

TOWN OF MIAMI, ARIZONA

Annual Financial Statements
and
Independent Auditors' Report
June 30, 2024



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INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Miami, 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, and each major fund of the Town of Miami, Arizona as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Miami, Arizona'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 aggregate remaining fund information of the Town of Miami, Arizona, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Miami, Arizona'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Miami, Arizona'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 Town of Miami, Arizona'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

The Town of Miami, Arizona has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2026, on our consideration of the Town of Miami, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Miami, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Miami, Arizona's internal control over financial reporting and compliance.

Other Reporting Required by Arizona Revised Statutes

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Miami, Arizona failed to use highway user revenue fund monies received by the Town of Miami, Arizona pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2 and any

other dedicated state transportation revenues received by the Town of Miami, Arizona solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town of Miami, Arizona's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of Highway User Revenue Fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Arizona Auditor General, the Town Council, management, and other responsible parties within the Town of Miami, Arizona and is not intended to be and should not be used by anyone other than these specified parties.

Colby & Powell, PLC

May 28, 2026

TOWN OF MIAMI, ARIZONA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,526,600	\$ 1,711,823	\$ 3,238,423
Cash and cash equivalents, restricted	-	263,599	263,599
Receivables, net	-	90,119	90,119
Taxes receivable	86,285	-	86,285
Due from other governments	1,113,738	-	1,113,738
Internal balances	(1,211,440)	1,211,440	-
Net pension and other postemployment benefits asset	106,053	6,739	112,792
Capital assets, not being depreciated	513,225	-	513,225
Capital assets, being depreciated, net	2,552,188	23,635,220	26,187,408
Total assets	4,686,649	26,918,940	31,605,589
DEFERRED OUTFLOWS OF RESOURCES			
Pensions and other postemployment benefits	261,973	26,643	288,616
LIABILITIES			
Accounts payable	228,427	29,893	258,320
Accrued expenses	157,273	4,915	162,188
Due to other governments	-	-	-
Grant advance	40,343	387,140	427,483
Refundable deposits	-	28,940	28,940
Noncurrent liabilities			
Due within one year	68,703	126,972	195,675
Due in more than one year	3,038,135	4,805,329	7,843,464
Total liabilities	3,532,881	5,383,189	8,916,070
DEFERRED INFLOWS OF RESOURCES			
Pensions and other postemployment benefits	181,896	34,650	216,546
NET POSITION			
Net investment in capital assets	2,786,613	18,918,649	21,705,262
Restricted for:			
Pensions and other postemployment benefits	106,053	6,739	112,792
Debt service	-	130,655	130,655
Repairs and replacements	-	104,004	104,004
Highways and streets	1,782,776	-	1,782,776
Opioid settlement	28,894	-	28,894
Grant acquisition	25,000	-	25,000
Pool	375,915	-	375,915
Unrestricted (deficit)	(3,871,406)	2,367,697	(1,503,709)
Total net position	\$ 1,233,845	\$ 21,527,744	\$ 22,761,589

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Statement of Activities
Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenue			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities							
General government	\$ 855,056	\$ 81,962	\$ 34,275	\$ -	\$ (738,819)	\$ -	\$ (738,819)
Public safety	661,713	11,794	395,626	-	(254,293)	-	(254,293)
Public works	528,984	-	429,334	-	(99,650)	-	(99,650)
Welfare	778,474	66,825	498,780	-	(212,869)	-	(212,869)
Culture and recreation	255,966	8,202	72,562	555,347	380,145	-	380,145
Interest	4,077	-	-	-	(4,077)	-	(4,077)
Total governmental activities	3,084,270	168,783	1,430,577	555,347	(929,563)	-	(929,563)
Business-type activities							
Utilities	1,478,454	1,338,668	-	20,000	-	(119,786)	(119,786)
Total business-type activities	1,478,454	1,338,668	-	20,000	-	(119,786)	(119,786)
Total primary government	\$ 4,562,724	\$ 1,507,451	\$ 1,430,577	\$ 575,347	(929,563)	(119,786)	(1,049,349)
General revenues:							
Taxes:							
Property taxes					203,664	-	203,664
Local sales taxes					775,680	-	775,680
Franchise tax					131,789	-	131,789
Shared revenue - State sales taxes					231,945	-	231,945
Shared revenue - State vehicle license tax					126,485	-	126,485
Shared revenue- Urban revenue					407,558	-	407,558
Investment earnings					78,491	36,303	114,794
Gain on disposal of capital assets					5,025	-	5,025
Miscellaneous					7,159	-	7,159
Total general revenues					1,967,796	36,303	2,004,099
Change in net position					1,038,233	(83,483)	954,750
Net position, beginning of year					195,612	21,611,227	21,806,839
Net position, end of year					\$ 1,233,845	\$ 21,527,744	\$ 22,761,589

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	HURF Fund	Transit Fund	Senior Center Fund	Grants Fund	Library Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ -	\$ 1,070,619	\$ -	\$ -	\$ 454,150	\$ 1,831	\$ 1,526,600
Taxes receivable	86,285	-	-	-	-	-	86,285
Due from other governments	106,345	723,991	218,325	59,182	5,895	-	1,113,738
Total assets	\$ 192,630	\$ 1,794,610	\$ 218,325	\$ 59,182	\$ 460,045	\$ 1,831	\$ 2,726,623
LIABILITIES							
Accounts payable	\$ 167,184	\$ 9,177	\$ 14,047	\$ 9,051	\$ 28,418	\$ 550	\$ 228,427
Accrued expenses	144,598	2,657	4,350	4,387	-	1,281	157,273
Grant advance	40,343	-	-	-	-	-	40,343
Due to other funds	965,768	-	199,928	45,744	-	-	1,211,440
Total liabilities	1,317,893	11,834	218,325	59,182	28,418	1,831	1,637,483
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	31,781	701,364	184,800	-	5,895	-	923,840
FUND BALANCES							
Restricted for:							
Highways and streets	-	1,081,412	-	-	-	-	1,081,412
Opioid settlement	-	-	-	-	28,894	-	28,894
Grant acquisition	-	-	-	-	25,000	-	25,000
Capital projects	-	-	-	-	375,915	-	375,915
Unassigned	(1,157,044)	-	(184,800)	-	(4,077)	-	(1,345,921)
Total fund balances	(1,157,044)	1,081,412	(184,800)	-	425,732	-	165,300
Total liabilities, deferred inflows of resources and fund balances	\$ 192,630	\$ 1,794,610	\$ 218,325	\$ 59,182	\$ 460,045	\$ 1,831	\$ 2,726,623

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2024

Fund balances-total governmental funds	\$ 165,300
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,065,413
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Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	923,840
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Net pension assets held in trust for future benefits are not available for Town operations and, therefore, are not reported in the funds.	106,053
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Long-term liabilities, such as net pension/OPEB liabilities and financed purchases, are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(3,106,838)
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Deferred outflows and inflows of resources related to pensions/OPEB and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	80,077
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Net position of governmental activities	\$ 1,233,845
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See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	General Fund	HURF Fund	Transit Fund	Senior Center Fund	Grants Fund	Library Fund	Total Governmental Funds
Revenues							
Intergovernmental	\$ 1,195,057	\$ 221,199	\$ 285,126	\$ 112,550	\$ 41,064	\$ 62,757	\$ 1,917,753
Taxes	1,098,210	-	-	-	-	-	1,098,210
Contributions	1,921	-	-	4,484	524,265	-	530,670
Charges for services	38,635	-	21,233	45,593	-	-	105,461
Investment earnings	78,491	-	-	-	-	-	78,491
Licenses and permits	49,747	-	-	-	-	-	49,747
Miscellaneous	16,819	-	-	-	-	-	16,819
Fines and forfeitures	11,232	-	-	-	-	-	11,232
Rents	1,400	-	-	-	-	-	1,400
Total revenues	2,491,512	221,199	306,359	162,627	565,329	62,757	3,809,783
Expenditures							
Current							
General government	839,060	-	-	-	8,834	-	847,894
Public safety	650,249	-	-	-	-	-	650,249
Public works	162,937	256,855	-	-	-	-	419,792
Welfare	-	-	424,012	375,292	-	-	799,304
Culture and recreation	112,785	-	-	-	23,680	108,137	244,602
Debt service	-	20,306	-	-	-	-	20,306
Principal	-	4,077	-	-	-	-	4,077
Interest	-	-	-	-	-	-	-
Capital outlay	130,285	-	34,410	-	241,047	-	405,742
Total expenditures	1,895,316	281,238	458,422	375,292	273,561	108,137	3,391,966
Excess (deficiency) of revenues over (under) expenditures	596,196	(60,039)	(152,063)	(212,665)	291,768	(45,380)	417,817
Other financing sources (uses)							
Sale of capital assets	5,025	-	-	-	-	-	5,025
Transfers	(313,488)	-	55,443	212,665	-	45,380	-
Total other financing sources (uses)	(308,463)	-	55,443	212,665	-	45,380	5,025
Net change in fund balances	287,733	(60,039)	(96,620)	-	291,768	-	422,842
Fund balances, beginning of year	(1,444,777)	1,141,451	(88,180)	-	133,964	-	(257,542)
Fund balances, end of year	\$ (1,157,044)	\$ 1,081,412	\$ (184,800)	\$ -	\$ 425,732	\$ -	\$ 165,300

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-Wide Statement of Activities
Year Ended June 30, 2024

Net change in fund balances-total governmental funds \$ 422,842

Amounts reported for governmental activities in the Statement of Activities 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 expense.

Capital outlay	405,742	
Depreciation expense	<u>(225,181)</u>	180,561

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.

Property taxes	12,549	
Opioid settlement	(15,877)	
Transit grant	96,620	
CDBG grant	5,895	
Gila County Excise Taxes	<u>208,508</u>	307,695

Town pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension/OPEB liability is measured a year before the Town's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

Town pension/OPEB contributions	218,019	
Pension/OPEB expense	<u>(106,114)</u>	111,905

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repaid-financed purchases		20,306
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses are reported regardless of when the financial resources are available.

Increase in compensated absences payable		<u>(5,076)</u>
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Change in net position of governmental activities		<u><u>\$ 1,038,233</u></u>
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See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities Utilities Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,711,823
Cash and cash equivalents, restricted	263,599
Accounts receivable, net	90,119
Due from other funds	245,672
Total current assets	<u>2,311,213</u>
Noncurrent assets	
Due from other funds	965,768
Net other postemployment benefits asset	6,739
Capital assets, being depreciated, net	23,635,220
Total noncurrent assets	<u>24,607,727</u>
Total assets	<u>26,918,940</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions and other postemployment benefits	<u>26,643</u>
LIABILITIES	
Current liabilities	
Accounts payable	29,893
Accrued expenses	4,915
Unearned revenue	387,140
Refundable deposits	28,940
Compensated absences payable, current portion	13,897
Notes payable, current portion	113,075
Total current liabilities	<u>577,860</u>
Noncurrent liabilities	
Compensated absences payable	4,632
Notes payable	4,603,496
Net pension and other postemployment benefits liability	197,201
Total noncurrent liabilities	<u>4,805,329</u>
Total liabilities	<u>5,383,189</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions and other postemployment benefits	<u>34,650</u>
NET POSITION	
Net investment in capital assets	18,918,649
Restricted for:	
Pensions and other postemployment benefits	6,739
Debt service	130,655
Repairs and replacements	104,004
Unrestricted	2,367,697
Total net position	<u>\$ 21,527,744</u>

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities
	Utilities
	Fund
Operating revenues	
Charges for services	\$ 1,338,668
Operating expenses	
Depreciation	772,337
Personnel	260,031
Professional services	169,467
Materials and supplies	112,360
Utilities	67,080
Other	6,431
Repairs and maintenance	4,069
Total operating expenses	<u>1,391,775</u>
Operating income (loss)	<u>(53,107)</u>
Nonoperating revenues (expenses)	
Interest income	36,303
Interest expense	<u>(86,679)</u>
Total nonoperating revenue (expense)	<u>(50,376)</u>
Income (loss) before contributions and transfers	(103,483)
Capital contributions	<u>20,000</u>
Increase (decrease) in net position	(83,483)
Net position, beginning of year	21,611,227
Net position, end of year	<u><u>\$ 21,527,744</u></u>

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities Utilities Fund
Cash flows from operating activities	
Receipts from customers	\$ 1,081,403
Payments to suppliers and providers of goods and services	(343,233)
Payments to employees	(276,499)
Net cash provided by (used for) operating activities	<u>461,671</u>
Cash flows from noncapital financing activities	
Advances to other funds	<u>(32,392)</u>
Cash flows from capital and related financing activities	
Proceeds from capital grants	20,000
Principal paid on long-term debt	(111,057)
Interest paid on long-term debt	(86,679)
Cash paid for capital assets	(113,366)
Net cash provided by (used for) capital and related financing activities	<u>(291,102)</u>
Cash flows from investing activities:	
Interest received	<u>36,303</u>
Net cash provided by (used for) investing activities	<u>36,303</u>
Net increase (decrease) in cash and cash equivalents	174,480
Cash and cash equivalents, beginning of year	<u>1,800,942</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,975,422</u></u>
Cash and cash equivalents	\$ 1,711,823
Cash and cash equivalents, restricted	263,599
Cash and cash equivalents, end of year	<u><u>\$ 1,975,422</u></u>

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2024

	Utilities Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (53,107)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	772,337
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable	(38,302)
Net other postemployment benefits asset	1,362
Deferred outflows of resources related to pensions and other postemployment benefits	6,972
Accounts payable	16,174
Accrued expenses	2,619
Unearned revenue	(211,167)
Refundable deposits	(7,796)
Compensated absences	4,012
Net pension and other postemployment benefits liability	(34,012)
Deferred inflows of resources related to pensions and other postemployment benefits	2,579
Net cash provided by (used for) operating activities	\$ 461,671

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Firemen Investment Trust Fund
ASSETS	
Cash and cash equivalents	\$ 34,829
Investments	38,031
Total assets	<u>72,860</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 72,860</u>

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2024

	Firemen Investment Trust Fund
Deductions:	
Net investment losses	\$ 2,988
Change in net position	(2,988)
Net position, beginning of year	75,848
Net position, end of year	\$ 72,860

See accompanying notes to financial statements

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Miami, Arizona (Town), conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the Town's more significant accounting policies follows.

A. Reporting Entity

The Town is a general-purpose local government that is governed by a separately elected Town Council. The accompanying financial statements present the activities of the Town (the primary government) and its component unit.

Component units are legally separate entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the Town. The Town has no discretely presented component units. The following is a discussion of the Town's blended component unit.

The Town of Miami Municipal Property Corporation (MPC) is a nonprofit corporation incorporated under the laws of the State of Arizona. The principal objective of the MPC is to assist the Town of Miami, Arizona, in acquiring, constructing, financing, operating, improving or modifying public facilities for the benefit of the Town. The MPC's board of directors are appointed by the Miami Town Council. There are no separate financial statements issued for The Town of Miami MPC.

B. Basis of Presentation

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

Government-wide statements—provide information about the primary government (the Town). The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Town does not allocate indirect expenses to programs or functions. Program revenues include:

- charges to customers or applicants for goods, services, or privileges provided,
- operating grants and contributions, and
- capital grants and contributions.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund statements—provide information about the Town's funds, including fiduciary funds. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

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

The Town reports the following major governmental funds:

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

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The ***HURF Fund*** is a special revenue fund that accounts for specific revenue received from the State of Arizona Highway User Revenue Fund that is legally restricted to expenditures for highways and streets.

The ***Transit Fund*** is a special revenue fund that accounts for specific revenue received that is legally restricted to expenditures associated with local transportation.

The ***Senior Center Fund*** is a special revenue fund that accounts for specific revenue received that is legally restricted to expenditures associated with operations of the Senior Center.

The ***Grants Fund*** is a special revenue fund that accounts for specific revenue received that is legally restricted to expenditures associated with various grants and contributions.

The ***Library Fund*** is a special revenue fund that accounts for specific revenue received that is legally restricted to expenditures associated with operations of the Library.

The Town reports the following major enterprise fund:

The ***Utilities Fund*** accounts for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the Town Council is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or for which the Town Council has decided that periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Town also reports the following fiduciary fund types:

The ***Firemen Investment Trust Fund*** accounts for pooled assets held and invested by the Town Treasurer on behalf of retired firefighters.

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Under the terms of grant agreements, the Town funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

restricted and unrestricted resources available to finance the program. The Town applies grant resources to such programs before using general revenues.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The Town's major revenue sources that are susceptible to accrual are property taxes, special assessments, intergovernmental, charges for services, and investment earnings.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts are reported as other financing sources.

D. Cash and Cash Equivalents

For the statement of cash flows, the Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and only those highly liquid investments with a maturity of three months or less when purchased.

E. Allowance for Uncollectible Accounts

Allowances for uncollectible accounts receivable in the Utilities Fund are estimated by the Town. The amount recorded as uncollectible at June 30, 2024 totaled \$95,985.

F. Property Tax Calendar

Property taxes are recognized as revenue in the fund financial statements in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as deferred inflows of resources.

Gila County levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. However, a lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

Property taxes receivable consist of uncollected property taxes as determined from the records of the County Treasurer's office at June 30, 2024.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

G. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	N/A	N/A
Construction in progress	5,000	N/A	N/A
Buildings	5,000	Straight-line	15-40
Equipment	5,000	Straight-line	5-15
Infrastructure	5,000	Straight-line	15-50

H. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

I. Compensated Absences

Compensated absences consist of vacation leave earned by employees based on services already rendered.

Employees may accumulate up to 240 hours of vacation time depending on years of service. Upon termination of employment, all unused vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate unlimited hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. Investment Earnings

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

K. Postemployment Benefits

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

L. Fund Balance Classifications

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

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the Town Council has approved, which is the highest level of decision-making authority within the Town. Only the Town Council can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the Town's intent to be used for specific purposes, but that are neither restricted nor committed. The Town Council has authorized the Town manager to assign resources for a specific purpose.

The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the Town's policy to use (the Town will use) restricted fund balance first. It is the Town's policy to use (the Town will use) committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts.

M. Interfund Receivables, Payables, and Transfers

In the fund financial statements, short-term borrowings between funds are reported as due to / due from other funds, long-term borrowings are reported as advances to / advances from other funds, and permanent transfers between funds are reported as transfers in and transfers out. Interfund borrowings between the governmental activities and the business-type activities are reported on the statement of net position as internal balances.

NOTE 2 – DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) authorize the Town to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the Town Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better at the time of purchase by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's investor's service and Standard and Poor's rating service. If only one of the these services rates the security, it must carry the highest rating of that service.

Custodial credit risk

Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS – Continued

Concentration of credit risk

Statutes do not include any requirements for concentration of credit risk.

Interest rate risk

Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

Foreign currency risk

Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

The Town's investment policy states that the Town will conform with Arizona Revised Statutes. The Town does not have a formal investment policy with respect to custodial credit risk, concentration of credit risk, or foreign currency risk.

Deposits—At June 30, 2024, the carrying amount of the Town's total cash in bank was \$3,536,437, and the bank balance was \$3,470,562. Of the bank balances, \$2,499,483 was covered by federal depository insurance or similar insurance. The remainder was covered by collateral held by the pledging financial institution in the Town's name.

Restricted cash – At June 30, 2024, the Town had restricted cash and cash equivalents of \$263,599 in the Utility Fund. \$28,940 was restricted for refundable customer deposits. \$234,659 was restricted for debt service and short-lived assets replacements under the requirements with the U.S. Department of Agriculture.

Investments – The Town Firemen Investment Trust Fund had investments in mutual funds of \$38,031 at June 30, 2024, categorized within the fair value hierarchy established by generally accepted accounting principles as Level 1. Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

A reconciliation of cash, deposits, and investments to amounts shown on the statements of net position follows:

	Governmental Activities	Business-type Activities	Firemen Investment Trust Fund	Total
Cash and cash equivalents:				
Cash on hand	\$ 413	\$ -	\$ -	\$ 413
Amount of deposits	1,252,125	-	34,829	1,286,954
Certificates of deposit	274,062	1,975,421	-	2,249,483
Mutual funds	-	-	38,031	38,031
Total	<u>\$ 1,526,600</u>	<u>\$ 1,975,421</u>	<u>\$ 72,860</u>	<u>\$ 3,574,881</u>

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 3 – DUE FROM OTHER GOVERNMENTS

Receivable balances, net of allowance for uncollectible accounts, have been disaggregated by type and presented separately in the financial statements. Intergovernmental receivables as of year-end for the Town were as follows:

Description	Governmental Activities					Total
	General Fund	HURF Fund	Transit Fund	Senior Center Fund	Grants Fund	
Due from state government	\$ 106,345	\$ 22,627	\$ 218,325	\$ -	\$ 5,895	\$ 353,192
Due from county government	-	701,364	-	59,182	-	760,546
	<u>\$ 106,345</u>	<u>\$ 723,991</u>	<u>\$ 218,325</u>	<u>\$ 59,182</u>	<u>\$ 5,895</u>	<u>\$ 1,113,738</u>

NOTE 4 – INTERFUND BALANCES AND TRANSACTIONS

Interfund receivables and payables - Interfund balances at June 30, 2024, were as follows:

Due from	Due to Utility Fund
General Fund	\$ 965,768
Transit Fund	199,928
Senior Center Fund	45,744
	<u>\$ 1,211,440</u>

The interfund receivables and payables above were necessary in order to fund the ongoing activities of the General, Transit, and Senior Center Funds in the current and prior periods. Only the Transit and Senior Center borrowings are expected to be repaid with one year. The General Fund balance is not expected to be repaid within one year.

Interfund transfers – Interfund transfers for the year ended June 30, 2024, were as follows:

Transfers from	Transfers to				Total
	Transit Fund	Senior Center Fund	Library Fund		
General Fund	<u>\$ 55,443</u>	<u>\$ 212,665</u>	<u>\$ 45,380</u>	<u>\$</u>	<u>313,488</u>

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 4 – INTERFUND BALANCES AND TRANSACTIONS – Continued

Transfers from the General Fund to the Transit, Senior Center, and Library Funds were to subsidize those programs for excess expenditures over revenues.

NOTE 5 – RISK MANAGEMENT

The Town 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 Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool (Pool). The Pool is made up of various towns and cities within Arizona that operate a common risk management and insurance program. The 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 Town joined the Arizona Municipal Workers' Compensation Pool (Pool) together with other governments in the state for risks of loss related to workers' compensation claims. The Pool is a public entity risk pool currently operating as a common risk management and insurance program for towns and cities in the State. The Town is responsible for paying a premium, based on an experience rating formula that allocates pool expenditures and liabilities among members.

The Town continues to carry commercial insurance for all other risks of loss, including employee health, dental, and vision insurance. There were no settlements that exceeded insurance coverage in any of the past three years.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 6 – CAPITAL ASSETS

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 491,463	\$ -	\$ -	\$ 491,463
Construction-in-progress	-	21,762	-	21,762
Total capital assets not being depreciated	<u>491,463</u>	<u>21,762</u>	<u>-</u>	<u>513,225</u>
Capital assets being depreciated:				
Buildings	1,504,358	153,641	-	1,657,999
Equipment	2,143,434	230,339	(182,852)	2,190,921
Infrastructure	3,703,625	-	-	3,703,625
Total	<u>7,351,417</u>	<u>383,980</u>	<u>(182,852)</u>	<u>7,552,545</u>
Less accumulated depreciation for:				
Buildings	(780,119)	(46,480)	-	(826,599)
Equipment	(1,737,052)	(111,105)	182,852	(1,665,305)
Infrastructure	(2,440,857)	(67,596)	-	(2,508,453)
Total	<u>(4,958,028)</u>	<u>(225,181)</u>	<u>182,852</u>	<u>(5,000,357)</u>
Total capital assets being depreciated, net	<u>2,393,389</u>	<u>158,799</u>	<u>-</u>	<u>2,552,188</u>
Governmental activities capital assets, net	<u>\$ 2,884,852</u>	<u>\$ 180,561</u>	<u>\$ -</u>	<u>\$ 3,065,413</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 103,968	\$ 113,366	\$ -	\$ 217,334
Infrastructure	31,220,080	-	-	31,220,080
Total	<u>31,324,048</u>	<u>113,366</u>	<u>-</u>	<u>31,437,414</u>
Less accumulated depreciation for:				
Equipment	(35,526)	(26,543)	-	(62,069)
Infrastructure	(6,994,331)	(745,794)	-	(7,740,125)
Total	<u>(7,029,857)</u>	<u>(772,337)</u>	<u>-</u>	<u>(7,802,194)</u>
Total capital assets being depreciated, net	<u>24,294,191</u>	<u>(658,971)</u>	<u>-</u>	<u>23,635,220</u>
Business-type activities capital assets, net	<u>\$ 24,294,191</u>	<u>\$ (658,971)</u>	<u>\$ -</u>	<u>\$ 23,635,220</u>

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 6 – CAPITAL ASSETS – Continued

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 36,695
Public safety	39,072
Public works	123,301
Welfare	6,952
Culture and recreation	19,161
Total governmental activities depreciation expense	<u>\$ 225,181</u>
Business-type activities:	
Utilities	<u>\$ 772,337</u>

NOTE 7 – LONG-TERM LIABILITIES

The following schedule details the Town's long-term liability and obligation activity for the year ended June 30, 2024.

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due within one year
Governmental activities:					
Compensated absences payable	\$ 58,331	\$ 5,076	\$ -	\$ 63,407	\$ 47,555
Financed purchases	98,239	-	20,306	77,933	21,148
Net pension and other postemployment benefits liability	3,128,601	-	163,103	2,965,498	-
Total governmental activities long-term liabilities	<u>\$ 3,285,171</u>	<u>\$ 5,076</u>	<u>\$ 183,409</u>	<u>\$ 3,106,838</u>	<u>\$ 68,703</u>
Business-type activities:					
Compensated absences payable	\$ 14,517	\$ 4,012	\$ -	\$ 18,529	\$ 13,897
Notes payable from direct borrowings and direct placements	4,827,628	-	111,057	4,716,571	113,075
Net pension and other postemployment benefits liability	231,213	-	34,012	197,201	-
Total business-type activities long-term liabilities	<u>\$ 5,073,358</u>	<u>\$ 4,012</u>	<u>\$ 145,069</u>	<u>\$ 4,932,301</u>	<u>\$ 126,972</u>

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 7 – LONG-TERM LIABILITIES – Continued

The Town's notes payable from direct borrowings and direct placements consisted of the following:

	<u>Business-type Activities</u>
Note payable to U.S. Department of Agriculture Rural Development, interest only installments through April 2015 with interest at 2.00%, monthly principal and interest payments beginning May 2015, matures April 2053.	\$ 789,763
Note payable to U.S. Department of Agriculture Rural Development, interest only installments through April 2018 with interest at 1.75%, monthly principal and interest payments beginning May 2018, matures April 2056.	3,474,050
Note payable to U.S. Department of Agriculture Rural Development, interest only installments through May 2019 with interest at 2.0%, monthly principal and interest payments beginning June 2019, matures June 2057.	452,758
	<u>\$ 4,716,571</u>

The following schedule details debt service requirements to maturity for the Town's notes payable at June 30, 2024.

Year Ending June 30	<u>Business-type Activities</u>	
	<u>Notes payable from direct borrowings and direct placements</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 113,075	\$ 84,661
2026	115,147	82,589
2027	117,257	80,479
2028	119,406	78,330
2029	121,595	76,141
2030-2034	642,237	346,443
2035-2039	703,318	285,362
2040-2044	770,232	218,448
2045-2049	843,539	145,141
2050-2054	876,224	65,408
2055-2057	294,541	5,280
Total	<u>\$ 4,716,571</u>	<u>\$ 1,468,282</u>

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 7 – LONG-TERM LIABILITIES – Continued

Financed purchases—The Town has acquired equipment under contract agreements at a total purchase price of \$178,811. The following schedule details debt service requirements to maturity for the Town’s financed purchases at June 30, 2024:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 21,148	\$ 3,234	\$ 24,382
2026	22,026	2,356	24,382
2027	34,759	1,443	36,202
Total	<u>\$ 77,933</u>	<u>\$ 7,033</u>	<u>\$ 84,966</u>

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

At June 30, 2024, the Town 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-type Activities	Total
Net pension and OPEB asset	\$ 106,053	\$ 6,739	\$ 112,792
Net pension and OPEB liability	2,965,498	197,201	3,162,699
Deferred outflows of resources related to pensions and OPEB	261,973	26,643	288,616
Deferred inflows of resources related to pensions and OPEB	181,896	34,650	216,546
Pension and OPEB expense	106,114	1,333	107,447

The Town reported \$220,095 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

A. Arizona State Retirement System

Plan Description – Town employees not covered by the other pension 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 its website at www.azasrs.gov.

Benefits Provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial Membership Date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

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 earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. 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 5 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

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

dependents. For members with 5 to 9 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.

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 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. In addition, the Town was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 percent for retirement and 0.05 percent for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the ASRS would typically fill. The Town's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024, were \$134,472, \$1,230, and \$1,677, respectively.

During fiscal year 2024, the Town paid for ASRS pension and OPEB contributions as follows: 83 percent from the General Fund and 17 percent from the Utilities Fund.

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

	Net Pension/OPEB (Asset) Liability
Pension	\$ 1,231,408
Health insurance premium benefit	(42,114)
Long-term disability	1,005

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.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

The Town's proportion of the net asset or net liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Town's proportions 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
Pension	0.00761%	-0.00111%
Health insurance premium benefit	0.00780%	-0.00114%
Long-term disability	0.00767%	-0.00112%

Expense – For the year ended June 30, 2024, the Town recognized the following pension and OPEB expense.

	Pension/OPEB Expense
Pension	\$ 11,135
Health insurance premium benefit	(4,213)
Long-term disability	922

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Deferred Outflows/Inflows of Resources—At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium		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
Difference between expected and actual experience	\$ 27,825	\$ -	\$ 1,777	\$ 15,705	\$ 907	\$ 566
Changes of assumptions or other inputs	-	-	-	838	265	1,463
Net difference between projected and actual earnings on plan investments	-	43,568	-	1,850	-	80
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	151,478	3,220	14	308	984
Town contributions subsequent to the measurement date	134,472	-	1,230	-	1,677	-
Total	<u>\$ 162,297</u>	<u>\$ 195,046</u>	<u>\$ 6,227</u>	<u>\$ 18,407</u>	<u>\$ 3,157</u>	<u>\$ 3,093</u>

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

Year ended June 30,	Pension	Health Insurance Premium Benefit	Long-Term Disability
2025	\$ (107,641)	\$ (6,220)	\$ (162)
2026	(101,120)	(6,907)	(327)
2027	46,954	(214)	(69)
2028	(5,414)	(353)	(408)
2029	-	284	(411)
Thereafter	-	-	(236)

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

ASRS	
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 pensions/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 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 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	6%	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 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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 plan investments

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the Town’s Proportionate Share of the ASRS Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate – The following table presents the Town’s proportionate share of the net pension/OPEB liability calculated using the discount rate of 7.0 percent, as well as what the Town’s proportionate share of the net pension/OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's Proportionate share of the			
Net pension liability	\$ 1,844,468	\$ 1,231,408	\$ 720,224
Net insurance premium benefit liability (asset)	(29,436)	(42,114)	(52,888)
Net long-term disability liability	1,470	1,005	548

Plan Fiduciary Net Position – Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System

Plan Descriptions – Town police officers 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).

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

Benefits Provided – The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial Membership Date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, 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 36 consecutive months of last 20 years
Benefit percent		
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 services over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was result of injuries received on the job	

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

Health insurance premium benefits are available to retired or disabled members with 5 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.

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police	
	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	7	7
Inactive employees entitled to but not yet receiving benefits	1	-
Active employees	-	-
Total	8	7

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.

	Active Member- Pension	Town-Pension	Town-Health Insurance Premium Benefit
PSPRS Police-Tier 1 & 2	7.65%	117.46%	0.00%
PSPRS Police-Tier 3	9.56%	103.77%	0.00%

The Town's contributions to the plans for the year ended June 30, 2023, were:

	Pension	Health Insurance Premium Benefit
PSPRS Police	\$ 105,072	\$ -

During fiscal year 2024, the Town paid for 100 percent of PSPRS pension and OPEB contributions from the General Fund.

Liability – At June 30, 2024, the Town reported the following asset and liability:

	Net Pension (Asset) Liability	Net OPEB (Asset) Liability
PSPRS Police	\$ 1,930,286	\$ (70,678)

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

The net assets and net 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.

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

PSPRS	
Actuarial valuation date	June 30, 2023
Actuarial cost method	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 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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	100%	

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Discount Rates – At June 30, 2024, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.2 percent. The projection of cash flows used to determine the discount rate 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 rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Changes in the Net Pension/OPEB Liability (Asset)

	Pension Increase (Decrease)			Health Insurance Premium Benefit Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balances at June 30, 2023	\$ 3,708,287	\$ 1,772,583	\$ 1,935,704	\$ 25,070	\$ 85,766	\$ (60,696)
Changes for the year						
Service Cost	18,092	-	18,092	228	-	228
Interest on the total liability	258,968	-	258,968	1,755	-	1,755
Differences between expected and actual experience in the measurement of the liability	(47,901)	-	(47,901)	(5,580)	-	(5,580)
Contributions-employer	-	103,124	(103,124)	-	-	-
Contributions-employee	-	1,406	(1,406)	-	-	-
Net investment income	-	131,919	(131,919)	-	6,483	(6,483)
Benefit payments, including refunds of employee contributions	(259,189)	(259,189)	-	(1,840)	(1,840)	-
Administrative expense	-	(1,872)	1,872	-	(98)	98
Net changes	(30,030)	(24,612)	(5,418)	(5,437)	4,545	(9,982)
Balances at June 30, 2024	\$ 3,678,257	\$ 1,747,971	\$ 1,930,286	\$ 19,633	\$ 90,311	\$ (70,678)

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Sensitivity of the Town’s Net Pension/OPEB Liability to Changes in the Discount Rate – The following table presents the Town’s net pension/OPEB (assets) liabilities calculated using the discount rate of 7.2 percent, as well as what the Town’s net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
PSPRS Police			
Net pension (asset) liability	\$ 2,330,682	\$ 1,930,286	\$ 1,594,025
Net OPEB (asset) liability	(68,900)	(70,678)	(72,195)

Plan Fiduciary Net Position – Detailed information about the plans’ fiduciary net position is available in the separately issued PSPRS financial reports.

Expense – For the year ended June 30, 2024, the Town recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense/(Income)
PSPRS Police	\$ 110,624	\$ (11,021)

Deferred Outflows/Inflows of Resources – At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 11,024	\$ -	\$ 839	\$ -
Town contributions subsequent to the measurement date	105,072	-	-	-
Total	<u>\$ 116,096</u>	<u>\$ -</u>	<u>\$ 839</u>	<u>\$ -</u>

TOWN OF MIAMI, ARIZONA
Notes to Financial Statements
June 30, 2024

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from Town 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 as expenses as follows:

Year ended June 30,	PSPRS Police	
	Pension	Health
2025	\$ (3,974)	\$ (81)
2026	(23,585)	(956)
2027	40,569	1,952
2028	(1,986)	(76)
2029	-	-
Thereafter	-	-

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 792,539	\$ 792,539	\$ 1,195,057	\$ 402,518
Taxes	833,028	833,028	1,098,210	265,182
Contributions	50,000	50,000	1,921	(48,079)
Miscellaneous	418,702	418,702	16,819	(401,883)
Charges for services	141,525	141,525	38,635	(102,890)
Fines and forfeitures	58,503	58,503	11,232	(47,271)
Licenses and permits	17,500	17,500	49,747	32,247
Investment earnings	-	-	78,491	78,491
Rents	10,600	10,600	1,400	(9,200)
Total revenues	<u>2,322,397</u>	<u>2,322,397</u>	<u>2,491,512</u>	<u>169,115</u>
Expenditures				
Finance/Administration	571,263	571,263	723,938	(152,675)
Executive	14,300	14,300	18,802	(4,502)
Development services	34,003	34,003	35,091	(1,088)
Public works	174,675	174,675	172,426	2,249
Police	878,676	878,676	723,048	155,628
Parks and recreation	81,155	81,155	116,069	(34,914)
Magistrate	57,503	57,503	44,714	12,789
Economic development	-	-	61,228	(61,228)
Contingency	616,490	616,490	-	616,490
Total expenditures	<u>2,428,065</u>	<u>2,428,065</u>	<u>1,895,316</u>	<u>532,749</u>
Excess (deficiency) of revenues over expenditures	<u>(105,668)</u>	<u>(105,668)</u>	<u>596,196</u>	<u>701,864</u>
Other financing sources (uses)				
Sale of capital assets	-	-	5,025	5,025
Transfers	(94,127)	(94,127)	(313,488)	(219,361)
Total other financing sources (uses)	<u>(94,127)</u>	<u>(94,127)</u>	<u>(308,463)</u>	<u>(214,336)</u>
Net changes in fund balances	<u>(199,795)</u>	<u>(199,795)</u>	<u>287,733</u>	<u>487,528</u>
Fund balances, beginning of year	<u>(1,444,777)</u>	<u>(1,444,777)</u>	<u>(1,444,777)</u>	<u>-</u>
Fund balances, end of year	<u><u>\$(1,644,572)</u></u>	<u><u>\$(1,644,572)</u></u>	<u><u>\$(1,157,044)</u></u>	<u><u>\$ 487,528</u></u>

See accompanying notes to budgetary comparison schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Budgetary Comparison Schedule
HURF Fund
Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Intergovernmental	<u>\$ 638,059</u>	<u>\$ 638,059</u>	<u>\$ 221,199</u>	<u>\$ (416,860)</u>
Expenditures				
Public works - streets	<u>647,027</u>	<u>647,027</u>	<u>281,238</u>	<u>365,789</u>
Excess (deficiency) of revenues over expenditures	<u>(8,968)</u>	<u>(8,968)</u>	<u>(60,039)</u>	<u>(51,071)</u>
Other financing sources (uses)				
Transfers	<u>8,968</u>	<u>8,968</u>	<u>-</u>	<u>(8,968)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(60,039)</u>	<u>(60,039)</u>
Fund balances, beginning of year	<u>1,141,451</u>	<u>1,141,451</u>	<u>1,141,451</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 1,141,451</u></u>	<u><u>\$ 1,141,451</u></u>	<u><u>\$ 1,081,412</u></u>	<u><u>\$ (60,039)</u></u>

See accompanying notes to budgetary comparison schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Budgetary Comparison Schedule
Transit Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 568,298	\$ 568,298	\$ 285,126	\$ (283,172)
Charges for services	-	-	21,233	21,233
Total revenues	<u>568,298</u>	<u>568,298</u>	<u>306,359</u>	<u>(261,939)</u>
Expenditures				
Transit	<u>568,298</u>	<u>568,298</u>	<u>458,422</u>	<u>109,876</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(152,063)</u>	<u>(152,063)</u>
Other financing sources (uses)				
Transfers	<u>-</u>	<u>-</u>	<u>55,443</u>	<u>55,443</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(96,620)</u>	<u>(96,620)</u>
Fund balances, beginning of year	<u>(88,180)</u>	<u>(88,180)</u>	<u>(88,180)</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ (88,180)</u></u>	<u><u>\$ (88,180)</u></u>	<u><u>\$ (184,800)</u></u>	<u><u>\$ (96,620)</u></u>

See accompanying notes to budgetary comparison schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Budgetary Comparison Schedule
Senior Center Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 216,089	\$ 216,089	\$ 112,550	\$ (103,539)
Contributions	-	-	4,484	4,484
Charges for services	-	-	45,593	45,593
Total revenues	<u>216,089</u>	<u>216,089</u>	<u>162,627</u>	<u>(53,462)</u>
Expenditures				
Senior Center	<u>243,103</u>	<u>243,103</u>	<u>375,292</u>	<u>(132,189)</u>
Excess (deficiency) of revenues over expenditures	<u>(27,014)</u>	<u>(27,014)</u>	<u>(212,665)</u>	<u>(185,651)</u>
Other financing sources (uses)				
Transfers	<u>27,014</u>	<u>27,014</u>	<u>212,665</u>	<u>185,651</u>
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Budgetary Comparison Schedule
Grants Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 36,346,790	\$ 36,346,790	\$ 41,064	\$ (36,305,726)
Contributions	-	-	524,265	524,265
Total revenues	<u>36,346,790</u>	<u>36,346,790</u>	<u>565,329</u>	<u>(35,781,461)</u>
Expenditures				
Grants	<u>36,346,790</u>	<u>36,346,790</u>	<u>273,561</u>	<u>36,073,229</u>
Net changes in fund balances	-	-	291,768	291,768
Fund balances, beginning of year	133,964	133,964	133,964	-
Fund balances, end of year	<u>\$ 133,964</u>	<u>\$ 133,964</u>	<u>\$ 425,732</u>	<u>\$ 291,768</u>

See accompanying notes to budgetary comparison schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Budgetary Comparison Schedule
Library Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 64,150	\$ 64,150	\$ 62,757	\$ (1,393)
Expenditures				
Library	122,295	122,295	108,137	14,158
Excess (deficiency) of revenues over expenditures	(58,145)	(58,145)	(45,380)	12,765
Other financing sources (uses)				
Transfers	58,145	58,145	45,380	(12,765)
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2024

NOTE 1 – BUDGETING AND BUDGETARY CONTROL

Arizona Revised Statutes (A.R.S.) require the Town to prepare and adopt a balanced budget annually for each governmental fund. The Town Council must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Town Council's approval.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The Town's budget is prepared on a basis consistent with generally accepted accounting principles.

NOTE 3 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2024, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) in the Finance/Administration, Executive, Development services, Parks and recreation, and Economic development departments of the General Fund. In addition, expenditures in the Senior Center department of the Senior Center Fund exceeded final budget amounts.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net Pension/OPEB Liability
Cost-Sharing Plans
June 30, 2024

	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)
ASRS-Pension										
Town's proportion of the net pension liability	0.007610%	0.008720%	0.009530%	0.010490%	0.010100%	0.009690%	0.008510%	0.008250%	0.008130%	0.006592%
Town's proportionate share of the net pension liability	\$ 1,231,408	\$ 1,423,298	\$ 1,252,200	\$ 1,817,552	\$ 1,469,668	\$ 1,351,414	\$ 1,325,692	\$ 1,331,633	\$ 1,267,026	\$ 975,450
Town's covered payroll	\$ 995,937	\$ 1,035,588	\$ 1,086,820	\$ 1,146,991	\$ 1,065,385	\$ 962,954	\$ 829,842	\$ 772,783	\$ 749,210	\$ 594,262
Town's proportionate share of the net pension liability as a percentage of its covered payroll	123.64%	137.44%	115.22%	158.46%	137.95%	140.34%	159.75%	172.32%	169.11%	164.14%
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%
ASRS-Health Insurance										
	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2017 through 2015
Town's proportion of the net OPEB liability (asset)	0.007800%	0.008940%	0.009770%	0.010750%	0.010350%	0.009870%	0.008630%	Information		
Town's proportionate share of the net OPEB liability (asset)	\$ (42,114)	\$ (49,894)	\$ (47,600)	\$ (7,611)	\$ (2,860)	\$ (3,554)	\$ (4,698)	not available		
Town's covered payroll	\$ 995,937	\$ 1,035,588	\$ 1,086,820	\$ 1,146,991	\$ 1,065,385	\$ 962,954	\$ 829,842			
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-4.23%	-4.82%	-4.38%	-0.66%	-0.27%	-0.37%	-0.57%			
Plan fiduciary net position as a percentage of the total pension liability	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%			
ASRS-Long-Term Disability										
	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2015		
Town's proportion of the net OPEB liability (asset)	0.007670%	0.008790%	0.009660%	0.010630%	0.010250%	0.009710%	0.008540%	Information		
Town's proportionate share of the net OPEB liability (asset)	\$ 1,005	\$ 812	\$ 1,994	\$ 8,064	\$ 6,677	\$ 5,074	\$ 3,096	not available		
Town's covered payroll	\$ 995,937	\$ 1,035,588	\$ 1,086,820	\$ 1,146,991	\$ 1,065,385	\$ 962,954	\$ 829,842			
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.10%	0.08%	0.18%	0.70%	0.63%	0.53%	0.37%			
Plan fiduciary net position as a percentage of the total pension liability	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%			

See accompanying notes to pension/OPEB plan schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Schedule of Changes in the Town's
Net Pension/OPEB Liability (Asset) and Related Ratios
Agent Plans
June 30, 2024

PSPRS - 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	\$ 18,092	\$ 24,162	\$ 5,380	\$ 5,887	\$ 15,876	\$ 18,410	\$ 52,300	\$ 54,610	\$ 39,926	\$ 27,547
Interest on the total pension liability	258,968	244,518	241,230	245,906	245,555	205,154	173,013	144,573	145,340	105,691
Changes of benefit terms	-	-	-	-	-	-	25,146	(8,865)	-	51,404
Differences between expected and actual experience in the measurement of the pension liability	(47,901)	136,753	4,308	(30,869)	20,986	495,019	304,235	321,107	(125,443)	121,562
Changes of assumptions or other inputs	-	91,487	-	-	58,009	-	95,298	90,173	-	262,793
Benefit payments, including refunds of employee contributions	(259,189)	(228,076)	(221,237)	(347,694)	(212,646)	(145,942)	(189,149)	(81,444)	(72,415)	(67,802)
Net change in total pension liability	(30,030)	268,844	29,681	(126,770)	127,780	572,641	460,843	520,154	(12,592)	501,195
Total pension liability - beginning	3,708,287	3,439,443	3,409,762	3,536,532	3,408,752	2,836,111	2,375,268	1,855,114	1,867,706	1,366,511
Total pension liability - ending (a)	\$ 3,678,257	\$ 3,708,287	\$ 3,439,443	\$ 3,409,762	\$ 3,536,532	\$ 3,408,752	\$ 2,836,111	\$ 2,375,268	\$ 1,855,114	\$ 1,867,706
Plan fiduciary net position										
Contributions - employer	\$ 103,124	\$ 154,882	\$ 135,174	\$ 206,657	\$ 86,457	\$ 116,524	\$ 78,303	\$ 102,757	\$ 73,750	\$ 54,893
Contributions - employee	1,406	7,305	6,082	(2,509)	6,094	183,842	22,637	28,900	23,970	20,682
Net investment income	131,919	(75,416)	432,036	20,044	89,510	94,474	139,969	6,642	34,927	102,886
Benefit payments, including refunds of employee contributions	(259,189)	(228,076)	(221,237)	(347,694)	(212,646)	(145,942)	(189,149)	(81,444)	(72,415)	(67,802)
Hall/Parker Settlement	-	-	-	-	-	(36,275)	-	-	-	-
Administrative expense	(1,872)	(1,360)	(2,026)	(1,635)	(2,546)	(2,138)	(1,638)	(1,355)	(1,230)	-
Other changes	-	-	-	-	-	242,109	(4,533)	179,853	(725)	144,664
Net change in plan fiduciary net position	(24,612)	(142,665)	350,029	(125,137)	(33,131)	452,594	45,589	235,353	58,277	255,323
Plan fiduciary net position - beginning	1,772,583	1,915,248	1,565,219	1,707,309	1,741,341	1,288,747	1,243,158	1,007,805	949,528	694,205
Adjustment to beginning of year	-	-	-	(16,953)	(901)	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ 1,747,971	\$ 1,772,583	\$ 1,915,248	\$ 1,565,219	\$ 1,707,309	\$ 1,741,341	\$ 1,288,747	\$ 1,243,158	\$ 1,007,805	\$ 949,528
Town's net pension liability (asset) - ending (a) - (b)	\$ 1,930,286	\$ 1,935,704	\$ 1,524,195	\$ 1,844,543	\$ 1,829,223	\$ 1,667,411	\$ 1,547,364	\$ 1,132,110	\$ 847,309	\$ 918,178
Plan fiduciary net position as a percentage of the total pension liability	47.52%	47.80%	55.68%	45.90%	48.28%	51.08%	45.44%	52.34%	54.33%	50.84%
Covered payroll	\$ -	\$ 55,190	\$ 219,611	\$ 216,056	\$ 148,029	\$ 246,209	\$ 230,296	\$ 258,449	\$ 252,448	\$ 225,092
Town's net pension (asset) liability as a percentage of covered payroll	0.00%	3507.35%	694.04%	853.73%	1235.72%	677.23%	671.90%	438.04%	335.64%	407.91%

See accompanying notes to pension/OPEB plan schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Schedule of Changes in the Town's
Net Pension/OPEB Liability (Asset) and Related Ratios
Agent Plans
June 30, 2024

PSPRS - Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)							2017 through 2015 Information not available
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability								
Service cost	\$ 228	\$ 684	\$ 197	\$ 286	\$ 364	\$ 500	\$ 1,589	
Interest on the total OPEB liability	1,755	1,975	1,944	2,011	3,640	4,015	4,773	
Differences between expected and actual experience in the measurement of the OPEB liability	(5,580)	(3,375)	(777)	(1,334)	(24,375)	(7,590)	(10,743)	
Changes of assumptions or other inputs	-	141	-	-	253	-	(2,940)	
Benefit payments	(1,840)	(1,447)	(1,413)	(1,416)	(2,215)	(2,002)	(1,050)	
Net change in total OPEB liability	(5,437)	(2,022)	(49)	(453)	(22,333)	(5,077)	(8,371)	
Total OPEB liability - beginning	25,070	27,092	27,141	27,594	49,927	55,004	63,375	
Total OPEB liability - ending (a)	\$ 19,633	\$ 25,070	\$ 27,092	\$ 27,141	\$ 27,594	\$ 49,927	\$ 55,004	
Plan fiduciary net position								
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ 69	\$ 559	\$ 774	
Net investment income	6,483	(3,562)	19,781	911	3,754	4,675	7,165	
Benefit payments	(1,840)	(1,447)	(1,413)	(1,416)	(2,215)	(2,002)	(1,050)	
Administrative expense	(98)	(63)	(81)	(74)	(65)	(71)	(64)	
Net change in plan fiduciary net position	4,545	(5,072)	18,287	(579)	1,543	3,161	6,825	
Plan fiduciary net position - beginning	85,766	90,838	72,551	73,130	70,686	67,525	60,700	
Adjustment to beginning of year	-	-	-	-	901	-	-	
Plan fiduciary net position - ending (b)	\$ 90,311	\$ 85,766	\$ 90,838	\$ 72,551	\$ 73,130	\$ 70,686	\$ 67,525	
Town's net OPEB (asset) liability - ending (a) - (b)	\$ (70,678)	\$ (60,696)	\$ (63,746)	\$ (45,410)	\$ (45,536)	\$ (20,759)	\$ (12,521)	
Plan fiduciary net position as a percentage of the total OPEB liability	460.00%	342.11%	335.29%	267.31%	265.02%	141.58%	122.76%	
Covered payroll	\$ -	\$ 55,190	\$ 219,611	\$ 216,056	\$ 148,029	\$ 246,209	\$ 230,296	
Town's net OPEB (asset) liability as a percentage of covered payroll	0.00%	-109.98%	-29.03%	-21.02%	-30.76%	-8.43%	-5.44%	

See accompanying notes to pension/OPEB plan schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Schedule of Town's Pension/OPEB Contributions
June 30, 2024

	Reporting Fiscal Year										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
ASRS-Pension											
Statutorily required contribution	\$ 134,472	\$ 118,481	\$ 124,739	\$ 124,857	\$ 131,332	\$ 119,110	\$ 104,962	\$ 89,457	\$ 83,847	\$ 81,589	
Town's contributions in relation to the											
statutorily required contribution	(134,472)	(118,481)	(124,739)	(124,857)	(131,332)	(119,110)	(104,962)	(89,457)	(83,847)	(81,589)	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Town's covered payroll	\$ 1,117,806	\$ 995,937	\$ 1,035,588	\$ 1,086,820	\$ 1,146,991	\$ 1,065,385	\$ 962,954	\$ 829,842	\$ 772,783	\$ 749,210	
Town's contributions as a percentage of	12.03%	11.90%	12.05%	11.49%	11.45%	11.18%	10.90%	10.78%	10.85%	10.89%	
covered payroll											
ASRS-Health Insurance Premium											
Statutorily required contribution											2016
Town's contributions in relation to the											through
statutorily required contribution	\$ 1,230	\$ 1,093	\$ 2,181	\$ 4,180	\$ 5,620	\$ 4,901	\$ 4,237	\$ 4,647	Information		2015
Town's contribution deficiency (excess)	(1,230)	(1,093)	(2,181)	(4,180)	(5,620)	(4,901)	(4,237)	(4,647)	not available		
Town's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Town's contributions as a percentage of	\$ 1,117,806	\$ 995,937	\$ 1,035,588	\$ 1,086,820	\$ 1,146,991	\$ 1,065,385	\$ 962,954	\$ 829,842			
covered payroll	0.11%	0.11%	0.21%	0.38%	0.49%	0.46%	0.44%	0.56%			
ASRS-Long-Term Disability											
Statutorily required contribution											2016
Town's contributions in relation to the											through
statutorily required contribution	\$ 1,677	\$ 1,388	\$ 1,969	\$ 1,929	\$ 1,949	\$ 1,704	\$ 1,540	\$ 1,162	Information		2015
Town's contribution deficiency (excess)	(1,677)	(1,388)	(1,969)	(1,929)	(1,949)	(1,704)	(1,540)	(1,162)	not available		
Town's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Town's contributions as a percentage of	\$ 1,117,806	\$ 995,937	\$ 1,035,588	\$ 1,086,820	\$ 1,146,991	\$ 1,065,385	\$ 962,954	\$ 829,842			
covered payroll	0.15%	0.14%	0.19%	0.18%	0.17%	0.16%	0.16%	0.14%			

See accompanying notes to pension/OPEB plan schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Schedule of Town's Pension/OPEB Contributions
June 30, 2024

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 105,072	\$ 103,124	\$ 154,882	\$ 135,174	\$ 206,657	\$ 86,457	\$ 116,524	\$ 78,303	\$ 102,757	\$ 73,750
Town's contributions in relation to the actuarially determined contribution	(105,072)	(103,124)	(154,882)	(135,174)	(206,657)	(86,457)	(116,524)	(78,303)	(102,757)	(73,750)
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ -	\$ -	\$ 55,190	\$ 219,611	\$ 216,056	\$ 148,029	\$ 246,209	\$ 230,296	\$ 258,449	\$ 252,448
Town's contributions as a percentage of covered payroll	N/A	N/A	280.63%	61.55%	95.65%	58.41%	47.33%	34.00%	39.76%	29.21%

	Reporting Fiscal Year							2016 through 2015
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69	\$ 559	\$ 774
Town's contributions in relation to the actuarially determined contribution	-	-	-	-	-	(69)	(559)	(774)
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ -	\$ -	\$ 55,190	\$ 219,611	\$ 216,056	\$ 148,029	\$ 246,209	\$ 230,296
Town's contributions as a percentage of covered payroll	N/A	N/A	0.00%	0.00%	0.00%	0.05%	0.23%	0.34%

See accompanying notes to pension/OPEB plan schedules.

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules
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 method	Level percent-of-pay, closed
Remaining amortization period as of the 2022 actuarial valuation	16 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 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0% - 8.0% to 3.5% - 7.5% for PSPRS. In 2014 actuarial valuation, projected salary increases were decreased from 4.5% - 8.5% to 4.0% - 8.0% for PSPRS. In 2013 actuarial valuation, projected salary increases were decreased from 5.0% - 9.0% to 4.5% - 8.5% for PSPRS.
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% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% 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, changed 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)

NOTE 2 – FACTORS THAT AFFECT TRENDS

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

TOWN OF MIAMI, ARIZONA
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules
June 30, 2024

NOTE 2 – FACTORS THAT AFFECT TRENDS – Continued

These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the Town refunded excess employee contributions to PSPRS members. PSPRS allowed the Town to reduce its actual employer contributions for the refund amounts. As a result, the Town's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

REPORTS AND SCHEDULES REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS



COLBY &
POWELL, PLC

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Town Council
Town of Miami, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Miami, Arizona, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Miami, Arizona's basic financial statements, and have issued our report thereon dated May 28, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Miami, Arizona's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Miami, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Miami, Arizona's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item **2024-001** that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Miami, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items **2024-002** and **2024-003**.

The Town of Miami, Arizona's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Miami, Arizona's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town of Miami, Arizona's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 28, 2026

**Town of Miami, Arizona
Schedule of Findings and Responses
June 30, 2024**

Financial Statement Findings

Item: 2024-001

Subject: Preparation of the working trial balance.

Criteria: All transactions entered into during the period should be posted in the Town's financial records in accordance with an acceptable basis of accounting. All such transactions should be recorded in their correct account according to the Town's approved chart of accounts, the Town's budget, and generally accepted accounting principles.

Condition: During our audit we discovered that the Town did not have a complete and accurate working trial balance prior to the start of the audit. The trial balance required various accounting adjustments which were unknown by management.

Recommendation: We recommend that all material and necessary journal entries should be recorded in the trial balance prior to the start of the annual audit.

Response: Management agrees with this finding and will ensure that all material adjustments are posted to the general ledger prior to the start of the audit. This will be done by the Finance Director and the Town's financial consultant.

Item: 2024-002

Subject: Timeliness of annual financial reporting.

Criteria: Arizona Revised Statutes require cities and towns to complete their annual financial statement audit and Expenditure Limitation Report within nine months after the fiscal year end.

Condition: The Town's financial records were not ready to complete an annual financial statement audit until after the required deadline.

Recommendation: Management should implement policies and procedures to complete year-end adjustments and reconciliations within a reasonable time period to allow for the completion of the annual audit within the allowed time requirement.

Response: Management agrees with this finding and will ensure that financial records and reconciliations are complete and ready for audit within a reasonable time period to allow for the completion of the annual audit within the allowed time requirement.

Town of Miami, Arizona
Schedule of Findings and Responses
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Item: 2024-003

Subject: Departmental budgets

Criteria: Arizona Revised Statutes do not allow budgeted expenditures to be exceeded at the department level.

Condition: Actual expenditures exceeded budgeted expenditures at the department level (the legal level of budgetary control) in the Finance/Administration, Executive, Development services, Parks and Recreation, and Economic development departments of the General Fund. In addition, expenditures in the Senior Center department of the Senior Center Fund exceeded final budget amounts.

Recommendation: Management should periodically review and reconcile actual departmental expenditures with approved budgeted expenditures.

Response: Management agrees with this finding and will implement procedures to periodically review and reconcile actual departmental expenditures with approved budgeted expenditures.

