ 1,632,928	\$ (41,835)	\$ 1,084,497	\$ (42,785)
2026	38,952	(55,522)	449,553	(57,342)
2027	739,993	514	956,476	19,774
2028	(33,574)	(1,017)	(39,590)	(1,646)

G. Other Postemployment Benefits – Single Employer Plan

Plan Description and Benefits Provided

Lake Havasu City provides single employer postemployment benefit plans for retirees. Active employees, who started before July 1, 2004, are eligible for medical coverage for themselves and their eligible dependent(s) under the City’s health benefits program for a period not longer than ten (10) years after the date of retirement, until age 65 or Medicare eligible, or a covered dependent ceases to be an eligible dependent as defined under the Northwest Arizona Employee Benefit Trust Plan (NAEBT).

Pursuant to the provisions of the plan, employees hired before July 1, 2004 may be retained on the City’s health insurance plan, provided they make required premium contributions and comply with all other provisions of the NAEBT, in accordance with the following provisions, with the condition that the employees have no vested rights:

- a) The employee must retire from Lake Havasu City, Arizona by meeting one of the alternative eligibility requirements based on their respective Retirement system.
- b) Eligible employees have worked a minimum of ten (10) years of full-time, benefit-eligible service with Lake Havasu City, Arizona or have earned sixty (60) points, which is a combination of age and years of service with Lake Havasu City, Arizona.

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

G. Other Postemployment Benefits – Single Employer Plan (Continued)

Plan Description and Benefits Provided (Continued)

- c) Eligible employees retire under the applicable Arizona State Retirement System and elect to receive the state health insurance subsidy, if available.

- d) Retiree must elect to be retained on the Plan with no break in coverage following their retirement and must waive all rights to COBRA continuation coverage.

Other eligible active employees, who started on or after July 1, 2004, will be covered under a defined contribution Health Retirement Savings Plan adopted by Council on November 24, 2009. This plan will not generate any GASB 75 liability.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefits	67
Active Plan Members	74
Total	141

Total OPEB Liability

The City’s total OPEB liability of \$10,059,856 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

**G. Other Postemployment Benefits – Single Employer Plan (Continued)
Actuarial Methods and Assumptions (Continued)**

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.86%
Health Care Trend Rates	7.4% in 2024, Fluctuating Downward Until 3.9% in 2075

Mortality rates were based on RP 2014 base rates (published RP 2014 rates with MP 2014 projection from 2006 to 2014 backed out) then projected from 2006 forward generationally using MacLeod Watts Scale 2022.

Changes in Total OPEB Liability

A change in the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The following table shows the changes in OPEB liability as of June 30, 2024.

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 10,358,815
Changes for the Year:	
Service Cost	202,584
Interest	374,770
Differences Between Expected and Actual	-
Change in Assumptions	(78,386)
Contributions	<u>(797,927)</u>
Net Changes	<u>(298,959)</u>
Balance at June 30, 2024	<u>\$ 10,059,856</u>

Sensitivity Results

The following presents the total OPEB liability of the City, as well as what the City's total OPEB 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 discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB Liability	<u>\$ 10,524,601</u>	<u>\$ 10,059,856</u>	<u>\$ 9,617,532</u>

**LAKE HAVASU CITY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

G. Other Postemployment Benefits – Single Employer Plan (Continued)

Sensitivity Results (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (6.4% Fluctuating Downward Until 2.9% in 2075)	Current Trend Rates (7.4% Fluctuating Downward Until 3.9% in 2075)	1% Increase (8.4% Fluctuating Downward Until 4.9% in 2075)
Net OPEB Liability	\$ 9,487,715	\$ 10,059,856	\$ 10,678,016

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of (\$497,804). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 35,201	\$ 323,504
Net Difference Between Projected and Actual Investment Earnings	-	311,421
Contributions Between Measurement Date and Reporting Date	709,132	-
Total	\$ 744,333	\$ 634,925

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Future Recognition
2025	\$ (582,818)
2026	(16,906)

REQUIRED SUPPLEMENTARY INFORMATION

LAKE HAVASU CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY
AND RELATED RATIOS LAST SEVEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability:				
Service Cost	\$ 202,584	\$ 418,331	\$ 369,671	\$ 353,208
Interest	374,770	254,163	316,801	406,683
Differences Between Expected and Actual	-	(1,443,859)	-	-
Changes of Assumptions	(78,386)	(1,278,976)	336,917	(135,271)
Contributions	<u>(797,927)</u>	<u>(820,208)</u>	<u>(709,992)</u>	<u>(697,027)</u>
Net Change in Total OPEB Liability	(298,959)	(2,870,549)	313,397	(72,407)
Total OPEB Liability - Beginning	<u>10,358,815</u>	<u>13,229,363</u>	<u>12,915,966</u>	<u>12,988,373</u>
Total OPEB Liability - Ending (a)	10,059,856	10,358,814	13,229,363	12,915,966
Plan Fiduciary Net Position:				
Contributions - Employer	797,927	820,208	709,992	697,027
Benefit Payments	<u>(797,927)</u>	<u>(820,208)</u>	<u>(709,992)</u>	<u>(697,027)</u>
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's Net OPEB Liability - Ending (a) - (b)	<u>\$ 10,059,856</u>	<u>\$ 10,358,814</u>	<u>\$ 13,229,363</u>	<u>\$ 12,915,966</u>
Covered-Employee Payroll	\$ 6,466,922	\$ 7,370,773	\$ 7,938,412	\$ 7,707,196
City's Net OPEB Liability as a Percentage of Covered-Employee Payroll	155.56%	140.54%	166.65%	167.58%

See accompanying Notes to Required Supplementary Information.

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 434,899	\$ 424,722	\$ 459,852
527,738	511,977	431,911
-	-	-
(1,773,379)	(50,613)	(573,685)
(688,788)	(709,650)	(676,460)
<u>(1,499,530)</u>	<u>176,436</u>	<u>(358,382)</u>
14,487,903	14,311,467	14,669,849
12,988,373	14,487,903	14,311,467
688,788	709,650	676,460
<u>(688,788)</u>	<u>(709,650)</u>	<u>(676,460)</u>
-	-	-
-	-	-
-	-	-
<u>\$ 12,988,373</u>	<u>\$ 14,487,903</u>	<u>\$ 14,311,467</u>
\$ 9,432,741	\$ 10,831,018	\$ 11,030,000
137.69%	133.76%	129.75%

Note: The City implemented GASB Statement No. 75 for fiscal year ended June 30, 2018. Information prior to fiscal year 2018 is not available.

**LAKE HAVASU CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
ARIZONA STATE RETIREMENT SYSTEM
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY
AND RELATED RATIOS LAST TEN FISCAL YEARS**

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Pension										
City's Proportion of the Net Pension Liability	0.15554%	0.15096%	0.15141%	0.15255%	0.16012%	0.16475%	0.17353%	0.16669%	0.16651%	0.16774%
City's Proportionate Share of the Net Pension Liability	\$ 25,168,619	\$ 24,640,027	\$ 19,894,603	\$ 26,431,607	\$ 23,299,323	\$ 22,976,827	\$ 27,032,591	\$ 26,905,441	\$ 25,935,590	\$ 24,263,884
City's Covered Payroll	\$ 20,266,762	\$ 17,929,709	\$ 17,044,086	\$ 16,708,987	\$ 16,182,096	\$ 16,322,972	\$ 16,926,187	\$ 15,607,806	\$ 15,336,079	\$ 14,781,897
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	124.19%	121.58%	121.88%	156.16%	137.65%	140.76%	159.71%	172.38%	169.11%	164.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%
Health Insurance Premium Benefit										
	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)			
City's Proportion of the Net OPEB Liability	0.15822%	0.15382%	0.15488%	0.15575%	0.16333%	0.16709%	0.17556%			
City's Proportionate Share of the Net OPEB Liability	\$ (854,273)	\$ (858,628)	\$ (754,589)	\$ (110,270)	\$ (45,137)	\$ (60,168)	\$ (95,569)			
City's Covered Payroll	\$ 20,266,762	\$ 17,929,709	\$ 17,044,086	\$ 16,708,987	\$ 16,182,096	\$ 16,322,972	\$ 16,926,187			
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	-4.22%	-4.24%	-4.21%	-0.65%	-0.28%	-0.37%	-0.56%			
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	134.37%	137.79%	130.24%	104.33%	101.62%	102.00%	103.57%			
Long-Term Disability										
	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)			
City's Proportion of the Net OPEB Liability	0.15660%	0.15200%	0.15315%	0.15433%	0.16209%	0.16508%	0.17400%			
City's Proportionate Share of the Net OPEB Liability	\$ 20,520	\$ 14,201	\$ 31,614	\$ 117,077	\$ 105,593	\$ 86,255	\$ 63,071			
City's Covered Payroll	\$ 20,266,762	\$ 17,929,709	\$ 17,044,086	\$ 16,708,987	\$ 16,182,096	\$ 16,322,972	\$ 16,926,187			
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.10%	0.07%	0.18%	0.69%	0.65%	0.53%	0.37%			
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	93.70%	95.40%	90.38%	68.01%	72.85%	78.00%	84.44%			

Note: The City implemented GASB Statement No. 75 for fiscal year ended June 30, 2018. Information prior to fiscal year 2018 is not available.

See accompanying Notes to Required Supplementary Information.

**LAKE HAVASU CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION/OPEB PLANS
SCHEDULE OF CONTRIBUTIONS
AND RELATED RATIOS LAST TEN FISCAL YEARS**

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statorily Required Contribution	\$ 2,770,132	\$ 2,415,798	\$ 2,153,358	\$ 1,985,535	\$ 1,913,179	\$ 1,883,596	\$ 1,779,204	\$ 1,824,643	\$ 1,693,447	\$ 1,670,099
City's Contribution in Relation to the Statorily Required Contribution	<u>2,770,132</u>	<u>2,415,798</u>	<u>2,153,358</u>	<u>1,985,535</u>	<u>1,913,179</u>	<u>1,883,596</u>	<u>1,779,204</u>	<u>1,824,643</u>	<u>1,693,447</u>	<u>1,670,099</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 23,026,866	\$ 20,266,762	\$ 17,929,709	\$ 17,044,086	\$ 16,708,987	\$ 16,182,096	\$ 16,322,972	\$ 16,926,187	\$ 16,926,187	\$ 15,607,806
City's Contributions as a Percentage of Covered Payroll	12.03%	11.92%	12.01%	11.65%	11.45%	11.64%	10.90%	10.78%	10.00%	10.70%

	Reporting Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
Statorily Required Contribution	\$ 34,227	\$ 22,293	\$ 37,652	\$ 67,044	\$ 81,874	\$ 104,462	\$ 97,781
City's Contribution in Relation to the Statorily Required Contribution	<u>34,227</u>	<u>22,293</u>	<u>37,652</u>	<u>67,044</u>	<u>81,874</u>	<u>104,462</u>	<u>97,781</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 23,026,866	\$ 20,266,762	\$ 17,929,709	\$ 17,044,086	\$ 16,708,987	\$ 16,182,096	\$ 16,322,972
City's Contributions as a Percentage of Covered Payroll	0.15%	0.11%	0.21%	0.39%	0.49%	0.65%	0.60%

	Reporting Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
Statorily Required Contribution	\$ 34,648	\$ 28,408	\$ 33,930	\$ 30,693	\$ 28,433	\$ 26,962	\$ 25,960
City's Contribution in Relation to the Statorily Required Contribution	<u>34,648</u>	<u>28,408</u>	<u>33,930</u>	<u>30,693</u>	<u>28,433</u>	<u>26,962</u>	<u>25,960</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 23,026,866	\$ 20,266,762	\$ 17,929,709	\$ 17,044,086	\$ 16,708,987	\$ 16,182,096	\$ 16,322,972
City's Contributions as a Percentage of Covered Payroll	0.15%	0.14%	0.19%	0.18%	0.17%	0.17%	0.16%

Note: The City implemented GASB Statement No. 75 for fiscal year ended June 30, 2018. Information prior to fiscal year 2018 is not available.

See accompanying Notes to Required Supplementary Information.

**LAKE HAVASU CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION/OPEB PLANS (CONTINUED)
SCHEDULE OF CONTRIBUTIONS
AND RELATED RATIOS LAST TEN FISCAL YEARS (CONTINUED)**

PSPRS Police - Pension

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 5,719,876	\$ 4,686,651	\$ 4,020,034	\$ 3,296,889	\$ 1,673,832	\$ 2,987,849	\$ 2,991,037	\$ 2,210,217	\$ 2,228,546	\$ 1,567,440
City's Contribution in Relation to the Actuarially Determined Contribution	5,719,876	4,686,651	4,020,034	3,296,889	1,673,832	2,987,849	2,354,928	2,210,217	2,228,546	1,567,440
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (636,109)	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 8,295,687	\$ 6,903,301	\$ 6,356,790	\$ 5,838,302	\$ 5,689,821	\$ 5,360,332	\$ 5,482,280	\$ 5,482,280	\$ 5,429,036	\$ 4,819,831
City's Contributions as a Percentage of Covered Payroll	68.95%	67.89%	63.24%	56.47%	29.42%	55.74%	42.96%	40.32%	41.05%	32.52%

PSPRS Police - Health

	Reporting Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 27,083	\$ 14,600	\$ 18,485	\$ 27,077	\$ 11,612	\$ 15,557	\$ 18,110
City's Contribution in Relation to the Actuarially Determined Contribution	27,083	14,600	18,485	27,077	11,612	15,557	18,110
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 8,295,687	\$ 6,903,301	\$ 6,356,790	\$ 5,838,302	\$ 5,689,821	\$ 5,360,332	\$ 5,482,280
City's Contributions as a Percentage of Covered Payroll	0.33%	0.21%	0.29%	0.46%	0.20%	0.29%	0.33%

PSPRS Fire - Pension

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 8,246,805	\$ 5,472,810	\$ 3,902,170	\$ 2,119,126	\$ 2,119,126	\$ 3,209,845	\$ 2,827,637	\$ 2,338,318	\$ 2,253,104	\$ 1,546,439
City's Contribution in Relation to the Actuarially Determined Contribution	8,246,805	5,472,810	3,902,170	2,119,126	2,119,126	3,209,845	2,089,843	2,338,318	2,253,104	1,546,439
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (737,794)	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 11,799,692	\$ 7,953,510	\$ 6,776,954	\$ 6,216,768	\$ 6,182,281	\$ 5,905,879	\$ 5,721,646	\$ 5,721,646	\$ 5,876,745	\$ 5,533,617
City's Contributions as a Percentage of Covered Payroll	69.89%	68.81%	57.58%	34.09%	34.28%	54.35%	36.53%	40.87%	38.34%	27.95%

Note: The City implemented GASB Statement No. 75 for fiscal year ended June 30, 2018. Information prior to fiscal year 2018 is not available.

**LAKE HAVASU CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM – POLICE AND FIRE
SCHEDULE OF CHANGES IN THE NET PENSION/OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

PSPRS Police - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total Pension Liability										
Service Cost	\$ 868,019	\$ 849,444	\$ 782,356	\$ 906,170	\$ 1,062,438	\$ 1,016,857	\$ 1,234,563	\$ 922,034	\$ 861,608	\$ 848,865
Interest on the Total Pension Liability	5,185,802	4,945,931	4,605,777	4,401,029	4,161,187	4,000,651	3,651,211	3,464,339	3,399,923	2,915,368
Changes of Benefit Terms	-	-	-	-	-	-	582,417	2,528,560	-	703,355
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	1,300,012	969,707	2,399,547	631,464	527,967	(193,125)	1,482,173	(1,471,071)	(106,367)	893,651
Changes of Assumptions or Other Inputs	-	1,110,906	-	-	1,561,991	-	1,480,171	1,778,435	-	3,938,245
Benefit Payments, Including Refunds of Employee Contributions	(4,007,544)	(3,236,501)	(3,153,738)	(2,866,416)	(3,336,596)	(3,081,375)	(2,801,935)	(2,852,973)	(3,876,595)	(2,389,772)
Net Change in Total Pension Liability	3,346,289	4,639,487	4,633,942	3,072,247	3,976,987	1,743,008	5,628,600	4,369,324	278,569	6,909,712
Total Pension Liability - Beginning	73,160,777	68,521,290	63,887,348	60,815,101	56,838,114	55,095,106	49,466,506	45,097,182	44,818,613	37,908,901
Total Pension Liability - Ending (a)	76,507,066	73,160,777	68,521,290	63,887,348	60,815,101	56,838,114	55,095,106	49,466,506	45,097,182	44,818,613
Plan Fiduciary Net Position										
Contributions - Employer	4,370,710	3,761,637	3,074,026	2,301,079	3,729,249	3,104,531	2,210,217	2,228,546	1,567,440	1,354,412
Contributions - Employee	436,432	423,067	423,243	512,821	437,628	732,863	625,344	595,760	554,019	549,533
Net Investment Income	2,602,607	(1,361,818)	7,579,748	362,761	1,418,829	1,767,466	2,293,048	113,130	732,631	2,503,686
Benefit Payments, Including Refunds of Employee Contributions	(4,007,544)	(3,236,501)	(3,153,738)	(2,866,416)	(3,336,596)	(3,081,375)	(2,801,935)	(2,852,973)	(3,876,595)	(2,389,772)
Hall/Parker Settlement	-	-	-	-	-	(749,603)	-	-	-	-
Administrative Expenses	(25,960)	(24,559)	(38,733)	(29,590)	(25,679)	(27,600)	(20,690)	(16,679)	(18,256)	-
Other Changes	-	-	-	-	(14,467)	(10,160)	(13,631)	(61,181)	(2,391)	(1,015,209)
Net Change in Plan Fiduciary Net Position	3,376,245	(438,174)	7,884,546	280,655	2,208,964	1,736,122	2,292,353	6,603	(1,043,152)	1,002,650
Plan Fiduciary Net Position - Beginning	33,429,002	33,867,176	25,982,630	25,701,975	23,493,011	21,756,889	19,464,536	19,457,933	20,501,085	19,498,435
Plan Fiduciary Net Position - Ending (b)	36,805,247	33,429,002	33,867,176	25,982,630	25,701,975	23,493,011	21,756,889	19,464,536	19,457,933	20,501,085
City's Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 39,701,819</u>	<u>\$ 39,731,775</u>	<u>\$ 34,654,114</u>	<u>\$ 37,904,718</u>	<u>\$ 35,113,126</u>	<u>\$ 33,345,103</u>	<u>\$ 33,338,217</u>	<u>\$ 30,001,970</u>	<u>\$ 25,639,249</u>	<u>\$ 24,317,528</u>

PSPRS Police - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.11%	45.69%	57.07%	40.67%	40.67%	42.26%	39.49%	39.49%	39.35%	43.15%
Covered Payroll	\$ 6,903,301	\$ 6,356,790	\$ 5,838,302	\$ 5,689,821	\$ 5,360,332	\$ 5,482,280	\$ 5,429,036	\$ 4,819,831	\$ 4,876,023	\$ 4,534,608
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	575.11%	625.03%	537.89%	609.05%	707.13%	640.48%	614.20%	691.69%	615.30%	565.41%

See accompanying Notes to Required Supplementary Information.

**LAKE HAVASU CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM – POLICE AND FIRE (CONTINUED)
SCHEDULE OF CHANGES IN THE NET PENSION/OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS**

PSPRS Police - OPEB

	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB Liability							
Service Cost	\$ 17,274	\$ 18,309	\$ 18,945	\$ 21,909	\$ 15,929	\$ 15,415	\$ 20,087
Interest on the Total OPEB Liability	84,288	85,387	82,190	87,548	85,854	81,590	81,085
Changes of Benefit Terms	-	-	-	-	-	-	3,581
Differences Between Expected and Actual Experience in the Measurement of the OPEB Liability	(115,999)	(59,718)	625	(108,226)	(43,220)	12,611	(122)
Changes of Assumptions or Other Inputs	-	12,573	-	-	16,099	-	(24,753)
Benefit Payments, Including Refunds of Employee Contributions	(50,507)	(58,557)	(56,109)	(54,815)	(60,685)	(59,732)	(52,499)
Net Change in Total OPEB Liability	(64,944)	(2,006)	45,651	(53,584)	13,977	49,884	27,379
Total OPEB Liability - Beginning	1,178,644	1,180,650	1,134,999	1,188,583	1,174,606	1,124,722	1,097,343
Total OPEB Liability - Ending (a)	1,113,700	1,178,644	1,180,650	1,134,999	1,188,583	1,174,606	1,124,722
Plan Fiduciary Net Position							
Contributions - Employer	12,628	14,600	21,311	16,214	14,273	5,351	18,900
Contributions - Employee	-	-	-	-	-	-	-
Net Investment Income	95,985	(53,524)	301,332	14,166	59,210	74,773	117,526
Benefit Payments, Including Refunds of Employee Contributions	(50,507)	(58,557)	(56,109)	(54,815)	(60,685)	(59,732)	(52,499)
Administrative Expenses	(1,017)	(953)	(1,239)	(1,152)	(1,022)	(1,138)	(1,040)
Other Changes	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	57,089	(98,434)	265,295	(25,587)	11,776	19,254	82,887
Plan Fiduciary Net Position - Beginning	1,281,977	1,380,411	1,115,116	1,140,703	1,114,460	1,095,206	1,012,319
Adjustment to Beginning of Year	-	-	-	-	14,467	-	-
Plan Fiduciary Net Position - Ending (b)	1,339,066	1,281,977	1,380,411	1,115,116	1,140,703	1,114,460	1,095,206
City's Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (225,366)</u>	<u>\$ (103,333)</u>	<u>\$ (199,761)</u>	<u>\$ 19,883</u>	<u>\$ 47,880</u>	<u>\$ 60,146</u>	<u>\$ 29,516</u>

PSPRS Police - OPEB

	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	120.24%	108.77%	116.92%	98.25%	95.97%	94.88%	97.38%
Covered Payroll	\$ 4,814,111	\$ 4,485,170	\$ 4,498,322	\$ 4,187,833	\$ 4,756,492	\$ 5,138,236	\$ 5,429,036
City's Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-4.68%	-2.30%	-4.44%	0.47%	1.01%	1.17%	0.54%

Note: The City implemented GASB Statement No. 75 for fiscal year ended June 30, 2018. Information prior to fiscal year 2018 is not available.

See accompanying Notes to Required Supplementary Information.

LAKE HAVASU CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM – POLICE AND FIRE (CONTINUED)
SCHEDULE OF CHANGES IN THE NET PENSION/OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS

PSPRS Fire - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total Pension Liability										
Service Cost	\$ 1,165,253	\$ 1,154,638	\$ 1,178,694	\$ 1,264,141	\$ 1,278,297	\$ 1,227,618	\$ 1,344,599	\$ 1,057,474	\$ 959,699	\$ 924,982
Interest on the Total Pension Liability	5,345,889	5,122,676	4,810,402	4,480,643	4,198,538	4,135,420	3,734,268	3,496,748	3,383,165	2,837,439
Changes of Benefit Terms	-	-	-	-	-	-	595,772	1,468,498	-	952,334
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	533,277	55,458	1,163,057	1,545,202	1,001,251	(2,255,339)	977,472	(327,782)	(84,341)	14,363
Changes of Assumptions or Other Inputs	-	1,026,567	-	-	985,058	-	2,126,762	1,911,648	-	4,840,056
Benefit Payments, Including Refunds of Employee Contributions	(3,490,800)	(3,099,482)	(2,601,247)	(2,773,356)	(2,841,282)	(2,997,196)	(2,255,936)	(2,753,000)	(2,967,977)	(2,301,260)
Net Change in Total Pension Liability	3,553,619	4,259,857	4,550,906	4,516,630	4,621,862	110,503	6,522,937	4,853,586	1,290,546	7,267,914
Total Pension Liability - Beginning	74,828,604	70,568,747	66,017,841	61,501,211	56,879,349	56,768,846	50,245,909	45,392,323	44,101,777	36,833,863
Total Pension Liability - Ending (a)	78,382,223	74,828,604	70,568,747	66,017,841	61,501,211	56,879,349	56,768,846	50,245,909	45,392,323	44,101,777
Plan Fiduciary Net Position										
Contributions - Employer	4,147,148	3,814,986	3,034,995	2,699,402	3,766,423	2,966,928	2,338,318	2,253,104	1,546,439	1,452,150
Contributions - Employee	419,244	448,667	463,141	473,865	484,989	470,921	657,879	628,285	575,092	510,116
Net Investment Income	2,915,300	(1,527,075)	8,436,013	386,874	1,471,155	1,866,236	2,415,000	116,400	721,120	2,435,938
Benefit Payments, Including Refunds of Employee Contributions	(3,490,800)	(3,099,482)	(2,601,247)	(2,773,356)	(2,841,282)	(2,997,196)	(2,255,936)	(2,753,000)	(2,967,977)	(2,301,260)
Hall/Parker Settlement	-	-	-	-	-	(877,085)	-	-	-	-
Administrative Expenses	(22,984)	(27,532)	(41,996)	(31,556)	(26,587)	(29,104)	(21,769)	(17,149)	(17,967)	-
Other Changes	-	-	-	-	(1,934)	274	(31,332)	162,933	3,818	(1,110,206)
Net Change in Plan Fiduciary Net Position	3,967,908	(390,436)	9,290,906	755,229	2,852,764	1,400,974	3,102,160	390,573	(139,475)	986,738
Plan Fiduciary Net Position - Beginning	37,214,646	37,605,082	28,314,176	27,558,947	24,706,183	23,305,209	20,203,049	19,812,476	19,951,951	18,965,213
Plan Fiduciary Net Position - Ending (b)	41,182,554	37,214,646	37,605,082	28,314,176	27,558,947	24,706,183	23,305,209	20,203,049	19,812,476	19,951,951
City's Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 37,199,669</u>	<u>\$ 37,613,958</u>	<u>\$ 32,963,665</u>	<u>\$ 37,703,665</u>	<u>\$ 33,942,264</u>	<u>\$ 32,173,166</u>	<u>\$ 33,463,637</u>	<u>\$ 30,042,860</u>	<u>\$ 25,579,847</u>	<u>\$ 24,149,826</u>

PSPRS Fire - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.54%	49.73%	62.43%	42.89%	42.89%	44.81%	41.05%	41.05%	40.21%	43.65%
Covered Payroll	\$ 7,953,510	\$ 7,953,510	\$ 6,216,768	\$ 6,182,281	\$ 5,905,879	\$ 5,721,646	\$ 5,876,745	\$ 5,533,617	\$ 5,162,923	\$ 5,018,226
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	467.71%	472.92%	453.99%	533.20%	638.41%	593.23%	547.47%	604.73%	581.90%	509.74%

See accompanying Notes to Required Supplementary Information.

LAKE HAVASU CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM – POLICE AND FIRE (CONTINUED)
SCHEDULE OF CHANGES IN THE NET PENSION/OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS

PSPRS Fire - OPEB

	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB Liability							
Service Cost	\$ 23,897	\$ 24,738	\$ 27,429	\$ 29,054	\$ 18,686	\$ 18,686	\$ 20,569
Interest on the Total OPEB Liability	82,827	83,576	86,519	85,454	88,395	88,232	90,376
Changes of Benefit Terms	-	-	-	-	-	-	1,142
Differences Between Expected and Actual Experience in the Measurement of the OPEB Liability	27,552	(81,193)	(98,159)	(24,112)	(105,985)	(53,289)	(50,019)
Changes of Assumptions or Other Inputs	-	33,133	-	-	10,236	-	(9,867)
Benefit Payments, Including Refunds of Employee Contributions	(57,756)	(50,068)	(56,759)	(59,982)	(62,889)	(58,653)	(69,239)
Net Change in Total OPEB Liability	76,520	10,186	(40,970)	30,414	(51,557)	(5,024)	(17,038)
Total OPEB Liability - Beginning	1,155,353	1,145,167	1,186,137	1,155,723	1,207,280	1,212,304	1,229,342
Total OPEB Liability - Ending (a)	1,231,873	1,155,353	1,145,167	1,186,137	1,155,723	1,207,280	1,212,304
Plan Fiduciary Net Position							
Contributions - Employer	-	-	-	-	(93)	890	-
Net Investment Income	128,465	(71,386)	402,825	19,001	79,985	100,268	158,083
Benefit Payments, Including Refunds of Employee Contributions	(57,756)	(50,068)	(56,759)	(59,982)	(62,889)	(58,653)	(69,239)
Administrative Expenses	(1,078)	(1,271)	(1,656)	(1,545)	(1,381)	(1,526)	(1,398)
Net Change in Plan Fiduciary Net Position	69,631	(122,725)	344,410	(42,526)	15,622	40,979	87,446
Plan Fiduciary Net Position - Beginning	1,699,321	1,822,046	1,477,636	1,520,162	1,502,606	1,461,627	1,374,181
Adjustment to Beginning of Year	-	-	-	-	1,934	-	-
Plan Fiduciary Net Position - Ending (b)	1,768,952	1,699,321	1,822,046	1,477,636	1,520,162	1,502,606	1,461,627
City's Net OPEB Liability (Asset) - Ending (a) - (b)	\$ (537,079)	\$ (543,968)	\$ (676,879)	\$ (291,499)	\$ (364,439)	\$ (295,326)	\$ (249,323)

PSPRS Fire - OPEB

	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	143.60%	147.08%	159.11%	124.58%	131.53%	124.46%	120.57%
Covered Payroll	\$ 5,096,296	\$ 5,317,197	\$ 5,363,476	\$ 5,533,886	\$ 5,843,507	\$ 5,662,445	\$ 5,876,745
City's Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-10.54%	-10.23%	-12.62%	-5.27%	-6.24%	-5.22%	-4.24%

Note: The City implemented GASB Statement No. 75 for fiscal year ended June 30, 2018. Information prior to fiscal year 2018 is not available.

See accompanying Notes to Required Supplementary Information.

**LAKE HAVASU CITY, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 1 ACTUARIALLY DETERMINED CONTRIBUTION RATES

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

Actuarial Cost Method	Entry Age Normal
Amortization Level	Level Percent-of-Pay, Closed
Remaining Amortization Period as of the 2021 Actuarial Valuation	20 years
Asset Valuation Method	7-Year Smoothed Market Value; 80%/120% Market Corridor

Actuarial Assumptions:

Investment Rate of Return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%.
Projected Salary Increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5%. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0%.
Wage Growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 - 6.25% for PSPRS. In the 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS.
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, change to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

LAKE HAVASU CITY, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 2 FACTORS THAT TRENDS

Arizona Courts have ruled that provisions of a 2011 law that changed the funding mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates.

These changes are reflected in the plan's pension liability for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2018 for members who retired or will retire after the law's effective date.

Also, the City refunded excess employee contributions to PSPRS members. PSPRS allowed the City to reduce its actual employer contributions for the refund amounts. As a result, the City's pension contributions were less than the actuarially or statutorily determined contributions for 2018.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE AND CAPITAL PROJECT FUNDS**

Metropolitan Planning Organization Fund (MPO) – This fund was established to account for funding derived from the area’s status as a designated Metropolitan Planning Organization (MPO).

Flood Control Fund – This fund is dedicated to projects focused on maintaining washes and roadways to manage flooding. Funding is provided through an intergovernmental agreement (IGA) with Mohave County, which allocates a portion of the flood control property tax collected to Lake Havasu City.

Grants Fund – To account for the activity of the miscellaneous federal and state grants.

Improvement Districts Fund – To account for the maintenance and improvements to Improvement District No. 2, the London Bridge shopping area. Financing is provided to all districts through the assessment of property taxes.

Special Programs Fund – To account for the activity of various City programs funded with program-generated revenues and outside agency contributions.

Opioid Fund – To account for settlement funds awarded through the National Opioid Settlement as a result of state and local lawsuits against major opioid distributors, manufacturers, and retailers.

**LAKE HAVASU CITY, ARIZONA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue			
	Flood Control	Metropolitan Planning Organization	Grants	Improvement Districts
ASSETS				
Cash and Investments	\$ 5,932,567	\$ -	\$ 1,933,220	\$ 11,741
Restricted Cash	-	-	-	-
Receivables:				
Accounts Receivable	-	-	4,350	-
Taxes Receivable	-	-	-	54
Intergovernmental Receivable	-	77,958	649,720	375
Interest Receivable	26,077	-	-	89
Prepaid Items	-	1,847	854	-
	<u>-</u>	<u>1,847</u>	<u>854</u>	<u>-</u>
Total Assets	<u>\$ 5,958,644</u>	<u>\$ 79,805</u>	<u>\$ 2,588,144</u>	<u>\$ 12,259</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 37,749	\$ 16,701	\$ 69,334	\$ 68
Accrued Wages and Benefits	-	2,127	43,252	-
Intergovernmental Payable	-	-	3,825	-
Due to Other Funds	-	60,977	-	-
Unearned Revenue	-	-	2,466,964	-
Retainage Payable	198,814	-	4,770	-
Total Liabilities	<u>236,563</u>	<u>79,805</u>	<u>2,588,145</u>	<u>68</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Unavailable Revenue	-	-	84,551	-
	<u>-</u>	<u>-</u>	<u>84,551</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	1,847	854	-
Restricted	5,722,081	-	-	12,191
Assigned	-	-	-	-
Unassigned	-	(1,847)	(85,406)	-
Total Fund Balance	<u>5,722,081</u>	<u>-</u>	<u>(84,552)</u>	<u>12,191</u>
	<u>-</u>	<u>-</u>	<u>(84,552)</u>	<u>12,191</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 5,958,644</u>	<u>\$ 79,805</u>	<u>\$ 2,588,144</u>	<u>\$ 12,259</u>

<u>Special Revenue</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Special Programs</u>	<u>Opioid</u>	
\$ 1,025,373	\$ 660,291	\$ 9,563,192
123,069	-	123,069
-	-	4,350
-	-	54
-	-	728,053
4,555	-	30,721
-	-	2,701
<u>\$ 1,152,997</u>	<u>\$ 660,291</u>	<u>\$ 10,452,140</u>
\$ 6,677	\$ -	\$ 130,529
-	-	45,379
-	-	3,825
-	-	60,977
-	-	2,466,964
-	-	203,584
<u>6,677</u>	<u>-</u>	<u>2,911,258</u>
-	-	84,551
-	-	2,701
856,063	660,291	7,250,626
290,257	-	290,257
-	-	(87,253)
<u>1,146,320</u>	<u>660,291</u>	<u>7,456,331</u>
<u>\$ 1,152,997</u>	<u>\$ 660,291</u>	<u>\$ 10,452,140</u>

LAKE HAVASU CITY, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue			
	Flood Control	Metropolitan Planning Organization	Grants	Improvement Districts
REVENUE				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ 15,501
Intergovernmental Revenue	3,070,143	275,576	2,935,750	-
Fines and Forfeitures	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	4,347	-
Investment Earnings (Loss)	294,481	-	-	1,161
Other	-	-	-	-
Total Revenue	<u>3,364,624</u>	<u>275,576</u>	<u>2,940,097</u>	<u>16,662</u>
EXPENDITURES				
Current:				
General Government	340,945	134	454,684	12,458
Public Safety	-	-	1,395,715	-
Culture and Recreation	-	-	13,408	-
Transportation Services	-	193,026	-	-
Capital Outlay	4,091,889	82,416	1,160,842	-
Total Expenditures	<u>4,432,834</u>	<u>275,576</u>	<u>3,024,649</u>	<u>12,458</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(1,068,210)	-	(84,552)	4,204
OTHER FINANCING SOURCES (USES)				
Transfers Out	(500,000)	-	-	(19,714)
Capital Transfer	-	-	-	-
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>(19,714)</u>
NET CHANGE IN FUND BALANCE	(1,568,210)	-	(84,552)	(15,510)
Fund Balance - Beginning of Year, as Previously Presented	-	-	-	27,701
Change within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-	-
Change within Financial Reporting Entity (Major Proprietary to Nonmajor Governmental Fund)	<u>7,290,291</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year, as Adjusted	<u>7,290,291</u>	<u>-</u>	<u>-</u>	<u>27,701</u>
NET BALANCE - END OF YEAR	<u>\$ 5,722,081</u>	<u>\$ -</u>	<u>\$ (84,552)</u>	<u>\$ 12,191</u>

Special Revenue		Capital Projects	Total Nonmajor Governmental Funds
Special Programs	Opioid	Capital Projects	
\$ -	\$ -		\$ 15,501
186,115	-		6,467,584
85,771	-		85,771
43	-		43
-	-		4,347
64,322	-		359,964
1,365	660,291		661,656
<u>337,616</u>	<u>660,291</u>		<u>7,594,866</u>
-	-		808,221
242,671	-		1,638,386
-	-		13,408
-	-		193,026
-	-		5,335,147
<u>242,671</u>	<u>-</u>		<u>7,988,188</u>
94,945	660,291		(393,322)
(17,629)	-		(537,343)
-	-		-
<u>(17,629)</u>	<u>-</u>		<u>(537,343)</u>
77,316	660,291		(930,665)
1,069,004	-	2,334,832	3,431,537
-	-	(2,334,832)	(2,334,832)
-	-	-	7,290,291
<u>1,069,004</u>	<u>-</u>	<u>-</u>	<u>8,386,996</u>
<u>\$ 1,146,320</u>	<u>\$ 660,291</u>	<u>\$ -</u>	<u>\$ 7,456,331</u>

**LAKE HAVASU CITY, ARIZONA
FLOOD CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
REVENUE			
Intergovernmental Revenue	\$ 2,951,150	\$ 3,070,143	\$ 118,993
Grants	4,130,000	-	(4,130,000)
Investment Earnings	47,345	294,481	247,136
Total Revenue	7,128,495	3,364,624	(3,763,871)
EXPENDITURES			
Current:			
General Government	321,782	340,945	(19,163)
Capital Outlay	6,375,000	4,091,889	2,283,111
Total Expenditures	6,696,782	4,432,834	2,263,948
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	431,713	(1,068,210)	(1,499,923)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(500,000)	(500,000)	-
NET CHANGE IN FUND BALANCE	(68,287)	(1,568,210)	(1,499,923)
Fund Balance - Beginning of Year	10,596,482	7,290,291	(3,306,191)
FUND BALANCE - END OF YEAR	\$ 10,528,195	\$ 5,722,081	\$ (4,806,114)

**LAKE HAVASU CITY, ARIZONA
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts	Actual	Variance with Final Budget
	Original and Final		
REVENUE			
Intergovernmental Revenue	\$ 10,350,195	\$ 2,935,750	\$ (7,429,771)
Contributions and Donations	15,326	4,347	4,347
Total Revenue	<u>10,365,521</u>	<u>2,940,097</u>	<u>(7,425,424)</u>
EXPENDITURES			
Current:			
General Government	5,644,986	575,768	5,069,218
Public Safety	4,685,535	2,435,473	2,250,062
Culture and Recreation	35,000	13,408	21,592
Total Expenditures	<u>10,365,521</u>	<u>3,024,649</u>	<u>7,340,872</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(84,552)	(84,552)
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (84,552)</u>	<u>\$ (84,552)</u>

**LAKE HAVASU CITY, ARIZONA
IMPROVEMENT DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUE			
Taxes:			
Property Taxes	\$ 15,904	\$ 15,501	\$ (403)
Investment Earnings	1,191	1,161	(30)
Total Revenue	<u>17,095</u>	<u>16,662</u>	<u>(433)</u>
EXPENDITURES			
Current:			
General Government	<u>18,898</u>	<u>12,458</u>	<u>6,440</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(1,803)	4,204	6,007
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>-</u>	<u>(19,714)</u>	<u>(19,714)</u>
NET CHANGE IN FUND BALANCE	(1,803)	(15,510)	(13,707)
Fund Balance - Beginning of Year	<u>-</u>	<u>27,701</u>	<u>27,701</u>
FUND BALANCE - END OF YEAR	<u>\$ (1,803)</u>	<u>\$ 12,191</u>	<u>\$ 13,994</u>

**LAKE HAVASU CITY, ARIZONA
SPECIAL PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Variance with Final Budget
	Original and Final	Actual	
REVENUE			
Intergovernmental Revenue	\$ 420,098	\$ 186,115	\$ (387,485)
Fines and Forfeitures	193,602	85,771	(88,254)
Charges for Services	97	43	43
Investment Earnings	145,187	64,322	51,882
Other	3,081	1,365	(635)
Total Revenue	<u>762,065</u>	<u>337,616</u>	<u>(424,449)</u>
EXPENDITURES			
Current:			
Public Safety	<u>539,304</u>	<u>242,671</u>	<u>296,633</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	222,761	94,945	(127,816)
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>-</u>	<u>(17,629)</u>	<u>(17,629)</u>
NET CHANGE IN FUND BALANCE	222,761	77,316	(145,445)
Fund Balance - Beginning of Year	<u>1,069,004</u>	<u>1,069,004</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,291,765</u></u>	<u><u>\$ 1,146,320</u></u>	<u><u>\$ (145,445)</u></u>

**LAKE HAVASU CITY, ARIZONA
OPIOID FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUE			
Other	\$ -	\$ 660,291	\$ 660,291
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	660,291	660,291
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 660,291</u>	<u>\$ 660,291</u>

**LAKE HAVASU CITY, ARIZONA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUE			
Intergovernmental Revenue	\$ 5,863,680	\$ 3,753,607	\$ (2,110,073)
Contributions and Donations	815,000	1,000,000	185,000
Investment Earnings (Loss)	11,785	222,104	210,319
Total Revenue	<u>6,690,465</u>	<u>4,975,711</u>	<u>(1,714,754)</u>
EXPENDITURES			
Capital Outlay	<u>16,176,505</u>	<u>9,345,424</u>	<u>6,831,081</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(9,486,040)	(4,369,713)	5,116,327
OTHER FINANCING SOURCES (USES)			
Transfers In	8,000,000	8,000,000	-
Sale of Capital Assets	-	1,742,000	1,742,000
Total Other Financing Sources (Uses)	<u>8,000,000</u>	<u>9,742,000</u>	<u>1,742,000</u>
NET CHANGE IN FUND BALANCE	(1,486,040)	5,372,287	6,858,327
Fund Balance - Beginning of Year	<u>3,264,800</u>	<u>2,334,832</u>	<u>(929,968)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,778,760</u>	<u>\$ 7,707,119</u>	<u>\$ 5,928,359</u>



STATISTICAL SECTION

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LAKE HAVASU CITY, ARIZONA STATISTICAL SECTION

This part of the Lake Havasu City, Arizona's, Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help readers assess the City's most significant local revenue source, the sales tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**LAKE HAVASU CITY, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2015 (1)	2016	2017 (2) (As Restated)	2018	2019
Governmental Activities:					
Net Investment in Capital Assets	\$ 86,704,197	\$ 88,095,353	\$ 88,995,496	\$ 85,407,317	\$ 99,783,955
Net Position-Restricted	9,629,813	3,703,586	4,798,406	5,990,275	4,587,301
Net Position-Unrestricted	<u>(30,958,540)</u>	<u>(31,635,385)</u>	<u>(47,404,855)</u>	<u>(46,342,804)</u>	<u>(45,275,653)</u>
Total Governmental Activities Net Position	<u>\$ 65,375,470</u>	<u>\$ 60,163,554</u>	<u>\$ 46,389,047</u>	<u>\$ 45,054,788</u>	<u>\$ 59,095,603</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 114,768,401	\$ 137,877,796	\$ 139,060,241	\$ 140,976,250	\$ 134,618,689
Net Position-Restricted	-	-	-	20,929	13,207
Net Position-Unrestricted	<u>83,956,728</u>	<u>66,001,694</u>	<u>66,595,391</u>	<u>68,758,191</u>	<u>73,866,305</u>
Total Business-Type Activities Net Position	<u>\$ 198,725,129</u>	<u>\$ 203,879,490</u>	<u>\$ 205,655,632</u>	<u>\$ 209,755,370</u>	<u>\$ 208,498,201</u>
Primary Government					
Net Investment in Capital Assets	\$ 201,472,598	\$ 225,973,149	\$ 228,055,737	\$ 226,383,567	\$ 234,402,644
Net Position-Restricted	9,629,813	3,703,586	4,798,406	6,011,204	4,600,508
Net Position-Unrestricted	<u>52,998,188</u>	<u>34,366,309</u>	<u>19,190,536</u>	<u>22,415,387</u>	<u>28,590,652</u>
Total Primary Government Net Position	<u>\$ 264,100,599</u>	<u>\$ 264,043,044</u>	<u>\$ 252,044,679</u>	<u>\$ 254,810,158</u>	<u>\$ 267,593,804</u>

(1) Government Accounting Standards Board (GASB) Statement 68 was implemented by the City in fiscal year ended June 30, 2015. As a result Beginning Net Position was restated and reduced Net Position by \$55,501,937.

(2) Government Accounting Standards Board (GASB) Statement 75 was implemented by the City in fiscal year ended June 30, 2018. As a result Beginning Net Position was restated and reduced Net Position by \$8,453,182.

Source: Lake Havasu City, Arizona's Administrative Services Department.

Fiscal Year				
2020	2021	2022	2023	2024
\$ 103,999,904	\$ 103,715,303	\$ 104,701,620	\$ 109,641,615	\$ 136,953,671
7,961,989	9,704,368	11,521,472	22,155,998	64,309,991
(46,482,104)	(28,064,741)	(13,213,060)	(8,834,675)	10,616,305
<u>\$ 65,479,789</u>	<u>\$ 85,354,930</u>	<u>\$ 103,010,032</u>	<u>\$ 122,962,938</u>	<u>\$ 211,879,967</u>
\$ 134,988,785	\$ 131,836,295	\$ 140,439,906	\$ 144,590,501	\$ 138,948,553
9,984	8,684,191	8,829,744	8,985,631	9,505,929
76,661,116	81,724,669	81,056,619	79,275,810	69,047,451
<u>\$ 211,659,885</u>	<u>\$ 222,245,155</u>	<u>\$ 230,326,269</u>	<u>\$ 232,851,942</u>	<u>\$ 217,501,933</u>
\$ 238,988,689	\$ 235,551,598	\$ 245,141,526	\$ 254,232,116	\$ 275,902,224
7,971,973	18,388,559	20,351,216	31,141,629	73,815,920
30,179,012	53,659,928	67,843,559	70,441,135	79,663,756
<u>\$ 277,139,674</u>	<u>\$ 307,600,085</u>	<u>\$ 333,336,301</u>	<u>\$ 355,814,880</u>	<u>\$ 429,381,900</u>

**LAKE HAVASU CITY, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2015	2016	2017	2018	2019
EXPENSES					
Governmental Activities:					
General Government	\$ 13,730,439	\$ 16,565,010	\$ 16,508,917	\$ 15,966,111	\$ 16,231,859
Public Safety	29,639,702	27,851,569	35,730,398	32,534,876	31,099,502
Highways and Streets	7,581,803	5,954,241	6,527,976	5,986,275	5,506,988
Transportation Services	590,799	3,524,708	3,211,372	3,394,900	3,119,629
Tourism and Promotion	1,614,399	1,866,653	2,011,849	2,263,539	2,438,028
Culture and Recreation	2,069,458	796,465	649,522	723,931	644,651
Interest on Long-Term Debt	79,518	71,419	336,191	377,281	156,484
Total Governmental Activities	<u>55,306,118</u>	<u>56,630,065</u>	<u>64,976,225</u>	<u>61,246,913</u>	<u>59,197,141</u>
Business-Type Activities:					
Refuse	5,376,827	5,462,233	5,579,670	5,824,942	6,397,111
Recreation / Aquatic Center	1,675,056	-	-	-	-
Irrigation and Drainage	9,961,106	10,695,127	10,873,128	12,388,033	11,471,349
Wastewater	26,687,095	28,630,254	26,012,366	25,175,765	26,016,553
Airport	1,361,177	1,401,684	1,425,314	1,558,591	1,875,148
Total Business-Type Activities	<u>45,061,261</u>	<u>46,189,298</u>	<u>43,890,478</u>	<u>44,947,331</u>	<u>45,760,161</u>
Total Primary Government Expenses	<u>\$ 100,367,379</u>	<u>\$ 102,819,363</u>	<u>\$ 108,866,703</u>	<u>\$ 106,194,244</u>	<u>\$ 104,957,302</u>
PROGRAM REVENUES					
Governmental Activities:					
Fines, Fees, and Charges for Services:					
General Government	\$ 3,820,613	\$ 3,632,889	\$ 3,824,870	\$ 4,109,375	\$ 4,192,315
Public Safety	264,639	413,385	306,598	394,571	355,788
Highways and Streets	9,897	56,878	4,586	14,847	10,789
Culture and Recreation	717,178	959,528	994,556	954,783	1,003,937
Transportation Services	10,507	11,193	11,440	17,094	18,583
Operating Grants and Contributions	6,486,534	7,398,931	7,634,226	7,163,483	7,539,313
Capital Grants and Contributions	1,501,131	1,500	13,750	223,288	-
Total Governmental Activities	<u>12,810,499</u>	<u>12,474,304</u>	<u>12,790,026</u>	<u>12,877,441</u>	<u>13,120,725</u>
Business-Type Activities:					
Charges for Services:					
Refuse	5,762,381	5,900,766	6,032,980	6,451,980	6,830,556
Recreation / Aquatic Center	424,825	-	-	-	-
Irrigation and Drainage	10,320,272	10,690,585	10,694,299	11,941,916	10,849,791
Wastewater	22,529,002	22,592,658	22,619,965	22,334,847	23,014,325
Airport	487,182	496,145	502,238	515,049	504,332
Operating Grants and Contributions	96,035	111,029	46,241	-	-
Capital Grants and Contributions	629,838	2,394,886	3,981,141	3,703,711	3,133,115
Total Business-Type Activities	<u>40,249,535</u>	<u>42,186,069</u>	<u>43,876,864</u>	<u>44,947,503</u>	<u>44,332,119</u>
Total Primary Government Program Revenues	<u>\$ 53,060,034</u>	<u>\$ 54,660,373</u>	<u>\$ 56,666,890</u>	<u>\$ 57,824,944</u>	<u>\$ 57,452,844</u>

Fiscal Year				
2020	2021	2022	2023	2024
\$ 16,402,595	\$ 15,174,305	\$ 14,160,054	\$ 18,085,131	\$ 24,787,733
32,192,767	33,965,247	34,090,742	37,046,315	37,978,758
5,656,106	6,277,283	6,144,340	5,050,185	6,295,811
5,734,866	5,843,346	6,928,950	7,768,263	8,497,359
2,405,167	2,867,170	2,092,764	2,092,488	2,138,665
642,960	906,453	1,018,294	1,044,473	928,811
11,765	19,396	12,789	-	61,474
<u>63,046,226</u>	<u>65,053,200</u>	<u>64,447,933</u>	<u>71,086,855</u>	<u>80,688,611</u>
6,722,388	6,871,359	7,194,997	7,521,311	7,899,953
-	-	-	-	-
13,441,560	12,715,389	12,944,039	15,981,883	15,758,593
26,483,548	25,493,376	28,561,097	28,937,640	29,301,219
1,927,072	1,614,475	1,781,468	1,791,192	1,880,101
<u>48,574,568</u>	<u>46,694,599</u>	<u>50,481,601</u>	<u>54,232,026</u>	<u>54,839,866</u>
<u>\$ 111,620,794</u>	<u>\$ 111,747,799</u>	<u>\$ 114,929,534</u>	<u>\$ 125,318,881</u>	<u>\$ 135,528,477</u>
\$ 2,728,789	\$ 4,885,904	\$ 4,739,871	\$ 4,693,983	\$ 4,481,784
1,632,331	252,069	224,177	286,872	597,255
-	-	-	-	-
652,479	532,709	858,477	888,323	995,732
13,734	7,598	32,250	62,415	74,977
7,392,366	15,056,265	8,645,102	9,745,958	9,258,707
1,637,186	403,143	534,969	847,197	48,395,445
<u>14,056,885</u>	<u>21,137,688</u>	<u>15,034,846</u>	<u>16,524,748</u>	<u>63,803,900</u>
6,726,489	7,089,572	7,332,512	8,000,392	9,004,582
-	-	-	-	-
11,020,390	12,356,158	11,368,009	11,631,891	13,652,977
22,978,761	24,253,123	25,532,009	25,762,084	27,263,276
530,108	570,892	589,232	647,030	676,328
88,712	-	-	-	42,790
3,588,771	3,714,417	10,859,143	9,106,899	1,029,698
<u>44,933,231</u>	<u>47,984,162</u>	<u>55,680,905</u>	<u>55,148,296</u>	<u>51,669,651</u>
<u>\$ 58,990,116</u>	<u>\$ 69,121,850</u>	<u>\$ 70,715,751</u>	<u>\$ 71,673,044</u>	<u>\$ 115,473,551</u>

LAKE HAVASU CITY, ARIZONA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2015	2016	2017	2018	2019
NET (EXPENSE)/REVENUE					
Governmental Activities	\$ (42,495,619)	\$ (44,155,761)	\$ (52,186,199)	\$ (48,369,472)	\$ (46,076,416)
Business-Type Activities	(4,811,726)	(4,003,229)	(13,614)	172	(1,428,042)
Total Primary Government Net Expense	<u>\$ (47,307,345)</u>	<u>\$ (48,158,990)</u>	<u>\$ (52,199,813)</u>	<u>\$ (48,369,300)</u>	<u>\$ (47,504,458)</u>
GENERAL REVENUE AND OTHER					
Governmental Activities:					
Taxes:					
Sales Taxes	\$ 18,442,101	\$ 20,205,820	\$ 21,750,919	\$ 23,510,466	\$ 25,600,426
Property Taxes	4,237,577	4,378,580	4,404,669	4,509,789	4,738,836
Franchise Taxes	2,300,347	1,971,867	2,017,919	1,915,660	1,920,789
State Revenue Sharing	6,358,718	6,324,244	6,551,824	6,656,582	6,589,165
State Sales Tax Revenue Sharing	4,800,376	4,961,508	4,903,171	5,167,905	5,478,702
Auto Lieu Tax Revenue Sharing	2,666,247	2,871,694	3,114,874	3,403,444	3,614,782
Investment Earnings (Loss)	355,158	567,614	115,537	158,966	1,213,816
Other	58,081	21,866	-	-	337,401
Transfers	1,448,372	(5,800,353)	2,043,948	1,712,401	8,550,633
Total Governmental Activities	<u>40,666,977</u>	<u>35,502,840</u>	<u>44,902,861</u>	<u>47,035,213</u>	<u>58,044,550</u>
Business-Type Activities:					
Sales Taxes	-	-	-	7,918	20,545
Property Taxes	5,392,116	5,726,275	5,701,272	5,702,082	5,693,531
Investment Earnings (Loss)	772,282	1,071,967	94,445	101,967	2,736,835
Other	-	-	-	-	270,595
Transfers	(1,448,372)	5,800,353	(2,043,948)	(1,712,401)	(8,550,633)
Total Business-Type Activities	<u>4,716,026</u>	<u>12,598,595</u>	<u>3,751,769</u>	<u>4,099,566</u>	<u>170,873</u>
Total Primary Government	<u>\$ 45,383,003</u>	<u>\$ 48,101,435</u>	<u>\$ 48,654,630</u>	<u>\$ 51,134,779</u>	<u>\$ 58,215,423</u>
CHANGE IN NET POSITION					
Governmental Activities	\$ (1,828,642)	\$ (8,652,921)	\$ (7,283,338)	\$ (1,334,259)	\$ 11,968,134
Business-Type Activities	(95,700)	8,595,366	3,738,155	4,099,738	(1,257,169)
Total Primary Government	<u>\$ (1,924,342)</u>	<u>\$ (57,555)</u>	<u>\$ (3,545,183)</u>	<u>\$ 2,765,479</u>	<u>\$ 10,710,965</u>

Fiscal Year				
2020	2021	2022	2023	2024
\$ (48,989,341)	\$ (43,915,512)	\$ (49,413,087)	\$ (54,562,107)	\$ (16,884,711)
(3,641,337)	1,289,563	5,199,304	916,270	(3,170,215)
<u>\$ (52,630,678)</u>	<u>\$ (42,625,949)</u>	<u>\$ (44,213,783)</u>	<u>\$ (53,645,837)</u>	<u>\$ (20,054,926)</u>
\$ 28,509,382	\$ 35,735,174	\$ 39,539,774	\$ 39,173,800	\$ 40,144,705
5,034,301	5,301,635	5,683,917	6,066,615	6,379,515
1,899,083	2,073,506	2,135,944	2,278,646	2,498,944
7,123,935	7,983,889	7,495,130	11,056,566	15,614,891
5,696,977	6,627,439	8,059,064	8,615,595	8,903,135
3,638,920	4,658,251	4,602,177	4,887,882	4,985,085
1,273,380	116,967	(1,401,638)	1,050,999	6,238,688
631,097	823,176	563,519	729,222	2,639,898
1,566,452	470,616	390,302	238,150	95,692
<u>55,373,527</u>	<u>63,790,653</u>	<u>67,068,189</u>	<u>74,097,475</u>	<u>87,500,553</u>
22,675	14,427	20,434	14,779	14,253
5,694,267	5,701,311	5,713,605	-	3,527
2,507,455	252,465	(2,652,521)	1,697,657	5,581,943
145,076	172,926	190,594	135,117	174,355
(1,566,452)	(470,616)	(390,302)	(238,150)	(95,692)
<u>6,803,021</u>	<u>5,670,513</u>	<u>2,881,810</u>	<u>1,609,403</u>	<u>5,678,386</u>
<u>\$ 62,176,548</u>	<u>\$ 69,461,166</u>	<u>\$ 69,949,999</u>	<u>\$ 75,706,878</u>	<u>\$ 93,178,939</u>
\$ 6,384,186	\$ 19,875,141	\$ 17,655,102	\$ 19,952,906	\$ 71,058,849
3,161,684	6,960,076	8,081,114	2,525,673	2,508,171
<u>\$ 9,545,870</u>	<u>\$ 26,835,217</u>	<u>\$ 25,736,216</u>	<u>\$ 22,478,579</u>	<u>\$ 73,567,020</u>

**LAKE HAVASU CITY, ARIZONA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

FUNCTION/PROGRAM	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental Activities:					
General Government	\$ 4,574,380	\$ 5,046,899	\$ 4,919,685	\$ 5,344,231	\$ 5,339,004
Public Safety	902,861	1,066,458	1,376,751	1,040,186	982,952
Highways and Streets	6,223,620	4,772,852	4,985,665	5,110,258	5,439,830
Culture and Recreation	827,472	1,085,432	1,075,382	984,594	1,020,467
Transportation Services	282,166	502,663	432,543	398,172	338,472
Subtotal Governmental Activities	<u>12,810,499</u>	<u>12,474,304</u>	<u>12,790,026</u>	<u>12,877,441</u>	<u>13,120,725</u>
Business-Type Activities:					
Refuse	5,762,381	5,900,766	6,032,980	6,451,980	6,830,556
Recreation/Aquatic Center	424,825	-	-	-	-
Irrigation and Drainage	10,429,386	12,529,606	12,783,382	13,967,644	13,039,227
Wastewater	23,136,248	23,259,010	23,267,652	23,128,673	23,649,210
Airport	496,695	496,687	1,792,850	1,399,206	813,126
Subtotal Business-Type Activities	<u>40,249,535</u>	<u>42,186,069</u>	<u>43,876,864</u>	<u>44,947,503</u>	<u>44,332,119</u>
Total Primary Government	<u>\$ 53,060,034</u>	<u>\$ 54,660,373</u>	<u>\$ 56,666,890</u>	<u>\$ 57,824,944</u>	<u>\$ 57,452,844</u>

		Fiscal Year							
		2020	2021	2022	2023	2024			
\$	3,541,596	\$	5,643,615	\$	5,417,641	\$	6,237,511	\$	10,301,968
	2,297,655		7,714,638		1,181,726		1,628,649		5,043,016
	7,003,845		6,389,594		6,235,679		6,394,725		42,868,225
	753,999		547,118		1,125,530		1,523,090		4,180,963
	459,790		842,723		1,074,270		740,773		1,409,728
	<u>14,056,885</u>		<u>21,137,688</u>		<u>15,034,846</u>		<u>16,524,748</u>		<u>63,803,900</u>
	6,726,489		7,089,572		7,332,512		8,000,392		9,004,582
	-		-		-		-		-
	13,449,583		14,852,351		14,040,524		14,483,240		13,652,977
	23,680,221		25,322,173		26,307,900		26,420,079		27,781,356
	1,076,938		720,066		7,999,969		6,244,585		1,230,736
	<u>44,933,231</u>		<u>47,984,162</u>		<u>55,680,905</u>		<u>55,148,296</u>		<u>51,669,651</u>
<u>\$</u>	<u>58,990,116</u>	<u>\$</u>	<u>69,121,850</u>	<u>\$</u>	<u>70,715,751</u>	<u>\$</u>	<u>71,673,044</u>	<u>\$</u>	<u>115,473,551</u>

**LAKE HAVASU CITY, ARIZONA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2015	2016	2017	2018	2019
GENERAL FUND					
Nonspendable	\$ 244,483	\$ 244,483	\$ 227,087	\$ 9,224,831	\$ 374,462
Restricted	79,848	79,848	108,473	140,783	200,369
Committed	95,764	95,764	58,712	28,614	-
Assigned	1,413,446	1,413,446	7,468,453	2,680,187	4,049,451
Unassigned	25,280,515	25,280,515	31,008,000	27,377,087	34,519,442
Total General Fund	<u>\$ 27,114,056</u>	<u>\$ 27,114,056</u>	<u>\$ 38,870,725</u>	<u>\$ 39,451,502</u>	<u>\$ 39,143,724</u>
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	\$ 128,761	\$ 74,285	\$ 74,255	\$ 69,753	\$ -
Restricted	9,549,965	3,602,063	4,689,933	5,455,777	4,044,645
Committed	219,487	-	-	-	-
Assigned	2,659,010	3,212,360	1,202,633	1,269,128	767,047
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 12,557,223</u>	<u>\$ 6,888,708</u>	<u>\$ 5,966,821</u>	<u>\$ 6,794,658</u>	<u>\$ 4,811,692</u>

Fiscal Year					
2020	2021	2022	2023	2024	
\$ 389,679	\$ 476,244	\$ 1,551,526	\$ 2,010,162	\$ 2,181,951	
211,712	115,718	87,549	87,921	123,437	
452,553	-	-	-	-	
2,143,468	923,434	534,760	145,529	-	
37,243,172	57,871,982	70,241,846	74,366,537	84,988,712	
<u>\$ 40,440,584</u>	<u>\$ 59,387,378</u>	<u>\$ 72,415,681</u>	<u>\$ 76,610,149</u>	<u>\$ 87,294,100</u>	
\$ -	\$ 80,950	\$ 4,772	\$ 385	\$ 2,701	
7,350,685	8,948,638	9,807,774	20,506,861	61,388,288	
138,784	-	-	-	-	
3,278,511	4,472,156	6,273,147	2,654,488	7,997,376	
-	-	(4,772)	-	(87,253)	
<u>\$ 10,767,980</u>	<u>\$ 13,501,744</u>	<u>\$ 16,080,921</u>	<u>\$ 23,161,734</u>	<u>\$ 69,301,112</u>	

LAKE HAVASU CITY, ARIZONA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2015	2016	2017	2018	2019
REVENUES					
Taxes	\$ 25,075,151	\$ 26,556,267	\$ 28,173,507	\$ 29,935,915	\$ 32,260,051
Intergovernmental	21,639,174	21,331,956	21,815,664	22,332,270	23,188,181
Fines and Forfeitures	1,343,136	1,271,265	1,399,042	1,302,600	1,460,470
Licenses and Permits	1,850,142	2,058,628	2,109,402	2,631,312	2,523,596
Charges for Services	991,026	1,289,882	1,243,056	1,257,008	1,262,243
Rents and Royalties	106,506	160,822	85,969	100,130	95,269
Contributions and Donations	113,472	225,921	388,431	265,824	33,781
Investment Earnings (Loss)	331,702	536,861	115,537	158,966	1,213,816
Other	602,595	293,276	304,581	199,620	239,834
Total Revenues	<u>52,052,904</u>	<u>53,724,878</u>	<u>55,635,189</u>	<u>58,183,645</u>	<u>62,277,241</u>
EXPENDITURES					
General Government	13,842,743	15,342,933	15,975,867	16,397,581	15,871,643
Public Safety	25,466,301	26,472,416	27,609,870	28,148,429	28,865,141
Highways and Streets	5,331,664	4,418,578	5,007,050	4,503,401	7,160,326
Culture and Recreation	1,943,385	3,290,143	3,287,776	4,069,418	3,043,090
Transportation Services	479,373	1,866,653	2,011,849	2,263,539	2,438,028
Tourism and Promotion	1,628,426	726,537	598,367	670,192	607,028
Capital Outlay	259,668	3,244,793	5,485,194	5,565,035	5,807,593
Debt Service:					
Principal Retirement	160,000	165,000	2,416,813	9,217,626	7,543,000
Interest on Long-Term Debt	79,518	71,419	168,588	266,211	156,484
Total Expenditures	<u>49,191,078</u>	<u>55,598,472</u>	<u>62,561,374</u>	<u>71,101,432</u>	<u>71,492,333</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,861,826	(1,873,594)	(6,926,185)	(12,917,787)	(9,215,092)
OTHER FINANCING SOURCES (USES)					
Transfers In	3,443,746	2,467,823	5,856,721	7,348,011	6,601,080
Transfers Out	(4,512,583)	(6,994,555)	(1,897,778)	(5,635,610)	(2,086,814)
Sale of Capital Assets	-	-	-	-	337,401
Issuance of Debt	-	3,046,010	11,279,439	12,614,000	-
Total Other Financing Sources (Uses)	<u>(1,068,837)</u>	<u>(1,480,722)</u>	<u>15,238,382</u>	<u>14,326,401</u>	<u>4,851,667</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,792,989</u>	<u>\$ (3,354,316)</u>	<u>\$ 8,312,197</u>	<u>\$ 1,408,614</u>	<u>\$ (4,363,425)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.5%	0.5%	4.6%	14.5%	12.4%

		Fiscal Year							
		2020	2021	2022	2023	2024			
\$	35,442,766	\$	43,110,315	\$	47,359,629	\$	47,519,061	\$	49,023,164
	23,821,996		34,151,895		28,965,539		35,334,239		86,032,280
	1,364,192		1,549,597		1,637,775		1,630,530		1,506,845
	2,610,734		3,225,243		2,941,949		2,902,593		2,813,751
	940,297		797,245		1,115,217		1,238,296		1,668,452
	112,110		106,195		159,834		160,174		160,700
	242,388		173,949		370,883		236,497		1,075,777
	1,273,380		116,967		(1,401,638)		1,050,999		6,238,702
	631,097		831,727		563,544		729,222		897,898
	<u>66,438,960</u>		<u>84,063,133</u>		<u>81,712,732</u>		<u>90,801,611</u>		<u>149,417,569</u>
	14,475,351		14,878,532		14,496,160		19,694,822		17,475,304
	28,661,397		32,051,874		35,359,631		38,889,682		41,019,777
	3,899,565		4,728,260		5,358,088		5,859,318		6,350,826
	5,430,346		5,570,806		6,150,320		7,155,926		8,344,691
	2,405,167		2,867,170		2,092,764		2,092,488		2,138,665
	655,906		1,091,801		1,254,013		909,337		928,811
	306,767		3,855,123		1,208,602		7,188,219		24,853,109
	6,331,000		74,874		925,126		-		1,012,866
	11,765		19,396		12,789		-		61,474
	<u>62,177,264</u>		<u>65,137,836</u>		<u>66,857,493</u>		<u>81,789,792</u>		<u>102,185,523</u>
	4,261,696		18,925,297		14,855,239		9,011,819		47,232,046
	3,842,104		3,994,557		3,047,951		13,625,534		10,869,058
	(2,275,652)		(3,523,941)		(2,657,649)		(13,387,384)		(10,773,366)
	-		-		-		-		1,742,000
	-		1,881,502		361,939		2,025,312		296,682
	<u>1,566,452</u>		<u>2,352,118</u>		<u>752,241</u>		<u>2,263,462</u>		<u>2,134,374</u>
\$	<u>5,828,148</u>	\$	<u>21,277,415</u>	\$	<u>15,607,480</u>	\$	<u>11,275,281</u>	\$	<u>49,366,420</u>
	10.3%		0.2%		1.5%		0.0%		1.4%



**LAKE HAVASU CITY, ARIZONA
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

(2) Fiscal Year	Sales Taxes	Property Taxes	Franchise Taxes	Transient Occupancy Tax	Bar and Restaurant Tax	Total
2015	\$ 17,455,153	\$ 4,332,703	\$ 2,300,347	\$ 674,532	\$ 953,894	\$ 25,716,629
2016	18,339,166	4,378,581	1,971,867	769,672	1,096,982	26,556,268
2017	19,739,030	4,404,669	2,017,919	846,536	1,165,323	28,173,477
2018	21,024,525	4,509,788	1,915,660	965,208	1,307,809	29,722,991
2019 (1)	22,901,113	4,663,797	1,920,789	1,112,282	1,362,260	31,960,241
2020	25,730,472	4,960,237	1,899,082	1,233,385	1,306,649	35,129,825
2021	31,176,796	5,228,217	2,073,506	2,350,334	1,872,610	42,701,463
2022	34,723,178	5,607,383	2,135,943	2,316,098	1,905,831	46,688,433
2023	34,712,823	5,986,876	2,278,647	2,196,904	1,971,490	47,146,740
2024	35,573,496	6,361,787	2,498,944	2,177,774	2,040,696	48,652,697
Change, 2015-2024	103.8%	46.8%	8.6%	222.9%	113.9%	89.2%

Source: Lake Havasu City Arizona's Administrative Services Department.

Year 2015 was adjusted to include Sales Tax paid in Development Agreements.

(1) 2019 Revenue Recognition change resulting in 13 months recorded for Sales Tax, Transient Occupancy Tax, and Bar and Restaurant Tax.

(2) Excludes fire premium and marijuana excise tax.

**LAKE HAVASU CITY, ARIZONA
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS**

Sales Category:	Fiscal Year				
	2015 (1)	2016 (1)	2017	2018	2019
Accommodation			\$ 29,106,398	\$ 32,543,968	\$ 37,774,353
Communications and Utilities			27,075,402	24,486,305	24,261,301
Construction			90,281,093	106,465,774	127,594,201
Other			12,142,565	13,600,168	10,891,087
Rental, Leasing & License			20,238,906	23,153,951	28,523,010
Restaurant and Bar			119,446,455	131,938,468	138,771,999
Retail			624,440,905	663,339,900	702,877,412
Retail Market Place (2)			-	-	-
Use Tax			57,846,455	64,023,740	72,610,890
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 980,578,176</u>	<u>\$ 1,059,552,272</u>	<u>\$ 1,143,304,251</u>
City Sales Tax Rate	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
Accommodations	5.00	5.00	5.00	5.00	5.00
Restaurant and Bar	3.00	3.00	3.00	3.00	3.00

(1) In 2017 the Arizona Department of Revenue began reporting on Business Code vs. NAICS Code.
As a result, comparable data by category is not available for years prior.

(2) In October 2019 remote sellers and marketplace facilitators began paying Transaction Privilege Tax (TPT)

Source: Arizona Department of Revenue

Fiscal Year					
2020	2021	2022	2023	2024	
\$ 44,419,368	\$ 71,432,541	\$ 77,805,587	\$ 73,834,463	\$ 73,278,995	
20,150,357	22,685,276	18,894,821	20,968,163	32,252,205	
130,718,131	142,946,354	174,985,101	171,033,213	184,022,964	
12,466,230	10,480,583	13,853,903	12,452,923	13,613,961	
30,419,607	34,028,258	34,400,305	33,162,764	34,509,124	
137,955,810	171,858,918	192,701,995	202,774,751	207,092,121	
787,056,417	948,721,655	1,006,533,808	1,016,398,897	1,005,200,631	
42,037,179	83,982,378	101,211,819	111,709,892	127,217,863	
73,724,131	91,494,126	114,830,274	90,325,690	98,945,901	
<u>\$ 1,278,947,228</u>	<u>\$ 1,577,630,088</u>	<u>\$ 1,735,217,611</u>	<u>\$ 1,732,660,756</u>	<u>\$ 1,776,133,765</u>	
2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	
5.00	5.00	5.00	5.00	5.00	
3.00	3.00	3.00	3.00	3.00	



**LAKE HAVASU CITY, ARIZONA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
RATES AS OF JUNE 30, 2024**

<u>Fiscal Year</u>	<u>City Sales Tax</u>	<u>City Restaurant and Bar Tax</u>	<u>(2) City Transient Occupancy Tax</u>	<u>(1) Mohave County</u>	<u>(1) State of Arizona</u>
2015	2.00	1.00	3.00	0.25	5.60
2016	2.00	1.00	3.00	0.25	5.60
2017	2.00	1.00	3.00	0.25	5.60
2018	2.00	1.00	3.00	0.25	5.60
2019	2.00	1.00	3.00	0.25	5.60
2020	2.00	1.00	3.00	0.00	5.60
2021	2.00	1.00	3.00	0.00	5.60
2022	2.00	1.00	3.00	0.00	5.60
2023	2.00	1.00	3.00	0.00	5.60
2024	2.00	1.00	3.00	0.00	5.60

(1) For most Business Classifications. Shown here is the retail rate.

(2) The Mohave County General Excise Tax enacted in January 2000 expired December 31, 2019.

Source: Arizona Department of Revenue (www.azdor.gov) and Arizona Secretary of State (www.azsos.gov)

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

Fiscal Year		Real Property		Personal Property	
		Net Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value
2015	P	\$ 558,881,781	\$ 4,801,310,125	\$ 12,490,419	\$ 74,105,983
	S	565,654,277	4,853,951,631	12,490,419	74,105,983
2016	P	580,873,455	4,953,980,283	11,256,533	68,368,831
	S	631,446,060	5,408,433,386	11,729,600	71,080,139
2017	P	608,965,019	5,383,479,500	11,006,278	68,939,771
	S	735,626,275	6,505,033,461	13,130,484	81,892,063
2018	P	644,785,568	5,713,125,000	10,822,569	68,018,116
	S	795,548,110	7,037,744,217	13,002,829	81,282,567
2019	P	683,335,499	6,058,719,068	11,292,683	71,032,975
	S	857,950,789	7,594,781,582	14,040,294	88,050,737
2020	P	727,807,080	6,471,661,041	11,184,504	70,646,217
	S	922,838,422	8,147,956,948	13,746,935	86,778,829
2021	P	774,038,728	6,902,126,299	11,842,906	74,687,828
	S	1,016,628,589	9,054,989,118	14,400,761	90,728,857
2022	P	822,105,281	7,349,299,441	12,621,499	79,720,325
	S	1,058,820,076	9,505,753,272	14,617,194	92,614,054
2023	P	879,754,356	7,917,965,117	12,734,735	82,407,251
	S	1,207,112,538	10,855,877,553	16,085,410	103,867,943
2024	P	932,148,316	8,432,625,637	13,821,408	91,273,393
	S	1,638,015,057	14,086,255,121	19,851,931	119,166,886

Source: Arizona Department of Revenue Abstract of the Assessment Roll.

Under Arizona law, there are two primary valuation bases: Primary (P) and Secondary (S).

Note: This section does not include valuations on property owned by the state of Arizona, the United States Government, the City, and other entities not subject to taxation.

<u>Net Assessed Value</u>	<u>Total Estimated Actual Value</u>	<u>Direct Tax Rate</u>	<u>Ratio of Total Assessed Value to Total Estimated Actual Value</u>
\$ 571,372,200 578,144,696	\$ 4,875,416,108 4,928,057,614	0.7408 -	11.72 plus \$ 268.85 per acre
592,129,988 643,175,660	5,022,349,114 5,479,513,525	0.7235 -	11.79 plus \$ 268.85 per acre
619,971,297 748,756,759	5,452,419,271 6,586,925,524	0.7 -	11.37 plus \$ 268.85 per acre
655,608,137 808,550,939	5,781,143,116 7,119,026,784	0.6718 -	11.34 plus \$ 268.85 per acre
694,628,182 871,991,083	6,129,752,043 7,682,832,319	0.6718 -	11.33 plus \$ 268.85 per acre
738,991,584 936,585,357	6,542,307,258 8,234,735,777	0.6718 -	11.30 plus \$ 268.85 per acre
785,881,634 1,031,029,350	6,976,814,127 9,145,717,975	0.6718 -	11.26 plus \$ 268.85 per acre
834,726,780 1,073,437,270	7,429,019,766 9,598,367,326	0.6718 -	11.24 plus \$ 268.85 per acre
892,489,091 1,223,197,948	8,000,372,368 10,959,745,496	0.6718 -	11.16
945,969,724 1,657,866,988	8,523,899,030 14,205,422,007	0.6718 -	11.10

**LAKE HAVASU CITY, ARIZONA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year		City Direct Rate			Special Districts		
		Operating Rate	Debt Service Rate	Total City Rate	Irrigation Drainage District	Improvement District #2	Improvement District #4
2015	P	0.7408	-	0.7408	-	-	-
	S	-	-	-	\$268.85/acre	0.6014	0.6762
2016	P	0.7235	-	0.7235	-	-	-
	S	-	-	-	\$268.85/acre	0.8502	0.6941
2017	P	0.7000	-	0.7000	-	-	-
	S	-	-	-	\$268.85/acre	0.8585	0.7158
2018	P	0.6718	-	0.6718	-	-	-
	S	-	-	-	\$268.85/acre	0.8349	0.5456
2019	P	0.6718	-	0.6718	-	-	-
	S	-	-	-	\$268.85/acre	0.7740	0.5040
2020	P	0.6718	-	0.6718	-	-	-
	S	-	-	-	\$268.85/acre	0.7370	0.5040
2021	P	0.6718	-	0.6718	-	-	-
	S	-	-	-	\$268.85/acre	0.7370	0.5040
2022	P	0.6718	-	0.6718	-	-	-
	S	-	-	-	\$268.85/acre	0.7370	0.5040
2023	P	0.6718	-	0.6718	-	-	-
	S	-	-	-	0.0000	0.7370	0.5040
2024	P	0.6718	-	0.6718	-	-	-
	S	-	-	-	0.0000	0.7370	0.0000

Source: Mohave County Treasurer.

Overlapping Rates

Total County Rate	Total School Rate	Total State Rate	Rate Total
1.8196	4.1683	0.5089	7.2376
0.9936	0.7297	-	3.0009 plus \$268.85/acre
1.9696	4.0121	0.5054	7.2106
0.7436	0.0000	-	2.2879 plus \$268.85/acre
1.9696	3.9873	0.5010	7.1579
0.7436	0.0000	-	2.3179 plus \$268.85/acre
1.9696	3.6727	0.0000	6.3141
0.7916	0.8660	0.49	3.5256 plus \$268.85/acre
1.9696	3.1334		5.7748
0.8916	0.8361	0.4740	3.4797 plus \$268.85/acre
1.9496	3.3652		5.9866
0.8116	0.7403	0.4566	3.2495 plus \$268.85/acre
1.9000	3.2906		5.8624
0.8316	0.7227	0.4426	3.2379 plus \$268.85/acre
1.8240	3.2261		5.7219
0.8111	1.2407	0.4263	3.7191 plus \$268.85/acre
1.7547	3.1242	-	6.2225
0.9111	0.7544	-	2.9065
1.7547	3.1953		6.2225
0.9111	0.6778	-	2.9065

**LAKE HAVASU CITY, ARIZONA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Unisource Energy Corporation	\$ 17,205,135	1	2.06%	\$ -		
PHC Lake Havasu Inc	5,542,244	2	0.66%	5,377,978	2	0.94%
Island Development Group LLC	2,603,042	3	0.31%	1,386,000	8	0.24%
ALLO Arizona, LLC DBA Allo Communicat	2,528,822	4	0.30%	-		
Walmart Stores Inc	2,278,621	5	0.27%	2,172,616	4	0.38%
Lowes HIW Inc	1,807,185	6	0.22%	1,581,397	6	0.28%
Citizen's Rural Division	1,424,295	7	0.17%	-		
Mickel Havasu LLC	1,309,400	8	0.16%	-		
Zac Havasu I LLC	1,215,529	9	0.15%	-		
Zac IV CPWC LLC	1,203,326	10	0.14%	-		
SFT Havasu LLC Etal	-	-	-	7,054,883	1	1.23%
London Bridge Resort	-	-	-	2,267,140	3	0.40%
Sterilite Corporation	-	-	-	1,808,615	5	0.32%
Anderson Family LLC	-	-	-	1,574,527	7	0.28%
Steinle Janice A Chapter 11 Trustee	-	-	-	1,222,187	9	0.21%
Havasu Regional Medical Center LLC	-	-	-	1,218,594	10	0.21%
Totals	\$ 37,117,599		4.44%	\$ 25,663,937		4.49%
Net Assessed Value	\$ 834,726,780			571,372,200		

Source: Mohave County Assessor.

Note: Above taxable assessed valuations are as of 1/1/2023 and 2014, respectively, and the associated tax levies were due in fiscal years ended June 30, 2024 and 2015, respectively.

**LAKE HAVASU CITY, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS⁽¹⁾
LAST TEN FISCAL YEARS**

Fiscal Year	Total Adjusted Levy	Collected Within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percent of Adjusted Levy	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2015	\$ 4,227,634	\$ 4,135,746	97.83	\$ 91,886	\$ 4,227,632	100.00
2016	4,281,065	4,194,139	97.97	86,924	4,281,063	100.00
2017	4,337,823	4,255,053	98.09	82,616	4,337,669	100.00
2018	4,403,471	4,320,370	98.11	93,101	4,403,471	100.00
2019	4,665,585	4,576,135	98.08	89,449	4,665,584	100.00
2020	4,942,849	4,850,293	98.13	91,530	4,941,823	99.98
2021	5,285,497	5,188,945	98.17	95,413	5,284,358	99.98
2022	5,610,881	5,506,499	98.14	102,208	5,608,707	99.96
2023	6,004,662	5,885,868	98.02	-	5,885,868	98.02
2024	6,355,025	6,284,153	98.88	-	6,284,153	98.88

(1) Mohave County is responsible for assessing and collecting property taxes.

**LAKE HAVASU CITY, ARIZONA
IRRIGATION AND DRAINAGE DISTRICT⁽¹⁾
PROPERTY TAX LEVIES AND COLLECTIONS⁽²⁾
LAST TEN FISCAL YEARS**

Fiscal Year	Total Adjusted Levy	Collected Within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percent of Adjusted Levy	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2015	\$ 5,665,700	\$ 5,517,668	97.39	\$ 147,898	\$ 5,665,566	100.00
2016	5,665,427	5,521,460	97.46	143,833	5,665,293	100.00
2017	5,700,920	5,572,372	97.75	128,414	5,700,786	100.00
2018	5,701,726	5,573,862	97.76	127,730	5,701,592	100.00
2019	5,694,791	5,568,222	97.78	126,435	5,694,657	100.00
2020	5,694,801	5,572,375	97.85	122,023	5,694,398	99.99
2021	5,704,306	5,588,121	97.96	115,647	5,703,768	99.99
2022	5,713,448	5,594,413	97.92	118,497	5,712,910	99.99
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-

(1) Lake Havasu Irrigation and Drainage District was organized on September 30, 1963. The District was to be dissolved in fiscal year 2004 upon the retirement of all outstanding obligations of the District. However, on February 1, 1993, \$4,120,000 in general obligation refunding bonds were issued. The District was dissolved in fiscal year 2023 upon the retirement of this general obligation debt.

(2) Mohave County is responsible for assessing and collecting property taxes.

**LAKE HAVASU CITY, ARIZONA
IMPROVEMENT DISTRICT NO. 2 – SPECIAL ASSESSMENT⁽¹⁾
PROPERTY TAX LEVIES AND COLLECTIONS⁽²⁾
LAST TEN FISCAL YEARS**

Fiscal Year	Total Adjusted Levy	Collected Within the Fiscal Year of the Levy			Total Collections to Date		
		Amount	Percent of Adjusted Levy	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	
2015	\$ 10,771	\$ 10,035	93.17	\$ 736	\$ 10,771	100.00	
2016	15,115	14,721	97.39	394	15,115	100.00	
2017	15,470	15,269	98.70	201	15,470	100.00	
2018	16,002	15,851	99.06	151	16,002	100.00	
2019	16,016	15,932	99.48	84	16,016	100.00	
2020	13,799	12,900	93.49	899	13,799	100.00	
2021	14,481	13,997	96.66	483	14,481	100.00	
2022	15,752	14,194	90.11	1,558	15,752	100.00	
2023	16,135	14,002	86.78	-	15,808	97.97	
2024	16,865	13,487	79.97	-	13,487	79.97	

(1) On July 1, 1998, the operation and maintenance of the Improvement Districts became the responsibility of Lake Havasu City, Arizona instead of Mohave County. Improvement District No. 2 maintains and operates the parking lot, utilities, landscaping and related capital improvements in the London Bridge Shopping Center.

(2) Mohave County is responsible for assessing and collecting property taxes.

**LAKE HAVASU CITY, ARIZONA
IMPROVEMENT DISTRICT NO. 4 – SPECIAL ASSESSMENT⁽¹⁾
PROPERTY TAX LEVIES AND COLLECTIONS⁽²⁾
LAST TEN FISCAL YEARS**

Fiscal Year	Total Adjusted Levy	Collected Within the Fiscal Year of the Levy			Total Collections to Date		
		Amount	Percent of Adjusted Levy	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	
2015	\$ 71,253	\$ 69,229	97.16	\$ 2,023	\$ 71,252	100.00	
2016	69,020	67,571	97.90	1,450	69,021	100.00	
2017	71,664	69,292	96.69	2,372	71,664	100.00	
2018	57,032	54,400	95.39	2,632	57,032	100.00	
2019	57,324	55,768	97.29	1,556	57,324	100.00	
2020	59,502	57,362	96.40	2,140	59,502	100.00	
2021	61,680	59,991	97.26	1,639	61,630	99.92	
2022	62,468	60,305	96.54	2,161	62,466	100.00	
2023	63,992	61,334	95.85	-	63,931	99.90	
2024	-	-	-	-	-	-	

- (1) On July 1, 1998, the operation and maintenance of the Improvement Districts became the responsibility of Lake Havasu City, Arizona instead of Mohave County. Improvement District No. 4 maintains the median landscaping on McCulloch Boulevard from Smoketree to Lake Havasu Avenue.
- (2) On May 23, 2023, the City Council officially dissolved Improvement District No. 4.
- (3) Mohave County is responsible for assessing and collecting property taxes.



**LAKE HAVASU CITY, ARIZONA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities	
	Special Assessment Bonds	Notes/Leases/SBITAs Payable	Revenue Bonds	(2) Financed Purchases	Sewer Bonds	Water
2015	\$ -	\$ -	\$ 1,780,000	\$ 5,064,524	\$ 278,204,383	\$ 5,436,978
2016	-	-	1,615,000	8,115,676	244,601,444	5,398,622
2017	-	-	10,477,626	6,705,608	239,070,575	4,389,305
2018	-	-	13,874,000	3,626,109	233,291,955	5,624,550
2019	-	-	6,331,000	2,799,105	228,072,839	5,191,639
2020	-	-	-	2,099,433	222,688,413	4,744,641
2021	-	1,631,073	-	1,385,121	219,168,484	4,283,094
2022	-	529,461	-	1,097,212	209,898,282	3,806,519
2023	-	1,746,620	-	673,131	203,837,789	3,314,421
2024	-	-	-	349,086	189,950,437	2,806,287

(1) Unable to calculate Percentage of Personal Income without Per Capita Income, which is unavailable for 2015.

(2) Beginning 7/1/2021 with the implementation of GASB 87, the financial reporting term was changed to Financed Purchases Payable. Formerly reported as Capital Leases Payable.

Business-Type Activities				(1)	
Airport	General Obligation Bonds	(2) Financed Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
\$ -	\$ 80,000	\$ 1,581,455	\$ 290,242,179	N/A	5,492
-	70,000	369,352	245,913,082	20.12	4,855
3,960	60,000	340,583	261,047,657	19.96	4,853
-	50,000	-	256,466,614	18.03	4,680
-	40,000	-	242,394,583	15.48	4,360
-	30,000	-	229,532,487	14.36	4,046
-	20,000	-	226,487,772	12.26	3,941
-	10,000	-	215,341,474	10.86	3,714
-	-	-	209,103,623	9.50	3,574
-	-	-	193,105,810	7.96	3,259



**LAKE HAVASU CITY, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024**

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping Debt			
Lake Havasu Unified School District No. 1	\$ 34,920,000	90%	\$ 31,595,179
City Direct Debt			
Lake Havasu City Financed Purchases Payable	349,086	100%	349,086
Lake Havasu City Notes/Leases/SBITAs Payable	1,590,709	100%	1,590,709
Lake Havasu City, Arizona Direct Debt			<u>1,939,795</u>
Total Direct and Overlapping Debt			<u>\$ 33,534,974</u>

(1) Overlapping governments are those that coincide, at least in part with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lake Havasu City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**LAKE HAVASU CITY, ARIZONA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019
<u>20% Limitation (1)</u>					
Debt Limit	\$ 115,628,939	\$ 128,635,132	\$ 149,751,352	\$ 161,710,188	\$ 174,398,217
Total Net Debt Applicable to 20% Limit (Restated to Account for Amount Set Aside for Repayment of Debt)	<u>120,719,896</u>	<u>98,935,166</u>	<u>123,962,603</u>	<u>124,822,644</u>	<u>114,582,649</u>
Legal Debt Margin (Available Borrowing Capacity)	<u>\$ (5,090,957)</u>	<u>\$ 29,699,966</u>	<u>\$ 25,788,749</u>	<u>\$ 36,887,544</u>	<u>\$ 59,815,568</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	104.40%	76.91%	82.78%	77.19%	65.70%
<u>6% Limitation (2)</u>					
Debt Limit	\$ 34,688,682	\$ 38,590,540	\$ 44,925,406	\$ 48,513,056	\$ 52,319,465
Total Net Debt Applicable to 6% Limit	<u>-</u>	<u>13,661,633</u>	<u>874,481</u>	<u>-</u>	<u>-</u>
Legal Debt Margin (Available Borrowing Capacity)	<u>\$ 34,688,682</u>	<u>\$ 24,928,907</u>	<u>\$ 44,050,925</u>	<u>\$ 48,513,056</u>	<u>\$ 52,319,465</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Additional bonds amounting to 20% of the assessed valuation of taxable property can be issued for supplying such services as water, artificial light, or sewers, when the works for supplying such water, light, or sewers are or shall be owned and controlled by the municipality, and for the acquisition and development by the incorporated city or town of land or interest therein for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency service facilities and streets and transportation facilities.

(2) The Arizona Constitution states that for general municipal purposes a municipality cannot incur a debt exceeding 6% of the assessed valuation of taxable property.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 187,317,071	\$ 206,205,870	\$ 214,687,454	\$ 244,639,590	\$ 311,536,467
<u>110,061,118</u>	<u>104,611,034</u>	<u>98,878,011</u>	<u>92,905,768</u>	<u>86,437,259</u>
<u>\$ 77,255,953</u>	<u>\$ 101,594,836</u>	<u>\$ 115,809,443</u>	<u>\$ 151,733,822</u>	<u>\$ 225,099,208</u>
58.76%	50.73%	46.06%	37.98%	27.75%
\$ 56,195,121	\$ 61,861,761	\$ 64,406,236	\$ 73,391,877	\$ 93,460,940
-	-	-	-	-
<u>\$ 56,195,121</u>	<u>\$ 61,861,761</u>	<u>\$ 64,406,236</u>	<u>\$ 73,391,877</u>	<u>\$ 93,460,940</u>
\$ -	\$ -	\$ -	\$ -	\$ -



**LAKE HAVASU CITY, ARIZONA
CALCULATION OF LEGAL DEBT MARGIN
JUNE 30, 2024**

Net Secondary Assessed Valuation (1)		<u>\$ 1,557,682,335</u>
<div style="border-bottom: 1px solid black; padding-bottom: 5px;"> Water, Sewer, Light, Parks, Open Space Preserves, Playgrounds, Recreational Facilities, Public Safety, Law Enforcement, Fire and Emergency Facilities, and Streets and Transportation Facilities </div>		
Debt Limit - 20% of Secondary Net Assessed Valuation		\$ 311,536,467
Debt Applicable to Limit:		
General Obligation Bonds Outstanding	\$ 91,650,437	
Plus: Excess Premium (2)	4,723,492	
Less Amount Set Aside for Repayment of Debt	<u>(9,936,670)</u>	
Net Debt Applicable to Limit		<u>86,437,259</u>
20% Legal Debt Margin		225,099,208
<div style="text-align: center; padding-bottom: 5px;">All Other General Obligation Bonds</div>		
Debt Limit - 6% of Secondary Net Assessed Valuation		93,460,940
Debt Applicable to Limit:		
General Obligation Bonds Outstanding	-	
Less Amount Set Aside for Repayment of Debt	<u>-</u>	
Net Debt Applicable to Limit		<u>-</u>
All Other General Obligation Bonds Debt Margin		<u>93,460,940</u>
Total Legal Debt Margin		<u>\$ 318,560,148</u>

(1) Source: Mohave County Assessor's Office.

(2) A change in state law ARS 15-10244 requires the Excess Premium to be added to the debt subject to the legal margin.

**LAKE HAVASU CITY, ARIZONA
 PLEDGED-REVENUE COVERAGE
 GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS**

Fiscal Year	Excise Tax Revenue Bonds (1)				Excise Tax Revenue Bonds (2) (3)			
	Excise Tax (1)	Debt Service Principal	Debt Service Interest	Coverage	Excise Tax (3)	Debt Service Principal	Debt Service Interest	Coverage
2015	32,724,861	160,000	79,096	118.30	-	-	-	-
2016	34,752,074	165,000	70,997	136.87	-	-	-	-
2017	36,640,972	175,000	63,896	153.38	21,750,889	2,596,000	179,418	7.84
2018	39,320,608	180,000	56,657	166.15	23,297,543	9,760,000	209,554	2.34
2019	43,528,759	1,260,000	3,529	34.45	25,375,655	6,283,000	152,955	3.94
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-

- (1) Excise Tax revenues are pledged for the Excise Tax Bonds. Prior to FY 2005 the revenues were pledged for both the Municipal Property Corporation Bonds and Excise Tax Bonds.
- (2) Excise Tax revenues are pledged for the 2016 Excise Tax Bonds and include the City's sales and transaction privilege taxes.
- (3) Excise Tax revenues are pledged for the 2017 Excise Tax Bonds and include the City's sales and transaction privilege taxes.



**LAKE HAVASU CITY, ARIZONA
PLEGDED-REVENUE COVERAGE
ENTERPRISE FUNDS
LAST TEN FISCAL YEARS**

Sewer Revenue Bonds							
Fiscal Year	(1) Operating Revenue	(2) Plus: (3) Rate Stabilization	Less: Operating Expenses	Net Available Revenue for SR Debt	Senior Debt Principal	Senior Debt Interest	Total Senior Debt Service
2015	\$ 23,722,951	\$ 6,500,000	\$ 7,034,913	\$ 23,188,038	\$ 5,046,707	\$ 3,957,947	\$ 9,004,654
2016	23,036,455	4,500,000	7,167,020	20,369,435	5,172,561	3,797,164	8,969,725
2017	22,573,416	4,500,000	7,384,401	19,689,015	5,646,925	9,261,169	14,908,094
2018	22,292,478	4,500,000	6,538,010	20,254,468	4,457,846	9,104,667	13,562,513
2019	24,165,448	4,500,000	7,310,706	21,354,742	4,616,758	8,940,868	13,557,626
2020	24,035,079	4,500,000	7,992,633	20,542,446	4,782,065	8,770,374	13,552,439
2021	24,437,633	4,500,000	8,288,913	20,648,720	4,948,800	8,593,177	13,541,977
2022	24,625,407	4,500,000	9,844,948	19,280,459	5,126,997	8,408,733	13,535,730
2023	26,594,625	4,500,000	10,664,545	20,430,080	5,311,691	8,216,758	13,528,449
2024	29,509,985	4,500,000	11,043,407	22,966,578	5,502,917	8,016,964	13,519,881

Water Revenue Bonds							
	(1) (4) Operating Revenue	(5) Unrestricted Net Position	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015	\$ 15,972,560	\$ -	\$ 7,488,995	\$ 8,483,565	\$ 380,912	\$ 168,371	15.44
2016	17,040,356	-	8,281,913	8,758,443	403,288	174,345	15.16
2017	16,537,197	-	8,410,995	8,126,202	825,345	158,600	8.26
2018	17,747,615	-	9,718,349	8,029,266	-	174,058	46.13
2019	18,172,630	-	8,609,869	9,562,761	432,912	166,315	15.96
2020	18,225,025	-	9,783,608	8,441,417	446,997	151,765	14.10
2021	18,231,420	-	9,776,797	8,454,623	461,547	136,737	14.13
2022	15,618,089	-	10,031,931	5,586,158	486,575	121,876	9.18
2023	12,512,899	47,059,689	12,529,684	47,042,904	502,098	105,179	77.47
2024	16,767,980	40,183,587	12,651,781	44,299,786	508,133	88,616	74.24

(1) Includes investment income and contributed capital.

(2) In May 2007 City Council approved Resolution No. 07-2160 pledging a rate stabilization fund in the amount of \$5 million for debt coverage to ensure loan covenant requirements are met. In December 2010 Council approved Resolution No. 10-2505 increasing the rate stabilization fund by \$1.5 million for a total rate stabilization fund of \$6.5 million for additional pledged coverage.

(3) Rate Stabilization Fund was reduced to \$4.5 million as part of wastewater debt restructuring.

(4) Operating revenue history updated in FY 2022 to include Irrigation and Drainage District property tax revenue.

(5) In fiscal year 2023, WIFA approved for the city to include the water unrestricted net position for additional pledged coverage.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Bond covenants may include revenue for purposes of debt service coverage.

Sewer Revenue Bonds

(2) Senior Debt Coverage	Net Available Revenue for Junior Debt	Junior Debt Principal	Junior Debt Interest	Total Junior Debt Service	(2) (4) Junior Debt Coverage
2.58	\$ 14,183,384	\$ 4,922,593	\$ 5,691,546	\$ 10,614,139	1.20
2.27	11,399,710	5,182,509	2,727,094	7,909,603	1.34
1.32	4,780,921	-	-	-	n/a
1.49	6,691,955	-	-	-	n/a
1.58	7,797,116	-	-	-	n/a
1.52	6,990,007	-	-	-	n/a
1.52	7,106,743	-	-	-	n/a
1.42	5,744,729	-	-	-	n/a
1.51	6,901,631	-	-	-	n/a
1.70	9,446,697	-	-	-	n/a

**LAKE HAVASU CITY, ARIZONA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Population	(5) Personal Income	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
2015	53,193	N/A	N/A	51.4	5,559	7.6 %
2016	53,583	1,293,279,000	24,136	52.2	5,488	7.0
2017	53,796	1,307,942,000	24,313	53.0	5,385	5.2
2018	54,801	1,422,141,000	25,951	54.0	5,404	4.9
2019	55,600	1,566,530,000	28,175	54.0	4,925	5.2
2020	56,738	1,598,593,000	28,175	54.0	5,343	11.9
2021	57,464	1,848,042,000	32,160	55.4	5,163	7.4
2022	57,974	1,982,247,000	34,192	53.5	5,394	3.8
2023	58,506	2,202,049,000	37,638	54.8	5,102	4.1
2024	59,257	2,426,633,000	40,951	55.4	7,329	3.3

(1) Arizona Economic Estimates Commission and the Arizona Office of Employment and Population Statistics www.azstats.gov/www.azeconomy.org

(2) Per Capita Personal Income unavailable for 2015. U.S. Census Bureau used for per capita income. Began using report from Mohave County Economic Development in 2022 for Median Age.

(3) Lake Havasu Unified School District No. 1

(4) Fiscal year 2015 to present Arizona Department of Administration, Office of Employment & Population Statistics.

(5) Unable to calculate Personal Income without Per Capita Income, which is unavailable for 2015.

**LAKE HAVASU CITY, ARIZONA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (1)
Lake Havasu City	703	\$ 2	0.02 %	642	\$ 3	0.03 %
Havasu Regional Medical Center	759	\$ 1	0.03 %	700	\$ 1	0.03 %
Lake Havasu School District	630	\$ 3	0.02 %	645	\$ 2	0.03 %
Sterilite Corporation	345	\$ 4	0.01 %	406	\$ 4	0.02 %
Walmart	302	\$ 5	0.01 %	367	\$ 5	0.02 %
Shugrue's Restaurants	300	\$ 6	0.01 %	325	\$ 6	0.01 %
Anderson Auto Group	252	\$ 7	0.01 %	170	\$ 9	0.01 %
London Bridge Resort	250	\$ 8	0.01 %	250	\$ 7	0.01 %
River Medical	142	\$ 10	0.00 %	160	\$ 10	0.01 %
Bashas' (2 Locations)	150	\$ 9	0.01 %	200	\$ 8	0.01 %
Total	<u>3,833</u>		<u>0.13 %</u>	<u>3,865</u>		<u>0.17 %</u>

Source: Lake Havasu Partnership for Economic Development.

(1a) Arizona Department of Administration-Office of Employment and Population Statistics www.azstats.gov/laus-data-query-tool/

(1b) FRED Economic Data St. Louis Fed

**LAKE HAVASU CITY, ARIZONA
FULL-TIME POSITIONS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Authorized Position as of Fiscal Year Ended				
	2015	2016	2017	2018	2019
General Government	71.0	74.0	74.0	75.0	75.0
Non-Departmental	-	-	-	-	-
Development Services	16.0	16.0	26.0	27.0	26.0
Public Safety:					
Police	121.0	121.0	121.0	122.0	122.0
Fire	85.0	85.0	85.0	85.0	86.0
Public Works (3):					
Administration/Engineering (6)	3.0	3.0	2.0	3.0	3.0
Airport	2.0	2.0	2.0	2.0	4.0
Maintenance Services (1)	54.0	53.0	53.0	53.0	51.0
Transportation	N/A	N/A	N/A	N/A	N/A
Vehicle Maintenance	9.0	9.0	9.0	9.0	9.0
Wastewater	29.0	30.0	30.0	30.0	30.0
Water	39.0	37.0	35.0	36.0	34.0
Community Services:					
Culture and Recreation (4)	9.0	10.0	12.0	11.0	11.0
Total	<u>438.0</u>	<u>440.0</u>	<u>449.0</u>	<u>453.0</u>	<u>451.0</u>

(1) Operations name changed to Public Works in 2020

(2) Parks Division moved from Public Works Maintenance Services to Culture and Recreation in 2020

(3) Community Investment name changed to Development Services in 2021

(4) Engineering moved from Community Services to Public Works in 2021

Source: Lake Havasu City, Arizona's Administration Services.

Authorized Position as of Fiscal Year Ended

<u>2020 (1) (2)</u>	<u>2021 (3) (4)</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
73.0	71.0	80.0	93.0	108.0
9.0	8.0	-	-	-
26.0	17.0	18.0	18.0	19.0
118.0	118.0	120.0	126.0	125.0
86.0	85.0	90.0	96.0	99.0
2.0	11.0	13.0	11.0	13.0
4.0	4.0	4.0	4.0	4.0
38.0	29.0	29.0	28.0	28.0
N/A	N/A	N/A	N/A	N/A
9.0	9.0	10.0	10.0	11.0
33.0	32.0	33.0	33.0	35.0
34.0	33.0	34.0	35.0	37.0
27.0	35.0	36.0	36.0	25.0
<u>459.0</u>	<u>452.0</u>	<u>467.0</u>	<u>490.0</u>	<u>504.0</u>

**LAKE HAVASU CITY, ARIZONA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2015 (1)	2016	2017	2018	2019
<u>Police</u>					
Number of Sworn Officers	83	83	83	81	80
Number of Incidents Handled	53,897	46,906	44,635	48,828	46,809
Number of Report Numbers Issued	7,100	8,095	8,307	8,643	8,121
Number of 911 Calls Processed	20,294	20,173	19,626	21,239	19,020
Response Time, Priority 1 Calls (Minutes)	7:02	7:49	7:46	8:01	7:28
<u>Fire</u>					
Number of Field Suppression Personnel	75	77	77	77	77
Number of Structural Fires	25	31	19	31	31
Number of Emergency Responses	8,154	8,510	8,654	8,445	8,195
Response Time (Minutes)	6:06	5:54	6:06	6:06	6:09
Inspections	2,751	1,615	1,977	2,149	2,550
<u>Highways and Streets</u>					
Street Resurfacing (Miles)	40.00	58.00	74.00	44.50	85.00
Utility Patches	174	36	194	188	155
Skin Patches	97	13	26	14	21
Crackfilling (Miles)	27.00	39.00	54.50	147.00	75.00
<u>Wastewater</u>					
Total Active Sewer Connections	26,351	32,117	28,802	25,227	27,992
Average Daily Flowage (mg)	3.73	3.84	3.95	3.80	2.83
Miles of Sewer	-	-	-	-	350.00
Total Treated Flow (mg)	N/A	N/A	N/A	N/A	1,448
Number of Lift Stations	-	-	-	-	78
Amount of Reclaimed Water Delivered to Users (mg)	N/A	N/A	N/A	N/A	672
Biosolids Delivered to City Landfill (tons)	N/A	N/A	N/A	N/A	5,373
Sewer Lines Cleaned (miles)	N/A	N/A	N/A	N/A	85
Blue Stake Locator Requests	N/A	N/A	N/A	N/A	20
Number of Sewer Taps	N/A	N/A	N/A	N/A	13
<u>Municipal Parks</u>					
Park Uses	3,238	3,355	3,090	3,604	3,437
<u>Water</u>					
Total Active Water Meters	30,072	30,358	31,701	31,947	32,321
New Connections	298	361	356	389	373
Main Breaks	51	60	43	48	48
Service Line Leaks	194	205	175	169	169
Average Daily Consumption (Gallons) per Capita	182	178	177	202	189
<u>Transit</u>					
Total Ridership (1)	8,348	8,031	9,050	13,665	13,882
Miles Driven	41,932	46,367	47,278	52,290	70,621
<u>General</u>					
Building Permits Issued	2,210	2,478	3,001	1,804	1,725
Building Inspections Conducted	11,078	12,767	13,454	13,993	14,612
Land Use Actions	206	189	233	243	258

(1) "Total Ridership" decreased significantly in 2015 due to discontinued fix route bus service and transition to Havasu Mobility services (door-to-door) as an alternative.

Source: Lake Havasu City, Arizona departments.

Fiscal Year				
2020	2021	2022	2023	2024
80	80	80	83	84
43,727	45,228	45,768	50,777	50,272
7,602	6,826	7,133	7,125	7,274
21,157	22,488	23,076	35,057	23,007
7:48	7:14	7:51	8:04	8:02
77	79	79	88	91
28	42	31	55	61
8,448	9,097	9,806	6,837	6,576
6:16	5:48	4:57	4:57	4:56
2,449	2,955	2,297	1,982	2,909
18.00	269.05	183.23	-	114.00
237	252	518	307	240
35	67	109	49	83
31.00	116.00	152.38	90.00	141.00
27,885	28,750	29,424	N/A	31,431.00
4.40	4.10	4.04	N/A	N/A
350.00	360.00	380.00	380.00	418.00
1,466	1,558	1,476	1,557	1,530
78	78	79	81	81
622	748	587	654	586
6,893	6,864	7,231	7,328	7,360
129	100	81	71	90
40	30	33	6,405	9,000
29	21	18	14	15
3,080	433	412	490	445
32,592	34,229	33,762	34,137	34,174
355	496	285	260	207
54	47	50	157	79
178	165	169	62	190
175	187	182	208	167
9,560	4,188	9,581	15,577	21,675
58,005	30,197	64,987	115,706	136,679
1,828	3,523	3,674	3,596	3,174
14,336	13,945	15,288	16,559	12,899
265	328	323	260	251

**LAKE HAVASU CITY, ARIZONA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2015	2016	2017	2018	2019
<u>Public Safety</u>					
Police:					
Stations	1	1	1	1	1
Patrol Units					
Cars	44	33	33	33	33
Boats	3	3	4	4	3
UTV/Motors	5	9	9	9	9
Fire:					
Stations	6	6	6	6	6
Apparatus					
Fire Trucks	11	11	11	11	11
Vehicles	36	34	36	36	36
Boats	1	1	1	1	1
<u>Highways and Streets</u>					
Streets (Miles)	435.0	435.0	435.0	435.0	435.0
Streetlights	84	84	84	84	84
Traffic Signals	13	14	14	14	14
<u>Culture and Recreation</u>					
Parks Acreage	130.0	130.0	201.0	201.0	201.0
Parks Acreage - Sara Park	1,082	1,082	1,082	1,082	1,082
Parks	15	16	16	17	17
Swimming Pools	1	1	1	1	1
Water Launching Facility	1	1	1	1	1
Community Centers	1	1	1	1	1
<u>Water</u>					
Water Mains (Miles)	500	456	452	486	535
Fire Hydrants	2,676	2,512	2,512	2,739	2,989
Available Acre Feet	28,582	25,460	28,582	28,582	28,582
<u>Sewer</u>					
Sanitary Sewers (Miles)	352.9	353.0	352.0	350.0	350.0
Number of Lift Stations	N/A	N/A	N/A	N/A	78
<u>Transportation</u>					
Transit Buses (1)	5	5	5	6	5
<u>Airport</u>					
Enclosed Hangars	78	78	103	106	120
Shade Ports	16	16	23	25	25

(1) Total number of transit buses decreased significantly in 2015 due to transition from traditional bus services to Havasu Mobility services.

Source: Lake Havasu City, Arizona departments.

Fiscal Year				
2020	2021	2022	2023	2024
1	1	1	1	1
33	33	33	41	37
3	3	3	3	3
9	9	6	8	7
6	6	6	6	6
11	11	11	11	12
36	37	28	34	33
1	1	1	1	2
435.0	435.0	435.0	435.0	436.0
84	84	62	114	114
14	15	14	15	15
201.0	201.0	201.0	201.0	201.0
1,082	1,082	1,082	1,082	1,082
17	17	17	17	17
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
539	541	542	542	542
2,989	3,109	3,109	3,108	3,206
28,582	25,872	28,572	28,582	28,582
350.0	432.0	393.0	380.0	374.0
78	78	79	81	90
7	5	10	10	11
120	120	120	120	120
25	32	32	32	32

**LAKE HAVASU CITY, ARIZONA
MISCELLANEOUS STATISTICS
JUNE 30, 2024**

Date of Incorporation	October 2, 1978
Form of Government	Council-Manager
Area	46 Square Miles
Education:	
Number of Schools:	
Public Elementary	6
Public Middle School	1
Public High School	1
Alternative Schools	1
Private	1
Charter Schools	2
Community College (Mohave)	1
State University (NAU)	1
State University (ASU)	1
Number of Students:	
L.H.C. Unified School District	5,102
Alternative	48
Private	287
Charter	515
Community College (MCC)	1,071
State University (NAU/ASU)	306
Employees as of June 30, 2024:	
Full-Time	500
Part-Time	216
Elected Officials	7
Total Payroll Wages for Fiscal Year 2024	\$ 41,311,794
Elections:	
Last Municipal General Election - November 2016:	
Number of Registered Voters	33,726
Number of Votes Cast	25,950
Percentage of Registered Voters	76.94%
Last Municipal Primary Election - August 2020:	
Number of Registered Voters	42,177
Number of Votes Cast	15,505
Percentage of Registered Voters	36.76%
At the Time of Incorporation:	
Number of Registered Voters	6,053
Active Business Licenses	4,988
Lake Havasu City Municipal Airport (2013 Arizona Airport of the Year):	
Fixed Based Operators	3
Runway Length (in Feet)	8,001

**LAKE HAVASU CITY, ARIZONA
MISCELLANEOUS STATISTICS (CONTINUED)
JUNE 30, 2024**

Population

Census Population Count (Calendar Year)

2023***	59,257
2022***	58,506
2021***	57,974
2020***	57,464
2019***	56,738
2018***	55,600
2017***	54,801
2016***	53,796
2015***	53,583
2014***	53,193
2010**	52,527
2000*	42,422
1990**	24,363
1980**	15,926

*Arizona Department of Economic Security
 **United States Census
 ***Arizona Office of Employment and Population Statistics

Age Distribution of Population:

0-4 Years	1,896	3.2 %
5-17 Years	7,822	13.2
18-59 Years	29,391	49.6
65+ Years	20,147	34.0
	<u>59,256</u>	<u>100 %</u>

Median Age 55.4

Median Household Income \$ 64,027

Median Age/Median Household Income/Age Distribution: Mohave County Economic Development





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