

**Town of Hayden, Arizona**

**Basic Financial Statements and  
Independent Auditor's Report**

**For the Year Ended June 30, 2024**

**Town of Hayden, Arizona  
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Town of Hayden, Arizona**

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**Independent Auditor's Report**

To the Town Council  
Town of Hayden, Arizona

**Report on the audit of the financial statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and aggregate remaining fund information of Town of Hayden, Arizona as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town'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, business-type activities, and each major fund, information of the Town 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 U.S. generally accepted accounting principles.

**Basis for opinions**

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the U.S. Comptroller General. 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 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.

**Other Matters**

*Compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies*

In connection with our audit, nothing came to our attention that caused us to believe that the Town failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for Highway User Revenue Fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated State transportation revenues it received. 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's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

## **Management's responsibilities for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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's ability to continue as a going concern for 12 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 a 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's internal control. Accordingly, we express no such opinion.
- 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'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 audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the budgetary comparison schedules on pages 43 through 46, schedule of the Town's proportionate share of the net pension/OPEB liability-cost sharing pension plans on page 47, schedule of changes in the Town's net pension/OPEB liability (asset) and related ratios-agent pension plans on page 48, schedule of Town's pension/OPEB contributions on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2025, on our consideration of the Town of Hayden, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Town of Hayden, Arizona's internal control over financial reporting and compliance.

Snyder & Brown CPAs, PLLC  
Tempe, Arizona  
March 4, 2025

**Town of Hayden, Arizona**  
**Management Discussion and Analysis**  
**June 30, 2024**

Within this section of the Town of Hayden, Arizona (Town) annual financial report, the Town's management provides narrative discussion and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Financial Highlights**

- The Town's assets exceeded its liabilities by \$14,695,869 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  - (1) Capital assets of \$7,604,516 include property and equipment, net of accumulated depreciation and related debt.
  - (2) Restricted net position for loan reserve requirements \$5,800 and restricted HURF funds of \$266,855.
  - (3) Unrestricted net position of \$6,818,698 represents the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental funds reported a total ending fund balance of \$5,801,592 this year. This compares to the prior year total ending fund balance of \$4,038,618 showing an increase of \$1,762,974 during the current year. The Town received a \$1,000,000 allocation from the State of Arizona for police equipment and training. This allocation was a one time allocation.

**Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

**Government-wide Financial Statements**

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

The first of these government-wide statements is the Statement of Net Position. This is the Town-wide statement of financial position presenting information that includes all of the Town's assets and liabilities, with the difference reported as net position. Over time, increases in net position may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating.

**Town of Hayden, Arizona**  
**Management Discussion and Analysis**  
**June 30, 2024**

The second government-wide statement is the Statement of Activities, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public services, and recreation. The business-type activities are the water and sewer utilities.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has three kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provides a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives. Budgetary comparison schedules can be found in a later section of this report.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Water and Sewer Utility funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the Town organization for water and sewer services.

*Fiduciary funds* such as the Volunteer Firemen's Relief and Pension Fund are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund Town programs and are reported similarly to proprietary funds.

**Town of Hayden, Arizona**  
**Management Discussion and Analysis**  
**June 30, 2024**

*Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

*Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparison schedules. These schedules demonstrate compliance with the Town's adopted and final revised budget. Supplementary information follows the notes to the financial statements. Combining financial statements are provided for nonmajor governmental funds totaled in one column on the fund financial statements.

**Financial Analysis of the Town as a Whole**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole.

The following table provides a summary of the Town's net position at June 30, 2024:

**SUMMARY OF NET POSITION**

	<b>Governmental Activities 2024</b>	<b>Business-type Activities 2024</b>	<b>Totals 2024</b>	<b>Totals 2023</b>	<b>Amount of Change</b>
Current and other assets	\$ 8,196,007	\$ 43,250	\$ 8,239,257	\$ 6,660,324	\$ 1,578,933
Non-current assets					
Capital assets	1,663,463	6,318,052	7,981,515	7,821,868	159,647
Total Assets	<u>9,859,470</u>	<u>6,361,302</u>	<u>16,220,772</u>	<u>14,482,192</u>	<u>1,738,580</u>
Deferred Outflows of Resources	245,068	22,854	267,922	348,544	(80,622)
Current liabilities	522,404	7,194	529,598	793,459	(263,861)
Non-current liabilities	571,743	535,081	1,106,824	1,258,791	(151,967)
Total Liabilities	<u>1,094,147</u>	<u>542,275</u>	<u>1,636,422</u>	<u>2,052,250</u>	<u>(415,828)</u>
Deferred Inflows of Resources	129,107	27,296	156,403	181,796	(25,393)
Invested in capital assets	1,663,463	5,941,053	7,604,516	7,436,155	168,361
Restricted	266,855	5,800	272,655	5,800	266,855
Unrestricted	<u>6,950,966</u>	<u>(132,268)</u>	<u>6,818,698</u>	<u>5,154,735</u>	<u>1,663,963</u>
Total Net Position	<u>\$ 8,881,284</u>	<u>\$ 5,814,585</u>	<u>\$ 14,695,869</u>	<u>\$ 12,596,690</u>	<u>\$ 2,099,179</u>

The Town reported net position for governmental activities of \$8,881,284 and a net position for business-type activities of \$5,814,585. Net position increased \$2,333,002 for governmental activities and decreased \$233,823 for business-type activities.



**Town of Hayden, Arizona**  
**Management Discussion and Analysis**  
**June 30, 2024**

The following table provides a summary of the Town's changes in net position for the year ended June 30, 2024.

**SUMMARY OF CHANGES IN NET POSITION**

	Governmental Activities 2024	Business-type Activities 2024	Totals 2024	Totals 2023	Amount of Change
Revenues:					
Program revenues:					
Charges for services	\$ 353,529	\$ 276,297	\$ 629,826	\$ 579,355	\$ 50,471
Operating grants and contributions	553,237	-	553,237	486,422	66,815
Capital grants and contributions	20,045	-	20,045	892	19,153
General revenues:					
City sales tax	276,007	-	276,007	194,858	81,149
State taxes and shared revenues	1,514,042	-	1,514,042	403,013	1,111,029
Property tax	1,719,187	-	1,719,187	516,525	1,202,662
Pension revenue	-	-	-	-	-
Other	156,717	-	156,717	97,073	59,644
Total Revenues	4,592,764	276,297	4,869,061	2,278,138	2,590,923
Expenses:					
General government	346,044	-	346,044	470,994	(124,950)
Police	612,745	-	612,745	549,616	63,129
Fire	93,936	-	93,936	129,483	(35,547)
Sanitation	219,784	-	219,784	190,971	28,813
Parks and Recreation/Golf Course/Pool	325,014	-	325,014	225,027	99,987
Streets	74,269	-	74,269	151,411	(77,142)
Library	5,756	-	5,756	5,756	-
Cemetery	5,199	-	5,199	1,834	3,365
Senior Center	354,707	-	354,707	287,043	67,664
Community Development	158,164	-	158,164	44,223	113,941
Animal Control	5,232	-	5,232	7,556	(2,324)
Water Utility	-	99,647	99,647	110,592	(10,945)
Sewer Utility	-	469,385	469,385	414,275	55,110
Total Expenses	2,200,850	569,032	2,769,882	2,588,781	181,101
Transfers	(58,912)	58,912	-	-	-
Change in net position	2,333,002	(233,823)	2,099,179	(310,643)	2,409,822
Beginning net position	6,548,282	6,048,408	12,596,690	12,907,333	(310,643)
Ending net position	\$ 8,881,284	\$ 5,814,585	\$ 14,695,869	\$ 12,596,690	\$ 2,099,179

**Town of Hayden, Arizona  
Management Discussion and Analysis  
June 30, 2024**

**Financial Analysis of the Town's Funds**

*Governmental funds*

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Operating revenues totaled \$4,584,964 in 2023-2024, an increase of 125.9% from 2022-2023. The increase was primarily due to an increase in the property tax revenues and state revenue sharing. The Town received a \$1,000,000 allocation from the State of Arizona for police equipment and training. This allocation was a one-time allocation.

A comparative summary of principal revenues is as follows:

	Increase (Decrease) from 2022-2023			2022-2023 Amount
	2023-2024 Amount	Amount	%	
State Sales Tax	\$ 74,526	\$ (2,045)		\$ 76,571
State Revenue Sharing	1,397,487	1,112,935		284,552
Highway Users Tax	73,581	6,013		67,568
Transportation Excise Tax	102,707	3,683		99,024
Property Tax	1,711,387	1,186,093		525,294
Vehicle Lieu Tax	42,029	139		41,890
Grant Revenue	396,994	76,272		320,722
Town Sales Tax	276,007	81,149		194,858
Police Intergovernmental Contract	169,618	37,118		132,500
Utility Franchise	12,197	2,751		9,446
Licenses, Permits and Other	86,380	(3,476)		89,856
Fines and Forfeitures	5,164	1,561		3,603
Sanitation Fees	80,465	2,844		77,621
Golf Course Fees	11,902	(6,275)		18,177
Interest Income	144,520	56,893		87,627
	<u>\$ 4,584,964</u>	<u>\$ 2,555,655</u>	<u>125.9%</u>	<u>\$ 2,029,309</u>

Operating expenditures totaled \$2,763,078 in 2023-2024. This represents an increase of 25.3% from the prior year due to increases in spending related to the senior center and general government.

**Town of Hayden, Arizona  
Management Discussion and Analysis  
June 30, 2024**

	Increase (Decrease) from 2022-2023			2022-2023 Amount
	2023-2024 Amount	Amount	%	
General Government	\$ 528,100	\$ (246,691)		\$ 774,791
Police	506,471	16,031		490,440
Fire	69,120	(35,014)		104,134
Streets	48,823	(72,052)		120,875
Sanitation	200,149	25,103		175,046
Parks and Recreation/Golf Course	188,027	55,609		132,418
Cemetery	5,004	3,365		1,639
Pool	104,588	40,415		64,173
Senior Center	324,252	61,632		262,620
Community Development	158,164	113,941		44,223
Animal Control	5,232	(1,694)		6,926
Principal on lease	9,444	4,533		4,911
Interest on lease	738	561		177
Capital Outlay	614,966	592,226		22,740
	<u>\$ 2,763,078</u>	<u>\$ 557,965</u>	<u>25.3%</u>	<u>\$ 2,205,113</u>

Operating Revenues (\$4,584,964) were more than operating expenditures (\$2,763,078) by \$175,804. Carryover fund balance increased from \$4,038,618 at June 30, 2023 to \$5,801,592 at June 30, 2024. The increase was primarily due to increases in property tax revenues.

*Proprietary funds*

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The change in net position for these funds was a decrease of \$233,823 for the year ended June 30, 2024 compared to a decrease of \$196,580 for 2022-2023.

*Town Payroll and Fringe Benefits*

The Town's payroll for 2023-2024 was \$985,354, an increase of \$83,751, or 9.3% from 2022-2023. A summary by department follows:

	Increase (Decrease) from 2022-2023			2022-2023 Amount
	2023-2024 Amount	Amount	%	
Administration	158,072	24,320		133,752
Police	306,575	20,467		286,108
Fire	22,018	(10,134)		32,152
Public works	360,152	22,920		337,232
Senior Center	138,537	26,178		112,359
	<u>\$ 985,354</u>	<u>\$ 83,751</u>	<u>9.3%</u>	<u>\$ 901,603</u>

**Town of Hayden, Arizona  
Management Discussion and Analysis  
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The following payroll fringe benefits amounted to \$467,146, an increase of \$48,372, or 11.6%.

	Increase (Decrease) from 2022-2023			
	2023-2024 Amount	Amount	%	
Social security and Medicare taxes	\$ 70,701	\$ 6,014		\$ 64,687
ASRS Pension/OPEB contributions	65,589	10,390		55,199
PSPRS Pension/OPEB contributions	13,710	(29,943)		43,653
Volunteer firemen's pension contributions	1,029	2		1,027
Industrial Insurance	37,965	1,863		36,102
Health and life insurance	278,152	60,046		218,106
	<u>\$ 467,146</u>	<u>\$ 48,372</u>	<u>11.6%</u>	<u>\$ 418,774</u>

**Analysis of Balances of Town's Individual Funds**

As of the end of the current fiscal year, the Town's individual governmental funds reported a combined fund balance of \$5,801,592, an increase of \$1,762,974 in comparison with the prior year. Total amount constitutes the General Fund Balance, which is available for its ongoing obligations. At June 30, 2024 fund balances were as follows:

	Increase (Decrease) from 2022-2023			
	2023-2024 Amount	Amount	%	
<b>Governmental Funds:</b>				
General Fund	\$ 5,534,737	\$ 1,576,480		\$ 3,958,257
Highway Users Fund	266,855	186,494		80,361
Grants Fund	-	-		-
Senior Center Fund	-	-		-
Total Governmental Funds	<u>\$ 5,801,592</u>	<u>\$ 1,762,974</u>	<u>43.7%</u>	<u>\$ 4,038,618</u>
<b>Proprietary Funds</b>				
Water utility fund	526,455	(14,929)		541,384
Sewer utility fund	5,288,130	(218,894)		5,507,024
Total Proprietary Funds	<u>5,814,585</u>	<u>(233,823)</u>	<u>-3.9%</u>	<u>6,048,408</u>
Total	<u>\$ 11,616,177</u>	<u>\$ 1,529,151</u>	<u>15.2%</u>	<u>\$ 10,087,026</u>

**Budgetary Highlights**

The Town's budgeted expenditures for the general fund for fiscal year 2024 was \$6,506,295.

The Town Council is authorized to allocate its contingency budget to increase departmental budgets within any fund, as long as total budgeted expenditures as originally adopted are not exceeded. For the year ended June 30, 2024, budgeted expenditures were more than the actual expenditures.

The expenditure limit under the voter approved permanent base adjustment was \$5,690,007 for the year ended June 30, 2024. The Town's expenditures complied with this expenditure limitation.

**Town of Hayden, Arizona  
Management Discussion and Analysis  
June 30, 2024**

*Capital Asset and Debt Administration*

Capital Assets

The following is a comparison of capital assets net of depreciation for 2024 and 2023.

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
Land	\$ 90,570	\$ 90,570	\$ 10,718	\$ 10,718
Buildings	479,504	527,162	-	-
Streets, infrastructure and improvements	328,013	373,376	6,307,334	6,555,572
Furniture, Machinery and Equipment	745,726	260,534	-	-
Right-to-use assets - equipment	19,650	3,936	-	-
	<u>\$ 1,663,463</u>	<u>\$ 1,255,578</u>	<u>\$ 6,318,052</u>	<u>\$ 6,566,290</u>

Long-Term Obligations

In December 2014, the Town of Hayden Municipal Property Corporation received a loan of \$452,000 from the Rural Utilities Service (RUS) within the Rural Development Mission Area of the United States Department of Agriculture (USDA). The loan was used to pay costs of construction for a new wastewater collection system and a new wastewater treatment plant. The Town of Hayden Municipal Property Corporation is a "blended" component unit, and its activity is recorded in the Sewer Utility Fund where sewer fees collected will provide debt service for the loan. The loan bears interest at 2.75%. The balance at June 30, 2024 was \$376,999 and Interest expense for the year ended June 30, 2024 was \$10,498.

**Economic Factors and Next Year's Budget**

The adopted combined operating and capital expenditure budget for fiscal year 2024-25 totals \$12,000,000, an increase of \$2,681,000, or 29 percent, from the fiscal year 2023-24 budget.

## **Basic Financial Statements**

**Town of Hayden, Arizona**  
**Statement of Net Position**  
**June 30, 2024**

	<b>PRIMARY GOVERNMENT</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>Assets</b>			
Cash and cash equivalents	\$ 3,254,610	\$ -	\$ 3,254,610
Investments	2,846,219	-	2,846,219
Property taxes receivable	17,606	-	17,606
Accounts receivable	15,323	38,796	54,119
Other receivables	28,644	-	28,644
Due from other governments	152,508	-	152,508
Due from fiduciary fund	52,461	-	52,461
Net pension/OPEB asset	1,828,636	4,454	1,833,090
Capital assets, not being depreciated/amortized	90,570	10,718	101,288
Capital assets, being depreciated/amortized, net	<u>1,572,893</u>	<u>6,307,334</u>	<u>7,880,227</u>
Total Assets	<u>9,859,470</u>	<u>6,361,302</u>	<u>16,220,772</u>
<b>Deferred Outflows of Resources - Pensions</b>	<u>245,068</u>	<u>22,854</u>	<u>267,922</u>
<b>Liabilities</b>			
Accounts payable	361,720	2,574	364,294
Accrued expenses and other liabilities	160,684	4,620	165,304
Non-Current Liabilities:			
Due within one year:			
Municipal property corporation loan payable	-	8,957	8,957
Lease liability	5,006	-	5,006
Compensated absences	7,537	1,308	8,845
Due in more than one year:			
Municipal property corporation loan payable	-	368,042	368,042
Lease liability	14,955	-	14,955
Compensated absences	30,148	11,772	41,920
Net pension liabilities	<u>514,097</u>	<u>145,002</u>	<u>659,099</u>
Total liabilities	<u>1,094,147</u>	<u>542,275</u>	<u>1,636,422</u>
<b>Deferred Inflows of Resources - Pensions</b>	<u>129,107</u>	<u>27,296</u>	<u>156,403</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	1,663,463	5,941,053	7,604,516
Restricted	266,855	5,800	272,655
Unrestricted	<u>6,950,966</u>	<u>(132,268)</u>	<u>6,818,698</u>
Total Net Position	<u>\$ 8,881,284</u>	<u>\$ 5,814,585</u>	<u>\$ 14,695,869</u>

See Accompanying Notes to Financial Statements.

**Town of Hayden, Arizona**  
**Statement of Activities**  
**Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating grant and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 346,044	\$ 46,976	\$ 15,597	\$ -	\$ (283,471)	\$ -	\$ (283,471)
Police	612,745	184,316	4,074	20,045	(404,310)	-	(404,310)
Fire	93,936	-	-	-	(93,936)	-	(93,936)
Streets	74,269	-	176,288	-	102,019	-	102,019
Sanitation	219,784	80,465	-	-	(139,319)	-	(139,319)
Parks and recreation/golf course	202,056	11,902	-	-	(190,154)	-	(190,154)
Cemetery	5,199	3,125	-	-	(2,074)	-	(2,074)
Pool	122,958	1,710	-	-	(121,248)	-	(121,248)
Library	5,756	-	-	-	(5,756)	-	(5,756)
Senior Center	354,707	24,835	199,114	-	(130,758)	-	(130,758)
Animal Control	5,232	200	-	-	(5,032)	-	(5,032)
Total Governmental Activities	<u>2,200,850</u>	<u>353,529</u>	<u>553,237</u>	<u>20,045</u>	<u>(1,274,039)</u>	<u>-</u>	<u>(1,274,039)</u>
<b>Business-type Activities:</b>							
Water	99,647	87,730	-	-	-	(11,917)	(11,917)
Sewer	469,385	188,567	-	-	-	(280,818)	(280,818)
Total Business-type Activities	<u>569,032</u>	<u>276,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(292,735)</u>	<u>(292,735)</u>
Total	<u>\$ 2,769,882</u>	<u>\$ 629,826</u>	<u>\$ 553,237</u>	<u>\$ 20,045</u>	<u>(1,274,039)</u>	<u>(292,735)</u>	<u>(1,566,774)</u>
<b>General Revenues:</b>							
State sales tax					74,526	-	74,526
State revenue sharing					1,397,487	-	1,397,487
Property tax					1,719,187	-	1,719,187
Vehicle lieu tax					42,029	-	42,029
City sales tax					276,007	-	276,007
Utility franchise fees					12,197	-	12,197
Interest					144,520	-	144,520
Transfers					(58,912)	58,912	-
Total General Revenues and Transfers					<u>3,607,041</u>	<u>58,912</u>	<u>3,665,953</u>
Change in Net Position					2,333,002	(233,823)	2,099,179
Net Position - Beginning					6,548,282	6,048,408	12,596,690
Net Position - Ending					<u>\$ 8,881,284</u>	<u>\$ 5,814,585</u>	<u>\$ 14,695,869</u>

See Accompanying Notes to Financial Statements.



**Town of Hayden, Arizona**  
**Balance Sheet – Governmental Funds**  
**June 30, 2024**

	<b>General Fund</b>	<b>Highway Users Fund</b>	<b>Grants Fund</b>	<b>Senior Center Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and equivalents	\$ 2,936,912	\$ 254,672	\$ 63,026	\$ -	\$ 3,254,610
Investments	2,846,219	-	-	-	2,846,219
Property taxes receivable	17,606	-	-	-	17,606
Accounts receivable	15,323	-	-	-	15,323
Other receivables	26,976	-	-	1,668	28,644
Due from other governments	40,086	15,841	22,510	74,071	152,508
Due from other funds	144,575	-	-	-	144,575
Total Assets	<u>\$ 6,027,697</u>	<u>\$ 270,513</u>	<u>\$ 85,536</u>	<u>\$ 75,739</u>	<u>\$ 6,459,485</u>
<b>Liabilities and Deferred Inflows:</b>					
Liabilities:					
Accounts payable	\$ 358,200	\$ 3,520	\$ -	\$ -	\$ 361,720
Accrued expenses and other liabilities	91,385	138	63,026	6,135	160,684
Due to other funds	-	-	22,510	69,604	92,114
Total Liabilities	<u>449,585</u>	<u>3,658</u>	<u>85,536</u>	<u>75,739</u>	<u>614,518</u>
Deferred Inflows of resources					
Unavailable revenue-property taxes	16,469	-	-	-	16,469
Unavailable revenue-court fines	26,906	-	-	-	26,906
Total deferred inflows of resources	<u>43,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,375</u>
<b>Fund Balances:</b>					
Restricted	-	266,855	-	-	266,855
Unassigned	5,534,737	-	-	-	5,534,737
Total Fund Balances	<u>5,534,737</u>	<u>266,855</u>	<u>-</u>	<u>-</u>	<u>5,801,592</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 6,027,697</u>	<u>\$ 270,513</u>	<u>\$ 85,536</u>	<u>\$ 75,739</u>	<u>\$ 6,459,485</u>

See Accompanying Notes to Financial Statements.

**Town of Hayden, Arizona**  
**Reconciliation of the Balance Sheet – Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2024**

Fund balances-total governmental funds	\$	5,801,592
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of \$6,393,112, net of accumulated depreciation of (\$4,729,649), are not financial resources and therefore, are not reported in the funds		1,663,463
Other long-term assets (receivables) are not available to pay for current period expenditures and therefore, are deferred inflows of resources in the funds. These include property taxes of \$16,469 and magistrate fines of \$26,906.		43,375
Compensated Absences are payable only upon employee retirement and therefore are not payable from current resources		(37,685)
Long-term lease liabilities are not due and payable in the current period and, therefore, are not reported as a liability in the funds.		(19,961)
Net pension assets held in trust for future benefits are not available for current operations and, therefore, are not reported in the funds.		1,828,636
Pension liabilities are not due and payable in the current period and, therefore, are not reported as a liability in the funds.		(514,097)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		115,961
Net position of governmental activities	<u>\$</u>	<u>8,881,284</u>

See Accompanying Notes to Financial Statements.

**Town of Hayden, Arizona**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances –**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	General Fund	Highway Users Fund	Grants Fund	Senior Center Fund	Total Governmental Funds
<b>Revenues:</b>					
State sales tax	\$ 74,526	\$ -	\$ -	\$ -	\$ 74,526
State revenue sharing	1,397,487	-	-	-	1,397,487
Highway users tax	-	73,581	-	-	73,581
Transportation excise tax	-	102,707	-	-	102,707
Property tax	1,711,387	-	-	-	1,711,387
Vehicle lieu tax	42,029	-	-	-	42,029
Grant revenue	14,835	-	183,045	199,114	396,994
Town sales tax	276,007	-	-	-	276,007
Winkelman intergovernmental contract	169,618	-	-	-	169,618
Utility franchise	12,197	-	-	-	12,197
Licenses, permits and other	61,545	-	-	24,835	86,380
Fines and forfeitures	5,164	-	-	-	5,164
Sanitation fees	80,465	-	-	-	80,465
Golf course fees	11,902	-	-	-	11,902
Gain on investment	80,726	-	-	-	80,726
Interest income	63,794	-	-	-	63,794
Total Revenues	<u>4,001,682</u>	<u>176,288</u>	<u>183,045</u>	<u>223,949</u>	<u>4,584,964</u>
<b>Expenditures:</b>					
Current:					
General government	527,338	-	762	-	528,100
Police	502,397	-	4,074	-	506,471
Fire	69,120	-	-	-	69,120
Streets	-	48,823	-	-	48,823
Sanitation	200,149	-	-	-	200,149
Parks and recreation/gold course	188,027	-	-	-	188,027
Cemetery	5,004	-	-	-	5,004
Pool	104,588	-	-	-	104,588
Senior Center	-	-	-	324,252	324,252
Community development	-	-	158,164	-	158,164
Animal control	5,232	-	-	-	5,232
Capital outlay	593,629	-	20,045	1,292	614,966
Principal on lease	9,444	-	-	-	9,444
Interest on lease	738	-	-	-	738
Total Expenditures	<u>2,205,666</u>	<u>48,823</u>	<u>183,045</u>	<u>325,544</u>	<u>2,763,078</u>
Excess of Revenues Over (Under) Expenditures	1,796,016	127,465	-	(101,595)	1,821,886
<b>Other Financing Sources (uses):</b>					
Transfers to other funds	(219,536)	-	-	-	(219,536)
Transfers from the general fund	-	59,029	-	101,595	160,624
Net Other Financing Sources (Uses)	<u>(219,536)</u>	<u>59,029</u>	<u>-</u>	<u>101,595</u>	<u>(58,912)</u>
Net change in fund balances	1,576,480	186,494	-	-	1,762,974
Fund Balances, Beginning	3,958,257	80,361	-	-	4,038,618
Fund Balances, Ending	<u>\$ 5,534,737</u>	<u>\$ 266,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,801,592</u>

See Accompanying Notes to Financial Statements.

**Town of Hayden, Arizona**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances –**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2024**

Net change in fund balances-total governmental funds \$ 1,762,974

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

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

Capital outlay	614,966
Depreciation/amortization expense	(232,712)

Under the modified accrual basis of accounting used in 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.

Decrease in compensated absences	20,278
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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 longterm liabilities in the statement of net position.

Principal repaid	9,444
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	7,800
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Pension 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 liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities.

Pension contributions	(66,278)
Pension revenue	216,530

Change in net position of governmental activities	\$ 2,333,002
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**Town of Hayden, Arizona**  
**Statement of Fund Net Position – Proprietary Funds**  
**June 30, 2024**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Proprietary Funds</u>
<b>Assets</b>			
Current Assets:			
Accounts receivable	\$ 13,116	\$ 25,680	\$ 38,796
Prepaid expense	-	-	-
Total Current Assets	<u>13,116</u>	<u>25,680</u>	<u>38,796</u>
Capital Assets:			
Land and construction in progress	-	10,718	10,718
Depreciable capital assets, net	588,416	5,718,918	6,307,334
Net other postemployment benefits asset	2,227	2,227	4,454
Total Assets	<u>603,759</u>	<u>5,757,543</u>	<u>6,361,302</u>
<b>Deferred Outflows of Resources - Pensions</b>	<u>11,427</u>	<u>11,427</u>	<u>22,854</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	-	2,574	2,574
Accrued liabilities	2,582	2,038	4,620
Current portion of loan payable	-	8,957	8,957
Current portion of compensated absences	-	1,308	1,308
Total Current Liabilities	<u>2,582</u>	<u>14,877</u>	<u>17,459</u>
Non-Current Liabilities:			
Compensated absences	-	11,772	11,772
Municipal property corporation loan payable	-	368,042	368,042
Net pension liabilities	72,501	72,501	145,002
Total Non-Current Liabilities	<u>72,501</u>	<u>452,315</u>	<u>524,816</u>
Total Liabilities	<u>75,083</u>	<u>467,192</u>	<u>542,275</u>
<b>Deferred Inflows of Resources - Pensions</b>	<u>13,648</u>	<u>13,648</u>	<u>27,296</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	588,416	5,352,637	5,941,053
Restricted for debt retirement	-	5,800	5,800
Unrestricted	(61,961)	(70,307)	(132,268)
Total Net Position	<u>\$ 526,455</u>	<u>\$ 5,288,130</u>	<u>\$ 5,814,585</u>

See Accompanying Notes to Financial Statements.

**Town of Hayden, Arizona**  
**Statement of Revenues, Expenses and Changes in Fund Net Position –**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 87,160	\$ 188,567	\$ 275,727
Taps, extensions and permits	570	-	570
Total Operating Revenues	<u>87,730</u>	<u>188,567</u>	<u>276,297</u>
<b>Operating Expenses:</b>			
Personal services	18,979	125,341	144,320
Telephone and utilities	19,747	28,491	48,238
Repairs and maintenance	29,089	42,041	71,130
Supplies	2,685	11,645	14,330
Miscellaneous	363	3,279	3,642
Consultants	4,900	23,736	28,636
Depreciation	23,884	224,354	248,238
Total Operating Expenses	<u>99,647</u>	<u>458,887</u>	<u>558,534</u>
<b>Operating Income (Loss)</b>	<u>(11,917)</u>	<u>(270,320)</u>	<u>(282,237)</u>
<b>Non-Operating Revenues (Expenses):</b>			
Interest expense	-	(10,498)	(10,498)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>(10,498)</u>	<u>(10,498)</u>
Transfers	<u>(3,012)</u>	<u>61,924</u>	<u>58,912</u>
Changes in Net Position	(14,929)	(218,894)	(233,823)
Total Net Position - Beginning	541,384	5,507,024	6,048,408
Total Net Position - Ending	<u>\$ 526,455</u>	<u>\$ 5,288,130</u>	<u>\$ 5,814,585</u>

See Accompanying Notes to Financial Statements.

**Town of Hayden, Arizona**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**June 30, 2024**

	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total Proprietary Funds</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 86,405	\$ 185,787	\$ 272,192
Cash payments to suppliers for goods and services	(56,777)	(102,856)	(159,633)
Cash payments for employees, payroll taxes and fringe benefits	(26,616)	(125,643)	(152,259)
Net Cash provided (used) by Operating Activities	3,012	(42,712)	(39,700)
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers from the general fund	(3,012)	61,924	58,912
Net Cash provided (used) by Non-Capital Financing Activities	(3,012)	61,924	58,912
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Interest expense payments	-	(10,498)	(10,498)
Principal payments on debt	-	(8,714)	(8,714)
Net Cash used for Capital and Related Financing Activities	-	(19,212)	(19,212)
Net Change in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents - Beginning of Year	-	-	-
Cash and Cash Equivalents - End of Year	\$ -	\$ -	\$ -
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (11,917)	\$ (270,320)	\$ (282,237)
Adjustments to reconcile operating Income (loss) to net cash provided (used) by operating activities:			
Depreciation	23,884	224,354	248,238
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources			
Increase (decrease) in net pension liability	(15,856)	(15,856)	(31,712)
(Increase) decrease in deferred outflows relating to pensions	3,449	3,449	6,898
Increase (decrease) in deferred inflows relating to pensions	2,188	2,188	4,376
(Increase) decrease in accounts receivable	(1,325)	(2,780)	(4,105)
(Increase) decrease in prepaid expenses	7	1,047	1,054
Increase (decrease) in accounts payable	-	5,289	5,289
Increase (decrease) in accrued payroll	2,582	(213)	2,369
Increase (decrease) in compensated absences	-	10,130	10,130
Total Adjustments	14,929	227,608	242,537
Net Cash provided (used) by Operating Activities	\$ 3,012	\$ (42,712)	\$ (39,700)

See Accompanying Notes to Financial Statements.

**Town of Hayden, Arizona**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2024**

	<b>Volunteer Firemen's Relief and Pension Fund</b>
<hr/>	
<b>Assets</b>	
Cash and equivalents	\$ 507
Investments	85,713
Due from other governments	1,136
<b>Total Assets</b>	87,356
<b>Liabilities</b>	
Due to other funds	52,461
<b>Total Liabilities</b>	52,461
<b>Net Position Held in Trust for Pension Benefits</b>	\$ 34,895

See Accompanying Notes to Financial Statements.



**Town of Hayden, Arizona**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Year Ended June 30, 2024**

	<b>Volunteer Firemen's Relief and Pension Fund</b>
<hr/>	
<b>Additions</b>	
Contributions:	
Employer	\$ 1,029
Plan members	1,029
Total Contributions	<u>2,058</u>
Investment Income:	
Gain (loss) on investments	1
Interest	4,473
Total Investment Income	<u>4,474</u>
<b>Total Additions</b>	<u><u>6,532</u></u>
<b>Deductions</b>	
Benefits	<u>3,595</u>
<b>Total Deductions</b>	<u>3,595</u>
<b>Change in Net Assets</b>	2,937
<b>Net Position Held in Trust for Pension Benefits - Beginning of Year</b>	<u>31,958</u>
<b>Net Position Held in Trust for Pension Benefits - End of Year</b>	<u><u>\$ 34,895</u></u>

See Accompanying Notes to Financial Statements.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1 - Summary of Significant Accounting Policies**

The Town of Hayden, Arizona operates under a council-clerk form of government and provides the following services: police and fire protection, highways and streets maintenance, sanitation, water, sewer, parks and recreation, public improvements and general administrative services.

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Hayden (Town) are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanation, including required disclosures, of the Town's financial activities for the fiscal year ended June 30, 2024.

**A. Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the government and its component units (entities for which the government is considered to be financially accountable.) Blended component units, although legally separate entities, are, in substance, part of the government's operations. Data from these units are combined with data of the primary government.

*Blended Component Unit - Town of Hayden Municipal Property Corporation*

In December 2014, the Town of Hayden Municipal Property Corporation received a loan of \$452,000 from the Rural Utilities Service (RUS) within the Rural Development Mission Area of the United States Department of Agriculture (USDA). This loan provided funds for the Town to pay costs of construction for a new wastewater collection system and a new wastewater treatment plant. The Town of Hayden Municipal Property Corporation is a "blended" component unit, and its activity is recorded in the Sewer Utility Fund where sewer fees collected will provide debt service for the loan.

**B. Basis of Presentation**

*Government-wide Financial Statements* - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Town's services, (2) operating grants and contributions which finance operating activities including the Highway Users tax and Transportation Excise Tax and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

*Fund Financial Statements* - Provide information about the Town's funds, including fiduciary funds and blended component units. 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 charges 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 expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

The Town reports the following major governmental funds:

General Fund - reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds.

Highway Users Fund - the Town receives a share of the State's gas tax, which is to be used solely for street and highway expenditures.

Grants Fund - established to account for the Town's grant programs not reported in proprietary funds or other funds.

Senior Center Fund - accounts for the operations and funding for those departments.

The Town reports the following major Proprietary funds:

Water Utility Fund - accounts for the operating activities of the Town's water utility services.

Sewer Utility Fund - accounts for the operating activities of the Town's sewer utility services.

The Town reports the following fiduciary fund:

Volunteer Firemen's Relief and Pension Fund - reports fiduciary resources held in trust and the receipt, investment, and distribution of retirement contributions.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**C. Basis of Accounting**

The government-wide, proprietary, 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 when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grant revenues are recognized when grantor eligibility requirements are met.

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Town has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred as under accrual accounting.

Major revenue sources susceptible to accrual include: sales and use taxes, charges to customers for services, property taxes, franchise fees, intergovernmental revenues and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, for governmental activities it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, investments held by the State Treasurer in short-term investment pools, and highly liquid investments with a maturity of three months or less when purchased.

Cash and investments are pooled except for funds required to be held by fiscal agents or are restricted. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on the average daily cash balances. State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, Town's or duly organized school districts, improvement districts in this state and the State Treasurer's Local Government Investment Pools. All investments are stated at fair value.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**E. Capital Assets**

The Town's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Town maintains infrastructure asset records consistent with all other capital assets beginning July 1, 2003. Proprietary capital assets are also reported in their respective fund financial statements. Donated assets are stated at fair value on the date donated. The Town capitalizes assets with cost of \$500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. The Town has elected not to report general infrastructure assets retroactively. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	40
Improvements, other than buildings	7 - 20
Furniture, machinery, and equipment	7 - 20
Street and Highway Infrastructure	10

**F. Compensated Absences**

Town employees are allowed to accrue twelve days sick leave each year, up to a maximum of thirty days. Sick days do not vest under the Town's policy, and accordingly, employees can be paid sick leave only when sick. Since accumulated sick leave is not paid on separation, a liability for unused sick leave is not recorded in the financial statements.

Town employees are granted vacation leave in varying amounts. In the event of termination or retirement, an employee is reimbursed for any unused accumulated vacation leave. Unlike sick leave, it and related payroll taxes and other salary-related payments are accrued as a current liability on the assumption that employees may terminate their employment at any time and the Town would use current resources to pay the accumulated leave amounts. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee retirement by fiscal year-end.

**G. 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.

**H. 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.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**I. 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 prepaid expenses, 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 Town's restricted fund balance consists of Highway Users Tax and Gila County Transportation Excise Tax amounts collected by Arizona specifically for street operations and maintenance.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the Town Council approved, which is the highest level of decision-making authority within the Town. Only the 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 has no committed or assigned fund balances at June 30, 2024.

The unassigned fund balance is the residual classification and includes all spendable amounts not reported in the other classifications.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the Town's policy to use restricted fund balance first.

**J. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**K. Leases**

As lessee, the Town recognizes lease liabilities with an initial, individual value of \$25,631 or more. The Town uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The Town's estimated incremental borrowing rate is based on the current note payable rate.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 2 - Stewardship, Compliance, And Accountability**

The Town Clerk submits an annual budget to the Town Council in accordance with Arizona State Statutes. The budget is presented to the Town Council for review, and public hearings are held to address priorities and the allocation of resources. Once approved, the Town Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. The legal level of control is by department within a fund. It is the Town's policy to use budgeted contingency funds when departments incur excess over the budgeted amounts due to unexpected expenditures. For the year ended June 30, 2024, budgeted expenditures were less than the actual expenditures.

**Note 3 – Deposits and Investments**

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the Town's deposits may not be returned to the Town. The Town does not have a formal deposit policy for custodial credit risk. At year end, the carrying amount of the Town's deposits was \$3,254,897 and the bank balance was \$3,319,140. \$319,851 of the bank balance was covered by FDIC coverage and the remaining \$2,999,289 was collateralized by the collateral pool administered by the Arizona State Treasurer as required by Arizona Revised Statutes. The Town also had cash on hand of \$220.

Investments

The Town's investments consist of \$1,307,968 of investments in the State Treasurer external investment pool 5. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools. The State Treasurer's investment pools represent external investment pools, which are not subject to the fair value hierarchy.

Additionally, the Town holds investments with a fair market value of \$1,623,964 in U.S. Treasury Bills with maturity dates less than one year. The Treasury Bills are considered level 1 investments with quoted prices on the fair market.

Interest Rate Risk. The Town's formal investment policy does not have limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Treasurer external investment pool 5 are considered to be short term investments.

Credit Risk. Credit risk is the risk that an issue or other counterparty to an investment will not fulfill its obligations to the holder of the investment. The Town's investment policy minimizes credit risk by limiting investments to a specific list of the safest types of securities. The State Treasurer's investment pool 5 had a credit rating of AAf/S1+ by Standard and Poor's.

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

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
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**Note 4 – Receivables**

The following is a description of significant receivables as of June 30, 2024:

<b>PROPERTY TAXES RECEIVABLE</b> - Property taxes due from County; revenue deferred for amounts assessed by County but uncollected (\$16,469) for governmental fund financial statements			\$ 17,606
<b>ACCOUNTS RECEIVABLE:</b> Sanitation (\$10,542), Cemetery Services (\$4,781) Water (\$13,116), Sewer (\$25,680)			54,119
<b>OTHER RECEIVABLES:</b> Magistrate Fines Receivable (Deferred for Uncollected Amounts) 101,658 Small Business Loan Receivables 41,171 Other Miscellaneous Receivables 1,738 Allowance for uncollectible accounts <u>(115,923)</u>			28,644
<b>DUE FROM OTHER GOVERNMENTS:</b> State Sales Tax 2,431 Town Sales Tax 36,180 Vehicle Lieu Tax 1,474 Gila County Transportation Excise Tax 8,315 Highway Users Tax 7,526 Senior Center Grants 74,071 Other Grants <u>22,511</u>			<u>152,508</u>
<b>Total</b>			<u><u>\$ 252,877</u></u>

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on May 1 and payable in two installments on October 1 and April 1 of the subsequent year. The County bills and collects property taxes on behalf of the Town. In the governmental fund financial statements, Town property tax revenues are recognized when levied to the extent that they have been collected by the Town within sixty days of year end. Assessed amounts that are uncollected are recorded as a receivable and deferred inflows. In the government-wide financial statements, property taxes receivable and related revenue include all amounts due to the Town regardless of when cash is received. Over time, substantially all property taxes are collected.

The Town is subject to a maximum primary property tax levy by Arizona State Statutes. For 2023-2024 this levy limit was \$12,287,099, and the Town levied \$1,659,020 in primary taxes a difference of \$10,628,079. The Town has no secondary property tax levy for general obligation bonded debt.

Revenue is recorded as earned when eligibility requirements are met. Other revenue was received more than 60 days following year-end (unavailable to pay liabilities of the current period). These amounts are property taxes (\$16,469) and magistrate fines (\$26,906). This total of \$43,375 is recorded as Deferred Inflows of Resources in the governmental fund financial statements.



**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 5 – Capital Assets**

The following tables provide a summary of changes in capital assets:

<b>Governmental Activities</b>	<b>Ending Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<i>Capital assets not being depreciated</i>				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land	90,570	-	-	90,570
Total capital assets not being depreciated	<u>90,570</u>	<u>-</u>	<u>-</u>	<u>90,570</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	1,922,209	-	-	1,922,209
Streets, infrastructure and improvements	1,267,969	-	-	1,267,969
Furniture and equipment	2,471,767	614,966	-	3,086,733
Right-to-use assets - equipment	23,747	25,631	(23,747)	25,631
Total capital assets being depreciated	<u>5,685,692</u>	<u>640,597</u>	<u>(23,747)</u>	<u>6,302,542</u>
<i>Less accumulated depreciation</i>				
Buildings and improvements	(1,395,047)	(47,658)	-	(1,442,705)
Street Infrastructure and Improvements	(894,593)	(45,363)	-	(939,956)
Furniture and equipment	(2,211,233)	(129,774)	-	(2,341,007)
Right-to-use assets - equipment	(19,811)	(9,917)	23,747	(5,981)
Total accumulated depreciation	<u>(4,520,684)</u>	<u>(232,712)</u>	<u>23,747</u>	<u>(4,729,649)</u>
Total capital assets being depreciated, net	<u>1,165,008</u>	<u>407,885</u>	<u>-</u>	<u>1,572,893</u>
Governmental activities capital assets, net	<u>\$ 1,255,578</u>	<u>\$ 407,885</u>	<u>\$ -</u>	<u>\$ 1,663,463</u>

<b>Business-type Activities</b>	<b>Ending Balance</b>	<b>Increases</b>	<b>Reclassification</b>	<b>Ending Balance</b>
<i>Capital assets not being depreciated</i>				
Land	\$ 10,718	\$ -	\$ -	\$ 10,718
Total capital assets not being depreciated	<u>10,718</u>	<u>-</u>	<u>-</u>	<u>10,718</u>
<i>Capital assets being depreciated</i>				
Street Infrastructure and Improvements	9,929,509	-	-	9,929,509
Furniture and equipment	61,018	-	-	61,018
Total capital assets being depreciated	<u>9,990,527</u>	<u>-</u>	<u>-</u>	<u>9,990,527</u>
<i>Less accumulated depreciation</i>				
Streets, infrastructure and improvements	(3,373,937)	(248,238)	-	(3,622,175)
Furniture and equipment	(61,018)	-	-	(61,018)
Total accumulated depreciation	<u>(3,434,955)</u>	<u>(248,238)</u>	<u>-</u>	<u>(3,683,193)</u>
Total capital assets being depreciated, net	<u>6,555,572</u>	<u>(248,238)</u>	<u>-</u>	<u>6,307,334</u>
Governmental activities capital assets, net	<u>\$ 6,566,290</u>	<u>\$ (248,238)</u>	<u>\$ -</u>	<u>\$ 6,318,052</u>

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
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Depreciation/amortization expense was charged to functions of the primary government as follows:

<b>Governmental Activities</b>		<b>Business-type Activities</b>	
Administration	\$ 33,841	Water utility	\$ 23,884
Police	100,396	Sewer utility	<u>224,354</u>
Fire	24,816	Total	<u>\$ 248,238</u>
Streets	24,823		
Sanitation	7,067		
Parks and recreation	4,130		
Cemetery	195		
Pool	18,370		
Library	5,756		
Senior center	<u>13,318</u>		
Total	<u>\$ 232,712</u>		

**Note 6 – Long-Term Liabilities**

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	<b>Balance</b>			<b>Balance</b>	<b>Due</b>
	<b>July 01, 2023</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2024</b>	<b>Within</b>
					<b>One Year</b>
Governmental Activities					
Lease liability	\$ 3,774	\$ 25,631	\$ (9,444)	\$ 19,961	\$ 5,006
Compensated absences	57,963		(20,278)	37,685	7,537
Net pension/OPEB liabilities	630,545	-	(116,448)	514,097	-
Total	<u>\$ 692,282</u>	<u>\$ -</u>	<u>\$ (136,726)</u>	<u>\$ 551,782</u>	<u>\$ 7,537</u>
Business-type Activities					
Municipal property corporation note	\$ 385,713	\$ -	\$ (8,714)	\$ 376,999	\$ 8,957
Compensated absences	2,950	10,130	-	13,080	1,308
Net pension OPEB liabilities	177,846	-	(32,844)	145,002	-
Total	<u>\$ 566,509</u>	<u>\$ 10,130</u>	<u>\$ (41,558)</u>	<u>\$ 535,081</u>	<u>\$ 10,265</u>

**Note Payable**

In December 2014, the Town of Hayden Municipal Property Corporation, a blended component unit reported in the Sewer Utility Fund, received a loan of \$452,000 from the Rural Utilities Service (RUS) within the Rural Development Mission Area of the United States Department of Agriculture (USDA). This loan provided funds to the Town to pay costs of construction for a new wastewater collection system and a new wastewater treatment plant. The loan bears interest at 2.75% and interest expense for the year ended June 30, 2024 was \$10,498. Beginning October 2014, \$215 per month will be designated as the Reserve Account until the sum of \$5,800 is reached. At June 30, 2024 \$5,800 has been accumulated in a required restricted reserve account.

**Town of Hayden, Arizona  
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Future payments due on the loan are as follows:

<b>Fiscal Year Ending</b>	<b>Total</b>	<b>Interest</b>	<b>Principal</b>
2025	\$ 19,212	\$ 10,255	\$ 8,957
2026	19,212	10,006	9,206
2027	19,212	9,749	9,463
2028	19,212	9,486	9,726
2029	19,212	9,215	9,997
2030-2034	96,060	41,740	54,320
2035-2039	96,060	33,743	62,317
2040-2044	96,060	24,568	71,492
2045-2049	96,060	14,043	82,017
2050-2053	62,263	2,759	59,504
	<u>\$ 542,563</u>	<u>\$ 165,564</u>	<u>\$ 376,999</u>

**Note 7 – Interfund Receivables, Payables and Transfers**

Activity between funds that are representative of short-term lending/borrowing arrangements outstanding at the end of the fiscal year are described as "due to/from other funds". The following is a reconciliation of the interfund receivables and payables at June 30, 2024:

<b>Payable to/From</b>	<b>Payable to General Fund</b>
Senior center fund	69,604
Grants fund	22,510
Fiduciary fund	52,461
Total	<u>\$ 144,575</u>

Interfund transfers within the reporting entity are for the purposes of subsidizing operating functions. The General Fund transferred \$101,595 to the Senior Center Fund, \$59,029 to the Highway User Fund and \$58,912 to the Utility Funds for the year ended June 30, 2024.

**Note 8 – Risk Management**

The Town is a member of the Arizona Municipal Risk Retention Pool (Pool). The Pool was created to formulate, develop and administer a program of self-funding for the Pool's membership, obtain lower costs for property and liability insurance coverage and develop a comprehensive loss control program. The Town pays an annual premium to the Pool for its coverage. The Town's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member local governments. Insurance settlements for the Town did not exceed insurance coverage for each of the past three years.

The Pool is financially solvent as of June 30, 2024. However, if the Pool should become insolvent, the Town may be assessed an "additional premium" not to exceed the Town's annual premium for the year i.e. \$88,744.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 9 – Pensions and Other Postemployment Benefits**

The Town contributes to the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS) – Police. 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	\$ 1,828,636	\$ 4,454	\$ 1,833,090
Net pension and OPEB liabilities	514,097	145,002	659,099
Deferred outflows of resources related to pensions and OPEB	245,068	22,854	267,922
Deferred inflows of resources related to pensions and OPEB	129,107	27,296	156,403
Pension and OPEB expense (revenue)	216,530	(17,128)	199,402

The Town reported \$79,299 of pension and OPEB contributions as expenditures in the governmental and business-type funds related to all pension plans to which it contributes.

**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](http://www.azasrs.gov).

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

ASRS	Retirement Initial membership date:	
	Before January 1, 2011	On or after January 1, 2011
Retirement and disability		
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 based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive 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

**Town of Hayden, Arizona  
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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 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. The Town's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024, were \$71,994, \$587, and \$840, respectively.

During fiscal year 2024, the Town paid for ASRS pension and OPEB contributions as follows: 58 percent from the general fund, 24 percent from major funds, and 17 percent from enterprise funds.

**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.

<b>ASRS</b>	<b>Net pension/OPEB (asset) liability</b>
Pension	\$ 670,463
Health insurance premium benefit	(23,384)
Long-term disability	104

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.

The Town's proportion of the net pension 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, 2022. The Town's proportion measured as of June 30, 2022, and the change from its proportions measured as of June 30, 2021, were:

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June 30, 2024**

<b>ASRS</b>	<b>Proportion June 30, 2024 %</b>	<b>Increase (decrease) from June 30, 2023</b>
Pension	0.00407%	-0.00088%
Health insurance premium benefit	0.00375%	-0.00080%
Long-term disability	0.00392%	-0.00085%

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

<b>ASRS</b>	<b>Pension/OPEB revenue (expense)</b>
Pension	131,602
Health insurance premium benefit	6,084
Long-term disability	1,019

**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:

<b>ASRS</b>	<u>Pension</u>		<u>Health insurance premium benefit</u>		<u>Long-term disability</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 14,881	\$ -	\$ 854	\$ 7,551	\$ 464	\$ 289
Changes of assumptions or other inputs	-	-	-	403	136	748
Net Difference between projected and actual earnings on pension plan investments	-	23,301	-	889	-	41
Changes in proportion and differences between contributions and proportionate share of contributions	11,909	89,442	1,935	207	281	1,206
City contributions subsequent to the measurement date	71,994	-	587	-	840	-
	<u>\$ 98,784</u>	<u>\$ 112,743</u>	<u>\$ 3,376</u>	<u>\$ 9,050</u>	<u>\$ 1,721</u>	<u>\$ 2,284</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 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:

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**June 30, 2024**

Year ending June 30		Pension	Health insurance premium benefit		Long-term disability
2024	\$	(41,138)	\$ (2,919)	\$	(204)
2025		(67,031)	(3,275)		(290)
2026		25,112	(122)		(203)
2027		(2,896)	(117)		(349)
2028		-	172		(251)
Thereafter		-	-		(106)

**Actuarial assumptions** - The significant actuarial assumptions used to measure the total pension 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 pension/not applicable for OPEB
Mortality rate	2017 SRA Scale U-MP for pension and health insurance premium benefit
Recovery rates	2012 GLDT fir long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation was 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 and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>ASRS</b>		<b>Target</b>	<b>Long-term expected</b>
<b>Asset class</b>		<b>allocation</b>	<b>arithmetic real rate of return</b>
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		<u>100%</u>	

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**Discount rate** - At June 30, 2023, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments 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 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 percent) or 1 percentage point higher (8 percent) than the current rate:

ASRS	1% Decrease 6.0%	Current rate 7.0%	1% Increase 8.0%
Town's proportionate share of the			
Net pension liability	\$ 1,026,616	\$ 670,463	\$ 373,641
Net insurance premium benefit liability (asset)	(17,000)	(23,384)	(28,811)
Net long-term liability	359	104	(146)

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

**B. Public Safety Personnel Retirement System**

**Plan descriptions** - Town Police employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the Town's financial statements. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS plan. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).



**Town of Hayden, Arizona  
Notes to Financial Statements  
June 30, 2024**

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

PSPRS	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 based on	Highest 36 consecutive months of last 20 years	Highest 60 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 service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months thereafter 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	
Survivor benefit		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit of 100% of average	

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 Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**Employees covered by benefit terms** - At June 30, 2024, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police
Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	2
Active employees	4
Total	7

**Contributions and annual OPEB cost** - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension. 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. Contribution rates for the year ended June 30, 2024, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police
Active members -Pension	
PSPRS members with an initial membership date on or before July 19, 2011	7.65%
PSPRS members with an initial membership date after July 19, 2011	11.65%
Town Contributions	
Pension	14.65%
Health Insurance Premium Benefit	0.00%

The Town's contributions to the plans for the year ended June 30, 2024, were:

	PSPRS Police
Pension contributions made	\$ 5,878
Health Insurance Premium Benefit	
Annual OPEB cost	
Contributions made	-

During fiscal year 2024, the Town paid for PSPRS contributions 100 percent from the general fund.

**Liability** - At June 30, 2024, the Town reported the following assets and liabilities:

	Net pension liability (asset)	Net OPEB liability (asset)
PSPRS Police	\$ (1,763,120)	\$ (49,723)

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

The net assets and net liabilities were measured as of June 30, 2022, 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	7.20%
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 rate	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023, valuation was 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 pension plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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:

PSPRS 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%	69.00%
Total	<u>100%</u>	

**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 rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution 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.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**Changes in the net pension/OPEB liability:**

	Pension			Health Insurance Premium Benefit		
	Total	Plan	Net pension	Total	Plan	Net OPEB
	pension liability (a)	fiduciary net position (b)	liability (asset) (a) - (b)	OPEB liability (a)	fiduciary net position (b)	liability (asset) (a) - (b)
<b>PSPRS - Police</b>						
Balances at June 30, 2022	\$ 890,891	\$ 2,572,568	\$ (1,681,677)	\$ 24,065	\$ 73,458	\$ (49,393)
Changes for the year:						
Service cost	47,843	-	47,843	1,388	-	1,388
Interest on the total pension liability	67,238	-	67,238	1,833	-	1,833
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	37,916	-	37,916	2,038	-	2,038
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions - employer	-	33,003	(33,003)	-	-	-
Contributions - employee	-	17,234	(17,234)	-	-	-
Net investment income	-	198,299	(198,299)	-	5,625	(5,625)
Benefit payments, including refunds of employee contributions	(9,748)	(9,748)	-	-	-	-
Tier 1 & 2 adjustment	-	(12,885)	12,885	-	-	-
Administrative expense	-	(1,211)	1,211	-	(36)	36
Other changes	-	-	-	-	-	-
Net changes	<u>143,249</u>	<u>224,692</u>	<u>(81,443)</u>	<u>5,259</u>	<u>5,589</u>	<u>(330)</u>
Balances at June 30, 2023	<u>\$ 1,034,140</u>	<u>\$ 2,797,260</u>	<u>\$ (1,763,120)</u>	<u>\$ 29,324</u>	<u>\$ 79,047</u>	<u>\$ (49,723)</u>

**Sensitivity of the Town's net pension/OPEB liability (asset) to changes in the discount rate -**

The following table presents the Town's net pension/OPEB liabilities (assets) calculated using the discount rate of 7.3 percent, as well as what the Town's net pension/OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.30 percent) or 1 percentage point higher (8.30 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
The Town's proportionate share of net liability (asset)	<u>6.20%</u>	<u>7.20%</u>	<u>8.20%</u>
<b>PSPRS - Police</b>			
Pension	\$ 1,609,445	\$ 1,763,120	\$ 1,887,718
Net OPEB (asset) liability	45,981	49,723	52,865

**Plan fiduciary net position** - Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports.

**Town of Hayden, Arizona**  
**Notes to Financial Statements**  
**June 30, 2024**

**Pension expense** - For the year ended June 30, 2024, the Town recognized pension and OPEB revenue:

	Pension Revenue	OPEB Revenue
PSPRS - Police	74,798	3,294

**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 premium benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police				
Differences between expected and actual experience	\$ 125,051	\$ 20,285	\$ 2,908	\$ 6,322
Changes of assumptions or other inputs	1,252	4,920	100	800
Net Difference between projected and actual earnings on pension plan investments	28,126	-	726	-
City contributions subsequent to the measurement date	5,878	-	-	-
	\$ 160,307	\$ 25,205	\$ 3,734	\$ 7,122

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 an expense as follows:

	PSRPS Police Pension	PSRPS Police Health
Year ending June 30		
2024	\$ 14,460	\$ (1,487)
2025	8,205	(2,202)
2026	91,005	246
2027	15,554	(372)
2028	-	(193)
Thereafter	-	620
	\$ 129,224	\$ (3,388)

**Required Supplementary Information**

**Town of Hayden, Arizona**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<b>Amounts (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
State Sales Tax	\$ 77,980	\$ 77,980	\$ 74,526	\$ (3,454)
State Revenue Sharing	402,250	402,250	1,397,487	995,237
Property Tax	1,723,020	1,723,020	1,711,387	(11,633)
Vehicle Lieu Tax	44,695	44,695	42,029	(2,666)
Grant revenues	34,210	34,210	14,835	(19,375)
City Sales Tax	180,000	180,000	276,007	96,007
Winkelman Intergovernmental Contract	173,000	173,000	169,618	(3,382)
Utility Franchise	13,000	13,000	12,197	(803)
Licenses, Permits and Other	93,920	93,920	61,545	(32,375)
Fines and Forfeitures	4,500	4,500	5,164	664
Sanitation Fees	85,500	85,500	80,465	(5,035)
Golf Course Fees	10,250	10,250	11,902	1,652
Interest Income	45,000	45,000	63,794	18,794
Gain on Investments	14,500	14,500	80,726	66,226
Total Revenues	<u>2,901,825</u>	<u>2,901,825</u>	<u>4,001,682</u>	<u>1,099,857</u>
General Government	647,025	653,495	527,338	126,157
Contingency	4,105,270	4,073,285	-	4,073,285
Police	770,465	770,465	502,397	268,068
Fire	93,030	96,045	69,120	26,925
Sanitation	221,335	207,705	200,149	7,556
Parks and Recreation/Golf Course	254,835	283,005	188,027	94,978
Cemetery	7,000	7,000	5,004	1,996
Pool	95,290	95,295	104,588	(9,293)
Animal Control	15,000	15,000	5,232	9,768
Capital outlay	305,000	305,000	593,629	(288,629)
Principal on lease	-	-	9,444	(9,444)
Interest on lease	-	-	738	(738)
Total Expenditures	<u>6,514,250</u>	<u>6,506,295</u>	<u>2,205,666</u>	<u>4,310,811</u>
Excess of Revenues				
(Under) Expenditures	(3,612,425)	(3,604,470)	1,796,016	5,410,668
<b>Other Financing Sources (Uses)</b>				
Transfer to other Funds	(574,170)	(582,125)	(219,536)	362,589
Net Other Financing Sources (Uses)	<u>(574,170)</u>	<u>(582,125)</u>	<u>(219,536)</u>	<u>362,589</u>
Net change in fund balances	(4,186,595)	(4,186,595)	1,576,480	5,773,257
Fund Balance, Beginning	3,958,257	3,958,257	3,958,257	-
Fund Balance, Ending	<u>\$ (228,338)</u>	<u>\$ (228,338)</u>	<u>\$ 5,534,737</u>	<u>\$ 5,763,075</u>

**Town of Hayden, Arizona**  
**Budgetary Comparison Schedule**  
**HURF Fund**  
**For the Year Ended June 30, 2024**

	<b>Budget Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Highway Users Tax	\$ 72,373	\$ 74,405	\$ 73,581	\$ (824)
Transportation Excise Tax	76,280	45,000	102,707	57,707
Total Revenues	<u>148,653</u>	<u>119,405</u>	<u>176,288</u>	<u>56,883</u>
<b>Expenditures:</b>				
Streets	<u>220,205</u>	<u>220,205</u>	<u>48,823</u>	<u>171,382</u>
Total Expenditures	<u>220,205</u>	<u>220,205</u>	<u>48,823</u>	<u>171,382</u>
Excess of Revenues (Under) Expenditures	(71,552)	(100,800)	127,465	228,265
<b>Other Financing Sources (Uses)</b>				
Transfer from other Funds	-	-	59,029	59,029
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>59,029</u>	<u>59,029</u>
Fund Balance, Beginning	<u>80,361</u>	<u>80,361</u>	<u>80,361</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,809</u>	<u>\$ (20,439)</u>	<u>\$ 266,855</u>	<u>\$ 287,294</u>



**Town of Hayden, Arizona**  
**Budgetary Comparison Schedule**  
**Grant Fund**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Grant Revenue	\$ 1,464,285	\$ 1,464,285	\$ 183,045	\$ (1,281,240)
Total Revenues	<u>1,464,285</u>	<u>1,464,285</u>	<u>183,045</u>	<u>(1,281,240)</u>
<b>Expenditures:</b>				
General government	-	-	762	(762)
Police	-	-	4,074	(4,074)
Community development	-	-	158,164	(158,164)
Capital outlay	-	-	20,045	(20,045)
Grant Expenditures	1,464,285	1,464,285	-	1,464,285
Total Expenditures	<u>1,464,285</u>	<u>1,464,285</u>	<u>183,045</u>	<u>1,281,240</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
<b>Other Financing Sources (Uses)</b>				
Transfer to other Funds	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Town of Hayden, Arizona  
 Budgetary Comparison Schedule  
 Senior Center Fund  
 For the Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Grant Revenue	\$ 201,900	\$ 201,900	\$ 199,114	\$ (2,786)
Licenses, Permits and Other	-	-	24,835	24,835
Total Revenues	<u>201,900</u>	<u>201,900</u>	<u>223,949</u>	<u>22,049</u>
<b>Expenditures:</b>				
Senior Center	201,900	201,900	324,252	(122,352)
Capital Outlay	-	-	1,292	(1,292)
Total Expenditures	<u>201,900</u>	<u>201,900</u>	<u>325,544</u>	<u>(122,352)</u>
Excess of Revenues Over (Under) Expenditures	-	-	(101,595)	(101,595)
<b>Other Financing Sources (Uses)</b>				
Transfer from general fund	142,725	142,725	101,595	(41,130)
Net Other Financing Sources (Uses)	<u>142,725</u>	<u>142,725</u>	<u>101,595</u>	<u>(41,130)</u>
Net Change in Fund Balance	<u>142,725</u>	<u>142,725</u>	<u>-</u>	<u>(142,725)</u>
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	<u>\$ 142,725</u>	<u>\$ 142,725</u>	<u>\$ -</u>	<u>\$ (142,725)</u>

**Town of Hayden, Arizona**  
**Required supplementary information**  
**Schedule of the Town's Proportionate Share of Net Pension/OPEB Liability**  
**Cost-Sharing Plans**  
**For the Year Ended June 30, 2024**

**ASRS - Pension**

	<b>2024</b> <b>(2023)</b>	<b>2023</b> <b>(2022)</b>	<b>2022</b> <b>(2021)</b>	<b>2021</b> <b>(2020)</b>	<b>2020</b> <b>(2019)</b>	<b>2019</b> <b>(2018)</b>	<b>2018</b> <b>(2017)</b>	<b>2017</b> <b>(2016)</b>	<b>2016</b> <b>(2015)</b>	<b>2015</b> <b>(2014)</b>	<b>2014</b> <b>(2013)</b>
Town's proportion of net pension liability	0.00407%	0.00495%	0.00470%	0.00606%	0.00777%	0.00795%	0.00640%	0.00690%	0.00851%	0.01032%	Information
Town's proportion share of net pension liability	\$ 658,585	\$ 807,950	\$ 617,559	\$ 1,049,987	\$ 1,130,625	\$ 1,108,745	\$ 996,995	\$ 1,113,729	\$ 1,325,106	\$ 1,526,891	not available
Town's covered-employee payroll	\$ 517,306	\$ 528,612	\$ 541,173	\$ 659,449	\$ 826,689	\$ 755,418	\$ 591,551	\$ 646,147	\$ 783,554	\$ 930,206	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	127.31%	152.84%	114.11%	159.22%	136.77%	146.77%	168.54%	172.36%	169.11%	164.15%	
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

**ASRS - Health insurance premium benefit**

	<b>2024</b> <b>(2023)</b>	<b>2023</b> <b>(2022)</b>	<b>2022</b> <b>(2021)</b>	<b>2021</b> <b>(2020)</b>	<b>2020</b> <b>(2019)</b>	<b>2019</b> <b>(2018)</b>	<b>2018</b> <b>(2017)</b>	<b>2017</b> <b>through</b> <b>2014</b>
Town's proportion of net pension liability	0.00375%	0.00455%	0.00432%	0.00569%	0.00751%	0.00777%	0.00624%	Information
Town's proportion share of net pension liability	\$ (20,247)	\$ (25,393)	\$ (21,047)	\$ (4,029)	\$ (2,075)	\$ (2,798)	\$ (3,397)	not available
Town's covered-employee payroll	\$ 517,306	\$ 528,612	\$ 541,173	\$ 659,449	\$ 826,689	\$ 755,418	\$ 591,551	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	-3.91%	-4.80%	-3.89%	-0.61%	-0.25%	-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**

	<b>2024</b> <b>(2023)</b>	<b>2023</b> <b>(2022)</b>	<b>2022</b> <b>(2021)</b>	<b>2021</b> <b>(2020)</b>	<b>2020</b> <b>(2019)</b>	<b>2019</b> <b>(2018)</b>	<b>2018</b> <b>(2017)</b>	<b>2017</b> <b>through</b> <b>2014</b>
Town's proportion of net pension liability	0.00392%	0.00477%	0.00450%	0.00583%	0.00760%	0.00794%	0.00631%	Information
Town's proportion share of net pension liability	\$ 514	\$ 441	\$ 929	\$ 4,423	\$ 4,951	\$ 4,149	\$ 2,287	not available
Town's covered-employee payroll	\$ 517,306	\$ 528,612	\$ 541,173	\$ 659,449	\$ 826,689	\$ 755,418	\$ 591,551	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.10%	0.08%	0.17%	0.67%	0.60%	0.55%	0.39%	
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%	

**Town of Hayden, Arizona**  
**Required supplementary information**  
**Schedule of Changes in the Town's Net Pension/OPEB Liability (Asset) and**  
**Related Ratios – Agent Plans**  
**June 30, 2024**

**Public Safety Personnel Retirement System - Police**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(2023)</b>	<b>(2022)</b>	<b>(2021)</b>	<b>(2020)</b>	<b>(2019)</b>	<b>(2018)</b>	<b>(2017)</b>	<b>(2016)</b>	<b>(2015)</b>	<b>(2014)</b>	<b>(2013)</b>
Total pension liability											Information
Service cost	\$ 47,843	\$ 53,484	\$ 31,801	\$ 47,619	\$ 53,993	\$ 58,080	\$ 76,631	\$ 65,750	\$ 95,972	\$ 98,039	not available
Interest on total pension liability	67,238	53,309	43,549	37,805	38,589	45,022	41,792	33,510	29,545	26,222	
Changes in benefit terms	-	-	-	-	-	-	11,303	52,559	-	(1,984)	
Difference between expected and actual experience in the measurement of the pension liability	37,916	114,696	36,667	9,084	(77,981)	(149,459)	(34,798)	(50,568)	(50,880)	(69,806)	
Changes in assumptions or other inputs	-	(7,380)	-	-	6,413	-	12,837	25,263	-	2,283	
Benefit payments, including refunds of employee contributions	(9,748)	-	-	-	(36,467)	(94,609)	-	(3,214)	(14,830)	(7,935)	
Net change in pension liability	143,249	214,109	112,017	94,508	(15,453)	(140,966)	107,765	123,300	59,807	46,819	
Total pension liability - beginning	890,891	676,782	564,765	470,257	485,710	626,676	518,911	395,611	335,804	288,985	
Total pension liability - ending (a)	<u>\$ 1,034,140</u>	<u>\$ 890,891</u>	<u>\$ 676,782</u>	<u>\$ 564,765</u>	<u>\$ 470,257</u>	<u>\$ 485,710</u>	<u>\$ 626,676</u>	<u>\$ 518,911</u>	<u>\$ 395,611</u>	<u>\$ 335,804</u>	
Plan fiduciary net position											
Contributions - employer	33,003	29,244	34,424	22,684	36,031	58,276	40,028	39,277	95,963	49,263	
Contributions - employee	17,234	21,017	15,484	11,961	18,371	28,310	34,147	36,703	42,001	40,346	
Net investment income	198,299	(105,567)	560,895	24,812	98,357	121,699	179,824	8,413	48,444	145,233	
Benefit payments, including refunds of employee contributions	(9,748)	-	-	-	(36,467)	(94,609)	-	(3,214)	(14,830)	(7,935)	
Hall/Parker Settlement	(1,211)	-	-	-	-	(38,142)	-	-	-	-	
Pension plan administrative expense	(12,885)	(1,906)	(2,668)	(2,024)	(2,702)	(2,552)	(1,991)	(1,612)	(1,569)	-	
Other changes	-	-	33,021	-	(9)	22	23	(10,074)	4,693	(50,425)	
Net change in plan fiduciary net position	224,692	(57,212)	641,156	57,433	113,581	73,004	252,031	69,493	174,702	176,482	
Total pension liability - beginning	2,572,568	2,629,780	1,988,624	1,931,191	1,817,610	1,744,606	1,492,575	1,423,082	1,248,380	1,071,898	
Total pension liability - ending (b)	<u>2,797,260</u>	<u>2,572,568</u>	<u>2,629,780</u>	<u>1,988,624</u>	<u>1,931,191</u>	<u>1,817,610</u>	<u>1,744,606</u>	<u>1,492,575</u>	<u>1,423,082</u>	<u>1,248,380</u>	
Town's net pension liability - ending (a) - (b)	<u>\$ (1,763,120)</u>	<u>\$ (1,681,677)</u>	<u>\$ (1,952,998)</u>	<u>\$ (1,423,859)</u>	<u>\$ (1,460,934)</u>	<u>\$ (1,331,900)</u>	<u>\$ (1,117,930)</u>	<u>\$ (973,664)</u>	<u>\$ (1,027,471)</u>	<u>\$ (912,576)</u>	
Plan fiduciary net position as a percentage of the total pension liability	270.49%	288.76%	388.57%	352.12%	410.67%	374.22%	278.39%	287.64%	359.72%	371.76%	
Covered payroll	228,386	255,857	119,749	181,016	272,447	412,725	323,116	296,319	318,988	490,868	
County's net pension liability as a percentage of covered payroll	-771.99%	-657.27%	-1630.91%	-786.59%	-536.23%	-322.71%	-345.98%	-328.59%	-322.10%	-185.91%	

**Town of Hayden, 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 - Police OPEB**

	<b>2024 (2023)</b>	<b>2023 (2022)</b>	<b>2022 (2021)</b>	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 through 2010</b>
Total OPEB liability								Information not available
Service cost	\$ 1,388	\$ 1,549	\$ 1,208	\$ 1,428	\$ 1,478	\$ 1,585	\$ 2,042	
Interest on total OPEB liability	1,833	1,579	1,341	1,204	1,440	1,810	1,633	
Changes in benefit terms	-	-	-	-	-	-	1,035	
Difference between expected and actual experience in the measurement of the OPEB liability	2,038	1,094	372	(308)	(6,261)	(9,078)	94	
Changes in assumptions or other inputs	-	(243)	-	-	199	-	(1,882)	
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-	
Net change in pension liability	5,259	3,979	2,921	2,324	(3,144)	(5,683)	2,922	
Total pension liability - beginning	24,065	20,086	17,165	14,841	17,985	23,668	20,746	
Total pension liability - ending (a)	<u>\$ 29,324</u>	<u>\$ 24,065</u>	<u>\$ 20,086</u>	<u>\$ 17,165</u>	<u>\$ 14,841</u>	<u>\$ 17,985</u>	<u>\$ 23,668</u>	
Plan fiduciary net position								
Contributions - employer	-	-	-	-	(8)	80	-	
Contributions - employee	-	-	-	-	-	-	-	
Net investment income	5,625	(3,039)	16,619	753	3,042	3,679	5,550	
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-	
OPEB plan administrative expense	(36)	(54)	(68)	(61)	(53)	(56)	(49)	
Other changes	-	-	-	-	9	-	-	
Net change in plan fiduciary net position	5,589	(3,093)	16,551	692	2,990	3,703	5,501	
Plan fiduciary net position - beginning	73,458	76,551	60,000	59,308	56,318	52,615	47,114	
Plan fiduciary net position - ending (b)	<u>79,047</u>	<u>73,458</u>	<u>76,551</u>	<u>60,000</u>	<u>59,308</u>	<u>56,318</u>	<u>52,615</u>	
Town's net OPEB (asset) liability - ending (a) - (b)	<u>\$ (49,723)</u>	<u>\$ (49,393)</u>	<u>\$ (56,465)</u>	<u>\$ (42,835)</u>	<u>\$ (44,467)</u>	<u>\$ (38,333)</u>	<u>\$ (28,947)</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	269.56%	305.25%	381.12%	349.55%	399.62%	222.30%	222.30%	
Covered payroll	228,386	255,857	119,749	181,016	272,447	412,725	323,116	
Town's net OPEB (asset) liability as a percentage of covered payroll	-21.77%	-19.30%	-47.15%	-23.66%	-16.32%	-9.29%	-8.96%	

**Town of Hayden, Arizona**  
**Required supplementary information**  
**Schedule of Town Pension/OPEB Contributions**  
**June 30, 2024**

	Reporting Fiscal Year										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>ASRS - Pension</b>											
Statutorily determined contribution	\$ 73,421	\$ 61,369	\$ 64,194	\$ 64,812	\$ 91,953	\$ 91,953	\$ 81,431	\$ 67,910	\$ 69,325	\$ 85,329	\$ 99,532
Town's contributions in relation to the statutorily determined contributions	<u>73,421</u>	<u>61,369</u>	<u>64,194</u>	<u>64,812</u>	<u>91,953</u>	<u>91,953</u>	<u>81,431</u>	<u>67,910</u>	<u>69,325</u>	<u>85,329</u>	<u>99,532</u>
Town's contribution (deficiency) excess	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered-employee payroll	\$ 612,076	\$ 517,306	\$ 528,612	\$ 541,173	\$ 659,449	\$ 826,689	\$ 755,418	\$ 591,551	\$ 646,147	\$ 783,554	\$ 930,206
Town's contributions as a percentage of covered payroll	12.00%	11.86%	12.14%	11.98%	11.12%	11.12%	10.78%	11.48%	10.85%	10.89%	11.30%
<b>ASRS - Health insurance premium benefit</b>											<b>2016 through 2014</b>
Statutorily determined contribution	\$ 587	\$ 499	\$ 975	\$ 1,855	\$ 2,955	\$ 3,558	\$ 3,152	\$ 3,313	Information not available		
Town's contributions in relation to the statutorily determined contributions	<u>587</u>	<u>499</u>	<u>975</u>	<u>1,855</u>	<u>2,955</u>	<u>3,558</u>	<u>3,152</u>	<u>3,313</u>			
Town's contribution (deficiency) excess	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Town's covered-employee payroll	\$ 612,076	\$ 517,306	\$ 528,612	\$ 541,173	\$ 659,449	\$ 826,689	\$ 755,418	\$ 591,551			
Town's contributions as a percentage of covered payroll	0.10%	0.10%	0.18%	0.34%	0.45%	0.43%	0.42%	0.56%			
<b>ASRS - Long-term disability</b>											<b>2016 through 2014</b>
Statutorily determined contribution	\$ 840	\$ 673	\$ 929	\$ 902	\$ 1,058	\$ 1,261	\$ 1,175	\$ 828	Information not available		
Town's contributions in relation to the statutorily determined contributions	<u>840</u>	<u>673</u>	<u>929</u>	<u>902</u>	<u>1,058</u>	<u>1,261</u>	<u>1,175</u>	<u>828</u>			
Town's contribution (deficiency) excess	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Town's covered-employee payroll	\$ 612,076	\$ 517,306	\$ 528,612	\$ 541,173	\$ 659,449	\$ 826,689	\$ 755,418	\$ 591,551			
Town's contributions as a percentage of covered payroll	0.14%	0.13%	0.18%	0.17%	0.16%	0.15%	0.16%	0.14%			

**Town of Hayden, Arizona**  
**Required supplementary information**  
**Schedule of Town Pension/OPEB Contributions**  
**June 30, 2024**

Reporting Fiscal Year

**PSPRS - Police Pension**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily determined contribution	\$ 5,878	\$ 37,483	\$ 14,322	\$ 35,461	\$ 32,394	\$ 49,073	\$ 53,088	\$ 37,751	\$ 38,748	\$ 39,362	\$ 46,484
Town's contributions in relation to the statutorily determined contributions	5,878	37,483	14,322	35,461	32,394	49,073	53,088	37,751	38,748	39,362	46,484
Town's contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-	-
Town's covered-employee payroll	\$ 40,123	\$ 255,857	\$ 119,749	\$ 181,016	\$ 272,447	\$ 412,725	\$ 323,116	\$ 296,319	\$ 315,044	\$ 290,924	\$ 354,302
Town's contributions as a percentage of covered payroll	14.65%	14.65%	11.96%	19.59%	11.89%	11.89%	16.43%	12.74%	12.30%	13.53%	13.12%

**PSPRS - Police OPEB**

	2024	2023	2022	2021	2020	2019	2018	2017	2016 through 2014
Statutorily determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97	\$ -	Information not available
Town's contributions in relation to the statutorily determined contributions	-	-	-	-	-	-	97	-	
Town's contribution (deficiency) excess	-	-	-	-	-	-	-	-	
Town's covered-employee payroll	\$ 40,123	\$ 255,857	\$ 119,749	\$ 181,016	\$ 272,447	\$ 412,725	\$ 323,116	\$ 296,319	
Town's contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	

**Town of Hayden, Arizona**  
**Required supplementary information**  
**Notes to Pension 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 accrued liability, open for excess
Remaining amortization period as of the 2020 actuarial valuation	21 years; if the actuarial value of assets exceeded the actuarial accrued liability, the excess was amortized over an open period of 20 years and applied as a credit to reduce the normal cost which otherwise would be payable.
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 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 the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS
Wage growth	In the 2019 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In 2014 the actuarial valuation, wage growth was decreased from 5.0% to 4.5%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for 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).



**Town of Hayden, Arizona**  
**Required supplementary information**  
**Schedule of Agent OPEB Plan's Funding Progress and Related Notes**  
**Year Ended June 30, 2024**

**Note 2 – Factors that affect the identification of 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. These changes are reflected in the plans' pension liabilities for fiscal year 2015 fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the Town refunded excess employee contributions to PSPRS. 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.