



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For the Fiscal Year Ended June 30, 2024*







# **CITY OF PRESCOTT, ARIZONA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Prepared by  
Accounting Services Division  
Finance Department  
City of Prescott

**CITY OF PRESCOTT, ARIZONA**  
**Annual Comprehensive Financial Report**  
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## INTRODUCTORY SECTION







MARK WOODFILL  
FINANCE DIRECTOR  
MARK.WOODFILL@PRESCOTT-AZ.GOV  
928-777-1222

November 25, 2024

To the Honorable Mayor, City Council and Citizens of the City of Prescott:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report of the City of Prescott, Arizona (City) for the fiscal year ended June 30, 2024. Management assumes full responsibility for the completeness and reliability of all information presented in this report, based upon a broad framework of internal control that it established for this purpose. Because the cost of internal controls should not outweigh their anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Baker Tilly US, LLP has issued an unmodified (“clean”) opinion on the City of Prescott, Arizona’s financial statements for the year ended June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

This report presents the financial position of the City as of June 30, 2024, and the results of its operations and cash flows for its proprietary fund types for the year then ended. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

## **CITY OF PRESCOTT PROFILE**

Known as “Everybody’s Hometown” Prescott is home to the downtown Courthouse Plaza, famous Whiskey Row, World’s Oldest Rodeo, Prescott Fine Arts Association, Sharlot Hall Museum, Phippen Art Museum, Folk Arts Fair, Frontier Days, and Territorial Days. It has been officially designated as “Arizona’s Christmas City” by the State of Arizona. The Courthouse Plaza, located in the center of the downtown and framed by towering elms, is the focal point for a myriad of activities, including crafts fairs, antique shows and art shows. The plaza and Yavapai County Courthouse are well-known throughout Arizona as symbolizing the quintessential mid-western downtown square.

The City of Prescott was founded in 1863 and incorporated in 1883. During the late 1800s, Prescott twice served as the territorial capital, and the Governor’s Mansion is now preserved at the Sharlot Hall Museum.

The current municipal boundaries of Prescott encompass an area approximately 50 square miles with a population of 47,757 as of the official July 1, 2023 Census Bureau estimate. The City is the base of Yavapai county government operations. Located in the mountains of north central Arizona approximately 95 miles northwest of Phoenix (the State capitol) and 90 miles southwest of Flagstaff, the City borders the Prescott National Forest to the south and west. The average elevation is 5,400 feet. The local climate is mild, with average high temperatures ranging from fifty degrees to ninety degrees and the average precipitation recorded at 19.8 inches, most of which is rain. Prescott and the neighboring towns of Chino Valley, Prescott Valley and Dewey-Humboldt form what is known locally as the Quad-City area.

The council-manager form of government was adopted in 1958. The Mayor is elected on a nonpartisan ballot to represent the entire City for a two-year term. The six members of Council are elected at large for four year terms on a nonpartisan ballot. Three of the six positions and the Mayor’s position are up for reelection at the same time.

Under the provisions of the City Charter, the Mayor and City Council are responsible for appointing the City Manager, City Attorney, City Clerk, and City Magistrate. The City Manager is responsible for carrying out its established policies, appointing department heads, and administering operations.

A staff of 565 full-time equivalent City employees working within fourteen City departments provides a full range of municipal services. The municipal government provides police, fire, library recreation, parks, trails, golf, wastewater, water, street improvements and maintenance, solid waste, municipal airport, planning and building, economic development, and general administration services.

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The annual budget serves as the foundation for the City's financial planning and control. Mayor and City Council set the City's long-term strategic direction and the goals that guide the departments in their budget preparation. A proposed balanced budget is presented to the City Council for review and discussion in mid spring with the final adoption in June. The fiscal year begins on July 1<sup>st</sup>. Legal control over the budget derives from State statutes and City Charter which prohibit the City from exceeding its adopted budget on the fund and department level.

The residents of Prescott approved a Home Rule exemption, the latest in August 2021, to the State of Arizona's expenditure limitation requirement. With this exemption, which is in effect for four consecutive years, the City can determine the budget level as long as the City can identify resources to cover expenditures. The budget appropriated by the City Council consists of all planned expenditures and the resources to cover them.

## **LONG-TERM FINANCIAL PLANNING**

Each year, the City of Prescott evaluates its current financial condition with existing programs, assesses future financial capacity, and integrates short and long-term plans, City Council goals, objectives, debt policies, investment policies and financial policies (debt, investment, and budget policies) into its decision-making process.

Our long-term planning focuses on services that deliver outcomes important to the quality of life in Prescott. It maintains programs that keep our community safe, support strategic economic development, encourage tourism, improve traffic flow, and keep our streets clean. The end result of the annual budgetary process appropriately balances income and expenditures to effectively and efficiently provide services responsive to our citizens' needs.

Budget guidelines integrate and link overarching strategic goals of the City Council with funding and resources, in order to deliver work programs and other items that support achievement of the goals. The following strategic priorities were established during Council's FY25 strategic planning process:

1. Public Safety
2. Dynamic Economy
3. Infrastructure
4. Natural Environment
5. Good Governance

Each of these priorities have desired results and goals. The full strategic plan can be found on the City's website.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the basic financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

### Local Economy

Prescott is the center for trade in the region, and as a result has grown into a community with a robust, diverse economy, which includes government, education, health care, manufacturing and tourism. Here is a brief overview of those sectors:

1. Government: Prescott is the Yavapai County seat, and as a result, is home to a majority of the county offices and court-related businesses. Several state and federal offices also call Prescott home as Prescott's convenient location allows them to serve the northern and central regions of Arizona.
2. Education: In addition to ERAU, Prescott is home to higher education institutions such as Yavapai College, Prescott College and Northern Arizona University Distance Learning Center. Prescott's K-12 offerings include public, private and charter schools.
3. Health care: The VA Medical Center and Yavapai Regional Medical Center's main campus are both located in Prescott, as well as the bulk of related health care providers, (i.e., doctors, specialists, outpatient surgery centers and labs).
4. Manufacturing: Prescott's growing base of prime companies includes international manufacturers in the fields of aerospace, bioscience, guns and after-market vehicle accessories.
5. Tourism: Historical assets and outdoor recreation make Prescott a destination for visitors. Comfortable summer temperatures combine with signature events to create a perfect getaway for those from hotter parts of the state. Prescott's main tourist markets are the Phoenix and Tucson metro areas, California, Canada and Germany.

Although small in population, the City is not dependent on any one company or industry for economic vitality. The region is diverse in nature and benefits from the following industries:

Education

Embry Riddle Aeronautical University  
Yavapai College  
Prescott College  
Northern Arizona University Extension

Health Care

Yavapai Regional Medical Center  
Veteran’s Administration Hospital

Manufacturing

Pure Wafer  
Sturm Ruger and Company  
Zila Nutraceuticals  
Cobham Avionics  
Davidson’s  
Vinyl Visions  
CP North America

Retail

Pine Ridge Marketplace  
Wide assortment of automobile dealers  
Costco  
Trader Joe’s  
Wal-Mart  
Lowe’s  
Fry’s  
Safeway

Tourism

Ernest A. Love Field – Prescott Airport  
Variety of accommodations and restaurants  
Multiple golf, hiking and camping areas  
Numerous lakes and aquatic recreation sites  
Various cultural and entertainment venues

Each of these industries creates employment as well as opportunities for new business and entrepreneurial ventures, and Prescott recognizes the valuable contributions that our business community makes. For this reason, we strive to maintain Prescott as pro-business. We do this by being highly responsive to the needs of our business community, implementing best practices and availing businesses to tools and resources to foster success.

Economic indicators for the fiscal year 2024 are represented by the following:

- Sales tax revenues in the General Fund and Streets Fund increased 4.9% from fiscal year 2023
- Construction activity has decreased from the prior fiscal year represented by 357 single family permits were issued in fiscal year 2024 compared to 201 in fiscal year 2023 and total building permit valuation was \$210 million in fiscal year 2024 compared to \$186 million in fiscal year 2023
- Bed tax collections, representing tourism activity, was flat from fiscal year 2023

Reserves

The City Council's budget policy is to have an unreserved fund balance equal to at least 20% of operating revenues in the general fund: 10% to be used for the cash flow need due to timing differences between receipts and disbursements during the fiscal year, and 10% to only be used upon approval of the City Council to cover unanticipated expenditures or revenue shortfalls. The General Fund actual ending unassigned fund balance for June 30, 2024 is \$44.7 million or 67% of operating revenues. Other funds have sufficient fund balances to meet operating requirements and infrastructure improvements to the benefit of its residents.

**AWARDS AND ACKNOWLEDGEMENTS**

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 of Prescott for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 42<sup>nd</sup> consecutive year that the City has achieved this prestigious award.

In order to be awarded a certificate of achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that our current annual comprehensive report continues to meet the certificate of achievement program’s requirements, and we are submitting it to GFOA.

The City of Prescott received the Distinguished Budget Presentation Award from the GFOA for our conformity in the budget presentation for the fiscal year beginning July 1, 2023. We believe that our current budget continues to conform to the program requirements and expect to receive this award for the fiscal year beginning July 1, 2024.

**INDEPENDENT AUDIT**

In accordance with the City Charter and Arizona law, the City’s financial records are subject to an annual audit by an independent certified public accountant. The audit is conducted in accordance with generally accepted auditing standards. The auditor determines whether the City followed generally accepted accounting and reporting principles. Baker Tilly US, LLP conducted the audit for fiscal year ending June 30, 2024. The audit opinion is located in the financial section of the report.

The City is also required to undergo a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. 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 City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

#### **ACKNOWLEDGMENT**

The preparation of the Annual Comprehensive Financial Report was a collaborative undertaking of the Budget and Finance Department. Each member has our appreciation for the assistance provided in the preparation of this document. We also recognize the efforts of other departments who provided data that helped to make the report more meaningful.

In closing, we acknowledge the City Council and the City Manager for their continued support and direction.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark Woodfill". The signature is written in a cursive, flowing style.

Mark Woodfill  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Prescott  
Arizona**

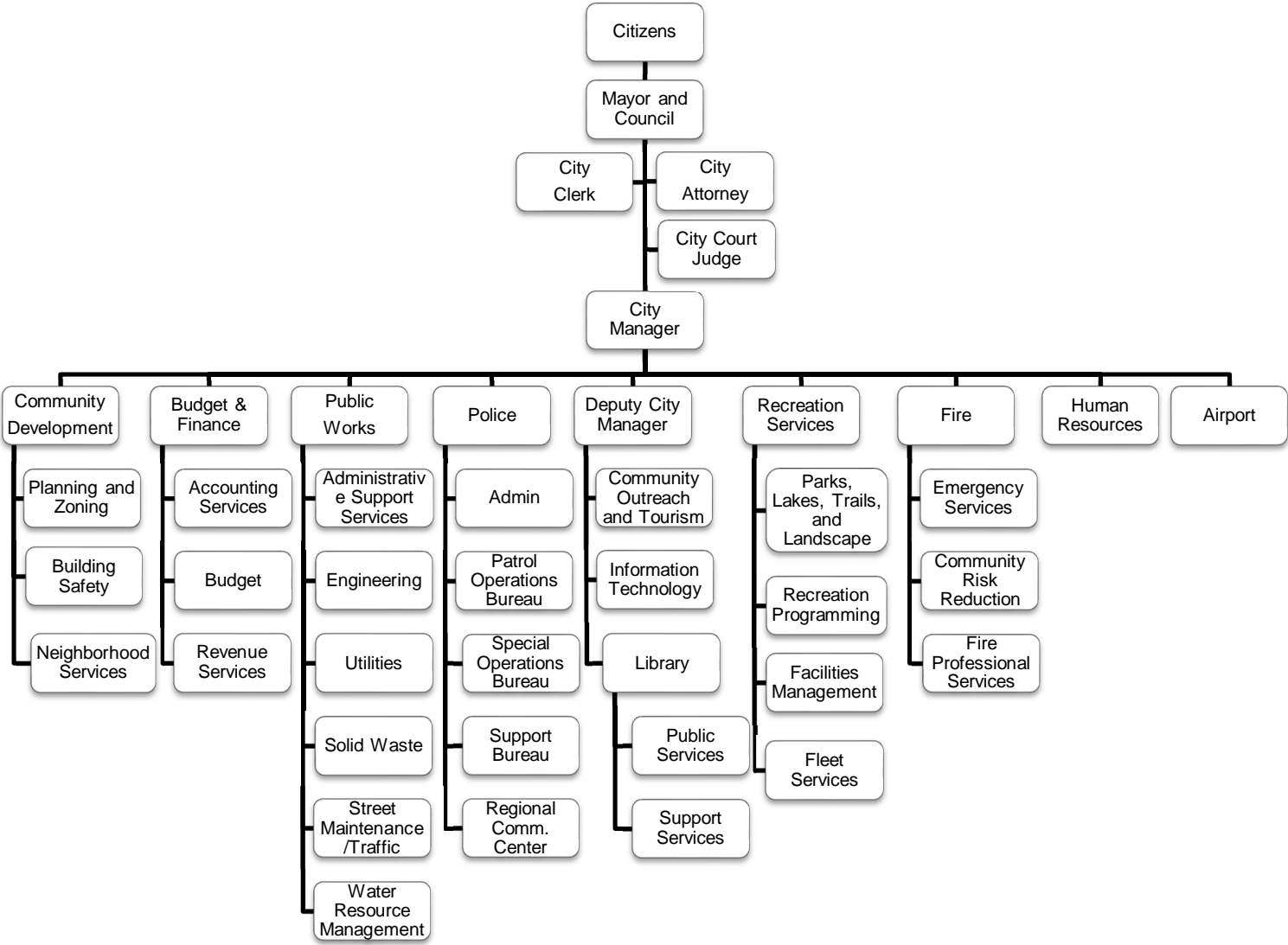
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# City Organizational Chart



# CITY OF PRESCOTT, ARIZONA

*June 30, 2024*

## ELECTED OFFICIALS

**Philip Goode, Mayor**

### Council

**Brandon Montoya**

**Cathey Rusing**

**Connie Cantelme**

**Eric Moore**

**Lois Fruhwirth**

**Ted Gambogi**

### Appointed Officials

Dallin Kimble

City Manager

Joseph Young

City Attorney

Sarah Siep

City Clerk

J. Mitchell Padilla

City Magistrate

### Mailing Address

201 N Montezuma Street  
Prescott, AZ 86301

[www.prescott-az.gov](http://www.prescott-az.gov)







## FINANCIAL SECTION



## Independent Auditors' Report

To the Honorable Mayor and Council of  
City of Prescott, Arizona

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Prescott, Arizona (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, Arizona, as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, and Streets and Open Space Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Other Matters

##### ***Compliance Over Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies***

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to use highway user revenue fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City noncompliance with the used of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

#### Responsibilities of Management for the Financial Statements

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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

## **Supplementary Information**

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

## **Other Information**

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

## **Restricted Use Relating to the Other Matter**

The communication related to compliance with the aforementioned indenture described in the Other Matter paragraph is intended solely for the information and use of the Arizona State Legislature, management and other responsible parties within the City and is not intended to be and should not be used by anyone other than these specified parties.



Tempe, Arizona  
November 25, 2024



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Prescott, we offer readers of the City of Prescott's financial statements this narrative overview and analysis of the financial activities of the City of Prescott for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 9-12 of this report.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Prescott exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$664,663,234 (net position). The unrestricted net position, which represents the amounts available to meet the City of Prescott's ongoing obligations to citizens and creditors, was \$54,806,715.
- The City of Prescott's total net position increased by \$31,375,911. This increase is the result of stronger than budgeted revenues as well as accumulation of funds for future capital projects.
- At the close of the current fiscal year, the City of Prescott's governmental funds reported combined fund balances of \$88,486,345, an increase of \$15,161,315 in comparison with the prior year. Of this amount, \$44,719,197, or 51%, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$44,719,197, or approximately 78% of the general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City of Prescott's basic financial statements. The City of Prescott's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Prescott's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all the City of Prescott's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Prescott is improving or deteriorating.

The statement of activities presents information showing how the City of Prescott's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City of Prescott that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Prescott include general government, community services, culture and recreation, public safety, and public works. The business-type activities of the City of Prescott include a water, wastewater, airport, solid waste, and golf course.

The government-wide financial statements include not only the City of Prescott itself (known as the primary government), but also a legally separate Hassayampa Community Facilities District #2 and Prescott Municipal Property Corporation functions for all practical purposes as a component of the City of Prescott, and therefore has been included as an integral part of the primary government. The government-wide financial statements can be found on pages 34-35 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Prescott, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Prescott can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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 assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Prescott maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the streets fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Prescott adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 37-43 of this report.

**Proprietary Funds.** The City of Prescott maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Prescott uses enterprise funds to account for its water, wastewater, airport, solid waste, and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Prescott's various functions. The City of Prescott uses internal service funds to account for the fleet maintenance, risk management, engineering services, and facilities maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater, airport, solid waste, and golf course operations, which are considered to be major funds of the City of Prescott. Conversely, all the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. The basic proprietary fund financial statements can be found on pages 45-49 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51-84 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City of Prescott's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 85-100.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 101-103 of this report.

## **GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Prescott, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$664,663,234, at the close of the most recent fiscal year.



## City of Prescott's Net Position

(in millions)

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
	<b>Assets</b>					
Current and other assets	\$ 104.7	\$ 92.2	\$ 38.5	\$ 51.4	\$ 143.2	\$ 143.6
Capital assets	262.6	250.6	424.0	403.4	686.6	654.0
<b>Total assets</b>	<b>367.3</b>	<b>342.8</b>	<b>462.5</b>	<b>454.8</b>	<b>829.8</b>	<b>797.6</b>
Total deferred outflows of resources	17.4	23.2	1.8	1.8	19.2	25.0
<b>Liabilities</b>						
Long-term liabilities outstanding	42.5	49.1	119.8	111.9	162.3	161.0
Other liabilities	8.0	8.1	9.4	14.3	17.4	22.4
<b>Total liabilities</b>	<b>50.5</b>	<b>57.2</b>	<b>129.2</b>	<b>126.2</b>	<b>179.7</b>	<b>183.4</b>
Total deferred inflows of resources	4.2	5.3	.5	.6	4.7	5.9
<b>Net Position:</b>						
Net investment in capital assets	251.9	236.6	312.4	294.7	564.3	531.3
Restricted	39.2	33.5	6.3	6.0	45.5	39.5
Unrestricted	38.9	33.4	15.9	29.1	54.8	62.5
<b>Total net position</b>	<b>\$ 330.0</b>	<b>\$ 303.5</b>	<b>\$ 334.6</b>	<b>\$ 329.8</b>	<b>\$ 664.6</b>	<b>\$ 633.3</b>

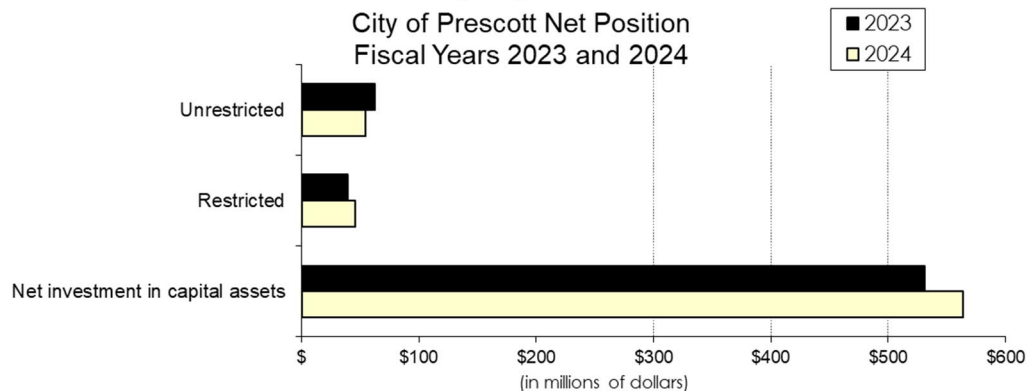
Rounding adjustments result in small differences when compared to financial statements.

Governmental activities had a current year increase in assets of \$24.5 million from increases in cash and investments and investments in street infrastructure and other assets. Long-term liabilities decreased by \$6.6 million primarily from a decrease in net pension liability relating to the Arizona State Retirement System (ASRS) and the City's proportionate share of the plan's increase in market value of assets.

Business-type activities had a current year increase in assets of \$7.7 million primarily from the construction of infrastructure offset by a decrease in cash and investments. Liabilities increased by \$3.0 million related to financing of infrastructure projects.

By far, the largest portion of the City of Prescott's net position, \$564.3 million reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The City of Prescott uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Prescott's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Prescott's net position, \$45.5 million represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City of Prescott's unrestricted net position was \$54.8 million, a decrease of \$7.7 million from the prior year.



The City of Prescott's overall net position increased \$31.3 million from the prior fiscal year. The reasons for this overall increase are discussed in the following section.

## City of Prescott's Changes in Net Position

	(in millions)					
	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services and other	\$ 8.0	\$ 7.2	\$ 57.7	\$ 52.7	\$ 65.7	\$ 59.9
Operating grants & contributions	3.7	2.8	1.2	.9	4.9	3.7
Capital grants & contributions	9.3	7.2	4.6	13.3	13.9	20.5
Total program revenues	<u>21.0</u>	<u>17.2</u>	<u>63.5</u>	<u>66.9</u>	<u>84.5</u>	<u>84.1</u>
<b>General revenues</b>						
Taxes	57.6	64.1	-	-	57.6	64.1
Intergovernmental	23.7	19.6	-	-	23.7	19.6
Interest & investment income	5.4	0.8	0.7	0.4	6.1	1.2
Miscellaneous	0.1	0.1	0.2	0.3	0.3	0.4
Total general revenues	<u>86.8</u>	<u>84.6</u>	<u>0.9</u>	<u>0.7</u>	<u>87.7</u>	<u>85.3</u>
Total revenues	<u>107.8</u>	<u>101.8</u>	<u>64.4</u>	<u>67.6</u>	<u>172.2</u>	<u>169.4</u>
<b>Expenses</b>						
General government	4.3	2.4	-	-	4.3	2.4
Community services	2.4	1.9	-	-	2.4	1.9
Culture and recreation	10.3	10.3	-	-	10.3	10.3
Police and court	22.0	18.6	-	-	22.0	18.6
Fire	15.4	13.4	-	-	15.4	13.4
Public works	26.2	27.2	-	-	26.2	27.2
Interest on long-term debt	0.3	0.4	-	-	0.3	0.4
Airport	-	-	5.9	6.2	5.9	6.2
Golf course	-	-	5.6	4.8	5.6	4.8
Solid waste/transfer station	-	-	12.7	11.4	12.7	11.4
Wastewater	-	-	16.3	14.8	16.3	14.8
Water	-	-	19.5	17.1	19.5	17.1
Total Expenses	<u>80.9</u>	<u>74.2</u>	<u>60.0</u>	<u>54.3</u>	<u>140.9</u>	<u>128.5</u>
<b>Increase (decrease) before transfers</b>	<u>26.9</u>	<u>27.6</u>	<u>4.4</u>	<u>13.3</u>	<u>31.3</u>	<u>40.9</u>
Transfers	(0.4)	(2.1)	0.4	2.1	-	-
<b>Change in net position</b>	<u>26.5</u>	<u>25.5</u>	<u>4.8</u>	<u>15.4</u>	<u>31.3</u>	<u>40.9</u>
Beginning net position	<u>303.5</u>	<u>278.0</u>	<u>329.8</u>	<u>314.3</u>	<u>633.3</u>	<u>592.3</u>
<b>Ending net position</b>	<u>\$330.0</u>	<u>\$303.5</u>	<u>\$334.6</u>	<u>\$329.7</u>	<u>\$664.6</u>	<u>\$633.2</u>

Rounding adjustments result in small differences when compared to financial statements.

### **Governmental Activities**

During the current fiscal year, net position for governmental activities increased by \$26.5 million from the prior year ending balance of \$303.5 million.

Revenues from grants and contributions increased by \$3.0 million, mainly from additional grants related to the purchase of Glassford Hill which the City received partnership revenue to offset the purchase from Arizona State and Yavapai County and other county partnering on flood control projects. Charges for services increased by \$800,000 from an increase building permit activities and joint dispatch partnering revenue. Tax revenues decreased by \$6.5 million from a decrease in the local portion of the transaction privilege tax rate from 2.75% to 2.00% on January 1, 2023. This 0.75% tax was dedicated to paying down the Public Safety Retirement System (PSPRS) unfunded liability and was eliminated as required by the voter approved ballot provision when the liability reached \$1.5 million.

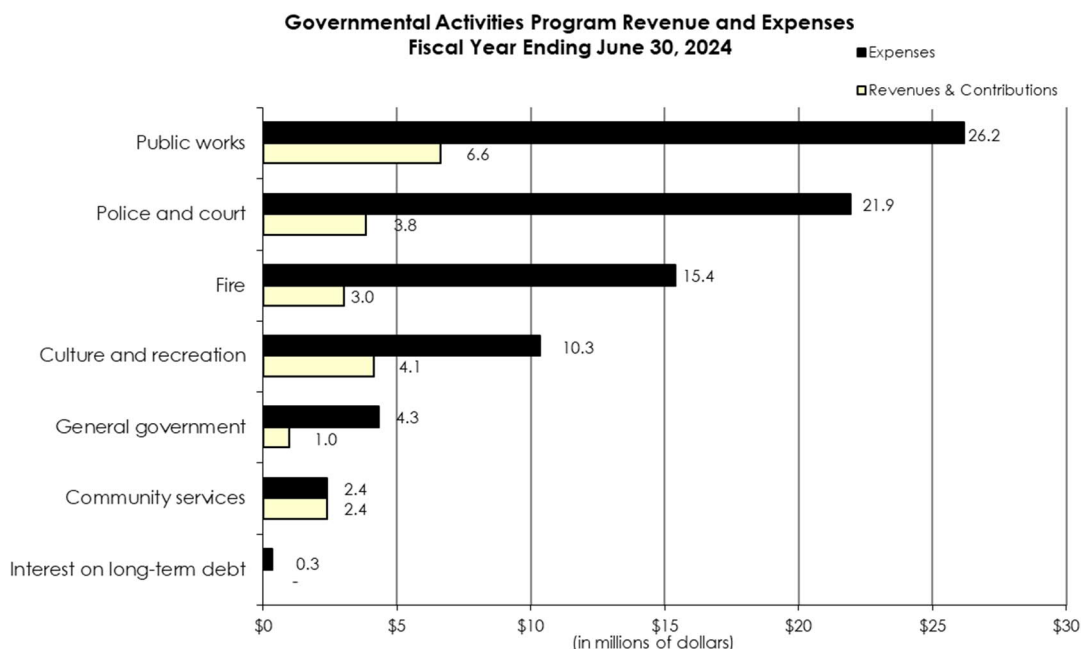
Intergovernmental revenues increased by \$4.1 million with increased state shared revenue amounts, especially state shared income tax. Pursuant to State statute, the State's four personal income tax rate categories are being consolidated into a single flat rate of 2.5% over a three-year period beginning after December 31, 2021. In order to partially mitigate impacts of the expected reduction in State-shared income taxes distributed to cities and towns in Arizona, State statutes were modified to increase, beginning in fiscal year 2023-24, the percentage of Arizona State

income taxes distributed to cities and towns from 15% to 18%. As a result of these statutory changes, the City received an increase in State-shared income tax distributions of approximately \$3.7 million in fiscal year 2024. Such increases are not expected to continue in fiscal year 2025 and beyond as the implementation of the 2.5% flat income tax rate becomes fully implemented. There were also smaller increases in other categories of state shared revenue. Interest and investment income was up \$4.6 million from the prior year because of a more favorable interest rate environment on investments.

Expenses in governmental activities increased by \$6.6 million. Across the City functions in fiscal year 2024, the City has increased personnel wages to adjust for the cost of living totaling 6.5% plus up to 2% for merit based increases. Public safety departments increased expenditures in fiscal year 2024 as follows: police and court increased by \$3.4 million and fire department increased by \$2 million. The reason for this is additional positions were added, with five new police officer positions, a school resource officer, and a sergeant combined with vacancies being filled in the police department, and an operations chief, wildland risk reduction manager, and administrative specialist in the fire department. Additionally, an increase in paramedic pay, and supplies and services in the fire department.

General government increased by \$1.9 million. This is because of a classification error in the fiscal year 2023. The City Hall improvement project was classified as Culture and recreation in fiscal year 2023 when it should have been general government. So, this difference should have been in culture and recreation. For culture and recreation in fiscal year 2024, the activities increase because of moving a forestry division from the fire department in this area and also some regional recreational facility improvements that did not become assets of the City.

As shown in the chart below, revenues generated from the City of Prescott's programs are not sufficient to cover the costs. The City of Prescott relies on privilege tax, intergovernmental revenues, property taxes, and other general revenues to cover the cost associated with the various programs.



**Business-type Activities**

The City of Prescott's business-type activity results from the current fiscal year were positive with the overall net position increasing to \$334.6 million. The growth is the result of increased activities and rate adjustments in the water, wastewater, and solid waste activities.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City of Prescott uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

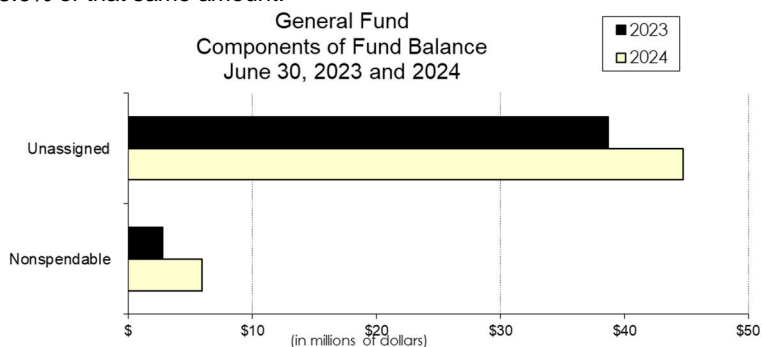
The focus of the City of Prescott's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Prescott's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular

purpose by either an external party, the City of Prescott itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Prescott's Council.

At June 30, 2024, the City of Prescott's governmental funds reported combined fund balances of \$88.5 million, an increase of \$15.2 million in comparison with the prior year. Of this amount, \$44.7 million or 51%, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable or restricted to indicate that it is (1) not in spendable form, \$5.9 million; or (2) restricted for purposes, \$37.8 million.

### Analysis of Individual Funds

The general fund is the chief operating fund of the City of Prescott. At the end of the current fiscal year, unassigned fund balance of the general fund was \$47.2 million, while total fund balance increased to \$50.7 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 82.5% of total general fund expenditures, while total fund balance represents 88.6% of that same amount.



The fund balance of the City of Prescott's general fund increased by \$9.2 million during the current fiscal year. This increase was the result of a stronger than expected local growth in local taxes, substantial increase in interest and investment income, as well as an increase in state shared revenue.

The streets special revenue fund, a major fund, had a \$7.5 million increase in fund balance during the current fiscal year which put the overall fund balance at \$29.7 million. The increase in fund balance is the result of the timing of large public works capital projects and accumulating funds for the pay as you go program as well as a stronger than expected growth in local taxes. Comparing the change in fund balance to the prior fiscal year, the prior year was a decrease of \$4.6 million as a result of a large open space purchase. That purchase used the remaining committed fund balance for open space purchases in the streets fund and going forward the fund balance will be used for streets projects.

### Proprietary Funds

The City of Prescott's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

The net position of each of these funds at year were as follows: the water fund increased \$3.8 million to \$183.3 million, the wastewater fund increased by \$1.3 million to \$73.1 million, the airport fund decreased by \$0.1 million to \$71.0 million, the solid waste fund decreased by \$0.1 million to \$2.6 million, and the golf course fund decreased by \$0.1 million to \$4.6 million. As mentioned earlier these increases were the result of increased activities and rate adjustments in the water, wastewater, and solid waste activities.

### General Fund Budgetary Highlights

First, the original budget compared to final budget will be discussed. During the year there was a need to make amendments to reallocate appropriations between departments. Generally, the movements of appropriation between departments was not significant with the exception of one movement of \$0.5 million to the city manager department for the completion of a capital project carried forward from fiscal year 2022 and some appropriation adjustments for a midyear citywide cost of living wage increase. Details of the budget movements can be seen in the notes on pages 58-60.

Secondly, the significant differences between final budget compared to actual results were as follows:

#### Revenues:

- Taxes exceeded budget by \$3.3 million which was the result of economic activity being better than projected.
- Intergovernmental revenues exceeded budget by \$0.1 million which was the result of better than projected economic activities statewide.

- Licenses and permits were higher than budget by \$0.2 million because of an increased number of building permits issued.
- Interest and investment income exceeded budget by \$4.8 million was a result of a turn around of the investment earnings market, especially in the interest rate environment.
- Miscellaneous revenue exceeded budget by \$0.7 million which is the result of the trade of fire stations with Central Arizona Fire and Medical Authority (CAFMA). The City received payment of \$545,919 for sale of fire station 51 to CAFMA and also the deed to the 6<sup>th</sup> Street Fire Station.

Expenditures:

- City Manager was above budget by \$0.05 million as a result of the recording of several subscription-based IT arrangements.
- Community Services was below budget by \$0.2 million as a result of budgeted contracted service providers not needed with a decrease in building permit activity and the delay of a records archiving project.
- Recreation services & facilities was below budget by \$4.7 million because of a delay in completing capital projects, including the new City Hall renovations and West Granite Creek Park.
- Police was below budget by \$2.2 million which was the result of personnel vacancies, lower than budgeted cost for shared dispatch services and delay in receipt of replacement vehicles.
- Fire was below budget by \$3.8 million which was the result of a delay in capital projects and delay in receipt of replacement vehicles.

Other financing sources (Uses)

- Proceeds from financing was below budget by \$11.0 million because a contingent financing was not needed.
- Transfers out was below budget by \$1.8 million because of delays in capital projects in other funds which the general fund supports.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2024, the City of Prescott had invested \$686.6 million in capital assets net of accumulated depreciation as reflected in the following table, which represents a net increase of \$32.6 million.

The following table reconciles the changes in capital assets.

	Change in Capital Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Beginning Balance	\$ 250.6	\$ 239.3	\$ 403.4	\$ 369.8	654.0	\$ 609.1
Transfers	-	-	-	-	-	-
Increases	26.5	25.8	34.0	46.8	60.5	72.6
Decreases	(1.4)	(0.8)	(0.3)	(0.3)	(1.7)	(1.1)
Depreciation	(13.1)	(13.7)	(13.1)	(12.9)	(26.2)	(26.6)
Ending Balance	\$ 262.6	\$ 250.6	\$ 424.0	\$ 403.4	\$ 686.6	\$ 654.0

See Section 1H and 3C in the Notes to the Financial Statements for further information on the City of Prescott's capital assets.

The City of Prescott increased its assets by \$60.5 million in capital expenditures. Major capital asset events during the fiscal year include the following:

- \$11.9 million additional for the water production and intermediate pump station project
- \$8.9 million for the purchase of land around the airport for protection purposes
- \$4.3 million for Penn Ave/East Drive Pavement Reconstruction
- \$3.8 million for city-wide vehicle replacements and equipment purchases.
- \$3.0 million for production well work and other water main upgrades
- \$2.8 million for various wastewater improvement projects
- \$2.7 Million for Glassford Hill purchase for open space and recreation
- \$2.7 million for payments towards new refuse trucks with some in the process of being built
- \$2.6 million towards small water main upgrades
- \$1.4 million for intersection improvements
- \$1.4 million towards two new fire engines
- \$1.2 million continuing the new City Hall improvement project.

- \$1.2 million towards recreation facility enhancements
- \$1.2 million towards a multiyear water meter replacement project
- \$1.1 million for continuing various airport improvements
- \$0.7 million towards the Taxiway relocation project

### Debt Administration

As of year-end, the City of Prescott had \$162.3 million in long-term debt outstanding compared to \$161.0 million last year.

	Outstanding Long-Term Debt at Year End					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Pledged Excise Tax Bonds	\$ 9.1	\$ 10.8	\$ -	\$ -	\$ 9.1	\$ 10.8
Municipal Property Corporation	-	-	6.6	7.2	6.6	7.2
Leases payable	0.2	0.5	-	-	0.2	0.5
Subscriptions liability	0.7	0.2	-	-	0.7	0.2
Loans WIFA	-	-	100.0	91.8	100.0	91.8
Claims Payable	0.1	0.2	-	-	0.1	0.2
Landfill post-closure costs	-	-	1.9	1.8	1.9	1.8
Compensated absences	4.4	4.2	1.0	0.9	5.4	5.1
Net pension & OPEB liability	28.0	33.2	10.3	10.2	38.3	43.4
<b>Total</b>	<b>\$ 42.5</b>	<b>\$ 49.1</b>	<b>\$ 119.8</b>	<b>\$ 111.9</b>	<b>\$ 162.3</b>	<b>\$ 161.0</b>

See Section 1J, and 3F in the Notes to the Financial Statements for further information on the City of Prescott's long-term debt.

The City's excise tax bonds have been assigned ratings of "Aa2" by Moody's Investor Services and "AA+" by Standard & Poor's Ratings Services.

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, wastewater, lighting, parks, open space and recreational purposes may not exceed 20% of a City's net secondary assessed valuation. Outstanding general obligation bonded debt for other general municipal purposes may not exceed 6% of a City's net secondary assessed valuation. As of June 30, 2024, the City is well within its debt limits, having \$187.1 million in borrowing capacity in the 20 percent category, and \$56.1 million in borrowing capacity in the 6 percent category. The City also has a \$2.4 million margin available for Highway User Tax Bonds which represents 50 percent of the Highway User revenue received in fiscal year 2024.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City remains on solid financial ground and its long-term financial plan remains one of conservative fiscal growth as the economy continues to improve. Economic activity in the City has increased, but continued State Legislature restrictions on the City's tax base and increased regional competition have limited the impact. Following is the projected changes in the tax revenues.

The projected fiscal year 2025 City's share of the State Income Tax is down 19% from fiscal year 2024 actuals. This was expected as a non-recurring increase happened in fiscal year 2024 as a result of the State implementing an increase in distribution to offset the new 2.5% flat income tax. There is a projected increase of 1.0% in the City's share of the State Sales Tax and a 0.9% increase in State Vehicle License Tax contribution, the actual distribution from the state is based on actual tax collection and these projections may vary depending on the economic condition activity. All these revenues collected and shared by the State are Census-driven. If Prescott does not experience growth at the same rate as other communities in Yavapai County, the City's proportional share of revenue may decrease.

Due to the continued uncertainties of the current economic conditions, the City's sales tax revenues were projected to decrease by 4.6% in fiscal year 2025 when compared to fiscal year 2024 actuals. This also takes into consideration the state prohibition on local transaction privilege tax for residential rentals starting January 1, 2025. This is expected to decrease revenues by \$2.2 million per year, \$1.1 million in the general fund and \$1.1 million in the streets fund. The City's primary property tax revenue for fiscal year 2025 is projected at \$2,267,210. Prescott's net assessed value for 2024 of \$935,703,655 increased by 6% from the prior year and represents 24.6% of Yavapai County's net assessed values.

The economic factors are taken into consideration when projecting revenues for balancing expenditures for available resources. The fiscal year 2025 budget totals \$278,613,343 which represents an 7.9% increase from the prior year. The budget increase is primarily attributable to an increase in operations, cost of goods and services and personnel wage cost of living increases. Also, a \$10.1 million contingency of revenue and expenditures are budgeted for

proposition 478 which would increase the local transaction privilege tax by 0.95% dedicated to public safety. Voters will decide this at the general election on November 5, 2024. The \$134,040,114 operating budget primarily supports delivery of day-to-day services, and is an increase of 5.9% over last year, which reflects the new positions approved, cost of living increases for existing personnel, and cost increases necessary to continue to provide city services at equal or better levels.

The capital budget for fiscal year 2025 is \$114,231,505 which is a 2.1% decrease from fiscal year 2024. Capital expenditures are non-routine, one-time expenditures for purchase or projects with a value over \$10,000 for machinery and equipment and \$100,000 for infrastructure and estimated useful life over two years. Capital budgets tend to rise and fall each year depending on the timing of projects – especially as Prescott is primarily on a “pay-as-you-go” program.

All fund balance reserves have been maintained at the levels required by budget policy.

## **FINANCIAL CONTACT**

This financial report is designed to present a general overview of the City's finances and to demonstrate the City's accountability. To ask questions, share observations or provide suggestions about the report, contact:

City of Prescott  
Finance Department  
201 N Montezuma Street  
Prescott, Arizona 86301  
928.777.1408  
Or visit our website at: [www.prescott-az.gov](http://www.prescott-az.gov)





## BASIC FINANCIAL STATEMENTS

CITY OF PRESCOTT, ARIZONA  
Statement of Net Position  
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 86,406,170	\$ 26,383,241	\$ 112,789,411
Receivables (net)	9,836,695	7,717,892	17,554,587
Lease receivable	2,738,138	-	2,738,138
Internal balances	3,738,871	(3,738,871)	-
Prepaid Expenses	69,939	-	69,939
Inventories	554,557	596,694	1,151,251
Restricted cash and investments	472,070	7,185,550	7,657,620
OPEB asset	959,044	350,836	1,309,880
Capital assets, not being depreciated/amortized	122,735,950	156,195,056	278,931,006
Capital assets, being depreciated/amortized, net	139,836,461	267,826,000	407,662,461
Total assets	<u>367,347,895</u>	<u>462,516,398</u>	<u>829,864,293</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions and OPEB	17,411,019	1,823,065	19,234,084
Total deferred outflows of resources	<u>17,411,019</u>	<u>1,823,065</u>	<u>19,234,084</u>
Total assets and deferred outflows of resources	<u>384,758,914</u>	<u>464,339,463</u>	<u>849,098,377</u>
<b>LIABILITIES</b>			
Accounts payable	4,134,251	7,197,004	11,331,255
Accrued expenses	1,003,634	1,527,514	2,531,148
Deposits	2,948,935	568,038	3,516,973
Advanced revenues	-	98,490	98,490
Noncurrent liabilities			
Due within 1 year	3,468,985	7,726,062	11,195,047
Due in more that 1 year	38,988,653	112,076,037	151,064,690
Total liabilities	<u>50,544,458</u>	<u>129,193,145</u>	<u>179,737,603</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions and OPEB	1,657,979	539,475	2,197,454
Deferred inflows related to leases	2,500,086	-	2,500,086
Total deferred inflows of resources	<u>4,158,065</u>	<u>539,475</u>	<u>4,697,540</u>
Total liabilities and deferred inflows of resources	<u>54,702,523</u>	<u>129,732,620</u>	<u>184,435,143</u>
<b>NET POSITION</b>			
Net investment in capital assets	251,910,864	312,358,201	564,269,065
Restricted for:			
Streets and open space privilege tax activities	29,672,529	-	29,672,529
Capital projects	5,753,757	-	5,753,757
Transient occupancy tax	834,604	-	834,604
Debt service	14,659	5,989,147	6,003,806
Grants and donations	1,540,840	-	1,540,840
Insurance bond	472,070	-	472,070
OPEB assets	959,044	350,836	1,309,880
Unrestricted	38,898,024	15,908,659	54,806,683
Total net position	<u>\$ 330,056,391</u>	<u>\$ 334,606,843</u>	<u>\$ 664,663,234</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA  
Statement of Activities  
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services, Fees, Fines, and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
<i>Governmental activities:</i>							
General government	\$ 4,321,445	\$ 919,334	\$ 48,613	\$ 18,597	\$ (3,334,901)	\$ -	\$ (3,334,901)
Community services	2,366,817	2,143,998	233,913	-	11,094	-	11,094
Culture and recreation	10,300,736	1,326,989	93,070	2,697,441	(6,183,236)	-	(6,183,236)
Police and court	21,948,292	2,407,922	1,216,182	202,002	(18,122,186)	-	(18,122,186)
Fire	15,381,038	748,779	2,078,450	182,480	(12,371,329)	-	(12,371,329)
Public works	26,158,801	410,623	-	6,222,544	(19,525,634)	-	(19,525,634)
Interest on long-term debt	340,074	-	-	-	(340,074)	-	(340,074)
Total governmental	80,817,203	7,957,645	3,670,228	9,323,064	(59,866,266)	-	(59,866,266)
<i>Business-type activities:</i>							
Airport	5,930,888	2,751,886	1,098,948	1,549,012	-	(531,042)	(531,042)
Golf course	5,454,533	4,609,719	-	-	-	(844,814)	(844,814)
Solid waste	12,745,855	12,627,509	-	-	-	(118,346)	(118,346)
Wastewater	16,322,540	16,942,672	-	695,607	-	1,315,739	1,315,739
Water	19,514,824	20,886,595	58,750	2,394,459	-	3,824,980	3,824,980
Total business-type activities	59,968,640	57,818,381	1,157,698	4,639,078	-	3,646,517	3,646,517
Total primary government	\$ 140,785,843	\$ 65,776,026	\$ 4,827,926	\$ 13,962,142	(59,866,266)	3,646,517	(56,219,749)
<i>General revenues:</i>							
Property taxes, levied for general purposes					2,224,987	-	2,224,987
Utility franchise taxes					1,913,984	-	1,913,984
City privilege and use tax, general purposes					25,857,889	11,333	25,869,222
City privilege tax, major street program					25,857,895	-	25,857,895
City privilege tax, PSPRS Liability					99,979	-	99,979
Transient lodging tax					1,608,014	-	1,608,014
Intergovernmental revenues - unrestricted					23,696,739	-	23,696,739
Interest and investment income					5,436,769	708,812	6,145,581
Miscellaneous					129,961	49,298	179,259
Transfers					(420,705)	420,705	-
Total general revenues and transfers					86,405,512	1,190,148	87,595,660
Change in net position					26,539,246	4,836,665	31,375,911
Net position - beginning					303,517,145	329,770,178	633,287,323
Net position - ending					\$ 330,056,391	\$ 334,606,843	\$ 664,663,234

The notes to the financial statements are an integral part of this statement.



## FUND FINANCIAL STATEMENTS

### Major Governmental Funds

#### GENERAL FUND

The general fund is established to account for the revenues and expenditures necessary to carry out the basic activities of the City such as culture and recreation, general government, police and fire protection.

Principal sources of revenue are privilege (sales) tax, property tax, state and county shared revenue, licenses and permits and charges for various services.

Funds are expended primarily for day-to-day operating expenses and equipment. Capital expenditures for large-scale public improvements, such as buildings, parks or streets, are accounted for elsewhere in capital projects, special revenue or enterprise funds.

#### SPECIAL REVENUE FUNDS

##### Streets and Open Space

This fund is used to account for highway user revenues and the 1% privilege tax which is limited to street improvements and maintenance and/or open space acquisition. In 2015, the voters extended the 1% tax for street improvements and maintenance only from January 2016 to December 2035.

CITY OF PRESCOTT, ARIZONA  
Balance Sheet  
Governmental Funds  
June 30, 2024

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Streets Fund		
<b>ASSETS</b>				
Cash and short-term investments	\$ 47,334,880	\$ 27,287,038	\$ 7,850,384	\$ 82,472,302
Accounts receivable (net)	4,361,418	3,352,149	187,296	7,900,863
Property taxes receivable	42,362	-	-	42,362
Lease receivable	2,738,138	-	-	2,738,138
Due from other funds	2,456,453	-	-	2,456,453
Interest receivable	68,681	-	2,396	71,077
Intergovernmental receivable	370,715	493,855	948,751	1,813,321
Prepaid items	69,939	-	-	69,939
Advances to other funds	3,424,367	-	-	3,424,367
Total assets	<u>\$ 60,866,953</u>	<u>\$ 31,133,042</u>	<u>\$ 8,988,827</u>	<u>\$ 97,564,455</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,910,121	\$ 1,367,584	\$ 194,460	\$ 3,472,165
Accrued expenditures	811,337	92,929	27,772	932,038
Interfund payable	2,006,542	-	-	2,006,542
Deposits returnable	2,948,935	-	-	2,948,935
Total liabilities	<u>7,676,935</u>	<u>1,460,513</u>	<u>222,232</u>	<u>9,359,680</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	19,976	-	622,735	642,711
Related to leases	2,500,086	-	-	2,500,086
Total deferred inflows of resources	<u>2,520,062</u>	<u>-</u>	<u>622,735</u>	<u>3,142,797</u>
<b>FUND BALANCES</b>				
Nonspendable	3,494,306	-	-	3,494,306
Restricted	-	29,672,529	8,143,860	37,816,389
Unassigned	47,175,650	-	-	47,175,650
Total fund balances	<u>50,669,956</u>	<u>29,672,529</u>	<u>8,143,860</u>	<u>88,486,345</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,866,953</u>	<u>\$ 31,133,042</u>	<u>\$ 8,988,827</u>	<u>\$ 100,988,822</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA  
 Reconciliation of the Balance Sheet to  
 Statement of Net Position  
 June 30, 2024

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

Total fund balances - governmental funds		\$ 88,486,345
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:		
Capital assets	\$ 559,766,895	
Less: accumulated depreciation/amortization:	<u>(301,182,363)</u>	258,584,532
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
OPEB assets	875,552	
Unavailable grant revenue	622,735	
Deferred property tax revenue	<u>19,976</u>	1,518,263
Long-term liabilities, including bonds payable and net pension liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and leases payable	(9,080,000)	
Compensated absences	(4,100,070)	
Pension and OPEB liability	(25,518,238)	
Financed purchase arrangements	(47,544)	
Leases & software subscriptions payable	<u>(869,706)</u>	(39,615,558)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows relating to pensions and OPEB	17,216,788	
Deferred inflows relating to pensions and OPEB	<u>(1,525,872)</u>	15,690,916
Internal service funds are used by management to charge central garage, engineering and insurance costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		
		5,391,893
Net position of governmental activities		<u><u>\$ 330,056,391</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the year ended June 30, 2024

	Major Funds				
	General	Streets Fund	(Previous Year Major Fund) PSPRS Dedicated Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 29,993,924	\$ 25,857,895		\$ 1,707,993	\$ 57,559,812
Intergovernmental revenues	24,203,755	5,687,007		4,564,652	34,455,414
Licenses and permits	1,259,000	66,148		783,492	2,108,640
Fines and forfeitures	288,470	-		-	288,470
Gifts and donations	-	-		631,408	631,408
Charges for services	5,483,903	344,475		-	5,828,378
Interest and investment income	4,884,886	324,863		150,829	5,360,578
Miscellaneous	756,600	137,315		45,492	939,407
Total revenues	66,870,538	32,417,703		7,883,866	107,172,107
Expenditures					
Current operating					
General government	1,706,664	-		1,488,232	3,194,896
Community services	2,051,467	-		222,070	2,273,537
Culture and recreation	7,506,783	333,825		1,151,839	8,992,447
Police and court	17,174,492	-		1,883,120	19,057,612
Fire	12,358,576	-		2,131,281	14,489,857
Public works	-	15,806,558		19,476	15,826,034
Capital outlay					
General government	10,364,865	-		80,000	10,444,865
Community services	-	-		-	-
Culture and recreation	1,274,464	301		2,717,105	3,991,870
Police and court	1,954,763	-		-	1,954,763
Fire	2,114,216	-		24,151	2,138,367
Public works	-	6,713,382		721,038	7,434,420
Debt service - principal	592,289	1,749,945		5,911	2,348,145
Debt service - interest	87,515	252,394		165	340,074
Total expenditures	57,186,094	24,856,405		10,444,388	92,486,887
Excess (deficiency) of revenues over (under) expenditures	9,684,444	7,561,298		(2,560,522)	14,685,220
Other Financing Sources (Uses)					
Subscription-based IT arrangement(s)	752,158	144,642		-	896,800
Transfers in	1,086,840	-		1,179,350	2,266,190
Transfers out	(2,356,106)	(202,768)		(128,021)	(2,686,895)
Total other financing sources (uses)	(517,108)	(58,126)		1,051,329	476,095
Net change in fund balances	9,167,336	7,503,172		(1,509,193)	15,161,315
Fund balances, beginning, as previously reported	41,502,620	22,169,357	2,831,279	3,990,495	70,493,751
Adjustment - changes from major to nonmajor fund	-	-	(2,831,279)	2,831,279	-
Fund Balances, beginning, as adjusted	41,502,620	22,169,357	-	6,821,774	70,493,751
Fund balances - ending	\$ 50,669,956	\$ 29,672,529	\$ -	\$ 5,312,581	\$ 85,655,066

The notes to the financial statements are an integral part of this statement.



CITY OF PRESCOTT, ARIZONA

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2024

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

Net change in fund balances - total governmental funds \$ 15,161,315

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those costs over the lives of the assets. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	\$ 25,067,485	
Expenditures for intangible right to use assets	896,800	
Less: current year depreciation/amortization	(14,247,313)	
		11,716,972

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) impacting net position.

Donation of capital assets	51,000	
Asset disposals and trade-ins	(62,820)	
		(11,820)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	2,937	
Assessments receivable	(5,995)	
Grant Revenues	(512,143)	
		(515,201)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Subscription-based technology arrangements incurred	(896,800)	
Principal payments	2,348,145	
		1,451,345

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 the governmental funds

Changes in pension & OPEB liabilities\assets and related deferred outflows and inflows of resources	56,066	
Compensated absences	(195,373)	
		(139,307)

The net expenses of certain activities of internal service funds is reported with governmental activities. (1,124,058)

Change in net position of governmental activities \$ 26,539,246

CITY OF PRESCOTT, ARIZONA

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Amounts	Final Budget
			Budget Basis	Positive (Negative)
Revenues				
Taxes	\$ 26,682,185	\$ 26,682,185	\$ 29,993,924	\$ 3,311,739
Intergovernmental revenues	24,148,261	24,148,261	24,203,755	55,494
Licenses and permits	1,035,900	1,035,900	1,259,000	223,100
Fines and forfeitures	272,100	272,100	288,470	16,370
Charges for services	5,103,524	5,103,524	5,483,903	380,379
Interest and investment income	1,500	1,500	4,884,886	4,883,386
Miscellaneous	90,033	90,033	756,600	666,567
Total revenues	<u>57,333,503</u>	<u>57,333,503</u>	<u>66,870,538</u>	<u>9,537,035</u>
Expenditures				
General government:				
City Council	72,963	72,963	72,339	624
City Clerk	163,675	163,675	163,222	453
City Manager	562,810	750,810	805,195	(54,385)
Legal	354,185	384,185	347,575	36,610
Budget & Finance	477,355	552,355	476,791	75,564
Non-departmental	18,376,437	13,223,437	10,486,413	2,737,024
Community services	2,256,295	2,256,295	2,051,467	204,828
Culture and recreation:				
Recreation Services & Facilities	7,946,159	7,946,159	5,868,232	2,077,927
Library	2,943,151	2,943,151	2,913,015	30,136
Police and court:				
Police	18,857,278	18,657,278	16,407,404	2,249,874
City Court	777,110	777,110	736,538	40,572
Regional Communications	2,299,508	2,299,508	2,270,667	28,841
Fire	18,366,098	18,366,098	14,587,236	3,778,862
Total expenditures	<u>73,453,024</u>	<u>68,393,024</u>	<u>57,186,094</u>	<u>11,206,930</u>
Excess of revenues over expenditures	<u>(16,119,521)</u>	<u>(11,059,521)</u>	<u>9,684,444</u>	<u>20,743,965</u>
Other Financing Sources (Uses)				
Financed purchases	11,000,000	11,000,000	-	(11,000,000)
Subscription-based IT arrangement(s)	-	-	752,158	752,158
Transfers in	1,991,622	1,991,622	1,086,840	(904,782)
Transfers out	(4,179,262)	(4,179,262)	(2,356,106)	1,823,156
Total other financing sources and uses	<u>8,812,360</u>	<u>8,812,360</u>	<u>(517,108)</u>	<u>(9,329,468)</u>
Net change in fund balances	<u>(7,307,161)</u>	<u>(2,247,161)</u>	<u>9,167,336</u>	<u>11,414,497</u>
Fund balance - beginning	<u>41,502,620</u>	<u>41,502,620</u>	<u>41,502,620</u>	<u>-</u>
Fund balance - ending	<u>\$ 34,195,459</u>	<u>\$ 39,255,459</u>	<u>\$ 50,669,956</u>	<u>\$ 11,414,497</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Streets Fund

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 22,740,000	\$ 22,740,000	\$ 25,857,895	\$ 3,117,895
Intergovernmental revenues	5,459,415	5,459,415	5,687,007	227,592
Licenses and permits	100,000	100,000	66,148	(33,852)
Charges for services	375,000	375,000	344,475	(30,525)
Interest and investment income	-	-	324,863	324,863
Miscellaneous	50,000	50,000	137,315	87,315
Total revenues	<u>28,724,415</u>	<u>28,724,415</u>	<u>32,417,703</u>	<u>3,693,288</u>
Expenditures				
Culture and recreation:				
Recreation Services	589,175	589,175	334,126	255,049
Public works	31,549,167	31,549,167	22,519,940	9,029,227
Total current	<u>32,138,342</u>	<u>32,138,342</u>	<u>22,854,066</u>	<u>9,284,276</u>
Debt service				
Principal	1,705,000	1,705,000	1,749,945	(44,945)
Interest	248,055	248,055	252,394	(4,339)
Total debt service	<u>1,953,055</u>	<u>1,953,055</u>	<u>2,002,339</u>	<u>(49,284)</u>
Total expenditures	<u>34,091,397</u>	<u>34,091,397</u>	<u>24,856,405</u>	<u>9,234,992</u>
Excess (deficiency) of revenues over expenditures	<u>(5,366,982)</u>	<u>(5,366,982)</u>	<u>7,561,298</u>	<u>12,928,280</u>
Other Financing Sources (Uses)				
Subscription-based IT arrangement(s)	-	-	144,642	144,642
Transfers out	(483,724)	(483,724)	(202,768)	280,956
Total other financing sources and uses	<u>(483,724)</u>	<u>(483,724)</u>	<u>(58,126)</u>	<u>425,598</u>
Net change in fund balances	<u>(5,850,706)</u>	<u>(5,850,706)</u>	<u>7,503,172</u>	<u>13,353,878</u>
Fund balance - beginning	22,169,357	22,169,357	22,169,357	-
Fund balance - ending	<u>\$ 16,318,651</u>	<u>\$ 16,318,651</u>	<u>\$ 29,672,529</u>	<u>\$ 13,353,878</u>

The notes to the financial statements are an integral part of this statement.



## FUND FINANCIAL STATEMENTS

### Proprietary Funds

The City has five enterprise funds. Enterprise funds are used to account for the acquisition, operation and maintenance of water, wastewater, golf course, airport, solid waste and regional transfer station. These funds are entirely or predominately self-supported through user charges to the customers. Funds included are:

- Water
- Wastewater
- Airport
- Solid waste/transfer station
- Golf course

The City has four internal service funds. Internal service funds are used to account for services and commodities furnished by one department to other departments in the City on a cost reimbursement basis. Funds included are:

- Fleet Maintenance
- Risk Management
- Engineering Services
- Facilities Maintenance

CITY OF PRESCOTT, ARIZONA  
Statement of Net Position  
Proprietary Funds  
June 30, 2024

ASSETS	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Major Funds					Totals	
	Water	Waste Water	Airport	Solid Waste	Golf Course (Nonmajor)		
Current Assets							
Cash and cash equivalents	\$ 17,413,865	\$ 6,405,393	\$ -	\$ 2,563,983	\$ -	\$ 26,383,241	\$ 3,933,868
Accounts receivable (net)	2,589,391	1,638,774	265,894	680,337	21,488	5,195,884	8,057
Interfund receivable	788,843	-	-	-	-	788,843	-
Interest receivable	-	-	-	-	-	-	1,015
Grant receivable	735,020	-	1,786,988	-	-	2,522,008	-
Inventory at cost	488,155	-	-	-	108,539	596,694	554,557
Total current assets	22,015,274	8,044,167	2,052,882	3,244,320	130,027	35,486,670	4,497,497
Noncurrent Assets							
Restricted cash and cash equivalents	1,204,581	4,784,566	-	1,196,403	-	7,185,550	472,070
Interfund receivable	1,217,698	-	-	-	-	1,217,698	-
OPEB assets	113,423	99,235	51,183	86,995	-	350,836	83,495
Capital assets							
Land	26,368,194	1,125,638	1,344,961	112,858	1,963,554	30,915,205	13,191
Construction in process	87,763,356	13,045,451	22,628,870	1,842,174	-	125,279,851	-
Buildings	2,225,658	6,332,957	21,418,330	1,529,686	960,464	32,467,095	5,276,344
Improvements other than buildings	197,126,446	159,632,990	60,346,329	1,193,090	6,005,828	424,304,683	49,023
Machinery and equipment	4,945,335	5,072,875	1,993,992	10,132,441	2,765,609	24,910,252	2,057,754
Intangibles	-	-	-	72,513	-	72,513	-
Less accumulated depreciation/amortization	(85,832,071)	(78,249,166)	(35,962,937)	(7,279,331)	(6,605,038)	(213,928,543)	(3,408,434)
Total noncurrent assets	235,132,620	111,844,546	71,820,728	8,886,829	5,090,417	432,775,140	4,543,443
Total assets	257,147,894	119,888,713	73,873,610	12,131,149	5,220,444	468,261,810	9,040,940
Deferred Outflows of Resources							
Deferred outflows related to pensions and OPEB	583,406	200,999	372,134	666,526	-	1,823,065	194,231
Total deferred outflows of resources	583,406	200,999	372,134	666,526	-	1,823,065	194,231
Total assets and deferred outflows of resources	257,731,300	120,089,712	74,245,744	12,797,675	5,220,444	470,084,875	9,235,171
LIABILITIES							
Current Liabilities							
Accounts payable	4,801,924	827,453	546,349	537,358	483,920	7,197,004	662,086
Accrued expenses	758,212	656,836	42,211	70,255	-	1,527,514	71,596
Claims payable	-	-	-	-	-	-	18,098
Interfund payables	-	-	1,083,982	1,237,063	-	2,321,045	135,408
Customer deposits	552,040	-	15,998	-	-	568,038	-
Compensated absences	83,988	112,411	-	53,812	-	250,211	100,162
Loans payable	2,928,493	3,732,606	-	-	-	6,661,099	-
Bonds payable	564,448	-	-	-	-	564,448	-
Subscriptions liability	-	-	-	16,170	-	16,170	-
Landfill closure costs	-	-	-	234,134	-	234,134	-
Advanced revenue	-	-	-	-	98,490	98,490	-
Total current liabilities	9,689,105	5,329,306	1,688,540	2,148,792	582,410	19,438,153	987,350
Noncurrent Liabilities							
Claims payable	-	-	-	-	-	-	53,502
Interfund payable	-	-	-	3,424,367	-	3,424,367	-
Compensated absences	259,559	137,184	75,650	227,532	-	699,925	203,165
Loans payable	54,924,902	38,458,551	-	-	-	93,383,453	-
Bonds payable	6,070,436	-	-	-	-	6,070,436	-
Subscriptions liability	-	-	-	33,810	-	33,810	-
Landfill closure/postclosure cost	-	-	-	1,638,937	-	1,638,937	-
Pension and OPEB liability	3,351,468	2,932,237	1,395,195	2,570,576	-	10,249,476	2,467,154
Total noncurrent liabilities	64,606,365	41,527,972	1,470,845	7,895,222	-	115,500,404	2,723,821
Total liabilities	74,295,470	46,857,278	3,159,385	10,044,014	582,410	134,938,557	3,711,171
Deferred Inflows of Resources							
Deferred inflows related to pensions and OPEB	179,457	157,009	65,365	137,644	-	539,475	132,107
Total deferred inflows of resources	179,457	157,009	65,365	137,644	-	539,475	132,107
Total liabilities and deferred inflows of resources	74,474,927	47,014,287	3,224,750	10,181,658	582,410	135,478,032	3,843,278
NET POSITION							
Net investment in capital assets	164,049,805	64,327,293	71,337,236	7,553,450	5,090,417	312,358,201	3,945,156
Restricted for:							
Debt service	1,204,581	4,784,566	-	-	-	5,989,147	-
Insurance bond	-	-	-	-	-	-	472,070
OPEB assets	113,423	99,235	51,183	86,995	-	350,836	83,495
Unrestricted	17,888,564	3,864,331	(367,425)	(5,024,428)	(452,383)	15,908,659	891,172
Total net position	\$ 183,256,373	\$ 73,075,425	\$ 71,020,994	\$ 2,616,017	\$ 4,638,034	\$ 334,606,843	\$ 5,391,893

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the year ended June 30, 2024

	Business-type Activities						Governmental Activities- Internal Service Funds
	Enterprise Funds						
	Major Funds						
	Water	Waste Water	Airport	Solid Waste	Golf Course (Non-major)	Totals	
Operating Revenues							
Water sales	\$ 20,125,034	\$ -	\$ -	\$ -	\$ -	\$ 20,125,034	\$ -
Water connection fees	246,175	-	-	-	-	246,175	-
Aquifer protection fee	287,517	-	-	-	-	287,517	-
Water agreement partnering	61,838	-	-	-	-	61,838	-
Wastewater service fees	-	15,952,285	-	-	-	15,952,285	-
Effluent sales	-	933,458	-	-	-	933,458	-
Airport Rentals	-	-	2,196,504	-	-	2,196,504	-
Airport Fees	-	-	424,966	-	-	424,966	-
Refuse collection fees	-	-	-	8,488,255	-	8,488,255	-
Tipping fees	-	-	-	3,733,397	-	3,733,397	-
Recycling revenue	-	-	-	254,786	-	254,786	-
Landfill closure fee	-	-	-	146,577	-	146,577	-
Golf course green fees	-	-	-	-	2,010,148	2,010,148	-
Restaurant sales	-	-	-	-	1,479,025	1,479,025	-
Golf course rentals	-	-	-	-	833,759	833,759	-
Golf pro-shop sales	-	-	-	-	272,653	272,653	-
Charges for services	-	-	-	-	-	-	7,668,200
Miscellaneous	166,031	56,929	141,749	4,494	14,134	383,337	59,333
Total operating revenues	20,886,595	16,942,672	2,763,219	12,627,509	4,609,719	57,829,714	7,727,533
Operating Expenses							
Personnel services	4,417,234	3,831,369	2,304,870	3,311,275	2,031,379	15,896,127	3,178,424
Supplies	1,039,860	1,070,126	162,385	904,093	1,560,537	4,737,001	1,571,247
Other services and charges	7,390,394	5,624,104	1,127,974	7,697,356	1,451,693	23,291,521	3,959,862
Depreciation/amortization	5,202,905	4,643,655	2,335,659	783,178	410,924	13,376,321	233,895
Total operating expenses	18,050,393	15,169,254	5,930,888	12,695,902	5,454,533	57,300,970	8,943,428
Operating income (loss)	2,836,202	1,773,418	(3,167,669)	(68,393)	(844,814)	528,744	(1,215,895)
Non-Operating Revenues (Expenses)							
Debt service interest	(1,464,431)	(1,153,285)	-	(49,954)	-	(2,667,670)	-
Interest and investment income	361,110	315,237	-	32,464	-	708,811	76,193
Net gain (loss) on disposal of assets	22,755	11,682	2,414	12,447	-	49,298	15,643
Total non-operating revenues (expenses)	(1,080,566)	(826,366)	2,414	(5,043)	-	(1,909,561)	91,836
Income (loss) before contributions and transfers	1,755,636	947,052	(3,165,255)	(73,436)	(844,814)	(1,380,817)	(1,124,059)
Grant contributions	770,145	-	2,647,960	-	-	3,418,105	-
Capital contributions	1,683,065	695,607	-	-	-	2,378,672	-
Transfers in	-	-	386,910	64,702	780,165	1,231,777	-
Transfers out	(405,536)	(304,152)	-	(101,384)	-	(811,072)	-
Change in net position	3,803,310	1,338,507	(130,385)	(110,118)	(64,649)	4,836,665	(1,124,059)
Total net position - beginning	179,453,063	71,736,918	71,151,379	2,726,135	4,702,683	329,770,178	6,515,952
Total net position - ending	\$ 183,256,373	\$ 73,075,425	\$ 71,020,994	\$ 2,616,017	\$ 4,638,034	\$ 334,606,843	\$ 5,391,893

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2024

	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Major Funds						
	Water	Waste- water	Airport	Solid Waste	Golf Course (Non-major)	Totals	
Cash flows from operating activities:							
Cash received from customers	\$ 20,356,771	\$ 16,606,450	\$ 2,693,936	\$ 12,502,912	\$ 4,635,996	\$ 56,796,065	\$ 7,726,078
Cash payments to employees for services	(4,272,409)	(3,799,179)	(2,104,289)	(3,210,926)	(2,482,165)	(15,868,968)	(3,115,010)
Cash payments to suppliers for goods and services	(7,945,500)	(7,207,307)	(1,242,541)	(8,499,325)	(2,925,816)	(27,820,489)	(5,274,270)
Net cash provided by (used for) operating activities	8,138,862	5,599,964	(652,894)	792,661	(771,985)	13,106,608	(663,202)
Cash flows from noncapital financing activities:							
Receipts (payments) under interfund loan arrangement	1,316,694	-	289,274	-	-	1,605,968	135,408
Transfers in	-	-	386,910	64,702	780,165	1,231,777	-
Transfers out	(405,536)	(304,152)	-	(101,384)	-	(811,072)	-
Net cash provided by (used for) noncapital financing activity	911,158	(304,152)	676,184	(36,682)	780,165	2,026,673	135,408
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(25,459,391)	(3,913,242)	(6,509,857)	(3,143,862)	(8,180)	(39,034,532)	(548,470)
Contributed from capital grant	65,921	-	6,484,154	-	-	6,550,075	-
Contributed from customers	1,653,795	695,607	-	-	-	2,349,402	-
Interest paid on debt	(1,331,276)	(1,198,489)	-	(49,954)	-	(2,579,719)	-
Principal paid on debt	(3,325,103)	(3,625,619)	-	(22,532)	-	(6,973,254)	-
Proceeds from debt issues	14,239,682	491,335	-	-	-	14,731,017	-
Proceeds from sales of capital assets	22,755	11,682	2,413	12,447	-	49,297	15,643
Receipts (payments) under interfund loan arrangement	-	-	-	2,929,205	-	2,929,205	-
Net cash provided by (used for) capital and related financing activities	(14,133,617)	(7,538,726)	(23,290)	(274,696)	(8,180)	(21,978,509)	(532,827)
Cash flows from investing activities:							
Interest on investments	361,111	315,237	-	32,464	-	708,812	76,193
Loan (repayment) under interfund loan	-	-	-	-	-	-	-
Net cash provided by (used for) investing activities	361,111	315,237	-	32,464	-	708,812	76,193
Net increase (decrease) in cash and cash equivalents	(4,722,486)	(1,927,677)	-	513,747	-	(6,136,416)	(984,428)
Cash and cash equivalents at July 1	23,340,932	13,117,636	-	3,246,638	-	39,705,206	5,390,366
Cash and cash equivalents at June 30	\$ 18,618,446	\$ 11,189,959	\$ -	\$ 3,760,385	\$ -	\$ 33,568,790	\$ 4,405,938

The notes to the financial statements are an integral part of this statement.



CITY OF PRESCOTT, ARIZONA  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds	
	Major Funds						
	Water	Waste- water	Airport	Solid Waste	Golf Course (Non-major)		Totals
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ 2,836,202	\$ 1,773,418	\$ (3,167,669)	\$ (68,393)	\$ (844,814)	\$ 528,744	\$ (1,215,895)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation/amortization	5,202,905	4,643,655	2,335,659	783,178	410,924	13,376,321	233,895
Increase (decrease) in:							
Accounts payable	430,351	(514,110)	46,368	14,415	75,951	52,975	428,151
Compensated absences	34,619	(29,159)	(19,820)	42,970	-	28,610	(33,048)
Customer deposits	(46,607)	-	1,450	-	-	(45,157)	-
Salary & benefits payable	11,638	6,894	9,168	8,900	-	36,600	14,631
Net pension/OPEB liabilities	109,349	2,636	62,672	293,994	(461,053)	7,598	93,840
Claims payable	-	-	-	-	-	-	(111,624)
Post closure landfill liability	-	-	-	87,709	-	87,709	-
Deferred inflows of resources to pensions/OPEB	(2,941)	61,702	154,894	(244,153)	20,377	(10,121)	13,224
(Increase) decrease in:							
Accounts receivable	(536,691)	(336,946)	(69,619)	(125,397)	26,539	(1,042,114)	(2,081)
OPEB assets	(1,353)	2,032	(7,343)	(8,301)	15,937	972	(1,458)
Inventory	106,933	-	-	-	10,463	117,396	(59,689)
Outflows of resources to pensions/OPEB	(5,543)	(10,158)	1,346	7,739	(26,309)	(32,925)	(23,148)
Total adjustments	5,302,660	3,826,546	2,514,775	861,054	72,829	12,577,864	552,693
Net cash provided by operating activities	\$ 8,138,862	\$ 5,599,964	\$ (652,894)	\$ 792,661	\$ (771,985)	\$ 13,106,608	\$ (663,202)
Reconciliation of Cash, Cash Equivalents and Investments to the Statement of Net Position:							
Cash and cash equivalents at June 30, unrestricted	\$ 17,413,865	\$ 6,405,393	\$ -	\$ 2,563,982	\$ -	\$ 26,383,240	\$ 3,933,868
Cash and cash equivalents at June 30, restricted	1,204,581	4,784,566	-	1,196,403	-	7,185,550	472,070
Total	\$ 18,618,446	\$ 11,189,959	\$ -	\$ 3,760,385	\$ -	\$ 33,568,790	\$ 4,405,938

The notes to the financial statements are an integral part of this statement.



**CITY OF PRESCOTT, ARIZONA**

**Notes to the Financial Statements**

**For the year ended June 30, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Prescott, Arizona (the City) conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies.

For the year ended June 30, 2024, the City implemented the provisions of GASB Statement No. 100 Accounting Changes and Error Corrections. Specifically, for this year, there was a change within the financial reporting entity, moving the PSPRS dedicated tax fund from major to non-major. See Note 2 for more information.

**A. Financial Reporting Entity**

The City of Prescott, Arizona was incorporated in 1883. The City presently operates under a Charter that was adopted in 1958. The Charter provides for a Council/City Manager form of government. The City Manager administers policies and coordinates the activities of the City. The City provides basic government services to its citizens including roads, water, wastewater, solid waste, parks and recreation facilities, police and fire.

The accompanying financial statements include the activity of the City (the primary government) and its component units collectively referred to as "the financial reporting entity." The component units discussed below have been blended into the City's reporting entity because of the significance of their operational or financial relationship with the City.

The Municipal Property Corporation (MPC) is a non-profit corporation organized under the laws of the State of Arizona to assist the City in the acquisition and financing of municipal projects and facilities. The MPC is governed by a board of directors who are responsible for approving the corporation's bond sales. Bond sales must also be approved by the City Council. Although it is legally separate from the City, the MPC is reported as if it is part of the primary government within the proprietary funds because its sole purpose is to finance municipal facilities for the City.

The Hassayampa Community Facilities District #2 (District) was formed by petition to the City Council in 2000. The District's purpose is to improve public infrastructure in a specified land area. As a special purpose district and separate political subdivision under the Arizona Constitution, the District can levy assessments and issue bonds independently of the City. Property owners in the designated area are levied an assessment for the costs of servicing the District's debt. The City has no liability for the District's debt. The City has operation responsibility for the infrastructure of the district and the City Council serves as the board of directors. For financial reporting purposes, the district's transactions are included as if they were part of the City's operations. The activities of the District is reflected in the debt service funds.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are 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 of a given function are offset with program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements 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 both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuances of general long-term debt and financing through lease contracts and subscription-based technology arrangements are reported as other financing sources.

Property taxes, other local taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Streets special revenue fund is used to account for street improvements and maintenance. The sources of funding are revenues from the States Highway User Revenue Fund and the additional 1.0% privilege tax which the voters passed and are limited to road construction and maintenance. The additional privilege tax sunsets December 31, 2035.

The City reports the following proprietary funds:

The Water Utility, Wastewater Utility, Airport, Solid Waste and Golf Course Funds account for the operating revenues and expenses of the City's water utility system, wastewater utility system, airport, sanitation services, and golf course respectively.

Additionally, the City reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenues sources that are legally restricted to expenditures for specified purposes.

Capital project funds are used to account for financial resources that are restricted to expenditures for capital outlays.

Debt service funds account for the accumulation of resources and payment of principal and interest on general obligation and special assessment debt.

Internal service funds account for services provided by central garage, general self-insurances, engineering services and facilities maintenance to other departments or units of the City, on a cost-reimbursement basis.

In general, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes, indirect costs and franchise fees and other charges between the City's Water and Sewer Utility Fund, Airport Fund, and Solid Waste Fund, because elimination of these charges would distort the direct costs and program revenues reported in the statement of activities.

Amounts reported as 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 operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the 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, airport, solid waste fees, vehicle purchase/maintenance amounts and risk management charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first; then unrestricted resources as they are needed.

#### **D. Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Funds are invested primarily with the Arizona State Treasurer's Local Government Investment Pool (LGIP), securities of the U.S. government, agencies of the U.S. government, and other investments. Investments are stated at fair value based on quoted market prices. The LGIP is overseen by the State of Arizona. The reported value of the LGIP is the same as the face value of the pool shares less a reserve for potential losses.

Income earned or losses arising from the investment of pooled cash are allocated on a monthly basis to the individual funds based on average daily balance. Note 4.A. provides detailed information on cash and investments.

#### **E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "interfund payable/receivable." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All accounts and property tax receivables are shown net of an allowance for bad debts. The City's property tax is levied each year on or before the third Monday in August based on the previous January 1 full cash value as determined by the Yavapai County Assessor. Levies are due and payable in two installments, on September 1 and March 1 and become delinquent on the first business day of November and May, respectively. A lien attaches to the property on the first day of January preceding the assessment and levy of taxes. Yavapai County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions of properties which have delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent.

Property taxes levied for the current operation and maintenance expenses on residential property are limited to one percent of the primary full cash value of such property. In addition, taxes levied for the current operation and maintenance expenses on all types of property are limited to a maximum increase of two percent over the prior year's levy, adjusted for new construction and annexations.

Property taxes levied to pay principal and interest on bonded indebtedness are not limited.

#### **F. Inventories**

Inventories are valued at cost using a first-in, first-out (FIFO) basis and charged to expense as used.

#### **G. Restricted Assets**

Assets whose use is restricted for construction, debt service or any other agreement are segregated on the government-wide statement of net position and the proprietary fund statement of net position.

**H. Capital Assets**

Capital assets are tangible and intangible assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures when purchased, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease and subscription-based information technology assets, measurement is discussed in note N). Donated capital assets, donated works of art and similar items are reported at acquisition value rather than fair value.

Capital assets are defined by the City as assets that meet all of the following criteria: 1) it must have an initial useful life of 2 years or more, 2) it must be used in the operations of the City, and 3) it must not be specifically excluded by policy for example under the established capitalization thresholds (see table below). Additions or improvements and other capital outlay that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation/amortization on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation/amortization reflected in the statement of net position and is provided on the straight-line basis, less substantiated salvage value if any, over the following estimated useful lives:

<b>Asset Class</b>	<b>Capitalization Threshold</b>	<b>Useful Life Ranges</b>
Land	All	Capitalized, not depreciated
Right of Way and Easements	All	Capitalized, not depreciated
Artwork, Historical Treasures, Similar assets - Inexhaustible	\$10,000	Capitalized, not depreciated
Office Equipment and Furniture*	\$10,000	2-10 years
Machinery and Equipment*	\$10,000	5-15 years
Motor Vehicles	\$10,000	5-15 years
Leased Equipment (right to use asset)	\$20,000	5-15 years
Buildings and Structures, Building Improvements	\$100,000	40 years
Improvements Other Than Buildings	\$100,000	40 years
Infrastructure	\$100,000	20 years
System Software (includes right to use asset)	\$100,000	2-10 years
Other Intangible Assets	\$100,000	2-10 years

\*Group purchases threshold is \$100,000 of office equipment and furniture, machinery and equipment, when items are acquired together, and each item is under the \$10,000 threshold. This is purchase of a group of items that are not a system. That is, they can be used or operated independent of each other.

Depreciation/amortization on property, plant, and equipment acquired by intergovernmental grants restricted to capital acquisitions is recognized through current operating expenses. Amortization on assets being lease/purchased is included with depreciation. Gains or losses from sales or retirements of capital assets are included in operations of the current period in the government-wide and proprietary financial statements.

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

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

**I. Compensated Absences**

The City's personnel ordinance provides full-time employees with paid time off (PTO). All permanent full-time employees of the City may accumulate up to 480 hours of PTO or 672 hours for fire department full-time regular

shift employees. Part-time employees may accrue prorated PTO if scheduled to work at least 1,040 hours per year. Upon terminating employment, the City pays all unused PTO benefits to employees up to 200 hours or 240 hours depending on years of service, or 280 hours or 336 hours for fire department employees assigned to a 56 hour work week.

## **J. Long-Term Debt**

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 deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and shown as other financing uses.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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.

## **K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three items that qualifies for this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: property tax, special assessments, and grant drawdowns prior to meeting eligibility requirements. In the government-wide financial statements, the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

## **L. Employee Pension Plans**

The City of Prescott's permanent full-time employees belong to statewide government retirement systems. The police and fire personnel, except clerical and other support services, belong to the Arizona Public Safety Personnel Retirement System, which is an agent, multiple-employer public employee retirement plan. All other covered employees belong to the Arizona State Retirement System, which is a cost-sharing, multiple-employer retirement plan.

For purposes of measuring the net pension (asset and) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/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.

## **M. Fund Balances**

In the governmental fund financial statements, fund balance is reported in five classifications.

Nonspendable            Inventories represent fund balance amounts that are not in spendable form.

Interfund loan balances to other funds are not in a spendable form.

- Restricted                      Restricted by state statute is a portion of fund balance that is restricted for use on street construction and maintenance by legislation. Restricted by city ordinances is a portion of fund balance which restrict:
- > a portion of the privilege (sales) tax to road projects
  - > the transient tax to tourist promotion and recreational purposes
  - > impact fees to growth related capital improvements
- Restricted by creditors through debt covenants.
- Restricted by grantors and contributors.
- Committed                      Committed is that portion of fund balance that has been approved by the highest level of formal action of the City Council and does not lapse at year-end. This same level of formal action by the City Council is needed to rescind the commitments. The City, by resolution, has committed fund balances for compensated absences and capital improvement projects.
- Assigned                         Assigned for Subsequent year's expenditures is the portion of fund balance that has been approved by formal action of the City Council for appropriation in future budget. A modification to this amount requires action by the City Council; however this approval lapses at year end.
- Unassigned                      The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

At year-end fund balance had the following restrictions:

	General	Streets	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>				
Internal loans - long-term portion	\$ 3,424,367	\$ -	\$ -	\$ 3,424,367
Prepaid items	69,939	-	-	69,939
<b>Total Nonspendable</b>	<b>\$ 3,494,306</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,494,306</b>
<b>Restricted:</b>				
Streets and open space activity	\$ -	\$ 29,672,529	\$ -	\$ 29,672,529
PSPRS unfunded liability service	-	-	14,659	14,659
Capital expenditure	-	-	5,753,757	5,753,757
Transient lodging tax activity	-	-	834,604	834,604
Donated/Grant purposes	-	-	1,540,840	1,540,840
<b>Total Restricted</b>	<b>\$ -</b>	<b>\$ 29,672,529</b>	<b>\$ 8,143,860</b>	<b>\$ 37,816,389</b>

The City has a revenue spending policy that provides policy for programs with multiple revenue sources. The City will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The finance director has the authority to deviate from this policy if it is in the best interest of the City.

The Net Investment in Capital Assets on the Statement of Net Position are calculated as follows:



	Governmental Activities	Business-type Activities
Net Investment in Capital Asset:		
Net carrying value of capital assets and right-to-use assets	\$ 262,572,411	\$ 424,021,056
Less capital related:		
Debt/borrowings liability	(9,080,000)	(106,679,436)
Financed purchase arrangements liability	(47,514)	-
Subscription liability	(664,051)	(49,980)
Lease liability	(205,655)	-
Accounts payable and retainage	(664,327)	(4,933,439)
	<u>\$ 251,910,864</u>	<u>\$ 312,358,201</u>

## N. Leases and subscription-based information technology arrangements

### Leases

The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. As lessee, the City recognizes lease liabilities with an initial, individual value of \$20,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term (3) lease payments. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimate incremental borrowing rate is based on estimates for borrowings for terms as follows: 3% for a term of 1-8 years, 5% for a term of 9-15 years, and 6% for a term 16 or more years. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is a lessor for a noncancellable lease of a building and various land spaces. The City recognizes a lease receivable and a deferred inflow of resources in the government wide and governmental fund financial statements. As lessor, the City recognizes lease receivables with an initial, individual value of \$20,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resource is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines the (1) discount rate is uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The City's estimated incremental borrowing rate is calculated as described above for lessee arrangements. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of the payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure if certain changes occur that are expected to significantly affect the amounts.

## **Subscription-based information technology arrangements**

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

## **2. ACCOUNTING CHANGES AND ERROR CORRECTIONS**

### **A. Change to or within the financial reporting entity**

The PSPRS Dedicated Tax special revenue fund is used to account for a dedicated 0.75% privilege tax revenues approved by the voters to pay off the City's Public Safety Personnel Retirement System (PSPRS) unfunded pension liability. The tax was sunset December 31, 2022. Revenue has continued in fiscal year ending June 30, 2024 due to late sales tax filing and audits of businesses. This fund has been reclassified as a nonmajor fund when previously it was a major fund.

## **3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- The City Council formally adopts the budget and legally allocates, or appropriates available monies for the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds and internal service funds. Therefore, these funds have appropriated budgets, and budget to actual information is presented.
- Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1 of each year. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings on the budget are held each year in accordance with legal requirements in order to obtain citizen comments.
- State law requires that on, or before, the third Monday in July of each fiscal year, the City Council must adopt a tentative budget. Once this tentative budget has been adopted, the expenditures may not be increased upon final adoption; however, they may be decreased. The tentative budget must also be published once per week for two consecutive weeks prior to final adoption. Final adoption must take place on or before the second Monday in August.
- The level of control for each legally adopted annual budget is at the department level. The maximum legal expenditure permitted for the fiscal year is the total budget as adopted. The City Manager may transfer any unencumbered appropriation from one expenditure category to another within a department. Only the Council may transfer any unencumbered appropriation balance, or portion thereof, from one department to another.
- Formal budgetary integration is employed as a management control device through line item levels during the fiscal year for the general, special revenue, debt service, capital projects, enterprise and internal service funds. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) with the major differences being: 1) accrued compensated absences are not recognized as expenditures for budgetary purposes, 2) capital outlays for proprietary funds are treated as expenditures, 3) debt service principal payments are treated as expenditures for proprietary funds, 4) capital grants in enterprise funds are budgeted as revenue, and 5) depreciation is not budgeted as an expenditure.

All appropriations and encumbrances unexpended at year-end lapse and are not available in the following year. Budgets for all funds are adopted in accordance with the requirements of the Arizona Constitution, Arizona Revised Statutes and the Prescott City Charter.

The following budget amendments were done by Council on June 11, 2024:

**Exhibit A**  
**Resolution No. 2024-1886**

Fiscal Year 2024 Movement of Budget Appropriations

Transfer of funds to the Airport Fund for capital right of way acquisitions exceeding projections

From		To		Amount
Fund	Department	Fund	Department	
General Fund	Non-departmental	Airport Fund	Airport	\$ 850,000

Transfer of position from Public Works to Budget and Finance

From		To		Amount
Fund	Department	Fund	Department	
General Fund	Non-departmental	General Fund	Budget and Finance	\$ 75,000

Overlap of key positions in City Manager's Office, strategic planning, citizen survey, and estimated adjustments to cost recovery

From		To		Amount
Fund	Department	Fund	Department	
General Fund	Non-departmental	General Fund	City Manager	\$ 188,000

Granite Creek Corridor Project - carryover of grant funded project

From		To		Amount
Fund	Department	Fund	Department	
General Fund	Non-departmental	Grants Fund	City Manager	\$ 400,000

Other Unanticipated grants and donations

From		To		Amount
Fund	Department	Fund	Department	
Trust Funds	Library	Grants Fund	Library	\$ 4,000
General Fund	Police Department	Grants Fund	Police Department	200,000
Grants Fund	Non-departmental	Trust Funds	Recreation Services	8,000

To close and send balance to PSPRS for the PSPRS Dedicated Tax Special Revenue Fund

From		To		Amount
Fund	Department	Fund	Department	
General Fund	Non-departmental	PSPRS Dedicated Tax	Non-departmental	\$ 3,034,000

Increased claims activity over projection

From		To		Amount
Fund	Department	Fund	Department	
General Fund	Non-departmental	Risk Management Fund	Risk Management	\$ 120,000

Golf Course - correct budgeting error - City paid effluent and utilities were not budgeted for

From		To		Amount
Fund	Department	Fund	Department	
General Fund	Non-departmental	Golf Course	Non-departmental	\$ 500,000

Golf Course - reclass for presentation only, collapse from two departments into one

From		To		Amount
Fund	Department	Fund	Department	
Golf Course	Recreation Services	Golf Course	Non-departmental	\$ 548,000

Additional expenditures related to higher than projected activity

From		To		Amount
Fund	Department	Fund	Department	
General Fund	Non-departmental	General Fund	Water Fund-Utility Billing	8,000
General Fund	Non-departmental	Fleet Maintenance	Recreation Services	\$ 80,000
General Fund	Non-departmental	General Fund	Legal	\$ 30,000
General Fund	Non-departmental	Transient Occupancy Tax	City Manager	\$ 30,000
General Fund	Non-departmental	Transient Occupancy Tax	Recreation Services	\$ 150,000
General Fund	Non-departmental	Airport Fund	Fire	\$ 10,000

The following budget amendments were done by Council on Sept 12, 2024:

**Exhibit A**  
**Resolution No. 2024-1903**

**Final Fiscal Yearend 2024 Budget Appropriation Transfers**

Transfer funds to cover Airport right of way acquisitions that were paid from General Fund

From		To		Amount
Fund	Department	Fund	Department	
Airport Fund	Airport	General Fund	Non-Departmental	\$ 322,000

Budget transfer to cover bed tax expenditures that were higher than the original budget

From		To		Amount
Fund	Department	Fund	Department	
Grants Fund	Non-Departmental	Transient Occupancy Tax	City Manager	\$ 130,000
Transient Occupancy Tax	Recreation Services	Transient Occupancy Tax	City Manager	\$ 43,000

Budget transfer to cover Airport Fund Fire Department Expenditures higher than original budget

From		To		Amount
Fund	Department	Fund	Department	
Airport Fund	Airport	Airport Fund	Fire Department	\$ 27,000

Increased claims activity over projection

From		To		Amount
Fund	Department	Fund	Department	
Grants Fund	Non-departmental	Risk Management Fund	Risk Management	\$ 60,000

Budget transfer to cover impact fees in the Capital Projects Funds

From		To		Amount
Fund	Department	Fund	Department	
Grants Fund	Non-departmental	Capital Projects Funds	Fire Department	\$ 19,000
Grants Fund	Non-departmental	Capital Projects Funds	Police Department	\$ 19,000
Grants Fund	Non-departmental	Capital Projects Funds	Public Works	\$ 69,000
Grants Fund	Non-departmental	Capital Projects Funds	Public Works	\$ 69,000
Grants Fund	Non-departmental	Capital Projects Funds	Public Works	\$ 69,000
Grants Fund	Non-departmental	Capital Projects Funds	Public Works	\$ 69,000
Grants Fund	Non-departmental	Capital Projects Funds	Public Works	\$ 69,000
Grants Fund	Non-departmental	Capital Projects Funds	Public Works	\$ 69,000

After these Council approved budget amendments, and recording the Subscription-Based Technology Arrangements (SBITAs) per GASB 96, the City's Information Technology division of the City Manager department is overbudget by \$54,385 on the Budget and Actual statement for the General Fund on page 43. Also, for the financial statements reporting purposes the budgeted project for the new City Hall was moved to Non-departmental from Recreation & Facilities.

**B. Budget Basis of Accounting**

The City of Prescott's budget is adopted on a basis other than generally accepted accounting principles. The results of operations which provide a meaningful comparison of actual results with the budget are presented in the fund financial statements - statement of revenues, expenditures and changes in fund balances - budget and actual – for the general fund and major special revenue funds.

**4. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds except for a portion of the Municipal Property Corporation and Community Facilities Districts Funds which have investments held separately by a trustee. The City also maintains petty cash for use in daily operations that totals \$14,635.

## Deposits

At June 30, 2024, the carrying amount of the City's deposits was \$16,870,916 and the bank balance was \$18,140,076. The difference represents outstanding checks, deposits in transit and other reconciling items. Of the bank balance, \$728,051 was on deposit with the bank, \$11,689,645 held in an overnight sweep arrangement and \$5,722,380 held by investment custody in cash equivalents. The latter two amounts are also shown below as an investment.

### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2024, the City's deposits were covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus had no deposits that were exposed to custodial credit risk. The City's investment policy requires collateralization of not less than 101% of the fair value of investments less any FDIC coverage and requires a third-party custodian to verify collateral deposits prior to the City making payment for any investment requiring collateralization.

### Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of ten years or less. The portfolio is managed to achieve less than a two-year dollar weighted maturity, the maximum dollar weighted average maturity authorized by the investment policy is three years. As reflected below, the modified duration of the City's investment portfolio on June 30, 2024, was 1.49.

### Credit Risk

The City is authorized by city code, resolution and Trust Agreements to invest idle funds in obligations of the United States Government or its agencies, collateralized mortgage obligations and pass-through securities, federally insured certificates of deposit in eligible depositories, fully collateralized repurchase agreements, mutual funds consisting of the foregoing and the State Treasurer's Local Government Investment Pool (LGIP). Investments in the LGIP are not rated by a nationally recognized statistical rating organization. The LGIP is overseen by the State of Arizona.

### Concentration of Credit Risk

There are no limits on the amounts that the City may invest in any one issuer or institution. More than five percent (5%) of the City's investments are in mortgage securities backed by U.S. Government Agency, U.S Treasury Notes, State Treasurer's Local Government Investment Pool, and US Government Agency mutual funds. These investments represent 24.8 percent, 19.9 percent, 40.9 percent, and 14.4 percent respectively, of the City's total investments.

### Investments

The City's investments at June 30, 2024, categorized within the fair value hierarchy established by generally accepted accounting principles are summarized as follows (modified duration is in years):

<b>Investment Type</b>	<b>Fair Value</b>	<b>Rating Moody</b>	<b>Modified Duration</b>
<b>External investment pools measured at fair value</b>			
State Treasurer's 7 Pool (LGIP-7)	\$ 36,438,987	Not Rated	0.08
State Treasurer's 700 Pool (LGIP-700)	13,015,687	Not Rated	3.21
U.S. Agency Mutual Fund (overnight sweep)	11,689,645	Not Rated	0.00
US Government and Agency	5,722,380	Not Rated	0.00
Total investments measured at fair value	<u>\$ 66,866,699</u>	Not Rated	
<b>Fair valued measured at significant other observable inputs (Level 2)</b>			
U.S. Treasury Note	\$ 24,072,630		2.01
U.S. Agency Mortgage Backed Securities	30,034,176	Aaa	2.91
Total investments by fair value level 2	<u>\$ 54,106,806</u>		
Total Fair Value	<u>\$ 120,973,505</u>		

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the City held. The fair value of a participant's position in the pools approximates the value of the participant's pool shares. The State Board of investment provides oversight for the State Treasurer's Investment pools. Other investments are categorized by method of fair value measurement into three levels; level 1 – quoted prices in active markets for identical assets, level 2 – significant other observable inputs, and level 3 – significant unobservable inputs. All of the City's investments fall in level 2 and are valued using market quotes from the safekeeping agent.

**B. Receivables, Advanced Revenue and Deferred Inflows of Resources**

Amounts other than leases receivable are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is a detail of receivables for the general and debt service funds and the nonmajor governmental funds in the aggregate, including the applicable allowances for doubtful accounts:

	General	Streets Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Receivables:					
Accounts	\$ 4,361,418	\$ 3,353,400	\$ 187,295	\$ 8,057	\$ 7,910,170
Allowance	-	(1,251)	-	-	(1,251)
Accounts (net)	4,361,418	3,352,149	187,295	8,057	7,908,919
Property Taxes	42,362	-	-	-	42,362
Interest	68,681	-	2,396	1,016	72,093
Intergovernmental	370,715	493,855	948,751	-	1,813,321
Total	\$ 4,843,176	\$ 3,846,004	\$ 1,138,442	\$ 9,073	\$ 9,836,695

Receivables at year-end for the City's major enterprise funds, net of applicable allowances for uncollectible accounts are as follows:

	Water	Waste Water	Airport	Solid Waste	Golf Course	Total
Receivables:						
Accounts	\$ 2,724,605	\$ 1,722,031	\$ 265,894	\$ 725,603	\$ 21,488	\$ 5,459,621
Allowance	(135,214)	(83,258)	-	(45,265)	-	(263,737)
Accounts (net)	2,589,391	1,638,773	265,894	680,338	21,488	5,195,884
Intergovernmental	735,020	-	1,786,988	-	-	2,522,008
Total	\$ 3,324,411	\$ 1,638,773	\$ 2,052,882	\$ 680,338	\$ 21,488	\$ 7,717,892

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also postpone recognizing revenue in connection with resources that have been received, but not yet earned. At the end of the year, the various components of unavailable revenue and advanced revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable General Fund	\$ 19,976	\$ -
Grant drawdowns prior to meeting eligibility requirements	622,735	-
Total	\$ 642,711	\$ -

## Lease receivables

The City leases buildings and land to third parties under the provisions of various lease agreements. This includes building space at the new City Hall and ground space to wireless carriers. During the fiscal year ended June 30, 2024, the City recognized total lease-related revenues of \$742,993.

The discount rate used is the incremental borrowing rate ranging from 3% to 6% depending on the term of the lease agreement. The maturities range from two years to twenty-five years.

## Certain regulated leases

The City has several airport leases that are not included in receivables because they are exempt as regulated leases. Instead, these are recognized as revenue based on the provisions of the lease. The Federal Aviation Administration regulates leases between airports and air carriers, and other aeronautical users. For all airport leases, inflows of resources were recorded in the airport fund based on the provisions of the lease contracts totaling \$884,112.

The expected future minimum payments under these agreements for each of the subsequent five years and in five-year increments thereafter are in the following schedule:

Year Ending June 30,	Airport long- term bare ground and facility leases
2025	\$ 908,256
2026	957,187
2027	979,055
2028	1,008,944
2029	1,028,909
2030-2034	5,421,436
2035-2039	5,628,670
2040-2044	5,786,949
2045-2049	5,904,976
2050-2054	5,615,110
2055-2059	3,735,801
2060-2064	3,197,948
2065-2069	2,730,611
Total	<u>\$ 42,903,852</u>



## C. Capital Assets

Capital assets activity for governmental activities for the year ended June 30, 2024, was as follows:

Description	Beginning				Ending Balance
	Balance, restated	Transfers	Increases	Decreases	
Land	\$ 92,034,071	\$ -	\$ 8,935,746	\$ -	\$ 100,969,817
Construction in progress	12,363,432	(1,387,847)	10,130,548	-	21,106,133
Artwork, historical treasures, similar assets	471,281	125,000	63,719	-	660,000
Total not being depreciated/amortized	104,868,784	(1,262,847)	19,130,013	-	122,735,950
Buildings	46,328,961	-	1,197,092	(85,502)	47,440,551
Improvements other than buildings	49,727,158	1,262,847	932	(37,043)	50,953,894
Machinery and equipment	34,804,997	-	5,335,742	(1,308,656)	38,832,083
Infrastructure	305,246,766	-	296	-	305,247,062
Intangibles:					
Right-to-use subscription assets	319,539	-	896,800	-	1,216,339
Right-to-use lease assets (equipment)	737,329	-	-	-	737,329
Total assets being depreciated/amortized	437,164,750	1,262,847	7,430,862	(1,431,201)	444,427,258
Accumulated depreciation					
Buildings	(21,321,961)	-	(1,134,393)	76,504	(22,379,850)
Improvements other than buildings	(22,110,287)	-	(1,449,191)	22,921	(23,536,557)
Machinery and equipment	(21,450,925)	-	(2,239,752)	1,271,836	(22,418,841)
Infrastructure	(226,088,909)	-	(9,131,850)	-	(235,220,759)
Total accumulated depreciation	(290,972,082)	-	(13,955,186)	1,371,261	(303,556,007)
Accumulated amortization					
Right-to-use subscription assets	(140,104)	-	(341,689)	-	(481,793)
Right-to-use lease assets (equipment)	(368,664)	-	(184,333)	-	(552,997)
Total accumulated amortization	(508,768)	-	(526,022)	-	(1,034,790)
Governmental activities capital assets net	\$ 250,552,684	\$ -	\$ 12,079,667	\$ (59,940)	\$ 262,572,411

Artwork, historical treasures, similar assets include statutes that were commissioned as public art. These are considered inexhaustible; thus, they are not depreciated.

Depreciation/amortization expense for governmental activities reported in the statement of activities is charged to functions as follows:

General government (including internal service funds)	\$ 2,045,637
Community services	34,698
Culture and recreation	1,023,342
Police and Court	1,046,713
Fire	564,740
Public works	9,766,078
Total depreciation/amortization for governmental activities	<u>\$ 14,481,208</u>

Capital assets activity for business-type activities for the year ended June 30, 2024, was as follows:

Description	Beginning				Ending
	Balance	Transfer	Increases	Decreases	Balance
Land	\$ 30,891,112	\$ -	\$ 24,093	\$ -	\$ 30,915,205
Construction in progress	103,407,036	(6,609,760)	28,482,575	-	125,279,851
Total not being depreciated/amortized	134,298,148	(6,609,760)	28,506,668	-	156,195,056
Buildings	32,467,095	-	-	-	32,467,095
Improvements other than buildings	415,030,651	6,609,760	2,664,271	-	424,304,682
Machinery and equipment	22,439,171	-	2,725,618	(254,538)	24,910,251
Intangibles:					
Right-to-use subscription assets	-	-	72,513	-	72,513
Total assets being depreciated/amortized	469,936,917	6,609,760	5,462,402	(254,538)	481,754,541
Accumulated depreciation					
Buildings	(13,631,116)	-	(639,385)	-	(14,270,501)
Improvements other than buildings	(174,126,861)	-	(11,050,923)	-	(185,177,784)
Machinery and equipment	(13,048,781)	-	(1,667,885)	254,538	(14,462,128)
Total accumulated depreciation	(200,806,758)	-	(13,358,193)	254,538	(213,910,413)
Accumulated amortization					
Right-to-use subscription assets	-	-	(18,128)	-	(18,128)
Total accumulated amortization	-	-	(18,128)	-	(18,128)
Business activities capital assets net	\$ 403,428,307	\$ -	\$ 20,592,749	\$ -	\$ 424,021,056

Depreciation/amortization expense for business-type activities is charged to functions as follows:

Water	\$ 5,202,905
Wastewater	4,643,655
Airport	2,335,659
Solid waste	783,178
Golf Course	410,924
Total depreciation/amortization for business-type activities	<u>\$ 13,376,321</u>

#### D. Interfund Receivables, Payables and Transfers

Interfund receivables and payables are also recorded when funds overdraw their share of pooled cash. As of the end of the fiscal year, the general fund has established the following receivables for the indicated reason:

The composition of interfund balances at year-end is as follows:

Interfund Payables		Interfund Receivables		
Fund	Reason	General Fund	Water Fund	Total
General Fund	Res. 2021-1771 building purchase	\$ -	\$ 2,006,541	\$ 2,006,541
Solid Waste Fund	Res. 2020-1736 equipment purchase	4,661,430	-	4,661,430
Airport Fund	Delayed grant reimbursements	1,083,982	-	1,083,982
Engineering Fund	Capital purchase related cash deficit	135,408	-	135,408
Total		\$ 5,880,820	\$ 2,006,541	\$ 7,887,361

The interfund balances at June 30, 2024 are short-term loans to cover temporary cash deficits in the airport and engineering funds. During fiscal year 2021, the water fund has advanced the general fund a structured loan to purchase the new City Hall for \$7,551,220 to be repaid over 10 years with 1.5% interest. Of the \$2,006,541 outstanding, \$788,843 will be repaid in the next year and \$1,217,698 is longer term. The general fund has advanced the solid waste fund structured loans to purchase equipment and other capital needs established at five, five-year loans at a rate of 3%. Of the \$4,661,430 outstanding, \$1,234,063 of the total to be paid in the next year, and \$3,424,367 is longer term.

Transfers are used to fund capital projects, reallocate special revenue funds to operating divisions and to cover the City's share of grants. Transfers as of year-end were as follows:

Transfer In	Transfers Out						Total
	General Fund	Streets Fund	Nonmajor Governmental	Water Fund	Waste Water Fund	Solid Waste Fund	
Governmental							
General Fund	\$ -	\$ 202,768	\$ 73,000	\$ 405,536	\$ 304,152	\$ 101,384	\$ 1,086,840
Nonmajor	1,160,605	-	18,745	-	-	-	1,179,350
Enterprise							
Airport	386,910	-	-	-	-	-	386,910
Solid Waste	28,426	-	36,276	-	-	-	64,702
Golf Course	780,165	-	-	-	-	-	780,165
<b>Total</b>	<b>\$ 2,356,106</b>	<b>\$ 202,768</b>	<b>\$ 128,021</b>	<b>\$ 405,536</b>	<b>\$ 304,152</b>	<b>\$ 101,384</b>	<b>\$ 3,497,967</b>

## F. Long-Term Debt

### Pledged Excise Tax Bonds

The City issues pledged excise tax bonds directly as the City of Prescott and through its Municipal Property Corporation (MPC) which is a non-profit corporation created by the City to finance construction or acquisition of municipal buildings and improvements on land owned by the City.

The MPC issues its own bonds. Under various agreements, the City makes lease payments, which approximate the amount of debt service payable by the corporation. The City has collateralized the contracts payable to the MPC with a first lien pledge of all excise taxes and state shared revenues. The MPC retains legal title to the properties until the contracts with the City are paid in full while the City retains sole right to the use of the facilities and is responsible for all operating and maintenance costs.

Following are the pledged revenues compared to debt service for fiscal year ending June 30, 2024:

Pledged Revenues:	
City Privilege and Use Taxes	\$ 25,857,889
State-Shared Revenue	23,696,739
Franchise Taxes	1,913,684
Licenses and Permits	1,259,000
Charges for Services	5,483,903
Fines and Forfeitures	288,470
Total Pledged Revenues	<u>\$ 58,499,685</u>
Fiscal Year 2024 Debt Service	\$ 2,752,205
Debts Service Coverage	21

The City has the following pledged excise tax bonds:

In May 2014, MPC series 2014 bonds were issued in the face amount of \$9,000,000 at a premium of \$1,256,503. Proceeds of the bonds were used to refund the series 2004G which were used to acquire the City's portion of the Big Chino Water Ranch. The issue matures in twenty (20) years and was issued with an interest rate of 3.64 percent and a final maturity date in 2034.

In November 2019, City series 2019 bonds were issued in the face amount of \$16,495,000 at par. Proceeds of the bonds were used to refund the MPC series 2010 and 2011 which were used for road projects. The issue matures in ten (10) years and was issued with an interest rate of 2.3 percent and a final maturity date in 2029.

The pledged excise tax bonds are recorded in and paid out of revenues of the following funds:

Serviced by		Interest		
Fund	Reason for Financing	Issue	Rate	Amount
Streets	Road improvements	City 2019	2.30%	\$ 9,080,000
	Governmental Activities			9,080,000
Water	Big Chino Water Ranch	MPC 2014	3.64%	\$ 6,210,000
	Business-type Activities			6,210,000
				<u>\$ 15,290,000</u>

Annual debt service requirements to maturity for pledged excise tax bonds are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities			
	Principal	Interest	Principal	Interest	Premium Amortization	Net Interest
2025	\$ 1,735,000	\$ 208,840	\$ 500,000	\$ 300,400	\$ (64,448)	\$ 235,952
2026	1,775,000	168,935	510,000	280,400	(63,446)	216,954
2027	1,820,000	128,110	545,000	260,000	(62,423)	197,577
2028	1,855,000	86,250	570,000	232,750	(55,881)	176,869
2029	1,895,000	43,585	600,000	204,250	(49,038)	155,212
2030-2034	-	-	3,485,000	540,000	(129,648)	410,352
	<u>\$ 9,080,000</u>	<u>\$ 635,720</u>	<u>\$ 6,210,000</u>	<u>\$ 1,817,800</u>	<u>\$ (424,884)</u>	<u>\$ 1,392,916</u>

## Water Infrastructure Finance Authority of Arizona Loans

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent agency of the state of Arizona that is authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest on loans for up to one hundred percent of eligible project costs.

The drinking water loans are recorded in and paid out of revenues of Water Fund while the Clean Water loans are recorded in and paid out of revenues of Wastewater Fund. The loans are secured by a pledge of the net revenues of the respective Water and Wastewater Funds. For the fiscal year ended June 30, 2024, the debt service of these loans were \$8,839,439 and the net revenues available for debt service were \$15,132,527 providing a debt coverage ratio of 171 percent which is above the 120 percent debt covenant.

The balances of the City's WIFA loans at year-end, are as follows:

WIFA #	Amount Authorized	Date of Auth.	Maturity Date	Final Amount Borrowed	Interest Rate	Project	Balance June 30
<b>Drinking Water Projects</b>							
920125-08	\$ 9,854,000	8/24/2007	7/1/2027	\$ 9,854,000	3.640%	Water Main Imp	\$ 2,570,505
92A166-10	8,998,096	7/31/2009	7/1/2029	2,759,551	3.143%	Zone 39 Imp	940,533
920206-11	1,060,000	12/3/2010	7/1/2030	1,018,796	3.152%	Water Main Imp	429,533
920237-13	15,921,582	1/25/2013	7/1/2032	15,921,582	2.800%	Water Main Imp	7,201,224
920297-20	25,000,000	8/30/2019	7/1/2049	25,000,000	1.590%	Intermediate Pump	22,309,437
920351-23	34,000,000	9/27/2022	7/1/2052	In Progress	2.992%	Intermediate Pump	24,402,163
Total Drinking Water Projects							<u>57,853,395</u>
<b>Clean Water Projects</b>							
910097-08	4,703,000	8/24/2007	7/1/2027	4,703,000	3.868%	Sewer Mains Imp	1,245,362
910122-10	6,573,506	7/31/2009	7/1/2029	6,054,763	3.143%	Sewer Mains Imp	2,216,046
910147-11	2,070,000	12/3/2010	7/1/2030	1,574,593	3.152%	Sewer Mains Imp	626,811
910148-11	1,635,870	12/3/2010	7/1/2030	1,480,944	3.152%	Sundog WWTP Imp	613,464
910151-11	45,802,753	6/10/2011	7/1/2031	43,202,549	2.950%	Airport WWTP	20,867,708
910170-18	21,600,000	2/2/2018	7/1/1947	In Progress	2.328%	Sundog Trunk Main	16,621,766
Total Clean Water Projects							<u>42,191,157</u>
Total							<u>\$ 100,044,552</u>

Annual debt service requirements to maturity for WIFA loans are as follows, which includes the debt service up to the authorized amount of the in-progress projects:

Year Ending June 30,	Principal	Interest
2025	\$ 6,661,099	\$ 2,653,596
2026	6,851,983	2,457,037
2027	7,048,543	2,254,629
2028	7,250,951	2,046,193
2029	6,415,218	1,870,332
2030-2034	24,519,058	7,075,380
2035-2039	13,072,363	5,208,904
2040-2044	14,682,897	3,558,147
2045-2049	15,496,901	1,713,358
2050-2053	7,189,873	282,886
Subtotal	<u>\$ 109,188,886</u>	<u>\$ 29,120,462</u>
Amount not drawn on in-progress projects	(9,144,334)	
Total balances	<u>\$ 100,044,552</u>	

### Changes in Long-Term Liabilities

The following table reflects the changes in long-term liabilities reported in the government-wide financial statements:

	Beginning Balance, restated	Additional Obligations, and Net Increases	Current Maturities, Retirements, and Net Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bond payable:					
City pledged excise tax bonds	\$ 10,785,000	\$ -	\$ 1,705,000	\$ 9,080,000	\$ 1,735,000
Community Facilities Districts	5,912	-	5,912	-	-
Total bonds payable	10,790,912	-	1,710,912	9,080,000	1,735,000
Financed purchases	70,282	-	22,738	47,544	23,421
Leases payable	405,321	-	199,666	205,655	205,655
Subscriptions liability	182,081	896,800	414,830	664,051	203,630
Claims payable	183,224	-	111,624	71,600	18,098
Compensated absences	3,889,752	757,523	243,878	4,403,397	1,283,181
Net pension & OPEB liability	33,210,495	-	5,225,104	27,985,391	-
Governmental activity long-term liabilities	<u>\$ 48,732,067</u>	<u>\$ 1,654,323</u>	<u>\$ 7,928,752</u>	<u>\$ 42,457,638</u>	<u>\$ 3,468,985</u>
<b>Business-type Activities:</b>					
Municipal Property Corporation					
bonds payable	\$ 6,685,000	\$ -	\$ 475,000	\$ 6,210,000	\$ 500,000
MPC 2014 Unamortized Premium	495,034	-	70,149	424,885	64,448
WIFA loans payable	91,789,257	14,731,017	6,475,722	100,044,552	6,661,099
Landfill closure/post closure costs	1,785,362	88,123	414	1,873,071	234,134
Subscriptions liability	-	72,512	22,532	49,980	16,170
Compensated absences	921,525	74,010	45,400	950,135	250,211
Net pension & OPEB liability	10,241,879	7,597	-	10,249,476	-
Business-type activity long-term liabilities	<u>\$ 111,918,057</u>	<u>\$ 14,973,259</u>	<u>\$ 7,089,217</u>	<u>\$ 119,802,099</u>	<u>\$ 7,726,062</u>

### Compensated Absences

Compensated absences are liquidated in the General fund, Streets & Open Space fund, Enterprise funds and Internal Service funds depending on where the employees are assigned.

### Net Pension & OPEB Liability

Net pension & OPEB liability are liquidated in the General fund, Streets & Open Space fund, Enterprise funds and Internal Service funds depending on where the employees are assigned. Additionally, the PSPRS Dedicated Tax Special Revenue Fund has no employees assigned to it but is used to pay down the Public Safety Personnel Retirement System (PSPRS) unfunded pension liability.

## Financed purchases

The City has acquired police equipment under contract agreements at a total purchase price of \$126,387. The following schedule details debt service requirements to maturity for the City's financed purchases at June 30, 2024. The discount rate used for this five-year agreement is the City's estimated incremental borrowing rate at 3%.

Year Ending	Governmental Activities	
	Principal	Interest
June 30,		
2025	23,421	1,426
2026	24,123	723
	<u>\$ 47,544</u>	<u>\$ 2,149</u>

## Leases

The City has obtained the right to use police equipment under the provisions of various lease agreements. The discount rate used for this four-year agreement is the City's estimated incremental borrowing rate at 3%.

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

Total intangible right-to-use lease equipment assets	\$ 737,329
Less: accumulated amortization	(552,997)
Carrying value	<u>\$ 184,332</u>

The following schedule details the minimum lease payments to maturity for the City's leases payable at June 30, 2024:

Year Ending	Governmental Activities	
	Principal	Interest
June 30,		
2025	205,655	6,170
	<u>\$ 205,655</u>	<u>\$ 6,170</u>

## Subscription-based information technology arrangements (SBITAs)

The City has obtained the right to use information technology software under the provisions of various subscription-based information technology arrangements.

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

Total intangible right-to-use subscription assets	\$ 1,288,851
Less: accumulated amortization	(499,921)
Carrying value	<u>\$ 788,930</u>

The following schedule details the minimum subscription payments to maturity for the City's subscriptions liability at June 30, 2024:

Year Ending June 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 203,630	\$ 21,421	\$ 16,170	\$ 1,499	\$ 219,800	\$ 22,920
2026	170,737	14,827	16,655	1,014	187,392	15,841
2027	153,519	9,205	17,155	515	170,674	9,720
2028	75,120	4,085	-	-	75,120	4,085
2029	29,607	1,831	-	-	29,607	1,831
2030	31,438	943	-	-	31,438	943
	<u>\$ 664,051</u>	<u>\$ 52,312</u>	<u>\$ 49,980</u>	<u>\$ 3,028</u>	<u>\$ 714,031</u>	<u>\$ 55,340</u>

### Variable and Other Payments

From time to time, the City's leases and SBITAs include variable payments and other payments, such as termination penalties, that are not included in the lease/subscription liabilities because they are either not fixed in substance (variable) or the City is not reasonably certain the other payments will be required. The City recognized an insignificant amount of expenses related to these variable and other payments and they have not been further disclosed or included in the measurement of the lease/subscription liabilities.

### Legal Debt Margins

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, wastewater, lighting, parks, open space and recreational purposes may not exceed 20 percent of a City's net secondary assessed valuation. Outstanding general obligation bonded debt for other general municipal purposes may not exceed 6 percent of a City's net secondary assessed valuation. As of June 30, 2024, the City is well within its debt limits, having \$187.1 million in borrowing capacity in the 20 percent category, and \$56.1 million in borrowing capacity in the 6 percent category. The City also has a \$2.4 million margin available for Highway User Tax Bonds which represents 50 percent of the Highway User revenue received in fiscal year 2024.

### G. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City became a member of the Arizona Municipal Risk Retention Pool for property liability and workers' compensation insurance effective June 1, 2013. Prior to joining the pool the City's risk management activities were recorded in the general self-insurance fund. The purpose of the fund is to administer the City's property liability and workers' compensation insurance programs and claims from before the City joined the pool on a cost reimbursement basis. This fund accounts for the risk financing activities of the City but does not constitute a transfer of risk from the City.

Under this program, the fund provides coverage for up to a maximum of \$500,000 for each worker's compensation claim and \$500,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss.

Significant losses are covered by commercial insurance. There have been no other significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

### Claims Liabilities

The City records an estimated liability for indemnity based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses), and an estimate for claims incurred but not reported (IBNRs) based on historical experience. Claims liabilities include specific, incremental claim adjustment expenses, allocated loss adjustment expenses, and are reduced for estimated recoveries on unsettled claims such as salvage, or subrogation. Workers' compensation unpaid claims liabilities are discounted at 6 percent.



## Unpaid Claims Liabilities

The claims liability of \$71,600 for general self-insurance reported in the risk management fund at June 30, 2024, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The following represents the changes in approximate aggregate liabilities for the City from June 30, 2022 to June 30, 2024:

Liability balance, June 30, 2022	\$	149,453
Claims and changes in estimates		57,887
Claims payments		(24,116)
Liability balance, June 30, 2023		183,224
Claims and changes in estimates		(99,290)
Claims payments		(12,334)
Liability balance, June 30, 2024	\$	<u>71,600</u>

Of the amount shown above, \$18,098 is due within one year and classified as a current liability.

## H. Litigation

The City is a defendant in several lawsuits. The City Attorney estimates that any potential claims against the City not covered by insurance resulting from such lawsuits would not materially affect the financial position of the City.

In management's opinion, all other claims or litigation pending at June 30, 2024, which could have a significant effect on the financial position of the City have been provided for in the accounts.

## I. Contingent Liabilities

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations or cash flows.

The City's economic development department has several negotiations in progress that could result in future liabilities to the City.

The City participates in a number of Federal and State assisted grant programs that are subject to financial and compliance audits. Audits for these programs may be conducted at a future date, and the City expects the amount, if any, of the expenditures that may be disallowed by the granting agency to be immaterial.

## J. Intergovernmental Agreements

In 2004, the City acquired 4,500 deeded acres, and a leasehold interest in 2,000 acres of State of Arizona land associated with the JWK Ranch. The property was renamed the Big Chino Water Ranch (BCWR). It is through this project that the City will implement the right, granted by the Arizona Legislature, to transport groundwater from the Big Chino Sub-basin into the Prescott Active Management Area (AMA) for municipal supply purposes.

A December 2004 intergovernmental agreement with the Town of Prescott Valley set forth both cost-sharing for development of the groundwater source, and allocation of the quantity of water derived, on the basis of 54.1 percent and 45.9 percent to the City and Town of Prescott Valley, respectively.

In 2005, the planning and engineering necessary for production and conveyance of the water began with four major tasks: 1) assessment of property conditions; 2) well field development and ranch management plans; 3) construction plans for the transmission pipeline, with associated storage and pumping infrastructure; and 4) installation of groundwater monitoring wells. During the economic downturn, in 2008 an indefinite hold was placed on further work regarding these tasks.

On October 12, 2007, the City's Application for Modification of Designation of Assured Water Supply was submitted to the Arizona Department of Water Resources (ADWR). The application requested that ADWR permanently reserve for Prescott a total of 14,000 acre-feet per year (af/yr) of groundwater in the Big Chino Sub-

basin pursuant to statutory rights granted to Prescott in 1991 in Arizona Revised Statutes, Title 45 § 555. Prescott also sought ADWR confirmation of current legal availability to the City of 9,571 af/yr of groundwater from the Big Chino Sub-basin for assured water supply purposes. In November 2008, ADWR issued a preliminary decision and order finding that the City's application satisfied all of the requirements for a Designation of Assured Water Supply. More specifically, ADWR determined that the City has the right to withdraw 8,068 af/yr of groundwater from the Big Chino Sub-basin and transport it for use within the Prescott AMA. ADWR's preliminary decision and order confirmed that the groundwater to be transported from the Big Chino Sub-basin is physically, continuously and legally available for at least 100 years, and is consistent with the long-term water management goals of the state's Prescott AMA, which is to ensure the sustainability of AMA groundwater supplies. The preliminary decision and order was subjected to an administrative hearing in 2009, and then subsequently challenged by various parties in litigation. All litigation regarding the November 2008 ADWR preliminary decision and order was cleared in September 2011, upholding the City's position, and enabling issuance of the final ADWR determination of said allowable volume of imported water available to the City from the Big Chino Sub-basin.

In February 2010, the City entered into an Agreement in Principle with Salt River Project and the Town of Prescott Valley for the purpose of mutually addressing topics associated with the withdrawal and importation of water from the Big Chino Sub-basin. The Agreement contemplated several more detailed ("comprehensive") future agreements addressing groundwater modeling, monitoring, and measures for mitigating effects of groundwater pumping, if any, pursuant to ARS § 45-555(E); settlement of litigation among the parties; and mutual recognition of water rights. A technical amendment to ARS § 45-555(E) was subsequently passed by the Arizona Legislature and signed into law, consistent with the Agreement in Principle, providing certain clarifications and specifying a base importation quantity of 8,068 af/yr. In October 2012, the parties to the Agreement in Principle approved Comprehensive Agreement No. 1 (CA1) which focused on monitoring and modeling needs in the Big Chino Sub-basin, and affirmed each party's water claims for "water arising from the Prescott AMA". CA1 outlines a ten-year cooperative effort during which hydrogeologic monitoring will be enhanced and a groundwater flow model specific to the sub-basin developed. The total cost of this cooperative work is estimated at \$5.5 million, with the City of Prescott share \$1.9 million. The target year for delivery of water from the Big Chino Sub-basin will be determined by the demand for additional water driven by future development, and the Prescott AMA goal of reaching safe-yield by 2025.

**K. Retirement and Pension Plans**

The City contributes to the three plans described below. The plans are component units of the State of Arizona.

At June 30, 2024, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Pension and OPEB liabilities	\$ 27,985,391	\$ 10,249,477	\$ 38,234,868
OPEB asset	959,044	350,836	1,309,880
Deferred outflows of resources	17,411,019	1,823,065	19,234,084
Deferred inflows of resources	1,657,979	539,475	2,197,454
Pension and OPEB expense	8,256,110	1,336,403	9,592,513

The City reported \$6,594,962 of pension and OPEB expenditures in the governmental funds related to all pension plans to which it contributes. The difference between the expense and contributions is a result of the dedicated tax extra contributions to pay down the unfunded liability.

**Arizona State Retirement System**

**Plan Description** – City employees not covered by the other pension plans described below 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 its website at [www.azasrs.gov](http://www.azasrs.gov).

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

	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 and age 62 5 years and age 50* any years and age 65	30 years and age 55 25 years and age 60 10 years and age 62 5 years and age 50* any years and age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive 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 member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. 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 year ended June 30, 2024, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members’ annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members’ annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 percent for retirement and 0.05 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the ASRS. The City’s contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024, were \$3,412,300, \$32,449, and \$41,299 respectively.

During fiscal year 2024, the City paid for ASRS pension and OPEB contributions as follows: 47.9 percent from the General Fund, 42.4 percent from major funds, and 9.7 percent from other funds.

**Liability** – At June 30, 2024, the City reported the following asset and liabilities for the proportionate share of ASRS’ net pension/OPEB asset or liability.

<b>ASRS</b>	<b>Net Pension/OPEB (Asset) Liability</b>
Pension	\$ 31,225,334
Health insurance premium benefit	(1,057,610)
Long-term disability	25,437

The net asset and net liability were measured as of June 30, 2023. The total liability used to calculate the net asset or net liability was determined using updated procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

The City’s proportion of the net asset or net liability was based on the City’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2023. The City’s proportions measured as of June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

<b>ASRS</b>	<b>Proportion June 30, 2023</b>	<b>Increase (Decrease) from June 30, 2022</b>
Pension	0.19297%	0.00460%
Health insurance premium benefit	0.19588%	0.00534%
Long-term disability	0.19412%	0.00504%

**Expense** – For the year ended June 30, 2024, the City recognized the following pension and OPEB expense.

<b>ASRS</b>	<b>Pension/OPEB Expense</b>
Pension	\$ 4,188,672
Health insurance premium benefit	(127,089)
Long-term disability	23,557

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

	<b>Pension</b>		<b>Health Insurance Premium Benefit</b>		<b>Long-term Disability</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 705,568	\$ -	\$ 44,629	\$ 394,409	\$ 22,966	\$ 14,317
Changes of assumptions	-	-	-	21,046	6,713	37,026
Differences between projected and actual investment earnings	-	1,104,779	-	46,453	-	2,036
Changes in proportion and differences between City contributions and proportionate share of contributions	466,389	38,362	1,629	10,777	1,690	4,145
City contributions subsequent to the measurement date	3,412,300	-	32,449	-	41,299	-
<b>Total</b>	<b>\$ 4,584,257</b>	<b>\$ 1,143,141</b>	<b>\$ 78,707</b>	<b>\$ 472,685</b>	<b>\$ 72,668</b>	<b>\$ 57,524</b>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

Year ending June 30	Pension	Health Insurance Premium Benefit	Long-Term Disability
2025	\$ 61,567	\$ (178,656)	\$ (3,604)
2026	(1,086,091)	(196,176)	(7,805)
2027	1,190,626	(27,079)	(196)
2028	(137,286)	(26,880)	(7,276)
2029	-	2,364	(6,662)
Thereafter	-	-	(612)
<b>Total</b>	<b>28,816</b>	<b>(426,427)</b>	<b>(26,155)</b>

**Actuarial Assumptions** – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. 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	Long-Term	
	Target Allocation	Expected Geometric Real Rate of Return
Public Equity	44%	3.50%
Fixed income - credit	23%	5.90%
Real estate	17%	5.90%
Private Equity	10%	6.70%
Fixed income - interest rate sensitive	6%	1.50%
<b>Total</b>	<b>100%</b>	

**Discount Rate** – At June 30, 2023 the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 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 plan’s 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 City’s Proportionate Share of the ASRS Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate** – The following table presents the City’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0 percent, as well as what the City’s proportionate share of

the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
<b>City's proportionate share of the</b>			
Net pension liability	\$ 46,770,965	\$ 31,225,334	\$ 18,263,029
Net insurance premium benefit liability (asset)	(739,223)	(1,057,610)	(1,328,167)
Net long-term disability liability	37,197	25,437	13,838

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

### Public Safety Personnel Retirement System

**Plan Descriptions** – City’s police employees and fire employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). 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 9-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. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the City’s financial statements.

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS Web site at [www.psprs.com](http://www.psprs.com).

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

	Initial membership date	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
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 based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

**Employees Covered by Benefit Terms** – At June 30, 2024, the following employees were covered by the agent pension plans' benefit terms:

	<b>PSPRS Police</b>		<b>PSPRS Fire</b>	
	<b>Pension</b>	<b>Health</b>	<b>Pension</b>	<b>Health</b>
Inactive employees or beneficiaries currently receiving benefits	70	70	77	77
Inactive employees entitled to but not yet receiving benefits	15	3	13	8
Active employees	40	40	40	40
<b>Total</b>	<b>125</b>	<b>113</b>	<b>130</b>	<b>125</b>

**Contributions** – 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. Contribution rates for the year ended June 30, 2024, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<b>PSPRS Police</b>	<b>PSPRS Fire</b>
Active members pension	7.65% - 11.65%	7.65% - 11.65%
City		
Pension	13.08%	23.96%
Health insurance premium benefit	1.01%	0.02%
<b>City Total</b>	<b>14.09%</b>	<b>23.98%</b>

In addition, the City was required by statute to contribute at the actuarially determined rate of 8.00 percent for PSPRS Police and 11.17 percent for PSPRS Fire of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the PSPRS and employees participating in the PSPRS Tier 3 Risk Pool members in addition to the City's required contributions to the PSPRS Tier 3 Risk Pool.

For the agent plans, the City's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2024, were:

	<b>PSPRS Police</b>	<b>PSPRS Fire</b>
Pension contributions made	\$ 1,522,273	\$ 4,588,006
Health Insurance premium benefit		
OPEB contributions made	45,014	596

During fiscal year 2024, the City paid for PSPRS pension and OPEB contributions as follows: 31.1 percent from the General Fund, 68.0 percent from major funds, and 0.9 percent from other funds.



**Liability** – At June 30, 2024, the City reported the following assets and liabilities:

	<b>Net Pension Liability</b>	<b>Net OPEB (Asset) Liability</b>
PSPRS Police	\$ 1,659,252	\$ 280,494
PSPRS Fire	5,044,351	(252,270)

The net assets and net liabilities were measured as of June 30, 2023, 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 liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 – 6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
U.S. public equity	24%	3.98%
International public equity	16%	4.49%
Global private equity	20%	7.28%
Other assets (capital appreciation)	7%	4.49%
Core bonds	6%	1.90%
Private credit	20%	6.19%
Diversifying strategies	5%	3.68%
Cash - Mellon	2%	0.69%
Total	100%	

**Discount Rate** – At June 30, 2024, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.2 percent. The projection of cash flows used to determine the discount rate 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 rate and the member rate. 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 pension 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

PSPRS Police Pension	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 65,376,819	\$ 61,641,326	\$ 3,735,493
Adjustment to Beginning of Year		-	-
Changes for the year:			
Service cost	739,616	-	739,616
Interest on the total pension liability	4,630,999	-	4,630,999
Differences between expected and actual experience in the measurement of the pension liability	2,604,683	-	2,604,683
Changes of assumptions	-	-	-
Changes of Benefit terms	-	-	-
Contributions-employer	-	4,990,595	(4,990,595)
Contributions-employee	-	355,325	(355,325)
Net investment income	-	4,732,460	(4,732,460)
Benefit payments, including refunds of employee contributions	(3,594,012)	(3,594,012)	-
Pension plan administrative expense	-	(26,841)	26,841
Other changes	-	-	-
Net changes	4,381,286	6,457,527	(2,076,241)
Balance at June 30, 2024	\$ 69,758,105	\$ 68,098,853	\$ 1,659,252

PSPRS Police Health Insurance Premium Benefit	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 1,191,715	\$ 847,113	\$ 344,602
Adjustment to Beginning of Year	-	-	-
Changes for the year:			
Service cost	15,351	-	15,351
Interest on the total OPEB liability	84,209	-	84,209
Differences between expected and actual experience in the measurement of the OPEB liability	(56,103)	-	(56,103)
Changes of assumptions	-	-	-
Changes of Benefit terms	-	-	-
Contributions-employer	-	45,984	(45,984)
Contributions-employee	-	-	-
Net investment income	-	61,950	(61,950)
Benefit payments, including refunds of employee contributions	(75,006)	(75,006)	-
OPEB plan administrative expense	-	(369)	369
Other changes	-	-	-
Net changes	(31,549)	32,559	(64,108)
Balance at June 30, 2024	\$ 1,160,166	\$ 879,672	\$ 280,494

**PSPRS Fire Pension**

	Increase (Decrease)		
	Total	Plan	Net
	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 84,709,505	\$ 76,100,857	\$ 8,608,648
Adjustment to Beginning of Year	-	-	-
Changes for the year:			
Service cost	841,342	-	841,342
Interest on the total pension liability	5,998,246	-	5,998,246
Differences between expected and actual experience in the measurement of the pension liability	2,687,728	-	2,687,728
Changes of assumptions	-	-	-
Changes of Benefit terms	-	-	-
Contributions-employer	-	6,783,384	(6,783,384)
Contributions-employee	-	454,255	(454,255)
Contributions-non-employer	-	-	-
Net investment income	-	5,885,867	(5,885,867)
Benefit payments, including refunds of employee contributions	(4,483,752)	(4,483,752)	-
Pension plan administrative expense	-	(26,288)	26,288
Other changes	-	(5,605)	5,605
Net changes	5,043,564	8,607,861	(3,564,297)
Balance at June 30, 2024	\$ 89,753,069	\$ 84,708,718	\$ 5,044,351

**PSPRS Fire Health Insurance**

Premium Benefit	Increase (Decrease)		
	Total	Plan	Net
	OPEB Liability (a)	Fiduciary Net Position (b)	OPEB (Asset) (a) - (b)
Balances at June 30, 2023	\$ 1,084,603	\$ 1,313,157	\$ (228,554)
Changes for the year:			
Service cost	16,876	-	16,876
Interest on the total OPEB liability	77,274	-	77,274
Differences between expected and actual experience in the measurement of the OPEB liability	(19,597)	-	(19,597)
Changes of assumptions	-	-	-
Changes of Benefit terms	-	-	-
Contributions-employer	-	-	-
Contributions-employee	-	-	-
Net investment income	-	98,735	(98,735)
Benefit payments, including refunds of employee contributions	(56,445)	(56,445)	-
OPEB plan administrative expense	-	(466)	466
Other changes	-	-	-
Net changes	18,108	41,824	(23,716)
Balance at June 30, 2024	\$ 1,102,711	\$ 1,354,981	\$ (252,270)

**Sensitivity of the City's Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate** – The following table presents the City's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.2 percent,

as well as what the City's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	<b>1% Decrease (6.2%)</b>	<b>Current Discount Rate (7.2%)</b>	<b>1% Increase (8.2%)</b>
<b>PSPRS Police</b>			
Net pension liability	\$ 10,696,461	\$ 1,659,252	\$ (5,746,672)
Net OPEB liability	398,989	280,494	180,146
<b>PSPRS Fire</b>			
Net pension liability	\$ 16,697,115	\$ 5,044,351	\$ (4,490,050)
Net OPEB (asset) liability	(136,860)	(252,270)	(350,089)

**Plan Fiduciary Net Position** – Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports.

**Expense** – For the year ended June 30, 2024, the City recognized \$2,416,240 PSPRS Police and \$3,132,476 for PSPRS Fire in pension and OPEB expense.

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

	<b>Pension</b>		<b>Health Insurance Premium Benefit</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<b>PSPRS Police</b>			
Differences between expected and actual experience	\$ 2,106,686	\$ 182,130	\$ 24,490	\$ 52,170
Changes of assumptions or other inputs	310,277	-	5,776	-
Net difference between projected and actual earnings on plan investments	965,799	-	9,801	-
City contributions subsequent to the measurement date	1,522,273	-	45,014	-
<b>Total</b>	<b>\$ 4,905,035</b>	<b>\$ 182,130</b>	<b>\$ 85,081</b>	<b>\$ 52,170</b>

	<b>Pension</b>		<b>Health Insurance Premium Benefit</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<b>PSPRS Fire</b>			
Differences between expected and actual experience	\$ 3,199,942	\$ 253,668	\$ 17,554	\$ 36,135
Changes of assumptions or other inputs	647,760	-	11,980	-
Net difference between projected and actual earnings on plan investments	1,032,098	-	10,400	-
City contributions subsequent to the measurement date	4,588,006	-	596	-
<b>Total</b>	<b>\$ 9,467,806</b>	<b>\$ 253,668</b>	<b>\$ 40,530</b>	<b>\$ 36,135</b>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net asset or reduction

of the net liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending June 30	PSPRS Police		PSPRS Fire	
	Pension	Health	Pension	Health
2025	\$ 1,429,606	\$ (18,385)	\$ 1,846,173	\$ (13,833)
2026	514,892	(13,191)	1,169,164	(6,639)
2027	1,302,570	19,876	1,672,477	25,518
2028	(46,436)	(403)	(61,682)	(1,247)
2029	-	-	-	-
Total	\$ 3,200,632	\$ (12,103)	\$ 4,626,132	\$ 3,799

**L. Landfill Closure and Post-Closure Care Cost**

State and federal laws and regulations required the City to place a final cover on its Sundog Ranch Road landfill site when it stopped accepting waste in 1999; additionally, the City is required to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City stopped receiving waste at its landfill and received a small landfill exemption from the EPA in fiscal year 1998 and started installing the final cover in fiscal year 1999. The \$1,873,071 reported in the solid waste enterprise fund as landfill closure and post-closure care liability at June 30, 2024, represents the total amount of estimated cost of closure and post-closure care. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

The post-closure care costs are paid for by landfill closure surcharge fees imposed on each solid waste user.

**M. Commitments and Future Obligations**

The City has remaining construction commitments totaling \$1.2M for various road projects, \$4.2M for various water and sewer infrastructure, \$2.7M for buildings and \$1M for various airport infrastructure.

**N. Other Disclosures**

After the June 30, 2024, reporting date, the following significant subsequent events occurred:

- On October 9, 2024 the City closed on Pledged Revenue Refunding Obligations which refunded the MPC series 2014 bond for the remaining 10 years maturity. The maturity stays the same to end on 7/1/2034 and has savings of \$517,765 which is \$447,367.92 on a net present value basis.
- On November 5, 2024, the voters of the City of Prescott approved proposition 478. This increases the local transaction privilege tax by 0.95% for 10 years and reduces to 0.75% thereafter dedicated to improving public safety services.



## REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PRESCOTT, ARIZONA

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension/OPEB Liability Cost-Sharing Pension Plan

Last ten fiscal years

Arizona State Retirement System - Pension

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	2014	0.205038%	\$ 30,338,617	18,620,421	162.93%	69.49%
2016	2015	0.199300%	31,043,760	18,471,570	168.06%	68.35%
2017	2016	0.196740%	31,755,812	18,520,018	171.47%	68.35%
2018	2017	0.202090%	31,481,683	19,847,347	158.62%	69.92%
2019	2018	0.205310%	28,633,520	19,666,771	145.59%	73.40%
2020	2019	0.193950%	28,221,982	20,537,487	137.42%	73.24%
2021	2020	0.193130%	33,462,708	21,324,943	156.92%	69.33%
2022	2021	0.189150%	24,853,470	21,427,039	115.99%	78.58%
2023	2022	0.188370%	30,746,168	22,423,543	137.12%	74.26%
2024	2023	0.192970%	31,225,334	25,450,239	122.69%	75.47%



CITY OF PRESCOTT, ARIZONA

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension/OPEB Liability (Asset) Cost-Sharing Pension Plan

Last ten fiscal years

Arizona State Retirement System - Health Insurance premium benefit

Fiscal Year	Measurement Date	Proportion of the Net OPEB (asset)	Proportionate Share of the Net OPEB Asset	Covered Payroll	Proportionate Share of the OPEB (asset) as a % of Covered Payroll	Plan Fiduciary Net Position as a % of the Total OPEB liability
2015	2014	0.000000%	\$ -	\$ -	0.00%	0.00%
2016	2015	0.000000%	-	-	0.00%	0.00%
2017	2016	0.000000%	-	-	0.00%	0.00%
2018	2017	0.203890%	110,988	19,847,347	0.56%	103.57%
2019	2018	0.207930%	74,874	19,666,771	0.38%	102.20%
2020	2019	0.197820%	54,668	20,537,487	0.27%	101.62%
2021	2020	0.195710%	138,562	21,324,943	0.65%	104.33%
2022	2021	0.191530%	933,150	21,427,039	4.36%	130.24%
2023	2022	0.190540%	1,063,400	22,423,543	4.74%	137.79%
2024	2023	0.195880%	1,057,610	25,450,239	4.16%	134.37%

Information for Fiscal Year 2015 through 2017 is not available. GASB 75 became effective for fiscal year 2018.

CITY OF PRESCOTT, ARIZONA

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension/OPEB Liability Cost-Sharing Pension Plan

Last ten fiscal years

Arizona State Retirement System - Long-term disability

Fiscal Year	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a % of Covered Payroll	Plan Fiduciary Net Position as a % of the Total OPEB Liability
2015	2014	0.000000%	\$ -	\$ -	0.00%	0.00%
2016	2015	0.000000%	-	-	0.00%	0.00%
2017	2016	0.000000%	-	-	0.00%	0.00%
2018	2017	0.202140%	73,271	19,847,347	0.37%	84.44%
2019	2018	0.205450%	107,349	19,666,771	0.55%	77.83%
2020	2019	0.196290%	127,872	20,537,487	0.62%	72.85%
2021	2020	0.194560%	147,595	21,324,943	0.69%	68.01%
2022	2021	0.190300%	39,283	21,427,039	0.18%	90.38%
2023	2022	0.189080%	17,463	22,423,543	0.08%	95.40%
2024	2023	0.194120%	25,437	25,450,239	0.10%	93.70%

Information for Fiscal Year 2015 through 2017 is not available. GASB 75 became effective for fiscal year 2018.

CITY OF PRESCOTT, ARIZONA  
Required Supplementary Information  
Schedule of Net Pension Liability and Related Ratios Agent Pension Plan (Prescott Police Dept.)  
Last ten fiscal years

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Measurement Date	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service cost	\$ 761,809	\$ 760,856	\$ 674,016	\$ 916,086	\$ 847,589	\$ 815,876	\$ 763,124	\$ 715,449	\$ 714,349	\$ 739,616
Interest on the total pension liability	2,931,991	3,574,096	3,655,069	3,596,513	3,873,924	4,039,286	4,213,804	4,364,045	4,427,353	4,630,999
Benefit changes	1,200,389	-	270,640	710,592	-	-	-	-	-	-
Difference between expected and actual experience	178,760	(245,221)	(1,980,003)	753,906	688,135	470,762	685,088	(728,521)	1,110,691	2,604,683
Assumption changes	5,936,576	-	1,780,963	1,801,640	-	1,504,791	-	-	930,831	-
Benefit payments, including refunds of employee contributions	<u>(2,676,726)</u>	<u>(2,982,010)</u>	<u>(3,047,609)</u>	<u>(3,211,594)</u>	<u>(3,483,733)</u>	<u>(3,650,477)</u>	<u>(3,628,659)</u>	<u>(3,483,833)</u>	<u>(3,481,455)</u>	<u>(3,594,012)</u>
Net change in total pension liability	8,332,799	1,107,721	1,353,076	4,567,143	1,925,915	3,180,238	2,033,357	867,140	3,701,769	4,381,286
Total pension liability - beginning	<u>38,307,661</u>	<u>46,640,460</u>	<u>47,748,181</u>	<u>49,101,257</u>	<u>53,668,400</u>	<u>55,594,315</u>	<u>58,774,553</u>	<u>60,807,910</u>	<u>61,675,050</u>	<u>65,376,819</u>
Total pension liability - ending	<u>\$ 46,640,460</u>	<u>\$ 47,748,181</u>	<u>\$ 49,101,257</u>	<u>\$ 53,668,400</u>	<u>\$ 55,594,315</u>	<u>\$ 58,774,553</u>	<u>\$ 60,807,910</u>	<u>\$ 61,675,050</u>	<u>\$ 65,376,819</u>	<u>\$ 69,758,105</u>
<b>Plan Fiduciary Net Position</b>										
Employer contributions	\$ 1,699,361	\$ 2,003,868	\$ 2,119,598	\$ 3,003,310	\$ 13,155,670	\$ 10,177,689	\$ 9,736,179	\$ 9,931,396	\$ 11,225,966	\$ 4,990,595
Employee contributions	410,728	488,411	465,547	467,056	401,946	303,791	352,012	327,035	360,072	355,325
Pension plan net investment income	1,463,603	425,319	65,838	1,293,200	1,234,804	1,388,439	422,242	11,293,825	(2,366,704)	4,732,460
Benefit payments, including refunds of employee contributions	(2,676,726)	(2,982,010)	(3,047,609)	(3,211,594)	(3,483,733)	(3,650,477)	(3,628,659)	(3,483,833)	(3,481,455)	(3,594,012)
Pension plan administrative expense	-	(10,753)	(9,873)	(11,843)	(19,493)	(25,128)	(42,713)	(53,305)	(42,709)	(26,841)
Other	<u>(667,282)</u>	<u>(135,289)</u>	<u>(371,875)</u>	<u>(41,510)</u>	<u>(670,231)</u>	<u>(37,380)</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	229,684	(210,454)	(778,374)	1,498,619	10,618,963	8,156,934	6,839,063	18,015,118	5,695,170	6,457,527
Plan fiduciary net position - beginning	<u>11,576,603</u>	<u>11,806,287</u>	<u>11,595,833</u>	<u>10,817,459</u>	<u>12,316,078</u>	<u>22,935,041</u>	<u>31,091,975</u>	<u>37,931,038</u>	<u>55,946,156</u>	<u>61,641,326</u>
Plan fiduciary net position - ending	<u>\$ 11,806,287</u>	<u>\$ 11,595,833</u>	<u>\$ 10,817,459</u>	<u>\$ 12,316,078</u>	<u>\$ 22,935,041</u>	<u>\$ 31,091,975</u>	<u>\$ 37,931,038</u>	<u>\$ 55,946,156</u>	<u>\$ 61,641,326</u>	<u>\$ 68,098,853</u>
Net pension liability	34,834,173	36,152,348	38,283,798	41,352,322	32,659,274	27,682,578	22,876,872	5,728,894	3,735,493	1,659,252
Plan fiduciary net position as a percentage of total pension liability	25.31%	24.29%	22.03%	22.95%	41.25%	52.90%	62.38%	90.71%	94.29%	97.62%
Covered valuation payroll	\$ 4,031,431	\$ 3,868,068	\$ 3,558,688	\$ 4,087,846	\$ 4,306,853	\$ 3,905,240	\$ 3,710,528	\$ 3,548,568	\$ 3,677,680	\$ 3,923,144
Net pension liability as a percentage of covered valuation payroll	864.06%	934.64%	1075.78%	1011.59%	758.31%	708.86%	616.54%	161.44%	101.57%	42.29%

CITY OF PRESCOTT, ARIZONA

Required Supplementary Information

Schedule of Net OPEB Liability and Related Ratios Agent Pension Plan (Prescott Police Dept.)

Last ten fiscal years

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Measurement Date	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>										
Service cost	\$ -	\$ -	\$ -	\$ 16,760	\$ 13,782	\$ 12,921	\$ 17,227	\$ 16,784	\$ 16,728	\$ 15,351
Interest on the total pension liability	-	-	-	81,693	84,789	86,582	76,792	83,277	80,115	84,209
Benefit changes	-	-	-	2,240	-	-	-	-	-	-
Difference between expected and actual experience	-	-	-	39,212	(8,976)	(174,745)	88,328	(59,072)	48,980	(56,103)
Assumption changes	-	-	-	(12,887)	-	15,683	-	-	11,552	-
Benefit payments, including refunds of employee contributions	-	-	-	(67,273)	(70,682)	(72,087)	(82,021)	(75,687)	(92,798)	(75,006)
Net change in total pension liability	-	-	-	59,745	18,913	(131,646)	100,326	(34,698)	64,577	(31,549)
Total OPEB liability - beginning	-	-	-	1,114,498	1,174,243	1,193,156	1,061,510	1,161,836	1,127,138	1,191,715
Total OPEB liability - ending	\$ -	\$ -	\$ -	\$ 1,174,243	\$ 1,193,156	\$ 1,061,510	\$ 1,161,836	\$ 1,127,138	\$ 1,191,715	\$ 1,160,166
<b>Plan Fiduciary Net Position</b>										
Employer contributions	\$ -	\$ -	\$ -	\$ 31,909	\$ 7,567	\$ 38,931	\$ 38,051	\$ 28,732	\$ 44,454	\$ 45,984
Employee contributions	-	-	-	-	-	-	-	-	-	-
Pension plan net investment income	-	-	-	84,355	52,313	40,668	9,744	202,443	(35,199)	61,950
Benefit payments, including refunds of employee contributions	-	-	-	(67,273)	(70,682)	(72,087)	(82,021)	(75,687)	(92,798)	(75,006)
Pension plan administrative expense	-	-	-	(747)	(796)	(702)	(792)	(832)	(627)	(369)
Other	-	-	-	-	-	37,380	-	-	-	-
Net change in plan fiduciary net position	-	-	-	48,244	(11,598)	44,190	(35,018)	154,656	(84,170)	32,559
Plan fiduciary net position - beginning	-	-	-	730,809	779,053	767,455	811,645	776,627	931,283	847,113
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ 779,053	\$ 767,455	\$ 811,645	\$ 776,627	\$ 931,283	\$ 847,113	\$ 879,672
Net OPEB liability (asset)	-	-	-	395,190	425,701	249,865	385,209	195,855	344,602	280,494
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	66.35%	64.32%	76.46%	66.84%	82.62%	71.08%	75.82%
Covered valuation payroll	\$ -	\$ -	\$ -	\$ 4,087,846	\$ 4,306,853	\$ 3,905,240	\$ 3,710,528	\$ 3,548,568	\$ 3,677,680	\$ 3,923,144
Net pension liability as a percentage of covered valuation payroll	0.00%	0.00%	0.00%	9.67%	9.88%	6.40%	10.38%	5.52%	9.37%	7.15%

Information for Fiscal Year 2015 through 2017s not available. GASB 75 became effective for fiscal year 2018.

CITY OF PRESCOTT, ARIZONA

Required Supplementary Information

Schedule of Net Pension Liability and Related Ratios Agent Pension Plan (Prescott Fire Dept.)

Last ten fiscal years

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Measurement Date	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service cost	\$ 625,416	\$ 679,818	\$ 661,270	\$ 933,842	\$ 958,337	\$ 983,851	\$ 871,779	\$ 887,657	\$ 822,818	\$ 841,342
Interest on the total pension liability	3,407,472	4,004,260	4,282,907	4,585,721	4,915,237	5,168,881	5,322,085	5,610,942	5,692,703	5,998,246
Benefit changes	970,471	-	2,913,669	535,460	-	-	-	-	-	-
Difference between expected and actual experience	812,892	2,459,470	241,942	806,142	989,314	(180,259)	1,827,292	(1,014,673)	2,085,333	2,687,728
Assumption changes	5,458,928	-	2,197,261	2,470,820	-	1,290,375	-	-	1,295,520	-
Benefit payments, including refunds of employee contributions	<u>(3,743,947)</u>	<u>(3,656,019)</u>	<u>(3,513,248)</u>	<u>(4,186,168)</u>	<u>(3,943,953)</u>	<u>(3,935,936)</u>	<u>(4,254,564)</u>	<u>(3,905,605)</u>	<u>(4,692,557)</u>	<u>(4,483,752)</u>
Net change in total pension liability	7,531,232	3,487,529	6,783,801	5,145,817	2,918,935	3,326,912	3,766,592	1,578,321	5,203,817	5,043,564
Total pension liability - beginning	<u>44,966,549</u>	<u>52,497,781</u>	<u>55,985,310</u>	<u>62,769,111</u>	<u>67,914,928</u>	<u>70,833,863</u>	<u>74,160,775</u>	<u>77,927,367</u>	<u>79,505,688</u>	<u>84,709,505</u>
Total pension liability - ending	<u>\$ 52,497,781</u>	<u>\$ 55,985,310</u>	<u>\$ 62,769,111</u>	<u>\$ 67,914,928</u>	<u>\$ 70,833,863</u>	<u>\$ 74,160,775</u>	<u>\$ 77,927,367</u>	<u>\$ 79,505,688</u>	<u>\$ 84,709,505</u>	<u>\$ 89,753,069</u>
<b>Plan Fiduciary Net Position</b>										
Employer contributions	\$ 1,474,478	\$ 3,083,074	\$ 3,381,603	\$ 4,072,538	\$ 14,734,656	\$ 10,143,085	\$ 11,073,920	\$ 11,442,997	\$ 9,572,702	\$ 6,783,384
Employee contributions	462,684	463,343	441,178	479,574	423,220	369,128	373,160	379,453	349,289	454,255
Non-employee contributions	-	-	-	-	-	2,210,887	-	-	-	-
Pension plan net investment income	2,103,311	619,579	103,026	2,141,106	1,823,608	2,026,440	588,418	15,226,754	(3,079,476)	5,885,867
Benefit payments, including refunds of employee contributions	(3,743,947)	(3,656,019)	(3,513,248)	(4,186,168)	(3,943,953)	(3,935,936)	(4,254,564)	(3,905,605)	(4,692,557)	(4,483,752)
Pension plan administrative expense	-	(16,431)	(15,225)	(19,345)	(30,955)	(36,218)	(47,996)	(71,936)	(55,589)	(26,288)
Other	<u>(913,990)</u>	<u>191,490</u>	<u>(91,593)</u>	<u>230</u>	<u>(553,570)</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>(5,605)</u>
Net change in plan fiduciary net position	(617,464)	685,036	305,741	2,487,935	12,453,006	10,777,386	7,732,941	23,071,663	2,094,369	8,607,861
Plan fiduciary net position - beginning	<u>17,110,244</u>	<u>16,492,780</u>	<u>17,177,816</u>	<u>17,483,557</u>	<u>19,971,492</u>	<u>32,424,498</u>	<u>43,201,884</u>	<u>50,934,825</u>	<u>74,006,488</u>	<u>76,100,857</u>
Plan fiduciary net position - ending	<u>\$ 16,492,780</u>	<u>\$ 17,177,816</u>	<u>\$ 17,483,557</u>	<u>\$ 19,971,492</u>	<u>\$ 32,424,498</u>	<u>\$ 43,201,884</u>	<u>\$ 50,934,825</u>	<u>\$ 74,006,488</u>	<u>\$ 76,100,857</u>	<u>\$ 84,708,718</u>
Net pension liability	36,005,001	38,807,494	45,285,554	47,943,436	38,409,365	30,958,891	26,992,542	5,499,200	8,608,648	5,044,351
Plan fiduciary net position as a percentage of total pension liability	31.42%	30.68%	27.85%	29.41%	45.78%	58.25%	65.36%	93.08%	89.84%	94.38%
Covered valuation payroll	\$ 3,581,595	\$ 3,486,702	\$ 3,541,885	\$ 4,141,207	\$ 4,503,465	\$ 4,113,300	\$ 4,242,052	\$ 3,827,890	\$ 3,837,168	\$ 3,838,402
Net pension liability as a percentage of covered valuation payroll	1005.28%	1113.01%	1278.57%	1157.72%	852.88%	752.65%	636.31%	143.66%	224.35%	131.42%

CITY OF PRESCOTT, ARIZONA  
 Required Supplementary Information  
 Schedule of Net OPEB Liability and Related Ratios Agent Pension Plan (Prescott Fire Dept.)  
 Last ten fiscal years

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Measurement Date	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>										
Service cost	\$ -	\$ -	\$ -	\$ 13,666	\$ 13,961	\$ 13,510	\$ 19,188	\$ 19,243	\$ 17,271	\$ 16,876
Interest on the total pension liability	-	-	-	69,766	70,198	75,563	74,289	75,813	71,979	77,274
Benefit changes	-	-	-	3,187	-	-	-	-	-	-
Difference between expected and actual experience	-	-	-	(13,231)	40,961	(63,521)	(1,033)	(84,924)	35,108	(19,597)
Assumption changes	-	-	-	96	-	12,639	-	-	23,959	-
Benefit payments, including refunds of employee contributions	-	-	-	(55,015)	(55,438)	(62,855)	(59,300)	(56,455)	(64,907)	(56,445)
Net change in total pension liability	-	-	-	18,469	69,682	(24,664)	33,144	(46,323)	83,410	18,108
Total OPEB liability - beginning	-	-	-	950,885	969,354	1,039,036	1,014,372	1,047,516	1,001,193	1,084,603
Total OPEB liability - ending	\$ -	\$ -	\$ -	\$ 969,354	\$ 1,039,036	\$ 1,014,372	\$ 1,047,516	\$ 1,001,193	\$ 1,084,603	\$ 1,102,711
<b>Plan Fiduciary Net Position</b>										
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,642	\$ 2,617	\$ -	\$ -
Employee contributions	-	-	-	-	-	-	-	-	-	-
Pension plan net investment income	-	-	-	127,852	80,779	63,783	14,990	318,166	(55,968)	98,735
Benefit payments, including refunds of employee contributions	-	-	-	(55,015)	(55,438)	(62,855)	(59,300)	(56,455)	(64,907)	(56,445)
Pension plan administrative expense	-	-	-	(1,132)	(1,229)	(1,101)	(1,219)	(1,308)	(996)	(466)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	71,705	24,112	(173)	(32,887)	263,020	(121,871)	41,824
Plan fiduciary net position - beginning	-	-	-	1,109,251	1,180,956	1,205,068	1,204,895	1,172,008	1,435,028	1,313,157
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ 1,180,956	\$ 1,205,068	\$ 1,204,895	\$ 1,172,008	\$ 1,435,028	\$ 1,313,157	\$ 1,354,981
Net pension liability	-	-	-	(211,602)	(166,032)	(190,523)	(124,492)	(433,835)	(228,554)	(252,270)
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	121.83%	115.98%	118.78%	111.88%	143.33%	121.07%	122.88%
Covered valuation payroll	\$ -	\$ -	\$ -	\$ 4,141,207	\$ 4,503,465	\$ 4,113,300	\$ 4,242,052	\$ 3,827,890	\$ 3,838,402	\$ 3,837,168
Net OPEB liability as a percentage of covered valuation payroll	0.00%	0.00%	0.00%	-5.11%	-3.69%	-4.63%	-2.93%	-11.33%	-5.95%	-6.57%

Information for Fiscal Year 2015 through 2017 is not available. GASB 75 became effective for fiscal year 2018.

CITY OF PRESCOTT, ARIZONA  
 Required Supplementary Information  
 Schedule of Pension/OPEB Contributions Arizona State Retirement System  
 Last ten fiscal years

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Arizona State Retirement System - Pension

<u>Fiscal Year</u>	<u>Statutorily Required Contribution</u>	<u>Contributions Made</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Payroll</u>
2015	\$ 2,011,554	\$ 2,011,554	\$ -	\$ 18,471,570	10.89%
2016	2,009,422	2,009,422	-	18,520,018	10.85%
2017	2,139,544	2,139,544	-	19,847,347	10.78%
2018	2,143,678	2,143,678	-	19,666,771	10.90%
2019	2,296,091	2,296,091	-	20,537,487	11.18%
2020	2,441,706	2,441,706	-	21,324,943	11.45%
2021	2,496,250	2,496,250	-	21,427,039	11.65%
2022	2,693,068	2,693,068	-	22,423,543	12.01%
2023	3,033,669	3,033,669	-	25,450,239	11.92%
2024	3,412,300	3,412,300	-	28,364,917	12.03%

CITY OF PRESCOTT, ARIZONA  
 Required Supplementary Information  
 Schedule of Pension/OPEB Contributions Arizona State Retirement System  
 Last ten fiscal years

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Arizona State Retirement System - Health insurance premium benefit

Fiscal Year	Statutorily Required Contribution	Contributions Made	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Payroll
2015	\$ -	\$ -	\$ -	\$ -	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	82,019	82,019	-	19,666,771	0.44%
2019	94,472	94,472	-	20,537,487	0.46%
2020	104,492	104,492	-	21,324,943	0.49%
2021	83,565	83,565	-	21,427,039	0.39%
2022	47,314	47,314	-	22,423,543	0.21%
2023	27,995	27,995	-	25,450,239	0.11%
2024	32,449	32,449	-	28,364,917	0.11%

Information for Fiscal Year 2015 through 2017 is not available. GASB 75 became effective for fiscal year 2018.



CITY OF PRESCOTT, ARIZONA  
 Required Supplementary Information  
 Schedule of Pension/OPEB Contributions Arizona State Retirement System  
 Last ten fiscal years

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Arizona State Retirement System - Long-term disability

<u>Fiscal Year</u>	<u>Statutorily Required Contribution</u>	<u>Contributions Made</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Payroll</u>
2015	\$ -	\$ -	\$ -	\$ -	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	29,825	29,825	-	19,666,771	0.16%
2019	32,860	32,860	-	20,537,487	0.16%
2020	36,253	36,253	-	21,324,943	0.17%
2021	38,569	38,569	-	21,427,039	0.18%
2022	42,808	42,808	-	22,423,543	0.19%
2023	35,630	35,630	-	25,450,239	0.14%
2024	41,299	41,299	-	28,364,917	0.15%

Information for Fiscal Year 2015 through 2017 is not available. GASB 75 became effective for fiscal year 2018

CITY OF PRESCOTT, ARIZONA

Required Supplementary Information

Schedule of Pension/OPEB Contributions Public Safety Personnel Retirement System (Prescott Police Dept.)

Last ten fiscal years

PSPRS - Pension Police

<u>Fiscal Year</u>	<u>Statutorily Required Contribution</u>	<u>Contributions Made</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Payroll</u>
2015	\$ 1,871,758	\$ 2,003,868	\$ (132,110)	\$ 3,868,068	51.81%
2016	1,932,723	2,119,598	(186,875)	3,558,688	59.56%
2017	2,912,590	3,003,310	(90,720)	4,087,846	73.47%
2018	3,635,845	13,155,670	(9,519,825)	4,306,853	305.46%
2019	3,246,426	10,177,689	(6,931,263)	3,905,240	260.62%
2020	2,329,098	9,736,179	(7,407,081)	3,710,528	262.39%
2021	1,999,973	9,931,396	(7,931,423)	3,548,568	279.87%
2022	1,543,522	11,225,966	(9,682,444)	3,677,680	305.25%
2023	1,643,442	5,132,788	(3,489,346)	3,923,144	130.83%
2024	802,273	1,522,273	(720,000)	6,133,586	24.82%

CITY OF PRESCOTT, ARIZONA

Required Supplementary Information

Schedule of Pension/OPEB Contributions Pubic Safety Personnel Retirement System (Prescott Police Dept.)

Last ten fiscal years

PSPRS - OPEB Police

Fiscal Year	Statutorily Required Contribution	Contributions Made	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Payroll
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2016	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2018	43,499	43,499	-	4,306,853	0.00%
2019	37,100	37,100	-	3,905,240	0.95%
2020	35,250	35,250	-	3,710,528	0.95%
2021	27,679	38,330	(10,651)	3,548,568	1.08%
2022	36,409	56,670	(20,261)	3,677,680	1.54%
2023	37,662	54,266	(16,604)	3,923,144	1.38%
2024	61,949	45,014	16,935	6,133,586	0.73%

Information for Fiscal Year 2015 through 2017 is not available. GASB 75 became effective for fiscal year 2018.

CITY OF PRESCOTT, ARIZONA

Required Supplementary Information

Schedule of Pension/OPEB Contributions Public Safety Personnel Retirement System (Prescott Fire Dept.)

Last ten fiscal years

PSPRS - Pension Fire

<u>Fiscal Year</u>	<u>Statutorily Required Contribution</u>	<u>Contributions Made</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Payroll</u>
2015	\$ 2,019,149	\$ 3,083,074	\$ (1,063,925)	\$ 3,486,702	88.42%
2016	2,246,972	3,381,603	(1,134,631)	3,541,885	95.47%
2017	3,137,793	4,072,538	(934,745)	4,141,207	98.34%
2018	3,984,374	14,734,656	(10,750,282)	4,503,465	327.18%
2019	3,993,169	10,143,085	(6,149,916)	4,113,300	246.59%
2020	3,020,341	11,073,920	(8,053,579)	4,242,052	261.05%
2021	2,533,298	11,442,997	(8,909,699)	3,827,890	298.94%
2022	1,955,037	9,572,702	(7,617,665)	3,837,168	249.47%
2023	1,334,612	6,890,378	(5,555,766)	3,838,402	179.51%
2024	1,305,001	4,588,006	(3,283,005)	5,446,582	71.15%

CITY OF PRESCOTT, ARIZONA  
 Required Supplementary Information  
 Schedule of Pension Contributions Pubic Safety Personnel Retirement System (Prescott Fire Dept.)  
 Last ten fiscal years

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PSPRS - OPEB Fire

Fiscal Year	Statutorily Required Contribution	Contributions Made	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Payroll
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2016	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2018	-	-	-	4,503,465	0.00%
2019	-	-	-	4,113,300	0.00%
2020	12,726	12,726	-	4,242,052	0.30%
2021	2,297	2,701	(404)	3,827,890	0.07%
2022	-	-	-	3,837,168	0.00%
2023	-	-	-	3,838,402	0.00%
2024	1,089	596	493	5,446,582	0.01%

Information for Fiscal Year 2015 through 2017 is not available. GASB 75 became effective for fiscal year 2018.

**NOTE 1 ACTUARIALY 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 normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2022 actuarial valuation	15 years for underfunded 17 years for overfunded
Asset valuation method	7-year smoothed fair value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 – 6.25% for PSPRS. In the 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
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-June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

**NOTE 2 FACTORS THAT AFFECT TRENDS**

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

SUPPLEMENTARY INFORMATION  
COMBINING STATEMENTS  
Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues derived from specific taxes or other earmarked revenue sources. These funds are usually required by statute, charter provision or ordinance to finance particular functions or activities. The nonmajor special revenue funds of the City of Prescott are listed below.

PSPRS Dedicated Tax Fund

This fund receives and expends the dedicated 0.75% privilege tax revenues approved by the voters to pay off the City's Public Safety Personnel Retirement System (PSPRS) unfunded pension liability. The tax was sunset December 31, 2022.

Transient Lodging Tax Fund

This fund receives and expends tax revenues charged on transient lodging activity within the City. Revenues are to be used for the promotion of tourism and development of recreational facilities within the City.

Grants Fund

This represents a group of funds, which expends grant monies received by the City for various projects. Grant funds must be used for the stated purpose of the grant and must meet grantor expenditure guidelines.

Miscellaneous Gift Trust Fund

This fund accounts for miscellaneous gifts and donations to the City.

Acker Trust Fund

Accounts for the assets willed to the City by J. S. Acker. Revenue from investments and land sales are to be expended for cultural and recreational purposes only.

CAPITAL PROJECT FUNDS

Capital project funds are established to record financial resources that are restricted to expenditure for capital outlays.

Impact Fees Fund

This fund is used to account for impact fees charged to new residential construction to cover the cost of new capital facilities required to serve this new development.

DEBT SERVICE FUNDS

Debt service funds are established to record the accumulation of resources for, and the payment of long-term debt principal and interest not serviced by other funds.

Community Facilities Districts

This fund is used to account for the special assessments and the principal and interest expenditures of the debt issued by the districts. Although these bonds are not obligations of the City, generally accepted accounting principles indicate that the bonds be disclosed herein.

CITY OF PRESCOTT, ARIZONA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

	Special Revenue Funds					Capital Projects Funds	Debt Service Funds	Total
	PSPRS	Transient	Grants	Miscellaneous	Acker	Impact Fees	Community	Nonmajor
	Dedicated Tax	Lodging Tax		Gift Trust	Trust		Facilities Districts	
<b>ASSETS</b>								
Cash and short-term investments	\$ 3,146	\$ 698,283	\$ 559,738	\$ 269,052	\$ 538,105	\$ 5,782,060	\$ -	\$ 7,850,384
Accounts receivable (net)	11,513	174,060	-	-	-	1,723	-	187,296
Interest receivable	-	-	-	-	2,396	-	-	2,396
Intergovernmental receivable	-	-	948,751	-	-	-	-	948,751
Total assets	<u>\$ 14,659</u>	<u>\$ 872,343</u>	<u>\$ 1,508,489</u>	<u>\$ 269,052</u>	<u>\$ 540,501</u>	<u>\$ 5,783,783</u>	<u>\$ -</u>	<u>\$ 8,988,827</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 31,192	\$ 120,855	\$ 7,387	\$ 5,000	\$ 30,026	\$ -	\$ 194,460
Accrued expenditures	-	6,547	20,922	303	-	-	-	27,772
Total liabilities	<u>-</u>	<u>37,739</u>	<u>141,777</u>	<u>7,690</u>	<u>5,000</u>	<u>30,026</u>	<u>-</u>	<u>222,232</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	622,735	-	-	-	-	622,735
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>622,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>622,735</u>
<b>FUND BALANCES</b>								
Restricted	14,659	834,604	743,977	261,362	535,501	5,753,757	-	8,143,860
Total fund balances	<u>14,659</u>	<u>834,604</u>	<u>743,977</u>	<u>261,362</u>	<u>535,501</u>	<u>5,753,757</u>	<u>-</u>	<u>8,143,860</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,659</u>	<u>\$ 872,343</u>	<u>\$ 1,508,489</u>	<u>\$ 269,052</u>	<u>\$ 540,501</u>	<u>\$ 5,783,783</u>	<u>\$ -</u>	<u>\$ 8,988,827</u>



CITY OF PRESCOTT, ARIZONA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the year ended June 30, 2024

	Special Revenue Funds					Capital	Debt Service	Total
	PSPRS	Transient	Grants	Miscellaneous		Projects	Community	Nonmajor
	Dedicated	Lodging		Gift	Acker	Impact	Facilities	
Revenues	Tax	Tax		Trust	Trust	Fees	Districts	Funds
Taxes	\$ 99,979	\$ 1,608,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,707,993
Intergovernmental revenues	-	-	4,564,652	-	-	-	-	4,564,652
Licenses and permits	-	-	-	-	-	783,492	-	783,492
Gifts and donations	-	-	479,309	152,099	-	-	-	631,408
Investment earnings (losses)	37,000	12,286	2,181	-	23,977	75,213	172	150,829
Miscellaneous	-	-	18,928	-	-	20,570	5,994	45,492
Total revenues	136,979	1,620,300	5,065,070	152,099	23,977	879,275	6,166	7,883,866
Expenditures								
Current operating								
General government	-	1,422,108	40,501	12,809	-	-	12,814	1,488,232
Community services	-	-	222,070	-	-	-	-	222,070
Culture and recreation	-	205,338	891,839	49,662	5,000	-	-	1,151,839
Police and court	875,136	-	936,013	53,069	-	18,902	-	1,883,120
Fire	2,078,463	-	33,436	480	-	18,902	-	2,131,281
Public Works	-	-	-	-	-	19,476	-	19,476
Capital outlay								
General government	-	-	-	80,000	-	-	-	80,000
Culture and recreation	-	-	2,717,105	-	-	-	-	2,717,105
Fire	-	-	24,151	-	-	-	-	24,151
Public works	-	-	390,795	-	-	330,243	-	721,038
Debt service - principal	-	-	-	-	-	-	5,911	5,911
Debt service - interest	-	-	-	-	-	-	165	165
Total expenditures	2,953,599	1,627,446	5,255,910	196,020	5,000	387,523	18,890	10,444,388
Excess (deficiency) of revenues over (under) expenditures	(2,816,620)	(7,146)	(190,840)	(43,921)	18,977	491,752	(12,724)	(2,560,522)
Other Financing Sources (Uses)								
Transfers in	-	-	1,179,350	-	-	-	-	1,179,350
Transfers out	-	(109,276)	-	(18,745)	-	-	-	(128,021)
Total other financing sources (uses)	-	(109,276)	1,179,350	(18,745)	-	-	-	1,051,329
Net change in fund balance	(2,816,620)	(116,422)	988,510	(62,666)	18,977	491,752	(12,724)	(1,509,193)
Fund balances, beginning, as previously reported	-	951,026	(244,533)	324,028	516,524	5,262,005	12,724	6,821,774
Adjustment - changes from major to nonmajor fund	2,831,279	-	-	-	-	-	-	2,831,279
Fund Balances, beginning, as adjusted	2,831,279	951,026	(244,533)	324,028	516,524	5,262,005	12,724	9,653,053
Fund balance - ending	\$ 14,659	\$ 834,604	\$ 743,977	\$ 261,362	\$ 535,501	\$ 5,753,757	\$ -	\$ 8,143,860



## SUPPLEMENTARY INFORMATION

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

#### GOVERNMENTAL FUNDS

##### *Special Revenue Funds*

- PSPRS Dedicated Tax Fund
- Transient lodging tax
- Grants
- Miscellaneous gift trust
- Acker trust

##### *Capital Project Funds*

- Impact fees

##### *Debt Service Funds*

- Community Facilities Districts

**CITY OF PRESCOTT, ARIZONA**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
PSPRS Dedicated Tax Special Revenue Fund**

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 99,979	\$ 99,979
Interest and investment income	-	-	37,000	37,000
Total revenues	-	-	136,979	136,979
<b>Expenditures</b>				
Police and court	-	1,284,000	875,136	408,864
Fire	-	1,750,000	2,078,463	(328,463)
Total expenditures	-	3,034,000	2,953,599	80,401
Excess (deficiency) of revenues over expenditures	-	(3,034,000)	(2,816,620)	217,380
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(3,034,000)	(2,816,620)	217,380
Fund balance - beginning	2,831,279	2,831,279	2,831,279	-
Fund balance - ending	\$ 2,831,279	\$ (202,721)	\$ 14,659	\$ 217,380

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Transient Lodging Tax Special Revenue Fund

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
<b>Revenues</b>				
Taxes - transient lodging tax	\$ 1,500,000	\$ 1,500,000	\$ 1,608,014	\$ 108,014
Investment income	-	-	12,286	12,286
Total revenues	1,500,000	1,500,000	1,620,300	120,300
<b>Expenditures</b>				
General Government:				
City Manager	1,211,991	1,414,991	1,422,108	(7,117)
Culture and recreation:				
Recreation Services	100,000	207,000	205,338	1,662
Total expenditures	1,311,991	1,621,991	1,627,446	(5,455)
Excess (deficiency) of revenues over expenditures	188,009	(121,991)	(7,146)	114,845
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(109,276)	(109,276)	(109,276)	-
Total other financing sources (uses)	(109,276)	(109,276)	(109,276)	-
Net change in fund balances	78,733	(231,267)	(116,422)	114,845
Fund balance - beginning	951,026	951,026	951,026	-
Fund balance - ending	\$ 1,029,759	\$ 719,759	\$ 834,604	\$ 114,845

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Grants Special Revenue Fund

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental revenues	\$ 13,099,166	\$ 13,099,166	\$ 4,564,652	\$ (8,534,514)
Gifts and donations	3,174,072	3,174,072	479,309	(2,694,763)
Interest and investment income	-	-	2,181	2,181
Miscellaneous	600,000	600,000	18,928	(581,072)
Total revenues	<u>16,873,238</u>	<u>16,873,238</u>	<u>5,065,070</u>	<u>(11,808,168)</u>
<b>Expenditures</b>				
General government:				
City Manager	-	400,000	390,794	9,206
Non Departmental	3,075,000	2,770,000	40,500	2,729,500
Community services	800,327	800,327	222,070	578,257
Culture and recreation:				
Recreation Services	10,228,020	10,228,020	3,605,567	6,622,453
Library	-	4,000	4,000	-
Police and court:				
Police	1,085,864	1,285,864	931,482	354,382
City Court	47,000	47,000	4,532	42,468
Fire	1,969,365	1,969,365	56,965	1,912,400
Public Works	466,850	466,850	-	466,850
Total expenditures	<u>17,672,426</u>	<u>17,971,426</u>	<u>5,255,910</u>	<u>12,715,516</u>
Excess (deficiency) of revenues over expenditures	<u>(799,188)</u>	<u>(1,098,188)</u>	<u>(190,840)</u>	<u>(24,523,684)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,654,286	1,654,286	1,179,350	(474,936)
Total other financing sources (uses)	<u>1,654,286</u>	<u>1,654,286</u>	<u>1,179,350</u>	<u>(474,936)</u>
Net change in fund balances	855,098	556,098	988,510	432,412
Fund balance - beginning	(244,533)	(244,533)	(244,533)	-
Fund balance - ending	<u>\$ 610,565</u>	<u>\$ 311,565</u>	<u>\$ 743,977</u>	<u>\$ 432,412</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Miscellaneous Gift Trust Special Revenue Fund

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
Revenues				
Gifts and donations	\$ 115,500	\$ 115,500	\$ 152,099	\$ 36,599
Total revenues	115,500	115,500	152,099	36,599
Expenditures				
General government:				
City Council	82,745	82,745	82,503	242
City Manager	16,842	16,842	10,306	6,536
Culture and recreation:				
Recreation Services	16,173	24,173	21,324	2,849
Library	118,408	114,408	28,338	86,070
Police and court:				
Police	152,942	152,942	53,069	99,873
Fire	10,505	10,505	480	10,025
Public Works	-	-	-	-
Total expenditures	397,615	401,615	196,020	205,595
Excess (deficiency) of revenues over expenditures	(282,115)	(286,115)	(43,921)	(168,996)
Other Financing Sources (Uses)				
Transfers out	-	-	(18,745)	(18,745)
Total other financing sources (uses)	-	-	(18,745)	(18,745)
Net change in fund balances	(282,115)	(286,115)	(62,666)	223,449
Fund balance - beginning	324,028	324,028	324,028	-
Fund balance - ending	\$ 41,913	\$ 37,913	\$ 261,362	\$ 223,449

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Acker Trust Special Revenue Fund

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
Revenues				
Interest and investment income (loss)	\$ 14,500	\$ 14,500	\$ 23,977	\$ 9,477
Total revenues	14,500	14,500	23,977	9,477
Expenditures				
Culture and recreation:				
Recreation Services	14,500	14,500	5,000	9,500
Total expenditures	14,500	14,500	5,000	9,500
Excess (deficiency) of revenues over expenditures	-	-	18,977	18,977
Fund balance - beginning	516,524	516,524	516,524	-
Fund balance - ending	\$ 516,524	\$ 516,524	\$ 535,501	\$ 18,977

The notes to the financial statements are an integral part of this statement.



CITY OF PRESCOTT, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Impact Fees Fund Capital Project Fund

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
<b>Revenues</b>				
Licenses and permits - impact fees	\$ 960,000	\$ 960,000	\$ 783,492	\$ (176,508)
Interest and investment income	-	-	75,213	75,213
Miscellaneous	19,000	19,000	20,570	1,570
Total revenues	979,000	979,000	879,275	(99,725)
<b>Expenditures</b>				
Police and Court	-	19,000	18,902	98
Fire	-	19,000	18,902	98
Public Works	281,342	350,342	349,719	623
Total expenditures	281,342	388,342	387,523	819
Excess (deficiency) of revenues over expenditures	697,658	590,658	491,752	(98,906)
Net change in fund balances	697,658	590,658	491,752	(98,906)
Fund balance - beginning	5,262,005	5,262,005	5,262,005	-
Fund balance - ending	\$ 5,959,663	\$ 5,852,663	\$ 5,753,757	\$ (98,906)

The notes to the financial statements are an integral part of this statement.

CITY OF PRESCOTT, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Community Facilities Districts Debt Service Fund

For the year ended June 30, 2024

	Budget		Actual	Variance With
	Original	Final	Budget Amounts Budget Basis	Final Budget Positive (Negative)
Revenues				
Interest and investment income	\$ -	\$ -	\$ 172	\$ 172
Miscellaneous	6,167	6,167	5,994	(173)
Total revenues	<u>6,167</u>	<u>6,167</u>	<u>6,166</u>	<u>(1)</u>
Expenditures				
Current				
General Government	20,000	20,000	12,814	7,186
Debt Service				
Principal	6,002	6,002	5,911	91
Interest	165	165	165	-
Total expenditures	<u>26,167</u>	<u>26,167</u>	<u>18,890</u>	<u>7,277</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>(12,724)</u>	<u>7,276</u>
Net change in fund balances	<u>(20,000)</u>	<u>(20,000)</u>	<u>(12,724)</u>	<u>7,276</u>
Fund balance - beginning	12,724	12,724	12,724	-
Fund balance - ending	<u>\$ (7,276)</u>	<u>\$ (7,276)</u>	<u>\$ -</u>	<u>\$ 7,276</u>

The notes to the financial statements are an integral part of this statement.

## SUPPLEMENTARY INFORMATION

### COMBINING STATEMENTS Internal Service Funds

Internal service funds are used to account for services and commodities furnished by one department to other departments of the City on a cost reimbursement basis. Funds included are:

#### Fleet Maintenance

To account for the cost of operating a maintenance facility for automotive and other equipment used by various departments. These costs, including depreciation, are billed to the various using departments. The various user departments who acquire automotive and other equipment are responsible for replacement costs.

#### Risk Management

To account for the costs, both direct and indirect, of maintaining comprehensive property damage and general liability and workers' compensation insurance coverage. Revenue to this fund is derived from charges to City departments.

#### Engineering Services

To account for the costs, both direct and indirect, of the engineering department which does work for other departments of the City. Revenue to this fund is derived from charges to City departments based on the work performed for the department.

#### Facilities Maintenance

To provide maintenance and custodial service to all City owned facilities. Revenue to this fund is derived from charges to participating City departments.

CITY OF PRESCOTT, ARIZONA  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2024

ASSETS	Fleet Maintenance	Risk Management	Engineering Services	Facilities Maintenance	Totals
<b>Current Assets</b>					
Cash and cash equivalents	\$ 679,928	\$ 2,541,791	\$ -	\$ 712,149	\$ 3,933,868
Accounts receivable (net)	1,871	-	-	6,186	8,057
Interest receivable	-	1,015	-	-	1,015
Inventory at cost	554,557	-	-	-	554,557
Total current assets	<u>1,236,356</u>	<u>2,542,806</u>	<u>-</u>	<u>718,335</u>	<u>4,497,497</u>
<b>Noncurrent Assets</b>					
Restricted cash and cash equivalents	-	472,070	-	-	472,070
OPEB assets	25,437	1,402	42,380	14,276	83,495
Land and construction in process	13,191	-	-	-	13,191
Buildings	5,259,218	-	-	17,126	5,276,344
Improvements other than buildings	12,473	-	36,550	-	49,023
Machinery and equipment	681,371	-	629,191	747,192	2,057,754
Less accumulated depreciation	(2,846,608)	-	(393,944)	(167,882)	(3,408,434)
Total noncurrent assets	<u>3,145,082</u>	<u>473,472</u>	<u>314,177</u>	<u>610,712</u>	<u>4,543,443</u>
Total assets	<u>4,381,438</u>	<u>3,016,278</u>	<u>314,177</u>	<u>1,329,047</u>	<u>9,040,940</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pensions and OPEB	124,201	6,276	26,933	36,821	194,231
Total deferred outflows of resources	<u>124,201</u>	<u>6,276</u>	<u>26,933</u>	<u>36,821</u>	<u>194,231</u>
Total assets and deferred outflows of resources	<u>4,505,639</u>	<u>3,022,554</u>	<u>341,110</u>	<u>1,365,868</u>	<u>9,235,171</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	103,425	4,553	11,206	542,902	662,086
Accrued expenses	20,610	1,848	36,292	12,846	71,596
Claims payable	-	18,098	-	-	18,098
Interfund payable	-	-	135,408	-	135,408
Compensated absences	-	-	81,945	18,217	100,162
Total current liabilities	<u>124,035</u>	<u>24,499</u>	<u>264,851</u>	<u>573,965</u>	<u>987,350</u>
<b>Noncurrent Liabilities</b>					
Claims payable	-	53,502	-	-	53,502
Compensated absences	78,879	-	96,336	27,950	203,165
Pension/OPEB liability	751,632	41,415	1,252,264	421,843	2,467,154
Total noncurrent liabilities	<u>830,511</u>	<u>94,917</u>	<u>1,348,600</u>	<u>449,793</u>	<u>2,723,821</u>
Total liabilities	<u>954,546</u>	<u>119,416</u>	<u>1,613,451</u>	<u>1,023,758</u>	<u>3,711,171</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to pensions and OPEB	40,247	2,218	67,054	22,588	132,107
Total deferred inflows of resources	<u>40,247</u>	<u>2,218</u>	<u>67,054</u>	<u>22,588</u>	<u>132,107</u>
Total liabilities and deferred inflows of resources	<u>994,793</u>	<u>121,634</u>	<u>1,680,505</u>	<u>1,046,346</u>	<u>3,843,278</u>
<b>NET POSITION</b>					
Net investment in capital assets	3,119,645	-	271,797	553,714	3,945,156
<b>Restricted for:</b>					
Insurance bond	-	472,070	-	-	472,070
OPEB assets	25,437	1,402	42,380	14,276	83,495
Unrestricted	365,764	2,427,448	(1,653,572)	(248,468)	891,172
Total net position	<u>\$ 3,510,846</u>	<u>\$ 2,900,920</u>	<u>\$ (1,339,395)</u>	<u>\$ 319,522</u>	<u>\$ 5,391,893</u>

**CITY OF PRESCOTT, ARIZONA**

**Combining Statement of Revenues, Expenses and Changes in Net Position**

**Internal Service Funds**

For the year ended June 30, 2024

	<u>Fleet</u>	<u>Risk</u>	<u>Engineering</u>	<u>Facilities</u>	
	<u>Maintenance</u>	<u>Management</u>	<u>Services</u>	<u>Maintenance</u>	<u>Total</u>
<b>Operating Revenues</b>					
Charges for services	\$ 3,137,863	\$ 1,071,372	\$ 1,501,501	\$ 1,957,464	\$ 7,668,200
Miscellaneous	-	51,341	-	7,992	59,333
Total operating revenues	<u>3,137,863</u>	<u>1,122,713</u>	<u>1,501,501</u>	<u>1,965,456</u>	<u>7,727,533</u>
<b>Operating Expenses</b>					
Personnel services	948,366	90,498	1,563,554	576,006	3,178,424
Supplies	1,252,769	-	31,649	286,829	1,571,247
Other services and charges	799,725	1,196,696	256,550	1,706,891	3,959,862
Depreciation	138,380	-	27,905	67,610	233,895
Total operating expenses	<u>3,139,240</u>	<u>1,287,194</u>	<u>1,879,658</u>	<u>2,637,336</u>	<u>8,943,428</u>
Operating income (loss)	<u>(1,377)</u>	<u>(164,481)</u>	<u>(378,157)</u>	<u>(671,880)</u>	<u>(1,215,895)</u>
<b>Non-operating Revenues (Expenses)</b>					
Interest and investment income	7,324	53,289	2,314	13,266	76,193
Net gain (loss) on disposal of assets	648	-	3,865	11,130	15,643
Total non-operating revenues	<u>7,972</u>	<u>53,289</u>	<u>6,179</u>	<u>24,396</u>	<u>91,836</u>
Income (loss) before transfers	<u>6,595</u>	<u>(111,192)</u>	<u>(371,978)</u>	<u>(647,484)</u>	<u>(1,124,059)</u>
Change in net position	<u>6,595</u>	<u>(111,192)</u>	<u>(371,978)</u>	<u>(647,484)</u>	<u>(1,124,059)</u>
Total net position - beginning	3,504,251	3,012,112	(967,417)	967,006	6,515,952
Total net position - ending	<u>\$ 3,510,846</u>	<u>\$ 2,900,920</u>	<u>\$ (1,339,395)</u>	<u>\$ 319,522</u>	<u>\$ 5,391,893</u>

CITY OF PRESCOTT, ARIZONA  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended June 30, 2024

	Fleet <u>Maintenance</u>	Risk <u>Management</u>	Engineering <u>Services</u>	Facilities <u>Maintenance</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Cash received from customers	\$ 3,142,156	\$ 1,122,713	\$ 1,501,847	\$ 1,959,362	\$ 7,726,078
Cash payments to employees for services	(966,853)	(52,694)	(1,529,148)	(566,315)	(3,115,010)
Cash payments to suppliers for goods and services	(2,086,775)	(1,312,561)	(280,493)	(1,594,441)	(5,274,270)
Net cash provided by (used for) operating activities	<u>88,528</u>	<u>(242,542)</u>	<u>(307,794)</u>	<u>(201,394)</u>	<u>(663,202)</u>
Cash Flows from Noncapital Financing Activities:					
Receipts under interfund loan arrangement	-	-	135,408	-	135,408
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>135,408</u>	<u>-</u>	<u>135,408</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(89,718)	-	(192,862)	(265,890)	(548,470)
Proceeds from sales of capital assets	648	-	3,865	11,130	15,643
Net cash provided by (used for) capital and related financing activities	<u>(89,070)</u>	<u>-</u>	<u>(188,997)</u>	<u>(254,760)</u>	<u>(532,827)</u>
Cash Flows from Investing Activities:					
Interest on investments	7,324	53,289	2,314	13,266	76,193
Net cash provided by (used for) investing activities	<u>7,324</u>	<u>53,289</u>	<u>2,314</u>	<u>13,266</u>	<u>76,193</u>
Net increase (decrease) in cash and cash equivalents	6,782	(189,253)	(359,069)	(442,888)	(984,428)
Cash and cash equivalents - beginning	673,146	3,203,114	359,069	1,155,037	5,390,366
Cash and cash equivalents - ending	<u>\$ 679,928</u>	<u>\$ 3,013,861</u>	<u>\$ -</u>	<u>\$ 712,149</u>	<u>\$ 4,405,938</u>

Internal Service Funds  
For the year ended June 30, 2024

	<u>Fleet Maintenance</u>	<u>Risk Management</u>	<u>Engineering Services</u>	<u>Facilities Maintenance</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net					
Cash Provided by (used for) Operating Activities:					
Operating income (loss)	\$ (1,377)	\$ (164,481)	\$ (378,157)	\$ (671,880)	\$ (1,215,895)
Adjustments to reconcile operating income activities:					
Depreciation/amortization	138,380	-	27,905	67,610	233,895
Increase (decrease) in:					
Accounts payable	25,408	(4,241)	7,705	399,279	428,151
Compensated absences	(36,740)	-	4,284	(592)	(33,048)
Salaries & benefits payable	4,032	1,848	6,462	2,289	14,631
Net pension/OPEB liabilities	5,463	41,415	67,523	(20,561)	93,840
Claims payable	-	(111,624)	-	-	(111,624)
Deferred inflows of resources to pensions/OPEB	10,921	(6,276)	(21,709)	30,288	13,224
(Increase) decrease in:					
Accounts receivable	4,105	-	-	(6,186)	(2,081)
OPEB assets	355	(1,402)	(1,427)	1,016	(1,458)
Inventory	(59,689)	-	-	-	(59,689)
Outflows of resources to pensions/OPEB	(2,330)	2,219	(20,380)	(2,657)	(23,148)
Total adjustments	89,905	(78,061)	70,363	470,486	552,693
Net cash provided by (used for) operating activities	<u>\$ 88,528</u>	<u>\$ (242,542)</u>	<u>\$ (307,794)</u>	<u>\$ (201,394)</u>	<u>\$ (663,202)</u>
Reconciliation of Cash, Cash Equivalents and					
Investments to the Statement of Net Position:					
Cash and cash equivalents at June 30, unrestricted	\$ 679,928	\$ 2,541,791	\$ -	\$ 712,149	\$ 3,933,868
Cash and cash equivalents at June 30, restricted	-	472,070	-	-	472,070
Total	<u>\$ 679,928</u>	<u>\$ 3,013,861</u>	<u>\$ -</u>	<u>\$ 712,149</u>	<u>\$ 4,405,938</u>





## OTHER SUPPLEMENTARY INFORMATION

**CITY OF PRESCOTT, ARIZONA**  
**Schedule of Pledged Excise Tax Bonds Payable**  
June 30, 2024

	<b>Refunding MPC 2010 and 2011 Road Imp</b>	<b>Refunding MPC 2004-G Big Chino Ranch</b>	<b>Total Bonds</b>
	<b>City Series 2019</b>	<b>MPC Series 2014</b>	<b>Payable</b>
Interest rates	2.30%	3.85%	N/A
Issue date	11/5/2019	5/29/2014	N/A
Final maturity	7/1/2029	7/1/2034	N/A
Authorized	\$ 16,495,000	\$ 9,000,000	\$ 25,495,000
Issued	16,495,000	9,000,000	25,495,000
Retired	7,415,000	2,790,000	10,205,000
Outstanding	9,080,000	6,210,000	15,290,000
Principal retirement:			
2025	\$ 1,735,000	\$ 500,000	\$ 2,235,000
2026	1,775,000	510,000	2,285,000
2027	1,820,000	545,000	2,365,000
2028	1,855,000	570,000	2,425,000
2029	1,895,000	600,000	2,495,000
2030	-	630,000	630,000
2031	-	660,000	660,000
2032	-	695,000	695,000
2033	-	735,000	735,000
2034	-	765,000	765,000

**CITY OF PRESCOTT, ARIZONA**

**Schedule of Loans Payable From Water Infrastructure Finance Authority Drinking Water**

June 30, 2024

	Drinking Water Loan	Drinking Water Loan	Drinking Water Loan	Drinking Water Loan	Drinking Water Loan	Drinking Water Loan	Total Payable
	920125-08	92A166-10	920206-11	920237-13	920297-20	920351-23	
Interest rates	3.64%	3.143%	3.152%	2.800%	1.590%	2.992%	N/A
Issue date	8/24/2007	7/31/2009	12/3/2010	1/25/2013	8/30/2019	10/21/2022	N/A
Final maturity date	7/1/2027	7/1/2029	7/1/2030	7/1/2032	7/1/2049	7/1/2052	N/A
Authorized	\$ 9,854,000	\$ 8,998,096	\$ 1,060,000	\$ 15,921,582	\$ 25,000,000	\$ 34,000,000	\$ 94,833,678
Issued to date	9,854,000	6,759,551	1,018,796	15,472,993	25,000,000	12,378,309	58,105,340
Final amount issued	9,854,000	2,759,551	1,018,796	15,921,582	25,000,000	In Progress	54,553,929
Retired	7,283,495	1,819,018	589,262	6,237,568	2,690,563	-	18,619,906
Forgivable Prin. (1)	-	4,000,000	-	2,034,200	-	1,532,500	6,034,200
Outstanding	2,570,505	940,533	429,534	7,201,225	22,309,437	31,784,172	65,235,407
Principal retirement:							
2025	\$ 608,584	\$ 146,107	\$ 55,799	\$ 714,641	\$ 699,589	\$ 703,773	\$ 2,928,493
2026	630,736	150,698	57,558	734,651	710,712	724,830	3,009,185
2027	653,695	155,434	59,372	755,221	722,013	746,517	3,092,251
2028	677,490	160,319	61,244	776,368	733,493	768,852	3,177,766
2029		165,357	63,174	798,106	745,155	791,857	2,563,649
2030		162,618	65,165	820,453	757,003	815,549	2,620,788
2031			67,222	843,425	769,040	839,950	2,519,637
2032				867,041	781,267	865,081	2,513,390
2033				891,319	793,690	890,965	2,575,973
2034					806,309	917,622	1,723,931
2035					819,130	945,078	1,764,207
2036					832,154	973,354	1,805,508
2037					845,385	1,002,477	1,847,862
2038					858,827	1,032,471	1,891,298
2039					872,482	1,063,363	1,935,845
2040					886,354	1,095,178	1,981,533
2041					900,447	1,127,946	2,028,394
2042					914,764	1,161,694	2,076,459
2043					929,309	1,196,452	2,125,761
2044					944,085	1,232,250	2,176,335
2045					959,096	1,269,119	2,228,215
2046					974,346	1,307,091	2,281,437
2047					989,838	1,346,199	2,336,037
2048					1,005,576	1,386,478	2,392,054
2049					1,021,565	1,427,961	2,449,526
2050					1,037,808	1,470,686	2,508,493
2051						1,514,688	1,514,688

**CITY OF PRESCOTT, ARIZONA**

**Schedule of Loans Payable From Water Infrastructure Finance Authority Clean Water**

June 30, 2024

	<u>Clean Water Loan 910097-08</u>	<u>Clean Water Loan 910122-10</u>	<u>Clean Water Loan 910147-11</u>	<u>Clean Water Loan 910148-11</u>	<u>Clean Water Loan 910151-11</u>	<u>Clean Water Loan 910170-18</u>	<u>Total Payable</u>
Interest rates	3.868%	3.143%	3.152%	3.152%	2.950%	2.328%	N/A
Issue date	8/24/2007	7/31/2009	12/3/2010	12/3/2010	6/10/2011	2/2/2018	N/A
Final maturity date	7/1/2027	7/1/2029	7/1/2030	7/1/2030	7/1/2031	7/1/2047	N/A
Authorized	\$ 4,703,000	\$ 6,573,506	\$ 2,070,000	\$ 1,635,870	\$ 45,802,753	\$ 21,600,000	\$ 82,385,129
Issued to date	4,703,000	6,054,763	1,574,593	1,480,944	43,202,549	19,346,340	76,362,189
Final amount issued	4,703,000	6,054,763	1,574,593	1,480,944	43,202,549	In Progress	57,015,849
Retired	3,457,638	3,838,717	947,783	867,480	22,334,841	3,215,909	34,662,368
Outstanding	1,245,362	2,216,046	626,810	613,464	20,867,708	18,384,091	43,953,481
Principal retirement:							
2025	\$ 293,848	\$ 341,371	\$ 86,289	\$ 79,693	\$ 2,350,911	\$ 580,494	\$ 3,732,606
2026	305,214	352,099	89,009	82,205	2,420,263	594,008	3,842,798
2027	317,019	363,164	91,814	84,796	2,491,660	607,836	3,956,289
2028	329,281	374,576	94,708	87,469	2,565,164	621,987	4,073,185
2029		386,347	97,693	90,226	2,640,837	636,467	3,851,570
2030		398,489	100,773	93,070	2,718,741	651,284	3,962,357
2031			66,524	96,005	2,798,944	666,446	3,627,919
2032					2,881,188	681,960	3,563,148
2033						697,836	697,836
2034						714,082	714,082
2035						730,706	730,706
2036						747,717	747,717
2037						765,124	765,124
2038						782,936	782,936
2039						801,162	801,162
2040						819,813	819,813
2041						838,899	838,899
2042						858,428	858,428
2043						878,413	878,413
2044						898,862	898,862
2045						919,787	919,787
2046						941,200	941,200
2047						963,111	963,111
2048						985,533	985,533



## STATISTICAL SECTION



## STATISTICAL SECTION

Statistical section information is presented for five categories - financial trends information, revenue capacity information, debt capacity information, demographic and economic information, and operating information.

Financial trends information is intended to assist users in understanding and assessing how the City's financial position has changed over time.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the City's ability to generate its own-source revenues.

Debt capacity information is intended to assist users in understanding and assessing the City's debt burden and its ability to issue additional debt.

Demographic and economic information is intended:

- ◆ to assist users in understanding the socioeconomic environment within which the City operates and
- ◆ to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating information is intended to provide contextual information about the City's operations and resources to assist readers in using financial statement information to understand and assess the City's economic condition.

CITY OF PRESCOTT, ARIZONA

Table I

Statistical Section - Financial Trends

Net Position by Component

Last ten fiscal years (in millions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 233.2	\$ 224.6	\$ 218.5	\$ 217.8	\$ 212.4	\$ 212.9	\$ 221.0	\$ 226.3	\$ 236.6	\$ 251.9
Restricted	26.4	29.8	28.8	22.4	21.6	25.0	26.7	37.7	33.5	39.2
Unrestricted (1)	(48.1)	(45.8)	(50.2)	(47.2)	(39.5)	(19.0)	(8.7)	14.0	33.4	38.9
Total governmental activities net position	<u>\$ 211.5</u>	<u>\$ 208.6</u>	<u>\$ 197.1</u>	<u>\$ 193.0</u>	<u>\$ 194.5</u>	<u>\$ 218.9</u>	<u>\$ 239.0</u>	<u>\$ 278.0</u>	<u>\$ 303.5</u>	<u>\$ 330.0</u>
Business-type activities										
Net investment in capital assets	\$ 192.7	\$ 200.8	\$ 205.4	\$ 214.2	\$ 235.7	\$ 249.7	\$ 272.1	\$ 285.2	\$ 294.7	\$ 312.4
Restricted	4.1	4.2	4.2	4.2	5.4	5.7	5.7	5.6	6.0	6.3
Unrestricted	31.0	36.7	37.3	31.4	24.5	22.1	25.5	23.5	29.1	15.9
Total business-type activities net position	<u>\$ 227.9</u>	<u>\$ 241.7</u>	<u>\$ 246.9</u>	<u>\$ 249.8</u>	<u>\$ 265.6</u>	<u>\$ 277.5</u>	<u>\$ 303.3</u>	<u>\$ 314.3</u>	<u>\$ 329.8</u>	<u>\$ 334.6</u>
Primary government										
Net investment in capital assets	\$ 425.9	\$ 425.4	\$ 423.9	\$ 432.0	\$ 448.1	\$ 462.6	\$ 493.1	\$ 511.5	\$ 531.3	\$ 564.3
Restricted	30.5	34.0	33.0	26.6	27.0	30.7	32.4	43.3	39.5	45.5
Unrestricted	(17.1)	(9.1)	(12.9)	(15.8)	(15.0)	3.1	16.8	37.5	62.5	54.8
Total primary government net position	<u>\$ 439.3</u>	<u>\$ 450.3</u>	<u>\$ 444.0</u>	<u>\$ 442.8</u>	<u>\$ 460.1</u>	<u>\$ 496.4</u>	<u>\$ 542.3</u>	<u>\$ 592.3</u>	<u>\$ 633.3</u>	<u>\$ 664.6</u>

Source: City of Prescott finance department

(1) The pension liability was recorded in FY15 with the implementation of GASB 68 causing a negative unrestricted net position.



CITY OF PRESCOTT, ARIZONA  
Table IIa  
Statistical Section - Financial Trends  
Changes in Net Position  
Last ten fiscal years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 3,743,815	\$ 3,240,569	\$ 3,081,490	\$ 3,944,215	\$ 4,289,197	\$ 3,410,472	\$ 3,761,866	\$ 2,825,022	\$ 2,413,430	\$ 4,321,445
Community services	1,360,733	1,236,820	1,228,456	1,759,576	1,611,676	2,201,955	1,988,531	2,197,838	1,927,792	2,366,817
Culture and recreation	6,392,706	6,153,765	6,089,922	6,249,360	6,167,870	6,452,930	7,037,892	8,078,046	10,314,766	10,300,736
<b>Public Safety</b>										
Police and court	17,587,983	16,073,185	18,153,154	19,139,502	17,980,857	17,362,154	17,428,952	16,279,735	18,560,517	21,948,292
Fire	11,880,437	11,272,081	15,539,380	15,192,681	15,484,595	14,707,712	14,776,911	11,506,046	13,448,598	15,381,038
Total public safety	29,468,420	27,345,266	33,692,534	34,332,183	33,465,452	32,069,866	32,205,863	27,785,781	32,009,115	37,329,330
Public Works	25,225,409	25,819,639	26,317,285	27,557,742	26,461,574	20,095,513	28,090,776	23,541,467	27,121,648	26,158,801
Interest on long-term debt	1,353,344	1,272,222	1,186,103	1,161,187	953,192	847,598	366,764	440,955	383,161	340,074
<b>Total governmental activities expenses</b>	<b>67,544,427</b>	<b>65,068,281</b>	<b>71,595,790</b>	<b>75,004,263</b>	<b>72,948,961</b>	<b>65,078,334</b>	<b>73,451,692</b>	<b>64,869,109</b>	<b>74,169,912</b>	<b>80,817,203</b>
<b>Business-type Activities:</b>										
Airport	2,876,479	3,541,616	3,934,185	2,971,060	3,453,560	3,731,374	3,903,423	4,948,610	6,185,059	5,930,888
Golf course	3,308,425	3,309,236	3,435,819	3,751,836	3,552,540	3,507,889	4,030,717	4,333,116	4,742,657	5,454,533
Solid waste	7,627,325	6,581,629	6,828,050	7,442,224	8,009,195	9,176,178	9,168,409	10,196,410	11,427,394	12,745,855
Wastewater	9,638,754	9,258,176	11,802,061	12,052,482	12,685,059	13,164,253	13,123,990	17,055,924	14,787,745	16,322,540
Water	12,564,523	11,744,868	13,748,516	18,309,187	17,734,458	15,465,281	13,883,582	15,136,117	17,092,071	19,514,824
<b>Total business-type activities expenses</b>	<b>36,015,506</b>	<b>34,435,525</b>	<b>39,748,631</b>	<b>44,526,789</b>	<b>45,434,812</b>	<b>45,044,975</b>	<b>44,110,121</b>	<b>51,670,177</b>	<b>54,234,926</b>	<b>59,968,640</b>
<b>Total primary government expenses</b>	<b>\$ 103,559,933</b>	<b>\$ 99,503,806</b>	<b>\$ 111,344,421</b>	<b>\$ 119,531,052</b>	<b>\$ 118,383,773</b>	<b>\$ 110,123,309</b>	<b>\$ 117,561,813</b>	<b>\$ 116,539,286</b>	<b>\$ 128,404,838</b>	<b>\$ 140,785,843</b>

Source: City of Prescott finance department

CITY OF PRESCOTT, ARIZONA  
Table IIb  
Statistical Section - Financial Trends  
Changes in Net Position  
Last ten fiscal years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenue										
Governmental Activities:										
Charges for services:										
General government	\$ 837,786	\$ 735,720	\$ 800,475	\$ 797,880	\$ 777,961	\$ 613,141	\$ 772,674	\$ 433,967	\$ 531,888	\$ 919,334
Community services	786,856	995,517	1,370,988	1,758,784	2,370,200	1,748,669	1,916,127	1,758,965	1,402,264	2,143,998
Culture and recreation	1,096,025	1,261,550	1,173,288	1,217,718	1,212,532	1,210,555	1,389,908	1,930,765	1,823,979	1,326,989
Public Safety										
Police and court	1,725,069	1,715,026	1,850,751	2,244,530	2,091,425	2,072,543	1,776,418	2,001,019	2,056,346	2,407,922
Fire	417,389	494,525	521,278	608,700	717,080	567,014	553,447	644,384	905,171	748,779
Total public safety	2,142,458	2,209,551	2,372,029	2,853,230	2,808,505	2,639,557	2,329,865	2,645,403	2,961,517	3,156,701
Public Works	305,230	299,689	339,572	542,572	573,523	605,604	535,850	496,827	460,467	410,623
Operating grants and contributions	1,543,348	2,317,210	2,407,360	3,238,848	3,518,508	7,722,653	2,687,048	8,760,596	2,771,616	3,670,228
Capital grants and contributions	3,923,280	7,883,087	4,371,497	4,535,775	4,691,437	5,563,961	7,362,472	7,238,336	7,170,139	9,323,064
Total governmental activities program revenues	10,634,983	15,702,324	12,835,209	14,944,807	15,952,666	20,104,140	16,993,944	23,264,859	17,121,870	20,950,937
Business-type Activities:										
Charges for services:										
Airport	1,447,951	1,507,454	1,577,243	1,592,809	1,777,842	1,805,512	1,799,706	2,189,369	2,322,232	2,751,886
Golf course	2,959,473	2,974,233	3,028,095	3,250,977	3,064,988	3,079,801	3,835,811	4,049,452	4,072,732	4,609,719
Solid waste	6,464,166	6,526,367	6,851,894	7,418,624	7,629,522	8,321,194	9,004,387	10,473,844	11,430,410	12,627,509
Wastewater	11,160,984	12,033,828	12,519,169	13,278,162	13,464,624	13,876,793	14,687,964	15,770,688	16,301,903	16,942,672
Water	15,024,817	16,256,300	16,506,762	17,144,790	16,337,690	17,808,035	20,220,085	19,603,597	18,582,990	20,886,595
Operating grants and contributions	15,820.00	44,409.00	61,719	54,735	12,767	8,847	17,065	0	857,072	1,157,698
Capital grants and contributions	2,201,105	7,214,646	3,532,405	3,674,056	9,917,272	9,712,870	16,786,287	9,286,476	13,255,520	4,639,078
Total business-type activities program revenues	39,274,316	46,557,237	44,077,287	46,414,153	52,204,705	54,613,052	66,351,305	61,373,426	66,822,859	63,615,157
Total primary government revenues	\$49,909,299	\$62,259,561	\$56,912,496	\$61,358,960	\$68,157,371	\$74,717,192	\$83,345,249	\$84,638,285	\$83,944,729	\$84,566,094
Net (Expense)/Revenue										
Governmental activities	\$ (56,909,444)	\$ (49,365,957)	\$ (58,760,581)	\$ (60,059,456)	\$ (56,996,295)	\$ (44,974,194)	\$ (56,457,748)	\$ (41,604,250)	\$ (57,048,042)	\$ (59,866,266)
Business-type activities	3,258,810	12,121,712	4,328,656	1,887,364	6,769,893	9,568,077	22,241,184	9,703,249	12,587,933	3,646,517
Total primary government net expense	\$ (53,650,634)	\$ (37,244,245)	\$ (54,431,925)	\$ (58,172,092)	\$ (50,226,402)	\$ (35,406,117)	\$ (34,216,564)	\$ (31,901,001)	\$ (44,460,109)	\$ (56,219,749)

Source: City of Prescott finance department

CITY OF PRESCOTT, ARIZONA  
Table IIc  
Statistical Section - Financial Trends  
Changes in Net Position  
Last ten fiscal years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental revenues and other changes in net position										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 1,565,326	\$ 1,591,445	\$ 1,685,234	\$ 1,715,552	\$ 1,745,030	\$ 1,790,080	\$ 1,816,650	\$ 1,870,610	\$ 1,898,631	\$ 2,224,987
Property taxes, levied for debt service	73,978	74,227	41,354	292	-	-	-	-	-	-
Utility franchise taxes	1,632,304	1,670,671	1,665,913	1,700,323	1,733,973	1,676,450	1,719,356	1,815,127	1,875,549	1,913,984
City privilege and use tax, general purpose:	14,340,554	15,312,068	15,948,794	16,552,306	17,044,348	18,558,077	21,393,939	22,969,062	24,645,613	25,857,889
City privilege and use tax, streets	13,823,070	14,787,422	15,234,578	16,554,480	17,049,785	18,548,467	21,393,939	22,969,062	24,645,041	25,857,895
City privilege and use tax, PSPRS (1)	-	-	-	6,073,292	12,756,096	13,907,410	16,042,564	17,192,733	9,373,373	99,979
Transient lodging tax	719,268	797,442	881,415	996,909	1,036,558	946,471	1,228,519	1,642,696	1,624,385	1,608,014
Intergovernmental revenues - unrestricted	10,783,223	11,073,408	11,646,297	12,239,198	12,493,510	13,159,562	15,343,621	16,096,913	19,621,093	23,696,739
Interest and investment income	670,586	863,901	188,419	199,306	1,775,145	1,596,864	6,406	(3,715,894)	828,513	5,436,769
Miscellaneous	53,322	53,486	230,224	249,623	69,683	38,586	589,051	952,006	129,337	129,961
Transfers	(148,129)	(769,711)	(281,766)	(353,938)	(7,092,724)	(939,731)	(2,924,393)	(1,250,887)	(2,063,396)	(420,705)
Total governmental activities	43,513,502	45,454,359	47,240,462	55,927,343	58,611,404	69,282,236	76,609,652	80,541,428	82,578,139	86,405,512
Business-type Activities:										
Taxes city privilege aviation fuel tax	-	2,428.00	3,431.00	4,166	8,677	8,740	12,300	13,441	9,945	11,333
Interest and investment income	449,479	712,155	76,833	235,209	1,767,738	1,049,667	886	(115,770)	424,736	708,812
Miscellaneous	131,763	206,701	456,874	458,534	119,910	354,987	690,360	142,306	346,125	49,298
Transfers	148,129	769,711	281,766	353,938	7,092,724	939,731	2,924,393	1,250,887	2,063,396	420,705
Total business-type activities	729,371	1,690,995	818,904	1,051,847	8,989,049	2,353,125	3,627,939	1,290,864	2,844,202	1,190,148
Total primary government	\$ 44,242,873	\$ 47,145,354	\$ 48,059,366	\$ 56,979,190	\$ 67,600,453	\$ 71,635,361	\$ 80,237,591	\$ 81,832,292	\$ 85,422,341	\$ 87,595,660
Change in net position										
Governmental activities	\$ (13,395,942)	\$ (3,911,598)	\$ (11,520,119)	\$ (4,132,113)	\$ 1,615,109	\$ 24,308,042	\$ 20,151,904	\$ 38,937,178	\$ 25,530,097	\$ 26,539,246
Business-type activities	3,988,181	13,812,707	5,147,560	2,939,211	15,758,942	11,921,202	25,869,123	10,994,113	15,432,135	4,836,665
Total primary government	\$ (9,407,761)	\$ 9,901,109	\$ (6,372,559)	\$ (1,192,902)	\$ 17,374,051	\$ 36,229,244	\$ 46,021,027	\$ 49,931,291	\$ 40,962,232	\$ 31,375,911

Source: City of Prescott finance department

(1) Voters approved a 0.75% privilege tax for payment of the unfunded PSPRS Liability, effective January 1, 2018 to sunset December 31, 2027.

CITY OF PRESCOTT, ARIZONA

Table III

Statistical Section - Financial Trends

Governmental Activities Revenues and Change in Net Position

Last ten fiscal years

Fiscal Year	Governmental activities:										
	Program Revenues				General Revenues					Total Program & General Revenue	Total Net Revenue/ Change in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Taxes	Intergovernmental	Interest & investment Income	Transfers, Gain(loss) & Miscellaneous	Total		
2015	5,168,355	1,543,348	3,923,280	10,634,983	32,154,500	10,783,223	670,586	(94,807)	43,513,502	54,148,485	(13,395,942)
2016	5,502,027	2,317,210	7,883,087	15,702,324	34,233,275	11,073,408	863,901	(716,225)	45,454,359	61,156,683	(3,911,598)
2017	6,056,352	2,407,360	4,371,497	12,835,209	35,457,288	11,646,297	188,419	(51,542)	47,240,462	60,075,671	(11,520,119)
2018	7,170,184	3,238,848	4,535,775	14,944,807	43,593,154	12,239,198	199,306	(104,315)	55,927,343	70,872,150	(4,132,113)
2019	7,742,721	3,518,508	4,691,437	15,952,666	51,365,790	12,493,510	1,775,145	(7,023,041)	58,611,404	74,564,070	1,615,109
2020	6,817,526	7,722,653	5,563,961	20,104,140	55,426,955	13,159,562	1,596,864	(901,145)	69,282,236	89,386,376	24,308,042
2021	6,944,424	2,687,048	7,362,472	16,993,944	63,594,967	15,343,621	6,406	(2,335,342)	76,609,652	93,603,596	20,151,904
2022	7,265,927	8,760,596	7,238,336	23,264,859	68,459,290	16,096,913	(3,715,894)	(298,881)	80,541,428	103,806,287	38,937,178
2023	7,180,115	2,771,616	7,170,139	17,121,870	64,062,592	19,621,093	828,513	(1,934,059)	82,578,139	99,700,009	25,530,097
2024	7,957,645	3,670,228	9,323,064	20,950,937	57,562,748	23,696,739	5,436,769	(290,744)	86,405,512	107,356,449	26,539,246

Source: City of Prescott finance department

These amounts are presented on the accrual basis of accounting.

CITY OF PRESCOTT, ARIZONA

Table IV

Statistical Section - Financial Trends

Business-type Activities Revenues and Change in Net Position

Last ten fiscal years

Business-type activities:													
Program Revenues								General Revenues					
Fiscal Year	Charges for Services					Operating/ Capital Grants and Contributions	Total	Taxes	Interest	Intergovernmental, Transfers, Gains (losses) and Miscellaneous	Total	Total Program and General Revenue	Total Net Revenue/ Change in Net Position
	Water	Waste Water	Golf	Airport	Solid Waste								
2015	15,024,817	11,160,984	2,959,473	1,447,951	6,464,166	2,216,925	39,274,316	-	449,479	279,892	729,371	40,003,687	3,988,181
2016	16,256,300	12,033,828	2,974,233	1,507,454	6,526,367	7,259,055	46,557,237	2,428	712,155	976,412	1,688,567	48,245,804	13,812,707
2017	16,506,762	12,519,169	3,028,095	1,577,243	6,851,894	3,594,124	44,077,287	3,431	76,833	738,640	815,473	44,892,760	5,147,560
2018	17,144,790	13,278,162	3,250,977	1,592,809	7,418,624	3,728,791	46,414,153	4,166	235,209	812,472	1,047,681	47,461,834	2,939,211
2019	16,337,690	13,464,624	3,064,988	1,777,842	7,629,522	9,930,039	52,204,705	8,677	1,767,738	7,212,634	8,980,372	61,185,077	15,758,942
2020	17,808,035	13,876,793	3,079,801	1,805,512	8,321,194	9,721,717	54,613,052	8,740	1,049,667	1,294,718	2,344,385	56,957,437	11,921,202
2021	20,220,085	14,687,964	3,835,811	1,799,706	9,004,387	16,803,352	66,351,305	12,300	886	3,614,753	3,615,639	69,966,944	25,869,123
2022	19,603,597	15,770,688	4,049,452	2,189,369	10,473,844	9,286,476	61,373,426	13,441	(115,770)	1,393,193	1,277,423	62,650,849	10,994,113
2023	18,582,990	16,301,903	4,072,732	2,322,232	11,430,410	14,112,592	66,822,859	9,945	424,736	2,409,521	2,834,257	69,657,116	15,432,135
2024	20,886,595	16,942,672	4,609,719	2,751,886	12,627,509	5,796,776	63,615,157	11,333	708,812	470,003	1,178,815	64,793,972	4,836,665

Source: City of Prescott finance department

These amounts are presented on the accrual basis of accounting.

CITY OF PRESCOTT, ARIZONA

Table V

Statistical Section - Financial Trends

Total Primary Government Activities Revenues and Change in Net Position

Last ten fiscal years

Fiscal Year	Primary government activities:										
	Program Revenues				General Revenues					Total Program and General Revenue	Total Net Revenue/ Change in Net Position
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total	Taxes	Intergovernmental	Interest	Transfers, Gains(loss) & Miscellaneous	Total		
2015	42,225,746	1,559,168	6,140,205	49,925,119	32,154,500	10,783,223	1,120,065	185,085	44,242,873	94,167,992	(9,407,761)
2016	44,800,209	2,361,619	15,142,142	62,303,970	34,233,275	11,073,408	1,576,056	260,187	47,142,926	109,446,896	9,901,109
2017	46,539,515	2,469,079	7,965,621	56,974,215	35,457,288	11,646,297	265,252	687,098	48,055,935	105,030,150	(6,372,559)
2018	49,855,546	3,293,583	8,264,566	61,413,695	43,593,154	12,239,198	434,515	708,157	56,975,024	118,388,719	(1,192,902)
2019	50,017,387	3,531,275	14,621,476	68,170,138	51,365,790	12,493,510	3,542,883	189,593	67,591,776	135,761,914	17,374,051
2020	51,708,861	7,731,500	15,276,831	74,717,192	55,435,695	13,159,562	2,646,531	393,573	71,635,361	146,352,553	36,229,244
2021	56,492,377	2,704,113	24,148,759	83,345,249	63,607,267	15,343,621	7,292	1,279,411	80,237,591	163,582,840	46,021,027
2022	59,352,877	8,760,596	16,524,812	84,638,285	68,472,731	16,096,913	(3,831,664)	1,094,312	81,832,292	166,470,577	49,931,291
2023	59,890,382	3,628,688	20,425,659	83,944,729	64,072,537	19,621,093	1,253,249	475,462	85,422,341	169,367,070	40,962,232
2024	65,776,026	4,827,926	13,962,142	84,566,094	57,574,081	23,696,739	6,145,581	179,259	87,595,660	172,161,754	31,375,911

Source: City of Prescott finance department

These amounts are presented on the accrual basis of accounting.

CITY OF PRESCOTT, ARIZONA

Table VI

Statistical Section - Financial Trends

Governmental Activities Program Revenues by Function/Program

Last ten fiscal years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
General government	\$ 908,974	\$ 838,720	\$ 896,123	\$ 873,816	\$ 901,174	\$ 781,235	\$ 1,243,964	\$ 844,807	\$ 679,249	\$ 986,544
Community services	993,712	1,138,737	1,520,046	2,049,066	2,559,918	2,181,659	2,206,061	2,181,619	1,554,681	2,377,911
Culture and recreation	1,756,748	1,429,393	1,434,318	1,437,906	1,274,067	1,514,515	1,973,057	2,228,162	1,926,221	4,117,500
Police and court	2,410,241	2,179,769	2,233,158	2,562,387	2,550,935	5,650,087	2,639,416	6,285,751	3,061,117	3,826,106
Fire	714,296	2,202,158	2,018,469	2,983,928	3,313,116	4,085,210	2,218,449	5,197,431	2,599,102	3,009,709
Public works	3,583,642	7,654,459	4,486,102	4,803,133	5,131,690	5,817,443	6,705,286	6,527,089	7,301,500	6,633,167
Total governmental activities program revenues	\$ 10,367,613	\$ 15,443,236	\$ 12,588,216	\$ 14,710,236	\$ 15,730,900	\$ 20,030,149	\$ 16,986,233	\$ 23,264,859	\$ 17,121,870	\$ 20,950,937

Source: City of Prescott finance department

These amounts are presented on the accrual basis of accounting.

CITY OF PRESCOTT, ARIZONA

Table VII

Statistical Section - Financial Trends

Changes in Fund Balances, Governmental Funds

Last ten fiscal years (in millions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
Excess of revenues over expenditures	\$ 2.4	\$ 5.0	\$ 1.8	\$ (8.2)	\$ 4.6	\$ 9.7	\$ 1.2	\$ 3.6	\$ 12.6	\$ 9.7
<b>Other Financing Sources (Uses)</b>										
Financed purchase agreements	-	-	-	-	-	-	-	0.1	-	-
Subscription-based IT arrangement(s)	-	-	-	-	-	-	-	-	0.3	0.8
Transfers in	0.1	0.1	-	0.1	-	-	-	0.4	1.5	1.1
Transfers out	(0.3)	(0.9)	(0.3)	(1.2)	(7.1)	(1.0)	(3.7)	(1.7)	(3.5)	(2.4)
Total other financing sources (uses)	(0.2)	(0.8)	(0.3)	(1.1)	(7.1)	(1.0)	(3.7)	(1.2)	(1.7)	(0.5)
Net change in fund balance	2.2	4.2	1.5	(9.3)	(2.5)	8.7	(2.5)	2.4	10.9	9.2
Beginning fund balance	25.8	28.0	32.2	33.7	24.4	21.8	30.6	28.1	30.5	41.5
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Beginning fund balance - as restated	25.8	28.0	32.2	33.7	24.4	21.8	30.6	28.1	30.5	41.5
Ending fund balance	28.0	32.2	33.7	24.4	21.9	30.5	28.1	30.5	41.4	50.7
Committed	2.3	0.9	0.6	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	20.6	26.1	28.3	19.1	19.6	21.5	20.9	22.8	38.8	47.2
Nonspendable	5.1	5.2	4.8	5.3	2.2	9.1	7.2	7.7	2.7	3.5
Total general fund balance	\$ 28.0	\$ 32.2	\$ 33.7	\$ 24.4	\$ 21.8	\$ 30.6	\$ 28.1	\$ 30.5	\$ 41.5	\$ 50.7
<b>All Other Governmental Funds</b>										
Excess (deficiency) of revenues over expenditures	\$ (0.3)	\$ 3.5	\$ (0.4)	\$ (6.4)	\$ (0.7)	\$ 3.2	\$ 1.1	\$ 8.5	\$ (3.4)	\$ 5.0
<b>Other Financing Sources (Uses)</b>										
Subscription-based IT arrangement(s)	-	-	-	-	-	-	-	-	-	0.1
Bond issuances	-	-	0.9	-	-	16.5	-	-	-	-
Payment to refunded bond escrow	-	-	(1.5)	-	-	(16.4)	-	-	-	-
Transfers in	0.2	0.2	0.2	-	0.2	0.9	2.4	0.2	1.9	1.2
Transfers out	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(0.9)	(1.6)	(0.2)	(1.9)	(0.3)
Total other financing sources (uses)	-	-	(0.6)	(0.1)	-	0.1	0.8	-	-	0.9
Net change in fund balance	(0.3)	3.5	(1.0)	(6.5)	(0.7)	3.3	1.9	8.5	(3.4)	5.9
Beginning fund balance	26.6	26.3	29.8	28.8	22.3	21.6	24.9	26.8	35.3	31.9
Ending fund balance	\$ 26.3	\$ 29.8	\$ 28.8	\$ 22.3	\$ 21.6	\$ 24.9	\$ 26.8	\$ 35.3	\$ 31.9	\$ 37.8
Restricted	\$ 26.3	\$ 29.8	\$ 28.8	\$ 22.3	\$ 21.6	\$ 24.9	\$ 26.8	\$ 35.3	\$ 31.9	\$ 37.8
Total all other governmental funds fund balance	\$ 26.3	\$ 29.8	\$ 28.8	\$ 22.3	\$ 21.6	\$ 24.9	\$ 26.8	\$ 35.3	\$ 31.9	\$ 37.8
Total general and other governmental funds - fund balance	\$ 54.3	\$ 62.0	\$ 62.5	\$ 46.7	\$ 43.4	\$ 55.5	\$ 54.9	\$ 65.8	\$ 73.4	\$ 88.5

Source: City of Prescott finance department



CITY OF PRESCOTT, ARIZONA

Table VIII

Statistical Section - Financial Trends

Changes in Fund Balances of Governmental Funds

Last ten fiscal years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 32,362,718	\$ 34,235,213	\$ 35,459,505	\$ 43,594,411	\$ 51,360,418	\$ 55,423,333	\$ 63,611,623	\$ 68,454,723	\$ 64,068,685	\$ 57,559,812
Intergovernmental revenues	15,820,961	19,187,327	17,501,787	18,070,956	18,919,660	24,957,827	22,391,980	26,369,727	29,698,154	34,455,414
Licenses and permits	606,539	771,439	952,186	1,272,267	1,576,808	1,588,538	2,240,981	2,065,193	1,433,569	2,108,640
Fines and forfeitures	424,800	411,391	411,686	328,688	298,994	268,284	248,068	263,395	266,666	288,470
Gifts and donations	93,193	153,676	100,067	177,031	208,965	239,558	653,518	441,501	383,448	631,408
Charges for services	3,479,290	3,702,629	4,145,152	5,101,677	5,285,757	4,765,439	4,883,798	5,564,730	5,455,097	5,828,378
Interest and investment income	670,588	863,901	188,442	186,962	1,676,572	1,501,528	5,655	(3,515,477)	796,582	5,360,578
Miscellaneous and Grant Contributions	875,077	750,415	896,698	1,401,723	740,570	398,647	856,193	2,549,424	960,094	939,407
<b>Total revenues</b>	<b>54,333,166</b>	<b>60,075,991</b>	<b>59,655,523</b>	<b>70,133,715</b>	<b>80,067,744</b>	<b>89,143,154</b>	<b>94,891,816</b>	<b>102,193,216</b>	<b>103,062,295</b>	<b>107,172,107</b>
<b>Expenditures</b>										
General government	2,758,328	2,537,707	2,605,467	2,868,973	3,276,113	2,480,025	2,937,898	2,614,337	2,625,251	3,193,777
Community services	1,319,296	1,218,725	1,238,854	1,779,740	1,760,707	2,182,554	2,189,594	2,267,747	1,874,113	2,273,537
Culture and recreation	5,242,979	5,354,507	5,180,566	5,472,944	5,544,951	5,630,875	6,225,373	6,911,828	7,374,284	8,993,566
Police and court	13,881,084	13,559,843	15,632,551	25,583,717	16,520,675	22,690,786	23,186,786	25,786,549	20,707,856	19,057,612
Fire	9,211,365	8,980,303	10,265,589	20,660,011	17,118,491	18,549,577	18,654,884	18,277,251	16,535,213	14,489,857
Public works	11,492,463	10,728,885	12,742,406	13,857,214	21,454,861	11,411,904	19,275,800	14,705,073	16,956,942	15,826,034
Capital outlay	5,408,570	6,116,694	7,933,528	11,987,628	8,035,128	10,936,866	18,103,456	17,494,493	25,339,059	25,964,285
Debt service - principal	1,584,374	1,841,044	1,635,044	1,588,469	1,487,348	1,939,189	1,755,687	1,663,772	2,008,753	2,348,145
Debt service - interest	1,353,344	1,272,222	1,186,103	1,020,831	953,192	389,547	373,640	421,664	383,161	340,074
<b>Total expenditures</b>	<b>52,251,803</b>	<b>51,609,930</b>	<b>58,420,108</b>	<b>84,819,527</b>	<b>76,151,466</b>	<b>76,211,323</b>	<b>92,703,118</b>	<b>90,142,714</b>	<b>93,804,632</b>	<b>92,486,887</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>2,081,363</b>	<b>8,466,061</b>	<b>1,235,415</b>	<b>(14,685,812)</b>	<b>3,916,278</b>	<b>12,931,831</b>	<b>2,188,698</b>	<b>12,050,502</b>	<b>9,257,663</b>	<b>14,685,220</b>
<b>Other Financing Sources (Uses)</b>										
Financed purchase agreements	-	-	-	-	-	-	-	115,881	-	-
Subscription-based IT arrangement(s)	-	-	-	-	-	-	-	-	319,539	896,800
Bond issuances	-	-	930,000	-	-	16,495,000	-	-	-	-
Payment to refunded bond escrow	-	-	(1,405,000)	-	-	(16,404,948)	-	-	-	-
Transfers in	314,624	199,994	262,673	104,009	230,139	946,822	2,433,429	594,880	3,376,253	2,266,190
Transfers out	(462,754)	(969,705)	(544,439)	(1,244,624)	(7,322,863)	(1,886,553)	(5,357,822)	(1,845,767)	(5,386,496)	(2,686,895)
<b>Total other financing sources (uses)</b>	<b>(148,130)</b>	<b>(769,711)</b>	<b>(756,766)</b>	<b>(1,140,615)</b>	<b>(7,092,724)</b>	<b>(849,679)</b>	<b>(2,924,393)</b>	<b>(1,135,006)</b>	<b>(1,690,704)</b>	<b>476,095</b>
<b>Net change in fund balances</b>	<b>\$ 1,933,233</b>	<b>\$ 7,696,350</b>	<b>\$ 478,649</b>	<b>#####</b>	<b>\$ (3,176,446)</b>	<b>\$ 12,082,152</b>	<b>\$ (735,695)</b>	<b>\$ 10,915,496</b>	<b>\$ 7,566,959</b>	<b>\$ 15,161,315</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.3%</b>	<b>6.8%</b>	<b>5.6%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>3.5%</b>	<b>4.0%</b>

Source: City of Prescott finance department

CITY OF PRESCOTT, ARIZONA

Table IX

Statistical Section - Financial Trends

General Government Expenditures by Function

Last ten fiscal years

Fiscal Year	General Government	Community Services	Culture & Recreation	Public Safety			Public Works	Subtotal Current Expenditures	Capital Outlay	Debt Service		Total
				Police & Courts	Fire					Principal	Interest	
2015	2,758,328	1,319,296	5,242,979	13,881,084	9,211,365	11,492,463	43,905,515	5,408,570	1,584,374	1,353,344	52,251,803	
2016	2,537,707	1,218,725	5,354,507	13,559,843	8,980,303	10,728,885	42,379,970	6,116,694	1,841,044	1,272,222	51,609,930	
2017	2,605,467	1,238,854	5,180,566	15,632,551	10,265,589	12,742,406	47,665,433	7,933,528	1,635,044	1,186,103	58,420,108	
2018	2,868,973	1,779,740	5,472,944	25,583,717	20,660,011	13,857,214	70,222,599	11,987,628	1,588,469	1,020,831	84,819,527	
2019	3,276,113	1,760,707	5,544,951	16,520,675	17,118,491	21,454,861	65,675,798	8,035,128	1,487,348	953,192	76,151,466	
2020	2,480,025	2,182,554	5,630,875	22,690,786	18,549,577	11,411,904	62,945,721	10,936,866	1,939,189	389,547	76,211,323	
2021	2,937,898	2,189,594	6,225,373	23,186,786	18,654,884	19,275,800	72,470,335	18,103,456	1,755,687	373,640	92,703,118	
2022	2,614,337	2,267,747	6,911,828	25,786,549	18,277,251	14,705,073	70,562,785	17,494,493	1,663,772	421,664	90,142,714	
2023	2,625,251	1,874,113	7,374,284	20,707,856	16,535,213	16,956,942	66,073,659	25,339,059	2,008,753	383,161	93,804,632	
2024	3,193,777	2,273,537	8,993,566	19,057,612	14,489,857	15,826,034	63,834,383	25,964,285	2,348,145	340,074	92,486,887	

Source: City of Prescott finance department

CITY OF PRESCOTT, ARIZONA

Table X

Statistical Section - Financial Trends

General Government Revenues by Sources

Last ten fiscal years

Fiscal Year	Taxes	Inter-Governmental Revenues	Licenses & Permits	Fines & Forfeitures	Gifts & Donations	Charges for Services	Interest Income	Miscellaneous	Total
2015	32,362,718	15,820,961	606,539	424,800	93,193	3,479,290	670,588	875,077	54,333,166
2016	34,235,213	19,187,327	771,439	411,391	153,676	3,702,629	863,901	750,415	60,075,991
2017	35,459,505	17,501,787	952,186	411,686	100,067	4,145,152	188,442	896,698	59,655,523
2018	43,594,411	18,070,956	1,272,267	328,688	177,031	5,101,677	186,962	1,401,723	70,133,715
2019	51,360,418	18,919,660	1,576,808	298,994	208,965	5,285,757	1,676,572	740,570	80,067,744
2020	55,423,333	24,957,827	1,588,538	268,284	239,558	4,765,439	1,501,528	398,647	89,143,154
2021	63,611,623	22,391,980	2,240,981	248,068	653,518	4,883,798	5,655	856,193	94,891,816
2022	68,454,723	26,369,727	2,065,193	263,395	441,501	5,564,730	(3,515,477)	2,549,424	102,193,216
2023	64,068,685	29,698,154	1,433,569	266,666	383,448	5,455,097	796,582	960,094	103,062,295
2024	57,559,812	34,455,414	2,108,640	288,470	631,408	5,828,378	5,360,578	939,407	107,172,107

Source: City of Prescott finance department

CITY OF PRESCOTT, ARIZONA

Table XI

Statistical Section - Revenue Capacity

Assessed and Estimated Actual Value of Taxable Property

Last ten fiscal years

<u>Fiscal Year</u>		<u>Centrally Valued</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Net Assessed Valuation</u>	<u>Percent of Increase</u>	<u>Total Direct Tax Rate</u>
2015	P/S	24,817,265	485,160,495	12,449,146	522,426,906	2.4%	1.1036
2016	P/S	25,790,405	582,607,100	12,829,766	621,227,271	18.9%	1.0219
2017	P/S	23,317,710	532,808,895	14,446,729	570,573,334	-8.2%	7.8942
2018	P/S	23,640,708	566,952,688	15,565,894	606,159,290	6.2%	7.9288
2019	P/S	23,980,646	607,707,445	15,960,911	647,649,002	6.8%	7.8596
2020	P/S	24,858,551	648,699,431	17,441,756	690,999,738	6.7%	7.5832
2021	P/S	25,722,615	693,234,070	16,553,800	735,510,485	6.4%	7.2706
2022	P/S	26,829,940	745,001,182	16,316,340	788,147,462	7.2%	6.5735
2023	P/S	28,740,104	840,887,790	14,175,623	883,803,517	12.1%	6.3881
2024	P/S	29,683,246	892,224,225	13,796,184	935,703,655	5.9%	0.6137

Source: Yavapai County Assessor NAV Reports

Under Arizona law, there are two primary valuation bases: Primary (P) and Secondary (S). The primary (limited) assessed valuation is used when levying for maintenance and operation of cities, counties, school districts, community college districts, and the state. The secondary (full cash) assessed valuation is used when levying for debt retirement, voter-approved budget overrides, and maintenance and operation of special service districts. In 2016, Primary assessed valuation and Secondary assessed valuation base are the same amount.

Real estate and improvements are combined in the valuation.

CITY OF PRESCOTT, ARIZONA

Table XII

Statistical Section - Revenue Capacity

Property Tax Rates and Tax Levies - All Direct and Overlapping Governments

Last ten fiscal years

Fiscal Year		City of Prescott	High School & Elementary	Community College	Yavapai County	State of Arizona	Total
		Tax Rates (per \$1,000 Assessed Valuation)					
2015	P	0.3007	3.1206	1.8606	2.4669	-	7.7488
	S	0.0142	0.4027	0.2231	0.4636	-	1.1036
2016	P	0.2910	2.7901	1.8721	2.4371	-	7.3903
	S	0.0137	0.3175	0.2180	0.4727	-	1.0219
2017	P	0.2953	2.7920	1.8439	2.4037	-	7.3349
	S	0.0072	0.3028	0.2122	0.4883	-	1.0105
2018	P	0.2821	2.4919	1.7827	2.3270	-	6.8837
	S	-	0.2977	0.2001	0.5161	-	1.0139
2019	P	0.2699	2.6337	1.7584	2.2529	-	6.9149
	S	-	0.2908	0.1892	0.4908	-	0.9708
2020	P	0.2599	2.4688	1.6883	2.4718	-	6.8888
	S	-	0.2695	0.1525	0.4754	-	0.8974
2021	P	0.2484	2.4562	1.6131	2.3681	-	6.6858
	S	-	0.2967	0.0760	0.4520	-	0.8247
2022	P	0.2378	2.3691	1.5557	2.2833	-	6.4459
	S	-	0.2485	0.0131	0.4327	-	0.6943
2023	P	0.2281	2.3569	1.5017	1.7925	-	5.8792
	S	-	0.1976	-	0.4161	-	0.6137
2024	P	0.2520	2.3541	1.5084	1.7148	-	5.8293
	S	-	0.1109	-	0.3980	-	0.5089
Tax Levies							
2015	P	1,570,938	22,588,207	41,253,800	54,698,964	-	120,111,909
	S	75,000	2,943,517	5,059,400	9,805,220	-	17,883,137
2016	P	1,596,518	21,233,457	42,667,700	55,545,979	-	121,043,654
	S	75,000	2,416,241	4,967,900	10,171,183	-	17,630,324
2017	P	1,684,903	22,130,617	43,228,500	56,351,664	-	123,395,684
	S	41,000	2,400,148	4,974,800	10,906,410	-	18,322,358
2018	P	1,709,975	20,949,497	43,910,500	57,317,500	-	123,887,472
	S	-	2,502,883	4,928,800	12,025,150	-	19,456,833
2019	P	1,748,005	23,542,744	45,709,700	58,564,987	-	129,565,436
	S	-	2,599,447	4,918,600	12,161,538	-	19,679,585
2020	P	1,795,908	23,505,349	46,692,900	68,363,081	-	140,357,238
	S	-	2,566,704	4,218,600	12,501,978	-	19,287,282
2021	P	1,827,008	24,896,839	47,711,000	70,041,879	-	144,476,726
	S	-	3,007,184	2,248,700	12,704,567	-	17,960,451
2022	P	1,874,215	25,765,369	48,899,100	71,769,170	-	148,307,854
	S	-	2,702,546	410,500	12,955,875	-	16,068,921
2023	P	1,905,279	27,195,544	50,055,100	59,748,121	-	138,904,044
	S	-	2,626,207	-	13,240,695	-	15,866,902
2024	P	2,227,185	28,861,739	53,650,100	60,990,002	-	145,729,026
	S	-	1,359,656	-	13,528,288	-	14,887,944

The portion of the 2023-24 levies paid by City of Prescott property owners is reflected below:

Amount	P	\$ 2,227,185	\$ 20,768,781	\$ 13,187,683	\$ 14,991,898	\$ -	\$ 51,175,547
	S	-	978,403	-	3,325,376	-	4,303,779
Percent	P	100%	72.0%	24.6%	24.6%	-	36.8%
	S	100%	72.0%	24.6%	24.6%	-	27.1%

Source: Yavapai County Board of Supervisors

CITY OF PRESCOTT, ARIZONA

Table XIII

Statistical Section - Revenue Capacity

Principal Property Taxpayers

Current fiscal year and ten years ago

Taxpayer	Type of Business	2023/2024		As a % of		2013/2014		As a % of	
		Assessed Valuation	Rank	City's Total	Secondary	Assessed Valuation	Rank	Assessed Valuation	Secondary
Arizona Public Service	Electric utility	\$ 20,860,984	1	2.2%		\$ 14,154,847	1	2.7%	
Unisource Energy Corporation	Gas utility	6,489,161	2	0.7%		5,708,558	2	1.1%	
Touchmark at the Ranch LLC	Retirement Home	5,547,180	3	0.6%				0.0%	
Sturm Ruger	Manufacturing	4,137,026	4	0.4%		4,344,979	4	0.8%	
Wal-Mart	Shopping Center	3,837,482	5	0.4%		3,312,265	5	0.6%	
KW PRS LLC	Realty	3,507,787	6	0.3%				0.0%	
LFRV LLC (Las Fuentes)	Commercial rental	2,921,730	7	0.3%		1792776	10	0.3%	
Findlay Family Properties	Shopping Center	2,814,321	8	0.2%				0.0%	
SRZ Yuma LLC	Gas utility	2,244,114	9	0.2%				0.0%	
Woodside Home Sales AZ LLC	Home development	2,208,348	10	0.0%				0.0%	
TWC II Prescott Mall LLC	Shopping center					5,012,237	3	1.0%	
Qwest Corporation / US West	Telecommunications					1,914,074	7	0.4%	
Cable One	Cable Utility					2,155,115	6	0.4%	
Lowe's	Retail					1,810,451	8	0.3%	
HGC OP-CO LLC	Golf Course					1,809,849	9	0.3%	
Total		\$ 54,568,133		5.3%		\$ 42,015,151		7.9%	

Source: Yavapai County assessor's office

CITY OF PRESCOTT, ARIZONA

Table XIV

Statistical Section - Revenue Capacity

Property Tax Levies and Collections

Last ten fiscal years

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Collections</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes As Percent of Current Levy</u>
2015	2,680,831	2,593,963	96.8%	86,721	2,680,684	100.0%	147	0.0%
2016	1,671,518	1,652,907	98.9%	18,492	1,671,399	100.0%	119	0.0%
2017	1,725,903	1,597,136	92.5%	128,619	1,725,755	100.0%	148	0.0%
2018	1,709,975	1,709,752	100.0%	-	1,709,752	100.0%	223	0.0%
2019	1,748,005	1,747,785	100.0%	-	1,747,785	100.0%	220	0.0%
2020	1,795,908	1,795,707	100.0%	-	1,795,707	100.0%	201	0.0%
2021	1,827,008	1,826,793	100.0%	-	1,826,793	100.0%	215	0.0%
2022	1,874,215	1,852,896	98.9%	-	1,852,896	98.9%	21,319	1.1%
2023	1,905,279	1,885,853	99.0%	-	1,885,853	99.0%	19,426	1.0%
2024	2,227,185	2,201,728	98.9%	-	2,201,728	98.9%	25,457	1.1%

Source: Yavapai County treasurer's office

Penalties are not recorded in the above collection figures.

The City tax rate is set before the final assessed valuation is known. Levies shown here are the product of the tax rate times the actual valuation; consequently, they may differ slightly from the estimated levies shown in the budget for each of these years.

CITY OF PRESCOTT, ARIZONA  
Table XV  
Statistical Section - Revenue Capacity  
Property Tax Information

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Tax Rate Limitation

The state constitution and state law specify a property tax limitation system. The system consists of two levies, a limited levy known as the primary tax levy and an unlimited levy referred to as the secondary property tax levy. The primary levy is limited to an increase of 2% over the previous year's maximum allowable primary levy plus an increased dollar amount for property not taxed the previous year including new construction and annexed properties. The primary tax from all taxing jurisdictions for homeowners may not exceed 1% of the home's market value. The secondary property tax allows a city to levy property tax for the purpose of retiring the principal and interest on bonded indebtedness. Further, the actual full cash value of property is used to determine this tax rate.

Assessments

Since 1950-51, Yavapai County has assessed and collected all city property taxes at no charge to the City. Prior to that time, City taxes were separately billed by the City tax collector. Remittances are made periodically as collections accrue.

Taxes Due

First installment due September 1; second installment due March 1.

Payable

City property taxes are payable at the office of the Yavapai County Treasurer. The first installment can be paid on the first day of September through the first day of November. The second installment can be paid on the first day of March through the first day of May. The first installment becomes delinquent on the first day of November at 5:00 p.m. The second installment becomes delinquent on the first day of May at 5:00 p.m. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates.

Tax Sales

The sales of delinquent real estate taxes begin on a date not earlier than February 1 nor later than March 1 following the May 1 date upon which the second installment becomes delinquent. The sales are made at public auctions in the office of the County Treasurer. Tax bills are sold to the highest bidder who offers to pay the accumulated amount of tax and to charge thereon the lowest rate of interest. The maximum amount of interest provided by law is 10% per annum. The purchaser of this tax sale is given a Certificate of Purchase for each parcel of real estate concerned.

Tax Deed

Five years subsequent to the annual tax sale, a holder of a Certificate of Purchase which has not been redeemed may demand of the Yavapai County Treasurer a County Treasurer's Deed. However, at the end of three full years, a holder of a Certificate of Purchase may institute a quiet title action and the court will instruct the County Treasurer to issue a County Treasurer's Deed if the suit is successful.

Redemption

Redemption may be made by the delinquent property owner or any interested party by payment in full of all accumulated charges at any time before the issuance of the tax deed. Payment may be made to the Yavapai County Treasurer.



CITY OF PRESCOTT, ARIZONA

Table XVI

Statistical Section - Revenue Capacity

Tax Revenues by Source

Last ten fiscal years

<u>Fiscal Year</u>	<u>Total Tax Per Capita</u>	<u>Total Taxes</u>	<u>General Property Taxes</u>	<u>General Privilege and Use Taxes</u>	<u>Additional 1% Privilege Tax (1)</u>	<u>Additional .75% Privilege Tax (2)</u>	<u>Franchise Taxes</u>	<u>Transient Lodging Tax (3)</u>
2015	794	32,157,859	1,642,663	14,340,554	13,823,070	-	1,632,304	719,268
2016	835	34,234,664	1,667,061	15,312,068	14,787,422	-	1,670,671	797,442
2017	864	35,609,532	1,875,401	15,952,225	15,234,578	-	1,665,913	881,415
2018	919	37,677,570	1,869,386	16,556,472	16,554,480	-	1,700,323	996,909
2019	1,200	51,496,254	1,866,817	17,053,025	17,049,785	12,756,096	1,733,973	1,036,558
2020	1,306	55,590,720	1,945,105	18,566,817	18,548,467	13,907,410	1,676,450	946,471
2021	1,392	63,775,903	1,985,286	21,406,239	21,393,939	16,042,564	1,719,356	1,228,519
2022	1,465	68,605,433	2,003,312	22,982,503	22,969,062	17,192,733	1,815,127	1,642,696
2023	1,349	64,218,402	2,044,496	24,655,558	24,645,041	9,373,373	1,875,549	1,624,385
2024	1,208	57,685,653	2,336,559	25,869,222	25,857,895	99,979	1,913,984	1,608,014

Source: City of Prescott finance department

(1) Voters approved an additional 1% privilege tax in 1995 for street improvements to sunset December 31, 2005. In May 2000, the voters expanded the use of funds to include open space acquisition while extending the sunset to December 31, 2015. In 2015, voters approved a 1.0% privilege tax for street improvements effective January 1, 2016 to sunset December 31, 2035.

(2) Voters approved an additional 0.75% privilege tax in 2018 for the PSPRS unfunded liability sunset December 31, 2022,

(3) Proceeds from this tax are used for the promotion of tourism and development of recreational facilities within the City.

CITY OF PRESCOTT, ARIZONA

Table XVII

Statistical Section - Revenue Capacity

Privilege Tax - Taxable Sales by Category

Last ten fiscal years (in thousands of dollars)

<u>Fiscal year</u>	<u>Construction</u>	<u>Restaurant/Bar</u>	<u>Tangible Per. Prop Rental</u>	<u>Commercial Rental</u>	<u>Hotel/Motel</u>	<u>Residential Rental</u>	<u>Retail Sales</u>	<u>Utilities</u>	<u>Use Tax</u>	<u>Telecommunication (1)</u>	<u>All Other</u>	<u>Total</u>	<u>Tax Rate</u>	<u>Top 10 as % of Total</u>
2015	115,849	102,891	25,127	53,702	24,729	68,352	853,946	76,907	25,519	21,123	23,411	1,391,557	2%	34%
2016	113,863	109,257	26,097	53,736	27,352	73,062	906,798	79,062	27,861	23,693	23,507	1,464,288	2%	31%
2017	154,329	115,038	26,928	55,929	30,076	71,168	935,603	78,471	34,724	21,632	22,204	1,546,102	2%	37%
2018	152,583	118,459	28,954	57,561	34,312	65,154	987,548	82,217	44,893	18,090	21,100	1,610,871	2.75%	36%
2019	182,470	123,374	31,943	57,750	35,885	69,224	1,031,233	81,899	51,972	16,882	21,717	1,704,350	2.75%	32%
2020	196,717	119,017	33,538	63,170	32,187	72,893	1,129,067	80,005	59,283	-	35,605	1,821,484	2.75%	40%
2021	212,735	125,789	36,578	63,587	42,435	87,917	1,368,688	86,077	64,890	-	32,659	2,121,356	2.75%	29%
2022	166,881	155,048	41,463	68,405	56,656	97,481	1,471,065	89,807	72,600	-	34,480	2,253,887	2.75%	33%
2023	190,994	172,099	43,279	76,464	55,928	109,347	1,517,636	96,861	71,937	-	35,383	2,369,927	2%	33%
2024	192,042	181,472	44,186	80,146	55,942	116,530	1,579,638	101,021	82,143	-	35,428	2,468,547	2%	32%

Source: City of Prescott Finance Department

(1) Effective FY2020, Telecommunications is reported under "All Other"

CITY OF PRESCOTT, ARIZONA

Table XVIII

Statistical Section - Revenue Capacity

Privilege Tax Overlapping Rates

Last ten fiscal years

<u>Fiscal Year</u>	<u>Prescott Privilege Tax General</u>	<u>Prescott Privilege Tax - Roads &amp; Open Space (1)</u>	<u>Prescott Privilege Tax PSPRS (2)</u>	<u>Yavapai County Privilege Tax (3)</u>	<u>State of Arizona Privilege Tax (4)</u>	<u>Total Privilege Tax</u>	<u>Transient Lodging Tax (5)</u>
2015	1.00%	1.00%	-	0.75%	5.60%	8.35%	3.00%
2016	1.00%	1.00%	-	0.75%	5.60%	8.35%	3.00%
2017	1.00%	1.00%	-	0.75%	5.60%	8.35%	3.00%
2018	1.00%	1.00%	-	0.75%	5.60%	8.35%	3.00%
2019	1.00%	1.00%	0.75%	0.75%	5.60%	9.10%	3.00%
2020	1.00%	1.00%	0.75%	0.75%	5.60%	9.10%	3.00%
2021	1.00%	1.00%	0.75%	0.75%	5.60%	9.10%	3.00%
2022	1.00%	1.00%	0.75%	0.75%	5.60%	9.10%	3.00%
2023	1.00%	1.00%	0.75%	0.75%	5.60%	9.10%	3.00%
2024	1.00%	1.00%	0.00%	0.75%	5.60%	8.35%	3.00%

Source: City of Prescott finance department

- (1) Voters approved an additional 1.0% privilege tax in 1995 for street improvements to sunset December 31, 2005. In May 2000, the voters expanded the use of funds to include open space acquisition while extending the sunset to December 31, 2015. In 2015, voters approved a 1.0% privilege tax for street improvements effective January 1, 2016 to sunset December 31, 2035.
- (2) Voters approved an additional 0.75% privilege tax in 2018 for the PSPRS unfunded liability sunset December 31, 2022.
- (3) Yavapai County currently imposes a .50% excise tax and a .25% jail tax.
- (4) The State of Arizona tax rate increased to 6.60% effective June 1, 2010 and decreased to 5.60% effective June 1, 2013.
- (5) Proceeds from this tax are used for the promotion of tourism and development of recreational facilities within the City. This rate was increased to 3% on January 1, 2008.

CITY OF PRESCOTT, ARIZONA  
Table XIX  
Statistical Section - Debt Capacity  
Ratios of Outstanding Debt by type  
Last ten fiscal years

Fiscal Year	Governmental Activities						Business-type Activities						Total Primary Government	Adjusted Debt Per Capita	Adjusted Debt Per Capita (1)	Total Debt to Personal Income	Adjusted Total Debt to Personal Income
	General Obligation Bonds	Community Facilities District Bonds (1)	Lease Purchase Contracts	Lease Payable	Subscriptions Liability	Pledged Excise Tax Bonds	Special Assessment Bonds	Subscriptions Liability	Municipal Properties Corporation Bonds	MPC 2014 Unamortized Premium	Loans Payable (2)						
	2015	355,000	2,180,000	-	-	-	25,111,146	34,852	-	8,893,411	1,170,113	72,676,362					
2016	180,000	1,670,000	-	-	-	23,729,206	29,808	-	8,910,741	1,083,722	69,501,551	105,105,028	2,564	2,523	1.33%	1.31%	
2017	-	930,000	-	-	-	22,305,568	24,763	-	8,925,770	997,332	65,740,981	98,924,414	2,399	2,376	1.21%	1.19%	
2018	-	570,575	-	-	-	17,994,670	19,719	-	8,760,000	910,942	66,191,222	94,447,128	2,303	2,289	1.11%	1.10%	
2019	-	357,271	-	-	-	16,725,670	14,675	-	8,375,000	827,432	61,976,119	88,276,167	2,057	2,048	0.94%	0.94%	
2020	-	178,126	-	-	-	15,670,000	9,631	-	7,980,000	736,996	67,407,556	91,982,309	2,161	2,157	0.95%	0.94%	
2021	-	22,484	-	-	-	14,075,000	4,587	-	7,565,000	651,300	66,401,944	88,720,315	1,936	1,935	0.83%	0.83%	
2022	-	11,823	92,329	489,323	-	12,450,000	-	-	7,135,000	570,586	76,879,525	97,628,586	2,085	2,084	0.91%	0.91%	
2023	-	5,911	70,282	405,321	182,081	10,785,000	-	-	6,685,000	495,034	91,789,257	110,417,886	2,320	2,319	0.93%	0.93%	
2024	-	-	47,544	205,656	664,051	9,080,000	-	49,980	6,210,000	424,885	100,044,552	116,726,667	2,444	2,444	0.92%	0.92%	

Source: City of Prescott finance department

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) The total debt for the primary government is reduced by the amount of community facilities district bonds and special assessment bonds which are levied against specific property owners, and, therefore not an obligation of every citizen.

(2) The City uses the Water Infrastructure Finance Authority (WIFA) for the financing of several drinking and clean water projects.

CITY OF PRESCOTT, ARIZONA

Table XX

Statistical Section - Debt Capacity

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last ten fiscal years

<u>Fiscal Year</u>	<u>Net Assessed Value</u>	<u>Gross Bonded Debt (2)</u>	<u>Less Debt Payable from Enterprise Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita (1)</u>
2015	522,426,906	355,000	-	355,000	0.1%	9
2016	621,227,271	180,000	-	180,000	0.0%	4
2017	570,573,334	-	-	-	0.1%	0
2018	606,159,290	-	-	-	0.0%	0
2019	647,649,002	-	-	-	0.0%	0
2020	690,999,738	-	-	-	0.0%	0
2021	735,510,485	-	-	-	0.0%	0
2022	788,147,462	-	-	-	0.0%	0
2023	883,803,517	-	-	-	0.0%	0
2024	935,703,655	-	-	-	0.0%	0

Source: City of Prescott finance department

(1) Population information is shown on table XVI.

(2) Includes all general obligation bonded debt.

CITY OF PRESCOTT, ARIZONA

Table XXI

Statistical Section - Debt Capacity

Schedule of Water and Wastewater Revenue Bond Coverage

Last ten fiscal years

Water Revenue Bond (3)							
Fiscal Year	Net Revenue			Debt Service			Coverage
	Operating	Operating	Available for				
	Revenues (1)	Expenses (2)	Debt Service	Principal	Interest	Total	
2015	15,340,901	7,998,715	7,342,186	1,115,977	666,128	1,782,106	412.00%
2016	16,699,381	7,164,998	9,534,383	1,151,311	672,100	1,823,411	522.89%
2017	16,735,462	9,029,606	7,705,856	1,187,781	638,004	1,825,785	422.06%
2018	17,337,813	13,391,466	3,946,347	1,225,423	599,151	1,824,574	216.29%
2019	17,632,237	12,703,612	4,928,625	1,264,276	559,047	1,823,323	270.31%
2020	18,685,829	10,634,248	8,051,581	1,304,380	522,629	1,827,009	440.70%
2021	20,481,929	8,791,133	11,690,796	2,002,584	488,394	2,490,978	469.33%
2022	19,592,479	9,774,987	9,817,492	2,055,755	548,944	2,604,699	376.91%
2023	18,822,114	10,869,621	7,952,493	2,110,470	828,645	2,939,115	270.57%
2024	21,247,705	12,847,488	8,400,217	2,850,103	1,210,431	4,060,534	206.87%

Wastewater Revenue Bond (3)							
Fiscal Year	Net Revenue			Debt Service			Coverage
	Operating	Operating	Available for				
	Revenues (1)	Expenses (2)	Debt Service	Principal	Interest	Total	
2015	11,287,878	5,649,504	5,638,374	2,467,040	1,440,510	3,907,550	144.29%
2016	12,343,533	5,245,572	7,097,961	2,534,812	1,451,073	3,985,885	178.08%
2017	12,583,194	6,720,725	5,862,469	2,612,257	1,372,629	3,984,886	147.12%
2018	13,333,928	7,050,620	6,283,308	2,551,984	1,294,695	3,846,679	163.34%
2019	13,850,174	7,634,889	6,215,285	3,135,545	1,705,217	4,840,762	128.39%
2020	14,028,174	7,879,026	6,149,148	3,227,871	1,236,138	4,464,009	137.75%
2021	14,921,689	7,810,172	7,111,517	3,322,957	1,339,526	4,662,483	152.53%
2022	15,690,929	7,997,321	7,693,608	3,420,885	1,260,265	4,681,150	164.35%
2023	16,479,213	8,874,034	7,605,179	3,521,743	1,234,589	4,756,332	159.90%
2024	17,257,909	10,525,599	6,732,310	3,625,619	1,153,285	4,778,905	140.88%

Source: City of Prescott finance department

(1) Total revenue including interest income.

(2) Total expenses exclusive of bond interest, capital costs and non-cash expenditures.

(3) The Water Infrastructure Finance Authority of Arizona Loans (WIFA) - details can be found

CITY OF PRESCOTT, ARIZONA  
Table XXII  
Statistical Section - Debt Capacity  
Direct and Overlapping Debt  
June 30, 2024

	Net Bonds <u>Outstanding</u>	Percentage Applicable <u>to Prescott (1)</u>	Amount Applicable <u>to Prescott</u>
<u>Direct Debt</u>			
General obligation bonds - payable from property taxes	\$ -	100.0%	\$ -
Municipal property corporation bonds - payable from sales tax	9,080,000	100.0%	9,080,000
Special assessment bonds - payable from assessed properties	-	100.0%	-
Lease payable - payable from general revenues	205,656	100.0%	205,656
Lease purchase contracts - payable from general revenues	47,544	100.0%	47,544
Total direct debt			<u>9,333,199</u>
<u>Overlapping Debt</u>			
Yavapai County	-	24.6%	-
Yavapai Community College District	4,725,000	24.6%	1,161,448
Prescott Unified School District	6,745,000	72.0%	4,853,672
Total overlapping debt			<u>6,015,120</u>
Total direct & overlapping debt			<u>\$ 15,348,319</u>

(1) Debt allocation is based on distribution of assessed valuation within overlapping tax districts.

<u>Taxing District</u>	Total Assessed <u>Valuation</u>	Valuation in <u>Prescott</u>	Percent in <u>Prescott</u>
Yavapai County	\$ 3,806,627,199	\$ 935,703,655	24.6%
Yavapai Community College District	3,806,627,199	935,703,655	24.6%
Prescott Unified School District	1,300,318,710	935,703,655	72.0%

Source: Yavapai County assessor's office and finance department

CITY OF PRESCOTT, ARIZONA  
 Table XXIII  
 Statistical Section - Debt Capacity  
 Legal Debt Margins  
 June 30, 2024

	<u>General Obligation Bonds</u>	
	All Others 6% (1)	Water & Wastewater 20% (2)
<u>Legal Debt Limitation</u> (2023-24 secondary assessed valuation \$935,703,655)	\$ 56,142,219	\$ 187,140,731
<u>Outstanding Debt</u>		
Municipal facilities	-	-
Total outstanding debt	-	-
Total margin available	\$ 56,142,219	\$ 187,140,731
Total debt applicable to the limit as a percentage of the debt limit	0.0%	0.0%

Source: City of Prescott finance department

(1) Arizona's Constitution states that a municipality cannot issue general obligation bonds in excess of 6% of assessed valuation for general municipal purposes.

(2) Additional general obligation bonds for up to 20% of assessed valuation can be issued for specific purposes such as supplying water and wastewater services and recreational and playground facilities, public safety, law enforcement, fire and emergency services facilities and streets and transportation facilities.

Computation of Debt Margin Highway User Tax Bonds

Arizona law states that municipalities may issue highway users bonds to the extent that 50% of the highway user revenues in the preceding year will be sufficient to pay annual principal and interest of such bonds.

Highway user tax revenue FY 2023-24	\$ 4,812,008
Percent of margin	50%
Highway user margin	2,406,004
Bond principal due FY 2023-24	-
Bond interest due FY 2023-24	-
Margin available	\$ 2,406,004

Total debt service applicable to the margin as a percentage of the margin n/a



CITY OF PRESCOTT, ARIZONA

Table XXIV

Statistical Section - Debt Capacity

Legal Debt Margins

Last ten fiscal years (in thousands of dollars)

Legal Debt Limitation or Margin	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Obligation Bonds 6% limit (1)	\$ 31,798	\$ 32,918	\$ 34,234	\$ 34,721	\$ 37,058	\$ 39,433	\$ 41,574	\$ 41,574	\$ 50,117	\$ 56,142
Outstanding debt subject to limit	-	-	-	-	-	-	-	-	-	-
Total margin available	<u>\$ 31,798</u>	<u>\$ 32,918</u>	<u>\$ 34,234</u>	<u>\$ 34,721</u>	<u>\$ 37,058</u>	<u>\$ 39,433</u>	<u>\$ 41,574</u>	<u>\$ 41,574</u>	<u>\$ 50,117</u>	<u>\$ 56,142</u>
Total debt applicable to the limit as a percentage of the debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water & Wastewater 20% limit (2)	\$ 105,994	\$ 109,726	\$ 114,115	\$ 115,736	\$ 123,528	\$ 131,443	\$ 138,581	\$ 138,581	\$ 167,056	\$ 187,141
Outstanding debt subject to limit	520	355	180	180	-	-	-	-	-	-
Total margin available	<u>\$ 105,474</u>	<u>\$ 109,371</u>	<u>\$ 113,935</u>	<u>\$ 115,556</u>	<u>\$ 123,528</u>	<u>\$ 131,443</u>	<u>\$ 138,581</u>	<u>\$ 138,581</u>	<u>\$ 167,056</u>	<u>\$ 187,141</u>
Total debt applicable to the limit as a percentage of the debt limit	0.5%	0.3%	0.2%	0.2%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%
Highway User Margin 50% limit (3)	\$ 1,551	\$ 1,618	\$ 1,735	\$ 1,773	\$ 1,874	\$ 2,104	\$ 2,131	\$ 2,131	\$ 2,335	\$ 2,406
Bond principal due	-	-	-	-	-	-	-	-	-	-
Bond interest due	-	-	-	-	-	-	-	-	-	-
Margin available	<u>\$ 1,551</u>	<u>\$ 1,618</u>	<u>\$ 1,735</u>	<u>\$ 1,773</u>	<u>\$ 1,874</u>	<u>\$ 2,104</u>	<u>\$ 2,131</u>	<u>\$ 2,131</u>	<u>\$ 2,335</u>	<u>\$ 2,406</u>
Total debt service applicable to the margin as a percentage of the margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: City of Prescott finance department

(1) Arizona's Constitution provides that a municipality cannot issue general obligation bonds in excess of 6% of assessed valuation for general municipal purposes.

(2) Additional general obligation bonds for up to 20% of assessed valuation can be issued for specific purposes such as supplying water and wastewater services and recreational and playground facilities.

(3) Arizona law states that municipalities may issue highway users bonds to the extent that 50% of the highway user revenues in the preceding year will be sufficient to pay annual principal and interest of such bonds.

CITY OF PRESCOTT, ARIZONA

Table XXV

Statistical Section - Debt Capacity

Pledged-Revenue Coverage

Last ten fiscal years

Fiscal Year	Special Assessment Bonds				Community Facilities District Bonds				Pledged Excise Tax Bonds			
	Special Assessments Collected	Debt Service		Coverage	CFD Assessments Collected	Debt Service		Coverage	Excise Tax Collected	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2015	6,142	5,044	1,017	1.01	595,152	255,000	187,700	1.34	31,106,472	1,578,330	1,789,649	9.24
2016	5,524	5,044	880	0.93	519,454	510,000	157,850	0.78	32,565,539	1,451,000	1,727,589	10.25
2017	4,899	5,044	742	0.85	447,148	265,000	128,763	1.14	34,291,926	1,495,000	1,579,680	11.15
2018	5,707	5,044	685	1.00	395,776	78,499	25,637	3.80	36,602,726	5,474,000	1,512,945	5.24
2019	5,574	5,044	530	1.00	214,209	213,304	15,015	0.94	37,859,867	1,654,000	1,266,439	12.96
2020	5,419	5,044	375	1.00	187,207	179,145	9,488	0.99	39,011,590	2,150,000	697,897	13.70
2021	5,263	5,044	219	1.00	158,375	155,642	4,383	0.99	44,280,642	2,010,000	749,310	16.05
2022	4,657	4,586	71	1.00	11,235	10,663	476	1.01	47,461,808	2,055,000	691,875	17.28
2023	-	-	-	#DIV/0!	11,823	5,911	338	1.89	52,329,665	2,115,000	633,000	19.04
2024	-	-	-	-	6,166	5,995	172	1.00	58,499,685	2,180,000	572,205	21.26

Source: City of Prescott finance department

Special Assessment Bonds are used to finance capital improvements in specific areas of the City. Project costs are assessed to each benefiting property owner, with payments used to pay debt service. The underlying property secures the debt and may be foreclosed in the event of a default.

Community Facilities District Bonds are issued by special districts specifically created to acquire and improve public infrastructure in specified land areas. Assessments are levied against property owners in the district to pay all of the costs associated with the districts. The underlying property secures the debt and may be foreclosed in the event of a default.

Municipal Property Corporation Bonds are issued by a non-profit corporation created by the City to finance construction or acquisition of municipal buildings and improvements on land owned by the City. The City makes lease payments to the Corporation to approximate the debt service. The City pledges all excise, transaction privilege and franchise taxes as collateral.

CITY OF PRESCOTT, ARIZONA

Table XXVI

Statistical Section

Demographic and Economic Statistics

Population, Income and Unemployment

Last ten calendar years

<u>Year</u>	<u>Population (1)</u>	Personal Income ( <i>thousands of dollars</i> ) (2)	Per Capita Personal Income (2)	Annual Unemployment Rate (3)	School Enrollment (4)
2013	39,888	\$ 6,992,574	\$ 32,503	7.7%	4,917
2014	40,520	7,172,392	32,774	6.3%	4,454
2015	40,989	7,900,004	35,545	5.6%	5,055
2016	41,238	8,199,948	36,353	4.9%	4,003
2017	41,006	8,533,000	37,398	4.5%	4,108
2018	42,917	9,371,726	32,993	4.4%	4,030
2019	42,566	9,731,391	36,111	4.6%	4,027
2020	45,827	10,687,662	44,490	7.3%	4,082
2021	46,833	11,884,929	49,060	4.1%	3,812
2022	47,603	12,739,608	51,747	3.5%	3,827
2023	47,757	N/A	N/A	3.6%	3,819

(1) Source: US Census Bureau

(2) Income Statistics are shown for the Prescott Metropolitan Statistical Area (MSA), table CA1. Information shown with data available. Note: this data runs one year behind.

(3) For the Prescott Metropolitan Statistical Area (MSA). Source: Arizona Office of Employment and Population Statistics. Note: this data runs one year behind.

(4) Enrollment for Prescott Unified School District as of Oct 1 of each year. Excludes Charter Schools Source: Arizona Department of Education

CITY OF PRESCOTT, ARIZONA  
 Table XXVII  
 Statistical Section  
 Demographic and Economic Statistics  
 Principal Employers  
 Current fiscal year data available and nine years ago

		2023/24			2014/15		
		Number of Employees	Rank	As a % of City's Total Employment	Number of Employees	Rank	As a % of City's Total Employment
<u>Employer</u>	<u>Type of Business</u>						
Yavapai County	Government	1,996	1	11.4%	1,692	1	9.9%
Yavapai Regional Medical Center (1)	Hospital	1,148	2	6.6%	1,083	2	6.3%
Veteran's Administration Medical Center (1)	Hospital	700	3	4.0%	1,094	3	6.4%
Yavapai College	College	675	4	3.9%	413	7	2.4%
Embry-Riddle Aeronautical University	College	620	5	3.5%	375	8	2.2%
City of Prescott	Government	565	6	3.2%	506	5	3.0%
HOAMCO	Management	507	7	2.9%	-	-	-
Prescott Unified School District	Public Schools	452	8	2.6%	770	4	4.5%
Fann Contracting	Construction	261	9	1.5%	254	10	1.5%
Wal-Mart Stores (1)	Retail	200	10	1.1%	-	-	-
Sturm Ruger	Manufacturing	175		1.0%	607	6	3.6%
Yavapai Gaming Agency	Casino	-		-	223	9	1.3%
		<u>7,299</u>		<u>38.7%</u>	<u>7,017</u>		41.1%

The 2022/2023 total City employment was 17,497 based on U.S. Census Bureau 2022 ACS 1-Year Supplemental Estimates  
 The 2012/2013 total City employment was 17,085 based on U.S. Census Bureau County Business Patterns information for 2012.

CITY OF PRESCOTT, ARIZONA

Table XXVIII

Statistical Section - Operating Information

City Employees by Function/Program

Last ten fiscal years

Function/ Program	<i>Full-time Equivalent Employees at June 30</i>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government (2)	37	39	52	56	51	53	53	56	56	59
Administrative Services	1	1	2	-	-	-	-	-	-	-
Budget and Finance (2)	22	22	10	15	16	16	16	16	17	17
Community Development	13	11	11	13	15	15	16	14	16	18
Cultural & Recreation	42	42	42	43	43	43	45	45	55	51
Police	125	95	91	83	83	87	90	92	100	107
Regional Communications (1)	-	33	30	30	30	30	30	29	35	35
Fire	73	68	65	68	65	65	65	70	79	80
Fleet Services	9	9	9	9	9	9	10	10	11	11
Self Insurance	-	-	-	-	-	-	-	-	-	-
Facilities Maintenance	6	6	6	7	8	8	7	7	8	7
Engineering	17	17	24	23	23	20	18	18	18	16
Utilities	77	80	75	69	69	71	74	74	74	76
Solid Waste	26	28	27	28	29	30	31	31	32	38
Airport	8	11	11	9	9	9	11	12	12	12
Golf Course	16	9	9	9	9	9	8	8	-	-
Street Maintenance	36	36	37	36	36	35	35	37	37	38
<b>Total</b>	<b>508</b>	<b>506</b>	<b>501</b>	<b>497</b>	<b>494</b>	<b>498</b>	<b>508</b>	<b>518</b>	<b>548</b>	<b>565</b>
Number of citizens per employee	80	81	82	82	87	85	90	90	87	84

Source: City of Prescott finance department

(1) In 2015, Regional Communications was split out from Police

(2) In 2016, Information Technology was split out from Budget and Finance and combined with General Government.

In 2017, Utility Billing is combined with Budget and Finance instead of Utilities.

CITY OF PRESCOTT, ARIZONA

Table XXIX

Statistical Section - Operating Information

Operating Indicators by Function/Program

Last ten fiscal years (unless noted otherwise)

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Community Development										
Building permits issued	1,843	2,010	2,309	2,399	1,906	1,684	2,212	1,994	2,020	1,789
Permit valuations (in millions)	107	166	139	182	235	205	219	225	186	210
Cultural & Recreation										
Library circulation	759,675	772,629	731,830	760,350	783,371	649,615	575,299	701,167	726,000	725,039
Library visits	442,904	428,948	414,137	440,868	431,868	316,131	145,495	286,783	287,971	321,417
Library resources available (4)	174,319	168,606	163,876	149,105	140,912	138,222	167,322	163,053	657,877	718,712
New cards issued	5,014	4,667	4,324	4,187	4,033	3,245	2,413	4,062	3,935	4,076
Golf Rounds	69,290	69,741	72,303	79,969	71,579	78,002	90,434	83,468	77,342	86,259
Police (Calendar Year)										
Calls for service	25,617	24,979	24,136	23,879	22,909	20,310	19,752	19,873	19,053	18,713
Part 1 crimes (1)	1,289	1,235	1,098	1,066	1,045	842	779	-	-	-
Part 2 crimes (2)	3,293	3,420	3,024	3,196	3,402	2,811	2,508	-	-	-
Group A (5)										
Offenses	-	-	-	-	-	-	-	1,952	2,861	2,686
Group B (6)	-	-	-	-	-	-	-	439	443	494
Fire										
Calls for service	8,014	8,014	8,619	7,694	7,207	8,723	9,533	11,105	10,916	11,193
Water										
Connections	23,440	23,465	23,907	24,214	24,997	25,198	25,412	26,185	26,535	26,759
Wastewater										
Connections	18,783	19,000	19,390	19,969	19,992	20,497	20,873	21,254	21,500	21,721
Solid Waste										
Residential accounts	17,815	18,086	18,516	17,407	19,318	20,486	22,678	20,224	24,318	24,408
Commercial accounts	1,421	1,544	1,538	1,692	1,335	1,379	1,351	1,549	1,715	1,868
Tons collected	61,979	62,729	67,319	34,063	33,561	33,466	33,865	33,555	33,637	32,712
Transfer Station										
Transactions per year	73,577	79,183	78,439	82,953	81,477	95,508	98,002	104,640	97,154	94,937
Tons per year	61,959	64,389	62,815	64,088	75,113	80,063	84,443	82,404	82,798	79,771
Airport										
Commercial aircraft landings	1,094	1,968	2,327	1,788	591	685	923	831	718	671
Passengers	4,394	3,302	3,454	4,631	22,301	20,070	32,646	25,770	25,866	25,723
FAA traffic count	277,540	291,170	254,342	250,900	224,991	209,123	296,210	311,012	313,653	349,444
Public Works										
Cold mix repairs(lbs)	136,000	176,874	195,032	91,878	156,723	34,348	29,760	87,580	90,900	60,000
Hot Mix repairs (3)	2,040	1,302	261,696	82,948	103,236	103,616	95,341	107,702	132,637	4,478

(1) Prior to FY22 Part 1 Homicide, forcible rape, robbery, aggravated assault, burglary, larceny/theft, auto theft & arson

(2) Prior to FY22: Part 2 Simple assault, narcotics, forgery/fraud/embezzlement, vandalism & DUI

(3) Hot Mix repairs are reported in tons until 2016, starting with 2017 this data is reported in square feet.

(4) Library resources available - as of FY23, electronic resources have been included in the total library resources available.

(5) Beginning in FY22: Group A (Offenses & Arrests): Homicide, forcible rape, robbery, aggravated assault, narcotics, burglary, larceny/theft, auto theft & arson

(6) Beginning in FY22: Ground B (arrests only): DUI, trespassing, loitering, disorderly conduct, drunkenness,

Source: City of Prescott budget department and applicable departments.

CITY OF PRESCOTT, ARIZONA

Table XXX

Statistical Section - Operating Information

Capital Asset Statistics by Function/Program

Last ten fiscal years

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government										
Area square miles	42	42	42	45	45	45	46	46	50	50
Cultural and Recreation										
Parks	21	21	21	22	22	21	21	22	23	23
Park & Open Space (acres)(1)	990	990	990	998	2,353	2,353	2,828	3,604	3,687	3,687
Miles of trails	68	76	76	102	108	106	112	122	140	140
Open space - public (acres)	1,200	1,200	1,200	1,386	-	-	-	0	0	0
Lakes - 4 -(acres)	-	-	-	-	562	562	562	572	572	572
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Water										
Miles of water mains	517	526	526	526	546	551	563	602	608	612
Wastewater										
Miles of sanitary sewers	371	375	375	375	385	389	400	410	412	414
Solid Waste										
Collection trucks	16	18	15	15	20	20	20	22	22	26
Airport										
Total based aircraft	292	292	338	273	335	357	365	364	328	389
Golf Course										
Holes	36	36	36	36	36	36	36	36	36	36
Public Works										
Streets (paved miles)	294	302	339	348	357	367	371	379	379	381

(1) Parks & Open Space acres are combined starting in 2019.

Source: City of Prescott departments.

