



City of Peoria, Arizona

FY23 Annual Comprehensive Financial Report (ACFR)

Fiscal Year Ended June 30, 2023



Annual Comprehensive Financial Report

For Fiscal Year Ended
June 30, 2023



City of Peoria, Arizona

City Council

Jason Beck, *Mayor*
Denette Dunn, *Vice Mayor*
Jon Edwards, *Mayor Pro-Tem*
Jennifer Crawford, *Councilmember*
Michael Finn, *Councilmember*
Bill Patena, *Councilmember*
Brad Schafer, *Councilmember*

Administrative Staff

Henry Darwin, *City Manager*
Kevin Burke, *Deputy City Manager*
Travis Cutright, *Deputy City Manager*
Mike Faust, *Deputy City Manager*

Prepared By

Finance Department
Sean Kindell, *Chief Financial Officer*
Peter Christensen, *Deputy Finance Director*



City of Peoria Core Values

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

P Professional

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

E Ethical

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

O Open

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

R Responsive

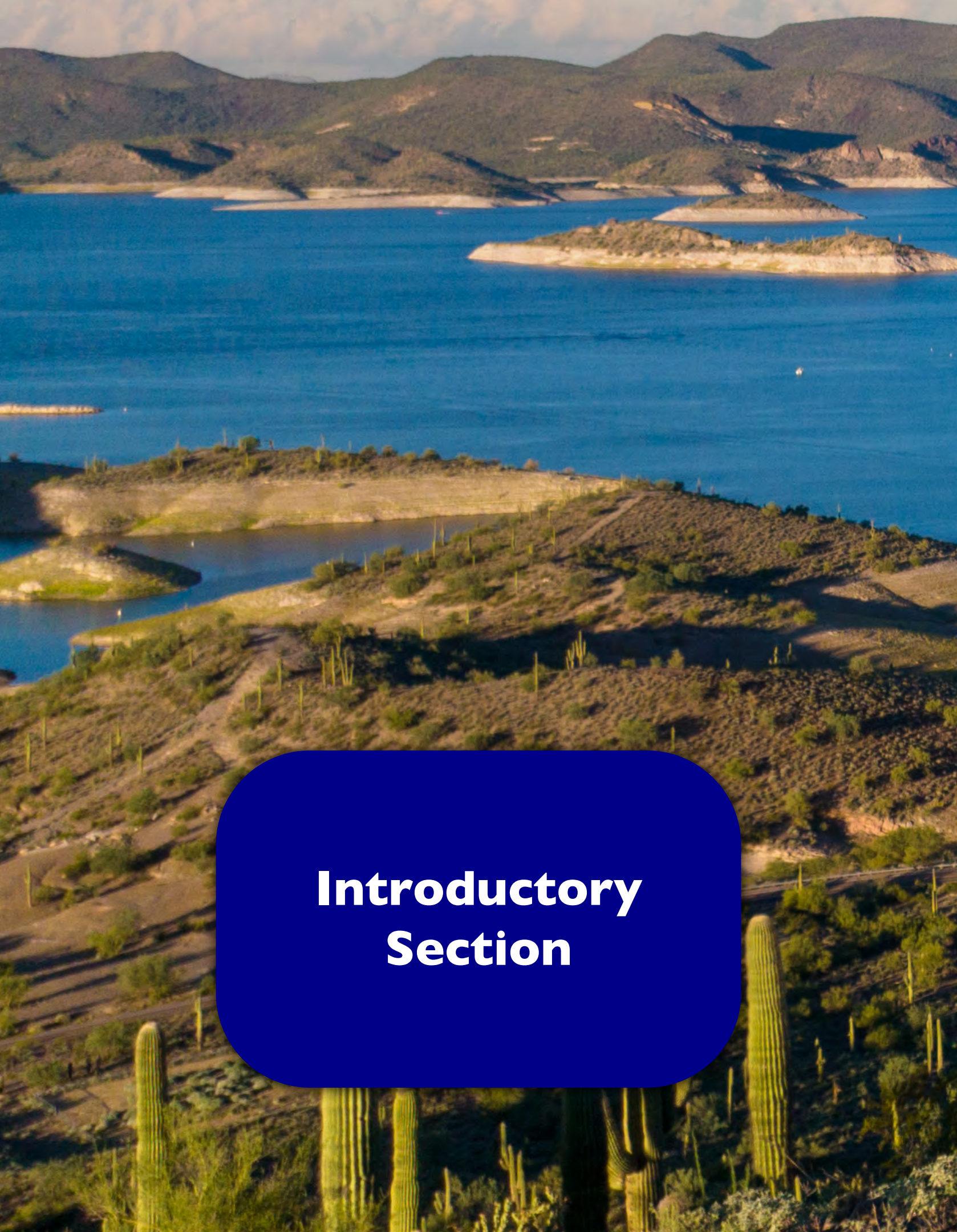
Consistently emphasizes and supports customer service; takes responsibility to respond to all customers in a prompt, efficient, friendly, and patient manner; represents the City in an exemplary manner with civic groups/organizations and the public.

I Innovative

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

A Accountable

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

A scenic landscape featuring a large blue lake, desert hills with saguaro cacti, and mountains in the background. The foreground shows a desert hillside with several tall saguaro cacti and sparse vegetation. A winding road is visible on the hillside. In the middle ground, a large blue lake stretches across the frame, with several small islands and peninsulas. The background consists of rolling mountains under a clear sky.

Introductory Section

CITY OF PEORIA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2023

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City of Peoria

FINANCE DEPARTMENT Financial Services

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January 23, 2024

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, 2023. 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. The most recent estimate of Peoria's population is 199,424. 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 third community park, Paloma Community Park, opened in October, 2020. Similar to the Rio Vista and Pioneer parks, the Paloma Community Park offers residents a wide range of recreational activities including a huge fishing lake, large multipurpose fields, pickleball courts and other amenities. The City also has a performing arts center with a 250-seat main auditorium, 80-seat black box theater, and classroom and administrative space in the downtown area. Another attraction of the City is Lake Pleasant, in northern Peoria's Lake Pleasant Regional Park. This 10,000 acre lake is the second largest lake in Arizona, providing residents and visitors with boating, fishing, camping and other outdoor recreation activities.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Peoria's population growth continues to be strong with an estimated increase of 45,359 or 29.4% since the 2010 census. Maricopa County continued to lead the nation with the largest population gain, 56,831 residents, in 2022. 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 as evidenced by the recent announcement of the semiconductor packaging and testing company Amkor who will be investing \$2 billion and hiring 2,000 employees in Peoria in the next few years

The City issued 245 new single family residential building permits in fiscal year 2023, a decrease of 75% versus the prior year as the housing market continued to slow. Per the Case-Schiller Home Price index, house prices decreased in the Phoenix metropolitan area during the first six months of fiscal year 2023, but have been rising every month since January 2023. The City's total property full cash value, which lags the market, increased by 27.7% from \$26.4 billion in 2022-23 to \$33.7 billion in 2023-24.

The unemployment rate in Peoria at October 2023 was 3.6% outperforming both Arizona, 4.4%, and the U.S. rate, 3.9%. The City's sales and use tax collections in fiscal year 2023 totaled \$130.7 million, a 4.1% increase from the \$125.6 million in the prior year.

Economic Outlook

The economic outlook for fiscal year 2024 is mixed. Key economic indicators such as unemployment and job growth remain strong. However, local and state sales tax growth slowed considerably in fiscal year 2023 and indications early in fiscal year 2024 are that the growth will slow even more. This is in part due to the reduction in inflation rates which were driving some of the sales tax growth. As noted above, home values dropped in the first half of fiscal year 2023, but are rising again. This is tempered by reduced new home construction as high interest rates have affected the housing market. State shared income tax,

which lags actual tax collections by two years, will hit an all time high in fiscal year 2024 before expected reductions in fiscal years 2025 and 2026 as the City sees the full impact of the State's flat tax. Peoria's diversified economy with no heavy dependence on any particular industry appears to be weathering the negative indicators thus far. Due to an historic conservative budgeting approach, Peoria is well positioned to address a slowing economy without a reduction of City services and will continue to take a cautious approach moving forward in the light of the uncertain economic indicators.

MAJOR PROJECTS AND INITIATIVES

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

WATER SECURITY

Colorado River Water Reductions

The federal government declared a Tier 2a water supply shortage on the Colorado River for calendar year 2023. This reduced Peoria's water allocation from the river a negligible 1-2%. 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. After a very strong winter snow season in the Colorado River Basin, in August 2023 the Bureau of Reclamation announced that the Colorado River system will revert to a Tier 1 shortage for Calendar Year 2024. Under a Tier 1 shortage, the City will not have any reductions to the water allocation.

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

Although the Colorado River water supply improved in the past year, the drought situation continues and the City is taking steps to mitigate the impact of potential future shortages. One way to do this is to prepare the infrastructure to utilize the water that has been stored for delivery to customers. To this end, the City has committed over \$60 million, including \$10 million pledged by the State, to the construction of a wellfield and pumping station near Lake Pleasant Parkway and the Central Arizona Project canal. This project will assure residents and businesses in North Peoria of continued water supply in the event of curtailments or outages in Colorado River water supply.

Expansion of Reclaimed Water Service

The fiscal year 2024 ten year capital improvement program includes over \$70 million to expand and improve the City's reclaimed water network. By expanding this network the City will be able to deliver reclaimed water to more customers for parks, golf courses, landscaping and some commercial uses which will reduce the demand on new water supplies.

Treatment Facility Expansions

The fiscal year 2024 ten year capital improvement program includes over \$95 million for expansions at the Beardsley and Jomax Water Reclamation Facilities. These expansions will provide the capacity needed as the City continues to grow.

Turf Reduction

The City has committed to a turf reduction program which will remove non-programmable turf (on hill sides or sloped areas) from City parks thereby reducing the water requirements without reducing the functionality of the parks. The total project cost is \$3.2 million with \$2.5 million being provided by a grant from the Arizona Water Infrastructure Finance Authority.

PUBLIC SAFETY

School Resource Officers

In June 2023 the City Council approved an amendment to the intergovernmental agreement with Peoria Unified School District to assign four school resource officers (SRO) to support elementary schools within the district. The City already had in place an agreement for SROs to be assigned to the Peoria, Sunrise Mountain, Centennial and Liberty High Schools on the district. The amendment provides an additional four SROs who will each work a variety of elementary schools in the district. The officers participate in educational programs as well as assisting school administrators in investigating and addressing school related criminal activities.

New Facilities and Equipment

The City has secured a site near Vistancia Boulevard and Twin Buttes Road to construct a joint public safety facility that will house a fire station and a police substation. The facility will provide better emergency response times to the surrounding communities.

The City is planning to create and equip a real-time crime center. The real-time crime center uses technology to capture camera feeds from traffic cameras and various businesses that the City contracts with to provide real-time situational information to police officers responding to calls. The Mayor secured a \$2.7 million earmark from the state legislature to assist in paying for this new service.

The City received \$1.5 million in funding from the State to replace a Police Command Vehicle. Additionally, the City will be using approximately \$2.5 million to purchase a new Utility Vehicle and Water Tender for the Fire Department. The Utility Vehicle will provide scene support, lighting, hydration, a refill station for Self-Contained Breathing Apparatus (SCBA) bottles and an air-conditioned rehab area for emergency personnel, including Police officers, on working incidents. The 3000 gallon Water Tender will be at Lake Pleasant Station 199 for wildland and structural firefighting in the northern portion of the city where fire hydrants are limited or non-existent.

Pension Liabilities Reduction

The City of Peoria made a conscious effort to reduce the unfunded liabilities associated with both its Police and Fire pension plans. Both plans are governed and managed by the Arizona Public Safety Personnel Retirement System (PSPRS). Consistent with the city's Pension Funding Policy, the Mayor and City Council approved a lump sum payment in FY23 above the Annual Required Contribution (ARC) of \$6 million. Under the Pension Funding Policy the City has kept its public safety pension contribution rates the same as in fiscal year 2022 despite the ARC being lowered due to additional payments being made. Peoria must reach 100% funding by 2036. With these efforts, the City is projecting achieving full funding in approximately 2031.

Police Aviation Unit

As the City continues to grow, additional police and fire resources are required to meet the needs of the citizens. To better serve the public, the Peoria Police Department is creating an aviation unit. The unit will expand law enforcement capabilities, search and rescue capabilities, and firefighting services, and increase response times throughout the city. City Council approved the purchase of a helicopter and the lease of a hangar at Glendale Airport to house the aviation unit. The State provided \$3.5 million for the purchase of the helicopter.

ECONOMIC DEVELOPMENT

AMKOR Technology

Recently Amkor Technology announced that it had selected Peoria as the future home to the largest U.S.-based advanced semiconductor packaging and testing facility. The facility is expected to bring 2,000 jobs and \$2 billion in local investment. The first phase of the manufacturing plant is targeted for production to begin within the next two to three years.

Downtown Redevelopment

The City of Peoria has dedicated \$15 million dollars to renovate its historic downtown. Over the last decade, the City has acquired multiple properties, demolished dilapidated buildings and/or remediated contaminated sites. The area is now prepped for new construction and businesses. As such, the City has sought and acquired a restaurateur to operate in a to-be-constructed city building, hired CBRE to market the area, and soliciting an architect to assist with design themes. The Downtown Redevelopment project also includes renovation of a historic schoolhouse with the intention of becoming an Arts & Culture center.

New Industrial Space

Peoria is experiencing a spurt in new industrial buildings primarily in the southern portion of the City. These are being rapidly filled with companies relocating from California, elsewhere in Valley, and expanding businesses.

INNOVATIVE GOVERNMENT

Office of Innovation

In fiscal year 2023 the City Manager created the office of innovation. This office works with departments to assess processes and policies and to seek out more effective and efficient ways of doing business. The office will also provide training on problem solving and continuous improvement. This office oversees performance measure management city-wide.

Performance Management

Peoria has always been a data driven City. New City Manager Darwin took the organization to another level. A centralized dashboard consisting of performance measures from every department is now reviewed monthly with the department directors. This provides an instantaneous operating report of the organization and leads to numerous questions and process reviews.

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 2022-23 was \$1,125,073,900. 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, 2023, 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, 2023, 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, 2022. This is the 38th 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,



Sean Kindell
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Peoria
Arizona**

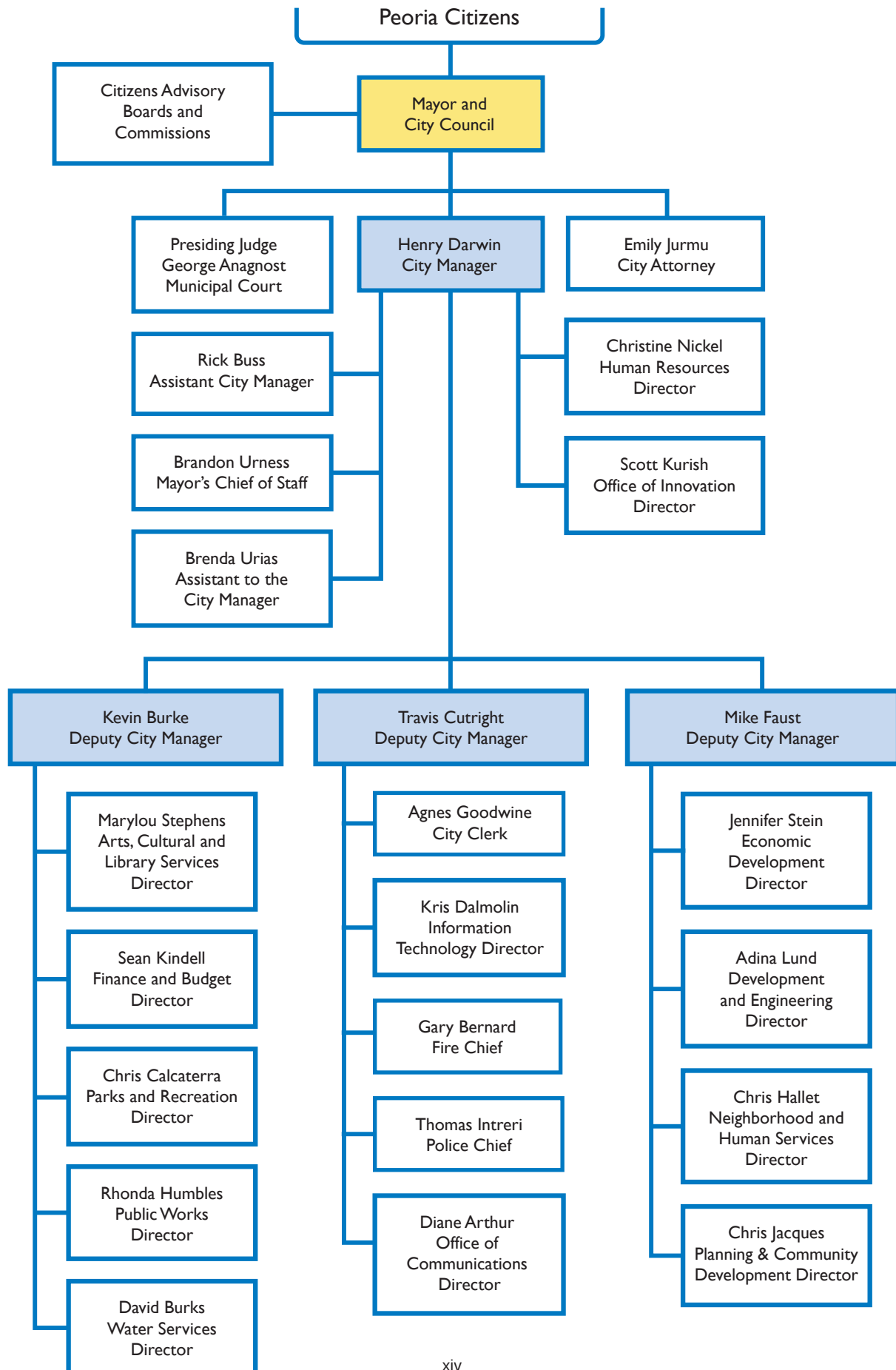
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

City of Peoria Organizational Chart





City of Peoria

Principal Officials of the City

Fiscal Year 2023

Jason Beck
Mayor

Denette Dunn
Vice Mayor

Jon Edwards
Mayor Pro Tem

Jennifer Crawford
Councilmember

Michael Finn
Councilmember

Brad Shafer
Councilmember

Bill Patena
Councilmember

Henry Darwin
City Manager

Kevin Burke
Deputy City Manager

Travis Cutright
Deputy City Manager

Mike Faust
Deputy City Manager

Marylou Stephens
Arts, Culture and Library Services Director

Emily Jurmu
City Attorney

Lori Dyckman
City Clerk

Diane Arthur
Director of Communications

Adina Lund
Development and Engineering Director

Jennifer Stein
Economic Development Services Director

Sean Kindell
Chief Financial Officer

Gary Bernard
Fire Chief

Christine Nickel
Human Resources Director

Kris Dalmolin
Information Technology 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

Rhonda Humbles
Public Works Director

David Burks
Water Services Director



City of Peoria Council Districts



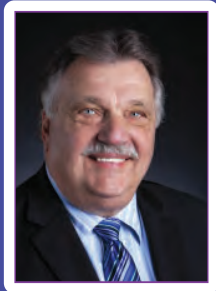
Mayor
Jason Beck



Vice Mayor
Denette Rae Dunn
Pine District



Mayor Pro Tem
Jon Edwards
Willow District



Councilmember
Bill Patena
Ironwood District



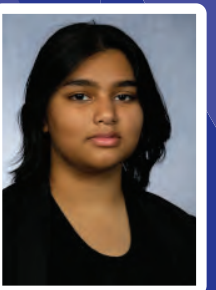
Councilmember
Jennifer Crawford
Acacia District



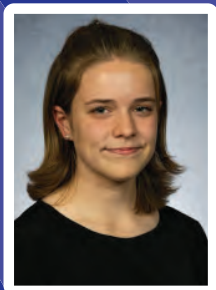
Councilmember
Brad Shafer
Mesquite District



Councilmember
Michael Finn
Palo Verde District

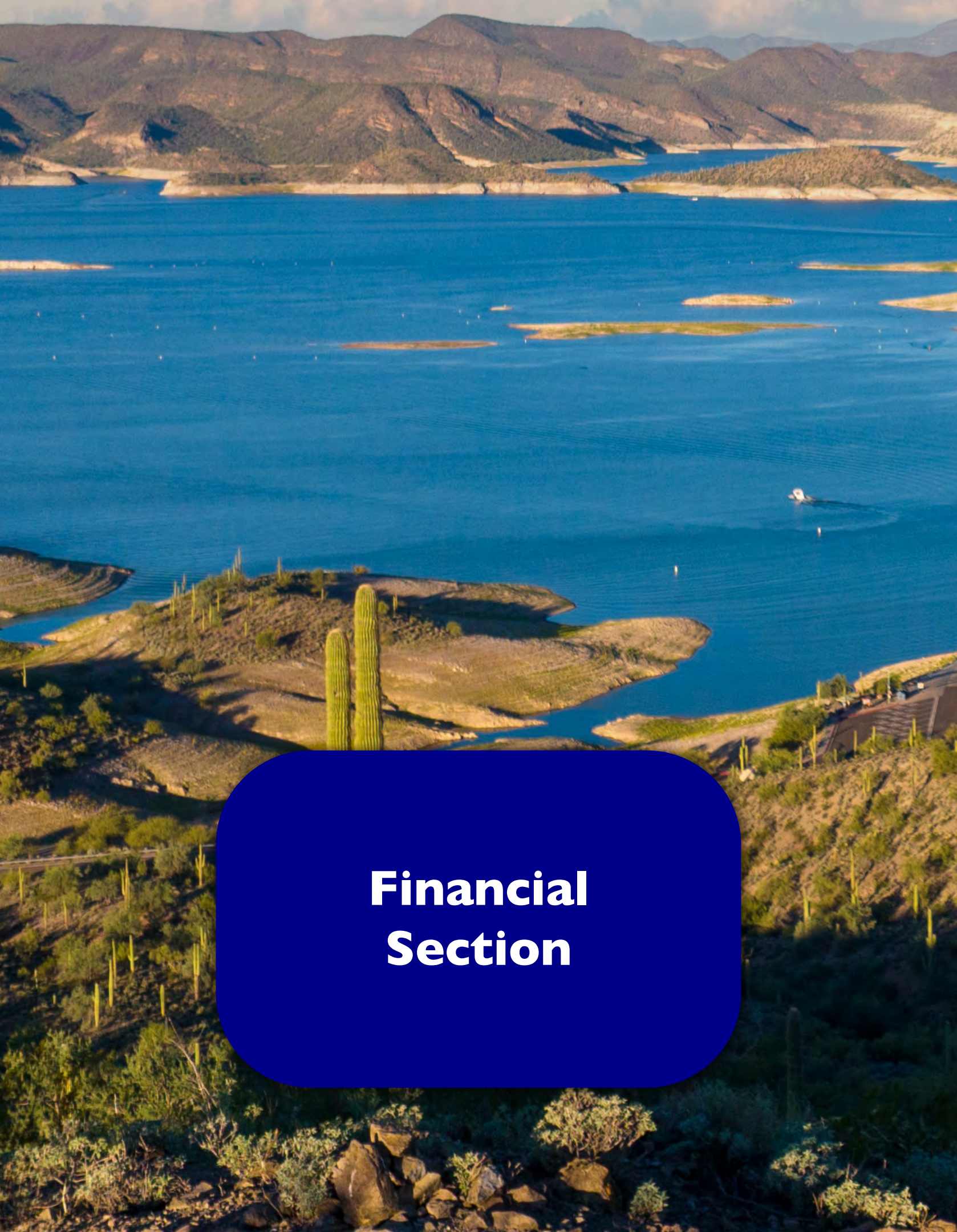


**Youth
Council Liaison**
Ana Shrivastava



**Youth
Council Liaison**
Alliyz Whetstine





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 of the City of Peoria, Arizona (City) as of and for the year ended June 30, 2023, 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, 2023, and the respective change in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, half-cent sales tax special revenue fund, highway user revenue special revenue fund, and transportation sales tax special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

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 January 23, 2024, 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
January 23, 2024

A photograph of a falcon perched on the top of a saguaro cactus. The cactus is green with prominent spines. In the background, there is a large body of water, likely a reservoir, with sandy and grassy islands. Beyond the water, there are rolling hills and mountains under a clear sky. The scene is captured in warm, golden-hour light.

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, 2023. 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.

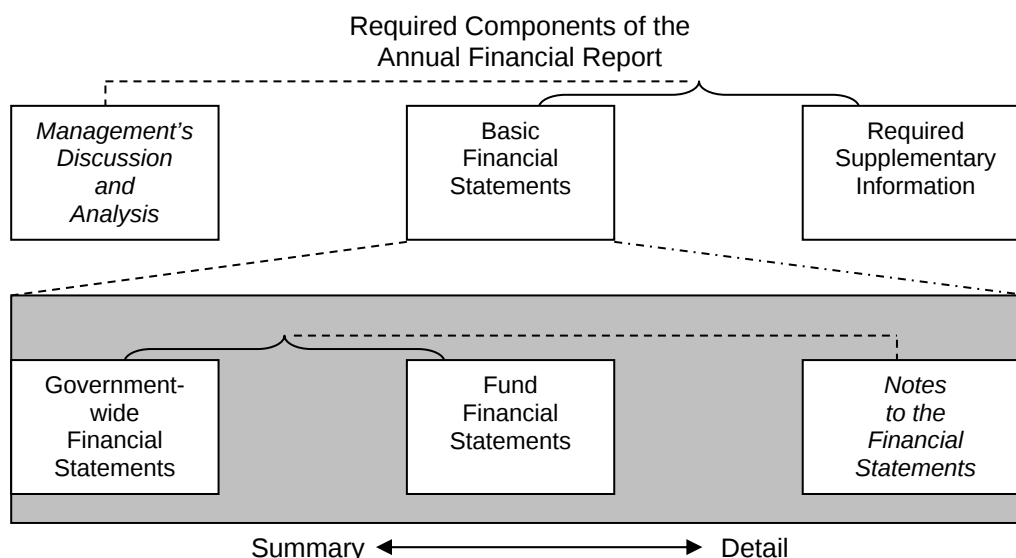
This discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter presented on pages v-xii of this report. It is designed to be read in conjunction with the transmittal letter as well as the financial statements and the accompanying notes to the financial statements. The 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 \$71.7 million, 4.2%, in fiscal year 2023, an increase of \$50.6 million, 5.3%, in governmental activities and an increase of \$21.1 million, 2.8%, in business-type activities.
- ◆ Total net position of the City is \$1,781.4 million, of which \$203.6 million is unrestricted.
- ◆ At June 30, 2023, total fund balance of the governmental funds was \$377.8 million, an increase of \$47.4 million from the previous year. Of this, \$126.2 million or 67.9% of General Fund expenditures for fiscal year 2023 was unassigned and available for spending at the government's discretion.
- ◆ General Fund revenues (on a budgetary basis) were higher than budgeted inflows by \$22.5 million for fiscal year 2023. Budgetary basis expenditures of the General Fund were 88.2% (\$26.5 million in savings) of the final budgeted expenditures as the City continued cost saving measures due to the uncertainty about future revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway User Revenue Fund, Transportation Sales Tax Fund, GO Bond Debt Service Fund, Development Fee Fund, and Non-Bond Capital Projects 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, 2023, 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, 2023, compared to the prior year.

	Statement of Net Position					
	As of June 30					
	(in millions of dollars)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 495.6	\$ 442.9	\$ 170.1	\$ 170.5	\$ 665.7	\$ 613.4
Capital assets	941.3	939.8	752.9	737.6	1,694.2	1,677.4
Total assets	1,436.9	1,382.7	923.0	908.1	2,359.9	2,290.8
Total deferred outflows of resources	56.3	79.5	3.6	4.6	59.9	84.1
Other liabilities	51.2	49.7	12.4	10.8	63.6	60.5
Long-term liabilities outstanding	431.2	412.9	125.0	129.8	556.2	542.7
Total liabilities	482.4	462.6	137.4	140.6	619.8	603.2
Total deferred inflows of resources	13.9	53.3	4.7	8.7	18.6	62.0
Net position:						
Net investment in capital assets	735.1	732.2	662.3	640.4	1,397.4	1,372.6
Restricted	147.1	133.0	33.3	48.9	180.4	181.9
Unrestricted	114.7	81.1	88.9	74.1	203.6	155.2
Total net position	\$ 996.9	\$ 946.3	\$ 784.5	\$ 763.4	\$ 1,781.4	\$ 1,709.7

The net position of the City increased \$71.7 million in fiscal year 2023. Net position of governmental activities increased \$50.6 million, while the business-type activities increased \$21.1 million. The 4.2% growth in net position reflects the strength of Peoria's economy and the City's efforts to control costs while providing valuable services to the public.

Net position consists of three components. The largest portion of net position, \$1,397.4 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 \$180.4 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 \$203.6 million. This category of net position may be used to meet the City's ongoing obligations to residents and creditors. Unrestricted net position is the balance of net position remaining after calculating the other two categories discussed above.

Changes in Net Position

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

Changes in Net Position						
As of June 30 (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program revenues:						
Fees, fines & charges for services	\$ 35.7	\$ 36.3	\$ 108.7	\$ 100.8	\$ 144.4	\$ 137.1
Operating grants and contributions	29.9	26.2	-	-	29.9	26.2
Capital grants and contributions	15.4	36.5	18.0	19.9	33.4	56.4
General revenues						
Property taxes	34.0	31.4	-	-	34.0	31.4
Sales and use taxes	131.0	125.5	-	-	131.0	125.5
Franchise taxes	5.2	5.0	-	-	5.2	5.0
State shared sales tax	28.8	26.8	-	-	28.8	26.8
Urban revenue sharing	37.0	24.8	-	-	37.0	24.8
Auto-in-lieu taxes	9.7	8.3	-	-	9.7	8.3
Investment earnings(losses)	6.4	(6.6)	3.0	(3.0)	9.4	(9.6)
Miscellaneous	3.6	3.6	-	-	3.6	3.6
Total revenues	<u>336.7</u>	<u>317.8</u>	<u>129.7</u>	<u>117.7</u>	<u>466.4</u>	<u>435.5</u>
EXPENSES:						
Program activities:						
Governmental activities:						
General government	37.3	29.3	-	-	37.3	29.3
Culture and recreation	45.0	39.0	-	-	45.0	39.0
Public safety	108.7	95.6	-	-	108.7	95.6
Development services	6.8	7.2	-	-	6.8	7.2
Highways and streets	51.9	59.8	-	-	51.9	59.8
Public works	8.6	7.5	-	-	8.6	7.5
Human services	4.9	3.5	-	-	4.9	3.5
Interest expense on debt	7.3	6.3	-	-	7.3	6.3
Business-type activities:						
Water utility	-	-	61.4	57.1	61.4	57.1
Wastewater utility	-	-	30.5	32.6	30.5	32.6
Solid Waste utility	-	-	18.1	16.4	18.1	16.4
Stadium	-	-	9.6	7.3	9.6	7.3
Storm Drain utility	-	-	4.6	4.9	4.6	4.9
Total expenses	<u>270.5</u>	<u>248.2</u>	<u>124.2</u>	<u>118.3</u>	<u>394.7</u>	<u>366.5</u>
Excess (deficit) before transfers	<u>66.2</u>	<u>69.6</u>	<u>5.5</u>	<u>(0.6)</u>	<u>71.7</u>	<u>69.0</u>
Transfers and Special Items	<u>(15.6)</u>	<u>(3.4)</u>	<u>15.6</u>	<u>3.4</u>		
Increase (decrease) in net position	<u>50.6</u>	<u>66.2</u>	<u>21.1</u>	<u>2.8</u>	<u>71.7</u>	<u>69.0</u>
Net position - beginning	<u>946.3</u>	<u>880.1</u>	<u>763.4</u>	<u>760.6</u>	<u>1,709.7</u>	<u>1,640.7</u>
Net position - ending	<u>\$ 996.9</u>	<u>\$ 946.3</u>	<u>\$ 784.5</u>	<u>\$ 763.4</u>	<u>\$ 1,781.4</u>	<u>\$ 1,709.7</u>

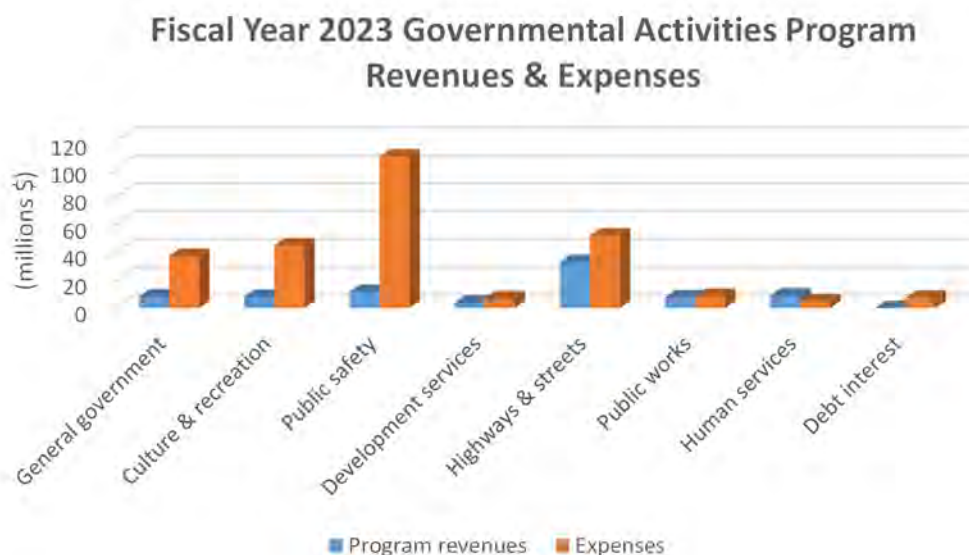
For fiscal year 2023, total governmental activities revenues increased \$18.9 million while total business-type activities revenues increased \$12.0 million. Expenses increased \$22.3 million for the governmental

activities and increased \$5.9 million for the business-type activities. The increase in expenses was primarily due to labor costs and inflationary factors.

The general revenues of governmental activities increased \$36.9 million with the largest increase coming from Urban revenue sharing (shared state income taxes). State income tax allocations to the cities lag two years behind collections, so the increase in fiscal year 2023 represents the increased collections in fiscal year 2021 that resulted from the income tax deferrals available in fiscal year 2020 due to the pandemic.

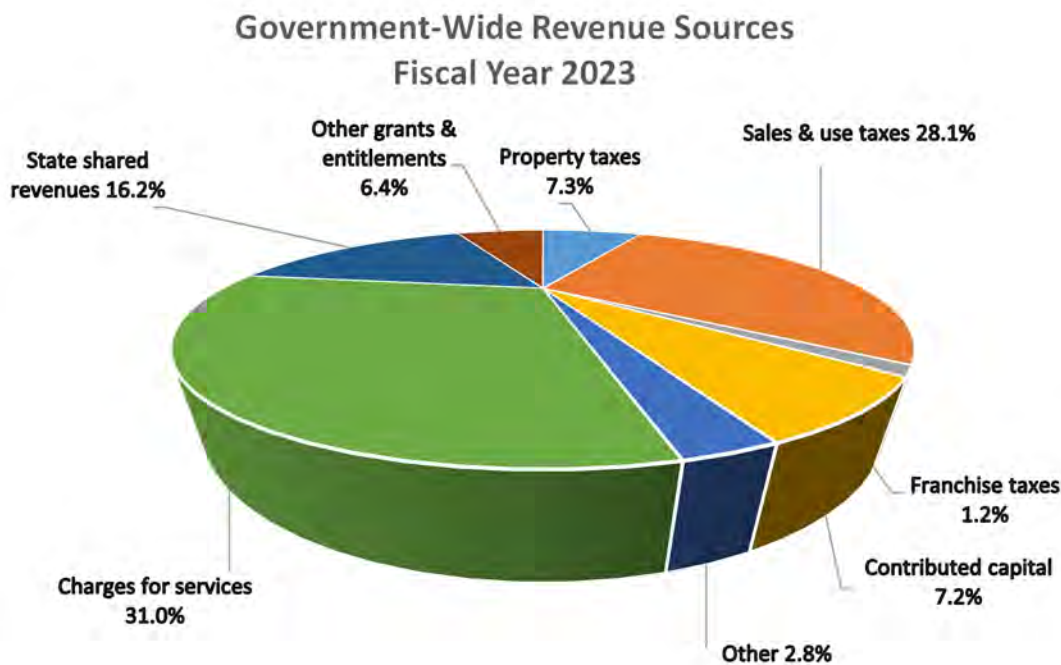
The program revenues of business-type activities increased by \$6.0 million primarily due to rate increases in the utility funds and increased spring training revenues for the stadium fund resulting from a return to pre-pandemic scheduling.

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 \$81.0 million are 30.1% of the governmental activities expenses for fiscal year 2023, down from 39.9% in fiscal year 2022. The decrease is primarily due to a decrease in capital grants and contributions resulting from a slow down in residential development activity. In the business-type activities, program revenues of \$126.7 million are 102.0% of the business-type expenses for fiscal year 2023. This compares to \$120.7 million and 102.0% in fiscal year 2022.



Governmental activities account for 72.2% of the total revenues of the City and 68.5% of the total expenses in fiscal year 2023. These percentages were 73.0% and 67.7% respectively in fiscal year 2022.

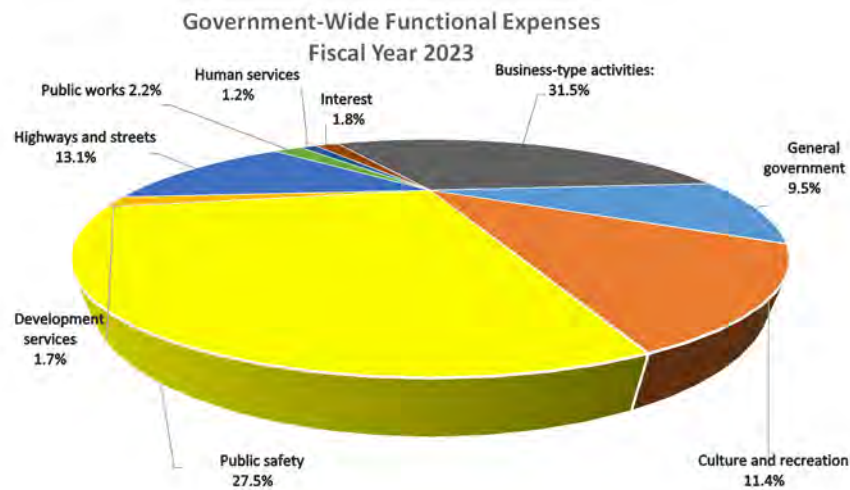
As seen in the following graph, one of the largest financing sources for the City in fiscal year 2023 is charges for services (31.0%), primarily because this is the major funding source of the business-type activities (83.8% of business-type total revenues in fiscal year 2023). The major funding sources of the governmental activities are property taxes, sales/use taxes, contributed capital and state shared revenues.



Property taxes increased from fiscal year 2022 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 2023 compared to the previous year.

Total government-wide expenses of the City increased \$27.2 million, 7.4% in fiscal year 2023. As mentioned above, this was primarily due to labor costs and inflationary factors.

As shown in the following Government-Wide Functional Expenses graph, business-type activities account for 31.5% of the functional expenses of the City for fiscal year 2023, while governmental activities account for 68.5% of the functional expenses. For the governmental activities, the largest users of resources are public safety (27.5% of total expense, 40.2% of governmental expenses), highways and streets (13.1% of total expenses, 19.2% of governmental expenses), culture and recreation (11.4% of total expenses, 16.6% of governmental expenses), and general government (9.5% of total expenses, 13.8% 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.

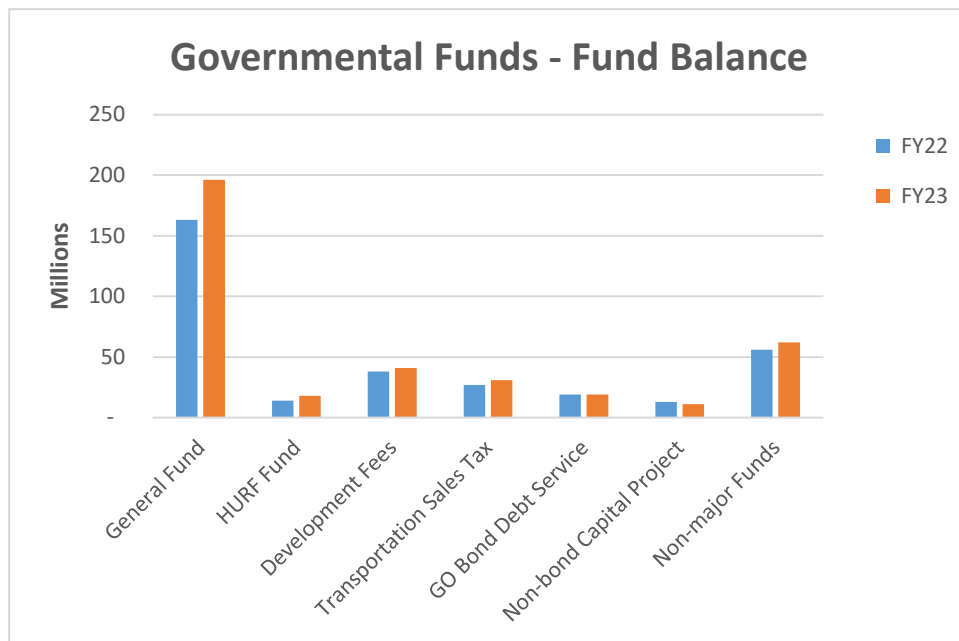
Governmental funds

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, Development Fee Fund, and General Obligation Bond Debt Service 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 \$377.8, an increase of \$47.4 million from the previous year. Of this, \$169.8 million (an increase of \$17.1 million from the previous year) is classified as Non-spendable or Restricted because it is not appropriable for expenditure or is legally segregated for a specific future use. The increase is primarily due to increased balances in funds restricted for transportation purposes.

An additional \$81.8 million of the governmental fund balance (an increase of \$3.1 million from the previous year) has been committed or assigned for specific purposes by council or administrative action. These commitments include various stabilization reserves (\$59.5 million), debt service reserves (\$1.0 million), capital projects (\$11.1 million) and arts capital and various other purposes (\$10.2 million).

The remaining \$126.2 million of governmental fund balance is classified as Unassigned. This balance may serve as a useful indicator of a government's net resources available for spending at the end of the year. By Council policy, these resources are used to fund one-time needs of the City including capital facilities and transportation improvements. The unassigned fund balance increased by \$27.2 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 \$29.1 million over the prior fiscal year. State shared revenues accounted for over half of that with an increase of \$15.6 million. The majority of the state shared revenue increase was due to a \$12.2 million increase in urban revenue sharing (shared state income tax).

Primary property taxes increased 6.5% in fiscal year 2023 as opposed to 7.1% in the prior fiscal year reflecting increased property values but a slow down in growth in the City.

General Fund expenditures decreased \$8.0 million in fiscal year 2023 from fiscal year 2022. In fiscal year 2022 the City made an additional contribution of \$35 million to the Public Safety Personnel Retirement System to decrease the unfunded liability. That payment is reflected in the fiscal year 2022 expenditures, but was not repeated in fiscal year 2023. Therefore, the actual operating expenditures increased by approximately \$27 million due to increased labor costs and inflation.

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 \$2.1 million in fiscal year 2023 reflecting increased revenues as well as Peoria's increased share of state revenues based on the last census results. Fund balance increased \$4.4 million in fiscal year 2023.

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 \$2.3 million while expenditures increased \$1.7 million. The City continues to invest in the Streets capital program to maintain the high quality of Peoria roads while budgeting conservatively to assure the ability to provide for future transportation needs. The fund balance increased \$3.6 million in fiscal year 2023. 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 \$3.5 million in fiscal year 2023 as development activity continued to slow. Expenditures decreased \$7.9 million in fiscal year 2023 as growth related capital projects were delayed. Fund balance increased \$3.1 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 \$1.7 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.

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

Proprietary funds

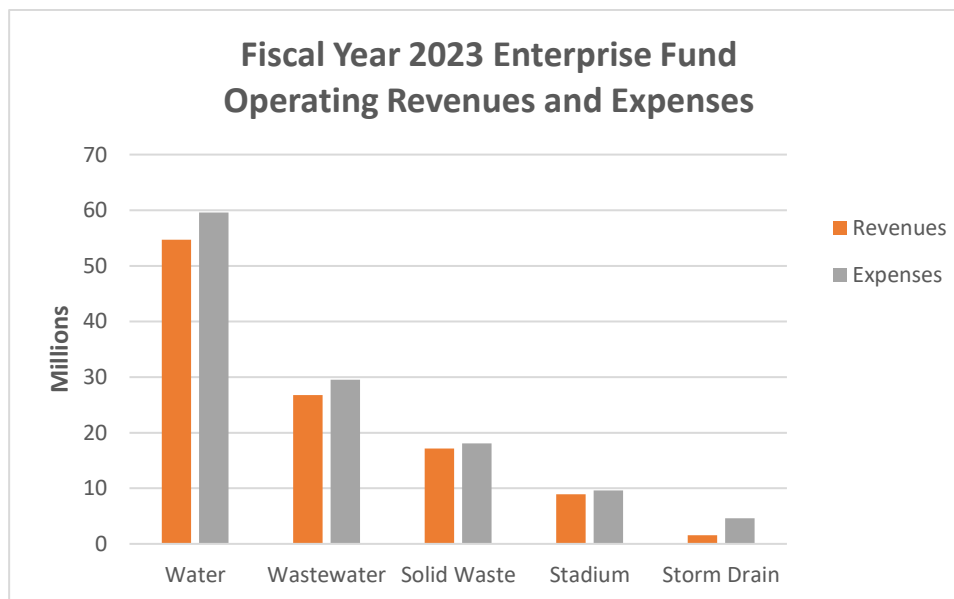
The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements but provide additional detail since each major enterprise fund is shown discretely. Although the Solid Waste, Stadium and Storm Drain Funds do not meet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

Total net position of the enterprise funds increased \$20.9 million in fiscal year 2023. Net investment in capital assets increased \$21.9 million due to growth and replacement in the water and wastewater systems. Net position restricted for capital projects decreased by \$15.7 million due to the use of proceeds from revenue bonds in project construction. Unrestricted net position increased by \$14.6 million. In accordance with the City's Principles of Sound Financial Management, the City continues to maintain appropriate levels of stabilization reserves.

Operating revenues of the enterprise funds increased \$7.9 million in fiscal year 2023. A return to normal spring training operations following the pandemic resulted in a \$4.2 million increase in Stadium Fund operating revenues.

Operating expenses of the enterprise funds increased \$4.6 million in fiscal year 2023 primarily due to labor costs and inflation. The changes in operating revenues and expenses discussed above resulted in an enterprise funds operating loss of \$12.7 million in fiscal year 2023 following an operating loss of \$16.0 million in the prior year.

The following graph shows the operating revenues and expenses for the enterprise funds for fiscal year 2023.



BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements, required for the General Fund and all major special revenue funds, may be found on pages 30-34. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgetary schedules for the other governmental funds are also presented on pages 97-99, and pages 106-113.

General Fund revenues of \$208.8 million, on a budgetary basis, exceeded budgeted revenues of \$186.2 million by \$22.6 million due to conservative budgeting and continued growth in local as well as state shared sales taxes. Budgetary basis expenditures of \$197.2 million were 88.2% of final budgeted amounts primarily due to lower capital spending as inflation and supply issues delayed some capital projects. Revenues, on a budgetary basis, were less than budgeted revenues in licenses and permits and rents. Police and Fire had slight, less than 1%, expenditure overages for functional departmental categories.

During the fiscal year, the original General Fund expenditures and contingencies budget of \$248.4 million was reduced by \$8.9 million to the final expenditure and contingencies budget of \$239.5 million.

Notable budgetary transfers during the year were as follows:

- \$11.1 million transfer from the Half Cent Fund to the General Fund for the public safety subsidies.
- \$3.6 million transfer from the Half Cent Fund to the Stadium Fund as a subsidy in support of the Peoria Sports Complex.
- \$3.3 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, 2023, 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 \$16.8 million from June 30, 2022. Net capital assets of business-type activities increased \$15.3 million while governmental activities increased \$1.5 million.

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

- ✓ The City spent \$9.3 million to expand its reclaimed water infrastructure to better utilize reclaimed water and help preserve the City's new water supply.
- ✓ The City invested \$14.3 million into new construction and improvements to streets and traffic control around the City.
- ✓ The City spent \$14.0 million for expansion of the Beardsley Water Reclamation Facility in fiscal year 2023 bringing the total for the project to \$25.0 million.
- ✓ The City spent \$3.3 million toward construction of a new operations building at the Jomax Water Reclamation Facility bringing the total project cost to \$7.4 million.

The following table provides a breakdown of the capital assets of the City at June 30, 2023, and 2022. 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	
	2023	2022	2023	2022	2023	2022
Buildings and building improvement	\$ 97.0	\$ 102.0	\$ 43.4	\$ 45.7	\$ 140.4	\$ 147.7
Equipment; Furniture	2.1	3.6	2.1	2.8	4.2	6.4
Vehicles	12.3	14.1	12.4	12.6	24.7	26.7
Surface water system	-	-	69.6	71.8	69.6	71.8
Street system	260.4	268.8	-	-	260.4	268.8
Park system	97.4	101.2	-	-	97.4	101.2
Water system	-	-	244.9	246.7	244.9	246.7
Water rights	-	-	8.8	9.0	8.8	9.0
Wastewater system	-	-	240.9	249.1	240.9	249.1
SBITA Intangible Assets	2.2	-	-	-	2.2	-
Land	438.0	425.2	18.8	18.8	456.8	444.0
Work in progress	31.9	24.9	112.0	81.1	143.9	106.0
Total	<u>\$ 941.3</u>	<u>\$ 939.8</u>	<u>\$ 752.9</u>	<u>\$737.6</u>	<u>\$ 1,694.2</u>	<u>\$ 1,677.4</u>

The City has adopted a ten year capital improvement plan budgeted at \$1,104.1 million, including \$410.6 million in fiscal year 2024. Anticipated funding for this plan for fiscal year 2024 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 \$16.7 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, leases, SBITA, compensated absences, and deferred bond premiums was \$339.4 million at June 30, 2023. Of this total, \$240.5 million was in governmental activities and \$98.9 million was in business-type activities. The City's outstanding debt (due in more than one year excluding claims and net pension liability) decreased by \$0.6 million in fiscal year 2023.

Of the total outstanding bonds and loans of \$337.5 million, \$177.0 million is general obligation bonds or loans backed by the full faith and credit of the City. The outstanding debt also includes \$23.1 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, 2023, and 2022. 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		Business-type		Total	
	Activities		Activities		Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation debt	\$ 177.0	\$ 165.7	\$ -	\$ -	\$ 177.0	\$ 165.7
Excise tax revenue obligations	21.0	21.5	-	-	21.0	21.5
Direct Purchase and Loan Obligations	15.7	19.6	-	-	15.7	19.6
Water/Sewer Revenue bonds and loans	-	-	100.7	108.5	100.7	108.5
Community Facilities District bonds	23.1	23.5	-	-	23.1	23.5
Compensated absences	18.8	17.2	2.1	1.9	20.9	19.1
SBITA	1.9	2.9	-	-	1.9	2.9
Total	<u>\$ 257.5</u>	<u>\$ 250.4</u>	<u>\$ 102.8</u>	<u>\$110.4</u>	<u>\$ 360.3</u>	<u>\$ 360.8</u>

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

ECONOMIC FACTORS

Although local sales tax revenues continued to grow in fiscal year 2023, the growth of 4.1% was significantly smaller than the double digit growth in the prior two fiscal years. Retail sales tax, the City's largest category, increased by 6.0% over the prior year. Both contracting and utilities sales taxes decreased from fiscal year 2022 levels. Additionally, beginning January 1, 2025 the City will no longer be collecting residential rental sales tax. Therefore, budget projections are intentionally conservative and show minimal change in future sales tax 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 2024 budget is \$950 million, an increase of 21.3% from the fiscal year 2023 budget. The operating budget totals \$539.4 million, which is an increase of 8.3% from 2023. The capital projects portion of the budget, \$410.6 million, is divided in the following manner: \$28.6 million for drainage projects, \$64.8 million for operational facilities, \$25.3 million for parks, trails, open space and libraries, \$15.2 million for public safety projects, \$66.7 million for streets and traffic control projects, \$39.0 million for economic development projects, \$75.7 million for wastewater projects, and \$95.3 million for water projects.

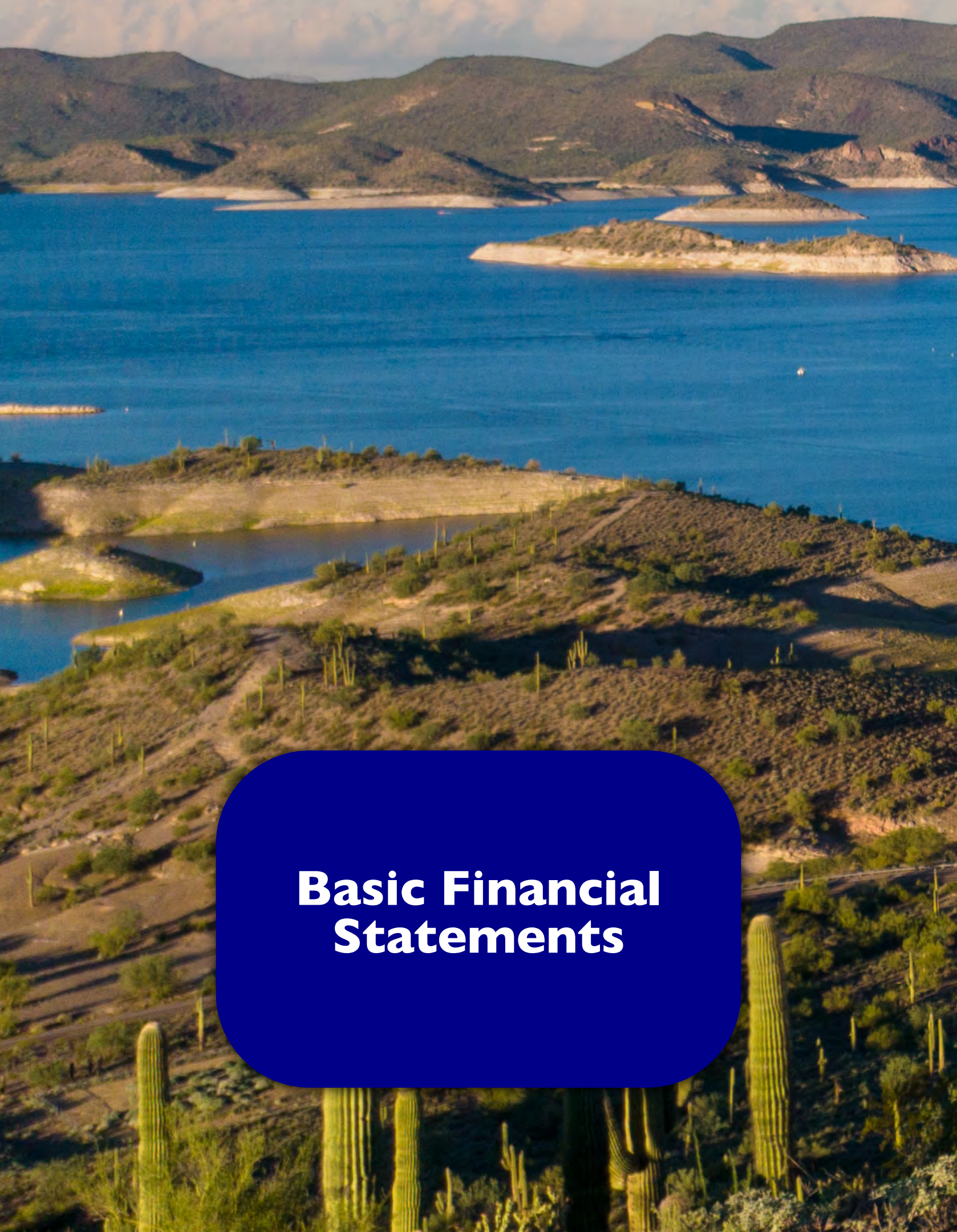
The General Fund operating budget is \$215.9 million, up 13.9% from the prior year budget. With the uncertainty surrounding the economy, resident needs for City services were balanced with a slowly increasing revenue base. The budget continues to focus on preserving the City's excellent quality of life, 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 2024 budget does not anticipate the use of reserves to address recurring expenses.

FINANCIAL CONTACT

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



Basic Financial Statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 375,307,253	\$ 128,553,637	\$ 503,860,890
Cash with fiscal agents	296,327	-	296,327
Accounts receivable, net	19,195,126	13,457,453	32,652,579
Lease receivable	8,566,991	3,939,881	12,506,872
Interest receivable	1,679,668	577,555	2,257,223
Internal balances	(4,860,740)	4,860,740	-
Due from other governments	4,579,898	-	4,579,898
Prepaid items	13,421	1,155,684	1,169,105
Supply inventories	580,267	726,458	1,306,725
Restricted pooled cash and investments	21,023,442	-	21,023,442
Restricted cash with fiscal agents	5,814,103	765	5,814,868
Restricted investments	58,510,539	16,281,759	74,792,298
Investments in Joint Venture Agreements	1,652,072	-	1,652,072
Net other postemployment benefits asset	3,196,884	573,269	3,770,153
Capital assets:			
Non-depreciable or amortizable	469,899,882	130,841,871	600,741,753
Depreciable or amortizable (net)	471,398,637	622,045,637	1,093,444,274
Total assets	<u>1,436,853,770</u>	<u>923,014,709</u>	<u>2,359,868,479</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	54,761,884	2,576,710	57,338,594
Deferred loss on bond refunding	1,528,765	-	1,528,765
Excess consideration provided for acquisition	-	1,005,618	1,005,618
Total deferred outflows of resources	<u>56,290,649</u>	<u>3,582,328</u>	<u>59,872,977</u>
LIABILITIES			
Accounts payable	17,772,188	6,482,390	24,254,578
Accrued payroll	4,257,938	512,701	4,770,639
Interest payable	3,950,313	1,703,038	5,653,351
Due to other governments	320,803	167,138	487,941
Customer deposits	38,921	2,061,426	2,100,347
Other liabilities	4,381,890	1,481,257	5,863,147
Unearned revenue-other	20,484,643	5,153	20,489,796
Non-current liabilities:			
Due within one year:			
Current portion of claims payable	8,234,981	-	8,234,981
Current portion of compensated absences	8,281,657	949,026	9,230,683
Current portion of bonds & loans payable	24,814,097	8,728,843	33,542,940
Current portion of lease payable	6,925	2,423	9,348
Current portion of SBITA payable	966,171	-	966,171
Due in more than one year:			
Noncurrent portion of claims payable	907,894	-	907,894
Noncurrent portion of compensated absences	10,542,147	1,125,901	11,668,048
Noncurrent portion of bonds & loans payable	229,028,914	97,705,359	326,734,273
Noncurrent portion of lease payable	8,123	9,269	17,392
Noncurrent portion of SBITA payable	949,013	-	949,013
Net pension and other postemployment benefits liabilities	147,420,589	16,468,014	163,888,603
Total liabilities	<u>482,367,207</u>	<u>137,401,938</u>	<u>619,769,145</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	8,256,580	3,822,056	12,078,636
Deferred inflows related to pensions and other postemployment benefits	5,631,513	894,864	6,526,377
Total deferred inflow of resources	<u>13,888,093</u>	<u>4,716,920</u>	<u>18,605,013</u>
NET POSITION			
Net investment in capital assets	735,144,237	662,256,419	1,397,400,656
Restricted for:			
Debt service	23,563,585	-	23,563,585
Capital projects	-	32,651,553	32,651,553
Development fees	40,838,089	-	40,838,089
Transportation purposes	49,155,886	-	49,155,886
Grant purposes	7,912,006	-	7,912,006
Facilities maintenance	10,879	100,000	110,879
Public safety	2,086,576	-	2,086,576
Trust purpose	20,286,020	-	20,286,020
Net other postemployment benefits	3,196,884	573,269	3,770,153
Unrestricted	114,694,957	88,896,938	203,591,895
Total net position	<u>\$ 996,889,119</u>	<u>\$ 784,478,179</u>	<u>\$ 1,781,367,298</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, 2023**

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	\$ 37,273,981	\$ 3,103,323	\$ 4,182,329	1,000,000	\$ (28,988,329)	\$ -	\$ (28,988,329)
Culture and recreation	45,008,300	7,486,067	540,041	-	(36,982,192)	-	(36,982,192)
Public safety	108,735,210	9,339,383	1,656,514	525,959	(97,213,354)	-	(97,213,354)
Development services	6,827,829	3,539,186	280,106	-	(3,008,537)	-	(3,008,537)
Highways and streets	51,902,098	4,563,914	14,521,341	13,804,409	(19,012,434)	-	(19,012,434)
Public works	8,629,505	7,612,397	-	-	(1,017,108)	-	(1,017,108)
Human services	4,857,735	89,312	8,670,127	91,003	3,992,707	-	3,992,707
Interest on long-term debt	7,307,398	-	-	-	(7,307,398)	-	(7,307,398)
Total governmental activities	270,542,056	35,733,582	29,850,458	15,421,371	(189,536,645)	-	(189,536,645)
Business-type activities:							
Water Utility	61,406,938	54,272,090	-	9,574,758	-	2,439,910	2,439,910
Wastewater Utility	30,287,509	26,577,247	-	4,040,600	-	330,338	330,338
Solid Waste Utility	18,141,399	17,180,515	-	-	-	(960,884)	(960,884)
Stadium	9,623,372	8,951,236	-	-	-	(672,136)	(672,136)
Storm Drain Utility	4,602,541	1,556,380	-	4,339,457	-	1,293,296	1,293,296
Total business-type activities	124,061,759	108,537,468	-	17,954,815	-	2,430,524	2,430,524
Total primary government	\$ 394,603,815	\$ 144,271,050	\$ 29,850,458	\$ 33,376,186	(189,536,645)	2,430,524	(187,106,121)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					6,712,827	-	6,712,827
Property taxes, levied for debt service					27,258,369	-	27,258,369
Sales and use taxes					131,030,117	-	131,030,117
Franchise taxes					5,240,846	-	5,240,846
Intergovernmental:							
State shared sales taxes- unrestricted					28,812,810	-	28,812,810
Urban revenue sharing- unrestricted					36,976,059	-	36,976,059
Auto in-lieu taxes- unrestricted					9,669,103	-	9,669,103
Investment earnings					6,404,789	2,994,854	9,399,643
Miscellaneous					3,641,910	-	3,641,910
Transfers in (out)					(15,646,720)	15,646,720	-
Total general revenues and transfers					240,100,110	18,641,574	258,741,684
Change in net position					50,563,465	21,072,098	71,635,563
Net position - beginning					946,325,654	763,406,081	1,709,731,735
Net position - ending					\$ 996,889,119	\$ 784,478,179	\$ 1,781,367,298

The accompanying notes are an integral part of the financial statements



**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	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	\$ 187,755,986	\$ 18,166,447	\$ 29,138,237	\$ 17,967,969	\$ 41,458,338
Cash with fiscal agents	21,327	-	-	-	-
Accounts receivable, net	15,583,992	594,347	2,458,658	-	-
Lease receivable	8,566,991	-	-	-	-
Interest receivable	947,815	49,826	86,427	29,162	124,973
Due from other funds	2,279,691	-	-	-	-
Due from other governments	1,771,050	1,471,169	-	195,268	-
Prepaid items	-	-	-	-	-
Supply inventories	194,330	123,175	-	-	-
Restricted cash with fiscal agents	-	-	-	874,006	-
Restricted investments	-	-	-	-	-
Total assets	<u>\$ 217,121,182</u>	<u>\$ 20,404,964</u>	<u>\$ 31,683,322</u>	<u>\$ 19,066,405</u>	<u>\$ 41,583,311</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,035,703	\$ 2,111,642	\$ 702,795	\$ -	\$ 745,222
Accrued payroll	3,738,282	117,963	-	-	-
Interest payable	313	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	320,793	-	-	-	-
Customer deposits	38,921	-	-	-	-
Other liabilities	4,003,936	-	-	-	-
Unearned revenue-other	777,891	-	-	-	-
Total liabilities	<u>12,915,839</u>	<u>2,229,605</u>	<u>702,795</u>	<u>-</u>	<u>745,222</u>
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	5,039	-	-	-	-
Related to leases	8,256,580	-	-	-	-
Unavailable revenue - other	136,401	-	-	-	-
Total deferred inflows of resources	<u>8,398,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Supply inventories	194,330	123,175	-	-	-
Prepaid items	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	19,066,405	-
Capital projects	-	-	-	-	-
Development fees	-	-	-	-	40,838,089
Transportation purposes	-	18,052,184	30,980,527	-	-
Public safety	-	-	-	-	-
Grant purposes	-	-	-	-	-
Arts Center maintenance	10,879	-	-	-	-
Committed to:					
Debt service	1,000,000	-	-	-	-
Economic development	2,494,875	-	-	-	-
Arts capital	-	-	-	-	-
Operating reserve	21,546,367	-	-	-	-
Emergency reserve	14,364,245	-	-	-	-
Budget stabilization reserve	23,573,041	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Municipal Complex reserve	5,604,860	-	-	-	-
Unassigned	127,018,726	-	-	-	-
Total fund balance	<u>195,807,323</u>	<u>18,175,359</u>	<u>30,980,527</u>	<u>19,066,405</u>	<u>40,838,089</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 217,121,182</u>	<u>\$ 20,404,964</u>	<u>\$ 31,683,322</u>	<u>\$ 19,066,405</u>	<u>\$ 41,583,311</u>

(continued)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Major Funds		
	Non-bond Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Assets:			
Pooled cash and investments	\$ 24,014,554	\$ 21,308,367	\$ 339,809,898
Cash with fiscal agents	-	-	21,327
Accounts receivable, net	-	554,357	19,191,354
Lease receivable	-	-	8,566,991
Interest receivable	79,471	119,355	1,437,029
Due from other funds	-	-	2,279,691
Due from other governments	411,739	730,672	4,579,898
Prepaid items	-	13,421	13,421
Supply inventories	-	-	317,505
Restricted cash with fiscal agents	-	4,940,097	5,814,103
Restricted investments	-	49,866,944	49,866,944
Total assets	<u>\$ 24,505,764</u>	<u>\$ 77,533,213</u>	<u>\$ 431,898,161</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES			
Liabilities:			
Accounts payable	\$ 622,501	\$ 6,050,046	\$ 14,267,909
Accrued payroll	-	48,214	3,904,459
Interest payable	-	-	313
Due to other funds	-	2,279,691	2,279,691
Due to other governments	-	10	320,803
Customer deposits	-	-	38,921
Other liabilities	59,542	318,381	4,381,859
Unearned revenue-other	12,724,624	6,982,128	20,484,643
Total liabilities	<u>13,406,667</u>	<u>15,678,470</u>	<u>45,678,598</u>
Deferred Inflows of Resources:			
Unavailable revenue-property taxes	-	567	5,606
Related to leases	-	-	8,256,580
Unavailable revenue - other	-	-	136,401
Total deferred inflows of resources	<u>-</u>	<u>567</u>	<u>8,398,587</u>
Fund Balances:			
Nonspendable:			
Supply inventories	-	-	317,505
Prepaid items	-	13,421	13,421
Restricted for:			
Debt service	-	8,433,505	27,499,910
Capital projects	-	42,135,388	42,135,388
Development fees	-	-	40,838,089
Transportation purposes	-	-	49,032,711
Public safety	-	2,086,576	2,086,576
Grant purposes	-	7,912,006	7,912,006
Arts Center maintenance	-	-	10,879
Committed to:			
Debt service	-	-	1,000,000
Economic development	-	-	2,494,875
Arts capital	-	2,082,021	2,082,021
Operating reserve	-	-	21,546,367
Emergency reserve	-	-	14,364,245
Budget stabilization reserve	-	-	23,573,041
Assigned to:			
Capital projects	11,099,097	-	11,099,097
Municipal Complex reserve	-	-	5,604,860
Unassigned	-	(808,741)	126,209,985
Total fund balance	<u>11,099,097</u>	<u>61,854,176</u>	<u>377,820,976</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 24,505,764</u>	<u>\$ 77,533,213</u>	<u>\$ 431,898,161</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, 2023**

Fund balances - total governmental funds		\$ 377,820,976
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets	\$ 1,487,762,895	
Less accumulated depreciation and amortization	<u>(561,293,143)</u>	926,469,752

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

Other post employment benefits asset		2,887,430
Deferred loss on bond refunding		1,528,765

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	(236,821,124)	
Leases payable	(15,048)	
SBITA payable	(1,422,824)	
Compensated absences	<u>(17,553,735)</u>	(255,812,731)

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

1,652,072

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

(17,021,887)

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

142,007

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

(3,940,656)

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.

53,482,551

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.

(138,531,049)

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	53,360,348	
Deferred inflows related to pension/OPEB	<u>(5,148,459)</u>	48,211,889

Total net position of governmental activities

\$ 996,889,119

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, 2023

Major Funds

	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund	GO Bond Debt Service Fund	Development Fee Fund
REVENUES:					
Taxes	\$ 117,400,220	\$ 5,547,044	\$ 20,025,690	\$ 21,937,922	\$ -
Intergovernmental	75,870,654	14,521,341	-	-	-
Charges for services	21,836,933	233,353	-	-	4,000,711
Licenses and permits	3,650,883	-	-	-	-
Fines and forfeitures	1,643,286	-	-	-	-
Rents	1,052,182	-	-	-	-
Investment earnings (loss)	1,908,867	123,573	359,627	45,844	631,893
Miscellaneous	1,967,408	2,220	590,429	-	-
Total revenues	<u>225,330,433</u>	<u>20,427,531</u>	<u>20,975,746</u>	<u>21,983,766</u>	<u>4,632,604</u>
EXPENDITURES:					
Current:					
General government	26,909,011	483	-	-	-
Culture and recreation	31,974,316	-	-	-	1,317
Public safety	113,348,978	-	-	-	3,292
Development services	5,519,537	-	-	-	-
Highways and streets	-	16,628,458	4,967,726	-	1,413,276
Public works	6,410,782	-	-	-	-
Human services	-	-	-	-	-
Debt service:					
Principal payments	730,216	-	-	16,844,188	-
Interest and other charges	43,913	-	-	5,746,514	-
Capital outlay	1,004,139	80,000	4,098,547	-	86,081
Total expenditures	<u>185,940,892</u>	<u>16,708,941</u>	<u>9,066,273</u>	<u>22,590,702</u>	<u>1,503,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,389,541</u>	<u>3,718,590</u>	<u>11,909,473</u>	<u>(606,936)</u>	<u>3,128,638</u>
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	860,000	1,000,000	-	-	-
Transfers out	(7,293,649)	(334,700)	(8,294,996)	-	-
Total other financing sources and uses	<u>(6,433,649)</u>	<u>665,300</u>	<u>(8,294,996)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	32,955,892	4,383,890	3,614,477	(606,936)	3,128,638
Fund balances - beginning	162,851,431	13,791,469	27,366,050	19,673,341	37,709,451
Fund balances - ending	<u>\$ 195,807,323</u>	<u>\$ 18,175,359</u>	<u>\$ 30,980,527</u>	<u>\$ 19,066,405</u>	<u>\$ 40,838,089</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, 2023

	<u>Major Funds</u>		
	<u>Non-bond Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes	\$ -	\$ 5,350,716	\$ 170,261,592
Intergovernmental	-	15,887,744	106,279,739
Charges for services	2,074,991	855,053	29,001,041
Licenses and permits	-	-	3,650,883
Fines and forfeitures	-	135,875	1,779,161
Rents	-	-	1,052,182
Investment earnings (loss)	426,771	1,788,231	5,284,806
Miscellaneous	-	1,262,912	3,822,969
Total revenues	<u>2,501,762</u>	<u>25,280,531</u>	<u>321,132,373</u>
EXPENDITURES:			
Current:			
General government	-	4,928,165	31,837,659
Culture and recreation	-	6,613,124	38,588,757
Public safety	-	1,471,285	114,823,555
Development services	-	1,182,998	6,702,535
Highways and streets	503,692	1,304,098	24,817,250
Public works	322,033	1,275,407	8,008,222
Human services	-	4,828,035	4,828,035
Debt service:			
Principal payments	-	8,383,485	25,957,889
Interest and other charges	-	2,703,882	8,494,309
Capital outlay	<u>3,625,241</u>	<u>15,257,545</u>	<u>24,151,553</u>
Total expenditures	<u>4,450,966</u>	<u>47,948,024</u>	<u>288,209,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,949,204)</u>	<u>(22,667,493)</u>	<u>32,922,609</u>
OTHER FINANCING SOURCES (USES):			
Issuance of debt	-	31,708,075	31,708,075
Premium on bonds issued	-	1,547,460	1,547,460
Transfers in	-	7,624,295	9,484,295
Transfers out	<u>(64,124)</u>	<u>(12,278,566)</u>	<u>(28,266,035)</u>
Total other financing sources and uses	<u>(64,124)</u>	<u>28,601,264</u>	<u>14,473,795</u>
Net change in fund balances	(2,013,328)	5,933,771	47,396,404
Fund balances - beginning	<u>13,112,425</u>	<u>55,920,405</u>	<u>330,424,572</u>
Fund balances - ending	<u>\$ 11,099,097</u>	<u>\$ 61,854,176</u>	<u>\$ 377,820,976</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, 2023

Net change in fund balances - total governmental funds	\$ 47,396,404
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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.	(2,002,744)
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.	(25,426)
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.	(408,103)
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 (\$24,151,553) is exceeded by depreciation and amortization (\$38,479,170) in the current period.	(14,327,617)
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.	(23,496)
Donations of capital assets are not reflected on the governmental fund statements but are shown in the statement of activities.	13,804,406
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.	(31,708,075)
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.	25,957,889
Bond premiums or discounts and gains or losses on bond refunding are sources or uses of current financial resources for governmental fund reporting when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	547,214
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.	3,040,830
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.	8,312,183

Change in net position of governmental activities	\$ 50,563,465
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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, 2023

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 78,316,997	\$ 78,316,997	\$ 84,619,651	\$ 6,302,654
Intergovernmental	60,880,228	60,880,228	75,738,998	14,858,770
Charges for services	38,431,411	38,431,411	38,928,186	496,775
Licenses and permits	4,568,371	4,568,371	3,650,883	(917,488)
Fines and forfeitures	1,139,000	1,139,000	1,643,286	504,286
Rents	1,273,510	1,273,510	1,147,180	(126,330)
Investment earnings	960,125	960,125	1,600,136	640,011
Miscellaneous	666,081	666,081	1,402,408	736,327
Total revenues	<u>186,235,723</u>	<u>186,235,723</u>	<u>208,730,728</u>	<u>22,495,005</u>
EXPENDITURES:				
Current:				
General government:				
Mayor and council	911,451	915,951	804,479	(111,472)
City manager	6,510,108	7,332,659	6,169,114	(1,163,545)
Human resources	4,485,609	4,618,609	3,296,022	(1,322,587)
Attorney	4,464,197	4,716,197	4,149,954	(566,243)
City clerk	1,479,537	1,479,537	1,031,297	(448,240)
Court	2,784,478	2,784,478	2,662,998	(121,480)
Economic development	1,857,274	1,893,530	1,794,007	(99,523)
Finance	11,854,058	12,116,828	11,432,689	(684,139)
Non-departmental	2,014,745	4,805,957	4,381,693	(424,264)
Culture and recreation	37,078,464	37,267,111	31,865,611	(5,401,500)
Public safety:				
Police	59,075,304	62,830,123	62,864,308	34,185
Fire	44,086,969	50,318,898	50,484,671	165,773
Development services	5,618,418	7,099,406	5,519,537	(1,579,869)
Public works	7,365,071	7,385,071	6,410,782	(974,289)
Debt service:				
Capital outlay	<u>19,217,109</u>	<u>18,147,611</u>	<u>4,374,698</u>	<u>(13,772,913)</u>
Total expenditures	<u>208,802,792</u>	<u>223,711,966</u>	<u>197,241,860</u>	<u>(26,470,106)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,567,069)</u>	<u>(37,476,243)</u>	<u>11,488,868</u>	<u>48,965,111</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(39,593,299)	(15,771,299)	-	15,771,299
Transfers in	17,234,469	17,234,469	12,236,757	(4,997,712)
Transfers out	(7,772,102)	(7,772,102)	(7,075,514)	696,588
Total other financing sources and uses	<u>(30,130,932)</u>	<u>(6,308,932)</u>	<u>5,161,243</u>	<u>11,470,175</u>
Net change in fund balances	(52,698,001)	(43,785,175)	16,650,111	60,435,286
Fund balances - beginning	103,990,306	103,990,306	124,717,460	20,727,154
Fund balances - ending	<u>\$ 51,292,305</u>	<u>\$ 60,205,131</u>	<u>\$ 141,367,571</u>	<u>\$ 81,162,440</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, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 30,519,351	\$ 30,519,351	\$ 32,780,569	\$ 2,261,218
Investment earnings(loss)	142,500	142,500	467,294	324,794
Miscellaneous	-	-	565,000	565,000
Total revenues	<u>30,661,851</u>	<u>30,661,851</u>	<u>33,812,863</u>	<u>3,151,012</u>
EXPENDITURES:				
Current:				
General government	3,917,475	6,914,141	4,207,890	(2,706,251)
Capital outlay	<u>5,469,245</u>	<u>4,984,934</u>	<u>229,160</u>	<u>(4,755,774)</u>
Total expenditures	<u>9,386,720</u>	<u>11,899,075</u>	<u>4,437,050</u>	<u>(7,462,025)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,275,131</u>	<u>18,762,776</u>	<u>29,375,813</u>	<u>10,613,037</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(20,000,000)	(10,488,808)	-	10,488,808
Transfers out	<u>(16,496,016)</u>	<u>(16,496,016)</u>	<u>(16,496,016)</u>	<u>-</u>
Total other financing sources and uses	<u>(36,496,016)</u>	<u>(26,984,824)</u>	<u>(16,496,016)</u>	<u>10,488,808</u>
Net change in fund balances	(15,220,885)	(8,222,048)	12,879,797	21,101,845
Fund balances - beginning	46,059,222	46,059,222	46,452,133	392,911
Fund balances - ending	<u>\$ 30,838,337</u>	<u>\$ 37,837,174</u>	<u>\$ 59,331,930</u>	<u>\$ 21,494,756</u>

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

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

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	\$ 208,730,728
Actual amounts (budgetary basis) "Total revenues" from the Half-Cent Sales Tax Fund budgetary comparison statement	33,812,863
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	(17,091,253)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(121,905)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 225,330,433</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the General Fund budgetary comparison statement	\$ 197,241,860
Actual amounts (budgetary basis) "Total expenditures" from the Half-Cent Sales Tax Fund budgetary comparison statement	4,437,050
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	1,377,346
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	(3,599,719)
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	(13,515,645)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 185,940,892</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, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 4,880,679	\$ 4,880,679	\$ 5,547,044	\$ 666,365
Intergovernmental	13,114,265	13,114,265	14,521,341	1,407,076
Charges for services	135,000	135,000	233,353	98,353
Investment earnings(loss)	80,000	80,000	123,573	43,573
Miscellaneous	-	-	2,220	2,220
Total revenues	<u>18,209,944</u>	<u>18,209,944</u>	<u>20,427,531</u>	<u>2,217,587</u>
EXPENDITURES:				
Current:				
General Government	-	-	483	483
Highways and streets	14,053,707	14,071,161	16,628,458	2,557,297
Capital outlay	<u>7,506,657</u>	<u>7,765,784</u>	<u>80,000</u>	<u>(7,685,784)</u>
Total expenditures	<u>21,560,364</u>	<u>21,836,945</u>	<u>16,708,941</u>	<u>(5,128,004)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,350,420)</u>	<u>(3,627,001)</u>	<u>3,718,590</u>	<u>7,345,591</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(1,500,000)	(1,127,350)	-	1,127,350
Transfers in	2,099,179	2,099,179	1,000,000	(1,099,179)
Transfers out	<u>(1,425,107)</u>	<u>(1,425,107)</u>	<u>(334,700)</u>	<u>1,090,407</u>
Total other financing sources and uses	<u>(825,928)</u>	<u>(453,278)</u>	<u>665,300</u>	<u>1,118,578</u>
Net change in fund balances	(4,176,348)	(4,080,279)	4,383,890	8,464,169
Fund balances - beginning	12,735,921	12,735,921	13,791,469	1,055,548
Fund balances - ending	<u>\$ 8,559,573</u>	<u>\$ 8,655,642</u>	<u>\$ 18,175,359</u>	<u>\$ 9,519,717</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, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 18,384,099	\$ 18,384,099	\$ 20,025,690	\$ 1,641,591
Investment earnings(loss)	291,792	291,792	359,627	67,835
Miscellaneous	-	-	590,429	590,429
Total revenues	<u>18,675,891</u>	<u>18,675,891</u>	<u>20,975,746</u>	<u>2,299,855</u>
EXPENDITURES:				
Current:				
Highways and streets	414,948	474,181	4,967,726	4,493,545
Capital outlay	<u>27,369,462</u>	<u>26,243,900</u>	<u>4,098,547</u>	<u>(22,145,353)</u>
Total expenditures	<u>27,784,410</u>	<u>26,718,081</u>	<u>9,066,273</u>	<u>(17,651,808)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,108,519)</u>	<u>(8,042,190)</u>	<u>11,909,473</u>	<u>19,951,663</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(3,500,000)	(3,976,718)	-	3,976,718
Transfers out	<u>(8,294,996)</u>	<u>(8,294,996)</u>	<u>(8,294,996)</u>	<u>-</u>
Total other financing sources and uses	<u>(11,794,996)</u>	<u>(12,271,714)</u>	<u>(8,294,996)</u>	<u>3,976,718</u>
Net change in fund balances	(20,903,515)	(20,313,904)	3,614,477	23,928,381
Fund balances - beginning	21,065,299	21,065,299	27,366,050	6,300,751
Fund balances - ending	<u>\$ 161,784</u>	<u>\$ 751,395</u>	<u>\$ 30,980,527</u>	<u>\$ 30,229,132</u>

The accompanying notes are an integral part of the financial statements



CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
ASSETS			
Current assets:			
Pooled cash and investments	\$ 67,682,033	\$ 37,904,978	\$ 9,748,976
Restricted pooled cash and investments	-	-	-
Restricted cash with fiscal agents	-	-	-
Accounts receivable, net	6,964,025	2,981,800	2,105,565
Leases receivable	-	-	-
Interest receivable	272,689	212,069	27,694
Prepaid items	1,155,684	-	-
Supplies inventory	726,275	-	183
Total current assets	76,800,706	41,098,847	11,882,418
Non-current assets:			
Restricted assets:			
Cash with fiscal agents	379	386	-
Investments	6,639,769	9,641,990	-
Net restricted assets	6,640,148	9,642,376	-
Capital assets:			
Buildings and improvements	1,662,522	7,612,045	-
Distribution and collection systems	447,860,205	430,867,633	-
Water rights	12,889,805	-	-
Equipment & furniture	18,056,536	2,321,429	211,038
Vehicles	2,344,044	1,805,115	19,048,130
Lease Assets	-	-	-
Intangible-SBITA	-	-	-
Less accumulated depreciation and amortization	(225,662,288)	(196,575,927)	(8,619,308)
Land and improvements	6,867,999	3,878,001	-
Construction in progress	76,424,041	32,069,311	-
Capital assets, net	340,442,864	281,977,607	10,639,860
Net other postemployment benefits asset	221,017	110,212	161,279
Total non-current assets	347,304,029	291,730,195	10,801,139
Total assets	424,104,735	332,829,042	22,683,557
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	1,001,000	499,159	730,443
Excess consideration provided for acquisition	1,005,618	-	-
Total deferred outflows of resources	2,006,618	499,159	730,443
LIABILITIES			
Current liabilities:			
Accounts payable	2,505,007	2,485,866	322,427
Accrued payroll	218,092	86,521	125,628
Interest payable	1,084,288	618,750	-
Due to other governments	163,222	-	-
Customer deposits	2,060,426	-	-
Other liabilities	444,872	971,508	-
Current portion of claims payable	-	-	-
Current portion of compensated absences	386,113	171,884	235,115
Current portion of bonds & loans payable	5,679,050	3,049,793	-
Current portion of lease payable	-	-	-
Current portion of SBITA payable	-	-	-
Unearned revenue-other	-	-	-
Total current liabilities	12,541,070	7,384,322	683,170
Non-current liabilities:			
Long-term portion of claims payable	-	-	-
Long-term portion of compensated absences	441,294	179,767	257,163
Long-term portion of bonds & loans payable	67,867,572	29,837,787	-
Long-term portion of lease payable	-	-	-
Long-term portion of SBITA payable	-	-	-
Net pension and other postemployment benefits liabilities	6,349,044	3,166,018	4,632,983
Total non-current liabilities	74,657,910	33,183,572	4,890,146
Total liabilities	87,198,980	40,567,894	5,573,316
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	345,004	172,041	251,753
Deferred inflows related to leases	-	-	-
Total deferred inflows of resources	345,004	172,041	251,753
NET POSITION			
Net investment in capital assets	273,158,338	258,642,735	10,639,860
Restricted:			
Capital projects	16,304,446	5,629,036	184
Facilities maintenance	-	-	-
Trust purpose	-	-	-
Net other postemployment benefits	221,017	110,212	161,279
Unrestricted	48,883,568	28,206,283	6,787,608
Total net position	\$ 338,567,369	\$ 292,588,266	\$ 17,588,931

(continued)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities Major Enterprise Funds			Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Pooled cash and investments	\$ 12,317,202	\$ 900,448	\$ 128,553,637	\$ 35,497,355
Restricted pooled cash and investments	-	-	-	21,023,442
Restricted cash with fiscal agents	-	-	-	275,000
Accounts receivable, net	1,227,426	178,637	13,457,453	3,772
Leases receivable	3,939,881	-	3,939,881	-
Interest receivable	62,869	2,234	577,555	242,639
Prepaid items	-	-	1,155,684	-
Supplies inventory	-	-	726,458	262,762
Total current assets	17,547,378	1,081,319	148,410,668	57,304,970
Non-current assets:				
Restricted assets:				
Cash with fiscal agents	-	-	765	-
Investments	-	-	16,281,759	8,643,595
Net restricted assets	-	-	16,282,524	8,643,595
Capital assets:				
Buildings and improvements	70,823,207	-	80,097,774	148,102
Distribution and collection systems	-	119,381,075	998,108,913	-
Water rights	-	-	12,889,805	-
Equipment & furniture	2,034,800	26,478	22,650,281	39,710,048
Vehicles	110,968	-	23,308,257	37,780,745
Lease Assets	12,868	-	12,868	-
Intangible-SBITA	-	-	-	1,163,648
Less accumulated depreciation and amortization	(34,421,220)	(49,743,518)	(515,022,261)	(66,085,402)
Land and improvements	6,703,349	1,375,175	18,824,524	-
Construction in progress	-	3,523,995	112,017,347	2,111,626
Capital assets, net	45,263,972	74,563,205	752,887,508	14,828,767
Net other postemployment benefits asset	73,049	7,712	573,269	309,454
Total non-current assets	45,337,021	74,570,917	769,743,301	23,781,816
Total assets	62,884,399	75,652,236	918,153,969	81,086,786
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions and other postemployment benefits	311,180	34,928	2,576,710	1,401,536
Excess consideration provided for acquisition	-	-	1,005,618	-
Total deferred outflows of resources	311,180	34,928	3,582,328	1,401,536
LIABILITIES				
Current liabilities:				
Accounts payable	883,666	285,424	6,482,390	3,504,279
Accrued payroll	77,084	5,376	512,701	353,479
Interest payable	-	-	1,703,038	9,344
Due to other governments	3,916	-	167,138	-
Customer deposits	1,000	-	2,061,426	-
Other liabilities	64,877	-	1,481,257	31
Current portion of claims payable	-	-	-	8,234,981
Current portion of compensated absences	141,449	14,465	949,026	608,131
Current portion of bonds & loans payable	-	-	8,728,843	-
Current portion of lease payable	2,423	-	2,423	-
Current portion of SBITA payable	-	-	-	352,322
Unearned revenue-other	5,153	-	5,153	-
Total current liabilities	1,179,568	305,265	22,093,395	13,062,567
Non-current liabilities:				
Long-term portion of claims payable	-	-	-	907,894
Long-term portion of compensated absences	217,481	30,196	1,125,901	661,938
Long-term portion of bonds & loans payable	-	-	97,705,359	-
Long-term portion of lease payable	9,269	-	9,269	-
Long-term portion of SBITA payable	-	-	-	140,038
Net pension and other postemployment benefits liabilities	2,098,434	221,535	16,468,014	8,889,540
Total non-current liabilities	2,325,184	251,731	115,308,543	10,599,410
Total liabilities	3,504,752	556,996	137,401,938	23,661,977
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions and other postemployment benefits	114,027	12,039	894,864	483,054
Deferred inflows related to leases	3,822,056	-	3,822,056	-
Total deferred inflows of resources	3,936,083	12,039	4,716,920	483,054
NET POSITION				
Net investment in capital assets	45,252,281	74,563,205	662,256,419	14,259,273
Restricted:				
Capital projects	10,717,887	-	32,651,553	-
Facilities maintenance	100,000	-	100,000	-
Trust purpose	-	-	-	309,454
Net other postemployment benefits	73,049	7,712	573,269	20,286,020
Unrestricted	(388,473)	547,212	84,036,198	23,488,544
Total net position	\$ 55,754,744	\$ 75,118,129	779,617,439	\$ 58,343,291
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.			4,860,740	
			<u>\$ 784,478,179</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, 2023

	Business-type Activities		
	Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
OPERATING REVENUES			
Charges for services	\$ 51,671,336	\$ 26,553,265	\$ 17,162,418
Rents	-	-	-
Intergovernmental	280,000	-	-
Miscellaneous	2,320,754	23,982	18,097
Total operating revenues	<u>54,272,090</u>	<u>26,577,247</u>	<u>17,180,515</u>
OPERATING EXPENSES			
Salaries, wages and employee benefits	7,421,352	3,729,650	5,635,415
Contractual services, materials and supplies	37,576,469	13,703,292	11,014,532
Insurance claims and expenses	-	-	-
Depreciation and amortization	14,557,947	11,910,410	1,445,991
Total operating expenses	<u>59,555,768</u>	<u>29,343,352</u>	<u>18,095,938</u>
Operating income (loss)	<u>(5,283,678)</u>	<u>(2,766,105)</u>	<u>(915,423)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income(loss)	1,431,364	1,135,435	164,753
Interest expense	(1,994,443)	(965,061)	-
Gain (loss) on sale of capital assets	13,550	-	(89,871)
Total non-operating revenues (expenses)	<u>(549,529)</u>	<u>170,374</u>	<u>74,882</u>
Income (loss) before capital contributions and transfers	(5,833,207)	(2,595,731)	(840,541)
Capital contributions	9,574,759	4,040,600	-
Transfers in	10,169,825	6,932,602	-
Transfers out	(1,398,724)	(5,379,915)	-
Change in net position	<u>12,512,653</u>	<u>2,997,556</u>	<u>(840,541)</u>
Total net position - beginning	326,054,716	289,590,710	18,429,472
Total net position - ending	<u>\$ 338,567,369</u>	<u>\$ 292,588,266</u>	<u>\$ 17,588,931</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, 2023

	Business-type Activities Major Enterprise Funds			Governmental Activities - Internal Service Funds
	Stadium Fund	Storm Drain Utility Fund	Total	
OPERATING REVENUES				
Charges for services	\$ 1,695,475	\$ 1,556,380	\$ 98,638,874	\$ 59,647,214
Rents	3,434,491	-	3,434,491	-
Intergovernmental	-	-	280,000	-
Miscellaneous	3,821,270	-	6,184,103	541,673
Total operating revenues	<u>8,951,236</u>	<u>1,556,380</u>	<u>108,537,468</u>	<u>60,188,887</u>
OPERATING EXPENSES				
Salaries, wages and employee benefits	2,811,293	204,320	19,802,030	10,466,827
Contractual services, materials and supplies	4,462,682	1,438,362	68,195,337	19,302,437
Insurance claims and expenses	-	-	-	27,429,874
Depreciation and amortization	2,363,345	2,964,158	33,241,851	4,666,193
Total operating expenses	<u>9,637,320</u>	<u>4,606,840</u>	<u>121,239,218</u>	<u>61,865,331</u>
Operating income (loss)	<u>(686,084)</u>	<u>(3,050,460)</u>	<u>(12,701,750)</u>	<u>(1,676,444)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income(loss)	251,301	12,000	2,994,853	1,119,983
Interest expense	(243)	-	(2,959,747)	(13,901)
Gain (loss) on sale of capital assets	6,225	-	(70,096)	66,512
Total non-operating revenues (expenses)	<u>257,283</u>	<u>12,000</u>	<u>(34,990)</u>	<u>1,172,594</u>
Income (loss) before capital contributions and transfers	(428,801)	(3,038,460)	(12,736,740)	(503,850)
Capital contributions	-	4,339,457	17,954,816	616,962
Transfers in	4,056,800	1,266,132	22,425,359	3,157,513
Transfers out	-	-	(6,778,639)	(22,493)
Change in net position	<u>3,627,999</u>	<u>2,567,129</u>	<u>20,864,796</u>	<u>3,248,132</u>
Total net position - beginning	52,126,745	72,551,000	758,752,643	55,095,159
Total net position - ending	<u>\$ 55,754,744</u>	<u>\$ 75,118,129</u>	<u>779,617,439</u>	<u>\$ 58,343,291</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			207,302	
Change in net position of business-type activities			<u>\$ 21,072,098</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, 2023**

	Business-type Activities Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 54,368,814	\$ 26,543,329	\$ 16,907,080
Payments to suppliers	(36,092,629)	(9,617,438)	(3,007,788)
Payments to employees	(7,119,369)	(3,738,444)	(5,532,387)
Self-insurance costs	-	-	-
Payments to internal service funds	(3,393,186)	(1,553,399)	(7,878,014)
Net cash provided (used) by operating activities	<u>7,763,630</u>	<u>11,634,048</u>	<u>488,891</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	10,169,825	6,932,602	-
Transfers out	(1,398,724)	(5,379,915)	-
Interfund loans payable	-	-	-
Net cash provided (used) by non-capital financing activities	<u>8,771,101</u>	<u>1,552,687</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(17,278,471)	(15,609,964)	(1,280,950)
Proceeds from disposal of capital assets	13,550	-	6,549
Capital contributions	2,234,164	734,023	-
Principal payments on long-term liabilities	(5,272,953)	(2,546,729)	-
Interest paid on long-term liabilities	(2,185,266)	(1,170,789)	-
Net cash provided (used) by capital and related financing activities	<u>(22,488,976)</u>	<u>(18,593,459)</u>	<u>(1,274,401)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(12,097,318)	(12,897,141)	-
Proceeds from sale of investments	5,457,549	3,255,151	-
Interest received on investments	1,238,701	974,023	149,898
Net cash provided (used) by investing activities	<u>(5,401,068)</u>	<u>(8,667,967)</u>	<u>149,898</u>
Net increase (decrease) in cash and cash equivalents	(11,355,313)	(14,074,691)	(635,612)
Cash and cash equivalents at beginning of year	79,037,725	51,980,055	10,384,588
Cash and cash equivalents at end of year	<u>\$ 67,682,412</u>	<u>\$ 37,905,364</u>	<u>\$ 9,748,976</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, 2023**

	Business-type Activities Major Enterprise Funds			Governmental Activities - Internal Service Funds
	Stadium Fund	Storm Drain Utility Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,280,371	\$ 1,552,641	\$ 108,652,235	\$ 60,230,821
Payments to suppliers	(3,014,457)	(921,061)	(52,653,373)	(18,865,354)
Payments to employees	(2,437,853)	(272,033)	(19,100,086)	(10,376,856)
Self-insurance costs	-	-	-	(25,237,798)
Payments to internal service funds	(603,666)	(254,662)	(13,682,927)	-
Net cash provided (used) by operating activities	<u>3,224,395</u>	<u>104,885</u>	<u>23,215,849</u>	<u>5,750,813</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	4,056,800	1,266,132	22,425,359	3,157,513
Transfers out	-	-	(6,778,639)	(22,493)
Interfund loans payable	-	(481,236)	(481,236)	-
Net cash provided (used) by non-capital financing activities	<u>4,056,800</u>	<u>784,896</u>	<u>15,165,484</u>	<u>3,135,020</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(139,020)	(3,523,994)	(37,832,399)	(2,873,570)
Proceeds from disposal of capital assets	6,225	-	26,324	89,982
Capital contributions	-	3,523,994	6,492,181	-
Principal payments on long-term liabilities	(1,176)	-	(7,820,858)	(671,576)
Interest paid on long-term liabilities	(243)	-	(3,356,298)	(4,268)
Net cash provided (used) by capital and related financing activities	<u>(134,214)</u>	<u>-</u>	<u>(42,491,050)</u>	<u>(3,459,432)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	(24,994,459)	(3,503,810)
Proceeds from sale of investments	-	-	8,712,700	3,460,690
Interest received on investments	214,222	10,667	2,587,511	968,124
Net cash provided (used) by investing activities	<u>214,222</u>	<u>10,667</u>	<u>(13,694,248)</u>	<u>925,004</u>
Net increase (decrease) in cash and cash equivalents	7,361,203	900,448	(17,803,965)	6,351,405
Cash and cash equivalents at beginning of year	4,955,999	-	146,358,367	50,444,392
Cash and cash equivalents at end of year	<u>\$ 12,317,202</u>	<u>\$ 900,448</u>	<u>\$ 128,554,402</u>	<u>\$ 56,795,797</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, 2023**

	Business-type Activities Major Enterprise Funds		
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (5,283,678)	\$ (2,766,105)	\$ (915,423)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	14,557,947	11,910,410	1,445,991
(Increase) decrease in assets/deferred outflows:			
Accounts receivable	51,324	(33,918)	(273,435)
Leases receivable	-	-	-
Prepaid items	(432,819)	-	359,190
Supplies inventory	(90,638)	-	-
Net other postemployment benefits asset	(32,793)	(12,665)	(23,214)
Deferred outflows - pension and other postemployment benefits	303,167	176,722	226,180
Increase (decrease) in liabilities/deferred inflows:			
Accounts payable	(1,376,055)	1,897,873	(230,460)
Accrued payroll	91,053	10,385	15,118
Due to other governments	(16,847)	-	-
Other liabilities	7,013	634,582	-
Deposits payable	45,400	-	-
Claims payable	-	-	-
Unearned revenue - other	-	-	-
Compensated absences	90,697	25,701	20,498
Net pension and other post employment benefit liability	1,355,416	578,074	970,097
Deferred inflows - pension and other postemployment benefits	(1,505,557)	(787,011)	(1,105,651)
Deferred inflows - leases	-	-	-
Total adjustments	13,047,308	14,400,153	1,404,314
Net cash provided (used) by operating activities	<u>\$ 7,763,630</u>	<u>\$ 11,634,048</u>	<u>\$ 488,891</u>
Non-cash investing, capital and financing activities:			
Capital assets acquired through contributions from developers and City governmental funds	\$ 7,340,595	\$ 3,306,577	\$ -
Execution of agreements for right to use subscription assets	-	-	-
Change in fair value of investments	(2,185,616)	(1,404,861)	(318,252)
Total non-cash investing, capital and financing activities	<u>\$ 5,154,979</u>	<u>\$ 1,901,716</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, 2023**

	Business-type Activities Major Enterprise Funds			Governmental Activities - Internal Service Funds
	Stadium Fund	Storm Drain Utility Fund	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (686,084)	\$ (3,050,460)	\$ (12,701,750)	\$ (1,676,444)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,363,345	2,964,158	33,241,851	4,666,193
(Increase) decrease in assets/deferred outflows:				
Accounts receivable	382,760	(3,739)	122,992	41,934
Leases receivable	39,197	-	39,197	-
Prepaid items	-	-	(73,629)	-
Supplies inventory	-	-	(90,638)	59,608
Net other postemployment benefits asset	(18,435)	1,500	(85,607)	(37,181)
Deferred outflows - pension and other postemployment benefits	67,228	28,896	802,193	484,994
Increase (decrease) in liabilities/deferred inflows:				
Accounts payable	776,566	262,639	1,330,563	377,475
Accrued payroll	35,619	(1,554)	150,621	143,707
Due to other governments	3,116	-	(13,731)	-
Other liabilities	64,877	-	706,472	31
Deposits payable	-	-	45,400	-
Claims payable	-	-	-	2,192,076
Unearned revenue - other	4,103	-	4,103	-
Compensated absences	62,430	4,821	204,147	26,209
Net pension and other post employment benefit liability	649,516	(22,850)	3,530,253	1,666,063
Deferred inflows - pension and other postemployment benefits	(422,918)	(78,526)	(3,899,663)	(2,193,852)
Deferred inflows - leases	(96,925)	-	(96,925)	-
Total adjustments	3,910,479	3,155,345	35,917,599	7,427,257
Net cash provided (used) by operating activities	<u>\$ 3,224,395</u>	<u>\$ 104,885</u>	<u>\$ 23,215,849</u>	<u>\$ 5,750,813</u>
Non-cash investing, capital and financing activities:				
Capital assets acquired through contributions from developers and City governmental funds	\$ -	\$ 815,462	\$ 11,462,634	\$ 616,962
Execution of agreements for right to use subscription assets	-	-	-	307,293
Change in fair value of investments	-	-	(3,908,729)	23,934
Total non-cash investing, capital and financing activities	<u>\$ -</u>	<u>\$ 815,462</u>	<u>\$ 7,553,905</u>	<u>\$ 948,189</u>
				(concluded)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Pooled cash and investments	\$ 197,739
Due from other governments	7,620
Interest receivable	<u>551</u>
Total assets	<u>205,910</u>
 NET POSITION	
Restricted for:	
Individuals and organizations	153,142
Other governments	<u>52,768</u>
Total net position	<u><u>\$ 205,910</u></u>

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, 2023

	<u>Total Custodial Funds</u>
ADDITIONS	
Contributions:	
Individuals	\$ 32,942
Intergovernmental	10,890
Investment earnings:	
Interest	<u>2,962</u>
Total additions	<u>46,794</u>
DEDUCTIONS	
Recipient payments	<u>24,251</u>
Total deductions	<u>24,251</u>
Change in net position	22,543
Net position - beginning of the year	<u>183,367</u>
Net position - end of the year	<u><u>\$ 205,910</u></u>

The accompanying notes are an integral part of the financial statements

Notes to the Financial Statements

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

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CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023

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, 2023

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.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.

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

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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. 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, 2023

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, 2023

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
Right to use Lease Assets	5
Right to use SBITA	2-7

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, 2023

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, 2023

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, 2023:

- 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, 2023

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

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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, 2023, no tax abatement agreements were noted that were applicable to fiscal year 2023.

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, 2023 was \$1,652,072. 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 2023, the City implemented the provisions of the following GASB Statements:

- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability payment Arrangements. The principal objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The City does not have any Public-Private or Public-Public Partnerships that meet the criteria for GASB Statement No. 94 so this statement has no impact on the financial statements.
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The principal objective of GASB Statement No. 96 is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. The Statement requires recognition of certain intangible assets and liabilities for subscription payments that previously were treated as operating expenses. The City has fifteen agreements that were impacted by this Statement.

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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
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, 2023, the carrying amount of the City's deposits was \$67,119,816 and the bank balance was \$67,348,559. 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 \$228,743 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, 2023, the total amount of these balances was \$7,400.

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, 2023, 48.6% of the City's investments have a maturity of less than one year.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to prime quality securities rated within the top two ratings by a nationally recognized statistical rating organization. The City's investment policy limits the purchase of Corporate Bonds or Notes to those securities rated at least A-/A3 or equivalent at the time of purchase by a nationally recognized statistical rating organization and with a maximum maturity of three years. The City's investment policy also limits the purchase of Banker's Acceptances to those securities rated Aa or better at the time of purchase by two nationally recognized statistical rating organizations and with a maximum maturity of 180 days. At June 30, 2023, the City's investments include \$30.2 million in Commercial Paper and \$107.7 million in Corporate Notes. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase

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agreements must have a collateralization level of at least 102 percent of the market value of principal and accrued interest.

<u>Investment Type</u>	<u>S&P Ratings range</u>
Agency coupon securities	A-1+ to AA+
Commercial Paper	A-1 to A-1+
Corporate Bonds	BBB+ to AA+
Asset Backed Securities	AAA
Supra National Agency Bond	AAA

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

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2023, the City's investments include 50.3% in U.S. Treasury Notes, 20.0% in Corporate securities, 8.4% in Money Market investments, 7.9% in U.S. Agency Coupon securities, 5.6% in Commercial Paper, 5.2% in the State of Arizona local government investment pool, and 2.7% in Asset Backed Securities.

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

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments classified as Level 2 inputs are valued using a matrix pricing model. The City has the following recurring fair value measurements as of June 30, 2023:

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

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

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

At June 30, 2023, the City's total investments of \$538,828,804 included the following:

	Investment Maturities in Years				
	Less than 1	1-2	2-3	Over 3	Fair Value
<u>Investments:</u>					
U.S Treasury notes	\$ 96,779,316	\$ 113,572,976	\$ 30,520,398	\$ 29,917,360	\$ 270,790,050
Agency coupon securities	42,414,622	-	-	-	42,414,622
Commercial paper	30,175,283	-	-	-	30,175,283
Corporate notes	19,566,790	31,813,987	10,634,780	45,704,196	107,719,753
Asset Backed Securities	-	-		14,596,406	14,596,406
Mutual fund-money market	45,221,147	-	-	-	45,221,147
State of Arizona LGIP	27,911,543	-	-	-	27,911,543
Total Investments	\$ 262,068,701	\$ 145,386,963	\$ 41,155,178	\$ 90,217,962	\$ 538,828,804

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

At June 30, 2023, the following funds reported a deficit in fund balance/net position.

- Non-Major Governmental Fund: Non-Bond Debt Service Fund
- Internal Service Fund: Facilities Maintenance Fund

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

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, 2023, expenditures, including capital outlay and transfers, did not exceed budget at the fund level (i.e. the level of budgetary control) in any funds.

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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, 2023.

Fund	Receivables	Allowance	Net
Governmental activities:			
General Fund	\$ 18,824,383	\$ 3,240,391	\$ 15,583,992
Highway User Revenue Fund	594,347	-	594,347
Transportation Sales Tax Fund	2,458,658	-	2,458,658
GO Bond Debt Service Fund	347,809	347,809	-
Other Governmental Funds	610,344	55,987	554,357
Total governmental funds	<u>\$ 22,835,541</u>	<u>\$ 3,644,187</u>	<u>\$ 19,191,354</u>
Internal Service Funds	<u>\$ 3,772</u>	<u>\$ -</u>	<u>\$ 3,772</u>
Business-type activities:			
Water Utility Fund	\$ 7,265,235	\$ 301,210	\$ 6,964,025
Wastewater Utility Fund	3,190,654	208,854	2,981,800
Solid Waste Utility Fund	2,237,975	132,410	2,105,565
Stadium Fund	1,227,426	-	1,227,426
Storm Drain Utility Fund	195,603	16,966	178,637
Total enterprise funds	<u>14,116,893</u>	<u>659,440</u>	<u>13,457,453</u>
Grand totals	<u>\$ 36,956,206</u>	<u>\$ 4,303,627</u>	<u>\$ 32,652,579</u>

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, 2023, significant receivables due to the City included \$1,132,804 from the State of Arizona for State Shared Sales Tax revenues recorded in the General fund, \$1,463,413 Highway User Revenue Fees revenues recorded in the Highway User Revenue Fund, \$411,739 in federal funds from ADOT for reimbursement on a joint agency agreement, and \$369,228 from the federal government for community development block grants. Most other receivables are comprised of taxes or various grants due from other governments and agencies.

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6. CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2023, follows:

	Balances** June 30, 2022	Additions/ Transfers In	Disposals/ Transfers Out	Balances June 30, 2023
Governmental Activities:				
Non-Depreciable Assets:				
Work in Progress	\$ 24,857,538	\$ 20,068,842	\$ (13,067,509)	\$ 31,858,871
Land	425,218,402	12,822,609	-	438,041,011
Total Non-Depreciable Assets	450,075,940	32,891,451	(13,067,509)	469,899,882
Depreciable and Amortizable Assets:				
Buildings & Improvements	198,111,113	5,098	-	198,116,211
Equipment; Furniture	60,314,988	112,931	-	60,427,919
Vehicles	37,978,498	1,720,223	(1,211,790)	38,486,931
Street System	870,644,946	19,737,859	(235,892,928)	654,489,877
Park System	143,905,022	-	-	143,905,022
Lease Equipment; Furniture	41,774	-	-	41,774
Lease Vehicle	9,858	-	-	9,858
Intangible Asset-SBITA	2,927,217	372,373	-	3,299,590
Total Depreciable and Amortizable Assets at Historical Cost	1,313,933,416	21,948,484	(237,104,718)	1,098,777,182
Less Accum. Depreciation:				
Buildings & Improvements	(96,115,254)	(5,061,285)	-	(101,176,539)
Equipment; Furniture	(56,734,434)	(1,635,569)	-	(58,370,003)
Vehicles	(23,911,071)	(3,426,585)	1,188,320	(26,149,336)
Street System	(601,794,887)	(28,153,952)	235,892,928	(394,055,911)
Park System	(42,739,099)	(3,727,022)	-	(46,466,121)
Less Accum. Amortization:				
Lease Assets	(19,685)	(17,084)	-	(36,769)
Intangible Asset-SBITA	-	(1,123,866)	-	(1,123,866)
Total Accum. Depreciation/Amortization	(821,314,430)	(43,145,363)	237,081,248	(627,378,545)
Total Depreciable Assets, Net	492,618,986	(21,196,879)	(23,470)	471,398,637
	\$ 942,694,926	\$ 11,694,572	\$ (13,090,979)	\$ 941,298,519
Business-type Activities:				
Non-Depreciable Assets:				
Work in Progress	\$ 81,143,038	\$ 37,867,433	\$ (6,993,124)	\$ 112,017,347
Land	18,824,524	-	-	18,824,524
Total Non-Depreciable Assets	99,967,562	37,867,433	(6,993,124)	130,841,871
Depreciable assets:				
Buildings & Improvements	80,097,774	-	-	80,097,774
Equipment; Furniture	22,275,571	374,710	-	22,650,281
Vehicles	22,036,549	1,726,356	(454,648)	23,308,257
Surface Water System	118,565,613	815,462	-	119,381,075
Water Rights	12,889,805	-	-	12,889,805
Water System	448,791,114	11,269,952	(12,200,860)	447,860,206
Wastewater System	430,780,581	3,306,577	(3,219,526)	430,867,632
Lease Equipment; Furniture	-	12,868	-	12,868
Total Depreciable Assets at Historical Cost	1,135,437,007	17,505,925	(15,875,034)	1,137,067,898
Less Accum. Depreciation:				
Buildings & Improvements	(34,378,396)	(2,313,000)	-	(36,691,396)
Equipment; Furniture	(19,476,977)	(1,112,361)	-	(20,589,338)
Vehicles	(9,492,029)	(1,763,922)	358,228	(10,897,723)
Surface Water System	(46,779,360)	(2,964,158)	-	(49,743,518)
Water Rights*	(3,866,941)	(257,796)	-	(4,124,737)
Water System	(202,139,860)	(13,018,045)	12,200,860	(202,957,045)
Wastewater System	(181,657,526)	(11,579,217)	3,219,526	(190,017,217)
Less Accumulated Amortization:				
Lease Assets	-	(1,287)	-	(1,287)
Total Accum. Depreciation	(497,791,089)	(33,009,786)	15,778,614	(515,022,261)
Total Depreciable Assets, Net	637,645,918	(15,503,861)	(96,420)	622,045,637
Business-Type Activities				
Capital Assets, Net	\$ 737,613,480	\$ 22,363,572	\$ (7,089,544)	\$ 752,887,508

*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 96

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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	3,968,424	Water utility *	14,325,882
Culture and recreation	7,034,675	Wastewater utility	11,910,410
Public Safety	3,775,744	Storm drain utility	2,964,158
Development services	198,903	Stadium	2,363,345
Highway and streets	27,472,882	Solid Waste	1,445,991
Public works	658,882		
Human services	35,853		
Total Depreciation and amortization expense	43,145,363	Total Depreciation expense	33,009,786

* 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
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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 (VWCDF) in August 2014. In December 2014, the VWCDF was authorized through an election to issue up to \$9,000,000 of general obligation bonds to construct public infrastructure within the district. VWCDF 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 (VNCDF) in June 2020. In October 2020, the VNCDF was authorized through an election to issue up to \$50,000,000 of general obligation bonds to construct public infrastructure within the district. VNCDF issued short-term taxable general obligation bonds of \$15,987 and \$18,950 in fiscal year 2022 and 2023, respectively.

The City Council formed the Mystic at Lake Pleasant Heights Community Facilities District (MCFD) in June 2020. In October 2020, the MCFD was authorized through an election to issue up to \$65,000,000 of general obligation bonds to construct public infrastructure within the district. MCFD issued a short-term taxable general obligation bond of \$56,572 in fiscal year 2022 and a general obligation bond of \$3,625,000 in fiscal year 2023.

E. Pledged revenues

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

The City has pledged future water utility and wastewater utility revenues, net of specific operating expenses, to repay \$35,190,000 in Revenue Refunding Bonds issued in 2020, \$28,955,000 in Revenue Refunding Bonds issued in 2022 and \$62,879,948 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. At June 30, 2023, \$100,713,612 in bonds and loans remain outstanding to be repaid by future water and wastewater revenues. For the fiscal year ended June 30, 2023, the pledged revenues, net of operating expenses available for service of this debt were \$23,526,908. The debt principal and interest paid on this debt in fiscal year 2023 was \$10,775,633, net of amortized premium.

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The City has pledged certain revenues to repay \$3,220,000 of Pledged Excise Tax 2018 Refunding Obligations and \$21,495,000 of Pledged Excise Tax 2022 Refunding Obligations. Pledged revenues for these obligations include excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes. At June 30, 2023, \$1,315,000 of the Pledged Excise Tax 2018 Obligation and \$21,015,000 of the Pledged Excise Tax 2022 Obligations remained outstanding to be repaid by these future revenues. The obligations were issued to construct various City operational facilities and refund prior MDA bonds. For the fiscal year ended June 30, 2023, the pledged revenues, net of operating expenses available to service this debt were \$214,452,849. The debt principal and interest paid on this debt in fiscal year 2023 was \$1,688,890.

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, 2023, \$10,095,000 of the Pledged Transportation 2018 obligations remained outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2023, the pledged revenues, net of operating expenses available to service this debt were \$233,739,705. The debt principal and interest paid on this debt in fiscal year 2022 was \$3,517,995.

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, 2023:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 162,020,000	\$ 23,810,000	\$ 15,910,000	\$ 169,920,000	\$ 13,625,000
General obligation WIFA loans	3,724,398	4,273,075	934,188	7,063,285	950,876
Excise tax revenue obligations	21,495,000	-	480,000	21,015,000	2,050,000
Direct purchase and loan obligations	19,621,324	-	3,873,485	15,747,839	3,948,221
CFD bonds	23,480,000	3,625,000	4,030,000	23,075,000	4,240,000
Total bonds payable	230,340,722	31,708,075	25,227,673	236,821,124	24,814,097
Net pension and other postemployment benefits liability	140,764,979	12,960,591	6,304,981	147,420,589	-
Compensated absences	17,247,490	14,142,383	12,566,069	18,823,804	8,281,657
Claims payable	6,950,800	21,737,327	19,545,252	9,142,875	8,234,981
Leases payable	32,546	-	17,498	15,048	6,925
SBITA payable	2,927,106	372,373	1,384,295	1,915,184	966,171
Deferred bond premium	17,569,101	1,547,460	2,094,674	17,021,887	-
Governmental activities totals	\$ 415,832,744	\$ 82,468,209	\$ 67,140,442	\$ 431,160,511	\$ 42,303,831
Business-type activities:					
Bonds and loans payable:					
Revenue bonds	\$ 59,815,000	\$ -	\$ 4,560,000	\$ 55,255,000	\$ 5,525,000
WIFA loans	48,718,291	-	3,259,681	45,458,610	3,203,843
Net pension and other postemployment benefits liability	12,937,761	3,530,253	-	16,468,014	-
Compensated absences	1,870,780	1,591,164	1,387,017	2,074,927	949,026
Leases payable	-	12,868	1,176	11,692	2,423
Deferred bond premium	6,478,550	-	757,958	5,720,592	-
Business-type activities totals	\$ 129,820,382	\$ 5,134,285	\$ 9,965,832	\$ 124,988,835	\$ 9,680,292

* Revised due to implementation of GASB 96

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Bonds and loans payable at June 30, 2023 are comprised of the following:

Governmental Activities Debt

<u>General Obligation Bonds</u>	<u>Maturity Dates</u>	<u>Net Interest Rate</u>	<u>Issue Amount</u>	<u>Outstanding June 30, 2023</u>
Series 2012A	7/1/12-32	3.32	14,715,000	8,305,000
Series 2015A	7/15/16-35	2.98	30,325,000	22,190,000
Series 2015B	7/15/16-28	2.29	66,425,000	36,005,000
Series 2019	7/15/19-39	2.65	30,420,000	25,250,000
Series 2021	7/15/22-41	1.72	55,880,000	54,360,000
Series 2022	7/15/23-42	3.99	23,810,000	23,810,000
Total General Obligation Bonds			<u>\$221,575,000</u>	<u>\$ 169,920,000</u>

**WIFA General
Obligation Loans**

WIFA series 2019	7/1/20-39	1.6	\$ 5,446,959	\$ 3,756,818
WIFA series 2021	7/1/22-41	1.85	5,006,943	3,306,467
Total WIFA General Obligations			<u>\$ 10,453,902</u>	<u>\$ 7,063,285</u>

**Excise Tax/State
Shared Revenue
Obligations**

Series 2022	7/15/22-32	2.73	\$ 21,495,000	\$ 21,015,000
Total Direct Purchase and Loan Obligations			<u>\$ 21,495,000</u>	<u>\$ 21,015,000</u>

**Direct Purchase and
Loan Obligations**

Taxable NCREBs	9/1/1937	4.23	\$ 5,199,304	\$ 4,337,839
Pledged Excise 2018	7/15/2025	2.01	3,220,000	1,315,000
Pledged Transportation 2018	1/15/2026	1.97	25,755,000	10,095,000
Total Direct Purchase and Loan Obligations			<u>\$ 34,174,304</u>	<u>\$ 15,747,839</u>

**Community Facility
District Bonds**

VCFD – Series 2020	7/15/21-26	0.87	\$ 22,725,000	\$ 15,550,000
VWCFD – Series 2016	7/15/18-29	4.15	3,000,000	1,960,000
VWCFD – Series 2019	7/15/20-29	4.00	2,590,000	1,940,000
MCFD – Series 2023	7/15/23-47	4.36	3,625,000	3,625,000
Total Community Facility District Bonds			<u>\$ 31,940,000</u>	<u>\$ 23,075,000</u>

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Business-Type Activities Debt

Revenue Bonds	Maturity Dates	Net Interest Rate	Issue Amount	Outstanding June 30, 2023
WWW Series 2020	7/15/21-29	0.53	\$ 35,190,000	\$ 26,300,000
WWW Series 2022	7/15/23-42	3.78	28,955,000	28,955,000
Total Revenue Bonds			<u>\$ 64,145,000</u>	<u>\$ 55,255,000</u>

WIFA Loans

WIFA Series 2009	7/1/10-29	3.27	4,371,597	1,758,255
WIFA Series 2015	7/15/16-35	2.40	14,000,000	9,833,487
WIFA Series 2017	7/15/18-36	2.65	44,508,351	33,866,868
Total WIFA loans			<u>\$ 62,879,948</u>	<u>\$ 45,458,610</u>

The following table discloses the bond debt service requirements as of June 30, 2023, 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
2024	\$ 20,865,876	\$ 8,074,278	\$ 3,948,221	\$ 402,279	\$ 8,728,843	\$ 3,649,088
2025	21,082,862	7,203,840	4,028,267	319,415	9,263,555	3,275,750
2026	22,040,152	6,256,320	4,088,633	234,789	9,664,245	2,881,110
2027	23,022,753	5,360,258	239,328	153,258	10,088,114	2,468,076
2028	13,030,669	4,695,298	250,360	143,018	8,534,670	2,124,216
2029-2033	59,208,536	16,321,180	1,429,749	544,508	26,180,380	7,655,411
2034-2038	43,382,162	7,332,976	1,763,281	207,298	22,989,186	3,550,004
2039-2043	30,978,531	1,995,074	-	-	9,770,000	1,007,600
2044-2048	1,060,000	119,658	-	-	-	-
Totals	<u>\$ 234,671,541</u>	<u>\$ 57,358,882</u>	<u>\$ 15,747,839</u>	<u>\$ 2,004,565</u>	<u>\$ 105,218,993</u>	<u>\$ 26,611,255</u>

*Includes required principal and estimated interest payments for approved WIFA loans that have not fully drawn as of 6/30/23, the principal payments are contractual and the loans are expected to draw in FY2024.

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
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8. RISK FINANCING ACTIVITIES

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

Risk management -

The City is self-insured for general liability with a \$1,000,000 self-insured retention (SIR) and a \$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 2023. Commercial insurance is purchased to cover claims above the self-insurance amounts.

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

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

Health insurance -

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

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

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

Estimated liability –

The total claims liability of \$8,142,875 reported in the Self-Insurance Fund at June 30, 2023, 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 \$206,273 for liability/property claims, \$6,248,614 for workers' compensation claims and \$1,687,988 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 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>

Fiscal Year 2023:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 213,045	\$ 2,012,010	\$ (1,018,782)	\$ 1,206,273
Workers' comp	5,064,555	842,468	341,591	6,248,614
Health insurance	1,673,200	18,882,849	(18,868,061)	1,687,988
	<u>\$ 6,950,800</u>	<u>\$ 21,737,327</u>	<u>\$ (19,545,252)</u>	<u>\$ 9,142,875</u>

9. LEASES

A. City as Lessee

The City has entered into lease agreements to provide copy center equipment, a trash compactors at Rio Vista Park and the Peoria Sports Complex, 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.

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The following schedule summarizes the City's lease liability activity for the year ended June 30, 2023:

Description	Rate	Beginning Liability Balance	Additions	Remeasurements	Payments	Ending Liability Balance	Due within one year
Governmental Activities							
Copier Services Lease - ACON 22918	2.60%	\$ 15,059	\$ -	-	\$ (11,245)	\$ 3,814	\$ 3,814
Mayor's Car - ACON 53918	2.60%	3,218	-	(400)	(2,818)	-	-
Rio Vista Trash Compactor - ACON 57116A	2.47%	14,269	-	-	(3,035)	11,234	3,111
Total		<u>\$ 32,546</u>	<u>\$ -</u>	<u>(400)</u>	<u>\$ (17,098)</u>	<u>\$ 15,048</u>	<u>\$ 6,925</u>
Business-type Activities							
Sports Complex Trash Compactor - ACON 55616A	3.92%	-	12,868	-	(1,176)	11,692	2,423
Total		<u>\$ -</u>	<u>\$ 12,868</u>	<u>-</u>	<u>\$ (1,176)</u>	<u>\$ 11,692</u>	<u>\$ 2,423</u>

The following table discloses the lease payment requirements as of June 30, 2023, segregating principal and interest, for the next five years.

Fiscal year	Governmental Activities		Business-type Activities*	
	Principal	Interest	Principal	Interest
2024	\$ 6,925	\$ 263	\$ 2,423	\$ 415
2025	3,189	165	2,520	318
2026	3,269	85	2,620	218
2027	1,665	12	2,725	113
2028	-	-	1,404	16
Totals	<u>\$ 15,048</u>	<u>\$ 525</u>	<u>\$ 11,692</u>	<u>\$ 1,080</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 \$304,905 of interest earnings in fiscal year 2023. Lease payments totaled \$199,976 resulting in an interest receivable of \$104,929.

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 \$76,183 of interest earnings in fiscal year 2023. Lease payments totaled \$58,084 resulting in an interest receivable of \$18,099.

In 2017, the City leased property for the Arizona Broadway Theater (ABT). The original lease term, including available extensions, is 45 years. In fiscal year 2023, ABT exercised the purchase option in the lease and the lease was closed out.

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 2023, the City recognized \$18,600 in payments against the receivable and \$18,351 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

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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 2023 the City recognized \$39,197 in payments against the receivable and \$38,803 of interest earnings.

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into various subscription-based information technology arrangements (SBITA) to provide software solutions. The original SBITA terms range from two to seven years and all include fixed payments. The SBITA assets are presented in the Government-wide financial statements and listed separately in Note 6.

The following schedule summarizes the City's SBITA liability activity for the year ended June 30, 2023:

Description	Rate	Beginning Liability Balance	Additions	Payments	Ending Liability Balance	Due within one year
Governmental Activities	1.66%-3.92%	\$ 2,927,106	\$ 372,373	\$ (1,384,295)	\$ 1,915,184	\$ 966,171

The following table discloses the SBITA payment requirements as of June 30, 2023, segregating principal and interest, for the next three years.

Fiscal year	Governmental Activities	
	Principal	Interest
2024	\$ 966,171	\$ 43,806
2025	676,021	18,341
2026	272,992	1,970
Totals	<u>\$ 1,915,184</u>	<u>\$ 64,117</u>

11. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

A summary of pension and other postemployment benefit related items as of and for the year ended June 30, 2023, is presented below:

Plan	Net Pension and Other Postemployment Benefits Liability	Other Postemployment Benefits Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension and Other Postemployment Expense
ASRS					
Governmental Activities	\$ 67,511,923	\$ 2,350,160	\$ 10,663,681	\$ 3,668,562	\$ 6,255,364
Business-Type Activities	16,468,014	573,269	2,576,710	894,864	1,917,834
PSPRS - Police	43,976,524	363,732	19,776,537	741,499	7,562,524
PSPRS - Fire	35,932,142	482,992	24,321,666	1,221,452	7,031,869
	<u>\$ 163,888,603</u>	<u>\$ 3,770,153</u>	<u>\$ 57,338,594</u>	<u>\$ 6,526,377</u>	<u>\$ 22,767,591</u>

The City of Peoria reported \$28,771,297 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

CITY OF PEORIA, ARIZONA
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A. Arizona State Retirement System

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

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

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

*With actuarially reduced benefits

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

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

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contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement & health insurance benefits and 0.14 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 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the members' annual covered payroll. These percentages led to City's contributions for the year ended June 30, 2023 of \$7,956,552, \$73,428, and \$93,445 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 9.68 percent (9.62 percent for retirement, 0.00 percent for health insurance premium benefit, and 0.06 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, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022, and the change from its proportion measured as of June 30, 2021.

At June 30, 2023, 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, 2022, and the change from its proportion measured as of June 30, 2021 was:

ASRS	Net pension/OPEB (asset) liability	Proportion June 30, 2022 %	Increase (decrease) from June 30, 2021
Pension	\$ 83,932,124	0.51422	0.001
Health insurance premium benefit	(2,923,429)	0.52382	0.002
Long-term disability	47,813	0.51768	0.000

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2023, the City of Peoria recognized the following pension and OPEB expense for ASRS.

ASRS	Pension/OPEB expense
Pension	\$ 8,586,537
Health insurance premium benefit	(427,760)
Long-term disability	14,421

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Deferred outflows/inflows of resources. At June 30, 2023, 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	\$ 715,152	\$ -	\$ -	\$ 1,491,952	\$ 24,886	\$ 44,551
Changes of assumptions or other inputs	4,165,714	-	47,447	79,732	26,039	116,695
Difference between projected and actual earnings on plan investments	-	2,210,852	-	98,477	-	1,486
Changes in proportion and differences between City contributions and proportionate share of contributions	134,824	503,421	2,904	2,338	-	13,922
City contributions subsequent to the measurement date	7,956,552	-	73,428	-	93,445	-
Total	\$ 12,972,242	\$ 2,714,273	\$ 123,779	\$ 1,672,499	\$ 144,370	\$ 176,654

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, 2024. 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
2024	\$ 3,543,189	\$ (446,241)	\$ (12,961)
2025	(941,787)	(485,234)	(15,637)
2026	(3,838,561)	(532,117)	(26,834)
2027	3,538,576	(79,906)	(5,424)
2028	-	(78,650)	(24,537)
Thereafter	-	-	(40,336)

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry Age Normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4% for pensions/not applicable to OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

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The long-term expected rate of return on ASRS pension plan investments was determined to be 7 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class of ASRS are summarized in the following table:

Asset Class	Target Allocation	Long-Term expected geometric real rate of return
Equity	50%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitivity	10%	-0.02%
Real estate	20%	1.20%
Total	100%	

Discount Rate. The discount rate used to measure the ASRS total pension/OPEB liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 123,839,356	\$ 83,932,124	\$ 50,655,730
Net insurance premium benefit liability (asset)	(2,102,105)	(2,923,429)	(3,620,309)
Net long-term disability liability	79,262	47,813	17,337

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

CITY OF PEORIA, ARIZONA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	

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

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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, 2023, 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	116	116	56	56
Inactive employees entitled to but not yet receiving benefits	37	14	23	19
Active employees	132	132	133	133
Total	285	262	212	208

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, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members - pension	7.65%	7.65%
City of Peoria		
Pension	48.23%	34.33%
Health Insurance	0.21%	0.17%

In addition, the City of Peoria was required by statute to contribute at the actuarially determined rate of 34.24 percent for the PSPRS Police, and 19.05 percent for the PSPRS Fire, of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to the PSPRS.

For the agent plans, the contributions to the pension plan and contributions for the health insurance premium benefit for the year ended June 30, 2023 were:

	PSPRS - Police		PSPRS - Fire	
Pension:				
Contributions made	\$	11,662,574	\$	10,891,970
Health insurance premium benefit:				
Contributions made		42,290		35,614

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Asset and Liability. At June 30, 2023, the City of Peoria reported the following assets and liabilities.

	Net pension- liability	Net OPEB asset
PSPRS - Police	\$ 43,976,524	\$ (363,732)
PSPRS – Fire	35,932,142	(482,992)

The net assets and net liabilities were measured as of June 30, 2022, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Inflation	2.50% for pensions/not applicable for OPEB
Salary Increases	3.25%-15.00%, including inflation, for pensions/not applicable for OPEB
Tier 1/2 Investment Rate of Return	7.20%
Tier 3 Investment Rate of Return	7.00%
Mortality Rates	Active Lives: PubS-2010 Employee mortality, adjusted by a factor of 1.3 for male members and 1.08 for female members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). 100% of active deaths are assumed to be in the line of duty. Inactive Lives: PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.03 for male retirees and 1.11 for female retirees, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021) Beneficiaries: PubS-2010 Survivor mortality, adjusted by a factor of 0.98 for male beneficiaries and adjusted by a factor of 1.06 for female beneficiaries, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). Disabled Lives: PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and 1.01 for female disabled members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021)

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return*
U.S. Public Equity	24%	3.49%
International Equity	16%	4.47%
Global Private Equity	20%	7.18%
Other Assets (Capital Appreciation)	7%	4.83%
Core Bonds	2%	0.45%
Private Credit	20%	5.10%
Diversifying Strategies	10%	2.68%
Cash - Mellon	1%	(0.35)%
Total	100%	

Discount Rates. At June 30 2022, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.20 percent, which was 0.1 lower than the discount rate used as of June 30, 2021. 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, 2023

Changes in the Net Pension/OPEB Liability

	Increase (decrease)			Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
PSPRS - POLICE						
Balances at June 30, 2021	\$ 160,753,257	\$ 102,880,751	\$57,872,506	\$ 2,094,294	\$ 2,690,418	\$ (596,124)
Changes for the year:						
Service cost	3,355,365	-	3,355,365	60,471	-	60,471
Interest on the total liability	11,719,465	-	11,719,465	154,251	-	154,251
Differences between expected and actual experience in the measurement of the liability	1,419,354	-	1,419,354	(84,366)	-	(84,366)
Changes of assumptions or other inputs	1,677,907	-	1,677,907	48,624	-	48,624
Contributions – employer	-	35,785,241	(35,785,241)	-	53,232	(53,232)
Contributions – employee	-	1,317,660	(1,317,660)	-	-	-
Net investment income	-	(4,957,000)	4,957,000	-	(104,779)	104,779
Benefit payments, including refunds of employee contributions	(7,136,011)	(7,136,011)	-	(83,482)	(83,482)	-
Administrative expense	-	(77,828)	77,828	-	(1,865)	1,865
Net changes	11,036,080	24,932,062	(13,895,982)	95,498	(136,894)	232,392
Balances at June 30, 2022	<u>\$ 171,789,337</u>	<u>\$ 127,812,813</u>	<u>\$43,976,524</u>	<u>\$ 2,189,792</u>	<u>\$ 2,553,524</u>	<u>\$ (363,732)</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, 2021	\$ 130,201,295	\$ 101,860,154	\$28,341,141	\$ 1,749,499	\$ 2,326,291	\$ (576,792)
Changes for the year:						
Service cost	3,710,281	-	3,710,281	56,633	-	56,633
Interest on the total liability	9,592,431	-	9,592,431	129,786	-	129,786
Differences between expected and actual experience in the measurement of the liability	4,163,638	-	4,163,638	(157,630)	-	(157,630)
Changes of assumptions or other inputs	1,398,720	-	1,398,720	14,185	-	14,185
Contributions – employer	-	14,331,947	(14,331,947)	-	41,562	(41,562)
Contributions – employee	-	1,401,092	(1,401,092)	-	-	-
Net investment income	-	(4,380,045)	4,380,045	-	(90,772)	90,772
Benefit payments, including refunds of employee contributions	(5,016,815)	(5,016,815)	-	(56,491)	(56,491)	-
Administrative expense	-	(78,925)	78,925	-	(1,616)	1,616
Other	-	-	-	-	-	-
Net changes	13,848,255	6,257,254	7,591,001	(13,517)	(107,317)	93,800
Balances at June 30, 2022	<u>\$ 144,049,550</u>	<u>\$ 108,117,408</u>	<u>\$35,932,142</u>	<u>\$ 1,735,982</u>	<u>\$ 2,218,974</u>	<u>\$ (482,992)</u>

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS – Police			
Rate	6.20%	7.20%	8.20%
Net pension (asset) liability	\$ 68,706,518	\$ 43,976,524	\$ 23,908,826
Net OPEB (asset) liability	(105,756)	(363,732)	(580,369)
PSPRS – Fire			
Rate	6.20%	7.20%	8.20%
Net pension (asset) liability	\$ 57,387,041	\$ 35,932,142	\$ 18,504,338
Net OPEB (asset) liability	(273,223)	(482,992)	(659,510)

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, 2023, the City of Peoria recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense
PSPRS - Police	\$ 7,661,199	\$ (98,675)
PSPRS - Fire	7,068,285	(36,416)

CITY OF PEORIA, ARIZONA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Deferred Outflows/Inflows of Resources. At June 30, 2023, 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 Benefit Premium	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS – Police				
Differences between expected and actual experience	\$ 2,726,329	\$ 312,295	\$ 20,352	\$ 429,204
Changes of assumptions or other inputs	2,684,230	-	51,311	-
Net difference between projected and actual earnings on plan investments	2,545,503	-	43,948	-
Contributions subsequent to the measurement date	11,662,574	-	42,290	-
Total	<u>\$ 19,618,636</u>	<u>\$ 312,295</u>	<u>\$ 157,901</u>	<u>\$ 429,204</u>

	Pension		Health Insurance Benefit Premium	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS – Fire				
Differences between expected and actual experience	\$ 7,788,273	\$ 708,252	\$ 61,172	\$ 464,406
Changes of assumptions or other inputs	3,543,905	-	22,257	48,794
Net difference between projected and actual earnings on plan investments	1,939,179	-	39,296	-
Contributions subsequent to the measurement date	10,891,970	-	35,614	-
Total	<u>\$ 24,163,327</u>	<u>\$ 708,252</u>	<u>\$ 158,339</u>	<u>\$ 513,200</u>

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2024. 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
2024	\$ 1,706,660	\$ 2,422,819	\$ (99,329)	\$ (56,623)
2025	1,670,250	1,826,773	(104,308)	(63,504)
2026	810,878	871,681	(117,898)	(85,588)
2027	3,455,979	3,769,407	13,899	(15,399)
2028	-	1,334,993	(5,957)	(67,766)
Thereafter	-	2,337,432	-	(101,595)

12. DEFERRED COMPENSATION PLAN

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

13. CONTINGENCIES, COMMITMENTS AND OTHER CLAIMS

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

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

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

The City had the following significant commitments as of June 30, 2023:

- \$1,155,876 in the GO Bond Capital Projects Fund for design of a new fleet shop.
- \$1,887,205 in the Wastewater Utility Fund for construction at the 112th and Northern lift station.
- \$1,374,481 in the Water Utility Fund for pre-construction services at the Salter Well Site.
- \$11,435,653 in the Wastewater Utility Fund for the Beardsley Plant expansion.
- \$13,780,498 in the Water and Wastewater Utility Funds for reclaimed water pipelines.

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

14. INTERFUND TRANSACTIONS, RECEIVABLE AND PAYABLE BALANCES

At June 30, 2023, there were interfund loans from the General Fund to the GO Bond Capital Projects Fund and the Non-Bond Debt Service Fund to cover deficit cash balances in those funds. The loans are expected to be repaid in the following year.

The interfund transfers generally fall within one of the following categories: 1) debt service payments made from a debt service fund but funded from an operating fund; 2) subsidy transfers; 3) transfers to fund internal service equipment replacement funds; or 4) capital assets purchased or constructed in one fund, but capitalized in another. There were no significant transfers during fiscal year 2023 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, 2023:

Fund	Transfers out	Transfers in
Governmental funds:		
General Fund	\$ 7,293,649	\$ 860,000
Highway User Revenue Fund	334,700	1,000,000
Transportation Sales Tax Fund	8,294,996	-
Non-Bond Capital Projects Fund	64,124	-
Non-Major Governmental Funds	12,278,566	7,624,295
Total governmental funds	<u>28,266,035</u>	<u>9,484,295</u>
Enterprise funds:		
Water Utility Fund	1,398,724	10,169,825
Wastewater Utility Fund	5,379,915	6,932,602
Stadium Fund	-	4,056,800
Storm Drain Utility Fund	-	1,266,132
Total enterprise funds	<u>6,778,639</u>	<u>22,425,359</u>
Internal Service funds	<u>22,493</u>	<u>3,157,513</u>
Grand totals	<u>\$ 35,067,167</u>	<u>\$ 35,067,167</u>

CITY OF PEORIA, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

15. STABILIZATION ARRANGEMENTS

The committed and assigned fund balances of the governmental funds are shown on the fund financial statements. The following table presents the City's stabilization reserves included in the proprietary fund financial statements at June 30, 2023:

Water Utility Fund:	
Working capital policy reserve	\$ 11,249,458
Rate stabilization	2,566,675
Debt stabilization	4,011,090
System asset maintenance	10,971,544
Capital equipment replacement	<u>1,447,362</u>
	<u>30,246,129</u>
Wastewater Utility Fund:	
Working capital policy reserve	4,396,732
Rate stabilization	1,219,158
Debt stabilization	2,166,958
System asset maintenance	9,207,055
Capital equipment replacement	<u>1,077,226</u>
	<u>18,067,129</u>
Solid Waste Utility Fund:	
Working capital policy reserve	3,329,991
Capital equipment replacement	<u>4,307,219</u>
	<u>7,637,210</u>
Stadium Fund:	
Capital equipment replacement	<u>478,622</u>
Total enterprise funds	<u>\$ 56,429,090</u>
Internal Service Funds:	
Capital equipment replacement	\$ 19,519,712
Risk management purpose	<u>6,802,770</u>
Total internal service funds	<u>\$ 26,322,482</u>

16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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



A photograph of a falcon perched on the top of a saguaro cactus. The cactus is green with prominent spines. In the background, there is a large body of water, likely a reservoir, with sandy islands and a range of mountains under a clear sky. The scene is captured in warm, golden-hour light.

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, 2023**

ASRS-Pension

Reporting Fiscal Year (Measurement Date)

	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>	<u>2017 (2016)</u>	<u>2016 (2015)</u>	<u>2015 (2014)</u>
Proportion of the net pension liability	0.514220%	0.512820%	0.523230%	0.532380%	0.546250%	0.571460%	0.542460%	0.526670%	0.520455%
Proportionate share of the net pension liability	\$ 83,932,124	\$ 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	\$ 63,959,887	\$ 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	131.23%	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	74.26%	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>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Proportion of the net OPEB (asset)	0.523820%	0.522130%	0.532290%	0.541370%	0.554120%	0.577940%
Proportionate share of the net OPEB (asset)	\$ (2,923,429)	\$ (2,543,860)	\$ (376,859)	\$ (149,610)	\$ (199,533)	\$ (314,630)
Covered payroll	\$ 63,959,887	\$ 57,978,944	\$ 57,428,297	\$ 56,417,665	\$ 54,343,055	\$ 53,419,833
Proportionate share of the net OPEB (asset) as a percentage of its employee payroll	-4.57%	-4.39%	-0.66%	-0.27%	-0.37%	-0.59%
Plan fiduciary net position as a percentage of the total OPEB liability	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%

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

ASRS-Long-term disability

Reporting Fiscal Year (Measurement Date)

	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Proportion of the net OPEB liability	0.517680%	0.517490%	0.528200%	0.537820%	0.550920%	0.569260%
Proportionate share of the net OPEB liability	\$ 47,813	\$ 106,822	\$ 400,699	\$ 350,360	\$ 287,858	\$ 206,344
Covered payroll	\$ 63,959,887	\$ 57,978,944	\$ 57,428,297	\$ 56,417,665	\$ 54,343,055	\$ 53,419,833
Proportionate share of the net OPEB liability as a percentage of its employee payroll	0.07%	0.18%	0.70%	0.62%	0.53%	0.39%
Plan fiduciary net position as a percentage of the total OPEB liability	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%

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

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, 2023

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>	<u>2017 (2016)</u>	<u>2016 (2015)</u>	<u>2015 (2014)</u>
Peoria Police Department									
Total pension liability									
Service cost	\$ 3,355,365	\$ 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	11,719,465	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	1,419,354	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	1,677,907	-	-	3,131,115	-	2,469,996	4,270,128	-	8,103,978
Benefit payments, including refunds of employee contributions	(7,136,011)	(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	11,036,080	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	160,753,257	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>\$ 171,789,337</u>	<u>\$ 160,753,257</u>	<u>\$ 151,875,467</u>	<u>\$ 141,525,343</u>	<u>\$ 130,978,266</u>	<u>\$ 125,416,338</u>	<u>\$ 110,294,625</u>	<u>\$ 96,435,161</u>	<u>\$ 91,251,779</u>
Plan fiduciary net position									
Contributions - employer	\$ 35,785,241	\$ 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	1,317,660	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	(4,957,000)	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	(7,136,011)	(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	(89,216)	(106,627)	(81,409)	(68,704)	(65,122)	(59,988)	(46,480)	(44,835)	-
Other changes	11,388	-	-	(4,128)	40,695	(21,848)	37,100	(56,762)	(1,313,936)
Net change in plan fiduciary net position	24,932,062	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	102,880,751	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	(46,921)	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 127,812,813</u>	<u>\$ 102,880,751</u>	<u>\$ 77,047,402</u>	<u>\$ 73,096,802</u>	<u>\$ 66,335,122</u>	<u>\$ 62,148,414</u>	<u>\$ 52,863,375</u>	<u>\$ 51,806,949</u>	<u>\$ 49,934,163</u>
Net pension liability - ending (a)-(b)	43,976,524	57,872,506	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	74.40%	64.00%	50.73%	51.65%	50.65%	49.55%	47.93%	53.72%	54.72%
Covered payroll	\$ 17,697,415	\$ 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	248.49%	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, 2023**

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>	<u>2017 (2016)</u>	<u>2016 (2015)</u>	<u>2015 (2014)</u>
Peoria Fire Department									
Total pension liability									
Service cost	\$ 3,710,281	\$ 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	9,592,431	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	4,163,638	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	1,398,720	-	-	2,087,419	-	1,708,934	3,273,059	-	3,815,327
Benefit payments, including refunds of employee contributions	(5,016,815)	(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	13,848,255	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	130,201,295	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>\$ 144,049,550</u>	<u>\$ 130,201,295</u>	<u>\$ 120,503,324</u>	<u>\$ 111,165,549</u>	<u>\$ 100,690,697</u>	<u>\$ 95,899,139</u>	<u>\$ 85,045,529</u>	<u>\$ 68,911,324</u>	<u>\$ 63,042,200</u>
Plan fiduciary net position									
Contributions - employer	\$ 14,331,947	\$ 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	1,401,092	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	(4,380,045)	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	(5,016,815)	(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	(78,925)	(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	6,257,254	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	101,860,154	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>\$ 108,117,408</u>	<u>\$ 101,860,154</u>	<u>\$ 74,234,112</u>	<u>\$ 71,247,948</u>	<u>\$ 65,392,298</u>	<u>\$ 60,838,547</u>	<u>\$ 51,943,505</u>	<u>\$ 48,802,926</u>	<u>\$ 46,014,691</u>
Net pension liability - ending (a)-(b)	35,932,142	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	75.06%	78.23%	61.60%	64.09%	64.94%	63.44%	61.08%	70.82%	72.99%
Covered payroll	\$ 17,385,094	\$ 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	206.68%	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, 2023

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Peoria Police Department						
Total OPEB liability						
Service cost	\$ 60,471	\$ 64,399	\$ 66,728	\$ 44,231	\$ 45,757	\$ 50,779
Interest on the total OPEB liability	154,251	163,960	153,939	167,216	164,184	167,590
Changes in benefit terms	-	-	-	-	-	6,476
Differences between expected and actual experience in the measurement of the OPEB liability	(84,366)	(271,397)	35,618	(351,117)	(103,677)	19,591
Changes of assumptions or other inputs	48,624	-	-	25,181	-	(159,009)
Benefit payments, including refunds of employee contributions	(83,482)	(88,596)	(87,770)	(87,095)	(86,192)	(111,290)
Net change in total OPEB liability	95,498	(131,634)	168,515	(201,584)	20,072	(25,863)
Total OPEB liability - beginning	2,094,294	2,225,928	2,057,413	2,258,997	2,238,925	2,264,788
Total OPEB liability - ending (a)	<u>\$ 2,189,792</u>	<u>\$ 2,094,294</u>	<u>\$ 2,225,928</u>	<u>\$ 2,057,413</u>	<u>\$ 2,258,997</u>	<u>\$ 2,238,925</u>
Plan fiduciary net position						
Contributions - employer	\$ 53,232	\$ 52,644	\$ 56,957	\$ 59,304	\$ 31,038	\$ 66,083
Contributions - employee	-	-	-	-	-	-
Net investment income	(104,779)	581,519	26,801	109,070	134,052	208,162
Benefit payments, including refunds of employee contributions	(83,482)	(88,596)	(87,770)	(87,095)	(86,192)	(111,290)
Administrative expense	(1,865)	(2,391)	(2,179)	(1,883)	(2,040)	(1,842)
Other changes	-	-	-	-	(1)	-
Net change in plan fiduciary net position	(136,894)	543,176	(6,191)	79,396	76,857	161,113
Plan fiduciary net position - beginning	2,690,418	2,147,242	2,153,433	2,027,116	1,950,259	1,789,146
Adjustment to beginning of year	-	-	-	46,921	-	-
Plan fiduciary net position - ending (b)	<u>\$ 2,553,524</u>	<u>\$ 2,690,418</u>	<u>\$ 2,147,242</u>	<u>\$ 2,153,433</u>	<u>\$ 2,027,116</u>	<u>\$ 1,950,259</u>
Net OPEB liability/(asset) - ending (a)-(b)	(363,732)	(596,124)	78,686	(96,020)	231,881	288,666
Plan fiduciary net position as a percentage of the total OPEB liability	116.61%	128.46%	96.47%	104.67%	89.74%	87.11%
Covered payroll	\$ 17,697,415	\$ 16,653,104	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506	\$ 15,387,963
Net OPEB liability/(asset) as a percentage of covered payroll	-2.06%	-3.58%	0.46%	-0.57%	1.44%	1.88%

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

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, 2023

Public Safety Personnel Retirement System

Reporting Fiscal Year (Measurement Date)

	<u>2023 (2022)</u>	<u>2022 (2021)</u>	<u>2021 (2020)</u>	<u>2020 (2019)</u>	<u>2019 (2018)</u>	<u>2018 (2017)</u>
Peoria Fire Department						
Total OPEB liability						
Service cost	\$ 56,633	\$ 54,849	\$ 54,365	\$ 35,268	\$ 35,268	\$ 39,357
Interest on the total OPEB liability	129,786	133,505	130,735	134,427	128,515	119,494
Changes in benefit terms	-	-	-	-	-	5,572
Differences between expected and actual experience in the measurement of the OPEB liability	(157,630)	(184,074)	(63,904)	(193,678)	(49,429)	175,598
Changes of assumptions or other inputs	14,185	-	-	16,414	-	(140,066)
Benefit payments, including refunds of employee contributions	(56,491)	(57,545)	(61,508)	(61,324)	(42,867)	(66,108)
Net change in total OPEB liability	(13,517)	(53,265)	59,688	(68,893)	71,487	133,847
Total OPEB liability - beginning	1,749,499	1,802,764	1,743,076	1,811,969	1,740,482	1,606,635
Total OPEB liability - ending (a)	<u>\$ 1,735,982</u>	<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	\$ 41,562	\$ 48,285	\$ 38,836	\$ 37,857	\$ 19,805	\$ 31,072
Contributions - employee	-	-	-	-	-	-
Net investment income	(90,772)	499,969	22,949	94,227	115,059	176,536
Benefit payments, including refunds of employee contributions	(56,491)	(57,545)	(61,508)	(61,324)	(42,867)	(66,108)
Administrative expense	(1,616)	(2,056)	(1,866)	(1,627)	(1,751)	(1,563)
Other changes	-	-	-	-	-	-
Net change in plan fiduciary net position	(107,317)	488,653	(1,589)	69,133	90,246	139,937
Plan fiduciary net position - beginning	2,326,291	1,837,638	1,839,227	1,750,826	1,660,580	1,520,643
Adjustment to beginning of year	-	-	-	19,268	-	-
Plan fiduciary net position - ending (b)	<u>\$ 2,218,974</u>	<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)	(482,992)	(576,792)	(34,874)	(96,151)	61,143	79,902
Plan fiduciary net position as a percentage of the total OPEB liability	127.82%	132.97%	101.93%	105.52%	96.63%	95.41%
Covered payroll	\$ 17,385,094	\$ 13,051,041	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624	\$ 11,543,146
Net OPEB liability/(asset) as a percentage of covered payroll	-2.78%	-4.42%	-0.26%	-0.70%	0.51%	0.69%

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION/OPEB CONTRIBUTIONS
JUNE 30, 2023**

	2023	2022	2021	2020	2019	Reporting Fiscal Year 2018	2017	2016	2015	2014
Arizona State Retirement System - Pension										
Statutorily required contribution	\$ 7,956,550	\$ 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>7,956,550</u>	<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>	<u>\$ -</u>
Covered payroll	<u>\$ 66,139,235</u>	<u>\$ 63,959,887</u>	<u>\$ 57,978,944</u>	<u>\$ 57,428,297</u>	<u>\$ 56,417,665</u>	<u>\$ 54,343,055</u>	<u>\$ 53,419,833</u>	<u>\$ 50,820,065</u>	<u>\$ 47,561,194</u>	<u>\$ 46,266,286</u>
Actual contribution as a percentage of covered payroll	12.03%	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	\$ 73,427	\$ 129,172	\$ 284,095	\$ 281,400	\$ 259,521	\$ 239,109				
Actual contributions in relation to the statutorily required contribution	<u>73,427</u>	<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>	<u>\$ -</u>				
Covered payroll	<u>\$ 66,139,235</u>	<u>\$ 63,959,887</u>	<u>\$ 57,978,944</u>	<u>\$ 57,428,297</u>	<u>\$ 56,417,665</u>	<u>\$ 54,343,055</u>				
Actual contribution as a percentage of covered payroll	0.11%	0.21%	0.49%	0.49%	0.46%	0.44%				
Arizona State Retirement System - Long-term disability										
Statutorily required contribution	\$ 93,446	\$ 116,867	\$ 104,363	\$ 97,627	\$ 90,268	\$ 86,949				
Actual contributions in relation to the statutorily required contribution	<u>93,446</u>	<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>	<u>\$ -</u>				
Covered payroll	<u>\$ 66,139,235</u>	<u>\$ 63,959,887</u>	<u>\$ 57,978,944</u>	<u>\$ 57,428,297</u>	<u>\$ 56,417,665</u>	<u>\$ 54,343,055</u>				
Actual contribution as a percentage of covered payroll	0.14%	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, 2023**

Public Safety Personnel Retirement System - Pension

	2023	2022	2021	2020	2019	Reporting Fiscal Year 2018	2017	2016	2015	2014
Peoria Police Department										
Statutorily required contribution	\$ 9,130,920	\$ 8,296,548	\$ 7,806,975	\$ 7,646,229	\$ 7,436,675	\$ 8,917,938	\$ 5,039,558	\$ 4,406,379	\$ 3,235,398	\$ 2,907,800
Actual contributions in relation to the statutorily required contribution	<u>11,695,201</u>	<u>36,132,348</u>	<u>8,278,054</u>	<u>7,646,229</u>	<u>7,436,675</u>	<u>6,634,245</u>	<u>5,039,558</u>	<u>4,696,546</u>	<u>3,235,398</u>	<u>2,907,800</u>
Contribution deficiency (excess)	<u>\$ (2,564,281)</u>	<u>\$ (27,835,800)</u>	<u>\$ (471,079)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,283,693</u>	<u>\$ -</u>	<u>\$ (290,167)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,932,033	\$ 17,697,415	\$ 16,653,104	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506	\$ 15,387,963	\$ 13,992,947	\$ 13,449,859	\$ 13,035,510
Actual contribution as a percentage of covered payroll	61.77%	204.17%	49.71%	44.86%	44.01%	41.07%	32.75%	33.56%	24.06%	22.31%
 Peoria Fire Department										
Statutorily required contribution	\$ 6,238,996	\$ 6,362,944	\$ 4,776,681	\$ 5,881,182	\$ 4,714,745	\$ 5,721,681	\$ 2,711,485	\$ 2,568,191	\$ 1,842,016	\$ 1,885,422
Actual contributions in relation to the statutorily required contribution	<u>11,224,720</u>	<u>14,195,735</u>	<u>7,563,149</u>	<u>5,881,182</u>	<u>4,714,745</u>	<u>3,794,886</u>	<u>2,976,968</u>	<u>2,747,609</u>	<u>1,842,016</u>	<u>1,885,422</u>
Contribution deficiency (excess)	<u>\$ (4,985,724)</u>	<u>\$ (7,832,791)</u>	<u>\$ (2,786,468)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,926,795</u>	<u>\$ (265,483)</u>	<u>\$ (179,418)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,173,597	\$ 17,385,094	\$ 13,051,041	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624	\$ 11,543,146	\$ 11,796,929	\$ 11,068,029	\$ 10,934,868
Actual contribution as a percentage of covered payroll	61.76%	81.65%	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	\$ 39,757	\$ 61,941	\$ 55,479	\$ 59,656	\$ 65,900	\$ 79,152
Actual contributions in relation to the statutorily required contribution	<u>39,757</u>	<u>61,941</u>	<u>58,825</u>	<u>59,656</u>	<u>65,900</u>	<u>79,152</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,346)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,932,033	\$ 17,697,415	\$ 16,653,104	\$ 17,044,648	\$ 16,897,694	\$ 16,153,506
Actual contribution as a percentage of covered payroll	0.21%	0.35%	0.35%	0.35%	0.39%	0.49%
 Peoria Fire Department						
Statutorily required contribution	\$ 30,895	\$ 45,201	\$ 33,933	\$ 51,931	\$ 38,702	\$ 35,048
Actual contributions in relation to the statutorily required contribution	<u>30,895</u>	<u>45,201</u>	<u>53,727</u>	<u>51,931</u>	<u>38,702</u>	<u>35,048</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,794)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,173,597	\$ 17,385,094	\$ 13,051,041	\$ 13,658,235	\$ 13,822,178	\$ 12,085,624
Actual contribution as a percentage of covered payroll	0.17%	0.26%	0.41%	0.38%	0.28%	0.29%

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

See accompanying notes to pension plan schedules

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION/OPEB PLAN SCHEDULES
JUNE 30, 2023

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, 2022, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2021 actuarial valuation.

Public Safety Personnel Retirement System (PSPRS)

The actuarial assumptions used in the June 30, 2022, valuation for PSPRS were based on the results of an actuarial experience study, dated April 21, 2022. Several actuarial assumptions were adjusted based on the study. Adjustments included:

- Decreasing wage inflation from 3.0% to 2.5%.
- Decreasing the investment rate of return from 7.3 percent to 7.2 percent.

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.



Combining Statements & Budgetary Schedule

Combining Fund Financial Statements and Budgetary Schedules

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

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

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, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 21,989,530	\$ 21,989,530	\$ 21,937,922	\$ (51,608)
Investment earnings(loss)	30,000	30,000	45,844	15,844
Total revenues	<u>22,019,530</u>	<u>22,019,530</u>	<u>21,983,766</u>	<u>(35,764)</u>
EXPENDITURES:				
Debt service:				
Principal payments	18,139,906	18,139,906	16,844,188	(1,295,718)
Interest and other charges	8,411,337	8,411,337	5,746,514	(2,664,823)
Total expenditures	<u>26,551,243</u>	<u>26,551,243</u>	<u>22,590,702</u>	<u>(3,960,541)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,531,713)</u>	<u>(4,531,713)</u>	<u>(606,936)</u>	<u>3,924,777</u>
Net change in fund balances	(4,531,713)	(4,531,713)	(606,936)	3,924,777
Fund balances - beginning	14,399,108	14,399,108	19,673,341	5,274,233
Fund balances - ending	<u>\$ 9,867,395</u>	<u>\$ 9,867,395</u>	<u>\$ 19,066,405</u>	<u>\$ 9,199,010</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT FEE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Charges for services	\$ 14,190,951	\$ 14,190,951	\$ 4,000,711	\$ (10,190,240)
Investment earnings(loss)	202,340	202,340	631,893	429,553
Total revenues	<u>14,393,291</u>	<u>14,393,291</u>	<u>4,632,604</u>	<u>(9,760,687)</u>
EXPENDITURES:				
Current:				
Culture and recreation	15,679	15,679	1,317	(14,362)
Public safety	-	-	3,292	3,292
Highways and streets	4,984,321	5,330,664	1,413,276	(3,917,388)
Capital outlay	<u>11,683,438</u>	<u>9,993,253</u>	<u>86,081</u>	<u>(9,907,172)</u>
Total expenditures	<u>16,683,438</u>	<u>15,339,596</u>	<u>1,503,966</u>	<u>(13,835,630)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,290,147)</u>	<u>(946,305)</u>	<u>3,128,638</u>	<u>4,074,943</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	<u>(3,000,000)</u>	<u>(1,071,776)</u>	-	1,071,776
Total other financing sources and uses	<u>(3,000,000)</u>	<u>(1,071,776)</u>	<u>-</u>	<u>1,071,776</u>
Net change in fund balances	(5,290,147)	(2,018,081)	3,128,638	5,146,719
Fund balances - beginning	\$31,536,029	31,536,029	37,709,451	6,173,422
Fund balances - ending	<u>\$ 26,245,882</u>	<u>\$ 29,517,948</u>	<u>\$ 40,838,089</u>	<u>\$ 11,320,141</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over Under
	Original	Final	(budgetary basis)	
REVENUES:				
Intergovernmental revenue	\$ 2,500,000	\$ 2,500,000	\$ -	\$ (2,500,000)
Charges for Services	-	-	2,074,991	2,074,991
Investment earnings	94,010	94,010	426,771	332,761
Miscellaneous	32,653,295	32,653,295	-	(32,653,295)
Total revenues	<u>35,247,305</u>	<u>35,247,305</u>	<u>2,501,762</u>	<u>(32,745,543)</u>
EXPENDITURES:				
Current:				
Highways and streets	-	175,219	503,692	328,473
Public Works	-	-	322,033	322,033
Capital outlay	39,308,367	24,932,237	3,625,241	(21,306,996)
Total expenditures	<u>39,308,367</u>	<u>25,107,456</u>	<u>4,450,966</u>	<u>(20,656,490)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,061,062)</u>	<u>10,139,849</u>	<u>(1,949,204)</u>	<u>(12,089,053)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	64,165	-	(64,165)
Transfers out	-	-	(64,124)	(64,124)
Total other financing sources and uses	<u>-</u>	<u>64,165</u>	<u>(64,124)</u>	<u>(128,289)</u>
Net change in fund balances	(4,061,062)	10,204,014	(2,013,328)	(12,217,342)
Fund balances - beginning	15,357,581	15,357,581	13,112,425	(2,245,156)
Fund balances - ending	<u>\$ 11,296,519</u>	<u>\$ 25,561,595</u>	<u>\$ 11,099,097</u>	<u>\$ (14,462,498)</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.

Other Grants Fund

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

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, 2023**

	Special Revenue Funds			Debt Service Funds		
	Public Transit Fund	Other Grants Fund	Smart & Safe AZ Fund	Municipal Development Authority Debt	CFD Bonds	Non-Bond
ASSETS						
Pooled cash and investments	\$ 6,016,899	\$ 9,911,520	\$ 2,088,565	\$ 3,037,180	\$ 252,641	\$ -
Accounts receivable, net	345,191	208,599	-	-	567	-
Interest receivable	16,685	39,012	-	9,370	13,240	1,707
Due from other governments	-	677,301	-	-	53,371	-
Prepaid items	-	-	-	-	13,421	-
Restricted cash with fiscal agents	-	427,970	-	-	4,506,448	259
Restricted investments	-	-	-	-	561,255	-
Total assets	<u>\$ 6,378,775</u>	<u>\$ 11,264,402</u>	<u>\$ 2,088,565</u>	<u>\$ 3,046,550</u>	<u>\$ 5,400,943</u>	<u>\$ 1,966</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 123,708	\$ 495,157	\$ 1,989	\$ -	\$ -	\$ 5,948
Accrued payroll	19,794	28,420	-	-	-	-
Due to other funds	-	-	-	-	-	804,759
Due to other governments	-	10	-	-	-	-
Other liabilities	-	(67)	-	-	-	-
Unearned revenue-other	5,000	6,977,128	-	-	-	-
Total liabilities	<u>148,502</u>	<u>7,500,648</u>	<u>1,989</u>	<u>-</u>	<u>-</u>	<u>810,707</u>
Deferred inflows of resources:						
Unavailable revenue-property taxes	-	-	-	-	567	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>567</u>	<u>-</u>
Fund balances:						
Unspendable:						
Prepaid items	-	-	-	-	13,421	-
Restricted for:						
Debt service	-	-	-	3,046,550	5,386,955	-
Capital projects	-	-	-	-	-	-
Public safety	-	-	2,086,576	-	-	-
Grant purposes	6,230,273	1,681,733	-	-	-	-
Committed for:						
Arts capital	-	2,082,021	-	-	-	-
Unassigned:	-	-	-	-	-	(808,741)
Total fund balance	<u>6,230,273</u>	<u>3,763,754</u>	<u>2,086,576</u>	<u>3,046,550</u>	<u>5,400,376</u>	<u>(808,741)</u>
Total liabilities, deferred inflows & fund balance	<u>\$ 6,378,775</u>	<u>\$ 11,264,402</u>	<u>\$ 2,088,565</u>	<u>\$ 3,046,550</u>	<u>\$ 5,400,943</u>	<u>\$ 1,966</u>

(continued)

**CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Capital Project Funds		Total
	CFD Bonds	GO Bonds	Non-Major Governmental Funds
ASSETS			
Pooled cash and investments	\$ 1,562	\$ -	\$ 21,308,367
Accounts receivable, net	-	-	554,357
Interest receivable	-	39,341	119,355
Due from other governments	-	-	730,672
Prepaid items	-	-	13,421
Restricted cash with fiscal agents	5,420	-	4,940,097
Restricted investments	347,234	48,958,455	49,866,944
Total assets	<u>\$ 354,216</u>	<u>\$ 48,997,796</u>	<u>\$ 77,533,213</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,500	\$ 5,421,744	\$ 6,050,046
Accrued payroll	-	-	48,214
Due to other funds	-	1,474,932	2,279,691
Due to other governments	-	-	10
Other liabilities	18,950	299,498	318,381
Unearned revenue-other	-	-	6,982,128
Total liabilities	<u>20,450</u>	<u>7,196,174</u>	<u>15,678,470</u>
Deferred inflows of resources:			
Unavailable revenue-property taxes	-	-	567
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>567</u>
Fund balances:			
Unspendable:			
Prepaid items	-	-	13,421
Restricted for:			
Debt service	-	-	8,433,505
Capital projects	333,766	41,801,622	42,135,388
Public safety	-	-	2,086,576
Grant purposes	-	-	7,912,006
Committed for:			
Arts capital	-	-	2,082,021
Unassigned:	-	-	(808,741)
Total fund balance	<u>333,766</u>	<u>41,801,622</u>	<u>61,854,176</u>
Total liabilities, deferred inflows & fund balance	<u>\$ 354,216</u>	<u>\$ 48,997,796</u>	<u>\$ 77,533,213</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, 2023

	Special Revenue Funds			Debt Service Funds		
	Public Transit Fund	Other Grants Fund	Smart & Safe AZ Fund	Municipal Development Authority Debt	CFD Bonds	Non-Bond
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,350,716	\$ -
Intergovernmental	919,150	12,873,103	1,095,491	-	-	-
Charges for service	87,844	767,209	-	-	-	-
Fines and forfeitures	-	135,875	-	-	-	-
Investment earnings(loss)	89,603	217,799	-	50,317	71,096	9,168
Miscellaneous	390,343	528,410	-	-	221,590	122,569
Total revenues	<u>1,486,940</u>	<u>14,522,396</u>	<u>1,095,491</u>	<u>50,317</u>	<u>5,643,402</u>	<u>131,737</u>
EXPENDITURES:						
Current:						
General government	-	1,305,763	-	-	70,286	-
Culture and recreation	-	6,528,082	-	-	-	-
Public safety	-	1,118,584	124,182	-	-	-
Development services	-	1,182,998	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public works	-	-	-	-	-	17,648
Human services	3,636,666	1,191,369	-	-	-	-
Debt service:						
Principal payments	-	-	-	-	4,030,000	4,353,485
Interest and other charges	-	-	-	-	852,685	1,250,321
Capital outlay	-	290,886	-	-	-	-
Total expenditures	<u>3,636,666</u>	<u>11,617,682</u>	<u>124,182</u>	<u>-</u>	<u>4,952,971</u>	<u>5,621,454</u>
Excess (deficiency) of revenues over expenditures	<u>(2,149,726)</u>	<u>2,904,714</u>	<u>971,309</u>	<u>50,317</u>	<u>690,431</u>	<u>(5,489,717)</u>
OTHER FINANCING SOURCES (USES):						
Issuance of debt	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Transfers in	3,277,000	-	-	-	-	4,274,737
Transfers out	-	(2,320,768)	-	(11,763)	(72,558)	-
Total other financing sources and uses	<u>3,277,000</u>	<u>(2,320,768)</u>	<u>-</u>	<u>(11,763)</u>	<u>(72,558)</u>	<u>4,274,737</u>
Net change in fund balances	1,127,274	583,946	971,309	38,554	617,873	(1,214,980)
Fund balances - beginning	5,102,999	3,179,808	1,115,267	3,007,996	4,782,503	406,239
Fund balances - ending	<u>\$ 6,230,273</u>	<u>\$ 3,763,754</u>	<u>\$ 2,086,576</u>	<u>\$ 3,046,550</u>	<u>\$ 5,400,376</u>	<u>\$ (808,741)</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, 2023

	Capital Project Funds		Total Non-Major Governmental Funds
	CFD Bonds	GO Bonds	
REVENUES:			
Taxes	\$ -	\$ -	\$ 5,350,716
Intergovernmental	-	1,000,000	15,887,744
Charges for service	-	-	855,053
Fines and forfeitures	-	-	135,875
Investment earnings(loss)	434	1,349,814	1,788,231
Miscellaneous	-	-	1,262,912
Total revenues	<u>434</u>	<u>2,349,814</u>	<u>25,280,531</u>
EXPENDITURES:			
Current:			
General government	3,284,848	267,268	4,928,165
Culture and recreation	-	85,042	6,613,124
Public safety	-	228,519	1,471,285
Development services	-	-	1,182,998
Highways and streets	-	1,304,098	1,304,098
Public works	-	1,257,759	1,275,407
Human services	-	-	4,828,035
Debt service:			
Principal payments	-	-	8,383,485
Interest and other charges	377,395	223,481	2,703,882
Capital outlay	-	14,966,659	15,257,545
Total expenditures	<u>3,662,243</u>	<u>18,332,826</u>	<u>47,948,024</u>
Excess (deficiency) of revenues over expenditures	<u>(3,661,809)</u>	<u>(15,983,012)</u>	<u>(22,667,493)</u>
OTHER FINANCING SOURCES (USES):			
Issuance of debt	3,625,000	28,083,075	31,708,075
Premium on bonds issued	23,294	1,524,166	1,547,460
Transfers in	72,558	-	7,624,295
Transfers out	-	(9,873,477)	(12,278,566)
Total other financing sources and uses	<u>3,720,852</u>	<u>19,733,764</u>	<u>28,601,264</u>
Net change in fund balances	59,043	3,750,752	5,933,771
Fund balances - beginning	<u>274,723</u>	<u>38,050,870</u>	<u>55,920,405</u>
Fund balances - ending	<u>\$ 333,766</u>	<u>\$ 41,801,622</u>	<u>\$ 61,854,176</u>

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
PUBLIC TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 425,000	\$ 425,000	\$ 919,150	\$ 494,150
Charges for services	90,000	90,000	87,844	(2,156)
Investment earnings	15,000	15,000	89,603	74,603
Miscellaneous	225,000	225,000	390,343	165,343
Total inflows	<u>755,000</u>	<u>755,000</u>	<u>1,486,940</u>	<u>731,940</u>
EXPENDITURES:				
Current:				
Human services	<u>4,560,916</u>	<u>4,557,150</u>	<u>3,636,666</u>	<u>(920,484)</u>
Total expenditures	<u>4,560,916</u>	<u>4,557,150</u>	<u>3,636,666</u>	<u>(920,484)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,805,916)</u>	<u>(3,802,150)</u>	<u>(2,149,726)</u>	<u>1,652,424</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>3,277,000</u>	<u>3,277,000</u>	<u>3,277,000</u>	<u>-</u>
Total other financing sources and uses	<u>3,277,000</u>	<u>3,277,000</u>	<u>3,277,000</u>	<u>-</u>
Net change in fund balances	(528,916)	(525,150)	1,127,274	1,652,424
Fund balances - beginning	2,167,738	2,167,738	5,102,999	2,935,261
Fund balances - ending	<u>\$ 1,638,822</u>	<u>\$ 1,642,588</u>	<u>\$ 6,230,273</u>	<u>\$ 4,587,685</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 7,745,325	\$ 7,745,325	\$ 12,873,103	\$ 5,127,778
Charges for services	450,000	450,000	767,209	317,209
Fines and forfeitures	159,798	159,798	135,875	(23,923)
Investment earnings	58,485	58,485	217,799	159,314
Miscellaneous	7,528	7,528	528,410	520,882
Total revenues	<u>8,421,136</u>	<u>8,421,136</u>	<u>14,522,396</u>	<u>6,101,260</u>
EXPENDITURES:				
Current:				
General government	700,387	1,023,386	1,305,763	282,377
Culture and recreation	3,415,255	6,973,130	6,528,082	(445,048)
Public safety	536,757	1,597,301	1,118,584	(478,717)
Development services	2,205,663	2,346,627	1,182,998	(1,163,629)
Human Services	10,859,714	16,475,121	1,191,369	(15,283,752)
Capital outlay	5,408,070	7,562,412	290,886	(7,271,526)
Total expenditures	<u>23,125,846</u>	<u>35,977,977</u>	<u>11,617,682</u>	<u>(24,360,295)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,704,710)</u>	<u>(27,556,841)</u>	<u>2,904,714</u>	<u>30,461,555</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(3,000,000)	-	-	-
Transfers out	<u>(225,327)</u>	<u>(225,327)</u>	<u>(2,320,768)</u>	<u>(2,095,441)</u>
Total other financing sources and uses	<u>(3,225,327)</u>	<u>(225,327)</u>	<u>(2,320,768)</u>	<u>(2,095,441)</u>
Net change in fund balances	(17,930,037)	(27,782,168)	583,946	28,366,114
Fund balances - beginning	20,119,767	20,119,767	3,179,808	(16,939,959)
Fund balances - ending	<u>\$ 2,189,730</u>	<u>\$ (7,662,401)</u>	<u>\$ 3,763,754</u>	<u>\$ 11,426,155</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
SMART & SAFE AZ FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental revenue	\$ 980,000	\$ 980,000	\$ 1,095,491	\$ 115,491
Total revenues	980,000	980,000	1,095,491	115,491
EXPENDITURES:				
Current:				
Public Safety	139,086	139,086	124,182	(14,904)
Total expenditures	139,086	139,086	124,182	(14,904)
Excess (deficiency) of revenues over (under) expenditures	840,914	840,914	971,309	130,395
Net change in fund balances	840,914	840,914	971,309	130,395
Fund balances - beginning	1,115,267	1,115,267	1,115,267	-
Fund balances - ending	<u>\$ 1,956,181</u>	<u>\$ 1,956,181</u>	<u>\$ 2,086,576</u>	<u>\$ 130,395</u>

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL DEVELOPMENT AUTHORITY (MDA) DEBT, DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	\$ 25,000	\$ 25,000	\$ 50,317	\$ 25,317
Total revenues	25,000	25,000	50,317	25,317
EXPENDITURES:				
Debt service:				
Principal payments	2,285,000	-	-	-
Interest and other charges	877,526	-	-	-
Total expenditures	3,162,526	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(3,137,526)	25,000	50,317	25,317
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(11,763)	(11,763)
Total other financing sources and uses	-	-	(11,763)	(11,763)
Net change in fund balances	(3,137,526)	25,000	38,554	13,554
Fund balances - beginning	5,280,602	5,280,602	3,007,996	(2,272,606)
Fund balances - ending	\$ 2,143,076	\$ 5,305,602	\$ 3,046,550	\$ (2,259,052)

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 5,371,815	\$ 5,371,815	\$ 5,350,716	\$ (21,099)
Charges For Service				
Investment earnings	-	-	71,096	71,096
Miscellaneous	1,175,740	1,175,740	221,590	(954,150)
Total revenues	<u>6,547,555</u>	<u>6,547,555</u>	<u>5,643,402</u>	<u>(904,153)</u>
EXPENDITURES:				
Current:				
General government	1,140,000	1,140,000	70,286	(1,069,714)
Debt service:				
Principal payments	4,102,560	4,102,560	4,030,000	(72,560)
Interest and other charges	918,765	918,765	852,685	(66,080)
Total expenditures	<u>6,161,325</u>	<u>6,161,325</u>	<u>4,952,971</u>	<u>(1,208,354)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>386,230</u>	<u>386,230</u>	<u>690,431</u>	<u>304,201</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	10,000	(10,000)	-	10,000
Transfers out	-	-	(72,558)	(72,558)
Total other financing sources and uses	<u>10,000</u>	<u>(10,000)</u>	<u>(72,558)</u>	<u>(62,558)</u>
Net change in fund balances	396,230	376,230	617,873	241,643
Fund balances - beginning	-	-	4,782,503	4,782,503
Fund balances - ending	<u>\$ 396,230</u>	<u>\$ 376,230</u>	<u>\$ 5,400,376</u>	<u>\$ 5,024,146</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	\$ 1,550	\$ 1,550	\$ 9,168	\$ 7,618
Miscellaneous	-	-	122,569	122,569
Total revenues	1,550	1,550	131,737	130,187
EXPENDITURES:				
Current:				
General government	-	64,445	-	(64,445)
Public works	-	-	17,648	17,648
Debt service:				
Principal payments	3,873,485	6,158,485	4,353,485	(1,805,000)
Interest and other charges	489,444	1,366,970	1,250,321	(116,649)
Total expenditures	4,362,929	7,589,900	5,621,454	(1,968,446)
Excess (deficiency) of revenues over (under) expenditures	(4,361,379)	(7,588,350)	(5,489,717)	2,098,633
OTHER FINANCING SOURCES (USES):				
Transfers in	4,198,850	4,198,850	4,274,737	75,887
Total other financing sources and uses	4,198,850	4,198,850	4,274,737	75,887
Net change in fund balances	(162,529)	(3,389,500)	(1,214,980)	2,174,520
Fund balances - beginning	-	-	406,239	406,239
Fund balances - ending	<u>\$ (162,529)</u>	<u>\$ (3,389,500)</u>	<u>\$ (808,741)</u>	<u>\$ 2,580,759</u>

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 434	\$ 434
Total revenues	-	-	434	434
EXPENDITURES:				
Current:				
General government	-	-	3,284,848	3,284,848
Debt service:				
Interest and other charges	475,000	475,000	377,395	(97,605)
Total expenditures	475,000	475,000	3,662,243	3,187,243
Excess (deficiency) of revenues over (under) expenditures	(475,000)	(475,000)	(3,661,809)	(3,186,809)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	5,075,000	5,075,000	3,625,000	(1,450,000)
Premium on bonds issued	-	-	23,294	23,294
Transfers in	-	-	72,558	72,558
Total other financing sources and uses	5,075,000	5,075,000	3,720,852	(1,354,148)
Net change in fund balances	4,600,000	4,600,000	59,043	(4,540,957)
Fund balances - beginning	-	-	274,723	274,723
Fund balances - ending	\$ 4,600,000	\$ 4,600,000	\$ 333,766	\$ (4,266,234)

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION (GO) BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Investment earnings(loss)	10,000	10,000	1,349,814	1,339,814
Total revenues	10,000	10,000	2,349,814	2,339,814
EXPENDITURES:				
Current:				
General government	-	-	267,268	267,268
Culture and recreation	-	-	85,042	85,042
Public safety	-	-	228,519	228,519
Highways and streets	780,305	759,150	1,304,098	544,948
Public works	-	-	1,257,759	1,257,759
Debt service:				
Interest and other charges	-	-	223,481	223,481
Capital outlay	65,700,388	62,037,765	14,966,659	(47,071,106)
Total expenditures	66,480,693	62,796,915	18,332,826	(44,464,089)
Excess (deficiency) of revenues over (under) expenditures	(66,470,693)	(62,786,915)	(15,983,012)	46,803,903
OTHER FINANCING SOURCES (USES):				
Issuance of debt	42,844,104	64,505,092	28,083,075	(36,422,017)
Premium on bonds issued	-	-	1,524,166	1,524,166
Transfers out	-	-	(9,873,477)	(9,873,477)
Total other financing sources and uses	42,844,104	64,505,092	19,733,764	(44,771,328)
Net change in fund balances	(23,626,589)	1,718,177	3,750,752	2,032,575
Fund balances - beginning	30,318,445	30,318,445	38,050,870	7,732,425
Fund balances - ending	\$ 6,691,856	\$ 32,036,622	\$ 41,801,622	\$ 9,765,000

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, 2023

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Pooled cash and investments	\$ 15,818,148	\$ 7,082,885	\$ 2,065,518	\$ 10,530,804	\$ 35,497,355
Restricted pooled cash and investments	-	21,023,442	-	-	21,023,442
Restricted cash with fiscal agents	-	275,000	-	-	275,000
Accounts receivable, net	3,575	-	-	197	3,772
Interest receivable	49,961	134,512	13,492	44,674	242,639
Supplies inventory	262,762	-	-	-	262,762
Total current assets	16,134,446	28,515,839	2,079,010	10,575,675	57,304,970
Non-current assets:					
Restricted assets:					
Investments	-	8,643,595	-	-	8,643,595
Total restricted assets	-	8,643,595	-	-	8,643,595
Capital assets:					
Buildings and improvements	-	-	-	148,102	148,102
Equipment & furniture	1,048,125	-	-	38,661,923	39,710,048
Vehicles	37,780,745	-	-	-	37,780,745
Intangible-SBITA	-	-	-	1,163,648	1,163,648
Less accumulated depreciation/amortization	(26,650,840)	-	-	(39,434,562)	(66,085,402)
Construction in progress	2,111,626	-	-	-	2,111,626
Total capital assets, net	14,289,656	-	-	539,111	14,828,767
Net other postemployment benefits asset	39,120	-	87,638	182,696	309,454
Total assets	30,463,222	37,159,434	2,166,648	11,297,482	81,086,786
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	177,178	-	396,920	827,438	1,401,536
Total deferred outflows of resources	177,178	-	396,920	827,438	1,401,536
LIABILITIES					
Current liabilities:					
Accounts payable	478,921	1,863,501	56,317	1,105,540	3,504,279
Accrued payroll	48,330	9,307	76,528	219,313	353,478
Accrued interest payable	-	-	-	9,344	9,344
Other current liabilities	31	-	-	-	31
Current portion of claims payable	-	8,234,981	-	-	8,234,981
Current portion of compensated absences	68,719	20,665	154,260	364,487	608,131
Current portion of SBITA payable	-	-	-	352,322	352,322
Total current liabilities	596,001	10,128,454	287,105	2,051,006	13,062,566
Non-current liabilities:					
Long-term portion of claims payable	-	907,895	-	-	907,895
Compensated absences	79,197	34,295	216,382	332,064	661,938
Long-term portion of SBITA payable	-	-	-	140,038	140,038
Net pension and other postemployment benefits liability	1,123,788	-	2,517,546	5,248,206	8,889,540
Total non-current liabilities	1,202,985	942,190	2,733,928	5,720,308	10,599,411
Total liabilities	1,798,986	11,070,644	3,021,033	7,771,314	23,661,977
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	61,067	-	136,801	285,186	483,054
Total deferred inflows of resources	61,067	-	136,801	285,186	483,054
NET POSITION					
Net investment in capital assets	14,289,656	-	-	46,751	14,336,407
Restricted - trust purpose	-	20,286,020	-	-	20,286,020
Restricted - net other postemployment benefits	39,120	-	87,638	182,696	309,454
Unrestricted	14,451,571	5,802,770	(681,904)	3,838,973	23,411,410
Total net position	\$ 28,780,347	\$ 26,088,790	\$ (594,266)	\$ 4,068,420	\$ 58,343,291

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
OPERATING REVENUES					
Charges for services	\$ 10,739,215	\$ 28,050,275	\$ 7,172,788	\$ 13,684,936	\$ 59,647,214
Miscellaneous	45,904	431,135	32	64,602	541,673
Total operating revenues	10,785,119	28,481,410	7,172,820	13,749,538	60,188,887
OPERATING EXPENSES					
Salaries, wages and employee benefits	1,360,788	451,396	2,806,036	5,848,607	10,466,827
Contractual services, materials and supplies	6,084,478	1,524,800	3,763,307	7,929,852	19,302,437
Insurance claims and expenses	-	27,429,874	-	-	27,429,874
Depreciation and amortization	3,394,611	-	-	1,271,582	4,666,193
Total operating expenses	10,839,877	29,406,070	6,569,343	15,050,041	61,865,331
Operating income (loss)	(54,758)	(924,660)	603,477	(1,300,503)	(1,676,444)
NON-OPERATING REVENUES (EXPENSES)					
Investment income(loss)	268,299	539,330	72,454	239,900	1,119,983
Interest expense	-	-	-	(13,901)	(13,901)
Gain (Loss) on sale of capital assets	66,512	-	-	-	66,512
Total non-operating revenues	334,811	539,330	72,454	225,999	1,172,594
Income (loss) before capital contributions and transfers	280,053	(385,330)	675,931	(1,074,504)	(503,850)
Capital contributions	616,962	-	-	-	616,962
Transfers in	754,857	-	-	2,402,656	3,157,513
Transfers out	(3,000)	(19,493)	-	-	(22,493)
Change in net position	1,648,872	(404,823)	675,931	1,328,152	3,248,132
Total net position - beginning	27,131,475	26,493,613	(1,270,197)	2,740,268	55,095,159
Total net position - ending	<u>\$ 28,780,347</u>	<u>\$ 26,088,790</u>	<u>\$ (594,266)</u>	<u>\$ 4,068,420</u>	<u>\$ 58,343,291</u>

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 10,797,169	\$ 28,503,494	\$ 7,172,820	\$ 13,757,338	\$ 60,230,821
Payments to suppliers	(5,668,972)	(2,413,550)	(3,767,714)	(7,015,118)	(18,865,354)
Payments to employees	(1,283,457)	(440,858)	(3,038,553)	(5,613,988)	(10,376,856)
Self-insurance costs	-	(25,237,798)	-	-	(25,237,798)
Net cash provided (used) by operating activities	<u>3,844,740</u>	<u>411,288</u>	<u>366,553</u>	<u>1,128,232</u>	<u>5,750,813</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	754,857	-	-	2,402,656	3,157,513
Transfers out	(3,000)	(19,493)	-	-	(22,493)
Net cash provided (used) by non-capital financing activities	<u>751,857</u>	<u>(19,493)</u>	<u>-</u>	<u>2,402,656</u>	<u>3,135,020</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,873,570)	-	-	-	(2,873,570)
Proceeds from disposal of capital assets	89,982	-	-	-	89,982
Principal payments on SBITA agreements	-	-	-	(671,576)	(671,576)
Interest payments on SBITA agreements	-	-	-	(4,268)	(4,268)
Net cash flows used by capital and related financing activities	<u>(2,783,588)</u>	<u>-</u>	<u>-</u>	<u>(675,844)</u>	<u>(3,459,432)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	(3,503,810)	-	-	(3,503,810)
Proceeds from sale of investments	-	3,460,690	-	-	3,460,690
Interest received on investments	236,252	467,033	60,867	203,972	968,124
Net cash provided by investing activities	<u>236,252</u>	<u>423,913</u>	<u>60,867</u>	<u>203,972</u>	<u>925,004</u>
Net increase (decrease) in cash and cash equivalents	2,049,261	815,708	427,420	3,059,016	6,351,405
Cash and cash equivalents at beginning of year	13,768,887	27,565,619	1,638,098	7,471,788	50,444,392
Cash and cash equivalents at end of year	<u>\$ 15,818,148</u>	<u>\$ 28,381,327</u>	<u>\$ 2,065,518</u>	<u>\$ 10,530,804</u>	<u>\$ 56,795,797</u>
Classified as:					
Pooled cash and investments	\$ 15,818,148	\$ 28,106,327	\$ 2,065,518	\$ 10,530,804	\$ 56,520,797
Cash with fiscal agents	-	275,000	-	-	275,000
Totals	<u>\$ 15,818,148</u>	<u>\$ 28,381,327</u>	<u>\$ 2,065,518</u>	<u>\$ 10,530,804</u>	<u>\$ 56,795,797</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (54,758)	\$ (924,660)	\$ 603,477	\$ (1,300,503)	\$ (1,676,444)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,394,611	-	-	1,271,582	4,666,193
(Increase) decrease in assets/deferred outflows:					
Accounts receivable	12,050	22,084	-	7,800	41,934
Supplies inventory	59,608	-	-	-	59,608
Net other postemployment benefits asset	(6,468)	-	(5,283)	(25,430)	(37,181)
Deferred outflows - pension and other postemployment benefits	49,066	-	173,702	262,226	484,994
Increase (decrease) in liabilities/deferred inflows:					
Accounts payable	355,898	(888,750)	(4,407)	914,734	377,475
Accrued payroll	15,944	5,828	14,754	107,181	143,707
Other liabilities	31	-	-	-	31
Claims payable	-	2,192,076	-	-	2,192,076
Compensated absences	21,206	4,710	(75,448)	75,741	26,209
Net pension and other post employment benefit liability	257,513	-	332,645	1,075,905	1,666,063
Deferred inflows - pension and other postemployment benefits	(259,961)	-	(672,887)	(1,261,004)	(2,193,852)
Total adjustments	<u>3,899,498</u>	<u>1,335,948</u>	<u>(236,924)</u>	<u>2,428,735</u>	<u>7,427,257</u>
Net cash provided (used) by operating activities	<u>\$ 3,844,740</u>	<u>\$ 411,288</u>	<u>\$ 366,553</u>	<u>\$ 1,128,232</u>	<u>\$ 5,750,813</u>
Non-cash investing, capital and financing activities:					
Capital assets acquired through contributions from developers and City governmental funds	\$ 616,962	\$ -	\$ -	\$ -	\$ 616,962
Execution of Agreements for right to use Subscription Assets	-	-	-	307,293	307,293
Change in fair market value of investments	-	23,934	-	-	23,934
Total non-cash investing, capital and financing activities	<u>\$ 616,962</u>	<u>\$ 23,934</u>	<u>\$ -</u>	<u>\$ 307,293</u>	<u>\$ 948,189</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, 2023**

	Custodial Funds		
	PLAY Peoria NFP Fund	Westside Fire Training IGA Fund	Total Custodial Funds
ASSETS			
Pooled cash and investments	\$ 152,729	\$ 45,010	\$ 197,739
Due from other governments	-	7,620	7,620
Interest receivable	413	138	551
Total assets	<u>153,142</u>	<u>52,768</u>	<u>205,910</u>
NET POSITION			
Restricted for:			
Individuals and organizations	153,142	-	153,142
Other governments	-	52,768	52,768
Total net position	<u>\$ 153,142</u>	<u>\$ 52,768</u>	<u>\$ 205,910</u>

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds		
	PLAY Peoria NFP Fund	Westside Fire Training IGA Fund	Total Custodial Funds
ADDITIONS			
Contributions:			
Individuals	\$ 32,942	\$ -	\$ 32,942
Intergovernmental	-	10,890	10,890
Investment earnings:			
Interest	2,220	742	2,962
Total additions	<u>35,162</u>	<u>11,632</u>	<u>46,794</u>
DEDUCTIONS			
Recipient payments	<u>14,727</u>	<u>9,524</u>	<u>24,251</u>
Total deductions	<u>14,727</u>	<u>9,524</u>	<u>24,251</u>
Change in net position	20,435	2,108	22,543
Net position - beginning of the year	132,707	50,660	183,367
Net position - end of the year	<u>\$ 153,142</u>	<u>\$ 52,768</u>	<u>\$ 205,910</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

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

Table I

	Fiscal Year									
	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 735,144,237
Restricted	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	147,049,925
Unrestricted	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	114,694,957
Total governmental activities net position	<u>\$ 1,091,122,701</u>	<u>\$ 995,857,380</u>	<u>\$ 1,029,669,342</u>	<u>\$ 855,814,528</u>	<u>\$ 750,628,324</u>	<u>\$ 790,206,265</u>	<u>\$ 825,226,455</u>	<u>\$ 884,031,570</u>	<u>\$ 946,325,654</u>	<u>\$ 996,889,119</u>
Business-type Activities										
Net investment in capital assets	\$ 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	\$ 662,256,419
Restricted	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	33,324,822
Unrestricted	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	88,896,938
Total business-type activities net position	<u>\$ 625,159,136</u>	<u>\$ 646,405,254</u>	<u>\$ 670,578,904</u>	<u>\$ 684,703,212</u>	<u>\$ 697,508,263</u>	<u>\$ 714,532,029</u>	<u>\$ 723,209,008</u>	<u>\$ 756,633,056</u>	<u>\$ 763,406,081</u>	<u>\$ 784,478,179</u>
Primary Government										
Net investment in capital assets	\$ 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	\$ 1,397,400,656
Restricted	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	180,374,747
Unrestricted	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	203,591,895
Total primary government net position	<u>\$ 1,716,281,837</u>	<u>\$ 1,642,262,634</u>	<u>\$ 1,700,248,246</u>	<u>\$ 1,540,517,740</u>	<u>\$ 1,448,136,587</u>	<u>\$ 1,504,738,294</u>	<u>\$ 1,548,435,463</u>	<u>\$ 1,640,664,626</u>	<u>\$ 1,709,731,735</u>	<u>\$ 1,781,367,298</u>

(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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 37,273,981
Culture & Recreation	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	45,008,300
Public Safety*	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	108,735,210
Development Services	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	6,827,829
Highways & Streets	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	51,902,098
Public Works	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	8,629,505
Human Services	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	4,857,735
Interest on long-term debt	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	7,307,398
Unallocated Depreciation	574,550	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>167,644,533</u>	<u>174,469,111</u>	<u>181,629,023</u>	<u>215,711,152</u>	<u>206,679,816</u>	<u>217,304,793</u>	<u>232,483,649</u>	<u>233,221,348</u>	<u>248,207,954</u>	<u>270,542,056</u>
Business-type Activities										
Water Utility	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	61,406,938
Wastewater Utility	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	30,287,509
Solid Waste Utility	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	18,141,399
Stadium	5,176,689	6,372,954	6,742,573	7,579,975	7,736,745	7,850,061	6,868,271	6,865,555	7,279,287	9,623,372
Storm Drain Utility	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	4,602,541
Total business-type activities expenses	<u>68,726,471</u>	<u>74,430,854</u>	<u>74,156,830</u>	<u>86,337,617</u>	<u>90,542,562</u>	<u>91,551,029</u>	<u>99,496,993</u>	<u>102,719,529</u>	<u>118,342,708</u>	<u>124,061,759</u>
Total primary government expenses	<u>\$ 236,371,004</u>	<u>\$ 248,899,965</u>	<u>\$ 255,785,853</u>	<u>\$ 302,048,769</u>	<u>\$ 297,222,378</u>	<u>\$ 308,855,822</u>	<u>\$ 331,980,642</u>	<u>\$ 335,940,877</u>	<u>\$ 366,550,662</u>	<u>\$ 394,603,815</u>
Program Revenues										
Governmental Activities										
Charges for services	\$ 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	\$ 35,733,582
Operating grants and contributions	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	29,850,458
Capital grants and contributions	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	15,421,371
Total governmental activities program revenues	<u>43,618,903</u>	<u>62,091,174</u>	<u>70,910,076</u>	<u>72,615,397</u>	<u>72,036,128</u>	<u>85,206,228</u>	<u>82,001,402</u>	<u>94,121,826</u>	<u>98,996,806</u>	<u>81,005,411</u>
Business-type Activities										
Charges for services	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	108,537,468
Capital grants and contributions	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	17,954,815
Total business-type activities program revenues	<u>78,825,599</u>	<u>98,178,441</u>	<u>93,625,663</u>	<u>100,850,267</u>	<u>98,075,123</u>	<u>99,331,216</u>	<u>102,941,405</u>	<u>127,649,753</u>	<u>120,731,954</u>	<u>126,492,283</u>
Total primary government program revenues	<u>\$ 122,444,502</u>	<u>\$ 160,269,615</u>	<u>\$ 164,535,739</u>	<u>\$ 173,465,664</u>	<u>\$ 170,111,251</u>	<u>\$ 184,537,444</u>	<u>\$ 184,942,807</u>	<u>\$ 221,771,579</u>	<u>\$ 219,728,760</u>	<u>\$ 207,497,694</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (189,536,645)
Business-type Activities	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	2,430,524
Total primary government net expense	<u>\$ (113,926,502)</u>	<u>\$ (88,630,350)</u>	<u>\$ (91,250,114)</u>	<u>\$ (128,583,105)</u>	<u>\$ (127,111,127)</u>	<u>\$ (124,318,378)</u>	<u>\$ (147,037,835)</u>	<u>\$ (114,169,298)</u>	<u>\$ (146,821,902)</u>	<u>\$ (187,106,121)</u>

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

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

Table II

	Fiscal Year									
	<u>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>	<u>2023</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes, levied for general purposes	\$ 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	\$ 6,712,827
Property taxes, levied for debt service	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	27,258,369
Sales and use taxes	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	131,030,117
Franchise taxes	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	5,240,846
Intergovernmental										
State shared sales taxes - unrestricted	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	28,812,810
Urban revenue sharing - unrestricted	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	36,976,059
Auto in-lieu taxes - unrestricted	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	9,669,103
Investment Earnings(Losses)	878,164	843,648	1,693,475	1,667,892	2,172,236	7,200,254	7,800,410	544,254	(6,556,874)	6,404,784
Gain on sale of capital assets	111,342	-	-	-	-	-	-	-	-	-
Miscellaneous	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	3,641,910
Special Item: Defeasance of G.O. debt					(450,797)	-	-	-	-	-
Transfers in (out)	(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)	(15,646,720)
Total governmental activities	<u>105,436,326</u>	<u>129,454,727</u>	<u>144,530,909</u>	<u>153,230,906</u>	<u>163,821,308</u>	<u>171,677,002</u>	<u>185,501,941</u>	<u>197,904,637</u>	<u>215,477,280</u>	<u>240,100,105</u>
Business-type Activities										
Investment Earnings(Losses)	359,158	348,717	709,850	519,774	700,909	3,107,572	2,854,480	211,199	(2,985,986)	2,918,672
Gain on sale of capital assets	-	-	-	109,744	13,305	138,375	(9,220)	17,835	24,095	-
Transfers in (out)	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	15,646,720
Total business-type activities	<u>28,564,804</u>	<u>12,279,889</u>	<u>4,704,817</u>	<u>6,975,892</u>	<u>5,517,509</u>	<u>9,243,579</u>	<u>5,232,567</u>	<u>8,493,824</u>	<u>411,731</u>	<u>18,565,392</u>
Total primary government	<u>\$ 134,001,130</u>	<u>\$ 141,734,616</u>	<u>\$ 149,235,726</u>	<u>\$ 160,206,798</u>	<u>\$ 169,338,817</u>	<u>\$ 180,920,581</u>	<u>\$ 190,734,508</u>	<u>\$206,398,461</u>	<u>\$ 215,889,011</u>	<u>\$ 258,665,497</u>
Change in Net Position										
Governmental Activities	\$ (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	\$ 51,563,465
Business-type Activities	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	21,012,310
Total primary government	<u>\$ 20,074,628</u>	<u>\$ 53,104,266</u>	<u>\$ 57,985,612</u>	<u>\$ 31,623,693</u>	<u>\$ 42,227,690</u>	<u>\$ 56,602,203</u>	<u>\$ 43,696,673</u>	<u>\$92,229,163</u>	<u>\$ 69,067,109</u>	<u>\$ 72,575,775</u>

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>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>	<u>2023</u>
General Fund										
Nonspendable	\$ 262,852	\$ 163,703	\$ 115,042	\$ 113,859	\$ 123,939	\$ 939,966	\$ 2,323,312	\$ 277,778	\$ 190,312	\$ 194,330
Restricted	54,193	67,084	388,375	354,566	40,488	40,762	30,639	25,943	1,924	10,879
Committed	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	62,978,528
Assigned	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	5,604,860
Unassigned	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	127,018,726
Total General Fund	<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>	<u>\$ 195,807,323</u>
All Other Governmental Funds										
Nonspendable	\$ 131,641	\$ 70,579	\$ 67,986	\$ 69,711	\$ 78,068	\$ 60,828	\$ 69,986	\$ 144,357	\$ 379,976	\$ 136,596
Restricted	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	169,504,680
Committed	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	2,082,021
Assigned	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	11,099,097
Unassigned	-	(6,638,667)	-	-	-	-	-	(7,969,083)	99,008,274	(808,741)
Total All Other Governmental Funds	<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>	<u>\$ 182,013,653</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										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	\$ 170,261,592
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	106,279,739
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	29,001,041
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	3,650,883
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	1,779,161
Rents	1,101,082	731,901	889,053	915,846	908,678	1,002,948	980,732	721,181	843,911	1,080,477	1,052,182
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)	5,284,806
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	3,822,969
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	321,132,373
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	31,367,566
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	38,588,757
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	114,823,555
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	6,702,535
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	24,817,250
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	8,008,222
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	4,828,035
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	24,151,553
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	8,528,288
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	26,394,001
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	288,209,762
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)	32,922,611
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	31,708,075
Premium on bonds issued	1,039,481	-	-	14,096,688	108,061	-	3,146,339	292,139	2,448,280	8,086,575	1,547,460
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	9,484,295
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)	(28,266,035)
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	14,473,795
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	\$ 47,396,406
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%	13.23%

⁽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>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>	<u>2023</u>
Retail Sales	\$ 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	\$ 73,186,740
Contracting	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	10,035,444
Rentals	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	12,326,917
Utilities*	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	1,262,651	1,217,583	1,151,941	942,239	816,179	697,849	725,389	494,061	446,508	519,698
Restaurant/Bar	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	17,239,681
Amusement	960,332	1,036,941	1,034,959	1,021,968	979,386	1,246,039	971,024	1,004,435	1,689,514	1,846,366
Use	624,795	718,931	740,179	1,243,655	1,707,181	2,248,575	2,334,003	3,551,444	3,048,117	2,594,351
Other	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	13,280,920
Total	<u>\$ 71,237,141</u>	<u>\$ 74,556,024</u>	<u>\$ 79,410,364</u>	<u>\$ 84,236,770</u>	<u>\$ 89,781,247</u>	<u>\$ 93,182,810</u>	<u>\$ 99,747,911</u>	<u>\$ 113,852,555</u>	<u>\$ 125,521,932</u>	<u>\$ 131,030,117</u>
% Growth by Year										
Retail Sales	8.1%	5.5%	5.9%	5.9%	3.3%	6.8%	9.5%	20.5%	9.9%	4.7%
Contracting	33.6%	-0.7%	18.2%	16.1%	19.0%	-10.9%	26.0%	-7.0%	5.7%	-11.1%
Rentals	-8.9%	4.3%	8.0%	3.2%	5.2%	1.8%	18.9%	-3.8%	8.9%	10.1%
Utilities	0.6%	1.5%	5.4%	1.5%	11.1%	-8.9%	2.3%	8.9%	1.3%	
Telecom/Cable TV	0.3%	-3.6%	-5.4%	-18.2%	-13.4%	-14.5%	3.9%	-31.9%	-9.6%	16.4%
Restaurant/Bar	4.1%	9.2%	5.9%	5.1%	10.2%	2.4%	-0.6%	16.4%	17.9%	8.3%
Amusement	-3.3%	8.0%	-0.2%	-1.3%	-4.2%	27.2%	-22.1%	3.4%	68.2%	9.3%
Use	31.6%	15.1%	3.0%	68.0%	37.3%	31.7%	3.8%	52.2%	-14.2%	-14.9%
Other	118.7%	0.5%	-4.9%	1.1%	-10.3%	60.2%	-70.4%	96.0%	69.7%	361.9%
Total	<u>8.0%</u>	<u>4.7%</u>	<u>6.5%</u>	<u>6.1%</u>	<u>6.6%</u>	<u>3.79%</u>	<u>7.05%</u>	<u>14.14%</u>	<u>10.25%</u>	<u>4.39%</u>

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

Note: Includes all governmental fund types

Source: City financial records and reports

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

Table VI

	Year Taxes Are Payable									
	<u>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>	<u>2023</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%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Contracting	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
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	2023				2014			
	<u># of Payers</u>	<u>Percentage of Total Payers</u>	<u>Sales Tax Paid</u>	<u>Percentage of Total City Sales Tax Revenue</u>	<u># of Payers</u>	<u>Percentage of Total Payers</u>	<u>Sales Tax Paid</u>	<u>Percentage of Total City Sales Tax Revenue</u>
Retail Sales	6,626	55.5%	73,186,740	55.60%	3,292	20.83%	36,878,825	51.80%
Contracting	321	2.7%	10,035,444	7.60%	3,910	24.74%	6,301,005	8.80%
Restaurant/Bar	311	2.6%	17,239,681	13.10%	355	2.25%	8,505,082	11.90%
Rental	3,015	25.3%	12,326,917	9.50%	6,550	41.45%	7,214,392	10.10%
Utilities*					15	0.09%	7,388,831	10.40%
Telecom/Cable TV	198	1.7%	519,698	0.50%	182	1.15%	1,262,651	1.80%
Use	1,360	11.4%	2,594,351	2.00%	1,353	8.56%	624,795	0.90%
Amusement	45	0.4%	1,846,366	1.40%	62	0.39%	960,332	1.30%
Others	57	0.5%	13,800,618	10.50%	84	0.53%	2,101,228	2.90%
Total	<u>11,933</u>	<u>100.10%</u>	<u>\$ 131,549,815</u>	<u>100.20%</u>	<u>15,803</u>	<u>100.00%</u>	<u>\$ 71,237,141</u>	<u>99.90%</u>

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

Source: City Sales Tax system
City financial records

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

Table VIII

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Fiscal Year</u> <u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential (Owner occupied)	\$ 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	\$ 1,103,379,764
Residential (Renter occupied)	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	363,797,432
Commercial, Industrial, Mining & Utilities	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	385,810,266
Agriculture & Vacant	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	36,498,803
Railroad	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	1,276,282
Historic & Environmental	83,177	59,907	24,540	396,725	305,265	577,715	502,515	488,535	496,080	-
Public Property Improvements	7,124	48,182	5,100	-	25,390	-	48,122	50,528	53,055	55,707
Net Assessed Value	<u>\$ 1,057,413,204</u>	<u>\$ 1,155,587,438</u>	<u>\$ 1,178,016,995</u>	<u>\$ 1,244,679,295</u>	<u>\$ 1,340,068,217</u>	<u>\$ 1,439,812,989</u>	<u>\$ 1,556,721,002</u>	<u>\$ 1,659,175,244</u>	<u>\$ 1,780,974,057</u>	<u>\$ 1,890,818,254</u>
% Growth	-7.0%	9.3%	1.9%	5.7%	7.7%	7.4%	8.1%	15.2%	7.3%	6.2%
Net Assessed Value Per Capita	\$ 6,702	\$ 7,203	\$ 7,174	\$ 7,400	\$ 7,632	\$ 8,008	\$ 8,641	\$ 8,687	\$ 9,156	\$ 9,481
Population	157,780	160,432	164,212	168,192	172,259	179,800	190,985	194,517	194,517	199,424
Total Direct Secondary Tax Rate	1.25	1.25	1.25	1.25	1.25	1.15	1.15	1.15	1.15	1.15
Full Cash Value	\$ 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	\$ 26,391,921,793
% Growth	-5.4%	11.0%	25.1%	9.3%	8.8%	10.6%	9.1%	20.7%	10.2%	8.0%
Full Cash Value Per Capita	\$ 63,743	\$ 69,578	\$ 85,063	\$ 90,757	\$ 96,410	\$ 102,196	\$ 111,320	\$ 116,111	\$ 125,670	\$ 132,341
Net Assessed Value as a Percentage of Full Cash Value	10.5%	10.4%	8.4%	8.2%	8.1%	7.8%	7.8%	7.5%	7.3%	7.2%

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

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%
2023	10%	15%	15%

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

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

Table IX

	Fiscal Year									
	<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>	<u>2023</u>
City of Peoria	\$ 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	\$ 1,890,818,254
Peoria Unified School District No. 11	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	2,316,600,539
Maricopa County	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	51,575,018,189
State of Arizona	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	78,405,598,978

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

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

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

Table X

	Fiscal Year									
	<u>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>	<u>2023</u>
Total Direct City										
Primary	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29
Secondary	1.25	1.25	1.25	1.25	1.25	1.15	1.15	1.15	1.15	1.15
Total	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>
Peoria Unified School District No. 11 (1)										
Primary	4.18	4.43	4.93	4.78	4.51	4.00	3.86	3.75	3.72	3.54
Secondary	<u>3.35</u>	<u>2.84</u>	<u>2.84</u>	<u>3.26</u>	<u>3.03</u>	<u>3.02</u>	<u>2.94</u>	<u>2.92</u>	<u>2.44</u>	<u>2.23</u>
Total	<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>	<u>5.77</u>
Maricopa County (2)										
Primary	3.08	3.11	3.13	3.14	3.09	3.05	3.01	2.97	2.89	2.34
Secondary	<u>0.79</u>	<u>0.86</u>	<u>0.97</u>	<u>1.01</u>	<u>1.07</u>	<u>1.03</u>	<u>1.05</u>	<u>1.02</u>	<u>0.96</u>	<u>0.86</u>
Total	<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>	<u>3.20</u>
Total										
Primary	7.45	7.73	8.25	8.11	7.79	7.34	7.16	7.01	6.90	6.17
Secondary	<u>5.39</u>	<u>4.95</u>	<u>5.06</u>	<u>5.52</u>	<u>5.35</u>	<u>5.20</u>	<u>5.15</u>	<u>5.08</u>	<u>4.55</u>	<u>4.24</u>
Total	<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>	<u>\$ 10.41</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	\$ 3.53	\$ 2.31

(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	\$ 1.25	\$ -
State Education Equalization Assistance	-	-
Maricopa County Community College District	1.09	0.10
Maricopa County Flood Control District	-	0.16
Maricopa County Fire District Assistance	-	0.01
Maricopa County Library District	-	0.05
Maricopa County Special Health Care District	-	0.25
West Maricopa Education Center	-	0.15
Central Arizona Water Conservation District	-	0.14
Fiscal Year 2023 Tax Rate	<u>\$ 2.34</u>	<u>\$ 0.86</u>

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

Source: Maricopa County Assessor - Tax Rates Publication

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

Table XI

	Tax Levy Fiscal Year									
	<u>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>	<u>2023</u>
Total Direct City										
Primary	\$ 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	\$ 5,483,373
Secondary	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	21,744,410
Total	<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>	<u>27,227,783</u>
Peoria Unified School District No. 11 (1)										
Primary	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	81,921,945
Secondary	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	51,687,487
Maricopa County (2)										
Primary	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	1,203,658,775
Secondary	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	390,658,525
Total										
Primary	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	1,291,064,093
Secondary	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	464,090,422
Total	<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>	<u>\$ 1,755,154,515</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	\$ 114,054,971	\$ 74,688,483

(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	\$ 643,295,202	\$ -
State Education Equalization Assistance	-	-
Maricopa County Community College District	560,363,573	53,051,463
Maricopa County Flood Control District	-	75,704,791
Maricopa County Fire District Assistance	-	4,252,620
Maricopa County Library District	-	26,045,384
Maricopa County Special Health Care District	-	129,214,055
West Maricopa Education Center	-	29,684,155
Central Arizona Water Conservation District	-	72,706,057
Fiscal Year 20220Tax Levy	<u>\$ 1,203,658,775</u>	<u>\$ 390,658,525</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

		2023(a)(b)			2014		
Taxpayer	Type of Business	Limited Property Assessed	Rank	% of Limited Property Assessed	Taxable Secondary Assessed	Rank	% of Taxable Secondary Assessed
		Value		Value	Value		Value
Arizona Public Service	Gas & Electric Utility	\$ 22,885,032	1	1.28%	\$ 23,928,175	1	2.26%
Vestar LPTC LLC	Property Development	9,075,794	2	0.51%	3,832,994	8	0.36%
Park West Retail I LLC	Shopping Center	7,693,022	3	0.43%	4,984,045	4	0.47%
Park West WFB LLC	Asset Management	7,023,910	4	0.39%			
DDRA Arrowhead Crossing LLC	Shopping Center	5,216,283	5	0.29%	\$4,493,481	5	0.42%
Imagine Peoria Properties LLC	Property Development	4,966,663	6	0.28%			
N 75th AZ Partners LLC	Multi-family Housing	4,891,421	7	0.27%			
Freedom Plaza Limited Partnership Lease	Retirement Housing	4,678,132	8	0.26%			
Peoria Center Apartments South LLC	Multi-family Housing	4,470,245	9	0.25%			
BCC Development Inc.	Property Development	4,453,696	10	0.25%			
Sprint Nextel Wireless LP	Telecommunications				7,828,821	2	0.74%
Vestar Arizona XLVIII LLC	Property Development				4,986,864	3	0.47%
Miller Family Real Estate LLC	Shopping Center				4,397,673	6	0.42%
Southwest Gas Corporation	Gas Utility				3,992,858	7	0.38%
Excel Lake Pleasant LLC	Shopping Center				3,737,680	9	0.35%
Target Corporation	Shopping Center				3,688,771	10	0.35%
Total		<u>\$ 75,354,198</u>		<u>4.23%</u>	<u>\$ 65,871,362</u>		<u>6.23%</u>

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

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

Note - As a quasi-governmental entity, Salt River Project pays in-Lieu taxes, rather than property taxes. For fiscal year 2023, the assessed value of Salt River Project property within the City of Peoria is \$20,630,940

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
2023	27,227,783	\$ 27,003,934	99.18%	-	27,003,934	99.18%
2022	25,646,027	25,375,055	98.94%	234,842	25,609,897	99.86%
2021	23,892,123	23,599,465	98.78%	222,627	23,822,092	99.71%
2020	22,416,783	21,914,662	97.76%	280,245	21,914,662	97.76%
2019	20,733,307	20,589,725	99.31%	49,481	20,639,206	99.55%
2018	19,296,983	18,955,264	98.23%	156,712	19,111,976	99.04%
2017	17,923,382	17,596,843	98.18%	178,622	17,775,465	99.17%
2016	16,963,444	16,695,651	98.42%	144,002	16,839,653	99.27%
2015	16,560,055	16,290,571	98.37%	176,834	16,467,405	99.44%
2014	15,215,970	14,882,168	97.81%	231,305	15,113,473	99.33%
2013	16,372,418	15,962,490	97.50%	247,428	16,209,918	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 6/30/2023

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>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>	<u>2023</u>
Water										
Average bill	\$37.31	\$35.54	\$37.53	\$39.13	\$41.44	\$42.15	\$43.02	\$43.87	\$45.08	\$46.35
% Increase	-0.27%	-4.74%	5.60%	4.26%	5.90%	1.71%	2.06%	1.98%	2.76%	2.82%
Wastewater										
Average bill	\$23.36	\$23.99	\$24.64	\$25.22	\$25.26	\$26.60	\$26.91	\$27.29	\$28.58	\$29.05
% Increase	-3.31%	2.70%	2.71%	2.35%	0.16%	5.30%	1.17%	1.41%	4.73%	1.64%
Residential Solid Waste										
Average bill	\$13.38	\$13.35	\$13.44	\$13.39	\$14.23	\$14.42	\$15.29	\$16.21	\$17.06	\$17.96
% Increase	0.00%	-0.22%	0.67%	-0.37%	6.27%	1.34%	6.03%	6.02%	5.24%	5.28%

**Utility Service Connections
Last Ten Fiscal Years**

	<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>	<u>2023</u>
Water										
# of Accounts	50,399	51,405	55,558	57,011	58,061	59,185	60,705	62,083	63,357	63,575
% Increase	1.99%	2.00%	8.08%	2.62%	1.84%	1.94%	2.57%	2.27%	2.05%	0.34%
Wastewater										
# of Accounts	53,548	54,599	56,235	57,909	59,499	60,913	62,617	63,924	65,169	65,923
% Increase	1.66%	1.96%	3.00%	2.98%	2.75%	2.38%	2.80%	2.09%	1.95%	1.16%
Residential Solid Waste										
# of Accounts	51,609	52,640	54,262	55,828	57,452	58,816	60,123	61,332	62,575	63,323
% Increase	1.74%	2.00%	3.08%	2.89%	2.91%	2.37%	2.22%	2.01%	2.03%	1.20%

**Charges for Water Services
Base Minimum Monthly Bill
As of June 30, 2023**

Resid., Commerc. & Landscape		
Multi Family Customers	Meter Size	Charge
	5/8"-3/4"	\$ 17.38
Base Charge	1"	21.27
<u>per Meter</u>	1 1/2"	35.56
\$9.06	2"	51.16
	3"	92.83
Charge per	4"	139.66
<u>Dwelling Unit</u>	6"	269.67
\$5.00	8"	425.75

**Charges for Wastewater Services
Base Minimum Monthly Bill
As of June 30, 2023**

Resid., Landscape		
Multi Family Customers	Meter Size	Charge
	5/8"-3/4"	\$ 10.23
Base Charge	1"	10.23
<u>per Meter</u>	1 1/2"	24.58
\$4.07	2"	36.90
	3"	69.80
Charge per	4"	106.75
<u>Dwelling Unit</u>	6"	209.37
\$3.70	8"	332.56

(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)

Table XIV

**CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA**

Volume Charges for Water Services Usage Per Month As of June 30, 2023				Charges for Residential Solid Waste As of June 30, 2023	
Volume Consumption (gallons)	Residential (per 1,000 gallons)	Multiplex (per 1,000 gallons)	Commercial (per 1,000 gallons)		
0 - 4,000	\$ 1.26	\$ -	\$ -	Monthly fee	
4,001 - 10,000	3.34	-	-	Single container & recycling	\$ 17.96
10,001 - 20,000	4.75	-	-	Additional container	14.71
20,000+	5.26	-	-		
1,000+	-	3.34	-		
0 - 10,000	-	-	1.26		
10,001 - 50,000	-	-	3.34		
50,000+	-	-	4.75		

Water Meter Permit Charges As of June 30, 2023		Charges for Storm Water As of June 30, 2023	
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>2023</u>			<u>2014</u>		
		Avg Monthly Water Usage	Rank	% Avg Monthly Water Usage	Avg Monthly Water Usage	Rank	% Avg Monthly Water Usage
Trilogy at Vistancia	Commercial Landscape	16,229	1	2.07%	3,436	4	0.48%
Blue Star Golf	Golf Course	13,559	2	1.89%			
Blackstone Country Club	Golf Course	13,273	3	1.82%			
Sunrise Water Company	Water Company	8,640	4	1.19%			
City of Peoria - Parks North	City Park	8,019	5	1.04%			
Sun Harbor Community Assoc	Health Care Facility	7,578	6	1.00%			
Ashton Woods Homes AWPBX	Residential Constuction	7,273	7	0.86%			
Ventana Lakes N. of Beardsley Lake	Homeowner's Association	6,659	8	0.82%	3,541	3	0.49%
City of Peoria - Right of Way	Right of Way Landscape	6,199	9	0.82%			
City of Peoria - Pioneer Park	City Park	6,010	10	0.80%			
City of Peoria Padre's Pump Station	Sports Complex				6,758	1	0.94%
Desert Harbor Lake	Homeowner's Association				6,642	2	0.92%
Liberty High School	Public School				2,326	5	0.32%
Westwing Mountain HOA	Homeowner's Association				1,961	6	0.27%
Sun Garden Park II HOA	Homeowner's Association				1,922	7	0.27%
Pleasant Valley HOA	Homeowner's Association				1,704	8	0.24%
Christ's Church of the Valley	Church				1,629	9	0.23%
Centennial High School	Public School				1,488	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

	<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>	<u>2023</u>
Governmental Activities										
General Obligation Bonds	\$ 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	\$ 182,957,316
General Obligation WIFA Loans	-	-	-	-	-	-	3,000,000	3,954,426	3,724,398	7,063,285
Municipal Development Authority Debt Obligat	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	23,469,990
Direct Purchase and Loan Obligations	-	-	-	-	36,514,304	30,761,347	27,130,287	23,415,375	19,621,324	15,747,839
Special Assessment Bonds	3,195,000	2,865,416	2,508,814	2,137,211	-	-	-	-	-	-
Community Facilities District Bonds	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	24,604,581
Business-type Activities										
Water and Sewer Revenue Bonds	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	60,975,592
WIFA Loans	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	45,458,610
Total Primary Government	<u>\$ 398,645,535</u>	<u>\$ 377,065,304</u>	<u>\$ 390,509,813</u>	<u>\$ 362,424,831</u>	<u>\$ 327,826,497</u>	<u>\$ 325,739,598</u>	<u>\$ 298,202,194</u>	<u>\$ 289,356,757</u>	<u>\$ 362,921,663</u>	<u>\$ 360,277,212</u>
Total Debt Per Capita	\$ 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	\$ 1,806.59
Total Debt as a % of Personal Income	6.4%	5.8%	5.7%	5.1%	4.4%	4.1%	3.8%	3.7%	3.9%	3.5%

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>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>	<u>2023</u>
Bonded Debt (1)	\$ 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	\$ 182,957,316
Less:										
Debt Service Reserves (2)	<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>	<u>19,066,405</u>
Net Bonded Debt	<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>	<u>\$ 163,890,911</u>
Percentage of Net Bonded Debt to Full Cash Value	1.2%	1.1%	1.0%	0.9%	0.7%	0.8%	0.6%	0.5%	0.6%	0.6%
Percentage of Net Bonded Debt to Assessed Value (3)	11.7%	10.3%	12.3%	10.6%	9.0%	9.7%	8.1%	6.7%	8.7%	8.7%
Net Bonded Debt Per Capita	\$785	\$743	\$879	\$788	\$696	\$796	\$659	\$569	\$798	\$822
Net Bonded Debt as a % of Personal Income	1.99%	1.83%	2.12%	1.87%	1.62%	1.77%	1.51%	1.25%	1.66%	1.58%

(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 GENERAL OBLIGATION BONDED DEBT - CURRENT FISCAL YEAR
AS OF JUNE 30, 2023

Table XVII

Governmental Unit	Limited Assessed Valuation	General Obligation Bonds Outstanding (2)	Percentage Applicable to City of Peoria (1)	Amount Applicable to City of Peoria	Secondary Tax Rate per \$100 Assessed
Overlapping:					
State of Arizona	\$ 78,405,598,978	\$ -	2.41%	\$ -	\$ -
Maricopa County	51,575,018,189	-	3.67%	-	-
Maricopa County Community College District	51,575,018,189	135,585,000	3.67%	4,970,751	0.10
Maricopa County Flood Control District	47,553,260,925	-	3.98%	-	0.16
Maricopa County Library District	51,575,018,189	-	3.67%	-	0.05
Maricopa County Fire District Assistance	51,575,018,189	-	3.67%	-	0.01
Maricopa County Special Health Care District	51,932,898,351	677,938,352	3.64%	24,682,971	0.25
Central AZ Water Conservation	51,932,898,351	-	3.64%	-	0.14
West MEC Vocational District	19,300,490,997	130,195,000	9.80%	12,754,861	0.15
Sub-total - City-wide overlapping				<u>42,408,583</u>	
Total City-wide debt levies (3)				<u>221,024,307</u>	
Unified School Districts:					
Peoria No. 11	1,624,439,186	153,065,000	69.97%	107,099,581	2.23
Deer Valley No. 97	270,162,765	127,500,000	8.28%	10,557,000	2.31
Nadaburg No. 81	1,776,482	2,169,000	1.70%	36,873	0.17
Sub-total - Unified school district overlapping				<u>117,693,454</u>	
Total overlapping				<u>160,102,037</u>	
Direct:					
City of Peoria	\$1,890,818,254	\$178,615,724 (4)	100.00%	<u>178,615,724</u>	\$ 1.15
Total direct and overlapping debt				<u>\$ 338,717,761</u>	

Notes: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the city. This table estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses in the city. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Does not include debt amount of Community Facilities Districts (\$24,604,581)

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

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

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

(4) Includes the GO WIFA loans as these are general obligation debt and restricted by the same constraints as general obligation bonds.

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

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - CURRENT FISCAL YEAR
AS OF JUNE 30, 2023

Table XVIII

Governmental Unit	Limited Assessed Valuation	Debt Outstanding (2)	Percentage Applicable to City of Peoria (1)	Amount Applicable to City of Peoria	Secondary Tax Rate per \$100 Assessed
Overlapping:					
State of Arizona	\$ 78,405,598,978	\$ -	2.41%	\$ -	\$ -
Maricopa County	51,575,018,189	-	3.67%	-	-
Maricopa County Community College District (3)	51,575,018,189	135,585,000	3.67%	4,970,751	0.10
Maricopa County Flood Control District	47,553,260,925	-	3.98%	-	0.16
Maricopa County Library District	51,575,018,189	-	3.67%	-	0.05
Maricopa County Fire District Assistance	51,575,018,189	-	3.67%	-	0.01
Maricopa County Special Health Care District	51,932,898,351	-	3.64%	-	0.25
Central AZ Water Conservation	51,932,898,351	-	3.64%	-	0.14
West MEC Vocational District	19,300,490,997	130,195,000	9.80%	12,754,861	0.15
Sub-total - City-wide overlapping				<u>17,725,612</u>	
Total City-wide debt levies (4)				<u>271,568,623</u>	
Unified School Districts:					
Peoria No. 11	1,624,439,186	153,065,000	69.97%	107,099,581	2.23
Deer Valley No. 97	270,162,765	127,500,000	8.28%	10,557,000	2.31
Nadaburg No. 81	1,776,482	2,169,000	1.70%	36,873	0.17
Sub-total - Unified school district overlapping				<u>117,693,454</u>	
Total overlapping				<u>135,419,066</u>	
Direct:					
City of Peoria	\$ 1,890,818,254	\$ 253,843,011 (5)	100.00%	<u>253,843,011</u>	\$ 1.15
Total direct and overlapping debt				<u>\$ 389,262,077</u>	

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

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

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

(3) Although Maricopa County Community Colleges reports all activity as Business-Type, since the general obligation bonds are repaid solely from tax collections, they will be included with governmental activities.

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

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

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

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

Table XIX

Governmental Unit	2014	2015	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023
Overlapping:										
State of Arizona	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maricopa County	-	-	-	-	-	-	-	-	-	-
Community College District	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	\$ 4,970,751.00
County Flood Control District	-	-	-	-	-	-	-	-	-	-
County Free Library	-	-	-	-	-	-	-	-	-	-
Fire District Assistance	-	-	-	-	-	-	-	-	-	-
Education Equalization	-	-	-	-	-	-	-	-	-	-
West MEC Vocational District	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	\$ 12,754,861.00
Central AZ Water Conservation	-	-	-	-	-	-	-	-	-	-
Sub-total - City-wide overlapping	<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>	<u>17,725,612</u>
Total City-wide levies (1)	317,946,402	298,736,758	314,264,769	188,826,337	236,046,896	280,497,941	258,887,529	234,584,163	274,828,230	271,568,623
Unified School Districts:										
Peoria No. 11	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	107,099,581
Deer Valley No. 97	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	10,557,000
Nadaburg No. 81	<u>2,286</u>	<u>1,212</u>	<u>789</u>	<u>579</u>	<u>12,519</u>	<u>8,541</u>	<u>6,105</u>	<u>72,893</u>	<u>41,694</u>	<u>36,873</u>
Sub-total - Unified school district overlapping	<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>	<u>117,693,454</u>
Total overlapping	<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>	<u>135,419,066</u>
Direct (2):										
City of Peoria	<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>253,843,011</u>	<u>253,843,011</u>
Total direct and overlapping debt	<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>\$404,861,305</u>	<u>\$389,262,077</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

	Fiscal Year									
	<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>	<u>2023</u>
Property Assessed Value (1)	\$ 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	\$ 1,890,818,254
<u>6% Limitation</u>										
Debt limit	\$ 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	\$ 113,449,095
Total net debt applicable to limit	<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>	<u>6,483,342</u>
Legal 6% Debt Margin	<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>	<u>\$ 106,965,753</u>
Total net debt applicable to the limit as a percentage of debt limit	0.6%	0.0%	6.8%	5.6%	3.7%	5.2%	1.0%	0.0%	6.0%	5.7%
<u>20% Limitation</u>										
Debt limit	\$ 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	\$ 378,163,651
Total net debt applicable to limit	<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>	<u>193,774,041</u>
Legal 20% Debt Margin	<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>	<u>\$ 184,389,610</u>
Total net debt applicable to the limit as a percentage of debt limit	72.1%	61.8%	65.9%	57.9%	46.3%	49.2%	43.9%	37.7%	53.6%	51.2%

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

Source: Maricopa County Assessor and City records

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

Table XXI

	Fiscal Year									
	<u>2014</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>	<u>2023</u>
Senior Lien Excise Tax and State Shared Revenue Debt Obligations										
Pledged Revenues										
Sales and use taxes (1)	\$ 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	\$ 111,004,429
State-shared sales tax	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	28,812,810
Urban revenue sharing	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	36,976,059
Franchise taxes	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	5,240,846
License and permits	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	3,650,883
Fines and forfeitures	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	1,643,286
User fees and charges	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	22,070,286
Miscellaneous	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	5,054,250
Total Pledged Revenues	<u>114,035,421</u>	<u>120,117,167</u>	<u>125,219,146</u>	<u>136,128,717</u>	<u>146,124,469</u>	<u>151,627,006</u>	<u>155,184,949</u>	<u>170,353,386</u>	<u>191,409,417</u>	<u>214,452,849</u>
Senior Lien Debt Service Requirements										
Principal (2)	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	900,000
Interest (2)	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	788,890
Total Senior Lien Debt Service Requirements	<u>\$ 3,718,383</u>	<u>\$ 3,662,083</u>	<u>\$ 3,652,808</u>	<u>\$ 3,648,533</u>	<u>\$ 3,746,892</u>	<u>\$ 3,497,635</u>	<u>\$ 3,632,476</u>	<u>\$ 3,626,061</u>	<u>\$ 3,614,220</u>	<u>\$ 1,688,890</u>
Estimated Coverage	30.67	32.80	34.28	37.31	39.00	43.35	42.72	46.98	52.96	126.98
Other Excise Tax and State Shared Revenue Debt Obligations (3)										
Net Pledged Revenues from above (4)	\$ 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	\$ 212,763,959
Additional Pledged Revenues (5)	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	20,975,746
Total	<u>121,178,183</u>	<u>127,789,973</u>	<u>133,797,398</u>	<u>145,419,522</u>	<u>156,355,454</u>	<u>163,332,385</u>	<u>167,633,360</u>	<u>184,197,157</u>	<u>207,158,705</u>	<u>233,739,705</u>
Debt Service Requirements										
Principal	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	3,255,000
Interest	1,730,263	1,648,325	1,545,500	1,438,175	1,114,408	507,374	447,978	387,598	325,937	262,995
Total Annual Requirements	<u>\$ 3,915,263</u>	<u>\$ 3,933,325</u>	<u>\$ 3,930,500</u>	<u>\$ 3,928,175</u>	<u>\$ 3,779,408</u>	<u>\$ 3,522,374</u>	<u>\$ 3,512,978</u>	<u>\$ 3,517,598</u>	<u>\$ 3,520,937</u>	<u>\$ 3,517,995</u>
Estimated Coverage	30.95	32.49	34.04	37.02	41.37	46.37	47.72	52.36	58.84	66.44

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>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>	<u>2023</u>
Gross Revenue (1)	\$ 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	\$ 83,570,126
Operating and Maintenance Expenses (2)	<u>30,942,736</u>	<u>35,326,061</u>	<u>33,060,448</u>	<u>35,787,927</u>	<u>38,664,295</u>	<u>39,616,866</u>	<u>47,802,256</u>	<u>49,575,457</u>	<u>61,522,222</u>	<u>62,584,753</u>
Net Revenue Available for Debt Service	<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>	<u>20,985,373</u>
Development Fee Revenue	<u>4,311,153</u>	<u>4,418,565</u>	<u>5,116,972</u>	<u>6,268,689</u>	<u>6,034,425</u>	<u>6,529,816</u>	<u>6,911,813</u>	<u>9,163,448</u>	<u>6,932,135</u>	<u>2,541,541</u>
Total Net Revenue	<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>	<u>23,526,914</u>
Debt Service Requirements										
Principal (3)	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	7,819,681
Interest (4)	<u>3,343,413</u>	<u>3,097,542</u>	<u>3,026,940</u>	<u>2,621,761</u>	<u>2,567,632</u>	<u>2,001,074</u>	<u>1,683,084</u>	<u>1,597,208</u>	<u>1,862,828</u>	<u>2,955,952</u>
Total Debt Service Requirements	<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>	<u>\$ 10,775,633</u>
Ratio of Total Net Revenue/ Total Bond Expense	2.26	1.78	2.57	2.60	2.72	2.54	2.44	0.71	2.07	2.18
Ratio of Net Available/ Total Bond Expense (5)	1.91	1.42	2.16	2.13	2.28	2.08	1.91	0.54	1.39	1.95

(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>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>	<u>2023</u>
Pledged Revenues (1)	\$ 1,259,303	\$ 1,168,526	\$ 1,078,196	\$ 2,787,558	\$ 2,130,000	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Requirements										
Principal	325,000	340,000	355,000	370,000	2,130,000	-	-	-	-	-
Interest (2)	149,600	135,788	121,338	106,250	90,825	-	-	-	-	-
Total Annual Requirements	<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>	<u>\$ -</u>
Estimated Coverage	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>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>	<u>2023</u>
Current Assessments Due	\$ 455,116	\$ 381,761	\$ 381,950	\$344,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments Collected	455,116	381,761	381,950	344,741	-	-	-	-	-	-
Prepaid Assessments Collected	675,958	-	-	1,809,173	-	-	-	-	-	-
Total Assessments Collected (1)	<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>	<u>\$ -</u>
Ratio of Current Collections to Amount Due	100.0%	100.0%	100.0%	100.0%	N/A	N/A	N/A	N/A	N/A	N/A
Outstanding Assessment Principal (2)	\$ 2,603,127	\$ 2,326,112	\$ 2,036,876	\$0.00	\$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

Fiscal Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (3)	Median Age (4)	Public School Enrollment (5)	Unemployment Rate (6)
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	8,116,201	46,125	39.5	35,490	4.3%
2020	190,985	9,179,694	48,065	38.2	35,784	9.3%
2021	194,517	10,085,901	51,851	38.5	34,030	6.6%
2022	199,424	11,628,015	58,308	42.7	34,495	3.4%
2023	199,424 (7)	N/A	N/A	41.0	34,557	3.9%

(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.

(3) Bureau of Economic Analysis - Phoenix Metropolitan Statistical 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 2023 was taken from the most recent U.S. Census estimates for fiscal year 2022 because it is the most updated and accurate population count as of fiscal year 2023.

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

Table XXVI

Employer	2023			2014		
	# of Employees	Rank	Percentage of Total City Employment	# of Employees	Rank	Percentage of Total City Employment
Peoria Unified School District	3,805	1	4.0%	3,047	1	3.9%
City of Peoria	1,354	2	1.4%	1,093	2	1.4%
Walmart (Multiple Locations)	1,030	3	1.1%	-		0.0%
Fry's Food Stores (Multiple Locations)	880	4	0.9%	-		0.0%
Target Stores Inc (Multiple Locations)	450	5	0.5%	-		0.0%
Home Depot (Multiple Locations)	410	6	0.4%	-		0.0%
Taronis Fuels	400	7	0.4%	-		0.0%
Plaza Del Rio Campus/Freedom Plaza & Care Center	380	8	0.4%	523	4	0.7%
Larry Miller Dodge/Hyundai	330	9	0.3%	-		0.0%
Oak Craft Inc	320	10	0.3%	200	8	0.3%
The Younger Brothers Group Inc				528	3	0.7%
Immanuel Campus of Care				456	5	0.6%
The Antigua Group Inc				289	6	0.4%
Arizona Retirement Center				236	7	0.3%
Good Shepherd Care Center				130	9	0.2%
Total	9,359		9.8%	6,502		8.3%
 Total City Employment	 95,652			 78,056		

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>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>	<u>2023</u>
General Government										
City Manager	16.00	16.00	16.00	18.00	18.00	18.00	19.00	19.00	19.00	19.00
Office of Communications	8.00	8.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00
Human Resources	17.50	17.50	19.00	19.00	20.00	20.50	21.50	21.50	21.50	21.50
Attorney	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	27.00	29.00
City Clerk	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.50
Court	20.90	20.90	20.90	20.90	20.90	20.90	20.90	20.90	21.45	23.45
Economic Development***	28.00	30.50	31.50	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Finance & Budget	80.00	80.00	79.00	79.00	80.00	79.00	78.00	78.00	79.00	79.00
Culture & Recreation	115.97	115.97	119.22	121.47	121.20	145.78	155.80	155.80	188.10	161.85
Police	292.00	292.00	295.00	299.00	306.00	303.00	304.00	305.00	308.00	323.00
Fire	168.50	168.50	175.50	194.50	194.50	212.00	220.00	220.00	236.00	241.00
Community Development	13.50	14.00	15.00	16.00	16.00	12.92	13.00	13.00	13.00	14.00
Development and Engineering**	33.25	33.25	33.25	65.00	65.00	67.25	67.00	67.00	70.00	72.00
Highways & Streets	38.80	38.80	38.80	38.80	38.80	38.80	39.80	39.80	40.8	42.8
Public Works	57.95	57.95	57.95	57.95	57.95	58.95	58.95	58.95	57.95	59.95
Human Services	7.50	7.50	7.50	7.50	7.50	9.50	9.50	9.50	10.50	11.00
Water Utility	55.50	55.50	55.50	58.50	58.50	61.50	63.50	69.50	72.50	67.50
Wastewater Utility	29.50	29.50	31.50	32.50	32.50	33.50	34.50	35.50	35.50	37.50
Solid Waste Utility	45.50	45.50	49.50	53.25	56.25	58.25	61.00	61.00	62.00	64.00
Information Technology	40.00	40.00	41.00	42.00	42.00	42.00	43.00	45.00	45.00	47.00
Stadium	17.50	17.50	17.50	18.50	18.50	18.50	18.50	18.50	17.96	17.90
Total FTE*	<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>	<u>1,354.95</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
General Government										
Registered Voters in City	89,604	87,541	93,916	101,881	102,460	109,073	113,282	124,458	118,397	119,718
Voter Participation (last election)	24.9%	31.3% ^(F)	N/A	76.7%	N/A	36.48%	41.33%	83.87%	N/A	67.66%
Culture & Recreation										
Recreation Participants	122,318	120,232	104,544	109,220	112,802	116,696	64,170	11,976	18,672	18,108
New Recreation Accounts	5,533	5,483	5,166	5,396	5,029	4,344	2,255	4,325	6,610	7,128
Special Event Participants	74,950	79,550	71,300	102,938	95,822	88,348	107,120	5,706	102,775	110,750
Police										
Calls for Service	52,193	47,612	53,256	55,136	53,574	51,127	51,081	51,162	55,197	54,497
Avg Response Time (minutes)	4.39 ^(C)	4.55 ^(C)	5.13 ^(C)	5.40 ^(C)	5.33 ^(C)	5.28	5.23	5.36	5.47	5.25
Fire										
Number of Incidents	19,312	20,873	23,824	23,726	24,932	23,752	25,066	25,559	24,859	28,509
Avg Response Time (minutes)	5.30	5.24	5.38	5.16 ^(A)	5.24 ^(A)	5.25 ^(A)	5.47 ^(A)	5.51 ^(A)	5.36 ^(A)	6.22 ^(A)
Development Services										
Building Permits Issued	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	4,369
Value of Building Permits (millions \$)	\$188.3	\$221.1	\$311.9	\$393.3	\$355.0	\$382.1	\$307.7	\$298.3	\$313.0	\$164.3
Highways & Streets										
Asphalt Used (in tons)	2,227	2,302	1,289	1,930	1,566	1,394	2,189	2,496	1,174	1,185
Centerline Miles Swept	5,660	4,968	4,118	6,199	5,052	6,405	7,205	8,555	8,363	8,719
Miles Inspected	205	211	296	1,551 ^(G)	0 ^(G)	0 ^(G)	867 ^(G)	0 ^(G)	0 ^(G)	0 ^(G)
Public Works										
Number of Vehicle Work Orders	5,464	5,493	5,558	5,732	5,416	5,592	5,385	4,957	4,821	4,857
Human Services										
Number of Dial-a-Ride users	836	850	749	585	599	599	387	399	425	402
Number of Annual Trips	33,308	30,212	30,756	27,241	28,033	22,954	22,257	15,987	21,878	22,656
Business-type Activities										
Water Utility ^(E)										
Annual Consumption (000's gal)	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	9,640,256
Wastewater Utility										
Wastewater Treated (billion gal)	3.69	3.74	3.78	3.87	3.98	4.13	4.21	4.29	4.36	4.41
Solid Waste Utility										
Residential Tonnage Processed	47,987	51,666	52,593	54,967	55,757	59,819	64,283	67,087	68,856	66,290
Commercial Tonnage Processed	21,176	25,227	23,309	20,895	20,974	16,748	19,165	18,066	17,691	19,001
Recycle Tonnage Processed	15,155	16,077	16,447	16,698	17,109	16,859	16,047	17,729	17,417	17,070
Stadium										
Spring Training Attendance	192,513	238,847	240,111	227,646	201,272	180,190	93,932	51,067	78,928	217,530
Sporting Rentals Days	322	297	339	333	335	340	245	255	207	291
Non-Sporting Rentals Days	146	151	204	210	196	182	133	105	112	135

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

^(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>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>	<u>2023</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	34	34	34	34	34	34	35	36	36
Total Neighborhood Park Acreage	294	305	301	301	301	301	301	311	314	314
# of Community Parks	2	2	2	2	2	2	2	3	3	3
Total Community Park Acreage	139	139	139	139	139	139	139	225	225	225
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol Vehicles (units)	88	88	90	91	92	98	105	106	108	111
Fire										
Stations (full-time / part-time)	7/1	7/1	8/0	8/0	8/0	8/0	8/0	8/0	8/0	8/0
Number of Fire Engines ^(B)	7	7	7	7	7	7	7	7	8	8
Number of Ladder Trucks	2	2	2	2	2	2	2	2	2	2
Highways & Streets										
Streets (miles maintained)	1452 ^(A)	1505 ^(A)	1,534	1,551	1,559	1,579	1,596	1,604	1,635	1,668
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	2,549,676
Surface Treatments (lane miles)	88	96	60	99	153	136 ^(D)	119	120	145	99
Public Works										
Street Lights	14,786	14,945	15,565	15,722	15,973	16,152	16,493	16,896	17,235	17,251
Vehicles in Fleet	738	732	778	795	840	842	878	953	969	971
Water Services										
Number of Pump Stations	25	25	30	30	30	27	30	27	27	27
Number of Lift Stations	15	14	13	13	13	11	13	14	14	15
Number of Wells	38	40	46	47	47	24	47	47	47	47
Number of Reservoirs	30	30	33	33	33	22	33	34	34	34
Human Services										
Dial-a-Ride Buses	6	5	5	5	5	6	4	6	6	6
Business-type Activities										
Water Utility										
Number of Water Accounts	50,399	51,405	55,558	57,011	58,061	59,185	60,705	62,083	63,357	63,575
Storage Capacity (million gal)	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	43.0
Wastewater Utility										
Number of Wastewater Accounts	53,548	54,599	56,235	57,909	59,499	60,913	62,617	63,924	65,169	65,923
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	51,609	52,640	54,262	55,828	57,452	58,816	60,123	61,332	62,575	63,323
Stadium										
Number of Practice Fields	13	13	13	13	13	13	13	13	13	13
Number of Clubhouses	3	3	3	3	3	3	3	3	3	3
Total Complex Acreage ^(C)	125	125	125	125	125	125	125	125	125	125

Notes: * Information not tracked during this fiscal year.

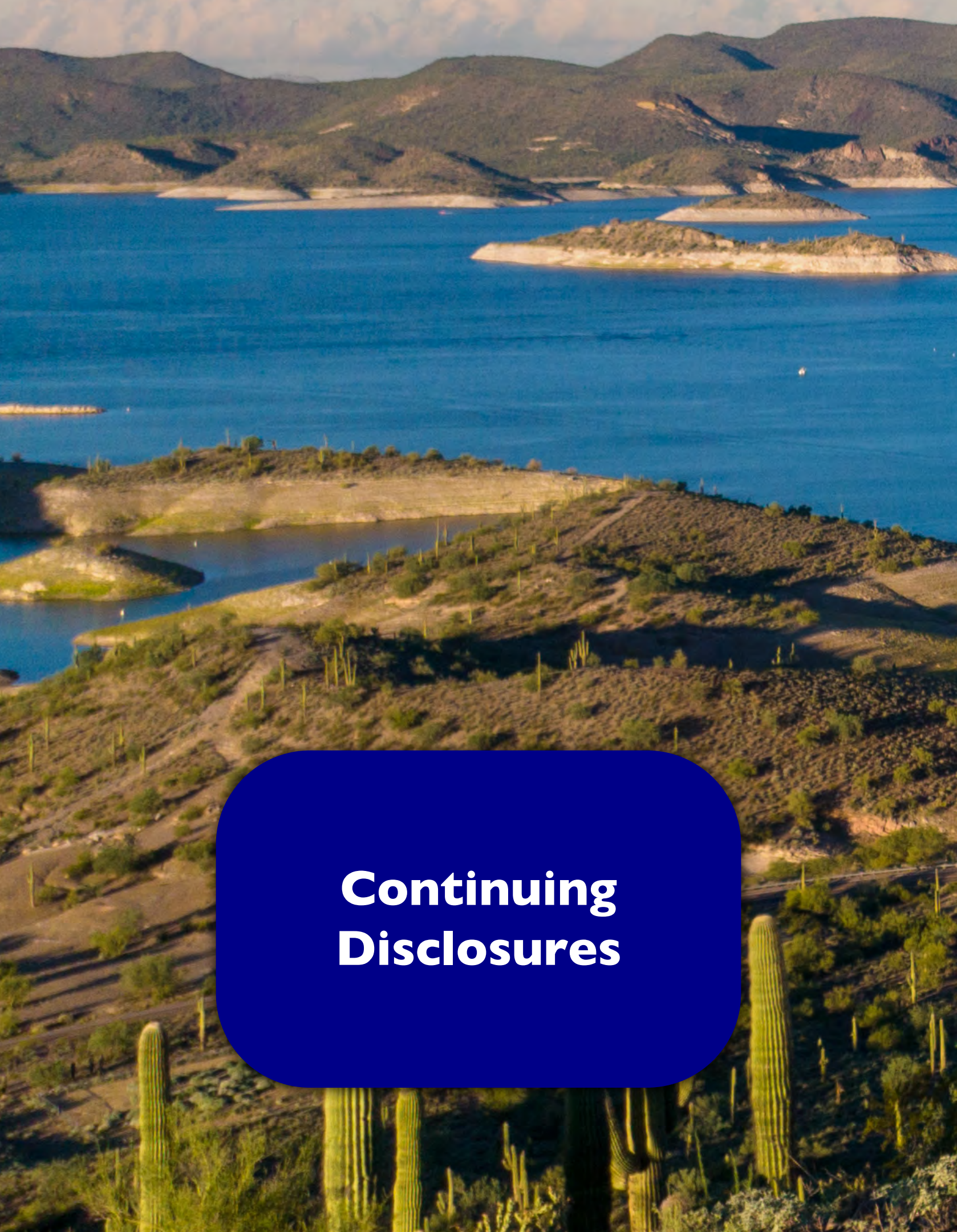
^(A) Measurement changed from center-lane miles to lane miles in FY14.

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

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

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

Source: Various City Departments



Continuing Disclosures

Continuing Disclosure Section

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

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

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

Continuing Disclosures Annual Report

For the Year Ended June 30, 2023

Audited Financial Statements

The City's Annual Comprehensive Financial Report for fiscal year ended June 30, 2023, is included as part of this submittal.

Other Financial Information

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

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

	<u>Statistical Section</u>	<u>Page</u>
<u>General Obligation Bonds (CUSIP 712838)</u>		
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Comparative assessed values	Table IX	132
Direct and overlapping assessed values	Table XVII	142
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<u>Water and Wastewater Revenue Bonds (CUSIP 712851)</u>		
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Ten largest water users	Table XIVc	139
<u>Municipal Development Authority Bonds (CUSIP 71284R and 71285A)</u>		
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Privilege and use tax rates by category	Table VI	129
Annual debt service requirements	Table XXI	146
<u>Improvement District Bonds (CUSIP 712844)</u>		
Legal debt margin and unused borrowing capacity	Table XX	145
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City of Peoria

FINANCE AND BUDGET DEPARTMENT

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