



City of Peoria, Arizona

FY19 Comprehensive Annual Financial Report (CAFR)

Fiscal Year Ended June 30, 2019



Comprehensive Annual Financial Report

For Fiscal Year Ended
June 30, 2019

City of Peoria, Arizona



City Council:

Cathy Carlat, Mayor
Bridget Bisnbacher, Vice Mayor
Vicki Hunt, Mayor Pro-Tem
Denette Dunn
Jon Edwards
Michael Finn
Bill Patena

Administrative Staff:

Jeff Tyne, City Manager
Andrew Granger, Deputy City Manager
Katie Gregory, Deputy City Manager
Erik Strunk, Deputy City Manager

Prepared By: Finance Department
Sonia Andrews, Chief Financial Officer
Sean Kindell, Deputy Finance Director
Jessica Cupero, Accounting Supervisor



City of Peoria Core Values

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

P Professional

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

E Ethical

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

O Open

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

R Responsive

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

I Innovative

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

A Accountable

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



Introductory Section

CITY OF PEORIA, ARIZONA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

TABLE OF CONTENTS

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

CITY OF PEORIA, ARIZONA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

	<u>Page</u>
C. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the City's Proportionate Share of the Net Pension/OPEB Liability Cost-Sharing Pension Plan	83
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	84
Schedule of Changes in Net OPEB Liability and Related Ratios	86
Schedule of Pension/OPEB Contributions	88
Notes to Pension/OPEB Plan Schedules	89
 D. SUPPLEMENTARY INFORMATION - COMBINING FUND FINANCIAL STATEMENTS AND BUDGETARY SCHEDULES	
 Major Governmental Funds Other Than General Fund and Special Revenue Funds	
Budgetary Comparison Schedules – Major Debt Service Fund General Obligation Bonds Debt Service Fund	93
 Non-Major Governmental Funds	
Combining Statements	
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	98
Budgetary Comparison Schedules	
Public Transit Fund	100
Other Grants Fund	101
Municipal Development Authority (MDA) Debt, Debt Service Fund	102
Community Facilities District (CFD) Bonds Debt Service Fund	103
Non-Bond Debt Service Fund	104
Community Facilities District (CFD) Bonds Capital Projects Fund	105
General Obligation Bonds Capital Projects Fund	106
Non-Bond Capital Projects Fund	107
 Internal Service Funds	
Combining Statement of Net Position	109
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	110
Combining Statement of Cash Flows	111
 Fiduciary Funds	
Combining Statement of Fiduciary Net Position – Agency Funds	113
Combining Statement of Changes in Assets and Liabilities – Agency Funds	114

CITY OF PEORIA, ARIZONA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

	<u>Table</u>	<u>Page</u>
III. STATISTICAL SECTION - Unaudited		
Net Position By Component	I	117
Changes in Net Position	II	118
Fund Balances, Governmental Funds	III	120
Changes in Fund Balances, Governmental Funds	IV	121
City Transaction Privilege Taxes By Category	V	122
Direct and Overlapping Sales Tax Rates	VI	123
Sales Tax Payers - By Category	VII	124
Assessed Values By Property Classification	VIII	125
Comparative Assessed Values	IX	126
Direct and Overlapping Property Tax Rates	X	127
Direct and Overlapping Property Tax Levies	XI	128
Limited Property Value Top Ten Tax Payers	XII	129
Property Tax Levies and Collections	XIII	130
Utility Statistical Data	XIV	131
Outstanding Debt By Type	XV	134
Ratio of Net General Bonded Debt to Full Cash Value and Net Bonded Debt Per Capita	XVI	135
Direct and Overlapping General Obligation Bonded Debt – Current Fiscal Year	XVII	136
Direct and Overlapping Governmental Activities Debt – Current Fiscal Year	XVIII	137
Direct and Overlapping Governmental Activities Debt – Last Ten Fiscal Years	XIX	138
Legal Debt Margin	XX	139
Pledged Revenue Coverage – Excise Tax and State Shared Revenue Debt Obligations - Governmental Portion	XXI	140
Pledged Revenue Coverage – Water & Wastewater Revenue Bonds	XXII	141
Pledged Revenue Coverage – Special Assessment Bonds	XXIII	142
Special Assessment Collections	XXIV	143
Demographic and Economic Statistics	XXV	144
Major Employers Within the City	XXVI	145
Authorized Full-time Equivalent City Government Employees By Function	XXVII	146
Operating Indicators By Function/Program	XXVIII	147
Capital Asset Statistics By Function/Program	XXIX	148

IV. CONTINUING DISCLOSURES

Continuing Disclosures Annual Report		150
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City of Peoria

FINANCE DEPARTMENT Financial Services

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December 23, 2019

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the City of Peoria, Arizona (the City) for the fiscal year ended June 30, 2019. This report was prepared by the Financial Services Division of the Finance Department.

The CAFR 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 use by the public.

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

THE FINANCIAL REPORTING ENTITY

This CAFR 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 five blended component units, the City of Peoria Municipal Development Authority, Inc., the Vistancia Community Facilities District, the Vistancia West Community Facilities 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 most current Census Bureau estimate, Peoria's population increased by 11.8%, from 154,065 in 2010 to 172,259 in 2018. 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 34 neighborhood parks encompassing 305 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 City is in the construction phase of its third community park, Paloma Community Park which is expected to be completed in 2020. 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

In recent years, Peoria's population growth has been extremely strong as Maricopa County leads the nation in population growth. People are moving to Arizona not just for the weather but also for the high quality of life and this trend is expected to continue. Peoria is part of the metro Phoenix West Valley, which includes Glendale, Goodyear, Surprise and Buckeye. Home sales in the West Valley have surpassed other metro Phoenix regions. The West Valley has the region's newest freeway (Loop 303) and developments, such as Vistancia, a top selling master-planned community in north Peoria are bringing higher-end homes, golf courses and shopping amenities to attract homebuyers. Peoria also has a large amount of undeveloped land in the north to accommodate future growth.

After 3 consecutive years of more than 1,500 new residential permit issues, the City issued 1,230 new residential building permits in fiscal year 2019. Per the Case Miller Home Price index, house prices have increased in the Phoenix metropolitan area by 5.8% over fiscal year 2019. The City's total property full cash value, which lags the market, increased by 9.1% from \$18.4 billion in 2018-19 to \$20.1 billion in 2019-20.

The unemployment rate in Peoria remains low at 4.3% as of June 2019 and continues to outperform the State which was at 5.3% (not seasonally adjusted). While wage increases have been offset by cost of living increases, consumer spending remained healthy. The City's sales and use tax collections in fiscal year 2019 totaled \$93.2 million, a 3.8% increase from the \$89.8 million in the prior year.

Economic Outlook

Overall, the outlook for Peoria is positive. Arizona's economy ranked 4th in the nation for real gross domestic product (GDP) growth according to the U.S. Bureau of Economic Analysis as the State experienced significant increases in tax collections towards the end of fiscal year 2018-19 and into fiscal year 2019-20. In Peoria, sales tax revenues grew by 3.8% this year and are expected to continue growing in fiscal year 2019-20, with strong performance in retail (especially auto sales), restaurants and bars, and contracting categories. Moreover, as mentioned above, building activity continues to be strong and we expect the number of new building permits to remain at or above 1,200 next year.

MAJOR PROJECTS AND INITIATIVES

The Council utilizes a goal setting and strategic planning process to assist in the identification, prioritization, and management of capital projects, initiatives, service efforts and emerging strategic issues. Given the competing priorities for available resources, careful consideration is given to all projects and initiatives to ensure investments of public funds achieve Council objectives and provide a long-term sustainable benefit to the community. Listed below are the Council's six livability initiatives that drive this decision making process seeking to improve the community's quality of life.

- **Healthy Neighborhoods** – To protect and enhance the health, safety, and general welfare of Peoria's citizens, workers, and visitors by integrating health-promoting design and development practices at the building or project scale. Elevating the vitality of the people by promoting health and wellness in the built environment enhances both property and community values.
- **Arts, Culture, & Recreational Enrichment** – To enhance the availability and accessibility of the arts for all residents, preserve important historic and cultural elements that make Peoria unique, activate the human spirit through social and physical connections, and provide educational opportunities for lifelong learning.
- **Economic Prosperity** – To increase the wealth and quality of living for all with policies that support a diverse, innovative, competitive, entrepreneurial, and sustainable economy. Peoria recognizes that the economic health of the City influences the physical development and the overall health of the community, as well as determines its capacity to fund essential services.
- **Superior Public Services** – To provide superior levels of public facilities and services in a responsible, reliable, safe, and compassionate manner. In order to sustain existing households and businesses and to accommodate future population and employment growth, public facilities and services will need to be strategically located, and regularly improved, expanded and maintained.
- **Smart Growth** – To guide future growth and development into a sustainable citywide development pattern, while maintaining or enhancing quality of life in our communities. Growth should be at a desired scale and character that is consistent with the social, economic and aesthetic values of the City.
- **Integrated Transportation** – To holistically create a seamless network of mobility choices, through acknowledgement and dedication to continuing to foster and grow the on-street roadways, off-street shared use paths, transit options, and plan for advancing technologies. Transportation should be considered for all modes of travel and universal accessibility.

Major Initiatives and Accomplishments in fiscal year 2019

Peoria on the Go (POGO) -

POGO, a new circulator bus route in north Peoria began operations on April 22, 2019. This free transportation service was launched to improve connectivity for the community. Locations along the route include the P83 entertainment district, Arrowhead Towne Center, Sunrise Mountain Library, Sunrise and Liberty High Schools, multiple grocery and drug stores, retail and restaurants, medical offices, multi and single-family residences and trailheads.

General Plan Update -

During fiscal year 18-19, the City embarked on an update of its general plan which serves as a roadmap for the City's growth and development for the next 10 to 20 years. All Arizona municipalities are required to have a general plan per Arizona state law, which must be maintained and adopted by public vote every 10 years. The City's new general plan is designed around six themes, or livability goals and addresses a multitude of topics such as water resources, land use, housing, transportation and more. Various open houses were conducted

between August and September 2019 to gather community input. The new plan was then reviewed and adopted by the Planning and Zoning Commission and approved by Council in November 2019. The new General Plan will be placed on the ballot for voter approval in the Fall of 2020.

Paloma Community Park -

In April 2019, the City kicked off the construction of the Paloma Community Park located east of Lake Pleasant Parkway. The 85 acres park will include tournament grade baseball and soccer fields, multi-use open turf, a fishing lake, multi-generational inclusive playgrounds and splash pad, picnic ramadas, a dog park and lighted pickleball courts. The park will also include a trailhead for access to Peoria's Westwing Mountain trail system. Construction of phase one is set to be completed in Summer of 2020.

Peoria Community Resource Center -

The City opened its first Community Assistance Resource Center in June 2019 in Old Town Peoria. Funded through the Community Development Block Grant Program and the City's General Fund, the new resource center will house several non-profit organizations that can provide a wide range of assistance to Peoria residents. Nonprofits such as Child Crisis Arizona, Marc Community Resources, Stepping Up for Seniors, Benevilla, Arizona at Work, and Medicare Planning Solutions will have a presence at the center to provide residents with consultation and information for financial assistance, health care, child development, nutrition services and more.

Partnership with ASU Entrepreneurship + Innovation -

During fiscal year 18-19, the City partnered with ASU Entrepreneurship + Innovation to bring various workshops and informational events to entrepreneurs and other stakeholders in the community. These events are to further the City's goal of creating an entrepreneurship ecosystem in Peoria through engaging entrepreneurs, residents, students and all human capital in Peoria to elevate the City's ventures, support innovation and create a sense of place within Peoria.

Accreditations and Awards -

In September 2018, Peoria was ranked the No. 1 place to live in Arizona by Money Magazine. Money Magazine evaluated 583 cities around the country and ranked Peoria No. 29 overall and No. 1 in Arizona.

In June 2019, Peoria was named one of the top 10 unique destinations to experience the outdoors by USA Today. USA Today selected Peoria, the only Arizona city on the list, for its proximity to Phoenix, the Sonoran Desert, and Lake Pleasant. This is the second time this year that USA Today has featured Peoria, naming 10 Peoria sights that "hit it out of the ballpark".

In April 2019, Peoria was named one of the 50 leading fleets representing the best in the industry by Government Fleet Magazine. The awards program recognizes operations that are performing at a high level, particularly in fleet leadership and criteria for the award include the efficiency, effectiveness, and modernity of the fleet operation, based on 20 key criteria.

In September 2018, Peoria won the distinguished Emmy award for its short documentary video titled "Knitted Knockers." The video highlights a group of women who formed a knitting club that makes yarn breast prosthetics for women who have had a mastectomy. In the region that Peoria competed, there were more than 1,000 entries from five western states. Peoria was the only city in the Valley to pick up the Emmy award, which was given by the Rocky Mountain Southwest Chapter of the National Academy of Television Arts and Sciences.

BOND RATING

During fiscal year 18-19 Moody Investors Services upgraded the City's water and wastewater revenue bonds to Aa2 from Aa3. This upgrade reflects the systems' strong financial profile, characterized by healthy debt service coverage and a strong liquidity position.

Fitch Ratings also increased the City's Vistancia Community Facility District's bond rating to an A+ due to solid growth and financial resilience, and the healthy economic prospects and continued development in the district.

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: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) 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 2018-19 was \$897,637,559. 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 CAFR, 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, 2019, 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, 2019, 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. The results of the City's single audit for the fiscal year ended June 30, 2019, found no instances of material weakness or significant deficiencies in the internal controls. The reports from CliftonLarsonAllen LLP are available in the City of Peoria, Arizona's separately issued Single Audit Report.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This is the 34th 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 Comprehensive Annual 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 Comprehensive Annual 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,



Sonia K. Andrews
Chief Financial Officer





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Peoria
Arizona**

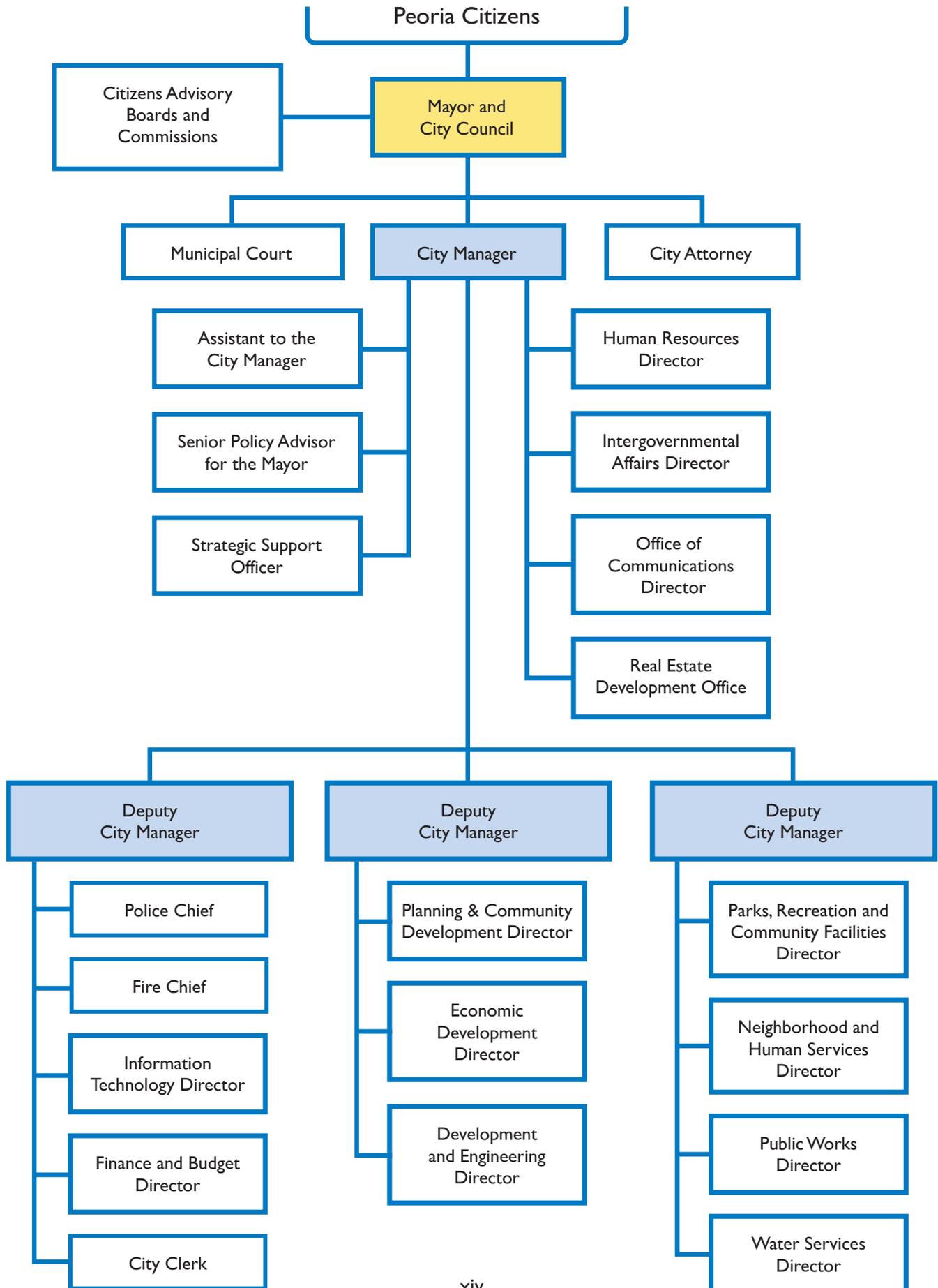
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

City of Peoria Organizational Chart





City of Peoria

Principal Officials of the City

Fiscal Year 2019

Cathy Carlat
Mayor

Bridget Binsbacher
Vice Mayor

Michael Finn
Councilmember

Jon Edwards
Councilmember

Vicki Hunt
Councilmember

Denette Dunn
Councilmember

Bill Patena
Councilmember

Jeff Tyne
City Manager

Andrew Granger
Deputy City Manager

Katie Gregory
Deputy City Manager

Erik Strunk
Deputy City Manager

George Anagnost
Municipal Judge

Thomas Adkins
Governmental Affairs Director

Kris Dalmolin
Information Technology Director

Vanessa Hickman
City Attorney

Bobby Ruiz
Fire Chief

Jennifer Stein
Director of Communications

John Sefton
*Parks, Recreation and
Community Facilities Director*

Art Miller
Police Chief

Kevin Burke
Public Works Director

Rhonda Geriminsky
City Clerk

Adina Lund
*Development and
Engineering Director*

Rick Buss
Economic Development Services Director

Christine Nickel
Human Resources Director

Chris Jacques
*Planning and Community
Development Director*

Sonia Andrews
Finance and Budget Director

Cape Powers
Water Services Director

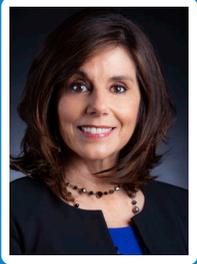
Chris Hallett
*Neighborhood and
Human Services Director*



City of Peoria Council Districts



**Mayor
Cathy Carlat**



**Vice Mayor
Bridget Binsbacher**
Mesquite District



**Mayor Pro-Tem
Vicki Hunt**
Acacia District



**Councilmember
Michael Finn**
Palo Verde District



**Youth Council
Liaison**
Brighton Greathouse



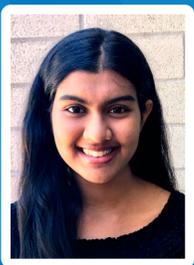
**Councilmember
Bill Patena**
Ironwood District



**Councilmember
Jon Edwards**
Willow District



**Councilmember
Denette Dunn**
Pine District



**Youth Council
Liaison**
Ritika Ravindran





**Financial
Section**



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the City of Peoria, Arizona as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison statements for the General Fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 23, 2019





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, 2019. 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.

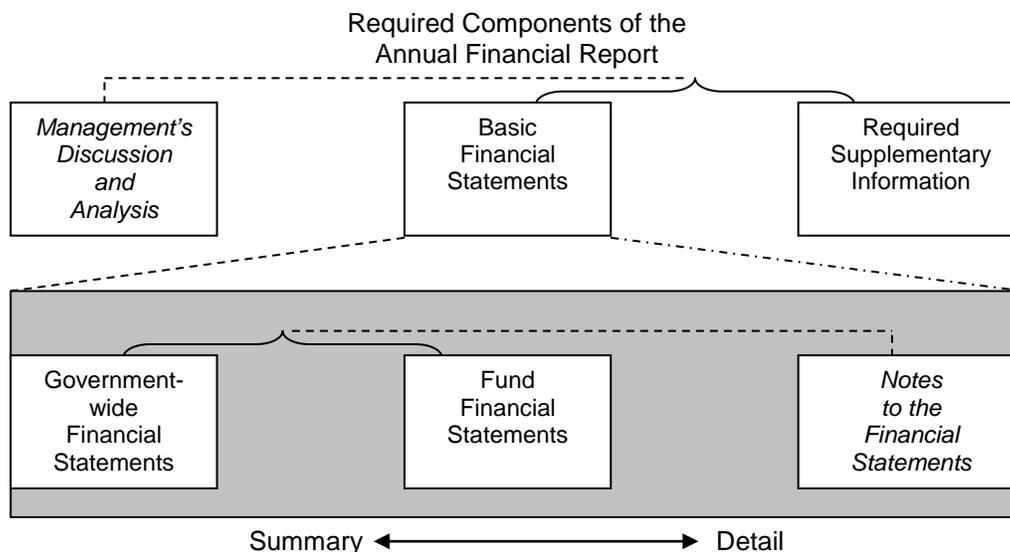
This discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter presented on pages v-xi of this report. It is designed to be read in conjunction with the transmittal letter as well as the financial statements and the accompanying notes to the financial statements. The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

Financial Highlights

- ◆ The City's total net position increased \$56.6 million, 3.9%, in fiscal year 2019, an increase of \$39.6 million, 5.3%, in governmental activities and an increase of \$17.0 million, 2.4%, in business-type activities.
- ◆ Total net position of the City is \$1,504.7 million, of which \$67.6 million is unrestricted with a deficit unrestricted balance in governmental activities as a result of the inclusion and presentation of net pension/OPEB liabilities.
- ◆ The governmental activities program revenues had a significant increase in fiscal year 2019 over the prior year, primarily due to an \$11.5 million increase in capital grants and contributions.
- ◆ The business-type activities program revenues of \$99.4 million were slightly higher than the total of \$98.1 million in the prior year.
- ◆ At June 30, 2019, total fund balance of the governmental funds was \$275.5 million, an increase of \$36.6 million from the previous year. Of this, \$58.2 million or 40.7% of General Fund expenditures for fiscal year 2019 was unassigned in the general fund and available for spending at the government's discretion.
- ◆ General Fund revenues (on a budgetary basis) were higher than budgeted inflows by \$7.1 million for fiscal year 2019. Budgetary basis expenditures of the General Fund were 90.4% (\$16.2 million in savings) of the final budgeted expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

As pictured in the following illustration, the financial section of the Comprehensive Annual Financial Report (CAFR) 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, and Development Fee 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, 2019, 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, 2019, compared to the prior year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 329.6	\$ 295.9	\$ 120.8	\$ 120.9	\$ 450.4	\$ 416.8
Capital assets	891.5	872.7	688.5	681.5	1,580.0	1,554.2
Total assets	<u>1,221.1</u>	<u>1,168.6</u>	<u>809.3</u>	<u>802.4</u>	<u>2,030.4</u>	<u>1,971.0</u>
Total deferred outflows of resources	<u>47.0</u>	<u>54.3</u>	<u>8.0</u>	<u>5.0</u>	<u>55.0</u>	<u>59.3</u>
Other liabilities	21.9	25.1	10.1	7.9	32.0	33.0
Long-term liabilities outstanding	<u>439.3</u>	<u>436.0</u>	<u>86.8</u>	<u>101.0</u>	<u>529.7</u>	<u>537.0</u>
Total liabilities	<u>461.2</u>	<u>461.1</u>	<u>96.9</u>	<u>108.9</u>	<u>561.7</u>	<u>570.0</u>
Total deferred inflows of resources	<u>16.7</u>	<u>11.2</u>	<u>2.3</u>	<u>1.0</u>	<u>19.0</u>	<u>12.2</u>
Net position:						
Net investment in capital assets	671.2	635.8	619.3	600.5	1,290.5	1,236.3
Restricted	121.5	121.8	25.1	29.5	146.6	151.3
Unrestricted	(2.5)	(7.0)	70.1	67.5	67.6	60.5
Total net position	<u>\$ 790.2</u>	<u>\$ 750.6</u>	<u>\$ 714.5</u>	<u>\$ 697.5</u>	<u>\$ 1,504.7</u>	<u>\$ 1,448.1</u>

The net position of the City increased \$56.6 million in fiscal year 2019. Net position of governmental activities increased \$39.6 million due mainly to capital activity, while the business-type activities increased \$17.0 million. The Water Utility Fund net position increased by \$12.3 million and the Wastewater Utility Fund net position increased by \$7.3 million.

Net position consists of three components. The largest portion of net position, \$1,290.5 million reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its residents. Consequently, it is not the City's intention to sell these assets, and they are therefore not available for future spending. Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate these liabilities.

The \$146.6 million restricted portion of the City's net position represents resources that are subject to external restrictions on how they may be used.

The third portion consists of Unrestricted Net Position of \$67.6 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					
	(in millions of dollars)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
REVENUES:						
Program revenues:						
Fees, fines & charges for services	\$ 37.9	\$ 35.0	\$ 84.4	\$ 85.6	\$ 122.3	\$ 120.6
Operating grants and contributions	15.4	16.6	-	-	15.4	16.6
Capital grants and contributions	31.9	20.4	15.0	12.5	46.9	32.9
General revenues:						
Property taxes	25.4	23.7	-	-	25.4	23.7
Sales and use taxes	93.2	89.8	-	-	93.2	89.8
Franchise taxes	4.9	5.0	-	-	4.9	5.0
State shared sales tax	17.0	15.9	-	-	17.0	15.9
Urban revenue sharing	20.4	20.3	-	-	20.4	20.3
Auto-in-lieu taxes	7.3	6.8	-	-	7.3	6.8
Investment earnings	7.2	2.2	3.1	0.7	10.3	2.9
Gain on sale of capital assets	-	-	0.1	-	0.1	-
Miscellaneous	2.3	4.4	-	-	2.3	4.9
Total revenues	262.9	240.1	102.6	98.8	365.5	339.4
EXPENSES:						
Program activities:						
Governmental activities:						
General government	21.5	20.4	-	-	21.5	20.4
Culture and recreation	29.5	28.0	-	-	29.5	28.0
Public safety	89.0	81.7	-	-	89.0	81.7
Development services	4.7	5.7	-	-	4.7	5.7
Highways and streets	55.6	54.7	-	-	55.6	54.7
Public works	5.1	5.7	-	-	5.1	5.7
Human services	4.1	2.5	-	-	4.1	2.5
Interest expense on debt	7.8	8.0	-	-	7.8	8.0
Business-type activities:						
Water utility	-	-	42.0	40.8	42.0	40.8
Wastewater utility	-	-	24.5	25.7	24.5	25.7
Solid Waste utility	-	-	13.7	13.0	13.7	13.0
Stadium	-	-	7.9	7.7	7.9	7.7
Storm Drain utility	-	-	3.5	3.3	3.5	3.3
Total expenses	217.3	206.7	91.6	90.5	308.9	297.2
Excess (deficit) before transfers	45.6	33.4	11.0	8.3	56.6	42.2
Transfers and Special Items	(6.0)	(4.3)	6.0	4.8	-	-
Increase (decrease) in net position	39.6	29.1	17.0	13.1	56.6	42.2
Net position – beginning, as restated	750.6	721.5	697.5	684.4	1,448.1	1,405.9
Net position - ending	\$ 790.2	\$ 750.6	\$ 714.5	\$ 697.5	\$ 1,504.7	\$ 1,448.1

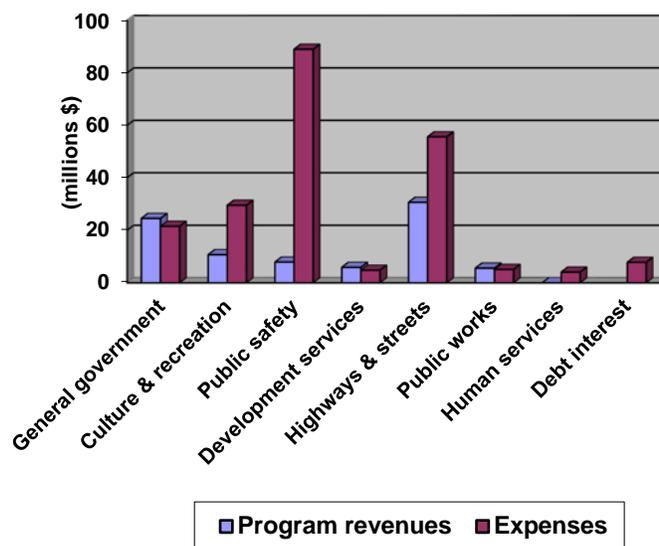
For fiscal year 2019, total governmental activities revenues increased \$22.8 million while total business-type activities revenues increased \$3.8 million. Expenses increased \$10.6 million for the governmental activities and increased \$1.1 million for the business-type activities. The increase in governmental activities was primarily due to an increase of \$7.7 million in personnel costs. Water Utility, Solid Waste Utility, Stadium and Storm Drain Utility all had slight increases in expenses due primarily to inflationary factors. Wastewater Utility had a small decrease in expenses.

The general revenues of governmental activities increased \$9.6 million from the previous year as consumer confidence remained strong during the year. Investment earnings accounted for \$5.0 million of the increase. Property Tax and both local and state shared sales taxes also continued to grow. Local sales and use taxes increased \$3.4 million with retail accounting for \$3.1 million of that total.

Program revenues of governmental activities increased by \$13.2 million primarily due to an increase of \$11.5 million in capital grants and contributions resulting from increased developer contributions of land and infrastructure. The program revenues of business-type activities increased by \$1.3 million primarily due to higher developer capital contributions versus prior year offset by lower water revenues due to the unusually wet winter and cool spring.

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 \$85.2 million are 39.2% of the governmental activities expenses for fiscal year 2019, up from 34.9% in fiscal year 2018. In the business-type activities, program revenues of \$99.4 million are 108.5% of the business-type expenses for fiscal year 2019. This compares to \$98.1 million and 108.4% in fiscal year 2018.

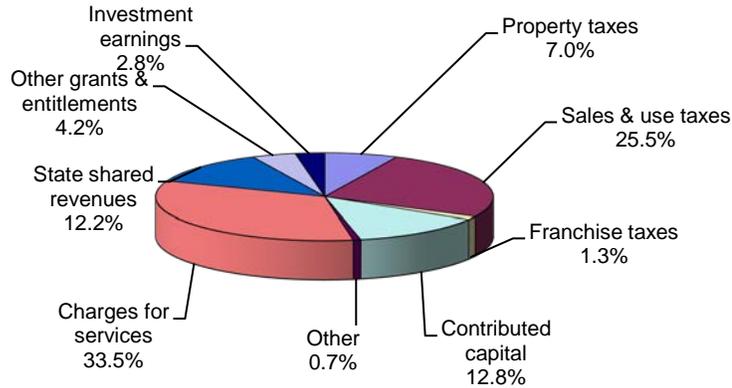
Fiscal Year 2019 Governmental Activities Program Revenues & Expenses



Governmental activities account for 71.9% of the total revenues of the City and 70.3% of the total expenses in fiscal year 2019. These percentages were 70.9% and 69.5% respectively in fiscal year 2018.

As seen in the following graph, one of the largest financing sources for the City in fiscal year 2019 is charges for services (33.5%), primarily because this is the major funding source of the business-type activities (82.3% of business-type total revenues in fiscal year 2019). The major funding sources of the governmental activities are property, sales/use taxes, contributed capital and state shared revenues.

Government-Wide Revenue Sources Fiscal Year 2019

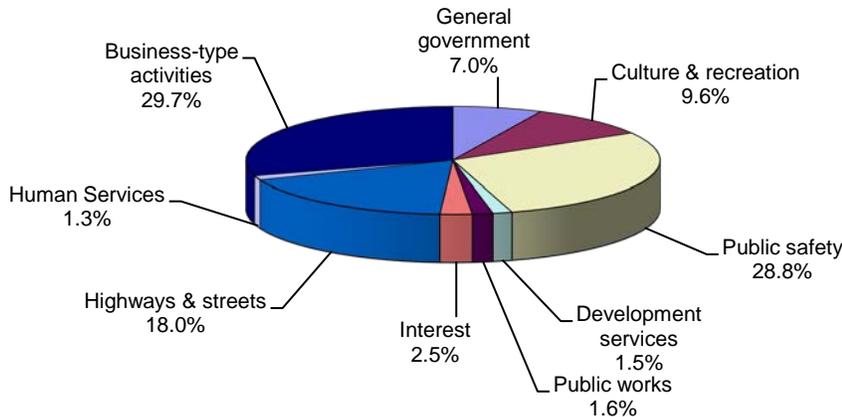


Property taxes increased from fiscal year 2018 with an increase in assessed value. The total City (primary plus secondary) tax rate did not change in fiscal year 2019 compared to the previous year.

Total government-wide expenses (not including transfers out) of the City increased \$11.7 million in fiscal year 2019. Expenses of the governmental activities increased \$10.6 million. As mentioned above, governmental expenses increased primarily due to increased personnel costs in fiscal year 2019 versus prior year. Business-type activity expenses increased \$1.1 million versus prior year due mainly to inflationary cost increases.

As shown in the following Government-Wide Functional Expenses graph, business-type activities account for 29.7% of the functional expenses of the City for fiscal year 2019, while governmental activities account for 70.3% of the functional expenses. For the governmental activities, the largest users of resources are public safety (28.8% of total expense, 41.0% of governmental expenses), highways and streets (18.0% of total expenses, 25.6% of governmental expenses), culture and recreation (9.6% of total expenses, 13.6% of governmental expenses), and general government (7.0% of total expenses, 9.9% of governmental expenses).

Government-Wide Functional Expenses Fiscal Year 2019



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

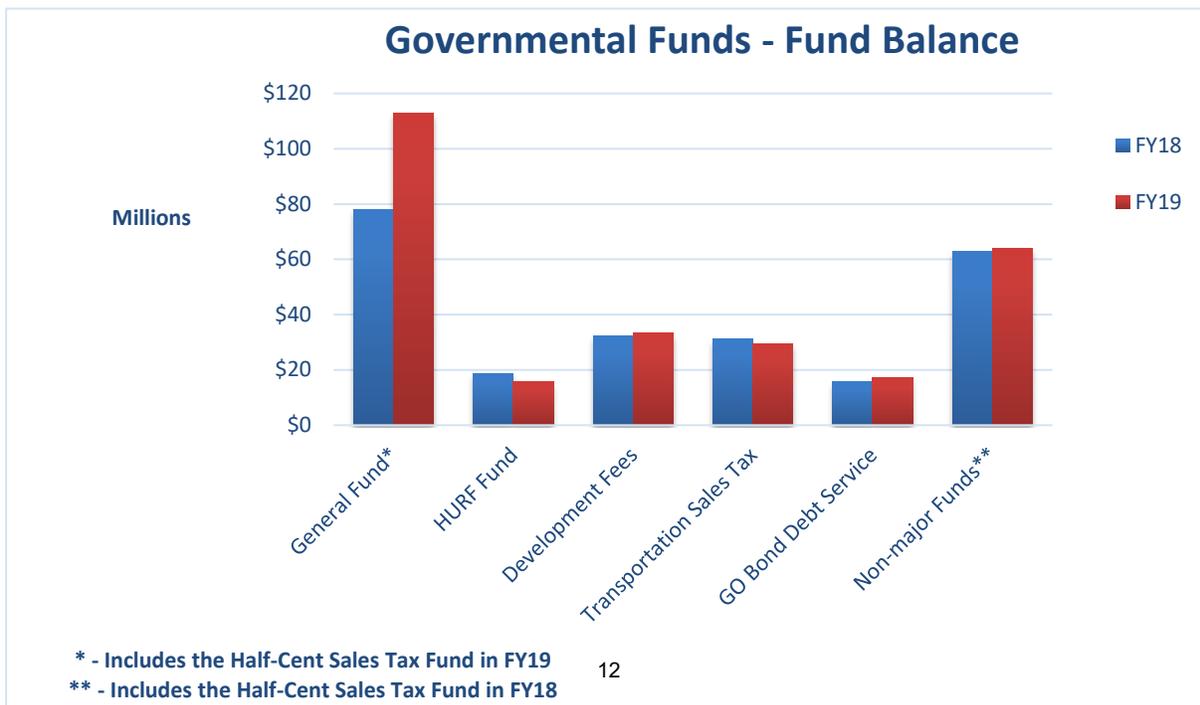
The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. All major governmental funds are discretely presented on these financial statements, while the non-major funds are combined into a single column. Combining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

The fund balance of the governmental funds is \$275.5, an increase of \$36.6 million from the previous year. Of this, \$144.6 million (an increase of \$29.1 million from the previous year) is classified as Nonspendable or Restricted because it is not appropriable for expenditure or is legally segregated for a specific future use. The increase in restricted fund balance is primarily due to the issuance of \$30.4 million in general obligation bonds in June with the proceeds restricted for the construction and acquisition of capital projects.

An additional \$72.7 million of the governmental fund balance (a decrease of \$16.9 million from the previous year) has been committed or assigned for specific purposes by council or administrative action. These commitments include various stabilization reserves (\$46.7 million), debt service reserves (\$1.0 million), capital projects (\$16.2 million) and arts capital and various other purposes (\$8.8 million).

The remaining \$59.0 million of governmental fund balance is classified as Unassigned. This balance may serve as a useful indicator of a government's net resources available for spending at the end of the year. By Council policy, these resources are used to fund one-time needs of the City including capital facilities and transportation improvements. The unassigned fund balance increased by \$24.4 million compared to the prior year.

For fiscal year 2019, the half-cent sales tax fund was reclassified from a special revenue fund to the general fund as the majority of the funds are no longer committed to a specific purpose. Therefore, the fund balance for that fund which is not committed (\$17.3 million) is treated as unassigned. This accounts for the majority of the increase in unassigned fund balance and the decrease in committed and assigned fund balance for the governmental funds.



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 (including the half-cent sales tax) increased \$7.2 million over the prior fiscal year driven mainly from an increase in overall sales tax of \$3.2 million or 4.5%. Sales tax growth remains strong although it is slower than the prior fiscal year. Retail sales tax increased \$2.6 million or 6.9%.

Primary property taxes increased \$1.6 million over the prior fiscal year reflecting the continued growth and increase in property values in the City. State shared revenues from auto licensing, state sales tax and state income tax accounted for another \$1.6 million in increased revenue as the economy in Arizona remains strong.

Total General Fund expenditures (including the half-cent sales tax) increased \$12.2 million versus prior year. This includes an increase of \$4.5 million in capital outlay expenditures. These expenditures are primarily one-time costs which intentionally use excess fund balance from prior years without increasing on-going requirements. Increases in Public Safety expenditures of \$5.0 million and Culture and Recreation expenditures of \$2.5 million, primarily due to increased personnel costs, make up the bulk of the remaining increase and reflect the City's commitment to livability within the community. With the reclassification of the Half-Cent Sales Tax Fund to the General Fund, the unassigned fund balance of the General Fund increased to 40.7% of expenditures at June 30, 2019, compared to 26.6% at June 30, 2018.

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 street light improvement districts included in this fund. Revenues increased by \$1.0 million due primarily to an increase of \$0.8 million in highway user revenues received from the State. Expenditures increased by \$1.8 million in fiscal year 2019 primarily from increased amounts spent on street repairs. Fund balance decreased \$3.3 million in fiscal year 2019.

The Transportation Sales Tax Fund tracks the collection and expenditure of the 0.3% voter approved sales tax to address transportation issues. Revenues in this fund increased \$1.2 million while expenditures increased \$2.4 million primarily due to increased capital outlay for the street system. The increased revenues were due to improved sales tax revenue. The fund balance decreased \$1.5 million in fiscal year 2019. All fund balance in this fund is restricted.

Another major governmental fund of the City is the Development Fee Fund, which collects governmental impact fees for parks and recreational facilities, public safety, and streets and intersections. An increase in revenues of \$2.1 million in fiscal year 2019 reflect increased development activity as well as higher investment earnings. Expenditures increased \$0.5 million in fiscal year 2019 primarily due to an increase in development fee repayments versus prior year. Fund balance increased \$4.1 million versus prior year. All fund balance in this fund is restricted.

The GO Bond Debt Service Fund accounts for the payment of general obligation bonds and the related interest. Revenues in this fund increased slightly due to increased investment earnings. The property assessed value of the City increased 7.4% in fiscal year 2019 while the secondary tax rate decreased to \$1.15 per \$100 assessed from \$1.25 per \$100 assessed. After paying a \$10.5 million G.O. Bond defeasance in fiscal year 2018, expenditures for fiscal year 2019 returned to historic levels. Fund balance increased \$1.2 million in fiscal year 2019.

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

Proprietary funds

The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements but provide additional detail since each major enterprise fund is shown discretely. Although the Solid Waste Fund, Stadium Fund, and Storm Drain

Utility Fund, do not meet the quantitative criteria of a major fund, the City has chosen to present these funds as major funds due to local significance.

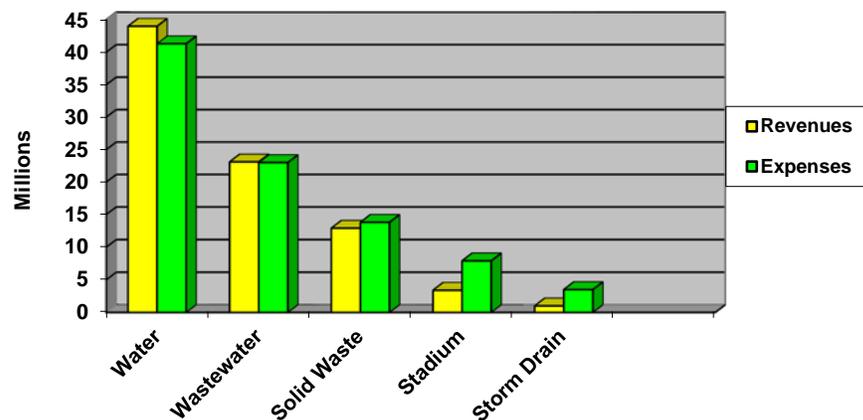
Total net position of the enterprise funds increased \$17.0 million in fiscal year 2019. Net investment in capital assets increased \$18.8 million primarily from the expansion of the water and wastewater systems. Net position restricted for capital projects decreased by \$4.3 million and unrestricted net position increased by \$2.5 million driven primarily by an increase in the Wastewater Utility fund of \$5.8 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 decreased \$1.2 million in fiscal year 2019 due to a \$2.9 million decrease in water revenues resulting from the unusually wet winter and cool spring.

Operating expenses of the enterprise funds increased \$1.4 million in fiscal year 2019. The increase of 1.6% is in line with inflationary expectations. The changes in operating revenues and expenses discussed above resulted in an enterprise funds operating loss of \$5.2 million in fiscal year 2019 following an operating loss of \$2.6 million in the prior year.

The following graph shows the operating revenues and expenses for the enterprise funds for fiscal year 2019.

Fiscal Year 2019 Enterprise Fund Operating Revenues and Expenses



BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements, required for the General Fund and all major special revenue funds, may be found on pages 30-35. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgetary schedules for the other governmental funds are also presented on page 93, and pages 100-107.

General Fund revenues of \$150.8 million, on a budgetary basis, exceeded budgeted revenues of \$143.8 million by \$7.0 million while budgetary basis expenditures of \$151.7 million were 90.4% of final budgeted amounts. Revenues, on a budgetary basis, exceeded budgeted revenues in every category except urban revenue sharing and charges for services. There were no expenditure overages for any of the functional departmental categories.

During the fiscal year, the original General Fund expenditures and contingencies budget of \$190.3 million was amended by \$1.8 million to the final expenditure and contingencies budget of \$192.1 million.

Notable budgetary transfers during the year were as follows:

- \$8.0 million transfer from the Half Cent Fund to the General Fund for the purchase of public safety vehicles and public safety operating costs.
- \$3.3 million transfer from the Transportation Sales Tax Fund to the Public Transit Fund in support of the transit system.
- \$2.0 million transfer from the Half Cent Fund to the Stadium Fund as a subsidy in support of the Peoria Sports Complex.
- Various transfers to the debt service funds to meet debt service requirements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the City had \$1.3 billion invested in various capital assets, net of accumulated depreciation and related debt, up 2.3% from the previous year. The capital assets of the City (net of depreciation, but not capital debt) are \$1.6 billion. This is a net increase of \$25.8 million from June 30, 2018. Net capital assets of business-type activities increased \$7.0 million while governmental activities increased \$18.8 million.

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

- ✓ The City invested \$9.4 million into new construction and improvements to the street system infrastructure.
- ✓ The City invested \$9.4 million into new construction and improvements to the water system infrastructure.
- ✓ The City invested \$3.8 million into Paloma Community Park. This project will continue into fiscal year 2020 with an additional \$33 million investment budgeted.
- ✓ Due to growth primarily in the northern part of the City, developers contributed a total of \$21.1 million in land and public infrastructure.
- ✓ The following table provides a breakdown of the capital assets of the City at June 30, 2019, and 2018. Additional information on the City's capital assets may be found in Note 6.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Buildings and building improvements	\$ 107.0	\$ 110.7	\$ 52.7	\$ 55.0	\$ 159.7	\$ 165.7
Equipment; Furniture	6.9	4.8	6.2	6.5	13.1	11.3
Vehicles	12.1	11.3	11.8	10.5	23.9	21.8
Surface water system	-	-	64.7	61.8	64.7	61.8
Street system	260.1	273.2	-	-	260.1	273.2
Park system	65.6	65.1	-	-	65.6	65.1
Water system	-	-	236.1	226.7	236.1	226.7
Water rights	-	-	9.8	11.4	9.8	11.4
Wastewater system	-	-	258.5	263.8	258.5	263.8
Land	408.1	384.3	18.2	17.5	426.3	401.8
Work in progress	31.7	23.3	30.5	28.3	62.2	51.6
Total	<u>\$ 891.5</u>	<u>\$ 872.7</u>	<u>\$ 688.5</u>	<u>\$ 681.5</u>	<u>\$ 1,580.0</u>	<u>\$ 1,554.2</u>

The City has adopted a ten year capital improvement plan budgeted at \$726.3 million, including \$256.5 million in fiscal year 2020. Anticipated funding for this plan for fiscal year 2020 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 \$14.0 million. The capital improvement plan is updated annually as part of the City's budget process.

Long-term Debt

The City's outstanding non-current long-term debt, including bonds and loans, compensated absences, and deferred bond premiums was \$299.7 million at June 30, 2019. Of this total, \$239.2 million was in governmental activities and \$60.5 million was in business-type activities. The City's outstanding non-current debt (excluding claims and net pension liability) decreased by \$3.5 million in fiscal year 2019. This decrease is related to scheduled debt service payments offset by the issuance of \$30.4 million in new general obligation bonds.

Of the total outstanding bonds and loans of \$311.0 million, \$146.2 million is general obligation bonds backed by the full faith and credit of the City. The outstanding debt also includes \$31.3 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, 2019, and 2018. Further detail on the City's outstanding debt may be found in Note 7. Information on the City's net pension/OPEB liability may be found in the Required Supplementary Section of the report and in Note 9.

Outstanding Debt (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation debt	\$ 146.2	\$ 127.1	\$ -	\$ -	\$ 146.2	\$ 127.1
Municipal Development Authority debt	32.1	34.1	-	-	32.1	34.1
Direct Purchase and Loan Obligations	30.8	36.5	-	-	30.8	36.5
Special assessment debt	-	-	-	-	-	-
Water/Sewer Revenue bonds and loans	-	-	70.6	82.6	70.6	82.6
Community Facilities District bonds	31.3	34.3	-	-	31.3	34.3
Compensated absences	13.9	13.8	1.6	1.5	15.5	15.3
Total	<u>\$ 254.3</u>	<u>\$ 245.8</u>	<u>\$ 72.1</u>	<u>\$ 84.1</u>	<u>\$ 326.5</u>	<u>\$ 329.9</u>

The City currently maintains the following ratings on its general obligation debt: "AA+" from Standard & Poor's, "Aa1" from Moody's and "AAA" from Fitch. For the water and sewer revenue bonds, the ratings are "AA" from Standard & Poor's, "Aa2" from Moody's and "AA" from Fitch.

ECONOMIC FACTORS

The City of Peoria continues to enjoy one of the lowest unemployment rates in the Phoenix metropolitan area while the City's population continues to increase creating demand for housing. Steady job growth and meaningful wage growth is expected to boost consumer spending and business investments over the next several years.

Consumer confidence remains strong and has resulted in higher sales tax revenues. Sales tax revenues are forecasted to increase by 0.7% in fiscal year 2020.

New residential construction in Peoria is growing, while commercial construction has begun to show expansion and stability. Existing home valuations have continued to increase and the City's limited assessed valuation in FY 2020 is estimated to increase 8.1% from the previous year's valuation. This marks the sixth consecutive year of increases following the low collection point in FY 2014. Future valuations should continue to increase, resulting in sufficient tax collections in subsequent years.

The adopted fiscal year 2020 budget is \$670 million, an increase of 1.52% from the fiscal year 2019 budget. The operating budget totals \$413.5 million, which is an increase of 8.00% from 2019. The capital projects portion of the budget, \$256.5 million, is divided in the following manner: \$7.3 million for drainage projects, \$16.5 million for operational facilities, \$46.3 million for parks, trails, open space and libraries, \$4.3 million for public safety projects, \$57.1 million for streets and traffic control projects, \$6.3 million for economic development projects, \$21.7 million for wastewater projects, and \$97.0 million for water projects.

The General Fund operating budget is \$163.9 million, up 6.1% from the prior year budget. With the modest economic recovery, 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 2020 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, 2019

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Pooled cash and investments	\$ 277,709,735	\$ 102,507,191	\$ 380,216,926
Accounts receivable, net	14,930,070	10,664,357	25,594,427
Interest receivable	835,320	311,857	1,147,177
Internal balances	(2,854,123)	2,854,123	(0)
Due from other governments	4,752,036	-	4,752,036
Prepaid items	891,335	279	891,614
Supply inventories	374,653	246,490	621,143
Restricted pooled cash and investments	7,553,313	-	7,553,313
Restricted cash with fiscal agents	14,751,200	4,157,378	18,908,578
Restricted investments	8,559,055	-	8,559,055
Investments in Joint Venture Agreements	1,900,540	-	1,900,540
Net pension and other postemployment benefits asset	162,875	36,658	199,533
Capital assets:			
Non-depreciable	439,798,147	48,686,572	488,484,719
Depreciable (net)	451,759,689	639,789,456	1,091,549,145
Total assets	<u>1,221,123,845</u>	<u>809,254,361</u>	<u>2,030,378,206</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	39,785,365	2,416,516	42,201,881
Deferred loss on bond refunding	4,075,143	47,401	4,122,544
Excess consideration provided for acquisition	-	1,933,881	1,933,881
Total deferred outflows of resources	<u>43,860,508</u>	<u>4,397,798</u>	<u>48,258,306</u>
LIABILITIES			
Accounts payable	9,255,363	6,589,084	15,844,447
Accrued payroll	786,336	91,461	877,797
Interest payable	3,770,110	1,115,231	4,885,341
Due to other governments	842,856	125,267	968,123
Customer deposits	3,567	2,023,026	2,026,593
Other liabilities	3,597,817	127,955	3,725,772
Unearned revenue-other	3,671,710	-	3,671,710
Non-current liabilities:			
Due within one year:			
Current portion of claims payable	5,928,320	-	5,928,320
Current portion of compensated absences	6,618,780	843,560	7,462,340
Current portion of bonds & loans payable	22,726,060	11,433,345	34,159,405
Due in more than one year:			
Noncurrent portion of claims payable	2,101,664	-	2,101,664
Noncurrent portion of compensated absences	7,341,690	763,750	8,105,440
Noncurrent portion of bonds & loans payable	231,876,840	59,703,353	291,580,193
Net pension and other postemployment benefits liabilities	162,653,947	14,049,067	176,703,014
Total liabilities	<u>461,175,060</u>	<u>96,865,099</u>	<u>558,040,159</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	13,603,028	2,255,031	15,858,059
Total deferred inflow of resources	<u>13,603,028</u>	<u>2,255,031</u>	<u>15,858,059</u>
NET POSITION			
Net investment in capital assets	671,171,180	619,320,612	1,290,491,792
Restricted for:			
Debt service	29,409,832	-	29,409,832
Capital projects	-	25,023,557	25,023,557
Development fees	36,268,652	-	36,268,652
Transportation purposes	45,131,485	-	45,131,485
Grant purposes	2,599,473	-	2,599,473
Facilities maintenance	40,762	100,000	140,762
Trust purpose	8,055,478	-	8,055,478
Unrestricted	(2,470,597)	70,087,860	67,617,263
Total net position	<u>\$ 790,206,265</u>	<u>\$ 714,532,029</u>	<u>\$ 1,504,738,294</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, 2019**

	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
Functions/Programs							
Governmental activities:							
General government	\$ 21,473,593	\$ 3,722,128	\$ 18,126	\$ -	\$ (17,733,339)	\$ -	\$ (17,733,339)
Culture and recreation	29,499,798	8,654,262	2,004,065	-	(18,841,471)	-	(18,841,471)
Public safety	89,026,946	6,813,942	1,061,329	-	(81,151,675)	-	(81,151,675)
Development services	4,757,015	5,103,950	820,680	-	1,167,615	-	1,167,615
Highways and streets	55,594,789	7,968,478	11,489,892	31,886,362	(4,250,057)	-	(4,250,057)
Public works	5,112,076	5,616,944	-	-	504,868	-	504,868
Human services	4,072,235	46,070	-	-	(4,026,165)	-	(4,026,165)
Interest on long-term debt	7,768,341	-	-	-	(7,768,341)	-	(7,768,341)
Total governmental activities	<u>217,304,793</u>	<u>37,925,774</u>	<u>15,394,092</u>	<u>31,886,362</u>	<u>(132,098,565)</u>	<u>-</u>	<u>(132,098,565)</u>
Business-type activities:							
Water Utility	41,968,847	43,979,150	-	5,672,421	-	7,682,724	7,682,724
Wastewater Utility	24,512,758	23,076,100	-	5,538,371	-	4,101,713	4,101,713
Solid Waste Utility	13,749,718	12,905,617	-	-	-	(844,101)	(844,101)
Stadium	7,850,061	3,409,838	-	-	-	(4,440,223)	(4,440,223)
Storm Drain Utility	3,469,645	961,031	-	3,788,688	-	1,280,074	1,280,074
Total business-type activities	<u>91,551,029</u>	<u>84,331,736</u>	<u>-</u>	<u>14,999,480</u>	<u>-</u>	<u>7,780,187</u>	<u>7,780,187</u>
Total primary government	<u>\$ 308,855,822</u>	<u>\$ 122,257,510</u>	<u>\$ 15,394,092</u>	<u>\$ 46,885,842</u>	<u>(132,098,565)</u>	<u>7,780,187</u>	<u>(124,318,378)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					5,099,325	-	5,099,325
Property taxes, levied for debt service					20,276,526	-	20,276,526
Sales and use taxes					93,182,810	-	93,182,810
Franchise taxes					4,925,609	-	4,925,609
Intergovernmental:							
State shared sales taxes- unrestricted					17,018,021	-	17,018,021
Urban revenue sharing- unrestricted					20,366,697	-	20,366,697
Auto in-lieu taxes- unrestricted					7,262,809	-	7,262,809
Investment earnings					7,200,254	3,107,572	10,307,826
Gain on sale of capital assets					-	138,375	138,375
Miscellaneous					2,342,583	-	2,342,583
Transfers in (out)					(5,997,632)	5,997,632	-
Total general revenues and transfers					<u>171,677,002</u>	<u>9,243,579</u>	<u>180,920,581</u>
Change in net position					39,578,437	17,023,766	56,602,203
Net position - beginning					<u>750,628,324</u>	<u>697,508,263</u>	<u>1,448,136,587</u>
Net position - ending					<u>\$ 790,206,761</u>	<u>\$ 714,532,029</u>	<u>\$ 1,504,738,790</u>

The accompanying notes are an integral part of the financial statements



**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Major Funds		
	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund
ASSETS			
Assets:			
Pooled cash and investments	\$ 104,493,012	\$ 14,940,017	\$ 28,559,529
Accounts receivable, net	12,301,276	709,090	1,828,629
Interest receivable	280,242	57,213	84,307
Due from other funds	295,177	-	-
Due from other governments	2,625,552	1,040,608	-
Prepaid items	826,135	-	-
Supply inventories	113,831	60,828	-
Restricted cash with fiscal agents	-	-	-
Restricted investments	-	-	-
Total assets	<u>\$ 120,935,225</u>	<u>\$ 16,807,756</u>	<u>\$ 30,472,465</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,562,485	\$ 1,202,383	\$ 740,501
Accrued payroll	690,269	22,856	-
Due to other governments	842,856	-	-
Customer deposits	3,567	-	-
Other liabilities	3,129,276	-	122,168
Unearned revenue-other	819,614	-	-
Total liabilities	<u>8,048,067</u>	<u>1,225,239</u>	<u>862,669</u>
Deferred Inflows of Resources:			
Unavailable revenue-property taxes	20,037	-	-
Fund Balances:			
Nonspendable:			
Supply inventories	113,831	60,828	-
Prepaid items	826,135	-	-
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Development fees	-	-	-
Transportation purposes	-	15,521,689	29,609,796
Grant purposes	-	-	-
Arts Center maintenance	40,762	-	-
Committed to:			
Debt service	1,000,000	-	-
Economic development	4,609,964	-	-
Arts capital	-	-	-
Operating reserve	17,012,968	-	-
Emergency reserve	11,341,979	-	-
Budget stabilization reserve	18,336,084	-	-
Assigned to:			
Capital projects	-	-	-
Municipal Complex reserve	1,363,728	-	-
Unassigned	58,221,670	-	-
Total fund balance	<u>112,867,121</u>	<u>15,582,517</u>	<u>29,609,796</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 120,935,225</u>	<u>\$ 16,807,756</u>	<u>\$ 30,472,465</u>

(continued)

**CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Major Funds</u>			
	<u>GO Bond Debt Service Fund</u>	<u>Development Fee Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Assets:				
Pooled cash and investments	\$ 12,250,003	\$ 37,971,773	\$ 57,005,580	\$ 255,219,914
Accounts receivable, net	18,476	-	14,335	14,871,806
Interest receivable	25,691	112,176	117,537	677,166
Due from other funds	-	-	-	295,177
Due from other governments	166,827	-	919,049	4,752,036
Prepaid items	-	-	-	826,135
Supply inventories	-	-	-	174,659
Restricted cash with fiscal agents	4,652,678	-	10,098,522	14,751,200
Restricted investments	-	-	26,244	26,244
Total assets	<u>\$ 17,113,675</u>	<u>\$ 38,083,949</u>	<u>\$ 68,181,267</u>	<u>\$ 291,594,337</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,815,297	\$ 880,060	\$ 7,200,726
Accrued payroll	-	-	10,154	723,279
Due to other governments	-	-	-	842,856
Customer deposits	-	-	-	3,567
Other liabilities	-	-	346,373	3,597,817
Unearned revenue-other	-	-	2,852,096	3,671,710
Total liabilities	<u>-</u>	<u>1,815,297</u>	<u>4,088,683</u>	<u>16,039,955</u>
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	<u>18,476</u>	<u>-</u>	<u>-</u>	<u>38,513</u>
Fund Balances:				
Nonspendable:				
Supply inventories	-	-	-	174,659
Prepaid items	-	-	-	826,135
Restricted for:				
Debt service	17,095,199	-	12,296,157	29,391,356
Capital projects	-	-	30,141,101	30,141,101
Development fees	-	36,268,652	-	36,268,652
Transportation purposes	-	-	-	45,131,485
Grant purposes	-	-	2,599,473	2,599,473
Arts Center maintenance	-	-	-	40,762
Committed to:				
Debt service	-	-	-	1,000,000
Economic development	-	-	-	4,609,964
Arts capital	-	-	2,838,609	2,838,609
Operating reserve	-	-	-	17,012,968
Emergency reserve	-	-	-	11,341,979
Budget stabilization reserve	-	-	-	18,336,084
Assigned to:				
Capital projects	-	-	16,217,244	16,217,244
Municipal Complex reserve	-	-	-	1,363,728
Unassigned	-	-	-	58,221,670
Total fund balance	<u>17,095,199</u>	<u>36,268,652</u>	<u>64,092,584</u>	<u>275,515,869</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 17,113,675</u>	<u>\$ 38,083,949</u>	<u>\$ 68,181,267</u>	<u>\$ 291,594,337</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, 2019**

Fund balances - total governmental funds \$ 275,515,869

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	\$ 1,521,717,158	
Less accumulated depreciation	<u>(646,426,554)</u>	875,290,604

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

Other post employment benefits asset		141,445
Deferred loss on bond refunding		4,075,143

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	(240,351,347)	
Compensated absences	<u>(12,770,260)</u>	(253,121,607)

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

1,900,540

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

(14,251,553)

Property tax revenue 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

38,513

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

(3,770,110)

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.

32,740,507

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.

(154,441,019)

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	38,372,696	
Deferred inflows related to pension/OPEB	<u>(12,284,763)</u>	26,087,933

Total net position of governmental activities

\$ 790,206,265

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, 2019

Major Funds

	General Fund	Highway User Revenue Fund	Transportation Sales Tax Fund
REVENUES:			
Taxes	\$ 84,591,380	\$ 4,477,680	\$ 14,162,491
Intergovernmental	44,840,210	11,489,891	-
Charges for services	16,676,648	204,880	-
Licenses and permits	5,720,889	-	-
Fines and forfeitures	2,241,580	-	-
Rents	980,732	-	-
Investment earnings	2,710,472	580,574	864,339
Miscellaneous	971,564	209,020	176,184
Total revenues	<u>158,733,475</u>	<u>16,962,045</u>	<u>15,203,014</u>
EXPENDITURES:			
Current:			
General government	17,966,467	-	-
Culture and recreation	25,715,988	-	-
Public safety	83,260,752	-	-
Development services	4,561,929	-	-
Highways and streets	-	19,364,923	2,820,451
Public works	5,527,046	-	-
Human services	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and other charges	-	-	-
Capital outlay	6,044,868	856,636	6,990,085
Total expenditures	<u>143,077,050</u>	<u>20,221,559</u>	<u>9,810,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,656,425</u>	<u>(3,259,514)</u>	<u>5,392,478</u>
OTHER FINANCING SOURCES (USES):			
Issuance of debt	-	-	-
Premium on bonds issued	-	-	-
Transfers in	25,763,110	-	-
Transfers out	(6,576,044)	(2,817)	(6,847,374)
Total other financing sources and uses	<u>19,187,066</u>	<u>(2,817)</u>	<u>(6,847,374)</u>
Net change in fund balances	34,843,491	(3,262,331)	(1,454,896)
Fund balances - beginning	78,023,630	18,844,848	31,064,692
Fund balances - ending	<u>\$ 112,867,121</u>	<u>\$ 15,582,517</u>	<u>\$ 29,609,796</u>

(continued)

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds			
	GO Bond Debt Service Fund	Development Fee Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 16,814,554	\$ -	\$ 3,598,953	\$ 123,645,058
Intergovernmental	-	-	4,724,298	61,054,399
Charges for services	-	10,670,987	536,602	28,089,117
Licenses and permits	-	-	-	5,720,889
Fines and forfeitures	-	-	149,064	2,390,644
Rents	-	-	-	980,732
Investment earnings	317,414	1,096,448	795,259	6,364,506
Miscellaneous	-	-	1,692,759	3,049,527
Total revenues	<u>17,131,968</u>	<u>11,767,435</u>	<u>11,496,935</u>	<u>231,294,872</u>
EXPENDITURES:				
Current:				
General government	3,200	801	411,404	18,381,872
Culture and recreation	-	34,015	881,488	26,631,491
Public safety	-	149,226	1,104,291	84,514,269
Development services	-	-	273,615	4,835,544
Highways and streets	-	2,771,583	2,357,734	27,314,691
Public works	-	-	8,681	5,535,727
Human services	-	-	4,020,781	4,020,781
Debt service:				
Principal payments	11,295,000	-	10,727,957	22,022,957
Interest and other charges	4,625,763	-	4,150,075	8,775,838
Capital outlay	-	4,738,224	9,209,215	27,839,028
Total expenditures	<u>15,923,963</u>	<u>7,693,849</u>	<u>33,145,241</u>	<u>229,872,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,208,005</u>	<u>4,073,586</u>	<u>(21,648,306)</u>	<u>1,422,674</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	30,420,000	30,420,000
Premium on bonds issued	-	-	3,146,339	3,146,339
Transfers in	-	-	10,849,514	36,612,624
Transfers out	-	-	(21,574,070)	(35,000,305)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>22,841,783</u>	<u>35,178,658</u>
Net change in fund balances	1,208,005	4,073,586	1,193,477	36,601,332
Fund balances - beginning	15,887,194	32,195,066	62,899,107	238,914,537
Fund balances - ending	<u>\$ 17,095,199</u>	<u>\$ 36,268,652</u>	<u>\$ 64,092,584</u>	<u>\$ 275,515,869</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, 2019**

Net change in fund balances - total governmental funds \$ 36,601,332

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

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 1,764,129

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. (160,783)

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. 350,438

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$27,839,028), plus other capital \$0, is exceeded by depreciation (\$39,534,442) in the current period. (11,663,091)

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. 104,650

Donations of capital assets are not reflected on the governmental fund statements but are shown in the statement of activities. 31,108,854

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. (30,420,000)

Repayment of bonds principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. 22,022,957

Bond premiums or discounts and gains or losses on bond refunding are sources or uses of current financial resources for governmental fund reporting but are deferred outflows or inflows of resources for government-wide reporting. (2,489,280)

The contribution of governmental capital assets to Proprietary Funds is not shown in the governmental fund statements but is a transfer in in the statement of activities. (5,308,876)

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. 1,626,184

Governmental funds report pension/OPEB contributions as expenditures. However, in the Statement of Activities, pension/OPEB service costs, interest on the pension liability, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from pension and OPEB is reported as pension/OPEB expense. (3,958,573)

Change in net position of governmental activities \$ 39,577,941

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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Taxes	\$ 59,083,436	\$ 59,083,436	\$ 61,390,304	\$ 2,306,868
Intergovernmental	43,958,218	43,958,218	44,840,210	881,992
Charges for services	33,598,340	33,171,228	32,465,516	(705,712)
Licenses and permits	3,676,567	3,676,567	5,720,889	2,044,322
Fines and forfeitures	1,543,495	1,543,495	2,241,580	698,085
Rents	717,439	717,439	980,732	263,293
Investment earnings	620,000	620,000	2,236,327	1,616,327
Miscellaneous	992,730	992,730	961,564	(31,166)
Total revenues	<u>144,190,225</u>	<u>143,763,113</u>	<u>150,837,122</u>	<u>7,074,009</u>
EXPENDITURES:				
Current:				
General government:				
Mayor and council	797,530	797,530	750,803	(46,727)
City manager	5,477,769	5,753,127	5,190,027	(563,100)
Human resources	3,511,978	3,626,663	3,502,538	(124,125)
Attorney	3,369,069	3,441,378	3,314,821	(126,557)
City clerk	1,162,564	1,162,464	1,018,141	(144,323)
Court	2,125,190	2,125,190	2,086,606	(38,584)
Economic development	1,564,038	1,583,000	1,416,241	(166,759)
Finance	10,892,172	10,786,279	9,971,219	(815,060)
Non-departmental	4,806,771	4,320,053	3,269,358	(1,050,695)
Culture and recreation	26,405,064	28,431,768	25,715,988	(2,715,780)
Public safety:				
Police	49,389,649	48,320,901	48,085,332	(235,569)
Fire	36,402,598	36,996,366	35,165,420	(1,830,946)
Development services				
Public works	8,925,252	7,518,502	4,561,929	(2,956,573)
Capital outlay	5,880,325	5,846,210	5,527,046	(319,164)
Capital outlay	5,492,618	7,171,440	2,116,454	(5,054,986)
Total expenditures	<u>166,202,587</u>	<u>167,880,871</u>	<u>151,691,924</u>	<u>(16,188,947)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,012,362)</u>	<u>(24,117,758)</u>	<u>(854,802)</u>	<u>23,262,956</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(24,100,000)	(24,259,307)	-	24,259,307
Transfers in	12,477,179	12,477,179	12,477,416	237
Transfers out	(1,030,815)	(1,030,815)	(1,031,052)	(237)
Total other financing sources and uses	<u>(12,653,636)</u>	<u>(12,812,943)</u>	<u>11,446,364</u>	<u>24,259,307</u>
Net change in fund balances	(34,665,998)	(36,930,701)	10,591,562	47,522,263
Fund balances - beginning	63,937,464	63,937,464	78,023,630	14,086,166
Fund balances - ending	<u>\$ 29,271,466</u>	<u>\$ 27,006,763</u>	<u>\$ 88,615,192</u>	<u>\$ 61,608,429</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(budgetary basis)</u>	<u>Over</u>
				<u>(Under)</u>
REVENUES:				
Taxes	\$ 22,353,392	\$ 22,353,392	\$ 23,201,076	\$ 847,684
Investment earnings	150,000	150,000	474,145	324,145
Miscellaneous	-	-	10,000	10,000
Total revenues	<u>22,503,392</u>	<u>22,503,392</u>	<u>23,685,221</u>	<u>1,181,829</u>
EXPENDITURES:				
Current:				
General government	3,668,544	3,788,954	3,235,580	(553,374)
Debt service:				
Principal payments	50,000	50,000	-	(50,000)
Capital outlay	<u>2,300,575</u>	<u>5,294,391</u>	<u>3,928,414</u>	<u>(1,365,977)</u>
Total expenditures	<u>6,019,119</u>	<u>9,133,345</u>	<u>7,163,994</u>	<u>(1,969,351)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,484,273</u>	<u>13,370,047</u>	<u>16,521,227</u>	<u>3,151,180</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(8,000,000)	(3,765,095)	-	3,765,095
Transfers in	-	-	(8,067,416)	(8,067,416)
Transfers out	<u>(13,622,408)</u>	<u>(13,622,408)</u>	<u>(5,554,992)</u>	<u>8,067,416</u>
Total other financing sources and uses	<u>(21,622,408)</u>	<u>(17,387,503)</u>	<u>(13,622,408)</u>	<u>3,765,095</u>
Net change in fund balances	(5,138,135)	(4,017,456)	2,898,819	6,916,275
Fund balances - beginning	19,709,368	19,709,368	21,353,110	1,643,742
Fund balances - ending	<u>\$ 14,571,233</u>	<u>\$ 15,691,912</u>	<u>\$ 24,251,929</u>	<u>\$ 8,560,017</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, 2019**

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	\$ 150,837,122
Actual amounts (budgetary basis) "Total revenues" from the Half-Cent Sales Tax Fund budgetary comparison statement	23,685,221
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	(15,788,868)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 158,733,475</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total expenditures" from the General Fund budgetary comparison statement	\$ 151,701,924
Actual amounts (budgetary basis) "Total expenditures" from the Half-Cent Sales Tax Fund budgetary comparison statement	7,163,994
Differences - budget to GAAP:	
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(15,788,868)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 143,077,050</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 4,743,855	\$ 4,743,855	\$ 4,477,680	\$ (266,175)
Intergovernmental	10,757,419	10,757,419	11,489,891	732,472
Charges for services	87,000	87,000	204,880	117,880
Investment earnings	130,050	130,050	580,574	450,524
Miscellaneous	-	-	209,020	209,020
Total revenues	<u>15,718,324</u>	<u>15,718,324</u>	<u>16,962,045</u>	<u>1,243,721</u>
EXPENDITURES:				
Current:				
Highways and streets	12,329,431.00	12,431,135.00	19,364,923	6,933,788
Capital outlay	<u>15,377,909.00</u>	<u>11,785,832.00</u>	<u>856,636</u>	<u>(10,929,196)</u>
Total expenditures	<u>27,707,340</u>	<u>24,216,967</u>	<u>20,221,559</u>	<u>(3,995,408)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,989,016)</u>	<u>(8,498,643)</u>	<u>(3,259,514)</u>	<u>5,239,129</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(500,000.00)	(202,737.00)	-	202,737
Transfers in	793,155.00	793,155.00	-	(793,155)
Transfers out	<u>(795,972.00)</u>	<u>(795,972.00)</u>	<u>(2,817)</u>	<u>793,155</u>
Total other financing sources and uses	<u>(502,817)</u>	<u>(205,554)</u>	<u>(2,817)</u>	<u>202,737</u>
Net change in fund balances	(12,491,833)	(8,704,197)	(3,262,331)	5,441,866
Fund balances - beginning	22,290,996	22,290,996	18,844,848	(3,446,148)
Fund balances - ending	<u>\$ 9,799,163</u>	<u>\$ 13,586,799</u>	<u>\$ 15,582,517</u>	<u>\$ 1,995,718</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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Taxes	\$ 13,468,300	\$ 13,468,300	\$ 14,162,491	\$ 694,191
Investment earnings	150,000	150,000	864,339	714,339
Miscellaneous	-	-	176,184	176,184
Total revenues	<u>13,618,300</u>	<u>13,618,300</u>	<u>15,203,014</u>	<u>1,584,714</u>
EXPENDITURES:				
Current:				
Highways and streets	512,009	672,225	2,820,451	2,148,226
Capital outlay	<u>32,887,628</u>	<u>29,788,683</u>	<u>6,990,085</u>	<u>(22,798,598)</u>
Total expenditures	<u>33,399,637</u>	<u>30,460,908</u>	<u>9,810,536</u>	<u>(20,650,372)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,781,337)</u>	<u>(16,842,608)</u>	<u>5,392,478</u>	<u>22,235,086</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(500,000)	320,806	-	(320,806)
Transfers out	<u>(6,847,374)</u>	<u>(6,847,374)</u>	<u>(6,847,374)</u>	<u>-</u>
Total other financing sources and uses	<u>(7,347,374)</u>	<u>(6,526,568)</u>	<u>(6,847,374)</u>	<u>(320,806)</u>
Net change in fund balances	(27,128,711)	(23,369,176)	(1,454,896)	21,914,280
Fund balances - beginning	31,876,951	31,876,951	31,064,692	(812,259)
Fund balances - ending	<u>\$ 4,748,240</u>	<u>\$ 8,507,775</u>	<u>\$ 29,609,796</u>	<u>\$ 21,102,021</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
DEVELOPMENT FEE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 12,925,000	\$ 12,925,000	\$ 10,670,987	\$ (2,254,013)
Investment earnings	238,288	238,288	1,096,448	858,160
Total revenues	<u>13,163,288</u>	<u>13,163,288</u>	<u>11,767,435</u>	<u>(1,395,853)</u>
EXPENDITURES:				
Current:				
Culture and recreation	722,483	726,875	34,015	(692,860)
Public safety	18,000	30,233	149,226	118,993
Development services	-	514	-	(514)
Highways and streets	5,615,800	5,569,423	2,771,583	(2,797,840)
Non-Departmental	-	-	801	801
Capital outlay	15,685,976	20,193,805	4,738,224	(15,455,581)
Total expenditures	<u>22,042,259</u>	<u>26,520,850</u>	<u>7,693,849</u>	<u>(18,827,001)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,878,971)</u>	<u>(13,357,562)</u>	<u>4,073,586</u>	<u>17,431,148</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(475,000)	(475,000)	-	475,000
Total other financing sources and uses	<u>(475,000)</u>	<u>(475,000)</u>	<u>-</u>	<u>475,000</u>
Net change in fund balances	(9,353,971)	(13,832,562)	4,073,586	17,906,148
Fund balances - beginning	30,454,800	30,454,800	32,195,066	1,740,266
Fund balances - ending	<u>\$ 21,100,829</u>	<u>\$ 16,622,238</u>	<u>\$ 36,268,652</u>	<u>\$ 19,646,414</u>

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities		
	Major Enterprise Funds		
	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Solid Waste Utility Fund</u>
ASSETS			
Current assets:			
Pooled cash and investments	\$ 54,466,720	\$ 34,225,306	\$ 12,541,562
Restricted pooled cash and investments	-	-	-
Accounts receivable, net	5,895,499	2,581,588	1,677,281
Interest receivable	168,389	91,770	43,688
Prepaid items	279	-	-
Supplies inventory	224,045	-	22,445
Total current assets	<u>60,754,932</u>	<u>36,898,664</u>	<u>14,284,976</u>
Non-current assets:			
Restricted assets:			
Cash with fiscal agents	3,489,872	667,506	-
Investments	-	-	-
Net restricted assets	<u>3,489,872</u>	<u>667,506</u>	<u>-</u>
Capital assets:			
Buildings and improvements	1,662,522	7,612,045	-
Distribution and collection systems	402,013,452	406,696,137	-
Water rights	12,889,809	-	-
Equipment & furniture	16,074,127	2,320,486	211,038
Vehicles	1,669,859	1,278,207	15,830,023
Less accumulated depreciation and amortization	(181,885,634)	(153,407,258)	(5,531,621)
Land and improvements	6,867,999	3,878,001	-
Construction in progress	21,931,269	6,747,063	-
Capital assets, net	<u>281,223,403</u>	<u>275,124,681</u>	<u>10,509,440</u>
Net other postemployment benefits asset	14,440	7,166	10,103
Total assets	<u>345,482,647</u>	<u>312,698,017</u>	<u>24,804,519</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	951,919	472,386	665,987
Deferred loss on bond refunding	43,887	3,514	-
Excess consideration provided for acquisition	1,933,881	-	-
Total deferred outflows of resources	<u>2,929,687</u>	<u>475,900</u>	<u>665,987</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,880,856	881,066	265,732
Accrued payroll	35,139	16,044	25,412
Interest payable	321,179	794,052	-
Due to other funds	-	-	-
Due to other governments	124,251	-	-
Customer deposits	2,023,026	-	-
Other liabilities	127,955	-	-
Current portion of claims payable	-	-	-
Current portion of compensated absences	354,520	149,220	190,130
Current portion of bonds & loans payable	6,048,667	5,384,678	-
Total current liabilities	<u>13,915,593</u>	<u>7,225,060</u>	<u>481,274</u>
Non-current liabilities:			
Long-term portion of claims payable	-	-	-
Long-term portion of compensated absences	291,520	134,940	143,020
Long-term portion of bonds & loans payable	15,585,453	44,117,900	-
Net pension and other postemployment benefits liabilities	5,534,235	2,746,344	3,871,893
Total non-current liabilities	<u>21,411,208</u>	<u>46,999,184</u>	<u>4,014,913</u>
Total liabilities	<u>35,326,801</u>	<u>54,224,244</u>	<u>4,496,187</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	888,306	440,820	621,481
Total deferred inflows of resources	<u>888,306</u>	<u>440,820</u>	<u>621,481</u>
NET POSITION			
Net investment in capital assets	261,567,051	225,625,617	10,509,440
Restricted:			
Capital projects	14,247,138	6,943,818	3,328,818
Facilities maintenance	-	-	-
Trust purpose	-	-	-
Unrestricted	36,383,038	25,939,418	6,514,580
Total net position	<u>\$ 312,197,227</u>	<u>\$ 258,508,853</u>	<u>\$ 20,352,838</u>

(continued)

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities		Total	Governmental
	Major Enterprise Funds			Activities -
	Stadium	Storm Drain		Internal
	Fund	Utility Fund		Service Funds
ASSETS				
Current assets:				
Pooled cash and investments	\$ 1,273,603	\$ -	\$ 102,507,191	\$ 22,489,821
Restricted pooled cash and investments	-	-	-	7,553,313
Accounts receivable, net	372,378	137,611	10,664,357	58,264
Interest receivable	6,504	1,506	311,857	158,154
Prepaid items	-	-	279	65,200
Supplies inventory	-	-	246,490	199,994
Total current assets	<u>1,652,485</u>	<u>139,117</u>	<u>113,730,174</u>	<u>30,524,746</u>
Non-current assets:				
Restricted assets:				
Cash with fiscal agents	-	-	4,157,378	-
Investments	-	-	-	8,532,811
Net restricted assets	<u>-</u>	<u>-</u>	<u>4,157,378</u>	<u>8,532,811</u>
Capital assets:				
Buildings and improvements	70,823,207	-	80,097,774	148,102
Distribution and collection systems	-	103,332,733	912,042,322	-
Water rights	-	-	12,889,809	-
Equipment & furniture	2,024,870	-	20,630,521	38,794,309
Vehicles	138,245	-	18,916,334	30,288,981
Less accumulated depreciation and amortization	(25,356,700)	(38,606,091)	(404,787,304)	(53,539,989)
Land and improvements	6,703,349	789,777	18,239,126	-
Construction in progress	-	1,769,114	30,447,446	575,829
Capital assets, net	<u>54,332,971</u>	<u>67,285,533</u>	<u>688,476,028</u>	<u>16,267,232</u>
Net other postemployment benefits asset	4,221	728	36,658	21,430
Total assets	<u>55,989,677</u>	<u>67,425,378</u>	<u>806,400,238</u>	<u>55,346,219</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions and other postemployment benefits	278,244	47,980	2,416,516	1,412,669
Deferred loss on bond refunding	-	-	47,401	-
Excess consideration provided for acquisition	-	-	1,933,881	-
Total deferred outflows of resources	<u>278,244</u>	<u>47,980</u>	<u>4,397,798</u>	<u>1,412,669</u>
LIABILITIES				
Current liabilities:				
Accounts payable	152,073	409,357	6,589,084	2,054,637
Accrued payroll	12,868	1,998	91,461	63,057
Interest payable	-	-	1,115,231	-
Due to other funds	-	295,177	295,177	-
Due to other governments	1,016	-	125,267	-
Customer deposits	-	-	2,023,026	-
Other liabilities	-	-	127,955	-
Current portion of claims payable	-	-	-	5,928,320
Current portion of compensated absences	131,780	17,910	843,560	654,320
Current portion of bonds & loans payable	-	-	11,433,345	-
Total current liabilities	<u>297,737</u>	<u>724,442</u>	<u>22,644,106</u>	<u>8,700,334</u>
Non-current liabilities:				
Long-term portion of claims payable	-	-	-	2,101,664
Long-term portion of compensated absences	164,460	29,810	763,750	535,890
Long-term portion of bonds & loans payable	-	-	59,703,353	-
Net pension and other postemployment benefits liabilities	1,617,653	278,942	14,049,067	8,212,928
Total non-current liabilities	<u>1,782,113</u>	<u>308,752</u>	<u>74,516,170</u>	<u>10,850,482</u>
Total liabilities	<u>2,079,850</u>	<u>1,033,194</u>	<u>97,160,276</u>	<u>19,550,816</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions and other postemployment benefits	259,650	44,774	2,255,031	1,318,265
Total deferred inflows of resources	<u>259,650</u>	<u>44,774</u>	<u>2,255,031</u>	<u>1,318,265</u>
NET POSITION				
Net investment in capital assets	54,332,971	67,285,533	619,320,612	16,267,232
Restricted:				
Capital projects	503,783	-	25,023,557	-
Facilities maintenance	100,000	-	100,000	-
Trust purpose	-	-	-	8,055,478
Unrestricted	(1,008,333)	(890,143)	66,938,560	11,567,097
Total net position	<u>\$ 53,928,421</u>	<u>\$ 66,395,390</u>	<u>711,382,729</u>	<u>\$ 35,889,807</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.			<u>3,149,300</u>	
			<u>\$ 714,532,029</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, 2019

	Business-type Activities		
	Major Enterprise Funds		
	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Solid Waste Utility Fund</u>
OPERATING REVENUES			
Charges for services	\$ 42,341,104	\$ 23,058,122	\$ 12,879,587
Rents	-	-	-
Miscellaneous	1,638,046	17,978	26,030
Total operating revenues	<u>43,979,150</u>	<u>23,076,100</u>	<u>12,905,617</u>
OPERATING EXPENSES			
Salaries, wages and employee benefits	6,082,320	2,762,130	3,991,076
Contractual services, materials and supplies	21,818,734	8,953,682	8,808,540
Insurance claims and expenses	-	-	-
Depreciation and amortization	13,630,536	11,247,584	953,514
Total operating expenses	<u>41,531,590</u>	<u>22,963,396</u>	<u>13,753,130</u>
Operating income (loss)	<u>2,447,560</u>	<u>112,704</u>	<u>(847,513)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	1,708,342	918,497	431,160
Interest expense	(474,638)	(1,527,036)	-
Gain on sale of capital assets	-	4,817	133,427
Total non-operating revenues (expenses)	<u>1,233,704</u>	<u>(603,722)</u>	<u>564,587</u>
Income (loss) before capital contributions and transfers	3,681,264	(491,018)	(282,926)
Capital contributions	10,981,297	5,538,371	-
Transfers in	1,132,864	2,579,259	-
Transfers out	(3,530,980)	(357,169)	(1,042)
Change in net position	<u>12,264,445</u>	<u>7,269,443</u>	<u>(283,968)</u>
Total net position - beginning	299,932,782	251,239,410	20,636,806
Total net position - ending	<u>\$ 312,197,227</u>	<u>\$ 258,508,853</u>	<u>\$ 20,352,838</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, 2019

	Business-type Activities		Total	Governmental
	Major Enterprise Funds			Activities -
	Stadium	Storm Drain		Internal
	Fund	Utility Fund		Service Funds
OPERATING REVENUES				
Charges for services	\$ 1,282,463	\$ 961,031	\$ 80,522,307	\$ 46,655,420
Rents	2,117,149	-	2,117,149	-
Miscellaneous	10,226	-	1,692,280	1,491,456
Total operating revenues	<u>3,409,838</u>	<u>961,031</u>	<u>84,331,736</u>	<u>48,146,876</u>
OPERATING EXPENSES				
Salaries, wages and employee benefits	1,885,432	314,378	15,035,336	7,900,275
Contractual services, materials and supplies	3,620,819	671,971	43,873,746	14,528,859
Insurance claims and expenses	-	-	-	24,882,386
Depreciation and amortization	2,351,608	2,482,950	30,666,192	2,694,616
Total operating expenses	<u>7,857,859</u>	<u>3,469,299</u>	<u>89,575,274</u>	<u>50,006,136</u>
Operating income (loss)	<u>(4,448,021)</u>	<u>(2,508,268)</u>	<u>(5,243,538)</u>	<u>(1,859,260)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	40,255	9,318	3,107,572	835,748
Interest expense	-	-	(2,001,674)	-
Gain on sale of capital assets	131	-	138,375	57,399
Total non-operating revenues (expenses)	<u>40,386</u>	<u>9,318</u>	<u>1,244,273</u>	<u>893,147</u>
Income (loss) before capital contributions and transfers	(4,407,635)	(2,498,950)	(3,999,265)	(966,113)
Capital contributions	-	3,788,688	20,308,356	2,329,324
Transfers in	2,000,000	-	5,712,123	1,878,971
Transfers out	(1,003)	(1,133,173)	(5,023,367)	(4,180,046)
Change in net position	<u>(2,408,638)</u>	<u>156,565</u>	<u>16,997,847</u>	<u>(937,864)</u>
Total net position - beginning	56,337,059	66,238,825	694,384,882	36,827,671
Total net position - ending	<u>\$ 53,928,421</u>	<u>\$ 66,395,390</u>	<u>711,382,729</u>	<u>\$ 35,889,807</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			25,919	
Change in net position of business-type activities			<u>\$ 17,023,766</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, 2019**

	Business-type Activities		
	Major Enterprise Funds		
	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Solid Waste Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 44,960,221	\$ 23,336,379	\$ 12,774,559
Payments to suppliers	(16,302,702)	(8,340,352)	(3,536,490)
Payments to employees	(6,039,291)	(3,005,738)	(4,322,984)
Self-insurance costs	-	-	-
Payments to internal service funds	(2,435,129)	(1,158,113)	(5,249,537)
Net cash provided (used) by operating activities	<u>20,183,099</u>	<u>10,832,176</u>	<u>(334,452)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	1,132,864	2,579,259	-
Transfers out	(3,530,980)	(357,169)	(1,042)
Interfund loans payable	-	-	-
Net cash provided (used) by non-capital financing activities	<u>(2,398,116)</u>	<u>2,222,090</u>	<u>(1,042)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(18,599,841)	(2,381,003)	(2,329,580)
Proceeds from disposal of capital assets	-	4,817	133,427
Capital contributions	5,105,573	1,424,243	-
Proceeds from loans	455,948	-	-
Principal payments on capital debt	(7,151,296)	(5,279,847)	-
Interest paid on capital debt	(731,332)	(1,674,850)	-
Net cash provided (used) by capital and related financing activities	<u>(20,920,948)</u>	<u>(7,906,640)</u>	<u>(2,196,153)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	-	-
Interest received on investments	1,664,812	887,944	426,143
Net cash provided (used) by investing activities	<u>1,664,812</u>	<u>887,944</u>	<u>426,143</u>
Net increase (decrease) in cash and cash equivalents	(1,471,153)	6,035,570	(2,105,504)
Cash and cash equivalents at beginning of year	59,427,745	28,857,242	14,647,066
Cash and cash equivalents at end of year	<u>\$ 57,956,592</u>	<u>\$ 34,892,812</u>	<u>\$ 12,541,562</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, 2019**

	Business-type Activities Major Enterprise Funds		Total	Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,434,834	\$ 938,687	\$ 85,444,680	\$ 48,097,653
Payments to suppliers	(2,996,320)	(107,137)	(31,283,001)	(15,582,209)
Payments to employees	(1,997,150)	(309,209)	(15,674,372)	(8,917,343)
Self-insurance costs	-	-	-	(22,810,984)
Payments to internal service funds	(614,747)	(207,259)	(9,664,785)	-
Net cash provided (used) by operating activities	<u>(2,173,383)</u>	<u>315,082</u>	<u>28,822,522</u>	<u>787,117</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	2,000,000	-	5,712,123	1,878,971
Transfers out	(1,003)	(1,133,173)	(5,023,367)	(4,180,046)
Interfund loans payable	-	295,177	295,177	-
Net cash provided (used) by non-capital financing activities	<u>1,998,997</u>	<u>(837,996)</u>	<u>983,933</u>	<u>(2,301,075)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(301,168)	(1,312)	(23,612,904)	(2,393,496)
Proceeds from disposal of capital assets	131	-	138,375	57,399
Capital contributions	-	-	6,529,816	-
Proceeds from loans	-	-	455,948	-
Principal payments on capital debt	-	-	(12,431,143)	-
Interest paid on capital debt	-	-	(2,406,182)	-
Net cash provided (used) by capital and related financing activities	<u>(301,037)</u>	<u>(1,312)</u>	<u>(31,326,090)</u>	<u>(2,336,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	(782,301)
Interest received on investments	38,863	9,012	3,026,774	796,413
Net cash provided (used) by investing activities	<u>38,863</u>	<u>9,012</u>	<u>3,026,774</u>	<u>14,112</u>
Net increase (decrease) in cash and cash equivalents	(436,560)	(515,214)	1,507,139	(3,835,943)
Cash and cash equivalents at beginning of year	1,710,163	515,214	105,157,430	33,879,077
Cash and cash equivalents at end of year	<u>\$ 1,273,603</u>	<u>\$ -</u>	<u>\$ 106,664,569</u>	<u>\$ 30,043,134</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, 2019**

	Business-type Activities		
	Major Enterprise Funds		
	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Solid Waste Utility Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 2,447,560	\$ 112,704	\$ (847,513)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	13,630,536	11,247,584	953,514
(Increase) decrease in assets/deferred outflows:			
Accounts receivable	1,005,433	260,279	(131,058)
Prepaid items	(100)	-	-
Supplies inventory	55,183	-	160,169
Other assets	84,212	-	-
Net other postemployment benefits asset	6,564	4,416	6,247
Deferred outflows - pension and other postemployment benefits	51,348	80,828	114,937
Increase (decrease) in liabilities/deferred inflows:			
Accounts payable	3,028,855	(544,783)	(137,656)
Accrued payroll	(102,991)	(36,797)	(61,169)
Due to other governments	(138,245)	-	-
Other liabilities	50,998	-	-
Deposits payable	(24,362)	-	-
Claims payable	-	-	-
Unearned revenue - other	-	-	-
Compensated absences	3,870	15,800	48,310
Net pension and other post employment benefit liability	(422,426)	(538,233)	(764,653)
Deferred inflows - pension and other postemployment benefits	506,664	230,378	324,420
Total adjustments	<u>17,735,539</u>	<u>10,719,472</u>	<u>513,061</u>
Net cash provided (used) by operating activities	<u>\$ 20,183,099</u>	<u>\$ 10,832,176</u>	<u>\$ (334,452)</u>
Non-cash investing, capital and financing activities:			
Capital assets acquired through contributions from developers and City governmental funds	\$ 5,875,724	\$ 4,114,128	\$ -
Change in fair market value of investments	664,240	350,505	160,763
Amortization of bond premium	213,304	63,486	-
Amortization of deferred loss on refunding	(45,078)	(2,323)	-
Total non-cash investing, capital and financing activities	<u>\$ 6,708,190</u>	<u>\$ 4,525,796</u>	<u>\$ 160,763</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, 2019**

	Business-type Activities Major Enterprise Funds		Total	Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (4,448,021)	\$ (2,508,268)	\$ (5,243,538)	\$ (1,859,260)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,351,608	2,482,950	30,666,192	2,694,616
(Increase) decrease in assets/deferred outflows:				
Accounts receivable	75,651	(22,344)	1,187,961	(49,223)
Prepaid items	-	-	(100)	-
Supplies inventory	-	-	215,352	(16,016)
Other assets	-	-	84,212	-
Net other postemployment benefits asset	2,500	332	20,059	14,226
Deferred outflows - pension and other postemployment benefits	42,767	2,662	292,542	290,488
Increase (decrease) in liabilities/deferred inflows:				
Accounts payable	34,136	357,575	2,738,127	(1,037,334)
Accrued payroll	(31,513)	(3,558)	(236,028)	(134,000)
Due to other governments	(24,385)	-	(162,630)	-
Other liabilities	-	-	50,998	-
Deposits payable	-	-	(24,362)	-
Claims payable	-	-	-	2,071,402
Unearned revenue - other	(50,654)	-	(50,654)	-
Compensated absences	25,270	1,950	95,200	40,980
Net pension and other post employment benefit liability	(288,280)	(21,727)	(2,035,319)	(1,899,152)
Deferred inflows - pension and other postemployment benefits	137,538	25,510	1,224,510	670,390
Total adjustments	2,274,638	2,823,350	34,066,060	2,646,377
Net cash provided (used) by operating activities	\$ (2,173,383)	\$ 315,082	\$ 28,822,522	\$ 787,117
Non-cash investing, capital and financing activities:				
Capital assets acquired through contributions from developers and City governmental funds	\$ -	\$ 3,788,688	\$ 13,778,540	\$ 2,329,324
Change in fair market value of investments	-	-	1,175,508	111,831
Amortization of bond premium	-	-	276,790	-
Amortization of deferred loss on refunding	-	-	(47,401)	-
Total non-cash investing, capital and financing activities	\$ -	\$ 3,788,688	\$ 15,183,437	\$ 2,441,155 (concluded)

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Firemen's Pension Fund	Agency Funds
ASSETS		
Pooled cash and investments	\$ 4,608	\$ 99,748
Due from other governments	-	5,460
Interest receivable	37	209
Total assets	4,645	105,417
LIABILITIES		
Accounts payable	-	225
Other liabilities	-	105,192
Total liabilities	-	105,417
NET POSITION		
Net position restricted for pensions	\$ 4,645	

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Firemen's Pension Fund
ADDITIONS	
Contributions:	
Employer contribution	\$ 10,000
State insurance premium tax rebate	463
Total contributions	10,463
Investment earnings:	
Total interest and investment income	232
Total additions	10,695
DEDUCTIONS	
Retirement payments	17,425
Total deductions	17,425
Change in net position	(6,730)
Net position - beginning of the year	11,375
Net position - end of the year	\$ 4,645

The accompanying notes are an integral part of the financial statements

Notes to the Financial Statements

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

Note		Page
1	Summary of Significant Accounting Policies	47
2	Deposits and Investments	57
3	Deficits in Fund Equity/Excess of Expenditures Over Appropriations	59
4	Accounts Receivable and Allowance for Doubtful Accounts	60
5	Due from Other Governments	60
6	Capital Assets	61
7	Long-term Debt	62
8	Risk Financing Activities	67
9	Pensions and Other Postemployment Benefits	68
10	Deferred Compensation Plan	78
11	Contingencies, Commitments and Other Claims	79
12	Interfund Transactions, Receivable and Payable Balances	79
13	Stabilization Arrangements	80
14	Segment Information for Enterprise Funds	81
15	Subsequent Events	81

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.

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.

City of Peoria Employee Benefit Trust

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

City of Peoria Workers' Compensation Trust

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

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

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

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

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

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

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

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

The *GO Bond 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 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 *Firemen's Pension Fund*, a trust fund, is used to account for assets held in a trustee capacity for the volunteer firemen's retirement plan. Trust funds can be expended for the trusts' intended purposes.

The *Agency Funds* are purely custodial (assets equal liabilities) and do not involve measurement of operations. The City currently maintains 2 agency 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 trust financial statements. Agency funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Because different measurement focuses and bases 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 agency funds, have legally adopted budgets. Formal integration of these budgets into the City's financial systems is employed as a management control device during the year for all funds.

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

I. Deposits and Investments

Cash Equivalents

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

Investments

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

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

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

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

II. Receivables

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

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.

V. Capital Assets

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

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

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

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

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

VI. Compensated Absences

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

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

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

VII. Long-Term Obligations

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

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

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

VIII. Deferred Outflows/Inflows of Resources

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

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

IX. Pension and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to or deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

X. Net Position

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

XI. Fund Balance policies

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

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

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

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

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

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

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, 2019:

- Budget stabilization reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and the Half-Cent Sales Tax Fund (35% of the average fund revenues for the preceding five years). These reserves may be used to provide funding to deal with fluctuations in fiscal cycles and operating requirements that exceed \$500,000. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the three fiscal years following the year in which the event occurred. Funding in excess of the stabilization reserve may be assigned by management for other purposes as approved by City Council, including debt service, capital, economic development, community promotions or other specific city operational expenditures.
- Emergency reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and is for unexpected, large-scale events where damage in excess of \$250,000 is incurred and immediate remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, storm damage). Usage of the emergency reserve must be approved by City Council, but the City Manager may utilize these funds when immediate action must be taken to protect the health and safety of residents. The City Manager must then provide a summary report to the City Council as soon as practical on the usage of these funds. The City shall strive to restore the Emergency Reserve to the 10% level within the next fiscal year following the fiscal year in which the event occurred.
- Operating Reserve - Maintained in the General Fund (15% of the average general fund revenues for the preceding five years) and is for unexpected events whose impact exceeds \$500,000, such as failure of the State to remit shared revenues, unexpected mandates, unexpected loss of State Shared revenues, continuance of critical city services due to unanticipated events, or to offset unexpected loss of a significant funding source for the remainder of the fiscal year. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the two fiscal years following the year in which the event occurred.
- Enterprise Operating Fund Working Capital Reserve – Maintained in the Water Utility Fund (25% of the operating expenditures of the fund for the fiscal year), the Wastewater Utility Fund (25% of the operating expenditures of the fund for the fiscal year), and the Solid Waste Utility Fund (20% of the operating expenditures 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 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 has entered into tax abatement agreements as defined by GASB Statement 77. The tax abatements include sales tax reimbursement incentives and the activation of a Foreign Trade Zone which reduces the property tax assessment ratio on commercial property from 18% to 5%. It's the City's policy to review each agreement individually and in the aggregate annually. For the fiscal year ended June 30, 2019, each agreement and all agreements in the aggregate are deemed immaterial for financial reporting purposes.

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, 2019 was \$1,900,540 or 2.68 percent. The RWC Comprehensive Annual 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 2019, the City implemented the provisions of the following GASB Statements:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*. GASB Statement No. 83 established standards for accounting and financial reporting for certain asset retirement obligations (ARO). For fiscal year 2019, the City did not have any reportable ARO's.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, improved the information that is disclosed in notes to government financial statements related debt, including direct borrowings and direct placements. The City has already been reporting substantially in accordance with the requirements of GASB Statement No. 88, so there is minimal impact to the financial statements for fiscal year 2019.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, simplified the accounting for interest cost incurred before the end of a construction period. The City early-implemented this statement and no longer calculates capitalized interest.

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 Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
90	<i>Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61</i>	2020
91	<i>Conduit Debt Obligations</i>	2022

2. DEPOSITS AND INVESTMENTS

A. Deposits

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

At June 30, 2019, the carrying amount of the City's deposits was \$64,456,153 and the bank balance was \$67,853,347. 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 \$3,397,194 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, 2019, the total amount of these balances was \$6,760. In addition, the City has deposited \$529,279 in a developer trust account with a fiscal agent in accordance with developer agreements for the construction and acquisition of water projects.

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 35% invested for a period of one year or less and no more than 20% of the City's portfolio be invested for a period greater than three years. At June 30, 2019, 60.8% of the City's investments have a maturity of less than one year and 0.6% of investments have a maturity of greater than three years. The City's investment policy also sets a maximum weighted average maturity (WAM) not to exceed three years. The WAM at June 30, 2019 was 496 days.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to those securities rated A-1/P-1 or the equivalent by two nationally recognized statistical rating agencies. The City's investment policy limits the purchase of Corporate Bonds or Notes to those securities rated AA-/Aa3 and Aa or better at the time of purchase by a nationally recognized rating agency and with a maximum maturity of two years. The City's investment policy also limits the purchase of Banker's Acceptances to those securities rated AA-/Aa3 and Aa or better at the time of purchase by two nationally recognized rating agencies and with a maximum maturity of 180 days. At June 30, 2019, the City's investments include \$35.8 million in Commercial Paper, \$48.7 million in Corporate Notes and \$0.5 million in Banker's Acceptance securities. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a collateralization level of at least 102 percent of the market value of principal and accrued interest.

<u>Investment Type</u>	<u>S&P Ratings range</u>
Agency coupon securities	AA+
Commercial Paper	A-1 to A-1+
Corporate Bonds	A- to 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, 2019, the City's investments include 28.1% in Money Market investments, 26.0% in U.S. Treasury Notes, 20.9% in U.S. Agency Coupon securities, 14.3% in Corporate securities, 10.5% in Commercial Paper, and 0.2% in Banker's Acceptance securities.

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

<u>Issuer</u>	<u>Fair Value</u>
Federal National Mortgage Corporation	\$ 30,920,900
Federal Home Loan Bank	24,883,939

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, 2019:

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

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

At June 30, 2019, the City's total investments of \$350,350,037 included the following:

	Investment Maturities in Years				Fair Value
	Less than 1	1-2	2-3	Over 3	
<u>Investments:</u>					
U.S Treasury notes	\$ 5,151,328	24,194,836	57,238,310	2,159,658	\$ 88,744,132
Agency coupon securities	30,399,897	21,235,182	19,615,086	-	71,250,165
Commercial paper	35,761,206	-	-	-	35,761,206
Corporate notes	36,328,290	12,342,253	-	-	48,670,543
Banker's Acceptance securities	-	549,040	-	-	549,040
Mutual fund-money market	95,918,211	-	-	-	95,918,211
State of Arizona LGIP	9,456,740	-	-	-	9,456,740
Total Investments	\$ 213,015,672	58,321,311	76,853,396	2,159,658	\$ 350,350,037

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

At June 30, 2019, the following fund reported a deficit in net position.

- Internal Service Fund: Facilities Maintenance Fund

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

For the year ended June 30, 2019, expenditures, including capital outlay and transfers, did not exceed budget at the fund level (i.e. the level of budgetary control) in any funds.

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, 2019.

Fund	Receivables	Allowance	Net
Governmental activities:			
General Fund	\$ 13,649,956	\$ 1,348,680	\$ 12,301,276
Highway User Revenue Fund	709,090	-	709,090
Transportation Sales Tax Fund	1,828,629	-	1,828,629
GO Bond Debt Service Fund	187,017	168,541	18,476
Other Governmental Funds	26,492	12,157	14,335
Total governmental funds	\$ 16,401,184	\$ 1,529,378	\$ 14,871,806
 Internal Service Funds	\$ 58,264	\$ -	\$ 58,264
 Business-type activities:			
Water Utility Fund	\$ 6,526,597	\$ 631,098	\$ 5,895,499
Wastewater Utility Fund	3,037,142	455,554	2,581,588
Solid Waste Utility Fund	1,967,429	290,148	1,677,281
Stadium Fund	372,378	-	372,378
Storm Drain Utility Fund	164,894	27,283	137,611
Total enterprise funds	12,068,440	1,404,083	10,664,357
Grand totals	\$ 28,527,888	\$ 2,933,461	\$ 25,594,427

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, 2019, significant receivables due to the City included \$2,010,677 from the State of Arizona for State Shared Sales Tax revenues, \$294,330 for Auto Tax In-Lieu revenues recorded in the General fund, \$1,035,141 Highway User Revenue Fees revenues recorded in the Highway User Revenue Fund, \$353,570 under Intergovernmental agreements recorded in the Non-Bond Fund, and \$432,994 from federal agencies for housing, transit and security related grant revenues. Most other receivables are comprised of taxes or various grants due from other governments and agencies.

6. CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2019, follows:

Land	384,344,931	23,744,882	-	408,089,813
Total Non-Depreciable Assets	407,685,111	39,545,774	(7,432,738)	439,798,147
Depreciable assets:				
Buildings & Improvements	187,180,737	1,484,618	-	188,665,355
Equipment; Furniture	54,801,154	3,551,071	-	58,352,225
Vehicles	28,157,459	2,925,349	(793,726)	30,289,082
Street System	759,944,847	15,087,601	-	775,032,448
Park System	96,154,648	3,232,474	-	99,387,122
Total Depreciable Assets at Historical Cost	1,126,238,845	26,281,113	(793,726)	1,151,726,232
Less Accum. Depreciation:				
Buildings & Improvements	(76,529,198)	(5,087,337)	-	(81,616,535)
Equipment; Furniture	(50,027,618)	(1,420,447)	-	(51,448,065)
Vehicles	(16,852,716)	(2,090,868)	793,726	(18,149,858)
Street System	(486,705,143)	(28,287,075)	-	(514,992,218)
Park System	(31,111,152)	(2,648,715)	-	(33,759,867)
Total Accum. Depreciation	(661,225,827)	(39,534,442)	793,726	(699,966,543)
Total Depreciable Assets, Net	465,013,018	(13,253,329)	-	451,759,689
Governmental Activities Capital Assets, Net	\$ 872,698,129	26,292,445	(7,432,738)	891,557,836

Business-type Activities:

Non-depreciable assets:				
Work in Progress	\$ 28,347,800	\$ 15,396,545	\$ (13,296,899)	\$ 30,447,446
Land	17,449,349	789,777	-	18,239,126
Total Non-Depreciable Assets	45,797,149	16,186,322	(13,296,899)	48,686,572
Depreciable assets:				
Buildings & Improvements	80,097,774	-	-	80,097,774
Equipment; Furniture	18,795,140	1,940,654	(105,272)	20,630,522
Vehicles	17,667,710	2,449,631	(1,201,006)	18,916,335
Surface Water System	97,942,012	5,390,722	-	103,332,734
Water Rights	14,301,442	-	(1,411,637)	12,889,805
Water System	381,439,796	20,573,657	-	402,013,453
Wastewater System	401,137,140	5,558,998	-	406,696,138
Total Depreciable Assets at Historical Cost	1,011,381,014	35,913,661	(2,717,915)	1,044,576,760
Less Accum. Depreciation:				
Buildings & Improvements	(25,062,146)	(2,345,125)	-	(27,407,271)
Equipment; Furniture	(12,300,889)	(2,261,442)	105,272	(14,457,059)
Vehicles	(7,172,200)	(1,160,077)	1,201,006	(7,131,271)
Surface Water System	(36,123,141)	(2,482,950)	-	(38,606,091)
Water Rights*	(2,865,166)	(228,387)	-	(3,093,553)
Water System	(154,785,837)	(11,094,947)	-	(165,880,784)
Wastewater System	(137,333,585)	(10,877,690)	-	(148,211,275)
Total Accum. Depreciation	(375,642,964)	(30,450,618)	1,306,278	(404,787,304)
Total Depreciable Assets, Net	635,738,050	5,463,043	(1,411,637)	639,789,456
Business-Type Activities Capital Assets, Net	\$ 681,535,199	\$ 21,649,365	\$ (14,708,536)	\$ 688,476,028

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

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

General government	\$ 3,106,082	Water utility	\$ 13,414,962
Culture and recreation	4,663,901	Wastewater utility	11,247,584
Public safety	2,429,435	Solid waste utility	953,514
Development services	101,897	Stadium	2,351,608
Highways and streets	28,896,784	Storm drain utility	<u>2,482,950</u>
Public works	241,969		
Human services	<u>94,374</u>	Total depreciation expense	<u>\$ 30,450,618</u>
Total depreciation expense	<u>\$ 39,534,442</u>		

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.

In June 2019, the City issued \$30,420,000 of General Obligation Bonds. The Bonds will constitute a portion of the bonds authorized by the voters at special bond elections held in the City on September 12, 2000, May 17, 2005, and November 4, 2008, and will be used for Parks, Recreation, Trails and Open Space; Public Safety, Technology and Municipal Operations; Streets, Bridges, Traffic Control and Transportation; and Drainage. After the sale of these bonds, the City has \$60,392,624, \$170,796,711 and \$352,744,314 remaining unissued general obligation bond authorization from the elections held in 2000, 2005 and 2008 respectively.

B. Revenue bonds

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

C. Municipal Development Authority debt obligations

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

D. Special assessment bonds with governmental commitment

Special Assessment Bonds are used to construct projects within special assessment districts created by the City after property owners within these districts agree to be assessed for the costs of debt service on these bonds. Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold

at public auction, and the proceeds are used to offset the defaulted assessment. If there is no purchase at the public auction, the City is required to buy the property, and pay off the assessment, with funds appropriated from the General Fund.

As trustee for improvement districts, the City is responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

At June 30, 2019, all outstanding amounts related to special assessments receivable were paid and the outstanding special assessment bonds were fully redeemed.

E. 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.

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

F. Pledged revenues

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

The City has pledged future water utility and wastewater utility revenues, net of specific operating expenses, to repay \$15,780,000 in Revenue Refunding Bonds issued in 2010, \$23,280,000 in Revenue Refunding Bonds issued in 2012 and \$110,931,833 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, 2019, \$72,192,295 in bonds and loans remain outstanding to be repaid by future water and wastewater revenues. For the fiscal year ended June 30, 2019, the pledged revenues, net of operating expenses available for service of this debt were \$36,595,039. The debt principal and interest paid on this debt in fiscal year 2019 was \$14,432,218.

The City has pledged certain revenues for the repayment of \$43,430,000 and \$3,220,000 in Municipal Development Authority (MDA) Bonds issued in 2011 and 2012 and the Pledged Excise 2018 refunding obligations, respectively. Pledged revenues for these obligations include excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes. At June 30, 2019, \$2,945,000 of the Pledged Excise 2018 obligation and \$32,070,000 of the MDA bonds remained outstanding to be repaid by these future revenues. The obligations were issued to construct various City

operational facilities and refund prior MDA bonds. For the fiscal year ended June 30, 2019, the pledged revenues, net of operating expenses available to service this debt were \$148,172,862. The debt principal and interest paid on this debt in fiscal year 2019 was \$3,497,635.

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, 2019, \$22,740,000 of the Pledged Transportation 2018 obligations remained outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2019, the pledged revenues, net of operating expenses available to service this debt were \$158,921,153. The debt principal and interest paid on this debt in fiscal year 2018 was \$3,522,374.

G. 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.

H. Tables

The following schedule summarizes the City's long-term liability activity for the year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 127,055,000	\$ 30,420,000	\$ 11,295,000	\$ 146,180,000	\$ 13,815,000
MDA debt obligations	34,060,000	-	1,990,000	32,070,000	2,080,000
Direct purchase and loan obligations	36,514,304	-	5,752,957	30,761,347	3,631,060
CFD bonds	34,325,000	-	2,985,000	31,340,000	3,200,000
Total bonds payable	<u>231,954,304</u>	<u>30,420,000</u>	<u>22,022,957</u>	<u>240,351,347</u>	<u>22,726,060</u>
Net pension and other postemployment benefits liability	171,841,371	1,678,853	10,866,277	162,653,947	-
Compensated absences	13,783,080	11,104,464	10,927,074	13,960,470	6,618,780
Deferred bond premium	12,483,508	3,146,339	1,378,294	14,251,553	-
Governmental activities totals	<u>\$ 430,062,263</u>	<u>\$ 46,349,656</u>	<u>\$ 45,194,602</u>	<u>\$ 431,217,317</u>	<u>\$ 29,344,840</u>
Business-type activities:					
Bonds and loans payable:					
Revenue bonds	\$ 12,600,000	\$ -	\$ 4,695,000	\$ 7,905,000	\$ 3,470,000
WIFA loans	70,004,830	455,950	7,736,144	62,724,636	7,963,345
Net pension and other postemployment benefits liability	16,084,386	15,689	2,051,008	14,049,067	-
Compensated absences	1,512,110	1,379,746	1,284,546	1,607,310	843,560
Deferred bond premium	783,854	-	276,792	507,062	-
Business-type activities totals	<u>\$ 100,985,180</u>	<u>\$ 1,851,385</u>	<u>\$ 16,043,490</u>	<u>\$ 86,793,075</u>	<u>\$ 12,276,905</u>

Bonds and loans payable at June 30, 2019 are comprised of the following:

Governmental Activities Debt

General Obligation Bonds	Maturity Dates	Net Interest Rate	Issue Amount	Outstanding June 30, 2019
Series 2007B	7/1/07-20	4	\$ 18,365,000	\$ 895,000
Series 2010	7/1/10-30	4.03	29,170,000	8,955,000
Series 2012A	7/1/12-32	3.32	14,715,000	11,075,000
Series 2012B	7/1/12-22	1.75	13,690,000	5,900,000
Series 2015A	7/15/16-35	2.98	30,325,000	27,325,000
Series 2015B	7/15/16-28	2.29	66,425,000	61,610,000
Series 2019	7/15/19-39	2.65	30,420,000	30,420,000
Total General Obligation Bonds			<u>\$203,110,000</u>	<u>\$ 146,180,000</u>
Municipal Development Authority Debt Obligations				
Series 2011	7/1/12-26	3.9	\$ 7,920,000	\$ 4,750,000
Series 2012	7/1/13-32	3.3	35,510,000	27,320,000
Total Municipal Development Authority Debt Obligations			<u>\$ 43,430,000</u>	<u>\$ 32,070,000</u>
Direct Purchase and Loan Obligations				
Taxable NCREBs	9/1/1937	4.23	\$ 5,199,304	\$ 5,076,347
Pledged Excise 2018	7/15/2025	2.01	3,220,000	2,945,000
Pledged Transportation 2018	1/15/2026	1.97	25,755,000	22,740,000
Total Direct Purchase and Loan Obligations			<u>\$ 34,174,304</u>	<u>\$ 30,761,347</u>
Community Facility District Bonds				
VCFD – Series 2015	7/15/16-26	3.47	\$ 36,985,000	\$ 28,460,000
VWCFD – Series 2016	7/15/18-29	4.15	3,000,000	2,880,000
Total Community Facility District Bonds			<u>\$ 39,985,000</u>	<u>\$ 31,340,000</u>

Business-Type Activities Debt

<u>Revenue Bonds</u>	<u>Maturity Dates</u>	<u>Net Interest Rate</u>	<u>Issue Amount</u>	<u>Outstanding June 30, 2019</u>
WWW Series 2010	7/1/11-20	3.21	\$ 15,780,000	\$ 2,710,000
WWW Series 2012	7/1/12-21	1.6	23,280,000	5,195,000
Total Revenue Bonds			<u>\$ 39,060,000</u>	<u>\$ 7,905,000</u>
<u>WIFA Loans</u>				
WIFA Series 2002	7/1/03-22	3.94	\$ 1,964,789	\$ 522,738
WIFA Series 2006	7/1/08-26	3.06	27,183,342	13,911,775
WIFA Series 2008	7/1/09-27	3.3	42,741,541	23,520,626
WIFA Series 2008	7/1/10-28	3.48	8,575,253	5,198,103
WIFA Series 2009	7/1/10-28	3.48	727,612	432,389
WIFA Series 2009	7/1/10-29	2	8,030,340	4,750,916
WIFA Series 2009	7/1/10-28	2	3,733,794	2,119,762
WIFA Series 2009	7/1/10-29	3.27	4,371,597	2,681,611
WIFA Series 2009	7/1/10-29	3.23	757,624	460,819
WIFA Series 2015	7/15/16-35	2.4	12,389,991	10,688,556
WIFA Series 2017	7/15/18-36	2.65	455,950	(1,562,659)
Total WIFA loans			<u>\$ 110,931,833</u>	<u>\$ 62,724,636</u>

The following table discloses the bond debt service requirements as of June 30, 2019, segregating principal and interest, for the next five years and in five-year increments thereafter.

<u>Fiscal year</u>	<u>Governmental Activities</u>				<u>Business-type Activities*</u>	
	<u>Bonds</u>		<u>Notes from Direct Borrowings and Direct Placements</u>		<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2020	\$ 19,095,000	\$ 7,479,045	\$ 3,631,060	\$ 716,130	\$ 11,433,344	\$ 3,287,546
2021	16,065,000	7,275,502	3,714,912	640,381	11,832,361	2,907,917
2022	16,665,000	6,638,009	3,794,051	562,822	9,238,403	2,574,555
2023	17,310,000	5,931,916	3,873,485	483,444	8,686,684	2,306,543
2024	16,770,000	5,157,340	3,948,221	402,279	8,798,621	2,049,789
2025-2029	75,645,000	14,787,406	8,868,326	982,787	40,792,586	6,339,157
2030-2034	33,225,000	4,801,783	1,492,185	483,371	18,856,223	2,469,911
2035-2039	12,890,000	1,099,120	1,439,107	136,125	9,549,200	380,399
2040	1,925,000	28,875	-	-	-	-
Totals	<u>\$209,590,000</u>	<u>\$53,198,996</u>	<u>\$30,761,347</u>	<u>\$4,407,339</u>	<u>\$119,187,422</u>	<u>\$22,315,817</u>

*Includes required principal and estimated interest payments for an approved WIFA loan for the Pyramid Peak Water Treatment Plant expansion. Although the loan only has minimal draws as of 6/30/19, the principal payments are contractual and the loan is expected to draw in FY2020.

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.

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 public liability up to \$1,000,000 with excess coverage insurance policies purchased through commercial insurance carriers covering individual claims in excess of these amounts up to \$25,000,000. Also, the City is self-insured for damage to City vehicles valued up to \$100,000. Vehicles with a value in excess of \$100,000 have a \$5,000 deductible. City property is insured through commercial insurance carriers with a \$50,000 deductible.

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

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

Workers' compensation -

On July 1, 2009, the City established a workers' compensation trust fund for work-related injuries to employees. For workers' compensation insurance, the City is self-insured up to \$1,250,000 per claim on public safety employees and \$1,250,000 for all other employees up to an aggregate stop loss of \$5,228,838 for fiscal year 2019. 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.

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 \$8,029,984 reported in the Self-Insurance Fund at June 30, 2019, is based on the requirements of Governmental Accounting Standards Board Statement #10, which requires that liabilities be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The claims liability consists of \$1,094,321 for liability/property claims, \$5,395,039 for workers' compensation claims and \$1,540,624 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 2018:

	Beginning of Fiscal Year Liability	Changes in Estimates	Current Year Claims	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 1,113,384	\$ 9,035	\$ 424,960	\$ (424,960)	\$ 1,122,419
Workers' comp	2,520,841	939,818	1,382,139	(1,382,139)	3,460,659
Health insurance	1,286,884	88,620	16,500,272	(16,500,272)	1,375,504
	<u>\$ 4,921,109</u>	<u>\$ 1,037,473</u>	<u>\$ 18,307,371</u>	<u>\$(18,307,371)</u>	<u>\$ 5,958,582</u>

Fiscal Year 2019:

	Beginning of Fiscal Year Liability	Changes in Estimates	Current Year Claims	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 1,122,419	\$ (28,098)	\$ 1,258,775	\$ (1,258,775)	\$ 1,094,321
Workers' comp	3,460,659	1,934,380	2,441,415	(2,441,415)	5,395,039
Health insurance	1,375,504	165,120	16,572,571	(16,572,571)	1,540,624
	<u>\$ 5,958,582</u>	<u>\$ 2,071,402</u>	<u>\$ 20,272,761</u>	<u>\$(20,272,761)</u>	<u>\$ 8,029,984</u>

9. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

A summary of pension and other postemployment benefit related items as of and for the year ended June 30, 2019, 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	\$ 62,419,380	\$ 162,875	\$ 10,736,823	\$ 10,019,330	\$ 1,751,091
Business-Type Activities	14,049,067	36,658	2,416,516	2,255,031	695,907
PSPRS - Police	64,875,025	-	16,286,083	2,094,710	12,275,014
PSPRS - Fire	35,359,542	-	12,762,459	1,488,988	6,727,611
	<u>\$ 176,703,014</u>	<u>\$ 199,533</u>	<u>\$ 42,201,881</u>	<u>\$ 15,858,059</u>	<u>\$ 21,449,623</u>

The City of Peoria reported \$17,033,184 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

A. Arizona State Retirement System

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

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

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

*With actuarially reduced benefits

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

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

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, statute required active ASRS members to contribute at the actuarially determined rate of 11.80 percent (11.64 percent for retirement & health insurance benefits and 0.16 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 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the members' annual covered payroll. These percentages led to City's contributions for the year ended June 30, 2019 of \$6,307,495, \$259,521, and \$90,268 to the pension, health insurance premium benefit, and long-term disability plans, respectively.

In addition, the City of Peoria was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 percent for retirement, 0.06 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. At June 30, 2019, the City of Peoria reported the following asset and liabilities for its proportionate share of the ASRS' net/pension/OPEB asset or liability.

The net asset and net liabilities were measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The total pension liability as of June 30, 2018, reflects changes in actuarial assumptions listed on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8% to 7.5%, changing the projected salary from 3%-6.75% to 2.7%-7.2%, decreasing the inflation rate from 3% to 2.3%, and changing the mortality rate.

<u>ASRS</u>	<u>Net pension/OPEB (asset) liability</u>
Pension	\$ 76,182,651
Health insurance premium benefit	(199,533)
Long-term disability	287,858

The City of Peoria's proportion of the net asset or liability was based on a projection of the City's actual contributions to the plan relative to the total of all participating employers contribution for the year ended June 30, 2018. The City of Peoria's proportions measured as of June 30, 2018 and the change from its proportions measured as of June 30, 2017 were:

<u>ASRS Proportion Calc</u>	<u>Proportion June 30, 2018 %</u>	<u>Increase (decrease) from June 30, 2017</u>
Pension	0.54625	(0.025)
Health insurance premium	0.55412	(0.024)
LTD	0.55092	(0.018)

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2019, the City of Peoria recognized the following pension and OPEB expense for ASRS.

<u>ASRS</u>	<u>Pension/OPEB expense</u>
Pension	\$ 2,144,928
Health insurance premium benefit	199,428
Long-term disability	102,642

Liability. At June 30, 2019, the City of Peoria reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>		<u>Health insurance premium benefit</u>		<u>Long-term disability</u>	
	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	\$ 2,098,770	\$ 419,982	\$ -	\$ 184,161	\$ 7,362	\$ -
Changes of assumptions or other inputs	2,015,932	6,754,638	384,802		62,349	-
Difference between projected and actual earnings on plan investments	-	1,832,012	-	398,598	-	27,882
Changes in proportion and differences between City contributions and proportionate share of contributions	1,926,840	2,648,275	-	1,909	-	6,904
City contributions subsequent to the measurement date	6,307,495	-	259,521	-	90,268	-
Total	<u>\$12,349,037</u>	<u>\$11,654,907</u>	<u>\$ 644,323</u>	<u>\$ 584,668</u>	<u>\$ 159,979</u>	<u>\$ 34,786</u>

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, 2020. 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:

<u>Year ending June 30</u>	<u>Pension</u>	<u>Health insurance premium benefit</u>	<u>Long-term disability</u>
2020	\$ 912,088	\$ (77,688)	\$ (116)
2021	(2,924,838)	(77,688)	(115)
2022	(2,779,028)	(77,689)	(115)
2023	(821,587)	7,238	7,353
2024		25,961	8,722
Thereafter			19,196

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

Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.5%
Projected salary increases	2.7 – 7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent base increases	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP
Recovery Rates	2012 GLDT
Healthcare cost trend rate	Not applicable

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 5.07 percent (excluding any expected inflation) using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class of ASRS are summarized in the following table:

Asset Class	Target Allocation	Long-Term Contribution to Expected Real Rate of Return
Equity	50%	2.75%
Fixed income	30%	1.15%
Real estate	20%	1.17%
Total	100%	5.07%

Discount Rate. The discount rate used to measure the ASRS total pension/OPEB liability was 7.50 percent, which is more than the long-term expected rate of return of 5.07 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$108,600,122	\$76,182,651	\$49,098,378
Net insurance premium benefit liability (asset)	706,944	(199,533)	(971,714)
Net long-term disability liability	326,223	287,858	250,633

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

B. Public Safety Personnel Retirement System

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

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

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

	Retirement Initial Membership Date:	
	Before January 1, 2012	On or After January 1, 2012 and before 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
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
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	
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 and survivor benefits are subject to automatic cost-of-living adjustments. The adjustments are based on inflation for PSPRS. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget committee analysis of the increase's effect on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents.

Employees Covered by Benefit Terms. At June 30, 2019, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS - POLICE		PSPRS - FIRE	
	<u>Pension</u>	<u>Health</u>	<u>Pension</u>	<u>Health</u>
Inactive employees or beneficiaries currently receiving benefits	93	93	37	37
Inactive employees entitled to but not yet receiving benefits	34	8	20	18
Active employees	165	165	149	149
Total	292	266	206	204

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, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members - pension	11.65%	11.65%
City of Peoria		
Pension	44.01%	34.11%
Health Insurance	0.39%	0.28%

In addition, the City of Peoria was required by statute to contribute at the actuarially determined rate of 29.21 percent for the PSPRS Police, and 18.26 percent for the PSPRS Fire, of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to the PSPRS.

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

	PSPRS - Police	PSPRS - Fire
Pension:		
Contributions made	\$7,436,675	\$4,714,745
Health insurance premium benefit:		
Contributions made	65,900	38,702

Liability. At June 30, 2019, the City of Peoria reported the following assets and liabilities.

	Net pension-liability	Net OPEB liability
PSPRS - Police	\$64,643,144	\$231,881
PSPRS – Fire	35,298,399	61,143

The net assets and net liabilities were measured as of June 30, 2018, 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, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.40%
Asset Valuation Method	Fair Value of Assets
Payroll Growth	3.50% for pensions/not applicable for OPEB
Inflation	2.50% for pensions/not applicable for OPEB
Salary Increases	3.50%-7.50%, including inflation, for pensions/not applicable for OPEB
Mortality	RP-2014 mortality tables projected backwards 1 year to 2013 with MP-2014 (110% of female healthy annuitant mortality table). Future mortality improvements are assumed each year using 75% of scale MP-2016.
Health Care Trend Rates	None

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study of the period July 1, 2011 to June 30, 2016.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.40 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. Equity	16%	7.60%
Non-U.S. Equity	14%	8.70%
Private Equity	12%	5.83%
Fixed Income	5%	1.25%
Private Credit	16%	6.75%
GTS	12%	3.96%
Real Assets	9%	4.52%
Real Estate	10%	3.75%
Risk Parity	4%	5.00%
Short Term Inv	2%	.25%
Total	<u>100%</u>	

* Geometric Real Rate of Return. Based on inflation assumption of 2.75%.

Discount Rates. At June 30 2018, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.40 percent for Tier 1/2 members and 7.00 percent for Tier 3 members. 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.

Changes in the Net Pension/OPEB Liability

	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (asset) Liability
PSPRS - POLICE						
Balances at June 30, 2018	\$ 125,416,338	\$ 62,148,414	\$ 63,267,924	\$ 2,238,925	\$ 1,950,259	\$ 288,666
Changes for the year:						
Service cost	3,437,849	-	3,437,849	45,757	-	45,757
Interest on the total liability	9,195,638	-	9,195,638	164,184	-	164,184
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the liability	(1,331,798)	-	(1,331,798)	(103,677)	-	(103,677)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions – employer	-	6,622,615	(6,622,615)	-	31,038	(31,038)
Contributions – employee	-	1,379,152	(1,379,152)	-	-	-
Net investment income	-	4,232,822	(4,232,822)	-	134,052	(134,052)
Benefit payments, including refunds of employee contributions	(5,739,761)	(5,739,761)	-	(86,192)	(86,192)	-
Hall/Parker Settlement	-	(2,283,693)	2,283,693	-	-	-
Administrative expense	-	(65,122)	65,122	-	(2,040)	2,040
Other changes	-	40,695	(40,695)	-	(1)	1
Net changes	5,561,928	4,186,708	1,375,220	20,072	76,857	(56,785)
Balances at June 30, 2019	<u>\$ 130,978,266</u>	<u>\$ 66,335,122</u>	<u>\$ 64,643,144</u>	<u>\$ 2,258,997</u>	<u>\$ 2,027,116</u>	<u>\$ 231,881</u>

	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (asset) Liability
PSPRS - FIRE						
Balances at June 30, 2018	\$ 95,899,139	\$ 60,838,547	\$ 35,060,592	\$ 1,740,482	\$ 1,660,580	\$ 79,902
Changes for the year:						
Service cost	3,070,924	-	3,070,924	35,268	-	35,268
Interest on the total liability	7,066,051	-	7,066,051	128,515	-	128,515
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the liability	(1,450,577)	-	(1,450,577)	(49,429)	-	(49,429)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions – employer	-	4,749,672	(4,749,672)	-	19,805	(19,805)
Contributions – employee	-	1,439,943	(1,439,943)	-	-	-
Net investment income	-	4,205,458	(4,205,458)	-	115,059	(115,059)
Benefit payments, including refunds of employee contributions	(3,894,840)	(3,894,840)	-	(42,867)	(42,867)	-
Hall/Parker Settlement	-	(1,926,795)	1,926,795	-	-	-
Administrative expense	-	(64,663)	64,663	-	(1,751)	1,751
Other changes	-	44,976	(44,976)	-	-	-
Net changes	4,791,558	4,553,751	237,807	71,487	90,246	(18,759)
Balances at June 30, 2019	<u>\$ 100,690,697</u>	<u>\$ 65,392,298</u>	<u>\$ 35,298,399</u>	<u>\$ 1,811,969</u>	<u>\$ 1,750,826</u>	<u>\$ 61,143</u>

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	6.40%	7.40%	8.40%
Net pension (asset) liability	\$ 84,225,604	\$ 64,643,144	\$ 48,845,355
Net OPEB (asset) liability	519,791	231,881	(6,579)
PSPRS – Fire			
Rate	6.40%	7.40%	8.40%
Net pension (asset) liability	\$ 50,513,791	\$ 35,298,399	\$ 23,004,887
Net OPEB (asset) liability	302,124	61,143	(137,722)

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, 2019, the City of Peoria recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense
PSPRS - Police	\$ 12,209,293	\$ 65,721
PSPRS - Fire	6,681,317	46,294

Deferred Outflows/Inflows of Resources. At June 30, 2019, 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	\$ 3,364,635	\$ 1,861,751	\$ 13,041	\$ 88,439
Changes of assumptions or other inputs	4,788,429	-	-	105,597
Net difference between projected and actual earnings on plan investments	617,403	-	-	38,923
Contributions subsequent to the measurement date	7,436,675	-	65,900	-
Total	<u>\$ 16,207,142</u>	<u>\$ 1,861,751</u>	<u>\$ 78,941</u>	<u>\$ 232,959</u>

PSPRS – Fire	Pension		Health Insurance Benefit Premium	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,195,699	\$ 1,302,112	\$ 137,456	\$ 44,443
Changes of assumptions or other inputs	5,044,063	-	-	109,642
Net difference between projected and actual earnings on plan investments	631,794	-	-	32,791
Contributions subsequent to the measurement date	4,714,745	-	38,702	-
Total	<u>\$ 12,586,301</u>	<u>\$ 1,302,112</u>	<u>\$ 176,158</u>	<u>\$ 186,876</u>

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, 2020. 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
2020	\$ 3,568,576	\$ 1,950,182	\$ (52,172)	\$ (12,518)
2021	2,025,509	1,561,431	(52,172)	(12,518)
2022	1,058,043	832,698	(52,172)	(12,518)
2023	503,366	1,185,564	(35,945)	255
2024	(217,004)	696,586	(15,238)	(1,127)
Thereafter	(29,774)	342,983	(12,249)	(10,994)

10. DEFERRED COMPENSATION PLAN

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

11. CONTINGENCIES, COMMITMENTS AND OTHER CLAIMS

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

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

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, 2019:

- \$6,608,402 in the Water utility fund for drainage improvements, the construction of recharge wells, and construction of new a booster pump station.
- \$1,719,082 in the Wastewater Utility fund for pipeline rehabilitation.
- \$1,358,208 in the Highway User Revenue Fund for the LED street light conversion project.
- \$1,797,327 in the Transportation Sales Tax fund for streets improvements.
- \$17,261,809 in the GO Bond fund for construction of the Northern Community Park.
- \$4,061,199 in the Development Fee fund for construction of the Northern Community Park.
- \$9,400,000 in the Non-Bond fund for construction of the Northern Community Park.

12. INTERFUND TRANSACTIONS, RECEIVABLE AND PAYABLE BALANCES

At June 30, 2019, there was an interfund loan from the General Fund to the Storm Drain Utility Fund to cover a deficit cash balance in that fund. The loan is 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 2019 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, 2019:

Fund	Transfers out	Transfers in
Governmental funds:		
General Fund	\$ 6,576,044	\$ 25,763,110
Highway User Revenue Fund	2,817	-
Transportation Sales Tax Fund	6,847,374	-
Non-Major Governmental Funds	<u>21,574,070</u>	<u>10,849,514</u>
Total governmental funds	<u>35,000,305</u>	<u>36,612,624</u>
Enterprise funds:		
Water Utility Fund	3,530,980	1,132,864
Wastewater Utility Fund	357,169	2,579,259
Solid Waste Utility Fund	1,042	-
Stadium Fund	1,003	2,000,000
Storm Drain Utility Fund	<u>1,133,173</u>	<u>-</u>
Total enterprise funds	<u>5,023,367</u>	<u>5,712,123</u>
Internal Service funds	<u>4,180,046</u>	<u>1,878,971</u>
Grand totals	<u>\$ 44,203,718</u>	<u>\$ 44,203,718</u>

13. STABILIZATION ARRANGEMENTS

The committed and assigned fund balances of the governmental funds are shown on the fund financial statements. The following table presents the City's stabilization reserves included in the proprietary fund financial statements at June 30, 2019:

Water Utility Fund:	
Working capital policy reserve	\$ 6,975,264
Rate stabilization	2,134,805
Debt stabilization	5,161,644
System asset maintenance	8,893,673
Capital equipment replacement	<u>1,066,924</u>
	<u>24,232,310</u>
Wastewater Utility Fund:	
Working capital policy reserve	2,928,953
Rate stabilization	1,066,748
Debt stabilization	2,124,896
System asset maintenance	8,519,459
Capital equipment replacement	<u>880,932</u>
	<u>15,520,988</u>
Solid Waste Utility Fund:	
Working capital policy reserve	2,559,923
Capital equipment replacement	<u>1,555,108</u>
	<u>4,115,031</u>
Stadium Fund:	
Capital equipment replacement	<u>431,292</u>
Total enterprise funds	<u>\$ 44,299,621</u>
Internal Service Funds:	
Capital equipment replacement	\$ 12,087,041
Risk management purpose	<u>5,617,328</u>
Total internal service funds	<u>\$ 17,704,369</u>

14. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

15. SUBSEQUENT EVENTS

On September 5, 2019, the Vistancia West Community Facilities District issued \$2,590,000 of General Obligation Bonds, Series 2019.

On September 13, 2019, the City entered into a loan agreement with the Arizona Water Infrastructure Finance Authority for \$6,288,130. The loan will be used for the Section 12 local drainage improvements and carries an overall interest rate of 1.602% and will be repaid using ad valorem property tax collections of the City.





**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, 2019**

ASRS-Pension

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability	0.546250%	0.571460%	0.542460%	0.526670%	0.520455%
Proportionate share of the net pension liability	\$ 76,182,651	\$ 89,022,329	\$ 87,558,493	\$ 82,036,552	\$ 77,009,675
Covered payroll	\$ 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	140.19%	166.65%	172.29%	172.49%	166.45%
Plan fiduciary net position as a percentage of the total pension liability	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)	
	2019 (2018)	2018 (2017)
Proportion of the net OPEB (asset)	0.554120%	0.577940%
Proportionate share of the net OPEB (asset)	\$ (199,533)	\$ (314,630)
Covered payroll	\$ 54,343,055	\$ 53,419,833
Proportionate share of the net OPEB (asset) as a percentage of its employee payroll	-0.37%	-0.59%
Plan fiduciary net position as a percentage of the total OPEB liability	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)	
	2019 (2018)	2018 (2017)
Proportion of the net OPEB liability	0.550920%	0.569260%
Proportionate share of the net OPEB liability	\$ 287,858	\$ 206,344
Covered payroll	\$ 54,343,055	\$ 53,419,833
Proportionate share of the net OPEB liability as a percentage of its employee payroll	0.53%	0.39%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

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

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
AGENT PLANS
JUNE 30, 2019**

Public Safety Personnel Retirement System

**Reporting Fiscal Year
(Measurement Date)**

	<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	\$ 3,437,849	\$ 3,497,564	\$ 2,658,484	\$ 2,557,053	\$ 2,556,976
Interest on the total pension liability	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	(1,331,798)	5,141,159	(1,372,059)	341,776	(672,105)
Changes of assumptions or other inputs	-	2,469,996	4,270,128	-	8,103,978
Benefit payments, including refunds of employee contributions	<u>(5,739,761)</u>	<u>(5,213,832)</u>	<u>(5,716,802)</u>	<u>(4,791,028)</u>	<u>(4,300,112)</u>
Net change in total pension liability	5,561,928	15,121,713	13,859,464	5,183,382	12,991,925
Total pension liability - beginning	125,416,338	110,294,625	96,435,161	91,251,779	78,259,854
Total pension liability - ending (a)	<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	\$ 6,622,615	\$ 5,122,411	\$ 4,729,872	\$ 3,254,563	\$ 2,907,800
Contributions - employee	1,379,152	2,723,948	1,732,502	1,689,030	1,491,406
Net investment income	4,232,822	6,734,348	320,234	1,821,818	5,954,387
Benefit payments, including refunds of employee contributions	(5,739,761)	(5,213,832)	(5,716,802)	(4,791,028)	(4,300,112)
Hall/Parker Settlement	(2,283,693)	-	-	-	-
Administrative expense	(65,122)	(59,988)	(46,480)	(44,835)	-
Other changes	<u>40,695</u>	<u>(21,848)</u>	<u>37,100</u>	<u>(56,762)</u>	<u>(1,313,936)</u>
Net change in plan fiduciary net position	4,186,708	9,285,039	1,056,426	1,872,786	4,739,545
Plan fiduciary net position - beginning	62,148,414	52,863,375	51,806,949	49,934,163	45,194,618
Plan fiduciary net position - ending (b)	<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)	64,643,144	63,267,924	57,431,250	44,628,212	41,317,616
Plan fiduciary net position as a percentage of the total pension liability	50.65%	49.55%	47.93%	53.72%	54.72%
Covered payroll	\$ 16,153,506	\$ 15,387,963	\$ 13,992,947	\$ 13,449,859	\$ 13,035,510
Net pension liability as a percentage of covered payroll	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.

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
AGENT PLANS
JUNE 30, 2019**

Public Safety Personnel Retirement System

**Reporting Fiscal Year
(Measurement Date)**

	<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	\$ 3,070,924	\$ 3,111,892	\$ 2,379,652	\$ 2,056,517	\$ 2,013,025
Interest on the total pension liability	7,066,051	6,395,230	5,434,649	4,952,998	4,197,224
Changes in benefit terms	-	466,111	6,700,272	-	453,523
Differences between expected and actual experience in the measurement of the pension liability	(1,450,577)	1,834,916	86,478	809,490	660,641
Changes of assumptions or other inputs	-	1,708,934	3,273,059	-	3,815,327
Benefit payments, including refunds of employee contributions	(3,894,840)	(2,663,473)	(1,739,905)	(1,949,881)	(1,117,704)
Net change in total pension liability	4,791,558	10,853,610	16,134,205	5,869,124	10,022,036
Total pension liability - beginning	95,899,139	85,045,529	68,911,324	63,042,200	53,020,164
Total pension liability - ending (a)	<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	\$ 4,749,672	\$ 3,596,394	\$ 3,162,518	\$ 1,866,365	\$ 1,885,422
Contributions - employee	1,439,943	1,593,634	1,375,202	1,238,541	1,168,186
Net investment income	4,205,458	6,425,067	298,901	1,710,692	5,369,649
Benefit payments, including refunds of employee contributions	(3,894,840)	(2,663,473)	(1,739,905)	(1,949,881)	(1,117,704)
Hall/Parker Settlement	(1,926,795)	-	-	-	-
Administrative expense	(64,663)	(57,251)	(43,410)	(42,126)	-
Other changes	44,976	671	87,273	(35,356)	(1,063,021)
Net change in plan fiduciary net position	4,553,751	8,895,042	3,140,579	2,788,235	6,242,532
Plan fiduciary net position - beginning	60,838,547	51,943,505	48,802,926	46,014,691	39,772,159
Plan fiduciary net position - ending (b)	<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)	35,298,399	35,060,592	33,102,024	20,108,398	17,027,509
Plan fiduciary net position as a percentage of the total pension liability	64.94%	63.44%	61.08%	70.82%	72.99%
Covered payroll	\$ 12,085,624	\$ 11,543,146	\$ 11,796,929	\$ 11,068,029	\$ 10,934,868
Net pension liability as a percentage of covered payroll	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.

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AGENT PLANS
JUNE 30, 2019**

Public Safety Personnel Retirement System	Reporting Fiscal Year	
	(Measurement Date)	
	2019 (2018)	2018 (2017)
Peoria Police Department		
Total OPEB liability		
Service cost	\$ 45,757	\$ 50,779
Interest on the total OPEB liability	164,184	167,590
Changes in benefit terms	-	6,476
Differences between expected and actual experience in the measurement of the OPEB liability	(103,677)	19,591
Changes of assumptions or other inputs	-	(159,009)
Benefit payments, including refunds of employee contributions	(86,192)	(111,290)
Net change in total OPEB liability	20,072	(25,863)
Total OPEB liability - beginning	2,238,925	2,264,788
Total OPEB liability - ending (a)	<u>\$ 2,258,997</u>	<u>\$ 2,238,925</u>
Plan fiduciary net position		
Contributions - employer	\$ 31,038	\$ 66,083
Contributions - employee	-	-
Net investment income	134,052	208,162
Benefit payments, including refunds of employee contributions	(86,192)	(111,290)
Administrative expense	(2,040)	(1,842)
Other changes	(1)	-
Net change in plan fiduciary net position	76,857	161,113
Plan fiduciary net position - beginning	1,950,259	1,789,146
Plan fiduciary net position - ending (b)	<u>\$ 2,027,116</u>	<u>\$ 1,950,259</u>
Net OPEB liability - ending (a)-(b)	231,881	288,666
Plan fiduciary net position as a percentage of the total OPEB liability	89.74%	87.11%
Covered payroll	\$ 16,153,506	\$ 15,387,963
Net OPEB liability as a percentage of covered payroll	1.44%	1.88%

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

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AGENT PLANS
JUNE 30, 2019**

Public Safety Personnel Retirement System	Reporting Fiscal Year (Measurement Date)	
	2019 (2018)	2018 (2017)
Peoria Fire Department		
Total OPEB liability		
Service cost	\$ 35,268	\$ 39,357
Interest on the total OPEB liability	128,515	119,494
Changes in benefit terms	-	5,572
Differences between expected and actual experience in the measurement of the OPEB liability	(49,429)	175,598
Changes of assumptions or other inputs	-	(140,066)
Benefit payments, including refunds of employee contributions	(42,867)	(66,108)
Net change in total OPEB liability	71,487	133,847
Total OPEB liability - beginning	1,740,482	1,606,635
Total OPEB liability - ending (a)	<u>\$ 1,811,969</u>	<u>\$ 1,740,482</u>
Plan fiduciary net position		
Contributions - employer	\$ 19,805	\$ 31,072
Contributions - employee	-	-
Net investment income	115,059	176,536
Benefit payments, including refunds of employee contributions	(42,867)	(66,108)
Administrative expense	(1,751)	(1,563)
Other changes	-	-
Net change in plan fiduciary net position	90,246	139,937
Plan fiduciary net position - beginning	1,660,580	1,520,643
Plan fiduciary net position - ending (b)	<u>\$ 1,750,826</u>	<u>\$ 1,660,580</u>
Net OPEB liability - ending (a)-(b)	61,143	79,902
Plan fiduciary net position as a percentage of the total OPEB liability	96.63%	95.41%
Covered payroll	\$ 12,085,624	\$ 11,543,146
Net OPEB liability/(asset) as a percentage of covered payroll	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.

**CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION/OPEB CONTRIBUTIONS
JUNE 30, 2019**

	Reporting Fiscal Year					
	2019	2018	2017	2016	2015	2014
Arizona State Retirement System - Pension						
Statutorily required contributor	\$ 6,307,495	\$ 5,923,393	\$ 5,758,658	\$ 5,513,977	\$ 5,458,945	\$ 5,019,946
Actual contributions in relation to the statutorily required contribution	<u>6,307,495</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>
Covered payroll	\$ 56,417,665	\$ 54,343,055	\$ 53,419,833	\$ 50,820,065	\$ 47,561,194	\$ 46,266,286
Actual contribution as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	11.48%	10.85%
Arizona State Retirement System - Health Insurance						
Statutorily required contributor	\$ 259,521	\$ 239,109				
Actual contributions in relation to the statutorily required contribution	<u>259,521</u>	<u>239,109</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	\$ 56,417,665	\$ 54,343,055				
Actual contribution as a percentage of covered payroll	0.46%	0.44%				
Arizona State Retirement System - Long-term disability						
Statutorily required contributor	\$ 90,268	\$ 86,949				
Actual contributions in relation to the statutorily required contribution	<u>90,268</u>	<u>86,949</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	\$ 56,417,665	\$ 54,343,055				
Actual contribution as a percentage of covered payroll	0.16%	0.16%				
Public Safety Personnel Retirement System - Pension						
Peoria Police Department						
Statutorily required contributor	\$ 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>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>\$ -</u>	<u>\$ 2,283,693</u>	<u>\$ -</u>	<u>\$ (290,167)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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	44.01%	41.07%	32.75%	33.56%	24.06%	22.31%
Peoria Fire Department						
Statutorily required contributor	\$ 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>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>\$ -</u>	<u>\$ 1,926,795</u>	<u>\$ (265,483)</u>	<u>\$ (179,418)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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	34.11%	31.40%	25.79%	23.29%	16.64%	17.24%
Public Safety Personnel Retirement System - OPEB						
Peoria Police Department						
Statutorily required contributor	\$ 65,900	\$ 79,152				
Actual contributions in relation to the statutorily required contribution	<u>65,900</u>	<u>79,152</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	\$ 16,897,694	\$ 16,153,506				
Actual contribution as a percentage of covered payroll	0.39%	0.49%				
Peoria Fire Department						
Statutorily required contributor	\$ 38,702	\$ 35,048				
Actual contributions in relation to the statutorily required contribution	<u>38,702</u>	<u>35,048</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	\$ 13,822,178	\$ 12,085,624				
Actual contribution as a percentage of covered payroll	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, 2019**

Note 1 – Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age method
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	20 years, if the actuarial value of assets exceeded the actuarial accrued liability, the excess was amortized over an open period of 20 years and applied as a credit to reduce the normal cost which otherwise would be payable.
Asset valuation method	7-year smoothed market; 20% corridor
Actuarial assumptions: Investment rate of return	7.5%, net of investments and administrative expenses
Projected salary increases	4.0%-8.0% including inflation
Wage growth	4.0%-8.0%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 to June 30, 2011
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)



A vibrant desert landscape at sunset. The sun is low on the horizon, casting a golden glow over a mountain peak and a field of cacti. The sky is filled with dramatic, colorful clouds. In the foreground, several green cholla cacti are visible. A blue rounded rectangle is overlaid on the bottom center of the image, containing white text.

**Combining
Statements
& Budgetary
Schedules**

Combining Fund Financial Statements and Budgetary Schedules

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

	Page
Major Governmental Funds Other than General Fund & Special Revenue Funds	
Budgetary Comparison Schedules	
General Obligation Bonds Debt Service Fund	93
Non-Major Governmental Funds	
Combining Statements	
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	98
Budgetary Comparison Schedules	
Public Transit Fund	100
Other Grants Fund	101
Municipal Development Authority (MDA) Debt, Debt Service Fund	102
Community Facilities District (CFD) Bonds Debt Service Fund	103
Non-Bond Debt Service Fund	104
Community Facilities District (CFD) Bonds Capital Projects Fund	105
General Obligation Bonds Capital Projects Fund	106
Non-Bond Capital Projects Fund	107
Internal Service Funds	
Combining Statements	
Combining Statement of Net Position	108
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	109
Combining Statement of Cash Flows	110
Fiduciary Funds	
Combining Statement of Fiduciary Net Position – Agency Funds	113
Combining Statement of Changes in Assets and Liabilities – Agency Funds	114

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.

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 16,803,075	\$ 16,803,075	\$ 16,814,554	\$ 11,479
Investment earnings	67,095	67,095	317,414	250,319
Total revenues	<u>16,870,170</u>	<u>16,870,170</u>	<u>17,131,968</u>	<u>261,798</u>
EXPENDITURES:				
Current:				
General Government	-	-	3,200	3,200
Debt service:				
Principal payments	11,295,000	11,295,000	11,295,000	-
Interest and other charges	5,764,516	5,764,516	4,625,763	(1,138,753)
Total expenditures	<u>17,059,516</u>	<u>17,059,516</u>	<u>15,923,963</u>	<u>(1,135,553)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(189,346)</u>	<u>(189,346)</u>	<u>1,208,005</u>	<u>1,397,351</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(500,000)	(395,000)	-	395,000
Total other financing sources and uses	<u>(500,000)</u>	<u>(395,000)</u>	<u>-</u>	<u>395,000</u>
Net change in fund balances	(689,346)	(584,346)	1,208,005	1,792,351
Fund balances - beginning	14,987,765	14,987,765	15,887,194	899,429
Fund balances - ending	<u>\$ 14,298,419</u>	<u>\$ 14,403,419</u>	<u>\$ 17,095,199</u>	<u>\$ 2,691,780</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.

Debt Service Funds

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

Municipal Development Authority (MDA) Bonds Debt Service Fund

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

Community Facilities District (CFD) Bonds Debt Service Fund

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

Non-Bond Debt Service Fund

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

Capital Projects Funds

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

Community Facilities District (CFD) Bonds Capital Projects Fund

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

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.

Non-Bond Capital Projects Fund

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

**CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		
	<u>Public Transit Fund</u>	<u>Other Grants Fund</u>	<u>Municipal Development Authority Debt</u>	<u>CFD Bonds</u>	<u>Non-Bond</u>
ASSETS					
Pooled cash and investments	\$ 881,183	\$ 3,785,546	\$ 5,271,757	\$ 96,703	\$ 289,075
Accounts receivable, net	-	-	-	-	-
Interest receivable	9,814	12,000	25,006	4,535	5,787
Due from other governments	85,558	310,706	-	31,268	-
Restricted pooled cash and investments	-	-	-	-	-
Restricted cash with fiscal agents	-	736,649	2,643,455	3,928,571	-
Restricted investments	-	-	-	-	-
Total assets	<u>\$ 976,555</u>	<u>\$ 4,844,901</u>	<u>\$ 7,940,218</u>	<u>\$ 4,061,077</u>	<u>\$ 294,862</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts payable	\$ 275,647	\$ 96,430	\$ -	\$ -	\$ -
Accrued payroll	4,197	5,957	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Unearned revenue-other	-	1,143	-	-	-
Total liabilities	<u>279,844</u>	<u>103,530</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted for:					
Debt service	-	-	7,940,218	4,061,077	294,862
Capital projects	-	-	-	-	-
Grant purposes	696,711	1,902,762	-	-	-
Committed for:					
Arts capital	-	2,838,609	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Total fund balance	<u>696,711</u>	<u>4,741,371</u>	<u>7,940,218</u>	<u>4,061,077</u>	<u>294,862</u>
Total liabilities & fund balance	<u>\$ 976,555</u>	<u>\$ 4,844,901</u>	<u>\$ 7,940,218</u>	<u>\$ 4,061,077</u>	<u>\$ 294,862</u>

(continued)

**CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Capital Project Funds</u>			Total Non-Major Governmental Funds
	CFD Bonds	GO Bond Capital Projects Fund	Non-Bond	
ASSETS				
Pooled cash and investments	\$ -	\$ 30,531,390	\$ 16,149,926	\$ 57,005,580
Accounts receivable, net	-	-	14,335	14,335
Interest receivable	-	20	60,375	117,537
Due from other governments	-	-	491,517	919,049
Restricted pooled cash and investments	-	-	-	-
Restricted cash with fiscal agents	-	-	2,789,847	10,098,522
Restricted investments	-	26,244	-	26,244
Total assets	<u>\$ -</u>	<u>\$ 30,557,654</u>	<u>\$ 19,506,000</u>	<u>\$ 68,181,267</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 416,553	\$ 91,430	\$ 880,060
Accrued payroll	-	-	-	10,154
Due to other funds	-	-	-	-
Other liabilities	-	-	346,373	346,373
Unearned revenue-other	-	-	2,850,953	2,852,096
Total liabilities	<u>-</u>	<u>416,553</u>	<u>3,288,756</u>	<u>4,088,683</u>
Fund balances:				
Restricted for:				
Debt service	-	-	-	12,296,157
Capital projects	-	30,141,101	-	30,141,101
Grant purposes	-	-	-	2,599,473
Committed for:				
Arts capital	-	-	-	2,838,609
Assigned to:				
Capital projects	-	-	16,217,244	16,217,244
Total fund balance	<u>-</u>	<u>30,141,101</u>	<u>16,217,244</u>	<u>64,092,584</u>
Total liabilities & fund balance	<u>\$ -</u>	<u>\$ 30,557,654</u>	<u>\$ 19,506,000</u>	<u>\$ 68,181,267</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, 2019

	Special Revenue Funds			Debt Service Funds		
	Public Transit Fund	Half-Cent Sales Tax Fund	Other Grants Fund	Municipal Development Authority Debt	CFD Bonds	Non-Bond
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,598,953	\$ -
Intergovernmental	674,316	-	3,112,554	-	-	-
Charges for service	46,070	-	490,532	-	-	-
Fines and forfeitures	-	-	149,064	-	-	-
Investment earnings	60,740	-	93,302	155,234	28,070	35,817
Miscellaneous	240,600	-	238,673	-	991,679	207,472
Total revenues	<u>1,021,726</u>	<u>-</u>	<u>4,084,125</u>	<u>155,234</u>	<u>4,618,702</u>	<u>243,289</u>
EXPENDITURES:						
Current:						
General government	-	-	367,910	-	27,919	-
Culture and recreation	-	-	881,488	-	-	-
Public safety	-	-	1,104,291	-	-	-
Development services	-	-	273,615	-	-	-
Highways and streets	-	-	-	-	-	-
Public works	-	-	8,681	-	-	-
Human services	4,003,725	-	17,056	-	-	-
Debt service:						
Principal payments	-	-	-	1,990,000	2,985,000	3,412,461
Interest and other charges	-	-	-	1,175,676	1,608,413	906,169
Capital outlay	1,020,646	-	819,802	-	-	-
Total expenditures	<u>5,024,371</u>	<u>-</u>	<u>3,472,843</u>	<u>3,165,676</u>	<u>4,621,332</u>	<u>4,318,630</u>
Excess (deficiency) of revenues over expenditures	<u>(4,002,645)</u>	<u>-</u>	<u>611,282</u>	<u>(3,010,442)</u>	<u>(2,630)</u>	<u>(4,075,341)</u>
OTHER FINANCING SOURCES (USES):						
Issuance of debt	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Transfers in	3,325,000	-	-	3,166,176	106	4,358,232
Transfers out	(2,298)	(21,353,110)	(218,556)	-	-	-
Total other financing sources and uses	<u>3,322,702</u>	<u>(21,353,110)</u>	<u>(218,556)</u>	<u>3,166,176</u>	<u>106</u>	<u>4,358,232</u>
Net change in fund balances	(679,943)	(21,353,110)	392,726	155,734	(2,524)	282,891
Fund balances - beginning	1,376,654	21,353,110	4,348,645	7,784,484	4,063,601	11,971
Fund balances - ending	<u>\$ 696,711</u>	<u>\$ -</u>	<u>\$ 4,741,371</u>	<u>\$ 7,940,218</u>	<u>\$ 4,061,077</u>	<u>\$ 294,862</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, 2019

	Capital Project Funds			Total Non-Major Governmental Funds
	CFD Bonds	GO Bond Capital Projects Fund	Non-Bond	
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 3,598,953
Intergovernmental	-	-	937,428	4,724,298
Charges for service	-	-	-	536,602
Fines and forfeitures	-	-	-	149,064
Investment earnings	106	48,314	373,676	795,259
Miscellaneous	-	-	14,335	1,692,759
Total revenues	<u>106</u>	<u>48,314</u>	<u>1,325,439</u>	<u>11,496,935</u>
EXPENDITURES:				
Current:				
General government	-	-	15,575	411,404
Culture and recreation	-	-	-	881,488
Public safety	-	-	-	1,104,291
Development services	-	-	-	273,615
Highways and streets	-	1,357,604	1,000,130	2,357,734
Public works	-	-	-	8,681
Human services	-	-	-	4,020,781
Debt service:				
Principal payments	-	-	2,340,000	10,727,461
Interest and other charges	-	411,693	48,620	4,150,571
Capital outlay	-	4,520,338	2,848,429	9,209,215
Total expenditures	<u>-</u>	<u>6,289,635</u>	<u>6,252,754</u>	<u>33,145,241</u>
Excess (deficiency) of revenues over expenditures	<u>106</u>	<u>(6,241,321)</u>	<u>(4,927,315)</u>	<u>(21,648,306)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	30,420,000	-	30,420,000
Premium on bonds issued	-	3,146,339	-	3,146,339
Transfers in	-	-	-	10,849,514
Transfers out	(106)	-	-	(21,574,070)
Total other financing sources and uses	<u>(106)</u>	<u>33,566,339</u>	<u>-</u>	<u>22,841,783</u>
Net change in fund balances	-	27,325,018	(4,927,315)	1,193,477
Fund balances - beginning	-	2,816,083	21,144,559	62,899,107
Fund balances - ending	<u>\$ -</u>	<u>\$ 30,141,101</u>	<u>\$ 16,217,244</u>	<u>\$ 64,092,584</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
PUBLIC TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Intergovernmental	\$ 466,725	\$ 466,725	\$ 674,316	\$ 207,591
Charges for services	241,000	241,000	46,070	(194,930)
Investment earnings	10,000	10,000	60,740	50,740
Miscellaneous	20,000	20,000	240,600	220,600
Total inflows	<u>737,725</u>	<u>737,725</u>	<u>1,021,726</u>	<u>284,001</u>
EXPENDITURES:				
Current:				
Human services	4,937,253	4,083,547	4,003,725	(79,822)
Capital outlay	78,500	1,409,466	1,020,646	(388,820)
Total expenditures	<u>5,015,753</u>	<u>5,493,013</u>	<u>5,024,371</u>	<u>(468,642)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,278,028)</u>	<u>(4,755,288)</u>	<u>(4,002,645)</u>	<u>752,643</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(50,000)	(50,000)	-	50,000
Transfers in	3,325,000	3,325,000	3,325,000	-
Transfers out	(2,298)	(2,298)	(2,298)	-
Total other financing sources and uses	<u>3,272,702</u>	<u>3,272,702</u>	<u>3,322,702</u>	<u>50,000</u>
Net change in fund balances	(1,005,326)	(1,482,586)	(679,943)	802,643
Fund balances - beginning	1,073,599	1,073,599	1,376,654	303,055
Fund balances - ending	<u>\$ 68,273</u>	<u>\$ (408,987)</u>	<u>\$ 696,711</u>	<u>\$ 1,105,698</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Intergovernmental	\$ 6,421,839	\$ 6,848,951	\$ 3,112,554	\$ (3,736,397)
Charges for services	500,000	500,000	490,532	(9,468)
Fines and forfeitures	80,000	80,000	149,064	69,064
Investment earnings	46,000	46,000	93,302	47,302
Miscellaneous	18,900	18,900	238,673	219,773
Total revenues	<u>7,066,739</u>	<u>7,493,851</u>	<u>4,084,125</u>	<u>(3,409,726)</u>
EXPENDITURES:				
Current:				
General government	318,139	871,633	367,910	(503,723)
Culture and recreation	870,243	973,993	881,488	(92,505)
Public safety	530,397	1,599,848	1,104,291	(495,557)
Development services	1,210,664	1,225,651	273,615	(952,036)
Public works	-	-	8,681	8,681
Human Services	349,993	369,738	17,056	(352,682)
Capital outlay	1,933,780	1,729,207	819,802	(909,405)
Total expenditures	<u>5,213,216</u>	<u>6,770,070</u>	<u>3,472,844</u>	<u>(3,297,227)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,853,523</u>	<u>723,781</u>	<u>611,282</u>	<u>(112,499)</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(3,200,000)	(1,273,088)	-	1,273,088
Transfers out	(218,556)	(218,556)	(218,556)	-
Total other financing sources and uses	<u>(3,418,556)</u>	<u>(1,491,644)</u>	<u>(218,556)</u>	<u>1,273,088</u>
Net change in fund balances	(1,565,033)	(767,863)	392,726	1,160,589
Fund balances - beginning	4,135,408	4,135,408	4,348,645	213,237
Fund balances - ending	<u>\$ 2,570,375</u>	<u>\$ 3,367,545</u>	<u>\$ 4,741,371</u>	<u>\$ 1,373,826</u>

**CITY OF PEORIA, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 MUNICIPAL DEVELOPMENT AUTHORITY (MDA) DEBT, DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over Under
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Investment earnings	\$ 30,000	\$ 30,000	\$ 155,234	\$ 125,234
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>155,234</u>	<u>125,234</u>
EXPENDITURES:				
Debt service:				
Principal payments	1,990,000	1,990,000	1,990,000	-
Interest and other charges	1,894,551	1,894,551	1,175,676	(718,875)
Total expenditures	<u>3,884,551</u>	<u>3,884,551</u>	<u>3,165,676</u>	<u>(718,875)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,854,551)</u>	<u>(3,854,551)</u>	<u>(3,010,442)</u>	<u>844,109</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(200,000)	(200,000)	-	200,000
Transfers in	3,166,176	3,166,176	3,166,176	-
Total other financing sources and uses	<u>2,966,176</u>	<u>2,966,176</u>	<u>3,166,176</u>	<u>200,000</u>
Net change in fund balances	(888,375)	(888,375)	155,734	1,044,109
Fund balances - beginning	7,115,363	7,115,363	7,784,484	669,121
Fund balances - ending	<u>\$ 6,226,988</u>	<u>\$ 6,226,988</u>	<u>\$ 7,940,218</u>	<u>\$ 1,713,230</u>

**CITY OF PEORIA, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 3,561,492	\$ 3,561,492	\$ 3,598,953	\$ 37,461
Investment earnings	-	-	28,070	28,070
Miscellaneous	1,693,921	1,693,921	991,679	(702,242)
Total revenues	<u>5,255,413</u>	<u>5,255,413</u>	<u>4,618,702</u>	<u>(636,711)</u>
EXPENDITURES:				
Current:				
General government	570,000	570,000	27,919	(542,081)
Debt service:				
Principal payments	3,085,000	3,085,000	2,985,000	(100,000)
Interest and other charges	1,595,413	1,595,413	1,608,413	13,000
Total expenditures	<u>5,250,413</u>	<u>5,250,413</u>	<u>4,621,332</u>	<u>(629,081)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,000</u>	<u>5,000</u>	<u>(2,630)</u>	<u>(7,630)</u>
OTHER FINANCING SOURCES (USES):				
Contingencies	(5,000)	(5,000)	-	5,000
Transfers in	-	-	106	106
Total other financing sources and uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>106</u>	<u>5,106</u>
Net change in fund balances	-	-	(2,524)	(2,524)
Fund balances - beginning	-	-	4,063,601	4,063,601
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,061,077</u>	<u>\$ 4,061,077</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 35,817	\$ 35,817
Miscellaneous	226,590	226,590	207,472	(19,118)
Total revenues	<u>226,590</u>	<u>226,590</u>	<u>243,289</u>	<u>16,699</u>
EXPENDITURES:				
Current:				
General government	45,000	45,000	-	(45,000)
Debt service:				
Principal payments	3,412,957	3,412,957	3,412,461	(496)
Interest and other charges	901,169	905,469	906,169	700
Total expenditures	<u>4,359,126</u>	<u>4,363,426</u>	<u>4,318,630</u>	<u>(44,796)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,132,536)</u>	<u>(4,136,836)</u>	<u>(4,075,341)</u>	<u>61,495</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,358,232	4,358,232	4,358,232	-
Total other financing sources and uses	<u>4,358,232</u>	<u>4,358,232</u>	<u>4,358,232</u>	<u>-</u>
Net change in fund balances	225,696	221,396	282,891	61,495
Fund balances - beginning	-	-	11,971	11,971
Fund balances - ending	<u>\$ 225,696</u>	<u>\$ 221,396</u>	<u>\$ 294,862</u>	<u>\$ 73,466</u>

**CITY OF PEORIA, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY FACILITIES DISTRICT (CFD) BONDS CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over Over (Under)
	Original	Final	(budgetary basis)	(Under)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 106	\$ 106
Total revenues	<u>-</u>	<u>-</u>	<u>106</u>	<u>106</u>
EXPENDITURES:				
Current:				
Debt service:				
Interest and other charges	400,000	400,000	-	(400,000)
Capital outlay	<u>2,726,000</u>	<u>2,726,000</u>	<u>-</u>	<u>(2,726,000)</u>
Total expenditures	<u>3,126,000</u>	<u>3,126,000</u>	<u>-</u>	<u>(3,126,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,126,000)</u>	<u>(3,126,000)</u>	<u>106</u>	<u>3,126,106</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	3,126,000	3,126,000	-	(3,126,000)
Transfers out	-	-	(106)	(106)
Total other financing sources and uses	<u>3,126,000</u>	<u>3,126,000</u>	<u>(106)</u>	<u>(3,126,106)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION (GO) BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
REVENUES:				
Investment earnings	\$ 27,150	\$ 27,150	\$ 48,314	\$ 21,164
Total revenues	<u>27,150</u>	<u>27,150</u>	<u>48,314</u>	<u>21,164</u>
EXPENDITURES:				
Current:				
Highways and streets	1,415,977	724,801	1,357,604	632,803
Debt service:				
Interest and other charges	-	-	411,693	411,693
Capital outlay	44,890,179	37,004,525	4,520,338	(32,484,187)
Total expenditures	<u>46,306,156</u>	<u>37,729,326</u>	<u>6,289,635</u>	<u>(31,439,691)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,279,006)</u>	<u>(37,702,176)</u>	<u>(6,241,322)</u>	<u>31,460,854</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	44,092,223	44,092,223	30,420,000	(13,672,223)
Discount on bonds issued	-	-	3,146,339	3,146,339
Total other financing sources and uses	<u>44,092,223</u>	<u>44,092,223</u>	<u>33,566,339</u>	<u>(10,525,884)</u>
Net change in fund balances	(2,186,783)	6,390,047	27,325,018	20,934,971
Fund balances - beginning	3,402,663	3,402,663	2,816,083	(586,580)
Fund balances - ending	<u>\$ 1,215,880</u>	<u>\$ 9,792,710</u>	<u>\$ 30,141,101</u>	<u>\$ 20,348,391</u>

**CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>(Under)</u>
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ 937,428	\$ 937,428
Investment earnings	91,000	91,000	373,676	282,676
Miscellaneous	16,848,530	16,848,530	14,335	(16,834,195)
Total revenues	<u>16,939,530</u>	<u>16,939,530</u>	<u>1,325,439</u>	<u>(15,614,091)</u>
EXPENDITURES:				
Current:				
General government	-	-	15,575	15,575
Highways and streets	163,538	167,324	1,000,130	832,806
Debt service:				
Principal payments	-	-	2,340,000	2,340,000
Interest and other charges	-	-	48,620	48,620
Capital outlay	33,985,511	35,753,635	2,848,429	(32,905,206)
Total expenditures	<u>34,149,049</u>	<u>35,920,959</u>	<u>6,252,754</u>	<u>(29,668,205)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,209,519)</u>	<u>(18,981,429)</u>	<u>(4,927,315)</u>	<u>14,054,114</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	942,962	942,962	-	(942,962)
Contingencies	(500,000)	(335,000)	-	335,000
Total other financing sources and uses	<u>442,962</u>	<u>607,962</u>	<u>-</u>	<u>(607,962)</u>
Net change in fund balances	(16,766,557)	(18,373,467)	(4,927,315)	13,446,152
Fund balances - beginning	19,989,053	19,989,053	21,144,559	1,155,506
Fund balances - ending	<u>\$ 3,222,496</u>	<u>\$ 1,615,586</u>	<u>\$ 16,217,244</u>	<u>\$ 14,601,658</u>

INTERNAL SERVICE FUNDS

Motor Pool Fund

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

Self-Insurance Fund

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

Facilities Maintenance Fund

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

Information Technology Fund

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

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Pooled cash and investments	\$ 10,307,862	\$ 7,086,546	\$ 60,215	\$ 5,035,198	\$ 22,489,821
Restricted pooled cash and investments	-	7,553,313	-	-	7,553,313
Accounts receivable, net	24,310	27,771	-	6,183	58,264
Interest receivable	31,047	112,257	730	14,120	158,154
Prepaid items	-	65,200	-	-	65,200
Supplies inventory	199,994	-	-	-	199,994
Total current assets	<u>10,563,213</u>	<u>14,845,087</u>	<u>60,945</u>	<u>5,055,501</u>	<u>30,524,746</u>
Non-current assets:					
Restricted assets:					
Investments	-	8,532,811	-	-	8,532,811
Total restricted assets	<u>-</u>	<u>8,532,811</u>	<u>-</u>	<u>-</u>	<u>8,532,811</u>
Capital assets:					
Buildings and improvements	-	-	-	148,102	148,102
Equipment & furniture	598,089	-	-	38,196,220	38,794,309
Vehicles	30,288,981	-	-	-	30,288,981
Less accumulated depreciation	(18,156,197)	-	-	(35,383,792)	(53,539,989)
Construction in progress	575,829	-	-	-	575,829
Total capital assets, net	<u>13,306,702</u>	<u>-</u>	<u>-</u>	<u>2,960,530</u>	<u>16,267,232</u>
Net other postemployment benefits asset	2,516	-	7,161	11,753	21,430
Total assets	<u>23,872,431</u>	<u>23,377,898</u>	<u>68,106</u>	<u>8,027,784</u>	<u>55,346,219</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	165,867	-	472,036	774,766	1,412,669
Total deferred outflows of resources	<u>165,867</u>	<u>-</u>	<u>472,036</u>	<u>774,766</u>	<u>1,412,669</u>
LIABILITIES					
Current liabilities:					
Accounts payable	116,356	1,640,521	36,982	260,778	2,054,637
Accrued payroll	9,816	997	19,435	32,809	63,057
Current portion of claims payable	-	5,928,320	-	-	5,928,320
Current portion of compensated absences	67,470	17,680	223,260	345,910	654,320
Total current liabilities	<u>193,642</u>	<u>7,587,518</u>	<u>279,677</u>	<u>639,497</u>	<u>8,700,334</u>
Non-current liabilities:					
Long-term portion of claims payable	-	2,101,664	-	-	2,101,664
Compensated absences	60,410	15,910	225,950	233,620	535,890
Net pension and other postemployment benefits liability	964,306	-	2,744,309	4,504,313	8,212,928
Total non-current liabilities	<u>1,024,716</u>	<u>2,117,574</u>	<u>2,970,259</u>	<u>4,737,933</u>	<u>10,850,482</u>
Total liabilities	<u>1,218,358</u>	<u>9,705,092</u>	<u>3,249,936</u>	<u>5,377,430</u>	<u>19,550,816</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	154,781	-	440,492	722,992	1,318,265
Total deferred inflows of resources	<u>154,781</u>	<u>-</u>	<u>440,492</u>	<u>722,992</u>	<u>1,318,265</u>
NET POSITION					
Net investment in capital assets	13,306,702	-	-	2,960,530	16,267,232
Restricted - trust purpose	-	8,055,478	-	-	8,055,478
Unrestricted	9,358,457	5,617,328	(3,150,286)	(258,402)	11,567,097
Total net position	<u>\$ 22,665,159</u>	<u>\$ 13,672,806</u>	<u>\$ (3,150,286)</u>	<u>\$ 2,702,128</u>	<u>\$ 35,889,807</u>

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Motor Pool Fund</u>	<u>Self- Insurance Fund</u>	<u>Facilities Maintenance Fund</u>	<u>Information Technology Fund</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 7,578,297	\$ 22,863,700	\$ 6,105,741	\$ 10,107,682	\$ 46,655,420
Miscellaneous	36,064	1,434,006	-	21,386	1,491,456
Total operating revenues	<u>7,614,361</u>	<u>24,297,706</u>	<u>6,105,741</u>	<u>10,129,068</u>	<u>48,146,876</u>
OPERATING EXPENSES					
Salaries, wages and employee benefits	991,329	276,607	2,657,372	3,974,967	7,900,275
Contractual services, materials and supplies	4,278,743	977,146	3,353,426	5,919,544	14,528,859
Insurance claims and expenses	-	24,882,386	-	-	24,882,386
Depreciation and amortization	2,097,207	-	-	597,409	2,694,616
Total operating expenses	<u>7,367,279</u>	<u>26,136,139</u>	<u>6,010,798</u>	<u>10,491,920</u>	<u>50,006,136</u>
Operating income (loss)	247,082	(1,838,433)	94,943	(362,852)	(1,859,260)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	192,158	551,676	4,518	87,396	835,748
Gain (Loss) on sale of capital assets	57,399	-	-	-	57,399
Total non-operating revenues	<u>249,557</u>	<u>551,676</u>	<u>4,518</u>	<u>87,396</u>	<u>893,147</u>
Income (loss) before capital contributions and transfers	496,639	(1,286,757)	99,461	(275,456)	(966,113)
Capital contributions	1,484,738	-	-	844,586	2,329,324
Transfers in	396,904	-	-	1,482,067	1,878,971
Transfers out	(144,810)	(4,000,077)	(35,159)	-	(4,180,046)
Change in net position	<u>2,233,471</u>	<u>(5,286,834)</u>	<u>64,302</u>	<u>2,051,197</u>	<u>(937,864)</u>
Total net position - beginning	20,431,688	18,959,640	(3,214,588)	650,931	36,827,671
Total net position - ending	<u>\$ 22,665,159</u>	<u>\$ 13,672,806</u>	<u>\$ (3,150,286)</u>	<u>\$ 2,702,128</u>	<u>\$ 35,889,807</u>

**CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Motor Pool Fund	Self- Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 7,590,051	\$ 24,270,032	\$ 6,105,741	\$ 10,131,829	\$48,097,653
Payments to suppliers	(4,272,129)	(2,227,336)	(3,375,231)	(5,707,513)	(15,582,209)
Payments to employees	(1,082,477)	(271,134)	(2,950,526)	(4,613,206)	(8,917,343)
Self-insurance costs	-	(22,810,984)	-	-	(22,810,984)
Net cash provided (used) by operating activities	<u>2,235,445</u>	<u>(1,039,422)</u>	<u>(220,016)</u>	<u>(188,890)</u>	<u>787,117</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	396,904	-	-	1,482,067	1,878,971
Transfers out	(144,810)	(4,000,077)	(35,159)	-	(4,180,046)
Net cash provided (used) by non-capital financing activities	<u>252,094</u>	<u>(4,000,077)</u>	<u>(35,159)</u>	<u>1,482,067</u>	<u>(2,301,075)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,016,339)	-	-	(377,157)	(2,393,496)
Proceeds from disposal of capital assets	57,399	-	-	-	57,399
Net cash flows used by capital and related financing activities	<u>(1,958,940)</u>	<u>-</u>	<u>-</u>	<u>(377,157)</u>	<u>(2,336,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	(782,301)	-	-	(782,301)
Interest received on investments	182,593	527,979	4,638	81,203	796,413
Net cash provided (used) by investing activities	<u>182,593</u>	<u>(254,322)</u>	<u>4,638</u>	<u>81,203</u>	<u>14,112</u>
Net increase (decrease) in cash and cash equivalents	711,192	(5,293,821)	(250,537)	997,223	(3,835,943)
Cash and cash equivalents at beginning of year	9,596,670	19,933,680	310,752	4,037,975	33,879,077
Cash and cash equivalents at end of year	<u>\$ 10,307,862</u>	<u>\$ 14,639,859</u>	<u>\$ 60,215</u>	<u>\$ 5,035,198</u>	<u>\$30,043,134</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 247,082	\$ (1,838,433)	\$ 94,943	\$ (362,852)	\$ (1,859,260)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,097,207	-	-	597,409	2,694,616
(Increase) decrease in assets/deferred outflows:					
Accounts receivable	(24,310)	(27,674)	-	2,761	(49,223)
Supplies inventory	(16,016)	-	-	-	(16,016)
Net other postemployment benefits asset	1,560	-	4,618	8,048	14,226
Deferred outflows - pension and other postemployment benefits	28,819	-	90,605	171,064	290,488
Increase (decrease) in liabilities/deferred inflows:					
Accounts payable	22,630	(1,250,190)	(21,805)	212,031	(1,037,334)
Accrued payroll	(12,237)	(2,127)	(39,865)	(79,771)	(134,000)
Claims payable	-	2,071,402	-	-	2,071,402
Compensated absences	1,580	7,600	21,260	10,540	40,980
Net pension and other post employment benefit liability	(191,593)	-	(596,238)	(1,111,321)	(1,899,152)
Deferred inflows - pension and other postemployment benefits	80,723	-	226,466	363,201	670,390
Total adjustments	<u>1,988,363</u>	<u>799,011</u>	<u>(314,959)</u>	<u>173,962</u>	<u>2,646,377</u>
Net cash provided (used) by operating activities	<u>\$ 2,235,445</u>	<u>\$ (1,039,422)</u>	<u>\$ (220,016)</u>	<u>\$ (188,890)</u>	<u>\$ 787,117</u>
Non-cash investing, capital and financing activities:					
Capital assets acquired through contributions from developers and City governmental funds	\$ 1,484,738	\$ -	\$ -	\$ 844,586	\$ 2,329,324
Change in fair market value of investments	-	111,831	-	-	111,831
Total non-cash investing, capital and financing activities	<u>\$ 1,484,738</u>	<u>\$ 111,831</u>	<u>\$ -</u>	<u>\$ 844,586</u>	<u>\$ 2,441,155</u>

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others and therefore are not available to support City programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs.

Agency Funds

Account for assets the City holds as an agent for individuals, private organizations, other governments or other funds in a temporary custodial capacity.

PLAY Peoria NFP Fund

Accounts for monies held on behalf of PLAY Peoria, a separate not-for profit agency for which the City operates as the administrator. PLAY Peoria was formed for the purpose of accepting charitable donations and seeking grants that require a not-for-profit status, for the benefit of recreation programs and participants.

Westside Fire Training IGA Fund

Accounts for monies on behalf of the Westside Fire Training, a consortium of west valley fire departments for which the City operates as the administrator. This consortium was formed through an intergovernmental agreement to fund joint training opportunities for the member fire departments.

**CITY OF PEORIA, ARIZONA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2019**

	PLAY Peoria NFP Fund	Westside Fire Training IGA Fund	Total
ASSETS			
Pooled cash and investments	\$ 71,446	\$ 28,302	\$ 99,748
Due from other governments	-	5,460	5,460
Interest receivable	107	102	209
Total assets	\$ 71,553	\$ 33,864	\$ 105,417
LIABILITIES			
Accounts payable	\$ 225	\$ -	\$ 225
Other liabilities	71,328	33,864	105,192
Total liabilities	\$ 71,553	\$ 33,864	\$ 105,417

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
PLAY Peoria NFP Fund				
Assets:				
Pooled cash and investments	\$ 33,980	\$ 40,234	\$ 2,768	\$ 71,446
Interest receivable	60	107	60	107
Total Assets	<u>\$ 34,040</u>	<u>\$ 40,341</u>	<u>\$ 2,828</u>	<u>\$ 71,553</u>
Liabilities:				
Accounts payable	\$ -	\$ 1,091	\$ 866	\$ 225
Other liabilities	34,040	75,718	38,430	71,328
Total Liabilities	<u>\$ 34,040</u>	<u>\$ 76,809</u>	<u>\$ 39,296</u>	<u>\$ 71,553</u>
Westside Fire Training IGA Fund				
Assets:				
Pooled cash and investments	\$ 39,394	\$ 5,945	\$ 17,037	\$ 28,302
Due from other governments	-	5,460	-	5,460
Interest receivable	-	102	-	102
Total Assets	<u>\$ 39,394</u>	<u>\$ 11,507</u>	<u>\$ 17,037</u>	<u>\$ 33,864</u>
Liabilities:				
Accounts payable	\$ -	\$ 14,858	\$ 14,858	\$ -
Other liabilities	39,394	347	5,877	33,864
Total Liabilities	<u>\$ 39,394</u>	<u>\$ 15,205</u>	<u>\$ 20,735</u>	<u>\$ 33,864</u>
Totals - All Agency Funds				
Assets:				
Pooled cash and investments	\$ 73,374	\$ 46,179	\$ 19,805	\$ 99,748
Due from other governments	-	5,460	-	5,460
Interest receivable	60	209	60	209
Total Assets	<u>\$ 73,434</u>	<u>\$ 51,848</u>	<u>\$ 19,865</u>	<u>\$ 105,417</u>
Liabilities:				
Accounts payable	\$ -	\$ 15,949	\$ 15,724	\$ 225
Other liabilities	73,434	76,065	44,307	105,192
Total Liabilities	<u>\$ 73,434</u>	<u>\$ 92,014</u>	<u>\$ 60,031</u>	<u>\$ 105,417</u>



Statistical Section

Statistical Section

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

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Economic and Demographic Information

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

Operating Information

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

Statistical Section

<u>Table</u>	<u>Page</u>
Financial Trends	
I Net Position By Component	115
II Changes in Net Position	116
III Fund Balances, Governmental Funds	118
IV Changes in Fund Balances, Governmental Funds	119
Revenue Capacity	
V City Transaction Privilege Taxes By Category	120
VI Direct and Overlapping Sales Tax Rates	121
VII Sales Tax Payers - By Category	122
VIII Assessed Values By Property Classification	123
IX Comparative Assessed Values	124
X Direct and Overlapping Property Tax Rates	125
XI Direct and Overlapping Property Tax Levies	126
XII Limited Property Value Top Ten Tax Payers	127
XIII Property Tax Levies and Collections	128
XIV Utility Statistical Data	129
Debt Capacity	
XV Outstanding Debt By Type	132
XVI Ratio of Net General Bonded Debt to Full Cash Value and Net Bonded Debt Per Capita	133
XVII Direct and Overlapping General Obligation Bonded Debt – Current Fiscal Year	134
XVIII Direct and Overlapping Governmental Activities Debt – Current Fiscal Year	135
XIX Direct and Overlapping Governmental Activities Debt – Last Ten Fiscal Years	136
XX Legal Debt Margin	137
XXI Pledged Revenue Coverage – Excise Tax and State Shared Revenue Debt Obligations - Governmental Portion	138
XXII Pledged Revenue Coverage – Water and Wastewater Revenue Bonds	139
XXIII Pledged Revenue Coverage – Special Assessment Bonds	140
XXIV Special Assessment Collections	141
Economic and Demographic Information	
XXV Demographic and Economic Statistics	142
XXVI Major Employers Within the City	143
Operating Information	
XXVII Authorized Full-time Equivalent City Government Employees By Function	144
XXVIII Operating Indicators By Function/Program	145
XXIX Capital Asset Statistics By Function/Program	146

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

Table I

	Fiscal Year									
	2010	2011	2012	2013	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019
Governmental Activities										
Net investment in capital assets	\$ 782,205,232	\$ 803,835,704	\$ 816,149,271	\$ 829,001,871	\$ 855,286,264	\$ 885,716,419	\$ 899,648,174	\$ 747,243,866	\$ 635,872,778	\$ 671,171,180
Restricted	37,649,086	118,382,244	118,105,425	131,550,563	151,624,692	139,143,949	162,959,546	149,717,064	121,796,554	121,505,682
Unrestricted	192,278,995	109,550,684	111,579,103	149,159,571	84,211,745	(29,002,988)	(32,938,378)	(41,146,402)	(7,041,008)	(2,470,597)
Total governmental activities net position	<u>\$ 1,012,133,313</u>	<u>\$ 1,031,768,632</u>	<u>\$ 1,045,833,799</u>	<u>\$ 1,109,712,005</u>	<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>
Business-type Activities										
Net investment in capital assets	\$ 469,854,140	\$ 478,230,446	\$ 478,738,661	\$ 493,788,885	\$ 533,623,141	\$ 568,223,130	\$ 589,629,061	\$ 597,736,728	\$ 600,474,983	\$ 619,320,612
Restricted	19,474,349	22,733,731	24,912,356	21,575,445	23,153,024	23,830,354	31,926,587	27,590,003	29,456,418	25,123,557
Unrestricted	53,422,064	54,791,580	61,033,753	71,130,874	68,382,971	54,351,770	49,023,256	59,376,481	67,576,862	70,087,860
Total business-type activities net position	<u>\$ 542,750,553</u>	<u>\$ 555,755,757</u>	<u>\$ 564,684,770</u>	<u>\$ 586,495,204</u>	<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>
Primary Government										
Net investment in capital assets	\$ 1,252,059,372	\$ 1,282,066,150	\$ 1,294,887,932	\$ 1,322,790,756	\$ 1,388,909,405	\$ 1,453,939,549	\$ 1,489,277,235	\$ 1,344,980,594	\$ 1,236,347,761	\$ 1,290,491,792
Restricted	57,123,435	141,115,975	143,017,781	153,126,008	174,777,716	162,974,303	194,886,133	177,307,067	151,252,972	146,629,239
Unrestricted	245,701,059	164,342,264	172,612,856	220,290,445	152,594,716	25,348,782	16,084,878	18,230,079	60,535,854	67,617,263
Total primary government net position	<u>\$ 1,554,883,866</u>	<u>\$ 1,587,524,389</u>	<u>\$ 1,610,518,569</u>	<u>\$ 1,696,207,209</u>	<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>

(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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	\$ 24,518,718	\$ 27,523,428	\$ 20,935,141	\$ 19,175,790	\$ 20,038,112	\$ 21,210,452	\$ 22,250,673	\$ 21,623,532	\$ 20,343,398	\$ 21,473,593
Culture & Recreation	21,167,750	21,066,722	23,499,906	22,434,968	25,559,518	25,982,440	26,447,013	28,371,539	28,003,374	29,499,798
Public Safety*	56,118,123	56,780,852	58,218,954	56,757,540	60,213,181	64,261,923	70,342,389	97,665,783	81,720,528	89,026,946
Development Services	6,539,886	6,135,184	5,437,784	8,374,619	9,193,743	9,544,919	7,123,106	6,630,945	5,731,857	4,757,015
Highways & Streets	22,414,044	25,598,067	31,778,203	29,967,207	31,411,752	33,658,672	34,620,944	44,979,242	54,647,432	55,594,789
Public Works	9,642,355	8,441,912	7,416,026	6,989,988	7,015,316	7,259,675	7,507,311	6,705,095	5,694,902	5,112,076
Human Services	2,188,730	1,992,977	1,655,935	2,196,801	1,629,118	1,177,275	1,788,130	1,283,420	2,527,213	4,072,235
Interest on long-term debt	12,571,503	12,616,562	12,595,752	12,739,029	12,009,243	11,373,755	11,549,457	8,451,596	8,011,112	7,768,837
Unallocated Depreciation	574,550	574,550	574,550	574,557	574,550	-	-	-	-	-
Total governmental activities expenses	155,735,659	160,730,254	162,112,251	159,210,499	167,644,533	174,469,111	181,629,023	215,711,152	206,679,816	217,305,289
Business-type Activities										
Water Utility	29,715,038	29,582,708	30,777,765	29,094,123	30,836,235	34,566,373	33,221,797	39,316,668	40,780,450	41,968,847
Wastewater Utility	30,212,381	19,891,729	21,923,061	20,342,376	21,083,666	21,737,995	22,001,744	24,075,245	25,715,392	24,512,758
Solid Waste Utility	9,985,889	9,773,553	10,859,872	10,503,928	10,806,101	10,939,896	11,137,739	11,867,773	13,008,905	13,749,718
Stadium	5,186,732	5,019,605	5,284,940	5,140,500	5,176,689	6,372,954	6,742,573	7,579,975	7,736,745	7,850,061
Storm Drain Utility	-	-	802,246	806,658	823,780	813,636	1,052,977	3,497,956	3,301,070	3,469,645
Housing	368,007	367,644	400,405	273,528	-	-	-	-	-	-
Total business-type activities expenses	75,468,047	64,635,239	70,048,289	66,161,113	68,726,471	74,430,854	74,156,830	86,337,617	90,542,562	91,551,029
Total primary government expenses	\$ 231,203,706	\$ 225,365,493	\$ 232,160,540	\$ 225,371,612	\$ 236,371,004	\$ 248,899,965	\$ 255,785,853	\$ 302,048,769	\$ 297,222,378	\$ 308,856,318
Program Revenues										
Governmental Activities										
Charges for services	\$ 17,489,464	\$ 17,722,889	\$ 17,331,656	\$ 18,745,123	\$ 19,221,921	\$ 25,696,523	\$ 29,321,181	\$ 32,311,277	\$ 34,954,574	\$ 37,925,774
Operating grants and contributions	13,096,036	13,709,669	11,071,988	12,440,760	12,693,535	13,485,788	14,329,168	14,666,090	16,640,349	15,394,092
Capital grants and contributions	55,978,635	34,932,888	30,063,998	21,485,029	11,703,447	22,908,863	27,259,727	25,638,030	20,441,205	31,886,362
Total governmental activities program revenues	86,564,135	66,365,446	58,467,642	52,670,912	43,618,903	62,091,174	70,910,076	72,615,397	72,036,128	85,206,228
Business-type Activities										
Charges for services	62,457,821	60,595,686	66,048,140	67,197,303	69,499,963	68,417,721	76,106,994	80,152,247	85,557,374	84,331,736
Operating grants and contributions	177,710	209,878	140,461	67,915	-	-	-	-	-	-
Capital grants and contributions	50,899,343	5,408,859	8,418,314	7,323,482	9,325,636	29,760,720	17,518,669	20,698,020	12,517,749	14,999,480
Total business-type activities program revenues	113,534,874	66,214,423	74,606,915	74,588,700	78,825,599	98,178,441	93,625,663	100,850,267	98,075,123	99,331,216
Total primary government program revenues	\$ 200,099,009	\$ 132,579,869	\$ 133,074,557	\$ 127,259,612	\$ 122,444,502	\$ 160,269,615	\$ 164,535,739	\$ 173,465,664	\$ 170,111,251	\$ 184,537,444
Net (Expense)/Revenue										
Governmental Activities	\$ (69,171,524)	\$ (94,364,808)	\$ (103,644,609)	\$ (106,539,587)	\$ (124,025,630)	\$ (112,377,937)	\$ (110,718,947)	\$ (143,095,755)	\$ (134,643,688)	\$ (132,099,061)
Business-type Activities	38,066,827	1,579,184	4,558,626	8,427,587	10,099,128	23,747,587	19,468,833	14,512,650	7,532,561	7,780,187
Total primary government net expense	\$ (31,104,697)	\$ (92,785,624)	\$ (99,085,983)	\$ (98,112,000)	\$ (113,926,502)	\$ (88,630,350)	\$ (91,250,114)	\$ (128,583,105)	\$ (127,111,127)	\$ (124,318,874)

* 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes, levied for general purposes	\$ 3,833,445	\$ 3,628,286	\$ 3,187,679	\$ 2,848,691	\$ 2,744,900	\$ 2,889,150	\$ 2,994,905	\$ 3,207,433	\$ 3,522,321	\$ 5,099,325
Property taxes, levied for debt service	26,225,535	22,406,879	19,030,940	16,628,634	15,479,771	16,891,026	17,537,813	18,532,683	20,152,280	20,276,526
Sales and use taxes	56,276,937	58,082,217	60,719,648	65,950,235	70,213,953	74,556,024	79,410,364	84,236,770	89,781,248	93,182,810
Franchise taxes	3,955,416	4,037,897	4,084,163	4,136,004	4,194,371	4,312,836	4,461,864	4,501,681	5,035,331	4,925,609
Intergovernmental										
State shared sales taxes - unrestricted	10,137,682	11,649,489	12,087,651	12,665,191	13,431,637	14,139,128	14,760,029	15,631,512	15,894,140	17,018,021
Urban revenue sharing - unrestricted	17,469,936	13,408,996	13,231,006	14,425,958	17,172,500	18,650,521	18,549,406	20,949,613	20,334,388	20,366,697
Auto in-lieu taxes - unrestricted	4,634,263	4,548,154	4,944,181	5,155,206	5,495,225	5,886,971	6,385,294	6,728,814	6,799,997	7,262,809
Investment Earnings	2,199,984	1,354,607	959,479	599,263	878,164	843,648	1,693,475	1,667,892	2,172,236	7,200,254
Gain on sale of capital assets	102,409	76,640	50,192	66,465	111,342	-	-	-	-	-
Elimination of development agreement debt	-	801,394	-	630,104	-	-	-	-	-	-
Miscellaneous	5,885,847	5,124,916	3,965,187	4,397,616	3,920,109	3,216,595	2,732,726	4,120,882	5,383,459	2,342,583
Special Item: Close out of Section 8 Housing	-	-	(464,390)	-	-	-	-	-	-	-
Special Item: Defeasance of G.O. debt	-	-	-	-	-	-	-	-	(450,797)	-
Transfers in (out)	(3,029,412)	(11,119,348)	(3,335,912)	(9,394,454)	(28,205,646)	(11,931,172)	(3,994,967)	(6,346,374)	(4,803,295)	(5,997,632)
Total governmental activities	127,692,042	114,000,127	118,459,824	118,108,913	105,436,326	129,454,727	144,530,909	153,230,906	163,821,308	171,677,002
Business-type Activities										
Investment Earnings	444,698	306,672	284,427	176,176	359,158	348,717	709,850	519,774	700,909	3,107,572
Gain on sale of capital assets	-	-	-	-	-	-	-	109,744	13,305	138,375
Forgiveness of debt	1,379,738	-	-	-	-	-	-	-	-	-
Special Item: Close out of Public Housing	-	-	-	(2,101,809)	-	-	-	-	-	-
Transfers in (out)	3,029,412	11,119,348	3,335,912	9,394,454	28,205,646	11,931,172	3,994,967	6,346,374	4,803,295	5,997,632
Total business-type activities	4,853,848	11,426,020	3,620,339	7,468,821	28,564,804	12,279,889	4,704,817	6,975,892	5,517,509	9,243,579
Total primary government	\$ 132,545,890	\$ 125,426,147	\$ 122,080,163	\$ 125,577,734	\$ 134,001,130	\$ 141,734,616	\$ 149,235,726	\$ 160,206,798	\$ 169,338,817	\$ 180,920,581
Change in Net Position										
Governmental Activities	\$ 33,327,234	\$ 10,355,518	\$ 11,920,237	\$ 11,569,326	\$ (18,589,304)	\$ 17,076,790	\$ 33,811,962	\$ 10,135,151	\$ 29,177,620	\$ 39,577,941
Business-type Activities	6,433,032	15,984,646	12,047,926	15,896,408	38,663,932	36,027,476	24,173,650	21,488,542	13,050,070	17,023,766
Total primary government	\$ 39,760,266	\$ 26,340,164	\$ 23,968,163	\$ 27,465,734	\$ 20,074,628	\$ 53,104,266	\$ 57,985,612	\$ 31,623,693	\$ 42,227,690	\$ 56,601,707

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									
	2010	2011 *	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 241,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	60,238,418	-	-	-	-	-	-	-	-	-
Nonspendable	-	537,000	1,163,721	259,643	262,852	163,703	115,042	113,859	123,939	113,831
Restricted	-	30,671	70,016	108,517	54,193	67,084	388,375	354,566	40,488	40,762
Committed	-	34,288,769	33,590,254	33,229,466	37,028,922	36,911,493	38,464,678	40,221,571	42,249,268	52,300,995
Assigned	-	3,891,174	3,705,809	3,330,705	3,340,512	3,056,458	2,859,523	2,618,447	1,760,838	1,363,728
Unassigned	-	13,429,595	12,878,675	13,996,657	17,308,306	21,584,005	20,816,526	25,684,922	33,849,097	59,047,805
Total General Fund	\$ 60,480,096	\$ 52,177,209	\$ 51,408,475	\$ 50,924,988	\$ 57,994,785	\$ 61,782,743	\$ 62,644,144	\$ 68,993,365	\$ 78,023,630	\$ 112,867,121
All Other Governmental Funds										
Reserved	\$ 147,974,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	55,546,744	-	-	-	-	-	-	-	-	-
Capital projects funds	22,203,699	-	-	-	-	-	-	-	-	-
Nonspendable	-	108,919	95,828	98,819	131,641	70,579	67,986	69,711	78,068	60,828
Restricted	-	169,837,817	168,127,814	188,434,944	145,352,432	127,294,490	150,498,066	137,842,918	115,222,701	143,532,067
Committed	-	11,040,682	10,064,814	10,004,379	10,300,556	10,572,297	10,885,668	11,315,062	10,663,895	2,838,609
Assigned	-	30,055,251	40,566,996	25,988,041	23,410,508	22,821,310	30,353,689	27,978,550	34,926,243	16,217,244
Unassigned	-	-	(84,673)	-	-	(6,638,667)	-	-	-	-
Total All Other Governmental Funds	\$ 225,725,301	\$ 211,042,669	\$ 218,770,779	\$ 224,526,183	\$ 179,195,137	\$ 154,120,009	\$ 191,805,409	\$ 177,206,241	\$ 160,890,907	\$ 162,648,748

* The City implemented GASB Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* in 2011. Previous years have not been restated to the new required format.

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 90,783,641	\$ 88,244,772	\$ 87,203,131	\$ 89,948,724	\$ 93,731,980	\$ 98,629,880	\$ 104,369,837	\$ 110,535,434	\$ 118,352,843	\$ 123,645,058
Intergovernmental	45,621,921	43,917,343	54,562,371	49,831,144	50,132,922	55,289,472	65,237,794	60,096,580	61,643,624	61,054,399
Charges for Services	18,137,718	16,356,566	18,359,757	21,405,623	17,684,357	19,355,378	21,812,733	24,367,635	26,637,159	28,089,117
Licenses and Permits	1,599,957	1,672,072	2,106,545	2,564,075	2,800,894	3,132,178	4,080,210	4,778,632	5,509,240	5,720,889
Fines and Forfeitures	2,755,104	3,068,861	2,757,022	2,257,477	2,128,289	1,856,640	1,747,528	1,571,788	1,815,644	2,390,644
Rents	421,289	403,321	486,932	1,101,082	731,901	889,053	915,846	908,678	1,002,948	980,732
Investment Earnings	1,992,817	1,238,174	859,146	537,732	757,747	725,208	1,462,408	1,320,578	1,709,765	6,364,506
Special Assessments	2,214,167	2,201,463	2,069,613	1,217,271	1,137,018	381,761	381,950	2,171,319	-	-
Miscellaneous	8,485,570	18,441,696	4,588,218	5,880,511	5,060,343	3,536,024	3,278,730	4,411,440	5,307,423	3,049,527
Total Revenues	172,012,184	175,544,268	172,992,735	174,743,639	174,165,451	183,795,594	203,287,036	210,162,084	221,978,646	231,294,872
Expenditures										
General Government	16,330,159	15,818,173	14,470,822	15,094,866	15,866,612	17,085,501	19,424,865	18,216,483	17,493,779	18,381,872
Culture & Recreation	19,475,634	18,784,735	18,396,187	19,668,598	21,762,725	22,181,064	21,797,069	23,862,880	24,200,927	26,631,491
Public Safety ⁽¹⁾	53,876,911	53,390,368	54,390,977	56,702,266	58,976,873	60,840,413	68,151,428	73,087,082	79,514,160	84,514,269
Development Services	6,529,594	6,051,667	5,328,403	8,568,013	9,311,964	9,714,954	7,129,814	6,291,295	5,935,127	4,835,544
Highways & Streets	13,070,648	13,891,078	14,754,432	16,355,505	17,098,590	19,400,893	19,086,404	21,610,293	25,666,063	27,314,691
Public Works	7,955,394	6,748,102	4,884,713	4,914,720	5,110,924	5,261,842	5,325,264	6,384,151	5,415,791	5,535,727
Human Services	2,145,702	1,952,861	1,586,315	2,213,374	1,604,288	1,147,341	1,725,328	1,184,926	2,447,943	4,020,781
Capital Outlay	60,269,181	29,176,335	26,336,595	39,612,698	17,728,188	26,491,974	12,332,241	29,367,979	25,896,002	27,839,028
Debt Service										
Interest	13,166,242	12,658,032	13,098,263	12,534,039	12,543,974	11,933,264	10,606,558	11,336,938	9,705,255	8,776,334
Principal	44,700,092	34,309,287	25,566,028	20,120,163	21,937,761	17,305,000	18,010,000	19,867,000	19,483,000	22,022,461
Payment to bond escrow agent	-	-	-	-	-	-	6,707,216	-	13,604,681	-
Total Expenditures	237,519,557	192,780,638	178,812,735	195,784,242	181,941,899	191,362,246	190,296,187	211,209,027	229,362,728	229,872,198
Excess of Revenues over (under) Expenditures	(65,507,373)	(17,236,370)	(5,820,000)	(21,040,603)	(7,776,448)	(7,566,652)	12,990,849	(1,046,943)	(7,384,082)	1,422,674
Other Financing Sources (Uses)										
Refunding bonds issued	-	-	13,690,000	-	-	-	103,410,000	-	28,975,000	-
Issuance of debt	29,170,000	7,920,000	14,715,000	35,510,000	112,000	35,000	30,325,000	3,000,000	5,199,304	30,420,000
Premium on bonds issued	495,890	16,960	645,188	1,039,481	-	-	14,096,688	108,061	-	3,146,339
Payments to bond refunding escrow agent	-	-	(13,690,000)	-	-	-	(114,802,841)	-	(28,814,053)	-
Special Item: Close out Section 8 Housing	-	-	(464,390)	-	-	-	-	-	-	-
Transfers In	23,567,886	28,388,910	16,740,587	16,968,105	20,159,941	16,357,492	12,890,960	17,925,171	17,684,545	36,612,624
Transfers Out	(20,963,066)	(42,075,019)	(18,106,961)	(27,205,066)	(48,650,688)	(30,113,010)	(20,363,855)	(28,236,236)	(19,786,126)	(35,000,305)
Total Other Financing Sources (Uses)	32,270,710	(5,749,149)	13,529,424	26,312,520	(28,378,747)	(13,720,518)	25,555,952	(7,203,004)	3,258,670	35,178,658
Net Change in Fund Balance	\$ (33,236,663)	\$ (22,985,519)	\$ 7,709,424	\$ 5,271,917	\$ (36,155,195)	\$ (21,287,170)	\$ 38,546,801	\$ (8,249,947)	\$ (4,125,412)	\$ 36,601,332
Debt Service as a percentage of noncapital expenditures	32.65%	28.71%	25.36%	20.91%	21.00%	17.73%	19.85%	17.16%	21.03%	15.24%

⁽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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Retail Sales	\$ 26,857,263	\$ 29,247,900	\$ 31,483,859	\$ 34,115,601	\$ 36,878,825	\$ 38,908,327	\$ 41,216,781	\$ 43,666,206	\$ 45,112,750	\$ 48,201,653
Contracting	4,550,512	3,611,614	3,305,409	4,716,985	6,301,005	6,257,112	7,394,036	8,587,978	10,219,772	9,108,314
Rentals	6,927,724	6,980,633	7,414,803	7,918,121	7,214,392	7,522,177	8,123,884	8,383,946	8,823,620	8,983,145
Utilities	6,906,904	6,917,391	7,232,286	7,343,965	7,388,831	7,498,115	7,904,665	8,022,722	8,911,107	8,115,617
Telecom/Cable TV	1,405,352	1,294,565	1,304,092	1,258,991	1,262,651	1,217,583	1,151,941	942,239	816,179	697,849
Restaurant/Bar	7,114,625	7,469,189	7,776,190	8,168,064	8,505,082	9,284,232	9,833,912	10,335,218	11,388,465	11,661,217
Amusement	814,694	856,274	896,320	992,752	960,332	1,036,941	1,034,959	1,021,968	979,386	1,246,039
Use	374,659	426,017	566,453	474,842	624,795	718,931	740,179	1,243,655	1,707,181	2,248,575
Other	1,325,204	1,278,634	740,236	960,914	2,101,228	2,112,606	2,010,007	2,032,838	1,822,787	2,920,401
Total	\$ 56,276,937	\$ 58,082,217	\$ 60,719,648	\$ 65,950,235	\$ 71,237,141	\$ 74,556,024	\$ 79,410,364	\$ 84,236,770	\$ 89,781,247	\$ 93,182,810
% Growth by Year										
Retail Sales	0.6%	8.9%	7.6%	8.4%	8.1%	5.5%	5.9%	5.9%	3.3%	6.8%
Contracting	-35.1%	-20.6%	-8.5%	42.7%	33.6%	-0.7%	18.2%	16.1%	19.0%	-10.9%
Rentals	-2.5%	0.8%	6.2%	6.8%	-8.9%	4.3%	8.0%	3.2%	5.2%	1.8%
Utilities	1.0%	0.2%	4.6%	1.5%	0.6%	1.5%	5.4%	1.5%	11.1%	-8.9%
Telecom/Cable TV	-2.2%	-7.9%	0.7%	-3.5%	0.3%	-3.6%	-5.4%	-18.2%	-13.4%	-14.5%
Restaurant/Bar	1.3%	5.0%	4.1%	5.0%	4.1%	9.2%	5.9%	5.1%	10.2%	2.4%
Amusement	12.1%	5.1%	4.7%	10.8%	-3.3%	8.0%	-0.2%	-1.3%	-4.2%	27.2%
Use	-37.5%	13.7%	33.0%	-16.2%	31.6%	15.1%	3.0%	68.0%	37.3%	31.7%
Other	-15.2%	-3.5%	-42.1%	29.8%	118.7%	0.5%	-4.9%	1.1%	-10.3%	60.2%
Total	-4.6%	3.2%	4.5%	8.6%	8.0%	4.7%	6.5%	6.1%	6.6%	3.79%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
City Direct Rates (1):											
Retail Sales (excluding groceries)	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Groceries	1.80%	1.80%	1.80%	1.80%	1.80%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Contracting	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Rentals	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Hotel/Transient Lodging	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Utilities	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Telecommunications	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Restaurant/Bar	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Amusement	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
All Others	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
County Rates:											
Retail Sales (excluding groceries)	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Groceries	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Hotel/Transient Lodging	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%
Mining - Nonmetal	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
All Others	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
State Rates (2):											
Retail Sales (excluding groceries)	6.60%	6.60%	6.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Hotel/Transient Lodging	6.50%	6.50%	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Mining - Nonmetal	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%
Mining - Severance	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
All Others	6.60%	6.60%	6.60%	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.

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

Table VII

Category	2019				2010			
	<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	3,982	26.0%	\$ 48,201,653	51.70%	3,245	23.00%	\$ 26,857,263	47.70%
Contracting	2,664	17.4%	9,108,314	9.80%	3,951	28.00%	4,550,512	8.10%
Restaurant/Bar	497	3.2%	11,661,217	12.50%	330	2.30%	6,927,724	12.30%
Rental	6,863	44.8%	8,983,145	9.70%	5,023	35.60%	6,906,904	12.30%
Utilities	15	0.1%	8,115,617	8.70%	12	0.10%	1,405,352	2.50%
Telecom/Cable TV Use	161	1.1%	697,849	0.80%	144	1.00%	7,114,625	12.60%
Amusement	950	6.2%	2,248,575	2.40%	1,282	9.10%	814,694	1.40%
Others	63	0.4%	1,246,039	1.30%	61	0.40%	374,659	0.70%
	115	0.8%	2,920,401	3.10%	77	0.50%	1,325,204	2.40%
Total	15,310	100.00%	\$ 93,182,810	100.00%	14,125	100.00%	\$ 56,276,937	100.00%

Source: City Sales Tax system
City financial records

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

Table VIII

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016(b)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential (Owner occupied)	\$ 1,048,710,389	\$ 818,535,888	\$ 687,456,278	\$ 620,970,965	\$ 546,593,560	\$ 614,234,433	\$ 626,696,840	\$ 674,378,782	\$ 740,037,974	\$ 813,110,830
Residential (Renter occupied)	155,720,660	147,284,152	122,978,913	119,387,647	161,107,937	199,613,372	214,086,717	230,466,048	243,816,250	259,614,712
Commercial, Industrial, Mining & Utilities	495,336,050	495,318,990	378,992,788	341,042,160	304,844,019	298,078,633	291,761,032	297,883,403	310,764,850	328,762,027
Agriculture & Vacant	193,685,182	147,216,152	85,330,391	54,523,204	43,659,181	42,347,136	44,305,284	40,513,630	44,053,047	36,731,719
Railroad	1,647,040	1,563,689	1,429,130	1,399,678	1,118,206	1,205,775	1,137,482	1,040,707	1,065,441	1,015,986
Historic & Environmental	64,530	53,641	140,493	103,122	83,177	59,907	24,540	396,725	305,265	577,715
Public Property Improvements	-	-	7,869	7,964	7,124	48,182	5,100	-	25,390	-
Net Assessed Value	\$ 1,895,163,851	\$ 1,609,972,512	\$ 1,276,335,862	\$ 1,137,434,740	\$ 1,057,413,204	\$ 1,155,587,438	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989
% Growth	-5.0%	-15.0%	-20.7%	-10.9%	-7.0%	9.3%	1.9%	5.7%	7.7%	7.4%
Net Assessed Value Per Capita	\$ 12,301	\$ 10,384	\$ 8,216	\$ 7,274	\$ 6,702	\$ 7,203	\$ 7,174	\$ 7,400	\$ 7,632	\$ 8,008
Population	154,065	155,050	155,352	156,371	157,780	160,432	164,212	168,192	172,259	179,800
Total Direct Secondary Tax Rate	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.15
Full Cash Value	\$ 17,162,776,025	\$ 14,588,623,722	\$ 11,862,384,776	\$ 10,635,350,631	\$ 10,057,364,678	\$ 11,162,489,178	\$ 13,968,351,523	\$ 15,264,587,035	\$ 16,607,545,225	\$ 18,374,791,035
% Growth	-6.1%	-15.0%	-18.7%	-10.3%	-5.4%	11.0%	25.1%	9.3%	8.8%	10.6%
Full Cash Value Per Capita	\$ 111,400	\$ 94,090	\$ 76,358	\$ 68,014	\$ 63,743	\$ 69,578	\$ 85,063	\$ 90,757	\$ 96,410	\$ 102,196
Net Assessed Value as a Percentage of Full Cash Value	11.0%	11.0%	10.8%	10.7%	10.5%	10.4%	8.4%	8.2%	8.1%	7.8%

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>Commercial,</u>	<u>Residential</u>	<u>Agriculture and</u>	<u>Railroad</u>
	<u>Industrial, Mining & Utilities</u>		<u>Vacant Land</u>	
2010	22.0%	10%	16%	18%
2011	21.0%	10%	16%	17%
2012	20.0%	10%	16%	15%
2013	20.0%	10%	16%	15%
2014	19.5%	10%	16%	15%
2015	19.0%	10%	16%	16%
2016	18.5%	10%	16%	15%
2017	18.0%	10%	15%	14%
2018	18.0%	10%	15%	15%
2019	18.0%	10%	15%	14%

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

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

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

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

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

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

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

Table IX

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (a)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City of Peoria	\$ 1,895,163,851	\$ 1,609,972,512	\$ 1,276,335,862	\$ 1,137,434,740	\$ 1,057,413,204	\$ 1,155,587,438	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989
Peoria Unified School District No. 11	2,393,720,410	2,030,314,508	1,581,371,147	1,460,442,551	1,350,310,615	1,471,213,352	1,475,721,803	1,549,607,885	1,649,351,547	1,780,118,947
Maricopa County	57,984,051,727	49,662,543,618	38,760,296,498	34,400,455,712	32,229,006,810	35,079,646,593	34,623,670,323	36,135,494,474	38,251,891,249	40,423,232,421
State of Arizona	86,525,272,506	75,664,423,588	61,764,402,437	56,283,023,907	52,598,341,678	55,349,948,120	54,840,074,052	56,573,588,295	59,404,007,785	62,328,357,186

(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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Total Direct City											
Primary	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.29
Secondary	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	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>	<u>1.44</u>
Peoria Unified School District No. 11 (1)											
Primary	2.99	3.24	3.71	4.01	4.18	4.43	4.93	4.78	4.51	4.00	
Secondary	2.46	2.09	1.68	3.02	3.35	2.84	2.84	3.26	3.03	3.02	
Total	<u>5.45</u>	<u>5.33</u>	<u>5.39</u>	<u>7.03</u>	<u>7.53</u>	<u>7.27</u>	<u>7.77</u>	<u>8.04</u>	<u>7.54</u>	<u>7.02</u>	
Maricopa County (2)											
Primary	2.05	2.20	2.68	2.87	3.08	3.11	3.13	3.14	3.09	3.05	
Secondary	0.59	0.64	0.54	0.78	0.79	0.86	0.97	1.01	1.07	1.03	
Total	<u>2.64</u>	<u>2.84</u>	<u>3.22</u>	<u>3.65</u>	<u>3.87</u>	<u>3.98</u>	<u>4.10</u>	<u>4.15</u>	<u>4.16</u>	<u>4.08</u>	
Total											
Primary	5.23	5.63	6.58	7.07	7.45	7.73	8.25	8.11	7.79	7.34	
Secondary	4.30	3.98	3.47	5.05	5.39	4.95	5.06	5.52	5.35	5.20	
Total	<u>\$ 9.53</u>	<u>\$ 9.61</u>	<u>\$ 10.05</u>	<u>\$ 12.12</u>	<u>\$ 12.84</u>	<u>\$ 12.69</u>	<u>\$ 13.31</u>	<u>\$ 13.63</u>	<u>\$ 13.14</u>	<u>\$ 12.54</u>	

(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	\$ 4.07	\$ 2.56

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

	Primary	Secondary
Maricopa County	\$ 1.40	\$ -
State Education Equalization Assistance	0.47	-
Maricopa County Community College District	1.17	0.20
Maricopa County Flood Control District	-	0.18
Maricopa County Fire District Assistance	-	0.01
Maricopa County Library District	-	0.06
Maricopa County Special Health Care District	-	0.29
West Maricopa Education Center	-	0.15
Central Arizona Water Conservation District	-	0.14
Fiscal Year 2018 Tax Rate	<u>\$ 3.05</u>	<u>\$ 1.03</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Direct City										
Primary	\$ 3,202,665	\$ 2,901,540	\$ 2,411,739	\$ 2,154,484	\$ 1,998,305	\$ 2,115,212	\$ 2,238,232	\$ 2,364,891	\$ 2,546,130	\$ 4,175,458
Secondary	23,689,548	20,124,656	15,954,198	14,217,934	13,217,665	14,444,843	14,725,212	15,558,491	16,750,853	16,557,849
Total	<u>26,892,213</u>	<u>23,026,196</u>	<u>18,365,937</u>	<u>16,372,418</u>	<u>15,215,970</u>	<u>16,560,055</u>	<u>16,963,444</u>	<u>17,923,382</u>	<u>19,296,983</u>	<u>20,733,307</u>
Peoria Unified School District No. 11 (1)										
Primary	63,259,063	63,956,114	60,801,278	58,370,644	56,069,720	62,749,751	72,782,246	74,140,908	74,370,911	71,186,957
Secondary	58,903,282	43,487,879	27,635,770	44,104,877	45,266,377	41,807,627	41,966,017	50,494,525	50,046,959	53,764,234
Maricopa County (2)										
Primary	1,016,398,826	1,030,448,332	1,031,164,830	982,926,843	986,315,014	1,043,203,072	1,083,409,268	1,134,787,546	1,179,611,336	1,231,523,511
Secondary	312,960,824	295,233,122	264,170,408	249,995,761	251,345,124	274,744,408	234,978,404	337,146,316	356,706,002	373,658,155
Total										
Primary	1,082,860,554	1,097,305,986	1,094,377,847	1,043,451,971	1,044,383,039	1,108,068,035	1,158,429,746	1,211,293,345	1,256,528,377	1,306,885,926
Secondary	395,553,654	358,845,657	307,760,376	308,318,572	309,829,166	330,996,878	291,669,633	403,199,332	423,503,814	443,980,238
Total	<u>\$ 1,478,414,208</u>	<u>\$ 1,456,151,643</u>	<u>\$ 1,402,138,223</u>	<u>\$ 1,351,770,543</u>	<u>\$ 1,354,212,205</u>	<u>\$ 1,439,064,913</u>	<u>\$ 1,450,099,379</u>	<u>\$ 1,614,492,677</u>	<u>\$ 1,680,032,191</u>	<u>\$ 1,750,866,164</u>

(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	\$ 104,866,238	\$ 65,988,461

(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	\$ 566,289,063	\$ -
State Education Equalization Assistance	191,959,243	-
Maricopa County Community College District	473,275,205	82,713,190
Maricopa County Flood Control District	-	66,310,571
Maricopa County Fire District Assistance	-	4,319,354
Maricopa County Library District	-	22,475,317
Maricopa County Special Health Care District	-	119,074,911
West Maricopa Education Center	-	22,079,948
Central Arizona Water Conservation District	-	56,684,864
Fiscal Year 2018 Tax Levy	<u>\$ 1,231,523,511</u>	<u>\$ 373,658,155</u>

Source: Maricopa County Assessor - Tax Rates and Levies publication

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

Table XII

Taxpayer	Type of Business	2019 (a)		2010		% of Taxable Secondary Assessed	
		Limited Property Assessed Value	Rank	Limited Property Assessed Value	Rank		
Arizona Public Service	Gas & Electric Utility	\$ 27,903,016	1	1.94%	\$ 20,681,227	1	1.09%
Vestar LPTC LLC	Property Development	9,372,756	2	0.65%	11,508,473	2	0.61%
Park West Retail I LLC	Shopping Center	5,984,967	3	0.42%	10,376,085	3	0.55%
Southwest Gas Corporation	Gas Utility	5,218,535	4	0.36%	-		
Miller Family Real Estate LLC	Shopping Center	4,855,938	5	0.34%	-		
DDRA Arrowhead Crossing LLC	Shopping Center	4,624,806	6	0.32%	7,458,783	6	0.39%
Freedom Plaza Limited Partnership Lease	Retirement Housing	3,848,711	7	0.27%	-		
Peoria Center Apartments South LLC	Multi-family Housing	3,677,682	8	0.26%	-		
First Industrial LP	Property Development	3,658,409	9	0.25%	-		
Arizona State Land Department	Government	-			8,520,286	4	0.45%
Sprint Wireless	Telecommunications	-			8,205,460	5	0.43%
Inland Western Glendale LLC	Shopping Center	3,347,370	10	0.23%	-		
Plaza III Limited Partnership	Nursing Home/Apartments	-			7,009,682	7	0.37%
BCC Development Inc	Property Development	-			6,229,965	8	0.33%
Lake Pleasant Pavilion LLC	Shopping Center	-			6,049,153	9	0.32%
Qwest Corporation	Telecommunications	-			5,918,160	10	0.31%
Total		\$ 72,492,190		5.03%	\$ 91,957,274		4.85%

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

Note - As a quasi-governmental entity, Salt River Project pays in-Lieu taxes, rather than property taxes. For fiscal year 2019, the assessed value of Salt River Project property within the City of Peoria is \$18,596,721.

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
2019	\$ 20,733,307	\$ 20,589,725	99.31%	\$ -	\$ 20,589,725	99.31%
2018	19,296,983	18,955,264	98.23%	171,818	19,127,082	99.12%
2017	17,923,382	17,596,843	98.18%	198,917	17,795,760	99.29%
2016	16,963,444	16,695,651	98.42%	157,477	16,853,127	99.35%
2015	16,560,055	16,290,571	98.37%	179,916	16,470,487	99.46%
2014	15,215,970	14,882,168	97.81%	231,470	15,113,637	99.33%
2013	16,372,418	15,962,490	97.50%	247,298	16,209,788	99.01%
2012	18,365,937	17,628,300	95.98%	373,949	18,002,249	98.02%
2011	23,026,196	21,884,397	95.04%	544,846	22,429,243	97.41%
2010	26,892,213	25,561,505	95.05%	789,112	26,350,617	97.99%

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 6/30/2019.

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water										
Average bill	\$35.46	\$34.36	\$38.00	\$37.41	\$37.31	\$35.54	\$37.53	\$39.13	\$41.44	\$42.15
% Increase	-3.46%	-3.10%	10.59%	-1.55%	-0.27%	-4.74%	5.60%	4.26%	5.90%	1.71%
Wastewater										
Average bill	\$21.45	\$20.45	\$21.49	\$24.16	\$23.36	\$23.99	\$24.64	\$25.22	\$25.26	\$26.60
% Increase	0.42%	-4.66%	5.09%	12.42%	-3.31%	2.70%	2.71%	2.35%	0.16%	5.30%
Residential Solid Waste										
Average bill	\$15.36	\$15.35	\$15.40	\$13.38	\$13.38	\$13.35	\$13.44	\$13.39	\$14.23	\$14.42
% Increase	1.19%	-0.07%	0.33%	-13.12%	0.00%	-0.22%	0.67%	-0.37%	6.27%	1.34%

**Utility Service Connections
Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water										
# of Accounts	47,606	47,793	48,509	49,416	50,399	51,405	55,558	57,011	58,061	59,185
% Increase	1.50%	0.39%	1.50%	1.87%	1.99%	2.00%	8.08%	2.62%	1.84%	1.94%
Wastewater										
# of Accounts	50,383	50,715	51,527	52,674	53,548	54,599	56,235	57,909	59,499	60,913
% Increase	0.92%	0.66%	1.60%	2.23%	1.66%	1.96%	3.00%	2.98%	2.75%	2.38%
Residential Solid Waste										
# of Accounts	48,382	48,752	49,506	50,727	51,609	52,640	54,262	55,828	57,452	58,816
% Increase	0.78%	0.76%	1.55%	2.47%	1.74%	2.00%	3.08%	2.89%	2.91%	2.37%

**Charges for Water Services
Base Minimum Monthly Bill
As of June 30, 2019**

**Charges for Wastewater Services
Base Minimum Monthly Bill
As of June 30, 2019**

<u>Multi Family Customers</u>	<u>Resid., Commerc. & Landscape Customers</u>		<u>Multi Family Customers</u>	<u>Resid., Commerc. & Landscape Customers</u>	
	<u>Meter Size</u>	<u>Charge</u>		<u>Meter Size</u>	<u>Charge</u>
<u>Base Charge per Meter</u> \$8.39	5/8"-3/4"	\$ 16.09	<u>Base Charge per Meter</u> \$3.90	5/8"-3/4"	\$ 9.79
	1"	19.64		1"	9.79
	1 1/2"	31.74		1 1/2"	23.51
	2"	45.16		2"	35.29
	3"	81.01		3"	66.75
<u>Charge per Dwelling Unit</u> \$4.64	4"	121.30	<u>Charge per Dwelling Unit</u> \$3.54	4"	102.09
	6"	233.15		6"	200.22
	8"	367.42		8"	318.03

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

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

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

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

Source: City customer service and billing records

(continued)

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA

Volume Charges for Water Services Usage Per Month As of June 30, 2019				Charges for Residential Solid Waste As of June 30, 2019	
Volume Consumption (gallons)	Residential (per 1,000 gallons)	Multiplex (per 1,000 gallons)	Commercial (per 1,000 gallons)		
0 - 4,000	\$ 1.18	\$ -	\$ -	Monthly fee	
4,001 - 10,000	3.11	-	-	Single container & recycling	\$ 15.29
10,001 - 20,000	4.41	-	-	Additional container	12.53
10,001 - 25,000	4.87	-	-		
1,000+	-	3.11	-		
0 - 10,000	-	-	1.18		
10,001 - 50,000	-	-	3.11		
50,001+	-	-	4.41		

Water Meter Permit Charges As of June 30, 2019		Charges for Storm Water As of June 30, 2019	
Meter Size	Charge	Monthly	All Customers
3/4"	\$ 317		
1 1/2"	493	\$ 1.25	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 TEN YEARS AGO**

Table XIV

<u>Entity</u>	<u>Type of User</u>	<u>2019</u>			<u>2010</u>		
		<u>Avg Monthly Water Usage</u>	<u>Rank</u>	<u>Monthly Water Usage</u>	<u>Avg Monthly Water Usage</u>	<u>Rank</u>	<u>Monthly Water Usage</u>
City of Peoria Padre's Pump Station	Sports Complex	5,581	1	0.70%	5,912	2	0.86%
Desert Harbor Lake	Homeowner's Association	2,442	2	0.30%	7,118	1	1.04%
Trilogy at Vistancia	Commercial Landscape	2,247	3	0.28%	2,699	3	0.39%
Desert Harbor Landscape	Homeowner's Association	1,942	4	0.24%			
Sun Garden Park II HOA	Homeowner's Association	1,924	5	0.24%	2,014	4	0.29%
Ventana Lakes N. of Beardsley Lake	Homeowner's Association	1,659	6	0.21%	1,610	5	0.24%
Sun Garden Mobile Home Park	Homeowner's Association	1,438	7	0.18%	1,337	7	0.20%
Equity Lifestyle Prop Inc - Casa Del Sol East	Multi-Family Residential	1,386	8	0.17%			
Centennial High School	Public School	1,367	9	0.17%	1,320	8	0.19%
Polynesian Village	Homeowner's Association	1,216	10	0.15%	1,312	9	0.19%
Freedom Plaza Care Center	Healthcare Facility				1,443	6	0.21%
5 Star Quality Care - Desert Harbor	Healthcare Facility				1,307	10	0.19%

Water usage measured in thousands of gallons

Source: City customer service and billing records

(concluded)

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

Table XV

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities										
General Obligation Bonds	\$ 184,960,000	\$ 167,580,000	\$ 170,960,000	\$ 162,375,000	\$ 152,820,000	\$ 145,088,146	\$ 170,995,550	\$ 158,031,697	\$ 135,863,947	\$ 157,167,099
Municipal Development Authority Debt Obligations	55,943,338	58,365,965	52,480,000	85,230,000	81,035,000	77,797,482	73,257,994	68,529,573	34,792,700	32,753,534
Highway User Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Direct Purchase and Loan Obligations	-	-	-	-	-	-	-	-	36,514,304	30,761,347
Special Assessment Bonds	8,042,321	6,155,000	4,660,000	3,520,000	3,195,000	2,865,416	2,508,814	2,137,211	-	-
Community Facilities District Bonds	60,890,000	58,615,000	56,230,000	53,725,000	51,095,000	48,409,540	40,575,685	40,400,804	37,266,862	33,920,919
Business-type Activities										
Water and Sewer Revenue Bonds	15,780,000	15,780,000	38,480,000	37,295,000	32,720,000	29,669,224	24,622,433	19,095,643	13,383,853	8,412,062
WIFA Loans	130,298,508	121,975,538	89,803,906	82,212,652	77,780,535	73,235,496	78,549,337	74,229,903	70,004,831	62,724,636
Municipal Development Authority Debt Obligations	861,662	449,034	-	-	-	-	-	-	-	-
Municipal Sports Complex Bonds	-	-	-	-	-	-	-	-	-	-
Long-Term Loan Payable	6,883,276	-	-	-	-	-	-	-	-	-
Total Primary Government	<u>\$ 463,659,105</u>	<u>\$ 428,920,537</u>	<u>\$ 412,613,906</u>	<u>\$ 424,357,652</u>	<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>
Total Debt Per Capita	\$ 3,009.50	\$ 2,764.59	\$ 2,631.80	\$ 2,643.91	\$ 2,429.22	\$ 2,238.44	\$ 2,280.52	\$ 2,092.43	\$ 1,867.05	\$ 1,811.68
Total Debt as a % of Personal Income	8.5%	7.8%	7.4%	7.1%	6.4%	5.8%	5.7%	5.1%	4.4%	4.1%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonded Debt (1)	\$ 184,960,000	\$ 167,580,000	\$ 170,960,000	\$ 162,375,000	\$ 152,820,000	\$ 145,088,146	\$ 170,995,550	\$ 158,031,697	\$ 135,863,947	\$ 157,167,099
Less:										
Debt Service Reserves (2)	<u>35,352,142</u>	<u>31,849,469</u>	<u>30,782,503</u>	<u>30,825,566</u>	<u>28,924,537</u>	<u>25,859,071</u>	<u>26,583,502</u>	<u>25,529,967</u>	<u>15,887,194</u>	<u>17,095,199</u>
Net Bonded Debt	<u>\$ 149,607,858</u>	<u>\$ 135,730,531</u>	<u>\$ 140,177,497</u>	<u>\$ 131,549,434</u>	<u>\$ 123,895,463</u>	<u>\$ 119,229,075</u>	<u>\$ 144,412,048</u>	<u>\$ 132,501,730</u>	<u>\$ 119,976,753</u>	<u>\$ 140,071,900</u>
Percentage of Net Bonded Debt to Full Cash Value	0.9%	0.9%	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.7%	0.8%
Percentage of Net Bonded Debt to Assessed Value (3)	7.9%	8.4%	11.0%	11.6%	11.7%	10.3%	12.3%	10.6%	9.0%	9.7%
Net Bonded Debt Per Capita	\$971	\$875	\$894	\$820	\$755	\$708	\$843	\$765	\$683	\$779
Net Bonded Debt as a % of Personal Income	2.74%	2.47%	2.53%	2.20%	1.99%	1.83%	2.12%	1.87%	1.62%	1.77%

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

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

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

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

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

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

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

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

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT - CURRENT FISCAL YEAR
AS OF JUNE 30, 2019

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	\$ 62,328,357,186	\$ -	2.31%	\$ -	\$ -
Maricopa County	40,423,232,423	-	3.56%	-	-
Maricopa County Community College District	40,423,232,423	380,740,000	3.56%	13,561,370	0.20
Maricopa County Flood Control District	37,003,666,851	-	3.89%	-	0.18
Maricopa County Library District	40,423,232,423	-	3.56%	-	0.06
Maricopa County Fire District Assistance	40,423,232,423	-	3.56%	-	0.01
Maricopa County Special Health Care District	40,489,188,615	497,125,000	3.56%	17,677,979	0.29
Central AZ Water Conservation	40,489,188,615	-	3.56%	-	0.14
West MEC Vocational District	14,779,081,648	126,600,000	9.74%	12,333,671	0.15
Sub-total - City-wide overlapping				<u>43,573,020</u>	
Total City-wide debt levies (3)				200,740,119	
Unified School Districts:					
Peoria No. 11	1,249,220,588	231,560,000	69.85%	161,744,660	3.02
Deer Valley No. 97	196,188,735	186,015,000	7.58%	14,099,937	2.56
Nadaburg No. 81	1,468,243	365,000	2.34%	8,541	0.32
Sub-total - Unified school district overlapping				<u>175,853,138</u>	
Total overlapping				<u>219,426,158</u>	
Direct:					
City of Peoria	\$ 1,439,812,989	\$ 157,167,099	100.00%	<u>157,167,099</u>	\$ 1.15
Total direct and overlapping debt				<u>\$ 376,593,257</u>	

Notes: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the city. This table estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses in the city. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Does not include debt amount of Vistancia Community Facilities District (\$30,957,795) or Vistancia West Community Facilities District (\$2,963,124).

(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.

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

- Maricopa County Assessor
- State of Arizona, Department of Revenue, Abstract of the Assessment Roll
136

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - CURRENT FISCAL YEAR
AS OF JUNE 30, 2019

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	\$ 62,328,357,186	\$ -	2.31%	\$ -	\$ -
Maricopa County	40,423,232,423	-	3.56%	-	-
Maricopa County Community College District	40,423,232,423	380,740,000	3.56%	13,561,370	0.20
Maricopa County Flood Control District	37,003,666,851	-	3.89%	-	0.18
Maricopa County Library District	40,423,232,423	-	3.56%	-	0.06
Maricopa County Fire District Assistance	40,423,232,423	-	3.56%	-	0.01
Maricopa County Special Health Care District	40,489,188,615	-	3.56%	-	0.29
Central AZ Water Conservation	40,489,188,615	-	3.56%	-	0.14
West MEC Vocational District	14,779,081,648	126,600,000	9.74%	12,333,671	0.15
Sub-total - City-wide overlapping				<u>25,895,041</u>	
Total City-wide debt levies (3)				280,497,941	
Unified School Districts:					
Peoria No. 11	1,249,220,588	231,560,000	69.85%	161,744,660	3.02
Deer Valley No. 97	196,188,735	186,015,000	7.58%	14,099,937	2.56
Nadaburg No. 81	1,468,243	365,000	2.34%	8,541	0.32
Sub-total - Unified school district overlapping				<u>175,853,138</u>	
Total overlapping				<u>201,748,179</u>	
Direct:					
City of Peoria	\$ 1,439,812,989	\$ 254,602,900	100.00%	<u>254,602,900</u>	\$ 1.15
Total direct and overlapping debt				<u>\$ 456,351,079</u>	

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

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

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

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

Sources: - City of Peoria financial records
- Maricopa County Treasurer
- Individual jurisdictions' CAFRs 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	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Overlapping:										
State of Arizona	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maricopa County	-	-	-	-	-	-	-	-	-	-
Community College District	21,354,408	23,908,932	22,084,125	25,357,414	23,384,382	21,550,210	20,203,810	17,547,206	15,609,534	13,561,370
County Flood Control District	-	-	-	-	-	-	-	-	-	-
County Free Library	-	-	-	-	-	-	-	-	-	-
Fire District Assistance	-	-	-	-	-	-	-	-	-	-
Education Equalization	-	-	-	-	-	-	-	-	-	-
West MEC Vocational District	-	-	-	3,241,000	3,198,843	3,025,964	6,722,916	13,247,434	13,266,411	12,333,671
Central AZ Water Conservation	-	-	-	-	-	-	-	-	-	-
Sub-total - City-wide overlapping	<u>21,354,408</u>	<u>23,908,932</u>	<u>22,084,125</u>	<u>28,598,414</u>	<u>26,583,225</u>	<u>24,576,174</u>	<u>26,926,726</u>	<u>30,794,640</u>	<u>28,875,945</u>	<u>25,895,041</u>
Total City-wide levies (1)	<u>405,549,288</u>	<u>384,534,551</u>	<u>371,967,077</u>	<u>394,056,576</u>	<u>317,946,402</u>	<u>298,736,758</u>	<u>314,264,769</u>	<u>188,826,337</u>	<u>236,046,896</u>	<u>246,577,021</u>
Unified School Districts:										
Peoria No. 11	166,217,415	196,735,864	177,729,492	163,033,794	208,200,535	180,916,246	219,811,259	186,654,480	160,934,200	161,744,660
Deer Valley No. 97	26,201,313	24,618,198	25,445,126	25,160,995	27,264,686	25,506,618	26,927,344	30,347,141	16,287,234	14,099,937
Nadaburg No. 81	-	7,800	4,524	284,900	2,286	1,212	789	579	12,519	8,541
Sub-total - Unified school district overlapping	<u>192,418,728</u>	<u>221,361,862</u>	<u>203,179,142</u>	<u>188,479,689</u>	<u>235,467,507</u>	<u>206,424,076</u>	<u>246,739,392</u>	<u>217,002,200</u>	<u>177,233,953</u>	<u>175,853,138</u>
Total overlapping	<u>213,773,136</u>	<u>245,270,794</u>	<u>225,263,267</u>	<u>217,078,103</u>	<u>262,050,732</u>	<u>231,000,250</u>	<u>273,666,118</u>	<u>247,796,840</u>	<u>206,109,898</u>	<u>201,748,179</u>
Direct (2):										
City of Peoria	<u>384,194,880</u>	<u>360,625,619</u>	<u>349,882,952</u>	<u>365,458,162</u>	<u>291,363,177</u>	<u>274,160,584</u>	<u>287,338,043</u>	<u>158,031,697</u>	<u>207,170,951</u>	<u>220,681,980</u>
Total direct and overlapping debt	<u>\$ 597,968,016</u>	<u>\$ 605,896,413</u>	<u>\$ 575,146,219</u>	<u>\$ 582,536,265</u>	<u>\$ 553,413,909</u>	<u>\$ 505,160,834</u>	<u>\$ 561,004,161</u>	<u>\$ 405,828,537</u>	<u>\$ 413,280,849</u>	<u>\$ 422,430,159</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Property Assessed Value (1)	\$ 1,895,163,851	\$ 1,609,972,512	\$ 1,276,335,862	\$ 1,137,434,740	\$ 1,057,413,204	\$ 1,155,587,438	\$ 1,178,016,995	\$ 1,244,679,295	\$ 1,340,068,217	\$ 1,439,812,989
6% Limitation										
Debt limit	\$ 113,709,831	\$ 96,598,351	\$ 76,580,152	\$ 68,246,084	\$ 63,444,792	\$ 69,335,246	\$ 70,681,020	\$ 74,680,758	\$ 80,404,093	\$ 86,388,779
Total net debt applicable to limit	<u>5,565,000</u>	<u>4,570,000</u>	<u>2,735,000</u>	<u>1,665,000</u>	<u>350,000</u>	<u>-</u>	<u>4,814,727</u>	<u>4,149,727</u>	<u>2,999,727</u>	<u>4,526,273</u>
Legal 6% Debt Margin	<u>\$ 108,144,831</u>	<u>\$ 92,028,351</u>	<u>\$ 73,845,152</u>	<u>\$ 66,581,084</u>	<u>\$ 63,094,792</u>	<u>\$ 69,335,246</u>	<u>\$ 65,866,293</u>	<u>\$ 70,531,031</u>	<u>\$ 77,404,366</u>	<u>\$ 81,862,506</u>
Total net debt applicable to the limit as a percentage of debt limit	4.9%	4.7%	3.6%	2.4%	0.6%	0.0%	6.8%	5.6%	3.7%	5.2%
20% Limitation										
Debt limit	\$ 379,032,770	\$ 321,994,502	\$ 255,267,172	\$ 227,486,948	\$ 211,482,641	\$ 231,117,488	\$ 235,603,399	\$ 248,935,859	\$ 268,013,643	\$ 287,962,598
Total net debt applicable to limit	<u>179,395,000</u>	<u>163,010,000</u>	<u>168,225,000</u>	<u>160,710,000</u>	<u>152,470,000</u>	<u>142,925,000</u>	<u>155,345,273</u>	<u>144,090,273</u>	<u>124,055,273</u>	<u>141,653,727</u>
Legal 20% Debt Margin	<u>\$ 199,637,770</u>	<u>\$ 158,984,502</u>	<u>\$ 87,042,172</u>	<u>\$ 66,776,948</u>	<u>\$ 59,012,641</u>	<u>\$ 88,192,488</u>	<u>\$ 80,258,126</u>	<u>\$ 104,845,586</u>	<u>\$ 143,958,370</u>	<u>\$ 146,308,871</u>
Total net debt applicable to the limit as a percentage of debt limit	47.3%	50.6%	65.9%	70.6%	72.1%	61.8%	65.9%	57.9%	46.3%	49.2%

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

Table XXI

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018 (6)	2019
Senior Lien Excise Tax and State Shared Revenue Debt Obligations										
Pledged Revenues										
Sales and use taxes (1)	\$ 47,957,886	\$ 49,541,810	\$ 51,737,833	\$ 56,145,066	\$ 60,587,446	\$ 63,331,915	\$ 67,425,794	\$ 71,476,726	\$ 76,168,326	\$ 79,020,319
State-shared sales tax	10,137,682	11,649,489	12,087,651	12,665,191	13,431,637	14,139,128	14,760,029	15,631,512	15,894,140	17,018,021
Urban revenue sharing	17,469,936	13,408,996	13,231,006	14,425,958	17,172,500	18,650,521	18,549,406	20,949,613	20,334,388	20,366,698
Franchise taxes	3,955,416	4,037,897	4,084,163	4,136,004	4,194,371	4,312,836	4,461,864	4,501,681	5,035,331	4,925,609
License and permits	1,599,957	1,672,072	2,106,545	2,564,075	2,800,894	3,132,178	4,080,210	4,778,632	5,509,240	5,720,889
Fines and forfeitures	2,525,753	2,813,535	2,521,407	2,058,925	1,933,142	1,699,818	1,601,014	1,433,868	1,728,303	2,241,580
User fees and charges	10,185,728	10,502,078	10,895,825	11,889,776	12,535,479	12,703,987	11,998,841	14,376,186	16,758,517	16,881,528
Miscellaneous	1,674,775	2,692,430	1,656,235	2,534,262	1,379,952	2,146,784	2,341,988	2,980,499	4,696,224	5,452,362
Total Pledged Revenues	95,507,133	96,318,307	98,320,665	106,419,257	114,035,421	120,117,167	125,219,146	136,128,717	146,124,469	151,627,006
Senior Lien Debt Service Requirements										
Principal (2)	3,575,000	3,990,000	1,569,999	665,000	2,010,000	2,020,000	2,085,000	2,165,000	2,361,806	2,265,000
Interest (2)	670,386	482,594	505,827	1,065,571	1,708,383	1,642,083	1,567,808	1,483,533	1,385,086	1,232,635
Total Senior Lien Debt Service Requirements	\$ 4,245,386	\$ 4,472,594	\$ 2,075,826	\$ 1,730,571	\$ 3,718,383	\$ 3,662,083	\$ 3,652,808	\$ 3,648,533	\$ 3,746,892	\$ 3,497,635
Estimated Coverage	22.50	21.54	47.36	61.49	30.67	32.80	34.28	37.31	39.00	43.35
Other Excise Tax and State Shared Revenue Debt Obligations (3)										
Net Pledged Revenues from above (4)	\$ 91,261,747	\$ 91,845,713	\$ 96,244,839	\$ 104,688,686	\$ 110,317,038	\$ 116,455,084	\$ 121,566,339	\$ 132,480,184	\$ 142,377,577	\$ 148,129,371
Additional Pledged Revenues (5)	8,491,097	8,682,846	9,088,210	9,927,436	10,861,145	11,334,889	12,231,059	12,939,338	13,977,877	15,203,014
Total	99,752,844	100,528,559	105,333,049	114,616,122	121,178,183	127,789,973	133,797,398	145,419,522	156,355,454	163,332,385
Debt Service Requirements										
Principal	1,835,000	1,920,000	2,005,000	2,095,000	2,185,000	2,285,000	2,385,000	2,490,000	2,665,000	3,015,000
Interest	2,005,188	1,940,963	1,873,763	1,803,588	1,730,263	1,648,325	1,545,500	1,438,175	1,114,408	507,374
Total Annual Requirements	\$ 3,840,188	\$ 3,860,963	\$ 3,878,763	\$ 3,898,588	\$ 3,915,263	\$ 3,933,325	\$ 3,930,500	\$ 3,928,175	\$ 3,779,408	\$ 3,522,374
Estimated Coverage	25.98	26.04	27.16	29.40	30.95	32.49	34.04	37.02	41.37	46.37

Note: (1) Excludes the 0.3% Transportation Sales Tax approved by voters in September 2005.

(2) Although the pledged revenues for all Senior Lien Debt Obligations are excise taxes and state shared revenues (excluding the 0.3% Transportation Sales Tax), some debt service payments, including the 2011 MDA Debt Obligation, are funded by Enterprise Funds.

(3) Other Excise Tax and State Shared Revenue Debt Obligations are backed by a senior lien on the .03% transaction privilege tax approved by voters in 2005 and a subordinated lien on the Excise Taxes and State Shared revenues listed above.

(4) Pledged revenues on the Senior Lien Debt Obligations, less the debt requirements for the Senior Lien Debt Obligations

(5) Revenues of the Transportation Sales Tax Fund, primarily consisting of the 0.3% transaction privilege tax in Note (1).

(6) During FY2018, the 2006 and 2008 MDA debt obligations were refunded using direct purchase obligations. As part of the refunding the City deposited \$3,128,884, which was available for upcoming debt service payments for the debt being refunded, with the bond escrow agent. This amount is included in debt principal and interest listed above.

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

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

Table XXII

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012⁽⁶⁾</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gross Revenue (1)	\$ 48,087,688	\$ 46,141,098	\$ 50,720,705	\$ 52,680,761	\$ 54,515,296	\$ 52,770,260	\$ 60,010,324	\$ 64,032,933	\$ 69,512,706	\$ 69,682,089
Operating and Maintenance Expenses (2)	28,067,908	28,610,625	28,823,261	28,974,990	30,942,736	35,326,061	33,060,448	35,787,927	38,664,295	39,616,866
Net Revenue Available for Debt Service	<u>20,019,780</u>	<u>17,530,473</u>	<u>21,897,444</u>	<u>23,705,771</u>	<u>23,572,560</u>	<u>17,444,199</u>	<u>26,949,876</u>	<u>28,245,006</u>	<u>30,848,411</u>	<u>30,065,223</u>
Development Fee Revenue	1,616,718	1,899,935	2,820,416	3,205,623	4,311,153	4,418,565	5,116,972	6,268,689	6,034,425	6,529,816
Total Net Revenue	<u>21,636,498</u>	<u>19,430,408</u>	<u>24,717,860</u>	<u>26,911,394</u>	<u>27,883,713</u>	<u>21,862,764</u>	<u>32,066,848</u>	<u>34,513,695</u>	<u>36,882,836</u>	<u>36,595,039</u>
Debt Service Requirements										
Principal (3)	7,362,889	7,025,129	7,941,123	8,776,254	9,007,117	9,210,038	9,456,159	10,635,513	10,983,985	12,431,144
Interest (4)	4,332,089	4,501,266	4,242,754	3,579,904	3,343,413	3,097,542	3,026,940	2,621,761	2,567,632	2,001,074
Total Debt Service Requirements	<u>\$ 11,694,978</u>	<u>\$ 11,526,395</u>	<u>\$ 12,183,877</u>	<u>\$ 12,356,158</u>	<u>\$ 12,350,530</u>	<u>\$ 12,307,580</u>	<u>\$ 12,483,099</u>	<u>\$ 13,257,274</u>	<u>\$ 13,551,617</u>	<u>\$ 14,432,218</u>
Ratio of Total Net Revenue/ Total Bond Expense	1.85	1.69	2.03	2.18	2.26	1.78	2.57	2.60	2.72	2.54
Ratio of Net Available/ Total Bond Expense (5)	1.71	1.52	1.80	1.92	1.91	1.42	2.16	2.13	2.28	2.08

(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 amortization. For FY09 also excludes a one-time insurance claim (\$7,930,000) and a one-time charge from Central Arizona Project for back billed water capital recovery charges (\$3,670,364).

(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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Fiscal Year 2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Pledged Revenues (1)	\$ 3,402,865	\$ 2,645,451	\$ 2,262,112	\$ 1,484,283	\$ 1,259,303	\$ 1,168,526	\$ 1,078,196	\$ 2,787,558	\$ 2,130,000	\$ -
Debt Service Requirements										
Principal	2,360,492	1,887,322	1,495,000	1,140,000	325,000	340,000	355,000	370,000	2,130,000	-
Interest (2)	559,205	432,302	316,720	222,820	149,600	135,788	121,338	106,250	90,825	-
Total Annual Requirements	<u>\$ 2,919,697</u>	<u>\$ 2,319,624</u>	<u>\$ 1,811,720</u>	<u>\$ 1,362,820</u>	<u>\$ 474,600</u>	<u>\$ 475,788</u>	<u>\$ 476,338</u>	<u>\$ 476,250</u>	<u>\$ 2,220,825</u>	<u>\$ -</u>
Estimated Coverage	1.17	1.14	1.25	1.09	2.65	2.46	2.26	5.85	0.96	-

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

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

Source: City financial records
 Governmental Fund Financial Statements

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

Table XXIV

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (3)</u>	<u>2015 (4)</u>	<u>2016 (5)</u>	<u>2017 (6)</u>	<u>2018</u>	<u>2019</u>
Current Assessments Due	\$ 2,211,609	\$ 2,171,435	\$ 1,849,026	\$ 1,213,646	\$ 455,116	\$ 381,761	\$ 381,950	\$344,741	\$ -	\$ -
Assessments Collected	2,211,599	2,171,435	1,848,788	1,213,646	455,116	381,761	381,950	344,741	-	-
Prepaid Assessments Collected	38,301	-	205,901	-	675,958	-	-	1,809,173	-	-
Total Assessments Collected (1)	<u>\$ 2,249,900</u>	<u>\$ 2,171,435</u>	<u>\$ 2,054,689</u>	<u>\$ 1,213,646</u>	<u>\$ 1,131,074</u>	<u>\$ 381,761</u>	<u>\$ 381,950</u>	<u>\$2,153,914</u>	<u>\$ -</u>	<u>\$ -</u>
Ratio of Current Collections to Amount Due	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A
Outstanding Assessment Principal (2)	\$ 8,141,515	\$ 6,328,423	\$ 4,551,324	\$ 3,520,000	\$ 2,603,127	\$ 2,326,112	\$ 2,036,876	\$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)
2010	154,065	\$ 5,802,550	\$ 37,663	35.5	35,978	7.0%
2011	155,050	5,497,453	35,456	38.4	35,334	8.7%
2012	155,352	5,774,589	37,171	39.4	35,095	7.1%
2013	156,371	5,943,036	38,006	38.3	35,231	6.8%
2014	157,780	6,113,186	38,745	40.2	34,952	6.0%
2015	160,432	6,392,573	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	172,259	7,595,933	44,096	41.0	35,388	4.0%
2019	179,800	7,928,461	NA	39.5	35,490	4.3%

(1) City population for the most current year based on Maricopa Association of Government estimates and prior year data is from the U.S. Census.

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

(3) Bureau of Economic Analysis - Phoenix Metropolitan Statista Area (MSA)

(4) US Census Bureau - American Community Surveys

(5) Arizona Department of Education

(6) US Bureau of Labor Statistics

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

Table XXVI

Employer	2019			2010		
	# of Employees	Rank	Percentage of Total City Employment	# of Employees	Rank	Percentage of Total City Employment
Peoria Unified School District	4,173	1	4.7%	3,864	1	5.3%
City of Peoria	1,249	2	1.4%	1,174	2	1.6%
Fry's Food Stores (Multiple Locations)	723	3	0.8%	600	4	0.8%
Walmart (Multiple Locations)	392	4	0.4%	535	5	0.7%
Target Stores Inc (Multiple Locations)	374	5	0.4%	435	6	0.6%
Immanuel Campus of Care	330	6	0.4%	360	7	0.5%
Oak Craft Inc	318	7	0.4%	-		0.0%
McDonalds (Multiple Locations)	315	8	0.4%	-		0.0%
Hope Depot (Multiple Locations)	314	9	0.4%	-		0.0%
The Terminix International Company, L.P	300	10	0.3%	-		0.0%
The Antigua Group Inc				240	9	0.3%
Plaza Del Rio Campus/Freedom Plaza & Care Center				650	3	0.9%
Good Shepherd Care Center				250	8	0.3%
Lowes (Multiple Locations)				239	10	0.3%
Total	8,488		9.5%	8,347		11.5%
Total City Employment	89,540			72,495		

Sources: City of Peoria Economic Development Department & Maricopa Association of Governments Employer Database
Arizona Unemployment Statistics Program Special Employment Report www.azstats.gov

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, 2019

	<u>2010</u>	<u>2011 *</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government										
Mayor & Council	6.00	-	-	-	-	-	-	-	-	-
City Manager	10.00	15.00	15.00	16.00	16.00	16.00	16.00	18.00	18.00	18.00
Office of Communications	8.50	8.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
Human Resources	19.00	18.00	17.00	17.50	17.50	17.50	19.00	19.00	20.00	20.50
Attorney	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
City Clerk	9.00	9.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Court	22.00	21.00	20.90	20.90	20.90	20.90	20.90	20.90	20.90	20.90
Economic Development***	13.30	27.80	26.00	26.00	28.00	30.50	31.50	8.00	8.00	7.00
Finance & Budget	89.75	86.75	80.75	80.75	80.00	80.00	79.00	79.00	80.00	79.00
Culture & Recreation	125.47	115.97	113.57	111.97	115.97	115.97	119.22	121.47	121.20	145.78
Police	271.00	287.00	289.00	288.00	292.00	292.00	295.00	299.00	306.00	303.00
Fire	167.00	164.00	162.00	167.50	168.50	168.50	175.50	194.50	194.50	212.00
Community Development	51.00	15.50	12.50	12.50	13.50	14.00	15.00	16.00	16.00	12.92
Development and Engineering***	39.75	39.75	33.25	33.25	33.25	33.25	33.25	65.00	65.00	67.25
Highways & Streets	41.00	44.00	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80
Public Works	63.75	56.75	57.95	57.95	57.95	57.95	57.95	57.95	57.95	58.95
Human Services	11.75	10.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50	9.50
Water Utility	60.75	57.75	56.50	55.50	55.50	55.50	55.50	58.50	58.50	61.50
Wastewater Utility	29.25	29.25	29.50	29.50	29.50	29.50	31.50	32.50	32.50	33.50
Solid Waste Utility	45.00	43.25	45.00	45.00	45.50	45.50	49.50	53.25	56.25	58.25
Information Technology	46.00	41.60	39.00	39.00	40.00	40.00	41.00	42.00	42.00	42.00
Stadium	19.00	15.50	15.50	16.50	17.50	17.50	17.50	18.50	18.50	18.50
Total FTE**	<u>1,174.27</u>	<u>1,131.87</u>	<u>1,100.72</u>	<u>1,105.12</u>	<u>1,118.87</u>	<u>1,121.87</u>	<u>1,145.62</u>	<u>1,191.87</u>	<u>1,203.60</u>	<u>1,249.35</u>

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

* Interdepartmental reorganization is reflected in FY2011 numbers. This will explain some of the significant changes in departments such as Mayor and Council, City Manager, Economic Development and Community Development.

**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
Fiscal Year

Table XXVIII

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities:										
General Government										
Registered Voters in City	82,578	86,803	85,592	87,432	89,604	87,541	93,916	101,881	102,460	109,073
Voter Participation (last election)	29.2%	29.2%	23.7%	23.7%	24.9%	31.3% ^(F)	N/A	76.7%	N/A	36.48%
Culture & Recreation										
Recreation Participants	132,391	134,661	136,200	134,045	122,318	120,232	104,544	109,220	112,802	116,696
New Recreation Accounts	5,903	5,968	6,106	5,396	5,533	5,483	5,166	5,396	5,029	4,344
Special Event Participants	46,578	60,715	65,347	73,800	74,950	79,550	71,300	102,938	95,822	88,348
Police										
Calls for Service	56,683	56,764	57,184	54,159	52,193	47,612	53,256	55,136	53,574	51,127
Avg Response Time (minutes)	5.65	5.87	6.01	4.52 ^(C)	4.39 ^(C)	4.55 ^(C)	5.13 ^(C)	5.40 ^(C)	5.33 ^(C)	5.28
Fire										
Number of Incidents	14,874	15,403	17,717	18,719	19,312	20,873	23,824	23,726	24,932	23,752
Avg Response Time (minutes)	5.02	5.19	5.08	5.14	5.30	5.24	5.38	5:16 ^(A)	5:24 ^(A)	5:25 ^(A)
Development Services										
Building Permits Issued	1,497	1,401	2,371	3,625 ^(D)	3,993 ^(D)	4,534 ^(D)	5,818 ^(D)	6,336 ^(D)	6,231 ^(D)	5,701 ^(D)
Value of Building Permits (millions \$)	\$131.8	\$63.8	\$111.2	\$169.0	\$188.3	\$221.1	\$311.9	\$393.3	\$355.0	\$382.1
Highways & Streets										
Asphalt Used (in tons)	2,832	2,677	2,038	3,122	2,227	2,302	1,289	1,930	1,566	1,394
Centerline Miles Swept	5,935	6,159	6,202	6,143	5,660	4,968	4,118	6,199	5,052	6,405
Miles Inspected	422	85 ^(B)	163	187	205	211	296	1,551 ^(G)	0 ^(G)	0 ^(G)
Public Works										
Number of Vehicle Work Orders	5,697	5,856	5,608	5,899	5,464	5,493	5,558	5,732	5,416	5,592
Human Services										
Number of Dial-a-Ride users	899	747	759	830	836	850	749	585	599	599
Number of Annual Trips	31,568	27,440	31,082	32,101	33,308	30,212	30,756	27,241	28,033	22,954
Business-type Activities										
Water Utility ^(E)										
Annual Consumption (000's gal)	8,212,711	8,003,947	8,448,795	8,405,929	8,662,507	8,090,136	8,650,664	9,488,059	9,950,302	9,630,290
Wastewater Utility										
Wastewater Treated (billion gal)	3.70	3.50	3.61	3.64	3.69	3.74	3.78	3.87	3.98	4.13
Solid Waste Utility										
Residential Tonnage Processed	47,540	47,989	46,299	47,717	47,987	51,666	52,593	54,967	55,757	59,819
Commercial Tonnage Processed	21,981	20,340	19,700	20,561	21,176	25,227	23,309	20,895	20,974	16,748
Recycle Tonnage Processed	15,516	16,277	15,715	15,184	15,155	16,077	16,447	16,698	17,109	16,859
Stadium										
Spring Training Attendance	200,029	188,244	190,643	196,881	192,513	238,847	240,111	227,646	201,272	180,190
Sporting Rentals Days	208	336	350	290	322	297	339	333	335	340
Non-Sporting Rentals Days	74	108	134	143	146	151	204	210	196	182

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

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

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

^(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

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

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

Table XXIX

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities:										
General Government										
Annexed Area (square miles)	179.0	179.1	179.1	179.1	179.1	179.1	179.1	179.1	179.1	179.1
Culture & Recreation										
# of Neighborhood Parks	28	28	32	33	33	34	34	34	34	34
Total Neighborhood Park Acreage	322	322	285	294	294	305	301	301	301	301
# of Community Parks	1	1	1	1	2	2	2	2	2	2
Total Community Park Acreage	52	52	52	52	139	139	139	139	139	139
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol Vehicles (units)	86	86	86	86	88	88	90	91	92	98
Fire										
Stations (full-time / part-time)	7 / 1	7 / 1	7 / 1	7/1	7/1	7/1	8/0	8/0	8/0	8/0
Number of Fire Engines ^(B)	9	7	7	7	7	7	7	7	7	7
Number of Ladder Trucks	2	2	2	2	2	2	2	2	2	2
Highways & Streets										
Streets (miles maintained)	554	584	590	622	1452 ^(A)	1505 ^(A)	1,534	1,551	1,559	1,579
Crack Seal Application (linear feet)	*	*	*	*	1,165,460	1,156,722	2,144,476	2,007,173	3,381,554	2,447,248
Surface Treatments (lane miles)	*	*	*	*	88	96	60	99	153	17
Public Works										
Street Lights	13,901	14,093	14,333	15,006	14,786	14,945	15,565	15,722	15,973	16,152
Vehicles in Fleet	670	673	687	714	738	732	778	795	840	842
Water Services										
Number of Pump Stations	*	*	*	*	25	25	30	30	30	27
Number of Lift Stations	*	*	*	*	15	14	13	13	13	11
Number of Wells	*	*	*	*	38	40	46	47	47	24
Number of Reservoirs	*	*	*	*	30	30	33	33	33	22
Human Services										
Dial-a-Ride Buses	9	7	7	7	6	5	5	5	5	6
Business-type Activities										
Water Utility										
Number of Water Accounts	47,606	47,793	48,509	49,516	50,399	51,405	55,558	57,011	58,061	59,185
Storage Capacity (million gal)	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Wastewater Utility										
Number of Wastewater Accounts	50,383	50,715	51,527	52,674	53,548	54,599	56,235	57,909	59,499	60,913
Treatment Capacity (billion gal)	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.00	16.00
Solid Waste Utility										
Number of Solid Waste Accounts	43,382	48,752	49,506	50,727	51,609	52,640	54,262	55,828	57,452	58,816
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 centerlane 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.

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, 2019

Audited Financial Statements

The City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2019, is included as part of this submittal.

Other Financial Information

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

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

	<u>Statistical Section</u>	<u>Page</u>
<u>General Obligation Bonds (CUSIP 712838)</u>		
Assessed values by property classification	Table VIII	125
Comparison of assessed value to full cash value	Table VIII	125
Comparative assessed values	Table IX	126
Direct and overlapping assessed values	Table XVII	136
Direct and overlapping tax rates	Table X	127
Property tax levies and collections	Table XIII	130
Direct and overlapping general obligation bonds	Table XVII	136
Direct general obligation debt ratios	Table XVI	135
Legal debt margin and unused borrowing capacity	Table XX	139
 <u>Water and Wastewater Revenue Bonds (CUSIP 712851)</u>		
Net revenues and debt service coverage	Table XXII	141
Number of utility service connections	Table XIVa	131
Ten largest water users	Table XIVc	133
 <u>Municipal Development Authority Bonds (CUSIP 71284R and 71285A)</u>		
Excise tax and state shared revenues and debt service coverage	Table XXI	140
Privilege and use tax rates by category	Table VI	123
Annual debt service requirements	Table XXI	140
 <u>Improvement District Bonds (CUSIP 712844)</u>		
Legal debt margin and unused borrowing capacity	Table XX	139
Assessed values by property classification	Table VIII	125
Property tax levies and collections	Table XIII	130
Special assessment collections	Table XXIV	143



City of Peoria

**FINANCE AND BUDGET
DEPARTMENT**

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www.peoriaaz.gov

