



City of Peoria, Arizona
**FY21 Annual
Comprehensive
Financial Report
(ACFR)**

Fiscal Year Ended June 30, 2021



Annual Comprehensive Financial Report

For Fiscal Year Ended
June 30, 2021



City of Peoria, Arizona

City Council

Cathy Carlat, *Mayor*

Jon Edwards, *Vice Mayor*

Bill Patena, *Mayor Pro-Tem*

Bridget Binsbacher, *Councilmember*

Denette Dunn, *Councilmember*

Michael Finn, *Councilmember*

Vicki Hunt, *Councilmember*

Administrative Staff

Jeff Tyne, *City Manager*

Andrew Granger, *Deputy City Manager*

Katie Gregory, *Deputy City Manager*

Erik Strunk, *Deputy City Manager*

Prepared By

Finance Department

Kevin Burke, *Chief Financial Officer*

Sean Kindell, *Deputy Finance Director*

Jessica Cupero, *Accounting Supervisor*



City of Peoria Core Values

“The City of Peoria team members share a commitment to provide quality service for our community.”

P Professional

Demonstrates professional skills and knowledge needed to perform the job; keeps informed of developments in the professional field and applies this knowledge to the job; encourages and supports the development of subordinate personnel.

E Ethical

Maintains the highest standards of personal integrity, truthfulness, honesty, and fairness in carrying out public duties; avoids any improprieties; trustworthy, maintains confidentiality; never uses City position or power for personal gain.

O Open

Communicates effectively orally and in writing; involves appropriate individuals and keeps others informed; acts as a team member; participates and supports committees/boards/commissions/task forces; approachable; receptive to new ideas; supports diversity and treats others with respect; actively listens.

R Responsive

Consistently emphasizes and supports customer service; takes responsibility to respond to all customers in a prompt, efficient, friendly, and patient manner; represents the City in an exemplary manner with civic groups/organizations and the public.

I Innovative

Demonstrates original thinking, ingenuity, and creativity by introducing new ideas or courses of action; supports innovative problem-solving by identifying and implementing better methods and procedures; takes responsible risks; demonstrates initiative and “follows through” on development and completion of assignments.

A Accountable

Accepts responsibility; committed to providing quality service to our community; plans, organizes, controls and delegates appropriately; work produced is consistent and completed within required timeframes; implements or recommends appropriate solutions to problems; acknowledges mistakes; manages human and financial resources appropriately.



Introductory Section

CITY OF PEORIA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	v
Certificate of Achievement for Excellence in Financial Reporting	xiii
City of Peoria Organizational Chart	xiv
Principal Officials of the City	xv
City Council Pictures and District Map	xvi
 II. FINANCIAL SECTION	
Independent Auditors' Report	1
A. MANAGEMENT'S DISCUSSION AND ANALYSIS	5
B. BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	22
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities - Governmental Activities	29
Budgetary Comparison Statements - General Fund and Major Special Revenue Funds:	
General Fund	30
Half-Cent Sales Tax Fund	31
Highway User Revenue Fund	33
Transportation Sales Tax Fund	34
Other Grants Fund	35
Proprietary Fund Financial Statements	
Statement of Net Position	36
Statement of Revenues, Expenses, and Changes in Fund Net Position	38
Statement of Cash Flows	40
Fiduciary Fund Financial Statements	
Statement of Net Position	44
Statement of Changes in Fiduciary Net Position	45
Notes to the Financial Statements	47

CITY OF PEORIA, ARIZONA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2021

	<u>Page</u>
C. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the City's Proportionate Share of the Net Pension/OPEB Liability Cost-Sharing Pension Plan	89
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	90
Schedule of Changes in Net OPEB Liability and Related Ratios	92
Schedule of Pension/OPEB Contributions	94
Notes to Pension/OPEB Plan Schedules	95
 D. SUPPLEMENTARY INFORMATION - COMBINING FUND FINANCIAL STATEMENTS AND BUDGETARY SCHEDULES	
 Major Governmental Funds Other Than General Fund and Special Revenue Funds	
Budgetary Comparison Schedules – Major Debt Service Fund and Major Capital Projects Fund	
General Obligation Bonds Debt Service Fund	99
Development Fee Fund	100
General Obligation Bonds Capital Projects Fund	101
 Non-Major Governmental Funds	
Combining Statements	
Combining Balance Sheet	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	107
Budgetary Comparison Schedules	
Public Transit Fund	109
Smart & Safe AZ Fund	110
Municipal Development Authority (MDA) Debt, Debt Service Fund	111
Community Facilities District (CFD) Bonds Debt Service Fund	112
Non-Bond Debt Service Fund	113
Community Facilities District (CFD) Bonds Capital Projects Fund	114
Non-Bond Capital Projects Fund	115
 Internal Service Funds	
Combining Statement of Net Position	117
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	118
Combining Statement of Cash Flows	119

CITY OF PEORIA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2021

	<u>Table</u>	<u>Page</u>
III. STATISTICAL SECTION - Unaudited		
Net Position By Component	I	123
Changes in Net Position	II	124
Fund Balances, Governmental Funds	III	126
Changes in Fund Balances, Governmental Funds	IV	127
City Transaction Privilege Taxes By Category	V	128
Direct and Overlapping Sales Tax Rates	VI	129
Sales Tax Payers - By Category	VII	130
Assessed Values By Property Classification	VIII	131
Comparative Assessed Values	IX	132
Direct and Overlapping Property Tax Rates	X	133
Direct and Overlapping Property Tax Levies	XI	134
Limited Property Value Top Ten Tax Payers	XII	135
Property Tax Levies and Collections	XIII	136
Utility Statistical Data	XIV	137
Outstanding Debt By Type	XV	140
Ratio of Net General Bonded Debt to Full Cash Value and Net Bonded Debt Per Capita	XVI	141
Direct and Overlapping General Obligation Bonded Debt – Current Fiscal Year	XVII	142
Direct and Overlapping Governmental Activities Debt – Current Fiscal Year	XVIII	143
Direct and Overlapping Governmental Activities Debt – Last Ten Fiscal Years	XIX	144
Legal Debt Margin	XX	145
Pledged Revenue Coverage – Excise Tax and State Shared Revenue Debt Obligations - Governmental Portion	XXI	146
Pledged Revenue Coverage – Water & Wastewater Revenue Bonds	XXII	147
Pledged Revenue Coverage – Special Assessment Bonds	XXIII	148
Special Assessment Collections	XXIV	149
Demographic and Economic Statistics	XXV	150
Major Employers Within the City	XXVI	151
Authorized Full-time Equivalent City Government Employees By Function	XXVII	152
Operating Indicators By Function/Program	XXVIII	153
Capital Asset Statistics By Function/Program	XXIX	154

IV. CONTINUING DISCLOSURES

Continuing Disclosures Annual Report		156
--------------------------------------	--	-----





City of Peoria

FINANCE DEPARTMENT Financial Services

8401 West Monroe Street
Peoria, Arizona 85345
T 623.773.7150
F 623.773.7033

December 06, 2021

Honorable Mayor, City Council, City Manager and Citizens of Peoria, Arizona:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the City of Peoria, Arizona (the City) for the fiscal year ended June 30, 2021. This report was prepared by the Financial Services Division of the Finance Department.

The ACFR represents management's report of the City's complete financial results to its governing body, constituents, legislative and oversight bodies, investors, and creditors. Copies of this report will be sent to elected officials, management personnel, bond rating agencies, Nationally Recognized Municipal Securities Information Repositories, and other agencies that have expressed interest in the City's financial matters. Copies of this financial report will also be placed in the City's libraries, as well as on the City's website, for access by the public.

The Management's Discussion and Analysis presented on pages 5-17 has a different focus and purpose than this transmittal letter and should be read in conjunction with this transmittal.

THE FINANCIAL REPORTING ENTITY

This ACFR includes financial statements on both a government-wide and fund basis for the City as the primary government, as well as its component units. Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Criteria used by the City for inclusion of activities in preparing its financial statements are in conformity with GASB Statement No.14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the financial reporting entity consists of the City and seven blended component units, the City of Peoria Municipal Development Authority, Inc., the Vistancia Community Facilities District, the Vistancia West Community Facilities District, the Vistancia North Community Facilities District, the Mystic at Lake Pleasant Heights Community Facility District, the City of Peoria Employee Benefits Trust and the City of Peoria Workers' Compensation Trust as discussed further in Note 1.A of the notes to the financial statements.

The City, chartered in 1954, has a Council-Manager form of government with the City Council consisting of the Mayor and six Council Members. Pursuant to an amendment to the City Charter approved by the voters in 1997, the Mayor is elected at-large for a four-year term. Council members are elected, by district, for four-year terms. The City Council is vested with policy and legislative authority and is responsible for passing ordinances; adopting the budget; appointing committee, commission, and board members; and appointing the positions of City Manager, City Attorney, and Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

The City encompasses approximately 179 square miles in the northcentral portion of Maricopa County, and is one of several major cities comprising the greater Phoenix metropolitan area. Between the 2010 census and the 2020 census, Peoria's population increased by 24.0%, from 154,065 in 2010 to 190,985 in 2020. Peoria is known for its high quality of life with safe, well-planned neighborhoods, a diversity of

housing options, excellent school districts, extensive park system and recreation programs. An expanded metropolitan freeway system allows Peoria residents to commute effectively to other cities in the Phoenix metropolitan area, giving residents access to the metropolitan area's diverse array of employment opportunities.

The City provides a full range of municipal services, including police, fire and emergency medical services, water, sewer and solid waste services, street construction and maintenance, recreational and cultural events, library services, public transportation, planning and zoning services, and general administrative services. In addition, the City offers a wide range of community facilities including two community centers, three swimming pools, two libraries, and 35 neighborhood parks encompassing 311 acres. The Peoria Sports Complex—operated by the City—was the nation's first two-team baseball spring training facility and the spring training home of the Seattle Mariners and San Diego Padres. The City opened its first large community park, Rio Vista Community Park, in the southern part of the City in fiscal year 2004. This 52 acre facility has athletic fields, playgrounds, ramadas, an urban lake, skate park and other amenities for the citizens' enjoyment. The City's second community park, Pioneer Community Park was completed in fiscal year 2014 and includes ball fields, multipurpose fields, a dog park, fishing lake and other amenities. The initial 85 acres of the planned 120 acre third community park, Paloma Community Park opened in October, 2020. Similar to the Rio Vista and Pioneer parks, the Paloma Community Park offers residents a wide range of recreational activities including a huge fishing lake, large multipurpose fields, pickleball courts and other amenities. The City also has a performing arts center with a 250-seat main auditorium, 80-seat black box theater, and classroom and administrative space in the downtown area. Another attraction of the City is Lake Pleasant, in northern Peoria's Lake Pleasant Regional Park. This 10,000 acre lake is the second largest lake in Arizona, providing residents and visitors with boating, fishing, camping and other outdoor recreation activities.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Peoria's population growth continues to be strong seeing an increase of 36,920 or 24.0% since the 2010 census. Maricopa County led the nation with the largest population gain since 2010. The leading catalysts for moving to Arizona last year, according to people who made the switch, were retirement attractiveness, job opportunities and lifestyle changes. Peoria is part of the Phoenix Metropolitan Area which has seen strong job growth in recent years.

The City issued 1,437 new residential building permits in fiscal year 2021, an increase of 4.7% over the prior year. Per the Case-Schiller Home Price index, house prices have increased in the Phoenix metropolitan area by 21.4% during fiscal year 2021. The City's total property full cash value, which lags the market, increased by 9.9% from \$22.2 billion in 2020-21 to \$24.4 billion in 2021-22.

The unemployment rate in Peoria dropped to 5.4% for July 2021 which is below Arizona at 6.6% and equal to the U.S. rate. The City's sales and use tax collections in fiscal year 2021 totaled \$113.1 million, a 13.4% increase from the \$99.7 million in the prior year.

Economic Outlook

The economic outlook for fiscal year 2022 looks bright. Key indicators saw unprecedented growth in FY21 and are continuing at above average rates into FY22. Retail sales tax growth continues at sizeable year-over-year gains as durable goods continue strong sales and the hospitality portion of the economy re-opens. As noted above, property values continue to ascend as the supply of new lots and existing homes are outstripped by demand. Continued low interest rates are furthering demand. State shared income tax returns are hitting record levels of growth. Despite this positive news, there is still caution associated with inflation, tight labor markets, and supply chain limitations such as the microprocessor chip shortage that is affecting the new car market. The long-term outlook for Peoria continues to be very strong with the expectation that Arizona will continue to outpace the nation in growth and income related metrics.

MAJOR PROJECTS AND INITIATIVES

Continued Response to COVID-19 Pandemic

Unfortunately, Fiscal Year 2021, in its entirety, continued to be impacted by the COVID-19 pandemic. While infection rates declined in the latter part of FY20, they surged again to start the new fiscal year. This led to some backtracking on reopening plans among city offices, community services, and public gathering places such as restaurants and movie theaters. The City responded with a program called Peoria Cares, which dedicated more than \$5 million in Coronavirus Aid, Relief, and Economic Security (the first stimulus package from the federal government) dollars for business assistance along with community assistance and healthy buildings. In December of 2020, a second stimulus, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) became available.

In addition to general financial awards to the City of Peoria under these two stimulus programs, the City received almost \$1.5 million in additional Community Development Block Grant dollars, \$500,000 in funds from the Arizona Department of Economic Security and \$700,000 in funds earmarked for transit operations. These allowed for expansion or continuation of existing services despite or because of COVID impacts.

Beginning in late January 2021, vaccines became available for first responders and the community's most vulnerable. The City coordinated vaccine clinics throughout the rest of the fiscal year for both employees and community members. Unfortunately, numerous city employees and/or their dependent family members were infected. COVID related health claims equaled over \$1.9 million. The Fire-Medical and Police departments were particularly hard hit and experienced unprecedented overtime. The third COVID stimulus package (American Rescue Plan Act (ARPA)) was adopted in March of 2021. Although most of those resources will be applied in FY22, \$4.3 million associated with lost revenue from calendar year 2020, was applied to offset these unusual expenditures in Public Safety.

Refurbishment of Country Meadows Neighborhood Park

The Country Meadows Neighborhood Park is located in south Peoria in the vicinity of 111th Avenue and Butler Drive. Constructed in 1995, this eight acre park is now twenty-five years old and was in need of refurbishment. Staff utilized the public input to establish the final slate of park improvements to be undertaken. A budget of approximately \$1.8 million was approved in October 2020. Construction was completed in May of 2021. Country Meadows Park improvements included the addition of a lighted airnasium shade structure over the basketball court, fitness nodes along a walking course, new playgrounds and fall surfacing, park-wide LED lighting upgrades, a botanical garden with art mural wall, accessible neighborhood connectivity, restroom painting, and substantial replacement of aged irrigation systems.

Approval of Recreational Marijuana

Proposition 207, a statewide ballot measure known as the "Smart and Safe Arizona Act", legalized recreational marijuana for adults 21 and over at the general election in November 2020. The Act took effect in January of 2021. The Marijuana is subject to a special sales tax rate of 16%. The proceeds from recreational marijuana sales tax are divided among community college districts; municipal police and fire departments; fire districts; sheriff offices; the state's Highway User Revenue Fund; and a new Justice Reinvestment Fund. Peoria received its first disbursement for Police and Fire in late FY21.

New Labor Agreements Reached

In April of 2021, new labor agreements with Peoria Police Officers Association (PPOA) and the Peoria Police Supervisors(PPS) were reached. The PPOA agreement will run from July 2021 through June 2024 and the PPS agreement through June of 2025. Each agreement establishes wages, hours and conditions of work.

Refunded Vistancia Community Facilities District Bonds

In September of 2020, the outstanding Series 2015 bonds and the issuance of approximately \$2 million in new bonds to fund further improvements constructed by the developer were issued. This action did not extend the maturity of the outstanding bonds nor raise the \$2.10 CFD property tax rate. This time period also saw the replacement of the Vistancia developers from Shea Homes to Vistancia Master Holdings.

General Plan Update

The City's General Plan serves as a roadmap for the City's growth and development for the next 10-20 years. All Arizona municipalities are required to have a general plan per Arizona state law, which must be maintained and adopted by public vote every 10 years. The City's new general plan is designed around six themes, or livability goals and addresses a multitude of topics such as water resources, land use, housing, transportation and more. Various open houses were conducted during the year to gather community input. The new plan was reviewed and adopted by the Planning and Zoning Commission, approved by the Council, and approved by the voters in November 2020.

Enterprise Fund Rate Study

A rate study was conducted for Water, Wastewater, Residential and Commercial Trash and Recycling services. As a result of these, two year rate adjustments were set for each enterprise. The water and wastewater rate adjustment for a typical residential customer will increase 2.2% or \$1.51 per month starting January 1, 2022 and increase an additional 2.2% or \$1.55 per month starting January 1, 2023. In general, a non-residential customer will experience a 2.75% rate increase for water and a 1.5% rate increase for wastewater across the same time period. Residential solid waste customers will experience a 5.24% increase for 2022 and a 5.28% increase for 2023. This equates to \$0.85 and \$0.90 per month respectively.

Water and Waste Water Infrastructure

In May of 2021, the City incurred two forms of debt for water and wastewater infrastructure. First was approximately \$17 million through the Water Infrastructure Finance Authority (WIFA) to expand the reclaimed water system. This project will extend a reclaimed water distribution pipe from Beardesly treatment plant to Paloma Park. The second activity was the issuance of \$25 million in Revenue Obligation Bonds Series 2021A to accomplish almost a dozen water and wastewater infrastructure projects.

National Accreditation

FY21 was a big year for national accreditation. Peoria was reaccredited by the National Commission for the Accreditation of Parks and Recreation Agencies (CAPRA) in October of 2020. As part of the reaccreditation process, the Peoria Parks, Recreation and Community Facilities Department demonstrated compliance with 151 recognized standards, and documented all policies and procedures. Peoria is one of 186 parks and recreation agencies in the U.S. to have this very special national designation.

In March 2021, the American Public Works Association (APWA) bestowed its reaccreditation upon Peoria's Public Works and Water Services Departments. This required demonstrated compliance with 597 standards. This was Peoria's third time receiving the accreditation.

In May of 2021, Fire-Medical received its reaccreditation. In addition to receiving this distinction, Peoria Fire also celebrated its 100 year anniversary.

Peoria is only one of 15 agencies across the country to be accredited in all four areas—Park, Public Works, Fire and Police.

BOND RATING

The City currently maintains the following ratings on its general obligation debt: "AA+" from Standard & Poor's, "Aaa" from Moody's and "AAA" from Fitch. For the water and sewer revenue bonds, the ratings are "AA" from Standard & Poor's, "Aa2" from Moody's and "AA" from Fitch.

FINANCIAL CONTROLS

Internal Controls

The management of the City of Peoria is responsible for establishing and maintaining a system of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

The system of internal control is subject to periodic evaluation by management and is also considered by the independent auditors in connection with the annual audit of the City's financial statements. All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The City, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget capacity. At a general election held in March 2003, the citizens of Peoria approved a permanent adjustment of the expenditure base from the original 1979-80 base of \$3,247,857 to a new base of \$18,247,857. The permanent adjustment eliminated the need for voter approval every four years. After adjustment for inflation and population growth, the City's expenditure limitation for fiscal year 2020-21 was \$982,629,811. The City may utilize the additional expenditure authority for any local budgetary purposes.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated operating budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted by the City Council. The City additionally exercises management control and oversight of the budget at the department level within each fund. In addition to maintaining budgetary control via a formal appropriation, the City maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the issuance of a purchase order. Encumbered appropriations lapse at fiscal year-end and are re-budgeted as needed in the next fiscal year.

Financial Policies

The City has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. The City needs to ensure that it is capable of adequately funding and providing those government services desired by the community. Ultimately, the City's reputation and success depends on the public's awareness and acceptability of the management and delivery of these services.

The City operates under a comprehensive set of financial policies adopted by Council. The *Principles of Sound Financial Management* establishes guidelines for the City's overall fiscal planning and management. These principles are intended to foster and support the continued financial strength and stability of the City of Peoria as reflected in its financial goals. The City's financial goals are broad, fairly timeless statements of the financial position the City seeks to attain:

- To deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar.
- To maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in the City of Peoria.
- To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the City's residents.
- To maintain a high bond credit rating to ensure the City's access to the bond markets and to provide assurance to the City's taxpayers that the City government is well managed and financially sound.

These policies establish minimum and recommended fund balance/net position and reserves, as well as establishing policies on the use of one-time revenues (to be used for one-time expenditures), fiscal planning and budgeting, expenditure control, capital improvement program, cash management, debt management, and economic development.

Long Term Financial Planning

The City annually updates a five-year long-range forecast, incorporating both projected revenues and expenditures for the City's major operating funds. The five-year revenue forecast only includes revenues that are anticipated to be sustainable over the five-year period. Expenditure projections include anticipated operating impacts of the adopted capital improvement program.

Additionally, the City maintains a 10-year Capital Improvement Program that the City Manager submits annually for review by the City Council. The program is updated annually and includes the cost of construction and operating expenditures. No capital improvement project will be authorized or awarded until the funding sources have been established to finance the project. When current revenues or resources are available for Capital Improvement Projects, consideration will be given first to those capital assets with the shortest useful life, and for assets whose nature make them comparatively more difficult to finance with bonds or lease financing.

OTHER INFORMATION

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentations in this ACFR, including all disclosures, rests with the management of the City. The City has established and maintains a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to allow the compilation of sufficient reliable information for the preparation of financial statements. We believe the data, as presented in this report, is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City on both a government-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Independent Audit

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, CliftonLarsonAllen LLP., whose report is included herein. The audit satisfies Article VI, Section 7, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria, Arizona, for the fiscal year ended June 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of the City for the fiscal year ended June 30, 2021, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Additionally, the City is required to have an independent audit ("Single Audit") of federal financial assistance received by the City directly from federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements having a direct and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards. There were no instances of material weakness or significant deficiencies reported related to the financial statement audit. Management does not expect any significant findings in the Single Audit Report. However, the results of the City's single audit for the fiscal year ended June 30, 2021 are not yet available and are expected to be issued by February 2022 based on the expected issuance of the addendum to the OMB Compliance Supplement by the federal government in January 2022. The reports from CliftonLarsonAllen LLP will be issued separately in the City of Peoria, Arizona's Single Audit Report.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This is the 36th consecutive year the City of Peoria has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's requirements. As such, we are submitting this report to the GFOA to determine its eligibility for a certificate.

Acknowledgments

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department, especially the Financial Services Division. We want to give special recognition to the City's accounting team for their diligent efforts and superior contributions to this report. We also wish to thank the members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Burke".

Kevin Burke
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Peoria
Arizona**

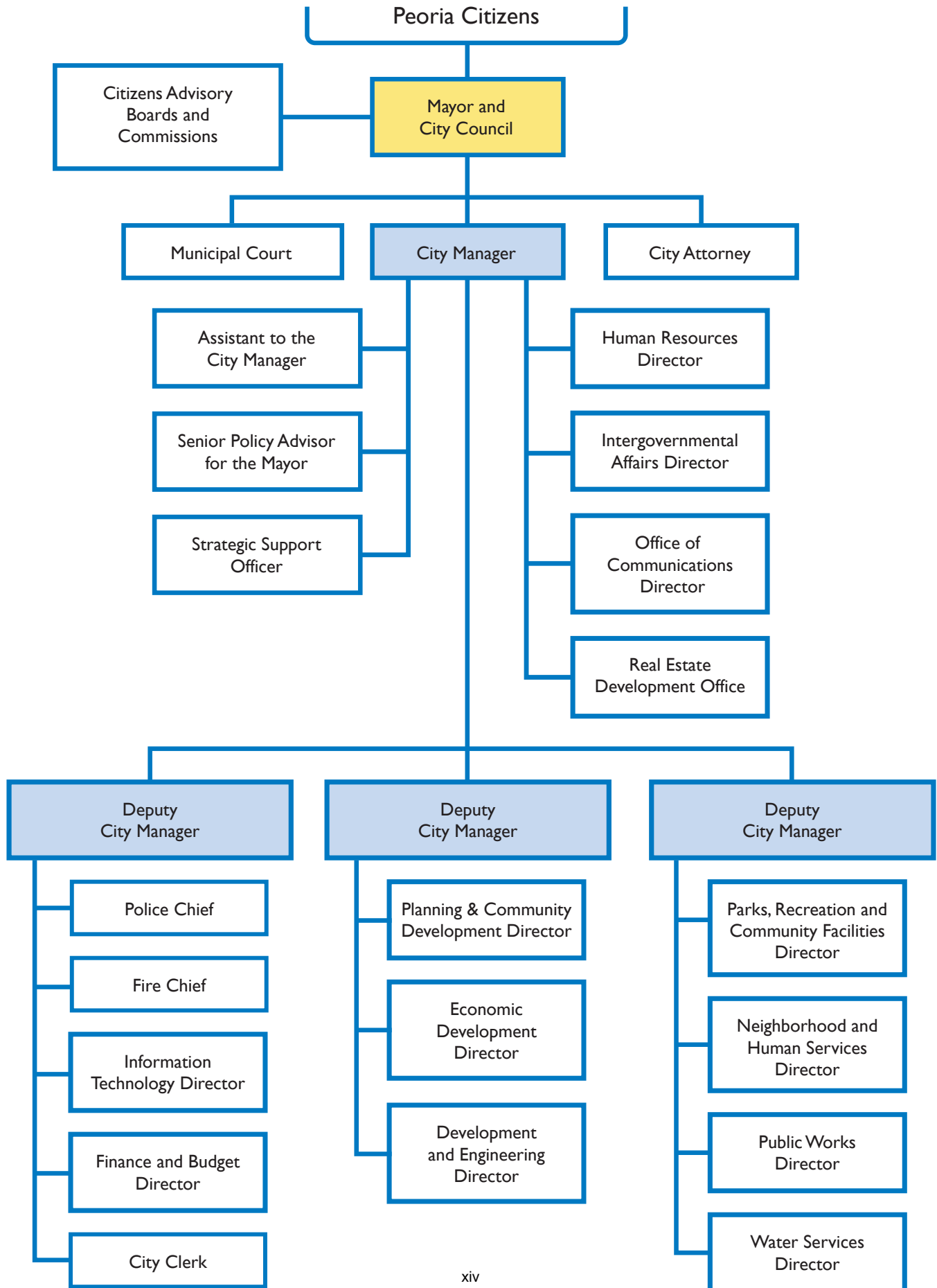
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Peoria Organizational Chart





City of Peoria

Principal Officials of the City

Fiscal Year 2021

Cathy Carlat
Mayor

Jon Edwards
Vice Mayor

Bill Patena
Mayor Pro Tem

Vicki Hunt
Councilmember

Michael Finn
Councilmember

Bridget Binsbacher
Councilmember

Denette Dunn
Councilmember

Jeff Tyne
City Manager

Erik Strunk
Deputy City Manager

Katie Gregory
Deputy City Manager

Andrew Granger
Deputy City Manager

George Anagnost
Municipal Judge

Thomas Adkins
Governmental Affairs Director

Kris Dalmolin
Information Technology Director

Vanessa Hickman
City Attorney

Bobby Ruiz
Fire Chief

Jennifer Stein
Director of Communications

John Sefton
Parks, Recreation & Community Facilities Director

Art Miller
Police Chief

Jay Davies
Public Works Director

Adina Lund
Development and Engineering Director

Rhonda Geriminsky
City Clerk

Jennifer Stein
Economic Development Director (Interim)

Christine Nickel
Human Resources Director

Kevin Burke
Chief Financial Officer

Chris Hallett
Neighborhood & Human Services Director

Chris Jacques
Planning and Community Development Director

Cape Powers
Water Services Director



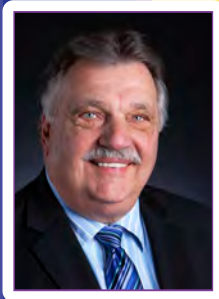
City of Peoria Council Districts



Mayor
Cathy Carlat



Vice Mayor
Jon Edwards
Willow District



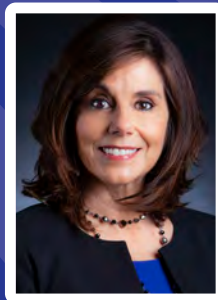
Mayor Pro Tem
Bill Patena
Ironwood District



Councilmember
Vicki Hunt
Acacia District



Councilmember
Michael Finn
Palo Verde District



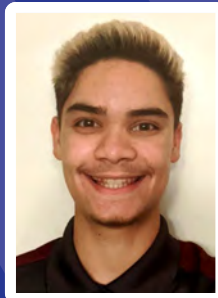
Councilmember
Bridget Binsbacher
Mesquite District



Councilmember
Denette Rae Dunn
Pine District



Youth Council Liaison
Saanvi Tiwary



Youth Council Liaison
Dominique VanWinkle





**Financial
Section**



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of City Council
City of Peoria, Arizona
Peoria, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison statements for the General Fund, Highway User Revenue Fund, Transportation Sales Tax Fund, and Other Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information – combining fund financial statements and budgetary schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.


The supplementary information – combining fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Mayor and Members of City Council
City of Peoria, Arizona

Other Reporting Required by *Government Auditing Standards*

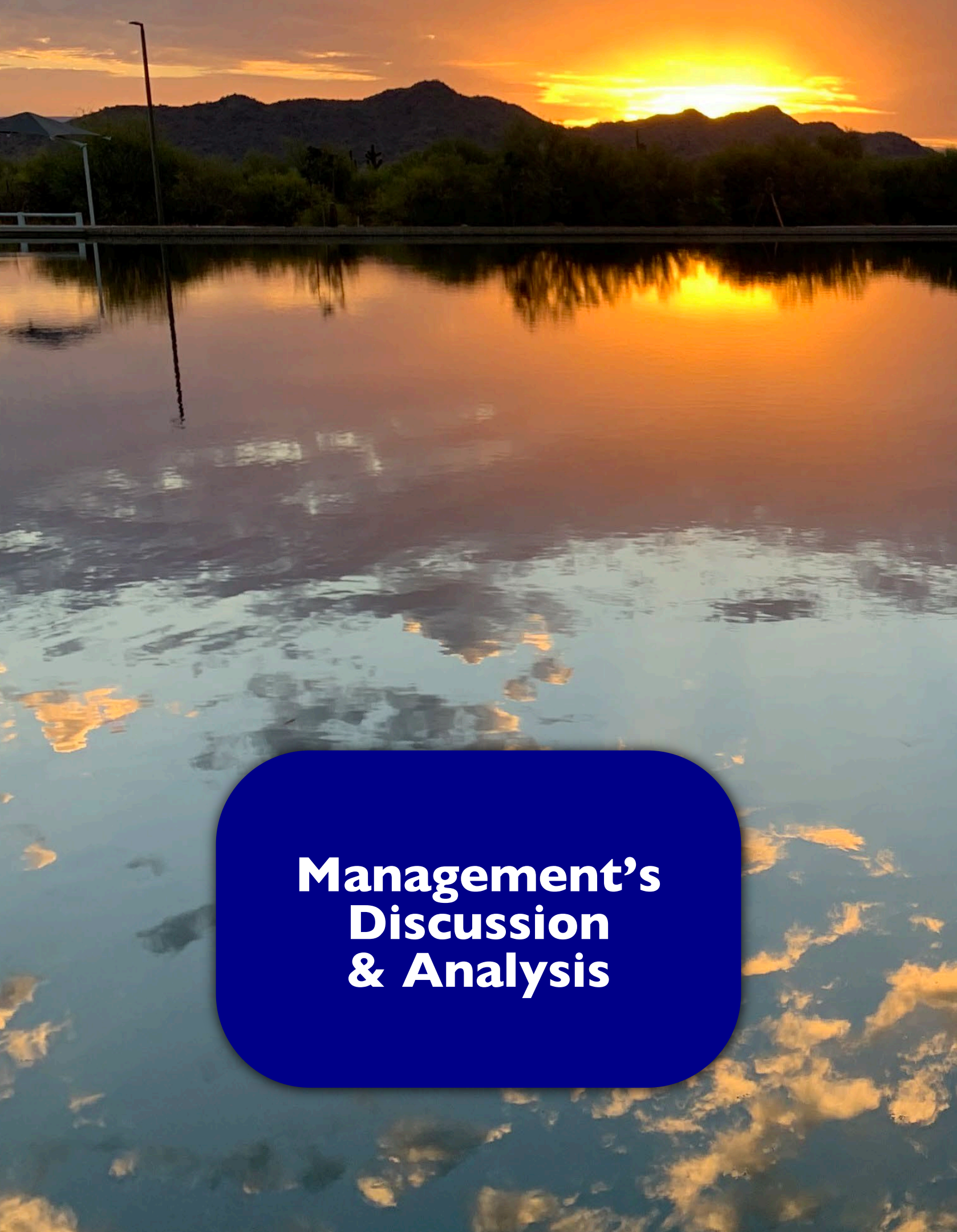
In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 6, 2021





**Management's
Discussion
& Analysis**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Peoria, Arizona (the City), we offer this narrative overview and analysis of the financial activities of the City of Peoria, Arizona for the fiscal year ended June 30, 2021. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (the approved annual budget), and (5) identify individual fund issues or concerns.

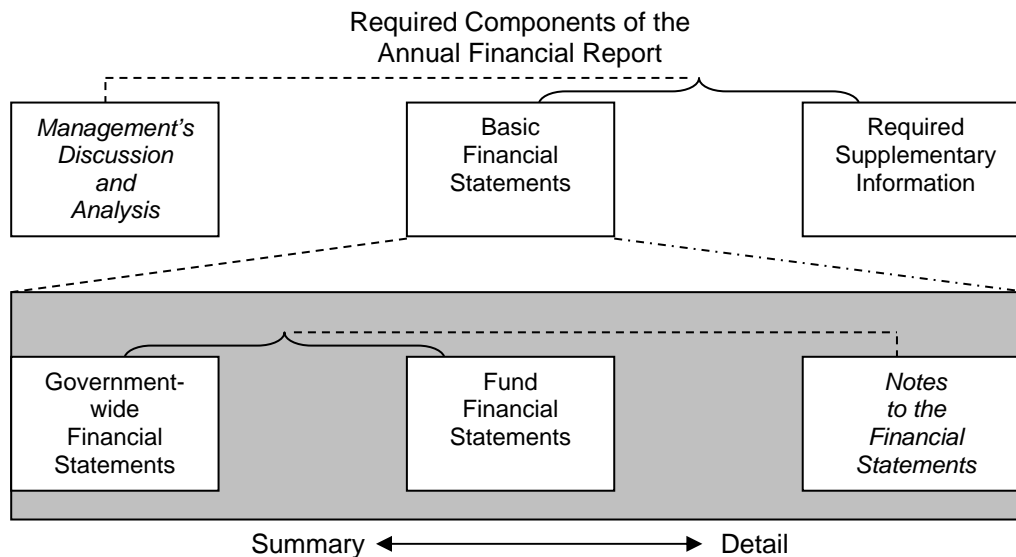
This discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter presented on pages v-xii of this report. It is designed to be read in conjunction with the transmittal letter as well as the financial statements and the accompanying notes to the financial statements. The City also issues separate financial reports, including management's discussion and analysis, for the Vistancia Community Facilities District, Vistancia West Community Facilities District, the Employee Benefit Trust, and the Workers' Compensation Trust, which are blended component units of the City.

Financial Highlights

- ◆ The City's total net position increased \$92.2 million, 6.0%, in fiscal year 2021, an increase of \$58.8 million, 7.1%, in governmental activities and an increase of \$33.4 million, 4.6%, in business-type activities.
- ◆ Total net position of the City is \$1,640.6 million, of which \$116.6 million is unrestricted.
- ◆ The governmental activities program revenues increased 14.8% in fiscal year 2021, primarily due to increases in capital contributions.
- ◆ The business-type activities program revenues increased 23.9% increased water revenues resulting from an unusually hot and dry fall, winter and spring and increased developer contributions.
- ◆ At June 30, 2021, total fund balance of the governmental funds was \$277.6 million, an increase of \$18.1 million from the previous year. Of this, \$103.3 million or 72.4% of General Fund expenditures for fiscal year 2021 was unassigned and available for spending at the government's discretion.
- ◆ General Fund revenues (on a budgetary basis) were higher than budgeted inflows by \$25.9 million for fiscal year 2021. Budgetary basis expenditures of the General Fund were 83.8% (\$30.0 million in savings) of the final budgeted expenditures as the City implemented cost saving processes due to the pandemic and uncertainty about future revenues.
- ◆ In November 2021, Moody's Investors Service upgraded the City's general obligation bond rating from Aa1 to Aaa. The rating recognized the financial strength of the City and the robust financial policies and conservative management.

OVERVIEW OF THE FINANCIAL STATEMENTS

As pictured in the following illustration, the financial section of the Annual Comprehensive Financial Report (ACFR) for the City of Peoria, Arizona consists of this discussion and analysis, the basic financial statements, other required supplementary information and other non-required financial schedules. The basic financial statements include the government-wide financial statements, fund financial statements, including the budgetary statements for the general fund and major special revenue funds, and notes to the financial statements. Other required supplementary information includes the schedules and notes related to pension and OPEB requirements. The additional non-required information includes combining schedules and other supplementary schedules presented after the basic financial statements (Combining Statements and Statistical Sections of this report).



Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the City's finances in a manner similar to those used by private businesses. All of the activities of the City, except those of a fiduciary nature, are included in these statements.

The activities of the City are broken into two columns on these statements – governmental activities and business-type activities. A total column for the City is also provided.

- The *governmental activities* include the basic services of the City including general government (administration), culture and recreation, public safety, development services, highways and streets, public works, and human services. These activities are generally supported by taxes and general revenues.
- The *business-type activities* include the private sector type activities such as the water, wastewater solid waste, and storm drain utilities, and the stadium. These activities are primarily supported through user charges or fees.

The *statement of net position* presents information on all of the City's assets and liabilities (excluding fiduciary funds), both current and long-term and deferred inflows/outflows of resources, with the difference reported as net position. The focus on net position is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the City may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the City may have used previously accumulated funds (i.e. cash funding of capital projects). To assess the overall health of the City, other indicators, including non-financial indicators such as the City's property tax base and condition of its infrastructure, should also be considered.

The *statement of activities* presents information showing how the City's net position changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net position are reported at the time the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also focuses on both the gross and net costs of the various functions of the City, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions depend on general taxes and revenues for support.

Fund Financial Statements

Also presented are fund financial statements for governmental funds, proprietary funds and fiduciary funds. The fund financial statements focus on major funds of the City. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements as well as for managerial control to demonstrate fiduciary responsibility over the assets of the City.

Governmental funds – Governmental funds are used to account for most of the City's basic services. These are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental activities column on the government-wide financial statements, these fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Since the governmental fund financial statements focus on near-term spendable resources, while the governmental activities on the government-wide financial statements have a longer-term focus, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. To facilitate this comparison, reconciliations of the differences between the two are provided immediately following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway User Revenue Fund, Transportation Sales Tax Fund, GO Bond Debt Service Fund, Development Fee Fund, GO Bond Capital Projects Fund, and Other Grants Fund which are considered to be major funds of the City. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

Proprietary funds – Proprietary funds are used to account for services primarily supported by user fees. The proprietary fund financial statements are prepared with the same long-term focus as the government-wide financial statements. The City maintains the following two types of proprietary funds.

Enterprise funds are used for activities that primarily serve customers outside the governmental unit. The enterprise funds generally provide information similar to the business-type activities column of the government-wide financial statements, but provide more detail and additional information such as cash flows. Any reconciliation necessary between the enterprise funds and the business-type activities column of the government-wide financial statements is provided on the face of the fund statements. The City's enterprise funds are the Water, Wastewater, Storm Drain and Solid Waste utilities, as well as the sports complex (Stadium Fund). All of the enterprise funds are considered to be major funds of the City.

Internal service funds are used for activities where the primary customer is the City itself. Because the primary customers of the internal service funds are the governmental activities, the assets, liabilities, and deferred outflows/inflows of resources of those funds are included in the governmental activities column of the government-wide statement of net position. The costs of internal service funds are allocated to the various user functions on the government-wide statement of activities. The internal service funds are combined into a single column on the proprietary fund statements. Additional detail of the internal service funds is provided in combining statements. The internal service funds of the City include the Motor Pool, Self-Insurance, Facilities Maintenance, and Information Technology Funds.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of others. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support programs of the City. The fiduciary fund statements are prepared on the same basis as the government-wide and proprietary fund statements.

Notes to the financial statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

Required supplementary information other than MD&A – Schedules for pension/OPEB plans have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2021, with comparative information for the previous year.

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the City for June 30, 2021, compared to the prior year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 355.9	\$ 335.3	\$ 137.6	\$ 123.6	\$ 493.5	\$ 458.9
Capital assets	<u>938.6</u>	<u>917.8</u>	<u>727.2</u>	<u>697.5</u>	<u>1,665.8</u>	<u>1,615.3</u>
Total assets	<u>1,294.5</u>	<u>1,253.1</u>	<u>864.8</u>	<u>821.1</u>	<u>2,159.3</u>	<u>2,074.2</u>
Total deferred outflows of resources	<u>56.0</u>	<u>42.7</u>	<u>4.7</u>	<u>3.4</u>	<u>60.7</u>	<u>46.1</u>
Other liabilities	31.7	35.9	15.1	18.9	46.8	54.8
Long-term liabilities outstanding	<u>430.3</u>	<u>424.9</u>	<u>97.4</u>	<u>80.9</u>	<u>527.7</u>	<u>505.8</u>
Total liabilities	<u>462.0</u>	<u>460.8</u>	<u>112.5</u>	<u>99.8</u>	<u>574.5</u>	<u>560.6</u>
Total deferred inflows of resources	<u>4.5</u>	<u>9.8</u>	<u>0.4</u>	<u>1.5</u>	<u>4.9</u>	<u>11.3</u>
Net position:						
Net investment in capital assets	727.8	687.9	640.7	622.5	1,368.5	1,310.4
Restricted	122.6	112.1	32.9	13.7	155.5	125.8
Unrestricted	<u>33.6</u>	<u>25.2</u>	<u>83.0</u>	<u>87.0</u>	<u>116.6</u>	<u>112.2</u>
Total net position	<u>\$ 884.0</u>	<u>\$ 825.2</u>	<u>\$ 756.6</u>	<u>\$ 723.2</u>	<u>\$ 1,640.6</u>	<u>\$ 1,548.4</u>

The net position of the City increased \$92.2 million in fiscal year 2021. Net position of governmental activities increased \$58.8 million, while the business-type activities increased \$33.4 million. The Wastewater Utility Fund was responsible for the majority of the business-type activities increase with an increase in net position of \$25.9 million.

Net position consists of three components. The largest portion of net position, \$1,368.5 million reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its residents. Consequently, it is not the City's intention to sell these assets, and they are therefore not available for future spending. Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate these liabilities.

The \$155.5 million restricted portion of the City's net position represents resources that are subject to external restrictions on how they may be used.

The third portion consists of Unrestricted Net Position of \$116.6 million. This category of net position may be used to meet the City's ongoing obligations to residents and creditors. Unrestricted net position is the balance of net position remaining after calculating the other two categories discussed above.

Changes in Net Position

The following table compares the government-wide revenue and expenses for the current and previous fiscal year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program revenues:						
Fees, fines & charges for services	\$ 33.9	\$ 34.1	\$ 97.9	\$ 87.9	\$ 131.8	\$ 122.0
Operating grants and contributions	26.7	30.4	-	-	26.7	30.4
Capital grants and contributions	33.5	17.5	29.7	15.1	63.2	32.6
General revenues:						
Property taxes	29.9	27.8	-	-	29.9	27.8
Sales and use taxes	113.9	99.7	-	-	113.9	99.7
Franchise taxes	5.0	4.8	-	-	5.0	4.8
State shared sales tax	20.2	17.1	-	-	20.2	17.1
Urban revenue sharing	25.2	22.3	-	-	25.2	22.3
Auto-in-lieu taxes	8.3	7.3	-	-	8.3	7.3
Investment earnings	0.5	7.8	0.2	2.8	0.7	10.6
Gain on sale of capital assets	-	-	-	-	-	-
Miscellaneous	3.2	1.1	-	-	3.2	1.1
Total revenues	300.3	269.9	127.8	105.8	428.1	375.5
EXPENSES:						
Program activities:						
Governmental activities:						
General government	26.3	25.6	-	-	26.3	25.6
Culture and recreation	31.4	31.6	-	-	31.4	31.6
Public safety	101.3	91.0	-	-	101.3	91.0
Development services	6.4	4.8	-	-	6.4	4.8
Highways and streets	53.3	60.2	-	-	53.3	60.2
Public works	7.2	6.7	-	-	7.2	6.7
Human services	2.1	4.7	-	-	2.1	4.7
Interest expense on debt	5.2	7.9	-	-	5.2	7.9
Business-type activities:						
Water utility	-	-	47.9	44.8	47.9	44.8
Wastewater utility	-	-	29.0	30.0	29.0	30.0
Solid Waste utility	-	-	15.0	14.1	15.0	14.1
Stadium	-	-	6.9	6.9	6.9	6.9
Storm Drain utility	-	-	3.9	3.7	3.9	3.7
Total expenses	233.2	232.5	102.7	99.5	335.9	332.0
Excess (deficit) before transfers	67.1	37.4	25.1	6.3	92.2	43.7
Transfers and Special Items	(8.3)	(2.4)	8.3	2.4	-	-
Increase (decrease) in net position	59.0	35.0	33.4	8.7	92.2	43.7
Net position – beginning, as restated	825.2	790.2	723.2	714.5	1,548.4	1,504.7
Net position - ending	\$ 884.0	\$ 825.2	\$ 756.6	\$ 723.2	\$ 1,640.6	\$ 1,548.4

For fiscal year 2021, total governmental activities revenues increased \$30.4 million while total business-type activities revenues increased \$22.0 million. Expenses increased \$0.7 million for the governmental activities and increased \$3.2 million for the business-type activities. The City intentionally held expenditures steady from fiscal year 2020 to fiscal year 2021 due to uncertainty of revenue related to the Covid 19 pandemic.

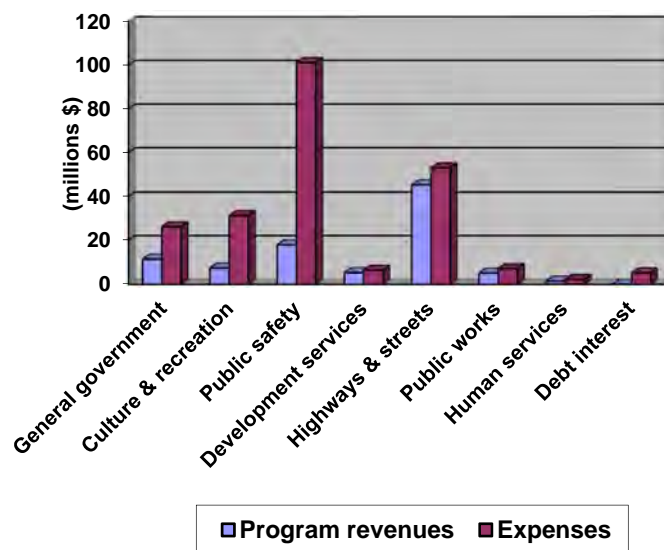
The general revenues of governmental activities increased \$18.3 million primarily from local sales and use taxes, particularly retail sales tax which experienced a 21.5% increase from the prior year. Property taxes and state shared taxes also experienced increases in fiscal year 2021.

The general revenues of governmental activities increased \$18.3 million primarily from local sales and use taxes, particularly retail sales tax which experienced a 21.5% increase from the prior year. Property taxes and state shared taxes also experienced increases in fiscal year 2021.

Program revenues of governmental activities increased by \$12.1 million primarily due to an increase developer contributions of street and parks assets. The program revenues of business-type activities increased by \$24.6 million primarily due to an increase in water revenues due to an extremely warm and dry fall, winter and spring, increased stadium revenues as facilities re-opened from pandemic closures, and increased developer contributions.

The following graph shows the functional revenues and expenses of governmental activities to demonstrate the extent to which the governmental functions produce direct revenues to offset the program costs. It should be noted that this is not intended to represent full cost allocation to these functions. Expenses not covered by direct program revenues are covered by general revenues of the City, primarily taxes and state shared revenues. In the governmental activities, the program revenues of \$94.1 million are 40.4% of the governmental activities expenses for fiscal year 2021, up from 35.3% in fiscal year 2020. In the business-type activities, program revenues of \$127.6 million are 124.2% of the business-type expenses for fiscal year 2020. This compares to \$103.0 million and 103.5% in fiscal year 2021.

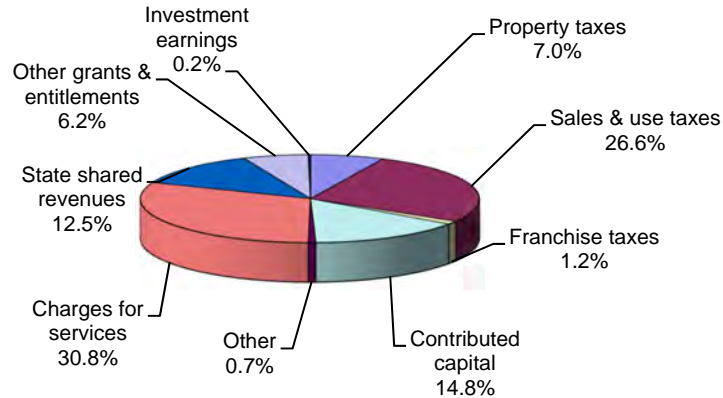
Fiscal Year 2021 Governmental Activities Program Revenues & Expenses



Governmental activities account for 70.1% of the total revenues of the City and 69.4% of the total expenses in fiscal year 2021. These percentages were 71.8% and 70.0% respectively in fiscal year 2020.

As seen in the following graph, one of the largest financing sources for the City in fiscal year 2021 is charges for services (30.8%), primarily because this is the major funding source of the business-type activities (76.6% of business-type total revenues in fiscal year 2021). The major funding sources of the governmental activities are property, sales/use taxes, contributed capital and state shared revenues.

Government-Wide Revenue Sources Fiscal Year 2021

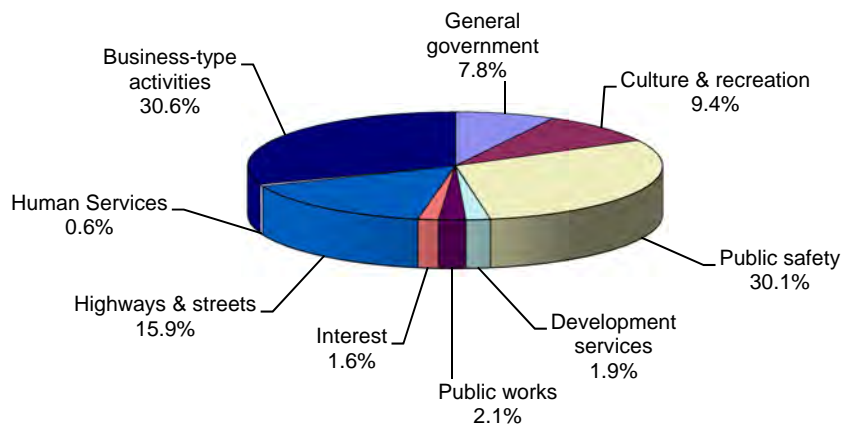


Property taxes increased from fiscal year 2020 with an increase in assessed value plus growth in the City. The total City (primary plus secondary) tax rate did not change in fiscal year 2021 compared to the previous year.

Total government-wide expenses (not including transfers out) of the City increased \$3.8 million in fiscal year 2021. As mentioned above, expenses were intentionally held steady due to the uncertainty surrounding the Covid 19 pandemic.

As shown in the following Government-Wide Functional Expenses graph, business-type activities account for 30.6% of the functional expenses of the City for fiscal year 2021, while governmental activities account for 69.4% of the functional expenses. For the governmental activities, the largest users of resources are public safety (30.1% of total expense, 43.4% of governmental expenses), highways and streets (15.9% of total expenses, 22.9% of governmental expenses), culture and recreation (9.4% of total expenses, 13.5% of governmental expenses), and general government (7.8% of total expenses, 11.3% of governmental expenses).

Government-Wide Functional Expenses Fiscal Year 2021



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

Governmental funds

The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. All major governmental funds are discretely presented on these financial statements, while the non-major funds are combined into a single column. Combining statements for the non-major funds may be found in the section of the ACFR immediately following the Required Supplementary Information. Although the Highway User Revenue Fund, Transportation Sales Tax Fund, G.O. Bond Debt Service Fund, Development Fee Fund, and Other Grants Fund do not meet the GASB 34 quantitative criteria of a major fund, the City has chosen to present them as major funds due to local significance or outstanding debt.

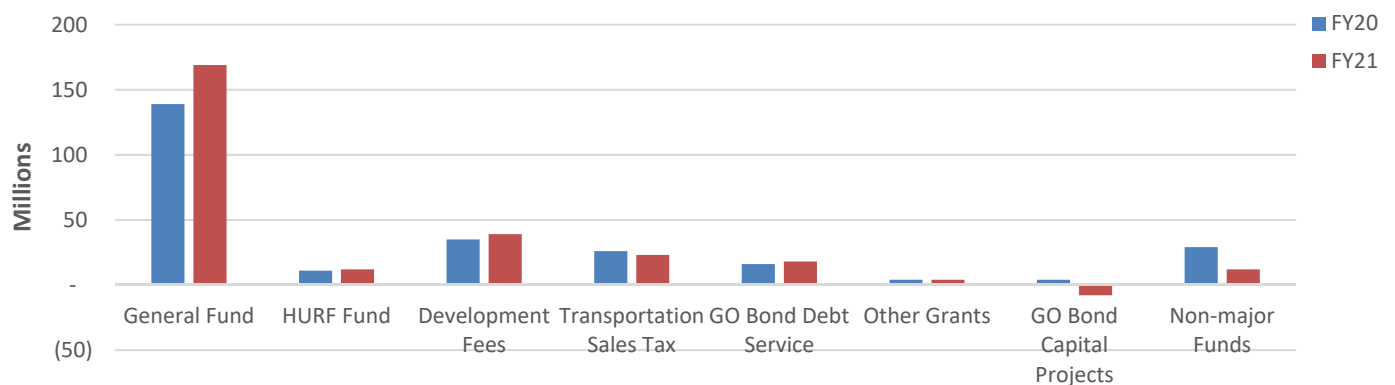
The fund balance of the governmental funds is \$277.7, an increase of \$18.1 million from the previous year. Of this, \$108.4 million (a decrease of \$2.5 million from the previous year) is classified as Nonspendable or Restricted because it is not appropriate for expenditure or is legally segregated for a specific future use.

An additional \$66.0 million of the governmental fund balance (a decrease of \$2.3 million from the previous year) has been committed or assigned for specific purposes by council or administrative action. These commitments include various stabilization reserves (\$52.2 million), debt service reserves (\$1.0 million), capital projects (\$4.9 million) and arts capital and various other purposes (\$7.9 million).

The remaining \$103.3 million of governmental fund balance is classified as Unassigned. This balance may serve as a useful indicator of a government's net resources available for spending at the end of the year. By Council policy, these resources are used to fund one-time needs of the City including capital facilities and transportation improvements. The unassigned fund balance increased by \$23.0 million compared to the prior year.

The increase in unassigned fund balance is primarily due to the City's conservative approach to the Covid pandemic. The City intentionally held expenditures to pre-pandemic levels in order to reduce the impact of revenue losses due to the pandemic. When revenues recovered and continued to grow much faster than was anticipated the gap between revenues and expenditures resulted in the increase to fund balance.

Governmental Funds - Fund Balance



The General Fund is the chief operating fund of the City and accounts for many of the major functions of the government including public safety, parks and recreation, community development and general administrative services. General Fund revenues increased \$17.0 million over the prior fiscal year. Local sales tax revenues increased \$7.9 million (14.2%) in fiscal year 2021 over fiscal year 2020. Retail sales tax accounted for 55.5% of local sales tax and increased 20.52% over fiscal year 2020. Sales tax on restaurants and bars also saw a significant increase (16.4%) over fiscal year 2020 and accounted for 15.2% of local sales taxes. When the Covid pandemic first hit in fiscal year 2020 the City saw a significant decline in sales tax revenues, however, that decline was short lived and by early fiscal year 2021 the revenues had recovered and surpassed pre-pandemic levels. That short-lived decline at the end of fiscal year 2020 accounts for some of the large increase seen in fiscal year 2021. The same impact was felt at the state level resulting in a \$3.1 million increase (18.2%) in state shared sales tax.

Primary property taxes increased \$383 thousand or 8.4% over the prior fiscal year reflecting the continued growth and increased property values in the City.

Although total General Fund expenditures increased \$13.7 million versus prior year, the increase does not indicate an increase in costs to provide services. In fiscal year 2020 the City used AZ Cares grant funding to pay regular wages and employee related expenses for police and fire which resulted in savings to the General Fund. The increase in fiscal year 2021 simply returns the spending levels to that of fiscal year 2019 reflecting the City's conservative approach to the pandemic.

The Highway User Revenue Fund (HURF Fund) is required by state statute to track the receipt of the state allocation of gasoline taxes and other state revenues shared with local governments that are required to be used for transportation purposes. Also, there is a sales tax on utilities and property tax revenues from streetlight improvement districts included in this fund. Revenues increased by \$656 thousand while expenditures decreased by \$4.6 million in fiscal year 2021. Fund balance increased \$1.0 million in fiscal year 2021.

The Transportation Sales Tax Fund tracks the collection and expenditure of the 0.3% voter approved sales tax to address transportation issues. Revenues in this fund increased \$1.4 million while expenditures decreased \$1.8 million. Sales tax revenues performed better than anticipated and expenditures were reduced due to conservative budgeting practices. The fund balance decreased \$2.5 million in fiscal year 2021. All fund balance in this fund is restricted.

The Development Fee Fund, which collects governmental impact fees for parks and recreational facilities, public safety, and streets and intersections had a slight decrease in revenues of \$293 thousand in fiscal year 2021 as development activity stayed relatively level. Expenditures decreased \$6.2 million in fiscal year 2021. Fund balance increased \$4.2 million versus prior year. All fund balance in this fund is restricted.

The GO Bond Debt Service Fund accounts for the payment of general obligation bonds and the related interest. Revenues in this fund increased by \$1.2 million due to increased property valuations and growth.

The GO Capital Projects Fund accounts for the receipt of proceeds from General Obligation bonds and the expenditure of those funds to purchase or construct capital assets for the City. Expenditures in this fund increased by \$8.6 million due to capital projects in fiscal year 2021.

The Other Grants Fund do not meet the quantitative criteria of a major fund, the City has chosen to present these funds as major funds due to significance of COVID relief funding. Revenues in this fund are primarily from federal grants and expenditures were mostly in public safety for fiscal year 2021.

All non-major governmental funds of the City are combined into one column on the governmental fund statements.

Proprietary funds

The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements but provide additional detail since each major enterprise fund is shown discretely. Although the Solid Waste Fund, Stadium Fund, and Storm Drain Utility Fund, do not meet the quantitative criteria of a major fund, the City has chosen to present these funds as major funds due to local significance.

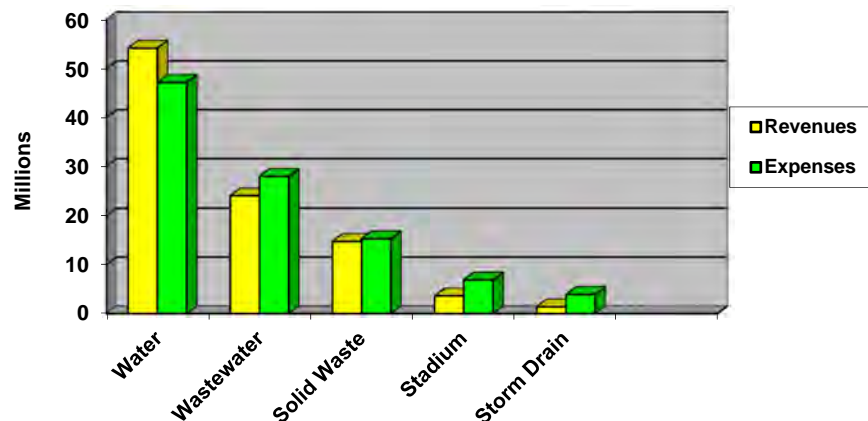
Total net position of the enterprise funds increased \$33.0 million in fiscal year 2021. Net investment in capital assets increased \$18.2 million primarily from the expansion of the water system. Net position restricted for capital projects increased by \$19.1 million primarily due to activity in Water. Unrestricted net position decreased by \$4.4 million primarily due to the Water Utility Fund. In accordance with the City's Principles of Sound Financial Management, the City continues to maintain appropriate levels of stabilization reserves.

Operating revenues of the enterprise funds increased \$10.1 million in fiscal year 2021. Stadium revenues increased 40.8% from the prior year as events re-opened from the pandemic shut-down. Water Utility revenues increased \$6.9 million (14.5%) due to a rate increase in January 2021 and an exceptionally hot and dry fall and spring of the fiscal year.

Operating expenses of the enterprise funds increased \$3.1 million in fiscal year 2021. Water Utility expenditures increased \$2.5 million (5.5%) due to increased production levels. The changes in operating revenues and expenses discussed above resulted in an enterprise funds operating loss of \$3.2 million in fiscal year 2021 following an operating loss of \$10.2 million in the prior year.

The following graph shows the operating revenues and expenses for the enterprise funds for fiscal year 2021.

Fiscal Year 2021 Enterprise Fund Operating Revenues and Expenses



BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements, required for the General Fund and all major special revenue funds, may be found on pages 30-35. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgetary schedules for the other governmental funds are also presented on pages 99-101, and pages 109-115.

General Fund revenues of \$167.1 million, on a budgetary basis, exceeded budgeted revenues of \$141.2 million by \$25.9 million while budgetary basis expenditures of \$155.9 million were 83.8% of final budgeted amounts. Revenues, on a budgetary basis, were less than budgeted revenues in charges for services, fines and forfeitures, rents, and investment earnings due primarily to the impact of the COVID-19 pandemic. There were no expenditure overages for any of the functional departmental categories.

During the fiscal year, the original General Fund expenditures and contingencies budget of \$212.5 million was reduced by \$9.2 million to the final expenditure and contingencies budget of \$203.3 million.

Notable budgetary transfers during the year were as follows:

- \$8.4 million transfer from the Half Cent Fund to the General Fund for the public safety subsidies.
- \$4.2 million transfer from the Transportation Sales Tax Fund to the Public Transit Fund in support of the transit system.
- \$2.1 million transfer from the Half Cent Fund to the Stadium Fund as a subsidy in support of the Peoria Sports Complex.
- Various transfers to the debt service funds to meet debt service requirements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the City had \$1.4 billion invested in various capital assets, net of accumulated depreciation and related debt. The capital assets of the City (net of depreciation, but not capital debt) are \$1.7 billion. This is a net increase of \$50.5 million from June 30, 2020. Net capital assets of business-type activities increased \$29.7 million while governmental activities increased \$20.8 million.

Notable additions to capital assets during the fiscal year included the following:

- ✓ The City completed the Happy Valley Parkway widening with an additional \$5.6 million in spending in fiscal year 2021 bringing the project total to \$23.3 million.
- ✓ The City invested \$4.2 million into new construction and improvements to other streets around the City.
- ✓ The City invested \$11.5 million in new construction and improvements to parks around the City including \$6.3 million at Paloma Community Park.
- ✓ The City spent an additional \$22.4 million in fiscal year 2021 on the Pyramid Peak Water Treatment Plant expansion bringing the total in work in progress for that project to \$39.8 million.

The following table provides a breakdown of the capital assets of the City at June 30, 2021, and 2020. Additional information on the City's capital assets may be found in Note 6.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Buildings and building improvements	\$ 105.3	\$ 108.6	\$ 48.0	\$ 50.3	\$ 153.3	\$ 158.9
Equipment; Furniture	4.8	6.0	3.4	4.6	8.2	10.6
Vehicles	13.4	12.6	14.0	12.8	27.4	25.4
Surface water system	-	-	65.1	63.8	65.1	63.8
Street system	269.3	248.8	-	-	269.3	248.8
Park system	97.6	63.5	-	-	97.6	63.5
Water system	-	-	252.3	239.1	252.3	239.1
Water rights	-	-	9.3	9.6	9.3	9.6
Wastewater system	-	-	250.9	252.2	250.9	252.2
Land	419.4	409.3	18.8	18.4	438.2	427.7
Work in progress	28.8	69.0	65.4	46.7	94.2	115.7
Total	\$ 938.6	\$ 917.8	\$ 727.2	\$ 697.5	\$ 1,665.8	\$ 1,615.3

The City has adopted a ten year capital improvement plan budgeted at \$835.6 million, including \$241.9 million in fiscal year 2022. Anticipated funding for this plan for fiscal year 2022 is through a combination of impact fees, utility revenue bonds, general obligation bonds, operating revenues, City and County transportation sales taxes and other outside funding sources. The estimated operating budget impact of the capital improvement program over the next five fiscal years is expected to be \$9.4 million. The capital improvement plan is updated annually as part of the City's budget process.

Long-term Debt

The City's outstanding long-term debt (due in more than one year), including bonds and loans, compensated absences, and deferred bond premiums was \$266.3 million at June 30, 2021. Of this total, \$195.5 million was in governmental activities and \$70.8 million was in business-type activities. The City's outstanding debt (due in more than one year excluding claims and net pension liability) decreased by \$4.8 million in fiscal year 2021. This decrease is related to scheduled debt service payments offset by draws on WIFA loans.

Of the total outstanding bonds and loans of \$272.3 million, \$124.2 million is general obligation bonds or loans backed by the full faith and credit of the City. The outstanding debt also includes \$27.6 million in Community Facilities District bonds where the City has no obligation for payment. All other outstanding debt is secured by pledges of specific revenue sources of the City.

The State constitution imposes certain debt limitations on the City of six percent (6%) and twenty percent (20%) of the assessed valuation of the City. Additional information on the debt limitations and capacities may be found in Table XX in the statistical section of this report.

The following schedule shows the outstanding debt of the City (both current and long-term, excluding premium, net pension liability and claims payable) as of June 30, 2021, and 2020. Further detail on the City's outstanding debt may be found in Note 7. Information on the City's net pension/OPEB liability may be found in the Required Supplementary Section of the report and in Note 9.

Outstanding Debt (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General obligation debt	\$ 120.2	\$ 132.4	\$ 4.0	\$ 3.0	\$ 124.2	\$ 135.4
Municipal Development Authority debt	27.9	30.0	-	-	27.9	30.0
Direct Purchase and Loan Obligations	23.4	27.1	-	-	23.4	27.1
Water/Sewer Revenue bonds and loans	-	-	69.2	61.8	69.2	61.8
Community Facilities District bonds	27.6	30.7	-	-	27.6	30.7
Compensated absences	16.1	12.9	1.6	1.4	17.7	14.3
Total	<u>\$ 215.2</u>	<u>\$ 233.1</u>	<u>\$ 74.8</u>	<u>\$ 66.2</u>	<u>\$ 290.0</u>	<u>\$ 299.3</u>

The City currently maintains the following ratings on its general obligation debt: "AA+" from Standard & Poor's, "Aaa" from Moody's and "AAA" from Fitch. For the water and sewer revenue bonds, the ratings are "AA" from Standard & Poor's, "Aa2" from Moody's and "AA" from Fitch.

ECONOMIC FACTORS

The impact of the COVID-19 pandemic has been felt throughout the Phoenix metropolitan area as well as the nation. Throughout the pandemic, Peoria has consistently maintained an unemployment rate that is lower than both the state and the nation. Through July 2021 Peoria's unemployment rate of 5.4% is lower than the state rate and matches the national rate.

Local sales tax revenues grew significantly in fiscal year 2021. Retail sales tax, the City's largest category, increased by 21.5% over the prior year. While the City is expecting continued sales tax revenue growth as the pandemic recovery continues, budget projections are intentionally conservative and show minimal change in revenue levels.

Peoria's housing market remained robust through the pandemic as low inventory levels and historically low interest rates fueled demand. The long-term outlook for Peoria continues to be very strong with the expectation that Arizona will continue to outpace the nation in growth and income related metrics.

The adopted fiscal year 2022 budget is \$695 million, an increase of 4.5% from the fiscal year 2021 budget. The operating budget totals \$453.1 million, which is an increase of 5.1% from 2021. The capital projects portion of the budget, \$241.9 million, is divided in the following manner: \$12.5 million for drainage projects, \$20.5 million for operational facilities, \$21.0 million for parks, trails, open space and libraries, \$9.8 million for public safety projects, \$42.1 million for streets and traffic control projects, \$9.3 million for economic development projects, \$41.8 million for wastewater projects, and \$84.9 million for water projects.

The General Fund operating budget is \$175.1 million, up 5.6% from the prior year budget. With the uncertainty surrounding the impact of the COVID-19 pandemic, resident needs for City services were balanced with a slowly increasing revenue base. The budget continues to focus on preserving the City's excellent quality of life, while preserving our future financial viability.

The City has maintained cash balances over the last few years, both for financial stability and in anticipation of the capital and ongoing operational needs of an ever-changing city. The City has maintained several stabilization reserves within the General Fund in accordance with the City's adopted financial policies – The Principles of Sound Financial Management. The City also maintains working capital policy reserve, rate stabilization, and debt stabilization reserves in the Utility Funds. It should be noted that while these reserves are established to address immediate and dramatic fiscal difficulties, they are not intended to cover structural budget shortfalls. With this in mind, the fiscal year 2022 budget does not anticipate the use of reserves to address recurring expenses.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the City of Peoria, Arizona's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the City's Chief Financial Officer at the following address: City of Peoria, 8401 W. Monroe Street, Peoria, Arizona 85345.





Basic Financial Statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Pooled cash and investments	\$ 296,545,765	\$ 119,205,643	\$ 415,751,408
Cash with fiscal agents	24,451	-	24,451
Accounts receivable, net	16,367,965	12,448,768	28,816,733
Interest receivable	497,690	178,611	676,301
Internal balances	(3,889,561)	3,889,561	-
Due from other governments	4,809,167	-	4,809,167
Prepaid items	65,200	680,929	746,129
Supply inventories	641,227	274,544	915,771
Restricted pooled cash and investments	17,432,051	-	17,432,051
Restricted cash with fiscal agents	12,122,131	827,411	12,949,542
Restricted investments	9,216,626	-	9,216,626
Investments in Joint Venture Agreements	1,733,222	-	1,733,222
Net pension and other postemployment benefits asset	340,635	71,098	411,733
Capital assets:			
Non-depreciable	448,189,992	84,228,555	532,418,547
Depreciable (net)	490,357,402	643,020,205	1,133,377,607
Total assets	<u>1,294,453,963</u>	<u>864,825,325</u>	<u>2,159,279,288</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	53,571,720	3,276,372	56,848,092
Deferred loss on bond refunding	2,527,234	-	2,527,234
Excess consideration provided for acquisition	-	1,469,749	1,469,749
Total deferred outflows of resources	<u>56,098,954</u>	<u>4,746,121</u>	<u>60,845,075</u>
LIABILITIES			
Accounts payable	9,108,672	11,306,468	20,415,140
Accrued payroll	2,077,344	247,718	2,325,062
Interest payable	3,418,671	1,231,929	4,650,600
Due to other governments	919,270	169,942	1,089,212
Customer deposits	-	1,973,248	1,973,248
Other liabilities	4,783,095	214,766	4,997,861
Unearned revenue-other	11,428,183	782	11,428,965
Non-current liabilities:			
Due within one year:			
Current portion of claims payable	6,606,070	-	6,606,070
Current portion of compensated absences	7,422,350	762,660	8,185,010
Current portion of bonds & loans payable	24,119,051	8,534,086	32,653,137
Due in more than one year:			
Noncurrent portion of claims payable	1,611,743	-	1,611,743
Noncurrent portion of compensated absences	8,726,660	886,520	9,613,180
Noncurrent portion of bonds & loans payable	186,711,709	69,991,911	256,703,620
Net pension and other postemployment benefits liabilities	195,055,086	17,179,127	212,234,213
Total liabilities	<u>461,987,904</u>	<u>112,499,157</u>	<u>574,487,061</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	4,533,443	439,233	4,972,676
Total deferred inflow of resources	<u>4,533,443</u>	<u>439,233</u>	<u>4,972,676</u>
NET POSITION			
Net investment in capital assets	727,837,350	640,684,899	1,368,522,249
Restricted for:			
Debt service	24,713,450	-	24,713,450
Capital projects	-	32,766,227	32,766,227
Development fees	38,768,628	-	38,768,628
Transportation purposes	35,204,425	-	35,204,425
Grant purposes	5,743,740	-	5,743,740
Facilities maintenance	25,943	100,000	125,943
Trust purpose	17,752,687	-	17,752,687
Net Other Postemployment Benefits	340,635	71,098	411,733
Unrestricted	<u>33,644,712</u>	<u>83,010,832</u>	<u>116,655,544</u>
Total net position	<u>\$ 884,031,570</u>	<u>\$ 756,633,056</u>	<u>\$ 1,640,664,626</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 26,262,983	\$ 2,981,410	\$ 590,985	7,879,173	\$ (14,811,415)	\$ -	\$ (14,811,415)
Culture and recreation	31,387,780	5,262,829	2,141,117	-	(23,983,834)	-	(23,983,834)
Public safety	101,363,787	8,376,459	9,589,451	-	(83,397,877)	-	(83,397,877)
Development services	6,369,766	5,118,256	159,985	-	(1,091,525)	-	(1,091,525)
Highways and streets	53,298,576	6,967,138	12,888,702	25,628,041	(7,814,695)	-	(7,814,695)
Public works	7,188,048	5,122,292	-	-	(2,065,756)	-	(2,065,756)
Human services	2,154,216	48,875	1,367,113	-	(738,228)	-	(738,228)
Interest on long-term debt	5,196,192	-	-	-	(5,196,192)	-	(5,196,192)
Total governmental activities	<u>233,221,348</u>	<u>33,877,259</u>	<u>26,737,353</u>	<u>33,507,214</u>	<u>(139,099,522)</u>	<u>-</u>	<u>(139,099,522)</u>
Business-type activities:							
Water Utility	47,882,705	54,135,073	-	12,189,230	-	18,441,598	18,441,598
Wastewater Utility	29,013,309	24,071,919	-	12,165,192	-	7,223,802	7,223,802
Solid Waste Utility	15,039,332	14,731,950	-	-	-	(307,382)	(307,382)
Stadium	6,865,555	3,613,521	-	-	-	(3,252,034)	(3,252,034)
Storm Drain Utility	3,918,628	1,400,195	-	5,342,673	-	2,824,240	2,824,240
Total business-type activities	<u>102,719,529</u>	<u>97,952,658</u>	<u>-</u>	<u>29,697,095</u>	<u>-</u>	<u>24,930,224</u>	<u>24,930,224</u>
Total primary government	<u>\$ 335,940,877</u>	<u>\$ 131,829,917</u>	<u>\$ 26,737,353</u>	<u>\$ 63,204,309</u>	<u>(139,099,522)</u>	<u>24,930,224</u>	<u>(114,169,298)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					6,086,505	-	6,086,505
Property taxes, levied for debt service					23,814,936	-	23,814,936
Sales and use taxes					113,852,555	-	113,852,555
Franchise taxes					4,965,951	-	4,965,951
Intergovernmental:							
State shared sales taxes- unrestricted					20,186,716	-	20,186,716
Urban revenue sharing- unrestricted					25,147,285	-	25,147,285
Auto in-lieu taxes- unrestricted					8,349,703	-	8,349,703
Investment earnings					544,254	211,199	755,453
Gain on sale of capital assets					-	17,835	17,835
Miscellaneous					3,221,522	-	3,221,522
Transfers in (out)					(8,264,790)	8,264,790	-
Total general revenues and transfers					<u>197,904,637</u>	<u>8,493,824</u>	<u>206,398,461</u>
Change in net position					58,805,115	33,424,048	92,229,163
Net position - beginning					825,226,455	723,209,008	1,548,435,463
Net position - ending					<u>\$ 884,031,570</u>	<u>\$ 756,633,056</u>	<u>\$ 1,640,664,626</u>

The accompanying notes are an integral part of the financial statements



**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Major Funds			
	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund	GO Bond Debt Service Fund
ASSETS				
Assets:				
Pooled cash and investments	\$ 158,095,227	\$ 11,030,642	\$ 22,101,314	\$ 12,265,333
Cash with fiscal agents	24,451	-	-	-
Accounts receivable, net	13,477,029	543,601	1,993,584	30,932
Interest receivable	223,195	20,023	30,998	12,585
Due from other funds	7,044,239	-	-	-
Due from other governments	1,576,416	1,117,924	11,474	363,189
Supply inventories	277,778	144,357	-	-
Restricted cash with fiscal agents	-	-	-	5,636,578
Restricted investments	-	-	-	-
Total assets	<u>\$ 180,718,335</u>	<u>\$ 12,856,547</u>	<u>\$ 24,137,370</u>	<u>\$ 18,308,617</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,160,180	\$ 486,229	\$ 1,244,565	\$ -
Accrued payroll	1,852,812	58,698	-	-
Due to other funds	-	-	-	-
Due to other governments	919,270	-	-	-
Other liabilities	4,484,388	-	-	-
Unearned revenue-other	912,440	-	-	-
Total liabilities	<u>10,329,090</u>	<u>544,927</u>	<u>1,244,565</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	4,657	-	-	30,932
Unavailable revenue-other	215,842	-	-	-
Total deferred inflows of resources	<u>220,499</u>	<u>-</u>	<u>-</u>	<u>30,932</u>
Fund Balances:				
Nonspendable:				
Supply inventories	277,778	144,357	-	-
Restricted for:				
Debt service	-	-	-	18,277,685
Capital projects	-	-	-	-
Development fees	-	-	-	-
Transportation purposes	-	12,167,263	22,892,805	-
Public safety	-	-	-	-
Grant purposes	-	-	-	-
Arts Center maintenance	25,943	-	-	-
Committed to:				
Debt service	1,000,000	-	-	-
Economic development	3,642,942	-	-	-
Arts capital	-	-	-	-
Operating reserve	18,987,288	-	-	-
Emergency reserve	12,658,192	-	-	-
Budget stabilization reserve	20,564,397	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Municipal Complex reserve	1,768,200	-	-	-
Unassigned	111,244,006	-	-	-
Total fund balance	<u>170,168,746</u>	<u>12,311,620</u>	<u>22,892,805</u>	<u>18,277,685</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 180,718,335</u>	<u>\$ 12,856,547</u>	<u>\$ 24,137,370</u>	<u>\$ 18,308,617</u>

(continued)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Major Funds				Total Governmental Funds
	Development Fee Fund	GO Bond Capital Projects Fund	Other Grants Fund	Non-Major Governmental Funds	
ASSETS					
Assets:					
Pooled cash and investments	\$ 40,442,141	\$ -	\$ 8,116,337	\$ 16,960,606	\$ 269,011,600
Cash with fiscal agents	-	-	-	-	24,451
Accounts receivable, net	-	-	156,148	146,968	16,348,262
Interest receivable	61,747	24	5,848	35,117	389,537
Due from other funds	-	-	-	-	7,044,239
Due from other governments	-	-	1,214,178	525,986	4,809,167
Supply inventories	-	-	-	-	422,135
Restricted cash with fiscal agents	-	-	572,450	5,913,103	12,122,131
Restricted investments	-	-	-	347,255	347,255
Total assets	<u>\$ 40,503,888</u>	<u>\$ 24</u>	<u>\$ 10,064,961</u>	<u>\$ 23,929,035</u>	<u>\$ 310,518,777</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,496,096	\$ 924,868	\$ 116,370	\$ 67,259	\$ 6,495,567
Accrued payroll	-	-	13,817	9,942	1,935,269
Due to other funds	-	7,044,239	-	-	7,044,239
Due to other governments	-	-	-	-	919,270
Other liabilities	239,164	-	-	59,543	4,783,095
Unearned revenue-other	-	-	6,247,852	4,267,891	11,428,183
Total liabilities	<u>1,735,260</u>	<u>7,969,107</u>	<u>6,378,039</u>	<u>4,404,635</u>	<u>32,605,623</u>
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	-	-	-	-	35,589
Unavailable revenue-other	-	-	-	-	215,842
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,431</u>
Fund Balances:					
Nonspendable:					
Supply inventories	-	-	-	-	422,135
Restricted for:					
Debt service	-	-	-	9,821,200	28,098,885
Capital projects	-	-	-	347,255	347,255
Development fees	38,768,628	-	-	-	38,768,628
Transportation purposes	-	-	-	-	35,060,068
Public safety	-	-	-	176,699	176,699
Grant purposes	-	-	1,262,375	4,276,358	5,538,733
Arts Center maintenance	-	-	-	-	25,943
Committed to:					
Debt service	-	-	-	-	1,000,000
Economic development	-	-	-	-	3,642,942
Arts capital	-	-	2,424,547	-	2,424,547
Operating reserve	-	-	-	-	18,987,288
Emergency reserve	-	-	-	-	12,658,192
Budget stabilization reserve	-	-	-	-	20,564,397
Assigned to:					
Capital projects	-	-	-	4,902,888	4,902,888
Municipal Complex reserve	-	-	-	-	1,768,200
Unassigned	-	(7,969,083)	-	-	103,274,923
Total fund balance	<u>38,768,628</u>	<u>(7,969,083)</u>	<u>3,686,922</u>	<u>19,524,400</u>	<u>277,661,723</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 40,503,888</u>	<u>\$ 24</u>	<u>\$ 10,064,961</u>	<u>\$ 23,929,035</u>	<u>\$ 310,518,777</u>

The accompanying notes are an integral part of the financial statements



**CITY OF PEORIA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

Fund balances - total governmental funds \$ 277,661,723

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 1,642,053,037	
Less accumulated depreciation	<u>(719,192,778)</u>	922,860,259

Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Other post employment benefits asset		301,277
Deferred loss on bond refunding		2,527,234

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

Governmental bonds payable	(199,020,375)	
Compensated absences	<u>(14,956,230)</u>	(213,976,605)

Equity in joint ventures are not financial resources and, therefore, are not reported in the funds.

1,733,222

Bond premiums are recognized at the time of issuance in the governmental funds, but recognized over the life of the bonds for government-wide reporting

(11,810,385)

Property tax revenue and other revenues earned but not received within 60 days of year-end is a deferred inflow of resources for the governmental statements, but is recognized as revenue for the government-wide statements

251,431

Interest payable on long-term debt is not reported in the governmental funds.

(3,418,671)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with the governmental activities.

45,979,602

Long-term liabilities, such as net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported as a liability in the funds.

(185,545,235)

Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred outflows related to pension/OPEB	51,758,015	
Deferred inflows related to pension/OPEB	<u>(4,290,297)</u>	47,467,718

Total net position of governmental activities		<u>\$ 884,031,570</u>
---	--	-----------------------

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Major Funds

	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund	GO Bond Debt Service Fund
REVENUES:				
Taxes	\$ 102,135,186	\$ 5,168,658	\$ 17,524,190	\$ 19,257,736
Intergovernmental	54,666,314	12,199,356	-	-
Charges for services	14,453,603	146,327	-	-
Licenses and permits	5,287,497	-	-	-
Fines and forfeitures	1,436,969	-	-	-
Rents	843,911	-	-	-
Investment earnings (loss)	(160,475)	(5,946)	(94,118)	(33,880)
Miscellaneous	1,452,369	-	39,760	-
Total revenues	<u>180,115,374</u>	<u>17,508,395</u>	<u>17,469,832</u>	<u>19,223,856</u>
EXPENDITURES:				
Current:				
General government	22,183,884	-	-	-
Culture and recreation	25,440,201	-	-	-
Public safety	83,718,481	-	-	-
Development services	4,980,039	-	-	-
Highways and streets	-	16,816,983	5,156,369	-
Public works	5,548,131	-	-	-
Human services	-	-	-	-
Debt service:				
Principal payments	-	-	-	12,180,000
Interest and other charges	-	-	-	4,900,338
Capital outlay	777,675	661,274	6,385,488	-
Total expenditures	<u>142,648,411</u>	<u>17,478,257</u>	<u>11,541,857</u>	<u>17,080,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,466,963</u>	<u>30,138</u>	<u>5,927,975</u>	<u>2,143,518</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Issuance of debt	-	-	-	-
Premium on bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Transfers in	360,000	1,000,007	260,000	-
Transfers out	(6,893,138)	-	(8,704,598)	(241,943)
Total other financing sources and uses	<u>(6,533,138)</u>	<u>1,000,007</u>	<u>(8,444,598)</u>	<u>(241,943)</u>
Net change in fund balances	30,933,825	1,030,145	(2,516,623)	1,901,575
Fund balances - beginning	139,234,921	11,281,475	25,409,428	16,376,110
Fund balances - ending	<u>\$ 170,168,746</u>	<u>\$ 12,311,620</u>	<u>\$ 22,892,805</u>	<u>\$ 18,277,685</u>

(continued)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>Development Fee Fund</u>	<u>GO Bond Capital Projects Fund</u>	<u>Other Grants Fund</u>	<u>Non-Major Governmental Funds</u>	
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 4,368,947	\$ 148,454,717
Intergovernmental	-	-	12,120,467	4,687,368	83,673,505
Charges for services	11,110,141	-	656,028	48,876	26,414,975
Licenses and permits	-	-	-	-	5,287,497
Fines and forfeitures	-	-	98,171	-	1,535,140
Rents	-	-	-	-	843,911
Investment earnings (loss)	73,227	26,644	46,062	234,236	85,750
Miscellaneous	-	-	246,303	1,798,923	3,537,355
Total revenues	<u>11,183,368</u>	<u>26,644</u>	<u>13,167,031</u>	<u>11,138,350</u>	<u>269,832,850</u>
EXPENDITURES:					
Current:					
General government	-	-	217,600	36,104	22,437,588
Culture and recreation	1,244	861,821	797,829	399,796	27,500,891
Public safety	211,864	113,439	9,967,355	-	94,011,139
Development services	-	-	1,241,032	-	6,221,071
Highways and streets	2,360,656	590,064	-	65,038	24,989,110
Public works	-	957,681	-	225,602	6,731,414
Human services	-	-	-	2,143,606	2,143,606
Debt service:					
Principal payments	-	-	-	9,389,912	21,569,912
Interest and other charges	-	-	-	3,269,865	8,170,203
Capital outlay	<u>4,427,748</u>	<u>9,253,196</u>	<u>245,140</u>	<u>11,483,298</u>	<u>33,233,819</u>
Total expenditures	<u>7,001,512</u>	<u>11,776,201</u>	<u>12,468,956</u>	<u>27,013,221</u>	<u>247,008,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,181,856</u>	<u>(11,749,557)</u>	<u>698,075</u>	<u>(15,874,871)</u>	<u>22,824,097</u>
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued	-	-	-	20,855,000	20,855,000
Issuance of debt	-	-	-	1,870,000	1,870,000
Premium on bonds issued	-	-	-	2,448,280	2,448,280
Payment to bond refunding escrow agent	-	-	-	(22,641,792)	(22,641,792)
Transfers in	-	-	5,074	8,162,284	9,787,365
Transfers out	(7)	-	(915,438)	(260,000)	(17,015,124)
Total other financing sources and uses	<u>(7)</u>	<u>-</u>	<u>(910,364)</u>	<u>10,433,772</u>	<u>(4,696,271)</u>
Net change in fund balances	4,181,849	(11,749,557)	(212,289)	(5,441,099)	18,127,826
Fund balances - beginning	34,586,779	3,780,474	3,899,211	24,965,499	259,533,897
Fund balances - ending	<u>\$ 38,768,628</u>	<u>\$ (7,969,083)</u>	<u>\$ 3,686,922</u>	<u>\$ 19,524,400</u>	<u>\$ 277,661,723</u>

The accompanying notes are an integral part of the financial statements



**CITY OF PEORIA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds	\$ 18,127,826
Amounts reported for governmental activities in the statement of activities are different because:	
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(3,217,703)
Certain revenues are advances in the governmental funds because they do not provide current financial resources, but are considered revenue on the statement of activities.	(284,885)
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.	1,932,581
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$33,233,819), plus other capital \$0, is exceeded by depreciation (\$40,227,309) in the current period.	(6,945,929)
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold or disposed of. Also gains/losses on sales of capital assets are not shown in the governmental funds, but are revenues or expenses on the statement of activities.	157,223
Donations of capital assets are not reflected on the governmental fund statements but are shown in the statement of activities.	30,421,292
The issuance of long-term debt provides current financial resources in the governmental funds, but creates a long-term liability in the statement of activities.	(22,725,000)
Repayment of bonds principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position.	44,211,704
Bond premiums or discounts and gains or losses on bond refunding are sources or uses of current financial resources for governmental fund reporting but are deferred outflows or inflows of resources for government-wide reporting.	(1,406,850)
The contribution of governmental capital assets to Proprietary Funds is not shown in the governmental fund statements but is a transfer in in the statement of activities.	(6,267,626)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	8,615,557
Governmental funds report pension/OPEB contributions as expenditures. However, in the Statement of Activities, pension/OPEB service costs, interest on the pension liability, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from pension and OPEB is reported as pension/OPEB expense.	(3,813,075)
Change in net position of governmental activities	\$ 58,805,115

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
REVENUES:				
Taxes	\$ 52,739,714	\$ 52,739,714	\$ 73,398,538	\$ 20,658,824
Intergovernmental	45,995,488	45,995,488	54,666,314	8,670,826
Charges for services	33,579,338	33,579,338	30,685,083	(2,894,255)
Licenses and permits	4,607,443	4,607,443	5,287,497	680,054
Fines and forfeitures	1,547,000	1,547,000	1,436,969	(110,031)
Rents	1,217,404	1,217,404	843,911	(373,493)
Investment earnings	965,000	965,000	(199,942)	(1,164,942)
Miscellaneous	552,358	552,358	1,010,734	458,376
Total revenues	<u>141,203,745</u>	<u>141,203,745</u>	<u>167,129,104</u>	<u>25,925,359</u>
EXPENDITURES:				
Current:				
General government:				
Mayor and council	785,695	633,311	730,373	97,062
City manager	5,691,082	3,035,277	5,540,591	2,505,314
Human resources	3,780,383	3,887,072	3,339,046	(548,026)
Attorney	3,652,587	3,702,587	3,538,613	(163,974)
City clerk	1,256,978	1,347,369	1,081,558	(265,811)
Court	2,275,532	2,275,532	2,193,520	(82,012)
Economic development	1,696,660	1,796,660	1,455,707	(340,953)
Finance	11,245,613	11,741,613	10,572,151	(1,169,462)
Non-departmental	2,701,911	9,123,123	7,022,821	(2,100,302)
Culture and recreation	32,124,302	32,858,732	25,440,201	(7,418,531)
Public safety:				
Police	51,726,681	50,324,780	44,847,375	(5,477,405)
Fire	38,879,305	38,941,743	38,871,106	(70,637)
Development services				
Public works	7,707,712	7,870,970	4,980,039	(2,890,931)
Capital outlay	6,233,197	6,368,838	5,548,131	(820,707)
Capital outlay	8,196,564	12,070,345	777,674	(11,292,671)
Total expenditures	<u>177,954,202</u>	<u>185,977,952</u>	<u>155,938,906</u>	<u>(30,039,046)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,750,457)</u>	<u>(44,774,207)</u>	<u>11,190,198</u>	<u>55,964,405</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(34,550,000)	(17,317,580)	-	17,317,580
Transfers in	10,986,424	10,986,424	360,000	(10,626,424)
Transfers out	(5,649,737)	(5,654,557)	(16,301,471)	(10,646,914)
Total other financing sources and uses	<u>(29,213,313)</u>	<u>(11,985,713)</u>	<u>(15,941,471)</u>	<u>(3,955,758)</u>
Net change in fund balances	(65,963,770)	(56,759,920)	(4,751,273)	52,008,647
Fund balances - beginning	76,349,794	76,349,794	106,508,627	30,158,833
Fund balances - ending	<u>\$ 10,386,024</u>	<u>\$ 19,589,874</u>	<u>\$ 101,757,354</u>	<u>\$ 82,167,480</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
HALF-CENT SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>(Under)</u>
REVENUES:				
Taxes	\$ 19,133,060	\$ 19,133,060	\$ 28,736,648	\$ 9,603,588
Investment earnings	142,500	142,500	39,467	(103,033)
Miscellaneous	-	-	441,635	441,635
Total revenues	<u>19,275,560</u>	<u>19,275,560</u>	<u>29,217,750</u>	<u>9,942,190</u>
EXPENDITURES:				
Current:				
General government	3,000,734	4,194,709	2,940,985	(1,253,724)
Capital outlay	<u>2,553,542</u>	<u>1,489,557</u>	<u>-</u>	<u>(1,489,557)</u>
Total expenditures	<u>5,554,276</u>	<u>5,684,266</u>	<u>2,940,985</u>	<u>(2,743,281)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,721,284</u>	<u>13,591,294</u>	<u>26,276,765</u>	<u>12,685,471</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(25,000,000)	(23,730,685)	-	23,730,685
Transfers in	-	-	10,644,319	10,644,319
Transfers out	<u>(11,880,305)</u>	<u>(11,880,305)</u>	<u>(1,235,986)</u>	<u>10,644,319</u>
Total other financing sources and uses	<u>(36,880,305)</u>	<u>(35,610,990)</u>	<u>9,408,333</u>	<u>45,019,323</u>
Net change in fund balances	(23,159,021)	(22,019,696)	35,685,098	57,704,794
Fund balances - beginning	30,209,038	30,209,038	32,726,294	2,517,256
Fund balances - ending	<u>\$ 7,050,017</u>	<u>\$ 8,189,342</u>	<u>\$ 68,411,392</u>	<u>\$ 60,222,050</u>

NOTE: Although included with the General Fund for GAAP presentation, the Half-Cent Sales Tax Fund is budgeted separately.

**CITY OF PEORIA, ARIZONA
 BUDGETARY COMPARISON STATEMENT
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021**

Explanation of differences between budgetary basis and GAAP revenues and expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "Total revenues" from the General Fund budgetary comparison statement	\$ 167,129,104
Actual amounts (budgetary basis) "Total revenues" from the Half-Cent Sales Tax Fund budgetary comparison statement	29,217,750
Differences - budget to GAAP:	
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules	<u>(16,231,480)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 180,115,374</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the General Fund budgetary comparison statement	\$ 155,938,906
Actual amounts (budgetary basis) "Total expenditures" from the Half-Cent Sales Tax Fund budgetary comparison statement	2,940,985
Differences - budget to GAAP:	
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	<u>(16,231,480)</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 142,648,411</u></u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
HIGHWAY USER REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 4,122,613	\$ 4,122,613	\$ 5,168,658	\$ 1,046,045
Intergovernmental	10,660,000	10,660,000	12,199,356	1,539,356
Charges for services	135,000	135,000	146,327	11,327
Investment earnings	250,000	250,000	(5,946)	(255,946)
Total revenues	<u>15,167,613</u>	<u>15,167,613</u>	<u>17,508,395</u>	<u>2,340,782</u>
EXPENDITURES:				
Current:				
Highways and streets	11,154,696	11,807,892.00	16,816,983	5,009,091
Capital outlay	<u>8,795,535</u>	<u>8,934,565.00</u>	<u>661,274</u>	<u>(8,273,291)</u>
Total expenditures	<u>19,950,231</u>	<u>20,742,457</u>	<u>17,478,257</u>	<u>(3,264,200)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,782,618)</u>	<u>(5,574,844)</u>	<u>30,138</u>	<u>5,604,982</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(500,000.00)	-	-	-
Transfers in	2,062,613	2,062,613.00	1,000,007	(1,062,606)
Transfers out	<u>(1,062,613)</u>	<u>(1,062,613.00)</u>	<u>-</u>	<u>1,062,613</u>
Total other financing sources and uses	<u>500,000</u>	<u>1,000,000</u>	<u>1,000,007</u>	<u>7</u>
Net change in fund balances	(4,282,618)	(4,574,844)	1,030,145	5,604,989
Fund balances - beginning	10,174,536	10,174,536	11,281,475	1,106,939
Fund balances - ending	<u>\$ 5,891,918</u>	<u>\$ 5,599,692</u>	<u>\$ 12,311,620</u>	<u>\$ 6,711,928</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
TRANSPORTATION SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(budgetary basis)</u>	<u>Over</u>
				<u>(Under)</u>
REVENUES:				
Taxes	\$ 11,529,660	\$ 11,529,660	\$ 17,524,190	\$ 5,994,530
Investment earnings (loss)	400,000	400,000	(94,118)	(494,118)
Miscellaneous	-	-	39,760	39,760
Total revenues	<u>11,929,660</u>	<u>11,929,660</u>	<u>17,469,832</u>	<u>5,540,172</u>
EXPENDITURES:				
Current:				
Highways and streets	828,745	832,547	5,156,369	4,323,822
Capital outlay	<u>18,218,752</u>	<u>20,671,539</u>	<u>6,385,488</u>	<u>(14,286,051)</u>
Total expenditures	<u>19,047,497</u>	<u>21,504,086</u>	<u>11,541,857</u>	<u>(9,962,229)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,117,837)</u>	<u>(9,574,426)</u>	<u>5,927,975</u>	<u>15,502,401</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(3,500,000)	(1,056,066)	-	1,056,066
Transfers in	-	-	260,000	260,000
Transfers out	<u>(8,704,598)</u>	<u>(8,704,598)</u>	<u>(8,704,598)</u>	<u>-</u>
Total other financing sources and uses	<u>(12,204,598)</u>	<u>(9,760,664)</u>	<u>(8,444,598)</u>	<u>1,316,066</u>
Net change in fund balances	(19,322,435)	(19,335,090)	(2,516,623)	16,818,467
Fund balances - beginning	21,142,658	21,142,658	25,409,428	4,266,770
Fund balances - ending	<u>\$ 1,820,223</u>	<u>\$ 1,807,568</u>	<u>\$ 22,892,805</u>	<u>\$ 21,085,237</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Intergovernmental	\$ 6,433,506	\$ 6,433,506	\$ 12,120,467	\$ 5,686,961
Charges for services	350,000	350,000	656,028	306,028
Fines and forfeitures	130,000	130,000	98,171	(31,829)
Investment earnings	63,800	63,800	46,062	(17,738)
Miscellaneous	11,500	11,500	246,303	234,803
Total revenues	<u>6,988,806</u>	<u>6,988,806</u>	<u>13,167,031</u>	<u>6,178,225</u>
EXPENDITURES:				
Current:				
General government	357,952	1,075,140	217,600	(857,540)
Culture and recreation	948,098	1,137,499	797,829	(339,670)
Public safety	480,293	10,674,011	9,967,355	(706,656)
Development services	1,493,551	3,066,008	1,241,032	(1,824,976)
Human Services	526,948	530,119	-	(530,119)
Capital outlay	273,020	765,384	245,140	(520,244)
Total expenditures	<u>4,079,862</u>	<u>17,248,161</u>	<u>12,468,956</u>	<u>(4,779,205)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,908,944</u>	<u>(10,259,355)</u>	<u>698,075</u>	<u>10,957,430</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(3,425,000)	(175,000)	-	175,000
Transfers in	-	-	5,074	5,074
Transfers out	(230,913)	(226,093)	(915,438)	(689,345)
Total other financing sources and uses	<u>(3,655,913)</u>	<u>(401,093)</u>	<u>(910,364)</u>	<u>(509,271)</u>
Net change in fund balances	(746,969)	(10,660,448)	(212,289)	10,448,159
Fund balances - beginning	3,111,078	3,111,078	3,899,211	788,133
Fund balances - ending	<u>\$ 2,364,109</u>	<u>\$ (7,549,370)</u>	<u>\$ 3,686,922</u>	<u>\$ 11,236,292</u>

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-type Activities		
	Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
ASSETS			
Current assets:			
Pooled cash and investments	\$ 65,863,890	\$ 40,828,645	\$ 10,215,616
Restricted pooled cash and investments	-	-	-
Restricted cash with fiscal agents	-	-	-
Accounts receivable, net	7,094,820	2,921,353	1,780,296
Interest receivable	93,895	61,228	17,837
Prepaid items	-	-	680,929
Supplies inventory	274,361	-	183
Total current assets	<u>73,326,966</u>	<u>43,811,226</u>	<u>12,694,861</u>
Non-current assets:			
Restricted assets:			
Cash with fiscal agents	604,751	222,660	-
Investments	-	-	-
Net restricted assets	<u>604,751</u>	<u>222,660</u>	<u>-</u>
Capital assets:			
Buildings and improvements	1,662,522	7,612,045	-
Distribution and collection systems	442,117,591	421,224,385	-
Water rights	12,889,805	-	-
Equipment & furniture	16,868,833	2,320,486	211,038
Vehicles	2,141,852	1,563,734	18,568,313
Less accumulated depreciation and amortization	(209,832,688)	(176,183,850)	(6,405,747)
Land and improvements	6,867,999	3,878,001	-
Construction in progress	48,409,386	9,959,200	-
Capital assets, net	<u>321,125,300</u>	<u>270,374,001</u>	<u>12,373,604</u>
Net other postemployment benefits asset	<u>27,506</u>	<u>14,510</u>	<u>20,209</u>
Total non-current assets	<u>321,757,557</u>	<u>270,611,171</u>	<u>12,393,813</u>
Total assets	<u>395,084,523</u>	<u>314,422,397</u>	<u>25,088,674</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	1,267,544	668,672	931,285
Excess consideration provided for acquisition	1,469,749	-	-
Total deferred outflows of resources	<u>2,737,293</u>	<u>668,672</u>	<u>931,285</u>
LIABILITIES			
Current liabilities:			
Accounts payable	9,276,521	737,895	1,133,504
Accrued payroll	90,814	52,949	68,444
Interest payable	748,730	465,577	-
Due to other governments	169,709	-	-
Customer deposits	1,972,248	-	-
Other liabilities	209,648	5,118	-
Current portion of claims payable	-	-	-
Current portion of compensated absences	311,850	140,110	176,460
Current portion of bonds & loans payable	5,668,603	2,635,455	-
Unearned revenue-other	-	-	-
Total current liabilities	<u>18,448,123</u>	<u>4,037,104</u>	<u>1,378,408</u>
Non-current liabilities:			
Long-term portion of claims payable	-	-	-
Long-term portion of compensated absences	363,480	144,490	157,090
Long-term portion of bonds & loans payable	45,970,709	20,296,804	-
Net pension and other postemployment benefits liabilities	6,646,154	3,506,076	4,883,046
Total non-current liabilities	<u>52,980,343</u>	<u>23,947,370</u>	<u>5,040,136</u>
Total liabilities	<u>71,428,466</u>	<u>27,984,474</u>	<u>6,418,544</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	169,928	89,643	124,847
Total deferred inflows of resources	<u>169,928</u>	<u>89,643</u>	<u>124,847</u>
NET POSITION			
Net investment in capital assets	262,556,075	247,146,642	11,560,753
Restricted:			
Capital projects	18,642,815	10,439,872	713,098
Facilities maintenance	-	-	-
Trust purpose	-	-	-
Net other postemployment benefits	27,506	14,510	20,209
Unrestricted	<u>44,997,026</u>	<u>29,415,928</u>	<u>7,182,508</u>
Total net position	<u>\$ 326,223,422</u>	<u>\$ 287,016,952</u>	<u>\$ 19,476,568</u>

(continued)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-type Activities		Total	Governmental
	Major Enterprise Funds			Activities -
	Stadium	Storm Drain		Internal
	Fund	Utility Fund		Service Funds
ASSETS				
Current assets:				
Pooled cash and investments	\$ 2,154,182	\$ 143,310	\$ 119,205,643	\$ 27,534,165
Restricted pooled cash and investments	-	-	-	17,144,073
Restricted cash with fiscal agents	-	-	-	287,978
Accounts receivable, net	473,394	178,905	12,448,768	19,703
Interest receivable	4,758	893	178,611	108,153
Prepaid items	-	-	680,929	65,200
Supplies inventory	-	-	274,544	219,092
Total current assets	<u>2,632,334</u>	<u>323,108</u>	<u>132,788,495</u>	<u>45,378,364</u>
Non-current assets:				
Restricted assets:				
Cash with fiscal agents	-	-	827,411	-
Investments	-	-	-	8,869,371
Net restricted assets	<u>-</u>	<u>-</u>	<u>827,411</u>	<u>8,869,371</u>
Capital assets:				
Buildings and improvements	70,823,207	-	80,097,774	148,102
Distribution and collection systems	-	108,971,269	972,313,245	-
Water rights	-	-	12,889,805	-
Equipment & furniture	2,173,415	26,478	21,600,250	39,710,048
Vehicles	49,339	-	22,323,238	34,689,561
Less accumulated depreciation and amortization	(29,931,062)	(43,850,760)	(466,204,107)	(58,860,576)
Land and improvements	6,703,349	1,375,175	18,824,524	-
Construction in progress	-	7,035,445	65,404,031	-
Capital assets, net	<u>49,818,248</u>	<u>73,557,607</u>	<u>727,248,760</u>	<u>15,687,135</u>
Net other postemployment benefits asset	7,404	1,469	71,098	39,358
Total non-current assets	<u>49,825,652</u>	<u>73,559,076</u>	<u>728,147,269</u>	<u>24,595,864</u>
Total assets	<u>52,457,986</u>	<u>73,882,184</u>	<u>860,935,764</u>	<u>69,974,228</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions and other postemployment benefits	341,179	67,692	3,276,372	1,813,705
Excess consideration provided for acquisition	-	-	1,469,749	-
Total deferred outflows of resources	<u>341,179</u>	<u>67,692</u>	<u>4,746,121</u>	<u>1,813,705</u>
LIABILITIES				
Current liabilities:				
Accounts payable	138,827	19,721	11,306,468	2,613,105
Accrued payroll	30,602	4,909	247,718	142,075
Interest payable	-	17,622	1,231,929	-
Due to other governments	233	-	169,942	-
Customer deposits	1,000	-	1,973,248	-
Other liabilities	-	-	214,766	-
Current portion of claims payable	-	-	-	6,606,070
Current portion of compensated absences	115,760	18,480	762,660	571,640
Current portion of bonds & loans payable	-	230,028	8,534,086	-
Unearned revenue-other	782	-	782	-
Total current liabilities	<u>287,204</u>	<u>290,760</u>	<u>24,441,599</u>	<u>9,932,890</u>
Non-current liabilities:				
Long-term portion of claims payable	-	-	-	1,611,743
Long-term portion of compensated absences	181,650	39,810	886,520	621,140
Long-term portion of bonds & loans payable	-	3,724,398	69,991,911	-
Net pension and other postemployment benefits liabilities	1,788,908	354,943	17,179,127	9,509,851
Total non-current liabilities	<u>1,970,558</u>	<u>4,119,151</u>	<u>88,057,558</u>	<u>11,742,734</u>
Total liabilities	<u>2,257,762</u>	<u>4,409,911</u>	<u>112,499,157</u>	<u>21,675,624</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions and other postemployment benefits	45,739	9,076	439,233	243,146
Total deferred inflows of resources	<u>45,739</u>	<u>9,076</u>	<u>439,233</u>	<u>243,146</u>
NET POSITION				
Net investment in capital assets	49,818,248	69,603,181	640,684,899	15,630,173
Restricted:				
Capital projects	2,970,442	-	32,766,227	-
Facilities maintenance	100,000	-	100,000	-
Trust purpose	-	-	-	17,752,687
Net other postemployment benefits	7,404	1,469	71,098	39,358
Unrestricted	<u>(2,400,430)</u>	<u>(73,761)</u>	<u>79,121,271</u>	<u>16,446,945</u>
Total net position	<u>\$ 50,495,664</u>	<u>\$ 69,530,889</u>	<u>752,743,495</u>	<u>\$ 49,869,163</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.			3,889,561	
			<u>\$ 756,633,056</u>	

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities		
	Major Enterprise Funds		
	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Solid Waste Utility Fund</u>
OPERATING REVENUES			
Charges for services	\$ 51,163,490	\$ 24,044,302	\$ 14,731,950
Rents	-	-	-
Miscellaneous	2,971,583	27,617	-
Total operating revenues	<u>54,135,073</u>	<u>24,071,919</u>	<u>14,731,950</u>
OPERATING EXPENSES			
Salaries, wages and employee benefits	6,121,958	3,458,962	4,944,841
Contractual services, materials and supplies	26,825,365	13,169,172	9,093,532
Insurance claims and expenses	-	-	-
Depreciation and amortization	14,179,240	11,399,153	1,247,515
Total operating expenses	<u>47,126,563</u>	<u>28,027,287</u>	<u>15,285,888</u>
Operating income (loss)	<u>7,008,510</u>	<u>(3,955,368)</u>	<u>(553,938)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	134,846	37,349	1,317
Interest expense	(789,481)	(1,055,924)	-
Gain (loss) on sale of capital assets	-	-	(35,445)
Total non-operating revenues (expenses)	<u>(654,635)</u>	<u>(1,018,575)</u>	<u>(34,128)</u>
Income (loss) before capital contributions and transfers	6,353,875	(4,973,943)	(588,066)
Capital contributions	18,456,856	12,165,192	-
Transfers in	201,231	19,018,996	-
Transfers out	(19,258,996)	(321,231)	-
Change in net position	<u>5,752,966</u>	<u>25,889,014</u>	<u>(588,066)</u>
Total net position - beginning	320,470,456	261,127,938	20,064,634
Total net position - ending	<u>\$ 326,223,422</u>	<u>\$ 287,016,952</u>	<u>\$ 19,476,568</u>

(continued)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities Major Enterprise Funds		Total	Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund		Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 296,331	\$ 1,400,195	\$ 91,636,268	\$ 51,413,713
Rents	907,333	-	907,333	-
Miscellaneous	2,409,857	-	5,409,057	2,371,581
Total operating revenues	<u>3,613,521</u>	<u>1,400,195</u>	<u>97,952,658</u>	<u>53,785,294</u>
OPERATING EXPENSES				
Salaries, wages and employee benefits	1,802,719	351,670	16,680,150	9,067,678
Contractual services, materials and supplies	2,730,508	916,979	52,735,556	16,551,898
Insurance claims and expenses	-	-	-	24,779,639
Depreciation and amortization	2,330,752	2,625,453	31,782,113	3,609,863
Total operating expenses	<u>6,863,979</u>	<u>3,894,102</u>	<u>101,197,819</u>	<u>54,009,078</u>
Operating income (loss)	<u>(3,250,458)</u>	<u>(2,493,907)</u>	<u>(3,245,161)</u>	<u>(223,784)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	31,734	5,953	211,199	458,504
Interest expense	-	(31,829)	(1,877,234)	-
Gain (loss) on sale of capital assets	17,835	-	(17,610)	88,571
Total non-operating revenues (expenses)	<u>49,569</u>	<u>(25,876)</u>	<u>(1,683,645)</u>	<u>547,075</u>
Income (loss) before capital contributions and transfers	(3,200,889)	(2,519,783)	(4,928,806)	323,291
Capital contributions	-	5,342,673	35,964,721	-
Transfers in	2,120,295	241,943	21,582,465	5,261,286
Transfers out	(5,074)	-	(19,585,301)	(30,691)
Change in net position	<u>(1,085,668)</u>	<u>3,064,833</u>	<u>33,033,079</u>	<u>5,553,886</u>
Total net position - beginning	51,581,332	66,466,056	719,710,416	44,315,277
Total net position - ending	<u>\$ 50,495,664</u>	<u>\$ 69,530,889</u>	<u>752,743,495</u>	<u>\$ 49,869,163</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			390,969	
Change in net position of business-type activities			<u>\$ 33,424,048</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-type Activities		
	Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 53,503,946	\$ 23,741,807	\$ 14,513,825
Payments to suppliers	(24,280,832)	(12,233,080)	(2,392,402)
Payments to employees	(6,115,828)	(3,292,728)	(4,761,308)
Self-insurance costs	-	-	-
Payments to internal service funds	(2,905,629)	(1,536,884)	(6,298,371)
Net cash provided (used) by operating activities	<u>20,201,657</u>	<u>6,679,115</u>	<u>1,061,744</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	201,231	19,018,996	-
Transfers out	(19,258,996)	(321,231)	-
Interfund loans payable	-	-	-
Net cash provided (used) by non-capital financing activities	<u>(19,057,765)</u>	<u>18,697,765</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(31,217,496)	(3,137,452)	(2,043,159)
Proceeds from disposal of capital assets	-	-	107,315
Capital contributions	6,514,593	2,930,371	-
Proceeds from loans	44,717,349	20,709,811	-
Principal payments on capital debt	(10,620,577)	(41,545,777)	-
Interest paid on capital debt	(680,484)	(1,582,283)	-
Net cash provided (used) by capital and related financing activities	<u>8,713,385</u>	<u>(22,625,330)</u>	<u>(1,935,844)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	-	-
Interest received on investments	152,728	48,705	8,285
Net cash provided by investing activities	<u>152,728</u>	<u>48,705</u>	<u>8,285</u>
Net increase (decrease) in cash and cash equivalents	10,010,005	2,800,255	(865,815)
Cash and cash equivalents at beginning of year	56,458,636	38,251,050	11,081,431
Cash and cash equivalents at end of year	<u>\$ 66,468,641</u>	<u>\$ 41,051,305</u>	<u>\$ 10,215,616</u>

(continued)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-type Activities Major Enterprise Funds		Total	Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,714,792	\$ 1,356,116	\$ 95,830,486	\$ 53,797,923
Payments to suppliers	(2,198,305)	(800,970)	(41,905,589)	(16,502,860)
Payments to employees	(1,815,801)	(321,618)	(16,307,283)	(8,842,489)
Self-insurance costs	-	-	-	(23,593,077)
Payments to internal service funds	(519,613)	(227,121)	(11,487,618)	-
Net cash provided (used) by operating activities	<u>(1,818,927)</u>	<u>6,407</u>	<u>26,129,996</u>	<u>4,859,497</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	2,120,295	241,943	21,582,465	5,261,286
Transfers out	(5,074)	-	(19,585,301)	(30,691)
Interfund loans payable	-	(462,590)	(462,590)	-
Net cash provided (used) by non-capital financing activities	<u>2,115,221</u>	<u>(220,647)</u>	<u>1,534,574</u>	<u>5,230,595</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(178,006)	(587,563)	(37,163,676)	(3,508,862)
Proceeds from disposal of capital assets	17,835	-	125,150	101,900
Capital contributions	-	-	9,444,964	-
Proceeds from loans	-	1,180,827	66,607,987	-
Principal payments on capital debt	-	(226,401)	(52,392,755)	-
Interest paid on capital debt	-	(15,542)	(2,278,309)	-
Net cash provided (used) by capital and related financing activities	<u>(160,171)</u>	<u>351,321</u>	<u>(15,656,639)</u>	<u>(3,406,962)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	(44,353)
Interest received on investments	30,504	6,229	246,451	482,946
Net cash provided by investing activities	<u>30,504</u>	<u>6,229</u>	<u>246,451</u>	<u>438,593</u>
Net increase (decrease) in cash and cash equivalents	166,627	143,310	12,254,382	7,121,723
Cash and cash equivalents at beginning of year	1,987,555	-	107,778,672	37,844,493
Cash and cash equivalents at end of year	<u>\$ 2,154,182</u>	<u>\$ 143,310</u>	<u>\$ 120,033,054</u>	<u>\$ 44,966,216</u>

(continued)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-type Activities Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 7,008,510	\$ (3,955,368)	\$ (553,938)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	14,179,240	11,399,153	1,247,515
(Increase) decrease in assets/deferred outflows:			
Accounts receivable	(601,944)	(330,112)	(218,125)
Prepaid items	279	-	439,475
Supplies inventory	7,594	-	137
Net other postemployment benefits asset	(16,514)	(8,979)	(12,490)
Deferred outflows - pension and other postemployment benefits	(579,611)	(322,486)	(448,162)
Increase (decrease) in liabilities/deferred inflows:			
Accounts payable	(388,996)	(605,910)	(36,853)
Accrued payroll	24,750	19,006	16,406
Due to other governments	1,370	-	-
Other liabilities	18,657	5,118	-
Deposits payable	(29,183)	-	-
Claims payable	-	-	-
Unearned revenue - other	-	-	-
Compensated absences	60,030	52,600	43,280
Net pension and other post employment benefit liability	928,962	629,034	867,970
Deferred inflows - pension and other postemployment benefits	(411,487)	(202,941)	(283,471)
Total adjustments	<u>13,193,147</u>	<u>10,634,483</u>	<u>1,615,682</u>
Net cash provided (used) by operating activities	<u>\$ 20,201,657</u>	<u>\$ 6,679,115</u>	<u>\$ 1,061,744</u>
Non-cash investing, capital and financing activities:			
Capital assets acquired through contributions from developers and City governmental funds	\$ 11,942,263	\$ 9,234,821	\$ -
Change in fair market value of investments	(491,383)	(371,013)	(117,648)
Amortization of bond premium	389,242	286,190	-
Total non-cash investing, capital and financing activities	<u>\$ 11,840,122</u>	<u>\$ 9,149,998</u>	<u>\$ (117,648)</u>

(continued)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-type Activities Major Enterprise Funds		Total	Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (3,250,458)	\$ (2,493,907)	\$ (3,245,161)	\$ (223,784)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,330,752	2,625,453	31,782,113	3,609,863
(Increase) decrease in assets/deferred outflows:				
Accounts receivable	(126,268)	(44,079)	(1,320,528)	12,629
Prepaid items	-	-	439,754	-
Supplies inventory	-	-	7,731	(17,183)
Net other postemployment benefits asset	(4,374)	(916)	(43,273)	(23,904)
Deferred outflows - pension and other postemployment benefits	(151,539)	(33,052)	(1,534,850)	(846,466)
Increase (decrease) in liabilities/deferred inflows:				
Accounts payable	13,785	(19,601)	(1,037,575)	66,221
Accrued payroll	13,210	2,014	75,386	44,933
Due to other governments	(1,195)	-	175	-
Other liabilities	-	(91,511)	(67,736)	-
Deposits payable	1,000	-	(28,183)	-
Claims payable	-	-	-	1,186,562
Unearned revenue - other	(773,461)	-	(773,461)	-
Compensated absences	31,280	15,160	202,350	153,520
Net pension and other post employment benefit liability	212,877	67,049	2,705,892	1,471,432
Deferred inflows - pension and other postemployment benefits	(114,536)	(20,203)	(1,032,638)	(574,326)
Total adjustments	<u>1,431,531</u>	<u>2,500,314</u>	<u>29,375,157</u>	<u>5,083,281</u>
Net cash provided (used) by operating activities	<u>\$ (1,818,927)</u>	<u>\$ 6,407</u>	<u>\$ 26,129,996</u>	<u>\$ 4,859,497</u>
Non-cash investing, capital and financing activities:				
Capital assets acquired through contributions from developers and City governmental funds	\$ -	\$ 5,342,673	\$ 26,519,757	\$ -
Change in fair market value of investments	-	-	(980,044)	(123,539)
Amortization of bond premium	-	-	675,432	-
Total non-cash investing, capital and financing activities	<u>\$ -</u>	<u>\$ 5,342,673</u>	<u>\$ 26,215,145</u>	<u>\$ (123,539)</u>

(concluded)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	Custodial Funds		
	PLAY Peoria NFP Fund	Westside Fire Training IGA Fund	Total Other Custodial Funds
ASSETS			
Pooled cash and investments	\$ 103,927	\$ 28,113	\$ 132,040
Interest receivable	162	49	211
Total assets	104,089	28,162	132,251
NET POSITION			
Restricted for:			
Individuals and organizations	104,089	-	104,089
Other governments	-	28,162	28,162
Total net position	\$ 104,089	\$ 28,162	\$ 132,251

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>		<u>Total Other Custodial Funds</u>
	<u>PLAY Peoria NFP Fund</u>	<u>Westside Fire Training IGA Fund</u>	
ADDITIONS			
Contributions:			
Individuals	\$ 16,351	\$ -	\$ 16,351
Investment earnings:			
Interest	1,080	330	1,410
Total additions	<u>17,431</u>	<u>330</u>	<u>17,761</u>
DEDUCTIONS			
Recreation Programs	9,588	-	9,588
Liability Insurance	-	2,278	2,278
Supplies	3,131	-	3,131
Total deductions	<u>12,719</u>	<u>2,278</u>	<u>14,997</u>
Change in net position	4,712	(1,948)	2,764
Net position - beginning of the year	99,377	30,110	129,487
Net position - end of the year	<u>\$ 104,089</u>	<u>\$ 28,162</u>	<u>\$ 132,251</u>

The accompanying notes are an integral part of the financial statements

Notes to the Financial Statements

The Notes to the Basic Financial Statements include a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying financial statements.

Note		Page
1	Summary of Significant Accounting Policies	47
2	Deposits and Investments	59
3	Deficits in Fund Equity/Excess of Expenditures Over Appropriations	61
4	Accounts Receivable and Allowance for Doubtful Accounts	62
5	Due from Other Governments	62
6	Capital Assets	63
7	Long-term Debt	64
8	Risk Financing Activities	69
9	Pensions and Other Postemployment Benefits	71
10	Deferred Compensation Plan	85
11	Contingencies, Commitments and Other Claims	85
12	Interfund Transactions, Receivable and Payable Balances	86
13	Stabilization Arrangements	87
14	Segment Information for Enterprise Funds	88
15	Subsequent Events	88

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Peoria, Arizona (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the City’s more significant policies follows.

A. Financial Reporting Entity

The City of Peoria was incorporated in 1954 under the Arizona Revised Statutes. The current City charter provides for the Council - Manager form of government and provides such services as authorized by the charter as limited by the constitution of the State of Arizona.

The City’s major operations include police protection and fire and medical services, parks and recreation, development services, public works, certain social services and general administrative services. In addition, the City owns and operates enterprise funds, which include water, wastewater, solid waste and storm drain operations, and a baseball stadium complex.

The financial reporting entity presented in these financial statements consists of the City and its blended component units for which the City is financially accountable. The blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. These component units are governed by boards, wholly or substantially, comprised of the government’s elected council.

Individual Component Units - Blended

City of Peoria Municipal Development Authority, Inc.

City of Peoria Municipal Development Authority, Inc. (Authority), an Arizona not-for-profit corporation, was organized for the purpose of financing the construction of municipal facilities within the City through the issuance of bonds. Concurrent with these bond issues, the City entered into contracts with the Authority whereby the City will pay, to the Authority, amounts sufficient to retire the Authority’s bonds and related interest. The outstanding Municipal Development Authority, Inc. bonds are reported as a debt service fund in the City’s financial statements. All of the outstanding debt of the Authority will be repaid by revenues of the City. No separate financial statements are prepared for the Municipal Development Authority, Inc.

Vistancia Community Facilities District

The Vistancia Community Facilities District (Vistancia) was formed by petition to the City Council in 2002. Vistancia’s purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, Vistancia can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for Vistancia’s property taxes, and thus for the costs of operating the district. The City Council serves as the Board of Directors of Vistancia and City management has operational responsibility for Vistancia. The City has no liability for the district’s debt. For reporting purposes, the transactions of Vistancia are included as governmental funds as if they were part of the City’s operations.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Vistancia West Community Facilities District

The Vistancia West Community Facilities District (Vistancia West) was formed by petition to the City Council in 2014. Vistancia West's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, Vistancia West can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for Vistancia West's property taxes, and thus for the costs of operating the district. The City Council serves as the Board of Directors of Vistancia West and City management has operational responsibility for Vistancia West. The City has no liability for the district's debt. For reporting purposes, the transactions of Vistancia West are included as governmental funds as if they were part of the City's operations.

Mystic at Lake Pleasant Heights Community Facilities District

The Mystic at Lake Pleasant Heights Community Facilities District (Mystic) was formed by petition to the City Council in 2020. Mystic's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, Mystic can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for Mystic's property taxes, and thus for the costs of operating the district. The City Council serves as the Board of Directors of Mystic and City management has operational responsibility for Mystic. The City has no liability for the district's debt. For reporting purposes, the transactions of Mystic are included as governmental funds as if they were part of the City's operations. There was minimal activity during fiscal year 2021 which was included in CFD Bonds Debt Service fund.

Vistancia North Community Facilities District

The Vistancia North Community Facilities District (Vistancia North) was formed by petition to the City Council in 2020. Vistancia North's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, Vistancia North can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for Vistancia North's property taxes, and thus for the costs of operating the district. The City Council serves as the Board of Directors of Vistancia North and City management has operational responsibility for Vistancia North. The City has no liability for the district's debt. For reporting purposes, the transactions of Vistancia North are included as governmental funds as if they were part of the City's operations. There was minimal activity during fiscal year 2021 which was included in CFD Bonds Debt Service fund.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

City of Peoria Employee Benefit Trust

The City of Peoria Employee Benefit Trust (the Trust) was formed by petition to the City Council on January 1, 2010. The Trust's purpose is to fund health, welfare and related benefit programs by the City in accordance with the provisions of Arizona law. Plan premiums are paid by Participants and the City. The City Council Sub Committee on Boards and Commissions nominate individuals to serve as Trustees overseeing the management and administration of the Trust. For financial reporting purposes, the transactions of the Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

City of Peoria Workers' Compensation Trust

The City of Peoria Workers' Compensation Trust (the Trust) was formed by petition to the City Council in 2009. The Trust's purpose is to fund workers' compensation benefit programs by the City in accordance with the provisions of Arizona law. Plan premiums are paid by the City. The City Council Sub Committee on Boards and Commissions nominate individuals to serve as Trustees overseeing the management and administration of the Trust. For financial reporting purposes, the transactions of the Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

Stand-alone financial statements are prepared for Vistancia, Vistancia West and the two trusts above. The accounting records of these are maintained by the City and the financial statements are available by contacting the City's Finance Department, 8401 West Monroe Street, Peoria, AZ 85345.

B. Basis of Presentation – Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report financial information on all of the non-fiduciary activities of the primary government and its component units.

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

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

The City does not currently employ an indirect cost allocation system. The General Fund and certain other funds charge administrative service fees to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration). These administrative fees are eliminated from the financial statements at both the government-wide and fund level like a reimbursement, by reducing revenues and expenditures/expenses in the allocating fund.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Separate financial statements are provided for governmental funds (general fund, special revenue funds, debt service funds and capital projects funds), proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund and is used to account for and report all financial resources not accounted for and reported in another fund.

The *Highway User Revenue Fund*, a special revenue fund, is required by state statute to track receipts of specific state shared revenues and the expenditure of those funds.

The *Transportation Sales Tax Fund*, a special revenue fund, accounts for the revenues generated from a sales tax increase designated by public vote for use in funding transportation needs throughout the City.

The *GO Bond Debt Service Fund* accounts for the principal and interest requirements of the City's general obligation bonds, with revenues generated from the general property tax levy sufficient to meet the debt service.

The *Development Fee Fund*, a capital projects fund, accounts for the receipt and expenditure of development impact or expansion fees for all governmental activities as governed by state statutes.

The *GO Bond Capital Projects Fund* accounts for the receipt of proceeds from General Obligation bonds and the expenditure of those funds to purchase or construct capital assets for the City.

The *Other Grants Fund*, a special revenue fund receives and expends much of the City's grant fund money. The amount of grants received is generally based upon application to granting agencies by the City and availability of funding by grantors. Grant money may be used only for the purpose of the approved budget and is subject to grantor expenditure guidelines.

The City reports the following major proprietary funds:

The *Water Utility, Wastewater Utility, Solid Waste Utility and Storm Drain Utility Funds* all account for the revenues from charges to the customers of these services and the costs of these services.

The *Stadium Fund* accounts for the revenues generated by and the costs of operation of a sports complex owned by the City. This facility is used for spring training by two major league baseball teams as well as multiple other uses throughout the year.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for (1) Motor Pool, (2) Facilities Maintenance, (3) Self-Insurance which includes workers' compensation and health insurance programs, and (4) Information Technology which includes a computer replacement program.

The *Fiduciary Funds* are custodial funds. The City currently maintains 2 custodial funds. One fund, PLAY Peoria, accounts for monies held on behalf of separate not-for-profit agencies for which the City operates as an administrator. Another fund accounts for monies held on behalf of Westside Fire Training IGA, a consortium of area fire departments that pool monies for training activities, for which the City acts as the administrator.

For the most part, the effect of the interfund activity has been removed from these statements. Quasi-external transactions, like the sale of utility services from the Enterprise Funds to the other funds, are not eliminated for the financial statements as elimination of these charges would distort the direct costs and program revenue reported for the various functions.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including: water, sewer, solid waste, storm drain, vehicle purchase/maintenance, computer replacement and risk management charges. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for specified expenditures, generally, the City would first apply restricted resources when an expense is incurred.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are earned and available to pay liabilities of the current period (generally these revenues are earned by June 30 and are expected to be collected within six months after year-end, except for property taxes). For property taxes, the City uses a 60 day collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to debt service, compensated absences and claims and judgments, which are recorded only when payment is due.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Entitlements, other taxes and shared revenues are all considered to be susceptible to accrual and revenue recognition in the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. For the governmental fund statements, grant revenue earned but not expected to be received within six months of year end is a deferred inflow of resources. Changes in fair value of investments are recognized in investment income at the end of the year.

All other revenue items are considered to be measurable and available only when the City receives cash.

Because different measurement focuses and basis of accounting are used in the government-wide statement of net position and in governmental fund balance sheets, amounts reported as *restricted fund balances* in governmental funds may be different from amounts reported as *restricted net position* in the statement of net position.

D. Budgets and Budgetary Accounting

The City prepares its annual budget on a basis consistent with generally accepted accounting principles with such exceptions as eliminating compensated absences. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.
- In April, the proposed budget for the following fiscal year is presented by the City Manager to the City Council. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain citizen comment.
- Prior to June 30, the City Council legally enacts the budget, through the passage of a resolution. The resolution sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution.
- The maximum legal expenditure permitted for the year is the total budget as adopted. The expenditure appropriations in the adopted budget are maintained in the City's financial system by department within individual funds. Departmental appropriations may be amended during the year, within administrative guidelines and adopted Council policies.
- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.
- The City Manager is generally authorized to transfer budgeted amounts within any specific fund's expenditure appropriation. Any budget revisions requiring a transfer between funds must be approved by the City Council. Additionally, budget revisions involving the use of contingency budgets must be approved by the City Council.
- All unencumbered expenditure appropriations expire at the end of the fiscal year.
- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Office staff. Budgetary carry forwards are approved by the City Council.
- All funds of the City, except the custodial funds, have legally adopted budgets. Further, no budget was adopted for the Smart & Safe AZ special revenue fund. This was the first year the City received Smart & Safe money and there were no related expenditures. Formal integration of these budgets into the City's financial systems is employed as a management control device during the year for all funds.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

I. Deposits and Investments

Cash Equivalents

The City considers short-term investments (including restricted assets) in the State of Arizona investment pool, mutual fund money market, U.S. Treasury bills and notes with maturities of three months or less at acquisition date to be cash equivalents.

Investments

The City's funds are invested in accordance with the City's investment policy and Arizona Revised Statutes. The City's policy is to invest in obligations of the U.S. Government or any of its agencies and instrumentalities, certificates of deposit, bankers' acceptances, commercial paper, money market funds, repurchase agreements, corporate securities, the State of Arizona local government investment pool and State of Arizona debt including counties, incorporated cities, towns or duly organized school districts.

Funds held by trustees related to the issuance of bonds and certain loan programs are invested in accordance with contractual agreements and trust documents.

The City generally reports investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. The fair value of participants' position in the Local Government Investment Pool approximates the value of the pool shares. Other non-pooled investments are also generally carried at fair value. The fair value of non-pooled investments is determined annually and is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the funds' current share price.

Except for certain specific investments, generally those held in trust for a specific purpose, the City maintains pooled cash and investments, and allocates interest income based on a fund's proportionate cash balance. Investment income related to certain special revenue funds is allocated to the General Fund. Non-pooled investment income is recorded in the fund that held the specific investments.

II. Receivables

All receivables are shown net of an allowance for uncollectible accounts. For trade accounts receivable (miscellaneous receivables and utility billing receivables), amounts outstanding in excess of 90 days are included in the allowance.

III. Inventory and Prepaid Items

Inventories are valued at cost and the City uses the first-in, first-out (FIFO) flow assumption in determining cost and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

IV. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted on the balance sheet, or statement of net position, because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

V. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$100,000 for Buildings and Improvements, Water and Sewer Systems, Storm Drainage Systems and Infrastructure systems (streets, etc.) and \$25,000 for all other asset categories (except land) and an estimated useful life of greater than one year. Capital assets are recorded at the cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful life (Years)</u>
Water rights	50
Buildings and improvements	20-40
Water and sewer systems	5-40
Storm drainage systems	40
Park facilities and landscape	40
Street system	20
Streetlights and traffic control devices	10
Equipment, furniture and fixtures	7
Vehicles	3-15
Computers/software	3

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation) or net realizable value, if lower, as of the date of the transfer.

VI. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary statements consists of unpaid, accumulated leave balances. Annual leave, based on a graduated scale of years of employment, is credited to each employee as it accrues. The maximum annual leave accrual for permanent employees is 360 hours while Fire department employees accrue at a maximum rate of 544 hours. Upon employment termination, payment is made to the employee for the unused leave.

City employees are granted 8 hours of sick leave per month. The maximum an employee may accumulate varies according to union status. Upon resignation, employees who have at least five years of employment with the City and accumulated 200 hours or more of sick leave are entitled to a 50% payout. Additionally upon retirement, employees who have accumulated 200 hours or more of sick leave are entitled to a 50% payout. Any sick time accrued above the maximum allowed to be carried is paid out annually in December or May at a rate of 25%, or 50%, according to union or employment status, and the corresponding employees' sick leave is reduced to the allowable maximum.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

For the governmental fund financial statements, compensated absences are accrued only when due. For the government-wide financial statements, as well as the proprietary fund financial statements, all of the outstanding vacation, compensatory time and benefits, as well as an estimate of the retirement sick-time payout for eligible employees, are recorded as a liability. Compensated absences are liquidated when mature by the various operating funds.

VII. Long-Term Obligations

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

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

The long-term debt of the City is serviced by various debt service funds, according to the type of debt and the funds benefiting from that debt.

VIII. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The City reports deferred outflows related to pensions and other postemployment benefits (OPEB), deferred outflows related to bond refunding and excess consideration provided for acquisitions.

In addition to liabilities, the statement of net position and the balance sheet of governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to pensions and OPEB in the statement of net position and unavailable revenue reported from property taxes and grant or intergovernmental revenues in the balance sheet of governmental funds.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IX. Pension and Other 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 or 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.

X. Net Position

In the government-wide and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. The net investment in capital assets balances are separately reported because capital assets make up a significant portion of net position. Restricted balances account for the portion of net position restricted by external resource providers or through enabling legislation. Unrestricted balances are the remaining balances not included in the previous two categories.

XI. Fund Balance policies

In the fund financial statements, governmental funds distinguish between nonspendable and spendable fund balances. Nonspendable balances include amounts that cannot be spent because they are not in a spendable form, such as inventory or prepaid items, or because resources legally or contractually must remain intact. Spendable balances are further classified as restricted, committed, assigned and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (creditors, grantors, etc.) or through enabling legislation.

Committed fund balances includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Such commitments are created by legislative action of the City Council, the City's highest level of decision making authority, by resolution or ordinance and would require the same legislative action to reverse. Ordinances and resolutions both require public votes of the Council and, although the uses may differ, they are both considered to be of the highest level of decision making authority for the City. Commitment must be made or removed prior to June 30 in order to be reported in or removed from the financial statements. Much of the authority to commit fund balance is established in the City's Council adopted *Principals of Sound Financial Management*.

Amounts in the *assigned* fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority to make assignments has been delegated by the City Council to the Chief Financial Officer.

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

As previously noted above, generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The order in which the City would apply resources when multiple categories of unrestricted fund balance are available is as follows: committed, assigned and unassigned.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

XII. Stabilization arrangements

The City has set aside funds for various stabilization arrangements. It is the City's intent that situations allowing for the use of stabilization resources will be for non-routine situations. The authority for the stabilization arrangements is in the Council adopted *Principles of Sound Financial Management*. The governmental fund stabilization arrangements are shown as committed fund balance on the governmental fund financial statements. The City has the following stabilization arrangements at June 30, 2021:

- Budget stabilization reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and the Half-Cent Sales Tax Fund (35% of the average fund revenues for the preceding five years). These reserves may be used to provide funding to deal with fluctuations in fiscal cycles and operating requirements that exceed \$500,000. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the three fiscal years following the year in which the event occurred. Funding in excess of the stabilization reserve may be assigned by management for other purposes as approved by City Council, including debt service, capital, economic development, community promotions or other specific city operational expenditures.
- Emergency reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and is for unexpected, large-scale events where damage in excess of \$250,000 is incurred and immediate remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, storm damage). Usage of the emergency reserve must be approved by City Council, but the City Manager may utilize these funds when immediate action must be taken to protect the health and safety of residents. The City Manager must then provide a summary report to the City Council as soon as practical on the usage of these funds. The City shall strive to restore the Emergency Reserve to the 10% level within the next fiscal year following the fiscal year in which the event occurred.
- Operating Reserve - Maintained in the General Fund (15% of the average general fund revenues for the preceding five years) and is for unexpected events whose impact exceeds \$500,000, such as failure of the State to remit shared revenues, unexpected mandates, unexpected loss of State Shared revenues, continuance of critical city services due to unanticipated events, or to offset unexpected loss of a significant funding source for the remainder of the fiscal year. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the two fiscal years following the year in which the event occurred.
- Enterprise Operating Fund Working Capital Reserve – Maintained in the Water Utility Fund (25% of the operating expenses of the fund for the fiscal year), the Wastewater Utility Fund (25% of the operating expenses of the fund for the fiscal year), and the Solid Waste Utility Fund (20% of the operating expenses of the fund for the fiscal year). These reserves are to provide the City with a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- Rate Stabilization Reserve – In the Water and Wastewater Utility Funds (5% of the average fund revenues for the preceding three fiscal years). These funds may be used to moderate significant rate increases. In the event these funds are used, the City shall strive to restore the reserve to the 5% level within the next three fiscal years following the year in which the funds were used.
- Debt Stabilization Reserve – In the Water and Wastewater Utility Funds (50% of the maximum annual debt service payment of the fund in the next five fiscal years) and the Half-Cent Sales Tax fund (\$1,000,000). The Debt Stabilization Reserve is intended to provide additional security to insure the City's ability to meet debt service obligations. In the event the Debt Stabilization Reserve is used, the City shall strive to restore the fund to the defined level within the three fiscal years following the year in which the funds were used.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

- Asset Maintenance Reserve - In the Water and Wastewater Utility Funds (2% of the enterprise fund infrastructure assets). The Asset Maintenance Reserve may be used to provide funding for the repair and maintenance of critical enterprise infrastructure. In the event the Asset Maintenance Reserve is used, the City shall strive to restore the fund to the defined level within the three fiscal years following the year in which the funds were used.
- Capital Equipment Replacement Reserves – The City maintains various capital equipment replacement reserves to fund future replacement of certain capital equipment, primarily vehicles and computers. The annual internal charges to the operating funds are determined as part of the annual budget process.

F. Property taxes

The City Council adopts the annual tax levy each year on or before the third Monday in August as determined by the Maricopa County Assessor. For locally assessed property, the value is determined as of January 1 of the preceding year, known as the valuation year. For utilities and other centrally valued properties, the value is determined as of January 1 of the tax year. The City has an enforceable claim on the property when the property tax is levied. Levies are due and payable in two installments, on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16 percent. A lien is placed on the property at the time the tax bill is sold. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions for sale of delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent.

G. Tax Abatements

The City previously entered into tax abatement agreements as defined by GASB Statement 77. The tax abatements agreements from prior fiscal years have expired. It is the City's policy to review each agreement individually and in the aggregate annually. For the fiscal year ended June 30, 2021, no tax abatement agreements were noted that were applicable to fiscal year 2021.

H. Joint Ventures

The City participates in the Regional Wireless Cooperative (RWC), an association of municipalities formed in 2008 to oversee the administration, operation, management, and maintenance of an expanding regional communications network. The RWC was formed through a governance structure founded on the principles of cooperation for the mutual benefit of all members and has expanded to serve a still-growing list of cities, towns, and fire districts, along with many other area entities who serve public safety needs. A regional radio communications network was built to seamlessly serve the interoperable communication needs of first responders and other municipal radio users in and around the Phoenix Metropolitan Region. Financial responsibilities are shared by all members based on their relative size and is measured by the number of subscriber units (radios) on the network.

The City records its share of contributions to the RWC, third party contributions paid to the RWC for the benefit of the City, and equity in the joint venture in the City's governmentwide financial statements. The City's equity balance as of June 30, 2021 was \$1,733,222 or 2.69 percent. The RWC Annual Comprehensive Financial Statement is available from the Regional Wireless Cooperative, 200 West Washington Street, 12th Floor, Phoenix, Arizona, 85003-1611.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of net position/balance sheet and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

J. New Accounting Principles

For the year ended June 30 2021, the City implemented the provisions of the following GASB Statements:

- GASB Statement No. 84, Fiduciary Activities. The principal objective of GASB Statement No. 84 is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.
- GASB Statement No. 90, Majority Equity Interests. The City does not have any material major equity interests.
- GASB Statement No. 98, the Annual Comprehensive Financial Report. This change was implemented and caused no impact to the financial statements.

GASB has issued the following pronouncements that may effect future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. The City has not fully determined the effect these pronouncements will have on the City's financial statements.

GASB Statement No.	GASB Accounting Standards	Effective Dates
87	Leases	The requirements of this Statement will take effect for financial statements starting with the year ended June 30, 2022.
91	Conduit Debt Obligations	The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2022.

2. DEPOSITS AND INVESTMENTS

A. Deposits

The City maintains a cash and investment pool that is available for use by all funds. Certain restricted funds are not part of the City's pool, but rather are maintained with trustees as required by contractual commitments.

At June 30, 2021, the carrying amount of the City's deposits was \$47,924,728 and the bank balance was \$49,583,743. The entire bank balance was covered by federal depository insurance or collateralized by the City's agent in the City's name or in the Municipal Development Authority, Inc.'s name. The difference between the City's carrying amount and the bank balance of \$1,659,015 represents deposits in transit, outstanding checks and other reconciling items.

The City maintains cash on hand balances in the form of petty cash and change funds. At June 30, 2021, the total amount of these balances was \$6,834

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

B. Investments

The City invests in obligations that fall within the authorization of State of Arizona laws, the City's regulations and investment policy and applicable legal and contractual commitments.

Interest rate risk: In order to limit interest and market rate risk, State law and the City's investment policy sets a maximum maturity on any investment of five years with a minimum of 20% invested for a period of one year or less. At June 30, 2021, 42.7% of the City's investments have a maturity of less than one year.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to prime quality securities rated within the top two ratings by a nationally recognized statistical rating organization. The City's investment policy limits the purchase of Corporate Bonds or Notes to those securities rated at least AA-/Aa3 or equivalent at the time of purchase by a nationally recognized statistical rating organization and with a maximum maturity of three years. The City's investment policy also limits the purchase of Banker's Acceptances to those securities rated Aa or better at the time of purchase by two nationally recognized statistical rating organizations and with a maximum maturity of 180 days. At June 30, 2021, the City's investments include \$74.7 million in Commercial Paper and \$53.7 million in Corporate Notes. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a collateralization level of at least 102 percent of the market value of principal and accrued interest.

<u>Investment Type</u>	<u>S&P Ratings range</u>
Agency coupon securities	AA+
Commercial Paper	A-1 to A-1+
Corporate Bonds	A to AA+

The City's investment in the State of Arizona local government investment pool is limited to a pool (Pool 7) that invests only in government securities. Pool 7 is not rated.

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2021, the City's investments include 42.4% in U.S. Treasury Notes, 18.3% in Commercial Paper, 17.7% in U.S. Agency Coupon securities, 13.2% in Corporate securities, 4.3% in Money Market investments, 3.3% in the State of Arizona local government investment pool, 0.6% in Federal Agency Collateralized Mortgage obligations, and 0.2% in Municipal Bonds.

Investments in any one issuer, excluding U.S. governments that represent 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Fair Value</u>
Federal Home Loan Mortgage Association	\$ 44,912,010
Federal National Mortgage Association	\$ 22,187,676

Custodial credit risk: To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly safekeeping statements.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments classified as Level 2 inputs are valued using a matrix pricing model. The City has the following recurring fair value measurements as of June 30, 2021:

- All U.S. Treasury securities are valued using quoted prices in active markets (Level 1)
- All agency coupon securities are valued using other observable inputs (Level 2)
- All commercial paper is valued using other observable inputs (Level 2)
- All corporate bonds are valued using other observable inputs (Level 2)

The City's cash and investments are combined with the State's pooled investments, and therefore, do not represent specific identifiable investments. The State categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as described above. The City's investment in the State of Arizona's local government investment pool and the money market funds are stated at fair value, which also approximates the value of the investment upon withdrawal.

At June 30, 2021, the City's total investments of \$407,580,513 included the following:

	Investment Maturities in Years				Fair Value
	Less than 1	1-2	2-3	Over 3	
<u>Investments:</u>					
U.S Treasury notes	\$ 35,965,096	65,152,737	65,555,659	6,320,155	\$ 172,993,647
Agency coupon securities	13,314,024	23,037,067	35,786,711	-	72,137,803
Commercial paper	74,741,373	-	-	-	74,741,373
Corporate notes	19,174,687	25,088,229	9,391,938	-	53,654,855
Federal Agency Collateralized Mortgage Obligation	-	2,299,365	-	-	2,299,365
Municipal Bond	-	1,000,440	-	-	1,000,440
Mutual fund-money market	17,463,160	-	-	-	17,463,160
State of Arizona LGIP	13,289,870	-	-	-	13,289,870
Total Investments	\$ 173,948,211	116,577,839	110,734,309	6,320,155	\$ 407,580,513

3. DEFICITS IN FUND EQUITY/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2021, the following funds reported a deficit in net position.

- Internal Service Fund: Facilities Maintenance Fund
- Non-Major Governmental Fund: GO Bonds – Capital Projects Fund

The Facilities Maintenance Fund deficit resulted from the implementation of accounting guidance related to reporting for pensions and OPEB which requires liabilities to be presented on the face of financial statements.

The GO Bonds – Capital Projects fund deficit resulted mainly from capital projects for Paloma Park and Storm Drains.

For the year ended June 30, 2021, expenditures, including capital outlay and transfers, did not exceed budget at the fund level (i.e. the level of budgetary control) in any funds.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

4. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are recorded in the various funds and displayed in the financial statements net of an allowance for uncollectible accounts as follows at June 30, 2021.

Fund	Receivables	Allowance	Net
Governmental activities:			
General Fund	\$ 15,663,831	\$ 2,186,802	\$ 13,477,029
Highway User Revenue Fund	543,601	-	543,601
Transportation Sales Tax Fund	1,993,584	-	1,993,584
GO Bond Debt Service Fund	182,730	151,798	30,932
Development Fee Fund	-	-	-
Other Grants Fund	156,148	-	156,148
Other Governmental Funds	162,352	15,384	146,968
Total governmental funds	\$ 18,702,246	\$ 2,353,984	\$ 16,348,262
 Internal Service Funds	\$ 19,703	\$ -	\$ 19,703
 Business-type activities:			
Water Utility Fund	\$ 7,813,889	\$ 719,069	\$ 7,094,820
Wastewater Utility Fund	3,446,154	524,801	2,921,353
Solid Waste Utility Fund	2,117,990	337,694	1,780,296
Stadium Fund	473,394	-	473,394
Storm Drain Utility Fund	212,463	33,558	178,905
Total enterprise funds	14,063,890	1,615,122	12,448,768
Grand totals	\$ 32,785,839	\$ 3,969,106	\$ 28,816,733

5. DUE FROM OTHER GOVERNMENTS

The City has due from other government receivables from various governments, including the Federal, State and County government. At June 30, 2021, significant receivables due to the City included \$1,028,048 from the State of Arizona for State Shared Sales Tax revenues, \$350,056 for Auto Tax In-Lieu revenues recorded in the General fund, \$1,106,312 Highway User Revenue Fees revenues recorded in the Highway User Revenue Fund, \$363,189 under Intergovernmental agreements recorded in the Debt Service GO Bond Fund, and \$831,750 from federal agencies for housing, transit and security related grant revenues. Most other receivables are comprised of taxes or various grants due from other governments and agencies.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

6. CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2021, follows:

	Balances June 30, 2020	Additions/ Transfers In	Disposals/ Transfers Out	Balances June 30, 2021
Governmental Activities:				
Non-Depreciable Assets:				
Work in Progress	\$ 68,974,836	\$ 10,428,536	\$ (50,653,283)	\$ 28,750,089
Land	409,275,458	10,164,445	-	419,439,903
Total Non-Depreciable Assets	<u>478,250,294</u>	<u>20,592,981</u>	<u>(50,653,283)</u>	<u>448,189,992</u>
Depreciable assets:				
Buildings & Improvements	194,675,711	1,669,335	-	196,345,046
Equipment; Furniture	59,261,841	492,409	-	59,754,250
Vehicles	32,640,287	3,501,163	(1,021,671)	35,119,779
Street System	791,811,828	48,602,143	-	840,413,971
Park System	100,026,431	36,751,280	-	136,777,711
Total Depreciable Assets at Historical Cost	<u>1,178,416,098</u>	<u>91,016,330</u>	<u>(1,021,671)</u>	<u>1,268,410,757</u>
Less Accum. Depreciation:				
Buildings & Improvements	(86,091,631)	(4,991,300)	-	(91,082,931)
Equipment; Furniture	(53,217,649)	(1,768,404)	-	(54,986,053)
Vehicles	(20,015,831)	(2,680,317)	1,008,341	(21,687,807)
Street System	(543,028,383)	(28,092,435)	-	(571,120,818)
Park System	(36,480,893)	(2,694,853)	-	(39,175,746)
Total Accum. Depreciation	<u>(738,834,387)</u>	<u>(40,227,309)</u>	<u>1,008,341</u>	<u>(778,053,355)</u>
Total Depreciable Assets, Net	<u>439,581,711</u>	<u>50,789,021</u>	<u>(13,330)</u>	<u>490,357,402</u>
	<u>\$ 917,832,005</u>	<u>\$ 71,382,002</u>	<u>\$ (50,666,613)</u>	<u>\$ 938,547,394</u>
Business-type Activities:				
Non-depreciable assets:				
Work in Progress	\$ 46,662,800	\$ 29,468,114	\$ (10,726,882)	\$ 65,404,032
Land	18,433,781	390,742	-	18,824,523
Total Non-Depreciable Assets	<u>65,096,581</u>	<u>29,858,856</u>	<u>(10,726,882)</u>	<u>84,228,555</u>
Depreciable assets:				
Buildings & Improvements	80,097,774	-	-	80,097,774
Equipment; Furniture	20,996,501	603,749	-	21,600,250
Vehicles	20,905,723	2,843,198	(1,425,683)	22,323,238
Surface Water System	105,017,401	3,953,868	-	108,971,269
Water Rights	12,889,805	-	-	12,889,805
Water System	416,893,946	25,223,645	-	442,117,591
Wastewater System	411,498,108	9,726,277	-	421,224,385
Total Depreciable Assets at Historical Cost	<u>1,068,299,258</u>	<u>42,350,737</u>	<u>(1,425,683)</u>	<u>1,109,224,312</u>
Less Accum. Depreciation:				
Buildings & Improvements	(29,752,396)	(2,313,000)	-	(32,065,396)
Equipment; Furniture	(16,380,337)	(1,787,373)	-	(18,167,710)
Vehicles	(8,148,644)	(1,517,311)	1,282,923	(8,383,032)
Surface Water System	(41,225,307)	(2,625,453)	-	(43,850,760)
Water Rights*	(3,351,349)	(257,796)	-	(3,609,145)
Water System	(177,813,631)	(12,013,088)	-	(189,826,719)
Wastewater System	(159,265,319)	(11,036,026)	-	(170,301,345)
Total Accum. Depreciation	<u>(435,936,983)</u>	<u>(31,550,047)</u>	<u>1,282,923</u>	<u>(466,204,107)</u>
Total Depreciable Assets, Net	<u>632,362,275</u>	<u>10,800,690</u>	<u>(142,760)</u>	<u>643,020,205</u>
Business-Type Activities Capital Assets, Net	<u>\$ 697,458,856</u>	<u>\$ 40,659,546</u>	<u>\$ (10,869,642)</u>	<u>\$ 727,248,760</u>

*The City's agreement with the Gila River Indian Community provides water rights to 7,000 acre-feet of water each year through 2057.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Depreciation expense was charged to governmental and business-type functions in the government-wide financial statements as follows:

Governmental activities:		Business-type activities:	
General government	3,392,515	Water utility *	13,947,174
Culture and recreation	4,768,410	Wastewater utility	11,399,153
Public Safety	2,900,188	Storm drain utility	2,625,453
Development services	102,192	Stadium	2,330,752
Highway and streets	28,664,350	Solid Waste	<u>1,247,515</u>
Public works	337,863		
Human services	61,791		
Total Depreciation expense	<u>40,227,309</u>	Total Depreciation expense	<u>31,550,047</u>

* Excludes amortization of goodwill of \$232,066.

7. LONG-TERM DEBT

A. General obligation bonds

General: General obligation (GO) bonds are issued, after approval of the City of Peoria voters at an authorized bond election, to finance the purchase or construction of major capital facilities. GO bonds are backed by the “full faith and credit” of the City and are repaid through the City’s levying of property (ad valorem) taxes. There is no legal limit on the secondary property tax used for debt service on GO bonds.

Statutory Debt Limitation: Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, (after January 1, 1974) parks and open space, and (after December 7, 2006) public safety and transportation purposes may not exceed 20 percent of a City’s net limited assessed valuation. Also, outstanding general obligation bonded debt for all other purposes may not exceed 6 percent of a City’s net limited assessed valuation.

B. Revenue bonds

Water and Sewer Revenue Bonds: Water and Wastewater Revenue Bonds are issued, pursuant to voter authorization, for the construction, acquisition, and equipping of water and wastewater facilities and related systems and infrastructure. The bonds are backed by the revenues of the water and wastewater utilities.

C. Municipal Development Authority debt obligations

Municipal Development Authority (MDA) debt obligations are issued by a non-profit corporation created by the City for the purpose of financing certain capital construction projects. The MDA issues its own debt obligations, which are repaid through a lease purchase agreement with the City equal to the debt service requirements. The City can utilize the City’s excise tax, state shared revenues and other unrestricted revenues for lease payments.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

D. Community Facilities District bonds

Community Facilities Districts (CFD's), are special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City. CFD's are authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the district (for GO debt), or by specified revenues generated within the districts (revenue bonds). CFD's are created by petition to the City Council by property owners within the area to be covered by the district, and debt may be issued in accordance with relevant state laws and regulations. Operation and maintenance expenditures, bonds and the repayment of bonds issued by these separate legal entities is the responsibility of the district, not the City. As the administrator for the district, the City collects the property taxes and makes the debt payments on behalf of the district.

The City Council formed the Vistancia Community Facilities District (VCFD) in October 2002. VCFD was subsequently authorized, by the voters of the district in November 2002, to issue up to \$100,000,000 in general obligation bonds to construct public infrastructure within VCFD. VCFD issued general obligation bonds of \$21,250,000, \$23,550,000 and \$22,760,000 in fiscal years 2003, 2005, and 2007, respectively, against this authorization. The VCFD refunded all these obligations during fiscal year 2016 through the issuance of \$36,985,000 in general obligation bonds. In fiscal year 2021 the VCFD refunded the remaining 2016 refunding bonds through an issuance of \$20,855,000 in general obligation bonds. Additionally, VCFD issued \$1,870,000 in new general obligation bonds against the original \$100,000,000 authorization.

The City Council formed the Vistancia West Community Facilities District (VWCFD) in August 2014. In December 2014, the VWCFD was authorized through an election to issue up to \$9,000,000 of general obligation bonds to construct public infrastructure within the district. VWCFD issued taxable general obligation bonds of \$35,000 in fiscal year 2015, \$3,000,000 in fiscal year 2017, and \$2,590,000 in fiscal year 2020.

The City Council formed the Vistancia North Community Facilities District (VNCFD) in June 2020. In October 2020, the VNCFD was authorized through an election to issue up to \$50,000,000 of general obligation bonds to construct public infrastructure within the district.

The City Council formed the Mystic at Lake Pleasant Heights Community Facilities District (MCFD) in June 2020. In October 2020, the MCFD was authorized through an election to issue up to \$65,000,000 of general obligation bonds to construct public infrastructure within the district.

E. Pledged revenues

The City has pledged certain future revenues to repay specific bonded debt as follows:

The City has pledged future water utility and wastewater utility revenues, net of specific operating expenses, to repay \$15,780,000 in Revenue Refunding Bonds issued in 2010, \$23,280,000 in Revenue Refunding Bonds issued in 2012 and \$159,945,566 in Water Infrastructure Financing Authority loans issued between 2002-2017. The various bonds and loans were issued for the purchase or construction of various water or wastewater infrastructure including wells, treatment plants, pumping stations, a water utility and water and wastewater distribution or collection lines. In fiscal year 2021 the City issued \$35,190,000 of Revenue Refunding Bonds which were used to pay \$40,333,992 of outstanding WIFA loans. At June 30, 2021, \$69,229,660 in bonds and loans remain outstanding to be repaid by future water and wastewater revenues. For the fiscal year ended June 30, 2021, the pledged revenues, net of operating expenses available for service of this debt were \$37,967,178. The debt principal and interest paid on this debt in fiscal year 2021 was \$53,763,561, net of amortized premium.

The City has pledged certain revenues for the repayment of \$43,430,000 and \$3,220,000 in Municipal Development Authority (MDA) Bonds issued in 2011 and 2012 and the Pledged Excise 2018 refunding obligations, respectively. Pledged revenues for these obligations include excise taxes and state shared

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

revenues not specifically reserved by law or other regulation to be expended for other purposes. At June 30, 2021, \$2,145,000 of the Pledged Excise 2018 obligation and \$27,860,000 of the MDA bonds remained outstanding to be repaid by these future revenues. The obligations were issued to construct various City operational facilities and refund prior MDA bonds. For the fiscal year ended June 30, 2021, the pledged revenues, net of operating expenses available to service this debt were \$170,353,386. The debt principal and interest paid on this debt in fiscal year 2021 was \$3,626,061.

The City has pledged certain revenues for the repayment of \$25,755,000 of the Pledged Transportation 2018 refunding obligations. The obligations were issued to refund prior MDA bonds originally issued to construct transportation infrastructure. Pledged revenues for this obligation include transportation sales tax, excise taxes and state shared revenues. At June 30, 2021, \$16,545,000 of the Pledged Transportation 2018 obligations remained outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2021, the pledged revenues, net of operating expenses available to service this debt were \$184,197,157. The debt principal and interest paid on this debt in fiscal year 2021 was \$3,517,598.

F. Direct Purchase and Loan Obligations

In September 2017, the City entered into a New Clean Renewable Energy Bond (NCREB) agreement to provide financing for solar renewable energy projects at several locations throughout the City. The City borrowed \$5,199,304 for a term of 20 years, at a rate of 4.23%. The majority of the debt service payments will be funded from expected savings on the City's electricity bills.

In the event of default, the Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Agreement or the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account or the Delivery Costs Account.

G. Tables

The following schedule summarizes the City's long-term liability activity for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 132,365,000	\$ -	\$ 12,180,000	\$ 120,185,000	\$ 14,045,000
MDA debt obligations	29,990,000	-	2,130,000	27,860,000	2,200,000
Direct purchase and loan obligations	27,130,287	-	3,714,912	23,415,375	3,794,051
CFD bonds	30,730,000	22,725,000	25,895,000	27,560,000	4,080,000
Total bonds payable	220,215,287	22,725,000	43,919,912	199,020,375	24,119,051
Net pension and other postemployment benefits liability					
Net pension and other postemployment benefits liability	171,690,751	23,364,335	-	195,055,086	-
Compensated absences	12,933,900	13,688,419	10,473,309	16,149,010	7,422,350
Claims payable	7,031,251	21,376,392	20,189,830	8,217,813	6,606,070
Deferred bond premium	13,000,710	2,448,279	3,638,604	11,810,385	-
Governmental activities totals	\$ 424,871,899	\$ 83,602,425	\$ 78,221,655	\$ 430,252,669	\$ 38,147,471
Business-type activities:					
Bonds and loans payable:					
Revenue bonds	\$ 4,435,000	\$ 35,190,000	\$ 3,635,000	\$ 35,990,000	\$ 5,130,000
General Obligation WIFA Loan	3,000,000	1,180,827	226,401	3,954,426	230,028
WIFA loans	57,320,925	24,450,090	48,531,355	33,239,660	3,174,058
Net pension and other postemployment benefits liability					
Net pension and other postemployment benefits liability	14,473,235	2,705,892	-	17,179,127	-
Compensated absences	1,446,830	1,493,184	1,290,834	1,649,180	762,660
Deferred bond premium	230,273	5,787,070	675,432	5,341,911	-
Business-type activities totals	\$ 80,906,263	\$ 70,807,063	\$ 54,359,022	\$ 97,354,304	\$ 9,296,746

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Bonds and loans payable at June 30, 2021 are comprised of the following:

Governmental Activities Debt

Bonds	Maturity Dates	Net Interest Rate	Issue Amount	June 30, 2021
Series 2010	7/1/10-30	4.03	\$ 29,170,000	\$ 6,155,000
Series 2012A	7/1/12-32	3.32	14,715,000	9,725,000
Series 2012B	7/1/12-22	1.75	13,690,000	3,025,000
Series 2015A	7/15/16-35	2.98	30,325,000	24,835,000
Series 2015B	7/15/16-28	2.29	66,425,000	49,280,000
Series 2019	7/15/19-39	2.65	30,420,000	27,165,000
Total General Obligation Bonds			<u>\$ 203,110,000</u>	<u>\$ 120,185,000</u>

**Municipal Development
 Authority Debt
 Obligations**

Series 2011	7/1/12-26	3.90	\$ 7,920,000	\$ 3,690,000
Series 2012	7/1/13-32	3.30	35,510,000	24,170,000
Total Municipal Development Authority Debt Obligations			<u>\$ 43,430,000</u>	<u>\$ 27,860,000</u>

**Direct Purchase and
 Loan Obligations**

Taxable NCREBs	9/1/2037	4.23	\$ 5,199,304	\$ 4,725,375
Pledged Excise 2018	7/15/2025	2.01	3,220,000	2,145,000
Pledged Transportation 2018	1/15/2026	1.97	25,755,000	16,545,000
Total Direct Purchase and Loan Obligations			<u>\$ 34,174,304</u>	<u>\$ 23,415,375</u>

**Community Facility
 District Bonds**

VWCFD – Series 2016	7/15/18-29	4.15	3,000,000	2,435,000
VWCFD – Series 2019	7/15/20-29	4.00	2,590,000	2,400,000
VCFD - Series 2020	7/15/21-26	0.87	22,725,000	22,725,000
Total Community Facility District Bonds			<u>\$ 39,985,000</u>	<u>\$ 27,560,000</u>

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Business-Type Activities Debt

<u>Revenue Bonds</u>	<u>Maturity Dates</u>	<u>Net Interest Rate</u>	<u>Issue Amount</u>	<u>Outstanding June 30, 2021</u>
WWW Series 2012	7/1/12-21	1.60	23,280,000	800,000
WWW Series 2020	7/1/21-29	0.53	35,190,000	35,190,000
Total Revenue Bonds			<u>\$ 39,060,000</u>	<u>\$ 35,990,000</u>

General Obligation WIFA Loan

WIFA Series 2019	7/1/20-39	1.60	<u>\$ 4,180,827</u>	<u>\$ 3,954,426</u>
------------------	-----------	------	---------------------	---------------------

WIFA Loans

WIFA Series 2002	7/1/03-22	3.94	\$ 1,964,789	\$ 271,464
WIFA Series 2009	7/1/10-29	3.27	4,371,597	2,234,792
WIFA Series 2015	7/15/16-35	2.40	14,000,000	11,095,216
WIFA Series 2017	7/15/18-36	2.65	25,855,662	19,638,188
Total WIFA loans			<u>\$ 110,931,833</u>	<u>\$ 33,239,660</u>

The following table discloses the bond debt service requirements as of June 30, 2021, segregating principal and interest, for the next five years and in five-year increments thereafter.

<u>Fiscal year</u>	<u>Governmental Activities</u>				<u>Business-type Activities*</u>	
	<u>Bonds</u>		<u>Notes from Direct Borrowings and Direct Placements</u>		<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2022**	\$ 20,325,000	\$ 6,337,334	\$ 3,794,051	\$ 562,822	\$ 8,534,086	\$ 3,107,244
2023	17,650,000	5,613,041	3,873,485	483,444	8,053,394	2,778,484
2024	17,055,000	4,879,090	3,948,221	402,279	8,236,301	2,454,495
2025	17,830,000	4,106,670	4,028,267	319,415	8,559,816	2,119,197
2026	18,600,000	3,315,364	4,088,633	234,789	8,914,371	1,769,162
2027-2031	55,420,000	8,909,862	1,310,472	659,114	30,245,719	4,882,931
2032-2036	24,355,000	2,789,565	1,622,910	353,031	20,479,549	1,841,796
2037-2040	7,370,000	450,450	749,336	35,934	4,426,223	81,441
Totals	<u>\$178,605,000</u>	<u>\$36,401,376</u>	<u>\$23,415,375</u>	<u>\$3,050,828</u>	<u>\$97,449,459</u>	<u>\$19,034,750</u>

*Includes required principal and estimated interest payments for an approved WIFA loan for the Pyramid Peak Water Treatment Plant expansion. Although the loan has not fully drawn as of 6/30/21, the principal payments are contractual and the loan is expected to draw in FY2022.

**Includes early redemption of \$3,100,000 Governmental Activities Bonds paid 7/1/2021

Long-term compensated absences and net pension and OPEB liabilities of governmental activities are expected to be liquidated by the operating funds (primarily the General Fund, Highway User Revenue Fund, Transit Fund and utility funds) as they come due.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

8. RISK FINANCING ACTIVITIES

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; workers' compensation; and health insurance. The City maintains a Risk Management Fund, an Employee Benefits Trust Fund and a Workers' Compensation Trust Fund (presented in the Self-Insurance Fund of the Internal Service Funds) to account for and finance its uninsured risks of loss. Premiums are paid into the internal service funds by the other operating funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to fund claim expenses reported in the internal service funds. The City uses third party administrators to monitor the workers' compensation and health insurance claims programs. As with any risk retention program, the City is contingently liable with respect to claims beyond those actuarially projected.

Risk management -

The City is self-insured for general liability with a \$1,000,000 self-insured retention (SIR) and a \$3,000,000 general aggregate. The City purchases layers of excess coverage above the underlying policy limits. The City is self-insured for auto physical damage (collision and comp) on all city vehicles valued at under \$100,000. The vehicles valued over \$100,000 are insured for physical damage with a \$5,000 deductible. All city autos have the \$1,000,000 liability SIR. City property is insured through commercial insurance coverage with a \$50,000 deductible. The City has and obtains other specialized policies as needed, in addition to the yearly insurance procurement process and package of coverages and policies.

The operating funds of the City pay monthly premiums to the risk management fund based upon a model taking into consideration multiple factors including prior loss experience, staffing, liability exposures, and operating budget.

Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

Workers' compensation -

On July 1, 2009, the City established a workers' compensation trust fund for work-related injuries to employees. For workers' compensation insurance, the City is self-insured up to \$1,750,000 per claim for both public safety employees for all other employees up to an aggregate stop loss of \$4,555,982 for fiscal year 2021. Commercial insurance is purchased to cover claims above the self-insurance amounts.

Operating funds with employees covered under the workers' compensation insurance program pay monthly premiums to the workers' compensation fund based upon staffing levels.

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the workers' compensation trust fund. Employee wages while off work for workers' compensation injuries (2/3rds of weekly wages) are also paid from this fund. There have been no settlements paid in excess of insurance in the last three years, nor has insurance coverage been significantly reduced in recent years.

Health insurance -

On January 1, 2010, the City established a health insurance trust fund for health insurance coverage for City employees and dependents. The City is self-insured for employee health claims up to \$200,000 per claimant. Commercial insurance is purchased for claims in excess of those limits.

Premiums are collected through contributions from employee paychecks and department budgets. COBRA participants contribute 100% of the premiums for their insurance coverage. Premiums for the medical, vision, dental, and life insurance plans are determined prior to each renewal period by estimating the costs of claims and administration of the plan based on a number of factors including: the demographics of the group, previous claims history, plan design changes and any new mandated benefits.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the health insurance trust fund. There have been no settlements in excess of insurance in the past three years, nor has insurance coverage been significantly reduced in recent years.

Estimated liability –

The total claims liability of \$8,217,813 reported in the Self-Insurance Fund at June 30, 2021, is based on the requirements of Governmental Accounting Standards Board Statement #10, which requires that liabilities be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The claims liability consists of \$1,068,049 for liability/property claims, \$5,376,181 for workers' compensation claims and \$1,773,583 for health insurance claims.

The claims liability includes an estimated amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. Non-incremental claims adjustment expenses are not included in the calculation. Changes in the Self-Insurance Fund's claims liability amount (claims only, exclusive of other insurance expenses) during the last two fiscal years are as follows:

Fiscal Year 2020:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year- end
Risk management	\$ 1,094,321	\$ 825,153	\$ (635,908)	\$ 1,283,566
Workers' comp	5,395,039	307,108	(1,502,080)	4,200,067
Health insurance	\$ 1,540,624	\$ 15,176,312	\$ (15,169,318)	\$ 1,547,618
	\$ 8,029,984	\$ 16,308,574	\$ (17,307,307)	\$ 7,031,251

Fiscal Year 2021:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 1,283,566	\$ 579,824	\$ (795,341)	\$ 1,068,049
Workers' comp	4,200,067	2,297,502	(1,121,388)	5,376,181
Health insurance	1,547,618	18,460,431	(18,234,466)	1,773,583
	\$ 7,031,251	\$ 21,337,757	\$ (20,151,195)	\$ 8,217,813

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

9. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The City of Peoria contributes to the pension plans described below. The City of Peoria contributes to the Elected Officials Retirement Plan; however the plan is not described below because of its relative insignificance to the financial statements. The plans are component units of the State of Arizona.

A summary of pension and other postemployment benefit related items as of and for the year ended June 30, 2021, is presented below:

Plan	Net Pension and Other Postemployment Benefits Liability	Other Postemployment Benefits Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension and Other Postemployment Expense
ASRS					
Governmental Activities	\$ 73,879,123	\$ 305,761	\$ 14,090,104	\$ 1,888,935	\$ 5,077,897
Business-Type Activities	17,179,127	71,098	3,276,372	439,233	1,431,796
PSPRS - Police	74,906,751	-	18,947,926	1,313,893	11,355,157
PSPRS - Fire	46,269,212	34,874	20,533,690	1,330,615	9,108,845
	<u>\$ 212,234,213</u>	<u>\$ 411,733</u>	<u>\$ 56,848,092</u>	<u>\$ 4,972,676</u>	<u>\$ 26,973,695</u>

The City of Peoria reported \$21,041,604 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

A. Arizona State Retirement System

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

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

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

*With actuarially reduced benefits

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a members' death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and 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 current fiscal year, statute required active ASRS members to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement & health insurance benefits and 0.18 percent for long-term disability) of the members' annual covered payroll, and the City of Peoria was required by statute to contribute at the actuarially determined rate of 12.22 percent (11.55 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the members' annual covered payroll. These percentages led to City's contributions for the year ended June 30, 2021 of \$6,696,568, \$284,095, and \$104,363 to the pension, health insurance premium benefit, and long-term disability plans, respectively.

In addition, the City of Peoria was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.14 percent for retirement, 0.00 percent for health insurance premium benefit, and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Liability. The net asset and net liabilities were measured as of June 30, 2020. The total liability used to calculate the net asset or liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The City's proportion of the net assets or net liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020, and the change from its proportion measured as of June 30, 2019.

At June 30, 2021, the City of Peoria reported the following asset and liabilities for its proportionate share of the ASRS' net/pension/OPEB asset or liability. In addition, the City's proportion for each plan measured as of June 30, 2020, and the change from its proportion measured as of June 30, 2019 was:

ASRS	Net pension/OPEB (asset) liability	Proportion June 30, 2020 %	Increase (decrease) from June 30, 2019
Pension	\$ 90,657,551	0.52323	(0.009)
Health insurance premium benefit	(376,859)	0.53229	(0.009)
Long-term disability	400,699	0.52820	(0.010)

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2020, the City of Peoria recognized the following pension and OPEB expense for ASRS.

ASRS	Pension/OPEB expense
Pension	\$ 6,262,490
Health insurance premium benefit	121,976
Long-term disability	125,227

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Deferred outflows/inflows of resources. At June 30, 2021, the City of Peoria reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health insurance premium benefit		Long-term disability	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 820,155	\$ -	\$ -	\$ 742,577	\$ 34,871	\$ 10,318
Changes of assumptions or other inputs	-	-	208,928	-	43,173	-
Difference between projected and actual earnings on plan investments	-	-	385,595	-	44,116	-
Changes in proportion and differences between City contributions and proportionate share of contributions	8,744,027	1,560,170	586	1,179	-	13,924
City contributions subsequent to the measurement date	6,696,568	-	284,095	-	104,363	-
Total	\$ 16,260,750	\$ 1,560,170	\$ 879,204	\$ 743,756	\$ 226,523	\$ 24,242

The deferred outflows of resources related to ASRS pensions and OPEB resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized as expenses as follows:

Year ending June 30	Pension	Health insurance premium benefit	Long-term disability
2022	\$ (109,606)	\$ (80,411)	\$ 16,034
2023	2,246,328	1,170	23,194
2024	3,162,808	19,164	24,507
2025	2,704,482	(20,465)	21,777
2026	-	(68,105)	10,352
Thereafter			2,054

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry Age Normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2% for pensions/not applicable to OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.50 percent (excluding any expected inflation) 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, excluding any expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class of ASRS are summarized in the following table:

Asset Class	Target Allocation	Long-Term expected geometric real rate of return
Equity	50%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate	10%	0.22%
Real estate	20%	5.85%
Total	100%	

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Discount Rate. The discount rate used to measure the ASRS total pension/OPEB liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate. The following table presents the City of Peoria’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 123,972,971	\$ 90,657,551	\$ 62,807,571
Net insurance premium benefit liability (asset)	494,479	(376,859)	(1,118,400)
Net long-term disability liability	437,497	400,699	364,980

Plan Fiduciary Net Position. Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

B. Public Safety Personnel Retirement System

Plan Descriptions. City of Peoria public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

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

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	Initial Membership Date:		
	Before January 1, 2012	On or After January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Years of service and age required to receive benefit	20 years of service and any age or 15 years of service and age 62	25 years of service or 15 years of credited service, and age 52.5	15 years of credited service, age 52.5* 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 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 reduced to either 62.5% or normal retirement, whichever is greater		
Survivor benefit			
Retired members	80% to 100% of retired member's pension benefit		
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

Retirement benefits for employees who became a member on or after July 1, 2017, (Tier 3 members) are contingent upon which retirement plan is chosen by a member. This group of members has an irrevocable choice of enrolling in either the defined benefit plan (police employees) or a hybrid plan, which has elements of both a defined benefit and defined contribution plan (fire employees), or a defined contribution plan in lieu of the respective choices listed above (both police and fire employees). If enrolling in the defined benefit plan or hybrid plan, benefits (defined benefit portion only for the hybrid plan) commence the first day of the month following termination of employment and are based upon the following:

- Age 55 with 15 or more years of credited service: average monthly benefit compensation times a multiplier that varies by years of service, from 1.5 percent to 2.5 percent per year of service, times the number of years of service - up to a maximum of 80 percent of the average monthly benefit compensation.
- An individual who became a member on or after July 1, 2017, and reaches age 52.5 with at least 15 years of credited service may take an early retirement; however, the amount of his or her retirement benefit is actuarially reduced.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Retirement and survivor benefits are subject to automatic cost-of-living adjustments. The adjustments are based on inflation for PSPRS. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget committee analysis of the increase's effect on the plan. 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.

Employees Covered by Benefit Terms. At June 30, 2021, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS - POLICE		PSPRS - FIRE	
	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	100	100	45	45
Inactive employees entitled to but not yet receiving benefits	36	13	24	21
Active employees	155	155	143	143
Total	291	268	212	209

Contributions and Annual OPEB Cost. State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2021, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members - pension	7.65%	7.65%
City of Peoria		
Pension	44.86%	35.51%
Health Insurance	0.35%	0.32%

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

In addition, the City of Peoria was required by statute to contribute at the actuarially determined rate of 29.61 percent for the PSPRS Police, and 19.25 percent for the PSPRS Fire, of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to the PSPRS.

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

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Pension:		
Contributions made	\$8,278,054	\$7,563,149
Health insurance premium benefit:		
Contributions made	58,825	53,727

Asset and Liability. At June 30, 2021, the City of Peoria reported the following assets and liabilities.

	<u>Net pension- liability</u>	<u>Net OPEB liability</u>	<u>Net OPEB asset</u>
PSPRS - Police	\$ 74,828,065	\$ 78,686	\$ -
PSPRS – Fire	46,269,212	-	34,874

The net assets and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Actuarial Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Inflation	2.50% for pensions/not applicable for OPEB
Salary Increases	3.50%-7.50%, including inflation, for pensions/not applicable for OPEB
Tier 1/2 Investment Rate of Return	7.30%
Tier 3 Investment Rate of Return	7.00%
Mortality Rates	

Active Lives: PubS-2010 Employee mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019. 100% of active deaths are assumed to be in the line of duty.

Inactive Lives: PubS-2010 Healthy Retiree mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.

Beneficiaries: PubS-2010 Survivor mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.

Disabled Lives: PubS-2010 Disabled mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2019. The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The long-term expected rate of return on PSPRS plan investments was determined to be 7.30 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return*
U.S. Public Equity	23%	4.93%
International Public Equity	15%	6.09%
Global Private Equity	18%	8.42%
Other Assets (Capital Appreciation)	7%	5.61%
Core Bonds	2%	0.22%
Private Credit	22%	5.31%
Diversifying Strategies	12%	3.22%
Cash - Mellon	1%	(0.60)%
Total	100%	

Discount Rates. At June 30 2020, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.30 percent, which was the same as the discount rate used as of June 30, 2019. The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, PSPRS 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.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Changes in the Net Pension/OPEB Liability

	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Plan			Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset
PSPRS - POLICE						
Balances at June 30, 2019	\$ 141,525,343	\$73,096,802	\$68,428,541	\$ 2,057,413	\$ 2,153,433	\$ (96,020)
Adjustments to beginning of year	-	4	(4)	-	-	-
Changes for the year:						
Service cost	3,529,413	-	3,529,413	66,728	-	66,728
Interest on the total liability	10,379,460	-	10,379,460	153,939	-	153,939
Differences between expected and actual experience in the measurement of the liability	2,182,003	-	2,182,003	35,618	-	35,618
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions – employer	-	7,327,021	(7,327,021)	-	56,957	(56,957)
Contributions – employee	-	1,447,635	(1,447,635)	-	-	-
Net investment income	-	998,101	(998,101)	-	26,801	(26,801)
Benefit payments, including refunds of employee contributions	(5,740,752)	(5,740,752)	-	(87,770)	(87,770)	-
Administrative expense	-	(81,409)	81,409	-	(2,179)	2,179
Other	-	-	-	-	-	-
Net changes	10,350,124	3,950,596	6,399,528	168,515	(6,191)	174,706
Balances at June 30, 2020	\$ 151,875,467	\$77,047,402	\$74,828,065	\$ 2,225,928	\$ 2,147,242	\$ 78,686

	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Plan			Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset
PSPRS - FIRE						
Balances at June 30, 2019	\$ 111,165,549	\$71,247,948	\$39,917,601	\$ 1,743,076	\$ 1,839,227	\$ (96,151)
Adjustments to beginning of year	-	4	(4)	-	-	-
Changes for the year:						
Service cost	3,259,480	-	3,259,480	54,365	-	54,365
Interest on the total liability	8,199,149	-	8,199,149	130,735	-	130,735
Differences between expected and actual experience in the measurement of the liability	2,094,984	-	2,094,984	(63,904)	-	(63,904)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions – employer	-	5,095,674	(5,095,674)	-	38,836	(38,836)
Contributions – employee	-	1,217,298	(1,217,298)	-	-	-
Net investment income	-	967,950	(967,950)	-	22,949	(22,949)
Benefit payments, including refunds of employee contributions	(4,215,838)	(4,215,838)	-	(61,508)	(61,508)	-
Administrative expense	-	(78,924)	78,924	-	(1,866)	1,866
Net changes	9,337,775	2,986,160	6,351,615	59,688	(1,589)	61,277
Balances at June 30, 2020	\$ 120,503,324	\$74,234,112	\$46,269,212	\$ 1,802,764	\$ 1,837,638	\$ (34,874)

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Sensitivity of the Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate. The following table presents City of Peoria’s net pension/OPEB (assets) liabilities calculated using the discount rates noted above, as well as what the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS – Police			
Rate	6.30%	7.30%	8.30%
Net pension (asset) liability	\$ 97,362,737	\$ 74,828,065	\$ 56,604,715
Net OPEB (asset) liability	344,337	78,686	(144,153)
PSPRS – Fire			
Rate	6.30%	7.30%	8.30%
Net pension (asset) liability	\$ 64,426,406	\$ 46,269,212	\$ 31,565,550
Net OPEB (asset) liability	183,101	(34,874)	(217,946)

Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

Expense. For the year ended June 30, 2021, the City of Peoria recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense
PSPRS - Police	\$ 11,345,446	\$ 9,711
PSPRS - Fire	9,050,537	58,308

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Deferred Outflows/Inflows of Resources. At June 30, 2021, the City of Peoria reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS – Police	Pension		Health Insurance Benefit Premium	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,196,454	\$ 952,945	\$ 36,959	\$ 308,763
Changes of assumptions or other inputs	3,405,779	-	17,985	52,185
Net difference between projected and actual earnings on plan investments	3,838,497	-	115,373	-
Contributions subsequent to the measurement date	8,278,054	-	58,825	-
Total	\$ 18,718,784	\$ 952,945	\$ 229,142	\$ 360,948

PSPRS – Fire	Pension		Health Insurance Benefit Premium	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,248,817	\$ 1,005,182	\$ 99,314	\$ 246,215
Changes of assumptions or other inputs	4,668,443	-	13,128	79,218
Net difference between projected and actual earnings on plan investments	3,788,142	-	98,970	-
Contributions subsequent to the measurement date	7,563,149	-	53,727	-
Total	\$ 20,268,551	\$ 1,005,182	\$ 265,139	\$ 325,433

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The amounts reported as deferred outflows of resources related to pension and OPEB resulting from contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending June 30:	Pension		OPEB	
	PSPRS - Police	PSPRS - Fire	PSPRS - Police	PSPRS - Fire
2022	\$ 2,959,959	\$ 2,490,810	\$ (59,840)	\$ (8,380)
2023	2,405,282	2,843,676	(43,613)	4,393
2024	1,684,912	2,354,698	(22,906)	3,011
2025	1,648,502	1,758,652	(27,885)	(3,870)
2026	789,130	803,560	(41,475)	(25,954)
Thereafter	-	1,448,824	5,088	(83,221)

10. DEFERRED COMPENSATION PLAN

The City offers deferred compensation plans to its employees and management employees, created in accordance with Internal Revenue Code Section 457 and Section 401a. The plans permit participants to defer contributions into the plan until future years. The deferred compensation is not available to employees, under either plan, until termination, retirement, death or unforeseeable emergency. The City's fiduciary responsibility is that of exercising "due care" in selecting a third-party administrator. Federal legislation requires that Section 457 and 401a plan assets be held in trust for employees. This means that employee assets held in Section 457 and 401a plans are not the property of the City and are not subject to claims of the City's general creditors. Also, the City exercises no administrative control nor makes investment decisions. Therefore, the deferred compensation assets are not included in the City's Basic Financial Statements.

11. CONTINGENCIES, COMMITMENTS AND OTHER CLAIMS

The City is involved in litigation arising in the ordinary course of its operations. The City believes that its ultimate liability, if any, in connection with these matters will not have a material adverse effect on the City's financial position, changes in financial position, or liquidity. The City is self-insured for the first \$1,000,000 of any occurrence and then has additional coverage up to \$25.0 million.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The City has development agreements where, in return for developers constructing public infrastructure, the City agreed to reimburse the developer for the cost of such infrastructure at some future time contingent on the collection of impact fees and sales tax revenues.

The City had the following significant commitments as of June 30, 2021:

- \$1,292,229 in the General Fund for Reclaimed Water Master Plan Implementation.
- \$2,214,616 in the General Fund to Renovate Main Library at Peoria Municipal Complex.
- \$1,509,831 in the General Fund for Paloma Community Park at Dixileta Drive.
- \$1,463,272 in the Development Fee Fund for Jomax Road; Loop 303 to Vistancia Boulevard
- \$2,038,676 in the Waste Water Utility Fund for the Expansion of the Jomax Water Reclamation Facility

12. INTERFUND TRANSACTIONS, RECEIVABLE AND PAYABLE BALANCES

At June 30, 2021, there was an interfund loan from the General Fund to the GO Bond Capital Projects Fund to cover a deficit cash balance in that fund. The loans are expected to be repaid in the following year.

The interfund transfers generally fall within one of the following categories: 1) debt service payments made from a debt service fund but funded from an operating fund; 2) subsidy transfers; 3) transfers to fund internal service equipment replacement funds; or 4) capital assets purchased or constructed in one fund, but capitalized in another. There were no significant transfers during fiscal year 2021 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

The following interfund transfers are reflected in the fund financial statements for the year ended June 30, 2021:

Fund	Transfers out	Transfers in
Governmental funds:		
General Fund	\$ 6,893,138	\$ 360,000
Highway User Revenue Fund	-	1,000,007
Transportation Sales Tax Fund	8,704,598	260,000
GO Bond Debt Service Fund	241,943	-
Development Fee Fund	7	-
Other Grant Fund	915,438	5,074
Non-Major Governmental Funds	260,000	8,162,284
Total governmental funds	17,015,124	9,787,365
Enterprise funds:		
Water Utility Fund	19,258,996	201,231
Wastewater Utility Fund	321,231	19,018,996
Solid Waste Utility Fund	-	-
Stadium Fund	5,074	2,120,295
Storm Drain Utility Fund	-	241,943
Total enterprise funds	19,585,301	21,582,465
Internal Service funds	30,691	5,261,286
Grand totals	\$ 36,631,116	\$ 36,631,116

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

13. STABILIZATION ARRANGEMENTS

The committed and assigned fund balances of the governmental funds are shown on the fund financial statements. The following table presents the City's stabilization reserves included in the proprietary fund financial statements at June 30, 2021:

Water Utility Fund:	
Working capital policy reserve	\$ 8,236,831
Rate stabilization	2,302,421
Debt stabilization	3,861,990
System asset maintenance	10,239,522
Capital equipment replacement	<u>1,082,812</u>
	<u>25,723,576</u>
Wastewater Utility Fund:	
Working capital policy reserve	4,157,034
Rate stabilization	1,138,252
Debt stabilization	1,720,507
System asset maintenance	8,867,785
Capital equipment replacement	<u>753,273</u>
	<u>16,636,851</u>
Solid Waste Utility Fund:	
Working capital policy reserve	2,807,675
Capital equipment replacement	<u>1,474,410</u>
	<u>4,282,085</u>
Stadium Fund:	
Capital equipment replacement	<u>472,484</u>
Total enterprise funds	<u>\$ 47,114,996</u>
Internal Service Funds:	
Capital equipment replacement	\$ 14,572,272
Risk management purpose	<u>6,436,601</u>
Total internal service funds	<u>\$ 21,008,873</u>

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

14. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Both the Water Utility Fund and the Wastewater Utility Fund have revenue streams pledged in support of outstanding revenue bonds but since both segments are discretely presented in the proprietary fund financial statements, all required segment information is presented on the face of those statements.


15. SUBSEQUENT EVENTS

On September 8, 2021, the Mystic at Lake Pleasant Heights Community Facilities District and the Vistancia North Community Facilities District issued General Obligation Bonds, Series 2021, for \$56,571.49 and \$15,987.19 respectively. The purpose of the issuance was to get the Districts' set up on the Maricopa County Assessor's Office property tax rolls.

As of November 09, 2021 Moody's Investors Service has assigned a Aaa rating to the City of Peoria, AZ's \$53.5 million General Obligation Bonds, Series 2021. The Series 2021 bond have not yet been issued but are expected to be issued during fiscal year 2022. Concurrently, Moody's upgraded the ratings on city's outstanding general obligation (GO) bonds to Aaa from Aa1 and on the outstanding excise tax revenue bonds to Aa1 from Aa2. Following the sale, the city will have outstanding about \$181.2 million in GO debt, \$27.4 million in excise tax revenue bonds, \$16.5 million in transportation sales tax bonds.

On November 09, 2021, City Council approved General Obligation Bonds Series 2021 in the amount not to exceed \$67 million aggregate principal amount, in accordance with budget authority previously approved by Council.

During fiscal year 2021, the City Council approved \$160 million in WIFA loans, however, the WIFA loans will not be executed until fiscal year 2022.



**Required
Supplementary
Information**

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
NET PENSION/OPEB LIABILITY COST-SHARING PLANS
JUNE 30, 2021

ASRS-Pension

	Reporting Fiscal Year (Measurement Date)						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability	0.523230%	0.532380%	0.546250%	0.571460%	0.542460%	0.526670%	0.520455%
Proportionate share of the net pension liability	\$ 90,657,551	\$ 77,467,484	\$ 76,182,651	\$ 89,022,329	\$ 87,558,493	\$ 82,036,552	\$ 77,009,675
Covered payroll	\$ 57,428,297	\$ 56,417,665	\$ 54,343,055	\$ 53,419,833	\$ 50,820,065	\$ 47,561,194	\$ 46,266,286
Proportionate share of the net pension liability as a percentage of its employee payroll	157.86%	137.31%	140.19%	166.65%	172.29%	172.49%	166.45%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years and additional information will be displayed as it becomes available.

ASRS-Health insurance premium benefit

	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Proportion of the net OPEB (asset)	0.532290%	0.541370%	0.554120%	0.577940%
Proportionate share of the net OPEB (asset)	\$ (376,859)	\$ (149,610)	\$ (199,533)	\$ (314,630)
Covered payroll	\$ 57,428,297	\$ 56,417,665	\$ 54,343,055	\$ 53,419,833
Proportionate share of the net OPEB (asset) as a percentage of its employee payroll	-0.66%	-0.27%	-0.37%	-0.59%
Plan fiduciary net position as a percentage of the total OPEB liability	104.33%	101.62%	102.20%	103.57%

NOTE: The health insurance premium benefit schedules in the required supplementary information are intended to show information for ten years and additional information will be displayed as it becomes available.

ASRS-Long-term disability

	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Proportion of the net OPEB liability	0.528200%	0.537820%	0.550920%	0.569260%
Proportionate share of the net OPEB liability	\$ 400,699	\$ 350,360	\$ 287,858	\$ 206,344
Covered payroll	\$ 57,428,297	\$ 56,417,665	\$ 54,343,055	\$ 53,419,833
Proportionate share of the net OPEB liability as a percentage of its employee payroll	0.70%	0.62%	0.53%	0.39%
Plan fiduciary net position as a percentage of the total OPEB liability	68.01%	72.85%	77.83%	84.44%

NOTE: The long-term disability benefit schedules in the required supplementary information are intended to show information for ten years and additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
AGENT PLANS
JUNE 30, 2021**

Public Safety Personnel Retirement System

	Reporting Fiscal Year						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Peoria Police Department							
Total pension liability							
Service cost	\$ 3,529,413	\$ 3,517,607	\$ 3,437,849	\$ 3,497,564	\$ 2,658,484	\$ 2,557,053	\$ 2,556,976
Interest on the total pension liability	10,379,460	9,742,131	9,195,638	8,207,737	7,450,121	7,075,581	6,074,980
Changes in benefit terms	-	-	-	1,019,089	6,569,592	-	1,228,208
Differences between expected and actual experience in the measurement of the pension liability	2,182,003	(152,876)	(1,331,798)	5,141,159	(1,372,059)	341,776	(672,105)
Changes of assumptions or other inputs	-	3,131,115	-	2,469,996	4,270,128	-	8,103,978
Benefit payments, including refunds of employee contributions	(5,740,752)	(5,690,900)	(5,739,761)	(5,213,832)	(5,716,802)	(4,791,028)	(4,300,112)
Net change in total pension liability	10,350,124	10,547,077	5,561,928	15,121,713	13,859,464	5,183,382	12,991,925
Total pension liability - beginning	141,525,343	130,978,266	125,416,338	110,294,625	96,435,161	91,251,779	78,259,854
Total pension liability - ending (a)	<u>\$ 151,875,467</u>	<u>\$ 141,525,343</u>	<u>\$ 130,978,266</u>	<u>\$ 125,416,338</u>	<u>\$ 110,294,625</u>	<u>\$ 96,435,161</u>	<u>\$ 91,251,779</u>
Plan fiduciary net position							
Contributions - employer	\$ 7,327,021	\$ 7,419,726	\$ 6,622,615	\$ 5,122,411	\$ 4,729,872	\$ 3,254,563	\$ 2,907,800
Contributions - employee	1,447,635	1,254,178	1,379,152	2,723,948	1,732,502	1,689,030	1,491,406
Net investment income	998,101	3,898,429	4,232,822	6,734,348	320,234	1,821,818	5,954,387
Benefit payments, including refunds of employee contributions	(5,740,752)	(5,690,900)	(5,739,761)	(5,213,832)	(5,716,802)	(4,791,028)	(4,300,112)
Hall/Parker Settlement	-	-	(2,283,693)	-	-	-	-
Administrative expense	(81,409)	(68,704)	(65,122)	(59,988)	(46,480)	(44,835)	-
Other changes	-	(4,128)	40,695	(21,848)	37,100	(56,762)	(1,313,936)
Net change in plan fiduciary net position	3,950,596	6,808,601	4,186,708	9,285,039	1,056,426	1,872,786	4,739,545
Plan fiduciary net position - beginning	73,096,802	66,335,122	62,148,414	52,863,375	51,806,949	49,934,163	45,194,618
Adjustment to beginning of year	4	(46,921)	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 77,047,402</u>	<u>\$ 73,096,802</u>	<u>\$ 66,335,122</u>	<u>\$ 62,148,414</u>	<u>\$ 52,863,375</u>	<u>\$ 51,806,949</u>	<u>\$ 49,934,163</u>
Net pension liability - ending (a)-(b)	74,828,065	68,428,541	64,643,144	63,267,924	57,431,250	44,628,212	41,317,616
Plan fiduciary net position as a percentage of the total pension liability	50.73%	51.65%	50.65%	49.55%	47.93%	53.72%	54.72%
Covered payroll	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506	\$ 15,387,963	\$ 13,992,947	\$ 13,449,859	\$ 13,035,510
Net pension liability as a percentage of covered payroll	439.01%	404.96%	400.18%	411.15%	410.43%	331.81%	316.96%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years and additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
AGENT PLANS
JUNE 30, 2021**

Public Safety Personnel Retirement System

**Reporting Fiscal Year
(Measurement Date)**

Peoria Fire Department

	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>	<u>2017 (2016)</u>	<u>2016 (2015)</u>	<u>2015 (2014)</u>
Total pension liability							
Service cost	\$ 3,259,480	\$ 3,230,796	\$ 3,070,924	\$ 3,111,892	\$ 2,379,652	\$ 2,056,517	\$ 2,013,025
Interest on the total pension liability	8,199,149	7,557,042	7,066,051	6,395,230	5,434,649	4,952,998	4,197,224
Changes in benefit terms	-	-	-	466,111	6,700,272	-	453,523
Differences between expected and actual experience in the measurement of the pension liability	2,094,984	1,198,203	(1,450,577)	1,834,916	86,478	809,490	660,641
Changes of assumptions or other inputs	-	2,087,419	-	1,708,934	3,273,059	-	3,815,327
Benefit payments, including refunds of employee contributions	(4,215,838)	(3,598,608)	(3,894,840)	(2,663,473)	(1,739,905)	(1,949,881)	(1,117,704)
Net change in total pension liability	9,337,775	10,474,852	4,791,558	10,853,610	16,134,205	5,869,124	10,022,036
Total pension liability - beginning	111,165,549	100,690,697	95,899,139	85,045,529	68,911,324	63,042,200	53,020,164
Total pension liability - ending (a)	<u>\$ 120,503,324</u>	<u>\$ 111,165,549</u>	<u>\$ 100,690,697</u>	<u>\$ 95,899,139</u>	<u>\$ 85,045,529</u>	<u>\$ 68,911,324</u>	<u>\$ 63,042,200</u>
Plan fiduciary net position							
Contributions - employer	\$ 5,095,674	\$ 4,632,927	\$ 4,749,672	\$ 3,596,394	\$ 3,162,518	\$ 1,866,365	\$ 1,885,422
Contributions - employee	1,217,298	1,165,663	1,439,943	1,593,634	1,375,202	1,238,541	1,168,186
Net investment income	967,950	3,740,932	4,205,458	6,425,067	298,901	1,710,692	5,369,649
Benefit payments, including refunds of employee contributions	(4,215,838)	(3,598,608)	(3,894,840)	(2,663,473)	(1,739,905)	(1,949,881)	(1,117,704)
Hall/Parker Settlement	-	-	(1,926,795)	-	-	-	-
Administrative expense	(78,924)	(65,997)	(64,663)	(57,251)	(43,410)	(42,126)	-
Other changes	-	-	44,976	671	87,273	(35,356)	(1,063,021)
Net change in plan fiduciary net position	2,986,160	5,874,917	4,553,751	8,895,042	3,140,579	2,788,235	6,242,532
Plan fiduciary net position - beginning	71,247,948	65,392,298	60,838,547	51,943,505	48,802,926	46,014,691	39,772,159
Adjustment to beginning of year	4	(19,267)	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 74,234,112</u>	<u>\$ 71,247,948</u>	<u>\$ 65,392,298</u>	<u>\$ 60,838,547</u>	<u>\$ 51,943,505</u>	<u>\$ 48,802,926</u>	<u>\$ 46,014,691</u>
Net pension liability - ending (a)-(b)	46,269,212	39,917,601	35,298,399	35,060,592	33,102,024	20,108,398	17,027,509
Plan fiduciary net position as a percentage of the total pension liability	61.60%	64.09%	64.94%	63.44%	61.08%	70.82%	72.99%
Covered payroll	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624	\$ 11,543,146	\$ 11,796,929	\$ 11,068,029	\$ 10,934,868
Net pension liability as a percentage of covered payroll	338.76%	288.79%	292.07%	303.74%	280.60%	181.68%	155.72%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years and additional information will be displayed as it becomes available.

See accompanying notes to the pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AGENT PLANS
JUNE 30, 2021**

Public Safety Personnel Retirement System

	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Peoria Police Department				
Total OPEB liability				
Service cost	\$ 66,728	\$ 44,231	\$ 45,757	\$ 50,779
Interest on the total OPEB liability	153,939	167,216	164,184	167,590
Changes in benefit terms	-	-	-	6,476
Differences between expected and actual experience in the measurement of the OPEB liability	35,618	(351,117)	(103,677)	19,591
Changes of assumptions or other inputs	-	25,181	-	(159,009)
Benefit payments, including refunds of employee contributions	(87,770)	(87,095)	(86,192)	(111,290)
Net change in total OPEB liability	168,515	(201,584)	20,072	(25,863)
Total OPEB liability - beginning	2,057,413	2,258,997	2,238,925	2,264,788
Total OPEB liability - ending (a)	<u>\$ 2,225,928</u>	<u>\$ 2,057,413</u>	<u>\$ 2,258,997</u>	<u>\$ 2,238,925</u>
Plan fiduciary net position				
Contributions - employer	\$ 56,957	\$ 59,304	\$ 31,038	\$ 66,083
Contributions - employee	-	-	-	-
Net investment income	26,801	109,070	134,052	208,162
Benefit payments, including refunds of employee contributions	(87,770)	(87,095)	(86,192)	(111,290)
Administrative expense	(2,179)	(1,883)	(2,040)	(1,842)
Other changes	-	-	(1)	-
Net change in plan fiduciary net position	(6,191)	79,396	76,857	161,113
Plan fiduciary net position - beginning	2,153,433	2,027,116	1,950,259	1,789,146
Adjustment to beginning of year	-	46,921	-	-
Plan fiduciary net position - ending (b)	<u>\$ 2,147,242</u>	<u>\$ 2,153,433</u>	<u>\$ 2,027,116</u>	<u>\$ 1,950,259</u>
Net OPEB liability/(asset) - ending (a)-(b)	78,686	(96,020)	231,881	288,666
Plan fiduciary net position as a percentage of the total OPEB liability	96.47%	104.67%	89.74%	87.11%
Covered payroll	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506	\$ 15,387,963
Net OPEB liability/(asset) as a percentage of covered payroll	0.46%	-0.57%	1.44%	1.88%

NOTE: The OPEB schedules in the required supplementary information are intended to show information for ten years and additional information will be displayed as it becomes available.

See accompanying notes to the pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AGENT PLANS
JUNE 30, 2021**

Public Safety Personnel Retirement System

**Reporting Fiscal Year
(Measurement Date)**

Peoria Fire Department

	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Total OPEB liability				
Service cost	\$ 54,365	\$ 35,268	\$ 35,268	\$ 39,357
Interest on the total OPEB liability	130,735	134,427	128,515	119,494
Changes in benefit terms	-	-	-	5,572
Differences between expected and actual experience in the measurement of the OPEB liability	(63,904)	(193,678)	(49,429)	175,598
Changes of assumptions or other inputs	-	16,414	-	(140,066)
Benefit payments, including refunds of employee contributions	(61,508)	(61,324)	(42,867)	(66,108)
Net change in total OPEB liability	59,688	(68,893)	71,487	133,847
Total OPEB liability - beginning	1,743,076	1,811,969	1,740,482	1,606,635
Total OPEB liability - ending (a)	<u>\$ 1,802,764</u>	<u>\$ 1,743,076</u>	<u>\$ 1,811,969</u>	<u>\$ 1,740,482</u>
Plan fiduciary net position				
Contributions - employer	\$ 38,836	\$ 37,857	\$ 19,805	\$ 31,072
Contributions - employee	-	-	-	-
Net investment income	22,949	94,227	115,059	176,536
Benefit payments, including refunds of employee contributions	(61,508)	(61,324)	(42,867)	(66,108)
Administrative expense	(1,866)	(1,627)	(1,751)	(1,563)
Other changes	-	-	-	-
Net change in plan fiduciary net position	(1,589)	69,133	90,246	139,937
Plan fiduciary net position - beginning	1,839,227	1,750,826	1,660,580	1,520,643
Adjustment to beginning of year	-	19,268	-	-
Plan fiduciary net position - ending (b)	<u>\$ 1,837,638</u>	<u>\$ 1,839,227</u>	<u>\$ 1,750,826</u>	<u>\$ 1,660,580</u>
Net OPEB liability/(asset) - ending (a)-(b)	(34,874)	(96,151)	61,143	79,902
Plan fiduciary net position as a percentage of the total OPEB liability	101.93%	105.52%	96.63%	95.41%
Covered payroll	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624	\$ 11,543,146
Net OPEB liability/(asset) as a percentage of covered payroll	-0.26%	-0.70%	0.51%	0.69%

NOTE: The OPEB schedules in the required supplementary information are intended to show information for ten years and additional information will be displayed as it becomes available.

See accompanying notes to the pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION/OPEB CONTRIBUTIONS
JUNE 30, 2021**

	2021	2020	2019	Reporting Fiscal Year		2016	2015	2014
				2018	2017			
Arizona State Retirement System - Pension								
Statutorily required contribution	\$ 6,696,568	\$ 6,575,540	\$ 6,307,495	\$ 5,923,393	\$ 5,758,658	\$ 5,513,977	\$ 5,458,945	\$ 5,019,946
Actual contributions in relation to the statutorily required contribution	<u>6,696,568</u>	<u>6,575,540</u>	<u>6,307,495</u>	<u>5,923,393</u>	<u>5,758,658</u>	<u>5,513,977</u>	<u>5,458,945</u>	<u>5,019,946</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 57,978,944</u>	<u>\$ 57,428,297</u>	<u>\$ 56,417,665</u>	<u>\$ 54,343,055</u>	<u>\$ 53,419,833</u>	<u>\$ 50,820,065</u>	<u>\$ 47,561,194</u>	<u>\$ 46,266,286</u>
Actual contribution as a percentage of covered payroll	11.55%	11.45%	11.18%	10.90%	10.78%	10.85%	11.48%	10.85%
Arizona State Retirement System - Health Insurance								
Statutorily required contribution	\$ 284,095	\$ 281,400	\$ 259,521	\$ 239,109				
Actual contributions in relation to the statutorily required contribution	<u>284,095</u>	<u>281,400</u>	<u>259,521</u>	<u>239,109</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	<u>\$ 57,978,944</u>	<u>\$ 57,428,297</u>	<u>\$ 56,417,665</u>	<u>\$ 54,343,055</u>				
Actual contribution as a percentage of covered payroll	0.49%	0.49%	0.46%	0.44%				
Arizona State Retirement System - Long-term disability								
Statutorily required contribution	\$ 104,363	\$ 97,627	\$ 90,268	\$ 86,949				
Actual contributions in relation to the statutorily required contribution	<u>104,363</u>	<u>97,627</u>	<u>90,268</u>	<u>86,949</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	<u>\$ 57,978,944</u>	<u>\$ 57,428,297</u>	<u>\$ 56,417,665</u>	<u>\$ 54,343,055</u>				
Actual contribution as a percentage of covered payroll	0.18%	0.17%	0.16%	0.16%				
Public Safety Personnel Retirement System - Pension								
Peoria Police Department								
Statutorily required contribution	\$ 7,806,975	\$ 7,646,229	\$ 7,436,675	\$ 8,917,938	\$ 5,039,558	\$ 4,406,379	\$ 3,235,398	\$ 2,907,800
Actual contributions in relation to the statutorily required contribution	<u>8,278,054</u>	<u>7,646,229</u>	<u>7,436,675</u>	<u>6,634,245</u>	<u>5,039,558</u>	<u>4,696,546</u>	<u>3,235,398</u>	<u>2,907,800</u>
Contribution deficiency (excess)	<u>\$ (471,079)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,283,693</u>	<u>\$ -</u>	<u>\$ (290,167)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 16,653,104</u>	<u>\$ 17,044,648</u>	<u>\$ 16,897,694</u>	<u>\$ 16,153,506</u>	<u>\$ 15,387,963</u>	<u>\$ 13,992,947</u>	<u>\$ 13,449,859</u>	<u>\$ 13,035,510</u>
Actual contribution as a percentage of covered payroll	49.71%	44.86%	44.01%	41.07%	32.75%	33.56%	24.06%	22.31%
Peoria Fire Department								
Statutorily required contribution	\$ 4,776,681	\$ 5,881,182	\$ 4,714,745	\$ 5,721,681	\$ 2,711,485	\$ 2,568,191	\$ 1,842,016	\$ 1,885,422
Actual contributions in relation to the statutorily required contribution	<u>7,563,149</u>	<u>5,881,182</u>	<u>4,714,745</u>	<u>3,794,886</u>	<u>2,976,968</u>	<u>2,747,609</u>	<u>1,842,016</u>	<u>1,885,422</u>
Contribution deficiency (excess)	<u>\$ (2,786,468)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,926,795</u>	<u>\$ (265,483)</u>	<u>\$ (179,418)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 13,051,041</u>	<u>\$ 13,658,235</u>	<u>\$ 13,822,178</u>	<u>\$ 12,085,624</u>	<u>\$ 11,543,146</u>	<u>\$ 11,796,929</u>	<u>\$ 11,068,029</u>	<u>\$ 10,934,868</u>
Actual contribution as a percentage of covered payroll	57.95%	43.06%	34.11%	31.40%	25.79%	23.29%	16.64%	17.24%
Public Safety Personnel Retirement System - OPEB								
Peoria Police Department								
Statutorily required contribution	\$ 55,479	\$ 59,656	\$ 65,900	\$ 79,152				
Actual contributions in relation to the statutorily required contribution	<u>58,825</u>	<u>59,656</u>	<u>65,900</u>	<u>79,152</u>				
Contribution deficiency (excess)	<u>\$ (3,346)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	<u>\$ 16,653,104</u>	<u>\$ 17,044,648</u>	<u>\$ 16,897,694</u>	<u>\$ 16,153,506</u>				
Actual contribution as a percentage of covered payroll	0.35%	0.35%	0.39%	0.49%				
Peoria Fire Department								
Statutorily required contribution	\$ 33,933	\$ 51,931	\$ 38,702	\$ 35,048				
Actual contributions in relation to the statutorily required contribution	<u>53,727</u>	<u>51,931</u>	<u>38,702</u>	<u>35,048</u>				
Contribution deficiency (excess)	<u>\$ (19,794)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	<u>\$ 13,051,041</u>	<u>\$ 13,658,235</u>	<u>\$ 13,822,178</u>	<u>\$ 12,085,624</u>				
Actual contribution as a percentage of covered payroll	0.41%	0.38%	0.28%	0.29%				

NOTE: The pension/OPEB schedules in the required supplementary information are intended to show information for ten years and additional information will be displayed as it becomes available.

See accompanying notes to the pension/OPEB plan schedules

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION/OPEB PLAN SCHEDULES
JUNE 30, 2021

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 are disclosed in the notes to the financial statements.

Note 2- Factors that Affect Trends

Arizona State Retirement System (ASRS)

The actuarial assumptions used in the June 30, 2020, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017 actuarial valuation.

Public Safety Personnel Retirement System (PSPRS)

The actuarial assumptions used in the June 30, 2020, valuation for PSPRS were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. Several actuarial assumptions were adjusted based on the study. Adjustments included:

- Decreasing wage inflation from 4.0% to 3.5%.
- Decreasing the investment rate of return from 7.4 percent to 7.3 percent.
- Updating mortality rates.

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 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.



A scenic sunset over a desert landscape. The sky is filled with soft, orange and yellow clouds, transitioning to a deep blue at the top. In the background, a range of dark, rugged mountains is silhouetted against the bright horizon. The foreground features a calm body of water that perfectly reflects the sky and the mountains. The water's surface is slightly rippled, creating a shimmering effect. On the far left and right sides, there are tall, thin poles, possibly for lighting or irrigation. The overall atmosphere is peaceful and serene.

Combining Statements & Budgetary Schedules

Combining Fund Financial Statements and Budgetary Schedules

This section contains the combining financial statements for non-major governmental funds, internal service funds and fiduciary funds as well as the budget schedules other than those for the general fund and major special revenue funds (which may be found immediately following the governmental fund financial statements).

	Page
Major Governmental Funds Other than General Fund & Special Revenue Funds	
Budgetary Comparison Schedules	
General Obligation Bonds Debt Service Fund	99
Development Fee Fund	100
General Obligation Bonds Capital Projects Fund	101
Non-Major Governmental Funds	
Combining Statements	
Combining Balance Sheet	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	107
Budgetary Comparison Schedules	
Public Transit Fund	109
Smart & Safe AZ Fund	110
Municipal Development Authority (MDA) Debt, Debt Service Fund	111
Community Facilities District (CFD) Bonds Debt Service Fund	112
Non-Bond Debt Service Fund	113
Community Facilities District (CFD) Bonds Capital Projects Fund	114
Non-Bond Capital Projects Fund	115
Internal Service Funds	
Combining Statements	
Combining Statement of Net Position	116
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	117
Combining Statement of Cash Flows	118

MAJOR GOVERNMENTAL FUNDS OTHER THAN GENERAL FUND & SPECIAL REVENUE FUNDS Budgetary Comparison Schedules

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments on debt. This includes financial resources that are being accumulated for principal and interest maturing in future years. Principal payments are due annually. Interest is due semiannually.

General Obligation (GO) Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the City's general obligation bonds. Provisions are made in the City's general property tax levy for funds sufficient to meet the general obligation debt service.

Capital Projects Funds

A capital project fund is established to account for the acquisition and construction of major capital facilities other than those financed by Special Revenue Fund and Enterprise Fund resources. A capital project fund enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

Development Fee Fund

This fund accounts for the receipt and expenditure of development impact or expansion fees for all governmental activities as governed by state statutes.

General Obligation (GO) Bond Capital Projects Fund

This fund accounts for the receipt of proceeds from General Obligation bonds and the expenditure of those funds to purchase or construct capital assets for the City.

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 19,325,804	\$ 19,325,804	\$ 19,257,736	\$ (68,068)
Investment earnings	150,000	150,000	(33,880)	(183,880)
Total revenues	<u>19,475,804</u>	<u>19,475,804</u>	<u>19,223,856</u>	<u>(251,948)</u>
EXPENDITURES:				
Debt service:				
Principal payments	12,877,491	12,877,491	12,180,000	(697,491)
Interest and other charges	5,468,441	5,468,441	4,900,338	(568,103)
Total expenditures	<u>18,345,932</u>	<u>18,345,932</u>	<u>17,080,338</u>	<u>(1,265,594)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,129,872</u>	<u>1,129,872</u>	<u>2,143,518</u>	<u>1,013,646</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(125,000)	(125,000)	-	125,000
Transfers out	-	-	(241,943)	(241,943)
Total other financing sources and uses	<u>(125,000)</u>	<u>(125,000)</u>	<u>(241,943)</u>	<u>(116,943)</u>
Net change in fund balances	1,004,872	1,004,872	1,901,575	896,703
Fund balances - beginning	15,018,872	15,018,872	16,376,110	1,357,238
Fund balances - ending	<u>\$ 16,023,744</u>	<u>\$ 16,023,744</u>	<u>\$ 18,277,685</u>	<u>\$ 2,253,941</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
DEVELOPMENT FEE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
REVENUES:				
Charges for services	\$ 9,416,194	\$ 9,416,194	\$ 11,110,141	\$ 1,693,947
Investment earnings	315,302	315,302	73,227	(242,075)
Total revenues	<u>9,731,496</u>	<u>9,731,496</u>	<u>11,183,368</u>	<u>1,451,872</u>
EXPENDITURES:				
Current:				
Culture and recreation	13,000	13,000	1,244	(11,756)
Public safety	23,365	23,365	211,864	188,499
Highways and streets	3,920,206	3,847,331	2,360,656	(1,486,675)
Capital outlay	14,864,785	14,531,491	4,427,748	(10,103,743)
Total expenditures	<u>18,821,356</u>	<u>18,415,187</u>	<u>7,001,512</u>	<u>(11,413,675)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,089,860)</u>	<u>(8,683,691)</u>	<u>4,181,856</u>	<u>12,865,547</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(775,000)	(579,944)	-	579,944
Transfers out	-	-	(7)	(7)
Total other financing sources and uses	<u>(775,000)</u>	<u>(579,944)</u>	<u>(7)</u>	<u>579,937</u>
Net change in fund balances	(9,864,860)	(9,263,635)	4,181,849	13,445,484
Fund balances - beginning	31,607,835	31,607,835	34,586,779	2,978,944
Fund balances - ending	<u>\$ 21,742,975</u>	<u>\$ 22,344,200</u>	<u>\$ 38,768,628</u>	<u>\$ 16,424,428</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION (GO) BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
REVENUES:				
Investment earnings	\$ 350,000	\$ 350,000	\$ 26,644	\$ (323,356)
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>26,644</u>	<u>(323,356)</u>
EXPENDITURES:				
Current:				
Culture and recreation	-	-	861,821	861,821
Public safety	-	-	113,439	113,439
Highways and streets	384,291	379,998	590,064	210,066
Public works	-	-	957,681	957,681
Capital outlay	29,774,129	29,382,900	9,253,196	(20,129,704)
Total expenditures	<u>30,158,420</u>	<u>29,762,898</u>	<u>11,776,201</u>	<u>(17,986,697)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,808,420)</u>	<u>(29,412,898)</u>	<u>(11,749,557)</u>	<u>17,663,341</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	23,369,823	23,369,823	-	(23,369,823)
Contingencies	(100,000)	-	-	-
Total other financing sources and uses	<u>23,269,823</u>	<u>23,369,823</u>	<u>-</u>	<u>(23,369,823)</u>
Net change in fund balances	(6,538,597)	(6,043,075)	(11,749,557)	(5,706,482)
Fund balances - beginning	6,588,091	6,588,091	3,780,474	(2,807,617)
Fund balances - ending	<u>\$ 49,494</u>	<u>\$ 545,016</u>	<u>\$ (7,969,083)</u>	<u>\$ (8,514,099)</u>

The accompanying notes are an integral part of the financial statements



NON-MAJOR GOVERNMENTAL FUNDS

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Public Transit Fund

This fund receives and expends the City's allocation of Federal Transit Authority grant money as well as the City's allocation of the Local Transportation Assistance Fund money. The amount of Federal Transportation Authority funds available to each city is based on the total funding available and the total requests for funds. The amount of Local Transportation Assistance funds available to each city is allocated on a population basis, which is determined by the latest federal census. Expenditures are for the administration and operating costs of the public transit system.

Smart & Safe AZ Fund

This fund receives and expends the City's allocation of sales tax on recreational marijuana. These monies are deposited into the State's Smart and Safe Arizona Fund (SSAF). The City receives a portion of this money from the state to be spent on police and fire departments.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments on debt. This includes financial resources that are being accumulated for principal and interest maturing in future years. Principal payments are due annually. Interest is due semiannually.

Municipal Development Authority (MDA) Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the Municipal Development Authority's bonds. Provisions are made in the City's transaction privilege tax for funds sufficient to meet the Municipal Development Authority's debt service.

Community Facilities District (CFD) Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the Vistancia Communities Facilities District and Vistancia West Communities Facilities District (blended component units) general obligation bonds. Provisions are made in the District's general property tax levy for funds sufficient to meet the general obligation debt service.

Non-Bond Debt Service Fund

This fund accounts for all non-general obligation bond debt service payments of the City.

Capital Projects Funds

A capital project fund is established to account for the acquisition and construction of major capital facilities other than those financed by Special Revenue Fund and Enterprise Fund resources. A capital project fund enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

Community Facilities District (CFD) Bonds Capital Projects Fund

This fund accounts for the expenditure of Vistancia Community Facilities District and Vistancia West Community Facilities District bond proceeds for the construction of capital assets for the District. Once the capital assets are completed, they are turned over to the City for operation and maintenance.

Non-Bond Capital Projects Fund

This fund accounts for the purchase or construction of capital assets with funds other than bond proceeds. This includes monies received from outside sources, i.e. developers or other governments, and also City pay-as-you-go monies.

**CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	Smart & Safe AZ Fund	Municipal Development Authority Debt	CFD Bonds	Non-Bond
ASSETS					
Pooled cash and investments	\$ 3,949,815	\$ 176,699	\$ 2,267,638	\$ 1,310,585	\$ 251,108
Accounts receivable, net	146,968	-	-	-	-
Interest receivable	6,882	-	8,560	907	3,527
Due from other governments	201,001	-	-	68,076	-
Restricted cash with fiscal agents	-	-	2,705,080	3,208,023	-
Restricted investments	-	-	-	-	-
Total assets	<u>\$ 4,304,666</u>	<u>\$ 176,699</u>	<u>\$ 4,981,278</u>	<u>\$ 4,587,591</u>	<u>\$ 254,635</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts payable	\$ 18,366	\$ -	\$ -	\$ 2,304	\$ -
Accrued payroll	9,942	-	-	-	-
Other liabilities	-	-	-	-	-
Unearned revenue-other	-	-	-	-	-
Total liabilities	<u>28,308</u>	<u>-</u>	<u>-</u>	<u>2,304</u>	<u>-</u>
Fund balances:					
Restricted for:					
Debt service	-	-	4,981,278	4,585,287	254,635
Capital projects	-	-	-	-	-
Public safety	-	176,699	-	-	-
Grant purposes	4,276,358	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Total fund balance	<u>4,276,358</u>	<u>176,699</u>	<u>4,981,278</u>	<u>4,585,287</u>	<u>254,635</u>
Total liabilities & fund balance	<u>\$ 4,304,666</u>	<u>\$ 176,699</u>	<u>\$ 4,981,278</u>	<u>\$ 4,587,591</u>	<u>\$ 254,635</u>

(continued)

**CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Capital Project Funds</u>		Total
	<u>CFD Bonds</u>	<u>Non-Bond</u>	Non-Major Governmental Funds
ASSETS			
Pooled cash and investments	\$ -	\$ 9,004,761	\$ 16,960,606
Accounts receivable, net	-	-	146,968
Interest receivable	-	15,241	35,117
Due from other governments	-	256,909	525,986
Restricted cash with fiscal agents	-	-	5,913,103
Restricted investments	347,255	-	347,255
Total assets	<u>\$ 347,255</u>	<u>\$ 9,276,911</u>	<u>\$ 23,929,035</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 46,589	\$ 67,259
Accrued payroll	-	-	9,942
Other liabilities	-	59,543	59,543
Unearned revenue-other	-	4,267,891	4,267,891
Total liabilities	<u>-</u>	<u>4,374,023</u>	<u>4,404,635</u>
Fund balances:			
Restricted for:			
Debt service	-	-	9,821,200
Capital projects	347,255	-	347,255
Public safety	-	-	176,699
Grant purposes	-	-	4,276,358
Assigned to:			
Capital projects	-	4,902,888	4,902,888
Total fund balance	<u>347,255</u>	<u>4,902,888</u>	<u>19,524,400</u>
Total liabilities & fund balance	<u>\$ 347,255</u>	<u>\$ 9,276,911</u>	<u>\$ 23,929,035</u>

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	Smart & Safe AZ Fund	Municipal Development Authority Debt	CFD Bonds	Non-Bond
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 4,368,947	\$ -
Intergovernmental	1,367,113	176,699	-	-	-
Charges for service	48,876	-	-	-	-
Investment earnings	45,896	-	57,092	6,049	23,528
Miscellaneous	267,949	-	-	1,232,543	132,806
Total revenues	<u>1,729,834</u>	<u>176,699</u>	<u>57,092</u>	<u>5,607,539</u>	<u>156,334</u>
EXPENDITURES:					
Current:					
General government	-	-	-	36,104	-
Culture and recreation	-	-	-	-	-
Highways and streets	-	-	-	-	-
Public works	-	-	-	-	31,234
Human services	2,143,606	-	-	-	-
Debt service:					
Principal payments	-	-	2,130,000	3,545,000	3,714,912
Interest and other charges	-	-	1,045,769	1,536,769	646,131
Capital outlay	156,428	-	-	-	-
Total expenditures	<u>2,300,034</u>	<u>-</u>	<u>3,175,769</u>	<u>5,117,873</u>	<u>4,392,277</u>
Excess (deficiency) of revenues over expenditures	<u>(570,200)</u>	<u>176,699</u>	<u>(3,118,677)</u>	<u>489,666</u>	<u>(4,235,943)</u>
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued	-	-	-	20,855,000	-
Issuance of debt	-	-	-	-	-
Premium on bonds issued	-	-	-	2,246,776	-
Payment to bond refunding escrow agent	-	-	-	(22,641,792)	-
Transfers in	4,187,000	-	-	-	3,975,284
Transfers out	(260,000)	-	-	-	-
Total other financing sources and uses	<u>3,927,000</u>	<u>-</u>	<u>-</u>	<u>459,984</u>	<u>3,975,284</u>
Net change in fund balances	3,356,800	176,699	(3,118,677)	949,650	(260,659)
Fund balances - beginning	919,558	-	8,099,955	3,635,637	515,294
Fund balances - ending	<u>\$ 4,276,358</u>	<u>\$ 176,699</u>	<u>\$ 4,981,278</u>	<u>\$ 4,585,287</u>	<u>\$ 254,635</u>

(continued)

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Capital Project Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>CFD Bonds</u>	<u>Non-Bond</u>	
REVENUES:			
Taxes	\$ -	\$ -	\$ 4,368,947
Intergovernmental	-	3,143,556	4,687,368
Charges for service	-	-	48,876
Investment earnings	21	101,650	234,236
Miscellaneous	-	165,625	1,798,923
Total revenues	<u>21</u>	<u>3,410,831</u>	<u>11,138,350</u>
EXPENDITURES:			
Current:			
General government	-	-	36,104
Culture and recreation	-	399,796	399,796
Highways and streets	-	65,038	65,038
Public works	-	194,368	225,602
Human services	-	-	2,143,606
Debt service:			
Principal payments	-	-	9,389,912
Interest and other charges	41,196	-	3,269,865
Capital outlay	4,198,040	7,128,830	11,483,298
Total expenditures	<u>4,239,236</u>	<u>7,788,032</u>	<u>27,013,221</u>
Excess (deficiency) of revenues over expenditures	<u>(4,239,215)</u>	<u>(4,377,201)</u>	<u>(15,874,871)</u>
OTHER FINANCING SOURCES (USES):			
Refunding bonds issued	-	-	20,855,000
Issuance of debt	1,870,000	-	1,870,000
Premium on bonds issued	201,504	-	2,448,280
Payment to bond refunding escrow agent	-	-	(22,641,792)
Transfers in	-	-	8,162,284
Transfers out	-	-	(260,000)
Total other financing sources and uses	<u>2,071,504</u>	<u>-</u>	<u>10,433,772</u>
Net change in fund balances	<u>(2,167,711)</u>	<u>(4,377,201)</u>	<u>(5,441,099)</u>
Fund balances - beginning	2,514,966	9,280,089	24,965,499
Fund balances - ending	<u>\$ 347,255</u>	<u>\$ 4,902,888</u>	<u>\$ 19,524,400</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
PUBLIC TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 597,071	\$ 597,071	\$ 1,367,113	\$ 770,042
Charges for services	45,000	45,000	48,876	3,876
Investment earnings	20,000	20,000	45,896	25,896
Miscellaneous	253,800	253,800	267,949	14,149
Total revenues	<u>915,871</u>	<u>915,871</u>	<u>1,729,834</u>	<u>813,963</u>
EXPENDITURES:				
Current:				
Human services	5,103,362	5,155,928	2,143,606	(3,012,322)
Capital outlay	172,071	172,071	156,428	(15,643)
Total expenditures	<u>5,275,433</u>	<u>5,327,999</u>	<u>2,300,034</u>	<u>(3,027,965)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,359,562)</u>	<u>(4,412,128)</u>	<u>(570,200)</u>	<u>3,841,928</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(50,000)	(50,000)	-	50,000
Transfers in	4,187,000	4,187,000	4,187,000	-
Transfers out	-	-	(260,000)	(260,000)
Total other financing sources and uses	<u>4,137,000</u>	<u>4,137,000</u>	<u>3,927,000</u>	<u>(210,000)</u>
Net change in fund balances	(222,562)	(275,128)	3,356,800	3,631,928
Fund balances - beginning	416,229	416,229	919,558	503,329
Fund balances - ending	<u>\$ 193,667</u>	<u>\$ 141,101</u>	<u>\$ 4,276,358</u>	<u>\$ 4,135,257</u>

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 SMART & SAFE AZ FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ 176,699	\$ 176,699
Total revenues	<u>-</u>	<u>-</u>	<u>176,699</u>	<u>176,699</u>
Net change in fund balances	-	-	176,699	176,699
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,699</u>	<u>\$ 176,699</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL DEVELOPMENT AUTHORITY (MDA) DEBT, DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Investment earnings	\$ 150,000	\$ 50,000	\$ 57,092	\$ 7,092
Total revenues	<u>150,000</u>	<u>50,000</u>	<u>57,092</u>	<u>7,092</u>
EXPENDITURES:				
Debt service:				
Principal payments	2,130,000	2,130,000	2,130,000	-
Interest and other charges	1,049,376	1,049,376	1,045,769	(3,607)
Total expenditures	<u>3,179,376</u>	<u>3,179,376</u>	<u>3,175,769</u>	<u>(3,607)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,029,376)</u>	<u>(3,129,376)</u>	<u>(3,118,677)</u>	<u>10,699</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(100,000)	(100,000)	-	100,000
Total other financing sources and uses	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net change in fund balances	(3,129,376)	(3,229,376)	(3,118,677)	110,699
Fund balances - beginning	8,518,784	8,518,784	8,099,955	(418,829)
Fund balances - ending	<u>\$ 5,389,408</u>	<u>\$ 5,289,408</u>	<u>\$ 4,981,278</u>	<u>\$ (308,130)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Taxes	\$ 4,373,332	\$ 4,373,332	\$ 4,368,947	\$ (4,385)
Charges For Service				
Investment earnings	-	-	6,049	6,049
Miscellaneous	1,154,668	1,154,668	1,232,543	77,875
Total revenues	<u>5,528,000</u>	<u>5,528,000</u>	<u>5,607,539</u>	<u>79,539</u>
EXPENDITURES:				
Current:				
General government	570,000	570,000	36,104	(533,896)
Debt service:				
Principal payments	3,550,000	3,550,000	3,545,000	(5,000)
Interest and other charges	1,403,000	1,403,000	1,536,769	133,769
Total expenditures	<u>5,523,000</u>	<u>5,523,000</u>	<u>5,117,873</u>	<u>(405,127)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,000</u>	<u>5,000</u>	<u>489,666</u>	<u>484,666</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	20,855,000	20,855,000
Premium on bonds issued	-	-	2,246,776	2,246,776
Payment to bond refunding escrow agent	-	-	(22,641,792)	(22,641,792)
Contingencies	(5,000)	(5,000)	-	5,000
Total other financing sources and uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>459,984</u>	<u>464,984</u>
Net change in fund balances	-	-	949,650	949,650
Fund balances - beginning	-	-	3,635,637	3,635,637
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,585,287</u>	<u>\$ 4,585,287</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 23,528	\$ 23,528
Miscellaneous	130,929	130,929	132,806	1,877
Total revenues	<u>130,929</u>	<u>130,929</u>	<u>156,334</u>	<u>25,405</u>
EXPENDITURES:				
Current:				
General government	45,000	80,000	31,234	(48,766)
Debt service:				
Principal payments	3,714,912	3,714,912	3,714,912	-
Interest and other charges	646,882	646,882	646,131	(751)
Total expenditures	<u>4,406,794</u>	<u>4,441,794</u>	<u>4,392,277</u>	<u>(49,517)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,275,865)</u>	<u>(4,310,865)</u>	<u>(4,235,943)</u>	<u>74,922</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,975,284	3,975,284	3,975,284	-
Total other financing sources and uses	<u>3,975,284</u>	<u>3,975,284</u>	<u>3,975,284</u>	<u>-</u>
Net change in fund balances	(300,581)	(335,581)	(260,659)	74,922
Fund balances - beginning	-	-	515,294	515,294
Fund balances - ending	<u>\$ (300,581)</u>	<u>\$ (335,581)</u>	<u>\$ 254,635</u>	<u>\$ 590,216</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 21	\$ 21
Total revenues	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
EXPENDITURES:				
Debt service:				
Interest and other charges	400,000	400,000	41,196	(358,804)
Capital outlay	<u>2,100,000</u>	<u>4,614,965</u>	<u>4,198,040</u>	<u>(416,925)</u>
Total expenditures	<u>2,500,000</u>	<u>5,014,965</u>	<u>4,239,236</u>	<u>(775,729)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,500,000)</u>	<u>(5,014,965)</u>	<u>(4,239,215)</u>	<u>775,750</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	2,500,000	2,500,000	1,870,000	(630,000)
Premium on bonds issued	-	-	201,504	201,504
Total other financing sources and uses	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,071,504</u>	<u>(428,496)</u>
Net change in fund balances	-	(2,514,965)	(2,167,711)	347,254
Fund balances - beginning	-	-	2,514,966	2,514,966
Fund balances - ending	<u>\$ -</u>	<u>\$ (2,514,965)</u>	<u>\$ 347,255</u>	<u>\$ 2,862,220</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental revenue	\$ 1,000,000	\$ 1,000,000	\$ 3,143,556	\$ 2,143,556
Investment earnings	137,905	137,905	101,650	(36,255)
Miscellaneous	3,487,688	3,487,688	165,625	(3,322,063)
Total revenues	<u>4,625,593</u>	<u>4,625,593</u>	<u>3,410,831</u>	<u>(1,214,762)</u>
EXPENDITURES:				
Current:				
Culture and Recreation	-	-	399,796	399,796
Highways and streets	333,147	309,523	65,038	(244,485)
Public Works	-	-	194,368	194,368
Capital outlay	14,043,472	11,341,255	7,128,830	(4,212,425)
Total expenditures	<u>14,376,619</u>	<u>11,650,778</u>	<u>7,788,032</u>	<u>(3,862,746)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,751,026)</u>	<u>(7,025,185)</u>	<u>(4,377,201)</u>	<u>2,647,984</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(500,000)	(2,376,166)	-	2,376,166
Total other financing sources and uses	<u>(500,000)</u>	<u>(2,376,166)</u>	<u>-</u>	<u>2,376,166</u>
Net change in fund balances	(10,251,026)	(9,401,351)	(4,377,201)	5,024,150
Fund balances - beginning	10,612,271	10,612,271	9,280,089	(1,332,182)
Fund balances - ending	<u>\$ 361,245</u>	<u>\$ 1,210,920</u>	<u>\$ 4,902,888</u>	<u>\$ 3,691,968</u>

The accompanying notes are an integral part of the financial statements

INTERNAL SERVICE FUNDS

Motor Pool Fund

The Motor Pool Fund is responsible for the maintenance and operation of the City's fleet of vehicles and various other equipment.

Self-Insurance Fund

The Self-Insurance Fund is responsible for the administration of the self-insurance programs, including liability and property damage, workers' compensation insurance, and employee health insurance. This fund provides the excess insurance coverage for claims over the self-insurance limits; claims under the limits are charged directly to the Self-Insurance Fund.

Facilities Maintenance Fund

The Facilities Maintenance Fund is responsible for the maintenance and operations of the City's buildings and grounds.

Information Technology Fund

The Information Technology Fund is responsible for the maintenance and operations of the City's computer hardware and software systems.

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Pooled cash and investments	\$ 12,856,927	\$ 7,833,682	\$ 1,219,114	\$ 5,624,442	\$ 27,534,165
Restricted pooled cash and investments	-	17,144,073	-	-	17,144,073
Restricted cash with fiscal agents	-	287,978	-	-	287,978
Accounts receivable, net	-	19,506	-	197	19,703
Interest receivable	19,897	77,572	1,449	9,235	108,153
Prepaid items	-	65,200	-	-	65,200
Supplies inventory	219,092	-	-	-	219,092
Total current assets	<u>13,095,916</u>	<u>25,428,011</u>	<u>1,220,563</u>	<u>5,633,874</u>	<u>45,378,364</u>
Non-current assets:					
Restricted assets:					
Investments	-	8,869,371	-	-	8,869,371
Total restricted assets	<u>-</u>	<u>8,869,371</u>	<u>-</u>	<u>-</u>	<u>8,869,371</u>
Capital assets:					
Buildings and improvements	-	-	-	148,102	148,102
Equipment & furniture	1,048,125	-	-	38,661,923	39,710,048
Vehicles	34,689,561	-	-	-	34,689,561
Less accumulated depreciation	(21,600,846)	-	-	(37,259,730)	(58,860,576)
Total capital assets, net	<u>14,136,840</u>	<u>-</u>	<u>-</u>	<u>1,550,295</u>	<u>15,687,135</u>
Net other postemployment benefits asset	4,755	-	12,153	22,450	39,358
Total assets	<u>27,237,511</u>	<u>34,297,382</u>	<u>1,232,716</u>	<u>7,206,619</u>	<u>69,974,228</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	219,141	-	560,029	1,034,535	1,813,705
Total deferred outflows of resources	<u>219,141</u>	<u>-</u>	<u>560,029</u>	<u>1,034,535</u>	<u>1,813,705</u>
LIABILITIES					
Current liabilities:					
Accounts payable	187,019	1,842,579	76,034	507,473	2,613,105
Accrued payroll	14,326	3,622	41,703	82,424	142,075
Current portion of claims payable	-	6,606,070	-	-	6,606,070
Current portion of compensated absences	48,950	18,660	168,760	335,270	571,640
Total current liabilities	<u>250,295</u>	<u>8,470,931</u>	<u>286,497</u>	<u>925,167</u>	<u>9,932,890</u>
Non-current liabilities:					
Long-term portion of claims payable	-	1,611,743	-	-	1,611,743
Compensated absences	49,760	25,420	213,740	332,220	621,140
Net pension and other postemployment benefits liability	1,149,023	-	2,936,417	5,424,411	9,509,851
Total non-current liabilities	<u>1,198,783</u>	<u>1,637,163</u>	<u>3,150,157</u>	<u>5,756,631</u>	<u>11,742,734</u>
Total liabilities	<u>1,449,078</u>	<u>10,108,094</u>	<u>3,436,654</u>	<u>6,681,798</u>	<u>21,675,624</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	29,378	-	75,076	138,692	243,146
Total deferred inflows of resources	<u>29,378</u>	<u>-</u>	<u>75,076</u>	<u>138,692</u>	<u>243,146</u>
NET POSITION					
Net investment in capital assets	14,079,878	-	-	1,550,295	15,630,173
Restricted - trust purpose	-	17,752,687	-	-	17,752,687
Restricted - net other postemployment benefits	4,755	-	12,153	22,450	39,358
Unrestricted	11,893,563	6,436,601	(1,731,138)	(152,081)	16,446,945
Total net position	<u>\$ 25,978,196</u>	<u>\$ 24,189,288</u>	<u>\$ (1,718,985)</u>	<u>\$ 1,420,664</u>	<u>\$ 49,869,163</u>

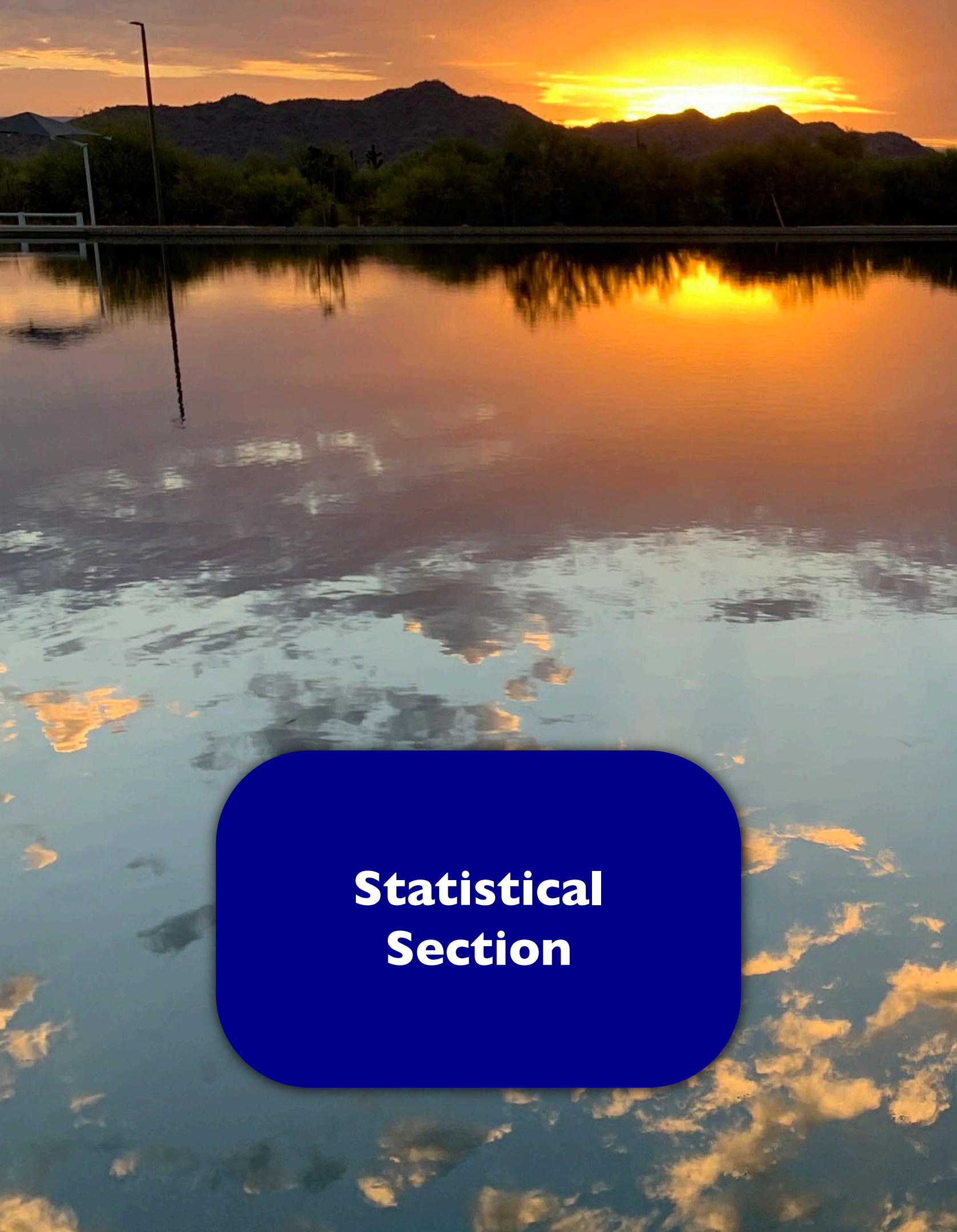
CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Motor Pool Fund</u>	<u>Self- Insurance Fund</u>	<u>Facilities Maintenance Fund</u>	<u>Information Technology Fund</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 8,347,877	\$ 25,511,330	\$ 6,859,788	\$ 10,694,718	\$ 51,413,713
Miscellaneous	45,877	2,290,608	16,228	18,868	2,371,581
Total operating revenues	<u>8,393,754</u>	<u>27,801,938</u>	<u>6,876,016</u>	<u>10,713,586</u>	<u>53,785,294</u>
OPERATING EXPENSES					
Salaries, wages and employee benefits	1,112,687	289,486	2,597,704	5,067,801	9,067,678
Contractual services, materials and supplies	4,314,140	1,111,869	3,449,286	7,676,603	16,551,898
Insurance claims and expenses	-	24,779,639	-	-	24,779,639
Depreciation and amortization	2,647,650	-	-	962,213	3,609,863
Total operating expenses	<u>8,074,477</u>	<u>26,180,994</u>	<u>6,046,990</u>	<u>13,706,617</u>	<u>54,009,078</u>
Operating income (loss)	319,277	1,620,944	829,026	(2,993,031)	(223,784)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	132,700	254,550	9,661	61,593	458,504
Gain (Loss) on sale of capital assets	88,571	-	-	-	88,571
Total non-operating revenues	<u>221,271</u>	<u>254,550</u>	<u>9,661</u>	<u>61,593</u>	<u>547,075</u>
Income (loss) before capital contributions and transfers	540,548	1,875,494	838,687	(2,931,438)	323,291
Capital contributions	-	-	-	-	-
Transfers in	775,036	2,750,000	-	1,736,250	5,261,286
Transfers out	-	(30,691)	-	-	(30,691)
Change in net position	<u>1,315,584</u>	<u>4,594,803</u>	<u>838,687</u>	<u>(1,195,188)</u>	<u>5,553,886</u>
Total net position - beginning	24,662,612	19,594,485	(2,557,672)	2,615,852	44,315,277
Total net position - ending	<u>\$ 25,978,196</u>	<u>\$ 24,189,288</u>	<u>\$ (1,718,985)</u>	<u>\$ 1,420,664</u>	<u>\$ 49,869,163</u>

**CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 8,402,054	\$ 27,796,435	\$ 6,876,016	\$ 10,723,418	\$ 53,797,923
Payments to suppliers	(4,359,960)	(842,071)	(3,537,300)	(7,763,529)	(16,502,860)
Payments to employees	(1,063,979)	(281,552)	(2,769,482)	(4,727,476)	(8,842,489)
Self-insurance costs	-	(23,593,077)	-	-	(23,593,077)
Net cash provided (used) by operating activities	<u>2,978,115</u>	<u>3,079,735</u>	<u>569,234</u>	<u>(1,767,587)</u>	<u>4,859,497</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	775,036	2,750,000	-	1,736,250	5,261,286
Transfers out	-	(30,691)	-	-	(30,691)
Net cash provided (used) by non-capital financing activities	<u>775,036</u>	<u>2,719,309</u>	<u>-</u>	<u>1,736,250</u>	<u>5,230,595</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(3,508,862)	-	-	-	(3,508,862)
Proceeds from disposal of capital assets	101,900	-	-	-	101,900
Net cash flows used by capital and related financing activities	<u>(3,406,962)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,406,962)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	(44,353)	-	-	(44,353)
Interest received on investments	138,668	271,340	8,994	63,944	482,946
Net cash provided (used) by investing activities	<u>138,668</u>	<u>226,987</u>	<u>8,994</u>	<u>63,944</u>	<u>438,593</u>
Net increase (decrease) in cash and cash equivalents	484,857	6,026,031	578,228	32,607	7,121,723
Cash and cash equivalents at beginning of year	12,372,070	19,239,702	640,886	5,591,835	37,844,493
Cash and cash equivalents at end of year	<u>\$ 12,856,927</u>	<u>\$ 25,265,733</u>	<u>\$ 1,219,114</u>	<u>\$ 5,624,442</u>	<u>\$ 44,966,216</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 319,277	\$ 1,620,944	\$ 829,026	\$ (2,993,031)	\$ (223,784)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,647,650	-	-	962,213	3,609,863
(Increase) decrease in assets/deferred outflows:					
Accounts receivable	8,300	(5,503)	-	9,832	12,629
Supplies inventory	(17,183)	-	-	-	(17,183)
Net other postemployment benefits asset	(2,942)	-	(6,926)	(14,036)	(23,904)
Deferred outflows - pension and other postemployment benefits	(105,663)	-	(232,899)	(507,904)	(846,466)
Increase (decrease) in liabilities/deferred inflows:					
Accounts payable	(28,637)	269,798	(88,014)	(86,926)	66,221
Accrued payroll	(1,044)	1,624	11,495	32,858	44,933
Claims payable	-	1,186,562	-	-	1,186,562
Compensated absences	18,940	6,310	40,220	88,050	153,520
Net pension and other post employment benefit liability	205,947	-	217,733	1,047,752	1,471,432
Deferred inflows - pension and other postemployment benefits	(66,530)	-	(201,401)	(306,395)	(574,326)
Total adjustments	<u>2,658,838</u>	<u>1,458,791</u>	<u>(259,792)</u>	<u>1,225,444</u>	<u>5,083,281</u>
Net cash provided (used) by operating activities	<u>\$ 2,978,115</u>	<u>\$ 3,079,735</u>	<u>\$ 569,234</u>	<u>\$ (1,767,587)</u>	<u>\$ 4,859,497</u>
Non-cash investing, capital and financing activities:					
Change in fair market value of investments	-	(123,539)	-	-	(123,539)
Total non-cash investing, capital and financing activities	<u>\$ -</u>	<u>\$ (123,539)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (123,539)</u>





Statistical Section

Statistical Section

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

Statistical information is different from financial statements in that the statistics usually cover more than one fiscal year and may present non-accounting information. The following tables present financial trends, information about the fiscal capacity of the government, and social and economic information, as necessary for complete disclosure and understanding of the City's financial activity. The information presented in these tables is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore not covered by the auditor's opinion.

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources - sales and use taxes, property taxes and utility user fees.

Debt Capacity

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

Economic and Demographic Information

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

Operating Information

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

Statistical Section

<u>Table</u>	<u>Page</u>
Financial Trends	
I Net Position By Component	123
II Changes in Net Position	124
III Fund Balances, Governmental Funds	126
IV Changes in Fund Balances, Governmental Funds	127
Revenue Capacity	
V City Transaction Privilege Taxes By Category	128
VI Direct and Overlapping Sales Tax Rates	129
VII Sales Tax Payers - By Category	130
VIII Assessed Values By Property Classification	131
IX Comparative Assessed Values	132
X Direct and Overlapping Property Tax Rates	133
XI Direct and Overlapping Property Tax Levies	134
XII Limited Property Value Top Ten Tax Payers	135
XIII Property Tax Levies and Collections	136
XIV Utility Statistical Data	137
Debt Capacity	
XV Outstanding Debt By Type	140
XVI Ratio of Net General Bonded Debt to Full Cash Value and Net Bonded Debt Per Capita	141
XVII Direct and Overlapping General Obligation Bonded Debt – Current Fiscal Year	142
XVIII Direct and Overlapping Governmental Activities Debt – Current Fiscal Year	143
XIX Direct and Overlapping Governmental Activities Debt – Last Ten Fiscal Years	144
XX Legal Debt Margin	145
XXI Pledged Revenue Coverage – Excise Tax and State Shared Revenue Debt Obligations - Governmental Portion	146
XXII Pledged Revenue Coverage – Water and Wastewater Revenue Bonds	147
XXIII Pledged Revenue Coverage – Special Assessment Bonds	148
XXIV Special Assessment Collections	149
Economic and Demographic Information	
XXV Demographic and Economic Statistics	150
XXVI Major Employers Within the City	151
Operating Information	
XXVII Authorized Full-time Equivalent City Government Employees By Function	152
XXVIII Operating Indicators By Function/Program	153
XXIX Capital Asset Statistics By Function/Program	154

**CITY OF PEORIA, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Table I

	Fiscal Year									
	2012	2013	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019	2020	2021
Governmental Activities										
Net investment in capital assets	\$ 816,149,271	\$ 829,001,871	\$ 855,286,264	\$ 885,716,419	\$ 899,648,174	\$ 747,243,866	\$ 635,872,778	\$ 671,171,180	\$ 687,881,892	\$ 727,837,350
Restricted	118,105,425	131,550,563	151,624,692	139,143,949	162,959,546	149,717,064	121,796,554	121,505,682	112,074,204	122,549,508
Unrestricted	111,579,103	149,159,571	84,211,745	(29,002,988)	(32,938,378)	(41,146,402)	(7,041,008)	(2,470,597)	25,270,359	33,644,712
Total governmental activities net position	\$ 1,045,833,799	\$ 1,109,712,005	\$ 1,091,122,701	\$ 995,857,380	\$ 1,029,669,342	\$ 855,814,528	\$ 750,628,324	\$ 790,206,265	\$ 825,226,455	\$ 884,031,570
Business-type Activities										
Net investment in capital assets	\$ 478,738,661	\$ 493,788,885	\$ 533,623,141	\$ 568,223,130	\$ 589,629,061	\$ 597,736,728	\$ 600,474,983	\$ 619,320,612	\$ 622,466,137	\$ 640,684,899
Restricted	24,912,356	21,575,445	23,153,024	23,830,354	31,926,587	27,590,003	29,456,418	25,123,557	13,719,271	32,937,325
Unrestricted	61,033,753	71,130,874	68,382,971	54,351,770	49,023,256	59,376,481	67,576,862	70,087,860	87,023,600	83,010,832
Total business-type activities net position	\$ 564,684,770	\$ 586,495,204	\$ 625,159,136	\$ 646,405,254	\$ 670,578,904	\$ 684,703,212	\$ 697,508,263	\$ 714,532,029	\$ 723,209,008	\$ 756,633,056
Primary Government										
Net investment in capital assets	\$ 1,294,887,932	\$ 1,322,790,756	\$ 1,388,909,405	\$ 1,453,939,549	\$ 1,489,277,235	\$ 1,344,980,594	\$ 1,236,347,761	\$ 1,290,491,792	\$ 1,310,348,029	\$ 1,368,522,249
Restricted	143,017,781	153,126,008	174,777,716	162,974,303	194,886,133	177,307,067	151,252,972	146,629,239	125,793,475	155,486,833
Unrestricted	172,612,856	220,290,445	152,594,716	25,348,782	16,084,878	18,230,079	60,535,854	67,617,263	112,293,959	116,655,544
Total primary government net position	\$ 1,610,518,569	\$ 1,696,207,209	\$ 1,716,281,837	\$ 1,642,262,634	\$ 1,700,248,246	\$ 1,540,517,740	\$ 1,448,136,587	\$ 1,504,738,294	\$ 1,548,435,463	\$ 1,640,664,626

(1) Decrease in unrestricted net position is due to the implementation of GASB Statement No. 68.

(2) Beginning net position was restated due to implementation of GASB Statement No. 75 and adjustments to capital assets and restricted cash with fiscal agents.

Source: Statement of Net Position
City financial records and reports

**CITY OF PEORIA, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Table II

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental Activities										
General Government	\$ 20,935,141	\$ 19,175,790	\$ 20,038,112	\$ 21,210,452	\$ 22,250,673	\$ 21,623,532	\$ 20,343,398	\$ 21,473,593	\$ 25,559,396	\$ 26,262,983
Culture & Recreation	23,499,906	22,434,968	25,559,518	25,982,440	26,447,013	28,371,539	28,003,374	29,499,798	31,614,048	31,387,780
Public Safety*	58,218,954	56,757,540	60,213,181	64,261,923	70,342,389	97,665,783	81,720,528	89,026,946	90,943,804	101,363,787
Development Services	5,437,784	8,374,619	9,193,743	9,544,919	7,123,106	6,630,945	5,731,857	4,757,015	4,825,318	6,369,766
Highways & Streets	31,778,203	29,967,207	31,411,752	33,658,672	34,620,944	44,979,242	54,647,432	55,594,789	60,214,083	53,298,576
Public Works	7,416,026	6,989,988	7,015,316	7,259,675	7,507,311	6,705,095	5,694,902	5,112,076	6,731,383	7,188,048
Human Services	1,655,935	2,196,801	1,629,118	1,177,275	1,788,130	1,283,420	2,527,213	4,072,235	4,691,770	2,154,216
Interest on long-term debt	12,595,752	12,739,029	12,009,243	11,373,755	11,549,457	8,451,596	8,011,112	7,768,341	7,903,847	5,196,192
Unallocated Depreciation	574,550	574,557	574,550	-	-	-	-	-	-	-
Total governmental activities expenses	162,112,251	159,210,499	167,644,533	174,469,111	181,629,023	215,711,152	206,679,816	217,304,793	232,483,649	233,221,348
Business-type Activities										
Water Utility	30,777,765	29,094,123	30,836,235	34,566,373	33,221,797	39,316,668	40,780,450	41,968,847	44,813,959	47,882,705
Wastewater Utility	21,923,061	20,342,376	21,083,666	21,737,995	22,001,744	24,075,245	25,715,392	24,512,758	30,007,409	29,013,309
Solid Waste Utility	10,859,872	10,503,928	10,806,101	10,939,892	11,137,739	11,867,773	13,008,905	13,749,718	14,059,601	15,039,332
Stadium	5,284,940	5,140,500	5,176,689	6,372,954	6,742,573	7,579,975	7,736,745	7,850,061	6,868,271	6,865,555
Storm Drain Utility	802,246	806,658	823,780	813,636	1,052,977	3,497,956	3,301,070	3,469,645	3,747,753	3,918,628
Housing	400,405	273,528	-	-	-	-	-	-	-	-
Total business-type activities expenses	70,048,289	66,161,113	68,726,471	74,430,854	74,156,830	86,337,617	90,542,562	91,551,029	99,496,993	102,719,529
Total primary government expenses	\$ 232,160,540	\$ 225,371,612	\$ 236,371,004	\$ 248,899,965	\$ 255,785,853	\$ 302,048,769	\$ 297,222,378	\$ 308,855,822	\$ 331,980,642	\$ 335,940,877
Program Revenues										
Governmental Activities										
Charges for services	\$ 17,331,656	\$ 18,745,123	\$ 19,221,921	\$ 25,696,523	\$ 29,321,181	\$ 32,311,277	\$ 34,954,574	\$ 37,925,774	\$ 34,130,112	\$ 33,877,259
Operating grants and contributions	11,071,988	12,440,760	12,693,535	13,485,788	14,329,168	14,666,090	16,640,349	15,394,092	30,380,591	26,737,353
Capital grants and contributions	30,063,998	21,485,029	11,703,447	22,908,863	27,259,727	25,638,030	20,441,205	31,886,362	17,490,699	33,507,214
Total governmental activities program revenues	58,467,642	52,670,912	43,618,903	62,091,174	70,910,076	72,615,397	72,036,128	85,206,228	82,001,402	94,121,826
Business-type Activities										
Charges for services	66,048,140	67,197,303	69,499,963	68,417,721	76,106,994	80,152,247	85,557,374	84,331,736	87,888,011	97,952,658
Operating grants and contributions	140,461	67,915	-	-	-	-	-	-	-	-
Capital grants and contributions	8,418,314	7,323,482	9,325,636	29,760,720	17,518,669	20,698,020	12,517,749	14,999,480	15,053,394	29,697,095
Total business-type activities program revenues	74,606,915	74,588,700	78,825,599	98,178,441	93,625,663	100,850,267	98,075,123	99,331,216	102,941,405	127,649,753
Total primary government program revenues	\$ 133,074,557	\$ 127,259,612	\$ 122,444,502	\$ 160,269,615	\$ 164,535,739	\$ 173,465,664	\$ 170,111,251	\$ 184,537,444	\$ 184,942,807	\$ 221,771,579
Net (Expense)/Revenue										
Governmental Activities	\$ (103,644,609)	\$ (106,539,587)	\$ (124,025,630)	\$ (112,377,937)	\$ (110,718,947)	\$ (143,095,755)	\$ (134,643,688)	\$ (132,098,565)	\$ (150,482,247)	\$ (139,099,522)
Business-type Activities	4,558,626	8,427,587	10,099,128	23,747,587	19,468,833	14,512,650	7,532,561	7,780,187	3,444,412	24,930,224
Total primary government net expense	\$ (99,085,983)	\$ (98,112,000)	\$ (113,926,502)	\$ (88,630,350)	\$ (91,250,114)	\$ (128,583,105)	\$ (127,111,127)	\$ (124,318,378)	\$ (147,037,835)	\$ (114,169,298)

* Beginning in fiscal year 2015, the Police and Fire line items have been combined and are being presented in the Public Safety line item.

**CITY OF PEORIA, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Table II

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes, levied for general purposes	\$ 3,187,679	\$ 2,848,691	\$ 2,744,900	\$ 2,889,150	\$ 2,994,905	\$ 3,207,433	\$ 3,522,321	\$ 5,099,325	\$ 5,928,720	\$ 6,086,505
Property taxes, levied for debt service	19,030,940	16,628,634	15,479,771	16,891,026	17,537,813	18,532,683	20,152,280	20,276,526	21,829,330	23,814,936
Sales and use taxes	60,719,648	65,950,235	70,213,953	74,556,024	79,410,364	84,236,770	89,781,248	93,182,810	99,747,911	113,852,555
Franchise taxes	4,084,163	4,136,004	4,194,371	4,312,836	4,461,864	4,501,681	5,035,331	4,925,609	4,776,257	4,965,951
Intergovernmental										
State shared sales taxes - unrestricted	12,087,651	12,665,191	13,431,637	14,139,128	14,760,029	15,631,512	15,894,140	17,018,021	17,079,368	20,186,716
Urban revenue sharing - unrestricted	13,231,006	14,425,958	17,172,500	18,650,521	18,549,406	20,949,613	20,334,388	20,366,697	22,275,583	25,147,285
Auto in-lieu taxes - unrestricted	4,944,181	5,155,206	5,495,225	5,886,971	6,385,294	6,728,814	6,799,997	7,262,809	7,313,007	8,349,703
Investment Earnings	959,479	599,263	878,164	843,648	1,693,475	1,667,892	2,172,236	7,200,254	7,800,410	544,254
Gain on sale of capital assets	50,192	66,465	111,342	-	-	-	-	-	-	-
Elimination of development agreement debt	-	630,104	-	-	-	-	-	-	-	-
Miscellaneous	3,965,187	4,397,616	3,920,109	3,216,595	2,732,726	4,120,882	5,383,459	2,342,583	1,138,662	3,221,522
Special Item: Close out of Section 8 Housing	(464,390)	-	-	-	-	-	-	-	-	-
Special Item: Defeasance of G.O. debt	-	-	-	-	-	-	(450,797)	-	-	-
Transfers in (out)	(3,335,912)	(9,394,454)	(28,205,646)	(11,931,172)	(3,994,967)	(6,346,374)	(4,803,295)	(5,997,632)	(2,387,307)	(8,264,790)
Total governmental activities	118,459,824	118,108,913	105,436,326	129,454,727	144,530,909	153,230,906	163,821,308	171,677,002	185,501,941	197,904,637
Business-type Activities										
Investment Earnings	284,427	176,176	359,158	348,717	709,850	519,774	700,909	3,107,572	2,854,480	211,199
Gain on sale of capital assets	-	-	-	-	-	109,744	13,305	138,375	(9,220)	17,835
Special Item: Close out of Public Housing	-	(2,101,809)	-	-	-	-	-	-	-	-
Transfers in (out)	3,335,912	9,394,454	28,205,646	11,931,172	3,994,967	6,346,374	4,803,295	5,997,632	2,387,307	8,264,790
Total business-type activities	3,620,339	7,468,821	28,564,804	12,279,889	4,704,817	6,975,892	5,517,509	9,243,579	5,232,567	8,493,824
Total primary government	\$ 122,080,163	\$ 125,577,734	\$ 134,001,130	\$ 141,734,616	\$ 149,235,726	\$ 160,206,798	\$ 169,338,817	\$ 180,920,581	\$ 190,734,508	\$ 206,398,461
Change in Net Position										
Governmental Activities	\$ 11,920,237	\$ 11,569,326	\$ (18,589,304)	\$ 17,076,790	\$ 33,811,962	\$ 10,135,151	\$ 29,177,620	\$ 39,578,437	\$ 35,019,694	\$ 58,805,115
Business-type Activities	12,047,926	15,896,408	38,663,932	36,027,476	24,173,650	21,488,542	13,050,070	17,023,766	8,676,979	33,424,048
Total primary government	\$ 23,968,163	\$ 27,465,734	\$ 20,074,628	\$ 53,104,266	\$ 57,985,612	\$ 31,623,693	\$ 42,227,690	\$ 56,602,203	\$ 43,696,673	\$ 92,229,163

Source: Statement of Activities
City financial records and reports

CITY OF PEORIA, ARIZONA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table III

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable	\$ 1,163,721	\$ 259,643	\$ 262,852	\$ 163,703	\$ 115,042	\$ 113,859	\$ 123,939	\$ 939,966	\$ 2,323,312	\$ 277,778
Restricted	70,016	108,517	54,193	67,084	388,375	354,566	40,488	40,762	30,639	25,943
Committed	33,590,254	33,229,466	37,028,922	36,911,493	38,464,678	40,221,571	42,249,268	52,300,995	55,086,725	56,852,819
Assigned	3,705,809	3,330,705	3,340,512	3,056,458	2,859,523	2,618,447	1,760,838	1,363,728	1,528,073	1,768,200
Unassigned	12,878,675	13,996,657	17,308,306	21,584,005	20,816,526	25,684,922	33,849,097	58,221,670	80,266,172	111,244,006
Total General Fund	<u>\$ 51,408,475</u>	<u>\$ 50,924,988</u>	<u>\$ 57,994,785</u>	<u>\$ 61,782,743</u>	<u>\$ 62,644,144</u>	<u>\$ 68,993,365</u>	<u>\$ 78,023,630</u>	<u>\$ 112,867,121</u>	<u>\$ 139,234,921</u>	<u>\$ 170,168,746</u>
All Other Governmental Funds										
Nonspendable	\$ 95,828	\$ 98,819	\$ 131,641	\$ 70,579	\$ 67,986	\$ 69,711	\$ 78,068	\$ 60,828	\$ 69,986	\$ 144,357
Restricted	168,127,814	188,434,944	145,352,432	127,294,490	150,498,066	137,842,918	115,222,701	143,532,067	108,519,124	107,990,268
Committed	10,064,814	10,004,379	10,300,556	10,572,297	10,885,668	11,315,062	10,663,895	2,838,609	2,429,777	2,424,547
Assigned	40,566,996	25,988,041	23,410,508	22,821,310	30,353,689	27,978,550	34,926,243	16,217,244	9,280,089	4,902,888
Unassigned	(84,673)	-	-	(6,638,667)	-	-	-	-	-	(7,969,083)
Total All Other Governmental Funds	<u>\$ 218,770,779</u>	<u>\$ 224,526,183</u>	<u>\$ 179,195,137</u>	<u>\$ 154,120,009</u>	<u>\$ 191,805,409</u>	<u>\$ 177,206,241</u>	<u>\$ 160,890,907</u>	<u>\$ 162,648,748</u>	<u>\$ 120,298,976</u>	<u>\$ 107,492,977</u>

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Balance Sheet - Governmental Funds
City financial records and reports

CITY OF PEORIA, ARIZONA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table IV

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 87,203,131	\$ 89,948,724	\$ 93,731,980	\$ 98,629,880	\$ 104,369,837	\$ 110,535,434	\$ 118,352,843	\$ 123,645,058	\$ 131,784,413	\$ 148,454,717
Intergovernmental	54,562,371	49,831,144	50,132,922	55,289,472	65,237,794	60,096,580	61,643,624	61,054,399	85,338,544	83,673,505
Charges for Services	18,359,757	21,405,623	17,684,357	19,355,378	21,812,733	24,367,635	26,637,159	28,089,117	27,299,388	26,414,975
Licenses and Permits	2,106,545	2,564,075	2,800,894	3,132,178	4,080,210	4,778,632	5,509,240	5,720,889	4,929,081	5,287,497
Fines and Forfeitures	2,757,022	2,257,477	2,128,289	1,856,640	1,747,528	1,571,788	1,815,644	2,390,644	1,382,853	1,535,140
Rents	486,932	1,101,082	731,901	889,053	915,846	908,678	1,002,948	980,732	721,181	843,911
Investment Earnings	859,146	537,732	757,747	725,208	1,462,408	1,320,578	1,709,765	6,364,506	6,881,841	85,750
Special Assessments	2,069,613	1,217,271	1,137,018	381,761	381,950	2,171,319	-	-	-	-
Miscellaneous	4,588,218	5,880,511	5,060,343	3,536,024	3,278,730	4,411,440	5,307,423	3,049,527	1,258,583	3,537,355
Total Revenues	172,992,735	174,743,639	174,165,451	183,795,594	203,287,036	210,162,084	221,978,646	231,294,872	259,595,884	269,832,850
Expenditures										
General Government	14,470,822	15,094,866	15,866,612	17,085,501	19,424,865	18,216,483	17,493,779	18,381,872	19,129,269	22,437,588
Culture & Recreation	18,396,187	19,668,598	21,762,725	22,181,064	21,797,069	23,862,880	24,200,927	26,631,491	29,367,980	27,500,891
Public Safety ⁽¹⁾	54,390,977	56,702,266	58,976,873	60,840,413	68,151,428	73,087,082	79,514,160	84,514,269	90,140,255	94,011,139
Development Services	5,328,403	8,568,013	9,311,964	9,714,954	7,129,814	6,291,295	5,935,127	4,835,544	4,867,486	6,221,071
Highways & Streets	14,754,432	16,355,505	17,098,590	19,400,893	19,086,404	21,610,293	25,666,063	27,314,691	32,490,156	24,989,110
Public Works	4,884,713	4,914,720	5,110,924	5,261,842	5,325,264	6,384,151	5,415,791	5,535,727	6,927,246	6,731,414
Human Services	1,586,315	2,213,374	1,604,288	1,147,341	1,725,328	1,184,926	2,447,943	4,020,781	4,690,171	2,143,606
Capital Outlay	26,336,595	39,612,698	17,728,188	26,491,974	12,332,241	29,367,979	25,896,002	27,839,028	55,429,562	33,233,819
Debt Service										
Interest	13,098,263	12,534,039	12,543,974	11,933,264	10,606,558	11,336,938	9,705,255	8,776,334	8,623,160	8,170,203
Principal	25,566,028	20,120,163	21,937,761	17,305,000	18,010,000	19,867,000	19,483,000	22,022,461	22,726,060	21,569,912
Payment to bond escrow agent	-	-	-	-	6,707,216	-	13,604,681	-	-	-
Total Expenditures	178,812,735	195,784,242	181,941,899	191,362,246	190,296,187	211,209,027	229,362,728	229,872,198	274,391,345	247,008,753
Excess of Revenues over (under) Expenditures	(5,820,000)	(21,040,603)	(7,776,448)	(7,566,652)	12,990,849	(1,046,943)	(7,384,082)	1,422,674	(14,795,461)	22,824,097
Other Financing Sources (Uses)										
Refunding bonds issued	13,690,000	-	-	-	103,410,000	-	28,975,000	-	-	20,855,000
Issuance of debt	14,715,000	35,510,000	112,000	35,000	30,325,000	3,000,000	5,199,304	30,420,000	2,590,000	1,870,000
Premium on bonds issued	645,188	1,039,481	-	-	14,096,688	108,061	-	3,146,339	292,139	2,448,280
Payments to bond refunding escrow agent	(13,690,000)	-	-	-	(114,802,841)	-	(28,814,053)	-	-	(22,641,792)
Special Item: Close out Section 8 Housing	(464,390)	-	-	-	-	-	-	-	-	-
Transfers In	16,740,587	16,968,105	20,159,941	16,357,492	12,890,960	17,925,171	17,684,545	36,612,624	14,049,347	9,787,365
Transfers Out	(18,106,961)	(27,205,066)	(48,650,688)	(30,113,010)	(20,363,855)	(28,236,236)	(19,786,126)	(35,000,305)	(18,117,997)	(17,015,124)
Total Other Financing Sources (Uses)	13,529,424	26,312,520	(28,378,747)	(13,720,518)	25,555,952	(7,203,004)	3,258,670	35,178,658	(1,186,511)	(4,696,271)
Net Change in Fund Balance	\$ 7,709,424	\$ 5,271,917	\$ (36,155,195)	\$ (21,287,170)	\$ 38,546,801	\$ (8,249,947)	\$ (4,125,412)	\$ 36,601,332	\$ (15,981,972)	\$ 18,127,826
Debt Service as a percentage of noncapital expenditures	25.36%	20.91%	21.00%	17.73%	19.85%	17.16%	21.03%	15.24%	14.32%	13.91%

⁽¹⁾ Beginning in Fiscal Year 2015, Police and Fire expenditures were combined into the Public Safety category.

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
City financial records and reports

CITY OF PEORIA, ARIZONA
CITY TRANSACTION PRIVILEGE TAXES BY CATEGORY
LAST TEN FISCAL YEARS

Table V

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Retail Sales	\$ 31,483,859	\$ 34,115,601	\$ 36,878,825	\$ 38,908,327	\$ 41,216,781	\$ 43,666,206	\$ 45,112,750	\$ 48,201,653	\$ 52,794,953	\$ 63,612,494
Contracting	3,305,409	4,716,985	6,301,005	6,257,112	7,394,036	8,587,978	10,219,772	9,108,314	11,472,743	10,673,164
Rentals	7,414,803	7,918,121	7,214,392	7,522,177	8,123,884	8,383,946	8,823,620	8,983,145	10,684,541	10,279,587
Utilities	7,232,286	7,343,965	7,388,831	7,498,115	7,904,665	8,022,722	8,911,107	8,115,617	8,303,764	9,042,824
Telecom/Cable TV	1,304,092	1,258,991	1,262,651	1,217,583	1,151,941	942,239	816,179	697,849	725,389	494,061
Restaurant/Bar	7,776,190	8,168,064	8,505,082	9,284,232	9,833,912	10,335,218	11,388,465	11,661,217	11,597,024	13,499,778
Amusement	896,320	992,752	960,332	1,036,941	1,034,959	1,021,968	979,386	1,246,039	971,024	1,004,435
Use	566,453	474,842	624,795	718,931	740,179	1,243,655	1,707,181	2,248,575	2,334,003	3,551,444
Other	740,236	960,914	2,101,228	2,112,606	2,010,007	2,032,838	1,822,787	2,920,401	864,471	1,694,768
Total	\$ 60,719,648	\$ 65,950,235	\$ 71,237,141	\$ 74,556,024	\$ 79,410,364	\$ 84,236,770	\$ 89,781,247	\$ 93,182,810	\$ 99,747,911	\$ 113,852,555
% Growth by Year										
Retail Sales	7.6%	8.4%	8.1%	5.5%	5.9%	5.9%	3.3%	6.8%	9.5%	20.5%
Contracting	-8.5%	42.7%	33.6%	-0.7%	18.2%	16.1%	19.0%	-10.9%	26.0%	-7.0%
Rentals	6.2%	6.8%	-8.9%	4.3%	8.0%	3.2%	5.2%	1.8%	18.9%	-3.8%
Utilities	4.6%	1.5%	0.6%	1.5%	5.4%	1.5%	11.1%	-8.9%	2.3%	8.9%
Telecom/Cable TV	0.7%	-3.5%	0.3%	-3.6%	-5.4%	-18.2%	-13.4%	-14.5%	3.9%	-31.9%
Restaurant/Bar	4.1%	5.0%	4.1%	9.2%	5.9%	5.1%	10.2%	2.4%	-0.6%	16.4%
Amusement	4.7%	10.8%	-3.3%	8.0%	-0.2%	-1.3%	-4.2%	27.2%	-22.1%	3.4%
Use	33.0%	-16.2%	31.6%	15.1%	3.0%	68.0%	37.3%	31.7%	3.8%	52.2%
Other	-42.1%	29.8%	118.7%	0.5%	-4.9%	1.1%	-10.3%	60.2%	-70.4%	96.0%
Total	4.5%	8.6%	8.0%	4.7%	6.5%	6.1%	6.6%	3.79%	7.05%	14.14%

Note: Includes all governmental fund types

Source: City financial records and reports

**CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS**

Table VI

	Year Taxes Are Payable									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City Direct Rates (1):										
Retail Sales (excluding groceries)	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Groceries	1.80%	1.80%	1.80%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Contracting	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Rentals	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Hotel/Transient Lodging	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Utilities	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Telecommunications	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Restaurant/Bar	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Amusement	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
All Others	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
County Rates:										
Retail Sales (excluding groceries)	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Groceries	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Hotel/Transient Lodging	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%
Mining - Nonmetal	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
All Others	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
State Rates (2):										
Retail Sales (excluding groceries)	6.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Hotel/Transient Lodging	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Mining - Nonmetal	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%
Mining - Severance	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
All Others	6.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%

Notes:

- (1) Pursuant to City Charter, increases in the City transaction privilege (sales) tax rates are subject to voter approval. Prior to January 2017, the City collected its own sales tax. In January 2017, the state began collecting and remitting the sales tax to the City. The City has earmarked 0.8% of its sales tax for payment of Excise Tax and State Shared Revenue Obligations.
- (2) The State transaction privilege (sales) tax is levied against the same categories of business activity as the City's sale tax with the exception of groceries and prescription drugs, which the State exempts from tax. The State collects and distributes a portion of its sales tax revenues to all cities and towns based on the city or town's population relative to the aggregate population of all cities and towns as shown by the latest census.

Source: ADOR Transaction Privilege And Other Tax Rate Tables

**CITY OF PEORIA, ARIZONA
SALES TAX PAYERS - BY CATEGORY
CURRENT YEAR AND NINE YEARS AGO**

Table VII

Category	2021				2012			
	<u># of Payers</u>	<u>Percentage of Total Payers</u>	<u>Sales Tax Paid</u>	<u>Percentage of Total City Sales Tax Revenue</u>	<u># of Payers</u>	<u>Percentage of Total Payers</u>	<u>Sales Tax Paid</u>	<u>Percentage of Total City Sales Tax Revenue</u>
Retail Sales	6,625	43.2%	63,612,494	55.90%	3,157	23.08%	29,247,900	50.40%
Contracting	783	5.1%	10,673,164	9.40%	3,855	28.18%	3,611,614	6.20%
Restaurant/Bar	339	2.2%	13,499,778	11.90%	336	2.46%	7,469,189	12.90%
Rental	4,055	26.4%	10,279,587	9.10%	5,441	39.78%	6,980,633	12.00%
Utilities	13	0.1%	9,042,824	7.90%	12	0.09%	6,917,391	11.90%
Telecom/Cable TV	198	1.3%	494,061	0.50%	137	1.00%	1,294,565	2.20%
Use	1,789	11.7%	3,551,444	3.10%	602	4.40%	426,017	0.70%
Amusement	38	0.2%	1,004,435	0.90%	51	0.37%	856,274	1.50%
Others	1,509	9.8%	1,694,768	1.50%	88	0.64%	1,278,634	2.20%
Total	<u>15,349</u>	<u>100.00%</u>	<u>\$ 113,852,555</u>	<u>100.20%</u>	<u>13,679</u>	<u>100.00%</u>	<u>\$ 58,082,217</u>	<u>100.00%</u>

Source: City Sales Tax system
City financial records

**CITY OF PEORIA, ARIZONA
ASSESSED VALUES BY PROPERTY CLASSIFICATION
LAST TEN FISCAL YEARS**

Table VIII

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016(b)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential (Owner occupied)	\$ 687,456,278	\$ 620,970,965	\$ 546,593,560	\$ 614,234,433	\$ 626,696,840	\$ 674,378,782	\$ 740,037,974	\$ 813,110,830	\$ 875,459,952	\$ 954,002,402
Residential (Renter occupied)	122,978,913	119,387,647	161,107,937	199,613,372	214,086,717	230,466,048	243,816,250	259,614,712	290,792,306	309,884,348
Commercial, Industrial, Mining & Utilities	378,992,788	341,042,160	304,844,019	298,078,633	291,761,032	297,883,403	310,764,850	328,762,027	352,052,608	356,175,720
Agriculture & Vacant	85,330,391	54,523,204	43,659,181	42,347,136	44,305,284	40,513,630	44,053,047	36,731,719	36,824,728	37,571,067
Railroad	1,429,130	1,399,678	1,118,206	1,205,775	1,137,482	1,040,707	1,065,441	1,015,986	1,040,771	1,002,644
Historic & Environmental	140,493	103,122	83,177	59,907	24,540	396,725	305,265	577,715	502,515	488,535
Public Property Improvements	7,869	7,964	7,124	48,182	5,100	-	25,390	-	48,122	50,528
Net Assessed Value	<u>\$ 1,276,335,862</u>	<u>\$ 1,137,434,740</u>	<u>\$ 1,057,413,204</u>	<u>\$ 1,155,587,438</u>	<u>\$ 1,178,016,995</u>	<u>\$ 1,244,679,295</u>	<u>\$ 1,340,068,217</u>	<u>\$ 1,439,812,989</u>	<u>\$ 1,556,721,002</u>	<u>\$ 1,659,175,244</u>
% Growth	-20.7%	-10.9%	-7.0%	9.3%	1.9%	5.7%	7.7%	7.4%	8.1%	15.2%
Net Assessed Value Per Capita	\$ 8,216	\$ 7,274	\$ 6,702	\$ 7,203	\$ 7,174	\$ 7,400	\$ 7,632	\$ 8,008	\$ 8,641	\$ 8,994
Population	155,352	156,371	157,780	160,432	164,212	168,192	172,259	179,800	190,985	184,469
Total Direct Secondary Tax Rate	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.15	1.15	1.15
Full Cash Value	\$ 11,862,384,776	\$ 10,635,350,631	\$ 10,057,364,678	\$ 11,162,489,178	\$ 13,968,351,523	\$ 15,264,587,035	\$ 16,607,545,225	\$ 18,374,791,035	\$ 20,055,499,784	\$ 22,175,481,320
% Growth	-18.7%	-10.3%	-5.4%	11.0%	25.1%	9.3%	8.8%	10.6%	9.1%	20.7%
Full Cash Value Per Capita	\$ 76,358	\$ 68,014	\$ 63,743	\$ 69,578	\$ 85,063	\$ 90,757	\$ 96,410	\$ 102,196	\$ 111,320	\$ 120,213
Net Assessed Value as a Percentage of Full Cash Value	10.8%	10.7%	10.5%	10.4%	8.4%	8.2%	8.1%	7.8%	7.8%	7.5%

Note: All property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each classification is defined by property use and has an assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for the major classes of property are as follows:

Property Tax Assessment Ratios (a)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Agriculture and Vacant Land</u>	<u>Railroad</u>
2012	10%	16%	15%
2013	10%	16%	15%
2014	10%	16%	15%
2015	10%	16%	16%
2016	10%	16%	15%
2017	10%	15%	14%
2018	10%	15%	15%
2019	10%	15%	14%
2020	10%	15%	15%
2021	10%	15%	15%

(a) Several additional classes of property exist, but seldom amount to a significant portion of an entity's total valuation.

(b) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service.

Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values.

Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years

and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Source: Arizona Department of Revenue - Property Tax Division-Abstract of the Assessment Roll
City Financial Records

**CITY OF PEORIA, ARIZONA
COMPARATIVE ASSESSED VALUES
LAST TEN FISCAL YEARS**

Table IX

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (a)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City of Peoria	\$ 1,276,335,862	\$ 1,137,434,740	\$ 1,057,413,204	\$ 1,155,587,438	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989	\$ 1,556,721,002	\$ 1,659,175,244
Peoria Unified School District No. 11	1,581,371,147	1,460,442,551	1,350,310,615	1,471,213,352	1,475,721,803	1,549,607,885	1,649,351,547	1,780,118,947	1,934,677,253	2,043,501,690
Maricopa County	38,760,296,498	34,400,455,712	32,229,006,810	35,079,646,593	34,623,670,323	36,135,494,474	38,251,891,249	40,423,232,421	43,194,326,395	45,704,969,813
State of Arizona	61,764,402,437	56,283,023,907	52,598,341,678	55,349,948,120	54,840,074,052	56,573,588,295	59,404,007,785	62,328,357,186	66,158,541,837	69,914,521,042

(a) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service. Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values. Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Source: Arizona Department of Revenue - Property Tax Division Abstract of the Assessment Roll
City financial records

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$100 assessed value)

Table X

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Direct City										
Primary	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.29	\$ 0.29	\$ 0.29
Secondary	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.15	1.15	1.15
Total	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>
Peoria Unified School District No. 11 (1)										
Primary	3.71	4.01	4.18	4.43	4.93	4.78	4.51	4.00	3.86	3.75
Secondary	1.68	3.02	3.35	2.84	2.84	3.26	3.03	3.02	2.94	2.92
Total	<u>5.39</u>	<u>7.03</u>	<u>7.53</u>	<u>7.27</u>	<u>7.77</u>	<u>8.04</u>	<u>7.54</u>	<u>7.02</u>	<u>6.80</u>	<u>6.66</u>
Maricopa County (2)										
Primary	2.68	2.87	3.08	3.11	3.13	3.14	3.09	3.05	3.01	2.97
Secondary	0.54	0.78	0.79	0.86	0.97	1.01	1.07	1.03	1.05	1.02
Total	<u>3.22</u>	<u>3.65</u>	<u>3.87</u>	<u>3.98</u>	<u>4.10</u>	<u>4.15</u>	<u>4.16</u>	<u>4.08</u>	<u>4.07</u>	<u>3.99</u>
Total										
Primary	6.58	7.07	7.45	7.73	8.25	8.11	7.79	7.34	7.16	7.01
Secondary	3.47	5.05	5.39	4.95	5.06	5.52	5.35	5.20	5.15	5.08
Total	<u>\$ 10.05</u>	<u>\$ 12.12</u>	<u>\$ 12.84</u>	<u>\$ 12.69</u>	<u>\$ 13.31</u>	<u>\$ 13.63</u>	<u>\$ 13.14</u>	<u>\$ 12.54</u>	<u>\$ 12.31</u>	<u>\$ 12.09</u>

(1) Peoria Unified School District serves the majority of the City of Peoria. Other areas of the City are served by the Deer Valley Unified School District whose most recent rates are as follows:

	Primary	Secondary
Deer Valley Unified School District	\$ 3.80	\$ 2.49

(2) The Maricopa County rates includes the rates for the County, State Education Equalization Assistance and other county districts and special districts as follows:

	Primary	Secondary
Maricopa County	\$ 1.40	\$ -
State Education Equalization Assistance	0.44	-
Maricopa County Community College District	1.13	0.16
Maricopa County Flood Control District	-	0.18
Maricopa County Fire District Assistance	-	0.01
Maricopa County Library District	-	0.06
Maricopa County Special Health Care District	-	0.30
West Maricopa Education Center	-	0.17
Central Arizona Water Conservation District	-	0.14
Fiscal Year 2018 Tax Rate	<u>\$ 2.97</u>	<u>\$ 1.02</u>

Note: All rates rounded to two decimal places from the four shown by the County

Source: Maricopa County Assessor - Tax Rates Publication

**CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS**

Table XI

	Tax Levy Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Direct City										
Primary	\$ 2,411,739	\$ 2,154,484	\$ 1,998,305	\$ 2,115,212	\$ 2,238,232	\$ 2,364,891	\$ 2,546,130	\$ 4,175,458	\$ 4,514,491	\$ 4,811,608
Secondary	15,954,198	14,217,934	13,217,665	14,444,843	14,725,212	15,558,491	16,750,853	16,557,849	17,902,292	19,080,515
Total	<u>18,365,937</u>	<u>16,372,418</u>	<u>15,215,970</u>	<u>16,560,055</u>	<u>16,963,444</u>	<u>17,923,382</u>	<u>19,296,983</u>	<u>20,733,307</u>	<u>22,416,783</u>	<u>23,892,123</u>
Peoria Unified School District No. 11 (1)										
Primary	60,801,278	58,370,644	56,069,720	62,749,751	72,782,246	74,140,908	74,370,911	71,186,957	74,661,130	76,563,878
Secondary	27,635,770	44,104,877	45,266,377	41,807,627	41,966,017	50,494,525	50,046,959	53,764,234	56,922,243	59,604,705
Maricopa County (2)										
Primary	1,031,164,830	982,926,843	986,315,014	1,043,203,072	1,083,409,268	1,134,787,546	1,179,611,336	1,231,523,511	1,300,978,643	1,357,249,060
Secondary	264,170,408	249,995,761	251,345,124	274,744,408	234,978,404	337,146,316	356,706,002	373,658,155	402,738,173	411,099,616
Total										
Primary	1,094,377,847	1,043,451,971	1,044,383,039	1,108,068,035	1,158,429,746	1,211,293,345	1,256,528,377	1,306,885,926	1,380,154,264	1,438,624,546
Secondary	307,760,376	308,318,572	309,829,166	330,996,878	291,669,633	403,199,332	423,503,814	443,980,238	477,562,708	489,784,836
Total	<u>\$ 1,402,138,223</u>	<u>\$ 1,351,770,543</u>	<u>\$ 1,354,212,205</u>	<u>\$ 1,439,064,913</u>	<u>\$ 1,450,099,379</u>	<u>\$ 1,614,492,677</u>	<u>\$ 1,680,032,191</u>	<u>\$ 1,750,866,164</u>	<u>\$ 1,857,716,972</u>	<u>\$ 1,928,409,382</u>

(1) The Peoria Unified School District serves the majority of the City of Peoria. Other areas of the City are served by Deer Valley Unified School District, whose most recent tax levies are as follows:

	Primary	Secondary
Deer Valley Unified School District	\$ 110,163,191	\$ 72,160,718

(2) The tax levies for Maricopa County include those for the County, State Education Equalization, and other county and special districts whose most recent tax levies are as follows:

	Primary	Secondary
Maricopa County	\$ 640,280,922	\$ -
State Education Equalization Assistance	202,808,377	-
Maricopa County Community College District	514,159,761	74,558,711
Maricopa County Flood Control District	-	75,415,664
Maricopa County Fire District Assistance	-	4,096,425
Maricopa County Library District	-	25,411,963
Maricopa County Special Health Care District	-	139,606,198
West Maricopa Education Center	-	27,859,791
Central Arizona Water Conservation District	-	64,150,864
Fiscal Year 2019-2020 Tax Levy	<u>\$ 1,357,249,060</u>	<u>\$ 411,099,616</u>

Source: Maricopa County Assessor - Tax Rates and Levies publication

**CITY OF PEORIA, ARIZONA
LIMITED PROPERTY VALUE TOP TEN TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Table XII

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2021(a)</u>			<u>2012</u>		
		<u>Limited Property Assessed Value</u>	<u>Rank</u>	<u>% of Limited Property Assessed Value</u>	<u>Taxable Secondary Assessed Value</u>	<u>Rank</u>	<u>% of Taxable Secondary Assessed Value</u>
Arizona Public Service	Gas & Electric Utility	\$ 32,202,256	1	1.94%	\$23,195,396	1	1.82%
Vestar LPTC LLC	Property Development	9,355,431	2	0.56%	\$9,215,722	2	0.72%
Southwest Gas Corporation	Gas Utility	6,824,706	3	0.41%			
Park West Retail I LLC	Shopping Center	6,598,428	4	0.40%	\$6,681,435	3	0.52%
Miller Family Real Estate LLC	Shopping Center	5,353,672	5	0.32%			
DDRA Arrowhead Crossing LLC	Shopping Center	5,098,849	6	0.31%	\$4,939,537	5	0.39%
BCC Development Inc.	Property Development	4,277,259	7	0.26%			
Freedom Plaza Limited Partnership Lease	Retirement Housing	4,243,203	8	0.26%			
Peoria Center Apartments South LLC	Multi-family Housing	4,054,644	9	0.24%			
First Industrial LP	Property Development	4,033,396	10	0.24%			
Inland Western Glendale LLC	Shopping Center				\$3,636,006	10	0.28%
Sprint Nextel Wireless LP	Telecommunications	-			\$4,106,418	8	0.32%
Plaza III Limited Partnership	Nursing Home/Apartments	-			\$4,385,299	6	0.34%
BCC Development Inc	Property Development	-			\$4,007,925	9	0.31%
Qwest Corporation	Telecommunications	-			\$5,418,735	4	0.42%
Target Corporation	Shopping Center	-			\$4,259,111	7	0.33%
Total		\$ 82,041,844		4.94%	\$ 74,104,695		4.60%

(a) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service. Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values. Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Note - As a quasi-governmental entity, Salt River Project pays in-Lieu taxes, rather than property taxes. For fiscal year 2021, the assessed value of Salt River Project property within the City of Peoria is \$18,234,480.

Source - Maricopa County Treasurer's or Assessor's Office

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

Table XIII

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected with the Fiscal Year of the Levy ⁽²⁾		Collections in Subsequent Years ⁽²⁾	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 23,892,123	\$ 23,599,465	98.78%	\$ -	\$ 23,599,465	98.78%
2020	22,416,783	21,914,662	97.76%	279,157	21,914,662	97.76%
2019	20,733,307	20,589,725	99.31%	50,079	20,639,804	99.55%
2018	19,296,983	18,955,264	98.23%	157,071	19,112,335	99.04%
2017	17,923,382	17,596,843	98.18%	178,233	17,775,076	99.17%
2016	16,963,444	16,695,651	98.42%	143,645	16,839,295	99.27%
2015	16,560,055	16,290,571	98.37%	179,704	16,470,275	99.46%
2014	15,215,970	14,882,168	97.81%	231,197	15,113,365	99.33%
2013	16,372,418	15,962,490	97.50%	247,301	16,209,792	99.01%
2012	18,365,937	17,628,300	95.98%	373,965	18,002,265	98.02%

Notes: ⁽¹⁾ Levy figures obtained from Maricopa County Tax Levy Books-February Publication.

⁽²⁾ Collection amount obtained from Maricopa County Treasurer's Secured Levy Report at 6/30/2020

Source: Maricopa County Treasurer's Office
Maricopa County Assessor's Office
City financial records and reports

**CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA
LAST TEN FISCAL YEARS**

Table XIV

**Average Utility Bill Amounts
Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Water										
Average bill	\$38.00	\$37.41	\$37.31	\$35.54	\$37.53	\$39.13	\$41.44	\$42.15	\$43.02	\$43.87
% Increase	10.59%	-1.55%	-0.27%	-4.74%	5.60%	4.26%	5.90%	1.71%	2.06%	1.98%
Wastewater										
Average bill	\$21.49	\$24.16	\$23.36	\$23.99	\$24.64	\$25.22	\$25.26	\$26.60	\$26.91	\$27.29
% Increase	5.09%	12.42%	-3.31%	2.70%	2.71%	2.35%	0.16%	5.30%	1.17%	1.41%
Residential Solid Waste										
Average bill	\$15.40	\$13.38	\$13.38	\$13.35	\$13.44	\$13.39	\$14.23	\$14.42	\$15.29	\$16.21
% Increase	0.33%	-13.12%	0.00%	-0.22%	0.67%	-0.37%	6.27%	1.34%	6.03%	6.02%

**Utility Service Connections
Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Water										
# of Accounts	48,509	49,416	50,399	51,405	55,558	57,011	58,061	59,185	60,705	62,803
% Increase	1.50%	1.87%	1.99%	2.00%	8.08%	2.62%	1.84%	1.94%	2.57%	3.46%
Wastewater										
# of Accounts	51,527	52,674	53,548	54,599	56,235	57,909	59,499	60,913	62,617	63,924
% Increase	1.60%	2.23%	1.66%	1.96%	3.00%	2.98%	2.75%	2.38%	2.80%	2.09%
Residential Solid Waste										
# of Accounts	49,506	50,727	51,609	52,640	54,262	55,828	57,452	58,816	60,123	61,332
% Increase	1.55%	2.47%	1.74%	2.00%	3.08%	2.89%	2.91%	2.37%	2.22%	2.01%

**Charges for Water Services
Base Minimum Monthly Bill
As of June 30, 2021**

**Charges for Wastewater Services
Base Minimum Monthly Bill
As of June 30, 2021**

Multi Family Customers	Resid., Landscape		Multi Family Customers	Resid., Landscape	
	Meter Size	Charge		Meter Size	Charge
Base Charge	5/8"-3/4"	\$ 16.46	Base Charge	5/8"-3/4"	\$ 9.93
per Meter	1"	20.15	per Meter	1"	9.93
\$8.58	1 1/2"	33.68	\$3.95	1 1/2"	23.86
	2"	48.46		2"	35.82
	3"	87.93		3"	67.75
Charge per	4"	132.28	Charge per	4"	103.62
Dwelling Unit	6"	255.43	Dwelling Unit	6"	203.23
\$4.74	8"	403.27	\$3.59	8"	322.80

(a) Base service charge is based on each bill rendered.

(b) For residential & multi-plex users, volume is measured as the rate per 1,000 gallons of a four-month winter average (December - March).

For commercial customers, the volume charge is based on actual monthly usage.

(c) Water account total includes the acquisition of New River System. These accounts were excluded from the FY16 average water bill calculation, but included beginning in FY17.

Source: City customer service and billing records

(continued)

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA

Volume Charges for Water Services Usage Per Month As of June 30, 2021				Charges for Residential Solid Waste As of June 30, 2021	
Volume Consumption (gallons)	Residential (per 1,000 gallons)	Multiplex (per 1,000 gallons)	Commercial (per 1,000 gallons)		
0 - 4,000	\$ 1.19	\$ -	\$ -	Monthly fee	
4,001 - 10,000	3.16	-	-	Single container & recycling	\$ 16.21
10,001 - 20,000	4.50	-	-	Additional container	13.28
20,000+	4.98	-	-		
1,000+	-	3.16	-		
0 - 10,000	-	-	1.19		
10,001 - 50,000	-	-	3.16		
50,000+	-	-	4.50		

Water Meter Permit Charges As of June 30, 2021			Charges for Storm Water As of June 30, 2021	
Meter Size	Charge		Monthly	All Customers
3/4"	\$	317		
1 1/2"		495-781	\$ 1.50	X
2"		629 - 1,033		
3"		1,751 - 2,662		
4"		2,231 - 3,172		
6"		3,781 - 5,086		
Hydrant meter		1,280		
Commercial accounts		By meter size		

- (a) Base service charge is based on each bill rendered.
- (b) For residential & multiplex users, volume is measured as the rate per 1,000 gallons of a three-month winter average (December - February).
For commercial customers, the volume charge is based on actual monthly usage.

Source: City customer service and billing records

(continued)

**CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA
TEN LARGEST WATER USERS
CURRENT YEAR AND NINE YEARS AGO**

Table XIV

Entity	Type of User	<u>2021</u>			<u>2012</u>		
		Avg Monthly Water Usage	Rank	% Avg Monthly Water Usage	Avg Monthly Water Usage	Rank	% Avg Monthly Water Usage
Trilogy at Vistancia	Commercial Landscape	20,014	1	2.25%	2,682	3	0.38%
Blue Star Golf	Golf Course	18,139	2	2.04%			
Blackstone Country Club	Golf Course	17,049	3	1.92%			
City of Peoria - Parks North	City Park	9,874	4	1.11%			
Desert Harbor Lake	Homeowner's Association	9,635	5	1.08%	7,144	2	1.01%
Ventana Lakes N. of Beardsley Lake	Homeowner's Association	8,647	6	0.97%	2,401	4	0.34%
Vistancia Village Association	Homeowner's Association	8,421	7	0.95%			
Sunrise Water Company	Water Company	7,213	8	0.81%			
City of Peoria - Right of Way	Right of Way Landscape	7,057	9	0.79%			
City of Peoria Padre's Pump Station	Sports Complex	6,879	10	0.77%	7,623	1	1.08%
Sun Garden Park II HOA	Homeowner's Association				1,966	6	0.28%
Casa Del Sol East	Multi-Family Residential				1,464	5	0.21%
Sun Garden Mobile Home Park	Homeowner's Association				1,464	8	0.21%
Freedom Plaza LTD Partnership	Health Care Facility				1,237	10	0.18%
Centennial High School	Public School				1,550	7	0.22%
Desert Harbor Landscaping	Homeowner's Association				1,272	9	0.18%

Water usage measured in thousands of gallons

Source: City customer service and billing records

(concluded)

**CITY OF PEORIA, ARIZONA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Table XV

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
General Obligation Bonds	\$ 170,960,000	\$ 162,375,000	\$ 152,820,000	\$ 145,088,146	\$ 170,995,550	\$ 158,031,697	\$ 135,863,947	\$ 157,167,099	\$ 142,247,708	\$ 128,984,480
Municipal Development Authority Debt Obligations	52,480,000	85,230,000	81,035,000	77,797,482	73,257,994	68,529,573	34,792,700	32,753,534	30,620,436	28,437,337
Direct Purchase and Loan Obligations	-	-	-	-	-	-	36,514,304	30,761,347	27,130,287	23,415,375
Special Assessment Bonds	4,660,000	3,520,000	3,195,000	2,865,416	2,508,814	2,137,211	-	-	-	-
Community Facilities District Bonds	56,230,000	53,725,000	51,095,000	48,409,540	40,575,685	40,400,804	37,266,862	33,920,919	33,217,566	29,993,568
Business-type Activities										
Water and Sewer Revenue Bonds	38,480,000	37,295,000	32,720,000	29,669,224	24,622,433	19,095,643	13,383,853	8,412,062	4,665,273	41,331,911
WIFA Loans	89,803,906	82,212,652	77,780,535	73,235,496	78,549,337	74,229,903	70,004,831	62,724,636	57,320,925	33,239,660
General Obligation WIFA Loans	-	-	-	-	-	-	-	-	3,000,000	3,954,426
Total Primary Government	\$ 412,613,906	\$ 424,357,652	\$ 398,645,535	\$ 377,065,304	\$ 390,509,813	\$ 362,424,831	\$ 327,826,497	\$ 325,739,598	\$ 298,202,194	\$ 289,356,757
Total Debt Per Capita	\$ 2,656.44	\$ 2,714.08	\$ 2,565.75	\$ 2,350.33	\$ 2,378.08	\$ 2,154.83	\$ 1,903.06	\$ 1,851.20	\$ 1,561.39	\$ 1,515.08
Total Debt as a % of Personal Income	7.4%	7.1%	6.4%	5.8%	5.7%	5.1%	4.4%	4.1%	3.8%	3.7%

Source: City financial records. Debt schedule exhibits and Long-term liability activity footnote

**CITY OF PEORIA, ARIZONA
RATIO OF NET GENERAL BONDED DEBT
TO FULL CASH VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Table XVI

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonded Debt (1)	\$ 170,960,000	\$ 162,375,000	\$ 152,820,000	\$ 145,088,146	\$ 170,995,550	\$ 158,031,697	\$ 135,863,947	\$ 157,167,099	\$ 142,247,708	\$ 128,984,480
Less:										
Debt Service Reserves (2)	<u>30,782,503</u>	<u>30,825,566</u>	<u>28,924,537</u>	<u>25,859,071</u>	<u>26,583,502</u>	<u>25,529,967</u>	<u>15,887,194</u>	<u>17,095,199</u>	<u>16,376,110</u>	<u>18,277,685</u>
Net Bonded Debt	<u>\$ 140,177,497</u>	<u>\$ 131,549,434</u>	<u>\$ 123,895,463</u>	<u>\$ 119,229,075</u>	<u>\$ 144,412,048</u>	<u>\$ 132,501,730</u>	<u>\$ 119,976,753</u>	<u>\$ 140,071,900</u>	<u>\$ 125,871,598</u>	<u>\$ 110,706,795</u>
Percentage of Net Bonded Debt to Full Cash Value	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.7%	0.8%	0.6%	0.5%
Percentage of Net Bonded Debt to Assessed Value (3)	11.0%	11.6%	11.7%	10.3%	12.3%	10.6%	9.0%	9.7%	8.1%	6.7%
Net Bonded Debt Per Capita	\$902	\$841	\$785	\$743	\$879	\$788	\$696	\$796	\$659	\$600
Net Bonded Debt as a % of Personal Income	2.53%	2.20%	1.99%	1.83%	2.12%	1.87%	1.62%	1.77%	1.51%	1.25%

(1) Represents face value of general obligation debt outstanding plus deferred bond premiums

(2) Fund balance of GO Bond Debt Service Fund per the fund financial statements

(3) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service.

Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values.

Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years

and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Note: Personal income and population information may be found on Table XXV
Full cash value information may be found on Table VIII

Sources - City debt service schedules & Long-term liability footnote.

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT - CURRENT FISCAL YEAR
AS OF JUNE 30, 2021

Table XVII

Governmental Unit	Limited Assessed Valuation	General Obligation Bonds Outstanding (2)	Percentage Applicable to City of Peoria (1)	Amount Applicable to City of Peoria	Secondary Tax Rate per \$100 Assessed
Overlapping:					
State of Arizona	\$ 69,914,521,042	\$ -	2.37%	\$ -	\$ -
Maricopa County	45,704,969,813	-	3.63%	-	-
Maricopa County Community College District	45,704,969,813	250,065,000	3.63%	9,077,824	0.16
Maricopa County Flood Control District	42,084,633,673	-	3.94%	-	0.18
Maricopa County Library District	45,704,969,813	-	3.63%	-	0.06
Maricopa County Fire District Assistance	45,704,969,813	-	3.63%	-	0.01
Maricopa County Special Health Care District	45,822,046,238	455,170,813	3.62%	16,481,327	0.30
Central AZ Water Conservation	45,822,046,238	-	3.62%	-	0.14
West MEC Vocational District	16,833,710,370	108,775,000	9.86%	10,721,153	0.17
Sub-total - City-wide overlapping				<u>36,280,304</u>	
Total City-wide debt levies (3)				169,219,210	
Unified School Districts:					
Peoria No. 11	1,171,676,249	185,125,000	65.29%	120,868,113	2.92
Deer Valley No. 97	228,308,161	198,940,000	7.78%	15,477,532	2.49
Nadaburg No. 81	1,517,453	2,359,000	3.09%	72,893	0.24
Sub-total - Unified school district overlapping				<u>136,418,538</u>	
Total overlapping				<u>172,698,842</u>	
Direct:					
City of Peoria	\$1,659,175,244	\$132,938,906 (4)	100.00%	<u>132,938,906</u>	\$ 1.15
Total direct and overlapping debt				<u>\$ 305,637,748</u>	

Notes: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the city. This table estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses in the city. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Does not include debt amount of Vistancia Community Facilities District (\$24,853,938) or Vistancia West Community Facilities District (\$5,139,630).

(1) Percentage applicable to the City is computed on the ratio of secondary assessed valuation.

(2) Includes total stated principal amount of general obligation bonds outstanding. Does not include certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed.

(3) Total City-wide debt levies are County debt plus City debt.

(4) GO WIFA Loan is included in the total debt because it was paid for through secondary property taxes. Although the project falls under the Storm Drain Utility, the City is utilizing secondary property taxes to pay the debt and the debt is secured by the full faith and credit of the City.

Sources: - City of Peoria financial records
 - Maricopa County Treasurer
 - Individual jurisdictions' ACFRs and official statements

 - Maricopa County Assessor
 - State of Arizona, Department of Revenue, Abstract of the Assessment Roll

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - CURRENT FISCAL YEAR
AS OF JUNE 30, 2021

Table XVIII

Governmental Unit	Limited Assessed Valuation	Debt Outstanding (2)	Percentage Applicable to City of Peoria (1)	Amount Applicable to City of Peoria	Secondary Tax Rate per \$100 Assessed
Overlapping:					
State of Arizona	\$ 69,914,521,042	\$ -	2.37%	\$ -	\$ -
Maricopa County	45,704,969,813	-	3.63%	-	-
Maricopa County Community College District	45,704,969,813	250,065,000	3.63%	9,077,824	0.16
Maricopa County Flood Control District	42,084,633,673	-	3.94%	-	0.18
Maricopa County Library District	45,704,969,813	-	3.63%	-	0.06
Maricopa County Fire District Assistance	45,704,969,813	-	3.63%	-	0.01
Maricopa County Special Health Care District	45,822,046,238	-	3.62%	-	0.30
Central AZ Water Conservation	45,822,046,238	-	3.62%	-	0.14
West MEC Vocational District	16,833,710,370	108,775,000	9.86%	10,721,153	0.17
Sub-total - City-wide overlapping				<u>19,798,977</u>	
Total City-wide debt levies (3)				<u>234,584,163</u>	
Unified School Districts:					
Peoria No. 11	1,171,676,249	185,125,000	65.29%	120,868,113	2.92
Deer Valley No. 97	228,308,161	198,940,000	7.78%	15,477,532	2.49
Nadaburg No. 81	1,517,453	2,359,000	3.09%	72,893	0.24
Sub-total - Unified school district overlapping				<u>136,418,538</u>	
Total overlapping				<u>156,217,515</u>	
Direct:					
City of Peoria	\$ 1,659,175,244	\$ 214,785,186 (4)	100.00%	<u>214,785,186</u>	\$ 1.15
Total direct and overlapping debt				<u>\$ 371,002,701</u>	

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

(1) Percentage applicable to the City is computed on the ratio of secondary assessed valuation.

(2) Includes total stated principal amount of general obligation bonds outstanding. Does not include certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed.

(3) Total City-wide debt levies are County debt plus City debt.

(4) GO WIFA Loan is included in the total debt because it was paid for through secondary property taxes. Although the project falls under the Storm Drain Utility, the City is utilizing secondary property taxes to pay the debt and the debt is secured by the full faith and credit of the City.

Sources: - City of Peoria financial records
- Maricopa County Assessor
- Maricopa County Treasurer
- State of Arizona, Department of Revenue, Abstract of the Assessment Roll
- Individual jurisdictions' ACFRs and official statements

**CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
LAST TEN FISCAL YEARS**

Table XIX

Governmental Unit	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Overlapping:										
State of Arizona	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maricopa County	-	-	-	-	-	-	-	-	-	-
Community College District	22,084,125	25,357,414	23,384,382	21,550,210	20,203,810	17,547,206	15,609,534	13,561,370	11,260,680	9,077,824
County Flood Control District	-	-	-	-	-	-	-	-	-	-
County Free Library	-	-	-	-	-	-	-	-	-	-
Fire District Assistance	-	-	-	-	-	-	-	-	-	-
Education Equalization	-	-	-	-	-	-	-	-	-	-
West MEC Vocational District	-	3,241,000	3,198,843	3,025,964	6,722,916	13,247,434	13,266,411	12,333,671	11,410,853	10,721,153
Central AZ Water Conservation	-	-	-	-	-	-	-	-	-	-
Sub-total - City-wide overlapping	<u>22,084,125</u>	<u>28,598,414</u>	<u>26,583,225</u>	<u>24,576,174</u>	<u>26,926,726</u>	<u>30,794,640</u>	<u>28,875,945</u>	<u>25,895,041</u>	<u>22,671,533</u>	<u>19,798,977</u>
Total City-wide levies (1)	<u>371,967,077</u>	<u>394,056,576</u>	<u>317,946,402</u>	<u>298,736,758</u>	<u>314,264,769</u>	<u>188,826,337</u>	<u>236,046,896</u>	<u>280,497,941</u>	<u>258,887,529</u>	<u>263,869,397</u>
Unified School Districts:										
Peoria No. 11	177,729,492	163,033,794	208,200,535	180,916,246	219,811,259	186,654,480	160,934,200	161,744,660	135,901,818	120,868,113
Deer Valley No. 97	25,445,126	25,160,995	27,264,686	25,506,618	26,927,344	30,347,141	16,287,234	14,099,937	15,421,516	15,477,532
Nadaburg No. 81	4,524	284,900	2,286	1,212	789	579	12,519	8,541	6,105	72,893
Sub-total - Unified school district overlapping	<u>203,179,142</u>	<u>188,479,689</u>	<u>235,467,507</u>	<u>206,424,076</u>	<u>246,739,392</u>	<u>217,002,200</u>	<u>177,233,953</u>	<u>175,853,138</u>	<u>151,329,439</u>	<u>136,418,538</u>
Total overlapping	<u>225,263,267</u>	<u>217,078,103</u>	<u>262,050,732</u>	<u>231,000,250</u>	<u>273,666,118</u>	<u>247,796,840</u>	<u>206,109,898</u>	<u>201,748,179</u>	<u>174,000,972</u>	<u>156,217,515</u>
Direct (2):										
City of Peoria	<u>349,882,952</u>	<u>365,458,162</u>	<u>291,363,177</u>	<u>274,160,584</u>	<u>287,338,043</u>	<u>158,031,697</u>	<u>207,170,951</u>	<u>254,602,900</u>	<u>236,215,996</u>	<u>244,070,420</u>
Total direct and overlapping debt	<u>\$ 575,146,219</u>	<u>\$ 582,536,265</u>	<u>\$ 553,413,909</u>	<u>\$ 505,160,834</u>	<u>\$ 561,004,161</u>	<u>\$ 405,828,537</u>	<u>\$ 413,280,849</u>	<u>\$ 456,351,079</u>	<u>\$ 410,216,968</u>	<u>\$ 400,287,935</u>

(1) - Total City-wide debt levies are County debt plus City debt.

(2) - Due to a recommended change in accounting principle, the contracts payable category is no longer being used to calculate direct governmental activities debt.

Sources: City Financial Records
Individual jurisdictions' ACFRs and official statements for debt of other entities

**CITY OF PEORIA, ARIZONA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

Table XX

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Property Assessed Value (1)	\$ 1,276,335,862	\$ 1,137,434,740	\$ 1,057,413,204	\$ 1,155,587,438	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989	\$ 1,556,721,002	\$ 1,659,175,244
6% Limitation										
Debt limit	\$ 76,580,152	\$ 68,246,084	\$ 63,444,792	\$ 69,335,246	\$ 70,681,020	\$ 74,680,758	\$ 80,404,093	\$ 86,388,779	\$ 93,403,260	\$ 99,550,515
Total net debt applicable to limit	<u>2,735,000</u>	<u>1,665,000</u>	<u>350,000</u>	<u>-</u>	<u>4,814,727</u>	<u>4,149,727</u>	<u>2,999,727</u>	<u>4,526,273</u>	<u>941,273</u>	<u>-</u>
Legal 6% Debt Margin	<u>\$ 73,845,152</u>	<u>\$ 66,581,084</u>	<u>\$ 63,094,792</u>	<u>\$ 69,335,246</u>	<u>\$ 65,866,293</u>	<u>\$ 70,531,031</u>	<u>\$ 77,404,366</u>	<u>\$ 81,862,506</u>	<u>\$ 92,461,987</u>	<u>\$ 99,550,515</u>
Total net debt applicable to the limit as a percentage of debt limit	3.6%	2.4%	0.6%	0.0%	6.8%	5.6%	3.7%	5.2%	1.0%	0.0%
20% Limitation										
Debt limit	\$ 255,267,172	\$ 227,486,948	\$ 211,482,641	\$ 231,117,488	\$ 235,603,399	\$ 248,935,859	\$ 268,013,643	\$ 287,962,598	\$ 311,344,200	\$ 331,835,049
Total net debt applicable to limit	<u>168,225,000</u>	<u>160,710,000</u>	<u>152,470,000</u>	<u>142,925,000</u>	<u>155,345,273</u>	<u>144,090,273</u>	<u>124,055,273</u>	<u>141,653,727</u>	<u>136,711,857</u>	<u>125,246,729</u>
Legal 20% Debt Margin	<u>\$ 87,042,172</u>	<u>\$ 66,776,948</u>	<u>\$ 59,012,641</u>	<u>\$ 88,192,488</u>	<u>\$ 80,258,126</u>	<u>\$ 104,845,586</u>	<u>\$ 143,958,370</u>	<u>\$ 146,308,871</u>	<u>\$ 174,632,343</u>	<u>\$ 206,588,320</u>
Total net debt applicable to the limit as a percentage of debt limit	65.9%	70.6%	72.1%	61.8%	65.9%	57.9%	46.3%	49.2%	43.9%	37.7%

(1) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service. Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values. Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Source: Maricopa County Assessor and City records

CITY OF PEORIA, ARIZONA
PLEDGED REVENUE COVERAGE - EXCISE TAX AND STATE SHARED REVENUE DEBT OBLIGATIONS
GOVERNMENTAL PORTION
LAST TEN FISCAL YEARS

Table XXI

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018 (6)	2019	2020	2021
Senior Lien Excise Tax and State Shared Revenue Debt Obligations										
Pledged Revenues										
Sales and use taxes (1)	\$ 51,737,833	\$ 56,145,066	\$ 60,587,446	\$ 63,331,915	\$ 67,425,794	\$ 71,476,726	\$ 76,168,326	\$ 79,020,319	\$ 84,429,889	\$ 96,328,365
State-shared sales tax	12,087,651	12,665,191	13,431,637	14,139,128	14,760,029	15,631,512	15,894,140	17,018,021	17,079,368	20,186,716
Urban revenue sharing	13,231,006	14,425,958	17,172,500	18,650,521	18,549,406	20,949,613	20,334,388	20,366,698	22,275,583	25,147,285
Franchise taxes	4,084,163	4,136,004	4,194,371	4,312,836	4,461,864	4,501,681	5,035,331	4,925,609	4,776,257	4,965,951
License and permits	2,106,545	2,564,075	2,800,894	3,132,178	4,080,210	4,778,632	5,509,240	5,720,889	4,929,081	5,287,497
Fines and forfeitures	2,521,407	2,058,925	1,933,142	1,699,818	1,601,014	1,433,868	1,728,303	2,241,580	1,249,763	1,436,969
User fees and charges	10,895,825	11,889,776	12,535,479	12,703,987	11,998,841	14,376,186	16,758,517	16,881,528	15,897,926	14,599,930
Miscellaneous	1,656,235	2,534,262	1,379,952	2,146,784	2,341,988	2,980,499	4,696,224	5,452,362	4,547,082	2,400,673
Total Pledged Revenues	98,320,665	106,419,257	114,035,421	120,117,167	125,219,146	136,128,717	146,124,469	151,627,006	155,184,949	170,353,386
Senior Lien Debt Service Requirements										
Principal (2)	1,569,999	665,000	2,010,000	2,020,000	2,085,000	2,165,000	2,361,806	2,265,000	2,475,000	2,535,000
Interest (2)	505,827	1,065,571	1,708,383	1,642,083	1,567,808	1,483,533	1,385,086	1,232,635	1,157,476	1,091,061
Total Senior Lien Debt Service Requirements	\$ 2,075,826	\$ 1,730,571	\$ 3,718,383	\$ 3,662,083	\$ 3,652,808	\$ 3,648,533	\$ 3,746,892	\$ 3,497,635	\$ 3,632,476	\$ 3,626,061
Estimated Coverage	47.36	61.49	30.67	32.80	34.28	37.31	39.00	43.35	42.72	46.98
Other Excise Tax and State Shared Revenue Debt Obligations (3)										
Net Pledged Revenues from above (4)	\$ 96,244,839	\$ 104,688,686	\$ 110,317,038	\$ 116,455,084	\$ 121,566,339	\$ 132,480,184	\$ 142,377,577	\$ 148,129,371	\$ 151,552,473	\$ 166,727,325
Additional Pledged Revenues (5)	9,088,210	9,927,436	10,861,145	11,334,889	12,231,059	12,939,338	13,977,877	15,203,014	16,080,887	17,469,832
Total	105,333,049	114,616,122	121,178,183	127,789,973	133,797,398	145,419,522	156,355,454	163,332,385	167,633,360	184,197,157
Debt Service Requirements										
Principal	2,005,000	2,095,000	2,185,000	2,285,000	2,385,000	2,490,000	2,665,000	3,015,000	3,065,000	3,130,000
Interest	1,873,763	1,803,588	1,730,263	1,648,325	1,545,500	1,438,175	1,114,408	507,374	447,978	387,598
Total Annual Requirements	\$ 3,878,763	\$ 3,898,588	\$ 3,915,263	\$ 3,933,325	\$ 3,930,500	\$ 3,928,175	\$ 3,779,408	\$ 3,522,374	\$ 3,512,978	\$ 3,517,598
Estimated Coverage	27.16	29.40	30.95	32.49	34.04	37.02	41.37	46.37	47.72	52.36

- Note: (1) Excludes the 0.3% Transportation Sales Tax approved by voters in September 2005.
- (2) Although the pledged revenues for all Senior Lien Debt Obligations are excise taxes and state shared revenues (excluding the 0.3% Transportation Sales Tax), some debt service payments, including the 2011 MDA Debt Obligation, are funded by Enterprise Funds.
- (3) Other Excise Tax and State Shared Revenue Debt Obligations are backed by a senior lien on the .03% transaction privilege tax approved by voters in 2005 and a subordinated lien on the Excise Taxes and State Shared revenues listed above.
- (4) Pledged revenues on the Senior Lien Debt Obligations, less the debt requirements for the Senior Lien Debt Obligations
- (5) Revenues of the Transportation Sales Tax Fund, primarily consisting of the 0.3% transaction privilege tax in Note (1).
- (6) During FY2018, the 2006 and 2008 MDA debt obligations were refunded using direct purchase obligations. As part of the refunding the City deposited \$3,128,884, which was available for upcoming debt service payments for the debt being refunded, with the bond escrow agent. This amount is included in debt principal and interest listed above.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Debt service schedules, City financial records

CITY OF PEORIA, ARIZONA
PLEGDED REVENUE COVERAGE - WATER AND WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS

Table XXII

	Fiscal Year									
	<u>2012</u> ⁽⁶⁾	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Gross Revenue (1)	\$ 50,720,705	\$ 52,680,761	\$ 54,515,296	\$ 52,770,260	\$ 60,010,324	\$ 64,032,933	\$ 69,512,706	\$ 69,682,089	\$ 72,892,452	\$ 78,379,187
Operating and Maintenance Expenses (2)	28,823,261	28,974,990	30,942,736	35,326,061	33,060,448	35,787,927	38,664,295	39,616,866	47,802,256	49,575,457
Net Revenue Available for Debt Service	<u>21,897,444</u>	<u>23,705,771</u>	<u>23,572,560</u>	<u>17,444,199</u>	<u>26,949,876</u>	<u>28,245,006</u>	<u>30,848,411</u>	<u>30,065,223</u>	<u>25,090,196</u>	<u>28,803,730</u>
Development Fee Revenue	2,820,416	3,205,623	4,311,153	4,418,565	5,116,972	6,268,689	6,034,425	6,529,816	6,911,813	9,163,448
Total Net Revenue	<u>24,717,860</u>	<u>26,911,394</u>	<u>27,883,713</u>	<u>21,862,764</u>	<u>32,066,848</u>	<u>34,513,695</u>	<u>36,882,836</u>	<u>36,595,039</u>	<u>32,002,009</u>	<u>37,967,178</u>
Debt Service Requirements										
Principal (3)	7,941,123	8,776,254	9,007,117	9,210,038	9,456,159	10,635,513	10,983,985	12,431,144	11,433,344	52,166,353
Interest (4)	4,242,754	3,579,904	3,343,413	3,097,542	3,026,940	2,621,761	2,567,632	2,001,074	1,683,084	1,597,208
Total Debt Service Requirements	<u>\$ 12,183,877</u>	<u>\$ 12,356,158</u>	<u>\$ 12,350,530</u>	<u>\$ 12,307,580</u>	<u>\$ 12,483,099</u>	<u>\$ 13,257,274</u>	<u>\$ 13,551,617</u>	<u>\$ 14,432,218</u>	<u>\$ 13,116,428</u>	<u>\$ 53,763,561</u>
Ratio of Total Net Revenue/ Total Bond Expense	2.03	2.18	2.26	1.78	2.57	2.60	2.72	2.54	2.44	0.71
Ratio of Net Available/ Total Bond Expense (5)	1.80	1.92	1.91	1.42	2.16	2.13	2.28	2.08	1.91	0.54

(1) Includes total operating revenues and investment income of the Water Utility and Wastewater Utility Enterprise Funds.

(2) Includes total operating expenses of the Water Utility and Wastewater Utility Enterprise Funds, less depreciation and amortization.

(3) Includes principal for Water and Sewer Revenue bonds and Water Infrastructure Finance Authority loans. Although some MDA bonds are financed by the Utility Funds, the pledged revenue is excise tax therefore the debt is included in the MDA Bond debt coverage calculations on Table XXI.

(4) Bond interest payments only. Does not include amortization of loss on refunding, capitalized interest, agent fees or amortization of bond issuance costs that are included in interest expense on the statement of revenues, expenses, and changes in net position.

(5) Excludes Development Fee Revenue.

(6) In FY2012 \$24,810,509 in principal and \$405,829 in interest were defeased. These additional debt payments have been removed from the FY12 debt service requirements so as not to distort the ratios.

Source: Statement of Revenues, Expenses, and Changes in Fund Net Position
Repayment schedules for debt serviced by Water and Wastewater Utility Enterprise funds

CITY OF PEORIA, ARIZONA
PLEDGED REVENUE COVERAGE - SPECIAL ASSESSMENT BONDS
LAST TEN FISCAL YEARS

Table XXIII

	<u>Fiscal Year</u> <u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Pledged Revenues (1)	\$ 2,262,112	\$ 1,484,283	\$ 1,259,303	\$ 1,168,526	\$ 1,078,196	\$ 2,787,558	\$ 2,130,000	\$ -	\$ -	\$ -
Debt Service Requirements										
Principal	1,495,000	1,140,000	325,000	340,000	355,000	370,000	2,130,000	-	-	-
Interest (2)	316,720	222,820	149,600	135,788	121,338	106,250	90,825	-	-	-
Total Annual Requirements	<u>\$ 1,811,720</u>	<u>\$ 1,362,820</u>	<u>\$ 474,600</u>	<u>\$ 475,788</u>	<u>\$ 476,338</u>	<u>\$ 476,250</u>	<u>\$ 2,220,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Estimated Coverage	1.25	1.09	2.65	2.46	2.26	5.85	0.96	-	-	-

(1) - Pledged revenues equals Special Assessment Debt Service Fund current year fund balance plus current year principal & interest payments.

(2) - Bond interest payments only. Does not include agent fees included in interest expense on the Statement of Revenues, Expenditures and Changes in Fund Balance.

Source: City financial records
Governmental Fund Financial Statements

**CITY OF PEORIA, ARIZONA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

Table XXIV

	<u>2012</u>	<u>2013</u>	<u>Fiscal Year 2014 (3)</u>	<u>2015 (4)</u>	<u>2016 (5)</u>	<u>2017 (6)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Current Assessments Due	\$ 1,849,026	\$ 1,213,646	\$ 455,116	\$ 381,761	\$ 381,950	\$344,741	\$ -	\$ -	\$ -	\$ -
Assessments Collected	1,848,788	1,213,646	455,116	381,761	381,950	344,741	-	-	-	-
Prepaid Assessments Collected	205,901	-	675,958	-	-	1,809,173	-	-	-	-
Total Assessments Collected (1)	<u>\$ 2,054,689</u>	<u>\$ 1,213,646</u>	<u>\$ 1,131,074</u>	<u>\$ 381,761</u>	<u>\$ 381,950</u>	<u>\$2,153,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ratio of Current Collections to Amount Due	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A	N/A	N/A
Outstanding Assessment Principal (2)	\$ 4,551,324	\$ 3,520,000	\$ 2,603,127	\$ 2,326,112	\$ 2,036,876	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

(1) Does not include penalties or administrative fees which are included in special assessment revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

(2) Principal only. Assessments Receivable on Balance Sheet-Governmental Funds may include delinquent administrative charges, interest and penalties.

(3) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately \$25,957,000 for Lot No. 1, \$17,577,500 for Lot No. 2 and \$669,500 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

(4) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately \$25,957,000 for Lot No. 1, \$23,400,000 for Lot No. 2 and \$669,500 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

(5) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately \$30,000,000 for Lot No. 1, \$21,066,600 for Lot No. 2 and \$770,300 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

(6) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately \$30,000,000 for Lot No. 1, \$25,285,800 for Lot No. 2 and \$733,200 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

Source: City financial records and reports

**CITY OF PEORIA, ARIZONA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Table XXV

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Age (4)</u>	<u>Public School Enrollment (5)</u>	<u>Unemployment Rate (6)</u>
2011	155,014	\$ 5,496,176	\$ 35,456	38.4	35,334	8.7%
2012	155,326	5,773,623	37,171	39.4	35,095	7.1%
2013	156,354	5,942,390	38,006	38.3	35,231	6.8%
2014	157,770	6,112,799	38,745	40.2	34,952	6.0%
2015	160,431	6,392,534	39,846	40.5	34,897	5.0%
2016	164,212	6,701,656	40,811	36.9	34,966	4.9%
2017	168,192	7,100,730	42,218	41.6	34,912	4.2%
2018	172,263	7,596,109	44,096	41.0	35,388	4.0%
2019	175,961	7,759,176	46,125	39.5	35,490	4.3%
2020	190,985	8,809,183	48,065	38.2	35,784	9.3%
2021	190,985 (7)	9,179,694	NA	38.5	34,030	6.6%

- (1) City population for the most current year based on Maricopa Association of Government (MAG) estimates and prior year data is from the U.S. Census.
- (2) Peoria personal income calculated by multiplying Phoenix Metropolitan Statistical Area (MSA) per capita income times Peoria population divided by 1,000. Current year calculated by multiplying current year population by prior year per capital personal income.
- (3) Bureau of Economic Analysis - Phoenix Metropolitan Statista Area (MSA)
- (4) US Census Bureau - American Community Surveys
- (5) Arizona Department of Education
- (6) US Bureau of Labor Statistics
- (7) Population for fiscal year 2021 was taken from the most recent U.S. Census for fiscal year 2020 because it is the most updated and accurate population count as of fiscal year 2021.

**CITY OF PEORIA, ARIZONA
MAJOR EMPLOYERS WITHIN THE CITY
CURRENT YEAR AND NINE YEARS AGO**

Table XXVI

Employer	2021			2012		
	# of Employees	Rank	Percentage of Total City Employment	# of Employees	Rank	Percentage of Total City Employment
Peoria Unified School District	3,871	1	4.3%	3,500	1	4.7%
City of Peoria	1,287	2	1.4%	1,132	2	1.5%
Walmart (Multiple Locations)	1,022	3	1.1%	-		0.0%
Fry's Food Stores (Multiple Locations)	879	4	1.0%	-		0.0%
Taronis Fuels	450	5	0.5%	-		0.0%
Target Stores Inc (Multiple Locations)	399	6	0.4%	-		0.0%
McDonalds (Multiple Locations)	358	7	0.4%	-		0.0%
Banner Health	335	8	0.4%	-		0.0%
Hope Depot (Multiple Locations)	323	9	0.4%	-		0.0%
Brookdale Senior Living	323	10	0.4%	-		0.0%
Plaza Del Rio Campus/Freedom Plaza & Care Center				635	3	0.9%
The Younger Brothers Group Inc				580	4	0.8%
Immanuel Campus of Care				348	5	0.5%
The Antigua Group Inc				271	6	0.4%
Northern Pipeline				267	7	0.4%
Forum at Desert Harbor				182	8	0.2%
Good Shepherd Care Center				181	9	0.2%
Albertson's				175	10	0.2%
Total	9,247		10.2%	7,271		9.8%
 Total City Employment	 91,053			 73,920		

Sources: City of Peoria Economic Development Department, Maricopa Association of Governments Employer Database, and the U.S. Bureau of Labor Statistics.

CITY OF PEORIA, ARIZONA
AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Table XXVII

Full-time Equivalent Employees as of June 30, 2021

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
City Manager	15.00	16.00	16.00	16.00	16.00	18.00	18.00	18.00	19.00	19.00
Office of Communications	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	10.00	10.00
Human Resources	17.00	17.50	17.50	17.50	19.00	19.00	20.00	20.50	21.50	21.50
Attorney	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
City Clerk	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00
Court	20.90	20.90	20.90	20.90	20.90	20.90	20.90	20.90	20.90	20.90
Economic Development***	26.00	26.00	28.00	30.50	31.50	8.00	8.00	7.00	7.00	7.00
Finance & Budget	80.75	80.75	80.00	80.00	79.00	79.00	80.00	79.00	78.00	78.00
Culture & Recreation	113.57	111.97	115.97	115.97	119.22	121.47	121.20	145.78	155.80	155.80
Police	289.00	288.00	292.00	292.00	295.00	299.00	306.00	303.00	304.00	305.00
Fire	162.00	167.50	168.50	168.50	175.50	194.50	194.50	212.00	220.00	220.00
Community Development	12.50	12.50	13.50	14.00	15.00	16.00	16.00	12.92	13.00	13.00
Development and Engineering**	33.25	33.25	33.25	33.25	33.25	65.00	65.00	67.25	67.00	67.00
Highways & Streets	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	39.80	39.80
Public Works	57.95	57.95	57.95	57.95	57.95	57.95	57.95	58.95	58.95	58.95
Human Services	7.50	7.50	7.50	7.50	7.50	7.50	7.50	9.50	9.50	9.50
Water Utility	56.50	55.50	55.50	55.50	55.50	58.50	58.50	61.50	63.50	69.50
Wastewater Utility	29.50	29.50	29.50	29.50	31.50	32.50	32.50	33.50	34.50	35.50
Solid Waste Utility	45.00	45.00	45.50	45.50	49.50	53.25	56.25	58.25	61.00	61.00
Information Technology	39.00	39.00	40.00	40.00	41.00	42.00	42.00	42.00	43.00	45.00
Stadium	15.50	16.50	17.50	17.50	17.50	18.50	18.50	18.50	18.50	18.50
Total FTE*	<u><u>1,100.72</u></u>	<u><u>1,105.12</u></u>	<u><u>1,118.87</u></u>	<u><u>1,121.87</u></u>	<u><u>1,145.62</u></u>	<u><u>1,191.87</u></u>	<u><u>1,203.60</u></u>	<u><u>1,249.35</u></u>	<u><u>1,277.95</u></u>	<u><u>1,286.95</u></u>

Note: Counts do include part-time non-seasonal benefitted employees.

*The Total FTE presentation for years 2008-2013 was updated to reflect a calculation correction.

**The presentation was updated in fiscal year 2017 to reflect the renaming of departments.

Source: City budget office

**CITY OF PEORIA, ARIZONA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Table XXVIII

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
General Government										
Registered Voters in City	85,592	87,432	89,604	87,541	93,916	101,881	102,460	109,073	113,282	124,458
Voter Participation (last election)	23.7%	23.7%	24.9%	31.3% ^(F)	N/A	76.7%	N/A	36.48%	41.33%	83.87%
Culture & Recreation										
Recreation Participants	136,200	134,045	122,318	120,232	104,544	109,220	112,802	116,696	64,170	11,976
New Recreation Accounts	6,106	5,396	5,533	5,483	5,166	5,396	5,029	4,344	2,255	4,325
Special Event Participants	65,347	73,800	74,950	79,550	71,300	102,938	95,822	88,348	107,120	5,706
Police										
Calls for Service	57,184	54,159	52,193	47,612	53,256	55,136	53,574	51,127	51,081	51,162
Avg Response Time (minutes)	6.01	4.52 ^(C)	4.39 ^(C)	4.55 ^(C)	5.13 ^(C)	5.40 ^(C)	5.33 ^(C)	5.28	5.23	5.36
Fire										
Number of Incidents	17,717	18,719	19,312	20,873	23,824	23,726	24,932	23,752	25,066	25,559
Avg Response Time (minutes)	5.08	5.14	5.30	5.24	5.38	5.16 ^(A)	5.24 ^(A)	5.25 ^(A)	5.47 ^(A)	5.51 ^(A)
Development Services										
Building Permits Issued	2,371	3,625 ^(D)	3,993 ^(D)	4,534 ^(D)	5,818 ^(D)	6,336 ^(D)	6,231 ^(D)	5,701 ^(D)	5,795 ^(D)	6,764 ^(D)
Value of Building Permits (millions \$)	\$111.2	\$169.0	\$188.3	\$221.1	\$311.9	\$393.3	\$355.0	\$382.1	\$307.7	\$298.3
Highways & Streets										
Asphalt Used (in tons)	2,038	3,122	2,227	2,302	1,289	1,930	1,566	1,394	2,189	2496
Centerline Miles Swept	6,202	6,143	5,660	4,968	4,118	6,199	5,052	6,405	7,205	8555
Miles Inspected	163	187	205	211	296	1,551 ^(G)	0 ^(G)	0 ^(G)	867 ^(G)	0 ^(G)
Public Works										
Number of Vehicle Work Orders	5,608	5,899	5,464	5,493	5,558	5,732	5,416	5,592	5,385	4957
Human Services										
Number of Dial-a-Ride users	759	830	836	850	749	585	599	599	387	399
Number of Annual Trips	31,082	32,101	33,308	30,212	30,756	27,241	28,033	22,954	22,257	15,987
Business-type Activities										
Water Utility ^(E)										
Annual Consumption (000's gal)	8,448,795	8,405,929	8,662,507	8,090,136	8,650,664	9,488,059	9,950,302	9,630,290	9,660,709	10,661,260
Wastewater Utility										
Wastewater Treated (billion gal)	3.61	3.64	3.69	3.74	3.78	3.87	3.98	4.13	4.21	4.29
Solid Waste Utility										
Residential Tonnage Processed	46,299	47,717	47,987	51,666	52,593	54,967	55,757	59,819	64,283	67,087
Commercial Tonnage Processed	19,700	20,561	21,176	25,227	23,309	20,895	20,974	16,748	19,165	18,066
Recycle Tonnage Processed	15,715	15,184	15,155	16,077	16,447	16,698	17,109	16,859	16,047	17,729
Stadium										
Spring Training Attendance	190,643	196,881	192,513	238,847	240,111	227,646	201,272	180,190	93,932	51,067
Sporting Rentals Days	350	290	322	297	339	333	335	340	245	255
Non-Sporting Rentals Days	134	143	146	151	204	210	196	182	133	105

Notes: * Information is not available for these fiscal years.

^(A) Decrease in Fire Average Response time reflects change in calculation. Beginning in FY17, average response time is calculated 1st unit on scene and only includes code 3 (emergency calls).

^(B) Changed from lane miles to center line miles in FY11 to be consistent with other highway measurements.

^(C) Decrease in Police Average Response time reflects calculation change. New Calculation=Dispatch to Arrival. Previous calculation=Call for Service to Arrival.

^(D) Beginning FY13, this number includes all permits issued including tenant improvements, C of O permits, and spec suite permits.

^(E) Beginning in FY15, Average Gallons/Household/Year is no longer being presented.

^(F) Percentage reflects voter participation in March 2015 Special General Election for Mesquite District Council. Eligible registered voters = 16,582.

^(G) Starting In FY17 an electronic survey of every road is completed every third year.

^(H) FY2020 number of participants are considerably lower than prior fiscal years because COVID-19 caused programmatic changes and event cancellations.

**CITY OF PEORIA, ARIZONA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Table XXIX

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities:										
General Government										
Annexed Area (square miles)	179.1	179.1	179.1	179.1	179.1	179.1	179.1	179.1	179.1	179.1
Culture & Recreation										
# of Neighborhood Parks	32	33	33	34	34	34	34	34	34	35
Total Neighborhood Park Acreage	285	294	294	305	301	301	301	301	301	311
# of Community Parks	1	1	2	2	2	2	2	2	2	3
Total Community Park Acreage	52	52	139	139	139	139	139	139	139	225
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol Vehicles (units)	86	86	88	88	90	91	92	98	105	106
Fire										
Stations (full-time / part-time)	7 / 1	7/1	7/1	7/1	8/0	8/0	8/0	8/0	8/0	8/0
Number of Fire Engines ^(B)	7	7	7	7	7	7	7	7	7	7
Number of Ladder Trucks	2	2	2	2	2	2	2	2	2	2
Highways & Streets										
Streets (miles maintained)	590	622	1452 ^(A)	1505 ^(A)	1,534	1,551	1,559	1,579	1,596	1,604
Crack Seal Application (linear feet)	*	*	1,165,460	1,156,722	2,144,476	2,007,173	3,381,554	2,447,248	3,670,620	3,434,915
Surface Treatments (lane miles)	*	*	88	96	60	99	153	136 ^(D)	119	120
Public Works										
Street Lights	14,333	15,006	14,786	14,945	15,565	15,722	15,973	16,152	16,493	16,896
Vehicles in Fleet	687	714	738	732	778	795	840	842	878	953
Water Services										
Number of Pump Stations	*	*	25	25	30	30	30	27	30	27
Number of Lift Stations	*	*	15	14	13	13	13	11	13	14
Number of Wells	*	*	38	40	46	47	47	24	47	47
Number of Reservoirs	*	*	30	30	33	33	33	22	33	34
Human Services										
Dial-a-Ride Buses	7	7	6	5	5	5	5	6	4	6
Business-type Activities										
Water Utility										
Number of Water Accounts	48,509	49,516	50,399	51,405	55,558	57,011	58,061	59,185	60,705	62,803
Storage Capacity (million gal)	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Wastewater Utility										
Number of Wastewater Accounts	51,527	52,674	53,548	54,599	56,235	57,909	59,499	60,913	62,617	62,803
Treatment Capacity million gallon per	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25
Solid Waste Utility										
Number of Solid Waste Accounts	49,506	50,727	51,609	52,640	54,262	55,828	57,452	58,816	60,123	61,332
Stadium										
Number of Practice Fields	13	13	13	13	13	13	13	13	13	13
Number of Clubhouses	3	3	3	3	3	3	3	3	3	3
Total Complex Acreage ^(C)	125	125	125	125	125	125	125	125	125	125

Notes: * Information not tracked during this fiscal year.

(A) Measurement changed from center-lane miles to lane miles in FY14.

(B) Number of fire engines reported in FY13, FY14, FY15 and FY16 was restated to exclude a bush truck previously reported as a fire engine.

(C) Number updated in FY17 for all years presented to reflect land owned by the City which was used to construct office space, and thus not part of Stadium complex acreage.

(D) Number of Surface treatments for FY19 was restated due to query error in FY19 that was corrected in FY20.

Source: Various City Departments



Continuing Disclosures

Continuing Disclosure Section

SEC Rule 15c2-12, as amended, requires the City to provide Continuing Disclosure Annual Reports that include audited financial statements and other financial information for the benefit of owners and holders of bond obligations issued by the City. The Continuing Disclosure Annual Report shall contain or incorporate by reference certain information as set forth in the Continuing Disclosure Agreements and Undertakings executed by the City with the issuance of its municipal bond obligations.

Information in this section is provided solely pursuant to the requirements of SEC Rule 15c2-12 and Continuing Disclosure Agreements and Undertakings and include financial information that is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore unaudited and not covered by the auditor's opinion.

Annual continuing disclosure information is filed with the Municipal Securities Rulemaking Board (MSRB) for public access via their Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

Continuing Disclosures Annual Report

For the Year Ended June 30, 2021

Audited Financial Statements

The City's Annual Comprehensive Financial Report for fiscal year ended June 30, 2021, is included as part of this submittal.

Other Financial Information

Information concerning the outstanding debt by type of bond can be found in the Notes to the Financial Statements, Note 7 Long Term Debt.

Other financial information required per the City's Continuing Disclosure Agreements and Undertakings for each type of bond obligation is incorporated by reference as follows:

	<u>Statistical Section</u>	<u>Page</u>
<u>General Obligation Bonds (CUSIP 712838)</u>		
Assessed values by property classification	Table VIII	131
Comparison of assessed value to full cash value	Table VIII	131
Comparative assessed values	Table IX	132
Direct and overlapping assessed values	Table XVII	142
Direct and overlapping tax rates	Table X	133
Property tax levies and collections	Table XIII	136
Direct and overlapping general obligation bonds	Table XVII	142
Direct general obligation debt ratios	Table XVI	141
Legal debt margin and unused borrowing capacity	Table XX	145
<u>Water and Wastewater Revenue Bonds (CUSIP 712851)</u>		
Net revenues and debt service coverage	Table XXII	147
Number of utility service connections	Table XIVa	137
Ten largest water users	Table XIVc	137
<u>Municipal Development Authority Bonds (CUSIP 71284R and 71285A)</u>		
Excise tax and state shared revenues and debt service coverage	Table XXI	146
Privilege and use tax rates by category	Table VI	129
Annual debt service requirements	Table XXI	146
<u>Improvement District Bonds (CUSIP 712844)</u>		
Legal debt margin and unused borrowing capacity	Table XX	145
Assessed values by property classification	Table VIII	131
Property tax levies and collections	Table XIII	136
Special assessment collections	Table XXIV	149



City of Peoria

FINANCE AND BUDGET DEPARTMENT

8401 West Monroe Street
Peoria, Arizona 85345

www.peoriaaz.gov

