



City of Peoria, Arizona

FY25

**Annual Comprehensive
Financial Report
(ACFR)**

Fiscal Year Ended June 30, 2025



Comprehensive Annual Financial Report

For Fiscal Year Ended
June 30, 2025



City of Peoria, Arizona

City Council

Jason Beck, *Mayor*

Jennifer Crawford, *Vice Mayor*

Michael Finn, *Mayor Pro Temp*

Matthew Bullock, *Councilmember*

Denette Dunn, *Councilmember*

Jon Edwards, *Councilmember*

Rick Stokes, *Councilmember*

Administrative Staff

Henry Darwin, *City Manager*

Kevin Burke, *Deputy City Manager*

Travis Cutright, *Deputy City Manager*

Mike Faust, *Deputy City Manager*

Prepared By

Finance Department

Sean Kindell, *Chief Financial Officer*

Peter Christensen, *Deputy Finance Director*



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.

A wide-angle photograph of a desert landscape at sunset. The sky is filled with soft, golden light from the setting sun, which is visible on the right side of the frame. The foreground is dominated by a large, multi-armed Saguaro cactus. The middle ground shows a vast expanse of desert scrub, including numerous smaller cacti and low-lying bushes. The background features rolling hills under a hazy, orange-tinted sky. A large, rounded purple text box is overlaid in the upper center of the image.

Introductory Section

CITY OF PEORIA, ARIZONA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2025

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City of Peoria

FINANCE DEPARTMENT Financial Services

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December 22, 2025

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, 2025. 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 5-18 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 twelve 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 Facilities District, the five Saddleback Community Facilities Districts, 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. The most recent estimate of Peoria's population is 207,499. 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 37 neighborhood parks encompassing 314 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 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 with an estimated increase of 16,514 or 8.6% since the 2020 census. Maricopa County had the third largest numeric growth for counties with 57,471 new residents between July 1, 2023 and July 1, 2024. International immigration was a large driver of the increase for Maricopa County. Peoria is part of the Phoenix Metropolitan Area which has seen strong job growth in recent years. The construction of the \$12 billion Taiwan Semiconductor Manufacturing Company (TSMC) on the outskirts of Peoria is expected to increase in-migration both domestically and internationally to the Peoria area in the next several years. This is further expected to have a multiplier effect as TSMC suppliers also relocate or expand to this region as evidenced by the semiconductor packaging and testing company Amkor who will be investing \$7 billion and hiring 3,000 employees in Peoria in the next few years.

The City issued 1037 new single family residential building permits in fiscal year 2025, a decrease of 5.8% versus the prior year. Per the Case-Schiller Home Price index, house prices remained steady from June 2024 to June 2025 in the Phoenix metropolitan area. However, house prices dropped 1.8% between June 2025 and September 2025. The City's total property full cash value, which lags the market, decreased by 3.2% from \$41.2 billion in 2024-25 to \$39.9 billion in 2025-26. The decrease includes both property value changes and growth. Limited property values, which are the basis for the City's tax levies, grew 6.2% from 2024-25 to 2025-26. By state law, limited property value on existing properties cannot grow by more than 5% per year and cannot exceed the full cash value. For 2025-26 the limited value is 56.3% of the full cash value leaving considerable room for growth even if full cash values stay stagnant or decrease somewhat.

The unemployment rate in Peoria at August 2025 was 4.1% matching Arizona and outperforming the U.S. rate, 4.3%. The City's sales and use tax collections in fiscal year 2025 totaled \$140.8 million, a 5.0% increase from the \$134.1 million in the prior year.

Economic Outlook

While we have seen a slowing of the economy, both nationally and in Arizona, it remains resilient. Most economists agree that if a recession occurs, it will be a mild one. Despite the loss of residential rental sales tax in January 2025, local sales tax collections in fiscal year 2025 were 4.4% higher than in fiscal year 2024. As noted above, although home values have decreased in recent months, the City expects to continue to see solid growth in its property tax base. State shared income tax, which lags actual tax collections by two years, will see a reduction in fiscal year 2026 as the City sees the full impact of the State's flat tax, but should see growth in the following years. Peoria's conservative budgeting practices have positioned the City well for the continued slow growth in the economy that we expect to see. Additionally, Peoria's economic development emphasis has put the City in position to outperform both the regional and national economies in the next several years.

MAJOR PROJECTS AND INITIATIVES

The Peoria Mayor and City Council have adopted three policy priorities as of January 2023. These are Water Security, Public Safety and Economic Development. In addition, the City Manager adopted the administrative priority of Innovative Government.

WATER SECURITY

Colorado River Water Reductions

The Colorado River Basin is currently in a Tier 1 shortage for calendar year 2025, calendar year 2026 will also be in a Tier 1 shortage. Under a Tier 1 shortage, the City will not have any reductions to the water allocation. The City currently uses approximately 60-65% of its annual allocation from the Colorado River each year to meet customer demands. Storing the remaining allocation over the years has resulted in a total water storage volume equal to more than five years supply of water assuming no water is received from the Colorado River or any other source. This smart water planning has allowed Peoria to comfortably meet its water obligations as well as service entitled new developments.

In an effort to minimize the drought impact on the Colorado River Basin the City participated in a System Conservation Implementation Agreement which allows the City to leave a portion of its water allocation behind Hoover Dam in Lake Mead in exchange for compensation. The City agreed to conserve up to 7,200 acre feet (21.1% of the annual allocation) per year for the years 2023, 2024 and 2025 in exchange for compensation of \$400 per acre foot.

New Wellfield at Lake Pleasant Parkway and the Central Arizona Project canal

The City is taking steps to mitigate the impact of potential future shortages due to drought conditions on the Colorado River Basin. One way to do this is to prepare the infrastructure to utilize the water that has been stored for delivery to customers. To this end, the City is continuing the construction of a wellfield and pumping station near Lake Pleasant Parkway and the Central Arizona Project canal. This project will assure residents and businesses in North Peoria of continued water supply in the event of curtailments or outages in Colorado River water supply.

Expansion of Reclaimed Water Service

In October 2024 the City completed a 7.6 mile pipeline from the Beardsley Reclamation Facility to Paloma Park. This allowed the City to replace 39 million gallons of potable water that was used for lake maintenance and irrigation with reclaimed water. Not only does this result in annual savings of more than \$150 thousand due to the lower cost of reclaimed water, it preserves the potable water for human consumption needs.

Large Water Ordinance

To ensure the City of Peoria can supply new growth with a renewable water supply, city management has developed an ordinance for non-residential customers (e.g., commercial, institutional, industrial) that use a relatively high volume of water to ensure best practices are in place for minimizing consumption, maximizing recycling, and reducing water loss.

The ordinance requires future customers, and existing customers seeking to significantly increase their water use, to apply for a city-issued permit before beginning or expanding water service. Such users include:

- Customers who use more than 50,000 gallons per day on average over a one-year period; or,
- Customers who use more than 100,000 gallons in any 24-hour period; or,
- Those customers that are classified as a water intensive user

Treatment Facility Expansions

The City is completing the expansion of the Beardsley Water Reclamation Facility which will take treatment capability from 4 million gallons per day to 6 million gallons per day. The fiscal year 2026 ten year capital improvement program includes over \$90 million for additional expansions at the Beardsley and Jomax Water Reclamation Facilities. These expansions will provide the capacity needed as the City continues to grow.

Turf Reduction

The City has committed to a turf reduction program and is removing non-programmable turf (on hill sides or sloped areas) from City parks thereby reducing the water requirements without reducing the functionality of the parks. The project is expected to save the City about 30 million gallons of water per year.

PUBLIC SAFETY

New Facilities

The fiscal year 2026 ten year CIP plan includes over \$70 million for construction of new public safety facilities including two new fire stations and a permanent structure for Station 9, currently at Lake Pleasant. This also includes the funding needed to transform the newly acquired police multi-purpose building and prepare it for evidence storage, vehicle impound storage, forensic analysis and processing of vehicles, storage of specialty vehicles, and tactical training.

Pension Liabilities Reduction

The City of Peoria made a conscious effort to reduce the unfunded liabilities associated with both its Police and Fire pension plans. Both plans are governed and managed by the Arizona Public Safety Personnel Retirement System (PSPRS). Consistent with the city's Pension Funding Policy, the Mayor and City Council approved a lump sum payment in FY24 above the Annual Required Contribution (ARC) of \$3 million. Under the Pension Funding Policy the City has kept its public safety pension contribution rates the same as in fiscal year 2022 despite the ARC being lowered due to additional payments being made

Although no lump sum payments were made in fiscal year 2025, the additional contributions made through the freezing of the contribution rate and strong investment returns from the pension system are expected to bring the funded percentage of the plan closer to the 100% goal.

Police and Fire Aviation Unit

On August 20, 2024 the City celebrated the ribbon cutting for the Police and Fire Aviation unit as the City accepted delivery of its first public safety helicopter. The Aviation Unit will expand law enforcement capabilities, search and rescue capabilities, and firefighting services, and improve response times throughout the city. The City is currently seeking grant funding opportunities aimed at securing a second helicopter for the aviation unit to reduce the impact of downtime related to scheduled maintenance on the aircraft.

Real Time Crime Center

On March 24, 2025 the City celebrated the opening of the Real Time Crime Center with a dedication and ribbon cutting ceremony. The Peoria RTCC has quickly achieved national recognition for its innovation, collaboration, and leadership in advancing real-time policing.

At the 2025 National Real Time Crime Center Association (NRTCCA) Annual Conference and Awards in Atlanta, Georgia, Peoria's RTCC received the following awards:

- DICE Development Award - honoring the RTCC's rapid growth, technological advancement, and integration of best practices.
- DICE Collaboration Award - recognizing the Center's groundbreaking partnerships across public safety disciplines, technology providers, and regional agencies.
- National RTCC Supervisor of the Year - awarded to Sergeant Michael Leshner, who has led the RTCC since it opened in March 2025.

Despite being in operation for only seven months, Peoria's RTCC has achieved milestones that rival centers in place for years.

ECONOMIC DEVELOPMENT

Peoria Innovation Core

Following the city's successful \$46.7 million bid for 834.5 acres of Arizona State Trust Land on August 27, 2025, the City Council approved a series of agreements that will jump-start development in Core 2 of the Peoria Innovation Core (PIC).

The first project to move forward on the new site is Amkor Technology's state-of-the-art advanced semiconductor packaging and test facility. The Council-approved land exchange agreement and development agreement amendment allows Amkor to relocate its planned facility from 56 acres in FIVE NORTH at VISTANCIA, to a 104-acre site in Core 2.

On October 6, 2025, Amkor Technology broke ground on the new \$7 billion Peoria campus which will feature more than 750,000 square feet of cleanroom manufacturing space and is expected to create up to 3,000 high-quality jobs in engineering, operations, and advanced manufacturing.

Downtown Redevelopment

The City of Peoria has dedicated over \$15 million dollars to renovate its historic downtown. Over the last decade, the City has acquired multiple properties, demolished dilapidated buildings and/or remediated contaminated sites. Caldwell County BBQ and the Jefferson House will bring new dining and shopping experiences to downtown. Along with bringing in new restaurants and shops the City will also create pedestrian amenities, wider sidewalks, landscaping, lighting, patios, and seating as downtown becomes a "place to be" destination.

INNOVATIVE GOVERNMENT

Replacement of the Enterprise Resource Planning (ERP) system

The City is replacing the ERP system that has been in use since the late 1990's. After a thorough procurement and analysis, the City has signed on with Workday to provide the core financial and human resource system. Workday is a cloud based solution that will provide the City with greater flexibility, efficiency and reporting capabilities. The core financial system went live on October 1, 2025 and the human capital management system will go live in the spring of 2026.

Performance Management

City Manager Darwin is continuing his emphasis on data driven decision making within the City. A centralized dashboard consisting of performance measures from every department is reviewed monthly with the department directors and this process is being pushed down through the organization as directors have adopted this approach within their departments. City Manager Darwin has also implemented several accountability meetings that focus on specific areas of emphasis and promote a consistent messaging around the City's key strategy deployments.

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. The Excise Tax and State Shared Revenue Obligations received a AAA rating from S&P. 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 2024-25 was \$1,289,660,507. 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, Heinfield, Meech & Co., P.C., 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, 2025, 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, 2025, 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.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This is the 40th 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 annual comprehensive 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 black ink, appearing to read "S. Kindell". The signature is fluid and cursive, with a large initial "S" and a stylized "K".

Sean Kindell
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Peoria
Arizona**

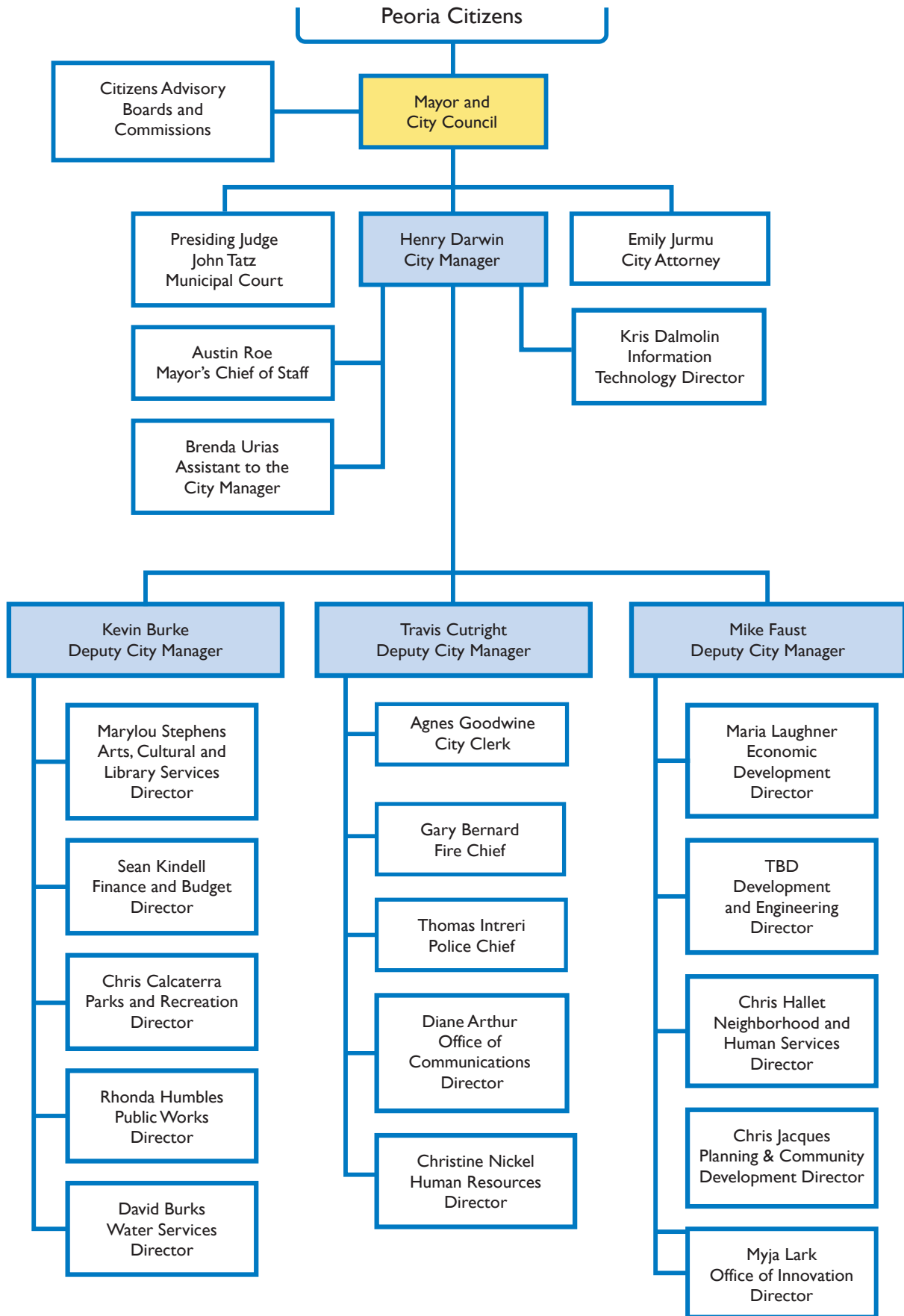
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Peoria Organizational Chart





City of Peoria

Principal Officials of the City

Fiscal Year 2025

Jason Beck
Mayor

Jennifer Crawford
Vice Mayor

Jon Edwards
Councilmember

Denette Dunn
Councilmember

Michael Finn
Mayor Pro Tem

Rick Stokes
Councilmember

Matthew Bullock
Councilmember

Henry Darwin
City Manager

Brenda Urias
Assistant to the City Manager

Kevin Burke
Deputy City Manager

Travis Cutright
Deputy City Manager

Mike Faust
Deputy City Manager

Marylou Stephens
Arts, Culture and Library Services Director

Emily Jurmu
City Attorney

Agnes Goodwine
City Clerk

Diane Arthur
Director of Communications

TBD
Development and Engineering Director

Maria Laughner
Economic Development Services Director

Sean Kindell
Chief Financial Officer

Gary Bernard
Fire Chief

Christine Nickel
Human Resources Director

Kris Dalmolin
Information Technology Director

John Tatz
Municipal Judge

Chris Hallett
*Neighborhood &
Human Services Director*

Chris Calcaterra
*Parks, Recreation &
Community Facilities Director*

Chris Jacques
*Planning and Community
Development Director*

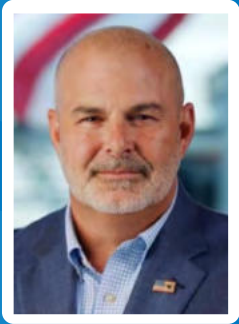
Thomas Intreri
Police Chief

Rhonda Humbles
Public Works Director

David Burks
Water Services Director



City of Peoria Council Districts



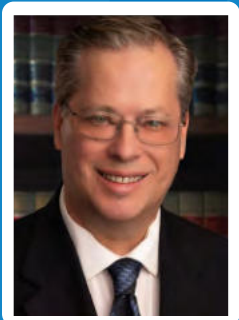
**Mayor
Jason Beck**
623.773.4610



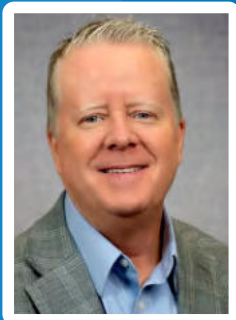
**Vice Mayor
Jennifer Crawford**
Acacia District
623.773.7785



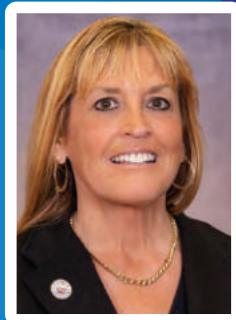
**Mayor Pro Tem
Michael Finn**
Palo Verde District
623.773.7785



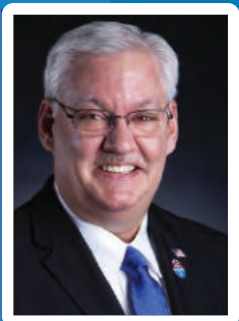
**Councilmember
Rick Stokes**
Ironwood District
623.773.7608



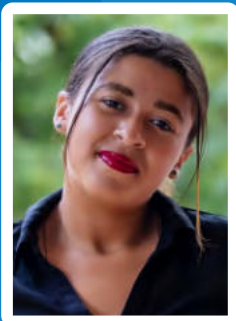
**Councilmember
Matt Bullock**
Mesquite District
623.773.7608



**Councilmember
Denette Dunn**
Pine District
623.773.7785



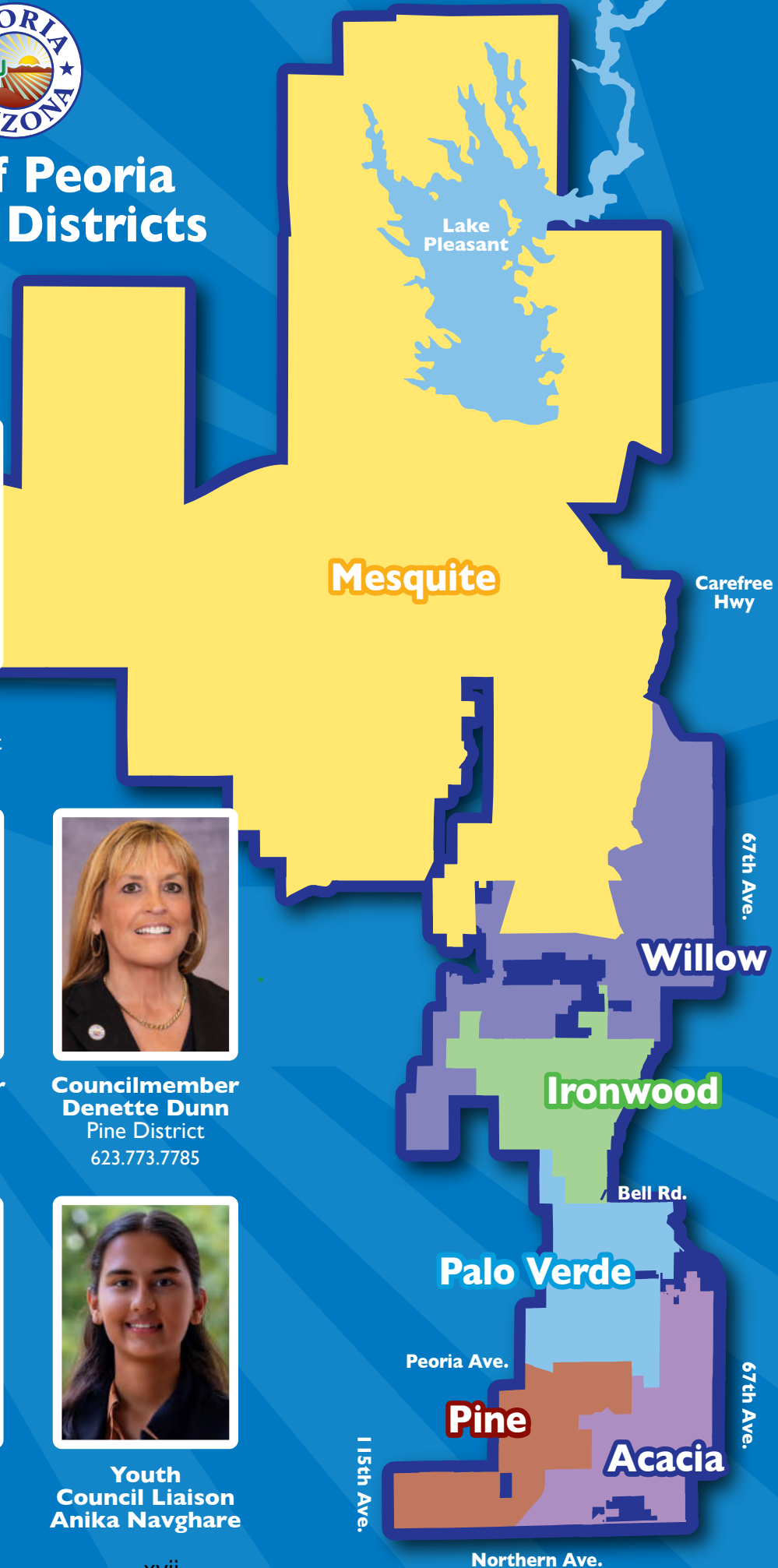
**Councilmember
Jon Edwards**
Willow District
623.773.7608



**Youth
Council Liaison
Felicia Holly**



**Youth
Council Liaison
Anika Navghare**





A wide-angle photograph of a desert landscape at sunset. The sky is filled with dramatic, layered clouds in shades of orange, yellow, and grey. The sun is low on the horizon, casting a warm glow over the scene. The foreground and middle ground are dominated by a dense field of green and brown shrubs and cacti, including several tall, columnar saguaros. A dirt path or road winds through the vegetation. In the background, rolling hills and mountains are visible under the twilight sky. A large, rounded purple rectangle is superimposed over the upper center of the image, containing the text 'Financial Section' in white, bold, sans-serif font.

Financial Section

Independent Auditor's Report

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

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Peoria, Arizona (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, highway user revenues special revenue fund, transportation sales tax special revenue fund, and other grants special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, net pension liability information, and other postemployment benefit plan information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, Statistical Section, and Continuing Disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of City of Peoria, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Peoria, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Peoria, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 22, 2025



A desert landscape at sunset. In the foreground, a large Saguaro cactus stands prominently. The middle ground is filled with numerous smaller cacti and desert shrubs. The background shows rolling hills under a sky with a bright sun setting behind a ridge, creating a golden glow. A purple rounded rectangle is overlaid on the upper part of the image, containing the title text in white.

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, 2025. 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.

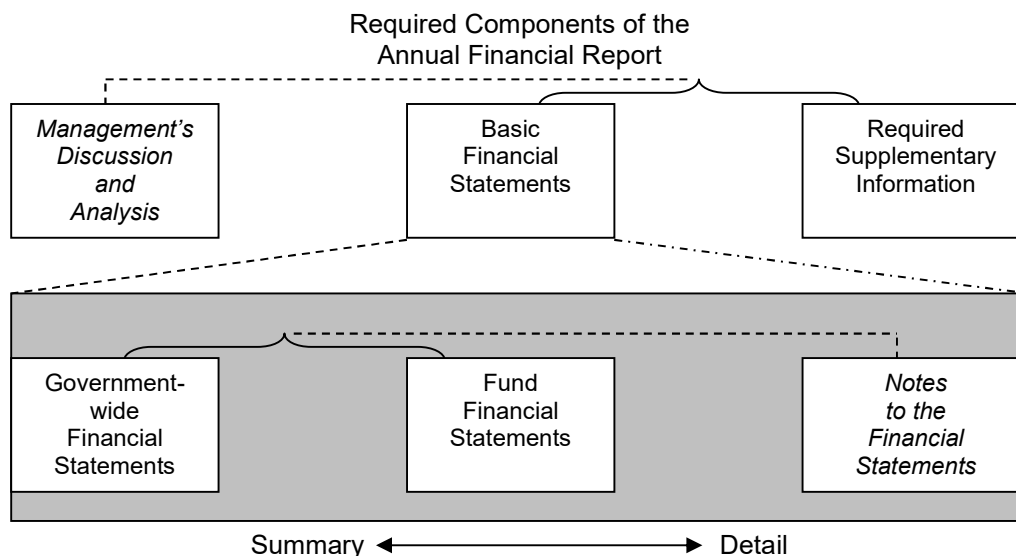
This discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter presented on pages v-xiii of this report. It is designed to be read in conjunction with the transmittal letter as well as the financial statements and the accompanying notes to the financial statements. The City also issues separate financial reports, including management's discussion and analysis, for the Vistancia Community Facilities District, Vistancia West Community Facilities District, Vistancia North Community Facilities District, Mystic at Lake Pleasant Heights 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 \$136.6 million, 6.9%, in fiscal year 2025, an increase of \$79.4 million, 7.2%, in governmental activities and an increase of \$57.2 million, 6.6%, in business-type activities.
- ◆ Total net position of the City is \$2,107.1 million, of which \$247.6 million is unrestricted.
- ◆ At June 30, 2025, total fund balance of the governmental funds was \$496.3 million, an increase of \$76.2 million from the previous year. Of this, \$175.5 million or 74.8% of General Fund balance for fiscal year 2025 was unassigned and available for spending at the government's discretion.
- ◆ General Fund revenues (on a budgetary basis) were higher than budgeted inflows by \$20.3 million for fiscal year 2025. Budgetary basis expenditures of the General Fund were 85.3% (\$42.2 million in savings) of the final budgeted expenditures as the City continued cost saving measures due to the uncertainty about future revenues.

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, Other Grants Fund, GO Bond Debt Service Fund, Development Fee Fund, Non-Bond Capital Projects Fund, and GO Bond Capital Project 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, 2025, 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, 2025, compared to the prior year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 628.7	\$ 543.4	\$ 191.2	\$ 186.8	\$ 819.9	\$ 730.2
Capital assets	1,055.7	991.7	853.5	813.3	1,909.2	1,805.0
Total assets	<u>1,684.4</u>	<u>1,535.1</u>	<u>1,044.7</u>	<u>1,000.1</u>	<u>2,729.1</u>	<u>2,535.2</u>
Total deferred outflows of resources	<u>52.8</u>	<u>49.8</u>	<u>3.5</u>	<u>2.9</u>	<u>56.3</u>	<u>52.7</u>
Other liabilities	49.7	51.9	18.8	21.9	68.5	73.8
Long-term liabilities outstanding	<u>476.8</u>	<u>409.8</u>	<u>106.0</u>	<u>115.1</u>	<u>582.8</u>	<u>524.9</u>
Total liabilities	<u>526.5</u>	<u>461.7</u>	<u>124.8</u>	<u>137.0</u>	<u>651.3</u>	<u>598.7</u>
Total deferred inflows of resources	<u>22.0</u>	<u>13.9</u>	<u>5.0</u>	<u>4.8</u>	<u>27.0</u>	<u>18.7</u>
Net position:						
Net investment in capital assets	828.8	789.7	769.9	725.1	1,598.7	1,514.8
Restricted	184.4	168.7	41.2	39.4	225.6	208.1
Unrestricted	<u>175.5</u>	<u>150.9</u>	<u>107.3</u>	<u>96.7</u>	<u>282.8</u>	<u>247.6</u>
Total net position	<u>\$1,188.7</u>	<u>\$1,109.3</u>	<u>\$ 918.4</u>	<u>\$ 861.2</u>	<u>\$ 2,107.1</u>	<u>\$ 1,970.5</u>

The net position of the City increased \$136.6 million in fiscal year 2025. Net position of governmental activities increased \$79.4 million, while the business-type activities increased \$57.2 million. The 6.9% growth in net position reflects the strength of Peoria's economy and the City's efforts to control costs while providing valuable services to the public.

Net position consists of three components. The largest portion of net position, \$1,598.7 million reflects the City's investment in capital assets net of accumulated depreciation/amortization 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 \$225.6 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 \$282.8 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.

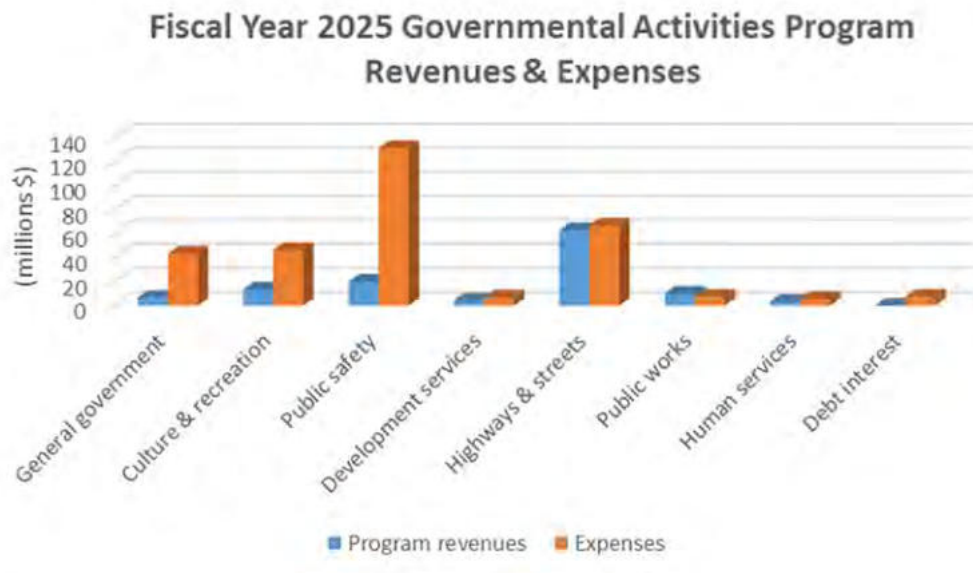
Changes in Net Position						
As of June 30 (in millions of dollars)						
	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
REVENUES:						
Program revenues:						
Fees, fines & charges for services	\$ 48.0	\$ 50.0	\$ 132.9	\$ 127.5	\$ 180.9	\$ 177.5
Operating grants and contributions	31.8	29.0	-	-	31.8	29.0
Capital grants and contributions	40.2	61.7	34.1	45.1	74.3	106.8
General revenues						
Property taxes	37.5	35.7	-	-	37.5	35.7
Sales and use taxes	140.8	134.1	-	-	140.8	134.1
Franchise taxes	5.6	5.5	-	-	5.6	5.5
State shared sales tax	30.5	29.9	-	-	30.5	29.9
Urban revenue sharing	42.3	52.4	-	-	42.3	52.4
Auto-in-lieu taxes	10.4	9.9	-	-	10.4	9.9
Investment earnings(losses)	24.9	21.3	7.8	7.2	32.7	28.5
Miscellaneous	5.0	4.4	0.1	-	5.1	4.4
Total revenues	417.0	433.9	174.9	179.8	591.9	613.7
EXPENSES:						
Program activities:						
Governmental activities:						
General government	43.1	39.7	-	-	43.1	39.7
Culture and recreation	46.2	44.7	-	-	46.2	44.7
Public safety	131.0	121.4	-	-	131.0	121.4
Development services	6.8	6.5	-	-	6.8	6.5
Highways and streets	66.7	66.5	-	-	66.7	66.5
Public works	7.5	7.6	-	-	7.5	7.6
Human services	5.6	5.1	-	-	5.6	5.1
Interest expense on debt	7.5	6.5	-	-	7.5	6.5
Business-type activities:						
Water utility	-	-	71.5	63.0	71.5	63.0
Wastewater utility	-	-	34.9	30.4	34.9	30.4
Solid Waste utility	-	-	21.0	20.2	21.0	20.2
Stadium	-	-	8.9	8.5	8.9	8.5
Storm Drain utility	-	-	4.6	4.5	4.6	4.5
Total expenses	314.4	298.0	140.9	126.6	455.3	424.6
Excess (deficit) before transfers	102.6	135.9	34.0	53.2	136.6	189.1
Transfers and Special Items	(23.2)	(23.5)	23.2	23.5	-	-
Increase (decrease) in net position	79.4	112.4	57.2	76.7	136.6	189.1
Net position - beginning	1,109.3	996.9	861.2	784.5	1,970.5	1,781.4
Net position - ending	\$ 1,188.7	\$ 1,109.3	\$ 918.4	\$ 861.2	\$ 2,107.1	\$ 1,970.5

For fiscal year 2025, total governmental activities revenues decreased \$16.9 million while total business-type activities revenues decreased \$4.9 million. Expenses increased \$16.4 million for the governmental activities and increased \$14.3 million for the business-type activities. The increase in expenses was primarily due to increased labor costs and rising material and equipment costs in the enterprise funds.

The general revenues of governmental activities increased \$3.8 million. Local sales and use taxes increased \$6.7 million primarily due to strong growth in construction contracting sales tax which offset losses resulting from the removal of residential rental tax. Urban revenue sharing (shared state income taxes) revenues decreased \$10.1 million in fiscal year 2025. State income tax allocations to the cities lag two years behind collections, so the decrease in fiscal year 2025 represents the decreased collections in fiscal year 2023 that resulted from the legislature approved flat income tax. Investment earnings continued to strengthen as the City's portfolio is taking advantage of the increased interest rates.

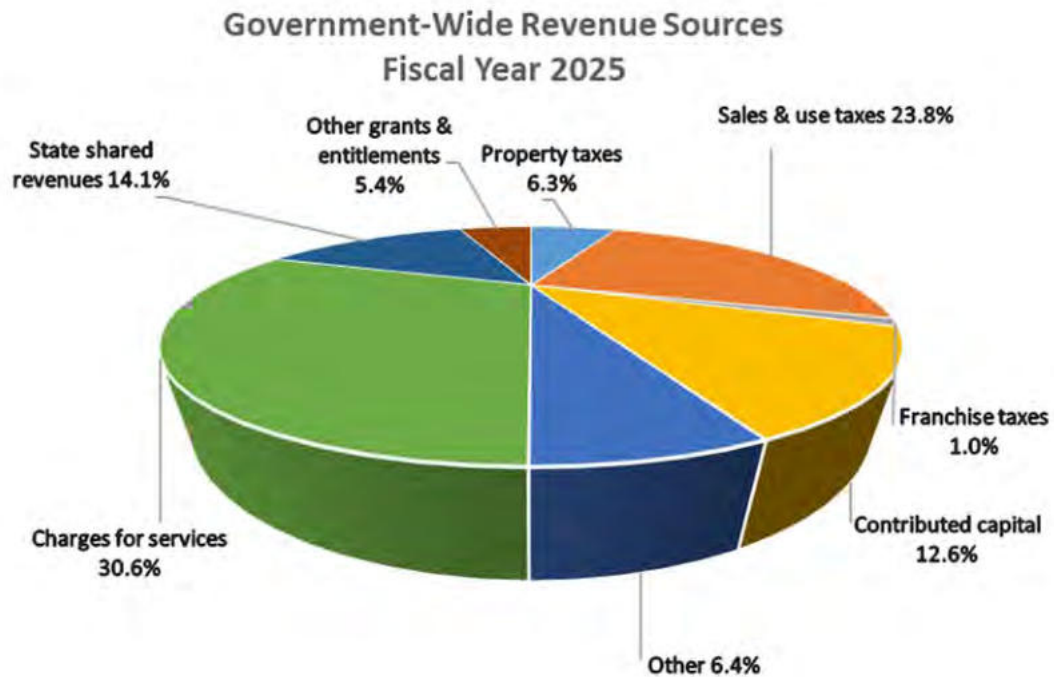
The program revenues of business-type activities saw an increase of \$5.4 million in fees and charges for services reflecting the council approved rate increases that took effect July 1, 2024. However, this was offset by a decrease of \$11.0 million in capital grants and contributions as less assets were acquired by developer contribution.

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 \$120.0 million are 38.2% of the governmental activities expenses for fiscal year 2025, down from 47.2% in fiscal year 2024. The decrease is primarily due to a decrease in capital grants and contributions resulting from slowed residential development. In the business-type activities, program revenues of \$167.0 million are 118.5% of the business-type expenses for fiscal year 2025. This compares to \$172.6 million and 136.3% in fiscal year 2024. The decrease in percentage is primarily due to decreased capital contributions in water and wastewater related to slowing development activity.



Governmental activities account for 70.5% of the total revenues of the City and 69.1% of the total expenses in fiscal year 2025. These percentages were 70.7% and 70.2% respectively in fiscal year 2024.

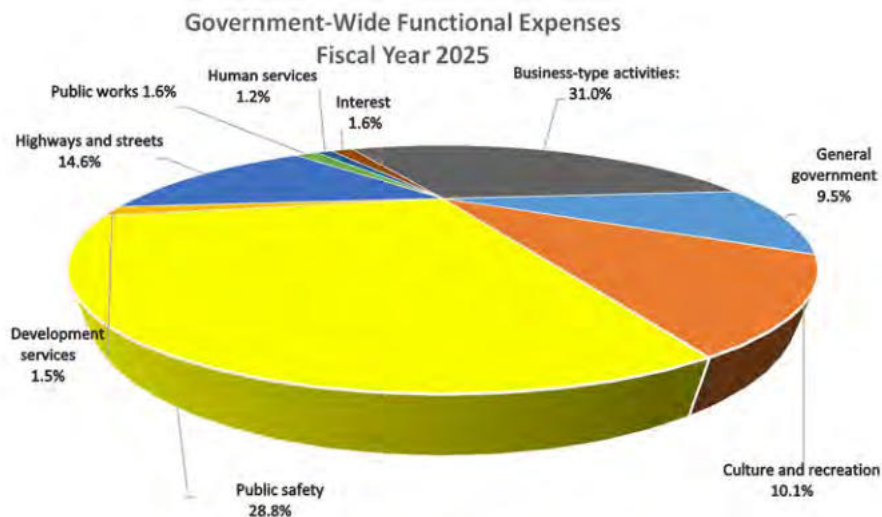
As seen in the following graph, one of the largest financing sources for the City in fiscal year 2025 is charges for services (30.6%), primarily because this is the major funding source of the business-type activities (75.9% of business-type total revenues in fiscal year 2025). The major funding sources of the governmental activities are property taxes, sales/use taxes, and state shared revenues.



Property taxes increased from fiscal year 2024 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 2025 compared to the previous year.

Total government-wide expenses of the City increased \$30.7 million, 7.2% in fiscal year 2025. As mentioned above, this was primarily due to labor costs and inflation on materials and equipment.

As shown in the following Government-Wide Functional Expenses graph, business-type activities account for 31.0% of the functional expenses of the City for fiscal year 2025, while governmental activities account for 69.0% of the functional expenses. For the governmental activities, the largest users of resources are public safety (28.8% of total expense, 41.7% of governmental expenses), highways and streets (14.6% of total expenses, 21.2% of governmental expenses), culture and recreation (10.1% of total expenses, 14.7% of governmental expenses), and general government (9.5% of total expenses, 13.7% of governmental expenses).



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.

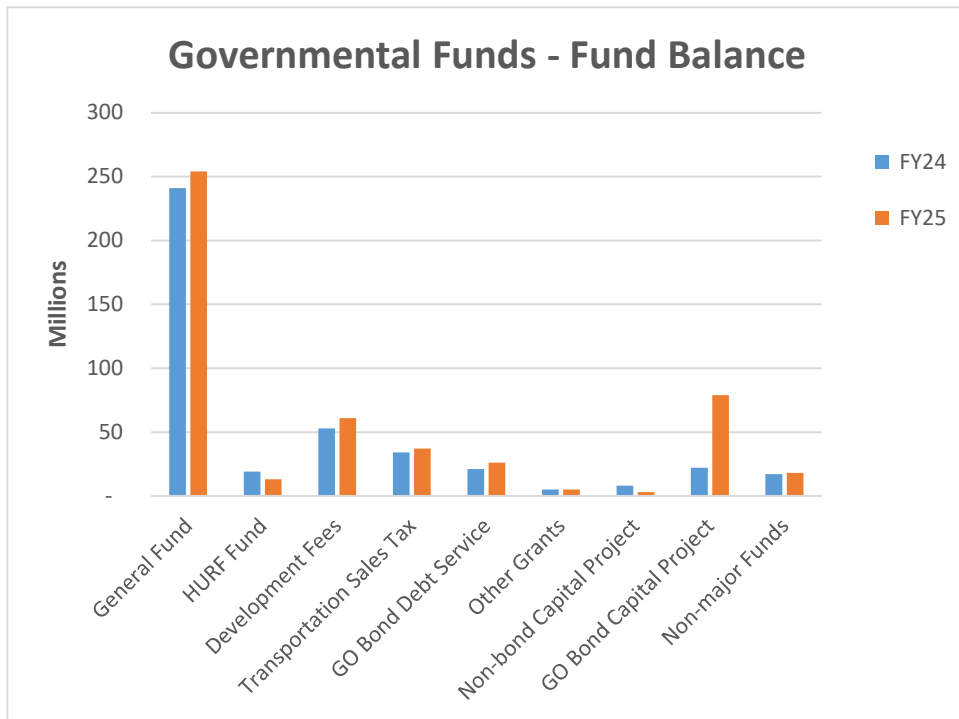
Governmental funds

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, Development Fee Fund, General Obligation Bond Debt Service Fund, Other Grants Fund and Non-Bond Capital Project 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 \$496.3, an increase of \$76.2 million from the previous year. Of this, \$239.3 million (an increase of \$68.8 million from the previous year) is classified as Non-spendable or Restricted because it is not appropriable for expenditure or is legally segregated for a specific future use. A \$59.1 million increase in fund balance restricted for capital projects resulted from the sale of General Obligation Bonds in fiscal year 2025.

An additional \$83.9 million of the governmental fund balance (an increase 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 (\$76.7 million), debt service reserves (\$1.0 million), capital projects (\$3.6 million) and arts capital and various other purposes (\$2.5 million).

The remaining \$173.2 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 \$5.1 million compared to the prior year. The City's investment portfolio has been providing increased levels of investment earnings due to the high interest rate environment. Additionally, construction sales tax revenues increased significantly in fiscal year 2025. Since construction sales tax is not considered a stable ongoing revenue stream, expectations for future sales tax revenues were not adjusted for the increase. The City has chosen not to use these short term increased revenue levels for ongoing expenditures, so the excess is included in ending fund balance to be used for future one-time needs.



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 decreased \$1.0 million over the prior fiscal year. Although intergovernmental revenues decreased as the impact of the State's change to flat tax was more fully realized, those decreases were mostly offset by increases in local sales tax collections and investment earnings.

General Fund expenditures increased \$23.3 million in fiscal year 2025 from fiscal year 2024. The increase is primarily the result of increased labor costs from wage increases and expanded staff particularly in public safety. The City also increased its capital spending in fiscal year 2025 as economic development projects moved forward.

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. Expenditures increased by \$8.8 million in fiscal year 2025 over fiscal year 2024 primarily due to increased spending on capital projects.

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 \$1.2 million while expenditures increased \$1.7 million. The City continues to invest in the Streets capital program to maintain the high quality of Peoria roads while budgeting conservatively to assure the ability to provide for future transportation needs. The fund balance increased \$3.0 million in fiscal year 2025. All fund balance in this fund is restricted.

The Other Grants Fund saw increases in both revenues and expenditures of \$4.8 million and \$6.4 million respectively. In fiscal year 2025, the City hired a grant program manager to more aggressively pursue grant funding opportunities.

The GO Bond Debt Service Fund accounts for the payment of general obligation bonds and the related interest. Revenues in this fund increased by \$1.5 million due to increased property valuations and growth. The City did not change the property tax rate from the prior year.

The Development Fee Fund, which collects governmental impact fees for parks and recreational facilities, public safety, and streets and intersections had a decrease in revenues of \$3.0 million in fiscal year 2025 resulting from a 27% decrease in building permits issues from FY24 to FY25. Expenditures increased \$498 thousand in fiscal year 2025 as growth related capital projects continued. Fund balance increased \$8.1 million versus the prior year. All fund balance in this fund is restricted.

The Non-Bond Capital Projects Fund primarily accounts for reimbursements for shared projects with other governments and the expenditures are mostly for street related projects. The \$5.4 million decrease in expenditures from FY24 to FY25 was primarily the result of a decrease in infrastructure project expenditures funded from sources outside of the City.

The GO Bond Capital Project 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 City issued \$88 million in bonds in fiscal year 2025 resulting in an increase of \$56.8 million in fund balance after project expenditures.

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

Proprietary funds

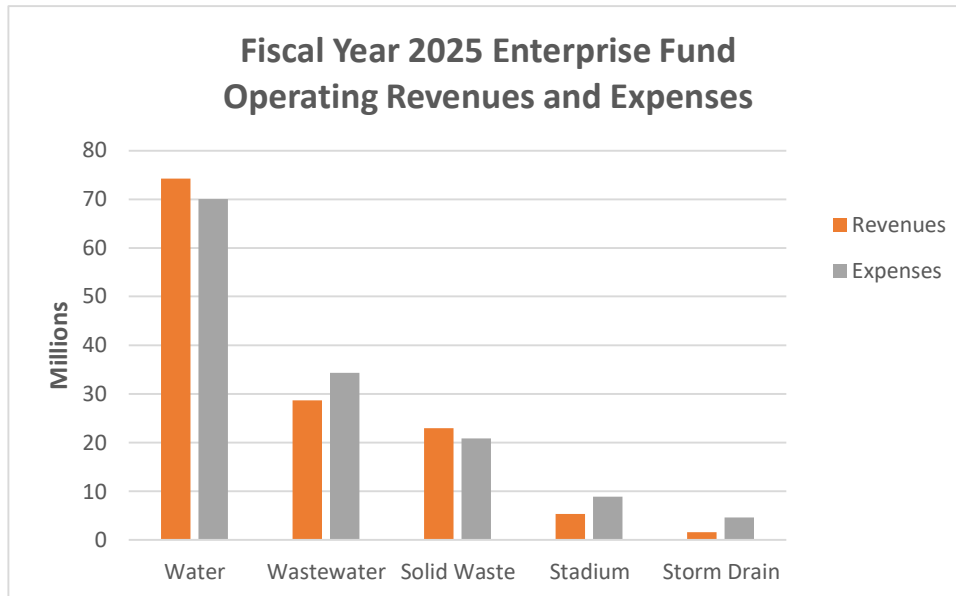
The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements but provide additional detail since each major enterprise fund is shown discretely. Although the Solid Waste, Stadium and Storm Drain Funds do not meet 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 \$57.1 million in fiscal year 2025. Net investment in capital assets increased \$44.8 million primarily due to growth and replacement in the water and storm drain systems. Unrestricted net position increased by \$10.6 million. 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 \$5.4 million in fiscal year 2025. Water, Wastewater and Solid Waste utilities all saw increases in revenues primarily due to rate increases enacted July 1, 2024. In fiscal year 2024, the Arizona Sports and Tourism Authority accelerated the final payment to complete the contractual obligation for contributions to the stadium from a 2014 intergovernmental agreement. Not counting that payment in fiscal year 2024, stadium operating revenues increased \$1.0 million in fiscal year 2025.

Operating expenses of the enterprise funds increased \$15.6 million in fiscal year 2025 primarily due to increased maintenance and materials costs.

The following graph shows the operating revenues and expenses for the enterprise funds for fiscal year 2025.



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 30-34. 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 100-105, and pages 112-116.

General Fund revenues of \$237.6 million, on a budgetary basis, exceeded budgeted revenues of \$217.3 million by \$20.3 million due to conservative budgeting. Budgetary basis expenditures of \$244.2 million were 85.3% of final budgeted amounts primarily due to lower capital spending as inflation and supply issues delayed some capital projects. Fire and Human Services had small expenditure overages for functional departmental categories.

During the fiscal year, the original General Fund expenditures and contingencies budget of \$299.4 million was reduced by \$11.7 million to the final expenditure and contingencies budget of \$287.7 million.

Notable budgetary transfers during the year were as follows:

- \$21.2 million transfer from the Half Cent Fund to the General Fund for the public safety subsidies.
- \$4.8 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, 2025, the City had \$1.6 billion invested in various capital assets, net of accumulated depreciation and related debt. The capital assets of the City (net of depreciation/amortization, but not capital debt) are \$1.9 billion. This is a net increase of \$104.2 million from June 30, 2024. Net capital assets of business-type activities increased \$40.2 million while governmental activities increased \$64.0 million.

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

- ✓ The City spent \$12.9 million for regional drainage improvements at 67th Ave and Pinnacle Peak Rd.
- ✓ The City spent \$11.1 million to acquire a new multipurpose police facility.
- ✓ The City spent \$31.9 million on various street and traffic improvement projects.
- ✓ The City spent \$11.6 million on water reclamation facility projects.
- ✓ The City spent \$4.1 million to place new wells in the area of Lake Pleasant Parkway and the Central Arizona Project Canal.

The following table provides a breakdown of the capital assets of the City at June 30, 2025, and 2024. Additional information on the City's capital assets may be found in Note 6.

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
Buildings and building improvement	\$ 96.8	\$ 99.9	\$ 38.8	\$ 41.1	\$ 135.6	\$ 141.0
Equipment; Furniture	2.3	3.6	2.8	2.4	5.1	6.0
Vehicles	18.6	10.9	15.7	11.2	34.3	22.1
Surface water system	-	-	73.4	73.5	73.4	73.5
Street system	272.2	270.9	-	-	272.2	270.9
Park system	93.7	95.5	-	-	93.7	95.5
Water system	-	-	263.8	250.0	263.8	250.0
Water rights	-	-	8.3	8.5	8.3	8.5
Wastewater system	-	-	254.1	249.0	254.1	249.0
Lease Assets	5.3	6.0	-	-	5.3	6.0
SBITA Intangible Assets	16.8	4.6	-	-	16.8	4.6
Land	465.4	456.2	18.8	18.8	484.2	475.0
Work in progress	84.6	44.1	177.8	158.8	262.4	202.9
Total	\$1,055.7	\$ 991.7	\$ 853.5	\$ 813.3	\$1,909.2	\$1,805.0

The City has adopted a ten year capital improvement plan budgeted at \$1,906.4 million, including \$572.0 million in fiscal year 2026. Anticipated funding for this plan for fiscal year 2026 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 \$53.6 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, leases, SBITA, compensated absences, and deferred bond premiums was \$363.6 million at June 30, 2025. Of this total, \$285.5 million was in governmental activities and \$78.1 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 \$45.6 million in fiscal year 2025.

Of the total outstanding bonds and loans of \$373.4 million, \$244.9 million is general obligation bonds or loans backed by the full faith and credit of the City. The outstanding debt also includes \$21.2 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, 2025, and 2024. 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 of dollars)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation debt	\$ 244.9	\$ 170.9	\$ -	\$ -	\$ 244.9	\$ 170.9
Excise tax revenue obligations	16.8	19.0	-	-	16.8	19.0
Direct Purchase and Loan Obligations	7.8	11.8	-	-	7.8	11.8
Water/Sewer Revenue bonds and loans	-	-	82.7	92.0	82.7	92.0
Community Facilities District bonds	21.2	18.8	-	-	21.2	18.8
Compensated absences	21.1	20.2	2.5	2.2	23.6	22.4
Leases	5.4	6.0	-	-	5.4	6.0
SBITA	12.6	4.0	-	-	12.6	4.0
Total	\$ 329.8	\$ 250.7	\$ 85.2	\$ 94.2	\$ 415.0	\$ 344.9

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

Local sales tax revenues grew 4.4% in fiscal year 2025, this was higher than the 2.3% growth in fiscal year 2024 and equal to the growth seen in fiscal year 2023. Retail sales tax, the City's largest category, increased by 4.5% from the prior year while restaurant/bar, the second largest category, increased by 2.8%. Beginning January 1, 2025 the City is no longer collecting residential rental sales tax which resulted in a decrease in rental sales tax collections. This was offset by a strong performance on contracting sales tax which increased 53.6% over fiscal year 2024 collections.

In fiscal year 2025 Peoria issued \$289 million in building permits as compared to \$355 million in fiscal year 2024 and \$164 million in fiscal year 2023. The ten year average for permits is \$317 million, so this may be an indicator of a slowing economy.

The adopted fiscal year 2026 budget is \$1,192 million, an increase of 19.8% from the fiscal year 2025 budget. The operating budget totals \$620.0 million, which is an increase of 10.2% from 2025. The capital projects portion of the budget, \$572.0 million, is divided in the following manner: \$39.2 million for drainage projects, \$64.0 million for operational facilities, \$27.9 million for parks, trails, open space and libraries, \$43.6 million for public safety projects, \$91.8 million for streets and traffic control projects, \$31.9 million for economic development projects, \$49.7 million for wastewater projects, \$107.6 million for water projects, and \$116.3 million for the Peoria Innovation Core.

The General Fund operating budget is \$255.3 million, up 7.1% from the prior year budget. With the uncertainty surrounding the economy, 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 2026 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.

A desert landscape at sunset, featuring a purple rounded rectangle in the upper center containing the text "Basic Financial Statements". The background shows a vast desert valley with numerous saguaro cacti and low-lying shrubs, with mountains in the distance under a dramatic, cloudy sky.

Basic Financial Statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 435,555,416	\$ 148,516,591	\$ 584,072,007
Cash with fiscal agents	343,875	-	343,875
Accounts receivable, net	20,093,299	15,578,048	35,671,347
Lease receivable	11,156,027	3,915,142	15,071,169
Interest receivable	3,864,139	1,010,338	4,874,477
Internal balances	(4,164,084)	4,164,084	-
Due from other governments	9,656,369	-	9,656,369
Loan receivable	-	1,224,546	1,224,546
Prepaid items	4,973,062	-	4,973,062
Supply inventories	656,652	1,132,723	1,789,375
Restricted pooled cash and investments	22,322,690	-	22,322,690
Restricted cash with fiscal agents	8,574,716	3,759	8,578,475
Restricted investments	110,178,383	14,966,801	125,145,184
Investments in joint venture agreements	1,417,076	-	1,417,076
Net other postemployment benefits asset	4,173,389	620,443	4,793,832
Capital assets:			
Non-depreciable or amortizable	561,406,184	196,568,997	757,975,181
Depreciable or amortizable (net)	494,247,394	656,954,771	1,151,202,165
Total assets	<u>1,684,454,587</u>	<u>1,044,656,243</u>	<u>2,729,110,830</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	52,250,762	3,072,817	55,323,579
Deferred loss on bond refunding	530,296	-	530,296
Excess consideration provided for acquisition	-	464,132	464,132
Total deferred outflows of resources	<u>52,781,058</u>	<u>3,536,949</u>	<u>56,318,007</u>
LIABILITIES			
Accounts payable	24,909,610	9,189,852	34,099,462
Accrued payroll	6,017,542	642,342	6,659,884
Interest payable	4,235,552	1,360,106	5,595,658
Due to other governments	467,083	363,967	831,050
Customer deposits	44,789	2,342,576	2,387,365
Claims and judgements payable	165,061	-	165,061
Other liabilities	4,851,652	339,019	5,190,671
Unearned revenue-other	8,978,756	4,601,864	13,580,620
Non-current liabilities:			
Due within one year:			
Current portion of claims payable	7,914,708	482,756	8,397,464
Current portion of compensated absences	10,266,195	1,199,661	11,465,856
Current portion of bonds & loans payable	30,113,785	9,664,245	39,778,030
Current portion of lease payable	655,480	2,620	658,100
Current portion of SBITA payable	2,150,695	-	2,150,695
Due in more than one year:			
Noncurrent portion of claims payable	1,930,388	-	1,930,388
Noncurrent portion of compensated absences	10,787,209	1,252,757	12,039,966
Noncurrent portion of bonds & loans payable	276,120,618	77,261,645	353,382,263
Noncurrent portion of lease payable	4,729,654	4,128	4,733,782
Noncurrent portion of SBITA payable	10,474,440	-	10,474,440
Net pension and other postemployment benefits liabilities	121,672,857	16,099,533	137,772,390
Total liabilities	<u>526,486,074</u>	<u>124,807,071</u>	<u>651,293,145</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	10,418,478	3,670,671	14,089,149
Deferred inflows related to pensions and other postemployment benefits	11,590,936	1,352,270	12,943,206
Total deferred inflow of resources	<u>22,009,414</u>	<u>5,022,941</u>	<u>27,032,355</u>
NET POSITION			
Net investment in capital assets	828,799,497	769,907,037	1,598,706,534
Restricted for:			
Debt service	31,224,033	-	31,224,033
Capital projects	-	40,403,058	40,403,058
Development fees	60,578,994	-	60,578,994
Transportation purposes	49,617,067	-	49,617,067
Grant purposes	13,790,499	-	13,790,499
Facilities maintenance	19,989	100,000	119,989
Public safety	2,321,561	-	2,321,561
Trust purpose	22,730,292	-	22,730,292
Net other postemployment benefits	4,173,389	620,443	4,793,832
Unrestricted	175,484,836	107,332,642	282,817,478
Total net position	<u>\$ 1,188,740,157</u>	<u>\$ 918,363,180</u>	<u>\$ 2,107,103,337</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, 2025**

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	\$ 43,135,951	\$ 3,618,489	\$ 2,860,059	\$ -	\$ (36,657,403)	\$ -	\$ (36,657,403)
Culture and recreation	46,199,311	11,687,302	1,722,461	-	(32,789,548)	-	(32,789,548)
Public safety	131,017,091	11,073,498	8,800,900	-	(111,142,693)	-	(111,142,693)
Development services	6,769,822	4,137,964	120,169	-	(2,511,689)	-	(2,511,689)
Highways and streets	66,673,011	7,455,761	15,142,164	40,199,091	(3,875,995)	-	(3,875,995)
Public works	7,528,590	9,962,199	-	-	2,433,609	-	2,433,609
Human services	5,621,479	91,148	3,154,806	-	(2,375,525)	-	(2,375,525)
Interest on long-term debt	7,507,378	-	-	-	(7,507,378)	-	(7,507,378)
Total governmental activities	<u>314,452,633</u>	<u>48,026,361</u>	<u>31,800,559</u>	<u>40,199,091</u>	<u>(194,426,622)</u>	<u>-</u>	<u>(194,426,622)</u>
Business-type activities:							
Water utility	71,518,191	74,247,327	-	22,706,758	-	25,435,894	25,435,894
Wastewater utility	34,993,493	28,689,847	-	8,800,908	-	2,497,262	2,497,262
Solid waste utility	20,934,233	22,972,448	-	-	-	2,038,215	2,038,215
Stadium	8,889,253	5,350,997	-	-	-	(3,538,256)	(3,538,256)
Storm drain utility	4,619,802	1,613,668	-	2,588,745	-	(417,389)	(417,389)
Total business-type activities	<u>140,954,972</u>	<u>132,874,287</u>	<u>-</u>	<u>34,096,411</u>	<u>-</u>	<u>26,015,726</u>	<u>26,015,726</u>
Total primary government	<u>\$ 455,407,605</u>	<u>\$ 180,900,648</u>	<u>\$ 31,800,559</u>	<u>\$ 74,295,502</u>	<u>(194,426,622)</u>	<u>26,015,726</u>	<u>(168,410,896)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					7,364,070	-	7,364,070
Property taxes, levied for debt service					30,126,345	-	30,126,345
Sales and use taxes					140,746,001	-	140,746,001
Franchise taxes					5,620,099	-	5,620,099
Intergovernmental:							
State shared sales taxes- unrestricted					30,500,400	-	30,500,400
Urban revenue sharing- unrestricted					42,279,677	-	42,279,677
Auto in-lieu taxes- unrestricted					10,420,735	-	10,420,735
Investment earnings					24,870,669	7,893,552	32,764,221
Miscellaneous					5,063,032	79,058	5,142,090
Transfers in (out)					(23,171,774)	23,171,774	-
Total general revenues and transfers					<u>273,819,254</u>	<u>31,144,384</u>	<u>304,963,638</u>
Change in net position					79,392,632	57,160,110	136,552,742
Net position - beginning					<u>1,109,347,525</u>	<u>861,203,070</u>	<u>1,970,550,595</u>
Net position - ending					<u>\$ 1,188,740,157</u>	<u>\$ 918,363,180</u>	<u>\$ 2,107,103,337</u>

The accompanying notes are an integral part of the financial statements



**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Major Funds				
	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund	Other Grants Fund	GO Bond Debt Service Fund
ASSETS					
Assets:					
Pooled cash and investments	\$ 232,007,377	\$ 15,338,558	\$ 35,960,789	\$ 6,242,109	\$ 24,826,494
Cash with fiscal agents	15,633	-	-	-	-
Accounts receivable, net	13,499,798	426,481	1,836,164	3,807,834	-
Lease receivable	11,156,027	-	-	-	-
Interest receivable	2,089,823	99,621	194,687	43,523	81,068
Due from other funds	20,877,636	-	-	-	-
Due from other governments	2,434,126	1,499,303	-	2,763,383	330,106
Prepaid items	229	-	-	-	-
Supply inventories	191,907	138,684	-	-	-
Restricted cash with fiscal agents	-	-	-	691,920	891,656
Restricted investments	-	-	-	-	-
Total assets	<u>\$ 282,272,556</u>	<u>\$ 17,502,647</u>	<u>\$ 37,991,640</u>	<u>\$ 13,548,769</u>	<u>\$ 26,129,324</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,825,983	\$ 4,025,851	\$ 948,380	\$ 1,473,127	\$ -
Accrued payroll	5,465,813	161,072	-	36,217	-
Interest payable	60,133	-	-	20,019	116,656
Due to other funds	-	-	-	-	-
Due to other governments	467,083	-	-	-	-
Customer deposits	44,789	-	-	-	-
Claims and judgements payable	21,383	-	-	-	84,785
Other liabilities	4,002,751	741,917	-	-	-
Unearned revenue-other	860,024	-	-	2,736,627	-
Total liabilities	<u>17,747,959</u>	<u>4,928,840</u>	<u>948,380</u>	<u>4,265,990</u>	<u>201,441</u>
Deferred Inflows of Resources:					
Unavailable revenue-settlements	-	-	-	3,748,934	-
Related to leases	10,418,478	-	-	-	-
Unavailable revenue - other	233,842	-	-	28,824	-
Total deferred inflows of resources	<u>10,652,320</u>	<u>-</u>	<u>-</u>	<u>3,777,758</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Supply inventories	191,907	138,684	-	-	-
Prepaid items	229	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	25,927,883
Capital projects	-	-	-	-	-
Development fees	-	-	-	-	-
Transportation purposes	-	12,435,123	37,043,260	-	-
Public safety	-	-	-	-	-
Grant purposes	-	-	-	2,966,812	-
Arts Center maintenance	19,989	-	-	-	-
Committed to:					
Debt service	1,000,000	-	-	-	-
Economic development	4,063	-	-	-	-
Arts capital	-	-	-	2,538,209	-
Operating reserve	26,147,777	-	-	-	-
Emergency reserve	17,431,852	-	-	-	-
Budget stabilization reserve	28,226,339	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Municipal complex reserve	4,888,501	-	-	-	-
Unassigned	175,961,620	-	-	-	-
Total fund balance	<u>253,872,277</u>	<u>12,573,807</u>	<u>37,043,260</u>	<u>5,505,021</u>	<u>25,927,883</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 282,272,556</u>	<u>\$ 17,502,647</u>	<u>\$ 37,991,640</u>	<u>\$ 13,548,769</u>	<u>\$ 26,129,324</u>

(continued)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Major Funds				
	Development Fee Fund	Non-bond Capital Projects Fund	GO Bond Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Assets:					
Pooled cash and investments	\$ 61,763,078	\$ 8,459,116	\$ -	\$ 13,898,403	\$ 398,495,924
Cash with fiscal agents	-	-	-	-	15,633
Accounts receivable, net	-	-	-	385,306	19,955,583
Lease receivable	-	-	-	-	11,156,027
Interest receivable	357,741	36,304	286,468	98,544	3,287,779
Due from other funds	-	-	-	-	20,877,636
Due from other governments	-	2,553,071	-	76,380	9,656,369
Prepaid items	-	-	-	16,446	16,675
Supply inventories	-	-	-	-	330,591
Restricted cash with fiscal agents	-	-	-	6,991,140	8,574,716
Restricted investments	-	-	100,640,174	-	100,640,174
Total assets	<u>\$ 62,120,819</u>	<u>\$ 11,048,491</u>	<u>\$ 100,926,642</u>	<u>\$ 21,466,219</u>	<u>\$ 573,007,107</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,539,078	\$ 2,056,494	\$ 4,061,991	\$ 95,344	\$ 21,026,248
Accrued payroll	2,747	-	-	25,450	5,691,299
Interest payable	-	-	-	14,417	211,225
Due to other funds	-	-	18,083,272	2,794,364	20,877,636
Due to other governments	-	-	-	-	467,083
Customer deposits	-	-	-	-	44,789
Claims and judgements payable	-	-	-	58,893	165,061
Other liabilities	-	59,542	-	-	4,804,210
Unearned revenue-other	-	5,377,105	-	5,000	8,978,756
Total liabilities	<u>1,541,825</u>	<u>7,493,141</u>	<u>22,145,263</u>	<u>2,993,468</u>	<u>62,266,307</u>
Deferred Inflows of Resources:					
Unavailable revenue-settlements	-	-	-	-	3,748,934
Related to leases	-	-	-	-	10,418,478
Unavailable revenue - other	-	-	-	-	262,666
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,430,078</u>
Fund Balances:					
Nonspendable:					
Supply inventories	-	-	-	-	330,591
Prepaid items	-	-	-	16,446	16,675
Restricted for:					
Debt service	-	-	-	9,515,256	35,443,139
Capital projects	-	-	78,781,379	2,278,543	81,059,922
Development fees	60,578,994	-	-	-	60,578,994
Transportation purposes	-	-	-	-	49,478,383
Public safety	-	-	-	2,321,561	2,321,561
Grant purposes	-	-	-	7,065,948	10,032,760
Arts Center maintenance	-	-	-	-	19,989
Committed to:					
Debt service	-	-	-	-	1,000,000
Economic development	-	-	-	-	4,063
Arts capital	-	-	-	-	2,538,209
Operating reserve	-	-	-	-	26,147,777
Emergency reserve	-	-	-	-	17,431,852
Budget stabilization reserve	-	-	-	-	28,226,339
Assigned to:					
Capital projects	-	3,555,350	-	-	3,555,350
Municipal complex reserve	-	-	-	-	4,888,501
Unassigned	-	-	-	(2,725,003)	173,236,617
Total fund balance	<u>60,578,994</u>	<u>3,555,350</u>	<u>78,781,379</u>	<u>18,472,751</u>	<u>496,310,722</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 62,120,819</u>	<u>\$ 11,048,491</u>	<u>\$ 100,926,642</u>	<u>\$ 21,466,219</u>	<u>\$ 573,007,107</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, 2025**

Fund balances - total governmental funds \$ 496,310,722

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	\$ 1,498,445,509	
Less accumulated depreciation and amortization	<u>(472,643,141)</u>	1,025,802,368

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

Other post employment benefits asset		3,852,230
Deferred loss on bond refunding		530,296

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	(290,689,281)	
Leases payable	(5,385,134)	
SBITA payable	(1,665,304)	
Compensated absences	<u>(19,840,421)</u>	(317,580,140)

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

1,417,076

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

(15,545,122)

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

4,011,600

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

(3,739,537)

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.

67,250,733

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.

(113,339,294)

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	50,660,187	
Deferred inflows related to pension/OPEB	<u>(10,890,962)</u>	39,769,225

Total net position of governmental activities

\$ 1,188,740,157

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, 2025

	Major Funds				
	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund	Other Grants Fund	GO Bond Debt Service Fund
REVENUES:					
Taxes	\$ 125,987,316	\$ 6,347,962	\$ 21,394,892	\$ -	\$ 24,557,138
Intergovernmental	83,912,719	15,142,164	-	13,903,513	-
Charges for services	24,544,350	336,731	-	958,570	-
Licenses and permits	6,234,398	-	-	-	-
Fines and forfeitures	1,937,207	-	-	176,485	-
Rents	1,786,701	-	-	-	-
Investment earnings (loss)	12,388,157	865,490	1,689,154	325,651	816,219
Miscellaneous	3,078,943	-	-	153,076	-
Total revenues	<u>259,869,791</u>	<u>22,692,347</u>	<u>23,084,046</u>	<u>15,517,295</u>	<u>25,373,357</u>
EXPENDITURES:					
Current:					
General government	37,203,742	-	-	483,959	129,300
Culture and recreation	36,154,432	-	-	3,099,723	-
Public safety	132,121,331	-	-	1,265,662	-
Development services	5,748,230	-	-	802,062	-
Highways and streets	-	26,292,221	5,082,781	-	-
Public works	7,065,170	-	-	147,729	-
Human services	1,335,326	-	-	1,272,938	-
Debt service:					
Principal payments	1,353,031	-	-	-	14,527,862
Interest and other charges	212,242	-	-	20,019	5,616,562
Capital outlay	13,321,257	4,150,619	8,125,668	7,141,812	-
Total expenditures	<u>234,514,761</u>	<u>30,442,840</u>	<u>13,208,449</u>	<u>14,233,904</u>	<u>20,273,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,355,030</u>	<u>(7,750,493)</u>	<u>9,875,597</u>	<u>1,283,391</u>	<u>5,099,633</u>
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Issuance of debt - from subscriptions	-	-	-	832,595	-
Transfers in	1,762,986	1,000,000	-	-	-
Transfers out	(14,572,645)	(65)	(6,903,664)	(1,792,421)	-
Total other financing sources and uses	<u>(12,809,659)</u>	<u>999,935</u>	<u>(6,903,664)</u>	<u>(959,826)</u>	<u>-</u>
Net change in fund balances	12,545,371	(6,750,558)	2,971,933	323,565	5,099,633
Fund balances - beginning	241,326,906	19,324,365	34,071,327	5,181,456	20,828,250
Fund balances - ending	<u>\$ 253,872,277</u>	<u>\$ 12,573,807</u>	<u>\$ 37,043,260</u>	<u>\$ 5,505,021</u>	<u>\$ 25,927,883</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, 2025

	<u>Major Funds</u>				
	<u>Development Fee Fund</u>	<u>Non-bond Capital Projects Fund</u>	<u>GO Bond Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 5,610,274	\$ 183,897,582
Intergovernmental	-	5,020,518	-	1,851,619	119,830,533
Charges for services	11,131,194	-	-	91,088	37,061,933
Licenses and permits	-	-	-	-	6,234,398
Fines and forfeitures	-	-	-	-	2,113,692
Rents	-	-	-	-	1,786,701
Investment earnings (loss)	3,025,924	232,246	1,684,568	630,499	21,657,908
Miscellaneous	-	5,488,683	-	753,662	9,474,364
Total revenues	<u>14,157,118</u>	<u>10,741,447</u>	<u>1,684,568</u>	<u>8,937,142</u>	<u>382,057,111</u>
EXPENDITURES:					
Current:					
General government	-	-	19,472	166,387	38,002,860
Culture and recreation	86,950	-	623,685	-	39,964,790
Public safety	3,583	-	1,629,882	-	135,020,458
Development services	229,238	-	-	-	6,779,530
Highways and streets	3,194,310	56,363	6,165,597	-	40,791,272
Public works	-	-	267,275	107,263	7,587,437
Human services	-	-	-	2,716,382	5,324,646
Debt service:					
Principal payments	-	-	-	10,583,267	26,464,160
Interest and other charges	-	-	546,614	2,597,795	8,993,232
Capital outlay	2,510,518	6,480,939	18,881,757	4,008,482	64,621,052
Total expenditures	<u>6,024,599</u>	<u>6,537,302</u>	<u>28,134,282</u>	<u>20,179,576</u>	<u>373,549,437</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,132,519</u>	<u>4,204,145</u>	<u>(26,449,714)</u>	<u>(11,242,434)</u>	<u>8,507,674</u>
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	88,513,789	6,810,000	95,323,789
Premium on bonds issued	-	-	2,633,887	156,078	2,789,965
Issuance of debt - from subscriptions	-	-	-	-	832,595
Transfers in	-	-	-	7,309,955	10,072,941
Transfers out	-	(8,980,286)	(7,893,578)	(1,204,235)	(41,346,894)
Total other financing sources and uses	<u>-</u>	<u>(8,980,286)</u>	<u>83,254,098</u>	<u>13,071,798</u>	<u>67,672,396</u>
Net change in fund balances	8,132,519	(4,776,141)	56,804,384	1,829,364	76,180,070
Fund balances - beginning	52,446,475	8,331,491	21,976,995	16,643,387	420,130,652
Fund balances - ending	<u>\$ 60,578,994</u>	<u>\$ 3,555,350</u>	<u>\$ 78,781,379</u>	<u>\$ 18,472,751</u>	<u>\$ 496,310,722</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, 2025

Net change in fund balances - total governmental funds	\$ 76,180,070
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.	(1,501,085)
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.	638,908
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.	(160,331)
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 and amortization expense. This is the amount by which capital outlays (\$64,621,052) exceeds depreciation and amortization (\$38,867,654) in the current period.	25,753,398
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.	(4,004,498)
Donations of capital assets are not reflected on the governmental fund statements but are shown in the statement of activities.	34,735,528
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.	(96,156,384)
Repayment of bonds principal and lease payments is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position.	26,464,160
Bond premiums or discounts and gains or losses on bond refunding are sources or uses of current financial resources for governmental fund reporting when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(644,545)
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.	7,853,522
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.	10,233,889
Change in net position of governmental activities	\$ 79,392,632

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, 2025**

	<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	\$ 83,630,677	\$ 83,630,677	\$ 90,518,472	\$ 6,887,795
Intergovernmental	82,308,014	82,308,014	83,790,821	1,482,807
Charges for services	44,131,028	44,131,028	44,042,611	(88,417)
Licenses and permits	4,521,279	4,521,279	6,234,398	1,713,119
Fines and forfeitures	1,217,000	1,217,000	1,937,207	720,207
Rents	1,076,318	1,076,318	2,077,410	1,001,092
Investment earnings	202,460	202,460	6,859,455	6,656,995
Miscellaneous	255,000	255,000	2,131,855	1,876,855
Total revenues	<u>217,341,776</u>	<u>217,341,776</u>	<u>237,592,229</u>	<u>20,250,453</u>
EXPENDITURES:				
Current:				
General government:				
Mayor and council	949,818	949,818	817,065	(132,753)
City manager	8,399,853	8,455,829	6,954,019	(1,501,810)
Human resources	5,670,982	5,895,526	5,419,613	(475,913)
Attorney	5,637,474	5,754,023	4,847,872	(906,151)
City clerk	1,407,195	1,407,195	1,213,275	(193,920)
Court	3,827,973	4,182,621	3,784,469	(398,152)
Economic development	3,643,557	2,214,557	1,814,399	(400,158)
Finance	12,325,143	12,464,408	11,446,209	(1,018,199)
Non-departmental	7,008,579	7,120,907	4,028,769	(3,092,138)
Culture and recreation	39,854,072	40,601,854	35,878,905	(4,722,949)
Human services	1,397,099	1,392,899	1,445,827	52,928
Public safety:				
Police	82,911,018	82,148,418	79,160,817	(2,987,601)
Fire	55,021,472	54,282,634	54,392,907	110,273
Development services				
Public works	6,885,195	6,884,195	5,748,230	(1,135,965)
Capital outlay	8,203,107	8,204,107	7,065,170	(1,138,937)
Capital outlay	<u>28,722,707</u>	<u>44,390,929</u>	<u>20,135,475</u>	<u>(24,255,454)</u>
Total expenditures	<u>271,865,244</u>	<u>286,349,920</u>	<u>244,153,021</u>	<u>(42,196,899)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,523,468)</u>	<u>(69,008,144)</u>	<u>(6,560,792)</u>	<u>62,447,352</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(27,535,521)	(1,390,883)	-	1,390,883
Transfers in	28,067,317	28,067,317	28,068,231	914
Transfers out	(8,692,868)	(8,692,868)	(14,235,011)	(5,542,143)
Total other financing sources and uses	<u>(8,161,072)</u>	<u>17,983,566</u>	<u>13,833,220</u>	<u>(4,150,346)</u>
Net change in fund balances	(62,684,540)	(51,024,578)	7,272,428	58,297,006
Fund balances - beginning	155,623,713	155,623,713	175,445,779	19,822,066
Fund balances - ending	<u>\$ 92,939,173</u>	<u>\$ 104,599,135</u>	<u>\$ 182,718,207</u>	<u>\$ 78,119,072</u>

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, 2025**

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	\$ 237,592,229
Actual amounts (budgetary basis) "Total revenues" from the Half-Cent Sales Tax Fund budgetary comparison schedule	38,004,061
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	(19,498,261)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	<u>3,771,762</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 259,869,791</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the General Fund budgetary comparison statement	\$ 244,153,021
Actual amounts (budgetary basis) "Total expenditures" from the Half-Cent Sales Tax Fund budgetary comparison schedule	11,348,803
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(11,011)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(794,584)
Capital outlay for SBITAs are expenditures for GAAP purposes, but not for budgetary purposes	(683,207)
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(19,498,261)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 234,514,761</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, 2025**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 6,770,556	\$ 6,770,556	\$ 6,333,531	\$ (437,025)
Intergovernmental	15,481,027	15,481,027	15,142,164	(338,863)
Charges for services	135,000	135,000	436,731	301,731
Investment earnings(loss)	782,000	782,000	637,301	(144,699)
Total revenues	<u>23,168,583</u>	<u>23,168,583</u>	<u>22,549,727</u>	<u>(618,856)</u>
EXPENDITURES:				
Current:				
Highways and streets	22,191,682	22,084,420	19,852,944	(2,231,476)
Capital outlay	9,699,380	11,645,841	9,913,682	(1,732,159)
Total expenditures	<u>31,891,062</u>	<u>33,730,261</u>	<u>29,766,626</u>	<u>(3,963,635)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,722,479)</u>	<u>(10,561,678)</u>	<u>(7,216,899)</u>	<u>3,344,779</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(1,000,000)	-	-	-
Transfers in	2,151,995	2,151,995	2,097,688	(54,307)
Transfers out	(1,151,995)	(1,151,995)	(1,097,688)	54,307
Total other financing sources and uses	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balances	(8,722,479)	(9,561,678)	(6,216,899)	3,344,779
Fund balances - beginning	15,032,773	15,032,773	19,324,365	4,291,592
Fund balances - ending	<u>\$ 6,310,294</u>	<u>\$ 5,471,095</u>	<u>\$ 13,107,466</u>	<u>\$ 7,636,371</u>

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "Total revenues" from the budgetary comparison schedule	\$ 22,549,727
Differences - budget to GAAP:	
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB 34's allocation rules.	(85,569)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	228,189
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 22,692,347</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison statement	\$ 29,766,626
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	576,214
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	100,000
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 30,442,840</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, 2025**

	<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	\$ 19,284,037	\$ 19,284,037	\$ 21,394,892	\$ 2,110,855
Investment earnings(loss)	1,000,000	1,000,000	1,245,456	245,456
Total revenues	<u>20,284,037</u>	<u>20,284,037</u>	<u>22,640,348</u>	<u>2,356,311</u>
EXPENDITURES:				
Current:				
Highways and streets	148,087	3,426,674	3,211,529	(215,145)
Capital outlay	28,683,462	26,814,153	10,114,374	(16,699,779)
Total expenditures	<u>28,831,549</u>	<u>30,240,827</u>	<u>13,325,903</u>	<u>(16,914,924)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,547,512)</u>	<u>(9,956,790)</u>	<u>9,314,445</u>	<u>19,271,235</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(1,000,000)	-	-	-
Transfers out	(6,903,664)	(6,903,664)	(6,903,664)	-
Total other financing sources and uses	<u>(7,903,664)</u>	<u>(6,903,664)</u>	<u>(6,903,664)</u>	<u>-</u>
Net change in fund balances	(16,451,176)	(16,860,454)	2,410,781	19,271,235
Fund balances - beginning	30,334,168	30,334,168	34,071,327	3,737,159
Fund balances - ending	<u>\$ 13,882,992</u>	<u>\$ 13,473,714</u>	<u>\$ 36,482,108</u>	<u>\$ 23,008,394</u>

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 22,640,348
Differences - budget to GAAP:	
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	443,698
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 23,084,046</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison statement	\$ 13,325,903
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	1,871,252
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(1,988,706)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 13,208,449</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
OTHER GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Intergovernmental	\$ 12,670,755	\$ 12,670,755	\$ 8,903,513	\$ (3,767,242)
Charges for services	501,000	501,000	960,743	459,743
Fines and forfeitures	99,000	99,000	176,485	77,485
Investment earnings	105,481	105,481	298,956	193,475
Miscellaneous	357,949	357,949	389,616	31,667
Total revenues	<u>13,734,185</u>	<u>13,734,185</u>	<u>10,729,313</u>	<u>(3,004,872)</u>
EXPENDITURES:				
Current:				
General government	639,334	533,182	483,093	(50,089)
Culture and recreation	3,934,678	4,515,927	2,732,146	(1,783,781)
Public safety	4,199,549	6,273,872	2,110,774	(4,163,098)
Development services	1,650,634	2,025,756	801,787	(1,223,969)
Public works	-	-	113,059	113,059
Human services	5,114,654	4,951,786	1,272,938	(3,678,848)
Capital outlay	3,246,701	3,327,737	2,893,367	(434,370)
Total expenditures	<u>18,785,550</u>	<u>21,628,260</u>	<u>10,407,164</u>	<u>(11,221,096)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,051,365)</u>	<u>(7,894,075)</u>	<u>322,149</u>	<u>8,216,224</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	832,595	832,595
Contingencies	(2,500,000)	-	-	-
Transfers out	(226,683)	(226,683)	(253,438)	(26,755)
Total other financing sources and uses	<u>(2,726,683)</u>	<u>(226,683)</u>	<u>579,157</u>	<u>805,840</u>
Net change in fund balances	(7,778,048)	(8,120,758)	901,306	9,022,064
Fund balances - beginning	12,983,123	12,983,123	5,181,456	(7,801,667)
Fund balances - ending	<u>\$ 5,205,075</u>	<u>\$ 4,862,365</u>	<u>\$ 6,082,762</u>	<u>\$ 1,220,397</u>

**Explanation of differences between budgetary basis and GAAP revenues and expenditures
Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 10,729,313
Differences - budget to GAAP:	
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	4,787,982
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - governmental funds	<u>\$ 15,517,295</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison schedule	\$ 10,407,164
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(421,705)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	4,248,445
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 14,233,904</u>

The accompanying notes are an integral part of the financial statements



CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities		
	Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
ASSETS			
Current assets:			
Pooled cash and investments	\$ 97,927,577	\$ 20,101,626	\$ 10,292,238
Restricted pooled cash and investments	-	-	-
Restricted cash with fiscal agents	-	-	-
Accounts receivable, net	9,373,233	3,279,305	2,736,923
Leases receivable	-	-	-
Interest receivable	595,226	185,528	52,350
Loan receivable	1,224,546	-	-
Prepaid items	-	-	-
Supplies inventory	1,132,723	-	-
Total current assets	<u>110,253,305</u>	<u>23,566,459</u>	<u>13,081,511</u>
Non-current assets:			
Restricted assets:			
Cash with fiscal agents	1,858	1,901	-
Investments	5,997,430	8,969,371	-
Net restricted assets	<u>5,999,288</u>	<u>8,971,272</u>	<u>-</u>
Capital assets:			
Buildings and improvements	1,662,522	7,612,045	-
Distribution and collection systems	478,285,931	462,725,049	-
Water rights	12,889,809	-	-
Equipment & furniture	8,666,935	2,645,786	400,649
Vehicles	2,836,300	2,726,187	21,746,424
Lease assets	-	-	-
Intangible-SBITA	-	-	-
Less accumulated depreciation and amortization	(228,062,288)	(216,357,911)	(9,221,844)
Land and improvements	6,867,999	3,878,001	-
Construction in progress	79,786,414	72,692,668	-
Capital assets, net	<u>362,933,622</u>	<u>335,921,825</u>	<u>12,925,229</u>
Net other postemployment benefits asset	253,914	132,657	179,692
Total non-current assets	<u>369,186,824</u>	<u>345,025,754</u>	<u>13,104,921</u>
Total assets	<u>479,440,129</u>	<u>368,592,213</u>	<u>26,186,432</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	1,257,537	656,999	889,946
Excess consideration provided for acquisition	464,132	-	-
Total deferred outflows of resources	<u>1,721,669</u>	<u>656,999</u>	<u>889,946</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,396,205	3,899,856	401,889
Accrued payroll	279,007	132,964	174,004
Interest payable	883,260	476,846	-
Due to other governments	363,083	-	-
Customer deposits	2,341,576	-	-
Other liabilities	339,019	-	-
Current portion of claims payable	482,756	-	-
Current portion of compensated absences	521,033	271,605	307,660
Current portion of bonds & loans payable	6,204,822	3,459,423	-
Current portion of lease payable	-	-	-
Current portion of SBITA payable	-	-	-
Unearned revenue-other	4,593,964	-	-
Total current liabilities	<u>20,404,725</u>	<u>8,240,694</u>	<u>883,553</u>
Non-current liabilities:			
Long-term portion of claims payable	-	-	-
Long-term portion of compensated absences	595,289	258,219	343,737
Long-term portion of bonds & loans payable	54,938,854	22,322,791	-
Long-term portion of lease payable	-	-	-
Long-term portion of SBITA payable	-	-	-
Net pension and other postemployment benefits liabilities	6,588,668	3,442,240	4,662,733
Total non-current liabilities	<u>62,122,811</u>	<u>26,023,250</u>	<u>5,006,470</u>
Total liabilities	<u>82,527,536</u>	<u>34,263,944</u>	<u>5,890,023</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	553,410	289,130	391,643
Deferred inflows related to leases	-	-	-
Total deferred inflows of resources	<u>553,410</u>	<u>289,130</u>	<u>391,643</u>
NET POSITION			
Net investment in capital assets	304,166,052	311,079,412	12,925,229
Restricted:			
Capital projects	19,797,729	4,953,217	195
Facilities maintenance	-	-	-
Trust purpose	-	-	-
Net other postemployment benefits	253,914	132,657	179,692
Unrestricted	73,863,157	18,530,852	7,689,596
Total net position	<u>\$ 398,080,852</u>	<u>\$ 334,696,138</u>	<u>\$ 20,794,712</u>

(continued)

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.

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities			Governmental
	Major Enterprise Funds			Activities -
	Stadium	Storm Drain	Total	Internal
Fund	Utility Fund	Service Funds		
ASSETS				
Current assets:				
Pooled cash and investments	\$ 18,883,964	\$ 1,311,186	\$ 148,516,591	\$ 37,059,492
Restricted pooled cash and investments	-	-	-	22,322,690
Restricted cash with fiscal agents	-	-	-	328,242
Accounts receivable, net	5,904	182,683	15,578,048	137,716
Leases receivable	3,915,142	-	3,915,142	-
Interest receivable	171,977	5,257	1,010,338	576,360
Loan receivable	-	-	1,224,546	-
Prepaid items	-	-	-	4,956,387
Supplies inventory	-	-	1,132,723	326,061
Total current assets	<u>22,976,987</u>	<u>1,499,126</u>	<u>171,377,388</u>	<u>65,706,948</u>
Non-current assets:				
Restricted assets:				
Cash with fiscal agents	-	-	3,759	-
Investments	-	-	14,966,801	9,538,209
Net restricted assets	<u>-</u>	<u>-</u>	<u>14,970,560</u>	<u>9,538,209</u>
Capital assets:				
Buildings and improvements	70,823,207	-	80,097,774	148,102
Distribution and collection systems	-	127,539,220	1,068,550,200	-
Water rights	-	-	12,889,809	-
Equipment & furniture	2,383,254	140,938	14,237,562	27,194,339
Vehicles	181,551	626,644	28,117,106	46,290,199
Lease assets	12,868	-	12,868	-
Intangible-SBITA	-	-	-	3,876,760
Less accumulated depreciation and amortization	(38,930,310)	(54,378,195)	(546,950,548)	(59,129,855)
Land and improvements	6,703,349	1,375,175	18,824,524	-
Construction in progress	10,492,682	14,772,709	177,744,473	11,471,665
Capital assets, net	<u>51,666,601</u>	<u>90,076,491</u>	<u>853,523,768</u>	<u>29,851,210</u>
Net other postemployment benefits asset	45,061	9,119	620,443	321,159
Total non-current assets	<u>51,711,662</u>	<u>90,085,610</u>	<u>869,114,771</u>	<u>39,710,578</u>
Total assets	<u>74,688,649</u>	<u>91,584,736</u>	<u>1,040,492,159</u>	<u>105,417,526</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions and other postemployment benefits	223,170	45,165	3,072,817	1,590,575
Excess consideration provided for acquisition	-	-	464,132	-
Total deferred outflows of resources	<u>223,170</u>	<u>45,165</u>	<u>3,536,949</u>	<u>1,590,575</u>
LIABILITIES				
Current liabilities:				
Accounts payable	176,819	315,083	9,189,852	3,883,362
Accrued payroll	50,026	6,341	642,342	326,243
Interest payable	-	-	1,360,106	284,790
Due to other governments	884	-	363,967	-
Customer deposits	1,000	-	2,342,576	-
Other liabilities	-	-	339,019	47,442
Current portion of claims payable	-	-	482,756	7,914,708
Current portion of compensated absences	93,264	6,099	1,199,661	660,650
Current portion of bonds & loans payable	-	-	9,664,245	-
Current portion of lease payable	2,620	-	2,620	-
Current portion of SBITA payable	-	-	-	1,237,609
Unearned revenue-other	7,900	-	4,601,864	-
Total current liabilities	<u>332,513</u>	<u>327,523</u>	<u>30,189,008</u>	<u>14,354,804</u>
Non-current liabilities:				
Long-term portion of claims payable	-	-	-	1,930,388
Long-term portion of compensated absences	53,978	1,534	1,252,757	552,333
Long-term portion of bonds & loans payable	-	-	77,261,645	-
Long-term portion of lease payable	4,128	-	4,128	-
Long-term portion of SBITA payable	-	-	-	9,722,222
Net pension and other postemployment benefits liabilities	1,169,256	236,636	16,099,533	8,333,563
Total non-current liabilities	<u>1,227,362</u>	<u>238,170</u>	<u>94,618,063</u>	<u>20,538,506</u>
Total liabilities	<u>1,559,875</u>	<u>565,693</u>	<u>124,807,071</u>	<u>34,893,310</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions and other postemployment benefits	98,211	19,876	1,352,270	699,974
Deferred inflows related to leases	3,670,671	-	3,670,671	-
Total deferred inflows of resources	<u>3,768,882</u>	<u>19,876</u>	<u>5,022,941</u>	<u>699,974</u>
NET POSITION				
Net investment in capital assets	51,659,853	90,076,491	769,907,037	18,539,000
Restricted:				
Capital projects	15,651,917	-	40,403,058	-
Facilities maintenance	100,000	-	100,000	-
Trust purpose	-	-	-	22,730,292
Net other postemployment benefits	45,061	9,119	620,443	321,159
Unrestricted	2,126,231	958,722	103,168,558	29,824,366
Total net position	<u>\$ 69,583,062</u>	<u>\$ 91,044,332</u>	<u>914,199,096</u>	<u>\$ 71,414,817</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.			4,164,084	
			<u>\$ 918,363,180</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, 2025

	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	\$ 70,140,486	\$ 28,558,541	\$ 22,917,703
Rents	-	-	-
Intergovernmental	1,327,759	-	-
Miscellaneous	2,779,082	131,306	54,745
Total operating revenues	<u>74,247,327</u>	<u>28,689,847</u>	<u>22,972,448</u>
OPERATING EXPENSES			
Salaries, wages and employee benefits	8,566,486	4,812,187	6,208,605
Contractual services, materials and supplies	46,928,527	17,026,272	12,865,601
Insurance claims and expenses	-	-	-
Depreciation and amortization	14,570,148	12,494,915	1,769,172
Total operating expenses	<u>70,065,161</u>	<u>34,333,374</u>	<u>20,843,378</u>
Operating income (loss)	<u>4,182,166</u>	<u>(5,643,527)</u>	<u>2,129,070</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income(loss)	4,938,884	1,602,153	465,713
Interest expense	(1,564,046)	(660,589)	-
Gain (loss) on sale of capital assets	38,909	40,149	-
Total non-operating revenues (expenses)	<u>3,413,747</u>	<u>981,713</u>	<u>465,713</u>
Income (loss) before capital contributions and transfers	7,595,913	(4,661,814)	2,594,783
Capital contributions	22,706,758	8,800,908	-
Transfers in	2,130,133	3,572,513	-
Transfers out	(3,179,512)	(130,347)	(20,518)
Change in net position	<u>29,253,292</u>	<u>7,581,260</u>	<u>2,574,265</u>
Total net position - beginning	368,827,560	327,114,878	18,220,447
Total net position - ending	<u>\$ 398,080,852</u>	<u>\$ 334,696,138</u>	<u>\$ 20,794,712</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, 2025

	Business-type Activities		Total	Governmental
	Major Enterprise Funds			Activities -
	Stadium	Storm Drain		Internal
	Fund	Utility Fund		Service Funds
OPERATING REVENUES				
Charges for services	\$ 2,224,745	\$ 1,613,668	\$ 125,455,143	\$ 64,682,116
Rents	3,115,827	-	3,115,827	-
Intergovernmental	-	-	1,327,759	-
Miscellaneous	10,425	-	2,975,558	1,378,223
Total operating revenues	<u>5,350,997</u>	<u>1,613,668</u>	<u>132,874,287</u>	<u>66,060,339</u>
OPERATING EXPENSES				
Salaries, wages and employee benefits	1,483,062	291,586	21,361,926	10,702,052
Contractual services, materials and supplies	5,234,537	1,210,846	83,265,783	22,299,312
Insurance claims and expenses	-	-	-	29,817,247
Depreciation and amortization	2,175,645	3,121,487	34,131,367	6,515,067
Total operating expenses	<u>8,893,244</u>	<u>4,623,919</u>	<u>138,759,076</u>	<u>69,333,678</u>
Operating income (loss)	<u>(3,542,247)</u>	<u>(3,010,251)</u>	<u>(5,884,789)</u>	<u>(3,273,339)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income(loss)	847,674	39,128	7,893,552	3,212,761
Interest expense	(318)	-	(2,224,953)	(342,302)
Gain (loss) on sale of capital assets	-	-	79,058	183,280
Total non-operating revenues (expenses)	<u>847,356</u>	<u>39,128</u>	<u>5,747,657</u>	<u>3,053,739</u>
Income (loss) before capital contributions and transfers	(2,694,891)	(2,971,123)	(137,132)	(219,600)
Capital contributions	-	2,588,745	34,096,411	-
Transfers in	5,791,057	15,008,448	26,502,151	8,166,872
Transfers out	-	-	(3,330,377)	(64,693)
Change in net position	<u>3,096,166</u>	<u>14,626,070</u>	<u>57,131,053</u>	<u>7,882,579</u>
Total net position - beginning	66,486,896	76,418,262	857,068,043	63,532,238
Total net position - ending	<u>\$ 69,583,062</u>	<u>\$ 91,044,332</u>	914,199,096	<u>\$ 71,414,817</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			29,057	
Change in net position of business-type activities			<u>\$ 57,160,110</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, 2025**

	Business-type Activities		
	Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 73,207,584	\$ 28,480,122	\$ 22,645,128
Payments to suppliers	(42,678,843)	(14,504,875)	(4,566,301)
Payments to employees	(8,271,565)	(4,575,863)	(6,335,759)
Self-insurance costs	482,756	-	-
Payments to internal service funds	(3,596,479)	(1,831,655)	(8,199,908)
Net cash provided (used) by operating activities	<u>19,143,453</u>	<u>7,567,729</u>	<u>3,543,160</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	2,130,133	3,572,513	-
Transfers out	(3,179,512)	(130,347)	(20,518)
Net cash provided (used) by non-capital financing activities	<u>(1,049,379)</u>	<u>3,442,166</u>	<u>(20,518)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(13,233,964)	(19,458,773)	(3,654,582)
Proceeds from disposal of capital assets	12,955	9,000	582,853
Capital contributions	9,095,693	2,607,173	-
Prepayment of long-term liabilities	(1,224,546)	-	-
Principal payments on long-term liabilities	(5,975,961)	(3,287,592)	-
Interest paid on long-term liabilities	(2,041,509)	(1,118,229)	-
Net cash provided (used) by capital and related financing activities	<u>(13,367,332)</u>	<u>(21,248,421)</u>	<u>(3,071,729)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(4,407,665)	(4,699,081)	-
Proceeds from sale of investments	4,107,721	4,379,841	-
Interest received on investments	4,807,381	1,692,308	460,338
Net cash provided (used) by investing activities	<u>4,507,437</u>	<u>1,373,068</u>	<u>460,338</u>
Net increase (decrease) in cash and cash equivalents	9,234,179	(8,865,458)	911,251
Cash and cash equivalents at beginning of year	88,695,256	28,968,985	9,380,987
Cash and cash equivalents at end of year	<u>\$ 97,929,435</u>	<u>\$ 20,103,527</u>	<u>\$ 10,292,238</u>
Classified as:			
Cash and cash equivalents	\$ 97,927,577	\$ 20,101,626	\$ 10,292,238
Restricted pooled cash and investments			
Restricted cash with fiscal agents	1,858	1,901	-
Totals	<u>\$ 97,929,435</u>	<u>\$ 20,103,527</u>	<u>\$ 10,292,238</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, 2025**

	Business-type Activities Major Enterprise Funds		Total	Governmental Activities - Internal
	Stadium Fund	Storm Drain Utility Fund		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 6,816,472	\$ 1,610,407	\$ 132,759,713	\$ 65,978,837
Payments to suppliers	(5,465,207)	(641,702)	(67,856,928)	(26,217,419)
Payments to employees	(2,006,423)	(317,538)	(21,507,148)	(11,076,750)
Self-insurance costs	-	-	482,756	(30,171,410)
Payments to internal service funds	(581,406)	(303,807)	(14,513,255)	-
Net cash provided (used) by operating activities	<u>(1,236,564)</u>	<u>347,360</u>	<u>29,365,138</u>	<u>(1,486,742)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	5,791,057	15,008,448	26,502,151	8,166,872
Transfers out	-	-	(3,330,377)	(64,693)
Net cash provided (used) by non-capital financing activities	<u>5,791,057</u>	<u>15,008,448</u>	<u>23,171,774</u>	<u>8,102,179</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(4,694,489)	(14,281,738)	(55,323,546)	(14,369,141)
Proceeds from disposal of capital assets	-	-	604,808	193,231
Capital contributions	-	-	11,702,866	-
	-	-	(1,224,546)	-
Principal payments on long-term liabilities	(2,521)	-	(9,266,074)	8,512,584
Interest paid on long-term liabilities	(318)	-	(3,160,056)	(81,496)
Net cash provided (used) by capital and related financing activities	<u>(4,697,328)</u>	<u>(14,281,738)</u>	<u>(56,666,548)</u>	<u>(5,744,822)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	(9,106,746)	(4,351,275)
Proceeds from sale of investments	-	-	8,487,562	3,831,145
Interest received on investments	809,082	37,251	7,806,360	3,142,446
Net cash provided (used) by investing activities	<u>809,082</u>	<u>37,251</u>	<u>7,187,176</u>	<u>2,622,316</u>
Net increase (decrease) in cash and cash equivalents	666,247	1,111,321	3,057,540	3,492,931
Cash and cash equivalents at beginning of year	18,217,717	199,865	145,462,810	56,217,493
Cash and cash equivalents at end of year	<u>\$ 18,883,964</u>	<u>\$ 1,311,186</u>	<u>\$ 148,520,350</u>	<u>\$ 59,710,424</u>
Classified as:				
Cash and cash equivalents	\$ 18,883,964	\$ 1,311,186	\$ 148,516,591	\$ 37,059,492
Restricted pooled cash and investments	-	-	-	22,322,690
Restricted cash with fiscal agents	-	-	3,759	328,242
Totals	<u>\$ 18,883,964</u>	<u>\$ 1,311,186</u>	<u>\$ 148,520,350</u>	<u>\$ 59,710,424</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, 2025**

	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)	\$ 4,182,166	\$ (5,643,527)	\$ 2,129,070
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	14,570,148	12,494,915	1,769,172
(Increase) decrease in assets/deferred outflows:			
Accounts receivable	(1,212,166)	(209,725)	(327,320)
Leases receivable	-	-	-
Prepaid items	1,211,445	-	-
Supplies inventory	(224,478)	-	-
Net other postemployment benefits asset	(42,599)	(24,835)	(18,074)
Deferred outflows - pension and other postemployment benefits	(416,019)	(227,617)	(246,335)
Increase (decrease) in liabilities/deferred inflows:			
Accounts payable	(848,258)	1,426,720	99,392
Accrued payroll	83,178	31,252	20,043
Due to other governments	175,476	-	-
Other liabilities	339,019	(736,978)	-
Deposits payable	172,423	-	-
Claims payable	482,756	-	-
Unearned revenue - other	-	-	-
Compensated absences	151,463	105,594	128,373
Net pension and other post employment benefit liability	367,567	267,959	(95,288)
Deferred inflows - pension and other postemployment benefits	151,331	83,971	84,127
Deferred inflows - leases	-	-	-
Total adjustments	<u>14,961,287</u>	<u>13,211,256</u>	<u>1,414,090</u>
Net cash provided (used) by operating activities	<u>\$ 19,143,453</u>	<u>\$ 7,567,729</u>	<u>\$ 3,543,160</u>
Non-cash investing, capital and financing activities:			
Capital assets acquired through contributions from developers and City governmental funds	\$ 13,449,142	\$ 6,193,735	\$ -
Change in balances of capital accounts payable or retainage payable	(326,924)	(2,429,970)	(192,076)
Change in fair value of investments	1,195,393	483,800	130,820
Total non-cash investing, capital and financing activities	<u>\$ 14,317,611</u>	<u>\$ 4,247,565</u>	<u>\$ (61,256)</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, 2025**

	<u>Business-type Activities</u> <u>Major Enterprise Funds</u>		<u>Total</u>	<u>Governmental</u> <u>Activities -</u> <u>Internal</u>
	<u>Stadium</u> <u>Fund</u>	<u>Storm Drain</u> <u>Utility Fund</u>		<u>Service Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (3,542,247)	\$ (3,010,251)	\$ (5,884,789)	\$ (3,273,339)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,175,645	3,121,487	34,131,367	6,515,067
(Increase) decrease in assets/deferred outflows:				
Accounts receivable	1,553,019	(3,261)	(199,453)	(81,502)
Leases receivable	(15,430)	-	(15,430)	-
Prepaid items	-	-	1,211,445	(4,574,700)
Supplies inventory	-	-	(224,478)	(28,009)
Net other postemployment benefits asset	9,791	(1,376)	(77,093)	(35,124)
Deferred outflows - pension and other postemployment benefits	(4,730)	(14,333)	(909,034)	(451,495)
Increase (decrease) in liabilities/deferred inflows:				
Accounts payable	(805,249)	265,337	137,942	684,602
Accrued payroll	(10,674)	(743)	123,056	38,174
Due to other governments	(6,827)	-	168,649	-
Other liabilities	-	-	(397,959)	46,773
Deposits payable	-	-	172,423	-
Claims payable	-	-	482,756	(354,163)
Unearned revenue - other	(17,654)	-	(17,654)	-
Compensated absences	(65,992)	(23,337)	296,101	(41,452)
Net pension and other post employment benefit liability	(445,598)	8,694	103,334	(87,296)
Deferred inflows - pension and other postemployment benefits	(6,158)	5,143	318,414	155,722
Deferred inflows - leases	(54,460)	-	(54,460)	-
Total adjustments	<u>2,305,683</u>	<u>3,357,611</u>	<u>35,249,927</u>	<u>1,786,597</u>
Net cash provided (used) by operating activities	<u>\$ (1,236,564)</u>	<u>\$ 347,360</u>	<u>\$ 29,365,138</u>	<u>\$ (1,486,742)</u>
Non-cash investing, capital and financing activities:				
Capital assets acquired through contributions from developers and City governmental funds	\$ -	\$ 2,588,745	\$ 22,231,622	\$ -
Change in balances of capital accounts payable or retainage payable	-	-	(2,948,970)	(349,392)
Change in fair value of investments	63,549	5,496	1,879,058	132,522
Total non-cash investing, capital and financing activities	<u>\$ 63,549</u>	<u>\$ 2,594,241</u>	<u>\$ 21,161,710</u>	<u>\$ (216,870)</u>

(concluded)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Custodial Funds
ASSETS	
Pooled cash and investments	\$ 224,825
Interest receivable	1,033
Total assets	225,858
LIABILITIES	
Accounts payable	3,863
Total liabilities	3,863
NET POSITION	
Restricted for:	
Individuals and organizations	221,901
Other governments	94
Total net position	\$ 221,995

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	Total Custodial Funds
ADDITIONS	
Contributions:	
Individuals	\$ 94,535
Investment earnings:	
Interest	7,358
Total additions	101,893
DEDUCTIONS	
Recipient payments	78,792
Total deductions	78,792
Change in net position	23,101
Net position - beginning of the year	198,894
Net position - end of the year	\$ 221,995

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.

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CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 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. All of the outstanding debt of the Authority will be repaid by revenues of the City. No separate financial statements are prepared for the Authority.

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, 2025

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.

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.

Saddleback Community Facilities Districts

The Saddleback Community Facilities Districts (Saddleback) were formed by petition to the City Council in 2025. Five separate districts were created to support the Saddleback Master plan. Saddleback's purpose is to acquire or construct public infrastructure in a specified area of the City. As special purpose districts and separate political subdivisions under the Arizona Constitution, Saddleback can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for Saddleback's property taxes, and thus for the costs of operating the districts. The City Council serves as the Board of Directors of Saddleback and City management has operational responsibility for Saddleback districts. The City has no liability for the district's debt. For reporting purposes, the transactions of Saddleback are included as governmental funds as if they were part of the City's operations.

City of Peoria Employee Benefit Trust

The City of Peoria Employee Benefit Trust (the EBT Trust) was formed by petition to the City Council on January 1, 2010. The EBT 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 EBT Trust. For financial reporting purposes, the transactions of the EBT Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

City of Peoria Workers' Compensation Trust

The City of Peoria Workers' Compensation Trust (the WC Trust) was formed by petition to the City Council in 2009. The WC 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 WC Trust. For financial reporting purposes, the transactions of the WC 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, Vistancia North, Mystic, and the two trusts. 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.

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.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The *Other Grants 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 *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 *Non-Bond Capital Projects 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.

The *General Obligation (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 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.

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 and use the economic resources measurement focus. The City currently maintains 2 fiduciary 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.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.

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.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

- 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 fiduciary funds, have legally adopted budgets. Formal integration of these budgets into the City's financial systems is employed as a management control device during the year for all funds.

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.

Lease receivables are calculated as the net present value of future lease payments for the term of the lease as defined by GASB Statement #87.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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. The cost of a prepaid item is recorded as an expense when consumed rather than purchased.

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.

V. Capital Assets

Capital assets, which include property, plant, equipment, right of use leased and subscription assets, 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
Right to use lease assets	Varies
Right to use SBITA	Varies

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.

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 allowed accrued leave is 360 hours for permanent employees and 504 hours for Fire department employees. Employees are allowed to count in service years from other PSPRS or ASRS employers. 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.

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.

In accordance with GASB Statement No. 101, Compensated Absences, the City also recognizes a liability for unused sick leave that is expected to be used rather than forfeited, based on historical usage patterns.

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 assets 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 assets 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, unavailable revenue reported from property taxes and grant or intergovernmental revenues in the balance sheet of governmental funds, and deferred inflows from leases in both reports.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025

XII. Interfund Transactions

Interfund transactions, consisting of services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as a reimbursement reducing expenditures in the fund performing the services, except for utility services provided to other City departments, which are recorded as revenue in the Utility Enterprise funds. In addition, transfers are made between funds to shift resources from a fund legally authorized to receive revenue to a fund authorized to expend the revenue.

XIII. 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, 2025:

- 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.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

- 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.
- 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, 2025, no tax abatement agreements were noted that were applicable to fiscal year 2025.

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, 2025 was \$1,417,076. The RWC Annual Comprehensive Financial Statement is available from the Regional Wireless Cooperative, 200 West Washington Street, 12th Floor, Phoenix, Arizona, 85003-1611.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.

J. Leases and subscription-based information technology arrangements

Leases

As lessee, the City recognizes lease liabilities with an initial, individual value of \$100,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City’s estimated incremental borrowing rate is based on the average of recently issued debt.

As lessor, the City recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The City’s estimated incremental borrowing rate is calculated as described above.

Subscription-based information technology arrangements

The City recognizes subscription liabilities with an initial, individual value of \$100,000 or more. The City uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The City’s estimated incremental borrowing rate is calculated as described above.

K. New Accounting Principles

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
101	Compensated Absences	The requirements of this Statement were implemented in fiscal year ending June 30, 2025 and resulted in no impact on beginning balances.
102	Certain Risk Disclosures	The requirements of this Statement were implemented in fiscal year ending June 30, 2025 and resulted in no impact on beginning balances.
103	Financial Reporting Model Improvements	The requirements of this Statement are effective for the fiscal year that ends June 30, 2026.
104	Disclosure of Certain Capital Asset Disclosures	The requirements of this Statement are effective for the fiscal year that ends June 30, 2026.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025, the carrying amount of the City's deposits was \$44,975,233 and the bank balance was \$43,847,638. 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 \$1,127,595 represents deposits in transit, outstanding checks and other reconciling items.

The City's cash with fiscal agent balance at June 30, 2025 was \$15,633. The City maintains cash on hand balances in the form of petty cash and change funds. At June 30, 2025, the total amount of these balances was \$8,455.

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, 2025, 38.4% 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 A-/A3 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, 2025, the City's investments include \$30.3 million in Commercial Paper and \$158.5 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	A-1+ to AA+
Commercial Paper	A-1 to A-1+
Corporate Bonds	BBB+ to AA+
Asset Backed Securities	AAA

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, 2025, the City's investments include 49.2% in U.S. Treasury Notes, 22.8% in Corporate securities, 14.5% in Money Market Investments, 5.8% in Asset Backed Securities, 4.4% in Commercial Paper, 1.6% in the State of Arizona local government investment pool, 1.5% in U.S. Agency Coupon securities, and 0.2% in Bank Notes.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

There were no investments in any one issuer, excluding U.S. governments that represent 5% or more of total City investments.

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.

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, 2025:

- 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)
- All asset backed securities 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, 2025, the City's total investments of \$695,687,735 included the following:

	Investment Maturities in Years					Fair Value
	Less than 1	1-2	2-3	3-4	Over 4	
<u>Investments:</u>						
U.S Treasury notes	\$ 100,590,351	\$ 28,665,177	\$ 59,154,063	\$ 99,545,828	\$ 54,418,975	\$ 342,374,394
Bank note	-	1,209,459	-	-	-	\$ 1,209,459
Agency coupon securities	10,176,408	-	-	-	-	10,176,408
Commercial paper	30,324,932	-	-	-	-	30,324,932
Corporate notes	13,690,892	30,784,509	69,293,510	38,101,499	6,597,975	158,468,385
Asset Backed Securities	-	1,608,586	13,270,097	10,117,231	15,864,439	40,860,353
Mutual fund-money market	101,117,952	-	-	-	-	101,117,952
State of Arizona LGIP	11,155,852	-	-	-	-	11,155,852
Total Investments	\$ 267,056,387	\$ 62,267,731	\$ 141,717,670	\$ 147,764,558	\$ 76,881,389	\$ 695,687,735

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

At June 30, 2025, the following funds reported a deficit in fund balance/net position.

- Non-Major Governmental Fund: Non-Bond Debt Service Fund

The Non-Bond Debt Service Fund deficit resulted from the timing of debt service transfers into the fund and the debt service payments being made out of the fund.

For the year ended June 30, 2025, 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, 2025

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, 2025.

Fund	Receivables	Allowance	Net
Governmental activities:			
General fund	\$ 20,121,533	\$ 6,621,735	\$ 13,499,798
Highway user revenue fund	426,481	-	426,481
Transportation sales tax fund	1,836,164	-	1,836,164
GO bond debt service fund	136,898	136,898	-
Other grants fund	4,775,799	967,965	3,807,834
Other governmental funds	398,040	12,734	385,306
Total governmental funds	27,694,915	7,739,332	19,955,583
 Internal service funds	 137,716	 -	 137,716
 Business-type activities:			
Water utility fund	9,725,697.00	352,464.00	9,373,233.00
Wastewater utility fund	3,500,517	221,212	3,279,305
Solid waste utility fund	2,867,766	130,843	2,736,923
Stadium fund	5,904	-	5,904
Storm drain utility fund	202,491	19,808	182,683
Total enterprise funds	16,302,375	724,327	15,578,048
Grand totals	\$ 44,135,006	\$ 8,463,659	\$ 35,671,347

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, 2025, significant receivables due to the City included \$1,510,421 from the State of Arizona for State Shared Sales Tax revenues recorded in the General fund, \$1,486,130 from the State of Arizona for Highway User Revenue Fees recorded in the Highway User Revenue Fund, \$1,240,197 from the State of Arizona for WIFA water structure grants, \$1,231,187 for WIFA AMI meter system infrastructure grants, and \$1,224,546 for WIFA loan receivable. 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, 2025

6. CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2025, follows:

	Balances June 30, 2024	Additions/ Transfers In	Disposals/ Transfers Out	Balances June 30, 2025
Governmental Activities:				
Non-depreciable assets:				
Work in progress	\$ 44,049,553	\$ 55,233,607	\$ (14,736,746)	\$ 84,546,414
Land	456,198,377	11,800,541	(2,610,813)	465,388,105
Intangible asset-SBITA	-	11,471,665	-	11,471,665
Total non-depreciable assets	<u>500,247,930</u>	<u>78,505,813</u>	<u>(17,347,559)</u>	<u>561,406,184</u>
Depreciable and amortizable assets:				
Buildings & improvements	205,991,298	2,140,462	-	208,131,760
Equipment; furniture	48,006,222	678,382	-	48,684,604
Vehicles	39,796,321	12,674,166	(2,581,683)	49,888,804
Street system	549,647,311	28,039,583	(21,650,892)	556,036,002
Park system	145,569,677	1,864,468	-	147,434,145
Lease equipment; furniture	5,808,734	-	-	5,808,734
Lease property	880,394	-	-	880,394
Intangible asset-SBITA	6,844,936	2,816,517	(505,506)	9,155,947
Total depreciable and amortizable assets at historical cost	<u>1,002,544,893</u>	<u>48,213,578</u>	<u>(24,738,081)</u>	<u>1,026,020,390</u>
Less accum. depreciation:				
Buildings & improvements	(106,133,850)	(5,215,910)	-	(111,349,760)
Equipment; furniture	(44,418,114)	(1,957,446)	-	(46,375,560)
Vehicles	(28,934,907)	(4,911,526)	2,571,732	(31,274,701)
Street system	(278,674,828)	(26,753,963)	21,650,892	(283,777,899)
Park system	(50,105,510)	(3,665,238)	-	(53,770,748)
Less accum. amortization:				
Lease equipment; furniture	(658,007)	(711,867)	-	(1,369,874)
Intangible asset-SBITA	(2,193,187)	(2,166,773)	505,506	(3,854,454)
Total accumulated depreciation and amortization	<u>(511,118,403)</u>	<u>(45,382,723)</u>	<u>24,728,130</u>	<u>(531,772,996)</u>
Total depreciable assets, net	<u>491,426,490</u>	<u>2,830,855</u>	<u>(9,951)</u>	<u>494,247,394</u>
Governmental activities capital assets, net	<u>\$ 991,674,420</u>	<u>\$ 81,336,668</u>	<u>\$ (17,357,510)</u>	<u>\$ 1,055,653,578</u>

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Balances June 30, 2024	Additions/ Transfers In	Disposals/ Transfers Out	Balances June 30, 2025
Business-type Activities:				
Non-depreciable assets:				
Work in progress	\$ 158,768,350	\$ 46,636,551	\$ (27,660,428)	\$ 177,744,473
Land	18,824,524			18,824,524
Total non-depreciable assets	<u>177,592,874</u>	<u>46,636,551</u>	<u>(27,660,428)</u>	<u>196,568,997</u>
Depreciable assets:				
Buildings & improvements	80,097,774			80,097,774
Equipment; furniture	23,255,389	987,409	(10,005,236)	14,237,562
Vehicles	24,131,631	7,234,313	(3,248,838)	28,117,106
Surface water system	124,472,100	3,067,120		127,539,220
Water rights	12,889,809			12,889,809
Water system	464,710,327	27,240,847	(13,665,243)	478,285,931
Wastewater system	446,174,324	17,100,387	(549,662)	462,725,049
Lease equipment; furniture	12,868	-	-	12,868
Total depreciable assets at historical cost	<u>1,175,744,222</u>	<u>55,630,076</u>	<u>(27,468,979)</u>	<u>1,203,905,319</u>
Less accum. depreciation:				
Buildings & improvements	(38,970,272)	(2,279,852)		(41,250,124)
Equipment; furniture	(20,890,624)	(524,107)	10,005,236	(11,409,495)
Vehicles	(12,869,965)	(2,213,518)	2,723,087	(12,360,396)
Surface water system	(51,037,971)	(3,069,523)		(54,107,494)
Water rights*	(4,382,594)	(257,901)		(4,640,495)
Water system	(214,667,719)	(13,528,836)	13,665,243	(214,531,312)
Wastewater system	(197,248,824)	(11,945,635)	549,662	(208,644,797)
Less accum. amortization:				-
Lease assets	(3,861)	(2,574)		(6,435)
Total accumulated Depreciation/amortization	<u>(540,071,830)</u>	<u>(33,821,946)</u>	<u>26,943,228</u>	<u>(546,950,548)</u>
Total depreciable/amortizable assets, net	<u>635,672,392</u>	<u>21,808,130</u>	<u>(525,751)</u>	<u>656,954,771</u>
Business-type activities capital assets, net	<u>\$ 813,265,266</u>	<u>\$ 68,444,681</u>	<u>\$ (28,186,179)</u>	<u>\$ 853,523,768</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
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 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Governmental activities:		Business-type activities:	
General government	\$ 5,528,068	Water utility *	\$ 14,260,727
Culture and recreation	6,774,218	Wastewater utility	12,494,915
Public safety	6,224,954	Storm drain utility	3,121,487
Development services	111,761	Stadium	2,175,645
Highway and streets	26,409,424	Solid waste	<u>1,769,172</u>
Public works	156,553		
Human services	<u>177,745</u>		
Total depreciation and amortization expense	<u>\$ 45,382,723</u>	Total depreciation and amortization expense	<u>\$ 33,821,946</u>

* Excludes amortization of goodwill of \$309,421.

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 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. Excise Tax/State Shared Revenue Obligations

Excise tax/state shared revenue obligations are issued for the construction, acquisition, and equipping of infrastructure, municipal facilities and other capital improvement projects. The obligations are backed by excise tax and state shared revenues that are not restricted by law or other regulation to be expended for other purposes.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, as part of the issuance in fiscal year 2021, the 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 and tax-exempt general obligation bonds of \$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. VNCFD issued short-term taxable general obligation bonds of \$15,987 and \$18,950 in fiscal year 2022 and 2023, respectively. In fiscal year 2025, VNCFD issued tax-exempt general obligation bonds of \$5,080,000.

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. MCFD issued a short-term taxable general obligation bond of \$56,572 in fiscal year 2022 and tax exempt general obligation bonds of \$3,625,000 and \$1,730,000 in fiscal years 2023 and 2025 respectively.

The City Council formed the Saddleback Community Facilities Districts 1, 2, 4 and 5 (SCFD) in June 2025, SCFD 3 was created in August 2025. In September 2025, the SCFDs were authorized through an election to issue up to \$35,000,000, \$75,000,000, \$70,000,000, \$75,000,000, and \$45,000,000 of general obligation bonds in SCFD 1 through 5 respectively to construct public infrastructure within the districts.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 \$35,190,000 in Revenue Refunding Bonds issued in 2020, \$28,955,000 in Revenue Refunding Bonds issued in 2022 and \$115,548,330 in Water Infrastructure Financing Authority loans issued between 2009-2024. 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. At June 30, 2025, \$82,721,212 in bonds and loans remain outstanding to be repaid by future water and wastewater revenues. For the fiscal year ended June 30, 2025, the pledged revenues, net of operating expenses available for service of this debt were \$39,839,023. The debt principal and interest paid on this debt in fiscal year 2025 was \$12,709,535, net of amortized premium.

The City has pledged certain revenues to repay \$3,220,000 of Pledged Excise Tax 2018 Refunding Obligations and \$21,495,000 of Pledged Excise Tax 2022 Refunding Obligations. Pledged revenues for these obligations include excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes. At June 30, 2025, \$445,000 of the Pledged Excise Tax 2018 Obligation and \$16,810,000 of the Pledged Excise Tax 2022 Obligations 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, 2025, the pledged revenues, net of operating expenses available to service this debt were \$248,923,264. The debt principal and interest paid on this debt in fiscal year 2025 was \$3,502,742.

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, 2025, \$3,415,000 of the Pledged Transportation 2018 obligations remained outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2025, the pledged revenues, net of operating expenses available to service this debt were \$268,504,568. The debt principal and interest paid on this debt in fiscal year 2024 was \$3,503,665.

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.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

G. Tables

The following schedule summarizes the City's long-term liability activity for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 156,295,000	\$ 87,055,000	\$ 13,560,000	\$ 229,790,000	\$ 18,110,000
General obligation WIFA loans	14,582,003	1,458,789	967,862	15,072,930	985,152
Excise tax revenue obligations	18,965,000	-	2,155,000	16,810,000	2,260,000
Direct purchase and loan obligations	11,799,618	-	4,028,267	7,771,351	4,088,633
CFD bonds	18,835,000	6,810,000	4,400,000	21,245,000	4,670,000
Total bonds payable	<u>220,476,621</u>	<u>95,323,789</u>	<u>25,111,129</u>	<u>290,689,281</u>	<u>30,113,785</u>
Net pension and other					
postemployment benefits liability	133,834,409	1,690,517	13,852,069	121,672,857	-
Compensated absences*	20,245,635	807,769	-	21,053,404	10,266,195
Claims payable	10,199,259	24,580,035	24,934,198	9,845,096	7,914,708
Leases payable	6,014,307	-	629,173	5,385,134	655,480
SBITA payable	4,003,815	10,746,348	2,125,028	12,625,135	2,150,695
Deferred bond premium	14,900,577	2,789,965	2,145,420	15,545,122	-
Governmental activities totals	<u>\$409,674,623</u>	<u>\$135,938,423</u>	<u>\$ 68,797,017</u>	<u>\$ 476,816,029</u>	<u>\$ 51,100,863</u>
Business-type activities:					
Bonds and loans payable:					
Revenue bonds	\$ 49,730,000	\$ -	\$ 5,975,000	\$ 43,755,000	\$ 6,280,000
WIFA loans	42,254,767	1,224,546	4,513,100	38,966,213	3,384,245
Net pension and other					
postemployment benefits liability	15,996,199	103,334	-	16,099,533	-
Compensated absences*	2,156,318	296,100	-	2,452,418	1,199,661
Claims payable	-	482,756	-	482,756	482,756
Leases payable	9,269	-	2,521	6,748	2,620
Deferred bond premium	4,962,634	-	757,957	4,204,677	-
Business-type activities totals	<u>\$115,109,187</u>	<u>\$ 2,106,736</u>	<u>\$ 11,248,578</u>	<u>\$ 105,967,345</u>	<u>\$ 11,349,282</u>

* Additions and Reductions of compensated absences presented as net change in the liability

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Bonds and loans payable at June 30, 2025 are comprised of the following:

<u>Governmental Activities Debt</u>				
<u>General Obligation Bonds</u>	<u>Maturity Dates</u>	<u>Net Interest Rate</u>	<u>Issue Amount</u>	<u>Outstanding June 30, 2025</u>
Series 2012A	7/1/12-32	3.32	\$ 14,715,000	\$ 6,815,000
Series 2015A	7/15/16-35	2.98	30,325,000	19,415,000
Series 2015B	7/15/16-28	2.29	66,425,000	21,465,000
Series 2019	7/15/19-39	2.65	30,420,000	23,140,000
Series 2021	7/15/22-41	1.72	55,880,000	50,190,000
Series 2022	7/15/23-42	3.99	23,810,000	21,710,000
Series 2025	7/15/25-50	4.39	87,055,000	87,055,000
Total General Obligation Bonds			<u>\$ 308,630,000</u>	<u>\$ 229,790,000</u>
<u>WIFA General Obligation Loans</u>				
WIFA Series 2019	7/1/20-39	1.6	\$ 6,288,130	\$ 4,119,269
WIFA Series 2021	7/1/22-41	1.85	14,094,155	10,953,661
Total WIFA General Obligations			<u>\$ 20,382,285</u>	<u>\$ 15,072,930</u>
<u>Excise Tax/State Shared Revenue Obligations</u>				
Series 2022	7/15/22-32	2.73	\$ 21,495,000	\$ 16,810,000
Total Direct Purchase and Loan Obligations			<u>\$ 21,495,000</u>	<u>\$ 16,810,000</u>
<u>Direct Purchase and Loan Obligations</u>				
Taxable NCREBs	9/1/1937	4.23	\$ 5,199,304	\$ 3,911,351
Pledged Excise 2018	7/15/2025	2.01	3,220,000	445,000
Pledged Transportation 2018	1/15/2026	1.97	25,755,000	3,415,000
Total Direct Purchase and Loan Obligations			<u>\$ 34,174,304</u>	<u>\$ 7,771,351</u>
<u>Community Facility District Bonds</u>				
VCFD – Series 2020	7/15/21-26	0.87	\$ 22,725,000	\$ 8,080,000
VWCFD – Series 2016	7/15/18-29	4.15	3,000,000	1,455,000
VWCFD – Series 2019	7/15/20-29	4.00	2,590,000	1,440,000
VNCFD - Series 2024	7/15/25-49	4.93	5,080,000	5,080,000
MCFD – Series 2023	7/15/23-47	4.36	3,625,000	3,460,000
MCFD – Series 2025	7/15/25-47	4.95	1,730,000	1,730,000
Total Community Facility District Bonds			<u>\$ 38,750,000</u>	<u>\$ 21,245,000</u>

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025</u>
WWW Series 2020	7/15/21-29	0.53	\$ 35,190,000	\$ 16,475,000
WWW Series 2022	7/15/23-42	3.78	28,955,000	27,280,000
Total Revenue Bonds			<u>\$ 64,145,000</u>	<u>\$ 43,755,000</u>

WIFA Loans

WIFA Series 2009	7/1/10-29	3.27	\$ 4,371,597	\$ 1,250,023
WIFA Series 2015	7/15/16-35	2.40	14,000,000	8,510,547
WIFA Series 2017	7/15/18-36	2.65	45,525,775	29,205,643
WIFA Series 2023	9/15/23-43	3.34	35,075,000	-
Total WIFA loans			<u>\$ 98,972,372</u>	<u>\$ 38,966,213</u>

The following table discloses the bond debt service requirements as of June 30, 2025, segregating principal and interest, for the next five years and in five-year increments thereafter.

Fiscal year	Governmental Activities*				Business-type Activities*	
	Bonds and General Obligation Loans		Notes from Direct Borrowings and Direct Placements		Principal	Interest
	Principal	Interest	Principal	Interest		
2026	\$ 26,025,152	\$ 9,185,769	\$ 4,088,633	\$ 234,789	\$ 11,454,523	\$ 4,331,591
2027	23,067,753	9,553,083	239,328	153,258	11,935,997	3,860,022
2028	15,105,669	8,835,123	250,360	143,018	10,442,017	3,455,739
2029	15,733,907	8,218,197	261,738	132,308	7,930,965	3,154,247
2030	13,537,471	7,622,137	273,473	121,113	7,373,901	2,892,984
2031-2035	65,942,685	29,864,927	1,556,554	419,574	36,800,166	10,956,684
2036-2040	58,459,358	18,938,149	1,101,265	78,811	29,036,348	5,324,631
2041-2045	36,310,809	10,227,198	-	-	18,178,633	1,166,590
2046-2050	26,875,000	4,322,451	-	-	-	-
2051	5,530,000	124,425	-	-	-	-
Totals	<u>\$ 286,587,804</u>	<u>\$ 106,891,459</u>	<u>\$ 7,771,351</u>	<u>\$ 1,282,871</u>	<u>\$ 133,152,550</u>	<u>\$ 35,142,488</u>

*Includes required principal and estimated interest payments for approved WIFA loans that have not fully drawn as of 6/30/25, the principal payments are contractual and the loans are expected to draw in FY2026.

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.

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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 \$4,000,000 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 \$25,000 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 \$2,250,000 per claim for both public safety employees and for all other employees up to an aggregate stop loss of \$5,000,000 for fiscal year 2025. 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.

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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 \$9,845,096 reported in the Self-Insurance Fund at June 30, 2025, 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 \$1,789,685 for liability/property claims, \$6,128,761 for workers' compensation claims and \$1,926,650 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 2024:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 1,206,273	\$ 2,444,882	\$ (1,306,586)	\$ 2,344,569
Workers' comp	6,248,614	1,073,033	(1,331,491)	5,990,156
Health insurance	1,687,988	20,252,586	(20,076,040)	1,864,534
	<u>\$ 9,142,875</u>	<u>\$ 23,770,501</u>	<u>\$ (22,714,117)</u>	<u>\$ 10,199,259</u>

Fiscal Year 2025:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 2,344,569	\$ 1,385,213	\$ (1,940,097)	\$ 1,789,685
Workers' comp	5,990,156	1,196,811	(1,058,206)	6,128,761
Health insurance	1,864,534	21,998,011	(21,935,895)	1,926,650
	<u>\$ 10,199,259</u>	<u>\$ 24,580,035</u>	<u>\$ (24,934,198)</u>	<u>\$ 9,845,096</u>

9. LEASES

A. City as Lessee

The City has entered into lease agreements for trash compactors and body cameras. Lease terms were five to ten years. The City also entered into a sublease agreement for the right to use hanger space with a lease term of ten years. The lease assets are presented in the Government-wide financial statements and listed separately in Note 6.

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The total amount of lease assets and the related accumulated amortization are as follows:

	Governmental Activities	Business-type Activities
Total intangible right-to-use lease assets	\$ 6,689,128	\$ 12,868
Less: accumulated amortization	(1,369,874)	(6,435)
Carrying Value	<u>\$ 5,319,254</u>	<u>\$ 6,433</u>

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2025:

Fiscal year	Governmental Activities		Business-type Activities*	
	Principal	Interest	Principal	Interest
2026	\$ 655,480	\$ 164,797	\$ 2,620	\$ 218
2027	679,590	144,564	2,725	113
2028	704,627	123,597	1,403	16
2029	732,356	101,816	-	-
2030	761,150	79,177	-	-
2031-2035	1,851,931	92,866	-	-
Totals	<u>\$ 5,385,134</u>	<u>\$ 706,817</u>	<u>\$ 6,748</u>	<u>\$ 347</u>

B. City as Lessor

In 2005, the City leased property and two office buildings in the P83 district. The original lease term, including available extensions, is 75 years. The lease payments are fixed and increase 2.5% per year. The implied interest rate on the lease is 3.81% which resulted in \$312,824 of interest earnings in fiscal year 2025. Lease payments totaled \$210,100 resulting in an interest receivable of \$102,724.

In 2011 the City leased property to a sports medicine and training facility at the Peoria Sports Complex. The original lease term, including available extensions, is 70 years. The lease payments are fixed and increase 10% every five years. The implied interest rate on the lease is 3.02% which resulted in \$77,120 of interest earnings in fiscal year 2025. Lease payments totaled \$61,831 resulting in an interest receivable of \$15,289.

In 2018, the City leased property for a cell tower at Fire Station #4. The original lease term, including available extensions, is 25 years. The lease payments are fixed and increase 4% per year. The implied interest rate on the lease is 2.49%. In fiscal year 2025, the City recognized \$22,590 in payments against the receivable and \$17,376 of interest earnings.

In 2021, the City leased property for a cell tower at Peoria Sports Complex. The original lease term, including available extensions, is 30 years. The lease payment has two components, an annual base rate that is fixed for the term of the lease, and a sub-lease fee that is fixed at a per sub-lessee rate. If the number of sub-lessees changes, the lease payment will change. All calculations are based on the current number of sub-lessees. The implied interest rate on the lease is 2.47% and 2.47-4.40% on the sub-lessees. In fiscal year 2025 the City recognized \$29,052 in payments against the receivable and \$25,063 of interest earnings.

In 2025, the City leased property for Western Maricopa Education Center Career and Technical District. The original lease term, including available extensions, is 10 years. The lease payments are fixed for the first three years and increase 2.5% every year for the remainder of the lease term. The implied interest rate on the lease is 4.40% which resulted in \$38,026 of interest earnings and an interest receivable of \$38,026. There were no lease payments made in fiscal year 2025.

CITY OF PEORIA, ARIZONA
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10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into various subscription-based information technology arrangements (SBITA) to provide software solutions. The SBITA terms range from two to thirteen years including options to extend that are reasonably certain to be exercised.

The City had contractual commitments related to subscription-based information technology arrangements for which the subscription term had not yet commenced at June 30, 2025, for Workday, Inc. At June 30, 2025, the City had made payments of \$481,278 to Workday, Inc. and had remaining contractual commitments with Workday, Inc. of \$12,142,786, including the subscription liabilities that will be recognized at the commencement of the subscription terms. SBITA assets are presented in the Government-wide financial statements and listed separately in Note 6.

The total amount of subscription assets and the related accumulated amortization are as follows:

	Governmental Activities
Total intangible right-to-use subscription assets	\$ 20,627,612
Less: accumulated amortization	(3,854,454)
Carrying Value	<u>\$ 16,773,158</u>

The following schedule details minimum subscription payments to maturity for the County's subscriptions liability at June 30, 2025:

Fiscal year	Governmental Activities	
	Principal	Interest
2026	\$ 2,150,695	\$ 542,427
2027	1,646,046	443,542
2028	1,205,798	379,760
2029	629,197	335,142
2030	655,819	307,710
2031-2035	4,091,437	1,061,672
2036-2040	2,246,143	150,739
Totals	<u>\$ 12,625,135</u>	<u>\$ 3,220,992</u>

11. 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.

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A summary of pension and other postemployment benefit related items as of and for the year ended June 30, 2025, 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	\$ 67,341,255	\$ 2,595,200	\$ 12,852,983	\$ 5,656,285	\$ 6,235,317
Business-Type Activities	16,099,533	620,443	3,072,815	1,352,270	1,221,339
PSPRS					
Governmental Activities	54,331,602	1,578,189	39,397,780	5,934,651	12,790,693
	<u>\$ 137,772,390</u>	<u>\$ 4,793,832</u>	<u>\$ 55,323,578</u>	<u>\$ 12,943,206</u>	<u>\$ 20,247,349</u>

The City of Peoria reported \$29,609,468 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 consecutive 36 months of last 120 months	Highest consecutive 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

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

CITY OF PEORIA, ARIZONA
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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 \$150 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 12.27 percent (12.12 percent for retirement & health insurance benefits and 0.15 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 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the members' annual covered payroll. These percentages led to City's contributions for the year ended June 30, 2025 of \$9,089,084, \$52,800, and \$113,143 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 10.19 percent (10.14 percent for retirement, 0.00 percent for health insurance premium benefit, and 0.05 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.

Liability. The net asset and net liabilities were measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024, and the change from its proportion measured as of June 30, 2023.

At June 30, 2025, 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, 2024, and the change from its proportion measured as of June 30, 2023 was:

	Net pension/OPEB (asset) liability	Proportion June 30, 2024 %	Increase (decrease) from June 30, 2023
ASRS			
Pension	\$ 83,427,048	0.52137	0.017
Health insurance premium benefit	(3,215,643)	0.53219	0.019
Long-term disability	13,740	0.52707	0.019

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Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2025, the City of Peoria recognized the following pension and OPEB expense for ASRS.

ASRS	Pension/OPEB expense
Pension	\$ 7,861,075
Health insurance premium benefit	(464,273)
Long-term disability	59,854

Deferred outflows/inflows of resources. At June 30, 2025, 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	\$ 4,656,820	\$ -	\$ 93,056	\$ 776,452	\$ 50,520	\$ 36,590
Changes of assumptions or other inputs	-	-	-	33,355	9,942	82,254
Difference between projected and actual earnings on plan investments	-	5,327,730	-	221,045	-	15,007
Changes in proportion and differences between City contributions and proportionate share of contributions	1,839,432	455,273	16,814	50,595	4,185	10,255
City contributions subsequent to the measurement date	9,089,084	-	52,800	-	113,143	-
Total	\$ 15,585,336	\$ 5,783,003	\$ 162,670	\$ 1,081,447	\$ 177,790	\$ 144,106

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, 2026. 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
2026	\$ (1,912,775)	\$ (602,174)	\$ (26,042)
2027	4,952,349	(142,729)	(4,258)
2028	(1,348,624)	(141,452)	(23,732)
2029	(977,701)	(69,651)	(21,970)
2030	-	(15,571)	(9,003)
Thereafter	-	-	5,546

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry Age Normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4% 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, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, 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
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.05%
Private equity	10%	6.11%
Interest rate sensitivity	6%	-0.45%
Total	100%	

Discount Rate. The discount rate used to measure the ASRS total pension/OPEB liability was 7 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 7.0 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:

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	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 127,743,872	\$ 83,427,048	\$ 46,492,847
Net insurance premium benefit liability (asset)	(2,337,751)	(3,215,643)	(3,962,027)
Net long-term disability liability	47,273	13,740	(19,249)

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.

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	15 years of service and age 52.5	15 years of service and 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 4.0% 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		

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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.

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, 2025, 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	120	120	68	68
Inactive employees entitled to but not yet receiving benefits	47	25	16	12
Active employees	109	109	128	128
Total	<u>276</u>	<u>254</u>	<u>212</u>	<u>208</u>

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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, 2025, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Active members - pension	7.65%	7.65%
City of Peoria		
Pension	34.37%	30.81%
Health Insurance	0.22%	0.22%

In addition, the City of Peoria was required by statute to contribute at the actuarially determined rate of 19.53 percent for the PSPRS Police, and 13.29 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 June 30, 2025 were:

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Pension:		
Contributions made	\$ 13,526,042	\$ 8,531,811
Health insurance premium benefit:		
Contributions made	56,035	26,270

Asset and Liability. At June 30, 2025, the City of Peoria reported the following assets and liabilities.

	<u>Net pension- liability</u>	<u>Net OPEB asset</u>
PSPRS - Police	\$ 30,608,004	\$ (679,465)
PSPRS – Fire	23,723,598	(898,724)

The net assets and net liabilities were measured as of June 30, 2024, 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, 2025

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

Actuarial Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Inflation	2.50% for pensions/not applicable for OPEB
Salary Increases	3.25%-15.00%, including inflation, for pensions/not applicable for OPEB
Tier 1/2 Investment Rate of Return	7.20%
Tier 3 Investment Rate of Return	7.00%
Mortality Rates	<p>Active Lives: PubS-2010 Employee mortality, adjusted by a factor of 1.03 for male members and 1.08 for female members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). 100% of active deaths are assumed to be in the line of duty.</p> <p>Inactive Lives: PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.03 for male retirees and 1.11 for female retirees, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021)</p> <p>Beneficiaries: PubS-2010 Survivor mortality, adjusted by a factor of 0.98 for male beneficiaries and adjusted by a factor of 1.06 for female beneficiaries, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).</p> <p>Disabled Lives: PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and 1.01 for female disabled members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021)</p>

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of the 2022 experience study.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The long-term expected rate of return on PSPRS plan investments was determined to be 7.20 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return*
U.S. Public Equity	24%	3.62%
International Public Equity	16%	4.47%
Global Private Equity	27%	7.05%
Core Bonds	6%	2.44%
Private Credit	20%	6.24%
Diversifying Strategies	5%	3.15%
Cash - Mellon	2%	0.89%
Total	100%	

Discount Rates. At June 30 2024, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.20 percent, which was the same as the discount rate used as of June 30, 2023. 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, 2025

Changes in the Net Pension/OPEB Liability

	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan		
				Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset
PSPRS - POLICE						
Balances at June 30, 2023	\$182,056,123	\$143,011,535	\$39,044,588	\$2,159,357	\$2,691,673	\$(532,316)
Changes for the year:						
Service cost	3,126,970	-	3,126,970	51,444	-	51,444
Interest on the total liability	13,046,914	-	13,046,914	156,169	-	156,169
Differences between expected and actual experience in the measurement of the liability	4,826,289	-	4,826,289	(38,274)	-	(38,274)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions – employer	-	12,915,087	(12,915,087)	-	49,451	(49,451)
Contributions – employee	-	1,171,088	(1,171,088)	-	-	-
Net investment income	-	15,428,021	(15,428,021)	-	268,241	(268,241)
Benefit payments, including refunds of employee contributions	(7,951,904)	(7,951,904)	-	(83,586)	(83,586)	-
Administrative expense	-	(77,439)	77,439	-	(1,204)	1,204
Net changes	13,048,269	21,484,853	(8,436,584)	85,753	232,902	(147,149)
Balances at June 30, 2024	<u>\$195,104,392</u>	<u>\$164,496,388</u>	<u>\$30,608,004</u>	<u>\$2,245,110</u>	<u>\$2,924,575</u>	<u>\$(679,465)</u>

	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan		
				Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset
PSPRS - FIRE						
Balances at June 30, 2023	\$152,332,501	\$123,193,418	\$29,139,083	\$1,717,500	\$2,356,250	\$(638,750)
Changes for the year:						
Service cost	4,096,105	-	4,096,105	56,958	-	56,958
Interest on the total liability	11,029,311	-	11,029,311	125,837	-	125,837
Differences between expected and actual experience in the measurement of the liability	3,188,467	-	3,188,467	(157,953)	-	(157,953)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions – employer	-	9,453,346	(9,453,346)	-	50,741	(50,741)
Contributions – employee	-	1,193,841	(1,193,841)	-	-	-
Net investment income	-	13,143,341	(13,143,341)	-	235,052	(235,052)
Benefit payments, including refunds of employee contributions	(6,487,460)	(6,487,460)	-	(53,457)	(53,457)	-
Administrative expense	-	(61,160)	61,160	-	(977)	977
Tiers 1 & 2 Adjustment	-	-	-	-	-	-
Net changes	11,826,423	17,241,908	(5,415,485)	(28,615)	231,359	(259,974)
Balances at June 30, 2024	<u>\$164,158,924</u>	<u>\$140,435,326</u>	<u>\$23,723,598</u>	<u>\$1,688,885</u>	<u>\$2,587,609</u>	<u>\$(898,724)</u>

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	6.20%	7.20%	8.20%
Net pension (asset) liability	\$ 58,203,221	\$ 30,608,004	\$ 8,192,281
Net OPEB (asset) liability	(418,782)	(679,465)	(898,529)
PSPRS – Fire			
Rate	6.20%	7.20%	8.20%
Net pension (asset) liability	\$ 48,151,969	\$ 23,723,598	\$ 3,852,629
Net OPEB (asset) liability	(696,094)	(898,724)	(1,069,469)

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, 2025, the City of Peoria recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense
PSPRS – Governmental activities	\$ 13,043,807	\$ (253,114)

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

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 6,127,653	\$ 21,839	\$ 10,176	\$ 311,544
Changes of assumptions or other inputs	1,118,464	-	27,909	-
Net difference between projected and actual earnings on plan investments	-	2,467,401	-	31,525
Contributions subsequent to the measurement date	13,526,042	-	56,035	-
Total	\$ 20,772,159	\$ 2,489,240	\$ 94,120	\$ 343,069

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	\$ 8,024,051	\$ 411,322	\$ 25,030	\$ 562,409
Changes of assumptions or other inputs	1,910,910	-	15,429	18,370
Net difference between projected and actual earnings on plan investments	-	2,083,754	-	26,487
Contributions subsequent to the measurement date	8,531,811	-	26,270	-
Total	\$ 18,466,772	\$ 2,495,076	\$ 66,729	\$ 607,266

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2026. 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
2026	\$ 1,301,761	\$ 386,961	\$ (175,308)	\$ (144,029)
2027	3,946,862	3,284,687	(43,511)	(73,840)
2028	490,883	850,273	(63,367)	(126,207)
2029	(982,629)	1,099,317	(22,798)	(120,050)
2030	-	1,363,152	-	(82,116)
Thereafter	-	455,495	-	(22,565)

12. 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.

13. 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.

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.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The City had the following significant commitments as of June 30, 2025:

- \$7,160,566 in the Streets Impact Fee Fund for 67th Avenue widening construction.
- \$5,259,977 in the Half Cent Tax Fund for downtown redevelopment.
- \$21,985,191 in the GO Bond and Outside Sources Funds for storm drain construction.
- \$2,459,326 in the Excise Tax Bond Fund for Lake Pleasant Pkwy widening infrastructure.
- \$1,551,019 in the GO Bond Capital Project Fund for public safety building improvements.
- \$21,067,894 in the Solid Waste Revenue Bond Fund for fleet shop construction.
- \$1,846,835 in the Water Utility Funds for upgrade and recondition of water distribution and production facilities.
- \$2,769,121 in the Water Revenue Bond Fund for CAP pump station rehabilitation.
- \$4,661,145 in the Wastewater Revenue Bond Fund for Beardsley Water Treatment Plant Expansion.
- \$1,378,049 in the Water Utility Funds for water infrastructure repair and maintenance.
- \$4,262,352 in the Water Revenue Bond Fund for reclaimed water line construction.
- \$4,075,034 in the WIFA Fund for well design and construction.
- \$5,126,808 in the Water Revenue Bond and Outside Sources Funds for reservoir and booster pump construction.

14. INTERFUND TRANSACTIONS, RECEIVABLE AND PAYABLE BALANCES

At June 30, 2025, there were interfund loans from the General Fund to the GO Bond Capital Projects Fund and the Non-Bond Debt Service Fund to cover deficit cash balances in those funds. 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 2025 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, 2025:

Fund	Transfers out	Transfers in
Governmental funds:		
General Fund	\$ 14,572,645	\$ 1,762,986
Highway User Revenue Fund	65	1,000,000
Transportation Sales Tax Fund	6,903,664	-
Other Grant Fund	1,792,421	-
Non-Bond Capital Projects Fund	8,980,286	-
GO Bond Capital Projects Fund	7,893,578	-
Non-Major Governmental Funds	1,204,235	7,309,955
Total governmental funds	41,346,894	10,072,941
Enterprise funds:		
Water Utility Fund	3,179,512	2,130,133
Wastewater Utility Fund	130,347	3,572,513
Solid Waste Utility Fund	20,518	-
Stadium Fund	-	5,791,057
Storm Drain Utility Fund	-	15,008,448
Total enterprise funds	3,330,377	26,502,151
Internal Service funds	64,693	8,166,872
Grand totals	\$ 44,741,964	\$ 44,741,964

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

15. 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, 2025:

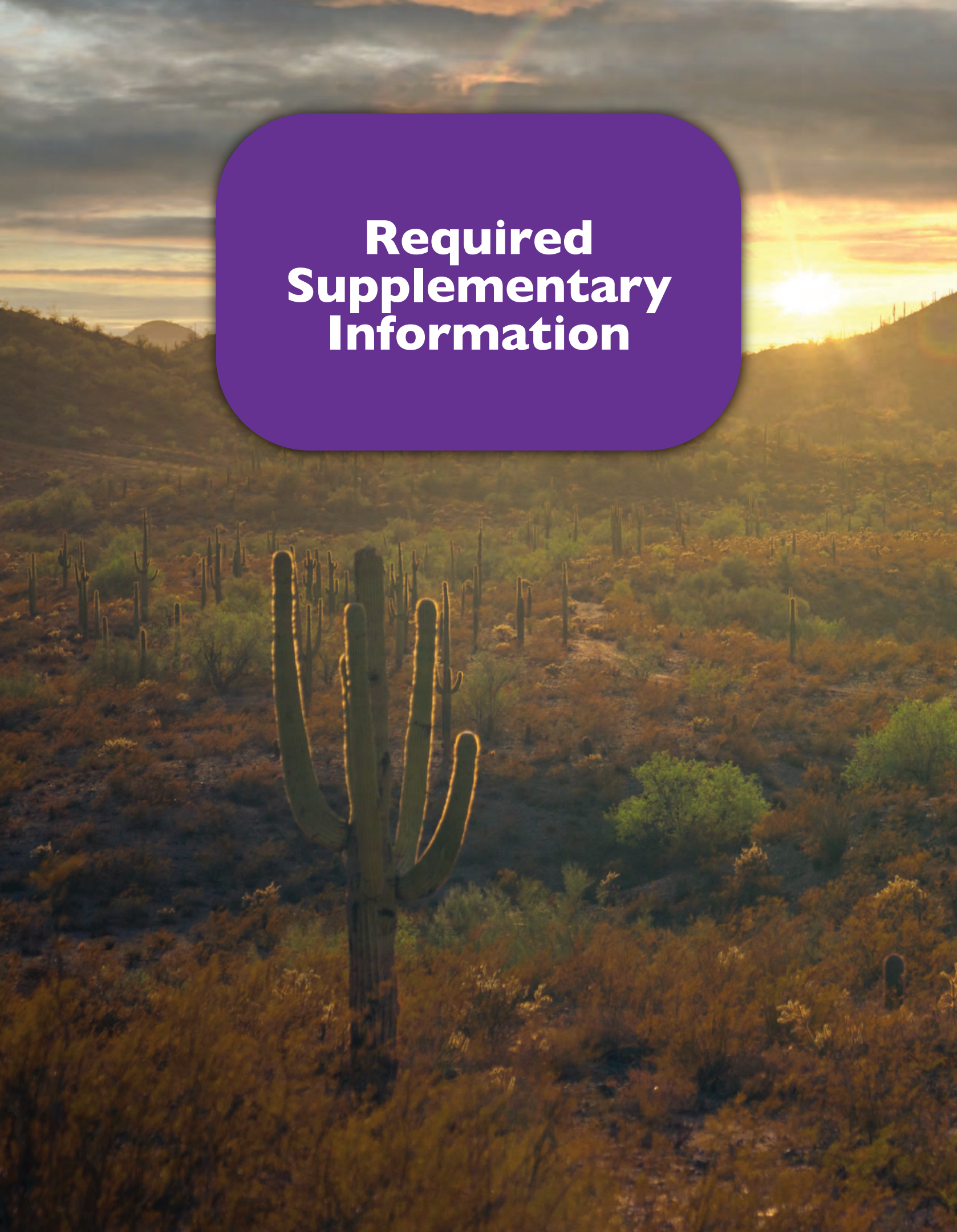
Water Utility Fund:	
Working capital policy reserve	\$ 12,835,477
Rate stabilization	2,932,997
Debt stabilization	5,613,822
System asset maintenance	11,458,601
Capital equipment replacement	<u>1,116,803</u>
	<u>33,957,700</u>
Wastewater Utility Fund:	
Working capital policy reserve	5,459,615
Rate stabilization	1,316,861
Debt stabilization	2,166,957
System asset maintenance	11,021,249
Capital equipment replacement	<u>772,416</u>
	<u>20,737,098</u>
Solid Waste Utility Fund:	
Working capital policy reserve	3,814,841
Capital equipment replacement	<u>3,205,838</u>
	<u>7,020,679</u>
Stadium Fund:	
Capital equipment replacement	<u>660,676</u>
Total enterprise funds	<u>\$ 62,376,153</u>
Internal Service Funds:	
Capital equipment replacement	\$ 24,876,153
Risk management purpose	<u>2,359,617</u>
Total internal service funds	<u>\$ 27,235,770</u>

16. 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.

17. SUBSEQUENT EVENT

On August 27, 2025 the City was the successful bidder for 834.5 acres in the State Land Public Auction with a final bid of \$46.7 million. The land is located within the Peoria Innovation Core (PIC), northwest of the intersection of Loop 303 and Lake Pleasant Parkway. The purchase will allow the city to lead all zoning and entitlement efforts, design and construct backbone infrastructure including roads and utilities. This Arizona State Trust Land supports the City Council's priority of Economic Development.

A desert landscape at sunset. In the foreground, a large Saguaro cactus stands prominently. The middle ground is filled with numerous smaller Saguaro cacti and low-lying desert shrubs. The background shows rolling hills under a sky with soft, golden light from the setting sun. A purple rounded rectangle is overlaid on the upper part of the image, containing white text.

**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, 2025

ASRS-Pension

	Reporting Fiscal Year (Measurement Date)									
	<u>2025 (2024)</u>	<u>2024 (2023)</u>	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>	<u>2017 (2016)</u>	<u>2016 (2015)</u>
Proportion of the net pension liability	0.521370%	0.504160%	0.514220%	0.512820%	0.523230%	0.532380%	0.546250%	0.571460%	0.542460%	0.526670%
Proportionate share of the net pension liability	\$ 83,427,048	\$ 81,580,373	\$ 83,932,124	\$ 67,382,271	\$ 90,657,551	\$ 77,467,484	\$ 76,182,651	\$ 89,022,329	\$ 87,558,493	\$ 82,036,552
Covered payroll	\$ 75,428,083	\$ 66,139,235	\$ 63,959,887	\$ 57,978,944	\$ 57,428,297	\$ 56,417,665	\$ 54,343,055	\$ 53,419,833	\$ 50,820,065	\$ 47,561,194
Proportionate share of the net pension liability as a percentage of its employee payroll	110.60%	123.35%	131.23%	116.22%	157.86%	137.31%	140.19%	166.65%	172.29%	172.49%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

ASRS-Health insurance premium benefit

	Reporting Fiscal Year (Measurement Date)							
	<u>2025 (2024)</u>	<u>2024 (2023)</u>	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Proportion of the net OPEB (asset)	0.532190%	0.513650%	0.523820%	0.522130%	0.532290%	0.541370%	0.554120%	0.577940%
Proportionate share of the net OPEB (asset)	\$ (3,215,643)	\$ (2,773,336)	\$ (2,923,429)	\$ (2,543,860)	\$ (376,859)	\$ (149,610)	\$ (199,533)	\$ (314,630)
Covered payroll	\$ 75,428,083	\$ 66,139,235	\$ 63,959,887	\$ 57,978,944	\$ 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	-4.26%	-4.19%	-4.57%	-4.39%	-0.66%	-0.27%	-0.37%	-0.59%
Plan fiduciary net position as a percentage of the total OPEB liability	137.51%	134.37%	137.79%	130.24%	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)							
	<u>2025 (2024)</u>	<u>2024 (2023)</u>	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Proportion of the net OPEB liability	0.527070%	0.507980%	0.517680%	0.517490%	0.528200%	0.537820%	0.550920%	0.569260%
Proportionate share of the net OPEB liability	\$ 13,740	\$ 66,564	\$ 47,813	\$ 106,822	\$ 400,699	\$ 350,360	\$ 287,858	\$ 206,344
Covered payroll	\$ 75,428,083	\$ 66,139,235	\$ 63,959,887	\$ 57,978,944	\$ 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	0.02%	0.10%	0.07%	0.18%	0.70%	0.62%	0.53%	0.39%
Plan fiduciary net position as a percentage of the total OPEB liability	98.77%	93.70%	95.40%	90.38%	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.

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
AGENT-EMPLOYER PLANS
JUNE 30, 2025**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Peoria Police Department										
Total pension liability										
Service cost	\$ 3,126,970	\$ 3,304,293	\$ 3,355,365	\$ 3,403,053	\$ 3,529,413	\$ 3,517,607	\$ 3,437,849	\$ 3,497,564	\$ 2,658,484	\$ 2,557,053
Interest on the total pension liability	13,046,914	12,333,779	11,719,465	11,102,550	10,379,460	9,742,131	9,195,638	8,207,737	7,450,121	7,075,581
Changes in benefit terms	-	-	-	-	-	-	-	1,019,089	6,569,592	-
Differences between expected and actual experience in the measurement of the pension liability	4,826,289	2,211,011	1,419,354	749,764	2,182,003	(152,876)	(1,331,798)	5,141,159	(1,372,059)	341,776
Changes of assumptions or other inputs	-	-	1,677,907	-	-	3,131,115	-	2,469,996	4,270,128	-
Benefit payments, including refunds of employee contributions	(7,951,904)	(7,582,297)	(7,136,011)	(6,377,577)	(5,740,752)	(5,690,900)	(5,739,761)	(5,213,832)	(5,716,802)	(4,791,028)
Net change in total pension liability	13,048,269	10,266,786	11,036,080	8,877,790	10,350,124	10,547,077	5,561,928	15,121,713	13,859,464	5,183,382
Total pension liability - beginning	182,056,123	171,789,337	160,753,257	151,875,467	141,525,343	130,978,266	125,416,338	110,294,625	96,435,161	91,251,779
Total pension liability - ending (a)	<u>\$ 195,104,392</u>	<u>\$ 182,056,123</u>	<u>\$ 171,789,337</u>	<u>\$ 160,753,257</u>	<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>
Plan fiduciary net position										
Contributions - employer	\$ 12,915,087	\$ 11,196,855	\$ 35,785,241	\$ 8,091,143	\$ 7,327,021	\$ 7,419,726	\$ 6,622,615	\$ 5,122,411	\$ 4,729,872	\$ 3,254,563
Contributions - employee	1,171,088	1,390,224	1,317,660	1,323,822	1,447,635	1,254,178	1,379,152	2,723,948	1,732,502	1,689,030
Net investment income	15,428,021	10,256,846	(4,957,000)	22,902,588	998,101	3,898,429	4,232,822	6,734,348	320,234	1,821,818
Benefit payments, including refunds of employee contributions	(7,951,904)	(7,582,297)	(7,136,011)	(6,377,577)	(5,740,752)	(5,690,900)	(5,739,761)	(5,213,832)	(5,716,802)	(4,791,028)
Hall/Parker Settlement	-	-	-	-	-	-	(2,283,693)	-	-	-
Administrative expense	(77,439)	(62,906)	(89,216)	(106,627)	(81,409)	(68,704)	(65,122)	(59,988)	(46,480)	(44,835)
Other changes	-	-	11,388	-	-	(4,128)	40,695	(21,848)	37,100	(56,762)
Net change in plan fiduciary net position	21,484,853	15,198,722	24,932,062	25,833,349	3,950,596	6,808,601	4,186,708	9,285,039	1,056,426	1,872,786
Plan fiduciary net position - beginning	143,011,535	127,812,813	102,880,751	77,047,402	73,096,802	66,335,122	62,148,414	52,863,375	51,806,949	49,934,163
Adjustment to beginning of year	-	-	-	-	4	(46,921)	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 164,496,388</u>	<u>\$ 143,011,535</u>	<u>\$ 127,812,813</u>	<u>\$ 102,880,751</u>	<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>
Net pension liability - ending (a)-(b)	30,608,004	39,044,588	43,976,524	57,872,506	74,828,065	68,428,541	64,643,144	63,267,924	57,431,250	44,628,212
Plan fiduciary net position as a percentage of the total pension liability	84.31%	78.55%	74.40%	64.00%	50.73%	51.65%	50.65%	49.55%	47.93%	53.72%
Covered payroll	\$ 19,699,206	\$ 18,932,033	\$ 17,697,415	\$ 16,653,104	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506	\$ 15,387,963	\$ 13,992,947	\$ 13,449,859
Net pension liability as a percentage of covered payroll	155.38%	206.24%	248.49%	347.52%	439.01%	404.96%	400.18%	411.15%	410.43%	331.81%

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-EMPLOYER PLANS
JUNE 30, 2025**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Peoria Fire Department										
Total pension liability										
Service cost	\$ 4,096,105	\$ 4,031,688	\$ 3,710,281	\$ 3,318,890	\$ 3,259,480	\$ 3,230,796	\$ 3,070,924	\$ 3,111,892	\$ 2,379,652	\$ 2,056,517
Interest on the total pension liability	11,029,311	10,434,318	9,592,431	8,884,264	8,199,149	7,557,042	7,066,051	6,395,230	5,434,649	4,952,998
Changes in benefit terms	-	-	-	-	-	-	-	466,111	6,700,272	-
Differences between expected and actual experience in the measurement of the pension liability	3,188,467	137,267	4,163,638	1,734,765	2,094,984	1,198,203	(1,450,577)	1,834,916	86,478	809,490
Changes of assumptions or other inputs	-	-	1,398,720	-	-	2,087,419	-	1,708,934	3,273,059	-
Benefit payments, including refunds of employee contributions	(6,487,460)	(6,320,322)	(5,016,815)	(4,239,948)	(4,215,838)	(3,598,608)	(3,894,840)	(2,663,473)	(1,739,905)	(1,949,881)
Net change in total pension liability	11,826,423	8,282,951	13,848,255	9,697,971	9,337,775	10,474,852	4,791,558	10,853,610	16,134,205	5,869,124
Total pension liability - beginning	152,332,501	144,049,550	130,201,295	120,503,324	111,165,549	100,690,697	95,899,139	85,045,529	68,911,324	63,042,200
Total pension liability - ending (a)	<u>\$ 164,158,924</u>	<u>\$ 152,332,501</u>	<u>\$ 144,049,550</u>	<u>\$ 130,201,295</u>	<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>
Plan fiduciary net position										
Contributions - employer	\$ 9,453,346	\$ 11,280,253	\$ 14,331,947	\$ 8,624,902	\$ 5,095,674	\$ 4,632,927	\$ 4,749,672	\$ 3,596,394	\$ 3,162,518	\$ 1,866,365
Contributions - employee	1,193,841	1,493,247	1,401,092	1,412,514	1,217,298	1,165,663	1,439,943	1,593,634	1,375,202	1,238,541
Net investment income	13,143,341	8,688,400	(4,380,045)	21,930,705	967,950	3,740,932	4,205,458	6,425,067	298,901	1,710,692
Benefit payments, including refunds of employee contributions	(6,487,460)	(6,320,322)	(5,016,815)	(4,239,948)	(4,215,838)	(3,598,608)	(3,894,840)	(2,663,473)	(1,739,905)	(1,949,881)
Hall/Parker Settlement	-	-	-	-	-	-	(1,926,795)	-	-	-
Administrative expense	(61,160)	(45,251)	(78,925)	(102,023)	(78,924)	(65,997)	(64,663)	(57,251)	(43,410)	(42,126)
Other changes	-	(20,317)	-	(108)	-	-	44,976	671	87,273	(35,356)
Net change in plan fiduciary net position	17,241,908	15,076,010	6,257,254	27,626,042	2,986,160	5,874,917	4,553,751	8,895,042	3,140,579	2,788,235
Plan fiduciary net position - beginning	123,193,418	108,117,408	101,860,154	74,234,112	71,247,948	65,392,298	60,838,547	51,943,505	48,802,926	46,014,691
Adjustment to beginning of year	-	-	-	-	4	(19,267)	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 140,435,326</u>	<u>\$ 123,193,418</u>	<u>\$ 108,117,408</u>	<u>\$ 101,860,154</u>	<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>
Net pension liability - ending (a)-(b)	23,723,598	29,139,083	35,932,142	28,341,141	46,269,212	39,917,601	35,298,399	35,060,592	33,102,024	20,108,398
Plan fiduciary net position as a percentage of the total pension liability	85.55%	80.87%	75.06%	78.23%	61.60%	64.09%	64.94%	63.44%	61.08%	70.82%
Covered payroll	\$ 19,343,541	\$ 18,173,597	\$ 17,385,094	\$ 13,051,041	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624	\$ 11,543,146	\$ 11,796,929	\$ 11,068,029
Net pension liability as a percentage of covered payroll	122.64%	160.34%	206.68%	217.16%	338.76%	288.79%	292.07%	303.74%	280.60%	181.68%

See accompanying notes to pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AGENT-EMPLOYER PLANS
JUNE 30, 2025**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<u>2025 (2024)</u>	<u>2024 (2023)</u>	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Peoria Police Department								
Total OPEB liability								
Service cost	\$ 51,444	\$ 56,031	\$ 60,471	\$ 64,399	\$ 66,728	\$ 44,231	\$ 45,757	\$ 50,779
Interest on the total OPEB liability	156,169	158,758	154,251	163,960	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	(38,274)	(163,524)	(84,366)	(271,397)	35,618	(351,117)	(103,677)	19,591
Changes of assumptions or other inputs	-	-	48,624	-	-	25,181	-	(159,009)
Benefit payments, including refunds of employee contributions	(83,586)	(81,700)	(83,482)	(88,596)	(87,770)	(87,095)	(86,192)	(111,290)
Net change in total OPEB liability	85,753	(30,435)	95,498	(131,634)	168,515	(201,584)	20,072	(25,863)
Total OPEB liability - beginning	2,159,357	2,189,792	2,094,294	2,225,928	2,057,413	2,258,997	2,238,925	2,264,788
Total OPEB liability - ending (a)	<u>\$ 2,245,110</u>	<u>\$ 2,159,357</u>	<u>\$ 2,189,792</u>	<u>\$ 2,094,294</u>	<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	\$ 49,451	\$ 29,566	\$ 53,232	\$ 52,644	\$ 56,957	\$ 59,304	\$ 31,038	\$ 66,083
Net investment income	268,241	191,467	(104,779)	581,519	26,801	109,070	134,052	208,162
Benefit payments, including refunds of employee contributions	(83,586)	(81,700)	(83,482)	(88,596)	(87,770)	(87,095)	(86,192)	(111,290)
Administrative expense	(1,204)	(1,184)	(1,865)	(2,391)	(2,179)	(1,883)	(2,040)	(1,842)
Other changes	-	-	-	-	-	-	(1)	-
Net change in plan fiduciary net position	232,902	138,149	(136,894)	543,176	(6,191)	79,396	76,857	161,113
Plan fiduciary net position - beginning	2,691,673	2,553,524	2,690,418	2,147,242	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>\$ 2,924,575</u>	<u>\$ 2,691,673</u>	<u>\$ 2,553,524</u>	<u>\$ 2,690,418</u>	<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)	(679,465)	(532,316)	(363,732)	(596,124)	78,686	(96,020)	231,881	288,666
Plan fiduciary net position as a percentage of the total OPEB liability	130.26%	124.65%	116.61%	128.46%	96.47%	104.67%	89.74%	87.11%
Covered payroll	\$ 19,699,206	\$ 18,932,033	\$ 17,697,415	\$ 16,653,104	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506	\$ 15,387,963
Net OPEB liability/(asset) as a percentage of covered payroll	-3.45%	-2.81%	-2.06%	-3.58%	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.

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AGENT-EMPLOYER PLANS
JUNE 30, 2025**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Peoria Fire Department								
Total OPEB liability								
Service cost	\$ 56,958	\$ 57,292	\$ 56,633	\$ 54,849	\$ 54,365	\$ 35,268	\$ 35,268	\$ 39,357
Interest on the total OPEB liability	125,837	127,145	129,786	133,505	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	(157,953)	(148,171)	(157,630)	(184,074)	(63,904)	(193,678)	(49,429)	175,598
Changes of assumptions or other inputs	-	-	14,185	-	-	16,414	-	(140,066)
Benefit payments, including refunds of employee contributions	(53,457)	(54,748)	(56,491)	(57,545)	(61,508)	(61,324)	(42,867)	(66,108)
Net change in total OPEB liability	(28,615)	(18,482)	(13,517)	(53,265)	59,688	(68,893)	71,487	133,847
Total OPEB liability - beginning	1,717,500	1,735,982	1,749,499	1,802,764	1,743,076	1,811,969	1,740,482	1,606,635
Total OPEB liability - ending (a)	\$ 1,688,885	\$ 1,717,500	\$ 1,735,982	\$ 1,749,499	\$ 1,802,764	\$ 1,743,076	\$ 1,811,969	\$ 1,740,482
Plan fiduciary net position								
Contributions - employer	\$ 50,741	\$ 26,223	\$ 41,562	\$ 48,285	\$ 38,836	\$ 37,857	\$ 19,805	\$ 31,072
Net investment income	235,052	166,716	(90,772)	499,969	22,949	94,227	115,059	176,536
Benefit payments, including refunds of employee contributions	(53,457)	(54,748)	(56,491)	(57,545)	(61,508)	(61,324)	(42,867)	(66,108)
Administrative expense	(977)	(915)	(1,616)	(2,056)	(1,866)	(1,627)	(1,751)	(1,563)
Other changes	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	231,359	137,276	(107,317)	488,653	(1,589)	69,133	90,246	139,937
Plan fiduciary net position - beginning	2,356,250	2,218,974	2,326,291	1,837,638	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)	\$ 2,587,609	\$ 2,356,250	\$ 2,218,974	\$ 2,326,291	\$ 1,837,638	\$ 1,839,227	\$ 1,750,826	\$ 1,660,580
Net OPEB liability/(asset) - ending (a)-(b)	(898,724)	(638,750)	(482,992)	(576,792)	(34,874)	(96,151)	61,143	79,902
Plan fiduciary net position as a percentage of the total OPEB liability	153.21%	137.19%	127.82%	132.97%	101.93%	105.52%	96.63%	95.41%
Covered payroll	\$ 19,343,541	\$ 18,173,597	\$ 17,385,094	\$ 13,051,041	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624	\$ 11,543,146
Net OPEB liability/(asset) as a percentage of covered payroll	-4.65%	-3.51%	-2.78%	-4.42%	-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 pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION/OPEB CONTRIBUTIONS
JUNE 30, 2025**

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Arizona State Retirement System - Pension										
Statutorily required contribution	\$ 9,089,084	\$ 8,731,145	\$ 7,956,550	\$ 7,387,367	\$ 6,696,568	\$ 6,575,540	\$ 6,307,495	\$ 5,923,393	\$ 5,758,658	\$ 5,513,977
Actual contributions in relation to the statutorily required contribution	9,089,084	8,731,145	7,956,550	7,387,367	6,696,568	6,575,540	6,307,495	5,923,393	5,758,658	5,513,977
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 75,428,083</u>	<u>\$ 72,578,096</u>	<u>\$ 66,139,235</u>	<u>\$ 63,959,887</u>	<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>
Actual contribution as a percentage of covered payroll	12.05%	12.03%	12.03%	12.01%	11.55%	11.45%	11.18%	10.90%	10.78%	10.85%
Arizona State Retirement System - Health Insurance										
Statutorily required contribution	\$ 52,800	\$ 79,835	\$ 73,427	\$ 129,172	\$ 284,095	\$ 281,400	\$ 259,521	\$ 239,109		
Actual contributions in relation to the statutorily required contribution	52,800	79,835	73,427	129,172	284,095	281,400	259,521	239,109		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	<u>\$ 75,428,083</u>	<u>\$ 72,578,096</u>	<u>\$ 66,139,235</u>	<u>\$ 63,959,887</u>	<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	0.07%	0.11%	0.11%	0.21%	0.49%	0.49%	0.46%	0.44%		
Arizona State Retirement System - Long-term disability										
Statutorily required contribution	\$ 113,143	\$ 108,868	\$ 93,446	\$ 116,867	\$ 104,363	\$ 97,627	\$ 90,268	\$ 86,949		
Actual contributions in relation to the statutorily required contribution	113,143	108,868	93,446	116,867	104,363	97,627	90,268	86,949		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	<u>\$ 75,428,083</u>	<u>\$ 72,578,096</u>	<u>\$ 66,139,235</u>	<u>\$ 63,959,887</u>	<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	0.15%	0.15%	0.14%	0.19%	0.18%	0.17%	0.16%	0.16%		

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.

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION/OPEB CONTRIBUTIONS
JUNE 30, 2025**

Public Safety Personnel Retirement System - Pension

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Peoria Police Department										
Statutorily required contribution	\$ 7,416,276	\$ 6,833,655	\$ 9,130,920	\$ 8,296,548	\$ 7,806,975	\$ 7,646,229	\$ 7,436,675	\$ 8,917,938	\$ 5,039,558	\$ 4,406,379
Actual contributions in relation to the statutorily required contribution	13,592,166	13,511,585	11,695,201	36,132,348	8,278,054	7,646,229	7,436,675	6,634,245	5,039,558	4,696,546
Contribution deficiency (excess)	<u>\$ (6,175,890)</u>	<u>\$ (6,677,930)</u>	<u>\$ (2,564,281)</u>	<u>\$ (27,835,800)</u>	<u>\$ (471,079)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,283,693</u>	<u>\$ -</u>	<u>\$ (290,167)</u>
Covered payroll	\$ 21,577,761	\$ 19,699,206	\$ 18,932,033	\$ 17,697,415	\$ 16,653,104	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506	\$ 15,387,963	\$ 13,992,947
Actual contribution as a percentage of covered payroll	62.99%	68.59%	61.77%	204.17%	49.71%	44.86%	44.01%	41.07%	32.75%	33.56%
Peoria Fire Department										
Statutorily required contribution	\$ 5,636,646	\$ 6,511,036	\$ 6,238,996	\$ 6,362,944	\$ 4,776,681	\$ 5,881,182	\$ 4,714,745	\$ 5,721,681	\$ 2,711,485	\$ 2,568,191
Actual contributions in relation to the statutorily required contribution	8,909,853	9,207,150	11,224,720	14,195,735	7,563,149	5,881,182	4,714,745	3,794,886	2,976,968	2,747,609
Contribution deficiency (excess)	<u>\$ (3,273,207)</u>	<u>\$ (2,696,114)</u>	<u>\$ (4,985,724)</u>	<u>\$ (7,832,791)</u>	<u>\$ (2,786,468)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,926,795</u>	<u>\$ (265,483)</u>	<u>\$ (179,418)</u>
Covered payroll	\$ 18,294,859	\$ 19,343,541	\$ 18,173,597	\$ 17,385,094	\$ 13,051,041	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624	\$ 11,543,146	\$ 11,796,929
Actual contribution as a percentage of covered payroll	48.70%	47.60%	61.76%	81.65%	57.95%	43.06%	34.11%	31.40%	25.79%	23.29%

Public Safety Personnel Retirement System - OPEB

Peoria Police Department										
Statutorily required contribution	\$ 47,471	\$ 70,917	\$ 39,757	\$ 61,941	\$ 55,479	\$ 59,656	\$ 65,900	\$ 79,152		
Actual contributions in relation to the statutorily required contribution	47,471	70,917	39,757	61,941	58,825	59,656	65,900	79,152		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,346)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	\$ 21,577,761	\$ 19,699,206	\$ 18,932,033	\$ 17,697,415	\$ 16,653,104	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506		
Actual contribution as a percentage of covered payroll	0.22%	0.36%	0.21%	0.35%	0.35%	0.35%	0.39%	0.49%		
Peoria Fire Department										
Statutorily required contribution	\$ 40,249	\$ 61,899	\$ 30,895	\$ 45,201	\$ 33,933	\$ 51,931	\$ 38,702	\$ 35,048		
Actual contributions in relation to the statutorily required contribution	40,249	61,899	30,895	45,201	53,727	51,931	38,702	35,048		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,794)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	\$ 18,294,859	\$ 19,343,541	\$ 18,173,597	\$ 17,385,094	\$ 13,051,041	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624		
Actual contribution as a percentage of covered payroll	0.22%	0.32%	0.17%	0.26%	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.

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION/OPEB PLAN SCHEDULES
JUNE 30, 2025

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, 2024, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2024 actuarial valuation.

Public Safety Personnel Retirement System (PSPRS)

The actuarial assumptions used in the June 30, 2024, valuation for PSPRS were based on the results of the 2022 experience study. The payroll growth assumption was lowered from 2.00% to 1.50%. There were no method changes since the prior valuation.

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 wide-angle photograph of a desert landscape at sunset. The sky is filled with dramatic, layered clouds in shades of orange, yellow, and grey. The sun is low on the horizon, casting a warm glow over the scene. In the foreground and middle ground, there are numerous saguaro cacti of various sizes, some with arms, scattered across a field of low-lying green and brown shrubs. A dirt path or road winds through the desert. In the background, there are rolling hills and mountains under the twilight sky. A large, rounded purple rectangle is overlaid on the upper portion of the image, containing white text.

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).

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

Half-Cent Sales Tax Fund

This fund accounts for the revenues and expenditures associated with the City's Half-Cent Sales Tax. It is presented within the General Fund on the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances.

While this fund is presented with the General Fund for GAAP reporting purposes, the budgetary comparison schedule will be presented separately to provide a clearer view of its financial activity.

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) Bond 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.

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.

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
HALF-CENT SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 31,927,879	\$ 31,927,879	\$ 35,078,646	\$ 3,150,767
Investment earnings(loss)	1,500,000	1,500,000	1,978,327	478,327
Miscellaneous	-	-	947,088	947,088
Total revenues	<u>33,427,879</u>	<u>33,427,879</u>	<u>38,004,061</u>	<u>4,576,182</u>
EXPENDITURES:				
Current:				
General government	13,155,450	15,695,904	7,221,811	(8,474,093)
Capital outlay	<u>23,549,638</u>	<u>23,807,542</u>	<u>4,126,992</u>	<u>(19,680,550)</u>
Total expenditures	<u>36,705,088</u>	<u>39,503,446</u>	<u>11,348,803</u>	<u>(28,154,643)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,277,209)</u>	<u>(6,075,567)</u>	<u>26,655,258</u>	<u>32,730,825</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(10,000,000)	-	-	-
Transfers in	-	-	1,220,032	1,220,032
Transfers out	<u>(25,559,194)</u>	<u>(25,559,194)</u>	<u>(25,559,194)</u>	<u>-</u>
Total other financing sources and uses	<u>(35,559,194)</u>	<u>(25,559,194)</u>	<u>(24,339,162)</u>	<u>1,220,032</u>
Net change in fund balances	(38,836,403)	(31,634,761)	2,316,096	33,950,857
Fund balances - beginning	64,158,568	64,158,568	65,022,467	863,899
Fund balances - ending	<u>\$ 25,322,165</u>	<u>\$ 32,523,807</u>	<u>\$ 68,197,223</u>	<u>\$ 35,673,416</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 SCHEDULE
HALF-CENT SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2025**

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "Total revenues" from the Half-Cent Sales Tax Fund budgetary comparison schedule	\$ 38,004,061
Actual amounts (budgetary basis) "Total revenues" from the General Fund budgetary comparison statement	237,592,229
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	(19,498,261)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	3,771,762
	<hr/>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 259,869,791</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the Half-Cent Sales Tax Fund budgetary comparison schedule	\$ 11,348,803
Actual amounts (budgetary basis) "Total expenditures" from the General Fund budgetary comparison statement	244,153,021
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(11,011)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(794,584)
Capital outlay for SBITAs are expenditures for GAAP purposes, but not for budgetary purposes	(683,207)
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(19,498,261)
	<hr/>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 234,514,761</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 SCHEDULE
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<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	\$ 24,874,684	\$ 24,874,684	\$ 23,017,795	\$ (1,856,889)
Investment earnings(loss)	180,000	180,000	518,607	338,607
Total revenues	<u>25,054,684</u>	<u>25,054,684</u>	<u>23,536,402</u>	<u>(1,518,282)</u>
EXPENDITURES:				
Current:				
Debt service:				
Principal payments	16,702,862	16,702,862	14,527,862	(2,175,000)
Interest and other charges	7,240,987	7,240,987	5,616,562	(1,624,425)
Total expenditures	<u>23,943,849</u>	<u>23,943,849</u>	<u>20,144,424</u>	<u>(3,799,425)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,110,835</u>	<u>1,110,835</u>	<u>3,391,978</u>	<u>2,281,143</u>
Net change in fund balances	1,110,835	1,110,835	3,391,978	2,281,143
Fund balances - beginning	22,550,402	22,550,402	20,828,250	(1,722,152)
Fund balances - ending	<u>\$ 23,661,237</u>	<u>\$ 23,661,237</u>	<u>\$ 24,220,228</u>	<u>\$ 558,991</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 23,536,402
Differences - budget to GAAP:	
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	1,836,955
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - governmental funds	<u>\$ 25,373,357</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 20,144,424
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	129,300
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 20,273,724</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT FEE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<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:				
Charges for services	\$ 8,309,141	\$ 8,309,141	\$ 11,131,194	\$ 2,822,053
Investment earnings(loss)	901,511	901,511	2,288,558	1,387,047
Total revenues	<u>9,210,652</u>	<u>9,210,652</u>	<u>13,419,752</u>	<u>4,209,100</u>
EXPENDITURES:				
Current:				
Public safety	73,740	73,740	3,583	(70,157)
Development services	-	-	229,238	229,238
Highways and streets	4,926,260	5,100,276	2,396,930	(2,703,346)
Capital outlay	20,887,549	21,106,135	2,432,462	(18,673,673)
Total expenditures	<u>25,887,549</u>	<u>26,280,151</u>	<u>5,062,213</u>	<u>(21,217,938)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,676,897)</u>	<u>(17,069,499)</u>	<u>8,357,539</u>	<u>25,427,038</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(5,000,000)	-	-	-
Total other financing sources and uses	<u>(5,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(21,676,897)	(17,069,499)	8,357,539	25,427,038
Fund balances - beginning	47,628,662	47,628,662	52,446,475	4,817,813
Fund balances - ending	<u>\$ 25,951,765</u>	<u>\$ 30,559,163</u>	<u>\$ 60,804,014</u>	<u>\$ 30,244,851</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 13,419,752
Differences - budget to GAAP:	
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	737,366
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - governmental funds	<u>\$ 14,157,118</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,062,213
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	884,330
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	78,056
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,024,599</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<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:				
Intergovernmental revenue	\$ -	\$ -	\$ 5,020,518	\$ 5,020,518
Investment earnings	355,000	355,000	232,246	(122,754)
Miscellaneous	30,996,248	30,996,248	5,488,683	(25,507,565)
Total revenues	<u>31,351,248</u>	<u>31,351,248</u>	<u>10,741,447</u>	<u>(20,609,801)</u>
EXPENDITURES:				
Current:				
Highways and streets	214,243	214,243	56,363	(157,880)
Capital outlay	<u>54,985,674</u>	<u>38,984,256</u>	<u>15,081,825</u>	<u>(23,902,431)</u>
Total expenditures	<u>55,199,917</u>	<u>39,198,499</u>	<u>15,138,188</u>	<u>(24,060,311)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,848,669)</u>	<u>(7,847,251)</u>	<u>(4,396,741)</u>	<u>3,450,510</u>
Net change in fund balances	(23,848,669)	(7,847,251)	(4,396,741)	3,450,510
Fund balances - beginning	32,323,168	32,323,168	8,331,491	(23,991,677)
Fund balances - ending	<u>\$ 8,474,499</u>	<u>\$ 24,475,917</u>	<u>\$ 3,934,750</u>	<u>\$ (20,541,167)</u>

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 10,741,447
Differences - budget to GAAP:	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 10,741,447</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison schedule	\$ 15,138,188
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(8,600,886)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,537,302</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION (GO) BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<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(loss)	\$ 700,000	\$ 700,000	\$ 1,555,952	\$ 855,952
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>1,555,952</u>	<u>855,952</u>
EXPENDITURES:				
Current:				
Highways and streets	1,510,580	1,522,857	529,230	(993,627)
Debt service:				
Interest and other charges	-	-	546,614	546,614
Capital outlay	<u>57,637,206</u>	<u>65,009,444</u>	<u>33,095,308</u>	<u>(31,914,136)</u>
Total expenditures	<u>59,147,786</u>	<u>66,532,301</u>	<u>34,171,152</u>	<u>(32,361,149)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,447,786)</u>	<u>(65,832,301)</u>	<u>(32,615,200)</u>	<u>33,217,101</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	43,500,000	43,500,000	88,513,789	45,013,789
Premium on bonds issued	-	-	2,633,887	2,633,887
Transfers out	-	-	(1,458,789)	(1,458,789)
Total other financing sources and uses	<u>43,500,000</u>	<u>43,500,000</u>	<u>89,688,887</u>	<u>46,188,887</u>
Net change in fund balances	(14,947,786)	(22,332,301)	57,073,687	79,405,988
Fund balances - beginning	15,143,294	15,143,294	21,976,995	6,833,701
Fund balances - ending	<u>\$ 195,508</u>	<u>\$ (7,189,007)</u>	<u>\$ 79,050,682</u>	<u>\$ 86,239,689</u>

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 1,555,952
Differences - budget to GAAP:	
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	128,616
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,684,568</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison schedule	\$ 34,171,152
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	8,176,681
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(14,213,551)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 28,134,282</u>

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, Vistancia West, Vistancia North and Mystic at Lake Pleasant Heights Communities Facilities Districts (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, Vistancia West, Vistancia North and Mystic at Lake Pleasant Heights Communities Facilities Districts 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.



**CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Funds		Debt Service Funds			Capital Project Funds	Total
	Public Transit Fund	Smart & Safe AZ Fund	Municipal Development Authority Debt	CFD Bonds	Non-Bond	CFD Bonds	Non-Major Governmental Funds
ASSETS							
Pooled cash and investments	\$ 6,719,091	\$ 2,321,561	\$ 3,255,206	\$ 1,602,545	\$ -	\$ -	\$ 13,898,403
Accounts receivable, net	385,306	-	-	-	-	-	385,306
Interest receivable	45,275	-	19,695	22,277	5,534	5,763	98,544
Due from other governments	-	-	-	76,380	-	-	76,380
Prepaid items	-	-	-	16,446	-	-	16,446
Restricted cash with fiscal agents	-	-	-	4,598,665	98	2,392,377	6,991,140
Total assets	<u>\$ 7,149,672</u>	<u>\$ 2,321,561</u>	<u>\$ 3,274,901</u>	<u>\$ 6,316,313</u>	<u>\$ 5,632</u>	<u>\$ 2,398,140</u>	<u>\$ 21,466,219</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 53,274	\$ -	\$ -	\$ 619	\$ 41,451	\$ -	\$ 95,344
Accrued payroll	25,450	-	-	-	-	-	25,450
Interest payable	-	-	-	-	-	14,417	14,417
Due to other funds	-	-	-	-	2,689,184	105,180	2,794,364
Arbitrage liability	-	-	-	58,893	-	-	58,893
Unearned revenue-other	5,000	-	-	-	-	-	5,000
Total liabilities	<u>83,724</u>	<u>-</u>	<u>-</u>	<u>59,512</u>	<u>2,730,635</u>	<u>119,597</u>	<u>2,993,468</u>
Fund balances:							
Unspendable:							
Prepaid items	-	-	-	16,446	-	-	16,446
Restricted for:							
Debt service	-	-	3,274,901	6,240,355	-	-	9,515,256
Capital projects	-	-	-	-	-	2,278,543	2,278,543
Public safety	-	2,321,561	-	-	-	-	2,321,561
Grant purposes	7,065,948	-	-	-	-	-	7,065,948
Unassigned:	-	-	-	-	(2,725,003)	-	(2,725,003)
Total fund balance	<u>7,065,948</u>	<u>2,321,561</u>	<u>3,274,901</u>	<u>6,256,801</u>	<u>(2,725,003)</u>	<u>2,278,543</u>	<u>18,472,751</u>
Total liabilities, deferred inflows & fund balance	<u>\$ 7,149,672</u>	<u>\$ 2,321,561</u>	<u>\$ 3,274,901</u>	<u>\$ 6,316,313</u>	<u>\$ 5,632</u>	<u>\$ 2,398,140</u>	<u>\$ 21,466,219</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, 2025

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	Smart & Safe AZ Fund	Municipal Development Authority Debt	CFD Bonds	Non-Bond
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 5,610,274	\$ -
Intergovernmental	657,940	1,193,679	-	-	-
Charges for service	91,088	-	-	-	-
Investment earnings(loss)	289,631	-	125,993	142,509	35,496
Miscellaneous	348,803	-	-	292,674	112,185
Total revenues	<u>1,387,462</u>	<u>1,193,679</u>	<u>125,993</u>	<u>6,045,457</u>	<u>147,681</u>
EXPENDITURES:					
Current:					
General government	-	-	-	166,387	-
Public works	-	-	-	-	107,263
Human services	2,716,382	-	-	-	-
Debt service:					
Principal payments	-	-	-	4,400,000	6,183,267
Interest and other charges	-	-	-	812,182	1,219,860
Capital outlay	-	-	-	-	-
Total expenditures	<u>2,716,382</u>	<u>-</u>	<u>-</u>	<u>5,378,569</u>	<u>7,510,390</u>
Excess (deficiency) of revenues over expenditures	<u>(1,328,920)</u>	<u>1,193,679</u>	<u>125,993</u>	<u>666,888</u>	<u>(7,362,709)</u>
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	1,900,000	-	-	150,170	5,259,785
Transfers out	(154,065)	(900,000)	-	-	-
Total other financing sources and uses	<u>1,745,935</u>	<u>(900,000)</u>	<u>-</u>	<u>150,170</u>	<u>5,259,785</u>
Net change in fund balances	417,015	293,679	125,993	817,058	(2,102,924)
Fund balances - beginning	6,648,933	2,027,882	3,148,908	5,439,743	(622,079)
Fund balances - ending	<u>\$ 7,065,948</u>	<u>\$ 2,321,561</u>	<u>\$ 3,274,901</u>	<u>\$ 6,256,801</u>	<u>\$ (2,725,003)</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, 2025

	<u>Capital Project Funds</u>	<u>Total Non-Major Governmental Funds</u>
	<u>CFD Bonds</u>	
REVENUES:		
Taxes	\$ -	\$ 5,610,274
Intergovernmental	-	1,851,619
Charges for service	-	91,088
Investment earnings(loss)	36,870	630,499
Miscellaneous	-	753,662
Total revenues	<u>36,870</u>	<u>8,937,142</u>
EXPENDITURES:		
Current:		
General government	-	166,387
Public works	-	107,263
Human services	-	2,716,382
Debt service:		
Principal payments	-	10,583,267
Interest and other charges	565,753	2,597,795
Capital outlay	<u>4,008,482</u>	<u>4,008,482</u>
Total expenditures	<u>4,574,235</u>	<u>20,179,576</u>
Excess (deficiency) of revenues over expenditures	<u>(4,537,365)</u>	<u>(11,242,434)</u>
OTHER FINANCING SOURCES (USES):		
Issuance of debt	6,810,000	6,810,000
Premium on bonds issued	156,078	156,078
Transfers in	-	7,309,955
Transfers out	<u>(150,170)</u>	<u>(1,204,235)</u>
Total other financing sources and uses	<u>6,815,908</u>	<u>13,071,798</u>
Net change in fund balances	2,278,543	1,829,364
Fund balances - beginning	-	16,643,387
Fund balances - ending	<u>\$ 2,278,543</u>	<u>\$ 18,472,751</u>
		(concluded)

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
PUBLIC TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 484,303	\$ 484,303	\$ 657,940	\$ 173,637
Charges for services	90,000	90,000	91,088	1,088
Investment earnings	140,000	140,000	289,631	149,631
Miscellaneous	561,608	561,608	348,803	(212,805)
Total inflows	<u>1,275,911</u>	<u>1,275,911</u>	<u>1,387,462</u>	<u>111,551</u>
EXPENDITURES:				
Current:				
Human services	3,290,795	3,502,283	2,571,567	(930,716)
Capital outlay	-	-	154,065	154,065
Total expenditures	<u>3,290,795</u>	<u>3,502,283</u>	<u>2,725,632</u>	<u>(776,651)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,014,884)</u>	<u>(2,226,372)</u>	<u>(1,338,170)</u>	<u>888,202</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,900,000	1,900,000	1,900,000	-
Total other financing sources and uses	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>
Net change in fund balances	(114,884)	(326,372)	561,830	888,202
Fund balances - beginning	4,804,754	4,804,754	6,648,933	1,844,179
Fund balances - ending	<u>\$ 4,689,870</u>	<u>\$ 4,478,382</u>	<u>\$ 7,210,763</u>	<u>\$ 2,732,381</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 1,387,462
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 1,387,462</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,725,632
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	144,815
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(154,065)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 2,716,382</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
SMART & SAFE AZ FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final	(budgetary basis)	
REVENUES:				
Intergovernmental revenue	\$ 1,355,326	\$ 1,355,326	\$ 1,193,679	\$ (161,647)
Total revenues	<u>1,355,326</u>	<u>1,355,326</u>	<u>1,193,679</u>	<u>(161,647)</u>
EXPENDITURES:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,355,326</u>	<u>1,355,326</u>	<u>1,193,679</u>	<u>(161,647)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(900,000)	(900,000)	(900,000)	-
Total other financing sources and uses	<u>(900,000)</u>	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Net change in fund balances	455,326	455,326	293,679	(161,647)
Fund balances - beginning	2,086,575	2,086,575	2,027,882	(58,693)
Fund balances - ending	<u>\$ 2,541,901</u>	<u>\$ 2,541,901</u>	<u>\$ 2,321,561</u>	<u>\$ (220,340)</u>

**CITY OF PEORIA, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 MUNICIPAL DEVELOPMENT AUTHORITY (MDA) DEBT, DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 125,993	\$ 125,993
Total revenues	<u>-</u>	<u>-</u>	<u>125,993</u>	<u>125,993</u>
EXPENDITURES:				
Debt service:				
Interest and other charges	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,000)</u>	<u>-</u>	<u>125,993</u>	<u>125,993</u>
Net change in fund balances	(7,000)	-	125,993	125,993
Fund balances - beginning	5,294,595	5,294,595	3,148,908	(2,145,687)
Fund balances - ending	<u>\$ 5,287,595</u>	<u>\$ 5,294,595</u>	<u>\$ 3,274,901</u>	<u>\$ (2,019,694)</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Taxes	\$ 5,728,549	\$ 5,728,549	\$ 4,770,777	\$ (957,772)
Investment earnings	-	-	142,509	142,509
Miscellaneous	1,080,000	1,080,000	292,674	(787,326)
Total revenues	<u>6,808,549</u>	<u>6,808,549</u>	<u>5,205,960</u>	<u>(1,602,589)</u>
EXPENDITURES:				
Current:				
General government	1,140,000	1,140,000	77,669	(1,062,331)
Debt service:				
Principal payments	4,470,000	4,470,000	4,400,000	(70,000)
Interest and other charges	752,600	752,600	812,182	59,582
Total expenditures	<u>6,362,600</u>	<u>6,362,600</u>	<u>5,289,851</u>	<u>(1,072,749)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>445,949</u>	<u>445,949</u>	<u>(83,891)</u>	<u>(529,840)</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(10,000)	(10,000)	-	10,000
Transfers in	-	-	150,170	150,170
Total other financing sources and uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>150,170</u>	<u>160,170</u>
Net change in fund balances	435,949	435,949	66,279	(369,670)
Fund balances - beginning	-	-	5,439,743	5,439,743
Fund balances - ending	<u>\$ 435,949</u>	<u>\$ 435,949</u>	<u>\$ 5,506,022</u>	<u>\$ 5,070,073</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 5,205,960
Differences - budget to GAAP:	
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	839,497
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 6,045,457</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,289,851
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	88,718
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 5,378,569</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<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	\$ 20,493	\$ 20,493	\$ 35,496	\$ 15,003
Miscellaneous	-	-	112,185	112,185
Total revenues	<u>20,493</u>	<u>20,493</u>	<u>147,681</u>	<u>127,188</u>
EXPENDITURES:				
Current:				
Public works	-	106,335	107,263	928
Debt service:				
Principal payments	6,183,267	6,183,267	6,183,267	-
Interest and other charges	1,264,788	1,221,788	1,219,860	(1,928)
Total expenditures	<u>7,448,055</u>	<u>7,511,390</u>	<u>7,510,390</u>	<u>(1,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,427,562)</u>	<u>(7,490,897)</u>	<u>(7,362,709)</u>	<u>128,188</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,259,785	5,259,785	5,259,785	-
Total other financing sources and uses	<u>5,259,785</u>	<u>5,259,785</u>	<u>5,259,785</u>	<u>-</u>
Net change in fund balances	(2,167,777)	(2,231,112)	(2,102,924)	128,188
Fund balances - beginning	-	-	(622,079)	(622,079)
Fund balances - ending	<u>\$ (2,167,777)</u>	<u>\$ (2,231,112)</u>	<u>\$ (2,725,003)</u>	<u>\$ (493,891)</u>

**CITY OF PEORIA, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY FACILITIES DISTRICT (CFD) BONDS CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 36,870	\$ 36,870
Total revenues	<u>-</u>	<u>-</u>	<u>36,870</u>	<u>36,870</u>
EXPENDITURES:				
Debt service:				
Interest and other charges	800,000	800,000	565,753	(234,247)
Capital outlay	5,100,000	5,100,000	4,008,482	(1,091,518)
Total expenditures	<u>5,900,000</u>	<u>5,900,000</u>	<u>4,574,235</u>	<u>(1,325,765)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	10,500,000	10,500,000	6,810,000	(3,690,000)
Premium on bonds issued	-	-	156,078	156,078
Transfers out	-	-	(150,170)	(150,170)
Total other financing sources and uses	<u>10,500,000</u>	<u>10,500,000</u>	<u>6,815,908</u>	<u>(3,684,092)</u>
Net change in fund balances	4,600,000	4,600,000	2,278,543	(2,321,457)
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ 2,278,543</u>	<u>\$ (2,321,457)</u>

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, 2025**

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Pooled cash and investments	\$ 18,314,650	\$ 4,152,681	\$ 3,535,284	\$ 11,056,877	\$ 37,059,492
Restricted pooled cash and investments	-	22,322,690	-	-	22,322,690
Restricted cash with fiscal agents	-	328,242	-	-	328,242
Accounts receivable, net	109,803	21,980	-	5,933	137,716
Interest receivable	124,086	325,263	36,365	90,646	576,360
Prepaid items	4,956,387	-	-	-	4,956,387
Supplies inventory	326,061	-	-	-	326,061
Total current assets	<u>23,830,987</u>	<u>27,150,856</u>	<u>3,571,649</u>	<u>11,153,456</u>	<u>65,706,948</u>
Non-current assets:					
Restricted assets:					
Investments	-	9,538,209	-	-	9,538,209
Total restricted assets	<u>-</u>	<u>9,538,209</u>	<u>-</u>	<u>-</u>	<u>9,538,209</u>
Capital assets:					
Buildings and improvements	-	-	-	148,102	148,102
Equipment & furniture	2,166,717	-	-	25,027,622	27,194,339
Vehicles	46,290,199	-	-	-	46,290,199
Intangible-SBITA	-	-	-	3,876,760	3,876,760
Less accumulated depreciation/amortization	(32,693,341)	-	-	(26,436,514)	(59,129,855)
Construction in progress	-	-	-	11,471,665	11,471,665
Total capital assets, net	<u>15,763,575</u>	<u>-</u>	<u>-</u>	<u>14,087,635</u>	<u>29,851,210</u>
Net other postemployment benefits asset	48,299	-	87,996	184,864	321,159
Total assets	<u>39,642,861</u>	<u>36,689,065</u>	<u>3,659,645</u>	<u>25,425,955</u>	<u>105,417,526</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	239,206	-	435,809	915,560	1,590,575
Total deferred outflows of resources	<u>239,206</u>	<u>-</u>	<u>435,809</u>	<u>915,560</u>	<u>1,590,575</u>
LIABILITIES					
Current liabilities:					
Accounts payable	671,517	1,744,706	173,874	1,293,265	3,883,362
Accrued payroll	48,213	4,064	87,518	186,448	326,243
Accrued interest payable	-	-	-	284,790	284,790
Other current liabilities	47,431	11	-	-	47,442
Current portion of claims payable	-	7,914,708	-	-	7,914,708
Current portion of compensated absences	80,160	4,531	160,726	415,233	660,650
Current portion of SBITA payable	-	-	-	1,237,609	1,237,609
Total current liabilities	<u>847,321</u>	<u>9,668,020</u>	<u>422,118</u>	<u>3,417,345</u>	<u>14,354,804</u>
Non-current liabilities:					
Long-term portion of claims payable	-	1,930,388	-	-	1,930,388
Compensated absences	69,170	748	177,289	305,126	552,333
Long-term portion of SBITA payable	-	-	-	9,722,222	9,722,222
Net pension and other postemployment benefits liability	1,253,275	-	2,283,359	4,796,929	8,333,563
Total non-current liabilities	<u>1,322,445</u>	<u>1,931,136</u>	<u>2,460,648</u>	<u>14,824,277</u>	<u>20,538,506</u>
Total liabilities	<u>2,169,766</u>	<u>11,599,156</u>	<u>2,882,766</u>	<u>18,241,622</u>	<u>34,893,310</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	105,267	-	191,789	402,918	699,974
Total deferred inflows of resources	<u>105,267</u>	<u>-</u>	<u>191,789</u>	<u>402,918</u>	<u>699,974</u>
NET POSITION					
Net investment in capital assets	15,411,196	-	-	3,127,804	18,539,000
Restricted - trust purpose	-	22,730,292	-	-	22,730,292
Restricted - net other postemployment benefits	48,299	-	87,996	184,864	321,159
Unrestricted	22,147,539	2,359,617	932,903	4,384,307	29,824,366
Total net position	<u>\$ 37,607,034</u>	<u>\$ 25,089,909</u>	<u>\$ 1,020,899</u>	<u>\$ 7,696,975</u>	<u>\$ 71,414,817</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, 2025

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
OPERATING REVENUES					
Charges for services	\$ 11,262,715	\$ 30,896,151	\$ 7,693,223	\$ 14,830,027	\$ 64,682,116
Miscellaneous	166,712	1,202,703	-	8,808	1,378,223
Total operating revenues	<u>11,429,427</u>	<u>32,098,854</u>	<u>7,693,223</u>	<u>14,838,835</u>	<u>66,060,339</u>
OPERATING EXPENSES					
Salaries, wages and employee benefits	1,857,899	328,569	2,868,218	5,647,366	10,702,052
Contractual services, materials and supplies	7,353,598	1,794,061	4,103,705	9,047,948	22,299,312
Insurance claims and expenses	-	29,817,247	-	-	29,817,247
Depreciation and amortization	5,114,400	-	-	1,400,667	6,515,067
Total operating expenses	<u>14,325,897</u>	<u>31,939,877</u>	<u>6,971,923</u>	<u>16,095,981</u>	<u>69,333,678</u>
Operating income (loss)	<u>(2,896,470)</u>	<u>158,977</u>	<u>721,300</u>	<u>(1,257,146)</u>	<u>(3,273,339)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income(loss)	793,804	1,606,447	232,629	579,881	3,212,761
Interest expense	-	-	-	(342,302)	(342,302)
Gain (Loss) on sale of capital assets	183,280	-	-	-	183,280
Total non-operating revenues	<u>977,084</u>	<u>1,606,447</u>	<u>232,629</u>	<u>237,579</u>	<u>3,053,739</u>
Income (loss) before capital contributions and transfers	<u>(1,919,386)</u>	<u>1,765,424</u>	<u>953,929</u>	<u>(1,019,567)</u>	<u>(219,600)</u>
Transfers in	3,768,260	-	-	4,398,612	8,166,872
Transfers out	(33,573)	(31,120)	-	-	(64,693)
Change in net position	<u>1,815,301</u>	<u>1,734,304</u>	<u>953,929</u>	<u>3,379,045</u>	<u>7,882,579</u>
Total net position - beginning	<u>35,791,733</u>	<u>23,355,605</u>	<u>66,970</u>	<u>4,317,930</u>	<u>63,532,238</u>
Total net position - ending	<u>\$ 37,607,034</u>	<u>\$ 25,089,909</u>	<u>\$ 1,020,899</u>	<u>\$ 7,696,975</u>	<u>\$ 71,414,817</u>

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 11,354,723	\$ 32,096,712	\$ 7,693,223	\$ 14,834,179	\$ 65,978,837
Payments to suppliers	(11,945,404)	(2,160,743)	(4,152,230)	(7,959,042)	(26,217,419)
Payments to employees	(1,605,677)	(385,474)	(3,019,433)	(6,066,166)	(11,076,750)
Self-insurance costs	-	(30,171,410)	-	-	(30,171,410)
Net cash provided (used) by operating activities	<u>(2,196,358)</u>	<u>(620,915)</u>	<u>521,560</u>	<u>808,971</u>	<u>(1,486,742)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	3,768,260	-	-	4,398,612	8,166,872
Transfers out	(33,573)	(31,120)	-	-	(64,693)
Net cash provided (used) by non-capital financing activities	<u>3,734,687</u>	<u>(31,120)</u>	<u>-</u>	<u>4,398,612</u>	<u>8,102,179</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,394,087)	-	-	(11,975,054)	(14,369,141)
Proceeds from disposal of capital assets	193,231	-	-	-	193,231
Principal payments on SBITA agreements	-	-	-	8,512,584	8,512,584
Interest payments on SBITA agreements	-	-	-	(81,496)	(81,496)
Net cash flows used by capital and related financing activities	<u>(2,200,856)</u>	<u>-</u>	<u>-</u>	<u>(3,543,966)</u>	<u>(5,744,822)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	(4,351,275)	-	-	(4,351,275)
Proceeds from sale of investments	-	3,831,145	-	-	3,831,145
Interest received on investments	787,009	1,547,566	228,992	578,879	3,142,446
Net cash provided by investing activities	<u>787,009</u>	<u>1,027,436</u>	<u>228,992</u>	<u>578,879</u>	<u>2,622,316</u>
Net increase (decrease) in cash and cash equivalents	124,482	375,401	750,552	2,242,496	3,492,931
Cash and cash equivalents at beginning of year	18,190,168	26,428,212	2,784,732	8,814,381	56,217,493
Cash and cash equivalents at end of year	<u>\$ 18,314,650</u>	<u>\$ 26,803,613</u>	<u>\$ 3,535,284</u>	<u>\$ 11,056,877</u>	<u>\$ 59,710,424</u>
Classified as:					
Pooled cash and investments	\$ 18,314,650	\$ 26,475,371	\$ 3,535,284	\$ 11,056,877	\$ 59,382,182
Cash with fiscal agents	-	328,242	-	-	328,242
Totals	<u>\$ 18,314,650</u>	<u>\$ 26,803,613</u>	<u>\$ 3,535,284</u>	<u>\$ 11,056,877</u>	<u>\$ 59,710,424</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (2,896,470)	\$ 158,977	\$ 721,300	\$ (1,257,146)	\$ (3,273,339)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,114,400	-	-	1,400,667	6,515,067
(Increase) decrease in assets/deferred outflows:					
Accounts receivable	(74,704)	(2,142)	-	(4,656)	(81,502)
Prepaid items	(4,956,387)	-	-	381,687	(4,574,700)
Supplies inventory	(28,009)	-	-	-	(28,009)
Net other postemployment benefits asset	(14,049)	-	(8,320)	(12,755)	(35,124)
Deferred outflows - pension and other postemployment benefits	(102,810)	-	(118,515)	(230,170)	(451,495)
Increase (decrease) in liabilities/deferred inflows:					
Accounts payable	392,590	(366,682)	(48,525)	707,219	684,602
Accrued payroll	(1,938)	(2,230)	13,418	28,924	38,174
Other liabilities	46,773	-	-	-	46,773
Claims payable	-	(354,163)	-	-	(354,163)
Compensated absences	39,200	(54,675)	(15,689)	(10,288)	(41,452)
Net pension and other post employment benefit liability	244,949	-	(62,296)	(269,949)	(87,296)
Deferred inflows - pension and other postemployment benefits	40,097	-	40,187	75,438	155,722
Total adjustments	<u>700,112</u>	<u>(779,892)</u>	<u>(199,740)</u>	<u>2,066,117</u>	<u>1,786,597</u>
Net cash provided (used) by operating activities	<u>\$ (2,196,358)</u>	<u>\$ (620,915)</u>	<u>\$ 521,560</u>	<u>\$ 808,971</u>	<u>\$ (1,486,742)</u>
Non-cash investing, capital and financing activities:					
Change in balances of capital accounts payable or retainage payable	\$ (349,392.00)	\$ -	\$ -	\$ -	\$ (349,392)
Change in fair market value of investments	-	132,522	-	-	132,522
Total non-cash investing, capital and financing activities	<u>\$ (349,392)</u>	<u>\$ 132,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (216,870)</u>

FIDUCIARY FUNDS

Play Peoria NFP Fund

This fund accounts for monies held on behalf of separate not-for-profit agencies for which the City operates as an administrator.

Westside Fire Training IGA Fund

This fund accounts for monies held on behalf of a consortium of area fire departments that pool monies for training activities for which the City acts as the administrator.

**CITY OF PEORIA, ARIZONA
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2025**

	<u>Custodial Funds</u>		<u>Total Custodial Funds</u>
	<u>PLAY Peoria NFP Fund</u>	<u>Westside Fire Training IGA Fund</u>	
ASSETS			
Pooled cash and investments	\$ 224,825	\$ -	\$ 224,825
Interest receivable	939	94	1,033
Total assets	<u>225,764</u>	<u>94</u>	<u>225,858</u>
LIABILITIES			
Accounts payable	<u>3,863</u>	-	<u>3,863</u>
Total liabilities	<u>3,863</u>	<u>-</u>	<u>3,863</u>
NET POSITION			
Restricted for:			
Individuals and organizations	221,901	-	221,901
Other governments	-	94	94
Total net position	<u>\$ 221,901</u>	<u>\$ 94</u>	<u>\$ 221,995</u>

**CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>		<u>Total Custodial Funds</u>
	<u>PLAY Peoria NFP Fund</u>	<u>Westside Fire Training IGA Fund</u>	
ADDITIONS			
Contributions:			
Individuals	\$ 94,535	\$ -	\$ 94,535
Investment earnings:			
Interest	6,008	1,350	7,358
Total additions	<u>100,543</u>	<u>1,350</u>	<u>101,893</u>
DEDUCTIONS			
Recipient payments	<u>25,990</u>	<u>52,802</u>	<u>78,792</u>
Total deductions	<u>25,990</u>	<u>52,802</u>	<u>78,792</u>
Change in net position	74,553	(51,452)	23,101
Net position - beginning of the year	147,348	51,546	198,894
Net position - end of the year	<u>\$ 221,901</u>	<u>\$ 94</u>	<u>\$ 221,995</u>

A desert landscape at sunset. In the foreground, a large Saguaro cactus stands prominently. The middle ground is filled with numerous smaller Saguaro cacti and low-lying desert shrubs. The background shows rolling hills under a sky with soft, golden light from the setting sun. A purple rounded rectangle is overlaid on the upper part of the image, containing the text "Statistical Section" in white.

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

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

Table I

	Fiscal Year									
	2016	2017	2018 ⁽²⁾	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	\$ 899,648,174	\$ 747,243,866	\$ 635,872,778	\$ 671,171,180	\$ 687,881,892	\$ 727,837,350	\$ 732,178,933	\$ 735,144,237	\$ 789,681,154	\$ 828,799,497
Restricted	162,959,546	149,717,064	121,796,554	121,505,682	112,074,204	122,549,508	132,975,636	147,049,925	168,721,650	184,455,824
Unrestricted	<u>(32,938,378)</u>	<u>(41,146,402)</u>	<u>(7,041,008)</u>	<u>(2,470,597)</u>	<u>25,270,359</u>	<u>33,644,712</u>	<u>81,171,085</u>	<u>114,694,957</u>	<u>150,944,721</u>	<u>175,484,836</u>
Total governmental activities net position	\$ 1,029,669,342	\$ 855,814,528	\$ 750,628,324	\$ 790,206,265	\$ 825,226,455	\$ 884,031,570	\$ 946,325,654	\$ 996,889,119	\$ 1,109,347,525	\$ 1,188,740,157
Business-type Activities										
Net investment in capital assets	\$ 589,629,061	\$ 597,736,728	\$ 600,474,983	\$ 619,320,612	\$ 622,466,137	\$ 640,684,899	\$ 640,404,948	\$ 662,256,419	\$ 725,127,889	\$ 769,907,037
Restricted	31,926,587	27,590,003	29,456,418	25,123,557	13,719,271	32,937,325	48,913,594	33,324,822	39,428,169	41,123,501
Unrestricted	<u>49,023,256</u>	<u>59,376,481</u>	<u>67,576,862</u>	<u>70,087,860</u>	<u>87,023,600</u>	<u>83,010,832</u>	<u>74,087,539</u>	<u>88,896,938</u>	<u>96,647,012</u>	<u>107,332,642</u>
Total business-type activities net position	\$ 670,578,904	\$ 684,703,212	\$ 697,508,263	\$ 714,532,029	\$ 723,209,008	\$ 756,633,056	\$ 763,406,081	\$ 784,478,179	\$ 861,203,070	\$ 918,363,180
Primary Government										
Net investment in capital assets	\$ 1,489,277,235	\$ 1,344,980,594	\$ 1,236,347,761	\$ 1,290,491,792	\$ 1,310,348,029	\$ 1,368,522,249	\$ 1,372,583,881	\$ 1,397,400,656	\$ 1,514,809,043	\$ 1,598,706,534
Restricted	194,886,133	177,307,067	151,252,972	146,629,239	125,793,475	155,486,833	181,889,230	180,374,747	208,149,819	225,579,325
Unrestricted	<u>16,084,878</u>	<u>18,230,079</u>	<u>60,535,854</u>	<u>67,617,263</u>	<u>112,293,959</u>	<u>116,655,544</u>	<u>155,258,624</u>	<u>203,591,895</u>	<u>247,591,733</u>	<u>282,817,478</u>
Total primary government net position	\$ 1,700,248,246	\$ 1,540,517,740	\$ 1,448,136,587	\$ 1,504,738,294	\$ 1,548,435,463	\$ 1,640,664,626	\$ 1,709,731,735	\$ 1,781,367,298	\$ 1,970,550,595	\$ 2,107,103,337

(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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
General Government	\$ 22,250,673	\$ 21,623,532	\$ 20,343,398	\$ 21,473,593	\$ 25,559,396	\$ 26,262,983	\$ 29,320,764	\$ 37,273,981	\$ 39,675,813	\$ 43,135,951
Culture & Recreation	26,447,013	28,371,539	28,003,374	29,499,798	31,614,048	31,387,780	38,959,427	45,008,300	44,703,457	46,199,311
Public Safety	70,342,389	97,665,783	81,720,528	89,026,946	90,943,804	101,363,787	95,609,943	108,735,210	121,385,694	131,017,091
Development Services	7,123,106	6,630,945	5,731,857	4,757,015	4,825,318	6,369,766	7,241,732	6,827,829	6,544,529	6,769,822
Highways & Streets	34,620,944	44,979,242	54,647,432	55,594,789	60,214,083	53,298,576	59,756,231	51,902,098	66,507,941	66,673,011
Public Works	7,507,311	6,705,095	5,694,902	5,112,076	6,731,383	7,188,048	7,498,034	8,629,505	7,639,676	7,528,590
Human Services	1,788,130	1,283,420	2,527,213	4,072,235	4,691,770	2,154,216	3,480,639	4,857,735	5,141,147	5,621,479
Interest on long-term debt	11,549,457	8,451,596	8,011,112	7,768,341	7,903,847	5,196,192	6,341,184	7,307,398	6,488,273	7,507,378
Total governmental activities expenses	<u>181,629,023</u>	<u>215,711,152</u>	<u>206,679,816</u>	<u>217,304,793</u>	<u>232,483,649</u>	<u>233,221,348</u>	<u>248,207,954</u>	<u>270,542,056</u>	<u>298,086,530</u>	<u>314,452,633</u>
Business-type Activities										
Water Utility	33,221,797	39,316,668	40,780,450	41,968,847	44,813,959	47,882,705	57,101,424	61,406,938	63,002,858	71,518,191
Wastewater Utility	22,001,744	24,075,245	25,715,392	24,512,758	30,007,409	29,013,309	32,608,310	30,287,509	30,357,658	34,993,493
Solid Waste Utility	11,137,739	11,867,773	13,008,905	13,749,718	14,059,601	15,039,332	16,406,294	18,141,399	20,178,264	20,934,233
Stadium	6,742,573	7,579,975	7,736,745	7,850,061	6,868,271	6,865,555	7,279,287	9,623,372	8,518,476	8,889,253
Storm Drain Utility	1,052,977	3,497,956	3,301,070	3,469,645	3,747,753	3,918,628	4,947,393	4,602,541	4,518,810	4,619,802
Total business-type activities expenses	<u>74,156,830</u>	<u>86,337,617</u>	<u>90,542,562</u>	<u>91,551,029</u>	<u>99,496,993</u>	<u>102,719,529</u>	<u>118,342,708</u>	<u>124,061,759</u>	<u>126,576,066</u>	<u>140,954,972</u>
Total primary government expenses	<u>\$ 255,785,853</u>	<u>\$ 302,048,769</u>	<u>\$ 297,222,378</u>	<u>\$ 308,855,822</u>	<u>\$ 331,980,642</u>	<u>\$ 335,940,877</u>	<u>\$ 366,550,662</u>	<u>\$ 394,603,815</u>	<u>\$ 424,662,596</u>	<u>\$ 455,407,605</u>
Program Revenues										
Governmental Activities										
Charges for services	\$ 29,321,181	\$ 32,311,277	\$ 34,954,574	\$ 37,925,774	\$ 34,130,112	\$ 33,877,259	\$ 36,304,943	\$ 35,733,582	\$ 50,029,243	\$ 48,026,361
Operating grants and contributions	14,329,168	14,666,090	16,640,349	15,394,092	30,380,591	26,737,353	26,225,414	29,850,458	28,961,742	31,800,559
Capital grants and contributions	27,259,727	25,638,030	20,441,205	31,886,362	17,490,699	33,507,214	36,466,449	15,421,371	61,749,051	40,199,091
Total governmental activities program revenues	<u>70,910,076</u>	<u>72,615,397</u>	<u>72,036,128</u>	<u>85,206,228</u>	<u>82,001,402</u>	<u>94,121,826</u>	<u>98,996,806</u>	<u>81,005,411</u>	<u>140,740,036</u>	<u>120,026,011</u>
Business-type Activities										
Charges for services	76,106,994	80,152,247	85,557,374	84,331,736	87,888,011	97,952,658	100,817,330	108,537,468	127,456,217	132,874,287
Capital grants and contributions	17,518,669	20,698,020	12,517,749	14,999,480	15,053,394	29,697,095	19,914,624	17,954,815	45,128,529	34,096,411
Total business-type activities program revenues	<u>93,625,663</u>	<u>100,850,267</u>	<u>98,075,123</u>	<u>99,331,216</u>	<u>102,941,405</u>	<u>127,649,753</u>	<u>120,731,954</u>	<u>126,492,283</u>	<u>172,584,746</u>	<u>166,970,698</u>
Total primary government program revenues	<u>\$ 164,535,739</u>	<u>\$ 173,465,664</u>	<u>\$ 170,111,251</u>	<u>\$ 184,537,444</u>	<u>\$ 184,942,807</u>	<u>\$ 221,771,579</u>	<u>\$ 219,728,760</u>	<u>\$ 207,497,694</u>	<u>\$ 313,324,782</u>	<u>\$ 286,996,709</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (110,718,947)	\$ (143,095,755)	\$ (134,643,688)	\$ (132,098,565)	\$ (150,482,247)	\$ (139,099,522)	\$ (149,211,148)	\$ (189,536,645)	\$ (157,346,494)	\$ (194,426,622)
Business-type Activities	19,468,833	14,512,650	7,532,561	7,780,187	3,444,412	24,930,224	2,389,246	2,430,524	46,008,680	26,015,726
Total primary government net expense	<u>\$ (91,250,114)</u>	<u>\$ (128,583,105)</u>	<u>\$ (127,111,127)</u>	<u>\$ (124,318,378)</u>	<u>\$ (147,037,835)</u>	<u>\$ (114,169,298)</u>	<u>\$ (146,821,902)</u>	<u>\$ (187,106,121)</u>	<u>\$ (111,337,814)</u>	<u>\$ (168,410,896)</u>

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

Table II

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes, levied for general purposes	\$ 2,994,905	\$ 3,207,433	\$ 3,522,321	\$ 5,099,325	\$ 5,928,720	\$ 6,086,505	\$ 6,351,779	\$ 6,712,827	\$ 7,060,462	\$ 7,364,070
Property taxes, levied for debt service	17,537,813	18,532,683	20,152,280	20,276,526	21,829,330	23,814,936	25,044,456	27,258,369	28,763,387	30,126,345
Sales and use taxes	79,410,364	84,236,770	89,781,248	93,182,810	99,747,911	113,852,555	125,521,932	131,030,117	134,078,467	140,746,001
Franchise taxes	4,461,864	4,501,681	5,035,331	4,925,609	4,776,257	4,965,951	4,961,622	5,240,846	5,506,906	5,620,099
Intergovernmental										
State shared sales taxes - unrestricted	14,760,029	15,631,512	15,894,140	17,018,021	17,079,368	20,186,716	26,815,644	28,812,810	29,902,732	30,500,400
Urban revenue sharing - unrestricted	18,549,406	20,949,613	20,334,388	20,366,697	22,275,583	25,147,285	24,816,247	36,976,059	52,432,815	42,279,677
Auto in-lieu taxes - unrestricted	6,385,294	6,728,814	6,799,997	7,262,809	7,313,007	8,349,703	8,237,369	9,669,103	9,953,932	10,420,735
Investment Earnings(Losses)	1,693,475	1,667,892	2,172,236	7,200,254	7,800,410	544,254	(6,556,874)	6,404,789	21,284,912	24,870,669
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,732,726	4,120,882	5,383,459	2,342,583	1,138,662	3,221,522	3,658,727	3,641,910	4,350,225	5,063,032
Special Item: Defeasance of G.O. debt	-	-	(450,797)	-	-	-	-	-	-	-
Transfers in (out)	(3,994,967)	(6,346,374)	(4,803,295)	(5,997,632)	(2,387,307)	(8,264,790)	(3,373,622)	(15,646,720)	(23,528,938)	(23,171,774)
Total governmental activities	144,530,909	153,230,906	163,821,308	171,677,002	185,501,941	197,904,637	215,477,280	240,100,110	269,804,900	273,819,254
Business-type Activities										
Investment Earnings(Losses)	709,850	519,774	700,909	3,107,572	2,854,480	211,199	(2,985,986)	2,994,854	7,187,273	7,893,552
Gain on sale of capital assets	-	109,744	13,305	138,375	(9,220)	17,835	24,095	-	-	79,058
Transfers in (out)	3,994,967	6,346,374	4,803,295	5,997,632	2,387,307	8,264,790	3,373,622	15,646,720	23,528,938	23,171,774
Total business-type activities	4,704,817	6,975,892	5,517,509	9,243,579	5,232,567	8,493,824	411,731	18,641,574	30,716,211	31,144,384
Total primary government	\$ 149,235,726	\$ 160,206,798	\$ 169,338,817	\$ 180,920,581	\$ 190,734,508	\$206,398,461	\$ 215,889,011	\$ 258,741,684	\$ 300,521,111	\$ 304,963,638
Change in Net Position										
Governmental Activities	\$ 33,811,962	\$ 10,135,151	\$ 29,177,620	\$ 39,578,437	\$ 35,019,694	\$ 58,805,115	\$ 66,266,132	\$ 50,563,465	\$ 112,458,406	\$ 79,392,632
Business-type Activities	24,173,650	21,488,542	13,050,070	17,023,766	8,676,979	33,424,048	2,800,977	21,072,098	76,724,891	57,160,110
Total primary government	\$ 57,985,612	\$ 31,623,693	\$ 42,227,690	\$ 56,602,203	\$ 43,696,673	\$ 92,229,163	\$ 69,067,109	\$ 71,635,563	\$ 189,183,297	\$ 136,552,742

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Nonspendable	\$ 115,042	\$ 113,859	\$ 123,939	\$ 939,966	\$ 2,323,312	\$ 277,778	\$ 190,312	\$ 194,330	\$ 207,667	\$ 192,136
Restricted	388,375	354,566	40,488	40,762	30,639	25,943	1,924	10,879	16,742	19,989
Committed	38,464,678	40,221,571	42,249,268	52,300,995	55,086,725	56,852,819	59,902,768	62,978,528	63,748,730	72,810,031
Assigned	2,859,523	2,618,447	1,760,838	1,363,728	1,528,073	1,768,200	3,748,153	5,604,860	3,971,714	4,888,501
Unassigned	20,816,526	25,684,922	33,849,097	58,221,670	80,266,172	111,244,006	99,008,274	127,018,726	173,382,053	175,961,620
Total General Fund	<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>	<u>\$ 162,851,431</u>	<u>\$ 195,807,323</u>	<u>\$ 241,326,906</u>	<u>\$ 253,872,277</u>
All Other Governmental Funds										
Nonspendable	\$ 67,986	\$ 69,711	\$ 78,068	\$ 60,828	\$ 69,986	\$ 144,357	\$ 379,976	\$ 136,596	\$ 4,551,542	\$ 155,130
Restricted	150,498,066	137,842,918	115,222,701	143,532,067	108,519,124	107,990,268	304,865,760	169,504,680	165,767,951	238,914,759
Committed	10,885,668	11,315,062	10,663,895	2,838,609	2,429,777	2,424,547	63,770,700	2,082,021	2,313,146	2,538,209
Assigned	30,353,689	27,978,550	34,926,243	16,217,244	9,280,089	4,902,888	29,973,003	11,099,097	8,331,491	3,555,350
Unassigned	-	-	-	-	-	(7,969,083)	99,008,274	(808,741)	(2,160,384)	(2,725,003)
Total All Other Governmental Funds	<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>	<u>\$ 497,997,713</u>	<u>\$ 182,013,653</u>	<u>\$ 178,803,746</u>	<u>\$ 242,438,445</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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 104,369,837	\$ 110,535,434	\$ 118,352,843	\$ 123,645,058	\$ 131,784,413	\$ 148,454,717	\$ 162,396,713	\$ 170,261,592	\$ 175,373,761	\$ 183,897,582
Intergovernmental	65,237,794	60,096,580	61,643,624	61,054,399	85,338,544	83,673,505	96,914,612	106,279,739	125,440,248	119,830,533
Charges for Services	21,812,733	24,367,635	26,637,159	28,089,117	27,299,388	26,414,975	28,254,679	29,001,041	41,178,672	37,061,933
Licenses and Permits	4,080,210	4,778,632	5,509,240	5,720,889	4,929,081	5,287,497	5,100,898	3,650,883	5,211,692	6,234,398
Fines and Forfeitures	1,747,528	1,571,788	1,815,644	2,390,644	1,382,853	1,535,140	1,731,336	1,779,161	1,965,548	2,113,692
Rents	915,846	908,678	1,002,948	980,732	721,181	843,911	1,080,477	1,052,182	1,408,884	1,786,701
Investment Earnings(Losses)	1,462,408	1,320,578	1,709,765	6,364,506	6,881,841	85,750	(6,532,719)	5,284,806	18,471,813	21,657,908
Special Assessments	381,950	2,171,319	-	-	-	-	-	-	-	-
Miscellaneous	3,278,730	4,411,440	5,307,423	3,049,527	1,258,583	3,537,355	3,732,659	3,822,969	7,882,011	9,474,364
Total Revenues	203,287,036	210,162,084	221,978,646	231,294,872	259,595,884	269,832,850	292,678,655	321,132,373	376,932,629	382,057,111
Expenditures										
General Government	19,424,865	18,216,483	17,493,779	18,381,872	19,129,269	22,437,588	26,640,810	31,837,659	35,263,997	38,002,860
Culture & Recreation	21,797,069	23,862,880	24,200,927	26,631,491	29,367,980	27,500,891	34,019,114	38,588,757	37,586,725	39,964,790
Public Safety ⁽¹⁾	68,151,428	73,087,082	79,514,160	84,514,269	90,140,255	94,011,139	135,035,214	114,823,555	124,831,993	135,020,458
Development Services	7,129,814	6,291,295	5,935,127	4,835,544	4,867,486	6,221,071	6,967,231	6,702,535	6,362,353	6,779,530
Highways & Streets	19,086,404	21,610,293	25,666,063	27,314,691	32,490,156	24,989,110	30,518,643	24,817,250	40,115,497	40,791,272
Public Works	5,325,264	6,384,151	5,415,791	5,535,727	6,927,246	6,731,414	7,234,142	8,008,222	7,619,576	7,587,437
Human Services	1,725,328	1,184,926	2,447,943	4,020,781	4,690,171	2,143,606	3,476,262	4,828,035	4,989,820	5,324,646
Capital Outlay	12,332,241	29,367,979	25,896,002	27,839,028	55,429,562	33,233,819	17,099,261	24,151,553	28,236,972	64,621,052
Debt Service										
Interest	10,606,558	11,336,938	9,705,255	8,776,334	8,623,160	8,170,203	7,635,199	8,494,309	8,471,799	8,993,232
Principal	18,010,000	19,867,000	19,483,000	22,022,461	22,726,060	21,569,912	24,368,166	25,957,889	26,245,247	26,464,160
Payment to bond escrow agent	6,707,216	-	13,604,681	-	-	-	-	-	-	-
Total Expenditures	190,296,187	211,209,027	229,362,728	229,872,198	274,391,345	247,008,753	292,994,042	288,209,764	319,723,979	373,549,437
Excess of Revenues over (under) Expenditures	12,990,849	(1,046,943)	(7,384,082)	1,422,674	(14,795,461)	22,824,097	(315,387)	32,922,609	57,208,650	8,507,674
Other Financing Sources (Uses)										
Refunding bonds issued	103,410,000	-	28,975,000	-	-	20,855,000	21,495,000	-	-	-
Issuance of debt	30,325,000	3,000,000	5,199,304	30,420,000	2,590,000	1,870,000	55,880,000	31,708,075	8,469,593	95,323,789
Issuance of debt - from Subscriptions										832,595
Proceeds from Leases										6,673,370
Proceeds from Subscriptions										942,367
Premium on bonds issued	14,096,688	108,061	-	3,146,339	292,139	2,448,280	8,086,575	1,547,460	-	2,789,965
Payments to bond refunding escrow agent	(114,802,841)	-	(28,814,053)	-	-	(22,641,792)	(26,081,153)	-	-	-
Transfers In	12,890,960	17,925,171	17,684,545	36,612,624	14,049,347	9,787,365	11,422,490	9,484,295	12,876,324	10,072,941
Transfers Out	(20,363,855)	(28,236,236)	(19,786,126)	(35,000,305)	(18,117,997)	(17,015,124)	(17,724,676)	(28,266,035)	(43,860,628)	(41,346,894)
Total Other Financing Sources (Uses)	25,555,952	(7,203,004)	3,258,670	35,178,658	(1,186,511)	(4,696,271)	53,078,236	14,473,795	(14,898,974)	67,672,396
Net Change in Fund Balance	\$ 38,546,801	\$ (8,249,947)	\$ (4,125,412)	\$ 36,601,332	\$ (15,981,972)	\$ 18,127,826	\$ 52,762,849	\$ 47,396,404	\$ 42,309,676	\$ 76,180,070
Debt Service as a percentage of noncapital expenditures	19.85%	17.16%	21.03%	15.24%	14.32%	13.91%	11.60%	13.05%	11.91%	11.48%

⁽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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Retail Sales	\$ 41,216,781	\$ 43,666,206	\$ 45,112,750	\$ 48,201,653	\$ 52,794,953	\$ 63,612,494	\$ 69,900,613	\$ 73,186,740	\$ 72,723,943	\$ 75,979,285
Contracting	7,394,036	8,587,978	10,219,772	9,108,314	11,472,743	10,673,164	11,285,579	10,035,444	9,816,663	15,074,606
Rentals	8,123,884	8,383,946	8,823,620	8,983,145	10,684,541	10,279,587	11,194,971	12,326,917	13,552,001	11,485,611
Utilities*	7,904,665	8,022,722	8,911,107	8,115,617	8,303,764	9,042,824	9,164,337			
Telecom/Cable TV	1,151,941	942,239	816,179	697,849	725,389	494,061	446,508	519,698	694,810	539,968
Restaurant/Bar	9,833,912	10,335,218	11,388,465	11,661,217	11,597,024	13,499,778	15,917,098	17,239,681	18,302,127	18,810,742
Amusement	1,034,959	1,021,968	979,386	1,246,039	971,024	1,004,435	1,689,514	1,846,366	1,947,781	2,517,756
Use	740,179	1,243,655	1,707,181	2,248,575	2,334,003	3,551,444	3,048,117	2,594,351	2,664,114	2,968,151
Other	2,010,007	2,032,838	1,822,787	2,920,401	864,471	1,694,768	2,875,195	13,280,920	14,377,028	12,573,194
Total	\$ 79,410,364	\$ 84,236,770	\$ 89,781,247	\$ 93,182,810	\$ 99,747,912	\$ 113,852,555	\$ 125,521,932	\$ 131,030,117	\$ 134,078,467	\$ 139,949,314
% Growth by Year										
Retail Sales	5.9%	5.9%	3.3%	6.8%	9.5%	20.5%	9.9%	4.7%	-0.6%	4.5%
Contracting	18.2%	16.1%	19.0%	-10.9%	26.0%	-7.0%	5.7%	-11.1%	-2.2%	53.6%
Rentals	8.0%	3.2%	5.2%	1.8%	18.9%	-3.8%	8.9%	10.1%	9.9%	-15.2%
Utilities	5.4%	1.5%	11.1%	-8.9%	2.3%	8.9%	1.3%			
Telecom/Cable TV	-5.4%	-18.2%	-13.4%	-14.5%	3.9%	-31.9%	-9.6%	16.4%	33.7%	-22.3%
Restaurant/Bar	5.9%	5.1%	10.2%	2.4%	-0.6%	16.4%	17.9%	8.3%	6.2%	2.8%
Amusement	-0.2%	-1.3%	-4.2%	27.2%	-22.1%	3.4%	68.2%	9.3%	5.5%	29.3%
Use	3.0%	68.0%	37.3%	31.7%	3.8%	52.2%	-14.2%	-14.9%	2.7%	11.4%
Other	-4.9%	1.1%	-10.3%	60.2%	-70.4%	96.0%	69.7%	361.9%	8.3%	-12.5%
Total	6.5%	6.1%	6.6%	3.79%	7.05%	14.14%	10.25%	4.39%	2.33%	4.38%

* For confidentiality reasons, Utilities sales tax cannot be reported separately in FY2023 and FY2024 and is included with Other

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</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%	1.80%
Groceries	1.60%	1.60%	1.60%	1.60%	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%	1.80%
Rentals	1.80%	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%	5.60%
Utilities	3.30%	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%	1.80%
Restaurant/Bar	2.80%	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%	2.80%
All Others	1.80%	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%	0.70%
Groceries	0.70%	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%	1.77%
Mining - Nonmetal	0.44%	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%	0.70%
State Rates (2):											
Retail Sales (excluding groceries)	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Hotel/Transient Lodging	5.50%	5.50%	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%	3.13%
Mining - Severance	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
All Others	5.60%	5.60%	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	2025				2016			
	<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	15,513	60.8%	75,979,285	54.30%	3,360	21.30%	38,908,327	52.20%
Contracting	957	3.7%	15,074,606	10.80%	3,614	22.90%	6,257,112	8.40%
Restaurant/Bar	507	2.0%	18,810,742	13.40%	357	2.30%	9,284,232	12.50%
Rental	5,448	21.3%	11,485,611	8.20%	6,614	41.90%	7,522,177	10.10%
Utilities*					11	0.10%	7,498,115	10.00%
Telecom/Cable TV	238	0.9%	539,968	0.40%	182	1.10%	1,217,583	1.60%
Use	2,635	10.3%	2,968,151	2.10%	1,505	9.50%	718,931	1.00%
Amusement	96	0.4%	2,517,756	1.80%	60	0.40%	1,036,941	1.40%
Others	153	0.6%	12,573,194	9.00%	79	0.50%	2,112,606	2.80%
Total	<u>25,547</u>	<u>100.00%</u>	<u>\$ 139,949,314</u>	<u>100.00%</u>	<u>15,782</u>	<u>100.00%</u>	<u>\$ 74,556,024</u>	<u>100.00%</u>

* - For confidentiality reasons, utilities sales tax cannot be reported separately in FY2025 and is included with Others

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential (Owner occupied)	\$ 626,696,840	\$ 674,378,782	\$ 740,037,974	\$ 813,110,830	\$ 875,459,952	\$ 954,002,402	\$ 1,034,473,284	\$ 1,103,379,764	\$ 1,169,092,905	\$ 1,238,161,226
Residential (Renter occupied)	214,086,717	230,466,048	243,816,250	259,614,712	290,792,306	309,884,348	328,554,140	363,797,432	403,352,247	431,704,629
Commercial, Industrial, Mining & Utilities	291,761,032	297,883,403	310,764,850	328,762,027	352,052,608	356,175,720	379,013,645	385,810,266	400,209,657	430,182,099
Agriculture & Vacant	44,305,284	40,513,630	44,053,047	36,731,719	36,824,728	37,571,067	37,321,864	36,498,803	40,071,865	39,764,287
Railroad	1,137,482	1,040,707	1,065,441	1,015,986	1,040,771	1,002,644	1,061,989	1,276,282	1,518,083	1,694,390
Historic & Environmental	24,540	396,725	305,265	577,715	502,515	488,535	496,080	-	16,049	-
Public Property Improvements	5,100	-	25,390	-	48,122	50,528	53,055	55,707	4,217	64,238
Net Assessed Value	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989	\$ 1,556,721,002	\$ 1,659,175,244	\$ 1,780,974,057	\$ 1,890,818,254	\$ 2,014,265,023	\$ 2,141,570,869
% Growth	1.9%	5.7%	7.7%	7.4%	8.1%	15.2%	7.3%	6.2%	6.5%	6.3%
Net Assessed Value Per Capita	\$ 7,174	\$ 7,400	\$ 7,632	\$ 8,008	\$ 8,641	\$ 8,687	\$ 9,005	\$ 9,514	\$ 10,021	\$ 10,321
Population	164,212	168,192	172,259	179,800	190,985	194,517	197,786	198,750	201,001	207,499
Total Direct Secondary Tax Rate	1.25	1.25	1.25	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Full Cash Value	\$ 13,968,351,523	\$ 15,264,587,035	\$ 16,607,545,225	\$ 18,374,791,035	\$ 20,055,499,784	\$ 22,175,481,320	\$ 24,444,971,352	\$ 26,391,921,793	\$ 33,696,719,077	\$ 41,228,643,224
% Growth	25.1%	9.3%	8.8%	10.6%	9.1%	20.7%	10.2%	8.0%	27.7%	22.4%
Full Cash Value Per Capita	\$ 85,063	\$ 90,757	\$ 96,410	\$ 102,196	\$ 111,320	\$ 116,111	\$ 123,593	\$ 132,790	\$ 167,645	\$ 198,693
Net Assessed Value as a Percentage of Full Cash Value	8.4%	8.2%	8.1%	7.8%	7.8%	7.5%	7.3%	7.2%	6.0%	5.2%

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:

Fiscal Year

2015	16%	15%
2016	16%	16%
2017	16%	15%
2018	15%	14%
2019	15%	15%
2020	15%	14%
2021	15%	15%
2022	15%	15%
2023	15%	15%
2024	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>2016 (a)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City of Peoria	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989	\$ 1,556,721,002	\$ 1,659,175,244	\$ 1,780,974,057	\$ 1,890,818,254	\$ 2,014,265,023	\$ 2,141,570,869
Peoria Unified School District No. 11	1,475,721,803	1,549,607,885	1,649,351,547	1,780,118,947	1,934,677,253	2,043,501,690	2,188,687,421	2,316,600,539	2,465,686,542	2,642,784,882
Maricopa County	34,623,670,323	36,135,494,474	38,251,891,249	40,423,232,421	43,194,326,395	45,704,969,813	48,724,126,672	51,575,018,189	54,722,326,231	58,328,686,360
State of Arizona	54,840,074,052	56,573,588,295	59,404,007,785	62,328,357,186	66,158,541,837	69,914,521,042	74,200,233,397	78,405,598,978	83,026,530,244	88,425,611,337

(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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Direct City										
Primary	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29
Secondary	1.25	1.25	1.25	1.15	1.15	1.15	1.15	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	4.93	4.78	4.51	4.00	3.86	3.75	3.72	3.54	3.40	3.24
Secondary	2.84	3.26	3.03	3.02	2.94	2.92	2.44	2.23	2.13	1.81
Total	<u>7.77</u>	<u>8.04</u>	<u>7.54</u>	<u>7.02</u>	<u>6.80</u>	<u>6.67</u>	<u>6.16</u>	<u>5.77</u>	<u>5.53</u>	<u>5.05</u>
Maricopa County (2)										
Primary	3.13	3.14	3.09	3.05	3.01	2.97	2.89	2.34	2.28	2.21
Secondary	0.97	1.01	1.07	1.03	1.05	1.02	0.96	0.86	0.86	0.85
Total	<u>4.10</u>	<u>4.15</u>	<u>4.16</u>	<u>4.08</u>	<u>4.06</u>	<u>3.99</u>	<u>3.85</u>	<u>3.20</u>	<u>3.14</u>	<u>3.06</u>
Total										
Primary	8.25	8.11	7.79	7.34	7.16	7.01	6.90	6.17	5.97	5.73
Secondary	5.06	5.52	5.35	5.20	5.15	5.08	4.55	4.24	4.14	3.81
Total	<u>\$ 13.31</u>	<u>\$ 13.63</u>	<u>\$ 13.14</u>	<u>\$ 12.54</u>	<u>\$ 12.31</u>	<u>\$ 12.09</u>	<u>\$ 11.45</u>	<u>\$ 10.41</u>	<u>\$ 10.11</u>	<u>\$ 9.54</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	\$ 3.27	\$ 2.23

(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	\$ 1.16	\$ -
Maricopa County Community College District	1.05	0.06
Maricopa County Flood Control District	-	0.15
Maricopa County Fire District Assistance	-	0.01
Maricopa County Library District	-	0.05
Maricopa County Special Health Care District	-	0.27
West Maricopa Education Center	-	0.18
Central Arizona Water Conservation District	-	0.14
Fiscal Year 2024 Tax Rate	<u>\$ 2.21</u>	<u>\$ 0.85</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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Tax Levy Fiscal Year 2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Direct City										
Primary	\$ 2,238,232	\$ 2,364,891	\$ 2,546,130	\$ 4,175,458	\$ 4,514,491	\$ 4,811,608	\$ 5,164,825	\$ 5,483,373	\$ 5,841,367	\$ 6,210,556
Secondary	14,725,212	15,558,491	16,750,853	16,557,849	17,902,292	19,080,515	20,481,202	21,744,410	23,164,041	24,628,065
Total	<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>	<u>25,646,027</u>	<u>27,227,783</u>	<u>29,005,408</u>	<u>30,838,621</u>
Peoria Unified School District No. 11 (1)										
Primary	72,782,246	74,140,908	74,370,911	71,186,957	74,661,130	76,563,878	81,502,342	81,921,945	83,710,030	85,544,304
Secondary	41,966,017	50,494,525	50,046,959	53,764,234	56,922,243	59,604,705	53,396,580	51,687,487	52,442,776	47,854,445
Maricopa County (2)										
Primary	1,083,409,268	1,134,787,546	1,179,611,336	1,231,523,511	1,300,978,643	1,357,249,060	1,405,395,276	1,203,658,775	1,249,583,952	1,287,722,410
Secondary	234,978,404	337,146,316	356,706,002	373,658,155	402,738,173	411,099,616	409,383,469	390,658,525	405,133,711	419,069,733
Total										
Primary	1,158,429,746	1,211,293,345	1,256,528,377	1,306,885,926	1,380,154,264	1,438,624,546	1,492,062,443	1,291,064,093	1,339,135,349	1,379,477,270
Secondary	291,669,633	403,199,332	423,503,814	443,980,238	477,562,708	489,784,836	483,261,251	464,090,422	480,740,528	491,552,243
Total	<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>	<u>\$ 1,975,323,694</u>	<u>\$ 1,755,154,515</u>	<u>\$ 1,819,875,877</u>	<u>\$ 1,871,029,513</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	\$ 115,789,157	\$ 79,363,077

(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	\$ 676,087,804	
State Education Equalization Assistance		
Maricopa County Community College District	611,634,606	32,734,732
Maricopa County Flood Control District		79,198,583
Maricopa County Fire District Assistance		4,654,662
Maricopa County Library District		27,414,483
Maricopa County Special Health Care District		153,380,069
West Maricopa Education Center		41,118,776
Central Arizona Water Conservation District		80,568,428
Fiscal Year 2024 Tax Levy	<u>\$ 1,287,722,410</u>	<u>\$ 419,069,733</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

Taxpayer	Type of Business	2025(a)(b)			2016		
		Limited Property Assessed	Rank	% of Limited Property Assessed	Taxable Secondary Assessed	Rank	% of Taxable Secondary Assessed
		Value		Value	Value		Value
Arizona Public Service	Gas & Electric Utility	\$ 95,021,012	1	4.44%	\$ 23,516,704	1	2.00%
Vestar LPTC LLC	Property Development	8,981,558	2	0.42%	\$ 3,759,704	8	0.32%
Park West WFB LLC	Asset Management	7,158,191	3	0.33%			
Southwest Gas Corporation	Gas Utility	7,058,259	4	0.33%	\$ 4,181,863	6	0.35%
DDRA Arrowhead Crossing LLC	Shopping Center	5,510,026	5	0.26%	\$ 4,478,370	5	0.38%
The Village at Pioneer Park LLC	Multi-family Housing	5,391,327	6	0.25%			
N 75th AZ Partners LLC	Multi-family Housing	5,135,992	7	0.24%			
Freedom Plaza Limited Partnership Lease	Retirement Housing	4,912,038	8	0.23%			
Peoria Center Apartments South LLC	Multi-family Housing	4,693,758	9	0.22%			
BCC Development Inc.	Property Development	4,538,840	10	0.21%			
Park West Retail I LLC	Shopping Center				\$ 5,248,347	2	0.45%
Sprint Nextel Wireless LP	Telecommunications				\$ 5,182,165	3	0.44%
Vestar Arizona XLVIII LLC	Property Development				\$ 4,968,647	4	0.42%
Miller Family Real Estate LLC	Shopping Center				\$ 4,046,337	7	0.34%
Target Corporation	Shopping Center				\$ 3,508,421	9	0.30%
BCC Development Inc.	Property Development				\$ 3,497,734	10	0.30%
Total		<u>\$ 148,401,001</u>		<u>6.93%</u>	<u>\$ 62,388,292</u>		<u>5.30%</u>

(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.

(b) In 2023 Maricopa County changed their reporting software, so company consolidations may be different from prior years.

Note - As a quasi-governmental entity, Salt River Project pays in-Lieu taxes, rather than property taxes. For fiscal year 2025, the assessed value of Salt River Project property within the City of Peoria is \$25,583,709

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
2025	30,838,621	30,110,875	97.64%	-	30,110,875	97.64%
2024	29,005,408	28,595,241	98.59%	(19,062)	28,576,178	98.52%
2023	27,227,783	27,003,934	99.18%	(134,101)	26,869,833	98.69%
2022	25,646,027	25,375,055	98.94%	(60,554)	25,314,501	98.71%
2021	23,892,123	23,599,465	98.78%	(7,264)	23,592,201	98.74%
2020	22,416,783	21,914,662	97.76%	72,435	21,987,097	97.76%
2019	20,733,307	20,589,725	99.31%	(84,771)	20,504,954	98.90%
2018	19,296,983	18,955,264	98.23%	69,426	19,024,690	98.59%
2017	17,923,382	17,596,843	98.18%	124,953	17,721,796	98.88%
2016	16,963,444	16,695,651	98.42%	121,071	16,816,721	99.14%

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 6/30/2025

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>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Water										
Average bill	\$37.53	\$39.13	\$41.44	\$42.15	\$43.02	\$43.87	\$45.08	\$46.35	\$45.60	\$48.02
% Increase	5.60%	4.26%	5.90%	1.71%	2.06%	1.98%	2.76%	2.82%	-1.61%	5.29%
Wastewater										
Average bill	\$24.64	\$25.22	\$25.26	\$26.60	\$26.91	\$27.29	\$28.58	\$29.05	\$25.19	\$34.22
% Increase	2.71%	2.35%	0.16%	5.30%	1.17%	1.41%	4.73%	1.64%	-13.29%	5.48%
Residential Solid Waste										
Average bill	\$13.44	\$13.39	\$14.23	\$14.42	\$15.29	\$16.21	\$17.06	\$17.96	\$15.97	\$26.33
% Increase	0.67%	-0.37%	6.27%	1.34%	6.03%	6.02%	5.24%	5.28%	-11.09%	64.89%

**Utility Service Connections
Last Ten Fiscal Years**

	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Water										
# of Accounts	55,558	57,011	58,061	59,185	60,705	62,083	63,357	63,575	63,571	64,672
% Increase	8.08%	2.62%	1.84%	1.94%	2.57%	2.27%	2.05%	0.34%	-0.01%	1.73%
Wastewater										
# of Accounts	56,235	57,909	59,499	60,913	62,617	63,924	65,169	65,923	66,282	67,310
% Increase	3.00%	2.98%	2.75%	2.38%	2.80%	2.09%	1.95%	1.16%	0.54%	1.55%
Residential Solid Waste										
# of Accounts	54,262	55,828	57,452	58,816	60,123	61,332	62,575	63,323	63,692	65,184
% Increase	3.08%	2.89%	2.91%	2.37%	2.22%	2.01%	2.03%	1.20%	0.58%	2.34%

**Charges for Water Services
Base Minimum Monthly Bill
As of June 30, 2025**

Resid., Commerc. & Landscape Customers		
Multi Family Customers	Meter Size	Charge
	5/8"-3/4"	\$ 21.24
Base Charge	1"	25.96
per Meter	1 1/2"	43.41
\$11.06	2"	62.46
	3"	113.33
Charge per Dwelling Unit	4"	170.50
\$6.10	6"	329.21
	8"	519.76

**Charges for Wastewater Services
Base Minimum Monthly Bill
As of June 30, 2025**

Resid., Commerc. & Landscape Customers		
Multi Family Customers	Meter Size	Charge
	5/8"-3/4"	\$ 10.84
Base Charge	1"	10.84
per Meter	1 1/2"	25.95
\$4.30	2"	38.95
	3"	73.68
Charge per Dwelling Unit	4"	112.68
\$3.90	6"	221.01
	8"	351.05

- (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, 2025				Charges for Residential Solid Waste As of June 30, 2025	
Volume Consumption (gallons)	Residential (per 1,000 gallons)	Multiplex (per 1,000 gallons)	Commercial (per 1,000 gallons)		
0 - 4,000	\$ 1.53	\$ -	\$ -	Monthly fee	
4,001 - 10,000	4.08	-	-	Single container & recycling	\$ 23.55
10,001 - 20,000	5.80	-	-	Additional container	19.29
20,000+	6.42	-	-		
1,000+	-	4.08	-		
0 - 10,000	-	-	1.53		
10,001 - 50,000	-	-	4.08		
50,000+	-	-	5.80		

Water Meter Permit Charges As of June 30, 2025		Charges for Storm Water As of June 30, 2025	
Meter Size	Charge	Monthly	All Customers
3/4"	\$ 379		
1"	\$ 723 - 1,016	\$ 1.50	X
1 1/2"	\$ 724 - 1,016		
2"	\$ 864 - 1,186		
3"	\$ 2,755 - 3,481		
4"	\$ 3,186 - 3,883		
6"	\$ 5,147 - 6,449		
8"	\$ 7,509 - 10,111		
Hydrant meter	\$ 2,832		
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

<u>Entity</u>	<u>Type of User</u>	<u>2025</u>			<u>2016</u>		
		<u>Avg Monthly Water Usage</u>	<u>Rank</u>	<u>% Avg Monthly Water Usage</u>	<u>Avg Monthly Water Usage</u>	<u>Rank</u>	<u>% Avg Monthly Water Usage</u>
Trilogy At Vistancia HOA	Commercial Landscape	20,638	1	2.21%	2,549	4	0.35%
Infinity Capital Golf	Golf Course	17,151	2	1.84%			
TVAQ1 Community Assoc	Homeowner's Association	16,775	3	1.80%			
Blackstone Country Club	Golf Course	15,573	4	1.67%			
Sunrise Water Company	Water Company	12,710	5	1.36%			
Sun Harbor Community Assoc	Health Care Facility	10,026	6	1.07%			
Ventana Lakes N. of Beardsley Lake	Homeowner's Association	9,631	7	1.03%	3,702	3	0.51%
City of Peoria - Sports Complex	Sports Complex	8,876	8	0.95%			
City of Peoria - Right of Way	Right of Way Landscape	8,090	9	0.87%			
Saddleback Peoria Partners LLC	Residential Construction	7,403	10	0.79%			
Desert Harbor Lake	Homeowner's Association				7,103	1	0.99%
City of Peoria Padre's Pump Station	Sports Complex				6,604	2	0.92%
Liberty High School	Public School				2,316	5	0.32%
Westwing Mountain HOA	Homeowner's Association				1,949	6	0.27%
Sun Garden Park II HOA	Homeowner's Association				1,679	7	0.23%
Sun Garden Mobile Home Park	Homeowner's Association				1,576	8	0.22%
Centennial High School	Public School				1,411	9	0.20%
Polynesian Village	Homeowner's Association				1,252	10	0.17%

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities										
General Obligation Bonds	\$ 170,995,550	\$ 158,031,697	\$ 135,863,947	\$ 157,167,099	\$ 142,247,708	\$ 128,984,480	\$ 174,891,326	\$ 182,957,316	\$ 167,948,306	\$ 229,790,000
General Obligation WIFA Loans	-	-	-	-	3,000,000	3,954,426	3,724,398	7,063,285	14,582,003	15,072,930
Municipal Development Authority Debt Obligations	73,257,994	68,529,573	34,792,700	32,753,534	30,620,436	28,437,337	-	-	-	-
Excise Tax Revenue Obligations	-	-	-	-	-	-	24,222,767	23,469,990	21,147,213	16,810,000
Direct Purchase and Loan Obligations	-	-	36,514,304	30,761,347	27,130,287	23,415,375	19,621,324	15,747,839	11,799,618	7,771,351
Special Assessment Bonds	2,508,814	2,137,211	-	-	-	-	-	-	-	-
Community Facilities District Bonds	40,575,685	40,400,804	37,266,862	33,920,919	33,217,566	29,993,568	25,450,008	24,604,581	19,900,057	21,245,000
Leases	-	-	-	-	-	51,633	32,546	15,048	6,014,307	5,385,134
SBITA	-	-	-	-	-	-	2,927,106	1,915,184	4,003,815	12,625,135
Business-type Activities										
Water and Sewer Revenue Bonds	24,622,433	19,095,643	13,383,853	8,412,062	4,665,273	41,331,911	66,293,549	60,975,592	54,692,634	43,755,000
WIFA Loans	78,549,337	74,229,903	70,004,831	62,724,636	57,320,925	33,239,660	48,718,291	45,458,610	42,254,767	38,966,213
Leases	-	-	-	-	-	-	-	11,692	9,269	6,748
Total Primary Government	<u>\$ 390,509,813</u>	<u>\$ 362,424,831</u>	<u>\$ 327,826,497</u>	<u>\$ 325,739,597</u>	<u>\$ 298,202,195</u>	<u>\$ 289,408,390</u>	<u>\$ 365,881,315</u>	<u>\$ 362,219,137</u>	<u>\$ 342,351,989</u>	<u>\$ 391,427,511</u>
Total Debt Per Capita	\$ 2,378.08	\$ 2,154.83	\$ 1,903.06	\$ 1,851.20	\$ 1,561.39	\$ 1,515.08	\$ 1,849.88	\$ 1,822.49	\$ 1,703.24	\$ 1,886.41
Total Debt as a % of Personal Income	5.7%	5.1%	4.4%	4.1%	3.8%	3.7%	3.2%	2.9%	2.8%	2.8%

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonded Debt (1)	\$ 170,995,550	\$ 158,031,697	\$ 135,863,947	\$ 157,167,099	\$ 142,247,708	\$ 128,984,480	\$ 174,891,326	\$ 182,957,316	\$ 167,948,306	\$ 229,790,000
Less:										
Debt Service Reserves (2)	<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>	<u>19,673,341</u>	<u>19,066,405</u>	<u>20,828,250</u>	<u>25,927,883</u>
Net Bonded Debt	<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>	<u>\$ 155,217,985</u>	<u>\$ 163,890,911</u>	<u>\$ 147,120,056</u>	<u>\$ 203,862,117</u>
Percentage of Net Bonded Debt to Full Cash Value	1.0%	0.9%	0.7%	0.8%	0.6%	0.5%	0.6%	0.6%	0.4%	0.5%
Percentage of Net Bonded Debt to Assessed Value (3)	12.3%	10.6%	9.0%	9.7%	8.1%	6.7%	8.7%	8.7%	7.3%	9.5%
Net Bonded Debt Per Capita	\$879	\$788	\$696	\$796	\$659	\$569	\$785	\$825	\$732	\$982
Net Bonded Debt as a % of Personal Income	2.12%	1.87%	1.62%	1.77%	1.51%	1.25%	1.35%	1.33%	1.18%	1.48%

(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 GOVERNMENTAL ACTIVITIES DEBT
LAST TEN FISCAL YEARS**

Table XIX

Governmental Unit	2016	2017	2018	2019	2020	Fiscal Year 2021	2022	2023	2024	2025
Overlapping:										
Community College District	20,203,810	17,547,206	15,609,534	13,561,370	11,260,680	9,077,824	6,751,740	4,970,751	3,214,147	2,115,367
West MEC Vocational District	6,722,916	13,247,434	13,266,411	12,333,671	11,410,853	10,721,153	14,233,479	12,754,861	11,150,402	9,363,441
Sub-total - City-wide overlapping	26,926,726	30,794,640	28,875,945	25,895,041	22,671,533	19,798,977	20,985,219	17,725,612	14,364,549	11,478,808
Total City-wide levies (1)	314,264,769	188,826,337	236,046,896	280,497,941	258,887,529	234,584,163	274,828,230	271,568,623	259,759,868	320,178,358
Unified School Districts:										
Peoria No. 11	219,811,259	186,654,480	160,934,200	161,744,660	135,901,818	120,868,113	116,652,993	107,099,581	97,565,796	86,640,609
Deer Valley No. 97	26,927,344	30,347,141	16,287,234	14,099,937	15,421,516	15,477,532	13,338,388	10,557,000	11,566,689	11,443,102
Nadaburg No. 81	789	579	12,519	8,541	6,105	72,893	41,694	36,873	29,986	26,514
Sub-total - Unified school district overlapping	246,739,392	217,002,200	177,233,953	175,853,138	151,329,439	136,418,538	130,033,075	117,693,454	109,162,471	98,110,225
Total overlapping	273,666,118	247,796,840	206,109,898	201,748,179	174,000,972	156,217,515	151,018,294	135,419,066	123,527,020	109,589,033
Direct (2):										
City of Peoria	287,338,043	158,031,697	207,170,951	254,602,900	236,215,996	214,785,186	253,843,011	253,843,011	245,395,319	308,699,550
Total direct and overlapping debt	\$ 561,004,161	\$ 405,828,537	\$ 413,280,849	\$ 456,351,079	\$ 410,216,968	\$ 371,002,701	\$404,861,305	\$389,262,077	\$368,922,339	\$418,288,583

(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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Property Assessed Value (1)	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989	\$ 1,556,721,002	\$ 1,659,175,244	\$ 1,780,974,057	\$ 1,890,818,254	\$ 2,014,265,023	\$ 2,141,570,869
6% Limitation										
Debt limit	\$ 70,681,020	\$ 74,680,758	\$ 80,404,093	\$ 86,388,779	\$ 93,403,260	\$ 99,550,515	\$ 106,858,443	\$ 113,449,095	\$ 120,855,901	\$ 128,494,252
Total net debt applicable to limit	<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>	<u>6,398,560</u>	<u>6,483,342</u>	<u>2,819,658</u>	<u>3,089,281</u>
Legal 6% Debt Margin	<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>	<u>\$ 100,459,883</u>	<u>\$ 106,965,753</u>	<u>\$ 118,036,243</u>	<u>\$ 125,404,971</u>
Total net debt applicable to the limit as a percentage of debt limit	6.8%	5.6%	3.7%	5.2%	1.0%	0.0%	6.0%	5.7%	2.3%	2.4%
20% Limitation										
Debt limit	\$ 235,603,399	\$ 248,935,859	\$ 268,013,643	\$ 287,962,598	\$ 311,344,200	\$ 331,835,049	\$ 356,194,811	\$ 378,163,651	\$ 402,853,005	\$ 428,314,174
Total net debt applicable to limit	<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>	<u>190,765,335</u>	<u>193,774,041</u>	<u>182,861,849</u>	<u>258,224,143</u>
Legal 20% Debt Margin	<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>	<u>\$ 165,429,476</u>	<u>\$ 184,389,610</u>	<u>\$ 219,991,156</u>	<u>\$ 170,090,031</u>
Total net debt applicable to the limit as a percentage of debt limit	65.9%	57.9%	46.3%	49.2%	43.9%	37.7%	53.6%	51.2%	45.4%	60.3%

(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
PLEGGED REVENUE COVERAGE - EXCISE TAX AND STATE SHARED REVENUE DEBT OBLIGATIONS
GOVERNMENTAL PORTION
LAST TEN FISCAL YEARS

Table XXI

	<u>2016</u>	<u>2017</u>	<u>2018 (6)</u>	<u>2019</u>	<u>Fiscal Year</u> <u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Senior Lien Excise Tax and State Shared Revenue Debt Obligations										
Pledged Revenues										
Sales and use taxes (1)	\$ 67,425,794	\$ 71,476,726	\$ 76,168,326	\$ 79,020,319	\$ 84,429,889	\$ 96,328,365	\$ 106,277,624	\$ 111,004,429	\$ 113,682,082	\$ 119,351,110
State-shared sales tax	14,760,029	15,631,512	15,894,140	17,018,021	17,079,368	20,186,716	28,070,949	28,812,810	29,902,735	30,500,400
Urban revenue sharing	18,549,406	20,949,613	20,334,388	20,366,698	22,275,583	25,147,285	24,816,247	36,976,059	52,432,815	42,279,677
Franchise taxes	4,461,864	4,501,681	5,035,331	4,925,609	4,776,257	4,965,951	4,961,622	5,240,846	5,506,906	5,620,100
License and permits	4,080,210	4,778,632	5,509,240	5,720,889	4,929,081	5,287,497	5,100,898	3,650,883	5,211,692	6,234,398
Fines and forfeitures	1,601,014	1,433,868	1,728,303	2,241,580	1,249,763	1,436,969	1,619,089	1,643,286	1,804,263	1,937,207
User fees and charges	11,998,841	14,376,186	16,758,517	16,881,528	15,897,926	14,599,930	18,305,648	22,070,286	25,237,591	24,881,081
Miscellaneous	2,341,988	2,980,499	4,696,224	5,452,362	4,547,082	2,400,673	2,257,340	5,054,250	16,892,307	18,119,291
Total Pledged Revenues	125,219,146	136,128,717	146,124,469	151,627,006	155,184,949	170,353,386	191,409,417	214,452,849	250,670,391	248,923,264
Senior Lien Debt Service Requirements										
Principal (2)	2,085,000	2,165,000	2,361,806	2,265,000	2,475,000	2,535,000	2,610,000	900,000	2,480,000	2,595,000
Interest (2)	1,567,808	1,483,533	1,385,086	1,232,635	1,157,476	1,091,061	1,004,220	788,890	1,021,610	907,742
Total Senior Lien Debt Service Requirements	\$ 3,652,808	\$ 3,648,533	\$ 3,746,892	\$ 3,497,635	\$ 3,632,476	\$ 3,626,061	\$ 3,614,220	\$ 1,688,890	\$ 3,501,610	\$ 3,502,742
Estimated Coverage	34.28	37.31	39.00	43.35	42.72	46.98	52.96	126.98	71.59	71.07
Other Excise Tax and State Shared Revenue Debt Obligations (3)										
Net Pledged Revenues from above (4)	\$ 121,566,339	\$ 132,480,184	\$ 142,377,577	\$ 148,129,371	\$ 151,552,473	\$ 166,727,325	\$ 187,795,197	\$ 212,763,959	\$ 247,168,781	\$ 245,420,522
Additional Pledged Revenues (5)	12,231,059	12,939,338	13,977,877	15,203,014	16,080,887	17,469,832	19,363,508	20,975,746	21,831,212	23,084,046
Total	133,797,398	145,419,522	156,355,454	163,332,385	167,633,360	184,197,157	207,158,705	233,739,705	268,999,993	268,504,568
Debt Service Requirements										
Principal	2,385,000	2,490,000	2,665,000	3,015,000	3,065,000	3,130,000	3,195,000	3,255,000	3,310,000	3,370,000
Interest	1,545,500	1,438,175	1,114,408	507,374	447,978	387,598	325,937	262,995	198,872	133,665
Total Annual Requirements	\$ 3,930,500	\$ 3,928,175	\$ 3,779,408	\$ 3,522,374	\$ 3,512,978	\$ 3,517,598	\$ 3,520,937	\$ 3,517,995	\$ 3,508,872	\$ 3,503,665
Estimated Coverage	34.04	37.02	41.37	46.37	47.72	52.36	58.84	66.44	76.66	76.64

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
PLEGGED REVENUE COVERAGE - WATER AND WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS

Table XXII

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Gross Revenue (1)	\$ 60,010,324	\$ 64,032,933	\$ 69,512,706	\$ 69,682,089	\$ 72,892,452	\$ 78,379,187	\$ 75,671,386	\$ 83,416,136	\$ 101,684,311	\$ 109,478,211
Operating and Maintenance Expenses (2)	<u>33,060,448</u>	<u>35,787,927</u>	<u>38,664,295</u>	<u>39,616,866</u>	<u>47,802,256</u>	<u>49,575,457</u>	<u>61,522,222</u>	<u>62,430,763</u>	<u>64,198,439</u>	<u>77,333,472</u>
Net Revenue Available for Debt Service	<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>	<u>14,149,164</u>	<u>20,985,373</u>	<u>37,485,872</u>	<u>32,144,739</u>
Development Fee Revenue	5,116,972	6,268,689	6,034,425	6,529,816	6,911,813	9,163,448	6,932,135	2,541,541	8,298,875	7,694,384
Total Net Revenue	<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>	<u>21,081,299</u>	<u>23,526,914</u>	<u>45,784,747</u>	<u>39,839,123</u>
Debt Service Requirements										
Principal (3)	9,456,159	10,635,513	10,983,985	12,431,144	11,433,344	52,166,353	8,304,058	7,819,681	8,728,843	10,488,101
Interest (4)	<u>3,026,940</u>	<u>2,621,761</u>	<u>2,567,632</u>	<u>2,001,074</u>	<u>1,683,084</u>	<u>1,597,208</u>	<u>1,862,828</u>	<u>2,955,952</u>	<u>2,606,130</u>	<u>2,221,435</u>
Total Debt Service Requirements	<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>	<u>\$ 10,166,886</u>	<u>\$ 10,775,633</u>	<u>\$ 11,334,973</u>	<u>\$ 12,709,536</u>
Ratio of Total Net Revenue/ Total Bond Expense	2.57	2.60	2.72	2.54	2.44	0.71	2.07	2.18	4.04	3.13
Ratio of Net Available/ Total Bond Expense (5)	2.16	2.13	2.28	2.08	1.91	0.54	1.39	1.95	3.31	2.53

(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
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds
Repayment schedules for debt serviced by the Water and Sewer Utility Enterprise Funds

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

Table XXIII

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	Fiscal Year <u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Pledged Revenues (1)	\$ 1,078,196	\$ 2,787,558	\$ 2,130,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Requirements										
Principal	355,000	370,000	2,130,000	-	-	-	-	-	-	-
Interest (2)	121,338	106,250	90,825	-	-	-	-	-	-	-
Total Annual Requirements	<u>\$ 476,338</u>	<u>\$ 476,250</u>	<u>\$ 2,220,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Estimated Coverage	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

	Fiscal Year									
	<u>2016 (3)</u>	<u>2017 (4)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Current Assessments Due	\$ 381,950	\$344,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments Collected	381,950	344,741	-	-	-	-	-	-	-	-
Prepaid Assessments Collected	-	1,809,173	-	-	-	-	-	-	-	-
Total Assessments Collected (1)	<u>\$ 381,950</u>	<u>\$2,153,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ratio of Current Collections to Amount Due	100.0%	100.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Outstanding Assessment Principal (2)	\$ 2,036,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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 \$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.

(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 \$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>
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	8,116,201	46,125	39.5	35,490	4.3%
2020	190,985	9,179,694	48,065	38.2	35,784	9.3%
2021	194,517	10,085,901	51,851	38.5	34,030	6.6%
2022	197,786	11,532,506	58,308	42.7	34,495	3.4%
2023	198,750	12,290,700	61,840	41.0	34,557	3.9%
2024	201,001	12,429,701	61,839	41.0	34,443	3.5%
2025	207,499	13,770,671	66,365	42.1	34,373	4.0%

(1) City population for the most current year based on World Population Review estimates and prior year data is from the U.S. Census Bureau.

(2) Peoria personal income calculated by multiplying Phoenix Metropolitan Statistical Area (MSA) per capita income times Peoria population divided by 1,000.

(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

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

Table XXVI

Employer	2025			2016		
	# of Employees	Rank	Percentage of Total City Employment	# of Employees	Rank	Percentage of Total City Employment
Peoria Unified School District	3,950	1	3.9%	3,818	1	4.6%
City of Peoria	1,431	2	1.4%	1,143	2	1.4%
Fry's Food Stores (Multiple Locations)	952	3	0.9%	523	5	0.6%
Walmart (Multiple Locations)	812	4	0.8%	621	4	0.8%
Target Stores Inc (Multiple Locations)	638	5	0.6%	383	6	0.5%
Plaza Del Rio Campus/Freedom Plaza & Care Center	531	6	0.5%			
Safeway (Multiple Locations)	521	7	0.5%			
Banner Health	363	8	0.4%			
Immanuel Campus of Care	354	9	0.3%			
Home Depot (Multiple Locations)	334	10	0.3%			
McDonalds (Multiple Locations)			0.0%	345	7	0.4%
Brookdale Senior Living				778	3	0.9%
The Antigua Group Inc				313	9	0.4%
Oak Craft Inc				325	8	0.4%
Arizona Medical Clinic				300	10	0.4%
Total	9,886		9.7%	8,549		10.4%
Total City Employment	101,548			82,395		

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, 2022

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government										
City Manager	16.00	18.00	18.00	18.00	19.00	19.00	19.00	19.00	19.00	17.00
Office of Communications	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00
Human Resources	19.00	19.00	20.00	20.50	21.50	21.50	21.50	21.50	22.50	24.00
Attorney	26.00	26.00	26.00	26.00	26.00	26.00	27.00	29.00	29.00	28.00
City Clerk	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.50	6.50	8.00
Court	20.90	20.90	20.90	20.90	20.90	20.90	21.45	23.45	22.00	22.00
Economic Development***	31.50	8.00	8.00	7.00	7.00	7.00	7.00	7.00	8.00	7.00
Finance & Budget	79.00	79.00	80.00	79.00	78.00	78.00	79.00	79.00	78.00	79.00
Arts, Culture & Recreation	119.22	121.47	121.20	145.78	155.80	155.80	188.10	161.85	164.15	181.90
Police	295.00	299.00	306.00	303.00	304.00	305.00	308.00	323.00	349.00	363.00
Fire	175.50	194.50	194.50	212.00	220.00	220.00	236.00	241.00	244.00	261.00
Community Development	15.00	16.00	16.00	12.92	13.00	13.00	13.00	14.00	14.00	15.00
Development and Engineering**	33.25	65.00	65.00	67.25	67.00	67.00	70.00	72.00	70.00	70.00
Highways & Streets	38.80	38.80	38.80	38.80	39.80	39.80	40.8	42.8	43.8	45.8
Public Works	57.95	57.95	57.95	58.95	58.95	58.95	57.95	59.95	61.95	60.2
Human Services	7.50	7.50	7.50	9.50	9.50	9.50	10.50	11.00	11.50	11.50
Water Utility	55.50	58.50	58.50	61.50	63.50	69.50	72.50	67.50	68.50	69.50
Wastewater Utility	31.50	32.50	32.50	33.50	34.50	35.50	35.50	37.50	41.50	43.50
Solid Waste Utility	49.50	53.25	56.25	58.25	61.00	61.00	62.00	64.00	64.00	65.00
Information Technology	41.00	42.00	42.00	42.00	43.00	45.00	45.00	47.00	46.00	46.00
Stadium	17.50	18.50	18.50	18.50	18.50	18.50	17.96	17.90	16.10	15.10
Total FTE*	<u>1,145.62</u>	<u>1,191.87</u>	<u>1,203.60</u>	<u>1,249.35</u>	<u>1,277.95</u>	<u>1,286.95</u>	<u>1,348.26</u>	<u>1,354.95</u>	<u>1,389.50</u>	<u>1,442.50</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									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities:										
General Government										
Registered Voters in City	93,916	101,881	102,460	109,073	113,282	124,458	118,397	119,718	118,031	132,855
Voter Participation (last election)	N/A	76.7%	N/A	36.48%	41.33%	83.87%	N/A	67.66%	42.41%	83.25%
Culture & Recreation										
Recreation Participants	104,544	109,220	112,802	116,696	64,170	11,976	18,672	18,108	24,612	26,703
New Recreation Accounts	5,166	5,396	5,029	4,344	2,255	4,325	6,610	7,128	5,856	5,902
Special Event Participants	71,300	102,938	95,822	88,348	107,120	5,706	102,775	110,750	104,270	89,214
Police										
Calls for Service	53,256	55,136	53,574	51,127	51,081	51,162	55,197	54,497	54,656	54,325
Avg Response Time (minutes)	5.13 ^(C)	5.40 ^(C)	5.33 ^(C)	5.28	5.23	5.36	5.47	5.25	5.12	4.56
Fire										
Number of Incidents	23,824	23,726	24,932	23,752	25,066	25,559	24,859	28,509	28,505	27,961
Avg Response Time (minutes)	5.38	5.16 ^(A)	5.24 ^(A)	5.25 ^(A)	5.47 ^(A)	5.51 ^(A)	5.36 ^(A)	6.22 ^(A)	5.55 ^(A)	6.12 ^(A)
Development Services										
Building Permits Issued	5,818 ^(D)	6,336 ^(D)	6,231 ^(D)	5,701 ^(D)	5,795 ^(D)	6,764 ^(D)	6,151	4,369	4,571	4,098
Value of Building Permits (millions \$)	\$311.9	\$393.3	\$355.0	\$382.1	\$307.7	\$298.3	\$313.0	\$164.3	\$355.0	\$289.0
Highways & Streets										
Asphalt Used (in tons)	1,289	1,930	1,566	1,394	2,189	2,496	1,174	1,185	1,688	2,058
Centerline Miles Swept	4,118	6,199	5,052	6,405	7,205	8,555	8363	8,719	8,415	10,126
Miles Inspected	296	1,551 ^(G)	0 ^(G)	0 ^(G)	867 ^(G)	0 ^(G)	0 ^(G)	0 ^(G)	0 ^(G)	0 ^(G)
Public Works										
Number of Vehicle Work Orders	5,558	5,732	5,416	5,592	5,385	4957	4821	4857	4783	4878
Human Services										
Number of Dial-a-Ride users	749	585	599	599	387	399	425	402	401	444
Number of Annual Trips	30,756	27,241	28,033	22,954	22,257	15,987	21,878	22,656	19,699	19,561
Business-type Activities										
Water Utility ^(E)										
Annual Consumption (000's gal)	8,650,664	9,488,059	9,950,302	9,630,290	9,660,709	10,661,260	10,197,595	9,640,256	10,228,494	10,651,972
Wastewater Utility										
Wastewater Treated (billion gal)	3.78	3.87	3.98	4.13	4.21	4.29	4.36	4.41	4.41	4.46
Solid Waste Utility										
Residential Tonnage Processed	52,593	54,967	55,757	59,819	64,283	67,087	68,856	66,290	65,850	64,345
Commercial Tonnage Processed	23,309	20,895	20,974	16,748	19,165	18,066	17,691	19,001	18,313	17,263
Recycle Tonnage Processed	16,447	16,698	17,109	16,859	16,047	17,729	17,417	17,070	16,950	16,754
Stadium										
Spring Training Attendance	240,111	227,646	201,272	180,190	93,932	51,067	78,928	217,530	170,853	212,514
Sporting Rentals Days	339	333	335	340	245	255	207	291	295	305
Non-Sporting Rentals Days	204	210	196	182	133	105	112	135	155	185

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

^(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.

Source: Various City Departments

**CITY OF PEORIA, ARIZONA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Table XXIX

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</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	34	34	34	34	34	35	36	36	37	37
Total Neighborhood Park Acreage	301	301	301	301	301	311	314	314	314	314
# of Community Parks	2	2	2	2	2	3	3	3	3	3
Total Community Park Acreage	139	139	139	139	139	225	225	225	225	225
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol Vehicles (units)	90	91	92	98	105	106	108	111	115	124
Fire										
Stations (full-time / part-time)	8/0	8/0	8/0	8/0	8/0	8/0	8/0	8/0	8/0	8/0
Number of Fire Engines ^(B)	7	7	7	7	7	7	8	8	8	8
Number of Ladder Trucks	2	2	2	2	2	2	2	2	2	2
Highways & Streets										
Streets (miles maintained)	1,534	1,551	1,559	1,579	1,596	1,604	1,635	1,668	1,693	1,679
Crack Seal Application (linear feet)	2,144,476	2,007,173	3,381,554	2,447,248	3,670,620	3,434,915	3,587,669	2,549,676	3,246,695	4,441,438
Surface Treatments (lane miles)	60	99	153	136 ^(D)	119	120	145	99	157	167
Public Works										
Street Lights	15,565	15,722	15,973	16,152	16,493	16,896	17,235	17,251	14,434	17,432
Vehicles in Fleet	778	795	840	842	878	953	969	971	1019	1037
Water Services										
Number of Pump Stations	30	30	30	27	30	27	27	27	27	27
Number of Lift Stations	13	13	13	11	13	14	14	15	18	18
Number of Wells	46	47	47	24	47	47	47	47	47	48
Number of Reservoirs	33	33	33	22	33	34	34	34	34	34
Human Services										
Dial-a-Ride Buses	5	5	5	6	4	6	6	6	6	6
Business-type Activities										
Water Utility										
Number of Water Accounts	55,558	57,011	58,061	59,185	60,705	62,083	63,357	63,575	63,571	64,672
Storage Capacity (million gal)	42.0	42.0	42.0	42.0	42.0	42.0	42.0	43.0	43.0	43.0
Wastewater Utility										
Number of Wastewater Accounts	56,235	57,909	59,499	60,913	62,617	63,924	65,169	65,923	66,282	67,310
Treatment Capacity million gallon per day (MGD)	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	54,262	55,828	57,452	58,816	60,123	61,332	62,575	63,323	63,692	65,184
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

A wide-angle photograph of a desert landscape at sunset. The sky is filled with dramatic, layered clouds in shades of orange, yellow, and grey. The sun is low on the horizon, casting a warm glow over the scene. The foreground and middle ground are dominated by dense desert vegetation, including numerous tall, columnar saguaro cacti and various green and brown shrubs. A dirt path or road winds through the scrubland. In the background, rolling hills and mountains are visible under the twilight sky. A large, rounded purple rectangle is superimposed over the upper portion of the image, containing the text 'Continuing Disclosures' in white, bold, sans-serif font.

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, 2025

Audited Financial Statements

The City's Annual Comprehensive Financial Report for fiscal year ended June 30, 2025, 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>		
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City of Peoria

FINANCE AND BUDGET DEPARTMENT

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