



City of Peoria, Arizona
**FY22 Annual
Comprehensive
Financial Report
(ACFR)**

Fiscal Year Ended June 30, 2022



Annual Comprehensive Financial Report

For Fiscal Year Ended
June 30, 2022



City of Peoria, Arizona

City Council

Cathy Carlat, *Mayor*

Bill Patena, *Vice Mayor*

Vicki Hunt, *Mayor Pro-Tem*

Jon Edwards, *Councilmember*

Brad Schafer, *Councilmember*

Denette Dunn, *Councilmember*

Michael Finn, *Councilmember*

Administrative Staff

Jeff Tyne, *City Manager*

Andrew Granger, *Deputy City Manager*

Katie Gregory, *Deputy City Manager*

Erik Strunk, *Deputy City Manager*

Prepared By

Finance Department

Kevin Burke, *Chief Financial Officer*

Sean Kindell, *Deputy Finance Director*



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.

An aerial photograph of a city at sunset. The sky is a mix of deep blues, oranges, and yellows, with scattered clouds. The city below is illuminated with lights, and the surrounding landscape is dark with some greenery. A large, rounded yellow rectangle is centered in the lower half of the image, containing the text "Introductory Section" in white.

**Introductory
Section**

CITY OF PEORIA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022

TABLE OF CONTENTS

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

CITY OF PEORIA, ARIZONA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022

	<u>Page</u>
C. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the City's Proportionate Share of the Net Pension/OPEB Liability Cost-Sharing Pension Plan	87
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	88
Schedule of Changes in Net OPEB Liability and Related Ratios	90
Schedule of Pension/OPEB Contributions	92
Notes to Pension/OPEB Plan Schedules	94
 D. SUPPLEMENTARY INFORMATION - COMBINING FUND FINANCIAL STATEMENTS AND BUDGETARY SCHEDULES	
 Major Governmental Funds Other Than General Fund and Special Revenue Funds	
Budgetary Comparison Schedules – Major Debt Service Fund and Major Capital Projects Fund	
General Obligation Bonds Debt Service Fund	97
Development Fee Fund	98
Non-Bond Capital Projects Fund	99
 Non-Major Governmental Funds	
Combining Statements	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104
Budgetary Comparison Schedules	
Public Transit Fund	106
Municipal Development Authority (MDA) Debt, Debt Service Fund	107
Community Facilities District (CFD) Bonds Debt Service Fund	108
Non-Bond Debt Service Fund	109
Community Facilities District (CFD) Bonds Capital Projects Fund	110
General Obligation Bonds Capital Projects Fund	111
 Internal Service Funds	
Combining Statement of Net Position	113
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	114
Combining Statement of Cash Flows	115
 Fiduciary Funds	
Combining Statement of Net Position	117
Combining Statement of Changes in Fiduciary Net Position	118

CITY OF PEORIA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022

	<u>Table</u>	<u>Page</u>
III. STATISTICAL SECTION - Unaudited		
Net Position By Component	I	121
Changes in Net Position	II	122
Fund Balances, Governmental Funds	III	124
Changes in Fund Balances, Governmental Funds	IV	125
City Transaction Privilege Taxes By Category	V	126
Direct and Overlapping Sales Tax Rates	VI	127
Sales Tax Payers - By Category	VII	128
Assessed Values By Property Classification	VIII	129
Comparative Assessed Values	IX	130
Direct and Overlapping Property Tax Rates	X	131
Direct and Overlapping Property Tax Levies	XI	132
Limited Property Value Top Ten Tax Payers	XII	133
Property Tax Levies and Collections	XIII	134
Utility Statistical Data	XIV	135
Outstanding Debt By Type	XV	138
Ratio of Net General Bonded Debt to Full Cash Value and Net Bonded Debt Per Capita	XVI	139
Direct and Overlapping General Obligation Bonded Debt – Current Fiscal Year	XVII	140
Direct and Overlapping Governmental Activities Debt – Current Fiscal Year	XVIII	141
Direct and Overlapping Governmental Activities Debt – Last Ten Fiscal Years	XIX	142
Legal Debt Margin	XX	143
Pledged Revenue Coverage – Excise Tax and State Shared Revenue Debt Obligations - Governmental Portion	XXI	144
Pledged Revenue Coverage – Water & Wastewater Revenue Bonds	XXII	145
Pledged Revenue Coverage – Special Assessment Bonds	XXIII	146
Special Assessment Collections	XXIV	147
Demographic and Economic Statistics	XXV	148
Major Employers Within the City	XXVI	149
Authorized Full-time Equivalent City Government Employees By Function	XXVII	150
Operating Indicators By Function/Program	XXVIII	151
Capital Asset Statistics By Function/Program	XXIX	152

IV. CONTINUING DISCLOSURES

Continuing Disclosures Annual Report		153
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City of Peoria

FINANCE DEPARTMENT Financial Services

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December 22, 2022

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, 2022. 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 seven blended component units, the City of Peoria Municipal Development Authority, Inc., the Vistancia Community Facilities District, the Vistancia West Community Facilities District, the Vistancia North Community Facilities District, the Mystic at Lake Pleasant Heights Community Facility District, the City of Peoria Employee Benefits Trust and the City of Peoria Workers' Compensation Trust as discussed further in Note 1.A of the notes to the financial statements.

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

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

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

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

LOCAL ECONOMIC CONDITION AND OUTLOOK

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

The City issued 930 new single family residential building permits in fiscal year 2022, a decrease of 35% versus the prior year. Yet, per the Case-Schiller Home Price index, house prices have increased in the Phoenix metropolitan area by 11% during fiscal year 2022. The City's total property full cash value, which lags the market, increased by 8.2% from \$24.4 billion in 2021-22 to \$26.4 billion in 2022-23.

The unemployment rate in Peoria dropped to 3.2% for July 2022 which is below the Arizona and U.S. rate of 3.5%. The City's sales and use tax collections in fiscal year 2022 totaled \$125.5 million, a 10.2% increase from the \$113.1 million in the prior year.

Economic Outlook

The economic outlook for fiscal year 2023 is mixed. Key revenue streams, like sales tax and income tax, saw very strong growth in FY22 and are continuing at above average rates into FY23. Retail sales tax growth continues at sizeable year-over-year gains as the hospitality and service sectors continue to grow while autos maintain their strength. Part of this is revenue growth is attributable to inflation as Peoria sees price escalation in most taxable areas including shelter. As noted above, property values grew aggressively as the in-migration from other states, most notably California, outpace the supply of lots. The construction industry, and associated sales tax, however, has slowed with the rise in interest rates. State shared income tax returns are continuing to hit record levels of growth. This can be attributed to the strong labor market and continued wage growth in the region. Peoria's diversified economy with no

heavy dependence on any particular industry, appears to be weathering the negative indicators thus far. However, the City of Peoria is proceeding cautiously in its expenditure and revenue forecasts given these mixed signals.

MAJOR PROJECTS AND INITIATIVES

Continued Response to COVID-19 Pandemic

Despite periodic infection spikes throughout Fiscal Year 2022 due to COVID-19 variants, there was no interruption of services at the City of Peoria. Offices remained open and services rendered throughout the entire fiscal year. Telecommuting by the workforce was suspended entirely for a portion of the year and then reintroduced in a very limited fashion as an "employer-of-choice" attribute to remain competitive in a tight labor market. The City has spent approximately half of its \$20 million American Rescue Plan Act (ARPA) award through this fiscal year. The primary expense was reimbursement of public safety expenses. Approximately 20% of dollars expended have been dedicated to social services addressing those impacted by the pandemic.

Colorado River Water Reductions

The federal government declared a Tier 1 water supply shortage on the Colorado River for calendar year 2022. This did not reduce Peoria's water allocation from the river. Despite no change in the municipality's water allocation, Peoria used this opportunity to increase conservation awareness among the community and set a leadership example by reducing its own consumption by 5%. In August of 2022, the Federal government declared a Tier 2a shortage. This will reduce Peoria's water allotment a negligible 1-2% in calendar year 2023. Again, this will not directly impact Peoria's water delivery as it currently only uses approximately 60% of the water allocation each year and stores the remainder. This practice of storage, over the years, has resulted in a total water storage volume equal to approximately five-and-a-half 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.

Approval of Recreational Marijuana

Proposition 207, a statewide ballot measure known as the "Smart and Safe Arizona Act", legalized recreational marijuana for adults 21 and over at the general election in November 2020. The Act took effect in January of 2021. The Marijuana is subject to a special sales tax rate of 16%. The proceeds from recreational marijuana sales tax are divided among community college districts; municipal police and fire departments; fire districts; sheriff offices; the state's Highway User Revenue Fund; and a new Justice Reinvestment Fund. Peoria received its first disbursement for Police and Fire in late FY21. Total revenue for FY22 equaled \$938.6 thousand.

New Labor Agreements Reached

In April of 2022, a new labor agreements with the American Federation of State, County and Municipal Employees Local 3282 (AFSCME) was approved that will run from July 1, 2022 through June 30, 2025. Further, the City has in place an agreement with the Peoria Police Officers Association (PPOA) that will run through June 2024. The Peoria Police Supervisors (PPS) agreement will run through June of 2025. The City is currently in negotiations with the Peoria Fire Fighters Association (PFFA). This will be for a labor contract from July 1, 2023 through June 2025. Each agreement establishes wages, hours and conditions of work.

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 two lump sum payments in FY22 above the Annual Required Contribution (ARC). A payment authorized in September of 2021 for \$30 million and a second authorized in May of 2022 for \$5 million. Peoria must reach 100% funding by 2036.

Refunded Municipal Development Authority (MDA) Debt

In April of 2022, Peoria refinanced two MDA issuances totaling approximately \$26 million. The proceeds refunded \$3,055,000 in Series 2010 MDA Bonds and \$22,905,000 in Series 2012 MDA Bonds. The city issued new revenue obligations using excise tax and state shared revenue. The refinancing resulted in a gross savings of over \$1 million and relieved the MDA of all debt. The city is now free to dissolve the MDA if it chooses.

Water and Waste Water Infrastructure

In May of 2022, the City issued \$29 million in new Revenue Obligations. The proceeds will fund 21 different water and wastewater projects. These include projects that will rehabilitate existing infrastructure, expand distribution to new parts of the city, and increase water and wastewater treatment capacity. Two of these projects will improve groundwater pumping and water quality which are important components for keeping a diversified water portfolio.

Public Safety Expansion

Thanks to a better than expected mid-year financial report, Mayor and Council were able to add 30 new public safety positions in February of 2022. The very cautious budgeting during the pandemic combined with better than expected economic growth during the same time period, positioned the City in a strong financial position with healthy ongoing and one-time operating balances. Consequently, Mayor and Council approved 11 additional sworn police positions and 4 support positions. On the Fire side, there were 15 sworn positions. As part of the Fire Department expansion, the City added ambulance service in the northwest portion of the municipality by approving its 6th rescue unit. This will improve response times in that area.

Redistricting

As noted earlier, the 2020 census saw a 24% increase in Peoria's population over 2010. As a result, the City is required to rebalance its councilmember districts to be more evenly proportioned. At the previous redistricting, each council district had approximately 27,000 citizens. The 2020 Census will increase that by 5,000 citizens to an approximate populations of 32,000 people per Council's six districts. Due to the pandemic, the data was received rather late in order to get the districts set in time for the 2022 elections. Despite this, the City met deadlines and established the new district boundaries in time for candidate petitions in March, a primary in August and the general election in November.

Relaunched Transit Service

In late October of 2021, the city relaunched a transit service that had been suspended because of the pandemic. Known as Peoria-on-the-Go or POGO, it provides Peoria residents with a unique transit service. Five bus routes were developed to transport citizens from their place of residence to Peoria Points-of-Pride. From 10 a.m. to 10 p.m. Friday, Saturday and Sunday, residents can experience free transportation to Peoria's hiking trails at Sunrise and Westwing Mountains, golf at one of five different courses serviced by POGO, outstanding shopping at four different destinations, and/or a wide range of eating drinking and entertainment at P83. This last destination includes live theater, spring training baseball, and movie venue.

Annexation of Rovey Farms

A longtime unincorporated segment of Maricopa County lying outside the southeast city limits between Peoria and Glendale, decided to incorporate into Peoria in late 2021. This 208 acres long-farmed by the Rovey family was incorporated for both residential and industrial use. The industrial park was immediately developed to service as a large distribution warehousing activity for Frito Lay. Residential development is being submitted in increments.

Citizen Bond Advisory Committee

In the 2021 State Legislative session, a law was passed that allows municipalities to reallocate previously approved bond authority between categories of projects with voter approval. This authority is for bonds paid for by secondary property taxes. Peoria has robust bond authority for transportation and water/drainage projects that has been less utilized due to a dedicated transportation sales tax and fees associated with water, sewer and drainage. Bond authority for parks and recreation and public safety/operational facilities; however, is waning. The legislation would allow the city to meet capital needs in those areas without increasing the bond authority that was last approved over 15 years prior. Council appointed a committee of citizens to review the concept and make a recommendation. This was completed in the Spring of 2022 with a recommendation to seek \$200 million in reallocation of transportation bond authority to parks and recreation and public safety and operating facilities. The recommendation was to bring this to the voters in November of 2023.

Peoria Joins Super Bowl Host Committee

Super Bowl LVII will be played in February 2023 in the adjacent community of Glendale, Arizona. Given Peoria's proximity, its resources are needed to assist in the hosting and it will also benefit in the impact of the event. The 2015 Super Bowl saw over 120,000 visitors to Arizona, 5,500 credentialed media attendees, and an estimated \$720 million economic impact to the Valley of the Sun. The City is an "Official Partner" with sharing of logos in advertising, websites, social media, etc. Peoria contributed \$65,000 along with a public safety presence in the operation.

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 2021-22 was \$1,017,605,491. The City may utilize the additional expenditure authority for any local budgetary purposes.

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

Financial Policies

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

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

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

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

Long Term Financial Planning

The City annually updates a five-year long-range forecast, incorporating both projected revenues and expenditures for the City's major operating funds. The five-year revenue forecast only includes revenues

that are anticipated to be sustainable over the five-year period. Expenditure projections include anticipated operating impacts of the adopted capital improvement program.

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

OTHER INFORMATION

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

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

Independent Audit

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, CliftonLarsonAllen LLP., whose report is included herein. The audit satisfies Article VI, Section 7, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria, Arizona, for the fiscal year ended June 30, 2022, 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, 2022, 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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. This is the 37th consecutive year the City of Peoria has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Sincerely,



Kevin Burke
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Peoria
Arizona**

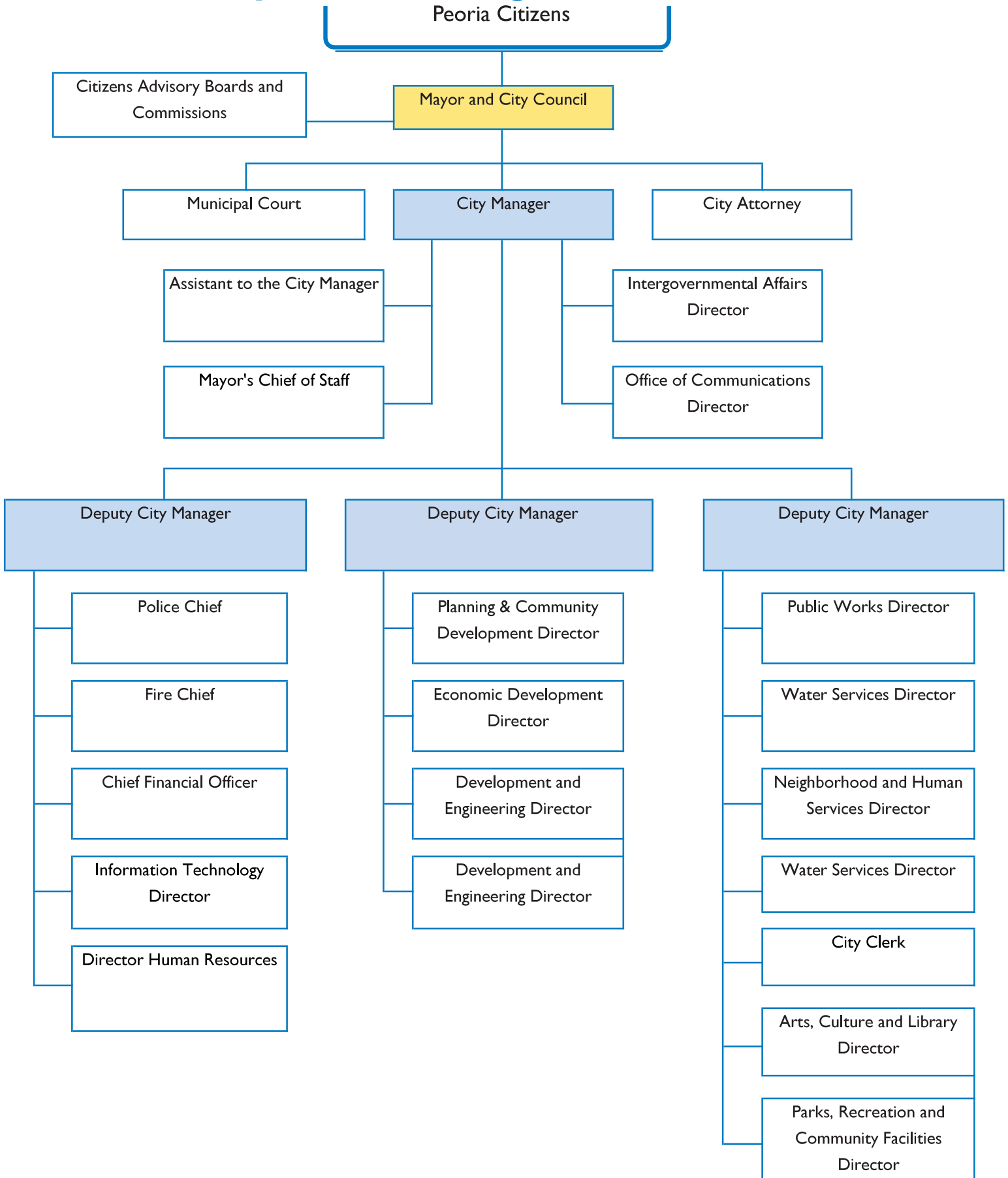
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

City of Peoria Organizational Chart





City of Peoria

Principal Officials of the City

Fiscal Year 2022

Cathy Carlat
Mayor

Bill Patena
Vice Mayor

Vicki Hunt
Mayor Pro Tem

Jon Edwards
Councilmember

Michael Finn
Councilmember

Brad Shafer
Councilmember

Denette Dunn
Councilmember

Jeff Tyne
City Manager

Erik Strunk
Deputy City Manager

Katie Gregory
Deputy City Manager

Andrew Granger
Deputy City Manager

Marylou Stephens
Arts, Culture and Library Services Director

Vanessa Hickman
City Attorney

Lori Dyckman
City Clerk

Briana Cortinas
Director of Communications

Kelli Kincaid
Chief Community Affairs Officer

Adina Lund
Development and Engineering Director

Jennifer Stein
Economic Development Services Director

Kevin Burke
Finance & Budget Director

Gary Bernard
Fire Chief

Christine Nickel
Human Resources Director

Kris Dalmolin
Information Technology Director

Thomas Adkins
Governmental Affairs Director

George Anagnost
Municipal Judge

Chris Hallett
*Neighborhood &
Human Services Director*

Chris Calcaterra
*Parks, Recreation &
Community Facilities Director*

Chris Jacques
*Planning and Community
Development Director*

Art Miller
Police Chief

Jay Davies
Public Works Director

Cape Powers
Water Services Director



City of Peoria Council Districts



Mayor
Cathy Carlat



Vice Mayor
Bill Patena
Ironwood District



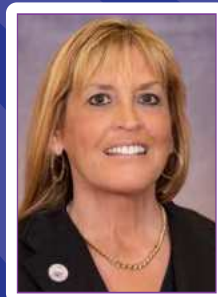
Mayor Pro Tem
Vicki Hunt
Acacia District



Councilmember
Brad Shafer
Mesquite District



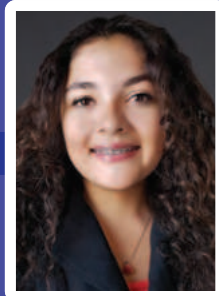
Councilmember
Michael Finn
Palo Verde District



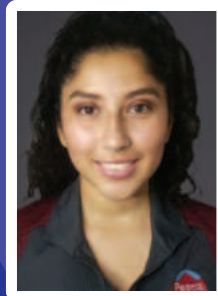
Councilmember
Denette Rae Dunn
Pine District



Councilmember
Jon Edwards
Willow District



Youth Council Liaison
Arizbeth Fierro



Youth Council Liaison
Savana Rodriguez





**Financial
Section**



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and budgetary comparison schedules for the General Fund and Major Special Revenue Funds of the City of Peoria, Arizona (City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective change in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 15 to the financial statements, adopted a new accounting principle for general debt previously recorded in the Stormwater Fund. This change resulted in a restatement of beginning net position in the governmental activities, Stormwater Enterprise Fund, and the Business-Type Activities. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of the City's proportionate share of the net pension and OPEB liability and contributions, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

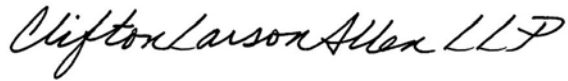
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Phoenix, Arizona
December 22, 2022

A dramatic landscape at sunset or sunrise. In the foreground, a tall, dark saguaro cactus stands prominently on the left. The background features a vast valley with a cityscape, including a large stadium-like structure, under a sky with vibrant orange, yellow, and blue hues. The overall scene is captured in a high-contrast, artistic style.

**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, 2022. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (the approved annual budget), and (5) identify individual fund issues or concerns.

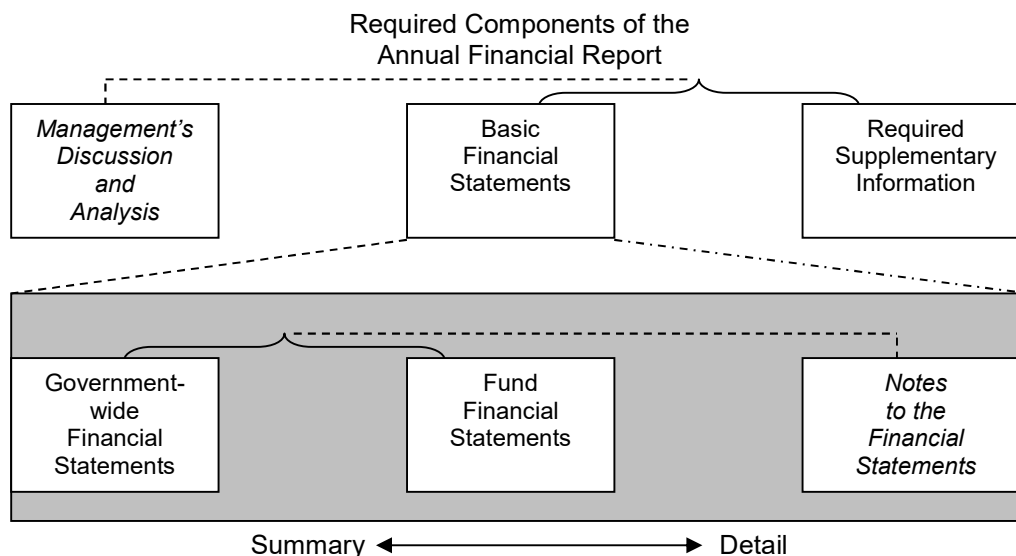
This discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter presented on pages v-xii of this report. It is designed to be read in conjunction with the transmittal letter as well as the financial statements and the accompanying notes to the financial statements. The City also issues separate financial reports, including management's discussion and analysis, for the Vistancia Community Facilities District, Vistancia West Community Facilities District, 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 \$69.0 million, 4.2%, in fiscal year 2022, an increase of \$66.2 million, 7.5%, in governmental activities and an increase of \$2.8 million, 0.4%, in business-type activities.
- ◆ Total net position of the City is \$1,709.7 million, of which \$117.9 million is unrestricted.
- ◆ At June 30, 2022, total fund balance of the governmental funds was \$330.4 million, an increase of \$52.8 million from the previous year. Of this, \$99.0 million or 51.0% of General Fund expenditures for fiscal year 2022 was unassigned and available for spending at the government's discretion.
- ◆ General Fund revenues (on a budgetary basis) were higher than budgeted inflows by \$22.2 million for fiscal year 2022. Budgetary basis expenditures of the General Fund were 87.1% (\$29.2 million in savings) of the final budgeted expenditures as the City continued cost saving processes due to the pandemic and uncertainty about future revenues.
- ◆ In November 2022, Moody's Investors Service assigned the City a Aaa issuer rating. The rating recognized the financial strength of the City and the robust financial policies and conservative management.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2022, 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, 2022, compared to the prior year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021		2021			
	2022	Restated	2022	Restated	2022	2021
Current and other assets	\$ 442.9	\$ 355.9	\$ 170.5	\$ 137.6	\$ 613.4	\$ 493.5
Capital assets	939.8	938.6	737.6	727.2	1,677.4	1,665.8
Total assets	1,382.7	1,294.5	908.1	864.8	2,290.8	2,159.3
Total deferred outflows of resources	79.5	56.0	4.6	4.7	84.1	60.7
Other liabilities	49.7	31.7	10.8	15.1	60.5	46.8
Long-term liabilities outstanding	412.9	434.2	129.8	93.4	542.7	527.6
Total liabilities	462.6	465.9	140.6	108.5	603.2	574.4
Total deferred inflows of resources	53.3	4.5	8.7	0.4	62.0	4.9
Net position:						
Net investment in capital assets	732.2	723.9	640.4	644.7	1,372.6	1,368.6
Restricted	133.0	122.6	48.9	32.9	181.9	155.5
Unrestricted	81.1	33.6	74.1	83.0	155.2	116.6
Total net position	\$ 946.3	\$ 880.1	\$ 763.4	\$ 760.6	\$ 1,709.7	\$ 1,640.7

The net position of the City increased \$69.0 million in fiscal year 2022. Net position of governmental activities increased \$66.2 million, while the business-type activities increased \$2.8 million. Increases in the Wastewater Utility Fund and Stadium Fund were offset by decreases in the other business-type funds primarily driven by inflationary factors.

Net position consists of three components. The largest portion of net position, \$1,372.6 million reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its residents. Consequently, it is not the City's intention to sell these assets, and they are therefore not available for future spending. Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate these liabilities.

The \$181.9 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 \$155.2 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.

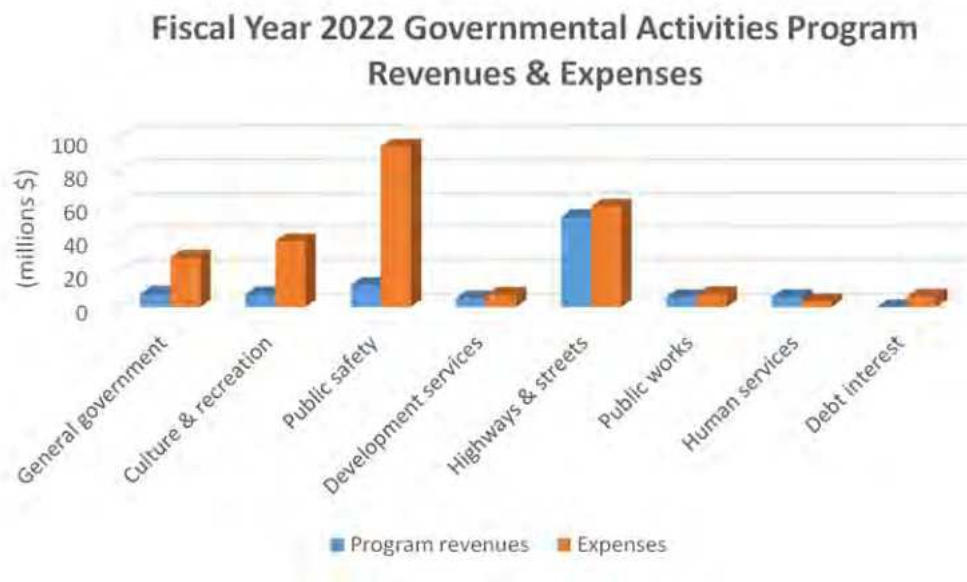
Changes in Net Position						
As of June 30 (in millions of dollars)						
	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2022	2021	2022	2021	2022	2021
REVENUES:						
Program revenues:						
Fees, fines & charges for services	\$ 36.3	\$ 33.9	\$ 100.8	\$ 97.9	\$ 137.1	\$ 131.8
Operating grants and contributions	26.2	26.7	-	-	26.2	26.7
Capital grants and contributions	36.5	33.5	19.9	29.7	56.4	63.2
General revenues						
Property taxes	31.4	29.9	-	-	31.4	29.9
Sales and use taxes	125.5	113.9	-	-	125.5	113.9
Franchise taxes	5.0	5.0	-	-	5.0	5.0
State shared sales tax	26.8	20.2	-	-	26.8	20.2
Urban revenue sharing	24.8	25.2	-	-	24.8	25.2
Auto-in-lieu taxes	8.3	8.3	-	-	8.3	8.3
Investment earnings(losses)	(6.6)	0.5	(3.0)	0.2	(9.6)	0.7
Miscellaneous	3.6	3.2	-	-	3.6	3.2
Total revenues	317.8	300.3	117.7	127.8	435.5	428.1
EXPENSES:						
Program activities:						
Governmental activities:						
General government	29.3	26.3	-	-	29.3	26.3
Culture and recreation	39.0	31.4	-	-	39.0	31.4
Public safety	95.6	101.3	-	-	95.6	101.3
Development services	7.2	6.4	-	-	7.2	6.4
Highways and streets	59.8	53.3	-	-	59.8	53.3
Public works	7.5	7.2	-	-	7.5	7.2
Human services	3.5	2.1	-	-	3.5	2.1
Interest expense on debt	6.3	5.2	-	-	6.3	5.2
Business-type activities:						
Water utility	-	-	57.1	47.9	57.1	47.9
Wastewater utility	-	-	32.6	29.0	32.6	29.0
Solid Waste utility	-	-	16.4	15.0	16.4	15.0
Stadium	-	-	7.3	6.9	7.3	6.9
Storm Drain utility	-	-	4.9	3.9	4.9	3.9
Total expenses	248.2	233.2	118.3	102.7	366.5	335.9
Excess (deficit) before transfers	69.6	67.1	(0.6)	25.1	69.0	92.2
Transfers and Special Items	(3.4)	(8.3)	3.4	8.3		
Increase (decrease) in net position	66.2	58.8	2.8	33.4	69.0	92.2
Net position - beginning, as restated	880.1	821.3	760.6	727.2	1,640.7	1,548.5
Net position - ending	\$ 946.3	\$ 880.1	\$ 763.4	\$ 760.6	\$ 1,709.7	\$ 1,640.7

For fiscal year 2022, total governmental activities revenues increased \$17.5 million while total business-type activities revenues decreased \$10.1 million. Expenses increased \$15.0 million for the governmental activities and increased \$15.6 million for the business-type activities. The increase in expenses was primarily due to inflationary factors.

The general revenues of governmental activities increased \$12.6 million primarily from local sales and use taxes and state shared sales tax which continued their strong growth from the prior year. This was partially offset by investment losses of \$6.6 million for fiscal year 2022 as rising interest rates caused existing investments to lose value.

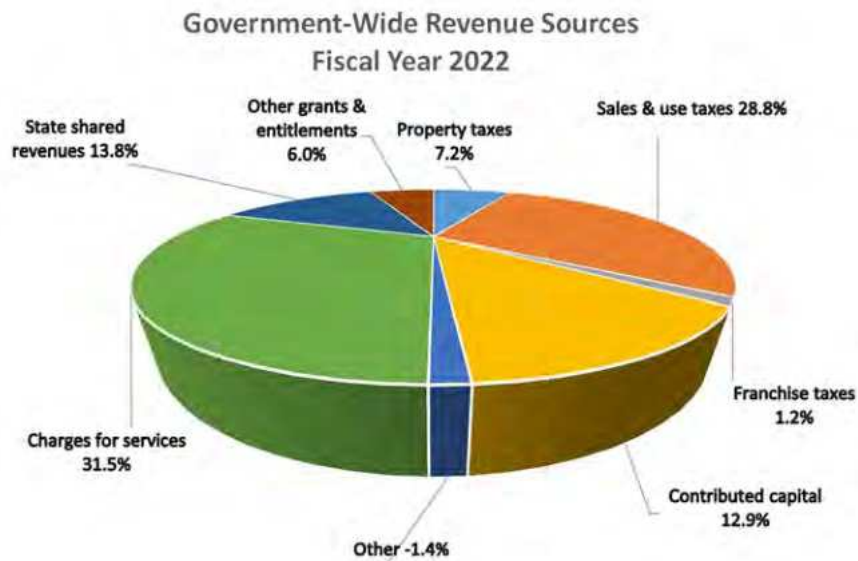
The program revenues of business-type activities decreased by \$6.9 million primarily due to a decrease in developer contributions.

The following graph shows the functional revenues and expenses of governmental activities to demonstrate the extent to which the governmental functions produce direct revenues to offset the program costs. It should be noted that this is not intended to represent full cost allocation to these functions. Expenses not covered by direct program revenues are covered by general revenues of the City, primarily taxes and state shared revenues. In the governmental activities, the program revenues of \$99.0 million are 39.9% of the governmental activities expenses for fiscal year 2022, down from 40.4% in fiscal year 2021. In the business-type activities, program revenues of \$120.7 million are 102.0% of the business-type expenses for fiscal year 2022. This compares to \$127.6 million and 124.2% in fiscal year 2021.



Governmental activities account for 73.0% of the total revenues of the City and 67.7% of the total expenses in fiscal year 2022. These percentages were 70.1% and 69.4% respectively in fiscal year 2021.

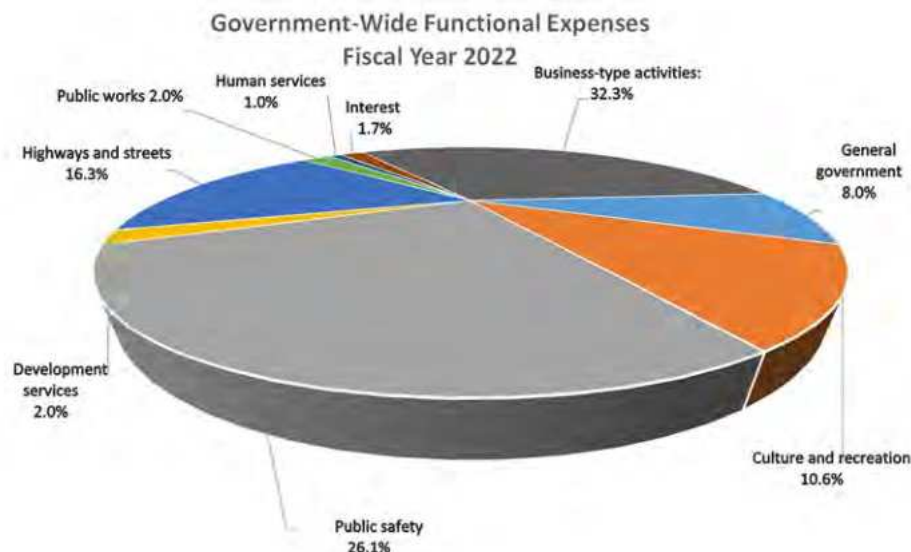
As seen in the following graph, one of the largest financing sources for the City in fiscal year 2022 is charges for services (31.5%), primarily because this is the major funding source of the business-type activities (85.6% of business-type total revenues in fiscal year 2022). The major funding sources of the governmental activities are property taxes, sales/use taxes, contributed capital and state shared revenues.



Property taxes increased from fiscal year 2021 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 2022 compared to the previous year.

Total government-wide expenses (not including transfers out) of the City increased \$30.6 million, 9.1% in fiscal year 2022. As mentioned above, this was primarily due to inflationary factors.

As shown in the following Government-Wide Functional Expenses graph, business-type activities account for 32.3% of the functional expenses of the City for fiscal year 2022, while governmental activities account for 67.7% of the functional expenses. For the governmental activities, the largest users of resources are public safety (26.1% of total expense, 38.5% of governmental expenses), highways and streets (16.3% of total expenses, 24.1% of governmental expenses), culture and recreation (10.6% of total expenses, 15.7% of governmental expenses), and general government (8.0% of total expenses, 11.8% 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.

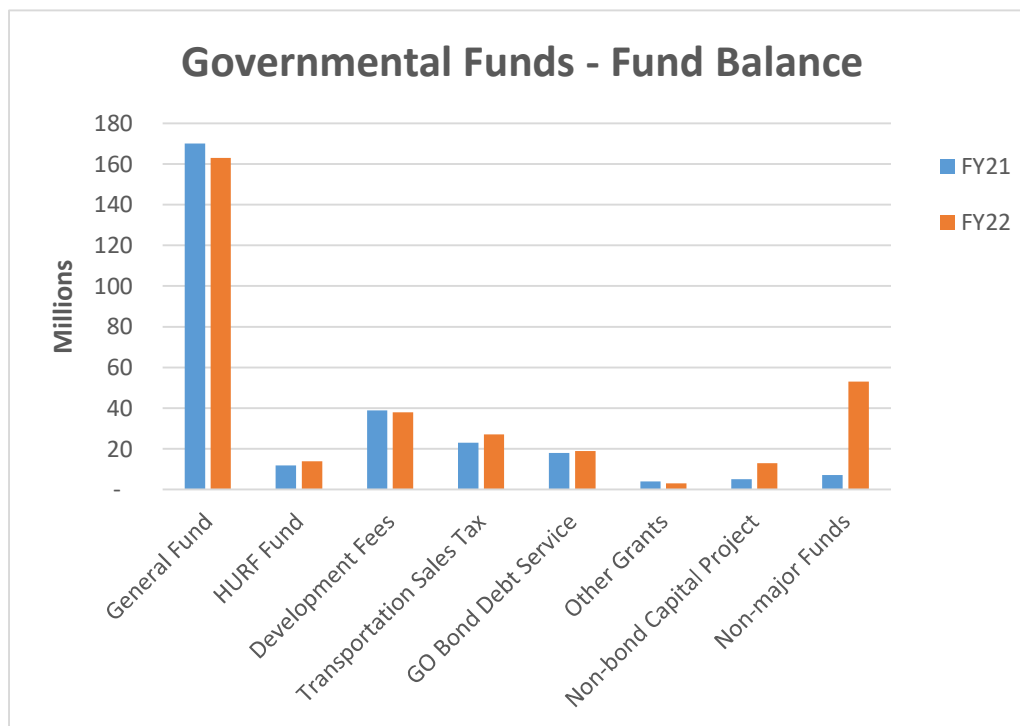
Governmental funds

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, and Development Fee 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 \$330.4, an increase of \$52.8 million from the previous year. Of this, \$152.7 million (an increase of \$44.3 million from the previous year) is classified as Non-spendable or Restricted because it is not appropriate for expenditure or is legally segregated for a specific future use. The increase is primarily due to bond proceeds that are restricted for capital projects.

An additional \$78.7 million of the governmental fund balance (an increase of \$12.7 million from the previous year) has been committed or assigned for specific purposes by council or administrative action. These commitments include various stabilization reserves (\$55.7 million), debt service reserves (\$1.0 million), capital projects (\$13.1 million) and arts capital and various other purposes (\$8.9 million).

The remaining \$99.0 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 decreased by \$4.3 million compared to the prior year.



The General Fund is the chief operating fund of the City and accounts for many of the major functions of the government including public safety, parks and recreation, community development and general administrative services. General Fund revenues increased \$16.2 million over the prior fiscal year. Local sales tax revenues increased \$9.9 million (10.7%) in fiscal year 2022 over fiscal year 2021. Retail sales tax accounted for 56.9% of local sales tax and increased 9.0% over fiscal year 2021. Sales tax on restaurants and bars also saw a significant increase (17.9%) over fiscal year 2021 and accounted for 13.9% of local sales taxes. State shared sales tax increased \$6.6 million or 32.8% over fiscal year 2021.

Primary property taxes increased \$343 thousand or 7.1% over the prior fiscal year reflecting the continued growth and increased property values in the City.

General Fund expenditures increased \$51.3 million in fiscal year 2022 over fiscal year 2021. \$35 million of the increase was due to additional payments made to the Public Safety Personnel Retirement System to reduce the unfunded pension liability. Additionally, in January 2022 the City Council approved adding a total of 36 positions to police and fire. Those costs are reflected in the increase as well.

The Highway User Revenue Fund (HURF Fund) is required by state statute to track the receipt of the state allocation of gasoline taxes and other state revenues shared with local governments that are required to be used for transportation purposes. Also, there is a sales tax on utilities and property tax revenues from streetlight improvement districts included in this fund. Revenues increased by \$746 thousand while expenditures increased by \$270 thousand in fiscal year 2022. Fund balance increased \$1.5 million in fiscal year 2022.

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 decreased \$4.2 million. Sales tax revenues continued to grow while capital project spending was reduced due to conservative budgeting related to uncertainty from the pandemic. The fund balance increased \$4.5 million in fiscal year 2022. All fund balance in this fund is restricted.

The Development Fee Fund, which collects governmental impact fees for parks and recreational facilities, public safety, and streets and intersections had a decrease in revenues of \$3.0 million in fiscal year 2022 as development activity slowed and investments lost value. Expenditures increased \$2.4 million in fiscal year 2022 following a significant decrease in the prior year. Fund balance decreased \$1.1 million versus the prior year. All fund balance in this fund is restricted.

The GO Bond Debt Service Fund accounts for the payment of general obligation bonds and the related interest. Revenues in this fund increased by \$1.1 million due to increased property valuations and growth.

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 Other Grants Fund primarily accounts for federal grant revenues and expenditures were mostly in public safety for fiscal year 2022. Covid relief funding accounted for the majority of the activity in this fund in fiscal year 2022.

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 Stadium Fund does not meet the quantitative criteria of a major fund, the City has chosen to present this fund as a major fund due to local significance.

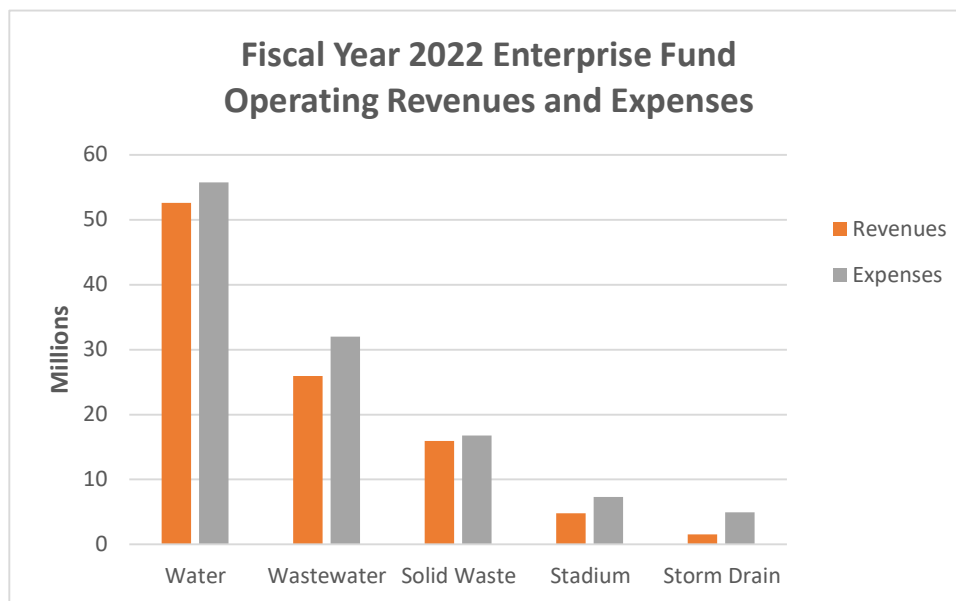
Total net position of the enterprise funds increased \$2.0 million in fiscal year 2022. A restatement of \$4.0 million was made to the Storm Drain Utility Fund to account for a change in treatment for loan proceeds that are a general obligation of the City but are being used to construct a storm drain project. Net

investment in capital assets decreased \$4.2 million due to depreciation and financing of new projects. Net position restricted for capital projects increased by \$15.6 million due to proceeds from revenue bond issuance. Unrestricted net position decreased by \$9.7 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 \$2.9 million in fiscal year 2022. Increases in the other funds were partially offset by a decrease of \$1.5 million in the Water Utility Fund. The decrease was primarily due to a return to more normal weather patterns after an extremely hot and dry fiscal year 2021.

Operating expenses of the enterprise funds increased \$15.6 million in fiscal year 2022 primarily due to high inflation. The changes in operating revenues and expenses discussed above resulted in an enterprise funds operating loss of \$16.0 million in fiscal year 2022 following an operating loss of \$3.2 million in the prior year.

The following graph shows the operating revenues and expenses for the enterprise funds for fiscal year 2022.



BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements, required for the General Fund and all major special revenue funds, may be found on pages 30-35. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgetary schedules for the other governmental funds are also presented on pages 97-99, and pages 106-111.

General Fund revenues of \$185.8 million, on a budgetary basis, exceeded budgeted revenues of \$163.6 million by \$22.2 million while budgetary basis expenditures of \$197.7 million were 87.1% of final budgeted amounts. Revenues, on a budgetary basis, were less than budgeted revenues in charges for services and investment earnings. There were no expenditure overages for any of the functional departmental categories.

During the fiscal year, the original General Fund expenditures and contingencies budget of \$230.8 million was reduced by \$3.8 million to the final expenditure and contingencies budget of \$227.0 million.

Notable budgetary transfers during the year were as follows:

- \$10.8 million transfer from the Half Cent Fund to the General Fund for the public safety subsidies.
- \$4.0 million transfer from the Half Cent Fund to the Stadium Fund as a subsidy in support of the Peoria Sports Complex.
- \$1.7 million transfer from the Transportation Sales Tax Fund to the Public Transit Fund in support of the transit system.
- Various transfers to the debt service funds to meet debt service requirements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the City had \$1.4 billion invested in various capital assets, net of accumulated depreciation and related debt. The capital assets of the City (net of depreciation, but not capital debt) are \$1.7 billion. This is a net increase of \$11.6 million from June 30, 2021. Net capital assets of business-type activities increased \$10.4 million while governmental activities increased \$1.2 million.

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

- ✓ The City continued work with the City of Glendale to expand the Pyramid Peak Water Treatment Plant spending \$15.7 million in fiscal year 2022 bringing the total for the project to \$55.5 million.
- ✓ The City invested \$6.5 million into new construction and improvements to streets around the City.
- ✓ The City spent \$6.0 million for expansion of the Beardsley Water Reclamation Facility in fiscal year 2022 bringing the total for the project to \$11.0 million.
- ✓ The City spent \$3.5 million toward construction of a new operations building at the Jomax Water Reclamation Facility.

The following table provides a breakdown of the capital assets of the City at June 30, 2022, and 2021. Additional information on the City's capital assets may be found in Note 6.

	Capital Assets at June 30					
	(Net of depreciation)					
	(in millions of dollars)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Buildings and building improvement	\$ 102.0	\$ 105.3	\$ 45.7	\$ 48.0	\$ 147.7	\$ 153.3
Equipment; Furniture	3.6	4.8	2.8	3.4	6.4	8.2
Vehicles	14.1	13.4	12.6	14.0	26.7	27.4
Surface water system	-	-	71.8	65.1	71.8	65.1
Street system	268.8	269.3	-	-	268.8	269.3
Park system	101.2	97.6	-	-	101.2	97.6
Water system	-	-	246.7	252.3	246.7	252.3
Water rights	-	-	9.0	9.3	9.0	9.3
Wastewater system	-	-	249.1	250.9	249.1	250.9
Land	425.2	419.4	18.8	18.8	444.0	438.2
Work in progress	24.9	28.8	81.1	65.4	106.0	94.2
Total	\$ 939.8	\$ 938.6	\$ 737.6	\$727.2	\$ 1,677.4	\$ 1,665.8

The City has adopted a ten year capital improvement plan budgeted at \$1,082.8 million, including \$284.9 million in fiscal year 2023. Anticipated funding for this plan for fiscal year 2023 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 \$19.7 million. The capital improvement plan is updated annually as part of the City's budget process.

Long-term Debt

The City's outstanding long-term debt (due in more than one year), including bonds and loans, compensated absences, and deferred bond premiums was \$340.0 million at June 30, 2022. Of this total, \$231.8 million was in governmental activities and \$108.2 million was in business-type activities. The City's outstanding debt (due in more than one year excluding claims and net pension liability) increased by \$73.7 million in fiscal year 2022. This increase is related to new bond issuances and draws on WIFA loans.

Of the total outstanding bonds and loans of \$338.8 million, \$165.7 million is general obligation bonds or loans backed by the full faith and credit of the City. The outstanding debt also includes \$23.5 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, 2022, and 2021. 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	
	2022	2021	2022	2021	2022	2021
General obligation debt	\$ 165.7	\$ 124.2	\$ -	\$ -	\$ 165.7	\$ 124.2
Municipal Development Authority debt	-	27.9	-	-	-	27.9
Excise tax revenue obligations	21.5	-	-	-	21.5	-
Direct Purchase and Loan Obligations	19.6	23.4	-	-	19.6	23.4
Special assessment debt	-	-	-	-	-	-
Water/Sewer Revenue bonds and loans	-	-	108.5	69.2	108.5	69.2
Community Facilities District bonds	23.5	27.6	-	-	23.5	27.6
Compensated absences	17.2	16.1	1.9	1.6	19.1	17.7
Total	\$ 247.5	\$ 219.2	\$ 110.4	\$ 70.8	\$ 357.9	\$ 290.0

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 significantly in fiscal year 2022. Retail sales tax, the City's largest category, increased by 9.0% over the prior year. While the City is expecting continued sales tax revenue growth, budget projections are intentionally conservative and show minimal change in revenue levels.

Peoria's housing market has slowed somewhat as rising interest rates and high inflation have tempered demand. The long-term outlook for Peoria continues to be very strong with the expectation that Arizona will continue to outpace the nation in growth and income related metrics.

The adopted fiscal year 2023 budget is \$695 million, an increase of 12.7% from the fiscal year 2022 budget. The operating budget totals \$498.1 million, which is an increase of 9.9% from 2022. The capital projects portion of the budget, \$284.9 million, is divided in the following manner: \$32.4 million for drainage projects, \$23.6 million for operational facilities, \$46.5 million for parks, trails, open space and libraries, \$5.5 million for public safety projects, \$61.3 million for streets and traffic control projects, \$10.3 million for economic development projects, \$44.6 million for wastewater projects, and \$60.7 million for water projects.

The General Fund operating budget is \$189.6 million, up 8.3% 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 2022 budget does not anticipate the use of reserves to address recurring expenses.

FINANCIAL CONTACT

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



An aerial photograph of a city at sunset. The sky is filled with dramatic, dark clouds, with a bright orange and yellow glow along the horizon where the sun has set. The city below is illuminated with lights, and the surrounding landscape is dark with some greenery. A large, bright yellow rounded rectangle is centered in the lower half of the image, containing the text "Basic Financial Statements" in white.

Basic Financial Statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Pooled cash and investments	\$ 326,720,842	\$ 146,277,109	\$ 472,997,951
Cash with fiscal agents	18,948	-	18,948
Accounts receivable, net	19,531,818	13,580,445	33,112,263
Lease receivable	9,947,471	3,979,078	13,926,549
Interest receivable	572,804	170,212	743,016
Internal balances	(4,172,204)	4,172,202	(2)
Due from other governments	6,166,031	-	6,166,031
Prepaid items	-	1,082,055	1,082,055
Supply inventories	607,514	635,820	1,243,334
Restricted pooled cash and investments	19,870,479	-	19,870,479
Restricted cash with fiscal agents	10,431,326	81,258	10,512,584
Restricted investments	48,365,221	-	48,365,221
Investments in Joint Venture Agreements	1,605,480	-	1,605,480
Net pension and other postemployment benefits asset	3,229,114	487,662	3,716,776
Capital assets:			
Non-depreciable or amortizable	450,075,940	99,967,562	550,043,502
Depreciable or amortizable (net)	489,691,769	637,645,918	1,127,337,687
Total assets	<u>1,382,662,553</u>	<u>908,079,321</u>	<u>2,290,741,874</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	77,544,433	3,378,903	80,923,336
Deferred loss on bond refunding	2,028,000	-	2,028,000
Excess consideration provided for acquisition	-	1,237,684	1,237,684
Total deferred outflows of resources	<u>79,572,433</u>	<u>4,616,587</u>	<u>84,189,020</u>
LIABILITIES			
Accounts payable	12,482,415	6,079,496	18,561,911
Accrued payroll	2,805,184	362,080	3,167,264
Interest payable	3,532,128	1,341,631	4,873,759
Due to other governments	298,491	180,869	479,360
Customer deposits	-	2,016,026	2,016,026
Other liabilities	5,585,173	774,785	6,359,958
Unearned revenue-other	25,029,457	1,050	25,030,507
Non-current liabilities:			
Due within one year:			
Current portion of claims payable	5,501,797	-	5,501,797
Current portion of compensated absences	8,079,230	865,300	8,944,530
Current portion of bonds & loans payable	25,227,674	7,819,681	33,047,355
Current portion of lease payable	17,499	-	17,499
Due in more than one year:			
Noncurrent portion of claims payable	1,449,003	-	1,449,003
Noncurrent portion of compensated absences	9,168,260	1,005,480	10,173,740
Noncurrent portion of bonds & loans payable	222,682,149	107,192,160	329,874,309
Noncurrent portion of lease payable	15,047	-	15,047
Net pension and other postemployment benefits liabilities	140,764,979	12,937,761	153,702,740
Total liabilities	<u>462,638,486</u>	<u>140,576,319</u>	<u>603,214,805</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	9,776,785	3,918,981	13,695,766
Deferred inflows related to pensions and other postemployment benefits	43,494,061	4,794,527	48,288,588
Total deferred inflow of resources	<u>53,270,846</u>	<u>8,713,508</u>	<u>61,984,354</u>
NET POSITION			
Net investment in capital assets	732,178,933	640,404,948	1,372,583,881
Restricted for:			
Debt service	24,360,857	-	24,360,857
Capital projects	-	48,325,932	48,325,932
Development fees	37,709,451	-	37,709,451
Transportation purposes	41,062,687	-	41,062,687
Grant purposes	6,348,841	-	6,348,841
Facilities maintenance	1,924	100,000	101,924
Public Safety	1,115,267	-	1,115,267
Trust purpose	19,147,495	-	19,147,495
Net Other Postemployment Benefits	3,229,114	487,662	3,716,776
Unrestricted	81,171,085	74,087,539	155,258,624
Total net position	<u>\$ 946,325,654</u>	<u>\$763,406,081</u>	<u>\$ 1,709,731,735</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, 2022**

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	\$ 29,320,764	\$ 2,969,385	\$ 3,859,728	1,000,000	\$ (21,491,651)	\$ -	\$ (21,491,651)
Culture and recreation	38,959,427	6,763,805	654,340	-	(31,541,282)	-	(31,541,282)
Public safety	95,609,943	10,124,084	2,501,848	142,247	(82,841,764)	-	(82,841,764)
Development services	7,241,732	5,221,636	23,916	-	(1,996,180)	-	(1,996,180)
Highways and streets	59,756,231	5,111,575	13,158,294	35,324,202	(6,162,160)	-	(6,162,160)
Public works	7,498,034	6,040,975	-	-	(1,457,059)	-	(1,457,059)
Human services	3,480,639	73,483	6,027,288	-	2,620,132	-	2,620,132
Interest on long-term debt	6,341,184	-	-	-	(6,341,184)	-	(6,341,184)
Total governmental activities	<u>248,207,954</u>	<u>36,304,943</u>	<u>26,225,414</u>	<u>36,466,449</u>	<u>(149,211,148)</u>	<u>-</u>	<u>(149,211,148)</u>
Business-type activities:							
Water Utility	57,101,424	52,608,357	-	9,277,991	-	4,784,924	4,784,924
Wastewater Utility	32,608,310	25,935,811	-	8,077,735	-	1,405,236	1,405,236
Solid Waste Utility	16,406,294	15,941,019	-	-	-	(465,275)	(465,275)
Stadium	7,279,287	4,793,886	-	-	-	(2,485,401)	(2,485,401)
Storm Drain Utility	4,947,393	1,538,257	-	2,558,898	-	(850,238)	(850,238)
Total business-type activities	<u>118,342,708</u>	<u>100,817,330</u>	<u>-</u>	<u>19,914,624</u>	<u>-</u>	<u>2,389,246</u>	<u>2,389,246</u>
Total primary government	<u>\$ 366,550,662</u>	<u>\$ 137,122,273</u>	<u>\$ 26,225,414</u>	<u>\$ 56,381,073</u>	<u>(149,211,148)</u>	<u>2,389,246</u>	<u>(146,821,902)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					6,351,779	-	6,351,779
Property taxes, levied for debt service					25,044,456	-	25,044,456
Sales and use taxes					125,521,932	-	125,521,932
Franchise taxes					4,961,622	-	4,961,622
Intergovernmental:							
State shared sales taxes- unrestricted					26,815,644	-	26,815,644
Urban revenue sharing- unrestricted					24,816,247	-	24,816,247
Auto in-lieu taxes- unrestricted					8,237,369	-	8,237,369
Investment losses					(6,556,874)	(2,985,986)	(9,542,860)
Gain on sale of capital assets					-	24,095	24,095
Miscellaneous					3,658,727	-	3,658,727
Transfers in (out)					(3,373,622)	3,373,622	-
Total general revenues and transfers					<u>215,477,280</u>	<u>411,731</u>	<u>215,889,011</u>
Change in net position					66,266,132	2,800,977	69,067,109
Net position - beginning					884,031,570	756,633,056	1,640,664,626
Cumulative effect of restatement					(3,972,048)	3,972,048	-
Net position - beginning - restated					880,059,522	760,605,104	1,640,664,626
Net position - ending					<u>\$ 946,325,654</u>	<u>\$ 763,406,081</u>	<u>\$ 1,709,731,735</u>

The accompanying notes are an integral part of the financial statements



**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Major Funds				
	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund	GO Bond Debt Service Fund	Development Fee Fund
ASSETS					
Assets:					
Pooled cash and investments	\$ 155,518,343	\$ 13,016,233	\$ 25,382,797	\$ 13,841,274	\$ 39,731,549
Cash with fiscal agents	18,948	-	-	-	-
Accounts receivable, net	15,820,962	582,245	2,449,945	17,430	-
Lease receivable	9,947,471	-	-	-	-
Interest receivable	335,369	17,587	26,716	10,013	48,596
Due from other funds	722,812	-	-	-	-
Due from other governments	1,645,188	1,412,189	2,000	258,001	-
Supply inventories	190,312	94,832	-	-	-
Restricted cash with fiscal agents	-	-	-	5,564,053	-
Restricted investments	-	-	-	-	-
Total assets	<u>\$ 184,199,405</u>	<u>\$ 15,123,086</u>	<u>\$ 27,861,458</u>	<u>\$ 19,690,771</u>	<u>\$ 39,780,145</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,499,476	\$ 1,242,755	\$ 486,560	\$ -	\$ 2,070,694
Accrued payroll	2,466,966	88,862	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	298,491	-	-	-	-
Other liabilities	5,402,911	-	8,848	-	-
Unearned revenue-other	758,819	-	-	-	-
Total liabilities	<u>11,426,663</u>	<u>1,331,617</u>	<u>495,408</u>	<u>-</u>	<u>2,070,694</u>
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	2,133	-	-	17,430	-
Unavailable revenue-other	142,393	-	-	-	-
Related to leases	9,776,785	-	-	-	-
Total deferred inflows of resources	<u>9,921,311</u>	<u>-</u>	<u>-</u>	<u>17,430</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Supply inventories	190,312	94,832	-	-	-
Restricted for:					
Debt service	-	-	-	19,673,341	-
Capital projects	-	-	-	-	-
Development fees	-	-	-	-	37,709,451
Transportation purposes	-	13,696,637	27,366,050	-	-
Public safety	-	-	-	-	-
Grant purposes	-	-	-	-	-
Arts Center maintenance	1,924	-	-	-	-
Committed to:					
Debt service	1,000,000	-	-	-	-
Economic development	3,219,522	-	-	-	-
Arts capital	-	-	-	-	-
Operating reserve	20,196,469	-	-	-	-
Emergency reserve	13,464,313	-	-	-	-
Budget stabilization reserve	22,022,464	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Municipal Complex reserve	3,748,153	-	-	-	-
Unassigned	99,008,274	-	-	-	-
Total fund balance	<u>162,851,431</u>	<u>13,791,469</u>	<u>27,366,050</u>	<u>19,673,341</u>	<u>37,709,451</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 184,199,405</u>	<u>\$ 15,123,086</u>	<u>\$ 27,861,458</u>	<u>\$ 19,690,771</u>	<u>\$ 39,780,145</u>

(continued)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>Non-bond Capital Projects Fund</u>	<u>Other Grants Fund</u>	<u>Non-Major Governmental Funds</u>	
ASSETS				
Assets:				
Pooled cash and investments	\$ 25,811,292	\$ 13,777,529	\$ 9,067,912	\$ 296,146,929
Cash with fiscal agents	-	-	-	18,948
Accounts receivable, net	-	48,922	566,608	19,486,112
Lease receivable	-	-	-	9,947,471
Interest receivable	5,176	11,453	27,109	482,019
Due from other funds	-	-	-	722,812
Due from other governments	355,662	1,042,590	1,450,401	6,166,031
Supply inventories	-	-	-	285,144
Restricted cash with fiscal agents	-	477,164	4,390,109	10,431,326
Restricted investments	-	-	39,764,751	39,764,751
Total assets	<u>\$ 26,172,130</u>	<u>\$ 15,357,658</u>	<u>\$ 55,266,890</u>	<u>\$ 383,451,543</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
Liabilities:				
Accounts payable	\$ 97,675	\$ 746,952	\$ 2,188,532	\$ 9,332,644
Accrued payroll	-	21,972	17,613	2,595,413
Due to other funds	-	-	241,576	241,576
Due to other governments	-	-	-	298,491
Other liabilities	59,543	40,775	73,096	5,585,173
Unearned revenue-other	12,902,487	11,368,151	-	25,029,457
Total liabilities	<u>13,059,705</u>	<u>12,177,850</u>	<u>2,520,817</u>	<u>43,082,754</u>
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	-	-	5,476	25,039
Unavailable revenue-other	-	-	-	142,393
Related to leases	-	-	-	9,776,785
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>5,476</u>	<u>9,944,217</u>
Fund Balances:				
Nonspendable:				
Supply inventories	-	-	-	285,144
Restricted for:				
Debt service	-	-	8,196,738	27,870,079
Capital projects	-	-	38,325,593	38,325,593
Development fees	-	-	-	37,709,451
Transportation purposes	-	-	-	41,062,687
Public safety	-	-	1,115,267	1,115,267
Grant purposes	-	1,245,842	5,102,999	6,348,841
Arts Center maintenance	-	-	-	1,924
Committed to:				
Debt service	-	-	-	1,000,000
Economic development	-	-	-	3,219,522
Arts capital	-	1,933,966	-	1,933,966
Operating reserve	-	-	-	20,196,469
Emergency reserve	-	-	-	13,464,313
Budget stabilization reserve	-	-	-	22,022,464
Assigned to:				
Capital projects	13,112,425	-	-	13,112,425
Municipal Complex reserve	-	-	-	3,748,153
Unassigned	-	-	-	99,008,274
Total fund balance	<u>13,112,425</u>	<u>3,179,808</u>	<u>52,740,597</u>	<u>330,424,572</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 26,172,130</u>	<u>\$ 15,357,658</u>	<u>\$ 55,266,890</u>	<u>\$ 383,451,543</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, 2022**

Fund balances - total governmental funds		\$ 330,424,572
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	\$ 1,683,567,707	
Less accumulated depreciation and amortization	<u>(758,687,216)</u>	924,880,491
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Other post employment benefits asset		2,956,841
Deferred loss on bond refunding		2,028,000
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	(230,340,722)	
Leases payable	(32,546)	
Compensated absences	<u>(16,003,630)</u>	(246,376,898)
Equity in joint ventures are not financial resources and, therefore, are not reported in the funds.		
		1,605,480
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		
		(17,569,101)
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		
		167,432
Interest payable on long-term debt is not reported in the governmental funds.		
		(3,532,128)
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.		
		50,441,719
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.		
		(133,541,502)
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	75,657,903	
Deferred inflows related to pension/OPEB	<u>(40,817,155)</u>	34,840,748
Total net position of governmental activities		<u>\$ 946,325,654</u>

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Major Funds

	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund	GO Bond Debt Service Fund	Development Fee Fund
REVENUES:					
Taxes	\$ 112,370,516	\$ 5,217,559	\$ 19,244,308	\$ 20,670,203	\$ -
Intergovernmental	60,482,643	13,158,294	-	-	-
Charges for services	18,229,679	75,969	-	-	9,174,188
Licenses and permits	5,100,898	-	-	-	-
Fines and forfeitures	1,619,089	-	-	-	-
Rents	1,080,477	-	-	-	-
Investment earnings (loss)	(3,930,843)	(316,733)	(651,256)	(389,812)	(1,019,251)
Miscellaneous	1,323,543	119,750	119,200	-	-
Total revenues	<u>196,276,002</u>	<u>18,254,839</u>	<u>18,712,252</u>	<u>20,280,391</u>	<u>8,154,937</u>
EXPENDITURES:					
Current:					
General government	20,915,999	-	-	-	-
Culture and recreation	28,515,249	-	-	-	420
Public safety	133,049,473	-	-	-	79,583
Development services	5,073,266	-	-	-	-
Highways and streets	-	17,745,768	5,196,253	-	7,060,711
Public works	6,033,717	-	-	-	-
Human services	-	-	-	-	-
Debt service:					
Principal payments	19,087	-	-	14,275,028	-
Interest and other charges	901	-	-	4,609,707	-
Capital outlay	343,146	2,812	2,165,508	-	2,244,450
Total expenditures	<u>193,950,838</u>	<u>17,748,580</u>	<u>7,361,761</u>	<u>18,884,735</u>	<u>9,385,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,325,164</u>	<u>506,259</u>	<u>11,350,491</u>	<u>1,395,656</u>	<u>(1,230,227)</u>
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-
Transfers in	860,000	1,092,584	-	-	171,050
Transfers out	(10,502,479)	(118,994)	(6,877,246)	-	-
Total other financing sources and uses	<u>(9,642,479)</u>	<u>973,590</u>	<u>(6,877,246)</u>	<u>-</u>	<u>171,050</u>
Net change in fund balances	(7,317,315)	1,479,849	4,473,245	1,395,656	(1,059,177)
Fund balances - beginning	170,168,746	12,311,620	22,892,805	18,277,685	38,768,628
Fund balances - ending	<u>\$ 162,851,431</u>	<u>\$ 13,791,469</u>	<u>\$ 27,366,050</u>	<u>\$ 19,673,341</u>	<u>\$ 37,709,451</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, 2022

	<u>Major Funds</u>			
	<u>Non-bond Capital Projects Fund</u>	<u>Other Grants Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ 4,894,127	\$ 162,396,713
Intergovernmental	9,487,521	10,959,152	2,827,002	96,914,612
Charges for services	-	701,360	73,483	28,254,679
Licenses and permits	-	-	-	5,100,898
Fines and forfeitures	-	112,247	-	1,731,336
Rents	-	-	-	1,080,477
Investment earnings (loss)	75,618	53,595	(354,037)	(6,532,719)
Miscellaneous	516,267	218,517	1,435,382	3,732,659
Total revenues	<u>10,079,406</u>	<u>12,044,871</u>	<u>8,875,957</u>	<u>292,678,655</u>
EXPENDITURES:				
Current:				
General government	-	4,090,429	1,634,382	26,640,810
Culture and recreation	530,883	2,835,140	2,137,422	34,019,114
Public safety	-	1,877,099	29,059	135,035,214
Development services	-	1,893,965	-	6,967,231
Highways and streets	471,378	-	44,533	30,518,643
Public works	118,279	-	1,082,146	7,234,142
Human services	-	1,013,093	2,463,169	3,476,262
Debt service:	-	-		
Principal payments	-	-	10,074,051	24,368,166
Interest and other charges	-	-	3,024,591	7,635,199
Capital outlay	749,329	631,244	10,962,772	17,099,261
Total expenditures	<u>1,869,869</u>	<u>12,340,970</u>	<u>31,452,125</u>	<u>292,994,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,209,537</u>	<u>(296,099)</u>	<u>(22,576,168)</u>	<u>(315,387)</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	21,495,000	21,495,000
Issuance of debt	-	-	55,880,000	55,880,000
Premium on bonds issued	-	-	8,086,575	8,086,575
Payment to bond refunding escrow agent	-	-	(26,081,153)	(26,081,153)
Transfers in	-	13,482	9,285,374	11,422,490
Transfers out	-	(224,497)	(1,460)	(17,724,676)
Total other financing sources and uses	<u>-</u>	<u>(211,015)</u>	<u>68,664,336</u>	<u>53,078,236</u>
Net change in fund balances	8,209,537	(507,114)	46,088,168	52,762,849
Fund balances - beginning	4,902,888	3,686,922	6,652,429	277,661,723
Fund balances - ending	<u>\$ 13,112,425</u>	<u>\$ 3,179,808</u>	<u>\$ 52,740,597</u>	<u>\$ 330,424,572</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, 2022

Net change in fund balances - total governmental funds	\$ 52,762,849
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.	(1,177,223)
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.	(83,999)
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.	(1,521)
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 (\$17,099,261), plus other capital \$0, is exceeded by depreciation and amortization (\$40,221,216) in the current period.	(23,121,955)
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.	96,218
Donations of capital assets are not reflected on the governmental fund statements but are shown in the statement of activities.	25,462,661
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.	(77,375,000)
The issuance of refunding bonds provides both a financial resource (the sale) and an other financing use (payment to bond escrow agent) in the governmental statements but these debt transactions do not create sources or uses on the statement of activities.	26,081,153
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.	24,368,165
Bond premiums or discounts and gains or losses on bond refunding are sources or uses of current financial resources for governmental fund reporting but are deferred outflows or inflows of resources for government-wide reporting.	(6,791,039)
The contribution of governmental capital assets to Proprietary Funds is not shown in the governmental fund statements but is a transfer in in the statement of activities.	(372,107)
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.	4,462,119
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.	41,955,811
Change in net position of governmental activities	\$ 66,266,132

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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
REVENUES:				
Taxes	\$ 68,443,865	\$ 68,443,865	\$ 80,831,755	\$ 12,387,890
Intergovernmental	49,667,699	49,667,699	60,321,703	10,654,004
Charges for services	35,949,959	35,949,959	34,852,027	(1,097,932)
Licenses and permits	4,481,881	4,481,881	5,100,898	619,017
Fines and forfeitures	1,553,000	1,553,000	1,619,089	66,089
Rents	1,242,345	1,242,345	1,425,767	183,422
Investment earnings	1,300,100	1,300,100	371,935	(928,165)
Miscellaneous	951,861	951,861	1,313,543	361,682
Total revenues	<u>163,590,710</u>	<u>163,590,710</u>	<u>185,836,717</u>	<u>22,246,007</u>
EXPENDITURES:				
Current:				
General government:				
Mayor and council	886,388	886,388	814,996	(71,392)
City manager	6,011,566	6,374,761	5,841,883	(532,878)
Human resources	3,949,729	4,641,244	3,608,489	(1,032,755)
Attorney	3,848,704	3,902,095	3,692,650	(209,445)
City clerk	1,452,463	1,430,193	993,705	(436,488)
Court	2,501,241	2,543,539	2,412,116	(131,423)
Economic development	1,860,453	1,897,890	1,410,920	(486,970)
Finance	11,931,539	11,553,605	10,430,733	(1,122,872)
Non-departmental	3,393,118	32,901,422	26,402,768	(6,498,654)
Culture and recreation	33,833,318	34,610,192	27,994,046	(6,616,146)
Public safety:				
Police	53,907,302	55,695,137	54,978,880	(716,257)
Fire	41,982,968	42,758,406	43,083,777	325,371
Development services				
Public works	6,581,557	6,786,386	4,901,469	(1,884,917)
Capital outlay	6,552,210	6,724,248	6,033,718	(690,530)
Capital outlay	11,833,146	14,199,014	5,138,969	(9,060,045)
Total expenditures	<u>190,525,702</u>	<u>226,904,520</u>	<u>197,739,119</u>	<u>(29,165,401)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,934,992)</u>	<u>(63,313,810)</u>	<u>(11,902,402)</u>	<u>51,411,408</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(40,250,000)	(74,410)	-	74,410
Transfers in	12,938,869	12,954,169	15,178,489	2,224,320
Transfers out	(5,353,197)	(5,353,197)	(1,593,719)	3,759,478
Total other financing sources and uses	<u>(32,664,328)</u>	<u>7,526,562</u>	<u>13,584,770</u>	<u>6,058,208</u>
Net change in fund balances	(59,599,320)	(55,787,248)	1,682,368	57,469,616
Fund balances - beginning	93,704,663	93,704,663	123,035,092	29,330,429
Fund balances - ending	<u>\$ 34,105,343</u>	<u>\$ 37,917,415</u>	<u>\$ 124,717,460</u>	<u>\$ 86,800,045</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
HALF-CENT SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 24,896,691	\$ 24,896,691	\$ 31,538,761	\$ 6,642,070
Investment earnings(loss)	142,500	142,500	(1,117,908)	(1,260,408)
Miscellaneous	-	-	10,000	10,000
Total revenues	<u>25,039,191</u>	<u>25,039,191</u>	<u>30,430,853</u>	<u>5,391,662</u>
EXPENDITURES:				
Current:				
General government	3,029,477	11,501,766	4,641,583	(6,860,183)
Public safety	-	-	8,000,000	8,000,000
Capital outlay	1,428,259	2,214,276	-	(2,214,276)
Total expenditures	<u>4,457,736</u>	<u>13,716,042</u>	<u>12,641,583</u>	<u>(1,074,459)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,581,455</u>	<u>11,323,149</u>	<u>17,789,270</u>	<u>6,466,121</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(20,000,000)	-	-	-
Transfers out	(16,221,211)	(16,221,211)	(18,459,891)	(2,238,680)
Total other financing sources and uses	<u>(36,221,211)</u>	<u>(16,221,211)</u>	<u>(18,459,891)</u>	<u>(2,238,680)</u>
Net change in fund balances	(15,639,756)	(4,898,062)	(670,621)	4,227,441
Fund balances - beginning	41,678,759	41,678,759	47,122,754	5,443,995
Fund balances - ending	<u>\$ 26,039,003</u>	<u>\$ 36,780,697</u>	<u>\$ 46,452,133</u>	<u>\$ 9,671,436</u>

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

The accompanying notes are an integral part of the financial statements

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

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	\$ 185,836,717
Actual amounts (budgetary basis) "Total revenues" from the Half-Cent Sales Tax Fund budgetary comparison statement	30,430,853
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	(16,622,348)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	<u>(3,369,220)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 196,276,002</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the General Fund budgetary comparison statement	\$ 197,739,119
Actual amounts (budgetary basis) "Total expenditures" from the Half-Cent Sales Tax Fund budgetary comparison statement	12,641,583
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	719,350
Capital outlay recognized as expenditures in proprietary fund for budgetary purposes, but assets reclassified to expenditure in governmental funds for financial reporting purposes	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(4,795,823)
Capital outlay for capital leases are expenditures for GAAP purposes, but not for budgetary purposes	
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	<u>(12,353,391)</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 193,950,838</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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Taxes	\$ 4,835,837	\$ 4,835,837	\$ 5,217,559	\$ 381,722
Intergovernmental	11,409,951	11,409,951	13,158,294	1,748,343
Charges for services	135,000	135,000	75,969	(59,031)
Investment earnings(loss)	153,503	153,503	(316,733)	(470,236)
Miscellaneous	-	-	119,750	119,750
Total revenues	<u>16,534,291</u>	<u>16,534,291</u>	<u>18,254,839</u>	<u>1,720,548</u>
EXPENDITURES:				
Current:				
Highways and streets	11,420,137	12,738,557	17,745,768	5,007,211
Capital outlay	10,850,038	8,424,905	2,812	(8,422,093)
Total expenditures	<u>22,270,175</u>	<u>21,163,462</u>	<u>17,748,580</u>	<u>(3,414,882)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,735,884)</u>	<u>(4,629,171)</u>	<u>506,259</u>	<u>5,135,430</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(1,500,000)	-	-	-
Transfers in	2,046,837	2,046,837	1,092,584	(954,253)
Transfers out	(1,165,831)	(118,994)	(118,994)	-
Total other financing sources and uses	<u>(618,994)</u>	<u>1,927,843</u>	<u>973,590</u>	<u>(954,253)</u>
Net change in fund balances	(6,354,878)	(2,701,328)	1,479,849	4,181,177
Fund balances - beginning	11,554,087	11,554,087	12,311,620	757,533
Fund balances - ending	<u>\$ 5,199,209</u>	<u>\$ 8,852,759</u>	<u>\$ 13,791,469</u>	<u>\$ 4,938,710</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, 2022**

	<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	\$ 15,004,201	\$ 15,004,201	\$ 19,244,308	\$ 4,240,107
Investment earnings(loss)	284,378	284,378	(651,256)	(935,634)
Miscellaneous	-	-	119,200	119,200
Total revenues	<u>15,288,579</u>	<u>15,288,579</u>	<u>18,712,252</u>	<u>3,423,673</u>
EXPENDITURES:				
Current:				
Highways and streets	905,590	866,045	5,196,253	4,330,208
Capital outlay	<u>17,228,917</u>	<u>17,102,021</u>	<u>2,165,508</u>	<u>(14,936,513)</u>
Total expenditures	<u>18,134,507</u>	<u>17,968,066</u>	<u>7,361,761</u>	<u>(10,606,305)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,845,928)</u>	<u>(2,679,487)</u>	<u>11,350,491</u>	<u>14,029,978</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(2,600,000)	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>(6,706,196)</u>	<u>(6,706,196)</u>	<u>(6,877,246)</u>	<u>(171,050)</u>
Total other financing sources and uses	<u>(9,306,196)</u>	<u>(6,706,196)</u>	<u>(6,877,246)</u>	<u>(171,050)</u>
Net change in fund balances	(12,152,124)	(9,385,683)	4,473,245	13,858,928
Fund balances - beginning	20,554,017	20,554,017	22,892,805	2,338,788
Fund balances - ending	<u>\$ 8,401,893</u>	<u>\$ 11,168,334</u>	<u>\$ 27,366,050</u>	<u>\$ 16,197,716</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Intergovernmental	\$ 8,170,852	\$ 8,170,852	\$ 10,959,152	\$ 2,788,300
Charges for services	350,000	350,000	701,360	351,360
Fines and forfeitures	119,634	119,634	112,247	(7,387)
Investment earnings	41,700	41,700	53,595	11,895
Miscellaneous	10,000	10,000	218,517	208,517
Total revenues	<u>8,692,186</u>	<u>8,692,186</u>	<u>12,044,871</u>	<u>3,352,685</u>
EXPENDITURES:				
Current:				
General government	176,577	176,577	4,090,429	3,913,852
Culture and recreation	1,055,019	1,087,146	2,835,140	1,747,994
Public safety	485,117	826,265	1,877,099	1,050,834
Development services	3,251,355	3,251,355	1,893,965	(1,357,390)
Human Services	726,422	815,422	1,013,093	197,671
Capital outlay	744,741	744,741	631,244	(113,497)
Total expenditures	<u>6,439,231</u>	<u>6,901,506</u>	<u>12,340,970</u>	<u>5,439,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,252,955</u>	<u>1,790,680</u>	<u>(296,099)</u>	<u>(2,086,779)</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(3,000,000)	-	-	-
Transfers in	-	-	13,482	13,482
Transfers out	(224,497)	(224,497)	(224,497)	-
Total other financing sources and uses	<u>(3,224,497)</u>	<u>(224,497)</u>	<u>(211,015)</u>	<u>13,482</u>
Net change in fund balances	(971,542)	1,566,183	(507,114)	(2,073,297)
Fund balances - beginning	3,679,659	3,679,659	3,686,922	7,263
Fund balances - ending	<u>\$ 2,708,117</u>	<u>\$ 5,245,842</u>	<u>\$ 3,179,808</u>	<u>\$ (2,066,034)</u>

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-type Activities		
	Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
ASSETS			
Current assets:			
Pooled cash and investments	\$ 78,998,362	\$ 51,938,160	\$ 10,384,588
Restricted pooled cash and investments	-	-	-
Restricted cash with fiscal agents	-	-	-
Accounts receivable, net	7,015,349	2,947,882	1,832,130
Leases receivable	-	-	-
Interest receivable	80,026	50,657	12,839
Prepaid items	722,865	-	359,190
Supplies inventory	635,637	-	183
Total current assets	<u>87,452,239</u>	<u>54,936,699</u>	<u>12,588,930</u>
Non-current assets:			
Restricted assets:			
Cash with fiscal agents	39,363	41,895	-
Investments	-	-	-
Net restricted assets	<u>39,363</u>	<u>41,895</u>	<u>-</u>
Capital assets:			
Buildings and improvements	1,662,522	7,612,045	-
Distribution and collection systems	448,791,114	430,780,581	-
Water rights	12,889,805	-	-
Equipment & furniture	17,682,769	2,320,486	211,038
Vehicles	2,364,896	1,563,734	18,058,579
Less accumulated depreciation and amortization	(223,623,124)	(187,885,043)	(7,368,296)
Land and improvements	6,867,999	3,878,001	-
Construction in progress	63,301,388	17,841,650	-
Capital assets, net	<u>329,937,369</u>	<u>276,111,454</u>	<u>10,901,321</u>
Net other postemployment benefits asset	188,224	97,547	138,065
Total non-current assets	<u>330,164,956</u>	<u>276,250,896</u>	<u>11,039,386</u>
Total assets	<u>417,617,195</u>	<u>331,187,595</u>	<u>23,628,316</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	1,304,167	675,881	956,623
Excess consideration provided for acquisition	1,237,684	-	-
Total deferred outflows of resources	<u>2,541,851</u>	<u>675,881</u>	<u>956,623</u>
LIABILITIES			
Current liabilities:			
Accounts payable	3,668,753	1,727,971	552,887
Accrued payroll	127,039	76,136	110,510
Interest payable	901,143	440,488	-
Due to other funds	-	-	-
Due to other governments	180,069	-	-
Customer deposits	2,015,026	-	-
Other liabilities	437,859	336,926	-
Current portion of claims payable	-	-	-
Current portion of compensated absences	346,490	151,430	229,040
Current portion of bonds & loans payable	5,272,953	2,546,728	-
Unearned revenue-other	-	-	-
Total current liabilities	<u>12,949,332</u>	<u>5,279,679</u>	<u>892,437</u>
Non-current liabilities:			
Long-term portion of claims payable	-	-	-
Long-term portion of compensated absences	390,220	174,520	242,740
Long-term portion of bonds & loans payable	73,920,589	33,271,571	-
Net pension and other postemployment benefits liabilities	4,993,628	2,587,944	3,662,886
Total non-current liabilities	<u>79,304,437</u>	<u>36,034,035</u>	<u>3,905,626</u>
Total liabilities	<u>92,253,769</u>	<u>41,313,714</u>	<u>4,798,063</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	1,850,561	959,052	1,357,404
Deferred inflows related to leases	-	-	-
Total deferred inflows of resources	<u>1,850,561</u>	<u>959,052</u>	<u>1,357,404</u>
NET POSITION			
Net investment in capital assets	259,417,578	249,422,713	10,901,321
Restricted:			
Capital projects	24,607,295	17,148,844	359,539
Facilities maintenance	-	-	-
Trust purpose	-	-	-
Net other postemployment benefits	188,224	97,547	138,065
Unrestricted	41,841,619	22,921,606	7,030,547
Total net position	<u>\$ 326,054,716</u>	<u>\$ 289,590,710</u>	<u>\$ 18,429,472</u>

(continued)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-type Activities			Governmental
	Major Enterprise Funds			Activities -
	Stadium Fund	Storm Drain Utility Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Pooled cash and investments	\$ 4,955,999	\$ -	\$ 146,277,109	\$ 30,573,913
Restricted pooled cash and investments	-	-	-	19,595,479
Restricted cash with fiscal agents	-	-	-	275,000
Accounts receivable, net	1,610,186	174,898	13,580,445	45,706
Leases receivable	3,979,078	-	3,979,078	-
Interest receivable	25,790	900	170,212	90,785
Prepaid items	-	-	1,082,055	-
Supplies inventory	-	-	635,820	322,370
Total current assets	<u>10,571,053</u>	<u>175,798</u>	<u>165,724,719</u>	<u>50,903,253</u>
Non-current assets:				
Restricted assets:				
Cash with fiscal agents	-	-	81,258	-
Investments	-	-	-	8,600,470
Net restricted assets	<u>-</u>	<u>-</u>	<u>81,258</u>	<u>8,600,470</u>
Capital assets:				
Buildings and improvements	70,823,207	-	80,097,774	148,102
Distribution and collection systems	-	118,565,613	998,137,308	-
Water rights	-	-	12,889,805	-
Equipment & furniture	2,034,800	26,478	22,275,571	39,710,048
Vehicles	49,340	-	22,036,549	37,422,679
Less accumulated depreciation and amortization	(32,135,267)	(46,779,359)	(497,791,089)	(62,607,530)
Land and improvements	6,703,349	1,375,175	18,824,524	-
Construction in progress	-	-	81,143,038	213,919
Capital assets, net	<u>47,475,429</u>	<u>73,187,907</u>	<u>737,613,480</u>	<u>14,887,218</u>
Net other postemployment benefits asset	54,614	9,212	487,662	272,273
Total non-current assets	<u>47,530,043</u>	<u>73,197,119</u>	<u>738,182,400</u>	<u>23,759,961</u>
Total assets	<u>58,101,096</u>	<u>73,372,917</u>	<u>903,907,119</u>	<u>74,663,214</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions and other postemployment benefits	378,408	63,824	3,378,903	1,886,530
Excess consideration provided for acquisition	-	-	1,237,684	-
Total deferred outflows of resources	<u>378,408</u>	<u>63,824</u>	<u>4,616,587</u>	<u>1,886,530</u>
LIABILITIES				
Current liabilities:				
Accounts payable	107,100	22,785	6,079,496	3,149,771
Accrued payroll	41,465	6,930	362,080	209,771
Interest payable	-	-	1,341,631	-
Due to other funds	-	481,236	481,236	-
Due to other governments	800	-	180,869	-
Customer deposits	1,000	-	2,016,026	-
Other liabilities	-	-	774,785	-
Current portion of claims payable	-	-	-	5,501,797
Current portion of compensated absences	125,830	12,510	865,300	591,850
Current portion of bonds & loans payable	-	-	7,819,681	-
Unearned revenue-other	1,050	-	1,050	-
Total current liabilities	<u>277,245</u>	<u>523,461</u>	<u>19,922,154</u>	<u>9,453,189</u>
Non-current liabilities:				
Long-term portion of claims payable	-	-	-	1,449,003
Long-term portion of compensated absences	170,670	27,330	1,005,480	652,010
Long-term portion of bonds & loans payable	-	-	107,192,160	-
Net pension and other postemployment benefits liabilities	1,448,918	244,385	12,937,761	7,223,477
Total non-current liabilities	<u>1,619,588</u>	<u>271,715</u>	<u>121,135,401</u>	<u>9,324,490</u>
Total liabilities	<u>1,896,833</u>	<u>795,176</u>	<u>141,057,555</u>	<u>18,777,679</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions and other postemployment benefits	536,945	90,565	4,794,527	2,676,906
Deferred inflows related to leases	3,918,981	-	3,918,981	-
Total deferred inflows of resources	<u>4,455,926</u>	<u>90,565</u>	<u>8,713,508</u>	<u>2,676,906</u>
NET POSITION				
Net investment in capital assets	47,475,429	73,187,907	640,404,948	14,864,251
Restricted:				
Capital projects	6,210,254	-	48,325,932	-
Facilities maintenance	100,000	-	100,000	-
Trust purpose	-	-	-	19,147,495
Net other postemployment benefits	54,614	9,212	487,662	272,273
Unrestricted	<u>(1,713,552)</u>	<u>(646,119)</u>	<u>69,434,101</u>	<u>20,811,140</u>
Total net position	<u>\$ 52,126,745</u>	<u>\$ 72,551,000</u>	<u>758,752,643</u>	<u>\$ 55,095,159</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.			<u>4,653,438</u>	
			<u>\$ 763,406,081</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, 2022

	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	\$ 50,112,113	\$ 25,924,982	\$ 15,936,756
Rents	-	-	-
Miscellaneous	2,496,244	10,829	4,263
Total operating revenues	<u>52,608,357</u>	<u>25,935,811</u>	<u>15,941,019</u>
OPERATING EXPENSES			
Salaries, wages and employee benefits	6,447,846	3,413,425	5,046,393
Contractual services, materials and supplies	34,758,680	16,902,271	10,287,002
Insurance claims and expenses	-	-	-
Depreciation and amortization	14,545,053	11,701,193	1,453,947
Total operating expenses	<u>55,751,579</u>	<u>32,016,889</u>	<u>16,787,342</u>
Operating income (loss)	<u>(3,143,222)</u>	<u>(6,081,078)</u>	<u>(846,323)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income(loss)	(1,681,640)	(1,191,142)	(264,082)
Interest expense	(1,528,286)	(696,773)	-
Gain (loss) on sale of capital assets	-	-	(56,372)
Total non-operating revenues (expenses)	<u>(3,209,926)</u>	<u>(1,887,915)</u>	<u>(320,454)</u>
Income (loss) before capital contributions and transfers	(6,353,148)	(7,968,993)	(1,166,777)
Capital contributions	9,650,098	8,077,735	-
Transfers in	569,074	3,159,696	119,681
Transfers out	(4,034,730)	(694,680)	-
Change in net position	<u>(168,706)</u>	<u>2,573,758</u>	<u>(1,047,096)</u>
Total net position - beginning	326,223,422	287,016,952	19,476,568
Restatement	-	-	-
Total net position - beginning, restated	<u>326,223,422</u>	<u>287,016,952</u>	<u>19,476,568</u>
Total net position - ending	<u>\$ 326,054,716</u>	<u>\$ 289,590,710</u>	<u>\$ 18,429,472</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, 2022

	Business-type Activities		Total	Governmental
	Major Enterprise Funds			Activities -
	Stadium	Storm Drain		Internal
	Fund	Utility Fund		Service Funds
OPERATING REVENUES				
Charges for services	\$ 613,030	\$ 1,538,257	\$ 94,125,138	\$ 54,171,586
Rents	1,034,388	-	1,034,388	-
Miscellaneous	3,146,468	-	5,657,804	530,726
Total operating revenues	<u>4,793,886</u>	<u>1,538,257</u>	<u>100,817,330</u>	<u>54,702,312</u>
OPERATING EXPENSES				
Salaries, wages and employee benefits	2,229,330	258,089	17,395,083	9,675,997
Contractual services, materials and supplies	2,736,931	1,773,575	66,458,459	17,215,535
Insurance claims and expenses	-	-	-	21,886,531
Depreciation and amortization	2,342,819	2,928,600	32,971,612	4,024,086
Total operating expenses	<u>7,309,080</u>	<u>4,960,264</u>	<u>116,825,154</u>	<u>52,802,149</u>
Operating income (loss)	<u>(2,515,194)</u>	<u>(3,422,007)</u>	<u>(16,007,824)</u>	<u>1,900,163</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income(loss)	147,082	3,796	(2,985,986)	(24,155)
Interest expense	-	-	(2,225,059)	-
Gain (loss) on sale of capital assets	24,095	-	(32,277)	49,317
Total non-operating revenues (expenses)	<u>171,177</u>	<u>3,796</u>	<u>(5,243,322)</u>	<u>25,162</u>
Income (loss) before capital contributions and transfers	(2,344,017)	(3,418,211)	(21,251,146)	1,925,325
Capital contributions	-	2,558,898	20,286,731	-
Transfers in	4,042,195	7,376	7,898,022	3,366,900
Transfers out	(67,097)	(100,000)	(4,896,507)	(66,229)
Change in net position	<u>1,631,081</u>	<u>(951,937)</u>	<u>2,037,100</u>	<u>5,225,996</u>
Total net position - beginning	50,495,664	69,530,889	752,743,495	49,869,163
Restatement	-	3,972,048	3,972,048	-
Total net position - beginning, restated	<u>50,495,664</u>	<u>73,502,937</u>	<u>756,715,543</u>	<u>49,869,163</u>
Total net position - ending	<u>\$ 52,126,745</u>	<u>\$ 72,551,000</u>	<u>758,752,643</u>	<u>\$ 55,095,159</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			763,877	
Change in net position of business-type activities			<u>\$ 2,800,977</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, 2022**

	Business-type Activities		
	Major Enterprise Funds		
	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Solid Waste Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 52,730,606	\$ 25,909,282	\$ 15,889,185
Payments to suppliers	(30,323,202)	(15,099,419)	(2,460,546)
Payments to employees	(6,519,475)	(3,487,857)	(4,996,894)
Self-insurance costs	-	-	-
Payments to internal service funds	(2,995,260)	(1,394,291)	(7,272,483)
Net cash provided (used) by operating activities	<u>12,892,669</u>	<u>5,927,715</u>	<u>1,159,262</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	569,074	3,159,696	119,681
Transfers out	(4,034,730)	(694,680)	-
Interfund loans payable	-	-	-
Net cash provided (used) by non-capital financing activities	<u>(3,465,656)</u>	<u>2,465,016</u>	<u>119,681</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(26,098,373)	(10,649,834)	(898,838)
Proceeds from disposal of capital assets	-	-	47,951
Capital contributions	4,729,859	2,202,247	-
Proceeds from loans	33,560,381	15,866,721	-
Principal payments on capital debt	(5,668,603)	(2,635,455)	-
Interest paid on capital debt	(1,713,422)	(1,067,089)	-
Net cash provided (used) by capital and related financing activities	<u>4,809,842</u>	<u>3,716,590</u>	<u>(850,887)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	-	-
Interest received on investments	(1,667,771)	(1,180,571)	(259,084)
Net cash provided (used) by investing activities	<u>(1,667,771)</u>	<u>(1,180,571)</u>	<u>(259,084)</u>
Net increase (decrease) in cash and cash equivalents	12,569,084	10,928,750	168,972
Cash and cash equivalents at beginning of year	66,468,641	41,051,305	10,215,616
Cash and cash equivalents at end of year	<u>\$ 79,037,725</u>	<u>\$ 51,980,055</u>	<u>\$ 10,384,588</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, 2022**

	Business-type Activities Major Enterprise Funds		Total	Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,597,265	\$ 1,542,262	\$ 99,668,600	\$ 54,676,309
Payments to suppliers	(2,216,127)	(1,527,843)	(51,627,137)	(16,682,952)
Payments to employees	(2,152,600)	(307,462)	(17,464,288)	(9,715,575)
Self-insurance costs	-	-	-	(23,153,544)
Payments to internal service funds	(551,964)	(242,668)	(12,456,666)	-
Net cash provided (used) by operating activities	<u>(1,323,426)</u>	<u>(535,711)</u>	<u>18,120,509</u>	<u>5,124,238</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	4,042,195	7,376	7,898,022	3,366,900
Transfers out	(67,097)	(100,000)	(4,896,507)	(66,229)
Interfund loans payable	-	481,236	481,236	-
Net cash provided (used) by non-capital financing activities	<u>3,975,098</u>	<u>388,612</u>	<u>3,482,751</u>	<u>3,300,671</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	(37,647,045)	(3,290,726)
Proceeds from disposal of capital assets	24,095	-	72,046	81,879
Capital contributions	-	-	6,932,106	-
Proceeds from loans	-	-	49,427,102	-
Principal payments on capital debt	-	-	(8,304,058)	-
Interest paid on capital debt	-	-	(2,780,511)	-
Net cash provided (used) by capital and related financing activities	<u>24,095</u>	<u>-</u>	<u>7,699,640</u>	<u>(3,208,847)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	268,901
Interest received on investments	126,050	3,789	(2,977,587)	(6,787)
Net cash provided (used) by investing activities	<u>126,050</u>	<u>3,789</u>	<u>(2,977,587)</u>	<u>262,114</u>
Net increase (decrease) in cash and cash equivalents	2,801,817	(143,310)	26,325,313	5,478,176
Cash and cash equivalents at beginning of year	2,154,182	143,310	120,033,054	44,966,216
Cash and cash equivalents at end of year	<u>\$ 4,955,999</u>	<u>\$ -</u>	<u>\$ 146,358,367</u>	<u>\$ 50,444,392</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, 2022**

	Business-type Activities Major Enterprise Funds		
	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Solid Waste Utility Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (3,143,222)	\$ (6,081,078)	\$ (846,323)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	14,545,053	11,701,193	1,453,947
(Increase) decrease in assets/deferred outflows:			
Accounts receivable	79,471	(26,529)	(51,834)
Leases receivable	-	-	-
Prepaid items	(722,865)	-	321,739
Supplies inventory	(361,276)	-	-
Net other postemployment benefits asset	(160,718)	(83,037)	(117,856)
Deferred outflows - pension and other postemployment benefits	(36,623)	(7,209)	(25,338)
Increase (decrease) in liabilities/deferred inflows:			
Accounts payable	2,285,788	76,753	232,234
Accrued payroll	36,225	23,187	42,066
Due to other governments	10,360	-	-
Other liabilities	228,211	331,808	-
Deposits payable	42,778	-	-
Claims payable	-	-	-
Unearned revenue - other	-	-	-
Compensated absences	61,380	41,350	138,230
Net pension and other post employment benefit liability	(1,652,526)	(918,132)	(1,220,160)
Deferred inflows - pension and other postemployment benefits	1,680,633	869,409	1,232,557
Deferred inflows - leases	-	-	-
Total adjustments	<u>16,035,891</u>	<u>12,008,793</u>	<u>2,005,585</u>
Net cash provided (used) by operating activities	<u>\$ 12,892,669</u>	<u>\$ 5,927,715</u>	<u>\$ 1,159,262</u>
Non-cash investing, capital and financing activities:			
Capital assets acquired through contributions from developers and City governmental funds	\$ 4,920,239	\$ 5,875,488	\$ -
Change in fair value of investments	(2,185,616)	(1,404,861)	(318,252)
Amortization of bond premium	337,548	345,227	-
Total non-cash investing, capital and financing activities	<u>\$ 3,072,171</u>	<u>\$ 4,815,854</u>	<u>\$ (318,252)</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, 2022**

	<u>Business-type Activities Major Enterprise Funds</u>		<u>Total</u>	<u>Governmental Activities -</u>
	<u>Stadium Fund</u>	<u>Storm Drain Utility Fund</u>		<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (2,515,194)	\$ (3,422,007)	\$ (16,007,824)	\$ 1,900,163
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,342,819	2,928,600	32,971,612	4,024,086
(Increase) decrease in assets/deferred outflows:				
Accounts receivable	(1,136,792)	4,005	(1,131,679)	(26,003)
Leases receivable	(3,979,078)	-	(3,979,078)	-
Prepaid items	-	-	(401,126)	65,200
Supplies inventory	-	-	(361,276)	(103,278)
Net other postemployment benefits asset	(47,210)	(7,743)	(416,564)	(232,915)
Deferred outflows - pension and other postemployment benefits	(37,229)	3,868	(102,531)	(72,825)
Increase (decrease) in liabilities/deferred inflows:				
Accounts payable	(31,727)	3,064	2,566,112	570,661
Accrued payroll	10,863	2,021	114,362	67,696
Due to other governments	567	-	10,927	-
Other liabilities	-	-	560,019	-
Deposits payable	-	-	42,778	-
Claims payable	-	-	-	(1,267,013)
Unearned revenue - other	268	-	268	-
Compensated absences	(910)	(18,450)	221,600	51,080
Net pension and other post employment benefit liability	(339,990)	(110,558)	(4,241,366)	(2,286,374)
Deferred inflows - pension and other postemployment benefits	491,206	81,489	4,355,294	2,433,760
Deferred inflows - leases	3,918,981	-	3,918,981	-
Total adjustments	<u>1,191,768</u>	<u>2,886,296</u>	<u>34,128,333</u>	<u>3,224,075</u>
Net cash provided (used) by operating activities	<u>\$ (1,323,426)</u>	<u>\$ (535,711)</u>	<u>\$ 18,120,509</u>	<u>\$ 5,124,238</u>
Non-cash investing, capital and financing activities:				
Capital assets acquired through contributions from developers and City governmental funds	\$ -	\$ 2,558,898	\$ 13,354,625	\$ -
Change in fair value of investments	-	-	(3,908,729)	(339,971)
Amortization of bond premium	-	-	682,775	-
Total non-cash investing, capital and financing activities	<u>\$ -</u>	<u>\$ 2,558,898</u>	<u>\$ 10,128,671</u>	<u>\$ (339,971)</u>

(concluded)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	Custodial Funds
ASSETS	
Pooled cash and investments	\$ 174,862
Due from other governments	9,500
Interest receivable	158
Total assets	184,520
LIABILITIES	
Accounts payable	1,153
Total liabilities	1,153
NET POSITION	
Restricted for:	
Individuals and organizations	132,707
Other governments	50,660
Total net position	\$ 183,367

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, 2022**

	Total Custodial Funds
ADDITIONS	
Contributions:	
Individuals	\$ 73,408
Intergovernmental	25,200
Investment earnings:	
Interest	666
Total additions	99,274
DEDUCTIONS	
Recipient payments	48,158
Total deductions	48,158
Change in net position	51,116
Net position - beginning of the year	132,251
Net position - end of the year	\$ 183,367

The accompanying notes are an integral part of the financial statements

Notes to the Financial Statements

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

Note		Page
1	Summary of Significant Accounting Policies	47
2	Deposits and Investments	58
3	Deficits in Fund Equity/Excess of Expenditures Over Appropriations	60
4	Accounts Receivable and Allowance for Doubtful Accounts	61
5	Due from Other Governments	61
6	Capital Assets	62
7	Long-term Debt	63
8	Risk Financing Activities	68
9	Leases	69
10	Pensions and Other Postemployment Benefits	71
11	Deferred Compensation Plan	83
12	Contingencies, Commitments and Other Claims	83
13	Interfund Transactions, Receivable and Payable Balances	84
14	Stabilization Arrangements	85
15	Restatement of Beginning Balances	85
16	Segment Information for Enterprise Funds	86
17	Subsequent Events	86

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

Individual Component Units - Blended

City of Peoria Municipal Development Authority, Inc.

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

Vistancia Community Facilities District

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

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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.

City of Peoria Employee Benefit Trust

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

City of Peoria Workers' Compensation Trust

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

Stand-alone financial statements are prepared for Vistancia, Vistancia West, Vistancia North, Mystic and the two trusts above. The accounting records of these are maintained by the City and the financial

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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.

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 *Other Grants Fund*, a special revenue fund receives and expends much of the City's grant fund money. The amount of grants received is generally based upon application to granting agencies by the City and

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

availability of funding by grantors. Grant money may be used only for the purpose of the approved budget and is subject to grantor expenditure guidelines.

The City reports the following major proprietary funds:

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

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

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 do not involve measurement of operations. 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.

C. Measurement Focus and Basis of Accounting

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

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

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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

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

D. Budgets and Budgetary Accounting

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

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.
- In April, the proposed budget for the following fiscal year is presented by the City Manager to the City Council. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain citizen comment.
- Prior to June 30, the City Council legally enacts the budget, through the passage of a resolution. The resolution sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution.
- The maximum legal expenditure permitted for the year is the total budget as adopted. The expenditure appropriations in the adopted budget are maintained in the City's financial system by department within individual funds. Departmental appropriations may be amended during the year, within administrative guidelines and adopted Council policies.
- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.
- The City Manager is generally authorized to transfer budgeted amounts within any specific fund's expenditure appropriation. Any budget revisions requiring a transfer between funds must be approved by the City Council. Additionally, budget revisions involving the use of contingency budgets must be approved by the City Council.
- All unencumbered expenditure appropriations expire at the end of the fiscal year.
- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Office staff. Budgetary carry forwards are approved by the City Council.
- All funds of the City, except the fiduciary funds, have legally adopted budgets. Further, no budget was adopted for the Smart & Safe AZ special revenue fund. This fund was formed after the fiscal year 2022 budget had been finalized, this fund is included in the fiscal year 2023 budget. Formal integration of these budgets into the City's financial systems is employed as a management control device during the year for all funds.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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.

III. Inventory and Prepaid Items

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

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

IV. Restricted Assets

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

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

V. Capital Assets

Capital assets, which include property, plant, equipment, right of use leased 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

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

VI. Compensated Absences

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

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

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.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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.

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.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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.

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.

XII. Stabilization arrangements

The City has set aside funds for various stabilization arrangements. It is the City's intent that situations allowing for the use of stabilization resources will be for non-routine situations. The authority for the stabilization arrangements is in the Council adopted *Principles of Sound Financial Management*. The governmental fund stabilization arrangements are shown as committed fund balance on the governmental fund financial statements. The City has the following stabilization arrangements at June 30, 2022:

- 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

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Council, including debt service, capital, economic development, community promotions or other specific city operational expenditures.

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

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022, no tax abatement agreements were noted that were applicable to fiscal year 2022.

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, 2022 was \$1,605,480 or 2.74 percent. The RWC Annual Comprehensive Financial Statement is available from the Regional Wireless Cooperative, 200 West Washington Street, 12th Floor, Phoenix, Arizona, 85003-1611.

I. Use of Estimates

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

J. New Accounting Principles

For the year ended June 30 2022, the City implemented the provisions of the following GASB Statements:

- GASB Statement No. 87, Leases. The principal objective of GASB Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The City has eight leases that were impacted by this Statement.
- GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The City has no conduit debt arrangements, so this Statement had no impact on the financial statements.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
96	Subscription-Based Information Technology Arrangements	The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
100	Accounting Changes and Error Corrections	The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.
101	Compensated Absences	The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends 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, 2022, the carrying amount of the City's deposits was \$83,211,293 and the bank balance was \$85,345,509. 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 \$2,134,216 represents deposits in transit, outstanding checks and other reconciling items.

The City maintains cash on hand balances in the form of petty cash and change funds. At June 30, 2022, the total amount of these balances was \$7,399.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022, 46.0% of the City's investments have a maturity of less than one year.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to prime quality securities rated within the top two ratings by a nationally recognized statistical rating organization. The City's investment policy limits the purchase of Corporate Bonds or Notes to those securities rated at least AA-/Aa3 or equivalent at the time of purchase by a nationally recognized statistical rating organization and with a maximum maturity of three years. The City's investment policy also limits the purchase of Banker's Acceptances to those securities rated Aa or better at the time of purchase by two nationally recognized statistical rating organizations and with a maximum maturity of 180 days. At June 30, 2022, the City's investments include \$7.3 million in Commercial Paper and \$61.8 million in Corporate Notes. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a collateralization level of at least 102 percent of the market value of principal and accrued interest.

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

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

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2022, the City's investments include 49.2% in U.S. Treasury Notes, 21.8% in Money Market investments, 13.2% in Corporate securities, 11.9% in U.S. Agency Coupon securities, 2.1% in the State of Arizona local government investment pool, 1.6% in Commercial Paper, and 0.2% in Municipal Bonds.

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

<u>Issuer</u>	<u>Fair Value</u>
Federal Home Loan Mortgage Association	\$ 35,309,578

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

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022:

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

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

At June 30, 2022, the City's total investments of \$468,689,897 included the following:

	Investment Maturities in Years			
	Less than 1	1-2	2-3	Fair Value
<u>Investments:</u>				
U.S Treasury notes	\$ 49,316,531	\$ 99,461,248	\$ 81,853,340	\$ 230,631,119
Agency coupon securities	21,067,645	34,683,889	-	55,751,534
Commercial paper	7,332,780	-	-	7,332,780
Corporate notes	24,774,444	17,068,884	19,929,597	61,772,925
Municipal bonds	1,000,000	-	-	1,000,000
Mutual fund-money market	102,121,373	-	-	102,121,373
State of Arizona LGIP	10,080,166	-	-	10,080,166
Total Investments	\$ 215,692,939	\$ 151,214,020	\$ 101,782,938	\$ 468,689,897

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

At June 30, 2022, the following fund reported a deficit in net position.

- Internal Service Fund: Facilities Maintenance Fund

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

For the year ended June 30, 2022, 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, 2022

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, 2022.

Fund	Receivables	Allowance	Net
Governmental activities:			
General Fund	\$ 18,552,857	\$ 2,731,895	\$ 15,820,962
Highway User Revenue Fund	582,245	-	582,245
Transportation Sales Tax Fund	2,449,945	-	2,449,945
GO Bond Debt Service Fund	181,609	164,179	17,430
Other Grants Fund	48,922	-	48,922
Other Governmental Funds	584,545	17,937	566,608
Total governmental funds	\$ 22,400,123	\$ 2,914,011	\$ 19,486,112
Internal Service Funds	\$ 45,706	\$ -	\$ 45,706
Business-type activities:			
Water Utility Fund	\$ 7,732,583	\$ 717,234	\$ 7,015,349
Wastewater Utility Fund	3,451,393	503,511	2,947,882
Solid Waste Utility Fund	2,153,019	320,889	1,832,130
Stadium Fund	1,610,186	-	1,610,186
Storm Drain Utility Fund	207,518	32,620	174,898
Total enterprise funds	15,154,699	1,574,254	13,580,445
Grand totals	\$ 37,600,528	\$ 4,488,265	\$ 33,112,263

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, 2022, significant receivables due to the City included \$1,016,535 from the State of Arizona for State Shared Sales Tax revenues recorded in the General fund, \$1,401,401 Highway User Revenue Fees revenues recorded in the Highway User Revenue Fund, \$443,569 from the federal government for community development block grants, and \$371,759 from the federal government for transit grant revenues. Most other receivables are comprised of taxes or various grants due from other governments and agencies.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

6. CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2022, follows:

	Balances** June 30, 2021	Additions/ Transfers In	Disposals/ Transfers Out	Balances June 30, 2022
Governmental Activities:				
Non-Depreciable Assets:				
Work in Progress	\$ 28,750,089	\$ 15,586,092	\$ (19,478,643)	\$ 24,857,538
Land	419,439,903	5,778,499	-	425,218,402
Total Non-Depreciable Assets	<u>448,189,992</u>	<u>21,364,591</u>	<u>(19,478,643)</u>	<u>450,075,940</u>
Depreciable and Amortizable Assets:				
Buildings & Improvements	196,345,046	1,766,067	-	198,111,113
Equipment; Furniture	59,754,250	560,738	-	60,314,988
Vehicles	35,119,779	3,885,048	(1,026,329)	37,978,498
Street System	840,413,971	30,230,975	-	870,644,946
Park System	136,777,711	7,127,311	-	143,905,022
Leased Equipment: Furniture	41,774	-	-	41,774
Leased Vehicle	9,858	-	-	9,858
Total Depreciable and Amortizable Assets at Historical Cost	<u>1,268,462,389</u>	<u>43,570,139</u>	<u>(1,026,329)</u>	<u>1,311,006,199</u>
Less Accum. Depreciation:				
Buildings & Improvements	(91,082,931)	(5,032,323)	-	(96,115,254)
Equipment; Furniture	(54,986,053)	(1,748,381)	-	(56,734,434)
Vehicles	(21,687,807)	(3,207,491)	984,227	(23,911,071)
Street System	(571,120,818)	(30,674,069)	-	(601,794,887)
Park System	(39,175,746)	(3,563,353)	-	(42,739,099)
Less Accum. Amortization:				
Leased Assets	-	(19,685)	-	(19,685)
Total Accum. Depreciation/Amortization	<u>(778,053,355)</u>	<u>(44,245,302)</u>	<u>984,227</u>	<u>(821,314,430)</u>
Total Depreciable Assets, Net	<u>490,409,034</u>	<u>(675,163)</u>	<u>(42,102)</u>	<u>489,691,769</u>
	<u>\$ 938,599,026</u>	<u>\$ 20,689,428</u>	<u>\$ (19,520,745)</u>	<u>\$ 939,767,709</u>
Business-type Activities:				
Non-Depreciable Assets:				
Work in Progress	\$ 65,404,031	\$ 30,306,512	\$ (14,567,505)	\$ 81,143,038
Land	18,824,524	-	-	18,824,524
Total Non-Depreciable Assets	<u>84,228,555</u>	<u>30,306,512</u>	<u>(14,567,505)</u>	<u>99,967,562</u>
Depreciable assets:				
Buildings & Improvements	80,097,774	-	-	80,097,774
Equipment; Furniture	21,600,250	813,936	(138,615)	22,275,571
Vehicles	22,323,238	447,647	(734,336)	22,036,549
Surface Water System	108,971,269	9,594,344	-	118,565,613
Water Rights	12,889,805	-	-	12,889,805
Water System	442,117,591	7,943,523	(1,270,000)	448,791,114
Wastewater System	421,224,385	9,556,196	-	430,780,581
Total Depreciable Assets at Historical Cost	<u>1,109,224,312</u>	<u>28,355,646</u>	<u>(2,142,951)</u>	<u>1,135,437,007</u>
Less Accum. Depreciation:				
Buildings & Improvements	(32,065,396)	(2,313,000)	-	(34,378,396)
Equipment; Furniture	(18,167,710)	(1,309,267)	-	(19,476,977)
Vehicles	(8,383,032)	(1,739,010)	630,013	(9,492,029)
Surface Water System	(43,850,760)	(2,928,600)	-	(46,779,360)
Water Rights*	(3,609,145)	(257,796)	-	(3,866,941)
Water System	(189,826,719)	(12,835,693)	522,552	(202,139,860)
Wastewater System	(170,301,345)	(11,356,181)	-	(181,657,526)
Total Accum. Depreciation	<u>(466,204,107)</u>	<u>(32,739,547)</u>	<u>1,152,565</u>	<u>(497,791,089)</u>
Total Depreciable Assets, Net	<u>643,020,205</u>	<u>(4,383,901)</u>	<u>(990,386)</u>	<u>637,645,918</u>
Business-Type Activities Capital Assets, Net	<u>\$ 727,248,760</u>	<u>\$ 25,922,611</u>	<u>\$ (15,557,891)</u>	<u>\$ 737,613,480</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.

** Revised due to the implementation of GASB 87

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	3,388,087	Water utility *	14,312,988
Culture and recreation	6,870,670	Wastewater utility	11,701,193
Public Safety	3,335,938	Storm drain utility	2,928,600
Development services	103,035	Stadium	2,342,819
Highway and streets	29,986,987	Solid Waste	<u>1,453,947</u>
Public works	511,083		
Human services	<u>49,502</u>		
Total Depreciation and amortization expense	<u><u>44,245,302</u></u>	Total Depreciation expense	<u><u>32,739,547</u></u>

* Excludes amortization of goodwill of \$232,065.

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. Municipal Development Authority debt obligations

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

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

D. Community Facilities District bonds

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

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

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

The City Council formed the Vistancia North Community Facilities District (VNCDFD) in June 2020. In October 2020, the VNCDFD was authorized through an election to issue up to \$50,000,000 of general obligation bonds to construct public infrastructure within the district. VNCDFD issued a short-term taxable general obligation bond of \$15,987 in fiscal year 2022 which is recorded as a fund liability.

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 which is recorded as a fund liability.

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 \$23,280,000 in Revenue Refunding Bonds issued in 2012, \$35,190,000 in Revenue Refunding Bonds issued in 2020 and \$64,844,737 in Water Infrastructure Financing Authority loans issued between 2002-2017. The various bonds and loans were issued for the purchase or construction of various water or wastewater infrastructure including wells, treatment plants, pumping stations, a water utility and water and wastewater distribution or collection lines. In fiscal year 2022 the City issued \$28,955,000 of Revenue Bonds for the construction of water and wastewater infrastructure. At June 30, 2022, \$108,533,291 in bonds and loans remain outstanding to be repaid by future water and wastewater revenues. For the fiscal year ended June 30, 2022, the pledged revenues, net of operating expenses available for service of this debt were \$21,081,299. The debt principal and interest paid on this debt in fiscal year 2022 was \$10,166,886, net of amortized premium.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The City has pledged certain revenues for the repayment of \$43,430,000 and \$3,220,000 in Municipal Development Authority (MDA) Bonds issued in 2011 and 2012 and the Pledged Excise 2018 refunding obligations, respectively. Pledged revenues for these obligations include excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes. In fiscal year 2022 the City issued \$21,495,000 of Excise Tax Revenue Refunding Obligations which were used to refund \$25,660,000 of MDA bonds. The refunding bonds provided the City with \$894,633 in net present value savings. At June 30, 2022, \$22,530,000 of MDA bonds were defeased and are not shown as a liability for the City but remained outstanding. At June 30, 2022, \$1,735,000 of the Pledged Excise 2018 obligation and \$21,495,000 of the Excise Tax 2022 Revenue 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, 2022, the pledged revenues, net of operating expenses available to service this debt were \$191,409,417. The debt principal and interest paid on this debt in fiscal year 2022 was \$3,614,220.

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, 2022, \$13,350,000 of the Pledged Transportation 2018 obligations remained outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2022, the pledged revenues, net of operating expenses available to service this debt were \$207,158,705. The debt principal and interest paid on this debt in fiscal year 2022 was \$3,520,937.

F. Direct Purchase and Loan Obligations

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

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

G. Tables

The following schedule summarizes the City's long-term liability activity for the year ended June 30, 2022:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 120,185,000	\$ 55,880,000	\$ 14,045,000	\$ 162,020,000	\$ 15,910,000
General obligation WIFA loans	3,954,426	-	230,028	3,724,398	934,189
MDA debt obligations	27,860,000	-	27,860,000	-	-
Excise tax revenue obligations	-	21,495,000	-	21,495,000	480,000
Direct purchase and loan obligations	23,415,375	-	3,794,051	19,621,324	3,873,485
CFD bonds	27,560,000	-	4,080,000	23,480,000	4,030,000
Total bonds payable	202,974,801	77,375,000	50,009,079	230,340,722	25,227,674
Net pension and other postemployment benefits liability	195,055,086	-	54,290,107	140,764,979	-
Compensated absences	16,149,010	13,498,503	12,400,023	17,247,490	8,079,230
Claims payable	8,217,813	18,259,479	19,526,492	6,950,800	5,501,797
Leases payable	51,633	-	19,087	32,546	17,499
Deferred bond premium	11,810,385	8,086,575	2,327,859	17,569,101	-
Governmental activities totals	\$ 434,258,728	\$ 117,219,557	\$ 138,572,647	\$ 412,905,638	\$ 38,826,200
Business-type activities:					
Bonds and loans payable:					
Revenue bonds	\$ 35,990,000	\$ 28,955,000	\$ 5,130,000	\$ 59,815,000	\$ 4,560,000
WIFA loans	33,239,660	18,652,689	3,174,058	48,718,291	3,259,681
Net pension and other postemployment benefits liability	17,179,127	-	4,241,366	12,937,761	-
Compensated absences	1,649,180	1,785,362	1,563,762	1,870,780	865,300
Deferred bond premium	5,341,911	1,819,414	682,775	6,478,550	-
Business-type activities totals	\$ 93,399,878	\$ 51,212,465	\$ 14,791,961	\$ 129,820,382	\$ 8,684,981

* Revised due to implementation of GASB 87

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Bonds and loans payable at June 30, 2022 are comprised of the following:

Governmental Activities Debt

General Obligation Bonds	Maturity Dates	Net Interest Rate	Issue Amount	Outstanding June 30, 2022
Series 2010	7/1/10-30	4.03	\$ 29,170,000	\$ 3,055,000
Series 2012A	7/1/12-32	3.32	14,715,000	9,025,000
Series 2012B	7/1/12-22	1.75	13,690,000	1,540,000
Series 2015A	7/15/16-35	2.98	30,325,000	23,525,000
Series 2015B	7/15/16-28	2.29	66,425,000	42,765,000
Series 2019	7/15/19-39	2.65	30,420,000	26,230,000
Series 2021	7/15/22-41	1.72	55,880,000	55,880,000
Total General Obligation Bonds			<u>\$240,625,000</u>	<u>\$ 162,020,000</u>
<u>WIFA General Obligation Loans</u>				
WIFA series 2019	7/15/20-39	1.6	\$ 4,180,827	\$ 3,724,398
Total WIFA General Obligations			<u>\$ 4,180,827</u>	<u>\$ 3,724,398</u>
<u>Excise Tax/State Shared Revenue Obligations</u>				
Series 2022	7/15/22-32	2.73	\$ 21,495,000	\$ 21,495,000
Total Direct Purchase and Loan Obligations			<u>\$ 21,495,000</u>	<u>\$ 21,495,000</u>
<u>Direct Purchase and Loan Obligations</u>				
Taxable NCREBs	9/1/1937	4.23	\$ 5,199,304	\$ 4,536,324
Pledged Excise 2018	7/15/2025	2.01	3,220,000	1,735,000
Pledged Transportation 2018	1/15/2026	1.97	25,755,000	13,350,000
Total Direct Purchase and Loan Obligations			<u>\$ 34,174,304</u>	<u>\$ 19,621,324</u>
<u>Community Facility District Bonds</u>				
VCFD – Series 2020	7/15/21-26	0.87	\$ 22,725,000	\$ 19,105,000
VWCFD – Series 2016	7/15/18-29	4.15	3,000,000	2,200,000
VWCFD – Series 2019	7/15/20-29	4.00	2,590,000	2,175,000
Total Community Facility District Bonds			<u>\$ 28,315,000</u>	<u>\$ 23,480,000</u>

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022</u>
WWW Series 2020	7/15/21-29	0.53	\$ 35,190,000	\$ 30,860,000
WWW Series 2022	7/15/23-42	3.78	28,955,000	28,955,000
Total Revenue Bonds			<u>\$ 64,145,000</u>	<u>\$ 59,815,000</u>

WIFA Loans

WIFA Series 2002	7/1/03-22	3.94	\$ 1,964,789	\$ 138,354
WIFA Series 2009	7/1/10-29	3.27	4,371,597	2,000,358
WIFA Series 2015	7/15/16-35	2.40	14,000,000	10,471,823
WIFA Series 2017	7/15/18-36	2.65	44,508,351	36,107,756
Total WIFA loans			<u>\$ 64,844,737</u>	<u>\$ 48,718,291</u>

The following table discloses the bond debt service requirements as of June 30, 2022, 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		
2023**	\$ 17,324,189	\$ 7,946,981	\$ 3,873,485	\$ 483,443	\$ 7,819,681	\$ 3,527,238
2024	18,469,719	7,458,479	3,948,221	402,279	8,728,843	3,649,088
2025	19,231,416	6,672,877	4,028,267	319,415	9,263,555	3,275,750
2026	20,059,397	5,851,967	4,088,633	234,789	9,664,245	2,881,110
2027	20,925,867	5,091,302	239,328	153,258	10,088,114	2,468,076
2028-2032	71,165,473	17,390,718	1,369,195	603,062	29,596,453	8,580,458
2033-2037	59,376,643	6,644,993	1,691,305	283,663	26,372,783	4,323,674
2038-2042	28,522,019	1,376,750	382,891	8,098	9,395,000	1,390,900
2043	-	-	-	-	2,110,000	42,200
Totals	<u>\$ 255,074,723</u>	<u>\$ 58,434,067</u>	<u>\$ 19,621,325</u>	<u>\$ 2,488,007</u>	<u>\$ 113,038,674</u>	<u>\$ 30,138,494</u>

*Includes required principal and estimated interest payments for approved WIFA loans that have not fully drawn as of 6/30/22, the principal payments are contractual and the loans are expected to draw in FY2023.

**Includes early redemption of \$3,055,000 Governmental Activities Bonds paid 7/1/2022

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

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

8. RISK FINANCING ACTIVITIES

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

Risk management -

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

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

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

Workers' compensation -

On July 1, 2009, the City established a workers' compensation trust fund for work-related injuries to employees. For workers' compensation insurance, the City is self-insured up to \$2,250,000 per claim for both public safety employees and for all other employees up to an aggregate stop loss of \$4,555,982 for fiscal year 2022. Commercial insurance is purchased to cover claims above the self-insurance amounts.

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

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

Health insurance -

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

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

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 \$6,950,800 reported in the Self-Insurance Fund at June 30, 2022, 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 \$213,045 for liability/property claims, \$5,064,555 for workers' compensation claims and \$1,673,200 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 2021:

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

Fiscal Year 2022:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 1,068,049	\$ (14,584)	\$ (840,420)	\$ 213,045
Workers' comp	5,376,181	842,467	(1,154,093)	5,064,555
Health insurance	1,773,583	17,431,596	(17,531,979)	1,673,200
	<u>\$ 8,217,813</u>	<u>\$ 18,259,479</u>	<u>\$ (19,526,492)</u>	<u>\$ 6,950,800</u>

9. LEASES

A. City as Lessee

The City has entered into lease agreements to provide copy center equipment, a trash compactor at Rio Vista Park, and the Mayor's vehicle. The original lease terms were four or five years. The lease assets are presented in the Government-wide financial statements and listed separately in Note 6.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The following schedule summarizes the City's lease liability activity for the year ended June 30, 2022:

Description	Rate	Beginning Liability Balance	Additions	Payments	Ending Liability Balance	Due within one year
Copier Services Lease - ACON 22918	2.60%	\$ 26,016	\$ -	\$ (10,957)	\$ 15,059	\$ 11,245
Mayor's Car - ACON 53918	2.60%	9,858	-	(6,640)	3,218	3,218
Rio Vista Trash Compactor - ACON 57116A	2.47%	15,758	-	(1,490)	14,269	3,035
Total		<u>\$ 51,633</u>	<u>\$ -</u>	<u>\$ (19,087)</u>	<u>\$ 32,546</u>	<u>\$ 17,499</u>

The following table discloses the lease payment requirements as of June 30, 2022, segregating principal and interest, for the next five years.

Fiscal year	Governmental Activities	
	Principal	Interest
2023	\$ 17,499	\$ 594
2024	6,924	263
2025	3,189	165
2026	3,269	85
2027	1,665	12
Totals	<u>\$ 32,546</u>	<u>\$ 1,119</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 \$300,889 of interest earnings in fiscal year 2022. Lease payments totaled \$195,099 resulting in an interest receivable of \$105,790 and a corresponding increase to the deferred inflows related to leases.

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 \$75,596 of interest earnings in fiscal year 2022. Lease payments totaled \$56,210 resulting in an interest receivable of \$19,386 and a corresponding increase to the deferred inflows related to leases.

In 2017, the City leased property for the Arizona Broadway Theater. The original lease term, including available extensions, is 45 years. The lease payments are fixed for the entire term of the lease. The implied interest rate on the lease is 2.60%. In fiscal year 2022, the City recognized \$19,121 in payments against the receivable and \$35,679 of interest earnings.

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 2022, the City recognized \$16,762 in payments against the receivable and \$18,768 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%. In fiscal year 2022 the City recognized \$38,248 in payments against the receivable and \$39,752 of interest earnings.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

10. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

A summary of pension and other postemployment benefit related items as of and for the year ended June 30, 2022, 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	\$ 54,551,332	\$ 2,056,198	\$ 14,246,956	\$ 20,215,870	\$ 3,261,927
Business-Type Activities	12,937,761	487,662	3,378,903	4,794,527	1,058,168
PSPRS - Police	57,872,506	596,124	40,718,101	11,841,315	7,285,849
PSPRS - Fire	28,341,141	576,792	22,579,376	11,436,876	3,586,897
	<u>\$ 153,702,740</u>	<u>\$ 3,716,776</u>	<u>\$ 80,923,336</u>	<u>\$ 48,288,588</u>	<u>\$ 15,192,841</u>

The City of Peoria reported \$56,325,353 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

A. Arizona State Retirement System

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

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

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

*With actuarially reduced benefits

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

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, statute required active ASRS members to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement & health insurance benefits and 0.19 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 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the members' annual covered payroll. These percentages led to City's contributions for the year ended June 30, 2022 of \$7,387,367, \$129,172, and \$116,867 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 10.22 percent (10.13 percent for retirement, 0.00 percent for health insurance premium benefit, and 0.09 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, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021, and the change from its proportion measured as of June 30, 2020.

At June 30, 2022, 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, 2021, and the change from its proportion measured as of June 30, 2020 was:

	Net pension/OPEB (asset) liability	Proportion June 30, 2021 %	Increase (decrease) from June 30, 2020
ASRS			
Pension	\$ 67,382,271	0.51282	(0.010)
Health insurance premium benefit	(2,543,860)	0.52213	(0.010)
Long-term disability	106,822	0.51749	(0.011)

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2022, the City of Peoria recognized the following pension and OPEB expense for ASRS.

ASRS	Pension/OPEB expense
Pension	\$ 4,474,564
Health insurance premium benefit	(232,041)
Long-term disability	77,572

Deferred outflows/inflows of resources. At June 30, 2022, 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	\$ 1,027,181	\$ -	\$ -	\$ 882,215	\$ 30,857	\$ 8,705
Changes of assumptions or other inputs	8,770,341	-	126,117	102,849	34,163	134,598
Difference between projected and actual earnings on plan investments	-	21,349,074	-	943,644	-	73,982
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,497,712	3,794	715	-	16,903
City contributions subsequent to the measurement date	7,387,367	-	129,172	-	116,867	-
Total	\$ 17,184,889	\$ 22,846,786	\$ 259,083	\$ 1,929,423	\$ 181,887	\$ 234,188

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, 2023. 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
2023	\$ (724,384)	\$ (422,162)	\$ (23,569)
2024	(261,452)	(404,508)	(22,282)
2025	(4,706,377)	(443,376)	(24,957)
2026	(7,357,051)	(490,108)	(36,150)
2027	-	(39,358)	(14,747)
Thereafter	-	-	(47,463)

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry Age Normal
Investment rate of return	7%
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, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. A new experience study for the period ended June 30, 2020 will be utilized by the ASRS for future actuarial valuations.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term expected geometric real rate of return</u>
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	20%	5.70%
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension/OPEB liability was 7 percent. The rate was lowered in the roll forward from 7.5% which was used for the actuarial assumptions at the valuation date. 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.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$105,986,669	\$67,382,271	\$35,196,885
Net insurance premium benefit liability (asset)	(1,684,300)	(2,543,860)	(3,274,770)
Net long-term disability liability	139,098	106,822	75,596

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	25 years of service or 15 years of credited service, and age 52.5	15 years of credited service, age 52.5* 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent			
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 to 2.5% per year of credited service, not to exceed 80%	
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% for the first 60 months reduced to either 62.5% or normal retirement, whichever is greater		
Survivor benefit			
Retired members	80% to 100% of retired member's pension benefit		
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022, 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	109	109	49	49
Inactive employees entitled to but not yet receiving benefits	36	12	21	18
Active employees	143	143	142	142
Total	288	264	212	209

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Active members - pension City of Peoria	7.65%	7.65%
Pension	46.88%	36.60%
Health Insurance	0.35%	0.26%

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

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

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Pension:		
Contributions made	\$36,002,212	\$13,927,344
Health insurance premium benefit:		
Contributions made	156,759	68,967

Asset and Liability. At June 30, 2022, the City of Peoria reported the following assets and liabilities.

	<u>Net pension- liability</u>	<u>Net OPEB liability</u>	<u>Net OPEB asset</u>
PSPRS - Police	\$ 57,872,506	\$ -	\$ (596,124)
PSPRS - Fire	28,341,141	-	(576,792)

The net assets and net liabilities were measured as of June 30, 2021, 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, 2022

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

Actuarial Valuation Date	June 30, 2020
Actuarial Roll Forward Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Inflation	2.50% for pensions/not applicable for OPEB
Salary Increases	3.50%-7.50%, including inflation, for pensions/not applicable for OPEB
Tier 1/2 Investment Rate of Return	7.30%
Tier 3 Investment Rate of Return	7.00%
Mortality Rates	<p>Active Lives: PubS-2010 Employee mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2020. 100% of active deaths are assumed to be in the line of duty.</p> <p>Inactive Lives: PubS-2010 Healthy Retiree mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2020.</p> <p>Beneficiaries: PubS-2010 Survivor mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2020.</p> <p>Disabled Lives: PubS-2010 Disabled mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2020. The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>

Actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 were based on the results of an actuarial experience study for the five-year period ended June 30, 2016.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return*
U.S. Public Equity	24%	4.08%
International Equity	16%	5.20%
Global Private Equity	20%	7.67%
Other Assets (Capital Appreciation)	7%	5.43%
Core Bonds	2%	0.42%
Private Credit	20%	5.74%
Diversifying Strategies	10%	3.99%
Cash - Mellon	1%	(0.31)%
Total	100%	

Discount Rates. At June 30 2021, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.30 percent, which was the same as the discount rate used as of June 30, 2020. 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, 2022

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	Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset
PSPRS - POLICE						
Balances at June 30, 2020	\$ 151,875,467	\$ 77,047,402	\$74,828,065	\$ 2,225,928	\$ 2,147,242	\$ 78,686
Changes for the year:						
Service cost	3,403,053	-	3,403,053	64,399	-	64,399
Interest on the total liability	11,102,550	-	11,102,550	163,960	-	163,960
Differences between expected and actual experience in the measurement of the liability	749,764	-	749,764	(271,397)	-	(271,397)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions – employer	-	8,091,143	(8,091,143)	-	52,644	(52,644)
Contributions – employee	-	1,323,822	(1,323,822)	-	-	-
Net investment income	-	22,902,588	(22,902,588)	-	581,519	(581,519)
Benefit payments, including refunds of employee contributions	(6,377,577)	(6,377,577)	-	(88,596)	(88,596)	-
Administrative expense	-	(106,627)	106,627	-	(2,391)	2,391
Net changes	8,877,790	25,833,349	(16,955,559)	(131,634)	543,176	(674,810)
Balances at June 30, 2021	<u>\$ 160,753,257</u>	<u>\$ 102,880,751</u>	<u>\$57,872,506</u>	<u>\$ 2,094,294</u>	<u>\$ 2,690,418</u>	<u>\$ (596,124)</u>

	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
PSPRS - FIRE						
Balances at June 30, 2020	\$ 120,503,324	\$ 74,234,112	\$46,269,212	\$ 1,802,764	\$ 1,837,638	\$ (34,874)
Changes for the year:						
Service cost	3,318,890	-	3,318,890	54,849	-	54,849
Interest on the total liability	8,884,264	-	8,884,264	133,505	-	133,505
Differences between expected and actual experience in the measurement of the liability	1,734,765	-	1,734,765	(184,074)	-	(184,074)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions – employer	-	8,624,902	(8,624,902)	-	48,285	(48,285)
Contributions – employee	-	1,412,514	(1,412,514)	-	-	-
Net investment income	-	21,930,705	(21,930,705)	-	499,969	(499,969)
Benefit payments, including refunds of employee contributions	(4,239,948)	(4,239,948)	-	(57,545)	(57,545)	-
Administrative expense	-	(102,023)	102,023	-	(2,056)	2,056
Other	-	(108)	108	-	-	-
Net changes	9,697,971	27,626,042	(17,928,071)	(53,265)	488,653	(541,918)
Balances at June 30, 2021	<u>\$ 130,201,295</u>	<u>\$ 101,860,154</u>	<u>\$28,341,141</u>	<u>\$ 1,749,499</u>	<u>\$ 2,326,291</u>	<u>\$ (576,792)</u>

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS – Police			
Rate	6.30%	7.30%	8.30%
Net pension (asset) liability	\$ 81,220,525	\$ 57,872,506	\$ 38,940,781
Net OPEB (asset) liability	(348,281)	(596,124)	(804,363)
PSPRS – Fire			
Rate	6.30%	7.30%	8.30%
Net pension (asset) liability	\$ 47,885,308	\$ 28,341,141	\$ 12,485,335
Net OPEB (asset) liability	(366,671)	(576,792)	(753,683)

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, 2022, the City of Peoria recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense
PSPRS - Police	\$ 7,394,573	\$ (108,724)
PSPRS - Fire	3,626,856	(39,959)

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Deferred Outflows/Inflows of Resources. At June 30, 2022, the City of Peoria reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS – Police	Pension		Health Insurance Benefit Premium	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,516,832	\$ 551,138	\$ 28,581	\$ 469,530
Changes of assumptions or other inputs	1,999,329	-	14,388	25,479
Net difference between projected and actual earnings on plan investments	-	10,549,316	-	245,852
Contributions subsequent to the measurement date	36,002,212	-	156,759	-
Total	\$ 40,518,373	\$ 11,100,454	\$ 199,728	\$ 740,861

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	\$ 5,054,412	\$ 856,717	\$ 80,243	\$ 378,385
Changes of assumptions or other inputs	3,436,923	-	11,487	64,006
Net difference between projected and actual earnings on plan investments	-	9,926,176	-	211,592
Contributions subsequent to the measurement date	13,927,344	-	68,967	-
Total	\$ 22,418,679	\$ 10,782,893	\$ 160,697	\$ 653,983

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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
2023	\$ (903,988)	\$ (224,318)	\$ (174,080)	\$ (89,307)
2024	(1,624,358)	(713,296)	(153,373)	(90,689)
2025	(1,660,768)	(1,309,342)	(158,352)	(97,570)
2026	(2,520,140)	(2,264,434)	(171,942)	(119,654)
2027	124,961	633,292	(40,145)	(49,465)
Thereafter	-	1,586,540	-	(115,568)

11. 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.

12. 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.

The City had the following significant commitments as of June 30, 2022:

- \$1,508,965 in the GO Bonds Capital Projects Fund for Fire Station #5 Expansion.
- \$2,050,509 in the GO Bonds Capital Projects Fund for Streets Rehabilitation and Construction.
- \$11,702,375 in the Water and Wastewater Utility Funds for Beardsley WRF Equipment Upgrade and Expansion.
- \$2,831,573 in the Water and Wastewater Utility Funds for Jomax WRF Operations Building.
- \$2,134,430 in the Water Utility Fund for Wellhead Water Quality Mitigation.

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

13. INTERFUND TRANSACTIONS, RECEIVABLE AND PAYABLE BALANCES

At June 30, 2022, there were interfund loans from the General Fund to the GO Bond Capital Projects Fund and the Storm Drain Utility 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 2022 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, 2022:

Fund	Transfers out	Transfers in
Governmental funds:		
General Fund	\$ 10,502,479	\$ 860,000
Highway User Revenue Fund	118,994	1,092,584
Transportation Sales Tax Fund	6,877,246	-
Development Fee Fund	-	171,050
Other Grant Fund	224,497	13,482
Non-Major Governmental Funds	1,460	9,285,374
Total governmental funds	17,724,676	11,422,490
Enterprise funds:		
Water Utility Fund	4,034,730	569,074
Wastewater Utility Fund	694,680	3,159,696
Solid Waste Utility Fund	-	119,681
Stadium Fund	67,097	4,042,195
Storm Drain Utility Fund	100,000	7,376
Total enterprise funds	4,896,507	7,898,022
Internal Service funds	66,229	3,366,900
 Grand totals	 \$ 22,687,412	 \$ 22,687,412

CITY OF PEORIA, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

14. 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, 2022:

Water Utility Fund:	
Working capital policy reserve	\$ 10,301,632
Rate stabilization	2,422,854
Debt stabilization	4,011,089
System asset maintenance	10,689,219
Capital equipment replacement	<u>1,114,420</u>
	<u>28,539,214</u>
Wastewater Utility Fund:	
Working capital policy reserve	5,078,924
Rate stabilization	1,171,496
Debt stabilization	2,166,957
System asset maintenance	9,207,055
Capital equipment replacement	<u>902,726</u>
	<u>18,527,158</u>
Solid Waste Utility Fund:	
Working capital policy reserve	3,066,679
Capital equipment replacement	<u>3,565,285</u>
	<u>6,631,964</u>
Stadium Fund:	
Capital equipment replacement	<u>493,945</u>
Total enterprise funds	<u>\$ 54,192,281</u>
Internal Service Funds:	
Capital equipment replacement	\$ 17,403,557
Risk management purpose	<u>7,346,118</u>
Total internal service funds	<u>\$ 24,749,675</u>

15. RESTATEMENT OF BEGINNING BALANCES

Net position beginning balances on the government-wide Statement of Activities and on the Statement of Revenues, Expenses and Changes in Fund Net Position have been restated as of July 1, 2021 due to the recording of a WIFA loan in fiscal year 2021 as a liability in the Storm Drain Utility Fund. The loan is general debt which was used to construct storm drain assets and at the time of issuance was to be repaid from user fees. However, upon making the first payment, it was determined that the debt would be repaid from secondary property taxes and was therefore moved to the governmental activities.

	Governmental Activities	Business-Type Activities	Enterprise Funds/Storm Drain Utility
Net position/fund balances as of June 30, 2021	\$ 884,031,570	\$ 756,633,056	\$ 69,530,889
Reclassification of loan payable from Storm Drain Utility Fund to Governmental Activities	(3,972,048)	3,972,048	3,972,048
Net position/fund balances as of July 1, 2021, as restated	<u>\$ 880,059,522</u>	<u>\$ 760,605,104</u>	<u>\$ 73,502,937</u>

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

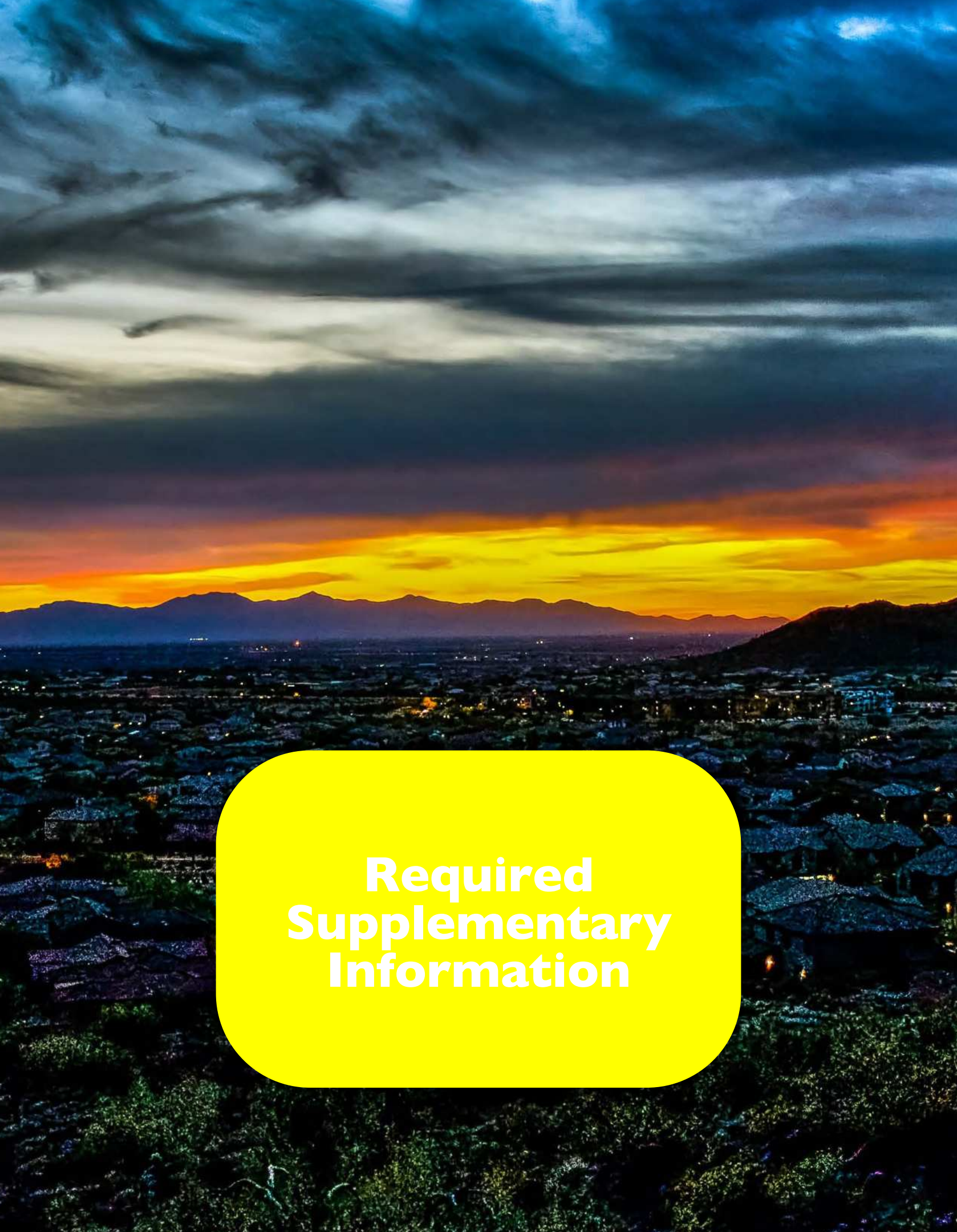
Both the Water Utility Fund and the Wastewater Utility Fund have revenue streams pledged in support of outstanding revenue bonds but since both segments are discretely presented in the proprietary fund financial statements, all required segment information is presented on the face of those statements.

17. SUBSEQUENT EVENTS

On July 6, 2022, Fitch ratings service increased its long-term rating to AA+ from AA for the City's Water and Wastewater Revenue Bonds.

In August 2022, KLOS Enterprises exercised their option to purchase the Arizona Broadway Theater property. The purchase will result in the reduction of lease receivables and deferred inflows from leases in fiscal year 2023.

On November 2, 2022 the City issued \$23,810,000 in General Obligation Bonds. The bonds will be used to construct various Streets, Drainage and Public Safety projects.

An aerial photograph of a city at sunset. The sky is filled with dramatic, dark clouds, with a bright orange and yellow glow from the setting sun on the horizon. The city below is illuminated with lights, and the foreground shows dense green trees. A large, rounded yellow rectangle is overlaid on the lower half of the image, containing the text "Required Supplementary Information" in white, bold, sans-serif font.

**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, 2022

ASRS-Pension

	Reporting Fiscal Year (Measurement Date)							
	<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>	<u>2015 (2014)</u>
Proportion of the net pension liability	0.512820%	0.523230%	0.532380%	0.546250%	0.571460%	0.542460%	0.526670%	0.520455%
Proportionate share of the net pension liability	\$ 67,382,271	\$ 90,657,551	\$ 77,467,484	\$ 76,182,651	\$ 89,022,329	\$ 87,558,493	\$ 82,036,552	\$ 77,009,675
Covered payroll	\$ 57,978,944	\$ 57,428,297	\$ 56,417,665	\$ 54,343,055	\$ 53,419,833	\$ 50,820,065	\$ 47,561,194	\$ 46,266,286
Proportionate share of the net pension liability as a percentage of its employee payroll	116.22%	157.86%	137.31%	140.19%	166.65%	172.29%	172.49%	166.45%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

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

ASRS-Health insurance premium benefit

	Reporting Fiscal Year (Measurement Date)				
	<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)	0.522130%	0.532290%	0.541370%	0.554120%	0.577940%
Proportionate share of the net OPEB (asset)	\$ (2,543,860)	\$ (376,859)	\$ (149,610)	\$ (199,533)	\$ (314,630)
Covered payroll	\$ 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	-4.39%	-0.66%	-0.27%	-0.37%	-0.59%
Plan fiduciary net position as a percentage of the total OPEB liability	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>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	0.517490%	0.528200%	0.537820%	0.550920%	0.569260%
Proportionate share of the net OPEB liability	\$ 106,822	\$ 400,699	\$ 350,360	\$ 287,858	\$ 206,344
Covered payroll	\$ 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	0.18%	0.70%	0.62%	0.53%	0.39%
Plan fiduciary net position as a percentage of the total OPEB liability	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.

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, 2022**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<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>	<u>2015 (2014)</u>
Peoria Police Department								
Total pension liability								
Service cost	\$ 3,403,053	\$ 3,529,413	\$ 3,517,607	\$ 3,437,849	\$ 3,497,564	\$ 2,658,484	\$ 2,557,053	\$ 2,556,976
Interest on the total pension liability	11,102,550	10,379,460	9,742,131	9,195,638	8,207,737	7,450,121	7,075,581	6,074,980
Changes in benefit terms	-	-	-	-	1,019,089	6,569,592	-	1,228,208
Differences between expected and actual experience in the measurement of the pension liability	749,764	2,182,003	(152,876)	(1,331,798)	5,141,159	(1,372,059)	341,776	(672,105)
Changes of assumptions or other inputs	-	-	3,131,115	-	2,469,996	4,270,128	-	8,103,978
Benefit payments, including refunds of employee contributions	(6,377,577)	(5,740,752)	(5,690,900)	(5,739,761)	(5,213,832)	(5,716,802)	(4,791,028)	(4,300,112)
Net change in total pension liability	8,877,790	10,350,124	10,547,077	5,561,928	15,121,713	13,859,464	5,183,382	12,991,925
Total pension liability - beginning	151,875,467	141,525,343	130,978,266	125,416,338	110,294,625	96,435,161	91,251,779	78,259,854
Total pension liability - ending (a)	<u>\$ 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>	<u>\$ 91,251,779</u>
Plan fiduciary net position								
Contributions - employer	\$ 8,091,143	\$ 7,327,021	\$ 7,419,726	\$ 6,622,615	\$ 5,122,411	\$ 4,729,872	\$ 3,254,563	\$ 2,907,800
Contributions - employee	1,323,822	1,447,635	1,254,178	1,379,152	2,723,948	1,732,502	1,689,030	1,491,406
Net investment income	22,902,588	998,101	3,898,429	4,232,822	6,734,348	320,234	1,821,818	5,954,387
Benefit payments, including refunds of employee contributions	(6,377,577)	(5,740,752)	(5,690,900)	(5,739,761)	(5,213,832)	(5,716,802)	(4,791,028)	(4,300,112)
Hall/Parker Settlement	-	-	-	(2,283,693)	-	-	-	-
Administrative expense	(106,627)	(81,409)	(68,704)	(65,122)	(59,988)	(46,480)	(44,835)	-
Other changes	-	-	(4,128)	40,695	(21,848)	37,100	(56,762)	(1,313,936)
Net change in plan fiduciary net position	25,833,349	3,950,596	6,808,601	4,186,708	9,285,039	1,056,426	1,872,786	4,739,545
Plan fiduciary net position - beginning	77,047,402	73,096,802	66,335,122	62,148,414	52,863,375	51,806,949	49,934,163	45,194,618
Adjustment to beginning of year	4	4	(46,921)	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 102,880,755</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>	<u>\$ 49,934,163</u>
Net pension liability - ending (a)-(b)	57,872,502	74,828,065	68,428,541	64,643,144	63,267,924	57,431,250	44,628,212	41,317,616
Plan fiduciary net position as a percentage of the total pension liability	64.00%	50.73%	51.65%	50.65%	49.55%	47.93%	53.72%	54.72%
Covered payroll	\$ 16,653,104	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506	\$ 15,387,963	\$ 13,992,947	\$ 13,449,859	\$ 13,035,510
Net pension liability as a percentage of covered payroll	347.52%	439.01%	404.96%	400.18%	411.15%	410.43%	331.81%	316.96%

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
AGENT-EMPLOYER PLANS
JUNE 30, 2022**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<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>	<u>2015 (2014)</u>
Peoria Fire Department								
Total pension liability								
Service cost	\$ 3,318,890	\$ 3,259,480	\$ 3,230,796	\$ 3,070,924	\$ 3,111,892	\$ 2,379,652	\$ 2,056,517	\$ 2,013,025
Interest on the total pension liability	8,884,264	8,199,149	7,557,042	7,066,051	6,395,230	5,434,649	4,952,998	4,197,224
Changes in benefit terms	-	-	-	-	466,111	6,700,272	-	453,523
Differences between expected and actual experience in the measurement of the pension liability	1,734,765	2,094,984	1,198,203	(1,450,577)	1,834,916	86,478	809,490	660,641
Changes of assumptions or other inputs	-	-	2,087,419	-	1,708,934	3,273,059	-	3,815,327
Benefit payments, including refunds of employee contributions	(4,239,948)	(4,215,838)	(3,598,608)	(3,894,840)	(2,663,473)	(1,739,905)	(1,949,881)	(1,117,704)
Net change in total pension liability	9,697,971	9,337,775	10,474,852	4,791,558	10,853,610	16,134,205	5,869,124	10,022,036
Total pension liability - beginning	120,503,324	111,165,549	100,690,697	95,899,139	85,045,529	68,911,324	63,042,200	53,020,164
Total pension liability - ending (a)	<u>\$ 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>	<u>\$ 63,042,200</u>
Plan fiduciary net position								
Contributions - employer	\$ 8,624,902	\$ 5,095,674	\$ 4,632,927	\$ 4,749,672	\$ 3,596,394	\$ 3,162,518	\$ 1,866,365	\$ 1,885,422
Contributions - employee	1,412,514	1,217,298	1,165,663	1,439,943	1,593,634	1,375,202	1,238,541	1,168,186
Net investment income	21,930,705	967,950	3,740,932	4,205,458	6,425,067	298,901	1,710,692	5,369,649
Benefit payments, including refunds of employee contributions	(4,239,948)	(4,215,838)	(3,598,608)	(3,894,840)	(2,663,473)	(1,739,905)	(1,949,881)	(1,117,704)
Hall/Parker Settlement	-	-	-	(1,926,795)	-	-	-	-
Administrative expense	(102,023)	(78,924)	(65,997)	(64,663)	(57,251)	(43,410)	(42,126)	-
Other changes	(108)	-	-	44,976	671	87,273	(35,356)	(1,063,021)
Net change in plan fiduciary net position	27,626,042	2,986,160	5,874,917	4,553,751	8,895,042	3,140,579	2,788,235	6,242,532
Plan fiduciary net position - beginning	74,234,112	71,247,948	65,392,298	60,838,547	51,943,505	48,802,926	46,014,691	39,772,159
Adjustment to beginning of year	-	4	(19,267)	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 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>	<u>\$ 46,014,691</u>
Net pension liability - ending (a)-(b)	28,341,141	46,269,212	39,917,601	35,298,399	35,060,592	33,102,024	20,108,398	17,027,509
Plan fiduciary net position as a percentage of the total pension liability	78.23%	61.60%	64.09%	64.94%	63.44%	61.08%	70.82%	72.99%
Covered payroll	\$ 13,051,041	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624	\$ 11,543,146	\$ 11,796,929	\$ 11,068,029	\$ 10,934,868
Net pension liability as a percentage of covered payroll	217.16%	338.76%	288.79%	292.07%	303.74%	280.60%	181.68%	155.72%

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

See accompanying notes to 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, 2022**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<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	\$ 64,399	\$ 66,728	\$ 44,231	\$ 45,757	\$ 50,779
Interest on the total OPEB liability	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	(271,397)	35,618	(351,117)	(103,677)	19,591
Changes of assumptions or other inputs	-	-	25,181	-	(159,009)
Benefit payments, including refunds of employee contributions	(88,596)	(87,770)	(87,095)	(86,192)	(111,290)
Net change in total OPEB liability	(131,634)	168,515	(201,584)	20,072	(25,863)
Total OPEB liability - beginning	2,225,928	2,057,413	2,258,997	2,238,925	2,264,788
Total OPEB liability - ending (a)	<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	\$ 52,644	\$ 56,957	\$ 59,304	\$ 31,038	\$ 66,083
Contributions - employee	-	-	-	-	-
Net investment income	581,519	26,801	109,070	134,052	208,162
Benefit payments, including refunds of employee contributions	(88,596)	(87,770)	(87,095)	(86,192)	(111,290)
Administrative expense	(2,391)	(2,179)	(1,883)	(2,040)	(1,842)
Other changes	-	-	-	(1)	-
Net change in plan fiduciary net position	543,176	(6,191)	79,396	76,857	161,113
Plan fiduciary net position - beginning			2,027,116	1,950,259	1,789,146
Adjustment to beginning of year	2,147,242	2,153,433	46,921	-	-
Plan fiduciary net position - ending (b)	<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)	(596,124)	78,686	(96,020)	231,881	288,666
Plan fiduciary net position as a percentage of the total OPEB liability	128.46%	96.47%	104.67%	89.74%	87.11%
Covered payroll	\$ 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	-3.58%	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.

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, 2022**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Peoria Fire Department					
Total OPEB liability					
Service cost	\$ 54,849	\$ 54,365	\$ 35,268	\$ 35,268	\$ 39,357
Interest on the total OPEB liability	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	(184,074)	(63,904)	(193,678)	(49,429)	175,598
Changes of assumptions or other inputs	-	-	16,414	-	(140,066)
Benefit payments, including refunds of employee contributions	(57,545)	(61,508)	(61,324)	(42,867)	(66,108)
Net change in total OPEB liability	(53,265)	59,688	(68,893)	71,487	133,847
Total OPEB liability - beginning	1,802,764	1,743,076	1,811,969	1,740,482	1,606,635
Total OPEB liability - ending (a)	<u>\$ 1,749,499</u>	<u>\$ 1,802,764</u>	<u>\$ 1,743,076</u>	<u>\$ 1,811,969</u>	<u>\$ 1,740,482</u>
Plan fiduciary net position					
Contributions - employer	\$ 48,285	\$ 38,836	\$ 37,857	\$ 19,805	\$ 31,072
Contributions - employee	-	-	-	-	-
Net investment income	499,969	22,949	94,227	115,059	176,536
Benefit payments, including refunds of employee contributions	(57,545)	(61,508)	(61,324)	(42,867)	(66,108)
Administrative expense	(2,056)	(1,866)	(1,627)	(1,751)	(1,563)
Other changes	-	-	-	-	-
Net change in plan fiduciary net position	488,653	(1,589)	69,133	90,246	139,937
Plan fiduciary net position - beginning	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)	<u>\$ 2,326,291</u>	<u>\$ 1,837,638</u>	<u>\$ 1,839,227</u>	<u>\$ 1,750,826</u>	<u>\$ 1,660,580</u>
Net OPEB liability/(asset) - ending (a)-(b)	(576,792)	(34,874)	(96,151)	61,143	79,902
Plan fiduciary net position as a percentage of the total OPEB liability	132.97%	101.93%	105.52%	96.63%	95.41%
Covered payroll	\$ 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	-4.42%	-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, 2022**

	2022	2021	2020	Reporting Fiscal Year		2017	2016	2015	2014
				2019	2018				
Arizona State Retirement System - Pension									
Statutorily required contribution	\$ 7,387,367	\$ 6,696,568	\$ 6,575,540	\$ 6,307,495	\$ 5,923,393	\$ 5,758,658	\$ 5,513,977	\$ 5,458,945	\$ 5,019,946
Actual contributions in relation to the statutorily required contribution	<u>7,387,367</u>	<u>6,696,568</u>	<u>6,575,540</u>	<u>6,307,495</u>	<u>5,923,393</u>	<u>5,758,658</u>	<u>5,513,977</u>	<u>5,458,945</u>	<u>5,019,946</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<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>	<u>\$ 47,561,194</u>	<u>\$ 46,266,286</u>
Actual contribution as a percentage of covered payroll	12.01%	11.55%	11.45%	11.18%	10.90%	10.78%	10.85%	11.48%	10.85%
Arizona State Retirement System - Health Insurance									
Statutorily required contribution	\$ 129,172	\$ 284,095	\$ 281,400	\$ 259,521	\$ 239,109				
Actual contributions in relation to the statutorily required contribution	<u>129,172</u>	<u>284,095</u>	<u>281,400</u>	<u>259,521</u>	<u>239,109</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	<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	0.21%	0.49%	0.49%	0.46%	0.44%				
Arizona State Retirement System - Long-term disability									
Statutorily required contribution	\$ 116,867	\$ 104,363	\$ 97,627	\$ 90,268	\$ 86,949				
Actual contributions in relation to the statutorily required contribution	<u>116,867</u>	<u>104,363</u>	<u>97,627</u>	<u>90,268</u>	<u>86,949</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	<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	0.19%	0.18%	0.17%	0.16%	0.16%				

See accompanying notes to pension plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION/OPEB CONTRIBUTIONS
JUNE 30, 2022**

Public Safety Personnel Retirement System - Pension

	Reporting Fiscal Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Peoria Police Department									
Statutorily required contribution	\$ 8,031,792	\$ 7,806,975	\$ 7,646,229	\$ 7,436,675	\$ 8,917,938	\$ 5,039,558	\$ 4,406,379	\$ 3,235,398	\$ 2,907,800
Actual contributions in relation to the statutorily required contribution	36,002,212	8,278,054	7,646,229	7,436,675	6,634,245	5,039,558	4,696,546	3,235,398	2,907,800
Contribution deficiency (excess)	<u>\$ (27,970,420)</u>	<u>\$ (471,079)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,283,693</u>	<u>\$ -</u>	<u>\$ (290,167)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 16,653,104</u>	<u>\$ 16,653,104</u>	<u>\$ 17,044,648</u>	<u>\$ 16,897,694</u>	<u>\$ 16,153,506</u>	<u>\$ 15,387,963</u>	<u>\$ 13,992,947</u>	<u>\$ 13,449,859</u>	<u>\$ 13,035,510</u>
Actual contribution as a percentage of covered payroll	216.19%	49.71%	44.86%	44.01%	41.07%	32.75%	33.56%	24.06%	22.31%
Peoria Fire Department									
Statutorily required contribution	\$ 4,480,422	\$ 4,776,681	\$ 5,881,182	\$ 4,714,745	\$ 5,721,681	\$ 2,711,485	\$ 2,568,191	\$ 1,842,016	\$ 1,885,422
Actual contributions in relation to the statutorily required contribution	13,927,344	7,563,149	5,881,182	4,714,745	3,794,886	2,976,968	2,747,609	1,842,016	1,885,422
Contribution deficiency (excess)	<u>\$ (9,446,922)</u>	<u>\$ (2,786,468)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,926,795</u>	<u>\$ (265,483)</u>	<u>\$ (179,418)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 13,051,041</u>	<u>\$ 13,051,041</u>	<u>\$ 13,658,235</u>	<u>\$ 13,822,178</u>	<u>\$ 12,085,624</u>	<u>\$ 11,543,146</u>	<u>\$ 11,796,929</u>	<u>\$ 11,068,029</u>	<u>\$ 10,934,868</u>
Actual contribution as a percentage of covered payroll	106.71%	57.95%	43.06%	34.11%	31.40%	25.79%	23.29%	16.64%	17.24%

Public Safety Personnel Retirement System - OPEB

Peoria Police Department					
Statutorily required contribution	\$ 34,972	\$ 55,479	\$ 59,656	\$ 65,900	\$ 79,152
Actual contributions in relation to the statutorily required contribution	156,759	58,825	59,656	65,900	79,152
Contribution deficiency (excess)	<u>\$ (121,787)</u>	<u>\$ (3,346)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 16,653,104</u>	<u>\$ 16,653,104</u>	<u>\$ 17,044,648</u>	<u>\$ 16,897,694</u>	<u>\$ 16,153,506</u>
Actual contribution as a percentage of covered payroll	0.94%	0.35%	0.35%	0.39%	0.49%
Peoria Fire Department					
Statutorily required contribution	\$ 22,187	\$ 33,933	\$ 51,931	\$ 38,702	\$ 35,048
Actual contributions in relation to the statutorily required contribution	68,967	53,727	51,931	38,702	35,048
Contribution deficiency (excess)	<u>\$ (46,780)</u>	<u>\$ (19,794)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 13,051,041</u>	<u>\$ 13,051,041</u>	<u>\$ 13,658,235</u>	<u>\$ 13,822,178</u>	<u>\$ 12,085,624</u>
Actual contribution as a percentage of covered payroll	0.53%	0.41%	0.38%	0.28%	0.29%

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

See accompanying notes to pension plan schedules

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION/OPEB PLAN SCHEDULES
JUNE 30, 2022

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, 2021, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017 actuarial valuation.

Public Safety Personnel Retirement System (PSPRS)

The actuarial assumptions used in the June 30, 2021, valuation for PSPRS were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. Several actuarial assumptions were adjusted based on the study. Adjustments included:

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

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

A desert landscape at sunset. In the foreground, several tall saguaro cacti are silhouetted against the sky. The sky is a mix of deep blue, orange, and yellow, indicating the time is either dawn or dusk. In the distance, a city skyline is visible with some lights on. The overall scene is a wide-angle shot of a desert valley.

**Combining
Statements
& Budgetary
Schedules**

Combining Fund Financial Statements and Budgetary Schedules

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

	Page
Major Governmental Funds Other than General Fund & Special Revenue Funds	
Budgetary Comparison Schedules	
General Obligation Bonds Debt Service Fund	97
Development Fee Fund	98
General Obligation Bonds Capital Projects Fund	99
Non-Bond Capital Projects Fund	100
Non-Major Governmental Funds	
Combining Statements	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104
Budgetary Comparison Schedules	
Public Transit Fund	106
Municipal Development Authority (MDA) Debt, Debt Service Fund	107
Community Facilities District (CFD) Bonds Debt Service Fund	108
Non-Bond Debt Service Fund	109
Community Facilities District (CFD) Bonds Capital Projects Fund	110
Internal Service Funds	
Combining Statements	
Combining Statement of Net Position	112
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	113
Combining Statement of Cash Flows	114
Fiduciary Funds	
Combining Statements	
Combining Statement of Net Position	116
Combining Statement of Changes in Fiduciary Net Position	117

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

Debt Service Funds

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

General Obligation (GO) Bonds Debt Service Fund

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

Capital Projects Funds

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

Development Fee Fund

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

Non-Bond Capital Projects Fund

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

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<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	\$ 20,725,976	\$ 20,725,976	\$ 20,670,203	\$ (55,773)
Investment earnings(loss)	75,000	75,000	(389,812)	(464,812)
Total revenues	<u>20,800,976</u>	<u>20,800,976</u>	<u>20,280,391</u>	<u>(520,585)</u>
EXPENDITURES:				
Debt service:				
Principal payments	16,841,222	16,841,222	14,275,028	(2,566,194)
Interest and other charges	7,778,265	7,778,265	4,609,707	(3,168,558)
Total expenditures	<u>24,619,487</u>	<u>24,619,487</u>	<u>18,884,735</u>	<u>(5,734,752)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,818,511)</u>	<u>(3,818,511)</u>	<u>1,395,656</u>	<u>5,214,167</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(3,000,000)	-	-	-
Total other financing sources and uses	<u>(3,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,818,511)	(3,818,511)	1,395,656	5,214,167
Fund balances - beginning	18,350,072	18,350,072	18,277,685	(72,387)
Fund balances - ending	<u>\$ 11,531,561</u>	<u>\$ 14,531,561</u>	<u>\$ 19,673,341</u>	<u>\$ 5,141,780</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
DEVELOPMENT FEE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
REVENUES:				
Charges for services	\$ 10,580,878	\$ 10,580,878	\$ 9,174,188	\$ (1,406,690)
Investment earnings(loss)	487,741	487,741	(1,019,251)	(1,506,992)
Total revenues	<u>11,068,619</u>	<u>11,068,619</u>	<u>8,154,937</u>	<u>(2,913,682)</u>
EXPENDITURES:				
Current:				
Culture and recreation	9,951	9,951	420	(9,531)
Public safety	15,933	92,725	79,583	(13,142)
Highways and streets	3,347,227	7,011,834	7,060,711	48,877
Capital outlay	11,458,261	9,801,183	2,244,450	(7,556,733)
Total expenditures	<u>14,831,372</u>	<u>16,915,693</u>	<u>9,385,164</u>	<u>(7,530,529)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,762,753)</u>	<u>(5,847,074)</u>	<u>(1,230,227)</u>	<u>4,616,847</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(1,000,000)	-	-	-
Transfers in	-	-	171,050	171,050
Transfers out	-	-	-	-
Total other financing sources and uses	<u>(1,000,000)</u>	<u>-</u>	<u>171,050</u>	<u>171,050</u>
Net change in fund balances	(4,762,753)	(5,847,074)	(1,059,177)	4,787,897
Fund balances - beginning	\$38,431,399	38,431,399	38,768,628	337,229
Fund balances - ending	<u>\$ 33,668,646</u>	<u>\$ 32,584,325</u>	<u>\$ 37,709,451</u>	<u>\$ 5,125,126</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	Final Budget Over (Under)
REVENUES:				
Intergovernmental revenue	\$ 1,830,000	\$ 1,830,000	\$ 9,487,521	\$ 7,657,521
Investment earnings	95,000	95,000	75,618	(19,382)
Miscellaneous	5,308,918	5,308,918	516,267	(4,792,651)
Total revenues	<u>7,233,918</u>	<u>7,233,918</u>	<u>10,079,406</u>	<u>2,845,488</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Culture and Recreation	-	-	530,883	530,883
Public Safety	-	-	-	-
Development services	-	-	-	-
Highways and streets	182,161	194,883	471,378	276,495
Public Works	-	-	118,279	118,279
Debt service:				
Principal payments	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	10,703,779	11,073,962	749,329	(10,324,633)
Contingencies	-	-	-	-
Total expenditures	<u>10,885,940</u>	<u>11,268,845</u>	<u>1,869,869</u>	<u>(9,398,976)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,652,022)</u>	<u>(4,034,927)</u>	<u>8,209,537</u>	<u>12,244,464</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Issuance of debt	-	-	-	-
Premium on bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Contingencies	(1,000,000)	(1,046,567)	-	1,046,567
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>(1,000,000)</u>	<u>(1,046,567)</u>	<u>-</u>	<u>1,046,567</u>
Net change in fund balances	(4,652,022)	(5,081,494)	8,209,537	13,291,031
Fund balances - beginning	10,571,097	10,571,097	4,902,888	(5,668,209)
Restatement	-	-	-	-
Fund balances (deficit) - beginning restated	<u>10,571,097</u>	<u>10,571,097</u>	<u>4,902,888</u>	<u>(5,668,209)</u>
Fund balances - ending	<u>\$ 5,919,075</u>	<u>\$ 5,489,603</u>	<u>\$ 13,112,425</u>	<u>\$ 7,622,822</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.

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
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		
	<u>Public Transit Fund</u>	<u>Smart & Safe AZ Fund</u>	<u>Municipal Development Authority Debt</u>	<u>CFD Bonds</u>	<u>Non-Bond</u>
ASSETS					
Pooled cash and investments	\$ 4,184,249	\$ 1,115,267	\$ 2,990,474	\$ 374,435	\$ 403,469
Accounts receivable, net	566,608	-	-	-	-
Interest receivable	6,275	-	5,754	1,211	2,770
Due from other governments	371,759	-	-	78,642	-
Restricted cash with fiscal agents	-	-	55,220	4,334,889	-
Restricted investments	-	-	-	-	-
Total assets	<u>\$ 5,128,891</u>	<u>\$ 1,115,267</u>	<u>\$ 3,051,448</u>	<u>\$ 4,789,177</u>	<u>\$ 406,239</u>
LIABILITIES & FUND BALANCES					
FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,742	\$ -	\$ 43,452	\$ 1,198	\$ -
Accrued payroll	17,613	-	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	537	-	-	-	-
Total liabilities	<u>25,892</u>	<u>-</u>	<u>43,452</u>	<u>1,198</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue-property taxes	-	-	-	5,476	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,476</u>	<u>-</u>
Fund balances:					
Restricted for:					
Debt service	-	-	3,007,996	4,782,503	406,239
Capital projects	-	-	-	-	-
Public safety	-	1,115,267	-	-	-
Grant purposes	5,102,999	-	-	-	-
Total fund balance	<u>5,102,999</u>	<u>1,115,267</u>	<u>3,007,996</u>	<u>4,782,503</u>	<u>406,239</u>
Total liabilities & fund balance	<u>\$ 5,128,891</u>	<u>\$ 1,115,267</u>	<u>\$ 3,051,448</u>	<u>\$ 4,789,177</u>	<u>\$ 406,239</u>

(continued)

**CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Capital Project Funds</u>		Total
	CFD Bonds	GO Bonds	Non-Major Governmental Funds
ASSETS			
Pooled cash and investments	\$ 18	\$ -	\$ 9,067,912
Accounts receivable, net	-	-	566,608
Interest receivable	6	11,093	27,109
Due from other governments	-	1,000,000	1,450,401
Restricted cash with fiscal agents	-	-	4,390,109
Restricted investments	347,258	39,417,493	39,764,751
Total assets	<u>\$ 347,282</u>	<u>\$ 40,428,586</u>	<u>\$ 55,266,890</u>
LIABILITIES & FUND BALANCES			
FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 2,136,140	\$ 2,188,532
Accrued payroll	-	-	17,613
Due to other funds	-	241,576	241,576
Other liabilities	72,559	-	73,096
Total liabilities	<u>72,559</u>	<u>2,377,716</u>	<u>2,520,817</u>
Deferred inflows of resources:			
Unavailable revenue-property taxes	-	-	5,476
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>5,476</u>
Fund balances:			
Restricted for:			
Debt service	-	-	8,196,738
Capital projects	274,723	38,050,870	38,325,593
Public safety	-	-	1,115,267
Grant purposes	-	-	5,102,999
Total fund balance	<u>274,723</u>	<u>38,050,870</u>	<u>52,740,597</u>
Total liabilities & fund balance	<u>\$ 347,282</u>	<u>\$ 40,428,586</u>	<u>\$ 55,266,890</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, 2022

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	Smart & Safe AZ Fund	Municipal Development Authority Debt	CFD Bonds	Non-Bond
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 4,894,127	\$ -
Intergovernmental	888,434	938,568	-	-	-
Charges for service	73,483	-	-	-	-
Investment earnings(loss)	26,477	-	23,926	5,109	11,687
Miscellaneous	594,258	-	-	412,206	127,515
Total revenues	<u>1,582,652</u>	<u>938,568</u>	<u>23,926</u>	<u>5,311,442</u>	<u>139,202</u>
EXPENDITURES:					
Current:					
General government	-	-	-	56,188	-
Culture and recreation	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Public works	-	-	-	-	29,255
Human services	2,463,169	-	-	-	-
Debt service:					
Principal payments	-	-	2,200,000	4,080,000	3,794,051
Interest and other charges	-	-	1,156,511	978,038	568,822
Capital outlay	-	-	-	-	-
Total expenditures	<u>2,463,169</u>	<u>-</u>	<u>3,356,511</u>	<u>5,114,226</u>	<u>4,392,128</u>
Excess (deficiency) of revenues over expenditures	<u>(880,517)</u>	<u>938,568</u>	<u>(3,332,585)</u>	<u>197,216</u>	<u>(4,252,926)</u>
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued	-	-	21,495,000	-	-
Issuance of debt	-	-	-	-	-
Premium on bonds issued	-	-	2,773,230	-	-
Payment to bond refunding escrow agent	-	-	(26,081,153)	-	-
Transfers in	1,708,618	-	3,172,226	-	4,404,530
Transfers out	(1,460)	-	-	-	-
Total other financing sources and uses	<u>1,707,158</u>	<u>-</u>	<u>1,359,303</u>	<u>-</u>	<u>4,404,530</u>
Net change in fund balances	826,641	938,568	(1,973,282)	197,216	151,604
Fund balances - beginning	4,276,358	176,699	4,981,278	4,585,287	254,635
Fund balances - ending	<u>\$ 5,102,999</u>	<u>\$ 1,115,267</u>	<u>\$ 3,007,996</u>	<u>\$ 4,782,503</u>	<u>\$ 406,239</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, 2022

	<u>Capital Project Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>CFD Bonds</u>	<u>GO Bonds</u>	
REVENUES:			
Taxes	\$ -	\$ -	\$ 4,894,127
Intergovernmental	-	1,000,000	2,827,002
Charges for service	-	-	73,483
Investment earnings(loss)	27	(421,263)	(354,037)
Miscellaneous	-	301,403	1,435,382
Total revenues	<u>27</u>	<u>880,140</u>	<u>8,875,957</u>
EXPENDITURES:			
Current:			
General government	-	1,578,194	1,634,382
Culture and recreation	-	2,137,422	2,137,422
Public safety	-	29,059	29,059
Highways and streets	-	44,533	44,533
Public works	-	1,052,891	1,082,146
Human services	-	-	2,463,169
Debt service:			
Principal payments	-	-	10,074,051
Interest and other charges	72,559	248,661	3,024,591
Capital outlay	-	10,962,772	10,962,772
Total expenditures	<u>72,559</u>	<u>16,053,532</u>	<u>31,452,125</u>
Excess (deficiency) of revenues over expenditures	<u>(72,532)</u>	<u>(15,173,392)</u>	<u>(22,576,168)</u>
OTHER FINANCING SOURCES (USES):			
Refunding bonds issued	-	-	21,495,000
Issuance of debt	-	55,880,000	55,880,000
Premium on bonds issued	-	5,313,345	8,086,575
Payment to bond refunding escrow agent	-	-	(26,081,153)
Transfers in	-	-	9,285,374
Transfers out	-	-	(1,460)
Total other financing sources and uses	<u>-</u>	<u>61,193,345</u>	<u>68,664,336</u>
Net change in fund balances	(72,532)	46,019,953	46,088,168
Fund balances - beginning	347,255	(7,969,083)	6,652,429
Fund balances - ending	<u>\$ 274,723</u>	<u>\$ 38,050,870</u>	<u>\$ 52,740,597</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
PUBLIC TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 425,000	\$ 425,000	\$ 888,434	\$ 463,434
Charges for services	45,000	45,000	73,483	28,483
Investment earnings	40,000	40,000	26,477	(13,523)
Miscellaneous	225,000	225,000	594,258	369,258
Total inflows	<u>735,000</u>	<u>735,000</u>	<u>1,582,652</u>	<u>847,652</u>
EXPENDITURES:				
Current:				
Human services	5,111,458	5,209,816	2,463,169	(2,746,647)
Total expenditures	<u>5,111,458</u>	<u>5,209,816</u>	<u>2,463,169</u>	<u>(2,746,647)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,376,458)</u>	<u>(4,474,816)</u>	<u>(880,517)</u>	<u>3,594,299</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,685,260	1,685,260	1,708,618	23,358
Transfers out	(1,460)	(1,460)	(1,460)	-
Total other financing sources and uses	<u>1,683,800</u>	<u>1,683,800</u>	<u>1,707,158</u>	<u>23,358</u>
Net change in fund balances	(2,692,658)	(2,791,016)	826,641	3,617,657
Fund balances - beginning	2,935,095	2,935,095	4,276,358	1,341,263
Fund balances - ending	<u>\$ 242,437</u>	<u>\$ 144,079</u>	<u>\$ 5,102,999</u>	<u>\$ 4,958,920</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL DEVELOPMENT AUTHORITY (MDA) DEBT, DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Investment earnings	\$ 65,000	\$ 65,000	\$ 23,926	\$ (41,074)
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>23,926</u>	<u>(41,074)</u>
EXPENDITURES:				
Debt service:				
Principal payments	2,200,000	2,200,000	2,200,000	-
Interest and other charges	972,226	972,226	1,156,511	184,285
Total expenditures	<u>3,172,226</u>	<u>3,172,226</u>	<u>3,356,511</u>	<u>184,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,107,226)</u>	<u>(3,107,226)</u>	<u>(3,332,585)</u>	<u>(225,359)</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	21,495,000	21,495,000
Premium on bonds issued	-	-	2,773,230	2,773,230
Payment to bond refunding escrow agent	-	-	(26,081,153)	(26,081,153)
Transfers in	3,172,226	3,172,226	3,172,226	-
Total other financing sources and uses	<u>3,172,226</u>	<u>3,172,226</u>	<u>1,359,303</u>	<u>(1,812,923)</u>
Net change in fund balances	65,000	65,000	(1,973,282)	(2,038,282)
Fund balances - beginning	5,105,788	5,105,788	4,981,278	(124,510)
Fund balances - ending	<u>\$ 5,170,788</u>	<u>\$ 5,170,788</u>	<u>\$ 3,007,996</u>	<u>\$ (2,162,792)</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Taxes	\$ 4,907,263	\$ 4,907,263	\$ 4,894,127	\$ (13,136)
Charges For Service				
Investment earnings	-	-	5,109	5,109
Miscellaneous	1,444,737	1,444,737	412,206	(1,032,531)
Total revenues	<u>6,352,000</u>	<u>6,352,000</u>	<u>5,311,442</u>	<u>(1,040,558)</u>
EXPENDITURES:				
Current:				
General government	1,220,000	1,207,440	56,188	(1,151,252)
Debt service:				
Principal payments	4,157,000	4,157,000	4,080,000	(77,000)
Interest and other charges	975,000	975,000	978,038	3,038
Total expenditures	<u>6,352,000</u>	<u>6,339,440</u>	<u>5,114,226</u>	<u>(1,225,214)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>12,560</u>	<u>197,216</u>	<u>184,656</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	-	(10,000)	-	10,000
Total other financing sources and uses	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	-	2,560	197,216	194,656
Fund balances - beginning	-	-	4,585,287	4,585,287
Fund balances - ending	<u>\$ -</u>	<u>\$ 2,560</u>	<u>\$ 4,782,503</u>	<u>\$ 4,779,943</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 11,687	\$ 11,687
Miscellaneous	-	-	127,515	127,515
Total revenues	<u>-</u>	<u>-</u>	<u>139,202</u>	<u>139,202</u>
EXPENDITURES:				
Current:				
General government	45,000	93,700	-	(93,700)
Public works			29,255	29,255
Debt service:				
Principal payments	3,794,051	3,794,051	3,794,051	-
Interest and other charges	569,322	569,322	568,822	(500)
Total expenditures	<u>4,408,373</u>	<u>4,457,073</u>	<u>4,392,128</u>	<u>(64,945)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,408,373)</u>	<u>(4,457,073)</u>	<u>(4,252,926)</u>	<u>204,147</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,404,530	4,404,530	4,404,530	-
Total other financing sources and uses	<u>4,404,530</u>	<u>4,404,530</u>	<u>4,404,530</u>	<u>-</u>
Net change in fund balances	(3,843)	(52,543)	151,604	204,147
Fund balances - beginning	-	-	254,635	254,635
Fund balances - ending	<u>\$ (3,843)</u>	<u>\$ (52,543)</u>	<u>\$ 406,239</u>	<u>\$ 458,782</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 27	\$ 27
Total revenues	<u>-</u>	<u>-</u>	<u>27</u>	<u>27</u>
EXPENDITURES:				
Debt service:				
Interest and other charges	70,000	72,560	72,559	(1)
Total expenditures	<u>70,000</u>	<u>72,560</u>	<u>72,559</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,000)</u>	<u>(72,560)</u>	<u>(72,532)</u>	<u>28</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	70,000	70,000	-	(70,000)
Total other financing sources and uses	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>
Net change in fund balances	-	(2,560)	(72,532)	(69,972)
Fund balances - beginning	-	-	347,255	347,255
Fund balances - ending	<u>\$ -</u>	<u>\$ (2,560)</u>	<u>\$ 274,723</u>	<u>\$ 277,283</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION (GO) BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over Under
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Investment earnings(loss)	57,711	57,711	(421,263)	(478,974)
Miscellaneous	-	-	301,403	301,403
Total revenues	<u>57,711</u>	<u>57,711</u>	<u>880,140</u>	<u>822,429</u>
EXPENDITURES:				
Current:				
General government	-	-	1,578,194	1,578,194
Culture and recreation	-	-	2,137,422	2,137,422
Public safety	-	-	29,059	29,059
Highways and streets	899,023	604,102	44,533	(559,569)
Public works	-	-	1,052,891	1,052,891
Debt service:				
Principal payments	-	-	-	-
Interest and other charges	-	-	248,661	248,661
Capital outlay	55,540,575	40,452,368	10,962,772	(29,489,596)
Total expenditures	<u>56,439,598</u>	<u>41,056,470</u>	<u>16,053,532</u>	<u>(25,002,938)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,381,887)</u>	<u>(40,998,759)</u>	<u>(15,173,392)</u>	<u>25,825,367</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	64,505,092	64,505,092	55,880,000	(8,625,092)
Contingencies	-	-	5,313,345	5,313,345
Total other financing sources and uses	<u>64,505,092</u>	<u>64,505,092</u>	<u>61,193,345</u>	<u>(3,311,747)</u>
Net change in fund balances	8,123,205	23,506,333	46,019,953	22,513,620
Fund balances - beginning	(8,123,205)	(8,123,205)	(7,969,083)	154,122
Fund balances - ending	<u>\$ -</u>	<u>\$ 15,383,128</u>	<u>\$ 38,050,870</u>	<u>\$ 22,667,742</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, 2022

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Pooled cash and investments	\$ 13,768,887	\$ 7,695,140	\$ 1,638,098	\$ 7,471,788	\$ 30,573,913
Restricted pooled cash and investments	-	19,595,479	-	-	19,595,479
Restricted cash with fiscal agents	-	275,000	-	-	275,000
Accounts receivable, net	15,625	22,084	-	7,997	45,706
Interest receivable	17,914	62,220	1,905	8,746	90,785
Supplies inventory	322,370	-	-	-	322,370
Total current assets	<u>14,124,796</u>	<u>27,649,923</u>	<u>1,640,003</u>	<u>7,488,531</u>	<u>50,903,253</u>
Non-current assets:					
Restricted assets:					
Investments	-	8,600,470	-	-	8,600,470
Total restricted assets	<u>-</u>	<u>8,600,470</u>	<u>-</u>	<u>-</u>	<u>8,600,470</u>
Capital assets:					
Buildings and improvements	-	-	-	148,102	148,102
Equipment & furniture	1,048,125	-	-	38,661,923	39,710,048
Vehicles	37,422,679	-	-	-	37,422,679
Less accumulated depreciation	(24,444,551)	-	-	(38,162,979)	(62,607,530)
Construction in progress	213,919	-	-	-	213,919
Total capital assets, net	<u>14,240,172</u>	<u>-</u>	<u>-</u>	<u>647,046</u>	<u>14,887,218</u>
Net other postemployment benefits asset	32,652	-	82,355	157,266	272,273
Total assets	<u>28,397,620</u>	<u>36,250,393</u>	<u>1,722,358</u>	<u>8,292,843</u>	<u>74,663,214</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	226,244	-	570,622	1,089,664	1,886,530
Total deferred outflows of resources	<u>226,244</u>	<u>-</u>	<u>570,622</u>	<u>1,089,664</u>	<u>1,886,530</u>
LIABILITIES					
Current liabilities:					
Accounts payable	145,990	2,752,251	60,724	190,806	3,149,771
Accrued payroll	32,386	3,479	61,774	112,132	209,771
Current portion of claims payable	-	5,501,797	-	-	5,501,797
Current portion of compensated absences	58,140	21,230	179,240	333,240	591,850
Total current liabilities	<u>236,516</u>	<u>8,278,757</u>	<u>301,738</u>	<u>636,178</u>	<u>9,453,189</u>
Non-current liabilities:					
Long-term portion of claims payable	-	1,449,003	-	-	1,449,003
Compensated absences	68,570	29,020	266,850	287,570	652,010
Net pension and other postemployment benefits liability	866,275	-	2,184,901	4,172,301	7,223,477
Total non-current liabilities	<u>934,845</u>	<u>1,478,023</u>	<u>2,451,751</u>	<u>4,459,871</u>	<u>9,324,490</u>
Total liabilities	<u>1,171,361</u>	<u>9,756,780</u>	<u>2,753,489</u>	<u>5,096,049</u>	<u>18,777,679</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	321,028	-	809,688	1,546,190	2,676,906
Total deferred inflows of resources	<u>321,028</u>	<u>-</u>	<u>809,688</u>	<u>1,546,190</u>	<u>2,676,906</u>
NET POSITION					
Net investment in capital assets	14,217,205	-	-	647,046	14,864,251
Restricted - trust purpose	-	19,147,495	-	-	19,147,495
Restricted - net other postemployment benefits	32,652	-	82,355	157,266	272,273
Unrestricted	12,881,618	7,346,118	(1,352,552)	1,935,956	20,811,140
Total net position	<u>\$ 27,131,475</u>	<u>\$ 26,493,613</u>	<u>\$ (1,270,197)</u>	<u>\$ 2,740,268</u>	<u>\$ 55,095,159</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, 2022

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
OPERATING REVENUES					
Charges for services	\$ 9,965,958	\$ 25,696,420	\$ 6,797,530	\$ 11,711,678	\$ 54,171,586
Miscellaneous	44,203	470,386	-	16,137	530,726
Total operating revenues	<u>10,010,161</u>	<u>26,166,806</u>	<u>6,797,530</u>	<u>11,727,815</u>	<u>54,702,312</u>
OPERATING EXPENSES					
Salaries, wages and employee benefits	1,128,280	450,751	2,880,231	5,216,735	9,675,997
Contractual services, materials and supplies	5,741,862	1,347,798	3,558,729	6,567,146	17,215,535
Insurance claims and expenses	-	21,886,531	-	-	21,886,531
Depreciation and amortization	3,092,170	-	-	931,916	4,024,086
Total operating expenses	<u>9,962,312</u>	<u>23,685,080</u>	<u>6,438,960</u>	<u>12,715,797</u>	<u>52,802,149</u>
Operating income (loss)	47,849	2,481,726	358,570	(987,982)	1,900,163
NON-OPERATING REVENUES (EXPENSES)					
Investment income(loss)	75,586	(144,675)	8,034	36,900	(24,155)
Gain (Loss) on sale of capital assets	49,317	-	-	-	49,317
Total non-operating revenues	<u>124,903</u>	<u>(144,675)</u>	<u>8,034</u>	<u>36,900</u>	<u>25,162</u>
Income (loss) before capital contributions and transfers	172,752	2,337,051	366,604	(951,082)	1,925,325
Capital contributions	-	-	-	-	-
Transfers in	1,009,195	4,835	82,184	2,270,686	3,366,900
Transfers out	(28,668)	(37,561)	-	-	(66,229)
Change in net position	<u>1,153,279</u>	<u>2,304,325</u>	<u>448,788</u>	<u>1,319,604</u>	<u>5,225,996</u>
Total net position - beginning	25,978,196	24,189,288	(1,718,985)	1,420,664	49,869,163
Total net position - ending	<u>\$ 27,131,475</u>	<u>\$ 26,493,613</u>	<u>\$ (1,270,197)</u>	<u>\$ 2,740,268</u>	<u>\$ 55,095,159</u>

**CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 9,994,536	\$ 26,164,228	\$ 6,797,530	\$ 11,720,015	\$54,676,309
Payments to suppliers	(5,852,174)	(372,926)	(3,574,039)	(6,883,813)	(16,682,952)
Payments to employees	(1,108,318)	(444,724)	(2,894,269)	(5,268,264)	(9,715,575)
Self-insurance costs	-	(23,153,544)	-	-	(23,153,544)
Net cash provided (used) by operating activities	<u>3,034,044</u>	<u>2,193,034</u>	<u>329,222</u>	<u>(432,062)</u>	<u>5,124,238</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	1,009,195	4,835	82,184	2,270,686	3,366,900
Transfers out	(28,668)	(37,561)	-	-	(66,229)
Net cash provided (used) by non-capital financing activities	<u>980,527</u>	<u>(32,726)</u>	<u>82,184</u>	<u>2,270,686</u>	<u>3,300,671</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(3,262,059)	-	-	(28,667)	(3,290,726)
Proceeds from disposal of capital assets	81,879	-	-	-	81,879
Net cash flows used by capital and related financing activities	<u>(3,180,180)</u>	<u>-</u>	<u>-</u>	<u>(28,667)</u>	<u>(3,208,847)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	268,901	-	-	268,901
Interest received on investments	77,569	(129,323)	7,578	37,389	(6,787)
Net cash provided by investing activities	<u>77,569</u>	<u>139,578</u>	<u>7,578</u>	<u>37,389</u>	<u>262,114</u>
Net increase (decrease) in cash and cash equivalents	911,960	2,299,886	418,984	1,847,346	5,478,176
Cash and cash equivalents at beginning of year	12,856,927	25,265,733	1,219,114	5,624,442	44,966,216
Cash and cash equivalents at end of year	<u>\$ 13,768,887</u>	<u>\$ 27,565,619</u>	<u>\$ 1,638,098</u>	<u>\$ 7,471,788</u>	<u>\$50,444,392</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 47,849	\$ 2,481,726	\$ 358,570	\$ (987,982)	\$ 1,900,163
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,092,170	-	-	931,916	4,024,086
(Increase) decrease in assets/deferred outflows:					
Accounts receivable	(15,625)	(2,578)	-	(7,800)	(26,003)
Prepaid items	-	65,200	-	-	65,200
Supplies inventory	(103,278)	-	-	-	(103,278)
Net other postemployment benefits asset	(27,897)	-	(70,202)	(134,816)	(232,915)
Deferred outflows - pension and other postemployment benefits	(7,103)	-	(10,593)	(55,129)	(72,825)
Increase (decrease) in liabilities/deferred inflows:					
Accounts payable	(7,034)	909,672	(15,310)	(316,667)	570,661
Accrued payroll	18,060	(143)	20,071	29,708	67,696
Claims payable	-	(1,267,013)	-	-	(1,267,013)
Compensated absences	28,000	6,170	63,590	(46,680)	51,080
Net pension and other post employment benefit liability	(282,748)	-	(751,516)	(1,252,110)	(2,286,374)
Deferred inflows - pension and other postemployment benefits	291,650	-	734,612	1,407,498	2,433,760
Total adjustments	<u>2,986,195</u>	<u>(288,692)</u>	<u>(29,348)</u>	<u>555,920</u>	<u>3,224,075</u>
Net cash provided (used) by operating activities	<u>\$ 3,034,044</u>	<u>\$ 2,193,034</u>	<u>\$ 329,222</u>	<u>\$ (432,062)</u>	<u>\$ 5,124,238</u>
Non-cash investing, capital and financing activities:					
Change in fair market value of investments	-	(339,971)	-	-	(339,971)
Total non-cash investing, capital and financing activities	<u>\$ -</u>	<u>\$ (339,971)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (339,971)</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

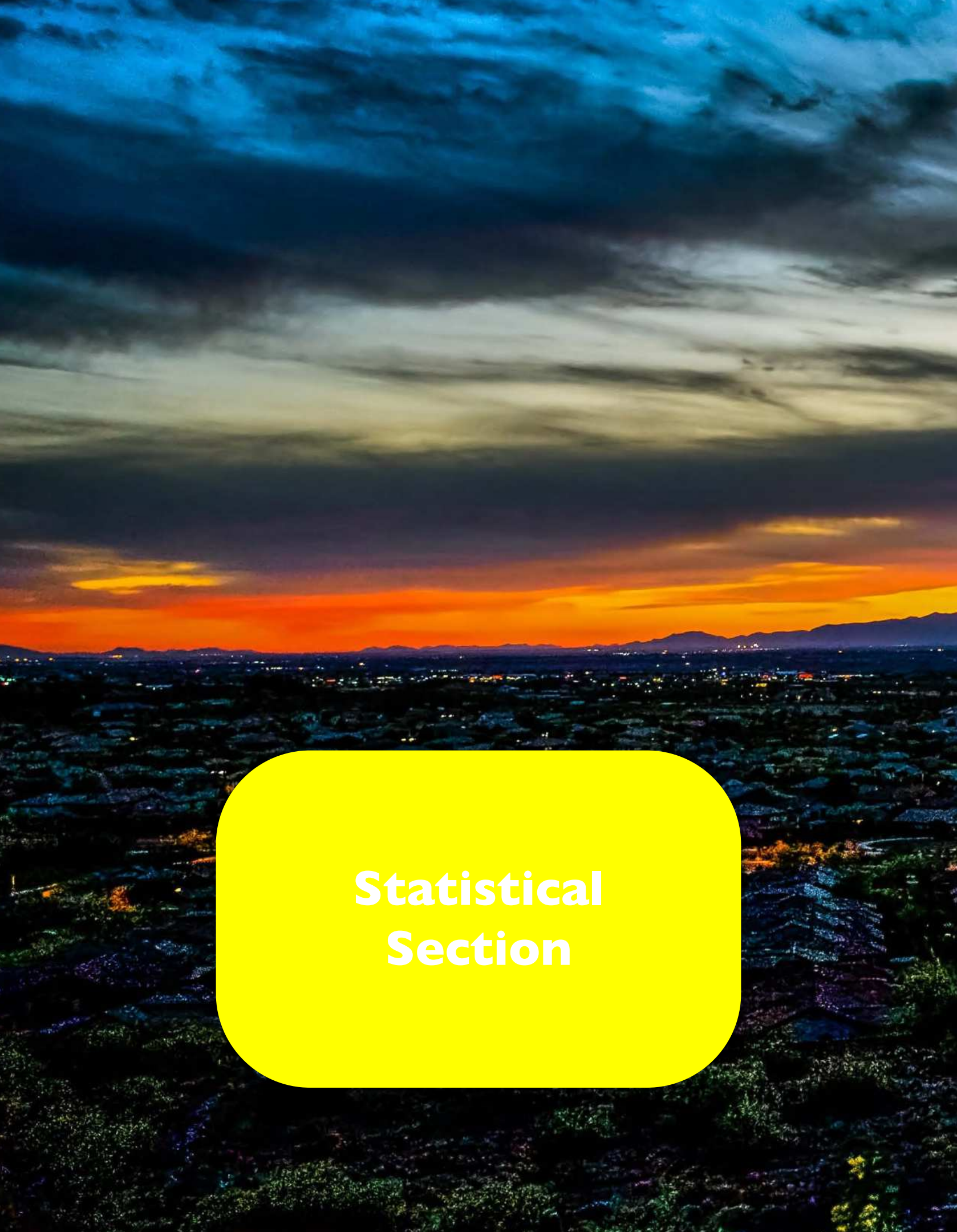
This fund accounts for monies held on behalf of a consortium of area fire departments that pool monies for training activities for which the City acts as the administrator.

**CITY OF PEORIA, ARIZONA
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2022**

	Custodial Funds		Total Custodial Funds
	PLAY Peoria NFP Fund	Westside Fire Training IGA Fund	
ASSETS			
Pooled cash and investments	\$ 133,745	\$ 41,117	\$ 174,862
Due from other governments	-	9,500	9,500
Interest receivable	115	43	158
Total assets	133,860	50,660	184,520
LIABILITIES			
Accounts payable	1,153	-	1,153
Total liabilities	1,153	-	1,153
NET POSITION			
Restricted for:			
Individuals and organizations	132,707	-	132,707
Other governments	-	50,660	50,660
Total net position	\$ 132,707	\$ 50,660	\$ 183,367

**CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<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	\$ 73,408	\$ -	\$ 73,408
Intergovernmental		25,200	25,200
Investment earnings:			
Interest	484	182	666
Total additions	<u>73,892</u>	<u>25,382</u>	<u>99,274</u>
DEDUCTIONS			
Recipient payments	<u>45,274</u>	<u>2,884</u>	<u>48,158</u>
Total deductions	<u>45,274</u>	<u>2,884</u>	<u>48,158</u>
Change in net position	28,618	22,498	51,116
Net position - beginning of the year	104,089	28,162	132,251
Net position - end of the year	<u>\$ 132,707</u>	<u>\$ 50,660</u>	<u>\$ 183,367</u>



**Statistical
Section**

Statistical Section

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

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Economic and Demographic Information

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

Operating Information

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

Statistical Section

<u>Table</u>	<u>Page</u>
Financial Trends	
I Net Position By Component	121
II Changes in Net Position	122
III Fund Balances, Governmental Funds	124
IV Changes in Fund Balances, Governmental Funds	125
Revenue Capacity	
V City Transaction Privilege Taxes By Category	126
VI Direct and Overlapping Sales Tax Rates	127
VII Sales Tax Payers - By Category	128
VIII Assessed Values By Property Classification	129
IX Comparative Assessed Values	130
X Direct and Overlapping Property Tax Rates	131
XI Direct and Overlapping Property Tax Levies	132
XII Limited Property Value Top Ten Tax Payers	133
XIII Property Tax Levies and Collections	134
XIV Utility Statistical Data	135
Debt Capacity	
XV Outstanding Debt By Type	138
XVI Ratio of Net General Bonded Debt to Full Cash Value and Net Bonded Debt Per Capita	139
XVII Direct and Overlapping General Obligation Bonded Debt – Current Fiscal Year	140
XVIII Direct and Overlapping Governmental Activities Debt – Current Fiscal Year	141
XIX Direct and Overlapping Governmental Activities Debt – Last Ten Fiscal Years	142
XX Legal Debt Margin	143
XXI Pledged Revenue Coverage – Excise Tax and State Shared Revenue Debt Obligations - Governmental Portion	144
XXII Pledged Revenue Coverage – Water and Wastewater Revenue Bonds	145
XXIII Pledged Revenue Coverage – Special Assessment Bonds	146
XXIV Special Assessment Collections	147
Economic and Demographic Information	
XXV Demographic and Economic Statistics	148
XXVI Major Employers Within the City	149
Operating Information	
XXVII Authorized Full-time Equivalent City Government Employees By Function	150
XXVIII Operating Indicators By Function/Program	151
XXIX Capital Asset Statistics By Function/Program	152

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

Table I

	Fiscal Year									
	2013	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 829,001,871	\$ 855,286,264	\$ 885,716,419	\$ 899,648,174	\$ 747,243,866	\$ 635,872,778	\$ 671,171,180	\$ 687,881,892	\$ 727,837,350	\$ 732,178,933
Restricted	131,550,563	151,624,692	139,143,949	162,959,546	149,717,064	121,796,554	121,505,682	112,074,204	122,549,508	132,975,636
Unrestricted	149,159,571	84,211,745	(29,002,988)	(32,938,378)	(41,146,402)	(7,041,008)	(2,470,597)	25,270,359	33,644,712	81,171,085
Total governmental activities net position	\$ 1,109,712,005	\$ 1,091,122,701	\$ 995,857,380	\$ 1,029,669,342	\$ 855,814,528	\$ 750,628,324	\$ 790,206,265	\$ 825,226,455	\$ 884,031,570	\$ 946,325,654
Business-type Activities										
Net investment in capital assets	\$ 493,788,885	\$ 533,623,141	\$ 568,223,130	\$ 589,629,061	\$ 597,736,728	\$ 600,474,983	\$ 619,320,612	\$ 622,466,137	\$ 640,684,899	\$ 640,404,948
Restricted	21,575,445	23,153,024	23,830,354	31,926,587	27,590,003	29,456,418	25,123,557	13,719,271	32,937,325	48,913,594
Unrestricted	71,130,874	68,382,971	54,351,770	49,023,256	59,376,481	67,576,862	70,087,860	87,023,600	83,010,832	74,087,539
Total business-type activities net position	\$ 586,495,204	\$ 625,159,136	\$ 646,405,254	\$ 670,578,904	\$ 684,703,212	\$ 697,508,263	\$ 714,532,029	\$ 723,209,008	\$ 756,633,056	\$ 763,406,081
Primary Government										
Net investment in capital assets	\$ 1,322,790,756	\$ 1,388,909,405	\$ 1,453,939,549	\$ 1,489,277,235	\$ 1,344,980,594	\$ 1,236,347,761	\$ 1,290,491,792	\$ 1,310,348,029	\$ 1,368,522,249	\$ 1,372,583,881
Restricted	153,126,008	174,777,716	162,974,303	194,886,133	177,307,067	151,252,972	146,629,239	125,793,475	155,486,833	181,889,230
Unrestricted	220,290,445	152,594,716	25,348,782	16,084,878	18,230,079	60,535,854	67,617,263	112,293,959	116,655,544	155,258,624
Total primary government net position	\$ 1,696,207,209	\$ 1,716,281,837	\$ 1,642,262,634	\$ 1,700,248,246	\$ 1,540,517,740	\$ 1,448,136,587	\$ 1,504,738,294	\$ 1,548,435,463	\$ 1,640,664,626	\$ 1,709,731,735

(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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
General Government	\$ 19,175,790	\$ 20,038,112	\$ 21,210,452	\$ 22,250,673	\$ 21,623,532	\$ 20,343,398	\$ 21,473,593	\$ 25,559,396	\$ 26,262,983	\$ 29,320,764
Culture & Recreation	22,434,968	25,559,518	25,982,440	26,447,013	28,371,539	28,003,374	29,499,798	31,614,048	31,387,780	38,959,427
Public Safety*	56,757,540	60,213,181	64,261,923	70,342,389	97,665,783	81,720,528	89,026,946	90,943,804	101,363,787	95,609,943
Development Services	8,374,619	9,193,743	9,544,919	7,123,106	6,630,945	5,731,857	4,757,015	4,825,318	6,369,766	7,241,732
Highways & Streets	29,967,207	31,411,752	33,658,672	34,620,944	44,979,242	54,647,432	55,594,789	60,214,083	53,298,576	59,756,231
Public Works	6,989,988	7,015,316	7,259,675	7,507,311	6,705,095	5,694,902	5,112,076	6,731,383	7,188,048	7,498,034
Human Services	2,196,801	1,629,118	1,177,275	1,788,130	1,283,420	2,527,213	4,072,235	4,691,770	2,154,216	3,480,639
Interest on long-term debt	12,739,029	12,009,243	11,373,755	11,549,457	8,451,596	8,011,112	7,768,341	7,903,847	5,196,192	6,341,184
Unallocated Depreciation	574,557	574,550	-	-	-	-	-	-	-	-
Total governmental activities expenses	159,210,499	167,644,533	174,469,111	181,629,023	215,711,152	206,679,816	217,304,793	232,483,649	233,221,348	248,207,954
Business-type Activities										
Water Utility	29,094,123	30,836,235	34,566,373	33,221,797	39,316,668	40,780,450	41,968,847	44,813,959	47,882,705	57,101,424
Wastewater Utility	20,342,376	21,083,666	21,737,995	22,001,744	24,075,245	25,715,392	24,512,758	30,007,409	29,013,309	32,608,310
Solid Waste Utility	10,503,928	10,806,101	10,939,896	11,137,739	11,867,773	13,008,905	13,749,718	14,059,601	15,039,332	16,406,294
Stadium	5,140,500	5,176,689	6,372,954	6,742,573	7,579,975	7,736,745	7,850,061	6,868,271	6,865,555	7,279,297
Storm Drain Utility	806,658	823,780	813,636	1,052,977	3,497,956	3,301,070	3,469,645	3,747,753	3,918,628	4,947,393
Housing	273,528	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	66,161,113	68,726,471	74,430,854	74,156,830	86,337,617	90,542,562	91,551,029	99,496,993	102,719,529	118,342,708
Total primary government expenses	\$ 225,371,612	\$ 236,371,004	\$ 248,899,965	\$ 255,785,853	\$ 302,048,769	\$ 297,222,378	\$ 308,855,822	\$ 331,980,642	\$ 335,940,877	\$ 366,550,662
Program Revenues										
Governmental Activities										
Charges for services	\$ 18,745,123	\$ 19,221,921	\$ 25,696,523	\$ 29,321,181	\$ 32,311,277	\$ 34,954,574	\$ 37,925,774	\$ 34,130,112	\$ 33,877,259	\$ 36,304,943
Operating grants and contributions	12,440,760	12,693,535	13,485,788	14,329,168	14,666,090	16,640,349	15,394,092	30,380,591	26,737,353	26,225,414
Capital grants and contributions	21,485,029	11,703,447	22,908,863	27,259,727	25,638,030	20,441,205	31,886,362	17,490,699	33,507,214	36,466,449
Total governmental activities program revenues	52,670,912	43,618,903	62,091,174	70,910,076	72,615,397	72,036,128	85,206,228	82,001,402	94,121,826	98,996,806
Business-type Activities										
Charges for services	67,197,303	69,499,963	68,417,721	76,106,994	80,152,247	85,557,374	84,331,736	87,888,011	97,952,658	100,817,330
Operating grants and contributions	67,915	-	-	-	-	-	-	-	-	-
Capital grants and contributions	7,323,482	9,325,636	29,760,720	17,518,669	20,698,020	12,517,749	14,999,480	15,053,394	29,697,095	19,914,624
Total business-type activities program revenues	74,588,700	78,825,599	98,178,441	93,625,663	100,850,267	98,075,123	99,331,216	102,941,405	127,649,753	120,731,954
Total primary government program revenues	\$ 127,259,612	\$ 122,444,502	\$ 160,269,615	\$ 164,535,739	\$ 173,465,664	\$ 170,111,251	\$ 184,537,444	\$ 184,942,807	\$ 221,771,579	\$ 219,728,760
Net (Expense)/Revenue										
Governmental Activities	\$ (106,539,587)	\$ (124,025,630)	\$ (112,377,937)	\$ (110,718,947)	\$ (143,095,755)	\$ (134,643,688)	\$ (132,098,565)	\$ (150,482,247)	\$ (139,099,522)	\$ (149,211,148)
Business-type Activities	8,427,587	10,099,128	23,747,587	19,468,833	14,512,650	7,532,561	7,780,187	3,444,412	24,930,224	2,389,246
Total primary government net expense	\$ (98,112,000)	\$ (113,926,502)	\$ (88,630,350)	\$ (91,250,114)	\$ (128,583,105)	\$ (127,111,127)	\$ (124,318,378)	\$ (147,037,835)	\$ (114,169,298)	\$ (146,821,902)

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

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

Table II

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes, levied for general purposes	\$ 2,848,691	\$ 2,744,900	\$ 2,889,150	\$ 2,994,905	\$ 3,207,433	\$ 3,522,321	\$ 5,099,325	\$ 5,928,720	\$ 6,086,505	\$ 6,351,779
Property taxes, levied for debt service	16,628,634	15,479,771	16,891,026	17,537,813	18,532,683	20,152,280	20,276,526	21,829,330	23,814,936	25,044,456
Sales and use taxes	65,950,235	70,213,953	74,556,024	79,410,364	84,236,770	89,781,248	93,182,810	99,747,911	113,852,555	125,521,932
Franchise taxes	4,136,004	4,194,371	4,312,836	4,461,864	4,501,681	5,035,331	4,925,609	4,776,257	4,965,951	4,961,622
Intergovernmental										
State shared sales taxes - unrestricted	12,665,191	13,431,637	14,139,128	14,760,029	15,631,512	15,894,140	17,018,021	17,079,368	20,186,716	26,815,644
Urban revenue sharing - unrestricted	14,425,958	17,172,500	18,650,521	18,549,406	20,949,613	20,334,388	20,366,697	22,275,583	25,147,285	24,816,247
Auto in-lieu taxes - unrestricted	5,155,206	5,495,225	5,886,971	6,385,294	6,728,814	6,799,997	7,262,809	7,313,007	8,349,703	8,237,369
Investment Earnings(Losses)	599,263	878,164	843,648	1,693,475	1,667,892	2,172,236	7,200,254	7,800,410	544,254	(6,556,874)
Gain on sale of capital assets	66,465	111,342	-	-	-	-	-	-	-	-
Elimination of development agreement debt	630,104	-	-	-	-	-	-	-	-	-
Miscellaneous	4,397,616	3,920,109	3,216,595	2,732,726	4,120,882	5,383,459	2,342,583	1,138,662	3,221,522	3,658,727
Special Item: Defeasance of G.O. debt	-	-	-	-	-	(450,797)	-	-	-	-
Transfers in (out)	(9,394,454)	(28,205,646)	(11,931,172)	(3,994,967)	(6,346,374)	(4,803,295)	(5,997,632)	(2,387,307)	(8,264,790)	(3,373,622)
Total governmental activities	118,108,913	105,436,326	129,454,727	144,530,909	153,230,906	163,821,308	171,677,002	185,501,941	197,904,637	215,477,280
Business-type Activities										
Investment Earnings(Losses)	176,176	359,158	348,717	709,850	519,774	700,909	3,107,572	2,854,480	211,199	(2,985,986)
Gain on sale of capital assets	-	-	-	-	109,744	13,305	138,375	(9,220)	17,835	24,095
Special Item: Close out of Public Housing	(2,101,809)	-	-	-	-	-	-	-	-	-
Transfers in (out)	9,394,454	28,205,646	11,931,172	3,994,967	6,346,374	4,803,295	5,997,632	2,387,307	8,264,790	3,373,622
Total business-type activities	7,468,821	28,564,804	12,279,889	4,704,817	6,975,892	5,517,509	9,243,579	5,232,567	8,493,824	411,731
Total primary government	\$ 125,577,734	\$ 134,001,130	\$ 141,734,616	\$ 149,235,726	\$ 160,206,798	\$ 169,338,817	\$ 180,920,581	\$ 190,734,508	\$206,398,461	\$ 215,889,011
Change in Net Position										
Governmental Activities	\$ 11,569,326	\$ (18,589,304)	\$ 17,076,790	\$ 33,811,962	\$ 10,135,151	\$ 29,177,620	\$ 39,578,437	\$ 35,019,694	\$58,805,115	\$ 66,266,132
Business-type Activities	15,896,408	38,663,932	36,027,476	24,173,650	21,488,542	13,050,070	17,023,766	8,676,979	33,424,048	2,800,977
Total primary government	\$ 27,465,734	\$ 20,074,628	\$ 53,104,266	\$ 57,985,612	\$ 31,623,693	\$ 42,227,690	\$ 56,602,203	\$ 43,696,673	\$92,229,163	\$ 69,067,109

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ 259,643	\$ 262,852	\$ 163,703	\$ 115,042	\$ 113,859	\$ 123,939	\$ 939,966	\$ 2,323,312	\$ 277,778	\$ 190,312
Restricted	108,517	54,193	67,084	388,375	354,566	40,488	40,762	30,639	25,943	1,924
Committed	33,229,466	37,028,922	36,911,493	38,464,678	40,221,571	42,249,268	52,300,995	55,086,725	56,852,819	59,902,768
Assigned	3,330,705	3,340,512	3,056,458	2,859,523	2,618,447	1,760,838	1,363,728	1,528,073	1,768,200	3,748,153
Unassigned	13,996,657	17,308,306	21,584,005	20,816,526	25,684,922	33,849,097	58,221,670	80,266,172	111,244,006	99,008,274
Total General Fund	<u>\$ 50,924,988</u>	<u>\$ 57,994,785</u>	<u>\$ 61,782,743</u>	<u>\$ 62,644,144</u>	<u>\$ 68,993,365</u>	<u>\$ 78,023,630</u>	<u>\$ 112,867,121</u>	<u>\$ 139,234,921</u>	<u>\$ 170,168,746</u>	<u>\$ 162,851,431</u>
All Other Governmental Funds										
Nonspendable	\$ 98,819	\$ 131,641	\$ 70,579	\$ 67,986	\$ 69,711	\$ 78,068	\$ 60,828	\$ 69,986	\$ 144,357	\$ 379,976
Restricted	188,434,944	145,352,432	127,294,490	150,498,066	137,842,918	115,222,701	143,532,067	108,519,124	107,990,268	304,865,760
Committed	10,004,379	10,300,556	10,572,297	10,885,668	11,315,062	10,663,895	2,838,609	2,429,777	2,424,547	63,770,700
Assigned	25,988,041	23,410,508	22,821,310	30,353,689	27,978,550	34,926,243	16,217,244	9,280,089	4,902,888	29,973,003
Unassigned	-	-	(6,638,667)	-	-	-	-	-	(7,969,083)	99,008,274
Total All Other Governmental Funds	<u>\$ 224,526,183</u>	<u>\$ 179,195,137</u>	<u>\$ 154,120,009</u>	<u>\$ 191,805,409</u>	<u>\$ 177,206,241</u>	<u>\$ 160,890,907</u>	<u>\$ 162,648,748</u>	<u>\$ 120,298,976</u>	<u>\$ 107,492,977</u>	<u>\$ 497,997,713</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									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Taxes	\$ 89,948,724	\$ 93,731,980	\$ 98,629,880	\$ 104,369,837	\$ 110,535,434	\$ 118,352,843	\$ 123,645,058	\$ 131,784,413	\$ 148,454,717	\$ 162,396,713
Intergovernmental	49,831,144	50,132,922	55,289,472	65,237,794	60,096,580	61,643,624	61,054,399	85,338,544	83,673,505	96,914,612
Charges for Services	21,405,623	17,684,357	19,355,378	21,812,733	24,367,635	26,637,159	28,089,117	27,299,388	26,414,975	28,254,679
Licenses and Permits	2,564,075	2,800,894	3,132,178	4,080,210	4,778,632	5,509,240	5,720,889	4,929,081	5,287,497	5,100,898
Fines and Forfeitures	2,257,477	2,128,289	1,856,640	1,747,528	1,571,788	1,815,644	2,390,644	1,382,853	1,535,140	1,731,336
Rents	1,101,082	731,901	889,053	915,846	908,678	1,002,948	980,732	721,181	843,911	1,080,477
Investment Earnings(Losses)	537,732	757,747	725,208	1,462,408	1,320,578	1,709,765	6,364,506	6,881,841	85,750	(6,532,719)
Special Assessments	1,217,271	1,137,018	381,761	381,950	2,171,319	-	-	-	-	-
Miscellaneous	5,880,511	5,060,343	3,536,024	3,278,730	4,411,440	5,307,423	3,049,527	1,258,583	3,537,355	3,732,659
Total Revenues	174,743,639	174,165,451	183,795,594	203,287,036	210,162,084	221,978,646	231,294,872	259,595,884	269,832,850	292,678,655
Expenditures										
General Government	15,094,866	15,866,612	17,085,501	19,424,865	18,216,483	17,493,779	18,381,872	19,129,269	22,437,588	26,640,810
Culture & Recreation	19,668,598	21,762,725	22,181,064	21,797,069	23,862,880	24,200,927	26,631,491	29,367,980	27,500,891	34,019,114
Public Safety ⁽¹⁾	56,702,266	58,976,873	60,840,413	68,151,428	73,087,082	79,514,160	84,514,269	90,140,255	94,011,139	135,035,214
Development Services	8,568,013	9,311,964	9,714,954	7,129,814	6,291,295	5,935,127	4,835,544	4,867,486	6,221,071	6,967,231
Highways & Streets	16,355,505	17,098,590	19,400,893	19,086,404	21,610,293	25,666,063	27,314,691	32,490,156	24,989,110	30,518,643
Public Works	4,914,720	5,110,924	5,261,842	5,325,264	6,384,151	5,415,791	5,535,727	6,927,246	6,731,414	7,234,142
Human Services	2,213,374	1,604,288	1,147,341	1,725,328	1,184,926	2,447,943	4,020,781	4,690,171	2,143,606	3,476,262
Capital Outlay	39,612,698	17,728,188	26,491,974	12,332,241	29,367,979	25,896,002	27,839,028	55,429,562	33,233,819	17,099,261
Debt Service										
Interest	12,534,039	12,543,974	11,933,264	10,606,558	11,336,938	9,705,255	8,776,334	8,623,160	8,170,203	7,635,199
Principal	20,120,163	21,937,761	17,305,000	18,010,000	19,867,000	19,483,000	22,022,461	22,726,060	21,569,912	24,368,166
Payment to bond escrow agent	-	-	-	6,707,216	-	13,604,681	-	-	-	-
Total Expenditures	195,784,242	181,941,899	191,362,246	190,296,187	211,209,027	229,362,728	229,872,198	274,391,345	247,008,753	292,994,042
Excess of Revenues over (under) Expenditures	(21,040,603)	(7,776,448)	(7,566,652)	12,990,849	(1,046,943)	(7,384,082)	1,422,674	(14,795,461)	22,824,097	(315,387)
Other Financing Sources (Uses)										
Refunding bonds issued	-	-	-	103,410,000	-	28,975,000	-	-	20,855,000	21,495,000
Issuance of debt	35,510,000	112,000	35,000	30,325,000	3,000,000	5,199,304	30,420,000	2,590,000	1,870,000	55,880,000
Premium on bonds issued	1,039,481	-	-	14,096,688	108,061	-	3,146,339	292,139	2,448,280	8,086,575
Payments to bond refunding escrow agent	-	-	-	(114,802,841)	-	(28,814,053)	-	-	(22,641,792)	(26,081,153)
Transfers In	16,968,105	20,159,941	16,357,492	12,890,960	17,925,171	17,684,545	36,612,624	14,049,347	9,787,365	11,422,490
Transfers Out	(27,205,066)	(48,650,688)	(30,113,010)	(20,363,855)	(28,236,236)	(19,786,126)	(35,000,305)	(18,117,997)	(17,015,124)	(17,724,676)
Total Other Financing Sources (Uses)	26,312,520	(28,378,747)	(13,720,518)	25,555,952	(7,203,004)	3,258,670	35,178,658	(1,186,511)	(4,696,271)	53,078,236
Net Change in Fund Balance	\$ 5,271,917	\$ (36,155,195)	\$ (21,287,170)	\$ 38,546,801	\$ (8,249,947)	\$ (4,125,412)	\$ 36,601,332	\$ (15,981,972)	\$ 18,127,826	\$ 52,762,849
Debt Service as a percentage of noncapital expenditures	20.91%	21.00%	17.73%	19.85%	17.16%	21.03%	15.24%	14.32%	13.91%	11.60%

⁽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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Retail Sales	\$ 34,115,601	\$ 36,878,825	\$ 38,908,327	\$ 41,216,781	\$ 43,666,206	\$ 45,112,750	\$ 48,201,653	\$ 52,794,953	\$ 63,612,494	\$ 69,900,613
Contracting	4,716,985	6,301,005	6,257,112	7,394,036	8,587,978	10,219,772	9,108,314	11,472,743	10,673,164	11,285,579
Rentals	7,918,121	7,214,392	7,522,177	8,123,884	8,383,946	8,823,620	8,983,145	10,684,541	10,279,587	11,194,971
Utilities	7,343,965	7,388,831	7,498,115	7,904,665	8,022,722	8,911,107	8,115,617	8,303,764	9,042,824	9,164,337
Telecom/Cable TV	1,258,991	1,262,651	1,217,583	1,151,941	942,239	816,179	697,849	725,389	494,061	446,508
Restaurant/Bar	8,168,064	8,505,082	9,284,232	9,833,912	10,335,218	11,388,465	11,661,217	11,597,024	13,499,778	15,917,098
Amusement	992,752	960,332	1,036,941	1,034,959	1,021,968	979,386	1,246,039	971,024	1,004,435	1,689,514
Use	474,842	624,795	718,931	740,179	1,243,655	1,707,181	2,248,575	2,334,003	3,551,444	3,048,117
Other	960,914	2,101,228	2,112,606	2,010,007	2,032,838	1,822,787	2,920,401	864,471	1,694,768	2,875,195
Total	\$ 65,950,235	\$ 71,237,141	\$ 74,556,024	\$ 79,410,364	\$ 84,236,770	\$ 89,781,247	\$ 93,182,810	\$ 99,747,911	\$ 113,852,555	\$ 125,521,932
% Growth by Year										
Retail Sales	8.4%	8.1%	5.5%	5.9%	5.9%	3.3%	6.8%	9.5%	20.5%	9.9%
Contracting	42.7%	33.6%	-0.7%	18.2%	16.1%	19.0%	-10.9%	26.0%	-7.0%	5.7%
Rentals	6.8%	-8.9%	4.3%	8.0%	3.2%	5.2%	1.8%	18.9%	-3.8%	8.9%
Utilities	1.5%	0.6%	1.5%	5.4%	1.5%	11.1%	-8.9%	2.3%	8.9%	1.3%
Telecom/Cable TV	-3.5%	0.3%	-3.6%	-5.4%	-18.2%	-13.4%	-14.5%	3.9%	-31.9%	-9.6%
Restaurant/Bar	5.0%	4.1%	9.2%	5.9%	5.1%	10.2%	2.4%	-0.6%	16.4%	17.9%
Amusement	10.8%	-3.3%	8.0%	-0.2%	-1.3%	-4.2%	27.2%	-22.1%	3.4%	68.2%
Use	-16.2%	31.6%	15.1%	3.0%	68.0%	37.3%	31.7%	3.8%	52.2%	-14.2%
Other	29.8%	118.7%	0.5%	-4.9%	1.1%	-10.3%	60.2%	-70.4%	96.0%	69.7%
Total	8.6%	8.0%	4.7%	6.5%	6.1%	6.6%	3.79%	7.05%	14.14%	10.25%

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City Direct Rates (1):										
Retail Sales (excluding groceries)	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Groceries	1.80%	1.80%	1.60%	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%
Rentals	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Hotel/Transient Lodging	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Utilities	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Telecommunications	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Restaurant/Bar	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Amusement	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
All Others	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
County Rates:										
Retail Sales (excluding groceries)	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Groceries	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Hotel/Transient Lodging	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%
Mining - Nonmetal	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
All Others	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
State Rates (2):										
Retail Sales (excluding groceries)	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%
Mining - Nonmetal	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%
Mining - Severance	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
All Others	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	2022				2013			
	<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	5,992	49.6%	69,900,613	55.70%	2,370	16.07%	34,115,601	51.70%
Contracting	328	2.7%	11,285,579	9.00%	3,948	26.77%	4,716,985	7.20%
Restaurant/Bar	307	2.5%	15,917,098	12.70%	348	2.36%	8,168,064	12.40%
Rental	3,838	31.8%	11,194,971	9.00%	6,447	43.71%	7,918,121	12.00%
Utilities	1,290	10.7%	9,164,337	7.30%	16	0.11%	7,343,965	11.10%
Telecom/Cable TV	45	0.4%	446,508	0.50%	135	0.92%	1,258,991	1.90%
Use	12	0.1%	3,048,117	2.40%	1,342	9.10%	474,842	0.70%
Amusement	182	1.5%	1,689,514	1.30%	59	0.40%	992,752	1.50%
Others	82	0.7%	2,875,195	2.30%	84	0.57%	960,914	1.50%
Total	<u>12,076</u>	<u>100.00%</u>	<u>\$ 125,521,932</u>	<u>100.20%</u>	<u>14,749</u>	<u>100.00%</u>	<u>\$ 65,950,235</u>	<u>100.00%</u>

Source: City Sales Tax system
City financial records

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

Table VIII

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016(b)</u>	<u>Fiscal Year 2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Residential (Owner occupied)	\$ 620,970,965	\$ 546,593,560	\$ 614,234,433	\$ 626,696,840	\$ 674,378,782	\$ 740,037,974	\$ 813,110,830	\$ 875,459,952	\$ 954,002,402	\$ 1,034,473,284
Residential (Renter occupied)	119,387,647	161,107,937	199,613,372	214,086,717	230,466,048	243,816,250	259,614,712	290,792,306	309,884,348	328,554,140
Commercial, Industrial, Mining & Utilities	341,042,160	304,844,019	298,078,633	291,761,032	297,883,403	310,764,850	328,762,027	352,052,608	356,175,720	379,013,645
Agriculture & Vacant	54,523,204	43,659,181	42,347,136	44,305,284	40,513,630	44,053,047	36,731,719	36,824,728	37,571,067	37,321,864
Railroad	1,399,678	1,118,206	1,205,775	1,137,482	1,040,707	1,065,441	1,015,986	1,040,771	1,002,644	1,061,989
Historic & Environmental	103,122	83,177	59,907	24,540	396,725	305,265	577,715	502,515	488,535	496,080
Public Property Improvements	7,964	7,124	48,182	5,100	-	25,390	-	48,122	50,528	53,055
Net Assessed Value	\$ 1,137,434,740	\$ 1,057,413,204	\$ 1,155,587,438	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989	\$ 1,556,721,002	\$ 1,659,175,244	\$ 1,780,974,057
% Growth	-10.9%	-7.0%	9.3%	1.9%	5.7%	7.7%	7.4%	8.1%	15.2%	7.3%
Net Assessed Value Per Capita	\$ 7,274	\$ 6,702	\$ 7,203	\$ 7,174	\$ 7,400	\$ 7,632	\$ 8,008	\$ 8,641	\$ 8,687	\$ 9,156
Population	156,371	157,780	160,432	164,212	168,192	172,259	179,800	190,985	194,517	194,517
Total Direct Secondary Tax Rate	1.25	1.25	1.25	1.25	1.25	1.25	1.15	1.15	1.15	1.15
Full Cash Value	\$ 10,635,350,631	\$ 10,057,364,678	\$ 11,162,489,178	\$ 13,968,351,523	\$ 15,264,587,035	\$ 16,607,545,225	\$ 18,374,791,035	\$ 20,055,499,784	\$ 22,175,481,320	\$ 24,444,971,352
% Growth	-10.3%	-5.4%	11.0%	25.1%	9.3%	8.8%	10.6%	9.1%	20.7%	10.2%
Full Cash Value Per Capita	\$ 68,014	\$ 63,743	\$ 69,578	\$ 85,063	\$ 90,757	\$ 96,410	\$ 102,196	\$ 111,320	\$ 116,111	\$ 125,670
Net Assessed Value as a Percentage of Full Cash Value	10.7%	10.5%	10.4%	8.4%	8.2%	8.1%	7.8%	7.8%	7.5%	7.3%

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

Property Tax Assessment Ratios (a)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Agriculture and Vacant Land</u>	<u>Railroad</u>
2013	10%	16%	15%
2014	10%	16%	15%
2015	10%	16%	16%
2016	10%	16%	15%
2017	10%	15%	14%
2018	10%	15%	15%
2019	10%	15%	14%
2020	10%	15%	15%
2021	10%	15%	15%
2022	10%	15%	15%

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

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

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

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

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

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

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

Table IX

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (a)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City of Peoria	\$ 1,137,434,740	\$ 1,057,413,204	\$ 1,155,587,438	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989	\$ 1,556,721,002	\$ 1,659,175,244	\$ 1,780,974,057
Peoria Unified School District No. 11	1,460,442,551	1,350,310,615	1,471,213,352	1,475,721,803	1,549,607,885	1,649,351,547	1,780,118,947	1,934,677,253	2,043,501,690	2,188,687,421
Maricopa County	34,400,455,712	32,229,006,810	35,079,646,593	34,623,670,323	36,135,494,474	38,251,891,249	40,423,232,421	43,194,326,395	45,704,969,813	48,724,126,672
State of Arizona	56,283,023,907	52,598,341,678	55,349,948,120	54,840,074,052	56,573,588,295	59,404,007,785	62,328,357,186	66,158,541,837	69,914,521,042	74,200,233,397

(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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Direct City										
Primary	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29
Secondary	1.25	1.25	1.25	1.25	1.25	1.25	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	4.01	4.18	4.43	4.93	4.78	4.51	4.00	3.86	3.75	3.72
Secondary	3.02	3.35	2.84	2.84	3.26	3.03	3.02	2.94	2.92	2.44
Total	<u>7.03</u>	<u>7.53</u>	<u>7.27</u>	<u>7.77</u>	<u>8.04</u>	<u>7.54</u>	<u>7.02</u>	<u>6.80</u>	<u>6.66</u>	<u>6.16</u>
Maricopa County (2)										
Primary	2.87	3.08	3.11	3.13	3.14	3.09	3.05	3.01	2.97	2.89
Secondary	0.78	0.79	0.86	0.97	1.01	1.07	1.03	1.05	1.02	0.96
Total	<u>3.65</u>	<u>3.87</u>	<u>3.98</u>	<u>4.10</u>	<u>4.15</u>	<u>4.16</u>	<u>4.08</u>	<u>4.07</u>	<u>3.99</u>	<u>3.85</u>
Total										
Primary	7.07	7.45	7.73	8.25	8.11	7.79	7.34	7.16	7.01	6.90
Secondary	5.05	5.39	4.95	5.06	5.52	5.35	5.20	5.15	5.08	4.55
Total	<u>\$ 12.12</u>	<u>\$ 12.84</u>	<u>\$ 12.69</u>	<u>\$ 13.31</u>	<u>\$ 13.63</u>	<u>\$ 13.14</u>	<u>\$ 12.54</u>	<u>\$ 12.31</u>	<u>\$ 12.09</u>	<u>\$ 11.45</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	\$ 3.76	\$ 2.30

(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	\$ 1.35	\$ -
State Education Equalization Assistance	0.43	-
Maricopa County Community College District	1.11	0.11
Maricopa County Flood Control District	-	0.18
Maricopa County Fire District Assistance	-	0.01
Maricopa County Library District	-	0.06
Maricopa County Special Health Care District	-	0.30
West Maricopa Education Center	-	0.16
Central Arizona Water Conservation District	-	0.14
Fiscal Year 2018 Tax Rate	<u>\$ 2.89</u>	<u>\$ 0.96</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Tax Levy Fiscal Year 2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Direct City										
Primary	\$ 2,154,484	\$ 1,998,305	\$ 2,115,212	\$ 2,238,232	\$ 2,364,891	\$ 2,546,130	\$ 4,175,458	\$ 4,514,491	\$ 4,811,608	\$ 5,164,825
Secondary	14,217,934	13,217,665	14,444,843	14,725,212	15,558,491	16,750,853	16,557,849	17,902,292	19,080,515	20,481,202
Total	<u>16,372,418</u>	<u>15,215,970</u>	<u>16,560,055</u>	<u>16,963,444</u>	<u>17,923,382</u>	<u>19,296,983</u>	<u>20,733,307</u>	<u>22,416,783</u>	<u>23,892,123</u>	<u>25,646,027</u>
Peoria Unified School District No. 11 (1)										
Primary	58,370,644	56,069,720	62,749,751	72,782,246	74,140,908	74,370,911	71,186,957	74,661,130	76,563,878	81,502,342
Secondary	44,104,877	45,266,377	41,807,627	41,966,017	50,494,525	50,046,959	53,764,234	56,922,243	59,604,705	53,396,580
Maricopa County (2)										
Primary	982,926,843	986,315,014	1,043,203,072	1,083,409,268	1,134,787,546	1,179,611,336	1,231,523,511	1,300,978,643	1,357,249,060	1,405,395,276
Secondary	249,995,761	251,345,124	274,744,408	234,978,404	337,146,316	356,706,002	373,658,155	402,738,173	411,099,616	409,383,469
Total										
Primary	1,043,451,971	1,044,383,039	1,108,068,035	1,158,429,746	1,211,293,345	1,256,528,377	1,306,885,926	1,380,154,264	1,438,624,546	1,492,062,443
Secondary	308,318,572	309,829,166	330,996,878	291,669,633	403,199,332	423,503,814	443,980,238	477,562,708	489,784,836	483,261,251
Total	<u>\$ 1,351,770,543</u>	<u>\$ 1,354,212,205</u>	<u>\$ 1,439,064,913</u>	<u>\$ 1,450,099,379</u>	<u>\$ 1,614,492,677</u>	<u>\$ 1,680,032,191</u>	<u>\$ 1,750,866,164</u>	<u>\$ 1,857,716,972</u>	<u>\$ 1,928,409,382</u>	<u>\$ 1,975,323,694</u>

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

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

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

	Primary	Secondary
Maricopa County	\$ 655,778,021	\$ -
State Education Equalization Assistance	208,194,759	-
Maricopa County Community College District	541,422,496	55,787,637
Maricopa County Flood Control District	-	80,429,826
Maricopa County Fire District Assistance	-	4,186,635
Maricopa County Library District	-	27,090,614
Maricopa County Special Health Care District	-	145,022,046
West Maricopa Education Center	-	28,494,047
Central Arizona Water Conservation District	-	68,372,664
Fiscal Year 2019-2020 Tax Levy	<u>\$ 1,405,395,276</u>	<u>\$ 409,383,469</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	2022(a)			2013		
		Limited Property Assessed Value	Rank	% of Limited Property Assessed Value	Taxable Secondary Assessed Value	Rank	% of Taxable Secondary Assessed Value
Arizona Public Service	Gas & Electric Utility	\$ 32,648,873	1	1.83%	\$23,195,396	1	2.04%
Vestar LPTC LLC	Property Development	8,944,905	2	0.50%	\$8,752,872	2	0.77%
Southwest Gas Corporation	Gas Utility	7,663,088	3	0.43%			
Park West Retail I LLC	Shopping Center	6,395,959	4	0.36%	\$6,681,435	3	0.59%
DDRA Arrowhead Crossing LLC	Shopping Center	5,114,003	5	0.29%	\$4,939,537	5	0.43%
N 75th AZ Partners LLC	Multi-family Housing	4,658,497	6	0.26%			
Freedom Plaza Limited Partnership Lease	Retirement Housing	4,455,363	7	0.25%			
BCC Development Inc.	Property Development	4,366,369	8	0.25%	4,007,925	9	
Peoria Center Apartments South LLC	Multi-family Housing	4,257,377	9	0.24%			
First Industrial LP	Property Development	4,117,425	10	0.23%			
Qwest Corporation	Telecommunications	-			\$5,418,735	4	0.48%
Plaza III Limited Partnership	Nursing Home/Apartments	-			\$4,385,299	6	0.39%
Target Corporation	Shopping Center	-			\$4,259,111	7	0.37%
Sprint Nextel Wireless LP	Telecommunications	-			\$4,120,034	8	0.36%
Inland Western Glendale LLC	Shopping Center				\$3,635,992	10	0.35%
Total		<u>\$ 82,621,859</u>		<u>4.64%</u>	<u>\$ 69,396,336</u>		<u>5.78%</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.

Note - As a quasi-governmental entity, Salt River Project pays in-Lieu taxes, rather than property taxes. For fiscal year 2022, the assessed value of Salt River Project property within the City of Peoria is \$20,187,557.

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
2022	\$ 25,646,027	\$ 25,375,055	98.94%	\$ -	\$ 25,375,055	98.94%
2021	23,892,123	23,599,465	98.78%	220,848	23,820,313	99.70%
2020	22,416,783	21,914,662	97.76%	279,501	21,914,662	97.76%
2019	20,733,307	20,589,725	99.31%	49,002	20,638,727	99.54%
2018	19,296,983	18,955,264	98.23%	156,352	19,111,616	99.04%
2017	17,923,382	17,596,843	98.18%	178,303	17,775,146	99.17%
2016	16,963,444	16,695,651	98.42%	143,742	16,839,393	99.27%
2015	16,560,055	16,290,571	98.37%	179,807	16,470,378	99.46%
2014	15,215,970	14,882,168	97.81%	231,287	15,113,455	99.33%
2013	16,372,418	15,962,490	97.50%	247,412	16,209,902	99.01%

Notes: ⁽¹⁾ Levy figures obtained from Maricopa County Tax Levy Books-February Publication.
⁽²⁾ Collection amount obtained from Maricopa County Treasurer's Secured Levy Report at 6/30/2020

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

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

Table XIV

Average Utility Bill Amounts Last Ten Fiscal Years										
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Water										
Average bill	\$37.41	\$37.31	\$35.54	\$37.53	\$39.13	\$41.44	\$42.15	\$43.02	\$43.87	\$45.08
% Increase	-1.55%	-0.27%	-4.74%	5.60%	4.26%	5.90%	1.71%	2.06%	1.98%	2.76%
Wastewater										
Average bill	\$24.16	\$23.36	\$23.99	\$24.64	\$25.22	\$25.26	\$26.60	\$26.91	\$27.29	\$28.58
% Increase	12.42%	-3.31%	2.70%	2.71%	2.35%	0.16%	5.30%	1.17%	1.41%	4.73%
Residential Solid Waste										
Average bill	\$13.38	\$13.38	\$13.35	\$13.44	\$13.39	\$14.23	\$14.42	\$15.29	\$16.21	\$17.06
% Increase	-13.12%	0.00%	-0.22%	0.67%	-0.37%	6.27%	1.34%	6.03%	6.02%	5.24%

Utility Service Connections Last Ten Fiscal Years										
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>
Water										
# of Accounts	49,416	50,399	51,405	55,558	57,011	58,061	59,185	60,705	62,083	63,357
% Increase	1.87%	1.99%	2.00%	8.08%	2.62%	1.84%	1.94%	2.57%	2.27%	2.05%
Wastewater										
# of Accounts	52,674	53,548	54,599	56,235	57,909	59,499	60,913	62,617	63,924	65,169
% Increase	2.23%	1.66%	1.96%	3.00%	2.98%	2.75%	2.38%	2.80%	2.09%	1.95%
Residential Solid Waste										
# of Accounts	50,727	51,609	52,640	54,262	55,828	57,452	58,816	60,123	61,332	62,575
% Increase	2.47%	1.74%	2.00%	3.08%	2.89%	2.91%	2.37%	2.22%	2.01%	2.03%

**Charges for Water Services
Base Minimum Monthly Bill
As of June 30, 2022**

**Charges for Wastewater Services
Base Minimum Monthly Bill
As of June 30, 2022**

	Resid., Landscape			Resid., Landscape	
	Meter Size	Charge		Meter Size	Charge
Multi Family Customers			Multi Family Customers		
	5/8"-3/4"	\$ 16.91		5/8"-3/4"	\$ 10.08
Base Charge	1"	20.70	Base Charge	1"	10.08
per Meter	1 1/2"	34.61	per Meter	1 1/2"	24.22
\$8.82	2"	49.79	\$4.01	2"	36.36
	3"	90.35		3"	68.77
Charge per Dwelling Unit	4"	135.92	Charge per Dwelling Unit	4"	105.17
\$4.87	6"	262.45	\$3.64	6"	206.28
	8"	414.36		8"	327.64

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

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

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

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

Source: City customer service and billing records

(continued)

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA

Volume Charges for Water Services Usage Per Month As of June 30, 2021				Charges for Residential Solid Waste As of June 30, 2021	
Volume Consumption (gallons)	Residential (per 1,000 gallons)	Multiplex (per 1,000 gallons)	Commercial (per 1,000 gallons)		
0 - 4,000	\$ 1.22	\$ -	\$ -	Monthly fee	
4,001 - 10,000	3.25	-	-	Single container & recycling	\$ 17.06
10,001 - 20,000	4.62	-	-	Additional container	13.98
20,000+	5.20	-	-		
1,000+	-	3.25	-		
0 - 10,000	-	-	1.22		
10,001 - 50,000	-	-	3.25		
50,000+	-	-	4.62		

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

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

Source: City customer service and billing records

(continued)

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

Table XIV

Entity	Type of User	<u>2021</u>			<u>2013</u>		
		Avg Monthly Water Usage	Rank	% Avg Monthly Water Usage	Avg Monthly Water Usage	Rank	% Avg Monthly Water Usage
Trilogy at Vistancia	Commercial Landscape	17,563	1	2.07%	2,415	4	0.34%
Blue Star Golf	Golf Course	16,042	2	1.89%			
Blackstone Country Club	Golf Course	15,461	3	1.82%			
City of Peoria - Parks North	City Park	10,111	4	1.19%			
Desert Harbor Lake	Homeowner's Association	8,809	5	1.04%	5,656	2	0.80%
Ventana Lakes N. of Beardsley Lake	Homeowner's Association	8,459	6	1.00%	3,287	3	0.47%
City of Peoria Padre's Pump Station	Sports Complex	7,335	7	0.86%	6,772	1	0.96%
Sunrise Water Company	Water Company	6,993	8	0.82%			
City of Peoria - Right of Way	Right of Way Landscape	6,980	9	0.82%			
Vistancia Village Association	Homeowner's Association	6,822	10	0.80%			
Christ's Church of the Valley	Church				2,055	5	0.29%
Sun Garden Park II	Homeowner's Association				1,845	6	0.26%
Freedom Plaza LTD Partnership	Health Care Facility				1,665	7	0.24%
Sun Garden Mobile Home Park	Homeowner's Association				1,552	8	0.22%
Centennial High School	Public School				1,488	9	0.21%
Forum at Desert Harbor	Health Care Facility				1,478	10	0.21%

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
General Obligation Bonds	\$ 162,375,000	\$ 152,820,000	\$ 145,088,146	\$ 170,995,550	\$ 158,031,697	\$ 135,863,947	\$ 157,167,099	\$ 142,247,708	\$ 128,984,480	\$ 174,891,326
General Obligation WIFA Loans	-	-	-	-	-	-	-	3,000,000	3,954,426	3,724,398
Municipal Development Authority Debt Obligations	85,230,000	81,035,000	77,797,482	73,257,994	68,529,573	34,792,700	32,753,534	30,620,436	28,437,337	-
Excise Tax Revenue Obligations	-	-	-	-	-	-	-	-	-	24,222,767
Direct Purchase and Loan Obligations	-	-	-	-	-	36,514,304	30,761,347	27,130,287	23,415,375	19,621,324
Special Assessment Bonds	3,520,000	3,195,000	2,865,416	2,508,814	2,137,211	-	-	-	-	-
Community Facilities District Bonds	53,725,000	51,095,000	48,409,540	40,575,685	40,400,804	37,266,862	33,920,919	33,217,566	29,993,568	25,450,008
Business-type Activities										
Water and Sewer Revenue Bonds	37,295,000	32,720,000	29,669,224	24,622,433	19,095,643	13,383,853	8,412,062	4,665,273	41,331,911	66,293,549
WIFA Loans	82,212,652	77,780,535	73,235,496	78,549,337	74,229,903	70,004,831	62,724,636	57,320,925	33,239,660	48,718,291
Total Primary Government	\$ 424,357,652	\$ 398,645,535	\$ 377,065,304	\$ 390,509,813	\$ 362,424,831	\$ 327,826,497	\$ 325,739,598	\$ 298,202,194	\$ 289,356,757	\$ 362,921,663
Total Debt Per Capita	\$ 2,714.08	\$ 2,565.75	\$ 2,350.33	\$ 2,378.08	\$ 2,154.83	\$ 1,903.06	\$ 1,851.20	\$ 1,561.39	\$ 1,515.08	\$ 1,865.76
Total Debt as a % of Personal Income	7.1%	6.4%	5.8%	5.7%	5.1%	4.4%	4.1%	3.8%	3.7%	3.6%

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonded Debt (1)	\$ 162,375,000	\$ 152,820,000	\$ 145,088,146	\$ 170,995,550	\$ 158,031,697	\$ 135,863,947	\$ 157,167,099	\$ 142,247,708	\$ 128,984,480	\$ 174,891,326
Less:										
Debt Service Reserves (2)	<u>30,825,566</u>	<u>28,924,537</u>	<u>25,859,071</u>	<u>26,583,502</u>	<u>25,529,967</u>	<u>15,887,194</u>	<u>17,095,199</u>	<u>16,376,110</u>	<u>18,277,685</u>	<u>19,673,341</u>
Net Bonded Debt	<u>\$ 131,549,434</u>	<u>\$ 123,895,463</u>	<u>\$ 119,229,075</u>	<u>\$ 144,412,048</u>	<u>\$ 132,501,730</u>	<u>\$ 119,976,753</u>	<u>\$ 140,071,900</u>	<u>\$ 125,871,598</u>	<u>\$ 110,706,795</u>	<u>\$ 155,217,985</u>
Percentage of Net Bonded Debt to Full Cash Value	1.2%	1.2%	1.1%	1.0%	0.9%	0.7%	0.8%	0.6%	0.5%	0.6%
Percentage of Net Bonded Debt to Assessed Value (3)	11.6%	11.7%	10.3%	12.3%	10.6%	9.0%	9.7%	8.1%	6.7%	8.7%
Net Bonded Debt Per Capita	\$841	\$785	\$743	\$879	\$788	\$696	\$796	\$659	\$569	\$798
Net Bonded Debt as a % of Personal Income	2.20%	1.99%	1.83%	2.12%	1.87%	1.62%	1.77%	1.51%	1.25%	1.54%

(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

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

Table XIX

Governmental Unit	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Overlapping:										
State of Arizona	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maricopa County	-	-	-	-	-	-	-	-	-	-
Community College District	25,357,414	23,384,382	21,550,210	20,203,810	17,547,206	15,609,534	13,561,370	11,260,680	9,077,824	6,751,740
County Flood Control District	-	-	-	-	-	-	-	-	-	-
County Free Library	-	-	-	-	-	-	-	-	-	-
Fire District Assistance	-	-	-	-	-	-	-	-	-	-
Education Equalization	-	-	-	-	-	-	-	-	-	-
West MEC Vocational District	3,241,000	3,198,843	3,025,964	6,722,916	13,247,434	13,266,411	12,333,671	11,410,853	10,721,153	14,233,479
Central AZ Water Conservation	-	-	-	-	-	-	-	-	-	-
Sub-total - City-wide overlapping	<u>28,598,414</u>	<u>26,583,225</u>	<u>24,576,174</u>	<u>26,926,726</u>	<u>30,794,640</u>	<u>28,875,945</u>	<u>25,895,041</u>	<u>22,671,533</u>	<u>19,798,977</u>	<u>20,985,219</u>
Total City-wide levies (1)	394,056,576	317,946,402	298,736,758	314,264,769	188,826,337	236,046,896	280,497,941	258,887,529	234,584,163	268,895,042
Unified School Districts:										
Peoria No. 11	163,033,794	208,200,535	180,916,246	219,811,259	186,654,480	160,934,200	161,744,660	135,901,818	120,868,113	116,652,993
Deer Valley No. 97	25,160,995	27,264,686	25,506,618	26,927,344	30,347,141	16,287,234	14,099,937	15,421,516	15,477,532	13,338,388
Nadaburg No. 81	284,900	2,286	1,212	789	579	12,519	8,541	6,105	72,893	41,694
Sub-total - Unified school district overlapping	<u>188,479,689</u>	<u>235,467,507</u>	<u>206,424,076</u>	<u>246,739,392</u>	<u>217,002,200</u>	<u>177,233,953</u>	<u>175,853,138</u>	<u>151,329,439</u>	<u>136,418,538</u>	<u>130,033,075</u>
Total overlapping	<u>217,078,103</u>	<u>262,050,732</u>	<u>231,000,250</u>	<u>273,666,118</u>	<u>247,796,840</u>	<u>206,109,898</u>	<u>201,748,179</u>	<u>174,000,972</u>	<u>156,217,515</u>	<u>151,018,294</u>
Direct (2):										
City of Peoria	<u>365,458,162</u>	<u>291,363,177</u>	<u>274,160,584</u>	<u>287,338,043</u>	<u>158,031,697</u>	<u>207,170,951</u>	<u>254,602,900</u>	<u>236,215,996</u>	<u>214,785,186</u>	<u>247,909,823</u>
Total direct and overlapping debt	<u>\$ 582,536,265</u>	<u>\$ 553,413,909</u>	<u>\$ 505,160,834</u>	<u>\$ 561,004,161</u>	<u>\$ 405,828,537</u>	<u>\$ 413,280,849</u>	<u>\$ 456,351,079</u>	<u>\$ 410,216,968</u>	<u>\$ 371,002,701</u>	<u>\$398,928,117</u>

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

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

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

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

Table XX

	<u>2013</u>	<u>2014</u>	<u>Fiscal Year 2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Property Assessed Value (1)	\$ 1,137,434,740	\$ 1,057,413,204	\$ 1,155,587,438	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989	\$ 1,556,721,002	\$ 1,659,175,244	\$ 1,780,974,057
<u>6% Limitation</u>										
Debt limit	\$ 68,246,084	\$ 63,444,792	\$ 69,335,246	\$ 70,681,020	\$ 74,680,758	\$ 80,404,093	\$ 86,388,779	\$ 93,403,260	\$ 99,550,515	\$ 106,858,443
Total net debt applicable to limit	<u>1,665,000</u>	<u>350,000</u>	<u>-</u>	<u>4,814,727</u>	<u>4,149,727</u>	<u>2,999,727</u>	<u>4,526,273</u>	<u>941,273</u>	<u>-</u>	<u>6,398,560</u>
Legal 6% Debt Margin	<u>\$ 66,581,084</u>	<u>\$ 63,094,792</u>	<u>\$ 69,335,246</u>	<u>\$ 65,866,293</u>	<u>\$ 70,531,031</u>	<u>\$ 77,404,366</u>	<u>\$ 81,862,506</u>	<u>\$ 92,461,987</u>	<u>\$ 99,550,515</u>	<u>\$ 100,459,883</u>
Total net debt applicable to the limit as a percentage of debt limit	2.4%	0.6%	0.0%	6.8%	5.6%	3.7%	5.2%	1.0%	0.0%	6.0%
<u>20% Limitation</u>										
Debt limit	\$ 227,486,948	\$ 211,482,641	\$ 231,117,488	\$ 235,603,399	\$ 248,935,859	\$ 268,013,643	\$ 287,962,598	\$ 311,344,200	\$ 331,835,049	\$ 356,194,811
Total net debt applicable to limit	<u>160,710,000</u>	<u>152,470,000</u>	<u>142,925,000</u>	<u>155,345,273</u>	<u>144,090,273</u>	<u>124,055,273</u>	<u>141,653,727</u>	<u>136,711,857</u>	<u>125,246,729</u>	<u>190,765,335</u>
Legal 20% Debt Margin	<u>\$ 66,776,948</u>	<u>\$ 59,012,641</u>	<u>\$ 88,192,488</u>	<u>\$ 80,258,126</u>	<u>\$ 104,845,586</u>	<u>\$ 143,958,370</u>	<u>\$ 146,308,871</u>	<u>\$ 174,632,343</u>	<u>\$ 206,588,320</u>	<u>\$ 165,429,476</u>
Total net debt applicable to the limit as a percentage of debt limit	70.6%	72.1%	61.8%	65.9%	57.9%	46.3%	49.2%	43.9%	37.7%	53.6%

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

Table XXI

	<u>2013</u>	<u>2014</u>	<u>Fiscal Year</u> <u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 (6)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Senior Lien Excise Tax and State Shared Revenue Debt Obligations										
Pledged Revenues										
Sales and use taxes (1)	\$ 56,145,066	\$ 60,587,446	\$ 63,331,915	\$ 67,425,794	\$ 71,476,726	\$ 76,168,326	\$ 79,020,319	\$ 84,429,889	\$ 96,328,365	\$ 106,277,624
State-shared sales tax	12,665,191	13,431,637	14,139,128	14,760,029	15,631,512	15,894,140	17,018,021	17,079,368	20,186,716	28,070,949
Urban revenue sharing	14,425,958	17,172,500	18,650,521	18,549,406	20,949,613	20,334,388	20,366,698	22,275,583	25,147,285	24,816,247
Franchise taxes	4,136,004	4,194,371	4,312,836	4,461,864	4,501,681	5,035,331	4,925,609	4,776,257	4,965,951	4,961,622
License and permits	2,564,075	2,800,894	3,132,178	4,080,210	4,778,632	5,509,240	5,720,889	4,929,081	5,287,497	5,100,898
Fines and forfeitures	2,058,925	1,933,142	1,699,818	1,601,014	1,433,868	1,728,303	2,241,580	1,249,763	1,436,969	1,619,089
User fees and charges	11,889,776	12,535,479	12,703,987	11,998,841	14,376,186	16,758,517	16,881,528	15,897,926	14,599,930	18,305,648
Miscellaneous	2,534,262	1,379,952	2,146,784	2,341,988	2,980,499	4,696,224	5,452,362	4,547,082	2,400,673	2,257,340
Total Pledged Revenues	106,419,257	114,035,421	120,117,167	125,219,146	136,128,717	146,124,469	151,627,006	155,184,949	170,353,386	191,409,417
Senior Lien Debt Service Requirements										
Principal (2)	665,000	2,010,000	2,020,000	2,085,000	2,165,000	2,361,806	2,265,000	2,475,000	2,535,000	2,610,000
Interest (2)	1,065,571	1,708,383	1,642,083	1,567,808	1,483,533	1,385,086	1,232,635	1,157,476	1,091,061	1,004,220
Total Senior Lien Debt Service Requirements	\$ 1,730,571	\$ 3,718,383	\$ 3,662,083	\$ 3,652,808	\$ 3,648,533	\$ 3,746,892	\$ 3,497,635	\$ 3,632,476	\$ 3,626,061	\$ 3,614,220
Estimated Coverage	61.49	30.67	32.80	34.28	37.31	39.00	43.35	42.72	46.98	52.96
Other Excise Tax and State Shared Revenue Debt Obligations (3)										
Net Pledged Revenues from above (4)										
	\$ 104,688,686	\$ 110,317,038	\$ 116,455,084	\$ 121,566,339	\$ 132,480,184	\$ 142,377,577	\$ 148,129,371	\$ 151,552,473	\$ 166,727,325	\$ 187,795,197
Additional Pledged Revenues (5)	9,927,436	10,861,145	11,334,889	12,231,059	12,939,338	13,977,877	15,203,014	16,080,887	17,469,832	19,363,508
Total	114,616,122	121,178,183	127,789,973	133,797,398	145,419,522	156,355,454	163,332,385	167,633,360	184,197,157	207,158,705
Debt Service Requirements										
Principal	2,095,000	2,185,000	2,285,000	2,385,000	2,490,000	2,665,000	3,015,000	3,065,000	3,130,000	3,195,000
Interest	1,803,588	1,730,263	1,648,325	1,545,500	1,438,175	1,114,408	507,374	447,978	387,598	325,937
Total Annual Requirements	\$ 3,898,588	\$ 3,915,263	\$ 3,933,325	\$ 3,930,500	\$ 3,928,175	\$ 3,779,408	\$ 3,522,374	\$ 3,512,978	\$ 3,517,598	\$ 3,520,937
Estimated Coverage	29.40	30.95	32.49	34.04	37.02	41.37	46.37	47.72	52.36	58.84

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

Table XXII

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Gross Revenue (1)	\$ 52,680,761	\$ 54,515,296	\$ 52,770,260	\$ 60,010,324	\$ 64,032,933	\$ 69,512,706	\$ 69,682,089	\$ 72,892,452	\$ 78,379,187	\$ 75,671,386
Operating and Maintenance Expenses (2)	28,974,990	30,942,736	35,326,061	33,060,448	35,787,927	38,664,295	39,616,866	47,802,256	49,575,457	61,522,222
Net Revenue Available for Debt Service	<u>23,705,771</u>	<u>23,572,560</u>	<u>17,444,199</u>	<u>26,949,876</u>	<u>28,245,006</u>	<u>30,848,411</u>	<u>30,065,223</u>	<u>25,090,196</u>	<u>28,803,730</u>	<u>14,149,164</u>
Development Fee Revenue	3,205,623	4,311,153	4,418,565	5,116,972	6,268,689	6,034,425	6,529,816	6,911,813	9,163,448	6,932,135
Total Net Revenue	<u>26,911,394</u>	<u>27,883,713</u>	<u>21,862,764</u>	<u>32,066,848</u>	<u>34,513,695</u>	<u>36,882,836</u>	<u>36,595,039</u>	<u>32,002,009</u>	<u>37,967,178</u>	<u>21,081,299</u>
Debt Service Requirements										
Principal (3)	8,776,254	9,007,117	9,210,038	9,456,159	10,635,513	10,983,985	12,431,144	11,433,344	52,166,353	8,304,058
Interest (4)	3,579,904	3,343,413	3,097,542	3,026,940	2,621,761	2,567,632	2,001,074	1,683,084	1,597,208	1,862,828
Total Debt Service Requirements	<u>\$ 12,356,158</u>	<u>\$ 12,350,530</u>	<u>\$ 12,307,580</u>	<u>\$ 12,483,099</u>	<u>\$ 13,257,274</u>	<u>\$ 13,551,617</u>	<u>\$ 14,432,218</u>	<u>\$ 13,116,428</u>	<u>\$ 53,763,561</u>	<u>\$ 10,166,886</u>
Ratio of Total Net Revenue/ Total Bond Expense	2.18	2.26	1.78	2.57	2.60	2.72	2.54	2.44	0.71	2.07
Ratio of Net Available/ Total Bond Expense (5)	1.92	1.91	1.42	2.16	2.13	2.28	2.08	1.91	0.54	1.39

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

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

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

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

(5) Excludes Development Fee Revenue.

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

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

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

Table XXIII

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Pledged Revenues (1)	\$ 1,484,283	\$ 1,259,303	\$ 1,168,526	\$ 1,078,196	\$ 2,787,558	\$ 2,130,000	\$ -	\$ -	\$ -	\$ -
Debt Service Requirements										
Principal	1,140,000	325,000	340,000	355,000	370,000	2,130,000	-	-	-	-
Interest (2)	222,820	149,600	135,788	121,338	106,250	90,825	-	-	-	-
Total Annual Requirements	<u>\$ 1,362,820</u>	<u>\$ 474,600</u>	<u>\$ 475,788</u>	<u>\$ 476,338</u>	<u>\$ 476,250</u>	<u>\$ 2,220,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Estimated Coverage	1.09	2.65	2.46	2.26	5.85	0.96	-	-	-	-

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

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

Source: City financial records
Governmental Fund Financial Statements

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

Table XXIV

	Fiscal Year									
	<u>2013</u>	<u>2014 (3)</u>	<u>2015 (4)</u>	<u>2016 (5)</u>	<u>2017 (6)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Current Assessments Due	\$ 1,213,646	\$ 455,116	\$ 381,761	\$ 381,950	\$344,741	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments Collected	1,213,646	455,116	381,761	381,950	344,741	-	-	-	-	-
Prepaid Assessments Collected	-	675,958	-	-	1,809,173	-	-	-	-	-
Total Assessments Collected (1)	<u>\$ 1,213,646</u>	<u>\$ 1,131,074</u>	<u>\$ 381,761</u>	<u>\$ 381,950</u>	<u>\$2,153,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ratio of Current Collections to Amount Due	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A	N/A	N/A	N/A
Outstanding Assessment Principal (2)	\$ 3,520,000	\$ 2,603,127	\$ 2,326,112	\$ 2,036,876	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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

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

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

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

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

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

Source: City financial records and reports

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

Table XXV

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Age (4)</u>	<u>Public School Enrollment (5)</u>	<u>Unemployment Rate (6)</u>
2012	155,326	5,773,623	37,171	39.4	35,095	7.1%
2013	156,354	5,942,390	38,006	38.3	35,231	6.8%
2014	157,770	6,112,799	38,745	40.2	34,952	6.0%
2015	160,431	6,392,534	39,846	40.5	34,897	5.0%
2016	164,212	6,701,656	40,811	36.9	34,966	4.9%
2017	168,192	7,100,730	42,218	41.6	34,912	4.2%
2018	172,263	7,596,109	44,096	41.0	35,388	4.0%
2019	175,961	7,759,176	46,125	39.5	35,490	4.3%
2020	190,985	8,809,183	48,065	38.2	35,784	9.3%
2021	194,517	9,349,460	51,851	38.5	34,030	6.6%
2022	194,517 (7)	10,085,901	NA	42.7	34,495	3.4%

- (1) City population for the most current year based on Maricopa Association of Government (MAG) estimates and prior year data is from the U.S. Census.
- (2) Peoria personal income calculated by multiplying Phoenix Metropolitan Statistical Area (MSA) per capita income times Peoria population divided by 1,000. Current year calculated by multiplying current year population by prior year per capital personal income.
- (3) Bureau of Economic Analysis - Phoenix Metropolitan Statista Area (MSA)
- (4) US Census Bureau - American Community Surveys
- (5) Arizona Department of Education
- (6) US Bureau of Labor Statistics
- (7) Population for fiscal year 2022 was taken from the most recent U.S. Census estimates for fiscal year 2021 because it is the most updated and accurate population count as of fiscal year 2022.

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

Table XXVI

Employer	2022			2013		
	# of Employees	Rank	Percentage of Total City Employment	# of Employees	Rank	Percentage of Total City Employment
Peoria Unified School District	4,364	1	4.7%	3,008	1	4.0%
City of Peoria	1,349	2	1.5%	1,132	2	1.5%
Walmart (Multiple Locations)	1,030	3	1.1%	-		0.0%
Fry's Food Stores (Multiple Locations)	880	4	0.9%	-		0.0%
Taronis Fuels	450	5	0.5%	-		0.0%
Target Stores Inc (Multiple Locations)	390	6	0.4%	-		0.0%
McDonalds (Multiple Locations)	330	7	0.4%	-		0.0%
Banner Health	300	8	0.3%	-		0.0%
Plaza Del Rio Campus/Freedom Plaza & Care Center	340	9	0.4%	527	3	0.7%
Home Depot (Multiple Locations)	330	10	0.4%	-	4	0.0%
The Younger Brothers Group Inc				588	6	0.8%
Immanuel Campus of Care				340	7	0.5%
The Antigua Group Inc				297	8	0.4%
Northern Pipeline				284	9	0.4%
Forum at Desert Harbor				170	10	0.2%
Total	10,083		10.9%	6,684		8.9%
 Total City Employment	 92,638			 75,258		

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government										
City Manager	16.00	16.00	16.00	16.00	18.00	18.00	18.00	19.00	19.00	19.00
Office of Communications	8.00	8.00	8.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00
Human Resources	17.50	17.50	17.50	19.00	19.00	20.00	20.50	21.50	21.50	21.50
Attorney	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	27.00
City Clerk	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00
Court	20.90	20.90	20.90	20.90	20.90	20.90	20.90	20.90	20.90	21.45
Economic Development***	26.00	28.00	30.50	31.50	8.00	8.00	7.00	7.00	7.00	7.00
Finance & Budget	80.75	80.00	80.00	79.00	79.00	80.00	79.00	78.00	78.00	79.00
Culture & Recreation	111.97	115.97	115.97	119.22	121.47	121.20	145.78	155.80	155.80	188.10
Police	288.00	292.00	292.00	295.00	299.00	306.00	303.00	304.00	305.00	308.00
Fire	167.50	168.50	168.50	175.50	194.50	194.50	212.00	220.00	220.00	236.00
Community Development	12.50	13.50	14.00	15.00	16.00	16.00	12.92	13.00	13.00	13.00
Development and Engineering**	33.25	33.25	33.25	33.25	65.00	65.00	67.25	67.00	67.00	70.00
Highways & Streets	38.80	38.80	38.80	38.80	38.80	38.80	38.80	39.80	39.80	40.8
Public Works	57.95	57.95	57.95	57.95	57.95	57.95	58.95	58.95	58.95	57.95
Human Services	7.50	7.50	7.50	7.50	7.50	7.50	9.50	9.50	9.50	10.50
Water Utility	55.50	55.50	55.50	55.50	58.50	58.50	61.50	63.50	69.50	72.50
Wastewater Utility	29.50	29.50	29.50	31.50	32.50	32.50	33.50	34.50	35.50	35.50
Solid Waste Utility	45.00	45.50	45.50	49.50	53.25	56.25	58.25	61.00	61.00	62.00
Information Technology	39.00	40.00	40.00	41.00	42.00	42.00	42.00	43.00	45.00	45.00
Stadium	16.50	17.50	17.50	17.50	18.50	18.50	18.50	18.50	18.50	17.96
Total FTE*	<u>1,105.12</u>	<u>1,118.87</u>	<u>1,121.87</u>	<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>

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
General Government										
Registered Voters in City	87,432	89,604	87,541	93,916	101,881	102,460	109,073	113,282	124,458	118,397
Voter Participation (last election)	23.7%	24.9%	31.3% ^(F)	N/A	76.7%	N/A	36.48%	41.33%	83.87%	N/A
Culture & Recreation										
Recreation Participants	134,045	122,318	120,232	104,544	109,220	112,802	116,696	64,170	11,976	18,672
New Recreation Accounts	5,396	5,533	5,483	5,166	5,396	5,029	4,344	2,255	4,325	6,610
Special Event Participants	73,800	74,950	79,550	71,300	102,938	95,822	88,348	107,120	5,706	102,775
Police										
Calls for Service	54,159	52,193	47,612	53,256	55,136	53,574	51,127	51,081	51,162	55,197
Avg Response Time (minutes)	4.52 ^(C)	4.39 ^(C)	4.55 ^(C)	5.13 ^(C)	5.40 ^(C)	5.33 ^(C)	5.28	5.23	5.36	5.47
Fire										
Number of Incidents	18,719	19,312	20,873	23,824	23,726	24,932	23,752	25,066	25,559	24,859
Avg Response Time (minutes)	5.14	5.30	5.24	5.38	5:16 ^(A)	5:24 ^(A)	5:25 ^(A)	5:47 ^(A)	5:51 ^(A)	5:36 ^(A)
Development Services										
Building Permits Issued	3,625 ^(D)	3,993 ^(D)	4,534 ^(D)	5,818 ^(D)	6,336 ^(D)	6,231 ^(D)	5,701 ^(D)	5,795 ^(D)	6,764 ^(D)	6,151
Value of Building Permits (millions \$)	\$169.0	\$188.3	\$221.1	\$311.9	\$393.3	\$355.0	\$382.1	\$307.7	\$298.3	\$313.0
Highways & Streets										
Asphalt Used (in tons)	3,122	2,227	2,302	1,289	1,930	1,566	1,394	2,189	2,496	1,174
Centerline Miles Swept	6,143	5,660	4,968	4,118	6,199	5,052	6,405	7,205	8,555	8,363
Miles Inspected	187	205	211	296	1,551 ^(G)	0 ^(G)	0 ^(G)	867 ^(G)	0 ^(G)	0 ^(G)
Public Works										
Number of Vehicle Work Orders	5,899	5,464	5,493	5,558	5,732	5,416	5,592	5,385	4,957	4,821
Human Services										
Number of Dial-a-Ride users	830	836	850	749	585	599	599	387	399	425
Number of Annual Trips	32,101	33,308	30,212	30,756	27,241	28,033	22,954	22,257	15,987	21,878
Business-type Activities										
Water Utility ^(E)										
Annual Consumption (000's gal)	8,405,929	8,662,507	8,090,136	8,650,664	9,488,059	9,950,302	9,630,290	9,660,709	10,661,260	10,197,595
Wastewater Utility										
Wastewater Treated (billion gal)	3.64	3.69	3.74	3.78	3.87	3.98	4.13	4.21	4.29	4.36
Solid Waste Utility										
Residential Tonnage Processed	47,717	47,987	51,666	52,593	54,967	55,757	59,819	64,283	67,087	68,856
Commercial Tonnage Processed	20,561	21,176	25,227	23,309	20,895	20,974	16,748	19,165	18,066	17,691
Recycle Tonnage Processed	15,184	15,155	16,077	16,447	16,698	17,109	16,859	16,047	17,729	17,417
Stadium										
Spring Training Attendance	196,881	192,513	238,847	240,111	227,646	201,272	180,190	93,932	51,067	78,928
Sporting Rentals Days	290	322	297	339	333	335	340	245	255	207
Non-Sporting Rentals Days	143	146	151	204	210	196	182	133	105	112

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

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

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

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

^(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
LAST TEN FISCAL YEARS

Table XXIX

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</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	33	33	34	34	34	34	34	34	35	36
Total Neighborhood Park Acreage	294	294	305	301	301	301	301	301	311	314
# of Community Parks	1	2	2	2	2	2	2	2	3	3
Total Community Park Acreage	52	139	139	139	139	139	139	139	225	225
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol Vehicles (units)	86	88	88	90	91	92	98	105	106	108
Fire										
Stations (full-time / part-time)	7/1	7/1	7/1	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	7	7	7	8
Number of Ladder Trucks	2	2	2	2	2	2	2	2	2	2
Highways & Streets										
Streets (miles maintained)	622	1452 ^(A)	1505 ^(A)	1,534	1,551	1,559	1,579	1,596	1,604	1,635
Crack Seal Application (linear feet)	*	1,165,460	1,156,722	2,144,476	2,007,173	3,381,554	2,447,248	3,670,620	3,434,915	3,587,669
Surface Treatments (lane miles)	*	88	96	60	99	153	136 ^(D)	119	120	145
Public Works										
Street Lights	15,006	14,786	14,945	15,565	15,722	15,973	16,152	16,493	16,896	17,235
Vehicles in Fleet	714	738	732	778	795	840	842	878	953	969
Water Services										
Number of Pump Stations	*	25	25	30	30	30	27	30	27	27
Number of Lift Stations	*	15	14	13	13	13	11	13	14	14
Number of Wells	*	38	40	46	47	47	24	47	47	47
Number of Reservoirs	*	30	30	33	33	33	22	33	34	34
Human Services										
Dial-a-Ride Buses	7	6	5	5	5	5	6	4	6	6
Business-type Activities										
Water Utility										
Number of Water Accounts	49,516	50,399	51,405	55,558	57,011	58,061	59,185	60,705	62,083	63,357
Storage Capacity (million gal)	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Wastewater Utility										
Number of Wastewater Accounts	52,674	53,548	54,599	56,235	57,909	59,499	60,913	62,617	63,924	65,169
Treatment Capacity million gallon per day	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	50,727	51,609	52,640	54,262	55,828	57,452	58,816	60,123	61,332	62,575
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.

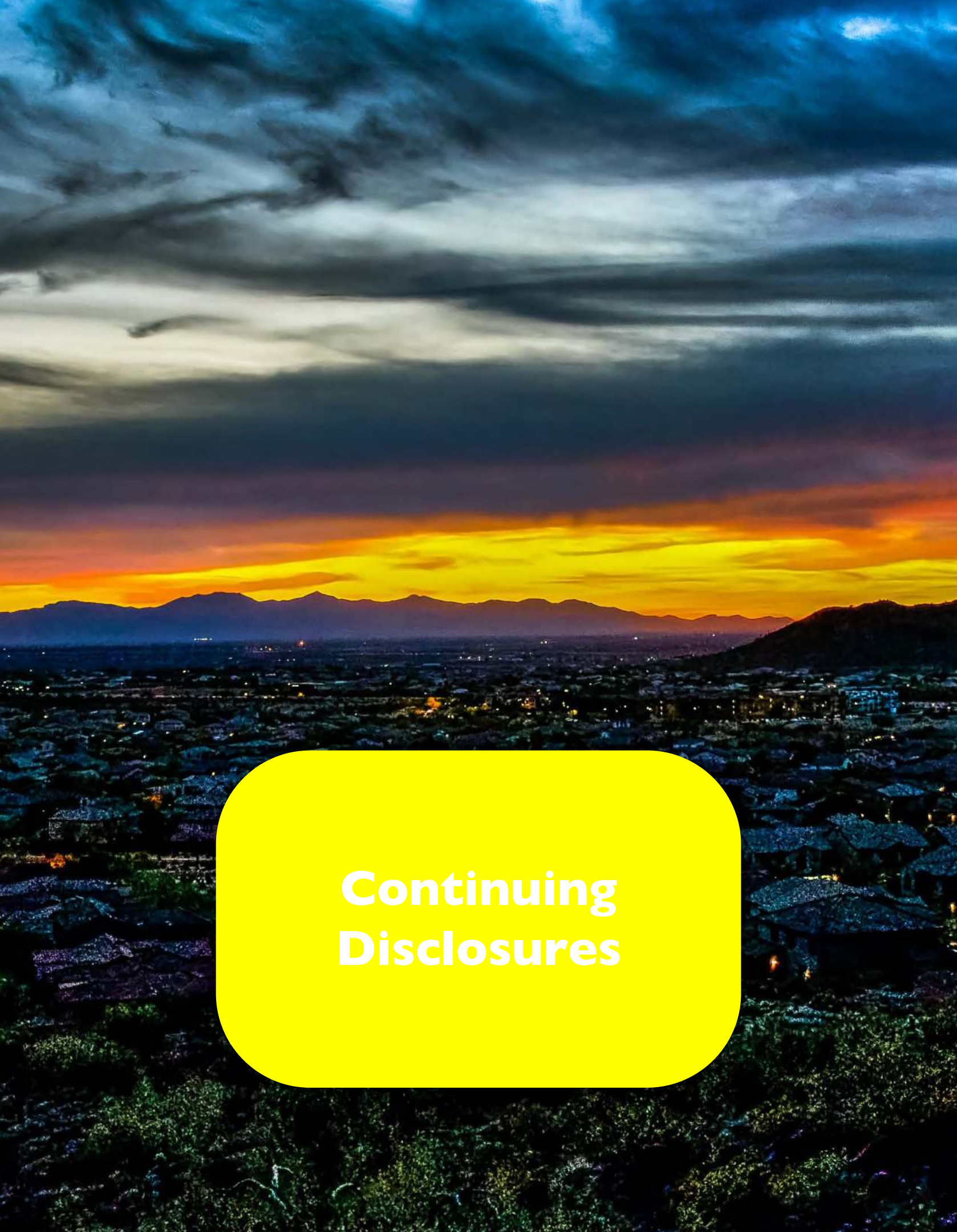
^(A) Measurement changed from center-lane miles to lane miles in FY14.

^(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

An aerial photograph of a city at sunset. The sky is filled with dramatic, dark clouds, with a bright orange and yellow glow from the setting sun. The city below is illuminated with lights, and a range of mountains is visible in the distance. A large, rounded yellow rectangle is overlaid on the lower half of the image, containing the text "Continuing Disclosures" in white.

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, 2022

Audited Financial Statements

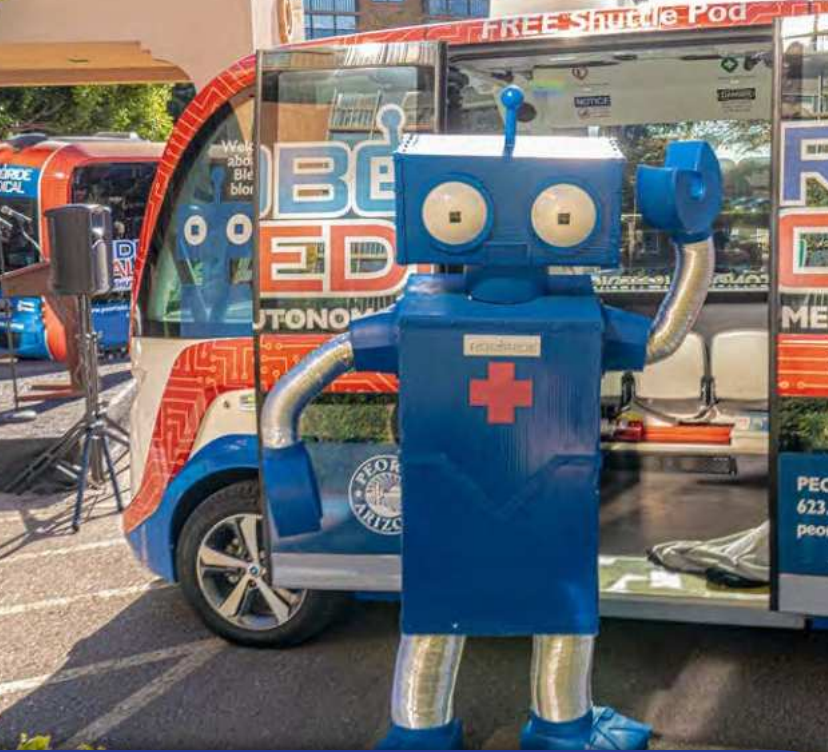
The City's Annual Comprehensive Financial Report for fiscal year ended June 30, 2022, is included as part of this submittal.

Other Financial Information

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

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

	<u>Statistical Section</u>	<u>Page</u>
<u>General Obligation Bonds (CUSIP 712838)</u>		
Assessed values by property classification	Table VIII	129
Comparison of assessed value to full cash value	Table VIII	129
Comparative assessed values	Table IX	130
Direct and overlapping assessed values	Table XVII	140
Direct and overlapping tax rates	Table X	131
Property tax levies and collections	Table XIII	134
Direct and overlapping general obligation bonds	Table XVII	140
Direct general obligation debt ratios	Table XVI	139
Legal debt margin and unused borrowing capacity	Table XX	143
<u>Water and Wastewater Revenue Bonds (CUSIP 712851)</u>		
Net revenues and debt service coverage	Table XXII	145
Number of utility service connections	Table XIVa	135
Ten largest water users	Table XIVc	137
<u>Municipal Development Authority Bonds (CUSIP 71284R and 71285A)</u>		
Excise tax and state shared revenues and debt service coverage	Table XXI	144
Privilege and use tax rates by category	Table VI	127
Annual debt service requirements	Table XXI	144
<u>Improvement District Bonds (CUSIP 712844)</u>		
Legal debt margin and unused borrowing capacity	Table XX	143
Assessed values by property classification	Table VIII	129
Property tax levies and collections	Table XIII	134
Special assessment collections	Table XXIV	147



City of Peoria

FINANCE AND BUDGET DEPARTMENT

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Peoria, Arizona 85345

www.peoriaaz.gov

