



CITY OF PHOENIX,
ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
JUNE 30, 2025



BUILDING THE
PHOENIX
OF TOMORROW



City of Phoenix

City of Phoenix, Arizona



**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025**

City Council

Kate Gallego, Mayor
Ann O'Brien, Vice Mayor, District 1
Jim Waring, District 2
Debra Stark, District 3
Laura Pastor, District 4
Betty Guardado, District 5
Kevin Robinson, District 6
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Prepared By

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City of Phoenix

Table of Contents

INTRODUCTORY SECTION

- i Letter of Transmittal
- ix Certificate of Achievement for Excellence in Financial Reporting
- x Organizational Chart
- xi Council Members and District Boundaries

FINANCIAL SECTION

- 1 **Independent Auditor's Report**
- 7 **Management's Discussion and Analysis (required supplementary information)**
 - Government-Wide Financial Statements Divider
 - Basic Financial Statements**
 - Government-Wide Financial Statements**
 - 20 Statement of Net Position (Exhibit A-1)
 - 22 Statement of Activities (Exhibit A-2)
 - Fund Financial Statements**
 - Governmental Fund Financial Statements**
 - 28 Balance Sheet (Exhibit B-1)
 - 29 Reconciliation of the Balance Sheet to the Statement of Net Position (Exhibit B-2)
 - 30 Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B-3)
 - 31 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities (Exhibit B-4)
 - 32 Budgetary Comparison Statement - General Fund (Exhibit B-5)
 - Budgetary Comparison Statements - Transit Special Revenue Fund
 - 33 Transit Other Agency (Exhibit B-6)
 - 34 Transit - Federal Transit Grants (Exhibit B-7)
 - 35 Transportation Tax 2050 (Exhibit B-8)

Table of Contents

Enterprise Fund Financial Statements

36	Statement of Net Position (Exhibit B-9)
38	Statement of Revenues, Expenses and Changes in Net Position (Exhibit B-10)
40	Statement of Cash Flows (Exhibit B-11)

Fiduciary Fund Financial Statements

42	Statement of Fiduciary Net Position (Exhibit B-12)
43	Statement of Changes in Fiduciary Net Position (Exhibit B-13)

Notes to the Financial Statements

47

Required Supplementary Information

130	Schedule of Changes in Net Pension Liability and Related Ratios - COPERS
132	Schedule of Employer Contributions - COPERS
134	Schedule of Changes in Net Pension Liability and Related Ratios for Reporting Date Ended June 30 - PSPRS - Police
136	Schedule of Changes in Net Pension Liability and Related Ratios for Reporting Date Ended June 30 - PSPRS - Fire
138	Schedule of Contributions for Measurement Date Ended June 30 - PSPRS - Police & Fire
140	Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios - LTD
142	Schedule of Employer OPEB Contributions - LTD
144	Schedule of Changes in Net OPEB Liability and Related Ratios - MERP
146	Schedule of Employer OPEB Contributions - MERP
148	Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios for Reporting Date Ended June 30 - PSPRS - Police & Fire
151	Schedule of Contributions for Measurement Date Ended June 30 - PSPRS - Police & Fire

Other Supplementary Information

Nonmajor Governmental Funds - Combining Fund Financial Statements

154	Fund Descriptions
156	Combining Balance Sheet (Exhibit C-1)
160	Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit C-2)

Table of Contents

Nonmajor Governmental Funds - Budgetary Comparison Schedules

167	General Fund Schedule of Expenditures and Encumbrances (Exhibit D-1)
168	Excise Tax Special Revenue Fund (Exhibit D-2)
169	Highway User Revenue Special Revenue Fund (Exhibit D-3)
170	Municipal Court Awards Special Revenue Fund (Exhibit D-4)
171	Development Services Special Revenue Fund (Exhibit D-5)
172	Community Reinvestment Special Revenue Fund (Exhibit D-6)
173	Federal Operating Trust Grants Special Revenue Fund (Exhibit D-7)
174	Community Development Grants Special Revenue Fund (Exhibit D-8)
175	Human Services Grants Special Revenue Fund (Exhibit D-9)
176	Public Housing Special Revenue Fund (Exhibit D-10)
177	Public Housing Neighborhood Transformation Grant Special Revenue Fund (Exhibit D-11)
178	Sports Facilities Debt Service Fund (Exhibit D-12)
179	Capital Construction Capital Projects Fund (Exhibit D-13)
180	Parks and Preserves Capital Projects Fund (Exhibit D-14)
181	Other Restricted Special Revenue Funds (Exhibit D-15)
182	Neighborhood Protection Special Revenue Fund (Exhibit D-16)
183	Public Safety Enhancement Special Revenue Fund (Exhibit D-17)
184	Public Safety Expansion Special Revenue Fund (Exhibit D-18)
185	Golf Courses Special Revenue Fund (Exhibit D-19)
186	Regional Wireless Cooperative (Exhibit D-20)
187	Secondary Property Tax Debt Service Fund (Exhibit D-21)
188	City Improvement Debt Service Fund (Exhibit D-22)

Enterprise Funds - Statements and Schedules

Aviation Enterprise Fund

192	Statement of Net Position (Exhibit E-1)
194	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-2)
195	Statement of Cash Flows (Exhibit E-3)
196	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis Aviation (Exhibit E-4)

Table of Contents

Phoenix Convention Center Enterprise Fund

198	Statement of Net Position (Exhibit E-5)
200	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-6)
201	Statement of Cash Flows (Exhibit E-7)
202	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis (Exhibit E-8)

Water System Enterprise Fund

204	Statement of Net Position (Exhibit E-9)
206	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-10)
207	Statement of Cash Flows (Exhibit E-11)
	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
208	Water (Exhibit E-12)
209	Water - Val Vista (Exhibit E-13)

Wastewater Enterprise Fund

210	Statement of Net Position (Exhibit E-14)
212	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-15)
213	Statement of Cash Flows (Exhibit E-16)
	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
214	Wastewater (Exhibit E-17)
215	Wastewater - SROG (Exhibit E-18)

Solid Waste Enterprise Fund

216	Statement of Net Position (Exhibit E-19)
218	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-20)
219	Statement of Cash Flows (Exhibit E-21)
220	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis (Exhibit E-22)

Table of Contents

Fiduciary Funds

- 224 Combining Statement of Fiduciary Net Position (Exhibit F-1)
- 226 Combining Statement of Changes in Fiduciary Net Position (Exhibit F-2)

Component Units

Phoenix Housing Financing Corporations

- 232 Combining Statement of Net Position (Exhibit G-1)
- 234 Combining Statement of Revenues, Expenses and Changes in Net Position (Exhibit G-2)

STATISTICAL SECTION (UNAUDITED)

Financial Trends

- 242 Net Position by Component (Table 1)
- 244 Changes in Net Position (Table 2)
- 250 Fund Balances of Governmental Funds (Table 3)
- 252 Changes in Fund Balances of Governmental Funds (Table 4)
- 256 Tax Revenues by Source - Governmental Funds (Table 5)
- 258 Intergovernmental Revenues by Source - Governmental Funds (Table 6)

Revenue Capacity

- 264 City Transaction Privilege Taxes by Category (Table 7)
- 266 Direct and Overlapping Sales Tax Rates (Table 8)
- 268 City Transaction Privilege Taxpayers by Category (Table 9)
- 270 City Property Tax Levies and Collections (Table 10)
- 272 Property Tax Rates and Levies - Direct and Overlapping Governments (Table 11)
- 274 Property Tax Levies Applicable to Phoenix Property Owners (Table 12)
- 276 Primary Net Assessed Valuation and Estimated True Valuation (Table 13)
- 278 Principal Property Taxpayers (Table 14)

Table of Contents

Debt Capacity

- 282 Legal Debt Margin - General Obligation Bonds (Table 15)
- 284 Ratio of Debt Service Expenditures for General Bonded Debt to General Governmental Operating Expenditures - Budget Basis (Table 16)
- 286 Pledged - Revenue Bond Coverage (Table 17)
- 288 Ratio of Outstanding Debt by Type (Table 18)
- 289 Governmental & Business-Type Activities Debt per Capita (Table 19)
- 290 Direct and Overlapping Bonded Debt (Table 20)

Economic and Demographic Information

- 293 Demographic Statistics (Table 21)
- 294 Principal Employers (Table 22)

Operating Information

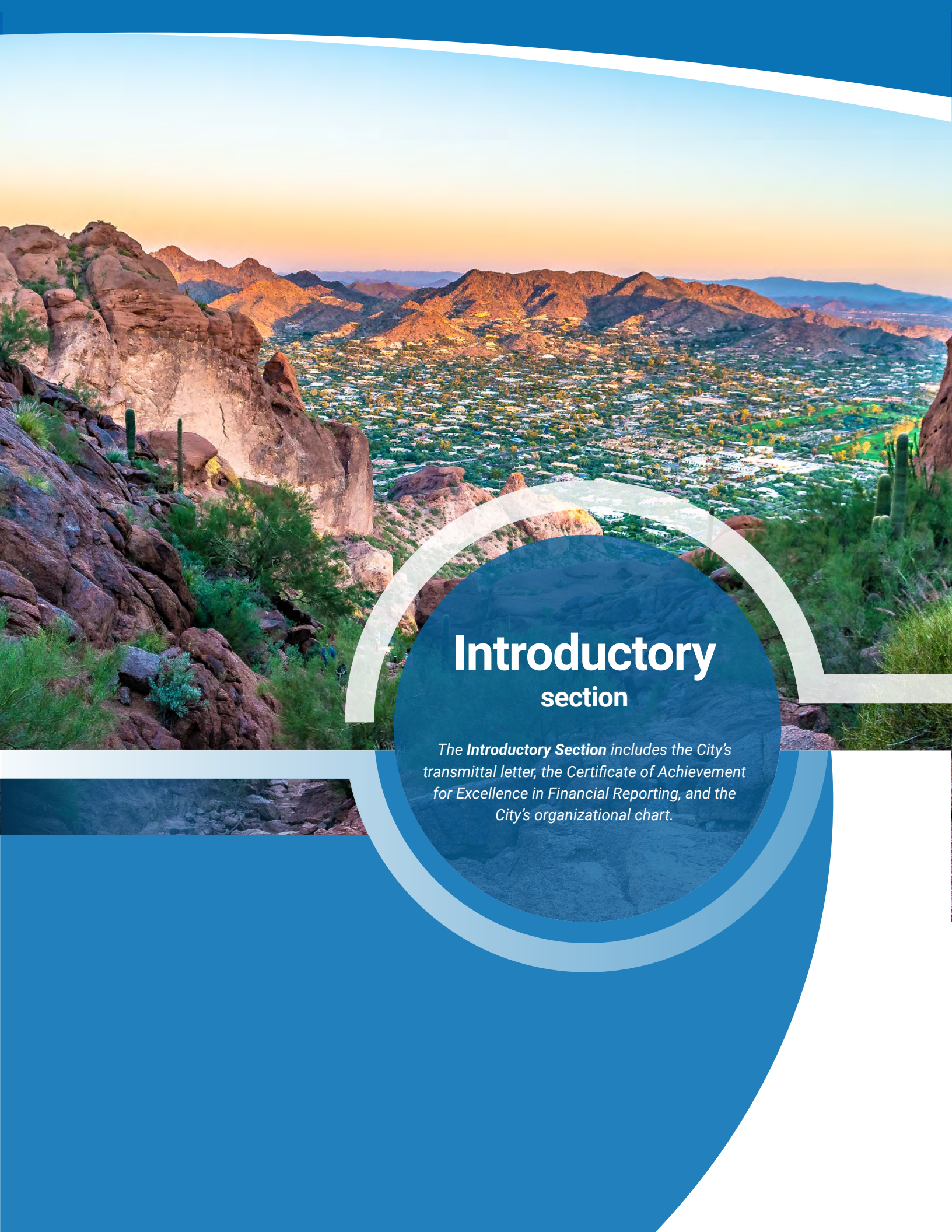
- 298 Statistical Profile (Table 23)

Other Supporting Schedules

- 306 Summary of Operating Funds - Budget Basis (Table 24)
- 308 Summary of Capital Project Funds - Budget Basis (Table 25)
- 312 Capital Improvement Program - Expenditures and Encumbrances (Table 26)
- 313 Transfers To/From Other Funds (Table 27)
- 314 Budgetary Transfers - Budget Basis (Table 28)
- 316 Bonds and Other Debt Payable (Table 29)

Debt Service Requirements

- 317 General Obligation Bonds Limited to Six and Twenty Percent of Assessed Valuation (Table 30)
- 318 By Type of Security to Bondholders and By General Purpose of Assets Acquired (Table 31)
- 319 Bond Ratings (Table 32)



Introductory section

*The **Introductory Section** includes the City's transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, and the City's organizational chart.*



City of Phoenix



City of Phoenix
FINANCE DEPARTMENT
FINANCIAL ACCOUNTING AND REPORTING DIVISION

December 22, 2025

Honorable Mayor and City Council

City Manager, Citizens and Stakeholders of the City of Phoenix

In accordance with the requirements of the City Charter, I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Phoenix, Arizona (the "City"), for the fiscal year ended June 30, 2025. These financial statements are prepared and presented in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To provide a reasonable basis for making these representations, the City has established a comprehensive framework of internal controls that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) beginning on page 7 provides a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

Independent Audits

The City Charter requires an annual audit by independent certified public accountants. The City's Audit Committee has selected the independent audit firm of Forvis Mazars, LLP to perform the audit of the City's ACFR for fiscal year 2024-2025. The Independent Auditor's Report on the financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund and the aggregate remaining funds is included in the financial section of this report.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments Act of 1996 and U.S. Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Forvis Mazars, LLP was also contracted to perform the single audit of the City's major grant programs. This audit was designed to meet the requirements of the Single Audit Amendments Act of 1996 and related OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Due to the size and complexity of the City's financial systems, the single audit report is issued separately from this ACFR. Copies are available upon request from the City's Finance Department, through the Financial Accounting and Reporting Division on the 9th floor of 251 W. Washington St., Phoenix, AZ, 85003, or on the City's internet site: <https://www.phoenix.gov/administration/departments/finance/financial-reporting/single-audit-report.html>.

City Profile

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and infrastructure; as well as recreational and cultural activities. The City's five enterprise funds provide

aviation, convention, water, wastewater and solid waste disposal services. In addition, standards set by the GASB regarding the inclusion of certain entities based upon the significance of their operations or financial relationships with the City, require that the activities of the City of Phoenix Employees' Retirement System ("COPERS"), the City of Phoenix Civic Improvement Corporation ("CIC"), the Park Central Community Facilities District ("PCCFD"), the Verdin Community Facilities District ("VCFD"), the Phoenix Housing Financing Corporations ("PHFC"), and the Phoenix Industrial Development Authority ("Phoenix IDA") be included in the reporting entity. The Phoenix IDA also administers the Phoenix Community Development and Investment Corporation, known as PCDIC.

Phoenix is the fifth largest City in the United States, the state capital of Arizona, and the center of the metropolitan area encompassed by Maricopa County. This metropolitan area also includes the cities of Mesa, Glendale, Tempe, Scottsdale, Chandler, Peoria, Goodyear, Tolleson, El Mirage, Surprise, Litchfield Park and Avondale; the towns of Buckeye and Gilbert; and all unincorporated areas of the County. Phoenix is situated 1,117 feet above sea level in the semi-arid Salt River Valley. The area is widely known for its mild winters, having over 300 days of sunshine a year, a variety of outdoor recreation activities, and its proximity to the Grand Canyon National Park.

Phoenix was founded in 1870 as an agricultural community, and in 1881 was incorporated as a City. Phoenix operates under a Council-Manager form of government as provided by its Charter, which was adopted in 1913. Under this organizational structure, the Mayor and Council appoint a city manager to act as the chief operating officer. The Mayor and City Council set policy direction, and the city manager implements those policies in an efficient and effective manner. In 1982, an initiative was passed by the Phoenix voters creating a district system for electing council members, and the number of Council seats was increased from six to eight. The Mayor is elected at-large, while Council members are elected by voters in each of eight separate districts they represent. The Mayor and each Council member have equal voting power.

The City has grown steadily since its inception and has shown especially strong growth since 1950. In 1950, the City occupied 17 square miles with a population of almost 107,000, ranking it 99th among American cities. The 1990 census recorded Phoenix's population at 983,403 and the 2010 census recorded Phoenix's population at 1,447,128. As of June 30, 2025, the City encompassed 520.1 square miles, with the City of Phoenix estimating the population at 1,709,885.

Budgeting Systems and Controls

The City maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget adopted by the City Council. An operating budget is legally adopted by ordinance each fiscal year for the General Fund, Secondary Property Tax Debt Service, City Improvement Debt Service, enterprise funds and several special revenue funds on a modified accrual basis plus encumbrances. The level of legal budget control is by fund, except the General Fund for which the control is by program.

After tentative adoption of the budget, the Council may make changes, but may not increase the budget totals except in those areas exempted by State budget law. The exemptions apply to Federal funds, Arizona Highway User funds, debt service and bond funds. After final adoption, transfers between budget appropriations for non-exempt areas may be made by the City Council. Throughout the budget year, the Council may also appropriate additional general purpose funds by use of a contingency appropriation reserved to cover emergencies or other necessary expenditures as determined by the Council. Supplemental appropriations may be adopted for expenditures exempt from the State expenditure limitation, such as federally-funded programs, provided funds are available. State law requires the City to re-budget (reappropriated) funds for the completion of contracts which were originally budgeted for and encumbered in a previous fiscal year. This law necessitates an additional appropriation ordinance to re-budget funds for contracts not completed by June 30.

Economic Condition and Outlook

Phoenix is the fastest-growing city in the U.S. during the last decade and ranks in the top three nationally for economic growth. Driven by entrepreneurship and producing a wide range of valuable jobs, the City remains a top-notch performer in many major industries, including manufacturing, technology and bioscience healthcare. Phoenix continues to implement policies and standards to remain structurally balanced, maintain or improve current service levels, and attract wealth-generating companies.

Business attraction is a primary focus point to help diversify the City's economic base by expanding and relocating businesses to Phoenix. Significant projects that came to be as a result of those efforts during the last year include, Mayo Clinic's announcement of a \$1.9 billion expansion of its North Phoenix campus; and the unveiling by multiple

development partners of the 2,300 acre, \$7 billion Halo Vista mixed-use development that will complement the Taiwan Semiconductor Manufacturing Company (TSMC) campus and be home to the Sonoran Oasis Research and Technology Park. During fiscal year 2024-25, the City's business attraction efforts included assisting 94 prospects that resulted in 20 companies locating in Phoenix. Those locates generated a three-year employment outlook that added 8,214 industry jobs at an average annual salary of \$86,296, and more than \$20 billion in new capital investment. Also, during the previous fiscal year, business retention and expansion efforts resulted in outreach to 615 businesses. As a result, 698 jobs were retained at an average annual salary of \$68,933, and more than \$202 million in new capital investment.

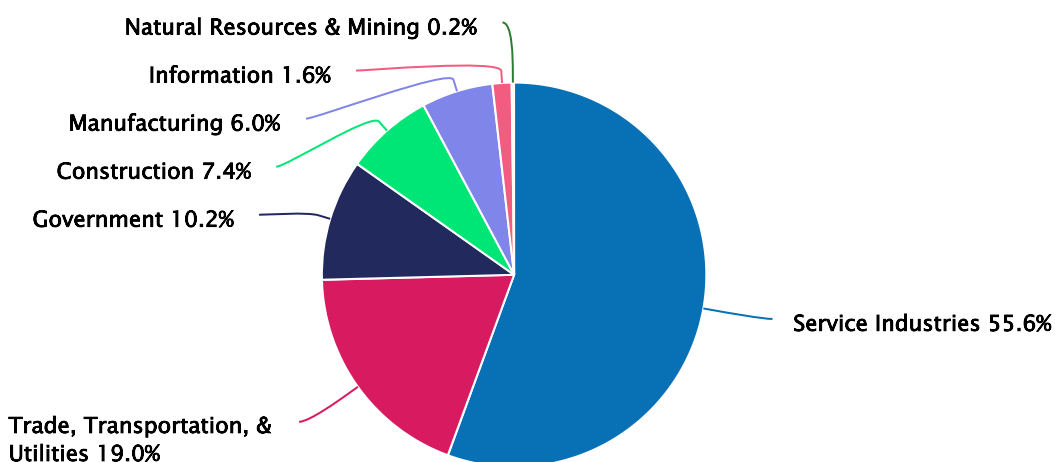
Phoenix Sky Harbor International Airport is America's Friendliest Airport. It has a \$121.5 million daily economic impact. On a typical day: more than 1,300 aircraft arrive and depart, more than 143,000 passengers arrive and depart, and more than 900 tons of air cargo is handled. Flights at Phoenix Sky Harbor International Airport serve more than 120 domestic and 25 international destinations.

Below are the most up-to-date improvements to Phoenix Sky Harbor International Airport:

- Terminal 3 New Concourse - Construction commenced in 2025 to add approximately 173,000 square feet of space, just east of the existing north concourse, in Terminal 3 at Phoenix Sky Harbor International Airport. The new concourse will add six new gates to the terminal, along with functional upgrades. The project incorporates sustainable and modern infrastructure to support both passenger and operational efficiencies and accommodations.
- New Crossfield Taxiway Design – Design for a new crossfield taxiway was procured in 2022. The new taxiway, to be named Taxiway Uniform, will be located on the west side of the airport, and will connect Taxiway Charlie on the north to Taxiway Delta on the south. A portion of this project will be paid for using Bipartisan Infrastructure Law grant funds.

Phoenix also prioritizes investing in its workforce and is focused on deepening employer engagement, expanding access to services through innovative outreach, and strengthening internal systems to support the future of workforce development. Through strategic partnerships with the Phoenix Business and Workforce Development Board, local universities, community colleges, and the business community, the City leverages resources to develop talent pipelines tailored to meet industry needs. This past year, workforce development efforts included expanding registered apprenticeship opportunities in the semiconductor industry, and deployment of a new state-of-the-art Mobile Career Unit (MCU). The MCU initiative resulted in 463 contingent job offers to residents. The Phoenix area's manufacturing workforce is much more concentrated in high technology than other areas in the United States. According to U.S. Bureau of Labor Statistics, the primary employment sectors and their share of total employment in Phoenix is presented in the graph below:

Employment Sectors



Major employers of the Phoenix metropolitan area include Banner Health, Amazon.Com Inc, State of Arizona, Walmart Inc, Arizona State University, University of Arizona, Fry's Food Stores, HonorHealth, Dignity Health Arizona, and City

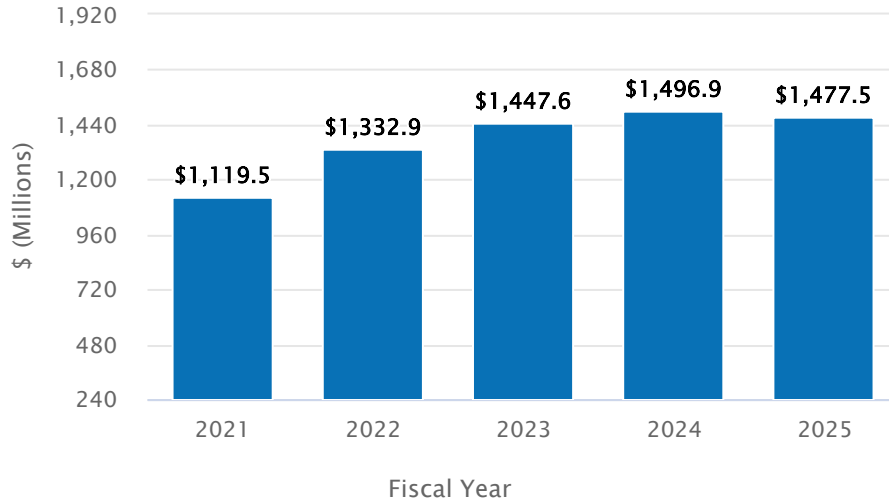
of Phoenix. The top ten property taxpayers, based on limited net assessed valuation, are Arizona Public Service Company, Southwest Gas Corporation (T&D), Salt River Project (T&D), Esplanade Owner LLC, Qwest Corporation, Host Kierland LP, Phoenix Plaza PT LLC, Target Corporation, United Services Automobile Association, and CRP LDF 55th Ave LLC. These taxpayers make up 5.9% of the total limited net assessed valuation.

According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area grew by an average of 8.7% per year from 2013 through 2023 and grew 0.6% in 2024. This growth was supported by gains in personal income averaging 6.9% annually from 2013 through 2023 and grew 5.7% in 2024. The Greater Phoenix Blue Chip Economic Forecast estimates a 3.5% increase in retail sales and a 5.3% increase in personal income in 2025.

In fiscal year 2015-16, the primary assessed valuation and the secondary assessed valuation were combined into a single valuation of \$10.6 billion. Between fiscal years 2015-16 and 2024-25, the assessed valuation increased by 62.3% to \$17.2 billion. The assessed valuation increased another 3.5% to \$17.8 billion for fiscal year 2025-26. City total property tax rate (primary and secondary) for fiscal year 2025-26 was set to \$2.08 per \$100 assessed valuation.

The City of Phoenix maintains strong credit ratings. Recent rating actions by Moody's Investor Service (Moody's), S&P Global Ratings (S&P), and Fitch reflect the City's strong financial position and strategic debt management. The General Obligation bonds ratings were affirmed by Moody's (Aa1), S&P (AA+), and Fitch (AAA). The Junior Lien Airport bonds ratings were affirmed by Moody's (Aa3) and S&P (A+) with S&P updating the outlook to positive. During a surveillance review, the Rental Car Facility bonds were upgraded by Moody's to A2 with a stable outlook. The rating upgrade reflects the improved debt service coverage and strong debt service reserves. These overall ratings reflect the efforts of the elected officials and City Management whose decisions ensure the City maintains a strong financial position. Finances remain in a healthy position, supported by prudent budget management and revenue growth driven by the City's strong economy.

City Excise Taxes



As indicated above, City excise taxes, consisting primarily of City sales taxes, decreased from \$1,496.9 million in fiscal year 2023-24 to \$1,477.5 million in fiscal year 2024-25. This is a decrease of \$19.4 million, or 1.3%. The largest decreases in these taxes were in apartment/residential rental and construction contracting while use tax, retail, and property rental increased from the prior year - see Table 7 for additional information.

Long-Term Financial Planning

The City's financial planning process is primarily driven by the budget process. This process includes the annual operating budget, which is prepared on a modified zero-base budgeting process. This includes an annual base budget for each City department that is subjected to a detailed technical review and is adjusted for base reductions or supplementals (budget additions) based on revenue and expenditure forecasts. City departments are required to review their budgets after the third month of the fiscal year (3+9), and information is updated after the seventh

month of the fiscal year (7+5). The budget process also includes input from the departments, the City Manager's Office, City Council, and citizens including numerous community budget hearings. The City Council formally adopts the budget for the following year in mid-June.

As part of the annual budget process, departments also submit five-year capital plans for review and approval based on available funding. The capital plans are updated annually and approved by the City Council and serve as the primary drivers of the long-term financial planning process. As part of this process, revenue forecasts of property tax revenues, excise taxes, and user fees related to enterprise funds are updated annually in order to determine the long-term funding availability.

The enterprise departments routinely update their long-range capital and financial plans. This process has been very valuable in determining the rates necessary to support the enterprise funds and their capital programs and in identifying industry trends. The process has allowed the enterprise departments to adjust their capital spending and operations accordingly.

Major Initiatives

The City of Phoenix adopted a strategic plan to help guide decision-making at all levels of the organization and focus the City's efforts on its core businesses that facilitate the City's mission: to improve the quality of life in Phoenix through efficient delivery of outstanding public services. A representation of fiscal year 2024-2025 accomplishments is featured below.

Economic Development and Education

In April 2025, TSMC was awarded \$6.6 billion from the Department of Commerce and approximately \$5.0 billion in loans. This came with the announcement of a third fab that will produce the most advanced leading-edge semiconductors in the United States, bringing investment in Phoenix to over \$65.0 billion.

The redevelopment of Metrocenter achieved a milestone with the commencement of demolition work. Demolition will take about 12 months and will clear the way for future development. The \$850.0 million project features 1,100 condominium townhomes, and a 100,000-square-foot retail village with a public plaza adjacent to the Metro Parkway Light Rail Station at the Thelda Williams Transit Center.

Financial Excellence

Balanced and Responsive 2024-25 Budget – In June 2024, the proposed FY 2024-25 budget was unanimously approved by the City Council and included the City Manager's recommendation of setting aside an \$80 million surplus to address future deficits. The Budget and Research Department forecasted deficits of \$(92) million and \$(31) million in FY 2025-26 and FY 2026-27 respectively. These projected shortfalls were due to actions from the State to eliminate residential rental sales tax (SB 1131) effective January 2025 and to lower the individual income tax rate to the current "flat tax" of 2.5 percent (SB 1828), which negatively impacted state shared revenues. The recommendation and decision to set aside the \$80 million surplus demonstrated strong fiscal leadership and responsibility in addressing the impact on the City's budget caused by the State.

Infrastructure

100 West Washington - 911 Call Center – The first phase of construction was completed in May 2025, at which time the Communications Bureau (911 and police dispatch) began operations. The Communications Bureau will be located on the top three floors of the tower and include state-of-the-art workstations to support employees providing vital citywide 911 and police dispatch services. Substantial completion for all remaining construction at 100 West Washington is scheduled for November 2025. Public services are expected to commence in the first quarter of Calendar Year 2026.

Innovation and Efficiency

Citywide Accessibility Improvements – Several departments demonstrated a commitment to improving accessibility throughout the city by updating physical infrastructure, improving the digital environment, and raising social awareness and participation. In August 2024, the City Manager's Office, in coordination with the Mayor's Office, created the Strategic Work Group on Accessibility. The group was charged with creating a strategic framework that promoted awareness and participation regarding accessibility issues and would provide City departments with recommendations that advance the social, physical, and digital embeddedness of accessibility. The Americans with Disabilities Act (ADA) Compliance Program team collaborated with the Mayor's Commission on Disability Issues to update the City of Phoenix Building Standards to achieve an above minimum on ADA construction. In

May 2024, the Parks and Recreation Department opened a fully inclusive, accessible playground at Encanto Park with a wheelchair-accessible glider, a communications board for non-verbal users, and other accessible features. In addition, sidewalks in 47 parks and 30 parking lots across the city were repaired to enhance accessibility, ensuring more inclusive access for all visitors. In 2024, for the first time in over 30 years, the Phoenix Public Library provided library services and resources throughout Phoenix with a Bookmobile. The Bookmobile is retrofitted with incredible technology and includes an accessible lift for ADA access and a 20-foot retractable awning to provide shade and shelter for outdoor access and activities.

Neighborhoods and Livability

Phoenix Trails and Heat Safety Program – The Phoenix Fire Department, Parks and Recreation Department, Office of Heat Response and Mitigation, and Communications Office worked collaboratively through the summer to reduce emergency incidents at Phoenix Mountain Parks and Preserves. Mountain rescues are challenging and amplified by extreme temperatures. Through the implementation of trail restrictions on extreme heat days and enhanced public education efforts, the City has seen a steady decrease in mountain rescues at the trails with the highest volume of hikers in the hot summer months. In 2024, there were 35 mountain rescues. This represented a nearly 40 percent decrease from 57 rescues in 2021, when the Parks and Recreation Board adopted the Trails and Heat Safety policy.

Phoenix Team

Inaugural 602 Day Celebration – The Human Resources Department (HR) played a key role in coordinating the newly created 602 Day in June 2024, a local holiday celebrating Phoenix as a great place to live, work, and enjoy life. HR staff led the employee engagement initiatives, providing an opportunity to recognize the incredible contributions City of Phoenix employees make to the community. This included pop-up celebrations at City Hall, 602 Day shout-outs, and 602 Day swag. Over 800 employees participated, and 654 kudos were sent citywide. The Communications Office led the Communications and Marketing Work Group for the City's inaugural 602 Day in June 2024. Efforts resulted in more than 60 minutes of earned media coverage across multiple outlets and platforms with a reach of 1.3 million in television or broadcast and 360,000 in radio, for a total local market publicity value of \$107,000. The online news publications had a total reach of 34.2 million. The Communications Office published 170 official social media posts, earning 665,000 impressions, 21,000 engagements, and 37,000 website views.

Public Safety

Fire Department Cooling Bags – The Fire Department partnered with multiple hospitals throughout the City to implement a new treatment protocol for hyperthermia patients. Members developed this treatment to rapidly cool patients experiencing heat emergencies, especially among the most vulnerable populations. This new treatment effectively decreased mortality and long-term health deficits in patients across 311 incidents from May 1, 2024, to October 15, 2024.

Social Service Delivery

Point in Time Count and New Shelter Beds – In 2024, the Office of Homeless Solutions (OHS) continued its efforts to create temporary and permanent shelters, as the City aims to decrease the number of unsheltered people in the community. According to the Phoenix-specific data in the 2024 Point-in-Time Count, there was a 15 percent increase in the number of sheltered individuals and a 19 percent decrease in the number of unsheltered individuals compared to 2023. This positive change is a result of the City of Phoenix's ongoing investment in creating new shelter beds and connecting individuals with services in Phoenix. The City's investments in homeless solutions include the creation of 592 indoor shelter beds in 2022, 482 temporary shelter beds in 2023, and an additional 380 indoor shelter beds in 2024. There are an additional 440 beds in process and expected to be completed during 2024-25.

Housing Phoenix Plan Update – As of June 2024, the Housing Phoenix Plan (HPP) had met 89 percent of its goal of creating or preserving 50,000 housing units by 2030; 44,677 units had been created and preserved, with 23 percent being affordable housing units.

Sustainability

Drought Incentive Programs – The City's first grass removal incentive program was launched in 2025. Water Services staff have issued a Notice to Proceed to Desert Shores Homeowner's Association for their grass removal to xeriscape landscape conversion project. Desert Shores has submitted to remove 47,824 square feet of grass and staff has allocated an incentive amount of \$95,648 for project completion. The Water Services Department worked with the Finance Department to establish a drought incentive program this year and develop, test, and implement a customer

request form within myPHX311, allowing customers to submit requests for drought incentives to increase water conservation.

Technology

City Manager's Performance Dashboard 2.0 Enhancement – The Office of Innovation led the City Manager's Performance Dashboard 2.0 enhancement process. The enhancement features 42 new performance metrics created through community and internal surveying and feedback from the Mayor and City Council. More than 165 metrics are active across 32 departments. Since 2022, the dashboard has had more than 67,000 page views.

Awards and Recognition

Phoenix Police Honored with National Award for Community Outreach - The Phoenix Police Department was recognized nationally for its innovation in reaching the community served and commitment to crime victims. The Department was honored with the Versaterm Innovation Award for 2025. The first-place national award recognizes public safety agencies, forensic labs, court systems, schools and others that use any Versaterm solution to help solve their problems that results in better outcomes for their organization and respective communities. This annual award celebrates the Department's problem-solving efforts and showcases its commitment to its community. The Phoenix Police Department implemented CommunityConnect in August 2024 to strengthen its commitment to those who call police for help and those who are victims of crime. CommunityConnect is an automated customer service solution that sends text messages and emails directly to 9-1-1 callers and crime victims along with mobile-friendly surveys to community members who interact with its officers. This tool has proven successful in a number of ways including strengthening the trust of the community by keeping them updated on the status of their calls and case, while providing critical data to our Department to make better informed operational decisions. Most recently, the Department's use of CommunityConnect has been expanded to include a function that allows survivors the ability to check the status of their Sexual Assault Evidence Kit 24/7. The enhancement provides additional resources to support survivors through this difficult process and is an important part of the City's victim centered, trauma-informed approach to sexual assault survivors. Members of the Phoenix Police Department were on hand to receive the award at the Re:Invent 2025 Users conference in Salt Lake City.

Phoenix Recognized as a National Leader in Affordable Housing Development - Phoenix earned a spot as one of the top 10 cities leading the way in affordable housing development, according to a recent report by Yardi Matrix. The report underscored Phoenix's commitment to expanding affordable housing options and the City's proactive approach to addressing the growing need for accessible living spaces for all residents. The most recent Yardi Matrix National Affordable Housing Report ranked Phoenix 9th in the nation for most fully affordable (private sector) units under construction, with more than 1,000 units currently in progress. The report also listed Phoenix as one of six cities nationwide expected to deliver more than 2,000 fully affordable housing units in 2025, with 2,688 affordable units planned in Phoenix this year. According to Yardi, the Yardi Matrix multifamily database tracks more than 25,000 fully affordable properties with over 3.3 million units. The Phoenix Housing Department's leadership in creating and preserving affordable housing can be attributed to strategic initiatives such as the Housing Phoenix Plan (HPP), under the direction of the Mayor and City Council. In December 2024, the City of Phoenix surpassed its goal of creating or preserving 50,000 housing units by 2030, more than 5 years and 3,000 units ahead of schedule. The most recent Quarterly Report, showed the City added an additional 3,000 housing units since January 2025, bringing the total units created or preserved through the HPP to 56,227. The City recognizes the critical need for more affordable housing in our community and will continue to be a leader in housing through dedicated policies and creative partnerships to create lasting solutions for residents.

Phoenix Named a Winner in 2025 Smart Cities North America Awards - The City of Phoenix was named a winner in the 2025 International Data Corporation (IDC) Smart Cities North America Awards for the Chilled Drinking Water in Public Spaces Initiative. IDC's Smart Cities Awards recognize successful projects and initiatives that use technology innovation to solve challenges, in partnership with communities and the smart city ecosystem. Launched by the Phoenix Office of Innovation in January 2025, in partnership with Downtown Phoenix Inc., the Chilled Drinking Water Initiative is expanding access to chilled drinking water in areas where people bike, walk and use public transportation. The pilot includes three custom-designed water stations with bottle fillers located near Phoenix City Hall, Council Chambers, and along the Sonoran Bicycle Pathway into Downtown Phoenix. More than 500 residents and businesses provided input through surveys and at the Innovate PHX Challenge hackathon at Venture Café Phoenix. The systems include heat-mitigating technologies to withstand extreme summer temperatures, and remote-sensing to track water use and provide leak detection. Of those surveyed, the majority said that the most important factor is that the units are clean and well-maintained. Downtown Phoenix Inc. provides daily cleaning and wayfinding services in the

Downtown area and HandsOn Greater Phoenix, and community organizations and volunteers are supporting those beyond Downtown. Since launching, the pilot stations have delivered the equivalent of more than 116,000 average size bottles of water to residents and visitors, while reducing single-use plastic waste. Additional units are currently being installed in areas across Phoenix. IDC's 2025 Smart Cities North America Awards were presented to the winning Smart Cities and Communities at the Smart Cities Connect conference in San Antonio, TX, April 14 – 16, 2025.

City of Phoenix: One of Arizona's Best Employers 2024 - The City of Phoenix has been named one of the best employers in Arizona by Forbes. America's Best Employers by State 2024 have been identified in an independent survey from a vast sample of over 160,000 employees working for companies employing at least 500 people within the U.S. The ranking is open to companies from all industry sectors. Around 4.4 million employer evaluations were considered, and 1,294 organizations made the list. The consideration of data from three years allowed a robust differentiation between organizations that consistently perform well from those that may only have had a single good year. An employer's final score is determined on a state-by-state basis and is built upon two types of employee evaluations: 1. Personal Evaluations: Employees' willingness to recommend their own employers to friends and family. 2. Public Evaluations: Recommendations from friends and family members of employees, or members of the public who work in the same industry- also known as indirect evaluations. Based on the study results, The City of Phoenix is honored to be recognized on the Forbes list of America's Best-In-State Employers 2024. This prestigious award is presented by Forbes and Statista Inc., the leading statistics portal and industry ranking provider.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received this award continuously since 1976. The ACFR for the fiscal year ended June 30, 2025 is being submitted to GFOA for consideration of Certificate of Achievement indicating the City's commitment in continuing to meet program requirements.

The GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Phoenix Aviation Enterprise Fund for its annual comprehensive financial report for the fiscal year ended June 30, 2024. The Aviation Enterprise Fund has achieved this honor each year since 2016.

The component unit financial report for COPERS for the year ended June 30, 2024 was also awarded a GFOA Certificate of Achievement. COPERS has received this award each year since 1985.

Further, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024. The Outstanding Achievement award is a prestigious national award recognizing conformance with the highest standards for preparation of local government popular reports. PAFR content has to conform to program standards of creativity, presentation, understanding and reader appeal.

Acknowledgments

I want to thank the staff of the Finance Department for their efforts in preparing this report and all City departments for their cooperation and assistance throughout the past year. I also want to thank the City Manager and his staff, and the Mayor and City Council in providing leadership and taking necessary actions to continue a standard of financial excellence for the City.

Respectfully submitted,

Kathleen Gitkin

Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

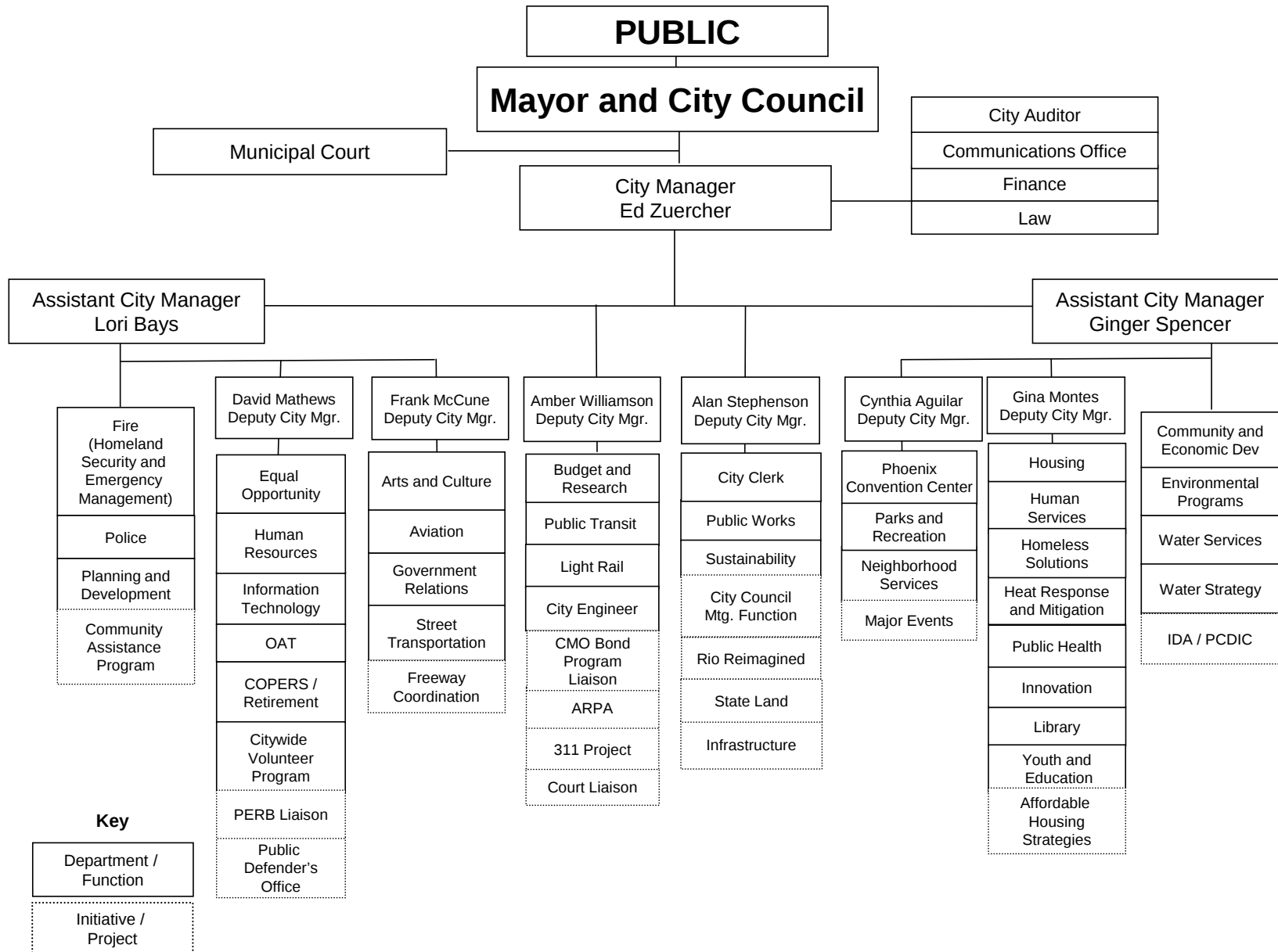
**City of Phoenix
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Effective: December 22, 2025



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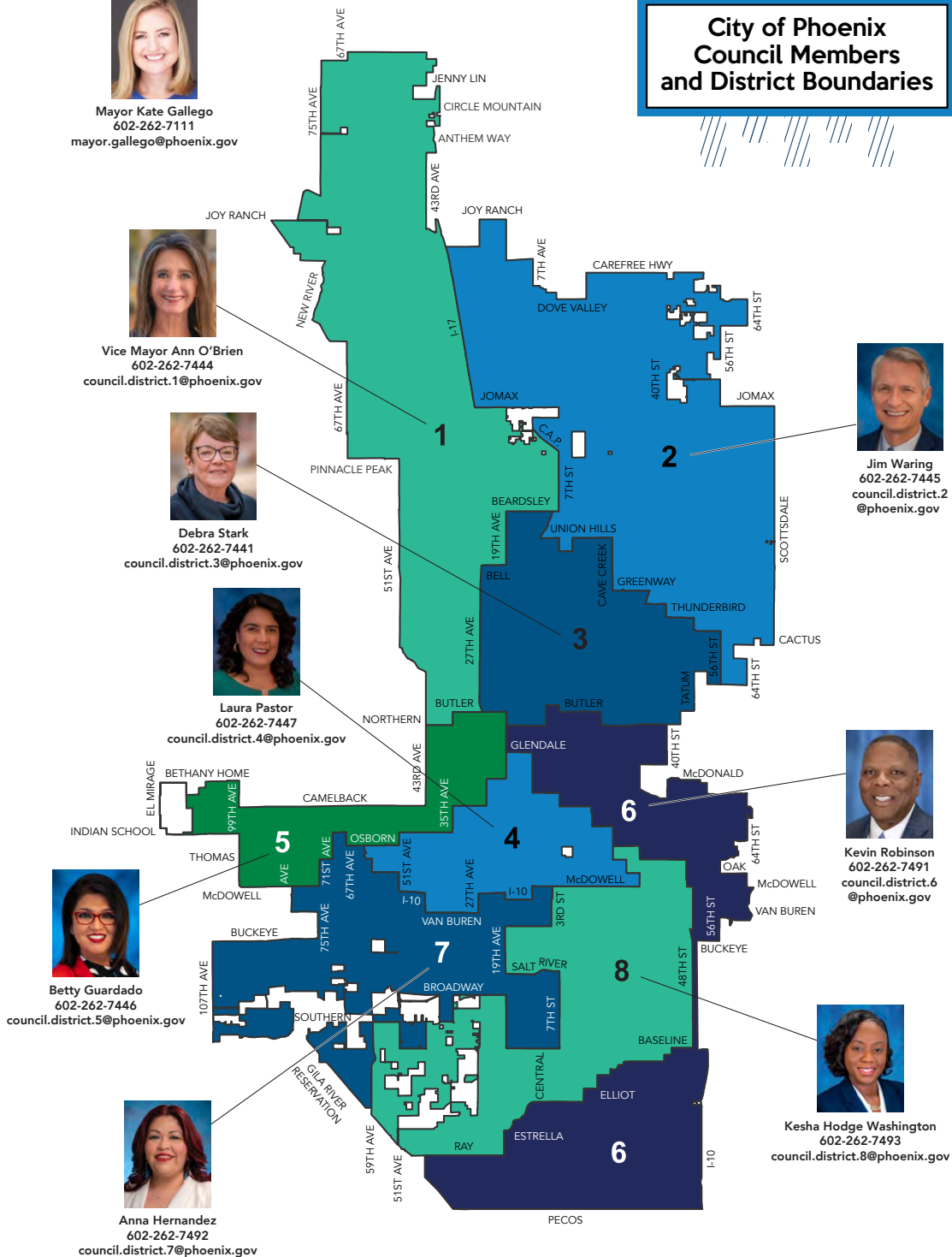


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City of Phoenix Council Members and District Boundaries





City of Phoenix



Financial section

*The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, and Other Supplementary Information.*



City of Phoenix

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Independent Auditor's Report

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

Opinions

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

In our opinion, based on our audit and the report of the other auditors, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and transit special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Regional Wireless Cooperative, a joint use agreement of the City, which represents less than 1% of the assets and total revenues and 1% of net position of the governmental activities of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the joint use activity related to the Regional Wireless Cooperative, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Forvis Mazars, LLP is an independent member of Forvis Mazars Global Limited

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, including the nonmajor governmental combining fund financial statements, enterprise funds financial statements, fiduciary funds combining statements, and Phoenix Housing Financing Corporations (component unit) combining statements, 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

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

to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the nonmajor governmental combining fund financial statements, enterprise funds financial statements, fiduciary funds combining statements, and Phoenix Housing Finance Corporations (component unit) combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, nonmajor governmental funds budgetary schedules, enterprise funds budget and actual schedules, the statistical section, and the other supporting schedules section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Forvis Mazars, LLP

Dallas, Texas
December 22, 2025



City of Phoenix

The cover page features a large circular graphic in the center, outlined in white, which contains the title text. The background is a photograph of tall green reeds with brown seed heads, partially obscured by a solid blue geometric shape at the bottom and a horizontal blue band across the middle. The text is centered within the circle.

Financial Section
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**MANAGEMENT'S
DISCUSSION AND
ANALYSIS**

(required supplementary information)



City of Phoenix

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**(Unaudited)**

As management of the City of Phoenix, Arizona, we offer the following narrative overview and analysis of the financial activities of the City of Phoenix, Arizona (the City) for the fiscal year ended June 30, 2025. Readers are encouraged to consider this overview and analysis in combination with the traditional letter of transmittal that can be found in the Introductory Section of this report.

FINANCIAL HIGHLIGHTS

- On the Government-Wide Financial Statements, total assets plus deferred outflows of the City exceeded its total liabilities plus deferred inflows at the close of the fiscal year by \$11.8 billion (net position), which represents an increase of \$1.4 billion, or 13.4%, as compared to fiscal year 2023-24. The increase in net position for Governmental Activities is primarily the result of decreased pension and OPEB expenses. The increase in net position for Business-Type Activities is primarily attributable to increased revenues from the Aviation and Water Enterprise Funds, which experienced increased levels of passenger enplanements and water production, respectively. Additionally, the Phoenix metropolitan area hosted the WNBA All-Star game in July 2024.
- On the Government-Wide Financial Statements, the City's total cash and investments of \$4.8 billion at June 30, 2025 may be used to meet the City's ongoing obligations to citizens and creditors.
- The first issuance of the 2023 General Obligation Bond Program was \$233.0 million. The purpose of the issued bonds is to enhance community safety through fire, police, roadway, and pedestrian infrastructure; improve quality of life in Phoenix neighborhoods; create an efficient, modern Phoenix to live and work; and enhance, preserve, and increase the supply of affordable housing and senior centers.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$2.7 billion, an increase of \$306.9 million from last fiscal year. Approximately 31.9% of the total governmental fund balance amount, or \$847.7 million, is designated by the City as committed, assigned and unassigned. The remaining 68.1%, or \$1.8 billion, is designated as non-spendable or restricted. See Note 3 for a detailed description of fund balance classifications per GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City Basic Financial Statements. The Basic Financial Statements are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the Basic Financial Statements themselves. Detail regarding the Basic Financial Statements follows.

1) Basic Financial Statements - Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City finances, in a manner similar to a private-sector business. They are presented in Exhibits A-1 and A-2 beginning on page 20 of this report. Summarized versions of these Exhibits are included in this MD&A.

The *Statement of Net Position*, Exhibit A-1, presents information on all of the City assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the components as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the City financial position.

The *Statement of Activities*, Exhibit A-2, presents information showing how the City net position changed during the 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. This is the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Both the Statement of Net Position and the Statement of Activities divide the functions of the City 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 cost through user fees and charges (*Business-Type Activities*). The Governmental Activities of the City include general government, criminal justice, public safety, transportation, community enrichment, community development and environmental services. The Business-Type Activities of the City include aviation, Phoenix convention center, water services, wastewater services and solid waste. In addition,

financial information is also presented for the City's discretely presented component units, which are the Phoenix Housing Finance Corporations and the Phoenix Industrial Development Authority. See Note 1 on page 47 for further discussion on the financial reporting entity.

Government-Wide Financial Statement Analysis

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2025.

Net Position. As noted above, net position may serve over time as a useful indicator of a government's financial position. The City's net position, the amount by which assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources, was \$11.8 billion at the close of the fiscal year.

The largest portion of the City's net position, \$9.4 billion, reflects its net investment in capital assets, e.g., land, buildings, improvements, equipment, and infrastructure, less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The following table summarizes Exhibit A-1, the detailed Statement of Net Position.

City of Phoenix Net Position as of June 30 (in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 6,013,471	\$ 5,530,514	\$ 4,213,198	\$ 4,130,103	\$ 10,226,669	\$ 9,660,617
Capital, lease, and subscription assets	6,557,075	6,095,805	8,646,049	8,363,151	15,203,124	14,458,956
Total assets	12,570,546	11,626,319	12,859,247	12,493,254	25,429,793	24,119,573
Deferred outflows of resources	939,275	978,945	82,842	101,940	1,022,117	1,080,885
Other liabilities	894,687	947,758	751,550	722,697	1,646,237	1,670,455
Long-term liabilities						
outstanding	6,771,815	6,723,459	5,506,804	5,806,553	12,278,619	12,530,012
Total liabilities	7,666,502	7,671,217	6,258,354	6,529,250	13,924,856	14,200,467
Deferred inflows of resources	408,607	280,580	278,188	279,428	686,795	560,008
Net position:						
Net investment in capital						
assets	5,261,654	4,797,695	4,125,776	3,858,886	9,387,430	8,656,581
Restricted	2,009,844	1,640,273	525,982	403,392	2,535,826	2,043,665
Unrestricted	(1,836,786)	(1,784,501)	1,753,789	1,524,238	(82,997)	(260,263)
Total net position	\$ 5,434,712	\$ 4,653,467	\$ 6,405,547	\$ 5,786,516	\$ 11,840,259	\$ 10,439,983

The *restricted* portion of the City's net position, \$2.5 billion, represents resources that are subject to external restrictions on how they may be used. Such restrictions include debt service payments, development impact fees restricted to growth-related projects, other capital projects and required reserves. The long-term liability associated with pensions and OPEB (\$5.1 billion) are included in the remaining balance, or the *unrestricted net position*, resulting in a deficit of \$83.0 million. The City's balance of \$4.8 billion in cash and investments, as shown on Exhibit A-1, may be used to meet current and ongoing obligations.

At the end of the fiscal year, the City had positive balances in all three categories of net position (1-net investment in capital assets, 2-restricted, and 3-unrestricted), for Business-Type Activities, but both the government as a whole and Governmental-Type Activities had a deficit balance in unrestricted.

Capital, Lease and Subscription Assets. The City's capital, lease, and subscription assets for the fiscal year ended June 30, 2025, totaled \$15.2 billion, net of accumulated depreciation. This represents an increase from the prior fiscal year of \$744.2 million, which includes an increase of \$461.3 million for Governmental Activities and an increase of \$282.9 million for Business-Type Activities. Major additions to capital assets during the fiscal year included the following:

- Various street and storm sewer projects throughout the City valued at \$175.1 million.
- Water and wastewater distribution and collection facilities projects valued at \$172.5 million.
- Aviation runway and taxiway construction valued at \$91.9 million.
- New and replacement water and sewer mains throughout the City valued at \$91.3 million.
- 100 West Washington renovations valued at \$84.4 million.
- Improvements to parks and trailheads throughout the City valued at \$63.8 million.

The following table provides a listing of the capital, lease, and subscription assets, net of accumulated depreciation.

City of Phoenix
Capital, Lease, and Subscription Assets
(net of depreciation)
as of June 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,429,385	\$ 1,313,417	\$ 690,244	\$ 692,362	\$ 2,119,629	\$ 2,005,779
Artwork	7,927	7,927	13,292	13,292	21,219	21,219
Construction-in-Progress	1,356,480	910,229	2,562,993	2,033,996	3,919,473	2,944,225
Buildings	780,727	830,839	1,728,479	1,829,532	2,509,206	2,660,371
Improvements	248,868	277,846	1,034,817	1,111,499	1,283,685	1,389,345
Infrastructure	2,275,948	2,294,143	1,904,098	1,901,599	4,180,046	4,195,742
Equipment	405,720	404,357	659,725	715,127	1,065,445	1,119,484
Intangible Assets	9,040	11,024	52,401	65,744	61,441	76,768
Right-to-Use Lease Assets	14,011	15,896	-	-	14,011	15,896
Right-to-Use Subscription Assets	28,969	30,127	-	-	28,969	30,127
Total	<u>\$ 6,557,075</u>	<u>\$ 6,095,805</u>	<u>\$ 8,646,049</u>	<u>\$ 8,363,151</u>	<u>\$ 15,203,124</u>	<u>\$ 14,458,956</u>

Additional information regarding the City's capital, lease, and subscription assets can be found in Note 9 of the financial statements.

Financial Obligations. The City's total financial obligations decreased by \$244.4 million, or 2.0%. This was primarily due to a decrease in the net pension liability during fiscal year 2024-25. For additional information about the City's financial obligations, see Note 10.

General obligation bonds are backed by the full faith and credit of the City. Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of a City's full cash net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a City's full cash net assessed valuation. In fiscal year 2025, the City issued \$233.0 million in new debt for various purpose projects. The general obligation bonds long-term balance was \$712.0 million, net of discounts/premiums and the City's available debt margin at June 30, 2025 was \$2.0 billion in the 6% capacity and \$6.3 billion in the 20% capacity. Additional information regarding the debt limitations and capacities can be found in Note 12 to the financial statements and also in Table 15 in the statistical section.

The City entered into certain agreements with the City of Phoenix Civic Improvement Corporation (the "CIC") an affiliated nonprofit corporation, for the construction and acquisition of certain facilities and equipment which resulted in \$5.9 billion of municipal corporation obligations net of discounts/premiums. Under the terms of these agreements, the CIC issued bonds to finance the facilities and equipment, and the City agreed to make lease and purchase payments sufficient to pay principal and interest on the outstanding obligations. The City also pays all expenses of operating and maintaining the facilities and equipment. In fiscal year 2025, the CIC issued \$264.6 million in new debt. Proceeds of \$180.0 million will be used to fund, or to reimburse the City for, the costs of acquiring, constructing, equipping and improving real and personal property. The remaining proceeds of \$84.6 million refunded Aviation bonds.

The following table illustrates the financial obligations of the City.

City of Phoenix
Financial Obligations
as of June 30
 (in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds, net	\$ 711,983	\$ 569,062	\$ -	\$ -	\$ 711,983	\$ 569,062
Loans from direct borrowings	-	-	5,185	6,554	5,185	6,554
Municipal corporation obligations, net	710,299	562,562	5,157,011	5,413,602	5,867,310	5,976,164
Community facilities districts, net	26,370	27,160	-	-	26,370	27,160
Insurance claims payable	224,530	223,058	-	-	224,530	223,058
Compensated absences	220,780	206,051	27,856	25,212	248,636	231,263
Landfill closure/Post-closure costs	-	-	17,380	17,384	17,380	17,384
Pollution remediation	-	30	1,050	1,125	1,050	1,155
Arbitrage liability	4,346	6,941	7,513	4,942	11,859	11,883
Lease / subscription liability	45,694	48,320	-	-	45,694	48,320
Net pension liability	4,765,842	4,982,912	275,364	310,475	5,041,206	5,293,387
Net OPEB liability	66,317	97,363	18,141	27,259	84,458	124,622
Total	\$ 6,776,161	\$ 6,723,459	\$ 5,509,500	\$ 5,806,553	\$ 12,285,661	\$ 12,530,012

Further detail pertaining to the City's financial obligations is available in Note 10 to the financial statements.

Changes in Net Position. Detail of the following summarized information can be found in Exhibit A-2, the Statement of Activities.

City of Phoenix
Changes in Net Position
For the year ended June 30, 2025
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 534,988	\$ 530,456	\$ 1,950,956	\$ 1,795,259	\$ 2,485,944	\$ 2,325,715
Grants and contributions						
Operating	610,713	601,670	-	-	610,713	601,670
Capital	202,009	256,134	171,544	148,719	373,553	404,853
General revenues						
Excise taxes	1,477,468	1,496,945	-	-	1,477,468	1,496,945
Other taxes	349,806	338,882	-	-	349,806	338,882
Grants/contributions not restricted to specific programs	752,642	838,435	-	-	752,642	838,435
Other	253,266	305,987	157,900	52,535	411,166	358,522
Total revenues	4,180,892	4,368,509	2,280,400	1,996,513	6,461,292	6,365,022
Expenses						
General government	205,802	194,616	-	-	205,802	194,616
Criminal justice	41,735	41,485	-	-	41,735	41,485
Public safety	1,553,479	1,582,485	-	-	1,553,479	1,582,485
Transportation	663,022	667,627	-	-	663,022	667,627
Community enrichment	410,047	449,437	-	-	410,047	449,437
Community development	341,974	340,979	-	-	341,974	340,979
Environmental services	43,775	42,883	-	-	43,775	42,883
Interest on long-term debt	65,522	48,332	-	-	65,522	48,332
Aviation	-	-	666,191	642,225	666,191	642,225
Phoenix convention center	-	-	125,501	111,397	125,501	111,397
Water services	-	-	525,888	471,296	525,888	471,296
Wastewater services	-	-	220,253	201,179	220,253	201,179
Solid waste	-	-	197,827	192,853	197,827	192,853
Total expenses	3,325,356	3,367,844	1,735,660	1,618,950	5,061,016	4,986,794
Increase in net position before transfers	855,536	1,000,665	544,740	377,563	1,400,276	1,378,228
Transfers - internal activities	(74,291)	(57,484)	74,291	57,484	-	-
Increase in net position	781,245	943,181	619,031	435,047	1,400,276	1,378,228
Net Position - July 1	4,653,467	3,710,286	5,786,516	5,351,469	10,439,983	9,061,755
Net Position - June 30	\$ 5,434,712	\$ 4,653,467	\$ 6,405,547	\$ 5,786,516	\$ 11,840,259	\$ 10,439,983

As shown on the previous page, Total Government net position increased by \$1.4 billion, or 13.4%, as compared to fiscal year 2023-24. Governmental Activities accounted for \$781.2 million, or 55.8%, of the increase and Business-Type Activities accounted for \$619.0 million, or 44.2%. The increase in net position for Governmental Activities is primarily the result of decreased pension and OPEB expenses in fiscal year 2024-25. The increase in net position for Business-Type Activities is primarily attributable to increased revenues from the Aviation and Water Enterprise Funds, which experienced increased levels of passenger enplanements and water production, respectively. Additionally, the Phoenix metropolitan area hosted the WNBA All-Star game in July 2024.

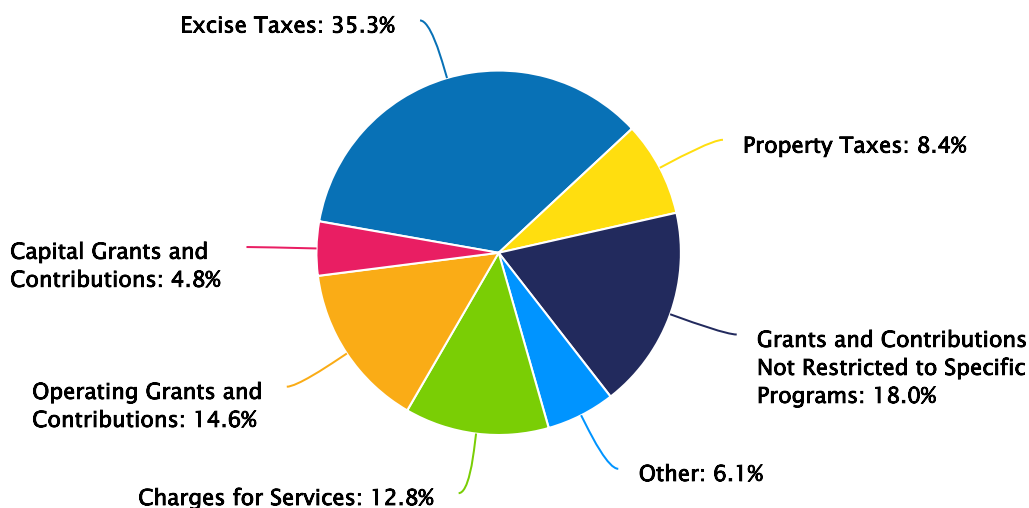
The total revenues for Governmental Activities decreased by \$187.6 million, or 4.3%, as compared to fiscal year 2023-24. The decrease in capital grants and contributions, grants and contributions not restricted to specific programs, and investment income of \$211.6 million, or 16.2%, was partially offset by an increase in property taxes and operating grants of \$20.0 million, or 2.1%, as compared to fiscal year 2023-24.

The Business-Type Activities' total revenue increased by \$283.9 million, or 14.2%, as compared to fiscal year 2023-24. This overall increase was led by the Aviation and Water Enterprise Funds. The Aviation Enterprise Fund's revenue increase is primarily the result of both passengers and airlines paying fees to use the airport facilities and increased grant revenue. Passenger enplanements increased by 3% compared to fiscal year 2023-24 which gave rise to more fees being collected from both passengers and airlines, and grant revenue increased by \$34.0 million due to the receipt of additional infrastructure grants in fiscal year 2024-25. The Water Enterprise Fund's operating revenues increased primarily due to higher water sales stemming from increased water production and an increase in customer accounts.

The Business-Type Activities' total expenses increased by \$116.7 million, or 7.2%, as compared to fiscal year 2023-24. This increase was primarily driven by higher expenses for both the Water and Wastewater Enterprise Funds, which experienced increases to operating expenses associated with higher levels of water production and wastewater treatment costs, respectively.

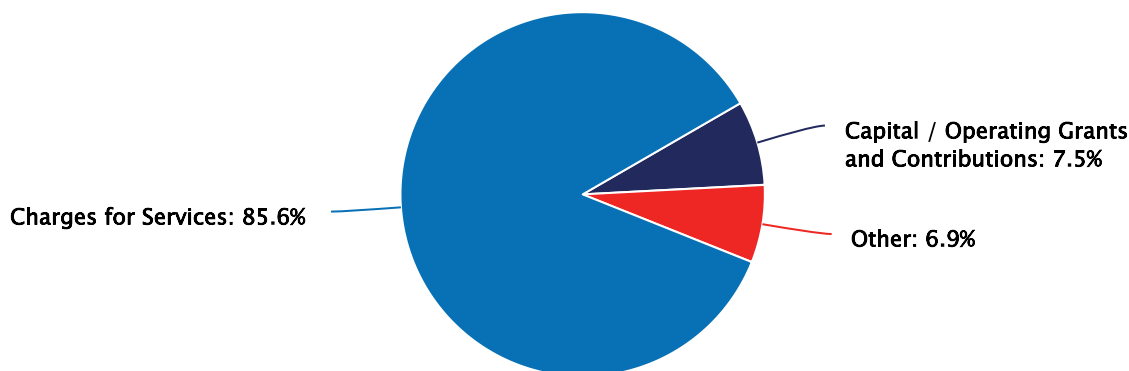
The sources of the revenues shown previously are portrayed in the following charts by percentage for the Governmental Activities and then the Business-Type Activities.

Revenues by Source – Governmental Activities Fiscal Year Ended June 30, 2025



As shown above, excise taxes, which include City sales and franchise taxes, are the largest source of revenue for the Governmental Activities comprising 35.3% of the total. Additional information about tax revenues is presented in Table 5 of the Statistical Section.

Revenues by Source – Business Type Activities Fiscal Year Ended June 30, 2025



As shown in this chart, charges for services account for the majority of the Business-Type Activities revenues, which is to be expected for these types of activities.

2) **Basic Financial Statements - Fund Financial Statements**

The Fund Financial Statements are presented in Exhibits B-1 through B-13 beginning on page 28 of this report. 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal activities. All funds of the City can be divided into three categories: Governmental Funds (Exhibits B-1 through B-8), Enterprise Funds (Exhibits B-9 through B-11) and Fiduciary Funds (Exhibits B-12 and B-13).

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, which are on a full accrual basis, 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, which is the modified accrual basis of accounting. Both the Governmental Funds Balance Sheet (Exhibit B-1) and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B-3) provide a reconciliation (Exhibits B-2 and B-4, respectively) to the *Governmental Activities* portion of the Government-Wide Financial Statements.

The City maintains twenty-five 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, Transit Special Revenue Fund, and the General Obligation/Secondary Property Tax Debt Service Fund which are considered to be major funds under Governmental Accounting Standards Board (GASB) Statement No. 34. Data from the other twenty-two Governmental Funds are combined into a single, aggregated presentation as Non-major Governmental Funds. Individual fund data for each of these non-major Governmental Funds is found in Exhibits C-1 and C-2.

The City adopts an annual appropriated budget for all City funds. A Budgetary Comparison Statement has been provided for the General Fund (Exhibit B-5) and the budgetary components of the Transit Special Revenue Fund (Exhibits B-6 through B-8) to demonstrate compliance with this budget.

Enterprise Funds. *Enterprise Funds* are a type of proprietary fund, and are the only type of proprietary fund currently maintained by the City. Enterprise Funds are used to report the same functions presented as *Business-Type Activities* in the Government-Wide Financial Statements. Enterprise Funds are used to account for the operation of Sky Harbor International Airport and two regional airports, Phoenix Convention Center, the water system, the wastewater system and solid waste disposal.

Enterprise Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Enterprise Fund Financial Statements (Exhibits B-9 through B-11 beginning on page 36) provide separate information for each of the five Enterprise Funds noted above as all are considered to be major funds of the City.

Fund Financial Statement Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related budgetary and legal requirements. The following is a brief discussion of financial highlights from the Fund Financial Statements.

Governmental Funds. The focus of the Governmental Fund Financial Statements (Exhibits B-1 through B-8 beginning on page 28) is to provide information on near-term inflows, outflows and balances of spendable resources (modified accrual basis). All major Governmental Funds are presented separately on these financial statements, while the nonmajor funds are combined into a single column. Combining statements for the nonmajor funds can be found in Exhibits C-1 and C-2.

The following table summarizes information found in Exhibits B-1 and B-3.

City of Phoenix
Changes in Governmental Fund Balances
Fiscal Year Ended June 30, 2025
(in thousands)

	Fund Balances June 30, 2024	Net Change in Fund Balances	Fund Balances June 30, 2025
General Fund	\$ 655,350	\$ (54,059)	\$ 601,291
Transit Special Revenue Fund	458,082	72,733	530,815
G.O./Secondary Property Tax	8,246	598	8,844
Nonmajor Governmental	1,232,422	287,641	1,520,063
Total	<u>\$ 2,354,100</u>	<u>\$ 306,913</u>	<u>\$ 2,661,013</u>
 Total Nonspendable	 38,552	 1,126	 39,678
Spendable - Restricted	1,419,087	354,518	1,773,605
Spendable - Committed, Assigned, Unassigned	896,461	(48,731)	847,730
Total Governmental Fund Balances	<u>\$ 2,354,100</u>	<u>\$ 306,913</u>	<u>\$ 2,661,013</u>

Note: See Exhibit B-1 and Note 3 for detailed information on fund balances.

As shown in the above table, at the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$2.7 billion, an increase of \$306.9 million, or 13.0% from last fiscal year. Of the total governmental funds combined ending balances, approximately 98.5% of this amount, or \$2.6 billion, constitutes *total spendable balance*. Of the spendable amount, there is \$847.7 million available at the City's discretion and has been categorized as committed, assigned or unassigned. The remaining \$1.8 billion, or 68.1%, is designated as non-spendable or restricted. Examples of fund balance restrictions include: Public Transit Operations, Debt Service and Road Maintenance and Construction. Non-spendable funds include inventory and prepaid items.

The General Fund is the main operating fund of the City and accounts for many of the major functions of the government including general government, criminal justice, public safety, transportation, community enrichment, community development and environmental services. As presented in the table above, General Fund balance decreased by 54.1 million, or 8.2%. This decrease in fund balance was primarily due to decreases in investment income and state income taxes.

The fund balance for the nonmajor governmental funds increased by \$287.6 million, or 23.3%, in fiscal year 2024-25. Capital Projects Funds accounted for most of the increase due to the issuance of new bonds in fiscal year 2024-25. Specifically, the fund balance for the Municipal Buildings and Service Centers Capital Projects Fund increased by \$198.8 million, or 122.1%, and the Police and Fire Protection Capital Projects Fund increased by \$69.2 million from a deficit balance of \$1.1 million in fiscal year 2023-24.

Governments have an option of including the budgetary comparison statements for the general fund and major special revenue funds as either part of the Fund Financial Statements within the Basic Financial Statements, or as required supplementary information (RSI) after the Notes to the Financial Statements. The City has chosen to present the General Fund budgetary statement (Exhibit B-5), and the budgetary components of the Transit Special Revenue Fund (Exhibits B-6 through B-8) in the Basic Financial Statements.

The following table summarizes Exhibit B-5.

**City of Phoenix General Fund
Budgetary Comparison Statement
Fiscal Year Ended June 30, 2025
(in thousands)**

	Final Amended Budget	Actuals	Variance Positive (Negative)
Revenues	\$ 490,507	\$ 509,571	\$ 19,064
Expenditures and Encumbrances	2,132,179	1,936,514	195,665
Deficiency of Revenues Under Expenditures and Encumbrances	(1,641,672)	(1,426,943)	214,729
Other Financing Sources	1,364,663	1,355,212	(9,451)
Net Change in Fund Balance	<u>\$ (277,009)</u>	<u>(71,731)</u>	<u>\$ 205,278</u>
Fund Balance July 1		293,513	
Fund Balance June 30		<u>\$ 221,782</u>	

The total actual revenues in the General Fund were more than 3.9% of the final amended budget and total expenditures were less than the final amended budget. The final amended general fund expenditure budget of \$2.1 billion includes \$148.9 million of contingency, of which \$22.2 million was utilized. The actual general fund budgetary expenditures for the fiscal year ended June 30, 2025, were \$1.9 billion which is \$195.7 million less than the amended budget (see Exhibit B-5). The actual general fund expenditures reflect department efficiencies and cost control during the fiscal year.

Enterprise Funds. The Enterprise Fund Financial Statements (Exhibits B-9 through B-11) are prepared and presented using the same accounting basis and measurement focus as the Government-Wide Financial Statements, but in more detail. The following table summarizes Exhibits B-9 and B-10.

**City of Phoenix
Changes in Enterprise Fund Net Position
Fiscal Year Ended June 30, 2025
(in thousands)**

	Net Position July 1, 2024	Change in Net Position	Net Position June 30, 2025
Aviation	\$ 2,110,984	\$ 246,210	\$ 2,357,194
Phoenix Convention Center	57,312	30,140	87,452
Water System	2,024,439	189,531	2,213,970
Wastewater	1,467,614	114,410	1,582,024
Solid Waste	126,167	38,740	164,907
Total	<u>\$ 5,786,516</u>	<u>\$ 619,031</u>	<u>\$ 6,405,547</u>

As shown in the table, net position for the Enterprise Funds increased in total by \$619.0 million during the fiscal year. The increases were due to increased revenues and investment income. The Aviation net position increased by

\$246.2 million, or 11.7%, due to an increase in passenger enplanements. The net position for the Phoenix Convention Center increased by \$30.1 million, or 52.6%, due to an increase in investment income. The increase in net position for both the Water System and Wastewater Enterprise Funds were attributable to strong revenues from operations, as well as intergovernmental revenue from the State of Arizona for public infrastructure projects. The Solid Waste Enterprise Fund net position increased during fiscal year 2024-25 due to more residences served.

3) Basic Financial Statements - Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes to the Basic Financial Statements can be found beginning on page 49 of this report. Additionally, governments are required to disclose certain information about employee pension funds. The City has provided this information in Note 20 to the financial statements and the required supplemental information.

ECONOMIC FACTORS

- The City's population as of June 2016 was 1,565,896. As of June 2025, the City has an estimated population of 1,709,885. This population growth represents a 9.2% increase over this ten-year span.
- The fiscal year 2025-26 assessed valuation increased 3.4% to \$17.8 billion.
- According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area grew by an average of 8.6% per year from 2013 through 2023, and grew 0.6% in 2024. This growth was supported by gains in personal income averaging 6.9% annually from 2013 through 2023, and grew 5.7% in 2024. The Greater Phoenix Blue Chip Economic Forecast estimates a 3.5% increase in retail sales and a 5.3% increase in personal income in 2025.
- The City of Phoenix maintains strong credit ratings. Moody's Investor Service upgraded the Rental Car Facility Bonds to A2 with a stable outlook, and S&P Global Ratings upgraded the Junior Lien Airport bonds outlook to positive. These ratings reflect the efforts of the elected officials and City Management to maintain a strong financial position.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Phoenix's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, City of Phoenix, Calvin C. Goode Municipal Building, Ninth Floor, 251 W. Washington Street, Phoenix, Arizona, 85003.



Financial Section
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**BASIC FINANCIAL
STATEMENTS -
Government-Wide
Financial Statements**



City of Phoenix



City of Phoenix

Government-Wide Financial Statements
Exhibit A-1
Statement of Net Position

June 30, 2025

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
ASSETS					
Cash and Cash Equivalents	\$ 304,560	\$ 195,386	\$ 499,946	\$ 16,256	\$ 2,136
Cash Deposits	1,324	10	1,334	6,298	-
Cash and Securities with Fiscal Agents/Trustees	204,356	-	204,356	182	-
Investments	2,356,272	1,711,299	4,067,571	-	15,198
Receivables, Net of Allowances	433,047	204,733	637,780	14,567	696
Prepaid Items	645	7,986	8,631	404	33
Inventories	39,033	28,219	67,252	-	-
Restricted Assets	-	1,126,762	1,126,762	-	1,721
Investment in Joint Use Agreements	2,360,778	509,974	2,870,752	-	-
Net OPEB Asset	88,729	8,962	97,691	-	-
Leases Receivable	204,854	254,763	459,617	-	-
Partnerships Receivable	19,873	-	19,873	-	-
Other Noncurrent Assets	-	165,104	165,104	-	12,102
Capital, Lease, and Subscription Assets					
Non-depreciable and Non-amortized	3,340,497	3,266,529	6,607,026	9,696	5,980
Depreciable and Amortized, net	3,216,578	5,379,520	8,596,098	29,857	-
Total Assets	12,570,546	12,859,247	25,429,793	77,260	37,866
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss on Refunding	5,136	48,615	53,751	-	-
Pension Related	930,954	33,865	964,819	-	-
OPEB Related	3,185	362	3,547	-	-
Total Deferred Outflows of Resources	939,275	82,842	1,022,117	-	-

The accompanying notes are an integral part of these financial statements

Government-Wide Financial Statements

Statement of Net Position

Exhibit A-1

(Continued)

June 30, 2025

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
LIABILITIES					
Accounts Payable	301,641	109,531	411,172	1,349	253
Reimbursement Agreement to City	-	-	-	2,349	-
Trust Liabilities and Deposits	82,587	39	82,626	349	-
Advance Payments	125,097	22,790	147,887	199	-
Liabilities Payable from Restricted Assets	4,346	105,175	109,521	-	-
Short-Term Obligations	200,000	200,000	400,000	-	-
Matured Bonds Payable	147,510	194,621	342,131	-	-
Interest Payable	33,506	119,394	152,900	4,267	-
Noncurrent Liabilities					
Due Within One Year					
Insurance Claims Payable	66,454	-	66,454	-	-
Accrued Compensated Absences	32,209	4,216	36,425	-	-
Pollution Remediation	-	75	75	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	1,705	1,705	-	-
General Obligation Bonds	108,085	-	108,085	-	-
Loans from Direct Borrowings	-	1,255	1,255	-	-
Municipal Corporation Obligations	48,860	186,020	234,880	-	-
Community Facilities Districts	825	-	825	-	-
Lease / Subscription Liability	6,671	-	6,671	-	-
Due in More Than One Year					
Insurance Claims Payable	158,076	-	158,076	-	-
Accrued Compensated Absences	188,571	23,640	212,211	-	-
Pollution Remediation	-	975	975	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	14,980	14,980	-	-
General Obligation Bonds, net	603,898	-	603,898	-	-
Loans from Direct Borrowings, net	-	3,931	3,931	-	-
Municipal Corporation Obligations, net	661,439	4,970,990	5,632,429	-	-
Community Facilities Districts, net	25,545	-	25,545	-	-
Notes Payable	-	-	-	43,833	-
Arbitrage Liability	-	5,513	5,513	-	-
Lease / Subscription Liability	39,023	-	39,023	-	-
Net Pension Liability	4,765,842	275,364	5,041,206	-	-
Net OPEB Liability	66,317	18,140	84,457	-	-
Total Liabilities	7,666,502	6,258,354	13,924,856	52,346	253
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Refunding	2,534	15,742	18,276	-	-
Service Concession Arrangement	18,632	-	18,632	-	-
Pension Related	124,886	21,145	146,031	-	-
OPEB Related	31,028	6,094	37,122	-	-
Leases Related	182,290	235,207	417,497	-	2,809
Partnerships Related	49,237	-	49,237	-	-
Total Deferred Inflows of Resources	408,607	278,188	686,795	-	2,809
NET POSITION					
Net Investment in Capital Assets	5,261,654	4,125,776	9,387,430	(5,614)	5,980
Restricted For:					
Capital Projects	584,184	-	584,184	-	-
Debt Service	164,451	6,717	171,168	-	-
Passenger Facility Charges	-	223,406	223,406	-	-
Customer Facility Charges	-	88,919	88,919	-	-
Public Transit Operations	530,130	-	530,130	-	-
OPEB	88,729	8,962	97,691	-	-
Voter Approved/Legislative	265,716	-	265,716	-	-
Other	376,634	197,978	574,612	-	1,721
Unrestricted (Deficit)	(1,836,786)	1,753,789	(82,997)	30,528	27,103
Total Net Position	\$ 5,434,712	\$ 6,405,547	\$ 11,840,259	\$ 24,914	\$ 34,804

The accompanying notes are an integral part of these financial statements

Government-Wide Financial Statements
Exhibit A-2
Statement of Activities

For the Fiscal Year Ended June 30, 2025

(in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 205,802	\$ 18,475	\$ 6,550	\$ -
Criminal Justice	41,735	19,553	-	-
Public Safety	1,553,479	112,679	20,391	592
Transportation	663,022	253,879	285,541	184,418
Community Enrichment	410,047	17,970	108,796	6,135
Community Development	341,974	112,384	186,205	10,808
Environmental Services	43,775	48	3,230	56
Interest on Long-Term Debt	65,522	-	-	-
Total Governmental Activities	3,325,356	534,988	610,713	202,009
Business-Type Activities				
Aviation	666,191	765,438	-	62,396
Phoenix Convention Center	125,501	58,704	-	-
Water Services	525,888	639,596	-	64,376
Wastewater Services	220,253	272,746	-	44,772
Solid Waste	197,827	214,472	-	-
Total Business-Type Activities	1,735,660	1,950,956	-	171,544
Total Primary Government	\$ 5,061,016	\$ 2,485,944	\$ 610,713	\$ 373,553
Component Units:				
Phoenix Housing Finance Corporations	\$ 18,161	\$ 14,509	\$ -	\$ -
Phoenix Industrial Development Authority	\$ 4,853	\$ 2,875	\$ -	\$ -
General Revenues (Expenses)				
Taxes				
Excise Taxes				
Property Taxes, Levied for General Purposes				
Property Taxes, Levied for Debt Service				
Grants and Contributions Not Restricted to Specific Programs				
Investment Earnings, Net				
Other and Miscellaneous Income				
Transfers - Internal Activities				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - July 1				
Net Position - June 30				

The accompanying notes are an integral part of these financial statements

Exhibit A-2
(Continued)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business- type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
\$ (180,777)	\$ -	\$ (180,777)		
(22,182)	-	(22,182)		
(1,419,817)	-	(1,419,817)		
60,816	-	60,816		
(277,146)	-	(277,146)		
(32,577)	-	(32,577)		
(40,441)	-	(40,441)		
(65,522)	-	(65,522)		
(1,977,646)	-	(1,977,646)		
-	161,643	161,643		
-	(66,797)	(66,797)		
-	178,084	178,084		
-	97,265	97,265		
-	16,645	16,645		
-	386,840	386,840		
\$ (1,977,646)	\$ 386,840	\$ (1,590,806)		
			\$ (3,652)	\$ (1,978)
1,477,468	-	1,477,468	-	-
212,820	-	212,820	-	-
136,986	-	136,986	-	-
752,642	-	752,642	-	-
139,954	148,590	288,544	179	1,868
113,312	9,310	122,622	1,879	38
(74,291)	74,291	-	-	-
2,758,891	232,191	2,991,082	2,058	1,906
781,245	619,031	1,400,276	(1,594)	(72)
4,653,467	5,786,516	10,439,983	26,508	34,876
\$ 5,434,712	\$ 6,405,547	\$ 11,840,259	\$ 24,914	\$ 34,804

The accompanying notes are an integral part of these financial statements



City of Phoenix



Financial Section
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**BASIC FINANCIAL
STATEMENTS - Fund
Financial Statements**



City of Phoenix



City of Phoenix

Fund Financial Statements
Exhibit B-1
Governmental Funds
Balance Sheet

June 30, 2025

(in thousands)

	General	Transit Special Revenue	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 77,584	\$ 53,888	\$ -	\$ 173,088	\$ 304,560
Cash Deposits	1,047	-	-	277	1,324
Cash and Securities with Fiscal Agents/Trustees	9,252	-	118,436	76,668	204,356
Investments	443,580	394,213	6,169	1,512,310	2,356,272
Due from Other Funds	-	101,507	-	6,607	108,114
Receivables, Net of Allowance					
Accounts Receivable	99,523	1,624	-	5,505	106,652
Taxes Receivable	127,822	-	2,675	9	130,506
Delinquent Taxes Receivable	3,020	-	2,053	-	5,073
Intergovernmental	39,231	28,025	-	111,159	178,415
Accrued Interest	147	-	-	909	1,056
Notes Receivable	-	-	-	11,345	11,345
Leases Receivable	3,660	191	-	201,003	204,854
Partnerships Receivable	19,873	-	-	-	19,873
Prepaid Items	314	331	-	-	645
Inventories	38,411	354	-	268	39,033
Total Assets	863,464	580,133	129,333	2,099,148	3,672,078
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	1,842	-	-	106,272	108,114
Accounts Payable	163,066	48,487	-	90,088	301,641
Trust Liabilities and Deposits	5,063	42	-	77,482	82,587
Matured Bonds Payable	-	-	99,430	48,080	147,510
Interest Payable	-	-	19,006	14,500	33,506
Arbitrage Liability	-	-	-	4,346	4,346
Advance Payments	67,587	512	-	59,998	128,097
Total Liabilities	237,558	49,041	118,436	400,766	805,801
DEFERRED INFLOWS OF RESOURCES					
Delinquent Property Taxes	3,020	-	2,053	-	5,073
Leases Related	3,694	277	-	178,319	182,290
Partnerships Related	17,901	-	-	-	17,901
Total Deferred Inflows of Resources	24,615	277	2,053	178,319	205,264
Fund Balances					
Non-Spendable					
Inventories	38,411	354	-	268	39,033
Prepaid Items	314	331	-	-	645
Restricted	55,222	530,130	8,844	1,179,409	1,773,605
Committed	-	-	-	167,219	167,219
Assigned	230,546	-	-	244,218	474,764
Unassigned (Deficit)	276,798	-	-	(71,051)	205,747
Total Fund Balances	601,291	530,815	8,844	1,520,063	2,661,013
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 863,464	\$ 580,133	\$ 129,333	\$ 2,099,148	\$ 3,672,078

The accompanying notes are an integral part of these financial statements

Fund Financial Statements**Exhibit B-2****Governmental Funds****Reconciliation of the Balance Sheet to the Statement of Net Position**

June 30, 2025

(in thousands)

Fund balances - total governmental funds balance sheet		\$	2,661,013
Amounts reported for governmental activities in the statement of net position are different because:			
Capital, lease, and subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
Governmental capital, lease, and subscription assets	10,157,674		
Accumulated depreciation and amortization	(3,600,599)		
			6,557,075
The investment in joint use agreements are not a financial resource and, therefore, are not reported in the funds.			
Valley Metro Rail Inc.	2,333,308		
Regional Wireless Cooperative	27,470		
			2,360,778
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
Net OPEB asset			88,729
A portion of advance payments and delinquent property taxes receivable reported in governmental activities are not available to pay for current period expenditures and, therefore, are not recognized in the funds.			8,073
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are excluded from the funds			
Deferred outflows of resources from the refunding of bonds.	5,136		
Deferred outflows of resources from pensions.	930,954		
Deferred outflows of resources from OPEB.	3,185		
			939,275
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Bonds, loans and notes payable	(1,448,652)		
Compensated absences	(220,780)		
Insurance claims payable	(224,530)		
Lease / subscription liability	(45,694)		
Net pension liability	(4,765,842)		
Net OPEB liability	(66,317)		
			(6,771,815)
Other liabilities in governmental activities reported as short-term obligations and considered to be financial resources, but, are not reported in the governmental funds due to the intent to convert the obligations into long-term debt.			(200,000)
Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the funds.			
Deferred inflows of resources from the refunding of bonds.	(2,534)		
Deferred inflows of resources from service concession arrangements.	(18,632)		
Deferred inflows of resources from partnership arrangements.	(31,336)		
Deferred inflows of resources from pensions.	(124,886)		
Deferred inflows of resources from OPEB.	(31,028)		
			(208,416)
Net position of governmental activities - statement of net position		\$	<u>5,434,712</u>

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Exhibit B-3
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2025

(in thousands)

	General	Transit Special Revenue	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
City Taxes	\$ 1,013,725	\$ 365,494	\$ 137,459	\$ 311,831	\$ 1,828,509
Licenses and Permits	17,784	-	-	1,122	18,906
Intergovernmental	705,115	124,784	3,770	725,358	1,559,027
Charges for Services	129,439	21,269	-	119,312	270,020
Fines and Forfeitures	8,744	-	-	42	8,786
Parks and Recreation	-	-	-	1,919	1,919
Special Assessments	-	-	-	1,115	1,115
Investment Income	16,277	28,924	564	94,189	139,954
Interest Income from Leases	155	12	-	6,759	6,926
Dwelling Rentals	-	-	-	5,676	5,676
Other	31,055	11,051	-	63,584	105,690
Total Revenues	1,922,294	551,534	141,793	1,330,907	3,946,528
EXPENDITURES					
Current					
General Government	171,540	-	-	8,171	179,711
Criminal Justice	45,670	-	-	1,184	46,854
Public Safety	1,234,544	-	-	262,204	1,496,748
Transportation	18,714	322,507	-	86,735	427,956
Community Enrichment	237,888	-	-	119,482	357,370
Community Development	38,297	-	-	292,841	331,138
Environmental Services	25,429	-	-	5,735	31,164
Capital Outlay	54,316	147,621	-	714,184	916,121
Debt Service					
Principal	5,058	-	99,430	48,920	153,408
Interest	1,495	-	36,911	35,574	73,980
Bond Issuance Costs	-	-	-	1,545	1,545
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	14	14
Other	-	-	4,906	1,511	6,417
Total Expenditures	1,832,951	470,128	141,247	1,578,100	4,022,426
Excess (Deficiency) of Revenues Over Expenditures	89,343	81,406	546	(247,193)	(75,898)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	32,857	67	52	194,085	227,061
Transfers to Other Funds	(179,969)	(8,740)	-	(112,643)	(301,352)
Issuance of Debt					
General Obligation Bonds	-	-	-	233,020	233,020
Premium on General Obligation Bonds	-	-	-	18,595	18,595
Municipal Corporation Bonds	-	-	-	180,000	180,000
Premium on Municipal Corporation Bonds	-	-	-	21,777	21,777
Issuance of Subscriptions	3,710	-	-	-	3,710
Total Other Financing Sources and (Uses)	(143,402)	(8,673)	52	534,834	382,811
Net Change in Fund Balances	(54,059)	72,733	598	287,641	306,913
FUND BALANCES, JULY 1	655,350	458,082	8,246	1,232,422	2,354,100
FUND BALANCES, JUNE 30	\$ 601,291	\$ 530,815	\$ 8,844	\$ 1,520,063	\$ 2,661,013

The accompanying notes are an integral part of these financial statements

Fund Financial Statements**Exhibit B-4****Governmental Funds****Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities**

For the Fiscal Year Ended June 30, 2025

(in thousands)

Net change in fund balances - total governmental funds	\$ 306,913
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital acquisitions (\$749,393) less contributed assets (\$6,281) exceeded depreciation and amortization (\$245,187) and gain on disposals of capital assets (\$42,992) in the current period.	454,933
The City's share of increase in net position from the investment in joint ventures is not reflected in the fund financial statements.	224,332
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	7,452
Bond proceeds and notes provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond, lease, and subscription principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments, bond issuances, refunding transactions - net	(305,882)
Amortization of bond premium/discount and deferred gain/loss on refundings	16,434
Principal payments of leases and subscriptions	6,336
Issuance of subscriptions	(3,710)
Some expenses reported in the statement of activities (do)/do not require the use of current financial resources and, therefore, (are)/are not reported as expenditures, or reductions in expenditures, in governmental funds.	
Compensated absences	(14,729)
Insurance claims	(1,472)
Pollution remediation	30
Pensions	58,913
OPEB	31,695
Change in net position of governmental activities - statement of activities	\$ 781,245

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
General Fund
Budgetary Comparison Statement
For the Fiscal Year Ended June 30, 2025
(in thousands)

Exhibit B-5

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
City Taxes	\$ 217,667	\$ 217,667	\$ 215,475	\$ (2,192)
Contributions/Donations	-	-	39	39
Licenses and Permits	13,078	13,078	14,960	1,882
Intergovernmental	88,117	88,117	89,550	1,433
Charges for Services	118,666	118,666	122,682	4,016
Fines and Forfeitures	7,969	7,969	8,633	664
Rentals	5,686	5,686	6,562	876
Interest	21,628	21,628	36,085	14,457
Miscellaneous	17,696	17,696	15,585	(2,111)
Total Revenues	490,507	490,507	509,571	19,064
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	254,259	254,679	240,149	14,530
Criminal Justice	47,381	47,381	45,565	1,816
Public Safety	1,248,049	1,258,049	1,251,084	6,965
Transportation	25,252	25,252	24,687	565
Community Enrichment	236,955	236,705	230,064	6,641
Community Development	41,113	41,363	38,991	2,372
Environmental Services	38,051	38,051	33,461	4,590
Capital Outlay	91,824	81,824	50,274	31,550
Contingency	148,875	148,875	22,239	126,636
Total Expenditures and Encumbrances	2,131,759	2,132,179	1,936,514	195,665
Deficiency of Revenues Under Expenditures and Encumbrances	(1,641,252)	(1,641,672)	(1,426,943)	214,729
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Staff and Administrative	65,510	65,510	68,513	3,003
In-Lieu Property Taxes	31,473	31,473	29,279	(2,194)
Excise Taxes and Other	1,296,782	1,296,782	1,281,330	(15,452)
Community Reinvestment Fund	2,067	2,067	2,067	-
Other Restricted Special Revenue Fund	740	740	1,483	743
Transfers to Other Funds				
Aviation Fund	(250)	(250)	(816)	(566)
City Improvement Debt Service Fund	(129)	(129)	(129)	-
Other Restricted Special Revenue Fund	(22,825)	(22,825)	(22,223)	602
Capital Reserve Funds	-	-	(10,000)	(10,000)
Life Insurance Trust	-	-	(760)	(760)
Infrastructure Repayment Agreement Trust	(10,705)	(10,705)	(2,564)	8,141
Recovery of Prior Years Expenditures	2,000	2,000	9,032	7,032
Total Other Financing Sources (Uses)	1,364,663	1,364,663	1,355,212	(9,451)
Net Change in Fund Balance	\$ (276,589)	\$ (277,009)	(71,731)	\$ 205,278
Fund Balance, July 1			293,513	
Fund Balance, June 30			\$ 221,782	

The accompanying notes are an integral part of these financial statements

Fund Financial Statements**Exhibit B-6****Transit - Other Agency Special Revenue Fund****Budgetary Comparison Statement**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
REVENUES				
Intergovernmental	\$ 85,278	\$ 85,278	\$ 67,656	\$ (17,622)
Charges for Services	-	-	487	487
Interest	(54)	(54)	710	764
Miscellaneous	2	2	5	3
Total Revenues	85,226	85,226	68,858	(16,368)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	67,282	67,282	69,031	(1,749)
Capital	14,810	14,810	6,714	8,096
Total Expenditures and Encumbrances	82,092	82,092	75,745	6,347
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	3,134	3,134	(6,887)	(10,021)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Capital Projects Fund	-	-	156	156
Transfers to Other Funds				
Transportation Tax 2050 Special Revenue Fund	-	-	(1,240)	(1,240)
Transit - Federal Transit Grants Special Revenue Fund	-	-	(156)	(156)
Recovery of Prior Years Expenditures	3	3	15	12
Total Other Financing Sources (Uses)	3	3	(1,225)	(1,228)
Net Change in Fund Balance	\$ 3,137	\$ 3,137	(8,112)	\$ (11,249)
Fund Balance (Deficit), July 1			(2,247)	
Fund Balance (Deficit), June 30			\$ (10,359)	

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Exhibit B-7
Transit - Federal Transit Grants Special Revenue Fund
Budgetary Comparison Statement

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts		Variance with
	Original	Final	Budgetary Basis		Final Budget Positive (Negative)
REVENUES					
Intergovernmental	\$ 121,894	\$ 121,894	\$ 40,315	\$	(81,579)
Total Revenues	121,894	121,894	40,315		(81,579)
EXPENDITURES AND ENCUMBRANCES					
Current Operating					
Transportation	13,057	13,057	14,625		(1,568)
Capital	108,837	108,837	40,236		68,601
Total Expenditures and Encumbrances	121,894	121,894	54,861		67,033
Deficiency of Revenues Over Expenditures and Encumbrances	-	-	(14,546)		(14,546)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds					
Transit - Other Agency Special Revenue Fund	-	-	156		156
Transfers to Other Funds					
Transportation Tax 2050 Special Revenue Fund	-	-	(136)		(136)
Capital Projects Fund	-	-	(233)		(233)
Recovery of Prior Years Expenditures	-	-	86		86
Total Other Financing Uses	-	-	(127)		(127)
Net Change in Fund Balance	\$ -	\$ -	(14,673)	\$	(14,673)
Fund Balance (Deficit), July 1			(21,661)		
Fund Balance (Deficit), June 30			\$ (36,334)		

The accompanying notes are an integral part of these financial statements

Fund Financial Statements**Exhibit B-8****Transportation Tax 2050 Special Revenue Fund****Budgetary Comparison Statement**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Basis	
REVENUES				
Charges for Services	\$ 21,754	\$ 21,754	\$ 26,101	\$ 4,347
Rentals	63	63	98	35
Interest	13,894	13,894	20,727	6,833
Miscellaneous	5,407	5,407	5,350	(57)
Total Revenues	41,118	41,118	52,276	11,158
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	268,611	268,611	243,348	25,263
Capital	463,621	463,621	136,924	326,697
Contingency	4,000	4,000	-	4,000
Total Expenditures and Encumbrances	736,232	736,232	380,272	355,960
Deficiency of Revenues Over Expenditures and Encumbrances	(695,114)	(695,114)	(327,996)	367,118
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	381,630	381,630	365,494	(16,136)
Transit - Other Agency Special Revenue Fund	-	-	1,240	1,240
Transit - Federal Transit Grants Special Revenue Fund	-	-	136	136
Capital Projects Fund	-	-	586	586
Transfers to Other Funds				
General Fund - Staff and Administrative	(1,551)	(1,551)	(1,703)	(152)
Other Restricted Special Revenue Fund	(749)	(749)	(63)	686
City Improvement Debt Service Fund	(8,701)	(8,701)	(7,980)	721
Infrastructure Repayment Agreement Trust	(922)	(922)	(716)	206
Recovery of Prior Years Expenditures	1,350	1,350	9,693	8,343
Total Other Financing Sources	371,057	371,057	366,687	(4,370)
Net Change in Fund Balance	\$ (324,057)	\$ (324,057)	38,691	\$ 362,748
Fund Balance, July 1			451,818	
Fund Balance, June 30			\$ 490,509	

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Enterprise Funds
Statement of Net Position
June 30, 2025
(in thousands)

Exhibit B-9

		Aviation	Phoenix Convention Center
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$	106,842	\$ 22,671
Investments		918,811	184,752
Receivables, Net of Allowances		66,199	326
Prepaid Items		-	-
Cash Deposits		10	-
Inventories, at Average Cost		4,203	294
Total Unrestricted Current Assets		1,096,065	208,043
Restricted Assets			
Cash and Cash Equivalents		11,524	12,070
Cash Deposits		-	5,822
Cash and Securities with Fiscal Agents/Trustees		213,475	37,167
Investments		192,398	4,856
Receivables, Net of Allowances		55,994	-
Total Restricted Current Assets		473,391	59,915
Total Current Assets		1,569,456	267,958
Noncurrent Assets			
Capital Assets, Net of Accumulated Depreciation		3,138,105	514,498
Investment in Joint Use Agreement		-	-
Restricted Cash with Fiscal Agents/Trustees		165,104	-
Leases Receivable		196,659	11,630
Net OPEB Asset		2,603	512
Total Noncurrent Assets		3,502,471	526,640
Total Assets		5,071,927	794,598
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding Bonds		29,548	3,180
Pension Related		-	3,286
OPEB Related		105	21
Total Deferred Outflows of Resources		29,653	6,487
LIABILITIES			
Current Liabilities Payable from Current Assets			
Accounts Payable		42,086	6,706
Trust Liabilities and Deposits		39	-
Advance Payments		22,790	-
Accrued Landfill Postclosure Care Costs		-	-
Current Portion of Pollution Remediation		75	-
Current Portion of Accrued Compensated Absences		1,407	312
Total Current Liabilities Payable from Current Assets		66,397	7,018
Current Liabilities Payable from Restricted Assets			
Accounts Payable		38,852	-
Trust Liabilities and Deposits		-	5,822
Arbitrage Liability		2,000	-
Short-Term Obligations		-	-
Matured Bonds Payable		72,760	15,757
Interest Payable		50,348	18,007
Current Portion of Loans from Direct Borrowings		-	-
Current Portion of Municipal Corporation Obligations		65,060	6,108
Accrued Landfill Closure Costs		-	-
Total Current Liabilities Payable from Restricted Assets		229,020	45,694
Total Current Liabilities		295,417	52,712
Noncurrent Liabilities			
Loans from Direct Borrowings		-	-
Municipal Corporation Obligations, net		2,197,576	618,544
Arbitrage Liability		-	-
Pollution Remediation		975	-
Accrued Landfill Closure and Postclosure Care Costs		-	-
Accrued Compensated Absences		8,037	1,718
Net Pension Liability		-	26,722
Net OPEB Liability		5,140	1,098
Total Noncurrent Liabilities		2,211,728	648,082
Total Liabilities		2,507,145	700,794
DEFERRED INFLOWS OF RESOURCES			
Deferred Gain on Refunding Bonds		14,772	-
Pension Related		-	2,052
OPEB Related		1,754	356
Leases Related		220,715	10,431
Total Deferred Inflows of Resources		237,241	12,839
NET POSITION			
Net Investment in Capital Assets		1,108,306	(106,973)
Restricted for Debt Service		3,314	3,403
Restricted from Passenger Facility Charges		223,406	-
Restricted from Customer Facility Charges		88,919	-
Restricted from Enabling Legislation for Capital Projects		-	-
Restricted for OPEB		2,603	512
Unrestricted (Deficit)		930,646	190,510
Total Net Position	\$	2,357,194	\$ 87,452

The accompanying notes are an integral part of these financial statements

Exhibit B-9
(Continued)

Water System		Wastewater		Solid Waste		Total	
\$	26,153	\$	34,843	\$	4,877	\$	195,386
	257,412		290,183		60,141		1,711,299
	91,630		66,120		22,949		247,224
	7,986		-		-		7,986
	-		-		-		10
	19,552		2,444		1,726		28,219
	402,733		393,590		89,693		2,190,124
	19,206		8,029		6,579		57,408
	6,020		126		129		12,097
	103,519		43,310		9,001		406,472
	220,417		153,311		23,809		594,791
	-		-		-		55,994
	349,162		204,776		39,518		1,126,762
	751,895		598,366		129,211		3,316,886
	3,297,487		1,498,185		197,774		8,646,049
	171,604		338,370		-		509,974
	-		-		-		165,104
	-		158		3,825		212,272
	3,196		1,010		1,641		8,962
	3,472,287		1,837,723		203,240		9,542,361
	4,224,182		2,436,089		332,451		12,859,247
	15,887		-		-		48,615
	20,432		-		10,147		33,865
	129		41		66		362
	36,448		41		10,213		82,842
	35,439		18,818		6,482		109,531
	-		-		-		39
	-		-		-		22,790
	-		-		1,705		1,705
	-		-		-		75
	1,484		350		663		4,216
	36,923		19,168		8,850		138,356
	17,461		29,528		4,475		90,316
	6,087		126		129		12,164
	-		-		-		2,000
	200,000		-		-		200,000
	72,003		26,096		8,005		194,621
	31,815		18,228		996		119,394
	286		969		-		1,255
	85,840		26,469		2,543		186,020
	-		-		695		695
	413,492		101,416		16,843		806,465
	450,415		120,584		25,693		944,821
	902		3,029		-		3,931
	1,396,882		723,307		34,681		4,970,990
	2,215		1,679		1,619		5,513
	-		-		-		975
	-		-		14,980		14,980
	8,622		1,812		3,451		23,640
	166,139		-		82,503		275,364
	6,545		1,884		3,473		18,140
	1,581,305		731,711		140,707		5,313,533
	2,031,720		852,295		166,400		6,258,354
	-		970		-		15,742
	12,758		-		6,335		21,145
	2,182		667		1,135		6,094
	-		174		3,887		235,207
	14,940		1,811		11,357		278,188
	1,861,193		1,103,538		159,712		4,125,776
	-		-		-		6,717
	-		-		-		223,406
	-		-		-		88,919
	152,126		45,852		-		197,978
	3,196		1,010		1,641		8,962
	197,455		431,624		3,554		1,753,789
\$	2,213,970	\$	1,582,024	\$	164,907	\$	6,405,547

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Exhibit B-10
Enterprise Funds
Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Aviation	Phoenix Convention Center
Operating Revenues		
Aeronautical Fees	260,174	-
Sales	-	-
Rentals	166,248	11,127
Sewer Service Charges	-	-
Sanitation and Landfill Fees	-	-
Concessions	-	22,061
Other	188,215	25,516
Total Operating Revenues	614,637	58,704
Operating Expenses		
Administration and Engineering	-	37,031
Operation and Maintenance	354,633	21,990
Promotion	-	5,433
Depreciation and Amortization	206,679	24,194
Staff and Administrative	16,637	4,250
Other	-	4,119
Total Operating Expenses	577,949	97,017
Operating Income (Loss)	36,688	(38,313)
Non-Operating Revenues (Expenses)		
Passenger Facility Charges	95,622	-
Rental Car Customer Facility Charges	55,179	-
Investment Income (Loss)	75,444	12,036
Interest Income from Leases	8,772	378
Loss on Lease Cancellation	(7)	-
Utility Easement	-	-
Interest on Capital Debt	(86,607)	(28,483)
Equity Interest in Joint Use Agreement Operating Loss	-	-
Gain (Loss) on Disposal of Capital Assets	(1,635)	(1)
Total Non-Operating Revenues (Expenses)	146,768	(16,070)
Net Income (Loss) Before Contributions and Transfers	183,456	(54,383)
Capital Contributions	62,396	-
Transfers from Other Funds	816	85,051
Transfers to Other Funds	(458)	(528)
Change in Net Position	246,210	30,140
Net Position, July 1	2,110,984	57,312
Net Position, June 30	\$ 2,357,194	\$ 87,452

The accompanying notes are an integral part of these financial statements

Exhibit B-10

(Continued)

Water System	Wastewater	Solid Waste	Total
-	-	-	260,174
530,211	-	-	530,211
-	-	-	177,375
-	212,705	-	212,705
-	-	202,547	202,547
-	-	-	22,061
109,385	59,919	11,332	394,367
639,596	272,624	213,879	1,799,440
60,028	19,464	24,261	140,784
278,328	100,160	137,274	892,385
-	-	-	5,433
106,940	43,465	15,378	396,656
12,972	6,523	11,620	52,002
-	-	8,305	12,424
458,268	169,612	196,838	1,499,684
181,328	103,012	17,041	299,756
-	-	-	95,622
-	-	-	55,179
29,223	27,633	4,254	148,590
-	7	160	9,317
-	-	-	(7)
-	-	-	-
(53,322)	(30,225)	(989)	(199,626)
(8,864)	(20,416)	-	(29,280)
(5,434)	122	593	(6,355)
(38,397)	(22,879)	4,018	73,440
142,931	80,133	21,059	373,196
64,376	44,772	-	171,544
-	-	19,337	105,204
(17,776)	(10,495)	(1,656)	(30,913)
189,531	114,410	38,740	619,031
2,024,439	1,467,614	126,167	5,786,516
\$ 2,213,970	\$ 1,582,024	\$ 164,907	\$ 6,405,547

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
(in thousands)

Exhibit B-11

	Aviation	Phoenix Convention Center
Cash Flows from Operating Activities		
Receipts from Customers	\$ 610,554	\$ 59,481
Payments to Suppliers	(256,109)	(41,121)
Payments to Employees	(100,492)	(23,953)
Payment of Staff and Administrative Expenses	(16,637)	(4,250)
Net Cash Provided (Used) by Operating Activities	237,316	(9,843)
Cash Flows from Noncapital Financing Activities		
Transfers from Other Funds	816	85,051
Transfers to Other Funds	(458)	(528)
Net Cash Provided (Used) by Noncapital Financing Activities	358	84,523
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Capital Debt	(80,616)	(8,749)
Interest Paid on Capital Debt	(104,482)	(33,847)
Acquisition and Construction of Capital Assets	(203,792)	(5,133)
Proceeds from Sales of Capital Assets	4,078	-
Passenger Facility Charges	94,327	-
Customer Facility Charges	55,242	-
Interest Income from Leases	8,772	378
Capital Contributions	39,140	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(187,331)	(47,351)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(319,601)	(44,863)
Proceeds from Sale and Maturities of Investment Securities	321,720	44,266
Net Activity for Short-Term Investments	(76,971)	(11,048)
Interest on Investments	75,498	12,075
Contributions to Joint Use Agreement	-	-
Net Cash Provided (Used) by Investing Activities	646	430
Net Increase (Decrease) in Cash and Cash Equivalents	50,989	27,759
Cash and Cash Equivalents, July 1	445,966	49,971
Cash and Cash Equivalents, June 30	\$ 496,955	\$ 77,730
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 36,688	\$ (38,313)
Adjustments		
Depreciation and Amortization	206,679	24,194
Deferred Outflows - Pension and OPEB	(9)	1,069
Deferred Inflows - Pension and OPEB	1,421	2,324
Deferred Inflows - Leases	-	(371)
Change in Assets and Liabilities		
Receivables	(4,765)	(203)
Allowance for Doubtful Accounts	(493)	42
Leases Receivable	1,499	77
Prepaid Items	-	-
Inventories	(442)	26
Accounts Payable	113	2,914
Net OPEB Asset	(1,122)	-
Trust Liabilities and Deposits	-	1,231
Arbitrage	-	-
Advance Payments	(323)	-
Pollution Remediation	(75)	-
Accrued Compensated Absences	714	319
Accrued Landfill Closure and Postclosure Care Costs	-	-
Net Pension Liability	-	(2,402)
Net OPEB Liability	(2,569)	(750)
Net Cash Provided (Used) by Operating Activities	\$ 237,316	\$ (9,843)
Noncash Capital and Financing Activities		
Bond Capital Appreciation	\$ -	\$ (2,088)
Amortization of Bond Premium	18,985	3,445
Amortization of Deferred Gains/Losses of Bond Refundings	3,625	187
Debt Issued for Refunding of 2015 Bonds	84,635	-
Principal Paid with Issuance of Refunding Debt	(84,635)	-
Contribution of Assets	-	-
Unrealized Gain on Investments	13,832	2,426
Accounts Payable Related to Capital Asset Additions	38,852	-
Total Noncash Capital and Financing Activities	\$ 75,294	\$ 3,970
Cash and Cash Equivalents		
Unrestricted		
Cash and Cash Equivalents	\$ 106,842	\$ 22,671
Cash Deposits	10	-
Total Unrestricted	106,852	22,671
Restricted		
Cash and Cash Equivalents	11,524	12,070
Current Cash and Securities with Fiscal Agents/Trustees	213,475	37,167
Noncurrent Cash and Securities with Fiscal Agents/Trustees	165,104	-
Cash Deposits	-	5,822
Total Restricted	390,103	55,059
	\$ 496,955	\$ 77,730

The accompanying notes are an integral part of these financial statements

Exhibit B-11 (Continued)

Water System	Wastewater	Solid Waste	Total
\$ 628,617	\$ 271,093	\$ 213,158	\$ 1,782,903
(201,203)	(90,152)	(101,774)	(690,359)
(139,465)	(25,473)	(73,384)	(362,767)
(12,972)	(6,523)	(11,620)	(52,002)
274,977	148,945	26,380	677,775
-	-	19,338	105,205
(17,776)	(10,495)	(1,655)	(30,912)
(17,776)	(10,495)	17,683	74,293
(75,100)	(51,714)	(6,805)	(222,984)
(76,021)	(39,290)	(2,257)	(255,897)
(188,380)	(147,049)	(23,411)	(567,765)
212	178	160	4,628
-	-	-	94,327
-	-	-	55,242
-	7	1,411	10,568
24,475	14,349	-	77,964
(314,814)	(223,519)	(30,902)	(803,917)
(395,993)	(343,907)	(57,368)	(1,161,732)
443,457	421,239	67,153	1,297,835
(5,422)	141	(19,621)	(112,921)
31,458	28,271	4,724	152,026
(4,441)	(40,792)	-	(45,233)
69,059	64,952	(5,112)	129,975
11,446	(20,117)	8,049	78,126
143,452	106,425	12,537	758,351
\$ 154,898	\$ 86,308	\$ 20,586	\$ 836,477
\$ 181,328	\$ 103,012	\$ 17,041	\$ 299,756
106,940	43,465	15,378	396,656
7,250	(4)	4,245	12,551
14,418	535	7,191	25,889
-	(12)	-	(383)
(14,141)	(2,822)	(2,208)	(24,139)
2,713	1,364	1,607	5,233
-	-	(128)	1,448
4,837	-	-	4,837
(388)	218	(422)	(1,008)
(5,297)	4,430	(67)	2,093
(1,338)	(424)	(641)	(3,525)
450	(61)	7	1,627
(616)	-	-	(616)
-	-	-	(323)
-	-	-	(75)
1,074	217	318	2,642
-	-	(446)	(446)
(18,986)	-	(13,722)	(35,110)
(3,267)	(973)	(1,773)	(9,332)
\$ 274,977	\$ 148,945	\$ 26,380	\$ 677,775
\$ -	\$ -	\$ -	\$ (2,088)
19,280	6,148	1,200	49,058
687	194	98	4,791
-	-	-	84,635
-	-	-	(84,635)
39,901	30,424	-	70,325
5,755	4,193	815	27,021
17,461	29,528	4,475	90,316
\$ 83,084	\$ 70,487	\$ 6,588	\$ 239,423
\$ 26,153	\$ 34,843	\$ 4,877	\$ 195,386
-	-	-	10
26,153	34,843	4,877	195,396
19,206	8,029	6,579	57,408
103,519	43,310	9,001	406,472
-	-	-	165,104
6,020	126	129	12,097
128,745	51,465	15,709	641,081
\$ 154,898	\$ 86,308	\$ 20,586	\$ 836,477

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Exhibit B-12
Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025

(in thousands)

	Pension and Other Employee Benefit Trusts
ASSETS	
Cash and Cash Equivalents	\$ 161,853
Investments	
Treasurer's Pooled Investments	1,157
Temporary Investments	35,871
Fixed Income	598,102
Domestic Equities	1,873,613
International Equities	807,456
Private Debt	202,491
Real Return	33,170
Absolute Return	157,908
Real Estate	490,616
Receivables	
Accounts Receivable	13,662
Contributions Receivable	14,277
Interest and Dividends	4,453
Prepaid Items	5,430
Other	548
Total Assets	<u>4,400,607</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<u>-</u>
LIABILITIES	
Accounts Payable	78,666
Claims Payable	40,987
Total Liabilities	<u>119,653</u>
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	<u>-</u>
NET POSITION	
Restricted for Pensions	3,913,123
Restricted for Other Employee Benefits	367,831
Total Restricted for Pension and Other Employee Benefits	<u>\$ 4,280,954</u>

The accompanying notes are an integral part of these financial statements

Fund Financial Statements**Exhibit B-13****Fiduciary Funds****Statement of Changes in Fiduciary Net Position**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Pension and Other Employee Benefit Trusts
ADDITIONS	
Contributions	
City of Phoenix	\$ 425,927
Employees	128,975
Other	26,062
Total Contributions	580,964
Investment Income	
Net Increase in Fair Value of Investments	304,707
Interest	44,959
Dividends	5,019
Other	18,591
Investment Income	373,276
Less: Investment Expense	20,402
Total Net Investment Income	352,874
Total Additions	933,838
DEDUCTIONS	
Benefit Payments	571,873
Refunds of Contributions	4,288
Inter-System Transfers	6
Other	26,474
Total Deductions	602,641
Net Increase	331,197
Net Position Restricted for Pension and Other Employee Benefits	
Beginning of Year, July 1	3,949,757
End of Year, June 30	\$ 4,280,954

The accompanying notes are an integral part of these financial statements



City of Phoenix



Financial Section

NOTES TO THE FINANCIAL STATEMENTS

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



AN INDEX TO THE NOTES FOLLOWS:

1	Summary of Significant Accounting Policies
2	Budget Basis of Accounting
3	Fund Balances
4	Property Tax
5	Cash and Investments
6	Receivables
7	Interfund Transactions
8	Restricted Assets and Liabilities Payable from Restricted Assets
9	Capital, Lease and Subscription Assets
10	Financial Obligations
11	Refunded, Refinanced and Defeased Obligations
12	Legal Debt Margin
13	Risk Management
14	Leases and Subscription-Based Information Technology Arrangements
15	Contractual and Other Commitments
16	Contingent Liabilities
17	Tax Abatements
18	Joint Use and Partnership Agreements
19	Deferred Compensation and Defined Contribution Plans
20	Pension Plans
21	Other Postemployment Benefits
22	Subsequent Events

The City of Phoenix (the “City”) was incorporated on February 25, 1881. On October 11, 1913, voters ratified a City Charter providing for a Council-Manager form of government. The government of the City of Phoenix is operated by authority of its charter, as limited by the state legislature.

1. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City’s other significant accounting policies are described below:

a) Reporting Entity

The accompanying financial statements include the City and all of its component units, collectively referred to as “the financial reporting entity”. In accordance with GASB Statement No. 14 and GASB Statement No. 61, the component units discussed below have been included in the City’s reporting entity because of the significance of their operational or financial relationships with the City.

Fiduciary Component Unit

City of Phoenix Employees’ Retirement System (“COPERS”)

All full-time general employees participate in COPERS, which is governed by a nine-member Retirement Board (the “Board”). Four statutory Board members are members of City management. Three Board members are elected from and by the COPERS’ active members. One Board member is a citizen and one is a retiree. Tier 1 employees contribute 5%, Tier 2 and Tier 3 employees contribute a maximum 11% of their covered compensation, with the City funding all remaining costs based on actuarial valuations. COPERS is reported in the accompanying financial statements as an employee pension trust fiduciary fund. Separate financial statements for COPERS can be obtained through COPERS’ administrative office at 200 W. Washington Street, 10th Floor, Phoenix, Arizona, 85003 or on-line at <https://www.phoenix.gov/copers/pension-plan-reports>.

Component Units - Blended

City of Phoenix Civic Improvement Corporation (“CIC”)

The CIC was organized under the laws of the State of Arizona to assist the City in the acquisition and financing of municipal projects and facilities. The corporation is governed by a self-perpetuating board of directors, who are responsible for approving the corporation’s bond sales. Bond sales must also be ratified by the Mayor and City Council. Although the CIC is legally separate from the City, the corporation is reported as if it were part of the primary government, using the blending method, because its sole purpose is to finance and construct public facilities for the City. Separate financial statements for the CIC can be obtained from the City’s Finance Department, through the Financial Accounting and Reporting Division at 251 W. Washington Street, 9th floor, Phoenix, Arizona, 85003.

Park Central Community Facilities District (“PCCFD”)

The PCCFD was formed by petition to the City Council in August 2018. Its purpose is to provide public infrastructure within its boundaries in the Phoenix midtown area for development of a multi-use residential, commercial and retail project known as “Park Central.” PCCFD is governed by a Board of Directors consisting of the Mayor and City Council of the City of Phoenix, plus two members designated by the largest landowner within the PCCFD. The Board of Directors may issue bonds and levy special assessments upon property within the PCCFD to repay the bonds. Any bonds issued by the PCCFD are payable solely from amounts collected pursuant to the special assessments and are not an obligation of the City. For financial reporting purposes, transactions are blended as part of the operations for the City’s governmental funds because the City has operational responsibility for the component unit.

Verdin Community Facilities District (“VCFD”)

The VCFD was formed by petition to the City Council in April 2023. Its purpose is to provide public infrastructure within its boundaries in the North Phoenix area for development of a master-planned residential community project known as “Verdin.” VCFD is governed by a Board of Directors consisting of the Mayor and City Council of the City of Phoenix. The Board of Directors may issue bonds and levy ad valorem property taxes within the Verdin CFD to repay the bonds. Any bonds issued by the VCFD are payable solely from amounts collected pursuant to the ad valorem property taxes and are not an obligation of the City. For financial reporting purposes, transactions are blended as part of the

operations for the City's governmental funds because the City has operational responsibility for the component unit.

Component Units - Discretely Presented

Phoenix Housing Finance Corporations ("PHFC")

The PHFC are individual nonprofit corporations which were incorporated under the laws of the State of Arizona. The corporations and LLCs were created to act as instrumentalities of the City to aid in the development and financing of various housing projects for low income persons. City management appoints the nonself-perpetuating Board of Directors and approves amendments to the Articles of Incorporation and Bylaws. Although the corporations are legally separate from the City, governmental accounting standards require the corporations to be reported as a discretely presented component unit of the City for financial reporting purposes because of the City's accountability via the appointment of the board members. Separate financial statements for the corporations can be obtained from the City's Finance Department, through the Financial Accounting and Reporting Division at 251 W. Washington Street, 9th floor, Phoenix, Arizona, 85003.

Phoenix Industrial Development Authority ("Phoenix IDA")

The Phoenix IDA is a nonprofit corporation designated a political subdivision of the State of Arizona. The Phoenix IDA was established on July 7, 1981 in order to exercise its broad statutory powers, including the power to issue conduit revenue bonds to finance "projects" as such term is defined by the Arizona Revised Statutes, §35-701(7). All bonds issued by Phoenix IDA are special, limited obligations of the Phoenix IDA, payable solely from revenues generated by the project being financed, and do not constitute debt of, a loan of, or credit by, the Phoenix IDA. The Phoenix IDA charges administration fees to bond applicants and uses such fees to cover its administration costs and to support its ongoing community and economic development programs in Arizona. The Phoenix IDA is a special-purpose governmental entity engaged in business type activities. The City Council of the City of Phoenix elects the board of directors for Phoenix IDA and may remove a director at any time, with or without cause. Upon future dissolution, all funds held by the Phoenix IDA and title to its property will revert to the City. Although the Phoenix IDA is legally separate from the City, governmental accounting standards require the Phoenix IDA to be reported as a discretely presented component unit of the City for financial reporting purposes because of the City Council's relationship to the Phoenix IDA. Separate financial statements for the Phoenix IDA can be obtained from the City's Finance Department, through the Phoenix IDA at 2201 E. Camelback Rd., Ste. 405B, Phoenix, Arizona, 85016.

b) Jointly Governed Organizations

Valley Metro Regional Public Transportation Authority (the "Authority")

The Authority is a voluntary association of local governments, including Phoenix, Tempe, Scottsdale, Glendale, Mesa and Maricopa County. Its purpose is to create a regional public transportation plan for Maricopa County. The Board of Directors consists of the mayors of those cities and a member of the County Board of Supervisors.

Arizona Municipal Water Users Association ("AMWUA")

AMWUA is a nonprofit corporation established and funded by cities in Maricopa County for the development of an urban water policy and to represent the cities' interests before the Arizona legislature. In addition, AMWUA contracts with the cities jointly using the 91st Avenue Wastewater Treatment Plant to perform certain accounting, administrative and support services.

c) Basic Financial Statements

The basic financial statements constitute the core of the financial section of the City's Annual Comprehensive Financial Report (ACFR). The basic financial statements include the government-wide financial statements, fund financial statements, and the accompanying notes to these financial statements. The government-wide financial statements (statement of net position and statement of activities) report on the City and its component units as a whole, excluding fiduciary activities. 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. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. The City does not utilize any internal service funds.

Interdepartmental services performed by one department for another are credited to the performing department and charged to the receiving department to reflect the accurate costs of programs. The rates used are intended to reflect full costs in accordance with generally accepted cost accounting principles.

The government-wide statement of net position reports all financial and capital resources of the government (excluding fiduciary funds). It is displayed in a format of assets plus deferred outflows of resources less liabilities plus deferred inflows of resources equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) Net investment in capital assets, 2) restricted and 3) unrestricted. Net investment in capital assets, are capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position is subject to constraints that are: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, are shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Commitments or assignments of net position imposed by the reporting government, whether by administrative policy or legislative actions of the reporting government, are not shown on the governmentwide financial statements.

The government-wide statement of activities demonstrates the degree to which the direct expenses of the various functions and segments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt shared by multiple functions is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular 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, investment income and other revenues not identifiable with particular functions or segments are included as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although the model sets forth minimum criteria for determination of major funds (a percentage of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. The City has opted to add some funds as major funds because of outstanding debt or community focus. Nonmajor funds are combined in a single column on the fund financial statements and are detailed in combining statements included as supplementary information after the basic financial statements.

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. This is the traditional basis of accounting for governmental funds. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the City's actual revenues and expenditures conform to the annual budget. Since the governmental fund financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following the fund statements. These reconciliations explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary (enterprise) funds and fiduciary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds may be eliminated in the consolidation for the government-wide financial statements but are included in the fund columns in the proprietary fund financial statements.

d) **Fund Accounting**

The City uses funds to report its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance

and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The City uses the following fund categories, further divided by fund type:

Governmental Funds

Governmental funds are those through which most of the governmental functions of the City are financed. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. The City reports the following major governmental funds:

General Fund

The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund will always be considered a major fund in the basic financial statements.

Transit Special Revenue Fund

The Transit Fund is the only special revenue fund that is presented as a major fund in the basic financial statements. It is used to account for federal grant operating funds, regional Public Transportation Assistance funds, and Transportation 2050 excise tax revenues and the City's local matching funds. Expenditures are for the administrative and operating costs of the public transit system.

General Obligation/Secondary Property Tax Debt Service Fund

The General Obligation/Secondary Property Tax Fund is the only debt service fund that is presented as a major fund in the basic financial statements and has been designated as a major fund by the City. It is used to account for debt service on all various purpose general obligation bonds. Funding is provided by the City's secondary property tax revenues, which may be used only for debt service.

The City has the following nonmajor governmental funds:

Special Revenue Funds

Eight nonmajor special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted, committed or assigned for specified purposes.

Capital Projects Funds

Ten nonmajor capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Funds

Four nonmajor debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term obligation principal and interest.

Proprietary Funds

Proprietary funds are used to account for the City's ongoing organizations and activities, which are similar to those often found in the private sector and where cost recovery and the determination of operating income is useful or necessary for sound fiscal management. The measurement focus is based upon determination of operating income, changes in net position, financial position and cash flows.

Enterprise Funds

Enterprise funds are used to account for operations that provide services to the general public for a fee. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs. The City has five enterprise funds, which are all presented as major funds in the basic financial statements and are used to account for the operation of the City's Sky Harbor International Airport and two regional airports, Phoenix

Convention Center, water system, wastewater system and solid waste disposal system. The Solid Waste Fund has been designated as a major fund by the City.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs.

Pension and Other Employee Benefit Trust Funds

Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans. The City has two pension trust funds to account for the activities of the City of Phoenix Employees' Retirement System and the Excess Benefit Arrangement.

Employee Benefit Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of post employment benefit plans (other than pensions) or other employee benefit plans. The City has three other employee benefit trust funds to account for the activities of the Health Care Benefits, Medical Expense Reimbursement Program (MERP) and Long-Term Disability (LTD).

e) **Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus whereby only current assets plus deferred outflows of resources and current liabilities plus deferred inflows of resources are generally included on the balance sheet. Statements of revenues, expenditures and changes in fund balance present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balance.

Proprietary funds and fiduciary funds are accounted for on a flow of economic resources measurement focus whereby all assets plus deferred outflows of resources and liabilities plus deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Statements of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position for proprietary funds. Statements of changes in fiduciary net position present additions and deductions in net position held in trust for pension and other employee benefits for fiduciary funds.

The modified accrual basis of accounting is used by governmental funds. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Revenues susceptible to accrual include property tax, transaction privilege tax, highway user tax, state shared sales tax, vehicle license tax, and interest earned on investments. Licenses and permits, charges for services, fines and forfeitures, parks and recreation charges and miscellaneous revenues are recorded when received in cash since they are generally not measurable until actually received.

The accrual basis of accounting is followed for all enterprise funds and trust funds, whereby revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized when incurred. Employee contributions to the trust funds are recognized as revenue in the period in which employee services are performed and the contributions are therefore earned. Employer contributions are recognized at the same time, as the City is formally committed to contribute the actuarially determined amount each year. Benefit payments received the first of each month by retirees are recognized as an expense of the prior month; and refunds are recognized as expenses when paid out, in accordance with the terms of the plans.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods

in connection with the fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating items.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

f) **Budget and Budgetary Accounting**

An operating budget is legally adopted by ordinance each fiscal year for the General Fund, all special revenue funds, Secondary Property Tax Debt Service Fund, City Improvement Debt Service Fund and all enterprise funds on a modified accrual basis plus encumbrances. Due to the number of individual special revenue funds, the Transit, Development Services, Grants, and Public Housing special revenue funds include two or more budgeted funds with similar purposes for GAAP financial statement presentation. The level of legal budgetary control is by fund, except for the General Fund, for which the control is by program (i.e., related activities performed by one or more departments, such as public safety or community enrichment). For the applicable level of control, the budget can be amended only by City Council action subject to state law limitations. Transfers of sums within any specific appropriation may be made, but require the City Manager's approval. The General Fund, Development Services Fund, Transportation Tax 2050 Fund, and several enterprise funds include an appropriation for contingencies. Expenditures may be made from these appropriations only with City Council approval. Unexpended appropriations, including those encumbered, lapse at fiscal year end. Since all expenditures must be covered by an appropriation, the City reappropriates outstanding encumbrances. For 2024-25, no reappropriation adjustments were required.

Expenditure Limitation

Since fiscal year 1982-83, the City has been subject to an annual expenditure limitation imposed by the Arizona Constitution. This limitation is based upon the City's actual 1979-80 expenditures adjusted annually for subsequent growth in population and inflation. The 2024-25 expenditure limit supplied by the Economic Estimates Commission was \$2.0 billion. The City increased this limit to \$13.0 billion to adjust for additional voter-approved modifications, as follows:

- The Constitution exempts certain expenditures from the limitation. The principal exemptions for the City of Phoenix are payments for debt service and other long-term obligations, as well as expenditures of federal funds and certain state-shared revenues. Exemptions associated with revenues not expended in the year of receipt may be carried forward and used in later years. The 1979-80 expenditure base may also be adjusted for the transfer of functions between governmental jurisdictions.
- The Constitution provides four processes, all requiring voter approval, to modify the expenditure limitation:
 1. A four-year home rule option.
 2. A permanent adjustment to the 1979-80 base.
 3. A one-time override for the following fiscal year.
 4. An accumulation for pay-as-you-go capital expenditures.

Phoenix voters have approved four-year home rule options on a regular basis since the implementation of the expenditure limitation. The current home rule option which was approved in 2020 allows the City Council, after hearings are held for each council district, to establish the annual budget as the limit. This four-year home rule option will be in effect through 2024-25. Previously established exclusions for pay-as-you-go capital projects continue to apply.

Budget Calendar

Each year the City Manager issues a budget calendar giving specific completion dates for various phases of the budget process. Both the City Charter and State Statutes are followed by completing each step by the earlier of the two legal “deadlines”, described below:

Action	City Charter	State Statutes
Post notice on the official City website if there will be an increase in either the primary or the secondary property tax rate, even if the combined tax rate is a decrease.	No requirement	60 days prior to Tax Levy Adoption
City Manager’s proposed budget for ensuing year presented to the Mayor and City Council.	On or before the first Tuesday in June or a date designated by the City Council.	No provision
Publish general summary of budget and notice of public hearing that must be held prior to adoption of tentative budget ordinances and five-year Capital Improvement Program by resolution.	Publish in newspaper of general circulation at least two weeks prior to first public hearing.	No provision
Public hearing immediately followed by adoption of tentative budget ordinances with or without amendment.	On or before the last day of June	On or before the third Monday in July
Publish truth-in-taxation notice twice in a newspaper of general circulation (when required).	No requirement	First, at least 14 but not more than 20 days before required public hearing; then at least seven days but not more than 10 days before required hearing
Publish summary of tentatively adopted budget and notice of public hearing which must precede final adoption.	No provision	Once a week for two consecutive weeks following tentative adoption
Post a complete copy of the tentatively adopted budget on the City’s website and provide copies to libraries and City Clerk.	No requirement	No later than 7 business days after the estimates of Revenue and Expenses are initially presented before the City Council
Post notice of intent on the official City website and distribute notice through the City’s social media accounts if there will be an increase in either the primary or secondary property tax rate.	No requirement	At least 15 days prior to Tax Levy Adoption

Action	City Charter	State Statutes
Public hearing on budget plus property tax levy or truth-in-taxation hearing (when required) immediately followed by adoption of final budget ordinances.	No provision	Public hearing on or before the 14th day before the tax levy is adopted and no later than the first Monday in August
Post a complete copy of the adopted final budget on the City's website.	No requirement	No later than seven days after adoption
Public hearing and property tax levy adoption.	No later than the last regular Council meeting in July	No sooner than fourteen days following initial public hearing and no later than the third Monday in August

Final adoption of the budget is by ordinance. Differences between the basis of accounting used for budgetary purposes and that used for reporting in accordance with GAAP are discussed in Note 2.

g) **Use of Estimates**

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

h) **Pooled Cash and Investments**

The City's cash resources are combined to form a cash and investment pool managed by the City Treasurer. Excluded from this pool are the investments of COPERS and certain other legally restricted funds. COPERS' investments are managed by thirty-seven professional fund managers and are held by a plan custodian who is COPERS' agent. Interest earned by the pool is distributed monthly to individual funds based on daily equity in the pool.

The City's cash and cash equivalents are considered to be cash in bank, cash on hand, and short-term investments with original maturities of 90 days or less from the date of acquisition.

The City's investments are stated at fair value. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

i) **Inventories**

Inventories consist of expendable supplies held for consumption. Inventories in governmental funds are primarily accounted for on the consumption method and are stated at average cost. Enterprise fund inventories are stated at average cost. An amount equal to the inventories in the governmental funds is shown as non-spendable fund balance as it is not available for future expenditure.

j) **Capital, Lease, and Subscription Assets**

All capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. The City has chosen not to apply the modified approach to any networks or subsystems of infrastructure assets. No long-term capital assets or depreciation are shown in the governmental fund financial statements.

Public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the City) has both depreciable and non-depreciable components. Non-depreciable infrastructure consists of sub-grade preparation. According to the Streets Department engineers, subgrade preparation, which is necessary for the initial construction of a street, will not have to be replaced in order to maintain the streets at an acceptable level. Therefore, the sub-grade preparation is treated as a permanent improvement.

The largest category of intangible assets in the City is software which includes both externally acquired and internally developed software packages. Other intangible assets include water rights, studies, master plans, and manuals.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. All artwork, land and non-depreciable infrastructure is capitalized. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. See Note 9 for presentation of capital additions capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Lease assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease liability, 2) lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, 3) initial direct costs that are ancillary charges necessary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Depreciable capital, lease, and subscription assets are depreciated or amortized using the straight-line method over the following estimated useful lives or lease/subscription agreement:

Buildings and improvements	5 to 50 years
Motor vehicles and motorized equipment	3 to 25 years
Furniture, machinery and equipment	5 to 25 years
General government infrastructure	6 to 100 years
Mains, hydrants, meters and service connections	5 to 50 years
Intangible assets	5 to 50 years
Lease assets	9 to 15 years
Subscription assets	2 to 11 years

Gain or loss is recognized when assets are retired from service or are otherwise disposed of. Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation).

k) **Lease Receivable**

The City, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources should be measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

l) **Partnership Receivable**

The City, as transferor, recognizes a partnership receivable and a deferred inflow of resources at the commencement of the partnership, with certain exceptions. The partnership receivable is measured at the present value of the lease payments expected to be received during the partnership. The deferred inflow of resources should be measured as the value of the partnership receivable in addition to any payments received at or before the commencement of the partnership that relate to future periods.

m) **Advance Payments**

Certain governmental and enterprise funds report a liability, advance payments, in connection with resources that have been received, but not yet earned, primarily related to federal grants received in advance, where eligible expenditures have not been incurred as of year-end.

n) **Compensated Absences**

Vacation, compensatory time, and sick leave benefits are accrued as liabilities as employees earn the benefits to the extent that they meet all of the following criteria: 1) the City's obligation is attributable to employees' services already rendered; 2) the leave accumulates; and 3) it is more likely than not that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments.

Sick leave benefits are accrued as a liability as the benefits are earned by employees, but only if it is more likely than not that the employees will use the sick leave for paid time off or the City will compensate the employees through cash payments conditioned on the employees' retirement. Unused sick leave hours not eligible for such cash payment are treated as additional service time in the calculation of postemployment benefits. For the government-wide financial statements, as well as the enterprise fund financial statements, outstanding compensated absences are recorded as a liability based on the LIFO method.

o) **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans as described in Note 20 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.

p) **Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the City's defined other postemployment benefit plans, as described in Note 21, and addition 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, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

q) **Long-Term Obligations**

In the government-wide financial statements, and in the enterprise fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bond liabilities are reported net of unamortized bond premiums or discounts in the financial statements. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the period in which the bonds are issued. Bond issuance costs are expensed as incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

r) **Fund Deficits**

The Transit Capital Projects Fund reported a deficit of \$71.0 million. Deficits sometimes occur in the capital projects funds which are recovered through future bond sales and/or the award of federal grants.

s) **Interfund Transactions**

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

t) **Statements of Cash Flows**

For purposes of the statements of cash flows, all highly liquid investments (including restricted assets) with original maturities of 90 days or less when purchased are considered to be cash equivalents. Under the provisions of GASB Statement No. 9, the trust funds are not required to present a statement of cash flows.

u) **New Accounting Pronouncements**

New Accounting Pronouncements Adopted in 2025:

GASB Statement No. 101, **Compensated Absences**, supersedes Statement 16, *Accounting for Compensated Absences*, issued in 1992. This Standard updates the recognition and measurement guidance for compensated absences by aligning the guidance under a unified model. This will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to any type of leave. The City has implemented this Statement in fiscal year 2025.

GASB Statement No. 102, **Certain Risk Disclosures**, supersedes the Statement by the National Council of Governmental Accounting (NCGA) Interpretation 6, *Notes to the Financial Statements Disclosure*, paragraph 5. This Standard establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. For concentrations and constraints meeting the definitions in the Standard, governments will disclose the concentrations or constraints, related events that could have a substantial impact, and action taken to mitigate the risk. The City has implemented this Statement in fiscal year 2025.

The adoption of these standards had no impact on beginning net position.

Pronouncements Issued But Not Yet Effective:

GASB has issued the following pronouncements that may affect future financial position, changes in financial position, cash flows, or financial presentation of the City upon implementation. The City has not fully determined the effect these pronouncements will have on the City's financial statements:

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

2. **Budget Basis of Accounting**

The City's budget is adopted on a basis other than GAAP. The Budgetary Comparison Statements for the General Fund (Exhibit B-5) and the Transit Special Revenue Funds (Exhibits B-6 through B-8) are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP bases are:

	Budget	GAAP
Encumbrances	The equivalent of expenditures	Not recognized
Grant Revenues	Recognized on a modified cash basis	Recognized on the modified accrual basis
Investment Income	Unrealized gain or loss on investments not recognized	Unrealized gain or loss on investments recognized
Staff and Administrative Costs	Interfund transfers	Reimbursable expenses

Subfunds without legally adopted budgets (and, therefore, not included in the budgetary balances) are reported for GAAP. In addition, certain revenues, expenditures and transfers not recognized in the budgetary year are accrued for GAAP purposes.

Adjustments necessary to convert the change in fund balance for the fiscal year ended June 30, 2025 on the budget basis to the GAAP basis are as follows (in thousands):

Excess (Deficiency) of Sources of Financial Resources Over (Under) Uses of Financial Resources

	General Fund	Transit Special Revenue Fund*
Budget basis	\$ (71,731)	\$ 15,906
Entity differences - amounts not budgeted	(58,187)	3,630
Advance payments not recognized for budget purposes (net of reversals of prior year accruals)	70,480	12,365
Accrued expenditures not recognized for budget purposes (net of reversals of prior year accruals)	(7,892)	(703)
Unrealized gain or loss on investments	(9,307)	7,438
Encumbrances at June 30 recognized as expenditures for budget purposes	22,578	34,097
GAAP basis	<u>\$ (54,059)</u>	<u>\$ 72,733</u>

Adjustments necessary to convert the fund balances at June 30, 2025 on the budget basis to the GAAP basis are as follows (in thousands):

Fund Balances at June 30

	General Fund	Transit Special Revenue Fund*
Budget basis	\$ 221,782	\$ 443,816
Entity differences - amounts not budgeted	271,489	1,622
Advance payments not recognized for budget purposes	(50,646)	-
Accrued expenditures not recognized for budget purposes	(43,870)	(41,758)
Unrealized gain or loss on investments	62,009	(13,621)
Encumbrances at June 30 recognized as expenditures for budget purposes	140,527	140,756
GAAP basis	<u>\$ 601,291</u>	<u>\$ 530,815</u>

*Transit Special Revenue Fund consists of Exhibits B-6 through B-8

3. Fund Balances

Fund balances are classified as Nonspendable, Restricted, Committed, Assigned and Unassigned based on the extent to which the City is bound to observe constraints imposed on the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors through debt covenants, grantors, contributors, or laws or regulation of other governments or it's imposed by law through enabling legislation.

Committed - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for other purposes unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. City Council may assign fund balance through approval of budget appropriations. The City Manager or his designees i.e., department heads, deputy city managers, etc., are authorized by City Charter to assign fund balance in carrying out the administration of the City.

Unassigned - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and does not have a specific purpose. In the governmental funds, if expenditures incurred exceeded the amounts restricted, committed or assigned, the fund may report a negative unassigned fund balance.

Generally, the City would first apply restricted resources, then committed, assigned and unassigned resources when an expense is incurred for purposes for which more than one classification of fund balance is available.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented in the following table:

	General	Transit Special Revenue	General Obligation/ Secondary Property Taxes	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (in thousands):					
Nonspendable:					
Inventory / Prepaid Items	\$ 38,725	\$ 685	\$ -	\$ 268	\$ 39,678
Spendable:					
Restricted for:					
Capital Construction	-	-	-	612,433	612,433
Debt Service	-	-	8,844	8,097	16,941
Public Transit Operations	-	528,884	-	-	528,884
Road Maintenance and Construction	-	-	-	183,028	183,028
Public Parks and Preserves	-	-	-	111,586	111,586
Insurance Claims	55,222	1,246	-	-	56,468
Low Income Housing Programs	-	-	-	64,943	64,943
Court Operations	-	-	-	4,084	4,084
Police and Fire Personnel	-	-	-	93,003	93,003
Other	-	-	-	102,235	102,235
Committed to:					
Debt Service	-	-	-	120,898	120,898
Capital Construction	-	-	-	30,943	30,943
Public Safety Pension	-	-	-	15,378	15,378
Assigned to:					
Capital Construction	-	-	-	33,220	33,220
Insurance	156,644	-	-	-	156,644
Development Services	-	-	-	84,316	84,316
Low Income Housing Programs	-	-	-	15,782	15,782
Pension Reserve	50,196	-	-	-	50,196
Other	23,706	-	-	110,900	134,606
Unassigned (Deficit)	276,798	-	-	(71,051)	205,747
Total fund balances	\$ 601,291	\$ 530,815	\$ 8,844	\$ 1,520,063	\$ 2,661,013

4. Property Tax Levy, Assessment and Collection

Arizona's property tax system provides for two separate tax systems:

- A primary system for taxes levied to pay current operation and maintenance expenses.
- A secondary system for taxes levied to pay principal and interest on bonded indebtedness as well as for the determination of the maximum permissible bonded indebtedness.

Prior to fiscal year 2015-16, Arizona had a dual valuation property tax system. Specific provisions were made under each system to determine the full cash and limited values of the property, the basis of assessment, and the maximum annual tax levies on certain types of property and by certain taxing authorities. Primary property taxes were levied against the limited property value (LPV), and secondary property taxes were levied against the full cash value (FCV) of the property. Under the primary system, the LPV could generally only increase by 10% annually, while the FCV had no limitation on the annual increase.

In 2012, voters approved Proposition 117, which replaced Arizona's dual valuation tax system. Also known as the Property Tax Assessed Valuation Amendment, Proposition 117 amended the Arizona Constitution by limiting the annual increase in the LPV and by eliminating the use of FCV to calculate secondary property taxes. Beginning in fiscal year 2015-16, the amendment caps the value at no greater than 5% above the previous year, plus new construction, and establishes a single LPV for both the primary and secondary systems. The LPV is used to calculate primary net assessed valuations (PNAV) also referred to as limited net assessed valuation (LNAV), which is used to calculate both the primary and secondary levies. Both primary and secondary property taxes are levied against the LPV of locally-assessed real property, including residential, commercial, industrial, agricultural and unimproved property. The amendment did not change the methodology used by county assessors to calculate primary values and property owners may still appeal valuations to their county assessor. The amendment did not impose limits on the rate at which primary property taxes may be assessed and does not materially adversely affect the City's ability to levy and collect property taxes. The City of Phoenix LNAV for tax year 2025 (fiscal year 2025-26) is \$17.8 billion.

Separate tax rates are set for primary and secondary. The primary property tax levies are limited to a 2% increase annually plus levies attributable to assessed valuation added as a result of growth and annexation. In addition, levies may be increased by an amount equal to payments made during the year by the City pursuant to involuntary tort judgments. Secondary property tax levies are limited to annual general obligation debt service plus a reasonable delinquency factor and may also include new money issuances and defeasances.

The City Council adopts the annual primary and secondary tax levies not later than the last regularly scheduled meeting in July. The City's property tax is levied each year on or before the third Monday in August. The basis of this levy is the LPV as determined by the Maricopa County Assessor. For locally assessed property, the LPV is determined as of January 1 of the year preceding the tax year, known as the valuation year. For utilities and other centrally valued properties, the LPV is determined as of January 1 of the tax year. The City has a legal enforceable claim to the property when the property tax is levied. The County collects all property taxes on behalf of the City and all other tax levying jurisdictions within the County.

Property taxes receivable for the year were as follows (in thousands):

	2024 Levy			Prior Levies	Total
	Primary	Secondary	Total		
Property Taxes Receivable, July 1	\$ -	\$ -	\$ -	\$ 7,960	\$ 7,960
Current Tax Levy	217,597	139,948	357,545	-	357,545
Adjustment by County Assessor	(3,785)	(2,313)	(6,098)	(1,641)	(7,739)
	213,812	137,635	351,447	6,319	357,766
Less: Collections, net	(210,500)	(135,540)	(346,040)	(4,769)	(350,809)
Property Taxes Receivable, June 30	\$ 3,312	\$ 2,095	\$ 5,407	\$ 1,550	\$ 6,957

In fiscal year 2024-25, current property tax collections were \$346.0 million, or 96.8% of the tax levy, and were recognized as revenue when received. At fiscal year end, the delinquent property tax expected to be collected within 60 days was recognized as revenue and recorded as a receivable for the governmental funds. As delinquent payments are received in fiscal year 2025-26, the receivable will be credited until the full amount has been satisfied. Any additional collections will be credited to revenue. Property tax revenues on the government-wide statements are recognized, net of estimated uncollectible amounts, in the period for which the taxes are levied. The year end balance in the General Obligation/Secondary Property Tax Debt Service Fund must be used for future debt service payments. Any year that total primary tax collections,

excluding delinquent collections, exceed the primary tax levy, the excess amount must be deducted from the maximum levy of the following year.

Taxes Due and Payable

Property taxes are due and payable at the office of the County Treasurer in two equal installments on October 1 and March 1 following the levy date, and become delinquent the first business day of November and May, respectively. Interest at 16% per annum attaches on the first and second installments following their delinquent dates. Interest on delinquent taxes is retained by the County. The County Treasurer remits to the City on the 15th day of each month all monies collected the previous month on property taxes due the City.

Delinquent Taxes - Sales and Redemption

Public auctions for sale of delinquent real estate taxes are held in the office of the County Treasurer in February following the May 1 date upon which the second half taxes become delinquent. 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 16% per annum. The purchaser is given a Certificate of Purchase issued by the County Treasurer. Five years from the date of sale, the holder of a Certificate of Purchase, which has not been redeemed, may demand of the County Treasurer a County Treasurer's Deed. However, at the end of three full years, a holder of a Certificate may institute a quiet title action. If the suit is successful, the Court will instruct the County Treasurer to issue a County Treasurer's Deed. Redemption may be made by the owner or any interested party by payment in full of all accumulated charges at any time before issuance of the tax deed.

5. Cash and Investments

Cash and cash equivalents, excluding cash with fiscal agents, at June 30, 2025, was comprised of the following (in thousands):

	Total
Cash in Bank	\$ 41,210
Cash on Hand	141
Short-Term Pooled Investments	473,118
Short-Term Non-Pooled Investments	223,130
Total Cash and Cash Equivalents	<u>\$ 737,599</u>

A summary of cash and cash equivalents by fund follows (in thousands):

Primary Government	
Unrestricted	
General Fund	\$ 77,584
Transit Special Revenue Fund	53,888
Non-Major Governmental Funds	173,088
Enterprise Funds	
Aviation	106,842
Phoenix Convention Center	22,671
Water System	26,153
Wastewater	34,843
Solid Waste	4,877
Total Unrestricted	<u>499,946</u>
Restricted	
Enterprise Funds	
Aviation	11,524
Phoenix Convention Center	12,070
Water System	19,206
Wastewater	8,029
Solid Waste	6,579
Total Restricted	<u>57,408</u>
Total Primary Government	<u>557,354</u>
Component Unit - PHFC	16,256
Component Unit - Phoenix IDA	2,136
Fiduciary Funds	
Employee Pension Trust	140,603
Employee Benefit Trust	21,250
Total Reporting Entity	<u>\$ 737,599</u>

Deposits

Cash deposits are subject to custodial risk. Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's deposits were entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name at fiscal year end. There was one day during fiscal year 2025 that had undercollateralized deposit liabilities. The carrying amount of the City's deposits at June 30, 2025 was \$40.7 million and the bank ledger balance was \$94.8 million.

Cash with fiscal agents and trustees are subject to custodial risk. The City's contracts with the fiscal agents and trustees call for these deposits to be fully covered by collateral held in the fiscal agents' and trustees' trust departments but not in the City's name. Each trust department pledges a pool of collateral against all trust deposits it holds. The carrying amount of the City's cash with fiscal agents and trustees and the bank ledger balance at June 30, 2025 was \$776.1 million. Securities with fiscal agents and trustees are not subject to custodial risk.

Investments

The City Charter and ordinances authorize the City to invest in U.S. Treasury securities, securities guaranteed, insured or backed by the full faith and credit of the U.S. Government, U.S. Government agency securities, Government Sponsored Enterprise (GSE) Backed Securities (MBS), GSE Collateralized Mortgage Obligations (CMO), GSE Commercial Mortgaged Back Securities (CMBS), repurchase agreements, commercial paper, money market accounts, certificates of deposit, the State Treasurer's Local Government Investment Pool "LGIP", highly rated securities issued or guaranteed by any state or political subdivision thereof rated in the highest short-term or second highest long-term category and investment grade corporate bonds, debentures, notes and other evidence of indebtedness issued or guaranteed by a solvent U.S. corporation which are not in default as to principal or interest. Investments are carried at fair value. It is the City's policy generally to hold investments until maturity.

In addition to the types of investments described above, the LTD and MERP Trusts' assets are invested in separate, externally managed portfolios, mutual funds and commingled funds. These externally managed portfolios and funds consist of investments in U.S. equities, non-U.S. equities, core fixed income, real return securities, marketable alternatives, and real estate.

In addition to the types of investments described above, COPERS is also authorized to invest in certain types of common stocks, real property, and investment derivative instruments, which include swaps, forwards, options on swaps, and options on forwards. The City Charter as of July 1, 2013 was revised due to the passage by Phoenix Voters of Proposition 202 which removed investment limitations from the Retirement Law contained in Chapter XXIV. The City of Phoenix Employees' Retirement Systems (COPERS) Board now exercises the Prudent Investor Rule. The Retirement Board has a duty to invest and manage the assets of the Retirement Plan solely in the interests of the members and beneficiaries of the Retirement Plan.

Rebates

Senate bill 1306 requires local governments to disclose the amount of any reward, discount, incentive or other financial consideration received as a result of credit card payments made to a vendor for goods or services. In fiscal year 2025, the City has recorded approximately \$1.2 million in rebates related to its single use account program.

Total investments at June 30, 2025, stated at fair value, were \$8.9 billion. The following summarizes those amounts, which exclude investments held and reported separately by COPERS and other fiduciary funds on the following page, reported in "Investments" in the accompanying financial statements (in thousands):

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
City Investments		
Pooled Investments		
Repurchase Agreements Collateralized by U.S. Treasury Securities	208,816	0.013
U.S. Treasury Securities	2,817,462	1.459
U.S. Government Agency Securities		
FFCB Notes	172,179	2.307
FNMA Notes	65,575	2.501
FHLMC Notes	233,589	3.362
FHLB Notes	416,148	2.435
Total U.S. Government Agency Securities	887,491	2.659
Pre-Refunded Municipal Securities	22,933	1.118
Certificates of Deposit	95,834	0.005
Commercial Paper	209,128	0.098
Mortgage Backed Securities		
GNMA	8,804	1.912
FNMA/FHLMC CMO/MBS/CMBS	56,591	1.713
Total Mortgage Backed Securities	65,395	1.740
Total Pooled Investments	4,307,059	1.540
Less: Joint Venture Pooled Investments	(95,361)	
Less: Short-Term Pooled Investments	(473,118)	
Net Pooled Investments	3,738,580	
Non-Pooled Investments		
Repurchase Agreements Collateralized by U.S. Treasury Securities	35,769	0.025
U.S. Treasury Securities	802,364	26.810
U.S. Government Agency Securities - FNMA Notes	35,622	0.025
U.S. Government Agency Securities - FHLMC Notes	11,470	0.040
U.S. Government Agency Securities - FHLB Notes	175,267	2.610
Pre-Refunded Municipal Securities	13	2.500
Total Non-Pooled Investments	1,060,505	20.715
Less: Short-Term Non-Pooled Investments	(82,989)	
Net Non-Pooled Investments	977,516	
Total City Investments	<u>\$ 4,716,096</u>	
 Primary Government Investments	4,662,527	
Fiduciary Fund Internal Investments	53,569	
Total City Investments	<u>\$ 4,716,096</u>	

	Credit Quality Rating	Fair Value	Weighted Average Maturity (Years)
COPERS Investments			
Fixed Income Investments			
U. S. Treasury Securities	AAA	2,179	3.381
U. S. Treasury Securities	AA	30,376	0.449
U. S. Treasury Securities	Not Rated	3,178	1.035
Total U. S. Treasury Securities		35,733	
U.S. Government Agency Securities	AA	247	2.710
U.S. Government Agency Securities	Not Rated	169	0.668
Total U.S. Government Agency Securities		416	
Mortgage Backed Securities	AAA	1,696	1.008
Mortgage Backed Securities	Not Rated	8,070	4.470
Total Mortgage Backed Securities		9,766	
Asset Backed Securities	AAA	6,545	2.661
Asset Backed Securities	AA	461	3.077
Asset Backed Securities	A	640	9.815
Asset Backed Securities	BBB	310	3.175
Asset Backed Securities	BB	136	3.137
Asset Backed Securities	B	1,359	1.273
Asset Backed Securities	Not Rated	15,173	2.721
Total Asset Backed Securities		24,624	
Municipal Bonds	AA	1,207	3.346
Municipal Bonds	A	484	0.000
Municipal Bonds	Not Rated	629	3.699
Total Municipal Bonds		2,320	
Corporate Bonds	AAA	2,222	10.309
Corporate Bonds	AA	2,138	8.841
Corporate Bonds	A	14,338	6.534
Corporate Bonds	BBB	11,403	14.177
Corporate Bonds	BB	24,547	8.449
Corporate Bonds	B	52,452	5.016
Corporate Bonds	CCC	49,596	5.971
Corporate Bonds	CC	1,652	11.289
Corporate Bonds	Not Rated	154,992	5.598
Total Corporate Bonds		313,340	
International Bonds	AA	554	1.359
International Bonds	A	2,705	0.468
International Bonds	BBB	571	0.921
International Bonds	Not Rated	91,194	0.000
Total International Bonds		95,024	
Total Fixed Income Investments		481,223	
Temporary Investments from Securities Lending		35,871	
Domestic Equities:			
Common Stocks		1,222,198	
Private Stocks		508,256	
Private Debt		202,491	
Real Estate		474,250	
Total Domestic Equities		2,407,195	
International Equities		736,284	
Hedge Funds		157,908	
Total COPERS and Pension Investments		<u>\$ 3,818,481</u>	
Fiduciary Fund External Investments			
Employee Benefit Trusts			
Bond Mutual Funds			
Doubleline Core Total Return	Not Rated	\$ 16,315	9.320
PIMCO Total Return	Not Rated	16,105	6.300
Vanguard Total Bond Market Index	Not Rated	32,047	8.200
Total Bond Mutual Funds		64,467	
Stock Mutual Funds	Not Rated	247,502	
Real Estate	Not Rated	16,366	
Total Fiduciary Fund External Investments		328,335	
Fiduciary Fund Internal Investments		53,569	
Total Employee Benefit Trusts Investments		<u>\$ 381,904</u>	

A summary of investments by fund follows (in thousands):

Primary Government	<u>Fair Value</u>
Unrestricted	
General Fund	\$ 443,580
Transit Special Revenue Fund	394,213
General Obligation/Secondary Property Tax	6,169
Non-Major Governmental Funds	1,512,310
Enterprise Funds	
Aviation	918,811
Phoenix Convention Center	184,752
Water System	257,412
Wastewater	290,183
Solid Waste	60,141
Total Unrestricted	<u>4,067,571</u>
Restricted	
Enterprise Funds	
Aviation	192,398
Phoenix Convention Center	4,856
Water System	220,417
Wastewater	153,311
Solid Waste	23,809
Total Restricted	<u>594,791</u>
Total Primary Government	<u>4,662,362</u>
Fiduciary Funds	
Employee Pension Trust	3,818,481
Employee Benefit Trust	381,904
Total Reporting Entity	<u>\$ 8,862,747</u>

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2025 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using			
	June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury securities	\$ 3,864,411	\$ 15,788	\$ 3,848,623	\$ -
U.S. Government agency obligations	1,109,850	-	1,109,850	-
U.S. Government agency MBS/CMO	65,395	-	65,395	-
Municipal bonds	22,946	-	22,946	-
Commercial paper	209,128	-	209,128	-
Total investments, including those classified as, cash equivalents by fair value level	<u>\$ 5,271,730</u>	<u>\$ 15,788</u>	<u>\$ 5,255,942</u>	<u>\$ -</u>

U.S. Government securities totaling \$15.8 million in fiscal year 2025 are classified in Level 1 of the fair value hierarchy and are valued using quoted prices in active markets.

U.S. Government securities totaling \$3.9 billion, U.S. Government agency obligations totaling \$1.1 billion, U.S. Government agency MBS/CMO totaling \$65.4 million, municipal bonds totaling \$23.0 million and commercial paper totaling \$209.1 million in fiscal year 2025 are classified in Level 2 of the fair value hierarchy and are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These prices are obtained from a pricing source.

For the LTD and MERP Trusts, Bond Mutual Funds totaling \$64.5 million and Stock Mutual Funds totaling \$262.5 million classified in Level 1 of the fair value hierarchy in fiscal year 2025 are valued using quoted prices in active markets. Stock Mutual Funds totaling \$1.4 million classified in Level 2 of the fair value hierarchy in fiscal year 2025 are valued using other significant observable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of COPERS as of June 30, 2025 (in thousands):

Investments by Fair Value Level	June 30, 2025	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Equities	\$ 1,222,198	\$ 5,633	\$ -	\$ 1,216,565
International Equities	736,284	181,487	-	554,797
Private Debt	202,491	-	-	202,491
Fixed Income				
US government and agency	36,149	35,086	1,063	-
Mortgage backed - residential	9,766	-	9,766	-
Asset backed	24,624	-	24,624	-
Municipal bonds	2,320	-	2,320	-
Corporate bonds	313,340	-	164,565	148,775
Foreign	95,024	-	4,088	90,936
Total fixed income securities	481,223	35,086	206,426	239,711
Temporary Investments from Securities Lending	1,689	1,689	-	-
Subtotal	2,643,885	\$ 223,895	\$ 206,426	\$ 2,213,564
Investments measured at the net asset value (NAV)				
Private Equity	508,256			
Hedge Funds	157,908			
Real Estate Funds	474,250			
Total Investments Measured at NAV	1,140,414			
Cash Equivalents in Securities Lending	34,182			
Total investments and cash equivalents by fair value level	\$ 3,818,481			

Certain investments are reported at the net asset values calculated by the investment manager. These investments at June 30, 2025, detailed in the following table, are subject to capital calls and specific redemption terms:

	June 30, 2025 (in thousands)	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Risk Mitigating Strategies	\$ 157,908	\$ -	Quarterly	90 Days
Private Equity	508,256	430,820	Quarterly	0-90 Days
Real Estate Funds	474,250	150,600	Quarterly	0-90 Days

Alternative investments measured at NAV include private equity funds, hedge funds, real estate, opportunistic and global fixed income. Below is a description of the various investment strategies:

- COPERS has one private equity fund manager that focuses on limited partnership arrangements.
- COPERS invests in four direct hedge funds which all have a global macro strategy.
- COPERS' portfolio consists of one commingled fixed income fund and five fixed income separate accounts. These accounts have a core-plus strategy.
- COPERS has two global commingled funds. One fund which has a global large cap growth mandate and the second fund which has a large cap value mandate.
- COPERS' real estate investments consist of three core real estate funds and 18 non-core real estate partnerships. The core funds permit redemptions with a 90-day notice, the non-core fund investments have a limited liquidity and redemptions are restricted.

Debt and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those debts and securities. Debt and equity securities categorized as Level 2 are valued using matrix pricing techniques maintained by the various pricing vendors for these securities. Matrix pricing is used to value securities based on the relationship to benchmark quoted prices. Investment derivative instruments categorized as Level 2 are valued using market approaches that consider, as applicable, benchmark interest rates or foreign exchange rates. Mortgage-backed securities categorized as Level 2 are valued using discounted cash flow techniques. Debt and equity securities categorized as Level 3 are debt and securities whose stated market price is unobservable by the marketplace, many of these securities are priced by the issuers or industry groups for these securities. Collateralized debt obligations categorized as Level 3 are valued using consensus pricing. The fair value of international equity funds and related short-term investments classified as Level 3 represent the value of unit positions in funds that are not publicly traded on an exchange. Fair value of these securities can be impacted by redemption restrictions imposed by the fund managers.

Interest Rate Risk

In order to limit interest rate risk, the City's investment policy limits maturities as follows:

U.S. Treasury Securities	5 year final maturity
Securities guaranteed, insured, or backed by the full faith and credit of the U.S. Government	5 year final maturity
U.S. Government Agency Securities	5 year final maturity
Repurchase Agreements	60 days
Municipal Obligations	5 years for long-term issuances
Money Market Mutual Funds	90 days
Commercial Paper	270 days
Corporate Debt	5 year final maturity

For Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMO), the maximum weighted average life using current Public Securities Association (PSA) prepayment assumptions shall be twelve years at the time of purchase for MBS and five years at the time of purchase for CMO. For CMBS designated as “green”, the final maturity is less than ten years.

For the LTD and MERP Trusts, investment activity has been delegated from the Trust funds’ Boards to professionally managed mutual funds to diversify the composition of the Trusts’ assets. The bond funds, as of June 30, 2025, have weighted average maturities ranging from 6.3 to 9.4 years.

The decision making responsibility for COPERS’ investment activity has been delegated from the COPERS Board to professional fund managers in order to diversify the composition of the fund’s investments and to allow for more active management of the portfolio. COPERS’ contract with Western Asset Management Company (“Western”) directs them to maintain an average weighted duration of portfolio security holdings including futures and options positions within +/- 20% of the Barclays Capital US Aggregate Index. COPERS’ contract with Longfellow Investment Management (“Longfellow”) specifies a weighted average duration of +/- 20% of the Barclays Capital US Aggregate Index. The contracts with Brigade and DDJ Capital Management require a weighted average duration of +/- two years of the Barclays Capital US Aggregate Index.

Credit Risk

The City’s investment policy limits its purchase of investments to the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor’s “S&P” and Moody’s Investors Service “Moody’s”. The portfolio is primarily invested in securities issued by the U.S. Treasury or by U.S. Government Agency Securities which are rated Aaa by Moody’s and AA+ by S&P. Repurchase agreements are collateralized by U.S. Treasuries at 102%. In addition, the portfolio is invested in pre-refunded or escrowed to maturity municipal securities for which the payment of interest, and ultimately the repayment of the principal, is backed by U.S. Treasury Securities, U.S. Government Agencies or cash. Municipal securities must have a short-term minimum rating of A1 by S&P and P1 by Moody’s and a long-term uninsured rating of A+ by S&P and A1 by Moody’s. Money market mutual funds must have a current minimum money market rating of AAAM by S&P and Aaa by Moody’s. For commercial paper, an Issuer’s program must have a minimum rating of “A1” by S&P and “P1” by Moody’s. The issuing corporation must be organized and operating in the United States and have a minimum long-term debt rating of “A+” by S&P and “A1” by Moody’s. Programs rated by only one of the agencies are ineligible. Corporate debt securities must have a long-term minimum rating of AAA by S&P and Aaa by Moody’s.

Credit risk for the City’s LTD and MERP trusts is mitigated by portfolio diversification inherent in the asset allocation strategy approved by the trust funds’ boards. Assets are invested in mutual funds which do not receive a credit quality rating from a national rating agency and can be sold at any time.

COPERS currently has two managers responsible for fixed income investments. Longfellow and Western are active bond managers. As part of their portfolios, Longfellow and Western may enter into futures, options, and swaps contracts for hedging purposes and/or as a part of the overall portfolio strategy and will be incidental to its securities trading activities for the account. COPERS also invests in index funds SSgA U.S. Aggregate Bond Index and SSgA U.S. TIPS.

Concentration of Credit Risk

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

Issuer	Fair Value
FHLB	\$ 591,415

The LTD and MERP Trusts have allocated 20% of their total assets to core fixed income mutual funds which have mandates to be well diversified over a broad range of various issuers.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates may adversely affect the fair value of an investment or a deposit. COPERS’ investment in foreign fixed income is managed by Longfellow and Western Asset. The managers’ report dollar and non-dollar denominated holdings and provide for direct ownership

of the underlying security. Dollar and non-dollar denominated holdings accounted for 99.99% and 0.01%, respectively, of the foreign fixed income investments at June 30, 2025.

Securities Lending

State statutes and City Charter do not prohibit COPERS from participating in securities lending transactions, and COPERS has, via a Securities Lending Authorization Agreement effective May 6, 2015, authorized Bank of New York Mellon ("BNY") to lend its securities to broker-dealers and banks pursuant to a form of loan agreement.

During 2025, BNY lent, on behalf of COPERS, certain securities held by BNY as custodian and received cash (United States and foreign currency), securities issued or guaranteed by the United States government and irrevocable letters of credit as collateral. BNY did not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 102% of the fair value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 105% of the fair value of the loaned securities.

During 2025, COPERS and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a liquidity pool and a duration pool. As of June 30, 2025, the collateral pool had a weighted average maturity (WAM) of 3 days and a weighted average life (WAL) of 10 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral.

6. Receivables

Receivables at June 30, 2025 are stated net of the allowance for doubtful accounts, and are summarized as follows (in thousands):

	Accounts	Taxes	Interest	Intergov- ernmental ⁽¹⁾	Notes	Leases ⁽²⁾	Partner- ships ⁽³⁾	Total
Unrestricted								
Governmental Activities								
General Fund	\$ 99,523	\$ 130,842	\$ 147	\$ 39,231	\$ -	\$ 3,660	\$ 19,873	\$ 293,276
Transit Special Revenue	1,624	-	-	28,025	-	191	-	29,840
G.O./Secondary Property Tax	-	4,728	-	-	-	-	-	4,728
Nonmajor	5,505	9	909	111,159	11,345	201,003	-	329,930
	106,652	135,579	1,056	178,415	11,345	204,854	19,873	657,774
Business-Type Activities								
Aviation	23,877	-	-	-	-	238,981	-	262,858
Phoenix Convention Center	280	-	-	-	-	11,676	-	11,956
Water System	85,770	-	-	5,860	-	-	-	91,630
Wastewater	49,916	-	-	16,194	-	168	-	66,278
Solid Waste	22,834	-	-	2	-	3,938	-	26,774
	182,677	-	-	22,056	-	254,763	-	459,496
Subtotal	289,329	135,579	1,056	200,471	11,345	459,617	19,873	1,117,270
Restricted								
Business-Type Activities								
Aviation	18,483	-	-	37,511	-	-	-	55,994
	18,483	-	-	37,511	-	-	-	55,994
Total	\$ 307,812	\$ 135,579	\$ 1,056	\$ 237,982	\$ 11,345	\$ 459,617	\$ 19,873	\$ 1,173,264

(1) Intergovernmental Receivables include monies due from other governmental entities for grants as well as for sales of water, wastewater, and solid waste products and services for the enterprise funds.

(2) Includes both current and noncurrent amounts for lease receivables.

(3) Includes receivables from public-public and public-private partnerships.

The following is a summary of the allowance for doubtful accounts for all funds at June 30, 2025 (in thousands):

	Allowance for Doubtful Accounts		
	Accounts	Taxes	Total
Governmental			
General Fund	\$ 37,961	\$ 3,817	\$ 41,778
Transit Special Revenue Fund	601	-	601
Nonmajor	1,551	-	1,551
Business-Type			
Aviation	1,685	-	1,685
Phoenix Convention Center	71	-	71
Water System	9,908	-	9,908
Wastewater	5,709	-	5,709
Solid Waste	6,228	-	6,228
	<u>\$ 63,714</u>	<u>\$ 3,817</u>	<u>\$ 67,531</u>

Enterprise fund Accounts Receivable included unbilled charges at June 30, 2025, as follows (in thousands):

Aviation	\$ 18,226
Phoenix Convention Center	121
Water System	34,294
Wastewater	9,967
Solid Waste	7,320
	<u>\$ 69,928</u>

Notes Receivable

The City has entered into loan agreements with the Matthew Henson Partnership, LP; Krohn West, LP; Phoenix Central City Revitalization Corp & LLC; Santa Fe Springs Apartments LLC; PERC Frank Luke Addition LLC; PGHC Pine Crest, LLC; PSMHTC Summit LLC; PIBHC Marcos De Niza LLC; PERC II Frank Luke Addition LLC; PERC III Frank Luke Addition LLC; Phoenix Starfish Place Corporation; Soluna II; Washington Manor Housing Corporation; Harmony at the Park One, LLC; Harmony at the Park Two, LLC; Harmony at the Park Three, LLC; Sidney P Osborn One, LLC; and Sidney P Osborn Two, LLC for the purpose of financing housing projects. These projects include a mix of affordable housing and market rate units. Payments on these loans are only required to be made from the project's surplus cash flows. Due to the uncertainty of payment, the City is not recognizing a receivable in the Financial Statements and will record all payments as revenue at the time of receipt. The amount of these notes outstanding is \$131.3 million as of June 30, 2025.

The City has entered into various loan agreements with third parties related to its affordable housing programs. The purpose of these loans is to establish, preserve and rehabilitate public housing, and the terms of these loans are more generous (soft) as compared to regular loan agreements. Payments on these loans are only required to be made from the property's surplus cash flows. Due to the uncertainty of payment, the City is not recognizing a receivable in the Financial Statements and will record all payments as revenue at the time of receipt. The amount of these notes outstanding is \$76.0 million as of June 30, 2025.

The City has also entered into various loan agreements with third parties related to its affordable housing programs that have been recorded as notes receivable within the Public Housing Special Revenue Fund. Under these agreements, the City has either loaned money to nonprofit corporations for the purpose of establishing and/or improving public housing units or to single families providing affordable housing. The loans are secured by an interest in the property being acquired and/or improved. Interest rates range from 0% to 5% with amortization periods up to 40 years. Maturities on the loans are as early as fiscal year ending 2026 and as late as fiscal year ending 2062. As of June 30, 2025 the total amount of the notes outstanding is \$11.3 million. The payments received from these loans are restricted by the Federal Government for affordable housing programs. Therefore, the City records a trust liability within the Public Housing Special Revenue Fund for the outstanding balance of the notes.

7. Interfund Transactions

The following amounts due to other funds or due from other funds are included in the fund financial statements at June 30, 2025 (in thousands):

	Payable Funds		
	General Fund	Nonmajor Governmental	Total
Receivable Funds			
Governmental Funds			
Transit Special Revenue	\$ -	\$ 101,507	\$ 101,507
Nonmajor Governmental	1,842	4,765	6,607
Total	\$ 1,842	\$ 106,272	\$ 108,114

Interfund balances at June 30, 2025 are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements.

Net transfers of \$74.3 million from governmental activities to business-type activities on the government-wide statement of activities is primarily the result of the monthly transfer of earmarked excise tax to the Phoenix Convention Center Enterprise Fund. The following interfund transfers are reflected in the fund financial statements for the year ended June 30, 2025 (in thousands):

	Transfers Out	Transfers In
Governmental Funds		
General Fund	\$ 179,969	\$ 32,857
Transit Special Revenue Fund	8,740	67
General Obligation/Secondary Property Tax	-	52
Nonmajor Governmental	112,643	194,085
Total Governmental Funds	301,352	227,061
Enterprise Funds		
Aviation	458	816
Phoenix Convention Center	528	85,051
Water System	17,776	-
Wastewater	10,495	-
Solid Waste	1,656	19,337
Total Enterprise Funds	30,913	105,204
Total Transfers	\$ 332,265	\$ 332,265

Interfund transfers are primarily used for 1) debt service payments made from a debt service fund, but funded from an operating fund; 2) subsidy transfers from unrestricted general funds; or 3) transfers to move excise tax revenues from the general fund to the Phoenix Convention Center Enterprise Fund.

8. Restricted Assets and Liabilities Payable from Restricted Assets

Restricted assets and liabilities payable from restricted assets recorded in the Enterprise Funds at June 30, 2025, are summarized as follows (in thousands):

Restricted Assets		
Cash and Cash Equivalents	\$	57,408
Cash Deposits		12,097
Cash and Securities with Fiscal Agents/Trustees		406,472
Investments		594,791
Receivables, Net of Allowances		55,994
Total Restricted Assets	\$	<u>1,126,762</u>
Liabilities Payable from Restricted Assets		
Accounts Payable	\$	90,316
Trust Liabilities and Deposits		12,164
Arbitrage Liability		2,000
Accrued Landfill Closure Costs		695
Subtotal		<u>105,175</u>
Short-Term Obligations		200,000
Matured Bonds Payable		194,621
Interest Payable		119,394
Current Portion of Loans from Direct Borrowings		1,255
Current Portion of Municipal Corporation Obligations		186,020
Total Liabilities Payable from Restricted Assets	\$	<u>806,465</u>

9. **Capital, Lease, and Subscription Assets**

A summary of capital, lease, and subscription asset activity for the government-wide financial statements follows (in thousands):

	Balances July 1, 2024	Additions	Deletions	Transfers	Balances June 30, 2025
Governmental activities:					
Non-depreciable assets:					
Land	\$ 1,313,417	\$ 33,114	\$ (1,929)	\$ 84,783	\$ 1,429,385
Infrastructure	546,705	-	-	-	546,705
Artwork	7,927	-	-	-	7,927
Construction-in-Progress	910,229	654,995	(38,479)	(170,265)	1,356,480
Total non-depreciable assets	2,778,278	688,109	(40,408)	(85,482)	3,340,497
Depreciable and amortized assets:					
Buildings	1,792,343	-	(1,418)	-	1,790,925
Improvements	802,428	257	(6,041)	7	796,651
Infrastructure	2,956,811	20,861	-	47,938	3,025,610
Equipment	1,060,249	36,456	(36,938)	37,605	1,097,372
Intangible Assets	45,570	-	(983)	-	44,587
Right-to-Use Lease Assets - Buildings	21,224	-	-	-	21,224
Right-to-Use Subscription Assets	40,362	3,710	(3,264)	-	40,808
Total depreciable assets	6,718,987	61,284	(48,644)	85,550	6,817,177
Less accumulated depreciation and amortization for:					
Buildings	(961,504)	(50,112)	1,418	-	(1,010,198)
Improvements	(524,582)	(28,847)	5,646	-	(547,783)
Infrastructure	(1,209,373)	(86,994)	-	-	(1,296,367)
Equipment	(655,892)	(70,498)	34,750	(12)	(691,652)
Intangible Assets	(34,546)	(1,983)	982	-	(35,547)
Right-to-Use Lease Assets - Buildings	(5,328)	(1,885)	-	-	(7,213)
Right-to-Use Subscription Assets	(10,235)	(4,868)	3,264	-	(11,839)
Total accumulated depreciation and amortization	(3,401,460)	(245,187)	46,060	(12)	(3,600,599)
Total depreciable and amortized assets, net	3,317,527	(183,903)	(2,584)	85,538	3,216,578
Governmental activities, net	\$ 6,095,805	\$ 504,206	\$ (42,992)	\$ 56	\$ 6,557,075
Business-type activities:					
Non-depreciable assets:					
Land	\$ 692,362	\$ -	\$ (2,118)	\$ -	\$ 690,244
Artwork	13,292	-	-	-	13,292
Construction-in-Progress	2,033,996	565,653	(3,548)	(33,108)	2,562,993
Total non-depreciable assets	2,739,650	565,653	(5,666)	(33,108)	3,266,529
Depreciable and amortized assets:					
Buildings	3,723,782	2,755	-	38	3,726,575
Improvements	3,452,990	15,876	-	15,466	3,484,332
Infrastructure	3,356,110	72,346	-	8,806	3,437,262
Equipment	1,807,811	35,128	(13,816)	8,718	1,837,841
Intangible Assets	216,762	23	(20,940)	-	195,845
Total depreciable assets	12,557,455	126,128	(34,756)	33,028	12,681,855
Less accumulated depreciation and amortization for:					
Buildings	(1,894,250)	(103,846)	-	-	(1,998,096)
Improvements	(2,341,491)	(108,024)	-	-	(2,449,515)
Infrastructure	(1,454,511)	(78,653)	-	-	(1,533,164)
Equipment	(1,092,684)	(98,478)	13,022	24	(1,178,116)
Intangible Assets	(151,018)	(7,726)	15,300	-	(143,444)
Total accumulated depreciation and amortization	(6,933,954)	(396,727)	28,322	24	(7,302,335)
Total depreciable and amortized assets, net	5,623,501	(270,599)	(6,434)	33,052	5,379,520
Business-type activities, net	\$ 8,363,151	\$ 295,054	\$ (12,100)	\$ (56)	\$ 8,646,049

Phoenix Housing Finance Corporations:

	Balances				Balances	
	July 1, 2024	Additions	Deletions	Transfers	June 30, 2025	
Non-depreciable assets:						
Land	\$ 7,426	\$ -	\$ -	\$ -	\$ 7,426	
Construction in Progress	343	1,927	-	-	2,270	
Total non-depreciable assets	7,769	1,927	-	-	9,696	
Depreciable and amortized assets:						
Buildings	36,271	-	-	-	36,271	
Improvements	17,343	-	-	-	17,343	
Equipment	336	-	-	-	336	
Intangible Assets	1,545	-	-	-	1,545	
Total depreciable and amortized assets	55,495	-	-	-	55,495	
Less accumulated depreciation and amortization for:						
Buildings	(12,905)	(1,394)	-	-	(14,299)	
Improvements	(9,007)	(1,387)	-	-	(10,394)	
Equipment	(325)	(2)	-	-	(327)	
Intangible Assets	(541)	(77)	-	-	(618)	
Total accumulated depreciation and amortization	(22,778)	(2,860)	-	-	(25,638)	
Total depreciable and amortized assets, net	32,717	(2,860)	-	-	29,857	
Component Units, net	\$ 40,486	\$ (933)	\$ -	\$ -	\$ 39,553	

Depreciation expense was charged to governmental functions in the government-wide financial statements for the year ended June 30, 2025 as follows (in thousands):

General Government	\$ 24,688
Criminal Justice	73
Public Safety	37,000
Transportation	125,923
Community Enrichment	37,791
Community Development	8,805
Environmental Services	10,907
	<u>\$ 245,187</u>

Closed Facilities

The Cave Creek Water Reclamation Plant was closed temporarily in fiscal year 2010 and is expected to re-open in fiscal year 2028 due to expected demand increases. Therefore, no impairment loss will be recognized. The carrying value of the assets at June 30, 2025 is \$19.9 million.

10. Financial Obligations Long-Term Obligations

Changes in long-term obligations during fiscal year 2024-25 are summarized as follows (in thousands):

	Balances July 1, 2024	Additions ⁽¹⁾	Reductions ^{(1) (2)}	Balances June 30, 2025	Amounts Due Within One Year
Governmental Activities					
Bonds, Loans and Notes Payable:					
General Obligation Bonds	\$ 545,620	\$ 233,020	\$ 99,430	\$ 679,210	\$ 108,085
Municipal Corporation Obligations	524,290	180,000	47,290	657,000	48,860
Community Facilities Districts	27,160	-	790	26,370	825
	1,097,070	413,020	147,510	1,362,580	157,770
Discounts/Premiums	61,714	40,372	16,014	86,072	-
Total Bonds, Loans and Notes Payable	1,158,784	453,392	163,524	1,448,652	157,770
Other Liabilities:					
Insurance Claims Payable	223,058	46,642	45,170	224,530	66,454
Accrued Compensated Absences (3)	206,051	14,729	-	220,780	32,209
Pollution Remediation	30	-	30	-	-
Arbitrage	6,941	4,346	6,941	4,346	4,346
Leases	17,537	-	1,622	15,915	1,757
Subscriptions	30,783	3,710	4,714	29,779	4,914
Net Pension	4,982,912	1,683,496	1,900,566	4,765,842	-
Net OPEB	97,363	24,185	55,231	66,317	-
Total Other Liabilities	5,564,675	1,777,108	2,014,274	5,327,509	109,680
Total Governmental Activities	\$ 6,723,459	\$ 2,230,500	\$ 2,177,798	\$ 6,776,161	\$ 267,450
Business-Type Activities					
Bonds, Loans and Notes Payable:					
Loans from Direct Borrowings	\$ 6,554	\$ -	\$ 1,369	\$ 5,185	\$ 1,255
Municipal Corporation Obligations	4,785,839	84,635	290,082	4,580,392	186,020
	4,792,393	84,635	291,451	4,585,577	187,275
Discounts/Premiums	524,243	7,033	56,090	475,186	-
Cumulative Capital Appreciation on State of AZ Distribution Revenue Bonds	103,520	-	2,087	101,433	-
Total Bonds, Loans and Notes Payable	5,420,156	91,668	349,628	5,162,196	187,275
Other liabilities:					
Accrued Compensated Absences (3)	25,212	2,644	-	27,856	4,216
Accrued Landfill Closure and Postclosure Care Costs	17,384	1,281	1,285	17,380	2,400
Pollution Remediation	1,125	-	75	1,050	75
Arbitrage	4,942	7,513	4,942	7,513	2,000
Net Pension	310,475	178,417	213,528	275,364	-
Net OPEB	27,259	5,991	15,109	18,141	-
Total Other Liabilities	386,397	195,846	234,939	347,304	8,691
Total Business-Type Activities	\$ 5,806,553	\$ 287,514	\$ 584,567	\$ 5,509,500	\$ 195,966
Component Units					
Phoenix Housing Finance Corporations					
Notes Payable	\$ 43,833	\$ -	\$ -	\$ 43,833	\$ -
Total Component Units	\$ 43,833	\$ -	\$ -	\$ 43,833	\$ -

(1) Included in additions and reductions for bonds, loans and notes are new bond issuances and principal payments.

(2) For the Governmental Activities, Insurance Claims Payable, Compensated Absences and Pollution Remediation are generally liquidated by the General Fund. Net Pension and OPEB Liabilities are generally liquidated by the Enterprise Funds, General Fund and the following Special Revenue Funds: Transit, Municipal Court, Development Services, Grants, Public Housing, Other Restricted, Neighborhood Protection, Public Safety Enhancement and Parks and Preserves.

(3) Additions and reductions are shown as a net amount.

The amounts reported in the previous table have been reduced by deposits made with the City's fiscal agents for July 1, 2025 maturities, a portion of which is included in restricted assets for the governmental and enterprise funds. These deposits at June 30, 2025, were as follows (in thousands):

	Principal	Interest	Total
Governmental Funds			
General Obligation Bonds	\$ 99,430	\$ 19,006	\$ 118,436
Municipal Corporation Obligations	47,290	13,768	61,058
Community Facilities Districts	790	731	1,521
	<u>147,510</u>	<u>33,505</u>	<u>181,015</u>
Enterprise Funds			
Municipal Corporation Obligations	193,402	119,300	312,702
	<u>193,402</u>	<u>119,300</u>	<u>312,702</u>
	<u>\$ 340,912</u>	<u>\$ 152,805</u>	<u>\$ 493,717</u>

Issues of long-term debt, excluding net deferred gain/losses on refundings of \$35.5 million, were as follows at June 30, 2025 (dollars in thousands):

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding ⁽¹⁾	Interest Outstanding ⁽¹⁾	Unamortized Premium (Discount)
General Obligation Bonds								
03/01/04	Various Improvements (3)	7/1/10-28	4.22	16.3	200,000	14,720	1,325	16
10/27/09	Various Improvements Taxable Series 2009A (2)(13)	7/1/20-34	3.42	18.4	280,955	186,790	51,416	-
06/24/14	Refunding	7/1/19-27	2.71	9.5	278,015	2,320	93	26
09/13/16	Refunding	7/1/18-27	1.74	9.0	226,215	139,415	10,315	6,276
06/21/17	Refunding	7/1/18-27	1.52	3.4	68,305	2,655	160	114
05/25/22	Refunding	7/1/23-34	2.93	5.9	146,400	100,290	22,692	9,002
08/07/24	Various Improvements Series 2024A	7/1/32-47	3.61	13.3	127,820	127,820	78,138	17,339
08/07/24	Various Improvements Taxable Series 2024B	7/1/28-32	4.67	5.3	105,200	105,200	20,983	-
Total General Obligation Bonds					1,432,910	679,210	185,122	32,773
Loans from Direct Borrowings								
08/03/10	Wastewater WIFA	7/1/18-26	2.97	12.0	6,287	88	3	-
06/01/11	Wastewater WIFA	7/1/26-29	2.97	16.6	3,909	3,909	296	-
09/14/11	Water WIFA	7/1/24-29	2.97	15.8	1,497	1,188	89	-
Total Loans from Direct Borrowings					11,693	5,185	388	-

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding ⁽¹⁾	Interest Outstanding ⁽¹⁾	Unamortized Premium (Discount)
Municipal Corporation Obligations								
10/06/05	State Distribution Revenue 2005B (3)(10)	7/1/12-44	4.72	28.9	275,362	234,792	321,155	10,801
09/01/10	Airport Rev 2010B (Taxable) (3b)(6b)(11) (12)(13)	7/1/2040	3.67	29.8	21,345	21,345	21,131	-
04/15/14	Wastewater System Refunding (7)	7/1/15-29	3.00	9.4	127,810	44,830	5,741	1,977
12/17/14	Water System Rev Refunding 2014B (5)	7/1/16-29	2.64	9.7	445,085	181,030	19,701	7,672
05/12/15	Excise Tax Rev Refunding 2015A (4)(8)	7/1/17-41	3.56	16.2	319,305	240,070	110,017	21,172
05/12/15	Excise Tax Rev Ref 2015B (Taxable) (4)	7/1/16-35	3.35	10.2	60,895	24,970	5,634	-
11/16/16	Wastewater System Rev Refunding (7)	7/1/17-35	2.89	11.3	225,325	147,600	43,837	15,817
01/10/17	Water System Rev Refunding 2016 (5)	7/1/17-39	3.59	15.1	375,780	315,625	130,775	28,413
06/01/17	Excise Tax Revenue 2017A (4)	7/1/18-32	2.16	6.8	116,835	34,135	4,215	2,041
06/01/17	Excise Tax Rev Refunding 2017B (4)(8)	7/1/19-29	2.02	6.3	101,895	27,935	2,623	1,321
11/21/17	Airport Revenue 2017A (AMT) (3d)(6a)	7/1/18-47	3.84	18.7	190,930	164,420	110,384	18,150
11/21/17	Airport Rev Ref 2017B (Non-AMT) (3d)(6a)	7/1/21-38	3.23	13.5	173,440	140,710	54,021	15,625
12/21/17	Airport Rev Ref 2017D (Non-AMT) (3c) (6b)(11)	7/1/21-40	3.36	14.2	474,725	388,110	151,561	34,475
06/19/18	Wastewater System Revenue 2018A (7)	7/1/25-43	3.66	17.4	133,270	128,880	63,456	10,434
11/28/18	Airport Revenue 2018 (AMT) (3d)(6a)	7/1/19-48	4.22	19.3	226,180	201,085	142,923	13,714
12/05/19	Rental Car Facility (Taxable) 2019A (3a)(9)	7/1/28-45	3.33	18.4	244,245	244,245	146,840	32,818
12/05/19	Rental Car Facility Ref (Taxable) 2019B (3a)(9)	7/1/20-28	2.60	4.6	60,485	18,915	847	-
12/11/19	Airport Revenue 2019A (Non-AMT) (3c) (6b)(11)	7/1/41-49	3.61	25.9	341,095	341,095	310,737	39,999
12/11/19	Airport Revenue 2019B (AMT) (3c)(6b)	7/1/20-49	3.44	19.1	392,005	365,945	247,230	46,456
04/09/20	Water System Revenue 2020A (5)	7/1/30-44	3.14	20.0	165,115	165,115	122,041	33,890
04/09/20	Water System Revenue 2020B (5)(14)	7/1/30-44	3.14	20.0	228,015	228,015	168,533	46,801
08/25/20	Excise Tax Revenue 2020A (4)(8)	7/1/21-45	1.90	12.0	131,595	112,130	44,188	22,294
08/25/20	Excise Tax Revenue (Taxable) 2020B (4)	7/1/21-45	2.39	13.9	150,000	125,330	35,030	-
08/25/20	Excise Tax Rev Refunding (Taxable) 2020C (4)	7/1/23-36	1.58	7.1	116,685	74,415	5,421	-
06/09/21	Water System Revenue 2021A (5)	7/1/26-45	2.45	16.1	250,000	250,000	143,013	57,076
06/09/21	Water System Rev Refunding 2021B (5)	7/1/22-26	0.52	3.5	67,345	17,025	851	779
06/09/21	Water System Rev Refunding (Taxable) 2021C (5)	7/1/26-44	2.61	15.0	151,280	151,280	44,029	-
08/03/22	Excise Tax Revenue 2022 (4)(8)	7/1/25-47	3.79	16.0	131,650	128,470	86,247	16,034
06/07/23	Airport Rev Refunding 2023 (AMT) (3d) (6a)	7/1/24-32	3.50	5.4	96,540	78,840	16,535	5,020
11/15/23	Wastewater System Revenue 2023 (7)	7/1/28-47	4.64	15.7	381,620	381,620	274,728	18,620
07/17/24	Excise Tax Revenue 2024 (4)(8)	7/1/25-44	3.77	12.1	180,000	174,780	99,999	20,053
06/11/25	Airport Rev Refunding 2025 (Non-AMT) (3c) (6b)	7/1/26-45	4.18	11.5	84,635	84,635	48,661	7,033
Total Municipal Corporation Obligations					6,440,492	5,237,392	2,982,104	528,485
Community Facilities Districts								
06/27/19	Park Cntrl CFD Spec Assess Revenue (3e)	7/1/21-44	5.73	16.0	30,000	26,370	16,358	-
Total Community Facilities Districts					30,000	26,370	16,358	-
Total Primary Government Bonds					\$ 7,915,095	\$ 5,948,157	\$ 3,183,972	\$ 561,258

- (1) Pledged revenues on all outstanding bonds are at least equal to the remaining principal and interest outstanding. Additional information relating to pledged revenues can be found in the Debt Capacity Statistical Section, Table 17 "Pledged-Revenue Bond Coverage."
- (2) Represents bonds issued as "Qualified Build America Bonds (Direct Pay)" (BABs) for purposes of the American Recovery and Reinvestment Act of 2009 and the Internal Revenue Code of 1986. The City expects to receive semiannual cash subsidy payments in an amount equal to 35% of the interest payable each respective interest payment date.
- (3) Enhanced by a municipal bond insurance policy, a reserve account surety bond, or a debt service reserve fund. The debt service reserve balances were as follows as of June 30, 2025 (in thousands):

(a) Airport Rental Car Parity Reserve for Series 2019A, 2019B	\$ 20,545
(b) Junior Lien Airport Debt Service Reserve for Series 2010B	2,134
(c) Junior Lien Airport Parity Reserve for Series 2017D, 2019A, 2019B, 2019C and 2025	91,375
(d) Senior Lien Airport Parity Reserve for Series 2017A, 2017B, 2018, and 2023	51,049
(e) Park Central CFD Special Assessment Bonds Taxable Series 2019 Reserve	2,251
- (4) The City has made a subordinated junior lien pledge on all excise tax obligations.
- (5) The City has made a junior lien pledge of Water System revenues as security.
- (6) The City has pledged net airport revenues as security for these bonds. The net revenues pledged are as follows:
 - (a) Senior lien pledge on all outstanding airport obligations.
 - (b) Junior lien pledge on all outstanding airport obligations.
- (7) The City has made a junior lien pledge of Wastewater System revenues as security.
- (8) The City has pledged excise taxes on a subordinated junior lien basis as security; however, a portion of debt service requirements on these obligations are paid from Solid Waste revenues.
- (9) The City has made a first priority pledge of a \$6.00 per day car rental usage fee to be paid by rental car customers arriving at Phoenix Sky Harbor International Airport as security for the bonds.
- (10) The primary source of revenue for loan payments is State of Arizona distributions the City is to receive pursuant to legislation passed in 2003 authorizing up to fifty percent State funding for certain convention center developments in the State. The schedule of State Distributions will be sufficient to make loan payments when due.
- (11) The City has further pledged an irrevocable commitment of 100% of net proceeds of a passenger facility charge for the debt service due on or before July 1, 2026 on these bonds, with the exception of the Series 2019A bonds. The Series 2019A bonds have a pledge equivalent to 93% of the principal and interest requirement for debt service due on or before July 1, 2026. The Passenger Facility Charge is currently imposed at the rate of \$4.50 per qualifying enplaned passenger."
- (12) Represents bonds issued as "Recovery Zone Economic Development Bonds" (RZEDB) for purposes of the American Recovery and Reinvestment Act of 2009 and the Internal Revenue Code of 1986. The City expects to receive semiannual cash subsidy payments in an amount equal to 45% of the interest payable each respective interest payment date.
- (13) On March 1, 2013, the federal government announced the implementation of certain automatic budget cuts known as the sequester, which has resulted in a reduction of the federal subsidy by 5.7% (the Sequester Reductions) in FY 2025. However, the City does not expect the Sequester Reductions to have a material adverse effect on its ability to make payments of interest on the BABs and the RZEDB bonds.
- (14) The City has designated this bond series as Sustainability Bonds. The Sustainability Project is intended to advance the purposes of the Sustainability Goals and to generally comport with the "Green Bond Principles," "Social Bond Principles" or the "Sustainability Bond Guidelines" most recently promulgated by the International Capital Market Association (ICMA) in June 2018. The series will not constitute "exempt facility bonds" issued to finance "qualified green building and substantial design projects" within the meaning of Section 142(1) of the Code.

The City has complied with all significant financial covenants of its bonded indebtedness. A brief description of the City's long-term obligations follows.

General Obligation Bonds

As a general rule, the City has given priority to using general obligation bonds for capital programs of general government departments (non-enterprise departments). These include cultural facilities, fire, police, library, parks and recreation, mountain preserves, storm sewers, streets and transportation. The annual debt service on these bonds is paid from secondary property taxes. Under State law, the City's secondary property tax levy can only be used for payment of principal and interest on long-term debt.

New Issuances

Various Purpose General Obligation Bonds, Tax-Exempt Series 2024A

In August 2024, the City issued Various Purpose General Obligation Bonds, Tax-Exempt Series 2024A, consisting of \$127.8 million in par and \$18.6 million in premium. Proceeds of the bonds were used for various purpose projects. The bonds have an average life of 13.3 years and were sold at an all-in true interest cost of 3.61%.

Various Purpose General Obligation Bonds, Taxable Series 2024B

In August 2024, the City issued \$105.2 million of Various Purpose General Obligation Bonds, Taxable Series 2024B. Proceeds of the bonds were used for various purpose projects. The bonds have an average life of 5.3 years and were sold at an all-in true interest cost of 4.67%.

Default Provisions

In the event of non-payment of general obligation bond principal and interest, the remedy is specific performance. Specific performance is when a bondholder has the right to ask a judge to order the City to raise secondary property taxes in an amount needed to pay any past or current amounts due. General obligation bonds are not subject to acceleration. Additionally, state statute provides that all general obligation bonds are secured by a lien on all revenues received pursuant to the tax levy. The lien arises automatically without the need for any action or authorization by the City.

Revenue Bonds

In addition to general obligation bonds, under Arizona State law the City is authorized to issue voter-approved highway user revenue and utility revenue bonds. The City currently does not have any outstanding voter-approved highway user revenue or utility revenue bonds.

Loans from Direct Borrowings

Water and Wastewater WIFA

Effective November 19, 2009, Arizona state legislation was passed that allows a city or town, during fiscal years 2009-10 and 2010-11, to enter into a financial loan repayment agreement with the Water Infrastructure Finance Authority of Arizona (WIFA) without voter approval, if the agreement is financed with funding made available to WIFA under the American Recovery and Reinvestment Act of 2009 (ARRA). The City has entered into various loan agreements with WIFA. Loan proceeds received by the City from WIFA pursuant to the ARRA will be used to fund various capital projects of the Water and Wastewater systems of the City.

Effective September 24, 2022, Arizona state legislation was passed that allows a city or town to enter into a financial loan repayment agreement with WIFA without voter approval, if the pledge of utility revenue under the agreement does not violate any covenants of the utility system. On March 13, 2024, the City entered into three new loan agreements with WIFA. The proceeds from these loans are designated to fund various capital projects of the Water and Wastewater systems of the City. As of June 30, 2025, no loan proceeds had been received by the City. The City anticipates receiving the loan tranches during fiscal year 2026.

If an event of default occurs, WIFA has the right to take any action permitted in the agreement to collect the amounts then due and thereafter to become due on their scheduled payments dates. There are no acceleration provisions in this agreement. Events of default include, but are not limited to, failure to pay any principal and interest amounts due to WIFA when due and failure to perform certain covenants contained in the agreement.

Municipal Corporation Obligations

The City has entered into certain agreements with the City of Phoenix Civic Improvement Corporation (the "CIC"), an affiliated nonprofit corporation, for the construction and acquisition of certain facilities and equipment. Under the terms of these agreements, the CIC issued bonds to finance the facilities and equipment, and the City agreed to make lease and purchase payments sufficient to pay principal and interest

on the outstanding obligations. The City also pays all expenses of operating and maintaining the facilities and equipment.

New Issuances

Subordinated Excise Tax Revenue Bonds, Series 2024

In July 2024, the CIC issued Subordinated Excise Tax Revenue Bonds, Series 2024, consisting of \$180.0 million in par and \$21.8 million in premium. Proceeds of the bonds will be used to fund, or to reimburse the City for, the costs of acquiring, constructing, equipping and improving real and personal property for the City. The bonds have an average life of 12.1 years and were sold at an all-in true interest cost of 3.77%.

Junior Lien Airport Revenue Refunding Bonds, Series 2025 (Non-AMT)

In June 2025, the CIC issued Junior Lien Airport Revenue Refunding Bonds, Series 2025 (Non-AMT), consisting of \$84.6 million in par and \$7.0 million in premium. Proceeds of the bonds refunded \$78.0 million of Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT) and \$18.7 million of Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT). The bonds have an average life of 11.5 years, were sold at an all-in true interest cost of 4.18%, and produced present value savings, net of transaction costs, of \$6.2 million.

Default Provisions

In the event of non-payment of CIC bond principal and interest, the remedy is specific performance. Specific performance is when a bondholder has the right to ask a judge to order the City to raise applicable revenue sources for the defaulted bond in an amount needed to pay any past or current amounts due. CIC bonds are not subject to acceleration.

State of Arizona Distribution Revenue Bonds

The State of Arizona Distribution Revenue Bonds were issued through the CIC in October 2005 for the Phoenix Convention Center. The bonds are convertible capital appreciation bonds that converted to current interest bonds on July 1, 2013 and are not refundable. The cumulative capital appreciation is amortized annually through maturity in 2044.

Community Facilities Districts

Park Central Community Facilities District Special Assessment Revenue Bonds, Taxable Series 2019

The Park Central Community Facilities District ("PCCFD") was formed on August 29, 2018, by the Mayor and Council of the City in order to provide public infrastructure within the boundaries of PCCFD for development of a multi-use residential, commercial and retail project known as "Park Central."

Default Provisions

In the event of non-payment of principal and interest, the trustee, US Bank, N.A., is entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the directors and other officers of the District to make such payment. The Park Central bonds are not subject to acceleration.

Component Units

Various Phoenix Housing Finance Corporations have entered into loan agreements with the City for the purpose of financing housing projects. These projects include a mix of affordable housing and market rate units. The outstanding balance on these loans at June 30, 2025 is \$43.8 million.

The Phoenix IDA issues Private Activity Revenue Bonds that provide capital financing for third parties that are not part of the Phoenix IDA's reporting entity. In addition, no commitments beyond the maintenance of the tax-exempt status of the conduit debt obligation were extended by the Phoenix IDA for any of those bonds. The aggregate amount of all conduit obligations outstanding at June 30, 2025, was \$2.1 billion. The Phoenix IDA has no obligation for the repayment by the borrower.

Debt Service Requirements

Debt service requirements, including principal, interest and reserve contributions are as follows (in thousands):

City of Phoenix Bonds - Governmental Activities								
Fiscal Years	General Obligation		Municipal Corporation Obligations		Community Facilities Districts		Debt Service Total	
	Principal	Interest	Principal	Interest	Principal	Interest		
2026	\$ 108,085	\$ 33,278	\$ 48,860	\$ 25,925	\$ 825	\$ 1,424	\$	218,397
2027	108,600	28,012	48,515	24,198	865	1,385		211,575
2028	68,000	22,583	46,720	22,510	905	1,344		162,062
2029	63,340	19,580	42,860	20,998	950	1,299		149,027
2030	49,445	16,550	33,270	19,588	995	1,253		121,101
2031-2035	210,720	46,322	164,530	78,967	6,015	5,233		511,787
2036-2040	41,720	13,342	127,460	47,917	7,890	3,353		241,682
2041-2045	21,700	4,885	126,635	20,097	7,925	1,067		182,309
2046-2050	7,600	570	18,150	1,372	-	-		27,692
	<u>\$ 679,210</u>	<u>\$ 185,122</u>	<u>\$ 657,000</u>	<u>\$ 261,572</u>	<u>\$ 26,370</u>	<u>\$ 16,358</u>	<u>\$</u>	<u>1,825,632</u>
Authorized	\$ 3,437,160							
Unissued	\$ 402,355							
Interest Rates	2.0 - 5.5%							

City of Phoenix Bonds - Business-Type Activities					
Fiscal Years	Loans from Direct Borrowings		Municipal Corporation Obligations		Debt Service Total
	Principal	Interest	Principal	Interest	
2026	\$ 1,255	\$ 154	\$ 202,704	\$ 227,722	\$ 431,835
2027	1,292	117	192,142	217,882	411,433
2028	1,330	78	211,632	208,847	421,887
2029	1,308	39	221,808	199,136	422,291
2030	-	-	179,891	188,928	368,819
2031-2035	-	-	1,002,246	806,858	1,809,104
2036-2040	-	-	1,097,799	553,914	1,651,713
2041-2045	-	-	1,077,210	275,187	1,352,397
2046-2050	-	-	394,960	42,058	437,018
	<u>\$ 5,185</u>	<u>\$ 388</u>	<u>\$ 4,580,392</u>	<u>\$ 2,720,532</u>	<u>\$ 7,306,497</u>

Short-Term Obligations

Changes in short-term obligations during fiscal year 2024-25 are summarized as follows (in thousands):

	Balance, July 1	Additions ⁽¹⁾	Reductions ⁽¹⁾	Balance, June 30
Governmental Activities				
Revolving Credit Facilities				
Transportation 2050 Revolving Credit Facility	\$ 200,000	\$ -	\$ -	\$ 200,000
Total Governmental Activities	\$ 200,000	\$ -	\$ -	\$ 200,000
Business-Type Activities				
Revolving Credit Facilities				
Water Revolving Credit Facility	\$ 200,000	\$ -	\$ -	\$ 200,000
Total Business-Type Activities	\$ 200,000	\$ -	\$ -	\$ 200,000

(1) Included in additions and reductions are new borrowings and repayments.

Issues of short-term debt were as follows at June 30, 2025 (dollars in thousands):

Purpose	Issuing Bank	Expiration Date	Line of Credit	Amount Outstanding	Unused Line of Credit
Transportation 2050 Revolving Credit Facility	Bank of America, N.A.	12/31/25	\$ 200,000	\$ 200,000	\$ -
Water Revolving Credit Facility	JPMorgan Chase Bank, N.A.	04/23/27	200,000	200,000	-
Total Revolving Credit Facilities			\$ 400,000	\$ 400,000	\$ -

A brief description of the City's short-term obligations follows:

Transportation 2050 Revolving Credit Facility

The Revolving Credit Agreement as amended by the Second Amendment dated as of February 14, 2025, provides for a five-and-a-half-year loan period with Bank of America, N.A., ending on December 31, 2025, during which the City may borrow, repay and re-borrow amounts, but not exceeding \$200.0 million outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Revolving Credit Agreement are payable solely from a 0.7 percent incremental sales tax increase dedicated for transportation, which is not included in the Excise Taxes pledged as security for the City's outstanding Excise Tax bonds. If any loans under the Revolving Credit Agreement are outstanding on December 31, 2025, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on December 31, 2028.

Upon event of default under the Revolving Credit Agreement, Bank of America, N.A. may terminate its lending commitment. Events of default include, but are not limited to, failure to pay amounts to Bank of America, N.A. by the applicable grace period, failure to perform certain covenants such as issuance of obligations in violation of additional bonds tests, and certain litigation, bankruptcy and insolvency events related to the City. There is no acceleration on this Revolving Credit Agreement.

Water Revolving Credit Facility

The Revolving Credit Agreement as amended by the First Amendment dated as of March 27, 2025 and effective as of April 25, 2025 provides for a five-year loan period with JPMorgan Chase Bank, N.A., ending on April 23, 2027, during which the City may borrow, repay and re-borrow amounts, but not exceeding \$200.0 million outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Revolving Credit Agreement (such loans, together with any obligations on a parity therewith, the "Junior Subordinate Lien Obligations") are payable from water system revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Water System Revenue Bonds ("Junior Lien Obligations"), but are junior and subordinate to the Junior Lien Obligations. If any loans under the Revolving Credit Agreement are outstanding on April 23, 2027, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on April 23, 2030.

Upon an event of default under the Revolving Credit Agreement, JPMorgan Chase Bank, N.A. may declare all amounts due (collectively, "Payment Obligations") immediately due and payable. Events of default include, but are not limited to, failure to pay amounts to JPMorgan Chase Bank, N.A. by the applicable grace period, failure to perform certain covenants such as issuance of obligations in violation of additional bonds test, sale of the City's water system (the "System") property in violation of applicable covenants, acceleration of other obligations payable from System revenues on any lien in an amount of at least \$5.0 million, certain litigation, bankruptcy and insolvency events related to the System and certain downgrades of Junior Lien Obligations. There is no acceleration on this Revolving Credit Agreement.

Other Financial Obligations**Accrued Landfill Closure and Postclosure Care Costs**

The Solid Waste Enterprise Fund ("Solid Waste") currently operates one landfill, the SR-85 Landfill, and monitors five additional closed landfills. Federal and state regulations require that certain postclosure care costs be incurred to maintain and monitor closed landfills for thirty years after closure to mitigate and prevent future environmental damage. In addition, numerous costs are incurred in the process of closing a landfill. These closure costs include the capping of the landfill with soil, installing such items as drainage and monitoring systems, and remediation of any environmental damage caused by the landfill. These costs are estimated based on what it would cost to perform all closure and postclosure care for the landfills at June 30, 2025 and are subject to change due to inflation, technology changes and applicable legal or regulatory requirements.

Total closure and postclosure care costs for the five closed landfills are currently estimated to be \$117.0 million, including \$105.1 million that has already been paid out and an estimated \$11.9 million that will be paid out in future years as postclosure care efforts continue. The entire unpaid amount has been reported as a liability in the accompanying financial statements.

Total closure and postclosure care costs for the SR-85 Landfill are currently estimated to be \$29.0 million, including \$3.1 million that has already been paid out and an estimated \$25.9 million that will be paid out in future years. \$5.5 million of this has been recorded as a liability on the accompanying financial statements based on the use of approximately 21.0% of the estimated capacity of the landfill.

Of the liabilities discussed above, \$695 thousand is included in liabilities payable from restricted assets.

Certain environmental remediation costs associated with one of the closed landfills are recoverable from third parties. The City has recovered a total of \$29.0 million from third parties. These recoveries are used to reduce remediation expense in the year the recovery is assured. A total of \$5.6 million (which includes recoveries and applicable interest earnings) has been included in restricted assets on the enterprise fund statement of net position. Any postclosure care costs not recovered from third parties will be funded from revenues of the Solid Waste Enterprise Fund.

Pollution Remediation

The City has recorded pollution remediation liabilities in Business-Type Activities. The liability pertains to leaking underground storage tanks at the Sky Harbor International Airport and Phoenix Goodyear Airport. The tanks at Sky Harbor International Airport were discovered to be leaking in 1988 and the City is implementing a corrective action plan which was approved by the ADEQ to ensure the contamination does not spread. The remediation of a fuel release at Phoenix Goodyear Airport discovered in the 1980's is being implemented as approved by the United States Environmental Protection Agency (US EPA). The total remaining liability for all remediation activities at the City airports as of June 30, 2025 is \$1.1 million and is recorded in the Aviation Enterprise Fund.

11. **Refunded, Refinanced and Defeased Obligations**

Bonds are refunded to retire all or a portion of an outstanding bond issue. Most typically, refundings are done to refinance at a lower interest rate to reduce overall debt service. Prior to January 2018, certain issues of bonds could have been refunded prior to the call date, known as an advanced refunding. The Tax Cuts and Jobs Act of 2017 prohibits refunding tax-exempt bonds before their call date unless the bonds are refunded with taxable bonds. In most cases an advanced refunding of tax-exempt bonds with taxable bonds would not be financially beneficial. However, there may be circumstances when the benefits of the advanced refunding outweigh the disadvantages of issuing taxable bonds.

Future principal and interest payments on refunded bonds have been provided through advanced refunding bond issues whereby refunding bonds are issued and the net proceeds, plus any additional resources that may be required, are used to purchase securities issued and guaranteed by the United States government, when available. When U.S. government securities are not available, conventional treasury securities will be purchased. These securities are then deposited in an irrevocable trust under an escrow agreement which states that all proceeds from the trust will be used to fund the principal and interest payments of the previously issued debt being refunded. The trust deposits have been computed so that the securities in the trust, along with future cash flows generated by the securities, will be sufficient to service the previously issued bonds.

Refundings

During fiscal year 2024-25, the City issued Junior Lien Airport Revenue Refunding Bonds, Series 2025 (Non-AMT). The refunding bonds reduced the present value of future debt service payments. The savings were primarily due to the coupon structure of the initial issuance coupled with the historical demand of Non-AMT airport bonds. The effects of the new money and refunding are summarized as follows (in thousands):

	Junior Lien Airport Bonds	
Series	2025	
Closing Date	06/11/25	
Net Interest Rate	4.32%	
Refunding Bonds Issued	\$	84,635
Premium (Discount)		7,033
Underwriter's Discount		(373)
Issuance Costs and Insurance		(635)
Net Proceeds	\$	90,660
Refunded Amount	\$	96,680
Decrease in Debt Service	\$	17,730
Economic Gain	\$	6,167
Number of Years Affected		20

Deferred Gains and Losses on Refundings

The deferred and amortized amounts of accounting gains/losses on bond refundings (which are deferred outflows/inflows of resources) at June 30, 2025, are summarized as follows (in thousands):

	Net Deferred Amount July 1	Net Additions (Gains)/Losses	Reductions due to Refundings	Net Amortization Gains/(Losses)	Net Deferred Amount June 30
General Government					
General Obligation	\$ (1,086)	\$ -	\$ -	\$ 49	\$ (1,037)
Civic Improvement Corporation	3,268	-	-	371	3,639
	<u>\$ 2,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420</u>	<u>\$ 2,602</u>
Enterprise Funds					
Civic Improvement Corporation					
Aviation	\$ 26,362	\$ (7,960)	\$ 402	\$ (4,028)	\$ 14,776
Convention Center	3,367	-	-	(187)	3,180
Water	16,574	-	-	(687)	15,887
Wastewater	(1,163)	-	-	193	(970)
Solid Waste	98	-	-	(98)	-
	<u>\$ 45,238</u>	<u>\$ (7,960)</u>	<u>\$ 402</u>	<u>\$ (4,807)</u>	<u>\$ 32,873</u>

12. Legal Debt Margin

As discussed in Note 4, secondary property tax revenues are used to pay principal and interest on general obligation bonded indebtedness. Also discussed in Note 4 are the changes from Proposition 117 that established the use of a single limited property valuation for determining the primary net assessed valuation (LNAV), also referred to as limited net assessed valuation. LNAV is now used to calculate both the primary and secondary property tax levies. Changes from Proposition 117 were effective in fiscal year 2015-16. For that one year, the City's debt limitation was also calculated using the LNAV.

Pursuant to A.R.S. §35-503, which became effective August 6, 2016, the City's debt limitation is based on the full cash net assessed valuation (FCNAV) instead of the LNAV. The FCNAV for tax year 2025 (fiscal year 2025-26) is \$34.5 billion.

Under Arizona law, outstanding general obligation bonded debt for combined water, sewer, light, open space preserves, parks, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of a city's FCNAV. Outstanding general obligation bonded debt for all other purposes may not exceed 6% of a city's FCNAV. The total debt margin available at July 1, 2025 was as follows (in thousands):

Six Percent Bonds	\$ 1,952,370
Twenty Percent Bonds	6,307,866
Total Debt Margin Available	<u>\$ 8,260,236</u>

13. Risk Management

The City maintained a combination of commercial insurance and self-insurance during the year ended June 30, 2025, as described below.

General Fund and Transit Special Revenue Fund

Liability - The City maintained a self-insured retention of \$7.5 million for most public entity liability exposures and a self-insured retention of \$10.0 million for transit operations. Excess liability coverage was purchased for losses that exceed the self-insured retention. Airport operations as well as other specialty liability exposures were covered by specific commercial insurance policies.

Property - The City purchased blanket commercial property and boiler/machinery insurance for City owned buildings and structures. Other specialty property exposures were covered by specific commercial insurance policies.

Workers' Compensation - The City maintained a self-insured retention of \$10.0 million for its workers' compensation exposure. Excess workers' compensation insurance was purchased for losses exceeding the self-insured retention. Since July 1, 2010, contracted transit operators have been required to provide first-dollar liability and workers' compensation coverage. The City's exposure to Phoenix Transit's workers' compensation liability is in the run-off phase.

Fidelity and Surety - The City purchased certain public official bonds and surety bonds as required by state statute or City Charter. In addition, the City purchased coverage through a blanket "Crime" policy and a "Cyber" insurance policy.

Unemployment Compensation Liability was self-insured. Basic life, commuter life, basic AD&D and occupational AD&D insurance were provided through commercial insurance.

Self-insured claims are reported as liabilities in the accompanying financial statements when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. This determination is based on an actuarial analysis of reported claims and estimates of claims incurred but not reported.

With the exception of health, dental and long-term disability, the City reports its self-insurance activities in the General Fund, the Transit Special Revenue Fund (for transit related claims only) and the Government-Wide Statement of Net Position, with the other funds reimbursing the General Fund for their share of the cost of the City's self-insurance program. Settlements have not exceeded coverages for each of the last three fiscal years. At June 30, 2025, claims payable totaled \$224.5 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2025	2024
Claims Payable, July 1	\$ 223,058	\$ 218,354
Current Year Claims and Changes in Estimates	46,642	58,143
Claim Payments	(45,170)	(53,439)
Claims Payable, June 30	<u>\$ 224,530</u>	<u>\$ 223,058</u>

Claims that are expected to be paid with expendable available financial resources are accounted for in the General Fund. All other claims are accounted for in the Government-Wide Statement of Net Position. Balances in the Government-Wide Statement of Net Position were as follows (in thousands):

	Year Ended June 30	
	2025	2024
Amounts due within one year	\$ 66,454	\$ 56,014
Amounts due in more than one year	158,076	167,044
	<u>\$ 224,530</u>	<u>\$ 223,058</u>

Of the General Fund fund balance, \$55.2 million is restricted for the payment of claims, \$147.4 million is assigned for payment of claims, \$9.2 million is assigned for payment of insurance premiums and \$1.2 million of the Transit Special Revenue Fund Balance is restricted, as reported in the Fund Financial Statements.

At June 30, 2025, the actuarial liability related to Workers' Compensation was \$142.4 million and is included in the Government-Wide Statement of Net Position. Per the below schedule, the City has sufficient reserve funds to cover all of these liabilities (in thousands):

	Year Ended June 30	
	2025	2024
Actuarial Workers' Compensation Liability	<u>\$ 142,387</u>	<u>\$ 141,573</u>
Reserve Fund Balances:		
General Fund - Restricted - Insurance Claims	55,222	52,733
General Fund - Assigned - Insurance Claims	156,644	123,994
Total Reserve Fund Balances	<u>\$ 211,866</u>	<u>\$ 176,727</u>
Actual Worker's Compensation Expenses - YTD	<u>\$ 39,973</u>	<u>\$ 33,146</u>

Fiduciary Funds

Health and Dental - The City health insurance plans were self-insured through the City of Phoenix Health Care Benefits Trust fiduciary fund. Stop loss coverage was purchased for individual losses exceeding \$1.0 million. Dental coverage was provided through two plans. Active dental PPO was self-insured through the City of Phoenix Health Care Benefits Trust. Active dental HMO and retiree dental HMO and PPO were provided through commercial insurance accounted for in the General Fund.

Long-Term Disability benefits were self-insured through the City of Phoenix Long-Term Disability Trust fiduciary fund. See Note 21 for additional information.

At June 30, 2025, claims payable totaled \$41.0 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2025	2024
Claims Payable, July 1	\$ 34,804	\$ 30,906
Current Year Claims and Changes in Estimates	268,627	247,839
Claim Payments	(262,444)	(243,941)
Claims Payable, June 30	<u>\$ 40,987</u>	<u>\$ 34,804</u>

Claims are accounted for in the Health Care Benefits Trust and the Long-Term Disability Trust Fiduciary Funds Statements of Fiduciary Net Position. Claims are expected to be paid with expendable available financial resources. These balances were as follows (in thousands):

	Year Ended June 30	
	2025	2024
Amounts due within one year	<u>\$ 40,987</u>	<u>\$ 34,804</u>

14. Leases and Subscription-Based Information Technology Arrangements

Leases

Per GASB Statement No. 87, a lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City, as a lessee, has entered into lease agreements involving office buildings, warehouses and facility space at a data center. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the government-wide Statement of Net Position.

The City has a variety of variable payment clauses, within its lease arrangements, which include contracts with minimum rent components, variable components based on gross sales, and payments dependent on indexes and rates. Components of variable payments that are fixed in substance, are included in the measurement of the lease liability presented in the table below. The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

As of June 30, 2025, the City had minimum principal and interest payment requirements for its leasing activities, with a remaining term more than one year, as follows (in thousands):

Governmental Activities				
Fiscal Year Ending	Principal		Interest	Total
June 30				
2026	\$	1,757	\$ 559	\$ 2,316
2027		1,902	486	2,388
2028		2,004	407	2,411
2029		2,128	324	2,452
2030		2,260	235	2,495
2031-2035		4,216	554	4,770
2036-2037		1,648	51	1,699
	\$	15,915	\$ 2,616	\$ 18,531

Additionally, as the lessor, the City leases and subleases City-owned properties such as buildings, land, terminal concessions, and advertising space. The related receivables are presented in the Statement of Net Position for the amounts equal to the present value of lease payments expected to be received during the lease term. Revenue recognized under these lease contracts during the year ended June 30, 2025 was \$92.1 million, which includes both lease revenue and interest. This amount includes variable payments not previously included in the measurement of the lease receivable.

The City's variable payments clause within its lease arrangements as the lessor, is similar to the arrangements made as lessee. The City did not incur revenue related to residual value guarantees or lease termination penalties. It also does not currently have agreements that include sale-leaseback and lease-leaseback transactions.

The following are schedules by year of minimum payments to be received under lease contracts that are included in the measurement of the lease receivable as of June 30, 2025 (in thousands):

Governmental Activities				
Fiscal Year Ending June 30	Principal	Interest	Total	
2026	\$ 790	\$ 6,943	\$	7,733
2027	834	6,917		7,751
2028	1,509	6,876		8,385
2029	1,147	6,840		7,987
2030	1,731	6,794		8,525
2031-2035	9,521	33,098		42,619
2036-2040	8,263	31,529		39,792
2041-2045	1,191	30,993		32,184
2046-2050	3,901	30,553		34,454
2051-2055	3,834	29,831		33,665
2056-2060	7,641	28,895		36,536
2061-2065	7,848	27,535		35,383
2066-2070	8,163	26,312		34,475
2071-2075	14,298	24,583		38,881
2076-2080	21,226	21,689		42,915
2081-2085	25,675	17,530		43,205
2086-2090	4,422	15,644		20,066
2091-2095	7,610	14,674		22,284
2096-2100	11,762	12,981		24,743
2101-2105	16,935	10,540		27,475
2106-2110	19,495	7,192		26,687
2111-2115	13,811	4,444		18,255
2116-2119	13,247	1,357		14,604
	<u>\$ 204,854</u>	<u>\$ 403,750</u>	<u>\$</u>	<u>608,604</u>

Business-Type Activities				
Fiscal Year Ending June 30	Principal	Interest	Total	
2026	\$ 42,416	\$ 7,485	\$	49,901
2027	24,033	6,415		30,448
2028	21,581	5,721		27,302
2029	22,102	5,010		27,112
2030	16,483	4,385		20,868
2031-2035	40,632	16,323		56,955
2036-2040	10,810	13,277		24,087
2041-2045	12,770	11,389		24,159
2046-2050	16,269	9,031		25,300
2051-2055	17,615	6,154		23,769
2056-2060	14,020	3,669		17,689
2061-2065	11,523	1,553		13,076
2066-2070	3,809	320		4,129
2071-2075	700	29		729
	<u>\$ 254,763</u>	<u>\$ 90,761</u>	<u>\$</u>	<u>345,524</u>

Excluded Leases - Regulated

The Aviation Department does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carriers and other aeronautical users. Regulated leases include the following:

Airline Use Agreements

The Aviation Department has entered into a Letter of Authorization (LOA) with each airline for the use of exclusive space in the terminals. By definition, these LOAs are considered to be regulated leases under GASB 87. Each LOA includes a provision that either party may terminate the agreement with 30 days' written notice. The Airlines currently have exclusive use of 113,868 sq ft in Terminal 3 and 531,755 sq ft in Terminal 4. This represents 26% of the total building space. The rental rate for the exclusive space is computed on a cost reimbursement rate. The revenue recognized for exclusive use of terminal space during the year ended June 30, 2025 was \$127.6 million.

In addition to the exclusive use space, the Aviation Department recognized revenue from the Airlines on a usage basis for common use gates, baggage fees and landing fees. The revenue recognized for these usage-based fees during the year ended June 30, 2025 was \$97.2 million.

Due to the variable nature of the above revenues from year to year, expected future minimum payments are indeterminable.

Airline Hangar Buildings

The Aviation Department has entered into lease agreements with American Airlines and Southwest Airlines for use of two large maintenance hangars located on the east side of the airport. The lease with American Airlines began in October 1986 and will end in September 2026. The lease with Southwest Airlines began in August 1992 and will end in July 2047. These contracts include periodic rate adjustments based on CPI. The revenue recognized for these Hangar contracts during the year ended June 30, 2025 was \$2.8 million.

Future Minimum lease payments are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>
2026	\$1,793
2027	1,193
2028	993
2029	993
2030	834
2031-2035	3,910
2036-2040	3,910
2041-2045	3,911
2046-2050	1,271
Total	<u>\$18,808</u>

Fixed Based Operators

The Aviation Department has entered into several contracts with Fixed Base Operators (FBO) for the lease of certain airport land and buildings. An FBO is a commercial enterprise that provides aeronautical services such as fueling, aircraft parking and storage to the general aviation community, and therefore is considered to be a regulated lease. These contracts have various start dates ranging from 1998 to 2021 and end dates ranging from 2028 to 2061. The revenue recognized for these FBO contracts during the year ended June 30, 2025 was \$1.3 million.

Future Minimum lease payments are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>
2026	\$1,038
2027	1,039
2028	1,281
2029	929
2030	844
2031-2035	4,220
2036-2040	4,220
2041-2045	4,220
2046-2050	3,047
2051-2055	1,176
2056-2060	1,038
2061-2065	173
Total	<u>\$23,225</u>

Excluded Leases - Other

The Housing Department entered into leases with housing facilities that are, in turn, subleased to low income and elderly tenants for a period of 12 months or less. In addition to the leases being 12 months or less, the Housing Assistance Payment (HAP) contracts include language that abates the minimum rent component in the event of a failed inspection. Expenses recognized under lease contracts during the fiscal year ended June 30, 2025 were \$135.1 million.

The Aviation Department entered into leases with five rental car companies for space in the Consolidated Rental Car Center (RCC). Contracts with Avis, Enterprise and Hertz began in July 2017 and will end in June 2029, while contracts with Fox and SIXT began in January 2018 and will end in December 2027. The terms of the contracts include a minimum rent component and a variable component based on gross sales. The RCC contracts include language that abates the minimum rent component in the event of a significant drop in passenger traffic at the Airport. Due to this contractual provision, the rent on these contracts has been deemed to not be fixed in substance. Revenue recognized under these lease contracts during the year ended June 30, 2025 was \$63.5 million.

Subscription-Based Information Technology Arrangements

Per GASB Statement No. 96, a subscription-based information technology arrangement (SBITA) is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The measurement of the subscription liabilities is based on the present value of lease payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, and residual value guarantee payments that are fixed in substance.

As of June 30, 2025, the City had minimum principal and interest payment requirements for its subscription activities, with a remaining term more than one year, as follows (in thousands):

Governmental Activities				
Fiscal Year Ending June 30	Principal	Interest	Total	
2026	\$ 4,915	\$ 933	\$ 5,848	
2027	4,825	752	5,577	
2028	3,251	626	3,877	
2029	3,275	504	3,779	
2030	3,408	377	3,785	
2031-2033	10,105	380	10,485	
	<u>\$ 29,779</u>	<u>\$ 3,572</u>	<u>\$ 33,351</u>	

15. Contractual and Other Commitments

Public Transit

The City provides public transit service through the following private contractors: Transdev Services, Inc., First Transit Inc. and MV Transportation Service. In addition, the City purchases fixed route bus service from the Regional Public Transportation Authority "RPTA" and light rail service from Valley Metro Rail "VMRI." The services provided by these contractors, the expiration dates of the current agreements and the estimated contract amount to be provided by the City through June 30, 2025 are as follows (in thousands):

Contractor	Type of Service	Expiration Date	Estimated Annual Subsidy
MV Transportation Service	Dial-a-Ride	June 30, 2029	\$ 22,132
First Transit Inc.	Fixed Route Bus Service	June 30, 2030	66,487
Transdev Services, Inc.	Fixed Route Bus Service	June 30, 2027	123,015
Valley Metro Rail	Light Rail Service	June 30, 2026	73,564
Regional Public Transportation Authority	Fixed Route Bus Service	June 30, 2026	13,142
			<u>\$ 298,340</u>

Approximately 25.5% of the total net transit costs, excluding light rail service, will be reimbursed to the City by adjacent communities and the RPTA. In addition, the City will apply for funding to support daily operations from the Department of Transportation, Federal Transit Administration. This grant is expected to fund approximately 4.0% of the total transit costs for fiscal 2025-26. The City has been the designated recipient for these grants since 1975.

Other Contracts

The City's enterprise funds have entered into various construction contracts and these commitments have not been recorded in the accompanying financial statements. Only the currently payable portions of these contracts have been included in accounts payable in the accompanying financial statements. The following funds have remaining commitments at June 30, 2025, as follows (in thousands):

Aviation	\$	187,035
Phoenix Convention Center		15,271
Water System		190,976
Wastewater		97,408
Solid Waste		8,249
	\$	<u>498,939</u>

Encumbrances

Governmental fund encumbrances at June 30, 2025, were as follows (in thousands):

General Fund	\$	139,368
Transit Special Revenue Fund		139,869
Non-Major Funds		83,633
	\$	<u>362,870</u>

16. Contingent Liabilities

Pending Litigation

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. As discussed in Note 13, the City is primarily self-insured, and has accrued a liability for estimated claims outstanding. As with any risk retention program, however, the City is contingently liable with respect to claims beyond those currently accrued. In the opinion of City management, based on the advice of the City Attorney, the outcome of such claims will not have a material adverse effect on the City's financial position, results of operations or liquidity at June 30, 2025.

Sick Leave

Sick leave is generally accumulated at the rate of 15 days per year and can only be taken in the event of illness. Upon retirement, employees may be eligible to convert a portion of their sick leave balance to pay as described below.

Police who have accumulated 900 qualifying hours or more of unused sick leave at the time of normal service retirement are eligible to receive a payment equal to 50% or more (depending on the number of qualifying hours) of their base hourly rate for hours in excess of 450 hours.

Firefighters who have accumulated 900 qualifying hours or more of unused sick leave at the time of normal service retirement (1,260 qualifying hours or more for employees not on a 40 hour per week work schedule) are eligible to receive a payment equal to 50% or more (depending on the number of qualifying hours) of their base hourly rate for hours in excess of 450 hours (630 hours for employees not on a 40 hour per week work schedule).

Supervisory and Professional, Confidential Office and Clerical, Field Unit 1, Field Unit 2, and Field Unit 3 employees who have accumulated 750 qualifying hours or more of unused sick leave at the time of normal service retirement are eligible to receive a payment equal to their base hourly rate for 25% of the hours in excess of 250 hours. Middle management and Executive General City employees who have accumulated

750 qualifying hours or more of accrued or unused sick leave at the time of normal service retirement are eligible to receive a payment up to 20% of their base hourly rate. Sworn Police and Fire Middle Managers and Executives who have accumulated 1,000 qualifying hours or more of accrued or unused sick leave at the time of normal service retirement (1,400 for 56-hour employees) are eligible to receive a payment up to 40% of their base hourly rate of hours in excess of 500 hours (700 for 56-hour employees). Payment percentage is increased by 1% for each full year of service in excess of 20 years to a maximum of 50%.

Sick leave benefits are accrued as a liability as the benefits are earned by employees, but only if it is more likely than not that the employees will use the sick leave for paid time off or the City will compensate the employees through cash payments conditioned on the employees' retirement. Accordingly, a portion of the sick leave accumulated by police, firefighters, and general employees as described above has been accrued as a liability in the accompanying financial statements. The June 30, 2025, valuation of the sick leave liability was based on the LIFO method and includes other salary-related amounts that are directly and incrementally associated with the leave such as the City's share of social security, as applicable.

The sick leave benefit balances (both accrued and unaccrued) at June 30 were as follows (in thousands):

	2025
General	\$ 190,140
Police	120,234
Fire	45,289
	<u>355,663</u>
Less: Amounts Accrued as a Liability	(116,399)
	<u>\$ 239,264</u>

Liabilities Under Grants

The City participates in a number of federal and state-assisted grant programs. The audits of these programs for earlier years and the year ended June 30, 2025 have not been completed in all cases; accordingly, final determination of the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. City management believes any such claims would be immaterial to the City's financial position at June 30, 2025.

17. Tax Abatements

GASB Statement No. 77 defines a tax abatement and requires disclosure about reporting a government's own tax abatement agreements and those agreements entered into by other governments that reduce the reporting government's tax revenues.

As of June 30, 2025, the City of Phoenix provides tax incentives through Government Property Lease Excise Tax (GPLET) authority. Pursuant to Arizona Revised Statutes §42-6201, the State of Arizona established GPLET as a redevelopment tool by reducing a project's operating costs by replacing the real property tax with an excise tax. Under the state statute, an excise tax is established for the building type of use and is calculated on the gross square footage of the building. The excise tax rate can be abated for the first eight years after a certificate of occupancy on the building is issued as long as the property is located within a Central Business District and Redevelopment Area, and increases the value of the property by more than 100%. Pursuant to change adopted in 2010, the use of the excise tax is limited to a maximum of 25 years and requires the land and improvements conveyed to a government entity and leased back for private use. Another program of the City also reimburses certain transaction privilege taxes as a redevelopment tool to initiate economic development.

Below is information relevant to the disclosure of those programs for the year ended June 30, 2025:

City of Phoenix Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board		Required Disclosure	
1)	Name of Program	Government Property Lease Excise Tax (GPLET)	Transaction Privilege Tax Reimbursement
2)	Purpose of Program	Redevelopment tool to initiate development by reducing a project's operating costs by replacing the real property tax with an excise tax.	Redevelopment tool to initiate development by reducing a project's public infrastructure development costs by reimbursing the project for a percentage of transaction privilege taxes generated by the project after the revenue is generated and the infrastructure has been constructed and accepted by the City.
3)	Tax Being Abated	Real Property Tax	Transaction Privilege Taxes
4)	Authority under which abatement agreements are entered into	Arizona Revised Statutes (ARS) Title 42, Chapter 6, Article 6, Sections 42-6201, 42-6203, 42-6208, and 42-6209.	City Council approval of development agreements.
5)	Criteria to be eligible to receive abatement	1) Taxes may be abated for a limited period beginning at the time the certificate of occupancy is issued and ending eight years after the certificate of occupancy is issued on a government property improvement.	1) Provide significant new job creation, and capital investment with the development, including the construction of public infrastructure if necessary, that would otherwise not occur.
		2) The improvement is located in a single central business district in the city or town and is subject to a lease or development agreement.	
		3) The government property improvement resulted or will result in an increase in property value of at least 100%.	
6)	How recipients' taxes are reduced	Real Property Tax is replaced by an Excise Tax.	Transaction privilege taxes that are generated by the project are reimbursed to the project based on performance requirements.
7)	How amount of abatement is determined	100% Excise Tax Reduction.	The percentage of taxes reimbursed is determined in the development agreement by the scale of development and/or job creation and the public infrastructure needed.
8)	Provisions for recapturing abated taxes	N/A	N/A
9)	Types of commitments made by the City other than to reduce taxes	N/A	N/A
10)	Gross Dollar Amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement	2025 (in thousands)	
		\$6,401	\$4,075

18. Joint Use and Partnership Agreements
Valley Metro Rail, Inc. (VMRI)

The City currently participates with the cities of Tempe, Mesa, Chandler, and Glendale in a joint powers agreement for the design, construction and operation of a light rail transit system. VMRI is the management agency that was incorporated to administer the joint powers agreement between the cities. VMRI has oversight responsibility for the planning, designing, construction and operation of a regional mass transit light rail system. The agreement provides voting rights for members of the representative cities related to strategic initiatives including passage of an annual budget.

The City has an ongoing financial responsibility as a result of the joint powers agreement to participate in the cost to construct and operate the light rail project less any Federal reimbursements and operating fares. The City's share of costs is determined based on the number of rail mileage located within each City, plus dedicated local costs. The equity interest for the City at June 30, 2025, was \$2.3 billion.

Separate financial statements may be obtained from Valley Metro Rail, Inc., 101 N. Central Avenue, Suite 1300, Phoenix, Arizona 85003.

Regional Wireless Cooperative (RWC)

The City currently participates with twenty-two cities and districts in the RWC agreement for the construction, operation and maintenance of a regional communications network. The City is both the Network Managing Member and the Administrative Managing Member. As the Network Managing Member, Phoenix operates and maintains the network. As the Administrative Managing Member, Phoenix is responsible for accounting, budgeting, procurement and contracting for the RWC.

The City has an ongoing financial responsibility as a result of the agreement to participate in the cost to construct, operate and maintain the network. The City's share of costs is determined based on the proportionate number of subscriber units in use at the time of assessment. The equity interest for the City at June 30, 2025, was \$27.5 million.

Separate financial statements may be obtained from RWC Director's Office, 200 W. Washington Street, 12th Floor, Phoenix, Arizona 85003.

Wastewater

Phoenix participates with the cities of Glendale, Mesa, Scottsdale and Tempe in the Subregional Operating Group ("SROG") Agreement for the construction, operation and maintenance of jointly used facilities, including the 91st Avenue Wastewater Treatment Plant, the Salt River Outfall Sewer, the Southern Avenue Interceptor and related transportation facilities. As lead agency, the City of Phoenix is responsible for the planning, budgeting, construction, operation and maintenance of the plant. Phoenix provides all management personnel and financing arrangements and accepts federal grants on behalf of the participants. The other participants pay for costs of operation and maintenance based on sewage flows and strengths, and for purchased capacity in plant and related transportation facilities based on approved engineering billing schedules.

The City of Phoenix holds title to the land comprising the plant site and rights of way. The City's investment under the joint use agreement was \$338.4 million at June 30, 2025, and is included in the Wastewater Enterprise Fund financial statements as part of the total wastewater system. The SROG members participate in each facility at varying rates depending on their needs at the time each facility was constructed. The system has no bonded debt outstanding. Summary financial information on the joint use agreement as of and for the fiscal year ended June 30, 2025 is provided below (in thousands).

	<u>2025</u>
Assets	
Pooled Investments	\$ 64,334
Receivables	23,836
Inventories, at average cost	7,056
Capital Assets, Net of Accumulated Depreciation	605,097
Total Assets	<u>700,323</u>
Liabilities	<u>(73,736)</u>
Net Position	<u>\$ 626,587</u>
Total Revenues	\$ 146,302
Total Expenses	<u>(123,727)</u>
Increase in Net Position	<u>\$ 22,575</u>

Separate financial statements for the activity under the joint use agreement can be obtained through the AMWUA office at 3003 N. Central Avenue, Suite 1550, Phoenix, Arizona 85012.

Water

Phoenix participates with the City of Mesa in the Val Vista Water Treatment Plant and Transmission Line agreement for the construction, operation and maintenance of the jointly used facilities. As lead agency, the City of Phoenix is responsible for the planning, budgeting, construction, operation and maintenance of the Plant. Phoenix provides all management personnel and financing arrangements. The City of Mesa pays for costs of operation and maintenance based on flows and purchased capacity, and for purchased capacity in the Plant and related transmission line based on approved engineering billing schedules.

The City's investment under the joint use agreement was \$171.6 million at June 30, 2025, and is included in the Water Enterprise Fund financial statements as part of the total water system. The plant has no bonded debt outstanding. Summary financial information on the joint use agreement as of and for the fiscal year ended June 30, 2025 is provided below (in thousands).

	2025
Assets	
Pooled Investments	\$ 25,266
Receivables	11,963
Inventories, at average cost	2,933
Capital Assets, Net of Accumulated Depreciation	212,388
Total Assets	252,550
Liabilities	(27,051)
Net Position	\$ 225,499
Total Revenues	\$ 53,924
Total Expenses	(57,660)
Capital Contributions	-
Decrease in Net Position	\$ (3,736)

Separate financial statements for the activity under the joint use agreement can be obtained through the City of Phoenix, Finance Department, Financial Accounting and Reporting Division, 251 W. Washington Street, 9th Floor, Phoenix, Arizona 85003.

Public-Private and Public-Public Partnerships

The City has entered into various public-private and public-public partnership agreements that meet the definition of a service concession arrangement in which the operators will operate and maintain the City's assets while providing a public use. The agreements that are currently active extend through 2043. At the end of the agreements, operations will be transferred back to the City. The measurement of the related public-private and public-public partnership (PPP) receivable and liability are based on the present value of future fixed payments expected to be received during the PPP term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any PPP incentives payable to the operator. Based on the length of term of each agreement, incremental borrowing rates of 3.8% to 4.2% were used to measure PPP receivables and liabilities.

Footprint Center Arena

The City entered into an agreement with the Arena Development Limited Partnership under which the operator will manage the multi-purpose arena located at 201 E. Jefferson Street in downtown Phoenix. The venue is home to a variety of sporting and entertainment events. The operator will set and collect all revenues from these events and pay the City a fixed annual amount, as well as a variable amount based on operations. The current agreement between the City and the operator extends through 2042. As of June 30, 2025, the

City recognized a receivable in the amount of \$19.9 million for the fixed annual payments and recognized a deferred inflow of resources in the amount of \$17.9 million, which is being amortized straight-line over the term of the arrangement.

American Family Fields of Phoenix

The City entered into an agreement with the Milwaukee Brewers Baseball Club, Limited Partnership, under which the operator will manage the sports facility located at 3805 N. 53rd Ave. The venue primarily acts as the Milwaukee Brewers' training facility. The operator will renovate, manage, and maintain the sports facility with the City being contractually-obligated to share in the costs for renovations and maintenance. The current agreement between the City and the operator extends through 2043 and includes language that prohibits the Milwaukee Brewers from relocating the team. As part of the agreement, the Milwaukee Brewers were obligated to fund \$41.0 million in the renovation of the sports facility, which was completed in December 2019. As of June 30, 2025, the City recognized a deferred inflow of resources in the amount of \$31.3 million, which is being amortized straight-line over the term of the agreement.

The following is a schedule by year of minimum payments to be received under the City's Public-Private and Public-Public Partnerships that are included in the measurement of the receivable as of June 30, 2025 (in thousands):

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 506	\$ 821	\$ 1,327
2027	566	800	1,366
2028	631	776	1,407
2029	699	750	1,449
2030	771	721	1,492
2031-2035	5,100	3,063	8,163
2036-2040	7,652	1,811	9,463
2041-2043	3,948	247	4,195
	<u>\$ 19,873</u>	<u>\$ 8,989</u>	<u>\$ 28,862</u>

Service Concession Arrangements

On July 18, 2014, the City entered into an agreement with Arizona State University (ASU) to manage and collect revenues from the City's Papago Golf Course. The service concession arrangement is for 30 years and in exchange, ASU made significant course improvements for a total of \$15.7 million. The City will retain ownership of all assets at the end of the agreement. As of June 30, 2025, the City has recorded \$11.3 million as a deferred inflows of resources on the financial statements. The deferred inflows of resources will be amortized and recognized as revenue over the term of the agreement. There are no liabilities associated with this arrangement.

On November 24, 2014, the City entered into an agreement with Grand Canyon University (GCU) to manage and collect revenues from the City's Maryvale Golf Course. The service concession arrangement is for 30 years and in exchange, GCU invested a total of \$11.4 million in course and clubhouse improvements. The City will retain ownership of all assets at the end of the agreement. As of June 30, 2025, the City has recorded \$7.3 million as a deferred inflows of resources on the financial statements. The deferred inflows of resources will be amortized and recognized as revenue over the term of the agreement. There are no liabilities associated with this arrangement.

19. Deferred Compensation and Defined Contribution Plans (DCP)

The City offers eligible employees a DCP created in accordance with the Internal Revenue Code Section 457, which is entirely funded by employee contributions, and a Defined Contribution Plan created in accordance with Internal Revenue Code 401(a), which is funded by both employee and employer contributions. The Plans provide employees with a means to supplement retirement income.

Under Section 457 of the Internal Revenue Code, the DCP allows employees to defer up to \$23,500 of their salaries during calendar year 2025. Enrollment and deferral charges are allowed on an ongoing basis. Compensation deferred under this Plan is generally not available to participants until termination, retirement or a qualified unforeseeable emergency.

Under Section 401(a) of the Internal Revenue Code, the DCP allows employees to make contributions to the Plan by irrevocably electing to defer a percentage of their salary to the Plan. The 2025 annual contribution limit is \$70,000. The City also contributes to the Plan on behalf of eligible employees in an amount equal to a percentage of base annual salary. The City contributed \$54.8 million for the year ended June 30, 2025. Compensation deferred under this Plan is generally not available to participants until termination, retirement or a qualified unforeseeable emergency.

A governing board makes decisions about investment options available within each Plan, but all investment decisions are made by employees. All assets and income earned thereon are held in trust for the exclusive benefit of Plan participants. The Plans are administered by Nationwide Investment Services, which also serves as trustee of the assets.

20. Pension Plans

Substantially all full-time employees and elected officials of the City are covered by one of three contributory pension plans: the City of Phoenix Employees' Retirement System, the Public Safety Personnel Retirement System or the Elected Officials' Retirement Plan.

A summary of pension related items as of and for the year ended June 30, 2025, is presented below (in thousands).

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
COPERS				
Governmental Activities	\$ 1,020,929	\$ 125,558	\$ 78,395	\$ 112,682
Business-Type Activities	275,364	33,865	21,145	30,388
PSPRS - Police	2,490,272	514,212	28,724	300,803
PSPRS - Fire	1,250,753	290,825	17,726	143,712
EORP	3,888	359	41	918
Total	\$ 5,041,206	\$ 964,819	\$ 146,031	\$ 588,503

City of Phoenix Employees' Retirement System (COPERS)

a) Plan Description

The COPERS is a single-employer defined benefit pension plan established by the Phoenix City Charter. Its purpose is to provide retirement, disability retirement and survivor benefits to its members, who are generally full-time civil service employees and appointed officials. The plan can be amended or repealed by a vote of the people.

The general administration, management and operation of COPERS is vested in a nine-member Retirement Board consisting of three elected employee members, four statutory members, a citizen member and a retiree member. The Retirement Board appoints the Retirement Program Administrator and contracts investment counsel and other services necessary to properly administer the Plan.

Employees participate in the plan upon beginning employment with the City. COPERS' membership data is as follows:

	June 30	
	2025	2024
Active Members		
Tier 1	3,272	3,545
Tier 2	482	509
Tier 3	5,283	4,712
Total	9,037	8,766
Deferred Vested Member Counts	1,143	1,144
In Pay Members		
Service Retirees	6,780	6,620
Beneficiaries	1,248	1,222
Disabled Retirees	219	223
Terminated Members with Refunds Due	3,185	3,013
Total	11,432	11,078
Total Members	21,612	20,988

b) **Plan Benefits**

Benefits are calculated on the basis of a given rate, final average compensation and service credit.

Tier 1 Pension Benefits: Employees hired prior to July 1, 2013 are eligible for retirement benefits upon meeting one of the following age and service requirements:

- 1) Age 60 years with 10 or more years of credited service.
- 2) Age 62 years with 5 or more years of credited service.
- 3) Any age which added to years of credited service equals 80.

The pension benefit for Tier 1 employees is based on 2% of final average compensation multiplied by the first 32.5 years of service credit, 1% in excess of 32.5 years to 35.5 years, and 0.5% thereafter. Tier 2 and 3 Pension Benefits: Employees hired on or after July 1, 2013 for Tier 2 and January 1, 2016 for Tier 3 are eligible for retirement benefits upon meeting one of the following age and service requirements:

- 1) Age 60 years with 10 or more years of credited service.
- 2) Age 62 years with 5 or more years of credited service.
- 3) Any age which added to years of credited service equals 87.

The pension benefit for Tier 2 employees is based on 2.1% of final average compensation multiplied by years of service credit for those with less than 20 years, 2.15% for 20-24.9 years, 2.2% for 25-29.9 years and 2.3% thereafter.

The pension benefit for Tier 3 employees is based on 1.85% of final average compensation multiplied by years of service credit for those with less than 10 years, 1.9% for 10-19.9 years, 2% for 20-29.9 years and 2.1% thereafter.

A deferred pension is available at age 62 for terminated members with five or more years of service credit who leave their accumulated contributions in the Plan.

A member who becomes permanently disabled for the performance of duty is eligible for a disability benefit if the disability is 1) due to personal injury or disease and the member has ten or more years of service credit or 2) due to injuries sustained on the job, regardless of service credit.

Dependents of deceased members may qualify for survivor benefits if the deceased member had ten or more years of service credit or if the member's death was in the line of duty with the City and compensable under the Workman's Compensation Act of the State of Arizona. Chapter XXIV, Section 25 of the City Charter, specifies the conditions for eligibility of survivor benefits.

A supplemental post-retirement payment and permanent benefit increase (under the Pension Equalization Program) may be provided to Tier 1 and Tier 2 retirees if sufficient reserves are available at the end of the fiscal year. The reserve is funded if the five-year average investment return exceeds 8%.

c) **Contributions and Funding Policy**

The City contributes an actuarially determined percentage of payroll to COPERs, as required by City Charter, to fully fund benefits for active members and to amortize any unfunded actuarial liability as a level percent of projected member payroll over a closed 20 year period. For the fiscal year ended June 30, 2025, the total contribution rate was 33.96% of compensation. Tier 1 employees contributed 5% of compensation, and beginning January 1, 2016, Tier 2 and Tier 3 employees contributed 11.0% and the City contributed the remainder, which was \$209.9 million for the fiscal year ending June 30, 2025.

d) **Net Pension Liability**

The City's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date. The schedule below indicates changes in net pension liability:

Change in Net Pension Liability

(in thousands)

	Total Pension Liability (TPL)	Plan Fiduciary Net Position	Net Pension Liability (NPL)
	(a)	(b)	(a)-(b)
Balances at 6/30/2024	\$ 5,147,294	\$ 3,615,814	\$ 1,531,480
Changes for the year:			
Service cost	101,467	-	101,467
Interest on the total pension liability	353,935	-	353,935
Difference between expected and actual experience of the total pension liability	26,205	-	26,205
Changes of assumptions	(132,720)		(132,720)
Benefit payments, including refunds of employee contributions	-		-
	(286,765)	(286,765)	-
Contributions - employer	-	209,931	(209,931)
Contributions - employee	-	65,934	(65,934)
Net investment income	-	309,961	(309,961)
Pension plan administrative expense	-	(1,752)	1,752
Net changes	62,122	297,309	(235,187)
Balances at June 30, 2025	\$ 5,209,416	\$ 3,913,123	\$ 1,296,293

COPERS is reflected as a pension trust fund of the City. Detailed information about the plan's fiduciary net position is available in the separately issued COPERS Annual Comprehensive Financial Report available online at www.phoenix.gov/copers.

e) **Actuarial Assumptions**

Actuarial assumptions used to determine the total pension liability in the June 30, 2025 valuation were based on the results of the actuarial experience study covering the period from July 1, 2014 through June 30, 2019. Those assumptions, applied to all periods included in the measurement, are as follows:

Investment Rate of Return	7.00%
Inflation	2.40%
Salary increase rate	2.80% plus merit component based on service ranging from 4.20% at 1 year of service to 0.00% for members with 15 or more years of service.
COLA (cost of living adjustments)	0.50% through 2024, 1.00% from 2025-2029 and then 1.25%, thereafter.
Administrative expenses	Assumed to be equal to the prior year's amount, increased by 2.50%.

Mortality rates were based on Pub-2010, Amount-Weighted, General mortality tables with adjustments, projected with MP-2019 Ultimate Scale.

The City of Phoenix Employees' Retirement System adopted new assumptions based on the experience study performed for the period ending June 30, 2024. These assumptions will be effective beginning with the June 30, 2025 actuarial valuation.

Based on the assumption that employee and City contributions to COPERS will continue to follow the established contribution policy and the sufficiency of the Fiduciary Net Position, the long-term expected rate of return on COPERS investments, 7%, was applied as the single rate to all periods of projected benefit payments to determine the total pension liability.

A Single Discount Rate of 7.00% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7%. The projection of cash flows used to determine this Single 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 actuarially determined contribution rates and the member rate. Based on these assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	FY 2025 Target	FY 2025 Actual	10-Year
	Allocation	Allocation	Expected Real Return
U.S. Equity	16.0%	21.0%	7.6%
Developed Market Equity (Non-U.S.)	9.0%	11.0%	8.5%
Emerging Market Equity	8.0%	8.0%	9.0%
Private Equity	9.0%	8.0%	12.2%
TIPS	6.0%	6.0%	4.5%
Private Debt	10.0%	5.0%	9.6%
High Yield Bonds	5.0%	5.0%	6.8%
Bank Loans	3.0%	3.0%	6.7%
Emerging Market Bonds	3.0%	2.0%	7.3%
Infrastructure	4.0%	4.0%	8.5%
Natural Resources	4.0%	2.0%	9.3%
Real Estate	12.0%	12.0%	7.8%
Risk Mitigating Strategies	5.0%	4.0%	2.7%
Short Duration Bonds	6.0%	7.0%	4.2%
Cash	-%	3.0%	2.8%

f) **Sensitivity of Net Pension Liability to the Single Discount Rate Assumption**

The table below presents the net pension liability of the City calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using the discount rate that is 1.0% lower (6.00%) or 1.0% higher (8.00%) than the current rate at June 30, 2025:

Sensitivity of Net Pension Liability to the Single Discount**Rate Assumption**

(in thousands)

	1.0% Decrease (6.00%)	Current Single Discount Rate Assumption (7.00%)	1.0% Increase (8.00%)
Net Pension Liability	\$ 1,910,907	\$ 1,296,293	\$ 780,465

g) **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2025, the City recognized pension expense of \$143 million. At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Schedule of Deferred Inflows and Outflows of Resources

(in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 113,195	\$ -
Changes in assumptions	-	99,540
Net difference between projected and actual earnings on pension plan investments	46,229	-
Total	\$ 159,424	\$ 99,540

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows (in thousands):

Measurement year ended June 30:

2026	\$ 89,511
2027	(1,212)
2028	(16,958)
2029	(11,457)
Thereafter	-
Total	\$ 59,884

Public Safety Personnel Retirement System

a) Plan Description

The Public Safety Personnel Retirement System ("PSPRS") administers an agent multiple-employer defined benefit retirement system established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes that provides retirement benefits, as well as death and disability benefits to public safety employees of certain state and local governments. Authority to make amendments to the plan rests with the Arizona State Legislature. The PSPRS acts as a common investment and administrative agent that is jointly administered by a Board of Trustees and participating local boards.

The City's PSPRS membership data is as follows:

	June 30, 2024	
	Police	Fire
Retirees and Beneficiaries	3,045	1,317
Inactive, Non-Retired Members	986	307
Active Members	2,168	1,528
Total	6,199	3,152
Covered Valuation Payroll (in thousands)	\$ 277,318	\$ 182,341

b) Plan Benefits

For employees who became a member of the PSPRS on or before December 31, 2011, retirement benefits will commence the first day of month following termination of employment and based upon the following:

Age	Service	Calculation
62	15 years	Average monthly benefit compensation x 50% for the first 20 years of credited service. The benefit is reduced by 4% for each year of credited service under 20 years. A.R.S. §§38-842(7 and 32) and 38-845(A)(1).
Not required	20 years of credited service	Average monthly benefit compensation x 50% for the first 20 years of credited service. A.R.S. §§38-842(7) and 38-845(A).
Not required	20 years of service with less than 20 years of credited service	Average monthly benefit compensation x 50% for the first 20 years of credited service. The benefit is reduced by 4% for each year of credited service under 20 years. A.R.S. §§38-842(7 and 32) and 38-845(A)(1).
Not required	20 to 24.99 years of credited service	Average monthly benefit compensation x 50% for the first 20 years of credited service plus 2% of the average monthly benefit compensation for each year of credited service between 20 and 24.99. A.R.S. §§38-842(7) and 38-845(A)(2).
Not required	25 or more years of credited service	Average monthly benefit compensation x 50% for the first 20 years of credited service plus 2.5% of the average monthly benefit compensation for each year of credited service above 20 years up to a maximum of 80% of the average monthly benefit compensation. A.R.S. §§38-842(7) and 38-845(A)(2).

For employees who became a member of the PSPRS on or after January 1, 2012 through June 30, 2017, retirement benefits will commence the first day of month following termination of employment and based upon the following:

Age	Service	Calculation
52.5	15 years of service	Effective August 9, 2017 pursuant to Senate Bill 1115: Average monthly benefit compensation x credited service x multiplier (below). A.R.S. §§38-842(7 and 32) and 38-845(G).
52.5	25 or more years of service	Average monthly benefit compensation x 62.5% for the first 25 years of credited service plus 2.5% of the average monthly benefit compensation for each year over 25 years of credited service years up to a maximum of 80% of the average monthly benefit compensation. The benefit is reduced by 4% for each year of credited service under 25 years with a pro-rata reduction for any fractional years. A.R.S. §§38-842(7 and 32) and 38-845(G).

Credited Service	Multiplier
15 to 16.99	1.50%
17 to 18.99	1.75%
19 to 21.99	2.00%
22 to 24.99	2.25%
25 or more	2.50%

Permanent benefit increases, as well as death and disability benefits are available in accordance with the Arizona Revised Statutes that govern the System. Inactive members that have at least 10 years of credited service may elect to receive a Deferred Annuity at the age of 62. This lifetime annuity, which is not a retirement benefit, is actuarially equivalent to the member's accumulated contributions in the System plus an equal amount paid by the employer. The Deferred Annuity option is only available to inactive employees who became PSPRS members on or before December 31, 2011.

c) **Contributions and Funding Policy**

The System, for both police and fire personnel, is funded via member contributions of 7.65% of compensation for employees whose membership date began before January 1, 2012. Employees whose membership date was on or after January 1, 2012 have the option of participating in the hybrid plan for non-social security positions with contributions of 10.65%, of which 3% goes toward a defined contribution plan and is matched by the employer. Employees whose membership date was on or after July 1, 2017 have the option of participating in the hybrid plan for non-social security positions with contributions of 12.65%, of which 3% goes toward a defined contribution plan and is matched by the employer. Employer rates are set by an actuarial valuation and expressed as a percent of compensation. For fiscal year ended June 30, 2025, the required employer contribution rates were as follows:

	Police	Fire
Tier 1	81.17%	70.00%
Tier 2	81.17%	70.00%
Tier 3	8.90%	9.28%
Tier 3 Legacy	67.60%	53.05%

However, for fiscal year ended June 30, 2025, the City chose to contribute \$271.6 million and \$151.7 million for Police and Fire, respectively and were based on the following contribution rates:

	Police	Fire
Tier 1	90.98%	77.75%
Tier 2	90.98%	77.75%
Tier 3	8.90%	9.28%
Tier 3 Legacy	77.41%	60.80%

d) **Net Pension Liability**

The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date. The schedule below indicates changes in net pension liability as of the actuary report dated June 30, 2024 (in thousands):

Change in Net Pension Liability

	POLICE			FIRE		
	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (NPL) (a)-(b)	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (NPL) (a)-(b)
Balances at June 30, 2024	<u>\$ 4,316,230</u>	<u>\$ 1,813,480</u>	<u>\$ 2,502,750</u>	<u>\$ 2,309,507</u>	<u>\$ 1,052,732</u>	<u>\$ 1,256,775</u>
Changes for the Year:						
Service cost	55,970	-	55,970	41,292	-	41,292
Interest on the total pension liability	306,295	-	306,295	164,857	-	164,857
Differences between expected and actual experience	104,926	-	104,926	56,089	-	56,089
Contributions - employer	-	267,372	(267,372)	-	143,633	(143,633)
Contributions - employee	-	24,110	(24,110)	-	14,939	(14,939)
Net investment income	-	189,476	(189,476)	-	110,298	(110,298)
Benefit payments, including refunds of employee contributions	(236,215)	(236,215)	-	(122,235)	(122,235)	-
Administrative expense	-	(1,289)	1,289	-	(653)	653
Other	-	-	-	-	43	(43)
Net changes	<u>230,976</u>	<u>243,454</u>	<u>(12,478)</u>	<u>140,003</u>	<u>146,025</u>	<u>(6,022)</u>
Balances at June 30, 2025	<u>\$ 4,547,206</u>	<u>\$ 2,056,934</u>	<u>\$ 2,490,272</u>	<u>\$ 2,449,510</u>	<u>\$ 1,198,757</u>	<u>\$ 1,250,753</u>

The Required Supplementary Information section includes the assumptions for the PSPRS pension. Detailed information about the pension plan's fiduciary net position is available in the separately issued Public Safety Personnel Retirement System Annual Comprehensive Financial Report available online at www.psprs.com.

e) **Actuarial Assumptions**

The actuarial assumptions used to determine the total pension liability in the June 30, 2024 actuarial valuation are as follows:

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Price Inflation	2.50%
Salary Increases	3.25% to 15.00% including inflation
Tiers 1 & 2 Investment Rate of Return	7.20%, net of investment and administrative expenses
Tier 3 Investment Rate of Return	7.00%, net of investment and administrative expenses
Tier 3 Compensation Limit	\$140,952 for 2024. Assumed increases of 2.00% per year.
Retirement Rates	Rates based on a 2023 experience study using actual plan experience.
Mortality Rates	All rates were updated to reflect the PubS-2010 tables. The mortality assumptions sufficiently accommodate future mortality improvements.

Other Information:

Assumed Future Permanent Benefit Increases	The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. Assumed that the cost-of-living adjustment will be 1.85% for this valuation.
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The Discount Rate used to measure the Total Pension Liability was 7.20% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits. 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 Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the 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 (7.20% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The Long-Term Expected Rate of Return on Plan investments can be determined 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. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of June 30, 2024, as provided by PSPRS, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Public Equity	24.00%	3.62%
International Public Equity	16.00%	4.47%
Global Private Equity	27.00%	7.05%
Core Bonds	6.00%	2.44%
Private Credit	20.00%	6.24%
Diversifying Strategies	5.00%	3.15%
Cash - Mellon	2.00%	0.89%
Total	100.00%	

Note - Assumed inflation rate (as provided by PSPRS): 2.60%

f) **Sensitivity of the Net Position Liability to Changes in the Discount Rate**

The table below presents the net pension liability of both Police and Fire calculated using the discount rate of 7.20% for Tier 1/2 members and 7.00% for Tier 3 members, as well as what the net pension liability would be if it were calculated using the discount rate that is 1.0% lower or 1.0% higher (in thousands):

POLICE			
	1% Decrease (6.20%/6.00%)	Current Discount Rate (7.20%/7.00%)	1% Increase (8.20%/8.00%)
Net Pension Liability	\$ 3,076,172	\$ 2,490,272	\$ 2,010,243

FIRE			
	1% Decrease (6.20%/6.00%)	Current Single Discount Rate (7.20%/7.00%)	1% Increase (8.20%/8.00%)
Net Pension Liability	\$ 1,565,723	\$ 1,250,753	\$ 991,472

g) **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2025, pension expense of \$300.8 million and \$143.7 million were recognized for Police and Fire, respectively. At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported (in thousands):

	POLICE		FIRE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 224,880	\$ -	\$ 121,212	\$ 1,080
Changes in assumptions	17,726	-	17,877	-
Net difference between projected and actual earnings on pension plan investments	-	28,724	-	16,646
Contributions made subsequent to the measurement date	271,606	-	151,736	-
Total	\$ 514,212	\$ 28,724	\$ 290,825	\$ 17,726

Contributions made subsequent to the measurement date are reported as deferred outflows of resources in the Governmental Activities of the Government-Wide Statement of Net Position (Exhibit A-1) and will decrease net pension liability in fiscal year 2026. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows (in thousands):

POLICE			FIRE		
Year Ending	Net Deferred Outflows of		Year Ending	Net Deferred Outflows of	
June 30	Resources		June 30	Resources	
2026	\$	59,225	2026	\$	19,447
2027		110,414	2027		47,477
2028		55,635	2028		14,417
2029		(11,392)	2029		15,235
2030		-	2030		16,773
Thereafter		-	Thereafter		8,013
Total	\$	213,882	Total	\$	121,362

Elected Officials' Retirement Plan

The Elected Officials' Retirement Plan (EORP) administers a cost-sharing, multiple-employer defined benefit pension plan that provides retirement, death and disability benefits. The EORP was established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes and is administered by the Board of Trustees of PSPRS. At June 30, 2025, the City had 8 covered officials participating in the plan. Covered payroll for the year then ended was \$504 thousand (of \$813.9 million general City covered payroll). Net pension liability for EORP was \$3.9 million as of June 30, 2025 and is reported in the Governmental Activities of the Government-Wide Statement of Net Position (Exhibit A-1). No additional disclosures regarding EORP are provided due to the immateriality to the City's finances as a whole. EORP financial statements are available online at www.psprs.com.

21. Other Postemployment Benefits (OPEB)

The City provides certain postemployment health care benefits for its retirees. Retirees meeting certain qualifications are eligible to participate in the City's health insurance program along with the City's active employees. As of August 1, 2007, separate rates have been established for active and retiree health insurance.

A summary of OPEB related items as of and for the year ended June 30, 2025, is presented below (in thousands).

Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Income)
LTD				
Governmental Activities	\$ (40,593)	\$ 1,638	\$ 17,434	\$ 1,251
Business-Type Activities	(8,962)	362	3,850	274
MERP				
Governmental Activities	66,317	-	8,203	11,399
Business-Type Activities	18,141	-	2,244	3,030
PSPRS - Police	(29,082)	936	2,851	(2,326)
PSPRS - Fire	(18,925)	611	2,534	(1,192)
EORP	(130)	-	6	(8)
Total	\$ (13,234)	\$ 3,547	\$ 37,122	\$ 12,428

Long-Term Disability Program

a) Plan Description

The City established the City of Phoenix Long-Term Disability Trust to fund all or a portion of the City's liabilities incurred in providing the benefits as reflected in Administrative Regulation 2.323 City of Phoenix Long-Term Disability Program. The LTD Trust is a single-employer, defined benefit plan. A five-member Board of Trustees has been delegated fiduciary responsibility for the LTD Trust, subject to oversight by the City Council. The LTD Trust issues a separate report that can be obtained through the City of Phoenix, Finance Department, Financial Accounting and Reporting Division, 251 W. Washington Street, 9th Floor, Phoenix, Arizona, 85003.

b) Plan Benefits

Long-term disability (LTD) benefits are available to regular, full-time, benefit-eligible employees who have been employed by the City for at least 12 consecutive months. The program provides income protection of 2/3 of an employee's monthly base salary following a continuous three-month waiting period from the last day worked and the use of all leave accruals. The benefit continues to age 80 for those disabled prior to July 1, 2013 and age 75 for those disabled on or after July 1, 2013. Contributions to the LTD Trust by the City, plus earnings thereon, are the sole source of funding for the LTD program. The City pays 100% of the cost of this benefit.

The number of participants as of June 30, 2025, the effective date of the biennial OPEB valuation, follows:

	Police	Fire	General City	Total
Current Active Employees	2,629	1,872	8,869	13,370
Currently Disabled Employees	17	12	242	271
Total Covered Participants	2,646	1,884	9,111	13,641

c) Contributions

Contributions by the City (plus earnings thereon) are the sole source of funding for the LTD program. The City's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, the City elected to contribute \$4.5 million to the LTD program, even though it is fully funded.

d) Net OPEB Liability/(Asset)

The City's net OPEB liability/(asset) was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2025. The net OPEB liability/(asset) is measured as the total OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the fair value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 6.50% was used to measure the total OPEB liability as of June 30, 2025. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.50%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The schedule below indicates changes in net OPEB liability/(asset):

Change in Net OPEB Liability/(Asset)

(in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balances at June 30, 2024	\$ 55,044	\$ 84,397	\$ (29,353)
Changes for the year:			
Service cost	4,637	-	4,637
Interest on the total OPEB liability	3,586	-	3,586
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(14,854)	-	(14,854)
Changes of assumptions	1,301	-	1,301
Benefit payments, including refunds of employee contributions	(4,372)	(4,372)	-
Employer contributions	-	4,543	(4,543)
Employee contributions	-	-	-
OPEB plan net investment income	-	10,983	(10,983)
OPEB plan administrative expense	-	(630)	630
Other	-	(24)	24
Net change in plan fiduciary net position	(9,702)	10,500	(20,202)
Balances at June 30, 2025	\$ 45,342	\$ 94,897	\$ (49,555)

e) **Actuarial Assumptions**

The following table summarizes the more significant actuarial methods and assumptions used to calculate total OPEB liability.

Valuation date	6/30/25
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.50%
Projected payroll increases	Use Actual Salary Scale
Inflation	2.50%

Mortality rates are based on the sex-distinct employee and annuitant mortality tables described below, including adjustment factors applied to the published tables for each group. Half of active member deaths are assumed to be duty related.

The long-term expected rate of return on LTD investments was based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information. The target allocation and best estimates of rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Domestic Equities	35.00%
International Equities	30.00%
Fixed Income	20.00%
Marketable Alternatives	10.00%
Real Estate	5.00%
Total	100.00%

f) Sensitivity of the Net OPEB Liability/(Asset) to the Single Discount Rate Assumption

Below is a table providing the sensitivity of the net OPEB liability/(asset) to changes in the discount rate as of June 30, 2025. In particular, the table presents the plan's net OPEB liability/(asset) if it were calculated using a Single Discount Rate that is one-percentage-point lower or one-percentage-point higher than the current Single Discount Rate:

Sensitivity of Net OPEB Liability/(Asset) to the Single

Discount Rate Assumption

(in thousands)

	1% Decrease (5.50%)	Current Single Discount Rate Assumption (6.50%)	1% Increase (7.50%)
Net OPEB Liability (Asset):	\$ (44,990)	\$ (49,555)	\$ (50,882)

g) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized a OPEB expense of approximately \$1.5 million. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Deferred Inflows and Outflows of Resources

(in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 161	\$ 14,814
Assumption changes	1,838	2,985
Net difference between projected and actual earnings on OPEB plan investments	-	3,484
Total	\$ 1,999	\$ 21,283

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows (in thousands):

Measurement year ended June 30:

2026	\$	(1,629)
2027		(5,495)
2028		(5,099)
2029		(3,537)
2030		(2,271)
Thereafter		(1,253)
Total	\$	<u>(19,284)</u>

Medical Expense Reimbursement Plan

a) Plan Description

Employees eligible to retire in 15 years or less from August 1, 2007, will receive a monthly subsidy from the City's Medical Expense Reimbursement Plan (MERP) when they retire. The MERP is a single-employer, defined other post employment benefit plan.

The purpose of the monthly subsidy is to reimburse retirees for qualified medical expenses. The subsidy varies with length of service or bargaining unit, from \$117 to \$202 per month. Retirees may be eligible for additional subsidies depending on their bargaining unit, retirement date, or enrollment in the City's medical insurance program. Current and future eligible retirees who purchase health insurance through the City's plan will receive an additional subsidy to minimize the impact of unblending health insurance rates for active and retired employees.

The City established the City of Phoenix MERP Trust to fund all or a portion of the City's share of liabilities incurred in providing the benefits as reflected in Administrative Regulation 2.42 - Medical Expense Reimbursement Plan for Retirees and Eligible Surviving Spouses or Qualified Domestic Partners. A five member Board of Trustees has been delegated fiduciary responsibility for the MERP Trust, subject to oversight of the City Council. The City of Phoenix MERP Trust does not issue stand-alone audited financial statements.

b) Plan Benefits

The MERP benefit provides an offset to out of pocket healthcare expenses such as premiums, deductibles and co-pays, whether the retiree or survivor elects to purchase coverage through city sponsored retiree plans or other sources. City sponsored health plans are provided to eligible non-Medicare retirees and dependents. There are currently four plans to choose from: United Healthcare (UHC) - Retiree Choice HSA, UHC - Retiree Choice PPO, UHC - Retiree HMO and UHC - Retiree HDHP. The City also sponsors a retiree exchange through UHC to offer individual health plan coverage to Medicare retirees and dependents.

The employees covered by MERP at June 30, 2025, the effective date of the biennial OPEB valuation, are:

	<u>2025</u>
Plan Members Currently Receiving Benefits	10,219
Active Plan Members	1,378
Total Plan Members	<u>11,597</u>

c) **Contributions**

Contributions by the City (plus earnings thereon) are the sole source of funding for the MERP. The City's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, the City contributed \$14.9 million. Employees are not required to contribute to the MERP.

d) **Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2025. The net OPEB liability is measured as the total OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the fair value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 6.50% was used to measure the total OPEB liability as of June 30, 2025. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.50%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The schedule below indicates changes in net OPEB liability:

Change in Net OPEB Liability

(in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2024	\$ 344,557	\$ 219,934	\$ 124,623
Changes for the year:			
Service cost	2,398	-	2,398
Interest on the total OPEB liability	21,604	-	21,604
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(17,476)	-	(17,476)
Changes of assumptions	(3,809)	-	(3,809)
Benefit payments, including refunds of employee contributions	(26,769)	(26,769)	-
Employer contributions	-	14,911	(14,911)
Employee contributions	-	-	-
OPEB plan net investment income	-	28,660	(28,660)
OPEB plan administrative expense	-	(689)	689
Other	-	-	-
Net change in plan fiduciary net position	(24,052)	16,113	(40,165)
Balances at 6/30/2025	\$ 320,505	\$ 236,047	\$ 84,458

Plan Fiduciary Net Position as a percentage of Total OPEB Liability

73.65%

e) **Actuarial Assumptions**

The following table summarizes the more significant actuarial methods and assumptions used to calculate the total OPEB liability.

Valuation date	6/30/25
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.50%
Projected payroll increases	3.50%
Health Care Trend Rates	Applies only to Duty Related Death Benefits: Rates starting at 7.00% in 2024 grading down to 4.25% in 2039

Mortality rates are based on the sex-distinct employee and annuitant mortality tables described below, including adjustment factors applied to the published tables for each group. 50% of pre-retirement deaths for general employees are assumed to be duty-related and 100% of pre-retirement deaths for safety employees are assumed to be duty-related.

The long-term expected rate of return on the MERP investments was based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information. The target allocation and best estimates of rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Domestic Equities	35.00%
International Equities	30.00%
Fixed Income	20.00%
Marketable Alternatives	10.00%
Real Estate	5.00%
Total	100.00%

f) **Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption**

Below is a table providing the sensitivity of the net OPEB liability to changes in the discount rate as of June 30, 2025. In particular, the table presents the plan's net OPEB liability if it were calculated using a Single Discount Rate that is one-percentage-point lower or one-percentage-point higher than the current Single Discount Rate:

Sensitivity of Net OPEB Liability to the Single Discount

Rate Assumption

(in thousands)

	1% Decrease (5.50%)	Current Single Discount Rate Assumption (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 114,016	\$ 84,458	\$ 59,089

g) **Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumption**

Below is a table providing the sensitivity of the net OPEB liability to changes in the healthcare cost trend rate as of June 30, 2025. In particular, the table presents the plan's net OPEB liability if it were calculated using a Healthcare Cost Trend Rate that is one-percentage-point lower or one-percentage-point higher than the current Healthcare Cost Trend Rate:

Sensitivity of Net OPEB Liability to the Healthcare Cost

Trend Rate Assumption

(in thousands)

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB Liability	\$ 84,250	\$ 84,458	\$ 84,704

h) **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the City recognized an OPEB expense of \$14.4 million. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Deferred Inflows and Outflows of Resources

(in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 10,447
Total	\$ -	\$ 10,447

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows (in thousands):

Measurement year ended June 30:

2026	\$ 3,641
2027	(6,096)
2028	(5,038)
2029	(2,954)
Total	\$ (10,447)

i) **MERP Statements as of June 30, 2025**

Statement of Fiduciary Net Position

(in thousands)

	MERP
ASSETS	
Cash and Cash Equivalents	\$ 918
Investments	
Treasurer's Pooled Investments	852
Fixed Income	46,595
Domestic Equities	109,612
International Equities	42,175
Real Return	24,013
Real Estate	11,882
Total Investments	235,129
Total Assets	236,047
LIABILITIES	
Accounts Payable	51
NET POSITION*	
Restricted for Other Employee Benefits	\$ 235,996

Statement of Changes in Fiduciary Net Position

(in thousands)

	MERP
ADDITIONS	
Contributions	
City of Phoenix	\$ 14,911
Investment Income	
Net Increase in Fair Value of Investments	22,133
Interest	6,528
Total Additions	43,572
DEDUCTIONS	
Benefit Payments	26,769
Other	695
Total Deductions	27,464
CHANGE IN FIDUCIARY NET POSITION	16,108
NET POSITION*	
Net Position, Beginning	219,888
Net Position, Ending	\$ 235,996

*Ending Net Position will not agree to the actuary report due to the timing of immaterial accrued expenditures.

PSPRS - OPEB
a) Plan Description

The PSPRS administers an agent multiple-employer defined benefit retirement system established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes that provides retirement benefits, as well as death and disability benefits to public safety employees of certain state and local governments. Authority to make amendments to the plan rests with the Arizona State Legislature. The PSPRS acts as a common investment and administrative agent that is jointly administered by a Board of Trustees and participating local boards.

The City's PSPRS membership data is as follows:

	June 30, 2024	
	Police	Fire
Retirees and Beneficiaries	3,045	1,317
Inactive, Non-Retired Members	399	253
Active Members	2,168	1,528
Total	5,612	3,098

b) Plan Benefits

A post-retirement health insurance subsidy is payable on behalf of retired members and survivors who elect coverage provided by the state or participating employer. The monthly amounts cannot exceed:

Member Only		With Dependents		
Not Medicare Eligible	Medicare Eligible	All Not Medicare Eligible	All Medicare Eligible	One with Medicare
\$ 150	\$ 100	\$ 260	\$ 170	\$ 215

c) Contributions

The System has the authority to establish and amend the contribution requirements of the City and active employees. The System establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. For the year ended June 30, 2025, there were no required employer contributions due to the System being in a net asset position. Employees are not required to contribute to the OPEB Plan.

d) **Net OPEB Liability/(Asset)**

The City's net OPEB liability/(asset) was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2024. The schedule below indicates changes in net OPEB liability/(asset) as of the actuary report dated June 30, 2025 (in thousands):

Change in Net OPEB Liability/(Asset)

	POLICE			FIRE		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a)-(b)	(a)	(b)	(a)-(b)
Balances at 6/30/2024	<u>\$ 47,819</u>	<u>\$ 73,814</u>	<u>\$ (25,995)</u>	<u>\$ 25,035</u>	<u>\$ 42,084</u>	<u>\$ (17,049)</u>
Changes for the Year:						
Service cost	847	-	847	568	-	568
Interest on the total OPEB liability	3,358	-	3,358	1,773	-	1,773
Differences between expected and actual experience of the total OPEB liability	333	-	333	113	-	113
Contributions - employer	-	304	(304)	-	139	(139)
Net investment income (loss)	-	7,366	(7,366)	-	4,213	(4,213)
Benefit payments, including refunds of employee contributions	(4,045)	(4,045)	-	(1,964)	(1,964)	-
OPEB plan administrative expense	-	(45)	45	-	(22)	22
Net changes	<u>493</u>	<u>3,580</u>	<u>(3,087)</u>	<u>490</u>	<u>2,366</u>	<u>(1,876)</u>
Balances at 6/30/2025	<u>\$ 48,312</u>	<u>\$ 77,394</u>	<u>\$ (29,082)</u>	<u>\$ 25,525</u>	<u>\$ 44,450</u>	<u>\$ (18,925)</u>

e) **Actuarial Assumptions**

The following table summarizes the more significant actuarial methods and assumptions used to calculate the the total OPEB liability/(asset).

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Price Inflation	2.50%
Salary Increases	3.25% to 15.0% including inflation
Tiers 1 & 2 Investment Rate of Return	7.20%, net of investment and administrative expenses
Tier 3 Investment Rate of Return	7.00%, net of investment and administrative expenses
Retirement Age	Rates based on a 2022 experience study using actual plan experience.
Mortality	All rates were updated to reflect the PubS-2010 tables. The mortality assumptions sufficiently accomodate future mortality improvements.
Health Care Trend Rates:	Not applied in the valuation due to the nature of the benefit provided.
Other Information:	
Notes	There were no benefit changes during the year. The latest experience study was conducted as of June 30, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These real rates of return 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 and by adding expected inflation. For each major asset class that is included in the OPEB plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash - Mellon	2.00%	0.89%
Core Bonds	6.00%	2.44%
Diversifying Strategies	5.00%	3.15%
Private Credit	20.00%	6.24%
Global Private Equity	27.00%	7.05%
International Public Equity	16.00%	4.47%
U.S. Public Equity	24.00%	3.62%
Total	100.00%	

* Based on inflation assumption of 2.60%

The Discount Rate used to measure the Total OPEB Liability was 7.20% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits.

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 Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Fiduciary Net Position for Phoenix Police & Fire Departments were projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on OPEB Plan investments (7.20% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits) was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 7.20% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits. The municipal bond rate is 4.21% (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 7.20% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits.

f) **Sensitivity of the Net OPEB Liability/(Asset) to the Single Discount Rate Assumption**

The table below presents the net OPEB liability/(asset) of both Police and Fire calculated using the discount rate of 7.20% for Tier 1 and 2 and 7.00% for Tier 3, as well as what the net OPEB liability/(asset) would be if it were calculated using the discount rate that is 1.0% lower or 1.0% higher than the current rate (in thousands):

POLICE			
	1% Decrease (6.20%/6.00%)	Current Discount Rate (7.20%/7.00%)	1% Increase (8.20%/8.00%)
Net OPEB Liability/(Asset)	\$ (24,012)	\$ (29,082)	\$ (33,369)
FIRE			
	1% Decrease (6.20%/6.00%)	Current Single Discount Rate (7.20%/7.00%)	1% Increase (8.20%/8.00%)
Net OPEB Liability/(Asset)	\$ (16,219)	\$ (18,924)	\$ (21,219)

g) **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the City recognized a credit to OPEB expense of \$2.3 million for Police and \$1.2 million for Fire. At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	POLICE		FIRE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 266	\$ 1,776	\$ 293	\$ 1,918
Changes in assumptions	366	-	178	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,075	-	616
Contributions made subsequent to the measurement date	304	-	140	-
Total	\$ 936	\$ 2,851	\$ 611	\$ 2,534

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows (in thousands):

	POLICE			FIRE	
Year Ending June 30	Net Deferred Outflows and Inflows of Resources		Year Ending June 30	Net Deferred Outflows and Inflows of Resources	
2026	\$	(2,035)	2026	\$	(1,035)
2027		1,017	2027		325
2028		(829)	2028		(549)
2029		(371)	2029		(501)
2030		-	2030		(319)
Thereafter		-	Thereafter		16
Total	\$	(2,218)	Total	\$	(2,063)

Elected Officials' Retirement Plan - OPEB

EORP administers a cost-sharing, multiple-employer defined benefit pension plan that provides retirement, death and disability benefits. The EORP was established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes and is administered by the Board of Trustees of PSPRS. Certain retirees are eligible to receive an insurance subsidy. At June 30, 2025, the City had 8 covered officials participating in the plan. Net OPEB asset for EORP was \$130 thousand as of June 30, 2025 and is reported in the Governmental Activities of the Government-Wide Statement of Net Position (Exhibit A-1). No additional disclosures regarding EORP are provided due to the immateriality to the City's finances as a whole. EORP financial statements are available online at www.psprs.com.

Post Employment Health Plan

Employees eligible to retire in more than 15 years from August 1, 2007 who have payroll deductions for City medical insurance coverage are entitled to a \$150 monthly contribution to the employee's Post Employment Health Plan (PEHP) account in lieu of MERP subsidies. PEHP is a single-employer defined contribution plan administered by Nationwide Retirement Solutions. Funds accumulated in the employee's account can be used upon termination of employment for qualified medical expenses.

22. Subsequent Events**City Manager**

City Manager Jeffrey J. Barton retired on November 14, 2025, ending a 25-year career with the City. Mayor Kate Gallego and the Phoenix City Council have appointed Ed Zuercher as the new City Manager effective November 17, 2025. Ed previously worked at the City for 28 years, serving as City Manager from October 2013 to October 2021.

Debt Issuances

On June 24, 2025, the City of Phoenix Civic Improvement Corporation issued \$139.0 million of Subordinated Excise Tax Revenue Bonds, Series 2025A, \$26.0 million of Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable), and \$219.1 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C. The bonds were issued at an all-in true interest cost of 4.16%, 5.33%, and 3.83%, respectively, and were dated and delivered July 16, 2025.

On November 18, 2025, the City of Phoenix Civic Improvement Corporation issued \$179.2 million of Transportation Excise Tax Revenue Bonds, Series 2025. The bonds were issued at an all-in true interest cost of 2.99% and were dated and delivered December 10, 2025.

Bond Ratings

The Transportation Excise Tax Revenue credit received initial ratings. On October 29, 2025, Fitch Ratings assigned a "AA+" rating with a stable outlook. On October 30, 2025, S&P assigned "AAA" with a stable outlook.

Tax Rate Change

On March 18, 2025, the Phoenix City Council approved Ordinance G-7369, authorizing a 0.5% increase to the City's Transaction Privilege and Use Tax rates. The new rates, which apply to various business classifications, became effective July 1, 2025, increasing the applicable rate from 2.3% to 2.8%.



City of Phoenix



Financial Section
.....

**REQUIRED
SUPPLEMENTARY
INFORMATION**



City of Phoenix



City of Phoenix

COPERS
Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands)

	2025	2024	2023	2022
<u>Total Pension Liability</u>				
Service cost	\$ 101,467	\$ 89,016	\$ 81,561	\$ 79,869
Interest on the total pension liability	353,935	335,308	324,026	311,636
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience of the total pension liability	26,205	119,160	28,788	52,647
Changes of assumptions	(132,720)	-	-	-
Benefit payments, including refunds of employee contributions	(286,765)	(280,352)	(273,504)	(262,660)
Net change in total pension liability	\$ 62,122	\$ 263,132	\$ 160,871	\$ 181,492
Total pension liability - beginning	5,147,294	4,884,162	4,723,291	4,541,799
Total pension liability - ending	<u>\$ 5,209,416</u>	<u>\$ 5,147,294</u>	<u>\$ 4,884,162</u>	<u>\$ 4,723,291</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - employer	\$ 209,931	\$ 210,701	\$ 193,136	\$ 178,319
Contributions - employee	65,934	57,067	47,749	53,350
Net investment income (loss)	309,961	249,173	175,400	(161,785)
Benefit payments, including refunds of employee contributions	(286,765)	(280,352)	(273,504)	(262,660)
Pension plan administrative expense	(1,752)	(4,870)	(1,373)	(2,564)
Net change in plan fiduciary net position	\$ 297,309	\$ 231,719	\$ 141,408	\$ (195,340)
Plan fiduciary net position - beginning	3,615,814	3,384,095	3,242,687	3,438,027
Plan fiduciary net position - ending	<u>\$ 3,913,123</u>	<u>\$ 3,615,814</u>	<u>\$ 3,384,095</u>	<u>\$ 3,242,687</u>
Net pension liability	<u>\$ 1,296,293</u>	<u>\$ 1,531,480</u>	<u>\$ 1,500,067</u>	<u>\$ 1,480,604</u>
Plan fiduciary net position as a percentage of the total pension liability	75.12%	70.25%	69.29%	68.65%
Covered payroll	\$ 813,949	\$ 750,171	\$ 653,263	\$ 595,304
Net pension liability as a percentage of covered payroll	159.26%	204.15%	229.63%	248.71%

Note - The Single Discount Rate was reduced from 7.25% to 7.00% in the fiscal year 2019-20.

2021	2020	2019	2018	2017	2016
\$ 78,643	\$ 81,119	\$ 73,255	\$ 73,072	\$ 72,876	\$ 80,757
303,102	313,397	300,543	293,883	293,258	293,206
-	-	-	-	-	(3,229)
(4,347)	(77,698)	39,370	(42,785)	429	(76,891)
-	(62,386)	-	-	2,420	(69,420)
(249,713)	(242,143)	(237,389)	(227,576)	(223,668)	(216,193)
\$ 127,685	\$ 12,289	\$ 175,779	\$ 96,594	\$ 145,315	\$ 8,230
4,414,114	4,401,825	4,226,046	4,129,452	3,984,137	3,975,907
\$ 4,541,799	\$ 4,414,114	\$ 4,401,825	\$ 4,226,046	\$ 4,129,452	\$ 3,984,137
\$ 357,382	\$ 175,947	\$ 165,796	\$ 229,006	\$ 152,153	\$ 119,844
40,561	39,356	35,042	33,340	30,870	29,523
610,554	50,389	142,963	166,514	243,211	9,171
(249,713)	(242,143)	(237,389)	(227,576)	(223,668)	(216,409)
(1,930)	(2,509)	(793)	(377)	(380)	(234)
\$ 756,854	\$ 21,040	\$ 105,619	\$ 200,907	\$ 202,186	\$ (58,105)
2,681,173	2,660,133	2,554,514	2,353,607	2,151,421	2,209,526
\$ 3,438,027	\$ 2,681,173	\$ 2,660,133	\$ 2,554,514	\$ 2,353,607	\$ 2,151,421
\$ 1,103,772	\$ 1,732,941	\$ 1,741,692	\$ 1,671,532	\$ 1,775,845	\$ 1,832,716
75.70%	60.74%	60.43%	60.45%	57.00%	54.00%
\$ 580,451	\$ 568,089	\$ 561,938	\$ 526,667	\$ 521,295	\$ 473,974
190.16%	305.05%	309.94%	317.38%	340.66%	386.67%

COPERS Schedule of Employer Contributions

(in thousands)

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2025	\$ 197,114	\$ 209,931	\$ (12,817)*	\$ 813,949	25.79%
2024	192,538	210,701	(18,163)*	750,171	28.09%
2023	179,616	193,136	(13,520)*	653,263	29.56%
2022	167,843	178,319	(10,476)*	595,304	29.95%
2021	178,090	357,382	(179,292)*	580,451	61.57%
2020	175,947	175,947	-	568,089	30.97%
2019	165,796	165,796	-	561,938	29.50%
2018	159,006	229,006	(70,000)*	526,667	43.48%
2017	152,153	152,153	-	521,295	29.19%
2016	119,844	119,844	-	473,974	25.28%

*City made additional contributions in fiscal years 2018, 2021, 2022, 2023, 2024, and 2025.

NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
Valuation date:

June 30, 2023. Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the current measurement period. The rates for FYE June 30, 2025 were determined based on the June 30, 2023 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	The UAL as of June 30, 2013 is amortized as a level percentage of payroll over a closed 25-year period. The impact of the September 2013 assumption changes is amortized over a closed 25-year period with a four-year phase-in. The impact of the August 2015 assumption changes is amortized over a closed 25-year period with a four-year phase-in. Future gains and losses are amortized over closed 20-year periods. However, future gains will not be amortized over a shorter period than the remaining period on the amortization of the 2013 UAL.
Asset valuation method	4-Year smoothed fair value; 25% corridor
Salary increases	2.80% plus merit component based on service ranging from 4.20% at 1 year of service to 0.00% for members with 15 or more years of service.
Investment rate of return	7.00%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2014 - 2019.
Mortality	Pub-2010, Amount-Weighted, General mortality tables with adjustments, projected with the MP-2019 Ultimate Scale
Cost-of-living adjustment	0.50% through 2024, 1.00% from 2025-2029, and then 1.25% thereafter.

Other:

The City of Phoenix Employees' Retirement System adopted new assumptions based on the experience study performed for the period ending June 30, 2024. These assumptions will be effective beginning with the June 30, 2025 Actuarial Valuation.



City of Phoenix

PSPRS - Pension
Schedule of Changes in Net Pension Liability and Related Ratios for Reporting Date ended June 30
(in thousands)

	Reporting Fiscal Year Measurement Date			
	POLICE			
	2025 2024	2024 2023	2023 2022	2022 2021
Total Pension Liability				
Service Cost	\$ 55,970	\$ 50,051	\$ 51,950	\$ 51,687
Interest on the Total Pension Liability	306,295	283,256	274,353	265,180
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	104,926	212,929	34,170	23,801
Changes of assumptions	-	-	44,315	-
Benefit payments, including refunds of employee contributions	(236,215)	(228,135)	(225,952)	(204,565)
Net change in total pension liability	\$ 230,976	\$ 318,101	\$ 178,836	\$ 136,103
Total pension liability - beginning	4,316,230	3,998,129	3,819,293	3,683,190
Total pension liability - ending	<u>\$ 4,547,206</u>	<u>\$ 4,316,230</u>	<u>\$ 3,998,129</u>	<u>\$ 3,819,293</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 267,372	\$ 236,868	\$ 183,098	\$ 172,800
Contributions - employee	24,110	24,586	25,362	23,096
Net investment income	189,476	129,063	(69,084)	379,441
Benefit payments, including refunds of employee contributions	(236,215)	(228,134)	(225,952)	(204,565)
Hall/Parker Settlement	-	-	-	-
Pension Plan Administrative Expense	(1,289)	(1,012)	(1,246)	(1,780)
Other**	-	5	52	4
Net change in Plan Fiduciary Net Position	\$ 243,454	\$ 161,376	\$ (87,770)	\$ 368,996
Plan Fiduciary Net Position - Beginning	1,813,480	1,652,104	1,739,874	1,370,878
Adjustment to Beginning of Year	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 2,056,934</u>	<u>\$ 1,813,480</u>	<u>\$ 1,652,104</u>	<u>\$ 1,739,874</u>
Net Pension Liability	<u>\$ 2,490,272</u>	<u>\$ 2,502,750</u>	<u>\$ 2,346,025</u>	<u>\$ 2,079,419</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.24%	42.02%	41.32%	45.55%
Covered Payroll	\$ 277,318	\$ 259,384	\$ 222,342	\$ 229,875
Net Pension Liability as a Percentage of Covered Valuation Payroll	897.98%	964.88%	1055.14%	904.59%

* The Single Discount Rate was reduced from 7.40% to 7.30% for Tier 1 in the fiscal year 2019-20.

** Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

The information in this schedule has been determined as of the measurement date 6/30/24 of the City's net pension liability.

Reporting Fiscal Year Measurement Date POLICE					
2021* 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015
\$ 51,069	\$ 52,681	\$ 49,601	\$ 58,148	\$ 47,232	\$ 47,490
251,285	241,526	231,824	217,244	199,120	195,645
-	-	-	22,618	171,696	-
91,331	21,415	(906)	1,601	3,644	(42,065)
-	58,976	-	107,195	100,323	-
(203,329)	(185,901)	(168,682)	(164,031)	(170,877)	(142,444)
\$ 190,356	\$ 188,697	\$ 111,837	\$ 242,775	\$ 351,138	\$ 58,626
3,492,834	3,304,137	3,192,300	2,949,525	2,598,387	2,539,761
\$ 3,683,190	\$ 3,492,834	\$ 3,304,137	\$ 3,192,300	\$ 2,949,525	\$ 2,598,387
\$ 167,099	\$ 149,442	\$ 124,618	\$ 113,645	\$ 92,298	\$ 80,311
22,896	18,525	22,728	31,289	31,061	28,941
17,437	71,707	89,411	139,676	7,019	43,559
(203,329)	(185,901)	(168,682)	(164,031)	(170,877)	(142,444)
-	-	(42,201)	-	-	-
(1,422)	(1,247)	(1,364)	(1,236)	(1,010)	(1,063)
(91)	88	(443)	652	411	(842)
\$ 2,590	\$ 52,614	\$ 24,067	\$ 119,995	\$ (41,098)	\$ 8,462
1,368,288	1,315,679	1,291,612	1,171,617	1,212,715	1,204,253
-	(5)	-	-	-	-
\$ 1,370,878	\$ 1,368,288	\$ 1,315,679	\$ 1,291,612	\$ 1,171,617	\$ 1,212,715
\$ 2,312,312	\$ 2,124,546	\$ 1,988,458	\$ 1,900,688	\$ 1,777,908	\$ 1,385,672
37.22%	39.17%	39.82%	40.46%	39.72%	46.67%
\$ 233,472	\$ 228,846	\$ 221,105	\$ 231,023	\$ 225,236	\$ 215,928
990.40%	928.37%	899.33%	822.73%	789.35%	641.73%

PSPRS - Pension
Schedule of Changes in Net Pension Liability and Related Ratios for Reporting Date ended June 30
(in thousands)

	Reporting Fiscal Year Measurement Date			
	FIRE			
	2025 2024	2024 2023	2023 2022	2022 2021
Total Pension Liability				
Service Cost	\$ 41,292	\$ 38,641	\$ 35,322	\$ 32,998
Interest on the Total Pension Liability	164,857	154,988	149,188	143,726
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	56,089	61,321	12,208	2,186
Changes of assumptions	-	-	23,529	-
Benefit payments, including refunds of employee contributions	(122,235)	(118,825)	(110,412)	(102,431)
Net change in total pension liability	140,003	136,125	109,835	76,479
Total pension liability - beginning	2,309,507	2,173,382	2,063,547	1,987,068
Total pension liability - ending	<u>\$ 2,449,510</u>	<u>\$ 2,309,507</u>	<u>\$ 2,173,382</u>	<u>\$ 2,063,547</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 143,633	\$ 125,294	\$ 107,767	\$ 106,126
Contributions - employee	14,939	15,087	14,300	13,566
Net investment income	110,298	75,270	(39,442)	212,684
Benefit payments, including refunds of employee contributions	(122,235)	(118,825)	(110,412)	(102,431)
Hall/Parker Settlement	-	-	-	-
Pension Plan Administrative Expense	(653)	(514)	(711)	(994)
Other**	43	(47)	2	12
Net change in Plan Fiduciary Net Position	\$ 146,025	\$ 96,265	\$ (28,496)	\$ 228,963
Plan Fiduciary Net Position - Beginning	1,052,732	956,467	984,963	756,000
Adjustment to Beginning of Year	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 1,198,757</u>	<u>\$ 1,052,732</u>	<u>\$ 956,467</u>	<u>\$ 984,963</u>
Net Pension Liability	<u>\$ 1,250,753</u>	<u>\$ 1,256,775</u>	<u>\$ 1,216,915</u>	<u>\$ 1,078,584</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.94%	45.58%	44.01%	47.73%
Covered Payroll	\$	\$ 164,128	\$ 151,969	\$ 148,348
Net Pension Liability as a Percentage of Covered Valuation Payroll	182,341	765.73%	800.76%	727.06%

* The Single Discount Rate was reduced from 7.40% to 7.30% for Tier 1 in the fiscal year 2019-20.

** Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

The information in this schedule has been determined as of the measurement date 6/30/24 of the City's net pension liability.

Reporting Fiscal Year Measurement Date					
FIRE					
2021 2020	2020* 2019	2019 2018	2018 2017	2017 2016	2016 2015
\$ 31,668	\$ 32,749	\$ 30,634	\$ 31,155	\$ 25,101	\$ 25,159
134,204	130,378	123,038	114,721	107,388	106,101
-	-	-	9,098	95,865	-
74,975	(7,563)	21,387	5,985	(22,672)	(24,035)
-	31,021	-	61,290	51,468	-
(121,050)	(96,862)	(89,735)	(88,133)	(108,988)	(72,612)
119,797	89,723	85,324	134,116	148,162	34,613
1,867,271	1,777,548	1,692,224	1,558,108	1,409,946	1,375,333
\$ 1,987,068	\$ 1,867,271	\$ 1,777,548	\$ 1,692,224	\$ 1,558,108	\$ 1,409,946
\$ 90,148	\$ 77,142	\$ 73,288	\$ 56,671	\$ 49,932	\$ 43,076
12,598	11,592	13,413	16,694	16,039	14,250
9,715	39,879	49,178	76,651	3,927	24,513
(121,050)	(96,862)	(89,735)	(88,133)	(108,988)	(72,612)
-	-	(21,840)	-	-	-
(793)	(695)	(751)	(679)	(565)	(599)
12	-	251	11	1,050	(536)
\$ (9,370)	\$ 31,056	\$ 23,804	\$ 61,215	\$ (38,605)	\$ 8,092
765,370	734,315	710,511	649,296	687,901	679,809
-	(1)	-	-	-	-
\$ 756,000	\$ 765,370	\$ 734,315	\$ 710,511	\$ 649,296	\$ 687,901
\$ 1,231,068	\$ 1,101,901	\$ 1,043,233	\$ 981,713	\$ 908,812	\$ 722,045
38.05%	40.99%	41.31%	41.99%	41.67%	48.79%
\$ 139,641	\$ 135,273	\$ 132,503	\$ 127,530	\$ 124,322	\$ 121,291
881.60%	814.58%	787.33%	769.79%	731.02%	595.30%

PSPRS - Pension

		Schedule of Contributions for Measurement Date Ended June 30 - PSPRS				
	(in thousands) Year Ended June 30	Actuarially Determined Contribution	Actual Contribution ***	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Valuation Payroll
Police	2025	\$ -	\$ 271,606	\$ -	\$ -	-%
	2024	225,198	267,372	(42,174)	277,318	96.41%
	2023	189,040	236,868	(47,828)	259,384	91.32%
	2022	154,979	183,098	(28,119)	222,342	82.35%
	2021	153,644	172,800	(19,156)	229,875	75.17%
	2020	167,099	167,099	-	233,472	71.57%
	2019	149,442	149,442	-	228,846	65.30%
	2018	124,618	124,618	-	221,105	56.36%
	2017	113,645	113,645	-	231,023	49.19%
	2016	92,298	92,298	-	225,236	40.98%
Fire	2025	\$ -	\$ 151,736	\$ -	\$ -	-%
	2024	121,357	143,633	(22,276)	182,341	78.77%
	2023	102,404	125,294	(22,890)	164,128	76.34%
	2022	96,217	107,767	(11,550)	151,969	70.91%
	2021	89,913	106,126	(16,213)	148,348	71.54%
	2020	90,148	90,148	-	139,641	64.56%
	2019	77,142	77,142	-	135,273	57.03%
	2018	73,288	73,288	-	132,503	55.31%
	2017	56,671	56,671	-	127,530	44.44%
	2016	49,932	49,932	-	124,322	40.16%

*** Actual contributions are based on covered payroll at the time of contribution. It is the actuary's understanding that the Employer's practice is to contribute the percent-of-payroll employer contribution rate (or flat dollar amount if there are no active employees) shown in the actuarial valuation report. Because of this understanding, the Actuarially Determined Contributions shown in the Schedule of Employer contributions are the actual contributions made by the Employer in the fiscal year. Actual contributions include any additional contributions made by the Employer as well as Arizona Fire Insurance Premium Tax received by the Employer. In fiscal year 2025, the City chose to contribute more than the actuarially determined amount. Fiscal year 2025 actual contributions represent contributions made subsequent to the measurement date.

NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2024 CONTRIBUTION RATE

Calculation Timing	The Actuarially Determined Contribution is calculated as of June 30 one year prior to the beginning of the fiscal year in which contributions are reported.
Interest Rate	7.20%
Mortality	Healthy Actives: PubS-2010 Employee Mortality Tables, adjusted by a factor 1.03 for males and 1.08 for females, projected with future mortality improvements reflected generationally using 85% of scale MP-2021. 100% of active deaths are assumed to be in the line of duty. Healthy Inactives: PubS-2010 Healthy Retiree Mortality Tables, adjusted by a factor of 1.03 for males and 1.11 females, projected with future mortality improvements reflected generationally using 85% of scale MP-2021. Beneficiaries: PubS-2010 Survivor mortality, adjusted by a factor of 0.98 for male and 1.06 for females, projected with future mortality improvements reflected generally using 85% of scale MP-2021. Disabled Lives: PubS-2010 Disabled Mortality Tables, adjusted by a factor of 1.08 for males and 1.01 for females, projected with future mortality improvements reflected generationally using 85% of scale MP-2021. The mortality assumptions sufficiently accommodate anticipated future mortality improvements.
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the June 30, 2022 Actuarial Valuation Report prepared by Foster & Foster, Inc.



City of Phoenix

LTD
Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios

(in thousands)

	2025	2024	2023	2022
<u>Total OPEB liability/(asset)</u>				
Service cost	\$ 4,637	\$ 4,524	\$ 3,964	\$ 3,867
Interest on the total OPEB liability/(asset)	3,586	3,367	3,230	3,163
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(14,855)	-	227	-
Changes of assumptions	1,302	-	(582)	787
Benefit payments, including refunds of employee contributions	(4,372)	(4,776)	(5,231)	(4,833)
Net change in total OPEB liability/(asset)	(9,702)	3,115	1,608	2,984
Total OPEB liability/(asset) - beginning	55,044	51,929	50,321	47,337
Total OPEB liability/(asset) - ending	<u>\$ 45,342</u>	<u>\$ 55,044</u>	<u>\$ 51,929</u>	<u>\$ 50,321</u>
<u>Plan Fiduciary Net Position</u>				
Employer contributions	\$ 4,543	\$ 1,687	\$ 912	\$ 1,401
Employee contributions	-	-	-	-
OPEB plan net investment income (loss)	10,983	8,623	6,859	(13,083)
Benefit payments, including refunds of employee contributions	(4,372)	(4,776)	(5,231)	(4,833)
OPEB plan administrative expense	(630)	(590)	(539)	(556)
Other	(24)	(11)	(14)	(13)
Net change in plan fiduciary net position	10,500	4,933	1,987	(17,084)
Plan fiduciary net position - beginning	84,397	79,464	77,477	94,561
Plan fiduciary net position - ending	<u>\$ 94,897</u>	<u>\$ 84,397</u>	<u>\$ 79,464</u>	<u>\$ 77,477</u>
Net OPEB liability/(asset) - ending	<u>\$ (49,555)</u>	<u>\$ (29,353)</u>	<u>\$ (27,535)</u>	<u>\$ (27,156)</u>
Plan fiduciary net position as a percentage of total OPEB liability/(asset)	209.29%	153.33%	153.03%	153.97%
Covered payroll	\$ 1,157,689	\$ 1,005,338	\$ 980,817	\$ 898,304
Net OPEB liability/(asset) as a percentage of covered payroll	(4.28%)	(2.92%)	(2.81%)	(3.02%)

Notes to Schedule:

- Service Cost determined under the Entry Age Normal Method
- June 30, 2025 assumption changes reflect the change in the assumptions used for General Employees based on the City of Phoenix Employees' Retirement System 2025 Experience Study
- June 30, 2022, the assumption change reflects the change in discount rate from 6.75% to 6.50%.

The information in this schedule has been determined as of the measurement date 6/30/25 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

2021	2020	2019	2018	2017
\$ 3,606	\$ 3,495	\$ 3,679	\$ 3,554	\$ 3,434
3,193	3,087	3,614	3,407	3,226
-	-	-	-	-
(2,650)	-	(2,778)	-	-
(116)	628	(8,013)	-	-
(4,381)	(3,755)	(4,126)	(3,993)	(4,289)
(348)	3,455	(7,624)	2,968	2,371
47,685	44,230	51,854	48,886	46,515
<u>\$ 47,337</u>	<u>\$ 47,685</u>	<u>\$ 44,230</u>	<u>\$ 51,854</u>	<u>\$ 48,886</u>
\$ -	\$ 1,134	\$ 1,758	\$ 1,643	\$ 1,381
-	-	-	-	-
21,612	662	3,983	4,611	8,488
(4,381)	(3,755)	(4,126)	(3,993)	(4,290)
(456)	(363)	(380)	(409)	(276)
29	-	(86)	167	129
16,804	(2,322)	1,149	2,019	5,432
77,757	80,079	78,930	76,911	71,479
<u>\$ 94,561</u>	<u>\$ 77,757</u>	<u>\$ 80,079</u>	<u>\$ 78,930</u>	<u>\$ 76,911</u>
<u>\$ (47,224)</u>	<u>\$ (30,072)</u>	<u>\$ (35,849)</u>	<u>\$ (27,076)</u>	<u>\$ (28,025)</u>
199.76%	163.06%	181.05%	152.23%	157.33%
\$ 872,987	\$ 858,320	\$ 831,706	\$ 832,952	\$ 804,784
(5.41%)	(3.50%)	(4.31%)	(3.25%)	(3.48%)

Schedule of Employer OPEB Contributions - LTD

(in thousands)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
2025	\$ 3,198	\$ 4,543	\$ (1,345)	\$ 1,157,689	0.39%
2024	3,266	1,688	1,578	1,005,338	0.17%
2023	2,617	912	1,705	980,817	0.09%
2022	1,343	1,401	(58)	898,304	0.16%
2021	1,540	-	1,540	848,384	0.00%
2020	1,163	1,134	29	858,320	0.13%
2019	1,772	1,758	14	831,706	0.21%
2018	1,772	1,643	129	832,952	0.20%
2017	1,514	1,381	133	804,784	0.17%

NOTES TO SCHEDULE OF CONTRIBUTIONS
Valuation date: June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Fair Value
Inflation	2.50%
Projected payroll increases	Use actual salary scale
Investment rate of return	6.50%
Health care trend rates	Due to nature of the benefit, health care trend rates are not applicable to the calculation of contribution rates.
Expenses	Investment expenses are paid from investment returns.

Other information:

Notes The assumptions have been updated to match those used in the valuation of the members pension benefit. No other assumptions changes were made since the prior valuation.

The information in this schedule has been determined as of the measurement date 6/30/2025 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.



City of Phoenix

MERP
Schedule of Changes in Net OPEB Liability and Related Ratios

(in thousands)

	2025	2024	2023	2022
<u>Total OPEB liability/(asset)</u>				
Service cost	\$ 2,398	\$ 2,966	\$ 2,673	\$ 3,495
Interest on the total OPEB liability/(asset)	21,604	21,769	23,719	24,114
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(17,476)	-	(26,599)	-
Changes of assumptions	(3,809)	-	(2,501)	8,185
Benefit payments, including refunds of employee contributions	(26,769)	(27,208)	(27,676)	(27,747)
Net change in total OPEB liability	(24,052)	(2,473)	(30,384)	8,047
Total OPEB liability/(asset) - beginning	344,557	347,030	377,414	369,367
Total OPEB liability/(asset) - ending	<u>\$ 320,505</u>	<u>\$ 344,557</u>	<u>\$ 347,030</u>	<u>\$ 377,414</u>
<u>Plan Fiduciary Net Position</u>				
Employer contributions	\$ 14,911	\$ 15,541	\$ 19,750	\$ 27,704
Employee contributions	-	-	-	-
OPEB plan net investment income (loss)	28,660	23,582	17,964	(32,988)
Benefit payments, including refunds of employee contributions	(26,769)	(27,209)	(27,676)	(27,747)
OPEB plan administrative expense	(689)	(666)	(605)	(640)
Other	-	-	-	-
Net change in plan fiduciary net position	16,113	11,248	9,433	(33,671)
Plan fiduciary net position - beginning	219,934	208,686	199,253	232,924
Plan fiduciary net position - ending	<u>\$ 236,047</u>	<u>\$ 219,934</u>	<u>\$ 208,686</u>	<u>\$ 199,253</u>
Net OPEB liability/(asset) - ending	<u>\$ 84,458</u>	<u>\$ 124,623</u>	<u>\$ 138,344</u>	<u>\$ 178,161</u>
Plan fiduciary net position as a percentage of total OPEB liability	73.65%	63.83%	60.13%	52.79%
Covered payroll	\$ 147,275	\$ 125,255	\$ 170,892	\$ 222,257
Net OPEB liability as a percentage of covered payroll	57.35%	99.50%	80.95%	80.16%

Notes to Schedule:

- Service Cost determined under the Entry Age Normal Method
- June 30, 2025 assumption changes reflect the change in the assumptions used in the City of Phoenix Employees' Retirements System 2025 Experience Study.
- June 30, 2022, the assumption change reflects the change in discount rate from 6.75% to 6.50%.

The information in this schedule has been determined as of the measurement date 6/30/25 of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

2021	2020	2019	2018	2017
\$ 3,629	\$ 4,432	\$ 4,282	\$ 4,690	\$ 4,531
25,249	25,439	25,141	24,826	24,472
	-	19,835	-	-
(6,128)	-	(18,132)	-	-
(12,042)	8,320	(637)	-	-
(27,186)	(27,089)	(25,520)	(24,107)	(23,936)
(16,478)	11,102	4,969	5,409	5,067
385,845	374,743	369,774	364,365	359,298
<u>\$ 369,367</u>	<u>\$ 385,845</u>	<u>\$ 374,743</u>	<u>\$ 369,774</u>	<u>\$ 364,365</u>
\$ 31,004	\$ 26,987	\$ 24,100	\$ 25,881	\$ 27,863
-	-	-	-	-
50,174	1,460	8,734	9,761	17,188
(27,186)	(27,089)	(25,520)	(24,107)	(23,936)
(606)	-	-	-	-
1	13	(17)	6	-
53,387	1,371	7,297	11,541	21,115
179,537	178,166	170,869	159,328	138,213
<u>\$ 232,924</u>	<u>\$ 179,537</u>	<u>\$ 178,166</u>	<u>\$ 170,869</u>	<u>\$ 159,328</u>
<u>\$ 136,443</u>	<u>\$ 206,308</u>	<u>\$ 196,577</u>	<u>\$ 198,905</u>	<u>\$ 205,037</u>
63.06%	46.53%	47.54%	46.21%	43.73%
\$ 214,741	\$ 280,071	\$ 270,600	\$ 329,982	\$ 318,823
63.54%	73.66%	72.64%	60.28%	64.31%

Schedule of Employer OPEB Contributions - MERP

(in thousands)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
2025	\$ 13,890	\$ 14,911	\$ (1,021)	\$ 147,275	10.12%
2024	15,541	15,541	-	125,255	12.41%
2023	19,750	19,750	-	170,892	11.56%
2022	15,912	27,704	(11,792)	22,257	12.46%
2021	22,753	31,004	(8,251)	214,741	14.44%
2020	21,713	26,987	(5,274)	280,071	9.64%
2019	22,465	24,100	(1,635)	270,600	8.91%
2018	22,465	25,881	(3,416)	329,982	7.84%
2017	27,860	27,863	(3)	318,823	8.74%

NOTES TO SCHEDULE OF CONTRIBUTIONS
Valuation date: June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	18 years
Asset valuation method	Fair Value
Projected payroll increases	3.50%
Investment rate of return	6.50%
Health care trend rates	Applies only to Duty Related Death Benefits: Rates starting at 7.00% in 2024 grading down to 4.25% in 2039.
Expenses	Investment expenses are paid from investment returns.

The information in this schedule has been determined as of the measurement date 6/30/25 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.



City of Phoenix

PSPRS - OPEB
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios for Reporting Date ended June 30
(in thousands)

	Reporting Fiscal Year					
	Measurement Date					
	2025		2024		2023	
	2024		2023		2022	
	Police	Fire	Police	Fire	Police	Fire
Total OPEB Liability						
Service Cost	\$ 847	\$ 568	\$ 878	\$ 567	\$ 1,008	\$ 561
Interest on the Total OPEB Liability	3,358	1,773	3,471	1,904	3,438	1,859
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	333	113	(1,943)	(2,349)	(356)	228
Changes of assumptions	-	-	-	-	915	248
Benefit payments, including refunds of employee contributions	(4,045)	(1,964)	(3,826)	(1,924)	(3,695)	(1,933)
Net change in total OPEB liability	\$ 493	\$ 490	\$ (1,420)	\$ (1,802)	\$ 1,310	\$ 963
Total pension liability - beginning	47,819	25,035	49,239	26,837	47,929	25,874
Total pension liability - ending	<u>\$ 48,312</u>	<u>\$ 25,525</u>	<u>\$ 47,819</u>	<u>\$ 25,035</u>	<u>\$ 49,239</u>	<u>\$ 26,837</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 304	\$ 139	\$ 119	\$ 47	\$ 87	\$ 34
Contributions - employee	-	-	119	47	87	34
Net investment income	7,367	4,212	5,406	3,074	(3,060)	(1,733)
Benefit payments, including refunds of employee contributions	(4,045)	(1,964)	(3,826)	(1,924)	(3,694)	(1,933)
OPEB Plan Administrative Expense	(45)	(22)	(46)	(22)	(54)	(31)
Net change in Plan Fiduciary Net Position	\$ 3,581	\$ 2,365	\$ 1,772	\$ 1,222	\$ (6,634)	\$ (3,629)
Plan Fiduciary Net Position - Beginning	73,813	42,084	72,041	40,862	78,675	44,491
Adjustment to Beginning of Year	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 77,394</u>	<u>\$ 44,449</u>	<u>\$ 73,813</u>	<u>\$ 42,084</u>	<u>\$ 72,041</u>	<u>\$ 40,862</u>
Net OPEB Liability/(Asset)	<u>\$ (29,082)</u>	<u>\$ (18,924)</u>	<u>\$ (25,994)</u>	<u>\$ (17,049)</u>	<u>\$ (22,802)</u>	<u>\$ (14,025)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	160.20%	174.14%	154.36%	168.10%	146.31%	152.26%
Covered Payroll	\$ 277,318	\$ 182,341	\$ 259,384	\$ 164,128	\$ 222,342	\$ 151,969
Net OPEB Liability (Asset) as a Percentage of Covered Valuation Payroll	(10.49%)	(10.38%)	(10.02%)	(10.39%)	(10.26%)	(9.23%)

The information in this schedule has been determined as of the measurement date 6/30/24 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Reporting Fiscal Year							
Measurement Date							
2022		2021		2020		2019	
2021		2020		2019		2018	
Police	Fire	Police	Fire	Police	Fire	Police	Fire
\$ 1,074	\$ 553	\$ 1,097	\$ 552	\$ 699	\$ 341	\$ 647	\$ 338
3,530	1,830	3,507	1,874	3,483	1,783	3,440	1,755
-	-	-	-	-	-	-	-
(2,216)	(54)	(149)	(761)	(1,332)	461	(632)	(116)
-	-	-	-	425	255	-	-
(3,485)	(1,943)	(3,440)	(1,895)	(3,257)	(1,763)	(3,253)	(1,766)
\$ (1,097)	\$ 386	\$ 1,015	\$ (230)	\$ 18	\$ 1,077	\$ 202	\$ 211
49,026	25,488	48,011	25,718	47,993	24,641	47,791	24,430
\$ 47,929	\$ 25,874	\$ 49,026	\$ 25,488	\$ 48,011	\$ 25,718	\$ 47,993	\$ 24,641
\$ 79	\$ 24	\$ 58	\$ 17	\$ 31	\$ 8	\$ -	\$ -
79	24	58	17	31	8	5	1
17,507	9,904	835	473	3,548	2,004	4,483	2,529
(3,485)	(1,943)	(3,440)	(1,895)	(3,257)	(1,763)	(3,253)	(1,766)
(72)	(42)	(67)	(37)	(61)	(34)	(68)	(39)
\$ 14,108	\$ 7,967	\$ (2,556)	\$ (1,425)	\$ 292	\$ 223	\$ 1,167	\$ 725
64,567	36,524	67,123	37,949	66,826	37,726	65,659	37,001
-	-	-	-	5	-	-	-
\$ 78,675	\$ 44,491	\$ 64,567	\$ 36,524	\$ 67,123	\$ 37,949	\$ 66,826	\$ 37,726
\$ (30,746)	\$ (18,617)	\$ (15,541)	\$ (11,036)	\$ (19,112)	\$ (12,231)	\$ (18,833)	\$ (13,085)
164.15%	171.95%	131.70%	143.30%	139.81%	147.56%	139.24%	153.10%
\$ 229,875	\$ 148,348	\$ 233,472	\$ 139,641	\$ 228,846	\$ 135,273	\$ 221,105	\$ 132,503
(13.38%)	(12.55%)	(6.66%)	(7.90%)	(8.35%)	(9.04%)	(8.52%)	(9.88%)

PSPRS - OPEB
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios for Reporting Date ended June 30
(in thousands)

(Continued)

	Reporting Fiscal Year	
	Measurement Date	
	2018	
	2017	
	Police	Fire
Total OPEB Liability		
Service Cost	\$ 762	\$ 357
Interest on the Total OPEB Liability	3,708	1,846
Changes of benefit terms	26	28
Difference between expected and actual experience	(2,617)	(595)
Changes of assumptions	(1,636)	(774)
Benefit payments, including refunds of employee contributions	(3,014)	(1,735)
Net change in total OPEB liability	\$ (2,771)	\$ (873)
Total pension liability - beginning	50,562	25,303
Total pension liability - ending	<u>\$ 47,791</u>	<u>\$ 24,430</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ -	\$ -
Contributions - employee	-	-
Net investment income	7,098	4,002
Benefit payments, including refunds of employee contributions	(3,014)	(1,735)
OPEB Plan Administrative Expense	(63)	(36)
Net change in Plan Fiduciary Net Position	\$ 4,021	\$ 2,231
Plan Fiduciary Net Position - Beginning	61,638	34,770
Adjustment to Beginning of Year	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 65,659</u>	<u>\$ 37,001</u>
Net OPEB Liability/(Asset)	<u>\$ (17,868)</u>	<u>\$ (12,571)</u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	 137.39%	 151.46%
Covered Payroll	\$ 231,023	\$ 127,530
Net OPEB Liability (Asset) as a Percentage of Covered Valuation Payroll	(7.73%)	(9.86%)

Schedule of Employer OPEB Contributions - PSPRS

(in thousands)

		Schedule of Contributions for Measurement Date Ended June 30					
(in thousands)		Contributions in Relation to the		Contribution		Actual Contribution	
Year Ended June 30	Actuarially Determined Contribution *	Actuarially Determined Contribution	Deficiency (Excess)	Covered Payroll	as a % of Covered Valuation Payroll		
Police	2025	\$ -	\$ -	\$ -	\$ -	-%	
	2024	304	304	-	277,318	0.11%	
	2023	119	119	-	259,384	0.03%	
	2022	87	87	-	222,342	0.04%	
	2021	79	79	-	229,875	0.03%	
	2020	58	58	-	233,472	0.03%	
	2019	31	31	-	228,846	0.01%	
	2018	-	-	-	221,105	-%	
	2017	-	-	-	231,023	-%	
Fire	2025	\$ -	\$ -	\$ -	\$ -	-%	
	2024	139	139	-	182,341	0.08%	
	2023	47	47	-	164,128	0.03%	
	2022	34	34	-	151,969	0.02%	
	2021	24	24	-	148,348	0.02%	
	2020	17	17	-	139,641	0.01%	
	2019	8	8	-	135,273	0.01%	
	2018	-	-	-	132,503	-%	
	2017	-	-	-	127,530	-%	

* Actual contributions are based on covered payroll at the time of contribution. It is the actuary's understanding that the Employer's practice is to contribute the percent-of-payroll employer contribution rate (or flat dollar amount if there are no active employees) shown in the actuarial valuation report. Because of this understanding, the Actuarially Determined Contributions shown in the Schedule of Employer contributions are the actual contributions made by the Employer in the fiscal year.

**NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2024 CONTRIBUTION RATE**

Calculation Timing	The Actuarially Determined Contribution is calculated as of June 30 one year prior to the beginning of the fiscal year in which contributions are reported.
Interest Rate	7.20%
Mortality	Healthy Actives: PubS-2010 Employee mortality tables, adjusted by a factor of 1.03 for males and 1.08 females, projected with future mortality improvements reflected generationally using 85% of scale MP-2021. 100% of active deaths are assumed to be in the line of duty. Healthy Inactives: PubS-2010 Healthy Retiree mortality tables, adjusted by a factor of 1.03 for males and 1.11 for females, projected with future mortality improvements reflected generationally using 85% of scale MP-2021. Beneficiaries: PubS-2010 Survivor mortality tables, adjusted by a factor of 0.98 for males and 1.06 for females, projected with future mortality improvements reflected generationally using 85% of scale MP-2021. Disabled Lives: PubS-2010 Disabled mortality tables, adjusted by a factor of 1.08 for males and 1.01 for females, projected with future mortality improvements reflected generationally using 85% of scale MP-2021. The mortality assumptions sufficiently accommodate anticipated future mortality improvements.
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the June 30, 2022 Actuarial Valuation Report prepared by Foster & Foster, Inc.

The information in this schedule has been determined as of the measurement date 6/30/24 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.



City of Phoenix



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION**

**- Nonmajor
Governmental Funds
- Combining Fund
Financial Statements**

Fund Descriptions -

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Highway User Revenue - to account for the City's share of the Arizona Highway User Revenue Tax. This money is used solely for highway and street improvements.

Municipal Court - to account for revenue received from court award of confiscated property under both the Federal and State Organized Crime Acts, court technology enhancement fees and the City's portion of local Judicial Collection Enhancement Fund monies. These funds are to be spent on additional law enforcement activity and court computer system improvements.

Development Services - to account for development user fees that finance the City's development review and permitting process, and for community reinvestment and impact fees to be used for redevelopment purposes.

Grants - to account for federal and state revenues to be used for community services, including neighborhood and community development, and human resources programs.

Public Housing - to account for rental receipts and expenditures for the administration, management and maintenance of various public housing units. The U.S. Department of Housing and Urban Development exercises indirect control over the activities of the City's housing programs.

Other Restricted - to account for restricted fees for recreation and other programs, donations specified for various city programs, and funds from the opioid settlement.

Neighborhood Protection - to account for all revenues and expenditures associated with the Fire and Police Neighborhood Protection Programs and the Police Block Watch Program, funded by the 0.1% local sales tax rate increase authorized by the voters in 1993.

Public Safety Enhancement - to account for the Fire, Police, and Emergency Management share of a 2.0% increment of the 2.7% privilege license tax on utilities with franchise agreements which became effective May 2005, and the 0.2% public safety expansion sales tax which was implemented in December 2007.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise funds.

Capital Construction - to account for infrastructure improvements in the public right-of-way, including street and sidewalk modernization and improvement financed by a portion of the utility tax on telecommunications services.

Parks and Preserves - to account for the purchase of state trust lands for the Sonoran Desert Preserve Open Space, and the development and improvement of regional and neighborhood parks financed by funds generated by the desert preserve tax.

Street Improvements - to account for the acquisition of rights-of-way and the improvement, construction and reconstruction of streets and highways within the City.

Police and Fire Protection - to account for the purchase, construction and equipping of public safety buildings and fire stations.

Storm Sewers - to account for the planning, construction, extension and improvement of storm sewer trunk lines and detention basins.

Parks, Recreation and Libraries - to account for the acquisition and development of parks, playgrounds, recreational facilities and public libraries.

Public Housing - to account for the acquisition, construction and modification of public housing complexes and housing for the elderly.

Municipal Buildings and Service Centers - to account for the construction or renovation and equipping of buildings for use by municipal departments, including maintenance and service facilities.

Transit - to account for the purchase, construction, and equipping of facilities and vehicles to provide public transit service.

Sports and Cultural Facilities - to account for the acquisition, construction and improvement of community, cultural and sports facilities.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for and payment of bond principal and interest payable from governmental resources, and special assessment bond principal and interest payable from special assessment levies, when the government is obligated in some manner for the payment. Principal payments are due annually. Interest is due semi-annually.

Sports Facilities - to account for revenues and expenditures earmarked for the downtown sports arena.

City Improvement - to account for debt service on certificates of participation and certain municipal corporation obligations. Funding is provided by transfers from the Excise Tax Special Revenue Fund.

Special Assessment - to account for debt service on special assessment bonds. Funding is provided by special assessments made against the benefiting property owners.

Community Facilities Districts - to account for debt service on special assessment revenue bonds issued by community facilities districts. Although these bonds are not obligations of the City, generally accepted accounting principles indicate that the bonds should be disclosed herein.

**Combining Balance Sheet
Nonmajor Governmental Funds**
June 30, 2025
(in thousands)

Exhibit C-1

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
ASSETS					
Cash and Cash Equivalents	\$ 18,212	\$ 220	\$ 33,429	\$ -	\$ 26,523
Cash Deposits	-	-	-	-	277
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-	11,461
Investments	175,460	3,361	231,318	3,293	67,426
Due from Other Funds	-	-	-	1,841	-
Receivables, Net of Allowance					
Accounts Receivable	707	-	2,134	1,014	1,336
Taxes Receivable	-	-	-	-	-
Intergovernmental	15,770	865	-	25,975	4,403
Accrued Interest	-	-	-	-	344
Notes Receivable	-	-	-	-	11,345
Leases Receivable	10	-	161,945	-	3,975
Inventories	268	-	-	-	-
Total Assets	210,427	4,446	428,826	32,123	127,090
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	-	-	-	1,840	-
Accounts Payable	11,344	115	4,370	15,317	12,051
Trust Liabilities and Deposits	41,314	-	16,644	32	17,795
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Arbitrage Liability	-	-	-	-	-
Advance Payments	-	284	15,160	14,934	12,879
Total Liabilities	52,658	399	36,174	32,123	42,725
DEFERRED INFLOWS OF RESOURCES					
Leases Related	11	-	142,963	-	3,640
Total Deferred Inflows of Resources	11	-	142,963	-	3,640
Fund Balances (Deficit)					
Non-Spendable					
Inventories	268	-	-	-	-
Spendable					
Restricted	157,490	4,084	165,373	-	64,943
Committed	-	-	-	-	-
Assigned	-	-	84,316	-	15,782
Unassigned	-	(37)	-	-	-
Total Fund Balances (Deficit)	157,758	4,047	249,689	-	80,725
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 210,427	\$ 4,446	\$ 428,826	\$ 32,123	\$ 127,090

Exhibit C-1
(Continued)

Special Revenue Funds				Capital Projects Funds			
Other Restricted	Neigh- bor- hood Protection	Public Safety Enhancement	Total	Capital Construction	Parks and Preserves	Street Improve- ments	Police and Fire Protection
\$ 27,290	\$ 4,142	\$ 6,493	\$ 116,309	\$ 2,803	\$ 12,982	\$ -	\$ 2,440
-	-	-	277	-	-	-	-
-	-	-	11,461	-	-	-	-
216,417	30,865	52,539	780,679	28,536	110,194	5,491	71,000
-	-	-	1,841	-	-	-	4,766
241	-	-	5,432	-	-	44	-
9	-	-	9	-	-	-	-
42	-	-	47,055	-	-	35,092	-
-	-	-	344	-	-	-	-
-	-	-	11,345	-	-	-	-
35,034	-	-	200,964	-	39	-	-
-	-	-	268	-	-	-	-
279,033	35,007	59,032	1,175,984	31,339	123,215	40,627	78,206
-	-	-	-	-	-	-	-
-	-	-	1,840	-	-	1,095	-
2,746	497	3	46,443	396	11,590	3,545	9,187
572	536	-	76,893	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	960
15,578	-	-	58,835	-	-	-	-
18,896	1,033	3	184,011	396	11,590	4,640	10,147
31,666	-	-	178,280	-	39	-	-
31,666	-	-	178,280	-	39	-	-
-	-	-	268	-	-	-	-
102,235	33,974	59,029	587,128	-	111,586	25,538	68,059
15,378	-	-	15,378	30,943	-	-	-
110,900	-	-	210,998	-	-	10,449	-
(42)	-	-	(79)	-	-	-	-
228,471	33,974	59,029	813,693	30,943	111,586	35,987	68,059
\$ 279,033	\$ 35,007	\$ 59,032	\$ 1,175,984	\$ 31,339	\$ 123,215	\$ 40,627	\$ 78,206

**Combining Balance Sheet
Nonmajor Governmental Funds**
June 30, 2025
(in thousands)

**Exhibit C-1
(Continued)**

	Capital Projects Funds				
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers	Transit
ASSETS					
Cash and Cash Equivalents	\$ 87	\$ 380	\$ 1,582	\$ -	\$ -
Cash Deposits	-	-	-	-	-
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-	-
Investments	705	3,076	10,320	384,881	-
Due from Other Funds	-	-	-	-	-
Receivables, Net of Allowance					
Accounts Receivable	-	-	-	-	-
Taxes Receivable	-	-	-	-	-
Intergovernmental	-	-	-	306	28,706
Accrued Interest	-	-	-	565	-
Notes Receivable	-	-	-	-	-
Leases Receivable	-	-	-	-	-
Inventories	-	-	-	-	-
Total Assets	792	3,456	11,902	385,752	28,706
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	-	-	-	3,670	99,667
Accounts Payable	-	530	763	17,000	-
Trust Liabilities and Deposits	-	423	-	-	-
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Arbitrage Liability	-	-	-	3,386	-
Advance Payments	-	-	1,148	-	-
Total Liabilities	-	953	1,911	24,056	99,667
DEFERRED INFLOWS OF RESOURCES					
Leases Related	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances (Deficit)					
Non-Spendable					
Inventories	-	-	-	-	-
Spendable					
Restricted	792	2,503	9,991	361,707	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(11)	(70,961)
Total Fund Balances (Deficit)	792	2,503	9,991	361,696	(70,961)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 792	\$ 3,456	\$ 11,902	\$ 385,752	\$ 28,706

Exhibit C-1
(Continued)

Capital Projects Funds				Debt Service Funds					Total Non-Major Governmental Funds						
Sports and Cultural Facilities		Total	Sports Facilities	City Improvement	Special Assessment	Community Facilities Districts	Total								
\$	23,299	\$	43,573	\$	13,174	\$	-	\$	11	\$	21	\$	13,206	\$	173,088
	-		-		-		-		-		-		-		277
	-		-		-		-		-		-		-		-
	4,111		618,314		107,724		61,058		1		4,148		65,207		76,668
	-		4,766		-		5,422		-		171		113,317		1,512,310
	-		-		-		-		-		-		-		6,607
	-		44		-		-		5		24		29		5,505
	-		-		-		-		-		-		-		9
	-		64,104		-		-		-		-		-		111,159
	-		565		-		-		-		-		-		909
	-		-		-		-		-		-		-		11,345
	-		39		-		-		-		-		-		201,003
	-		-		-		-		-		-		-		268
	27,410		731,405		120,898		66,480		17		4,364		191,759		2,099,148
	-		-		-		-		-		-		-		-
	-		104,432		-		-		-		-		-		106,272
	631		43,642		-		-		1		2		3		90,088
	-		423		-		-		-		166		166		77,482
	-		-		-		47,290		-		790		48,080		48,080
	-		-		-		13,768		1		731		14,500		14,500
	-		4,346		-		-		-		-		-		4,346
	-		1,148		-		-		15		-		15		59,998
	631		153,991		-		61,058		17		1,689		62,764		400,766
	-		39		-		-		-		-		-		178,319
	-		39		-		-		-		-		-		178,319
	-		-		-		-		-		-		-		268
	4,008		584,184		-		5,422		-		2,675		8,097		1,179,409
	-		30,943		120,898		-		-		-		120,898		167,219
	22,771		33,220		-		-		-		-		-		244,218
	-		(70,972)		-		-		-		-		-		(71,051)
	26,779		577,375		120,898		5,422		-		2,675		128,995		1,520,063
\$	27,410	\$	731,405	\$	120,898	\$	66,480	\$	17	\$	4,364	\$	191,759	\$	2,099,148

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds**
For the Fiscal Year Ended June 30, 2025
(in thousands)

Exhibit C-2

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
REVENUES					
City Taxes	\$ -	\$ -	\$ 19	\$ -	\$ -
Licenses and Permits	1,122	-	-	-	-
Intergovernmental	160,638	83	-	194,160	172,981
Charges for Services	80	4,219	104,614	-	-
Fines and Forfeitures	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income (Loss)	9,661	263	7,861	127	3,165
Interest Income from Leases	-	-	5,302	-	160
Dwelling Rentals	-	-	-	-	5,676
Other	139	-	7,219	738	13,953
Total Revenues	171,640	4,565	125,015	195,025	195,935
EXPENDITURES					
Current Operating					
General Government	-	49	-	6,643	2
Criminal Justice	-	1,184	-	-	-
Public Safety	-	2,929	-	16,626	-
Transportation	80,377	-	-	106	-
Community Enrichment	-	-	-	105,939	325
Community Development	-	-	93,122	24,271	166,412
Environmental Services	-	-	-	2,807	-
Capital Outlay	90,261	517	27,577	37,775	16,307
Debt Service					
Principal	-	-	-	693	144
Interest	-	-	-	165	31
Bond Issuance Costs	-	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	170,638	4,679	120,699	195,025	183,221
Excess (Deficiency) of Revenues Over Expenditures	1,002	(114)	4,316	-	12,714
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	-	-	-	2,500
Transfers to Other Funds	(3,398)	-	(2,067)	-	(126)
Issuance of Debt					
General Obligation Bonds	-	-	-	-	-
Premium on General Obligation Bonds	-	-	-	-	-
Municipal Corporation Bonds	-	-	-	-	-
Premium on Municipal Corporation Bonds	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,398)	-	(2,067)	-	2,374
Net Change in Fund Balances	(2,396)	(114)	2,249	-	15,088
FUND BALANCES, JULY 1	160,154	4,161	247,440	-	65,637
FUND BALANCES, JUNE 30	\$ 157,758	\$ 4,047	\$ 249,689	\$ -	\$ 80,725

Exhibit C-2
(Continued)

Special Revenue Funds				Capital Projects Funds			
Other Restricted	Neigh- bor- hood Protection	Public Safety Enhancement	Total	Capital Construction	Parks and Preserves	Street Improve- ments	Police and Fire Protection
\$ 26,533	\$ 53,415	\$ 142,049	\$ 222,016	\$ 6,427	\$ 53,418	\$ -	\$ -
-	-	-	1,122	-	-	-	-
1,824	-	-	529,686	-	-	3,589	-
9,472	-	-	118,385	-	-	-	-
42	-	-	42	-	-	-	-
1,919	-	-	1,919	-	-	-	-
-	-	-	-	-	-	-	-
25,390	1,046	1,539	49,052	1,521	7,285	542	74
1,296	-	-	6,758	-	1	-	-
-	-	-	5,676	-	-	-	-
15,942	481	-	38,472	-	264	19,295	-
82,418	54,942	143,588	973,128	7,948	60,968	23,426	74
1,368	-	-	8,062	-	-	-	-
-	-	-	1,184	-	-	-	-
40,024	52,631	148,044	260,254	-	-	-	-
5,379	804	-	86,666	69	-	-	-
5,637	-	-	111,901	-	6,430	-	-
7,140	1,590	-	292,535	-	-	-	-
2,870	-	-	5,677	58	-	-	-
19,145	502	327	192,411	8,650	87,746	32,943	62,270
-	-	-	837	-	-	-	-
-	-	-	196	-	-	-	-
-	-	-	-	-	-	-	249
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
81,563	55,527	148,371	959,723	8,777	94,176	32,943	62,519
855	(585)	(4,783)	13,405	(829)	(33,208)	(9,517)	(62,445)
33,411	7,493	-	43,404	-	-	7,223	25,521
-	(102)	(11,469)	(17,162)	-	(110)	(899)	(13)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	94,623
-	-	-	-	-	-	-	11,519
33,411	7,391	(11,469)	26,242	-	(110)	6,324	131,650
34,266	6,806	(16,252)	39,647	(829)	(33,318)	(3,193)	69,205
194,205	27,168	75,281	774,046	31,772	144,904	39,180	(1,146)
\$ 228,471	\$ 33,974	\$ 59,029	\$ 813,693	\$ 30,943	\$ 111,586	\$ 35,987	\$ 68,059

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds**
For the Fiscal Year Ended June 30, 2025
(in thousands)

Exhibit C-2
(Continued)

	Capital Projects Funds				
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers	Transit
REVENUES					
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	140	7,219	306	184,418
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income (Loss)	-	-	296	28,438	-
Interest Income from Leases	-	-	-	-	-
Dwelling Rentals	-	-	-	-	-
Other	-	451	-	-	759
Total Revenues	-	591	7,515	28,744	185,177
EXPENDITURES					
Current Operating					
General Government	-	-	-	-	-
Criminal Justice	-	-	-	-	-
Public Safety	-	-	-	-	-
Transportation	-	-	-	-	-
Community Enrichment	-	-	-	-	-
Community Development	-	-	-	-	-
Environmental Services	-	-	-	-	-
Capital Outlay	-	1,124	7,491	108,005	185,492
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	1,296	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	-	1,124	7,491	109,301	185,492
Excess (Deficiency) of Revenues Over Expenditures	-	(533)	24	(80,557)	(315)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	484	170	10,000	-
Transfers to Other Funds	-	-	-	(77,876)	(67)
Issuance of Debt					
General Obligation Bonds	-	-	-	233,020	-
Premium on General Obligation Bonds	-	-	-	18,595	-
Municipal Corporation Bonds	-	-	-	85,377	-
Premium on Municipal Corporation Bonds	-	-	-	10,258	-
Total Other Financing Sources (Uses)	-	484	170	279,374	(67)
Net Change in Fund Balances	-	(49)	194	198,817	(382)
FUND BALANCES, JULY 1	792	2,552	9,797	162,879	(70,579)
FUND BALANCES, JUNE 30	\$ 792	\$ 2,503	\$ 9,991	\$ 361,696	\$ (70,961)

Exhibit C-2
(Continued)

Capital Projects Funds		Debt Service Funds					Total Non-Major Governmental Funds
Sports and Cultural Facilities	Total	Sports Facilities	City Improvement	Special Assessment	Community Facilities Districts	Total	
\$ -	\$ 59,845	\$ 29,970	\$ -	\$ -	\$ -	\$ 29,970	\$ 311,831
-	-	-	-	-	-	-	1,122
-	195,672	-	-	-	-	-	725,358
-	-	-	-	-	927	927	119,312
-	-	-	-	-	-	-	42
-	-	-	-	-	-	-	1,919
-	-	-	-	3	1,112	1,115	1,115
1,027	39,183	5,787	23	1	143	5,954	94,189
-	1	-	-	-	-	-	6,759
-	-	-	-	-	-	-	5,676
-	20,769	3,993	-	-	350	4,343	63,584
1,027	315,470	39,750	23	4	2,532	42,309	1,330,907
-	-	109	-	-	-	109	8,171
-	-	-	-	-	-	-	1,184
-	-	1,950	-	-	-	1,950	262,204
-	69	-	-	-	-	-	86,735
-	6,430	1,151	-	-	-	1,151	119,482
-	-	306	-	-	-	306	292,841
-	58	-	-	-	-	-	5,735
25,711	519,432	2,341	-	-	-	2,341	714,184
-	-	-	47,290	3	790	48,083	48,920
-	-	-	33,916	1	1,461	35,378	35,574
-	1,545	-	-	-	-	-	1,545
-	-	-	11	-	3	14	14
-	-	-	1,000	-	511	1,511	1,511
25,711	527,534	5,857	82,217	4	2,765	90,843	1,578,100
(24,684)	(212,064)	33,893	(82,194)	-	(233)	(48,534)	(247,193)
25,089	68,487	-	82,194	-	-	82,194	194,085
-	(78,965)	(16,516)	-	-	-	(16,516)	(112,643)
-	233,020	-	-	-	-	-	233,020
-	18,595	-	-	-	-	-	18,595
-	180,000	-	-	-	-	-	180,000
-	21,777	-	-	-	-	-	21,777
25,089	442,914	(16,516)	82,194	-	-	65,678	534,834
405	230,850	17,377	-	-	(233)	17,144	287,641
26,374	346,525	103,521	5,422	-	2,908	111,851	1,232,422
\$ 26,779	\$ 577,375	\$ 120,898	\$ 5,422	\$ -	\$ 2,675	\$ 128,995	\$ 1,520,063



City of Phoenix



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION
- Nonmajor
Governmental Funds -
Budgetary Comparison
Schedules**



City of Phoenix

Schedule of Expenditures and Encumbrances
Budget and Actual - Budget Basis
General Fund
For the Fiscal Year Ended June 30, 2025
(in thousands)

Exhibit D-1

	Budget			Actual			Variance with
	Originally Adopted	Reallocation Transfers	Final	Expenditures	Encumbrances	Total	Final Budget Positive (Negative)
General Government							
Mayor	\$ 2,744	\$ -	\$ 2,744	\$ 2,576	\$ 21	\$ 2,597	\$ 147
City Council	7,029	-	7,029	6,564	161	6,725	304
City Manager	11,992	-	11,992	9,457	131	9,588	2,404
City Auditor	3,892	-	3,892	3,145	213	3,358	534
Information Technology	104,585	-	104,585	79,796	21,343	101,139	3,446
Equal Opportunity	3,687	-	3,687	3,346	28	3,374	313
City Clerk	9,019	-	9,019	4,726	330	5,056	3,963
Human Resources	30,440	-	30,440	27,801	712	28,513	1,927
Law	34,423	-	34,423	31,096	396	31,492	2,931
Budget and Research	4,587	-	4,587	4,150	166	4,316	271
Finance	34,834	-	34,834	34,910	2,015	36,925	(2,091)
Cable	5,073	420	5,493	4,888	326	5,214	279
Other	1,954	-	1,954	1,820	32	1,852	102
Total General Government	254,259	420	254,679	214,275	25,874	240,149	14,530
Criminal Justice							
Municipal Court	40,479	-	40,479	38,151	608	38,759	1,720
Public Defender	6,902	-	6,902	6,796	10	6,806	96
Total Criminal Justice	47,381	-	47,381	44,947	618	45,565	1,816
Public Safety							
Police	768,115	10,000	778,115	760,094	17,484	777,578	537
Fire	479,934	-	479,934	464,317	9,189	473,506	6,428
Total Public Safety	1,248,049	10,000	1,258,049	1,224,411	26,673	1,251,084	6,965
Transportation							
Street Transportation	25,252	-	25,252	24,076	611	24,687	565
Total Transportation	25,252	-	25,252	24,076	611	24,687	565
Community Enrichment							
Parks & Recreation	134,038	-	134,038	122,478	7,448	129,926	4,112
Library	51,120	-	51,120	47,829	2,755	50,584	536
Human Services	38,743	(250)	38,493	32,157	5,370	37,527	966
Other	13,054	-	13,054	11,390	637	12,027	1,027
Total Community Enrichment	236,955	(250)	236,705	213,854	16,210	230,064	6,641
Community Development							
Economic Development	10,079	250	10,329	9,427	389	9,816	513
Neighborhood Services	21,863	-	21,863	19,611	824	20,435	1,428
Other	9,171	-	9,171	7,853	887	8,740	431
Total Community Development	41,113	250	41,363	36,891	2,100	38,991	2,372
Environmental Services							
Public Works	35,413	-	35,413	10,765	20,437	31,202	4,211
Office of Sustainability	710	-	710	594	1	595	115
Other	1,928	-	1,928	1,416	248	1,664	264
Total Environmental Services	38,051	-	38,051	12,775	20,686	33,461	4,590
Capital							
Community Development	-	400	400	16	-	16	384
Community Enrichment	5,156	-	5,156	867	512	1,379	3,777
General Government	18,095	(550)	17,545	5,718	1,381	7,099	10,446
Human Services	2,282	-	2,282	-	-	-	2,282
Municipal Court	7,000	-	7,000	2,244	2,430	4,674	2,326
Non-Departmental	9,850	(9,850)	-	-	-	-	-
Public Safety	3,426	-	3,426	3,398	30	3,428	(2)
Environmental Services	37,248	-	37,248	7,637	19,070	26,707	10,541
Transportation	8,767	-	8,767	2,481	4,490	6,971	1,796
Total Capital	91,824	(10,000)	81,824	22,361	27,913	50,274	31,550
Contingency	148,875	-	148,875	22,239	-	22,239	126,636
Totals	\$ 2,131,759	\$ 420	\$ 2,132,179	\$ 1,815,829	\$ 120,685	\$ 1,936,514	\$ 195,665

Budgetary Comparison Schedule
Exhibit D-2
Excise Tax Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Positive
	Original	Final	Basis	(Negative)
REVENUES				
City Taxes	\$ 1,519,129	\$ 1,519,129	\$ 1,472,392	\$ (46,737)
Licenses and Permits	3,064	3,064	2,823	(241)
Intergovernmental	625,822	625,822	617,272	(8,550)
Total Revenues	2,148,015	2,148,015	2,092,487	(55,528)
OTHER FINANCING USES				
Transfers to Other Funds				
General Fund	(1,296,782)	(1,296,782)	(1,281,330)	15,452
Transportation Tax 2050 Special Revenue Fund	(381,630)	(381,630)	(365,494)	16,136
Sport Facilities Debt Service Fund	(32,668)	(32,668)	(29,970)	2,698
Capital Construction Capital Projects Fund	(7,502)	(7,502)	(6,427)	1,075
Park and Preserves Capital Projects Fund	(56,005)	(56,005)	(53,418)	2,587
Other Restricted Special Revenue Fund	(23,709)	(23,709)	(23,369)	340
Police Neighborhood Protection	(39,202)	(39,202)	(37,391)	1,811
Block Watch Neighborhood Protection	(2,800)	(2,800)	(2,670)	130
Fire Neighborhood Protection	(14,000)	(14,000)	(13,354)	646
Police Public Safety Enhancement	(20,541)	(20,541)	(21,834)	(1,293)
Fire Public Safety Enhancement	(12,590)	(12,590)	(13,382)	(792)
Police Public Safety Expansion	(89,606)	(89,606)	(85,466)	4,140
Fire Public Safety Expansion	(22,402)	(22,402)	(21,367)	1,035
City Improvement Debt Service Fund	(53,062)	(53,062)	(51,963)	1,099
Phoenix Convention Center Enterprise Fund	(95,516)	(95,516)	(85,052)	10,464
Total Other Financing Uses	(2,148,015)	(2,148,015)	(2,092,487)	55,528
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

Budgetary Comparison Schedule**Exhibit D-3****Highway User Revenue Special Revenue Fund**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Highway User	\$ 160,147	\$ 160,147	\$ 160,638	\$ 491
Charges for Services	112	112	107	(5)
Licenses and Permits	897	897	1,122	225
Interest	4,230	4,230	7,134	2,904
Miscellaneous	35	35	112	77
Total Revenues	165,421	165,421	169,113	3,692
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	90,387	90,387	83,355	7,032
Capital	130,609	130,609	87,153	43,456
Total Expenditures and Encumbrances	220,996	220,996	170,508	50,488
Deficiency of Revenues Over Expenditures and Encumbrances	(55,575)	(55,575)	(1,395)	54,180
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds				
Capital Projects Fund	-	-	131	131
Transfers To Other Funds				
City Improvement Debt Service Fund	(4,475)	(4,475)	(3,398)	1,077
Recovery of Prior Years Expenditures	901	901	1,446	545
Total Other Financing Uses	(3,574)	(3,574)	(1,821)	1,753
Net Change in Fund Balance	\$ (59,149)	\$ (59,149)	(3,216)	\$ 55,933
Fund Balance, July 1			87,081	
Fund Balance, June 30			\$ 83,865	

Budgetary Comparison Schedule
Exhibit D-4
Municipal Court Awards Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 5,011	\$ 5,011	\$ 3,413	\$ (1,598)
Total Revenues	5,011	5,011	3,413	(1,598)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	52	52	49	3
Public Safety	4,956	4,956	3,206	1,750
Total Expenditures and Encumbrances	5,008	5,008	3,255	1,753
Excess of Revenues Over Expenditures and Encumbrances	3	3	158	155
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	19	19	177	158
Total Other Financing Sources	19	19	177	158
Net Change in Fund Balance	\$ 22	\$ 22	335	\$ 313
Fund Balance (Deficit), July 1			(775)	
Fund Balance (Deficit), June 30			\$ (440)	

Budgetary Comparison Schedule**Exhibit D-5****Development Services Special Revenue Fund**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 82,075	\$ 82,075	\$ 82,702	\$ 627
Miscellaneous	58	58	404	346
Total Revenues	82,133	82,133	83,106	973
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	91,977	91,977	86,148	5,829
Capital	8,635	8,635	5,651	2,984
Total Expenditures and Encumbrances	100,612	100,612	91,799	8,813
Deficiency of Revenues Over Expenditures and Encumbrances	(18,479)	(18,479)	(8,693)	9,786
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(6,528)	(6,528)	(6,683)	(155)
Recovery of Prior Years Expenditures	145	145	11,170	11,025
Total Other Financing Sources (Uses)	(6,383)	(6,383)	4,487	10,870
Net Change in Fund Balance	\$ (24,862)	\$ (24,862)	(4,206)	\$ 20,656
Fund Balance, July 1			35,854	
Fund Balance, June 30			\$ 31,648	

Budgetary Comparison Schedule
Exhibit D-6
Community Reinvestment Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
City Taxes	\$ 8	\$ 8	\$ 19	\$ 11
Contributions/Donations	-	-	50	50
Charges for Services	188	188	194	6
Rentals	5,452	5,452	7,085	1,633
Interest	599	599	951	352
Miscellaneous	4,845	4,845	66	(4,779)
Total Revenues	11,092	11,092	8,365	(2,727)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	2,317	2,317	1,719	598
Capital	6,479	6,479	4,288	2,191
Total Expenditures and Encumbrances	8,796	8,796	6,007	2,789
Excess of Revenues Over Expenditures and Encumbrances	2,296	2,296	2,358	62
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Other	(2,067)	(2,067)	(2,067)	-
Recovery of Prior Years Expenditures	6	6	96	90
Total Other Financing Uses	(2,061)	(2,061)	(1,971)	90
Net Change in Fund Balance	\$ 235	\$ 235	387	\$ 152
Fund Balance, July 1			21,356	
Fund Balance, June 30			\$ 21,743	

Budgetary Comparison Schedule**Exhibit D-7****Federal Operating Trust Grants Special Revenue Fund**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Positive (Negative)
	Original	Final	Basis	
REVENUES				
Intergovernmental	\$ 336,102	\$ 336,102	\$ 109,509	\$ (226,593)
Charges for Services	-	-	142	\$ 142
Interest	4	4	50	46
Miscellaneous	9,746	9,746	106	(9,640)
Total Revenues	345,852	345,852	109,807	(236,045)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	43,278	36,858	6,618	30,240
Public Safety	27,105	27,105	24,944	2,161
Transportation	140	140	-	140
Community Enrichment	47,558	47,558	44,397	3,161
Community Development	26,140	26,140	10,870	15,270
Environmental Services	152,081	145,581	3,011	142,570
Capital	49,726	56,146	37,354	18,792
Total Expenditures and Encumbrances	346,028	339,528	127,194	212,334
Deficiency of Revenues Over Expenditures and Encumbrances	(176)	6,324	(17,387)	(23,711)
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	176	176	5,700	5,524
Total Other Financing Sources	176	176	5,700	5,524
Net Change in Fund Balance	\$ -	\$ 6,500	(11,687)	\$ (18,187)
Fund Balance (Deficit), July 1			(21,382)	
Fund Balance (Deficit), June 30			\$ (33,069)	

Budgetary Comparison Schedule
Exhibit D-8
Community Development Grants Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Positive
	Original	Final	Basis	(Negative)
REVENUES				
Intergovernmental	\$ 41,660	\$ 41,660	\$ 15,794	\$ (25,866)
Charges for Services	340	340	255	(85)
Rentals	-	-	145	145
Interest	1	1	-	(1)
Miscellaneous	-	-	68	68
Total Revenues	42,001	42,001	16,262	(25,739)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	326	326	305	21
Community Enrichment	1,612	1,612	2,402	(790)
Community Development	33,163	25,606	13,283	12,323
Capital	6,904	14,461	1,690	12,771
Total Expenditures and Encumbrances	42,005	42,005	17,680	24,325
Deficiency of Revenues Over Expenditures and Encumbrances	(4)	(4)	(1,418)	(1,414)
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	4	4	176	172
Total Other Financing Sources	4	4	176	172
Net Change in Fund Balance	\$ -	\$ -	(1,242)	\$ (1,242)
Fund Balance (Deficit), July 1			(965)	
Fund Balance (Deficit), June 30			\$ (2,207)	

Budgetary Comparison Schedule**Exhibit D-9****Human Services Grants Special Revenue Fund**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 79,036	\$ 79,036	\$ 69,473	\$ (9,563)
Contributions/Donations	35	35	22	(13)
Interest	-	-	39	39
Total Revenues	79,071	79,071	69,534	(9,537)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	76,071	76,071	66,184	9,887
Capital	3,000	3,000	4,186	(1,186)
Total Expenditures and Encumbrances	79,071	79,071	70,370	8,701
Deficiency of Revenues Over Expenditures and Encumbrances	-	-	(836)	(836)
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	2,297	2,297
Total Other Financing Sources	-	-	2,297	2,297
Net Change in Fund Balance	\$ -	\$ -	1,461	\$ 1,461
Fund Balance (Deficit), July 1			(5,841)	
Fund Balance (Deficit), June 30			\$ (4,380)	

Budgetary Comparison Schedule
Exhibit D-10
Public Housing Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Positive (Negative)
	Original	Final	Basis	
REVENUES				
Intergovernmental	\$ 225,736	\$ 225,736	\$ 163,985	\$ (61,751)
Contributions/Donations	-	-	162	162
Interest	991	991	1,284	293
Dwelling Rentals	3,515	3,515	2,322	(1,193)
Miscellaneous	12,048	12,048	9,946	(2,102)
Total Revenues	242,290	242,290	177,699	(64,591)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	-	-	2	(2)
Community Enrichment	2	2	325	(323)
Community Development	217,088	217,088	159,209	57,879
Capital	47,817	47,817	7,263	40,554
Total Expenditures and Encumbrances	264,907	264,907	166,799	98,108
Deficiency of Revenues Over Expenditures and Encumbrances	(22,617)	(22,617)	10,900	33,517
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund	(150)	(150)	(126)	24
In-Lieu Property Taxes				-
City Improvement				-
Recovery of Prior Years Expenditures	24	24	10,677	10,653
Total Other Financing Sources (Uses)	(126)	(126)	10,551	10,677
Net Change in Fund Balance	\$ (22,743)	\$ (22,743)	21,451	\$ 44,194
Fund Balance, July 1			35,710	
Fund Balance, June 30			\$ 57,161	

Budgetary Comparison Schedule**Exhibit D-11****Public Housing Neighborhood Transformation Grant Special Revenue Fund**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 28,447	\$ 28,447	\$ 5,478	\$ (22,969)
Rentals	-	-	338	338
Interest	-	-	120	120
Miscellaneous	12,038	12,038	1,027	(11,011)
Total Revenues	40,485	40,485	6,963	(33,522)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	15,445	15,445	1,850	13,595
Capital	25,045	25,045	5,525	19,520
Total Expenditures and Encumbrances	40,490	40,490	7,375	33,115
Deficiency of Revenues Over Expenditures and Encumbrances	(5)	(5)	(412)	(407)
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	5	5	337	332
Total Other Financing Sources	5	5	337	332
Net Change in Fund Balance	\$ -	\$ -	(75)	(75)
Fund Balance, July 1			2,543	
Fund Balance, June 30			\$ 2,468	

Budgetary Comparison Schedule
Exhibit D-12
Sports Facilities Debt Service Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Rentals	\$ 3,993	\$ 3,993	\$ 3,993	\$ -
Interest	2,362	2,362	4,276	1,914
Total Revenues	6,355	6,355	8,269	1,914
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	134	134	109	25
Public Safety	1,950	1,950	1,950	-
Community Enrichment	683	683	683	-
Community Development	194	194	191	3
Capital	5,685	5,685	2,736	2,949
Contingency	2,500	2,500	-	2,500
Total Expenditures and Encumbrances	11,146	11,146	5,669	5,477
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(4,791)	(4,791)	2,600	7,391
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	32,668	32,668	29,970	(2,698)
Capital Projects Fund	-	-	-	-
Transfers to Other Funds				
General Fund				
Staff and Administrative	(89)	(89)	(115)	(26)
City Improvement Debt Service Fund	(16,493)	(16,493)	(16,494)	(1)
Other Restricted Special Revenue Fund	-	-	(21)	(21)
Infrastructure Repayment Agreement Trust	-	-	(1)	(1)
Recovery of Prior Years Expenditures	-	-	86	86
Total Other Financing Sources	16,086	16,086	13,425	(2,747)
Net Change in Fund Balance	\$ 11,295	\$ 11,295	16,025	\$ 4,644
Fund Balance, July 1			104,267	
Fund Balance, June 30			\$ 120,292	

Budgetary Comparison Schedule
Capital Construction Capital Projects Fund
For the Fiscal Year Ended June 30, 2025
(in thousands)

Exhibit D-13

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 866	\$ 866	\$ 1,116	\$ 250
Total Revenues	866	866	1,116	250
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	70	70	69	1
Environmental Services	70	70	63	7
Capital	31,415	31,415	10,940	20,475
Total Expenditures and Encumbrances	31,555	31,555	11,072	20,483
Deficiency of Revenues Over Expenditures and Encumbrances	(30,689)	(30,689)	(9,956)	20,733
OTHER FINANCING SOURCES				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	7,502	7,502	6,427	(1,075)
Capital Project Fund	-	-	799	799
Recovery of Prior Years Expenditures	143	143	202	59
Total Other Financing Sources	7,645	7,645	7,428	(217)
Net Change in Fund Balance	\$ (23,044)	\$ (23,044)	(2,528)	\$ 20,516
Fund Balance, July 1			25,900	
Fund Balance, June 30			\$ 23,372	

Budgetary Comparison Schedule
Exhibit D-14
Parks and Preserves Capital Projects Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Rentals	\$ 2	\$ 2	\$ 265	\$ 263
Interest	2,625	2,625	5,325	2,700
Total Revenues	2,627	2,627	5,590	2,963
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	8,121	8,121	6,520	1,601
Capital	117,390	117,390	67,772	49,618
Total Expenditures and Encumbrances	125,511	125,511	74,292	51,219
Deficiency of Revenues Over Expenditures and Encumbrances	(122,884)	(122,884)	(68,702)	54,182
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	56,005	56,005	53,418	(2,587)
Transfers to Other Funds				
Other Restricted Special Revenue Fund	-	-	(7)	(7)
Infrastructure Repayment Agreement Trust	(239)	(239)	(103)	136
Recovery of Prior Years Expenditures	-	-	3,023	3,023
Total Other Financing Sources (Uses)	55,766	55,766	56,331	565
Net Change in Fund Balance	<u>\$ (67,118)</u>	<u>\$ (67,118)</u>	<u>(12,371)</u>	<u>\$ 54,747</u>
Fund Balance, July 1			91,963	
Fund Balance, June 30			<u>\$ 79,592</u>	

Budgetary Comparison Schedule**Exhibit D-15****Other Restricted Special Revenue Funds**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
City Taxes	\$ 3,413	\$ 3,413	\$ 3,164	\$ (249)
Contributions/Donations	759	759	845	86
Licenses and Permits	8	8		(8)
Intergovernmental	24,504	24,504	2,193	(22,311)
Charges for Services	9,066	9,066	10,372	1,306
Fines and Forfeitures	45	45	42	(3)
Parks and Recreation	2,198	2,198	3,685	1,487
Rentals	3,874	3,874	6,687	2,813
Interest	2,091	2,091	26,263	24,172
Miscellaneous	24,956	24,956	9,763	(15,193)
Total Revenues	70,914	70,914	63,014	(7,900)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	3,627	3,627	1,369	2,258
Criminal Justice	530	2,530	1,524	1,006
Public Safety	40,610	40,610	40,744	(134)
Transportation	5,329	5,329	5,087	242
Community Enrichment	9,648	9,648	5,367	4,281
Community Development	26,511	27,195	14,147	13,048
Environmental Services	4,412	4,628	3,317	1,311
Capital	44,764	41,864	17,445	24,419
Total Expenditures and Encumbrances	135,431	135,431	89,000	46,431
Deficiency of Revenues Over Expenditures and Encumbrances	(64,517)	(64,517)	(25,986)	38,531
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	23,709	23,709	23,369	(340)
General Fund - Other	22,825	22,825	22,223	(602)
Police Public Safety Expansion Special Revenue Fund	214	214	14	(200)
Transit-Federal Transit Grants Special Revenue Fund				-
Miscellaneous	5,200	5,200	3,907	(1,293)
Trusts and Gifts	-	-	11,251	
Transfers to Other Funds				
General Fund - Staff and Administrative	(522)	(522)	(676)	(154)
General Fund - Other	(740)	(740)	(1,483)	
Highway User Revenue Special Revenue Fund				-
Recovery of Prior Years Expenditures	45	45	326	281
Total Other Financing Sources (Uses)	50,731	50,731	58,931	(2,308)
Net Change in Fund Balance	\$ (13,786)	\$ (13,786)	32,945	\$ 36,223
Fund Balance, July 1			223,093	
Fund Balance, June 30			\$ 256,038	

Budgetary Comparison Schedule
Neighborhood Protection Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(in thousands)

Exhibit D-16

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 588	\$ 588	\$ 754	\$ 166
Miscellaneous	259	259	481	222
Total Revenues	847	847	1,235	388
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	59,962	62,762	55,612	7,150
Total Expenditures and Encumbrances	59,962	62,762	55,612	7,150
Deficiency of Revenues Over Expenditures and Encumbrances	(59,115)	(61,915)	(54,377)	7,538
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	56,003	56,003	53,415	(2,588)
Public Safety Enhancement Special Revenue Fund	7,500	7,500	7,500	-
Transfers to Other Funds				-
General Fund	(748)	(748)	(769)	(21)
Staff and Administrative				-
Other Restricted Special Revenue Fund	(107)	(107)	(7)	100
Infrastructure Repayment Agreement Trust	(131)	(131)	(102)	29
Recovery of Prior Year Expenditures			148	148
Total Other Financing Sources (Uses)	62,517	62,517	60,185	(2,332)
Net Change in Fund Balance	\$ 3,402	\$ 602	5,808	\$ 5,206
Fund Balance, July 1			24,487	
Fund Balance, June 30			\$ 30,295	

Budgetary Comparison Schedule**Exhibit D-17****Public Safety Enhancement Special Revenue Fund**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	32,246	33,156	31,423	1,733
Total Expenditures and Encumbrances	32,246	33,156	31,423	1,733
Deficiency of Revenues Over Expenditures and Encumbrances	(32,246)	(33,156)	(31,423)	1,733
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	33,131	33,131	35,216	2,085
Transfers to Other Funds				
General Fund				
Staff and Administrative	(514)	(514)	(612)	(98)
Police Neighborhood Protection Special Revenue Fund	(7,500)	(7,500)	(7,500)	-
Police Public Safety Expansion Special Revenue Fund	(3,750)	(3,750)	(3,750)	-
Miscellaneous	(3,750)	(3,750)	(3,750)	-
Recovery of Prior Year Expenditures	-	-	13	13
Total Other Financing Sources (Uses)	17,617	17,617	19,617	2,000
Net Change in Fund Balance	<u>\$ (14,629)</u>	<u>\$ (15,539)</u>	<u>(11,806)</u>	<u>\$ 3,733</u>
Fund Balance, July 1			26,838	
Fund Balance, June 30			<u>\$ 15,032</u>	

Budgetary Comparison Schedule
Exhibit D-18
Public Safety Expansion Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Interest	\$ 969	\$ 969	\$ 1,052	\$ 83
Total Revenues	969	969	1,052	83
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	128,878	128,878	114,252	14,626
Total Expenditures and Encumbrances	128,878	128,878	114,252	14,626
Deficiency of Revenues Over Expenditures and Encumbrances	(127,909)	(127,909)	(113,200)	14,709
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	112,008	112,008	106,833	(5,175)
Public Safety Enhancement Special Revenue Fund	3,750	3,750	3,750	-
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,709)	(1,709)	(1,791)	(82)
Other Restricted Special Revenue Fund	(214)	(214)	(14)	200
Infrastructure Repayment Agreement Trust	(264)	(264)	(205)	59
Recovery of Prior Year Expenditures			5	5
Total Other Financing Sources (Uses)	113,571	113,571	108,578	(4,993)
Net Change in Fund Balance	<u>\$ (14,338)</u>	<u>\$ (14,338)</u>	<u>(4,622)</u>	<u>\$ 9,716</u>
Fund Balance, July 1			48,408	
Fund Balance, June 30			<u>\$ 43,786</u>	

Budgetary Comparison Schedule**Exhibit D-19****Golf Courses Special Revenue Fund**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 11,468	\$ 11,468	\$ 12,655	\$ 1,187
Rentals	340	340	376	36
Interest	140	140	348	208
Miscellaneous	331	331	407	76
Total Revenues	12,279	12,279	13,786	1,507
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	10,803	12,173	11,204	969
Total Expenditures and Encumbrances	10,803	12,173	11,204	969
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	1,476	106	2,582	2,476
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	1	1	77	78
Total Other Financing Sources	1	1	77	78
Net Change in Fund Balance	\$ 1,477	\$ 107	2,659	\$ 2,554
Fund Balance, July 1			7,236	
Fund Balance, June 30			\$ 9,895	

Budgetary Comparison Schedule
Exhibit D-20
Regional Wireless Cooperative

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 4,694	\$ 4,694	\$ 4,302	\$ (392)
Interest	173	173	288	115
Special Assessments	1,743	1,743	1,789	46
Total Revenues	6,610	6,610	6,379	(231)
EXPENDITURES AND ENCUMBRANCES				
Operations	6,223	4,945	3,876	1,069
Capital	-	2,278	1,955	323
Total Expenditures and Encumbrances	6,223	7,223	5,831	1,069
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	387	(613)	548	838
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balance	\$ 387	\$ (613)	548	\$ 838
Fund Balance, July 1			3,723	
Fund Balance, June 30			\$ 4,271	

Budgetary Comparison Schedule**Exhibit D-21****Secondary Property Tax Debt Service Fund**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 138,549	\$ 138,549	\$ 137,458	\$ (1,091)
Intergovernmental	3,552	3,552	-	(3,552)
Total Revenues	142,101	142,101	137,458	(4,643)
EXPENDITURES AND ENCUMBRANCES				
General Obligation Bond Debt Service				
Principal	99,430	99,430	99,430	-
Interest	39,513	39,513	36,911	2,602
Arbitrage Rebate and Fiscal Agent Fees	2	2	-	2
Other Debt Service Costs	900	900	-	900
Total Expenditures and Encumbrances	139,845	139,845	136,341	3,504
Excess of Revenues Over Expenditures and Encumbrances	2,256	2,256	1,117	(1,139)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Capital Project Fund	-	-	52	52
Transfers to Other Funds				
General Obligation Reserve Fund	(2,256)	(2,256)	(1,269)	987
Total Other Financing Uses	(2,256)	(2,256)	(1,217)	1,039
Net Change in Fund Balance	\$ -	\$ -	(100)	(100)
Fund Balance, July 1			100	
Fund Balance, June 30			\$ -	

Budgetary Comparison Schedule
Exhibit D-22
City Improvement Debt Service Fund

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 23	\$ 23
Total Revenues	-	-	23	23
EXPENDITURES AND ENCUMBRANCES				
Lease-Purchase Payments	83,666	83,666	81,206	2,460
Arbitrage Rebate and Fiscal Agent Fees	11	11	11	-
Other	500	500	1,000	(500)
Total Expenditures and Encumbrances	84,177	84,177	82,217	1,960
Deficiency of Revenues Over Expenditures and Encumbrances	(84,177)	(84,177)	(82,194)	1,983
OTHER FINANCING SOURCES				
Transfers from Other Funds				
General Fund - Library	129	129	129	-
Excise Tax Special Revenue Fund	53,062	53,062	51,963	(1,099)
Transportation Tax 2050 Special Revenue Fund	8,701	8,701	7,980	(721)
Highway User Revenue Special Revenue Fund	4,475	4,475	3,398	(1,077)
Sports Facilities Special Revenue Fund	16,493	16,493	16,494	1
Enterprise Funds	1,317	1,317	1,318	1
Capital Projects Fund	-	-	912	
Total Other Financing Sources	84,177	84,177	82,194	(2,895)
Net Change in Fund Balance	\$ -	\$ -	-	\$ (912)
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	



Financial Section

**OTHER SUPPLEMENTARY
INFORMATION -
Enterprise Funds
- Statements and
Schedules**





City of Phoenix

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government has decided that periodic determination of net income is appropriate for accounting purposes.

Aviation - to account for the operations of Sky Harbor International Airport, Deer Valley Airport and Goodyear Airport.

Phoenix Convention Center - to account for the operations of the Phoenix Convention Center and theatrical facilities.

Water System - to account for the operations of the City's water system, including the Val Vista Water Treatment Plant, a joint-use agreement with the City of Mesa.

Wastewater - to account for the operations of the City's sanitary sewer system, including facilities serving the Sub Regional Operating Group, a joint-use agreement with the Cities of Glendale, Mesa, Scottsdale and Tempe.

Solid Waste - to account for the operations of the City's landfills and its solid waste collection system.

**Aviation Enterprise Fund
Statement of Net Position**
Exhibit E-1

June 30, 2025

(in thousands)

<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 106,842
Investments	918,811
Receivables	
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$1,685)	23,877
Leases	42,322
Deposits in Escrow	10
Inventories, at Average Cost	4,203
Total Unrestricted Current Assets	1,096,065
Restricted Assets	
Debt Service	
Cash with Fiscal Agent/Trustee	123,108
Customer Facility Charge	
Cash with Fiscal Agent/Trustee	90,367
Accounts Receivable	3,690
Capital Projects	
Cash and Cash Equivalents	11,524
Investments	192,398
Receivables	
Interest	-
Intergovernmental	37,511
Passenger Facility Charges	14,793
Total Restricted Current Assets	473,391
Total Current Assets	1,569,456
Noncurrent Assets	
Capital Assets	
Land	575,295
Buildings	2,407,376
Improvements Other Than Buildings	2,082,407
Equipment	1,150,646
Intangibles	37,939
Construction in Progress	275,294
Less: Accumulated Depreciation	(3,390,852)
Total Capital Assets, Net of Accumulated Depreciation	3,138,105
Other Noncurrent Assets	
Restricted Cash with Fiscal Agent/Trustee	165,104
Leases Receivable	196,659
Net OPEB Asset	2,603
Total Noncurrent Assets	3,502,471
Total Assets	5,071,927
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Loss on Refunding Bonds	29,548
OPEB Related	105
Total Deferred Outflows of Resources	29,653

Exhibit E-1
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	42,086
Trust Liabilities and Deposits	39
Advance Payments	22,790
Current Portion of Pollution Remediation	75
Current Portion of Accrued Compensated Absences	1,407
Total Current Liabilities Payable from Current Assets	66,397
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	72,760
Interest Payable	50,348
Arbitrage Liability	2,000
Current Portion of Rental Car Facility Revenue Bonds	8,385
Current Portion of Municipal Corporation Obligations	56,675
Capital Projects	
Accounts Payable	38,852
Total Current Liabilities Payable from Restricted Assets	229,020
Total Current Liabilities	295,417
Noncurrent Liabilities	
Rental Car Facility Revenue Bonds, net	287,593
Municipal Corporation Obligations, net	1,909,983
Pollution Remediation	975
Accrued Compensated Absences	8,037
Net OPEB Liability	5,140
Total Noncurrent Liabilities	2,211,728
Total Liabilities	2,507,145
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Gain on Refunding Bonds	14,772
OPEB Related	1,754
Leases Related	220,715
Total Deferred Inflows of Resources	237,241
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,108,306
Restricted for:	
Debt Service	3,314
Passenger Facility Charges	223,406
Customer Facility Charges	88,919
OPEB	2,603
Unrestricted	930,646
Total Net Position	\$ 2,357,194

Aviation Enterprise Fund
Exhibit E-2
Statement of Revenues, Expenses and
Changes in Net Position

For the Fiscal Year Ended June 30, 2025

(in thousands)

Operating Revenues		
Aeronautical Revenue		
Terminal Fees	\$	155,520
Landing Fees		66,482
Air Cargo and Hangar Rentals		10,045
Other		28,127
Non-Aeronautical Revenue		
Parking		149,213
Rental Cars		84,321
Terminal - Food and Beverage		34,965
Terminal - Retail		22,072
Rental Revenue		24,890
Ground Transportation		28,104
Other		10,898
Total Operating Revenues		614,637
Operating Expenses		
Operation and Maintenance		
Personal Services		154,548
Contractual Services		175,243
Supplies		17,043
Equipment/Minor Improvements		7,799
Depreciation		206,679
Staff and Administrative		16,637
Total Operating Expenses		577,949
Operating Income		36,688
Non-Operating Revenues (Expenses)		
Passenger Facility Charges		95,622
Rental Car Customer Facility Charges		55,179
Investment Income		75,444
Interest Income from Leases		8,772
Loss on Lease Cancellation		(7)
Interest on Capital Debt		(86,607)
Gain (Loss) on Disposal of Capital Assets		(1,635)
Total Non-Operating Revenues (Expenses)		146,768
Net Income Before Contributions and Transfers		183,456
Capital Contributions		62,396
Transfers from General Fund - Other		816
Transfers to Debt Service Fund		(458)
Change in Net Position		246,210
Net Position, July 1		2,110,984
Net Position, June 30	\$	2,357,194

Exhibit E-3

Aviation Enterprise Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2025

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 610,554
Payments to Suppliers	(256,109)
Payments to Employees	(100,492)
Payment of Staff and Administrative Expenses	(16,637)
Net Cash Provided by Operating Activities	237,316
Cash Flows from Noncapital Financing Activities	
Transfers from Other Funds	816
Transfers to Other Funds	(458)
Net Cash Provided by Noncapital Financing Activities	358
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(80,616)
Interest Paid on Capital Debt	(104,482)
Acquisition and Construction of Capital Assets	(203,792)
Proceeds from Sales of Capital Assets	4,078
Passenger Facility Charges	94,327
Customer Facility Charges	55,242
Interest Income from Leases	8,772
Capital Contributions	39,140
Net Cash Used by Capital and Related Financing Activities	(187,331)
Cash Flows from Investing Activities	
Purchases of Investment Securities	(319,601)
Proceeds from Sale and Maturities of Investment Securities	321,720
Net Activity for Short-Term Investments	(76,971)
Interest on Investments	75,498
Net Cash Used by Investing Activities	646
Net Increase in Cash and Cash Equivalents	50,989
Cash and Cash Equivalents, July 1	445,966
Cash and Cash Equivalents, June 30	<u>\$ 496,955</u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income	36,688
Adjustments	
Depreciation	206,679
Deferred Outflows - Pension and OPEB	(9)
Deferred Inflows - Pension and OPEB	1,421
Change in Assets and Liabilities	
Receivables	(4,765)
Allowance for Doubtful Accounts	(493)
Lease Contracts Receivable	1,499
Inventories	(442)
Net OPEB Asset	(1,122)
Accounts Payable	113
Advance Payments	(323)
Pollution Remediation	(75)
Accrued Compensated Absences	714
Net OPEB Liability	(2,569)
Net Cash Provided by Operating Activities	<u>\$ 237,316</u>
Noncash Capital and Financing Activities	
Amortization of Bond Premium	18,985
Amortization of Deferred Gains/Losses of Bond Refundings	3,625
Debt Issued for Refunding of 2015 Bonds	84,635
Principal Paid with Issuance of Refunding Debt	(84,635)
Unrealized Gain on Investments	13,832
Accounts Payable Related to Capital Asset Additions	38,852
Total Noncash Capital and Financing Activities	<u>\$ 75,294</u>

Aviation Enterprise Fund
Exhibit E-4
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Landing Area	\$ 57,675	\$ 57,675	\$ 70,373	\$ 12,698
Terminal Area	208,909	208,909	241,413	32,504
Ground Transportation	240,807	240,807	242,353	1,546
Interest on Investments	16,800	16,800	45,986	29,186
Other	71,507	71,507	58,245	(13,262)
Total Revenues	595,698	595,698	658,370	62,672
Transfer from Customer Facility Charge Revenues for O&M Expense Reimbursement	-	-	17,584	17,584
Total Revenues and Transfers from CFC	595,698	595,698	675,954	80,256
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance				
Personal Services	153,019	153,019	155,965	(2,946)
Contractual Services	228,509	228,509	183,506	45,003
Supplies	19,229	19,229	18,659	570
Equipment/Minor Improvements	10,691	10,691	9,226	1,465
Contingency	25,000	25,000	-	25,000
Total Operating Expenditures	436,448	436,448	367,356	69,092
Net Revenue Available for Revenue Bond Debt Service	159,250	159,250	308,598	149,348
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	25,195	25,195	25,195	-
Interest	35,313	35,313	30,313	5,000
Total Senior Lien Revenue Bond Debt Service	60,508	60,508	55,508	5,000
Net Revenue Available for Junior Lien Revenue Bond Debt Service	98,742	98,742	253,090	154,348
Junior Lien Revenue Bond Debt Service				
Principal	19,644	19,644	19,644	-
Interest	21,542	21,542	21,390	152
Total Junior Lien Revenue Bond Debt Service	41,186	41,186	41,034	152
Net Revenue Available After Junior Lien Revenue Bond Debt Service	57,556	57,556	212,056	154,196
Other Expenditures				
Capital Improvement Program	362,305	362,305	132,120	230,185
Total Other Expenditures	362,305	362,305	132,120	230,185
Total Expenditures and Encumbrances	900,447	900,447	596,018	304,429
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(304,749)	(304,749)	79,936	384,685
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Aviation Capital Fund	19,674	19,674	-	(19,674)
General Fund - Other	250	250	816	566
Transfers to Other Funds				
General Fund				
Staff and Administrative	(15,052)	(15,052)	(16,637)	(1,585)
Debt Service Fund	(458)	(458)	(458)	-
Aviation Capital Fund	-	-	(5,535)	(5,535)
Recovery of Prior Years Expenditures	2,767	2,767	8,223	5,456
Total Other Financing Sources (Uses)	7,181	7,181	(13,591)	(20,772)
Net Increase (Decrease) in Fund Balance	<u>\$ (297,568)</u>	<u>\$ (297,568)</u>	<u>66,345</u>	<u>\$ 363,913</u>
FUND BALANCE, JULY 1			<u>754,130</u>	
FUND BALANCE, JUNE 30			<u>\$ 820,475</u>	



City of Phoenix

Phoenix Convention Center Enterprise Fund
Exhibit E-5
Statement of Net Position

June 30, 2025

(in thousands)

<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 22,671
Investments	184,752
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$71)	280
Leases Receivable	46
Inventories, at Average Cost	294
Total Unrestricted Current Assets	208,043
Restricted Assets	
Debt Service	
Cash with Fiscal Agent/Trustee	37,167
Capital Projects	
Cash and Cash Equivalents	12,070
Investments	4,856
Receivables	-
Accrued Interest	-
Customer and Other Deposits	5,822
Total Restricted Current Assets	59,915
Total Current Assets	267,958
Noncurrent Assets	
Capital Assets	
Land	29,418
Buildings	921,605
Improvements Other Than Buildings	19,588
Equipment	24,762
Construction in Progress	10,689
Less: Accumulated Depreciation	(491,564)
Total Capital Assets, Net of Accumulated Depreciation	514,498
Other Noncurrent Assets	
Leases Receivable	11,630
Net OPEB Asset	512
Total Noncurrent Assets	526,640
Total Assets	794,598
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Loss on Refunding Bonds	3,180
Pension Related	3,286
OPEB Related	21
Total Deferred Outflows of Resources	6,487

Exhibit E-5
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	6,706
Current Portion of Accrued Compensated Absences	312
Total Current Liabilities Payable from Current Assets	7,018
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	15,757
Interest Payable	18,007
Current Portion of Municipal Corporation Obligations	6,108
Customer Deposits	5,822
Total Current Liabilities Payable from Restricted Assets	45,694
Total Current Liabilities	52,712
Noncurrent Liabilities	
Municipal Corporation Obligations, net	618,544
Accrued Compensated Absences	1,718
Net Pension Liability	26,722
Net OPEB Liability	1,098
Total Noncurrent Liabilities	648,082
Total Liabilities	700,794
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Related	2,052
OPEB Related	356
Leases Related	10,431
Total Deferred Inflows of Resources	12,839
<u>NET POSITION</u>	
Net Investment in Capital Assets	(106,973)
Restricted for:	
Debt Service	3,403
OPEB	512
Unrestricted	190,510
Total Net Position	\$ 87,452

Phoenix Convention Center Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position

Exhibit E-6

For the Fiscal Year Ended June 30, 2025

(in thousands)

Operating Revenues	
Rental of Facilities and Equipment	\$ 11,127
Concessions	22,061
Box Office Services	1,415
Other (1)	24,101
Total Operating Revenues	58,704
Operating Expenses	
Administration	37,031
Operation and Maintenance	21,990
Promotion	5,433
Depreciation	24,194
Staff and Administrative	4,250
Security	4,119
Total Operating Expenses	97,017
Operating Loss	(38,313)
Non-Operating Revenues (Expenses)	
Investment Income	12,036
Interest Income from Leases	378
Interest on Capital Debt	(28,483)
Loss on Disposal of Capital Assets	(1)
Total Non-Operating Revenues (Expenses)	(16,070)
Net Loss Before Transfers	(54,383)
Transfers from Excise Tax Fund	85,051
Transfers to Debt Service Fund	(85)
Transfers to Infrastructure Repayment Agreement Trust Fund	(384)
Transfers to Other Restricted Special Revenue Fund	(59)
Change in Net Position	30,140
Net Position, July 1	57,312
Net Position, June 30	\$ 87,452

(1) Other revenues includes payment received from the State of Arizona for debt service on series 2005B bonds.

Phoenix Convention Center Enterprise Fund**Exhibit E-7****Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2025

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 59,481
Payments to Suppliers	(41,121)
Payments to Employees	(23,953)
Payment of Staff and Administrative Expenses	(4,250)
Net Cash Used by Operating Activities	(9,843)
Cash Flows from Noncapital Financing Activities	
Transfers from Other Funds	85,051
Transfers to Other Funds	(528)
Net Cash Provided by Noncapital Financing Activities	84,523
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(8,749)
Interest Paid on Capital Debt	(33,847)
Acquisition and Construction of Capital Assets	(5,133)
Interest Income from Leases	378
Net Cash Used by Capital and Related Financing Activities	(47,351)
Cash Flows from Investing Activities	
Purchases of Investment Securities	(44,863)
Proceeds from Sale and Maturities of Investment Securities	44,266
Net Activity for Short-Term Investments	(11,048)
Interest on Investments	12,075
Net Cash Used by Investing Activities	430
Net Increase in Cash and Cash Equivalents	27,759
Cash and Cash Equivalents, July 1	49,971
Cash and Cash Equivalents, June 30	\$ 77,730
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (38,313)
Adjustments	
Depreciation	24,194
Deferred Outflows - Pension and OPEB	1,069
Deferred Inflows - Pension and OPEB	2,324
Deferred Inflows - Leases	(371)
Change in Assets and Liabilities	
Accounts Receivable	(203)
Allowance for Doubtful Accounts	42
Leases Receivable	77
Inventories	26
Accounts Payable	2,914
Customer Deposits	1,231
Accrued Compensated Absences	319
Net Pension Liability	(2,402)
Net OPEB Liability	(750)
Net Cash Used by Operating Activities	(9,843)
Noncash Capital and Financing Activities	
Bond Capital Appreciation	(2,088)
Amortization of Bond Premium	3,445
Amortization of Deferred Gains of Bond Refundings	187
Unrealized Losses on Investments	2,426
Total Noncash Capital and Financing Activities	\$ 3,970

Phoenix Convention Center Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis

Exhibit E-8

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
				Positive
				(Negative)
REVENUES				
Rental of Facilities and Equipment	\$ 7,399	\$ 7,399	\$ 6,700	\$ (699)
Concessions	22,576	22,576	24,176	1,600
Box Office Services	731	731	705	(26)
Interest	3,702	3,702	7,822	4,120
Other	1,167	1,167	1,046	(121)
Total Revenues	35,575	35,575	40,449	4,874
EXPENDITURES AND ENCUMBRANCES				
Operations	77,278	77,278	70,380	6,898
Capital Improvement Program	11,071	11,071	5,281	5,790
Lease-Purchase Payments	23,685	23,685	23,685	-
Contingency	3,000	3,000	-	3,000
Total Expenditures and Encumbrances	115,034	115,034	99,346	15,688
Deficiency of Revenues Over Expenditures and				
Encumbrances	(79,459)	(79,459)	(58,897)	20,562
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Fund	95,516	95,516	85,052	(10,464)
Transfers to Other Funds				
General Fund				
Staff and Administrative	(3,524)	(3,524)	(4,250)	(726)
Infrastructure Repayment Agreement Trust Fund	(470)	(470)	(384)	86
Debt Service Fund	(85)	(85)	(85)	-
Other Restricted Special Revenue Fund	(487)	(487)	(59)	428
Recovery of Prior Years Expenditures	324	324	1,510	1,186
Total Other Financing Sources	91,274	91,274	81,784	(9,490)
Net Increase in Fund Balance	\$ 11,815	\$ 11,815	22,887	\$ 11,072
FUND BALANCE, JULY 1			169,706	
FUND BALANCE, JUNE 30			\$ 192,593	



City of Phoenix

Water System Enterprise Fund
Exhibit E-9
Statement of Net Position

June 30, 2025

(in thousands)

<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 26,153
Investments	257,412
Receivables	
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$9,908)	85,770
Intergovernmental	5,860
Prepaid Items	7,986
Inventories, at Average Cost	19,552
Total Unrestricted Current Assets	402,733
Restricted Assets	
Debt Service	
Cash with Fiscal Agent	103,519
Capital Projects	
Cash and Cash Equivalents	19,206
Investments	220,417
Receivables	
Interest	-
Customer and Other Deposits	6,020
Total Restricted Current Assets	349,162
Total Current Assets	751,895
Noncurrent Assets	
Capital Assets	
Land	39,898
Buildings	250,889
Improvements Other Than Buildings	984,554
Equipment	351,960
Mains, Hydrants, Meters and Service Connections	2,239,225
Intangibles	122,290
Construction in Progress	1,484,402
Less: Accumulated Depreciation	(2,175,731)
Total Capital Assets, Net of Accumulated Depreciation	3,297,487
Investment in Val Vista Treatment Plant	
Joint Use Agreement	171,604
Net OPEB Asset	3,196
Total Other Assets	174,800
Total Noncurrent Assets	3,472,287
Total Assets	4,224,182
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Loss on Refunding Bonds	15,887
Pension Related	20,432
OPEB Related	129
Total Deferred Outflows of Resources	36,448

Exhibit E-9
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	35,439
Current Portion of Accrued Compensated Absences	1,484
Total Current Liabilities Payable from Current Assets	36,923
Current Liabilities Payable from Restricted Assets	
Debt Service	
Short-Term Obligations	200,000
Matured Bonds Payable	72,003
Interest Payable	31,815
Current Portion of Loans from Direct Borrowings	286
Current Portion of Municipal Corporation Obligations	85,840
Capital Projects	
Accounts Payable	17,461
Customer and Other Deposits	6,087
Total Current Liabilities Payable from Restricted Assets	413,492
Total Current Liabilities	450,415
Noncurrent Liabilities	
Loans from Direct Borrowings, net	902
Municipal Corporation Obligations, net	1,396,882
Arbitrage Liability	2,215
Accrued Compensated Absences	8,622
Net Pension Liability	166,139
Net OPEB Liability	6,545
Total Noncurrent Liabilities	1,581,305
Total Liabilities	2,031,720
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Gain on Refunding Bonds	-
Pension Related	12,758
OPEB Related	2,182
Total Deferred Inflows of Resources	14,940
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,861,193
Restricted for:	
Restricted from Enabling Legislation	152,126
OPEB	3,196
Unrestricted	197,455
Total Net Position	\$ 2,213,970

Water System Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position

Exhibit E-10

For the Fiscal Year Ended June 30, 2025

(in thousands)

Operating Revenues	
Water Sales	\$ 530,211
Environmental Charges	76,615
Other	32,770
Total Operating Revenues	639,596
Operating Expenses	
Administration and Engineering	60,028
Operation and Maintenance	
Customer Service	23,351
Production and Treatment	171,396
Distribution and Centralized Functions	83,581
Depreciation and Amortization	106,940
Staff and Administrative	12,972
Total Operating Expenses	458,268
Operating Income	181,328
Non-Operating Revenues (Expenses)	
Investment Income	29,223
Interest on Capital Debt	(53,322)
Equity Interest in Joint Use Agreement Operating Loss	(8,864)
Loss on Disposal of Capital Assets	(5,434)
Total Non-Operating Revenues (Expenses)	(38,397)
Net Income Before Contributions and Transfers	142,931
Capital Contributions	64,376
Transfers from Special Revenue Fund	-
Transfers to General Fund - In Lieu Property Taxes	(17,574)
Transfers to Debt Service Fund	(202)
Change in Net Position	189,531
Net Position, July 1	2,024,439
Net Position, June 30	\$ 2,213,970

Water System Enterprise Fund**Exhibit E-11****Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2025

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 628,617
Payments to Suppliers	(201,203)
Payments to Employees	(139,465)
Payment of Staff and Administrative Expenses	(12,972)
Net Cash Provided by Operating Activities	274,977
Cash Flows from Noncapital Financing Activities	
Operating Transfers from Other Funds	-
Operating Transfers to Other Funds	(17,776)
Net Cash Used by Noncapital Financing Activities	(17,776)
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(75,100)
Interest Paid on Capital Debt	(76,021)
Acquisition and Construction of Capital Assets	(188,380)
Proceeds from Sales of Capital Assets	212
Capital Contributions	24,475
Net Cash Used by Capital and Related Financing Activities	(314,814)
Cash Flows from Investing Activities	
Purchases of Investment Securities	(395,993)
Proceeds from Sales and Maturities of Investment Securities	443,457
Net Activity for Short-Term Investments	(5,422)
Interest on Investments	31,458
Contributions to Joint Use Agreement	(4,441)
Net Cash Provided by Investing Activities	69,059
Net Decrease in Cash and Cash Equivalents	11,446
Cash and Cash Equivalents, July 1	143,452
Cash and Cash Equivalents, June 30	\$ 154,898
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income	\$ 181,328
Adjustments	
Depreciation and Amortization	106,940
Deferred Outflows - Pension and OPEB	7,250
Deferred Inflows - Pension and OPEB	14,418
Change in Assets and Liabilities	
Receivables	(14,141)
Allowance for Doubtful Accounts	2,713
Prepaid Expenses	4,837
Inventories	(388)
Net OPEB Asset	(1,338)
Accounts Payable	(5,297)
Customer and Other Deposits	450
Arbitrage	(616)
Accrued Compensated Absences	1,074
Net Pension Liability	(18,986)
Net OPEB Liability	(3,267)
Net Cash Provided by Operating Activities	\$ 274,977
Noncash Capital and Financing Activities	
Accounts Payable Related to Capital Asset Additions	\$ 17,461
Amortization of Bond Premium	19,280
Amortization of Deferred Gains/Losses of Bond Refundings	687
Contributions of Capital Assets	39,901
Unrealized Gains on Investments	5,755
Total Noncash Capital and Financing Activities	\$ 83,084

Water System Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis

Exhibit E-12

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<u>REVENUES</u>				
Water Sales	\$ 558,621	\$ 558,621	\$ 530,211	\$ (28,410)
Environmental Charges	81,110	81,110	76,615	(4,495)
Development Occupational Fees	7,624	7,624	3,715	(3,909)
Water Service Fees	2,933	2,933	2,386	(547)
Distribution	940	940	5,224	4,284
Interest	16,904	16,904	13,823	(3,081)
Other	33,825	33,825	30,722	(3,103)
Total Revenues	701,957	701,957	662,696	(39,261)
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operation and Maintenance	273,623	273,623	265,564	8,059
Operation and Maintenance - Val Vista	18,816	18,816	26,764	(7,948)
Total Operating Expenditures and Encumbrances	292,439	292,439	292,328	111
Net Revenue Available for Revenue Bond Debt Service	409,518	409,518	370,368	(39,150)
Junior Lien Revenue Bond Debt Service				
Principal	72,003	72,003	72,003	-
Interest	63,631	63,631	63,631	-
Total Junior Lien Revenue Bond Debt Service	135,634	135,634	135,634	-
Net Revenue Available After Junior Lien Revenue Bond Debt Service	273,884	273,884	234,734	(39,150)
Other Expenditures and Encumbrances				
Short-term Obligations Interest	8,000	8,000	8,515	(515)
Operating Capital Outlay	6,127	6,127	6,233	(106)
Capital Improvement Program	211,471	210,271	143,041	67,230
Contingency	20,000	20,000	-	20,000
Total Other Expenditures and Encumbrances	245,598	244,398	157,789	86,609
Total Expenditures and Encumbrances	673,671	672,471	585,751	86,720
Excess of Revenues Over Expenditures and Encumbrances	28,286	29,486	76,945	47,459
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from Other Funds				
Capital Projects Fund	5,000	5,000	-	5,000
Transfers to Other Funds				
General Fund				
Staff and Administrative	(13,381)	(13,381)	(12,972)	409
In-Lieu Property Taxes	(19,066)	(19,066)	(17,574)	1,492
Capital Projects Fund	-	-	(37,144)	(37,144)
Debt Service Fund	(202)	(202)	(202)	-
Recovery of Prior Years Expenditures	2,312	2,312	6,028	3,716
Total Other Financing Uses	(25,337)	(25,337)	(61,864)	(26,527)
Net Increase (Decrease) in Fund Balance	\$ 2,949	\$ 4,149	15,081	\$ 20,932
FUND BALANCE, JULY 1			118,852	
FUND BALANCE, JUNE 30			<u>\$ 133,933</u>	

Water System Enterprise Fund
Val Vista Water Treatment Plant
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
For the Fiscal Year Ended June 30, 2025
(in thousands)

Exhibit E-13

	Budgeted Amounts		Actual Amounts		Variance with
	Original	Final	Budgetary Basis		Final Budget
					Positive
					(Negative)
<u>REVENUES</u>					
Val Vista Water System	\$ 13,150	\$ 13,150	\$ 12,838	\$	(312)
Operating Revenue - Water	18,816	18,816	26,764		7,948
Interest	(81)	(81)	110		191
Other	-	-	-		-
Total Revenues	31,885	31,885	39,712		7,827
<u>EXPENDITURES AND ENCUMBRANCES</u>					
Operation and Maintenance	39,147	39,147	37,231		1,916
Capital Outlay					
Operating	193	193	151		42
Capital Improvement Program	3,400	4,600	4,424		176
Total Expenditures and Encumbrances	42,740	43,940	41,806		2,134
Excess (Deficiency) of Revenues Over					
Expenditures and Encumbrances	(10,855)	(12,055)	(2,094)		9,961
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers to Other Funds					
General Fund					
Staff and Administrative	(1,083)	(1,083)	(1,222)		(139)
Recovery of Prior Years Expenditures	99	99	341		242
Total Other Financing Sources (Uses)	(984)	(984)	(881)		103
Net Increase (Decrease) in Fund Balance	\$ (11,839)	\$ (13,039)	(2,975)	\$	10,064
FUND BALANCE, JULY 1				1,171	
FUND DEFICIT, JUNE 30				(1,804)	
Members' Contributed Operating Reserve				4,118	
Members' Contributed Replacement Reserve				4,439	
FUND DEFICIT, UNRESERVED			\$	(10,361)	

Note: The deficit unreserved fund balance is primarily due to encumbrances, which are accounted for as uses of financial resources. The participating Val Vista cities are billed (and revenue is recognized) only to the extent of actual expenditures.

Wastewater Enterprise Fund
Exhibit E-14
Statement of Net Position

June 30, 2025

(in thousands)

<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 34,843
Investments	290,183
Receivables	
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$5,709)	49,916
Intergovernmental	16,194
Leases	10
Inventories, at Average Cost	2,444
Total Unrestricted Current Assets	393,590
Restricted Assets	
Debt Service	
Cash with Fiscal Agent	43,310
Capital Projects	
Cash and Cash Equivalents	8,029
Investments	153,311
Customer Deposits and Other Trust Liabilities	126
Total Restricted Current Assets	204,776
Total Current Assets	598,366
Noncurrent Assets	
Capital Assets	
Land	32,293
Buildings	76,541
Improvements Other Than Buildings	331,013
Mains, Hydrants, Meters and Service Connections	1,198,036
Equipment	155,689
Intangibles	30,203
Construction in Progress	724,303
Less: Accumulated Depreciation	(1,049,893)
Total Capital Assets, Net of Accumulated Depreciation	1,498,185
Other Noncurrent Assets	
Investment in SROG Joint Use Agreement	338,370
Leases Receivable	158
Net OPEB Asset	1,010
Total Noncurrent Assets	1,837,723
Total Assets	2,436,089
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
OPEB Related	41
Total Deferred Outflows of Resources	41

Exhibit E-14
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	18,818
Current Portion of Accrued Compensated Absences	350
Total Current Liabilities Payable from Current Assets	19,168
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	26,096
Interest Payable	18,228
Current Portion of Loans from Direct Borrowings	969
Current Portion of Municipal Corporation Obligations	26,469
Capital Projects	
Accounts Payable	29,528
Customer Deposits and Other Trust Liabilities	126
Total Current Liabilities Payable from Restricted Assets	101,416
Total Current Liabilities	120,584
Noncurrent Liabilities	
Loans from Direct Borrowings, net	3,029
Municipal Corporation Obligations, net	723,307
Arbitrage Liability	1,679
Accrued Compensated Absences	1,812
Net OPEB Liability	1,884
Total Noncurrent Liabilities	731,711
Total Liabilities	852,295
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Gain on Refunding Bonds	970
OPEB Related	667
Leases Related	174
Total Deferred Inflows of Resources	1,811
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,103,538
Restricted for:	
Restricted from Enabling Legislation	45,852
OPEB	1,010
Unrestricted	431,624
Total Net Position	\$ 1,582,024

Wastewater Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position

Exhibit E-15

For the Fiscal Year Ended June 30, 2025

(in thousands)

Operating Revenues	
Sewer Service Charges	\$ 212,705
Environmental Charges	49,592
Other	10,327
Total Operating Revenues	<u>272,624</u>
Operating Expenses	
Administration	19,464
Operation and Maintenance	
Wastewater Treatment Plants	63,918
Sewer Maintenance and Collections	32,792
Industrial Waste/Pre-Treatment	3,450
Depreciation	43,465
Staff and Administrative	6,523
Total Operating Expenses	<u>169,612</u>
Operating Income	<u>103,012</u>
Non-Operating Revenues (Expenses)	
Investment Income	27,633
Interest Income from Leases	7
Interest on Capital Debt	(30,225)
Equity Interest in Joint Use Agreement Operating Loss	(20,416)
Gain (Loss) on Disposal of Capital Assets	122
Total Non-Operating Revenues (Expenses)	<u>(22,879)</u>
Net Income Before Contributions and Transfers	<u>80,133</u>
Capital Contributions	44,772
Transfers from Special Revenue Fund	-
Transfers to General Fund - In Lieu Property Taxes	(10,354)
Transfers to Debt Service Fund	(141)
Change in Net Position	<u>114,410</u>
Net Position, July 1	<u>1,467,614</u>
Net Position, June 30	<u>\$ 1,582,024</u>

Wastewater Enterprise Fund**Exhibit E-16****Statement of Cash Flows**

For the Fiscal Years Ended June 30, 2025

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 271,093
Payments to Suppliers	(90,152)
Payments to Employees	(25,473)
Payment of Staff and Administrative Expenses	(6,523)
Net Cash Provided by Operating Activities	148,945
Cash Flows from Noncapital Financing Activities	
Operating Transfers from Other Funds	-
Operating Transfers to Other Funds	(10,495)
Net Cash Used by Noncapital Financing Activities	(10,495)
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(51,714)
Interest Paid on Capital Debt	(39,290)
Acquisition and Construction of Capital Assets	(147,049)
Proceeds from Sales of Capital Assets	178
Interest Income from Leases	7
Capital Contributions	14,349
Net Cash Provided by Capital and Related Financing Activities	(223,519)
Cash Flows from Investing Activities	
Purchases of Investment Securities	(343,907)
Proceeds from Sale and Maturities of Investment Securities	421,239
Net Activity for Short-Term Investments	141
Interest on Investments	28,271
Contributions to Joint Use Agreement	(40,792)
Net Cash Used by Investing Activities	64,952
Net Decrease in Cash and Cash Equivalents	(20,117)
Cash and Cash Equivalents, July 1	106,425
Cash and Cash Equivalents, June 30	\$ 86,308
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income	\$ 103,012
Adjustments	
Depreciation	43,465
Deferred Outflows - OPEB	(4)
Deferred Inflows - OPEB	535
Deferred Inflows - Leases	(12)
Change in Assets and Liabilities	
Receivables	(2,822)
Allowance for Doubtful Accounts	1,364
Inventories	218
Net OPEB Asset	(424)
Accounts Payable & Advance Payments	4,430
Pollution Remediation	-
Customer Deposits	(61)
Accrued Compensated Absences	217
Net OPEB Liability	(973)
Net Cash Provided by Operating Activities	\$ 148,945
Noncash Capital and Financing Activities	
Amortization of Bond Premium	\$ 6,148
Amortization of Deferred Gains/Losses of Bond Refundings	194
Contribution of Capital Assets	30,424
Unrealized Gain on Investments	4,193
Accounts Payable Related to Capital Asset Additions	29,528
Total Noncash Capital and Financing Activities	\$ 70,487

Wastewater Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis

Exhibit E-17

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Sewer Service Charges	\$ 204,902	\$ 204,902	\$ 212,706	\$ 7,804
Environmental Charges	41,598	41,598	49,592	7,994
Development Occupational Fees	7,159	7,159	3,565	(3,594)
Interest	7,400	7,400	14,607	7,207
Other	8,383	8,383	10,529	2,146
Total Revenues	269,442	269,442	290,999	21,557
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	90,664	90,664	78,985	11,679
Operation and Maintenance - SROG	-	-	30,168	(30,168)
Total Operating Expenditures and Encumbrances	90,664	90,664	109,153	(18,489)
Net Revenue Available for Revenue Bond Debt Service	178,778	178,778	181,846	3,068
Revenue Bond Debt Service				
Junior Lien Revenue Bond Debt Service				
Principal	26,346	26,346	26,096	250
Interest	36,960	36,960	36,456	504
Total Junior Lien Revenue Bond Debt Service	63,306	63,306	62,552	754
Net Revenue Available After Junior Lien Revenue Bond Debt Service	115,472	115,472	119,294	2,314
Other Expenditures and Encumbrances				
Operating Capital Outlay	925	925	1,650	(725)
Capital Improvement Program	98,600	98,600	86,620	11,980
Total Other Expenditures and Encumbrances	99,525	99,525	88,270	11,255
Total Expenditures and Encumbrances	253,495	253,495	259,975	6,480
Excess of Revenues Over Expenditures and Encumbrances	15,947	15,947	31,024	15,077
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Capital Projects Fund	16,000	16,000	3,831	(12,169)
Transfers to Other Funds				
General Fund				
Staff and Administrative	(6,507)	(6,507)	(6,523)	(16)
In-Lieu Property Taxes	(11,016)	(11,016)	(10,354)	662
Other	(72)	(72)	-	72
Debt Service Fund	(141)	(141)	(142)	(1)
Recovery of Prior Years Expenditures	679	679	4,666	3,987
Total Other Financing Uses	(1,057)	(1,057)	(8,522)	(7,465)
Net Increase (Decrease) in Fund Balance	\$ 14,890	\$ 14,890	22,502	\$ 7,612
FUND BALANCE, JULY 1			239,263	
FUND BALANCE, JUNE 30			<u>\$ 261,765</u>	

Wastewater Enterprise Fund**Exhibit E-18****Sub-Regional Operating Group ("SROG")****Schedule of Revenues, Expenditures and Changes in****Fund Balance - Budget and Actual - Budget Basis**

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Multi-City Sewer System	\$ 20,540	\$ 20,540	\$ 22,796	\$ 2,256
Operating Revenue - Wastewater	41,251	41,251	30,168	(11,083)
Sales of By-Products	15,100	15,100	17,190	2,090
Interest	850	850	404	(446)
Other	4,762	4,762	3,560	(1,202)
Total Revenues	82,503	82,503	74,118	(8,385)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	69,911	69,911	63,444	6,467
Capital Outlay				
Operating	150	150	565	(415)
Capital Improvement Program	8,000	8,000	8,015	(15)
Total Expenditures and Encumbrances	78,061	78,061	72,024	6,037
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	4,442	4,442	2,094	(2,348)
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(3,064)	(3,064)	(2,940)	124
Recovery of Prior Years Expenditures	796	796	4,068	3,272
Total Other Financing Sources (Uses)	(2,268)	(2,268)	1,128	3,396
Net Increase in Fund Balance	\$ 2,174	\$ 2,174	3,222	\$ 1,048
FUND BALANCE, JULY 1			3,110	
FUND BALANCE, JUNE 30			6,332	
Members' Contributed Replacement Reserve			9,022	
Members' Contributed Operating Reserve			1,042	
FUND DEFICIT, UNRESERVED			\$ (3,732)	

Note: The deficit unreserved fund balance is primarily due to encumbrances, which are accounted for as uses of financial resources. The participating SROG cities are billed (and revenue is recognized) only to the extent of actual expenditures.

Solid Waste Enterprise Fund
Exhibit E-19
Statement of Net Position

June 30, 2025

(in thousands)

<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 4,877
Investments	60,141
Receivables	
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$6,228)	22,834
Intergovernmental	2
Leases	113
Inventories	1,726
Total Unrestricted Current Assets	89,693
Restricted Assets	
Debt Service	
Cash with Fiscal Agent/Trustee	9,001
Capital Projects	
Cash and Cash Equivalents	6,579
Investments	23,809
Customer Deposits	129
Total Restricted Current Assets	39,518
Total Current Assets	129,211
Noncurrent Assets	
Capital Assets	
Land	13,340
Buildings	70,164
Improvements Other Than Buildings	66,770
Equipment	168,075
Intangibles	5,413
Construction in Progress	68,307
Less: Accumulated Depreciation	(194,295)
Total Capital Assets, Net of Accumulated Depreciation	197,774
Net OPEB Asset	1,641
Leases Receivable	3,825
Total Noncurrent Assets	203,240
Total Assets	332,451
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Loss on Refunding Bonds	-
Pension Related	10,147
OPEB Related	66
Total Deferred Outflows of Resources	10,213

Exhibit E-19
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	6,482
Accrued Landfill Postclosure Care Costs	1,705
Current Portion of Accrued Compensated Absences	663
Total Current Liabilities Payable from Current Assets	8,850
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	8,005
Interest Payable	996
Current Portion of Loans from Direct Borrowings	-
Current Portion of Municipal Corporation Obligations	2,543
Capital Projects	
Accounts Payable	4,475
Accrued Landfill Closure Costs	695
Customer Deposits	129
Total Current Liabilities Payable from Restricted Assets	16,843
Total Current Liabilities	25,693
Noncurrent Liabilities	
Municipal Corporation Obligations, net	34,681
Arbitrage Liability	1,619
Accrued Landfill Closure and Postclosure Care Costs	14,980
Accrued Compensated Absences	3,451
Net Pension Liability	82,503
Net OPEB Liability	3,473
Total Noncurrent Liabilities	140,707
Total Liabilities	166,400
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Related	6,335
OPEB Related	1,135
Leases Related	3,887
Total Deferred Inflows of Resources	11,357
<u>NET POSITION</u>	
Net Investment in Capital Assets	159,712
Restricted for:	
OPEB	1,641
Unrestricted (Deficit)	3,554
Total Net Position	\$ 164,907

Solid Waste Enterprise Fund
Statement of Revenues, Expenses and Changes
in Net Position

Exhibit E-20

For the Fiscal Year Ended June 30, 2025

(in thousands)

Operating Revenues		
Solid Waste Service Fees	\$	186,156
Landfill Fees		16,391
Recycling		5,618
Other		5,714
Total Operating Revenues		213,879
Operating Expenses		
Administration		24,261
Solid Waste Collections		84,616
Landfills		
Operations		40,484
Closure and Postclosure Care Costs		724
Recycling		11,450
Depreciation		15,378
Staff and Administrative		11,620
Other		8,305
Total Operating Expenses		196,838
Operating Income		17,041
Non-Operating Revenues (Expenses)		
Investment Income (Loss)		4,254
Interest Income from Leases		160
Interest on Capital Debt		(989)
Gain on Disposal of Capital Assets		593
Total Non-Operating Revenues (Expenses)		4,018
Net Income Before Contributions and Transfers		21,059
Transfers from Capital Projects Fund		19,337
Transfers to General Fund - In Lieu Property Taxes		(1,225)
Transfers to Debt Service Fund		(431)
Change in Net Position		38,740
Net Position, July 1		126,167
Net Position, June 30	\$	164,907

Solid Waste Enterprise Fund**Exhibit E-21****Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2025

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 213,158
Payments to Suppliers	(101,774)
Payments to Employees	(73,384)
Payment of Staff and Administrative Expenses	(11,620)
Net Cash Provided by Operating Activities	26,380
Cash Flows from Noncapital Financing Activities	
Operating Transfers from Other Funds	19,338
Operating Transfers to Other Funds	(1,655)
Net Cash Used by Noncapital Financing Activities	17,683
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(6,805)
Interest Paid on Capital Debt	(2,257)
Acquisition and Construction of Capital Assets	(23,411)
Proceeds from Sales of Capital Assets	160
Interest Income from Leases	1,411
Net Cash Used by Capital and Related Financing Activities	(30,902)
Cash Flows from Investing Activities	
Purchases of Investment Securities	(57,368)
Proceeds from Sale and Maturities of Investment Securities	67,153
Net Activity for Short-Term Investments	(19,621)
Interest on Investments	4,724
Net Cash Provided by Investing Activities	(5,112)
Net Decrease in Cash and Cash Equivalents	8,049
Cash and Cash Equivalents, July 1	12,537
Cash and Cash Equivalents, June 30	<u>\$ 20,586</u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income	\$ 17,041
Adjustments	
Depreciation	15,378
Deferred Outflows - Pension and OPEB	4,245
Deferred Inflows - Pension and OPEB	7,191
Change in Assets and Liabilities	
Receivables	(2,208)
Allowance for Doubtful Accounts	1,607
Lease Contracts Receivable	(128)
Inventories	(422)
Net OPEB Asset	(641)
Accounts Payable	(67)
Trust Liabilities and Deposits	7
Accrued Compensated Absences	318
Accrued Landfill Closure and Postclosure Care	(446)
Net Pension Liability	(13,722)
Net OPEB Liability	(1,773)
Net Cash Provided by Operating Activities	<u>\$ 26,380</u>
Noncash Capital and Financing Activities	
Amortization of Bond Premium	1,200
Amortization of Deferred Gains/Losses of Bond Refundings	98
Unrealized Gains on Investments	815
Accounts Payable Related to Capital Asset Additions	4,475
Total Noncash Capital and Financing Activities	<u>\$ 6,588</u>

Solid Waste Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis

Exhibit E-22

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Solid Waste Service Fees	\$ 182,960	\$ 182,960	\$ 186,189	\$ 3,229
City Landfill Fees	20,709	20,709	21,976	1,267
Interest	1,128	1,128	2,257	1,129
Other	3,794	3,794	6,340	2,546
Total Revenues	208,591	208,591	216,762	8,171
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operations	189,750	196,323	174,051	22,272
Capital Improvement Program	34,836	28,263	5,914	22,349
Lease-Purchase Payments	9,997	9,997	9,997	-
Loans from Direct Borrowings	150	150	150	-
Total Expenditures and Encumbrances	234,733	234,733	190,112	44,621
Excess (Deficiency) of Revenues Over				
Expenditures and Encumbrances	(26,142)	(26,142)	26,650	52,792
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from Other Funds				
Solid Waste Capital Fund	-	-	5,623	5,623
Transfers to Other Funds				
General Fund				
Staff and Administrative	(11,166)	(11,166)	(11,620)	(454)
In-Lieu Property Taxes	(1,241)	(1,241)	(1,225)	16
Solid Waste Capital Reserve	(1,250)	(1,250)	-	1,250
Debt Service Fund	(431)	(431)	(431)	-
Recovery of Prior Years Expenditures	325	325	1,833	1,508
Total Other Financing Uses	(13,763)	(13,763)	(5,820)	7,943
Net Increase (Decrease) in Fund Balance	\$ (39,905)	\$ (39,905)	20,830	\$ 60,735
FUND BALANCE, JULY 1			54,170	
FUND BALANCE, JUNE 30			<u>\$ 75,000</u>	



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION -
Fiduciary Funds
- Combining Fund
Financial Statements**



City of Phoenix



City of Phoenix

Fiduciary Funds
Exhibit F-1
Combining Statement of Fiduciary Net Position

June 30, 2025

(in thousands)

	Pension and Other Employee Benefit Trusts	
	City of Phoenix	
	Employee Retirement System (COPERS)	Excess Benefit Arrangement
ASSETS		
Cash and Cash Equivalents	\$ 140,142	\$ 461
Investments		
Treasurer's Pooled Investments	-	-
Temporary Investments	35,871	-
Fixed Income	481,223	-
Domestic Equities	1,730,454	-
International Equities	736,284	-
Private Debt	202,491	-
Real Return	-	-
Absolute Return	157,908	-
Real Estate	474,250	-
Receivables		
Accounts Receivable	4,975	-
Contributions Receivable	14,275	-
Interest and Dividends	4,143	-
Prepaid Items	-	-
Other	548	-
Total Assets	<u>3,982,564</u>	<u>461</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts Payable	69,441	-
Claims Payable	-	-
Total Liabilities	<u>69,441</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Restricted for pension and other employee benefits	<u>\$ 3,913,123</u>	<u>\$ 461</u>

Exhibit F-1
(Continued)

Pension and Other Employee Benefit Trusts					
Health Care Benefits	Medical Expense Reimbursement Plan	Long-Term Disability	Total		
\$ 19,797	\$ 918	\$ 535	\$ 161,853		
-	852	305	1,157		
-	-	-	35,871		
52,412	46,595	17,872	598,102		
-	109,612	33,547	1,873,613		
-	42,175	28,997	807,456		
-	-	-	202,491		
-	24,013	9,157	33,170		
-	-	-	157,908		
-	11,882	4,484	490,616		
8,687	-	-	13,662		
2	-	-	14,277		
310	-	-	4,453		
5,430	-	-	5,430		
-	-	-	548		
86,638	236,047	94,897	4,400,607		
-	-	-	-		
9,149	51	25	78,666		
40,987	-	-	40,987		
50,136	51	25	119,653		
-	-	-	-		
\$ 36,502	\$ 235,996	\$ 94,872	\$ 4,280,954		

Fund Financial Statements
Exhibit F-2
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Pension and Other Employee Benefit Trusts	
	City of Phoenix	
	Employee Retirement System (COPERS)	Excess Benefit Arrangement
<u>ADDITIONS</u>		
Contributions		
City of Phoenix	\$ 209,931	\$ 21
Employees	65,934	-
Other	-	-
Total Contributions	275,865	21
Investment Income		
From Investing Activities		
Net Increase in Fair Value of Investments	273,180	31
Interest	36,046	6
Dividends	2,546	-
Other	18,591	-
Investment Income	330,363	37
Less: Investment Expense	20,402	-
Total Net Investment Income	309,961	37
Total Additions	585,826	58
<u>DEDUCTIONS</u>		
Benefit Payments	282,471	189
Refunds of Contributions	4,288	-
Inter-System Transfers	6	-
Other	1,753	-
Total Deductions	288,518	189
Net Increase (Decrease)	297,308	(131)
Net Position Restricted for Pension and Other Employee		
Benefits		
Beginning of Year, July 1	3,615,815	592
End of Year, June 30	\$ 3,913,123	\$ 461

Exhibit F-2
(Continued)

Pension and Other Employee Benefit Trusts				
Health Care Benefits	Medical Expense Reimbursement Plan	Long-Term Disability	Total	
\$ 196,521	\$ 14,911	\$ 4,543	\$ 425,927	
63,041	-	-	128,975	
26,062	-	-	26,062	
285,624	14,911	4,543	580,964	
852	22,133	8,511	304,707	
2,379	6,528	-	44,959	
-	-	2,473	5,019	
-	-	-	18,591	
3,231	28,661	10,984	373,276	
-	-	-	20,402	
3,231	28,661	10,984	352,874	
288,855	43,572	15,527	933,838	
258,072	26,769	4,372	571,873	
-	-	-	4,288	
-	-	-	6	
23,370	695	656	26,474	
281,442	27,464	5,028	602,641	
7,413	16,108	10,499	331,197	
29,089	219,888	84,373	3,949,757	
\$ 36,502	\$ 235,996	\$ 94,872	\$ 4,280,954	



City of Phoenix



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION -
Component Units
- Phoenix Housing
Financing Corporations
- Combining Financial
Statements**



City of Phoenix



City of Phoenix

**Phoenix Housing Finance Corporations
(Discretely Presented Component Units)
Combining Statement of Net Position
June 30, 2025
(in thousands)**

Exhibit G-1

	Phoenix Housing Finance Corporation	City of Phoenix Municipal Housing Corporation	Phoenix Central City Revitalization Corporation & LLCs ⁽¹⁾	Phoenix South Mountain Housing Corporation	Phoenix South Mountain Housing Transformation Corporation & PSMHTC Summit, LLC	Phoenix Green Housing Corporation and PGHC Pine Crest, LLC ⁽²⁾	Phoenix East Revitalization Corporation
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ 2,983	\$ -	\$ 1,213	\$ 1,427	\$ 1,055
Cash Deposits	-	-	1,094	-	650	2,746	-
Cash and Securities with Fiscal Agents/Trustees	4	-	-	41	113	-	-
Receivables, Net of Allowances	4,559	29	4,296	3,291	823	16	-
Prepaid Items	-	-	211	-	40	32	-
Capital Assets, at Cost							
Non-depreciable	-	-	5,610	-	1,150	860	-
Depreciable (net)	-	-	17,085	-	4,726	2,158	-
Total Assets	4,563	29	31,279	3,332	8,715	7,239	1,055
DEFERRED OUTFLOWS OF RESOURCES							
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
LIABILITIES							
Accounts Payable	-	30	523	-	125	287	-
Reimbursement Agreement to City	-	-	2,349	-	-	-	-
Trust Liabilities and Deposits	-	-	184	-	52	42	-
Advance Payments	-	-	114	-	32	32	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-	-
Interest Payable	-	-	2,412	-	457	251	-
Noncurrent Liabilities							
Due in More Than One Year							
Notes Payable to City	-	-	-	-	-	-	-
Instrumentality	-	-	-	-	-	-	-
Notes Payable to City	-	-	28,481	-	5,532	2,260	-
Total Liabilities	-	30	34,063	-	6,198	2,872	-
DEFERRED INFLOWS OF RESOURCES							
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	-	-	(8,135)	-	344	758	-
Unrestricted	4,563	(1)	5,351	3,332	2,173	3,609	1,055
Total Net Position (Deficit)	\$ 4,563	\$ (1)	\$ (2,784)	\$ 3,332	\$ 2,517	\$ 4,367	\$ 1,055

(1) Phoenix Central City Revitalization Corporation owns PCCR Park Lee, LLC and Santa Fe Springs Apartments, LLC. They are combined for financial statement reporting on Exhibits G-1 and G-2.

(2) The yearend for PGHC Pine Crest, LLC is December 31st.

Exhibit G-1
(Continued)

Phoenix East Revitalization Corporation (II)	Phoenix East Revitalization Corporation (III)	Phoenix Inner Beltway Housing Corporation	Phoenix Residential Investment Development Effort	Phoenix Starfish Place Corporation	Phoenix Housing Development Corporation	Washington Manor Housing Corporation	Pine Towers Housing Corporation	Total
\$ 51	\$ 1,279	\$ -	\$ 2,373	\$ 176	\$ 4,224	\$ 428	\$ 1,047	\$ 16,256
-	-	-	15	153	-	1,093	547	6,298
-	-	-	-	-	24	-	-	182
750	38	47	1	4	657	8	48	14,567
-	-	-	7	29	-	9	76	404
-	-	-	151	1,055	-	82	788	9,696
-	-	-	1,870	1,140	-	14	2,864	29,857
801	1,317	47	4,417	2,557	4,905	1,634	5,370	77,260
-	-	-	-	-	-	-	-	-
-	-	-	28	20	227	84	25	1,349
-	-	-	-	-	-	-	-	2,349
-	-	-	5	6	-	24	36	349
-	-	-	-	-	-	1	20	199
-	-	-	-	-	-	-	-	-
-	-	-	1,147	-	-	-	-	4,267
-	-	-	-	465	-	-	-	465
-	-	-	3,600	2,945	-	550	-	43,368
-	-	-	4,780	3,436	227	659	81	52,346
-	-	-	-	-	-	-	-	-
-	-	-	(1,579)	(750)	-	96	3,652	(5,614)
801	1,317	47	1,216	(129)	4,678	879	1,637	30,528
\$ 801	\$ 1,317	\$ 47	\$ (363)	\$ (879)	\$ 4,678	\$ 975	\$ 5,289	\$ 24,914

**Phoenix Housing Finance Corporations
(Discretely Presented Component Units)
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2025
(in thousands)**

Exhibit G-2

	Phoenix Housing Finance Corporation	City of Phoenix Municipal Housing Corporation	Phoenix Central City Revitalization Corporation & LLCs ⁽¹⁾	Phoenix South Mountain Housing Corporation	Phoenix South Mountain Housing Transformation Corporation & PSMHTC Summit, LLC	Phoenix Green Housing Corporation and PGHC Pine Crest, LLC ⁽²⁾	Phoenix East Revitalization Corporation
Revenues							
Rental Income	\$ -	\$ -	\$ 7,618	\$ -	\$ 1,480	\$ 2,470	\$ -
Vending Income	-	-	110	-	47	-	-
Total Revenues	-	-	7,728	-	1,527	2,470	-
Operating Expenses							
Salaries	-	-	1,139	-	452	443	-
Temporary Labor	-	-	-	-	-	-	-
Advertising	-	-	52	-	21	4	-
Maintenance	-	-	2,197	-	1,210	547	-
Administrative Costs	-	1	585	-	123	142	-
Utilities	-	-	1,560	-	372	458	-
Insurance	-	-	121	-	38	63	-
Interest Expense	-	-	247	-	45	90	-
Other	2	15	328	26	131	111	-
Depreciation	-	-	1,546	-	696	87	-
Total Operating Expenses	2	16	7,775	26	3,088	1,945	-
Non-Operating Revenues (Expenses)							
Other Income	-	15	58	-	71	27	-
Interest Income	-	-	11	88	16	-	-
Contribution from City of Phoenix	-	-	-	-	-	-	-
Miscellaneous	-	-	(14)	-	-	(175)	-
Total Non-Operating Revenues (Expenses)	-	15	55	88	87	(148)	-
Change in Net Position	(2)	(1)	8	62	(1,474)	377	-
Net Position (Deficit), July 1	4,565	-	(2,792)	3,270	3,991	3,990	1,055
Net Position (Deficit), June 30	\$ 4,563	\$ (1)	\$ (2,784)	\$ 3,332	\$ 2,517	\$ 4,367	\$ 1,055

(1) Phoenix Central City Revitalization Corporation owns PCCR Park Lee, LLC and Santa Fe Springs Apartments, LLC. They are combined for financial statement reporting on Exhibits G-1 and G-2.

(2) The yearend for PGHC Pine Crest, LLC is December 31st.

Exhibit G-2
(Continued)

Phoenix East Revitalization Corporation (II)	Phoenix East Revitalization Corporation (III)	Phoenix Inner Beltway Housing Corporation	Phoenix Residential Investment Development Effort	Phoenix Starfish Place Corporation	Phoenix Housing Development Corporation	Washington Manor Housing Corporation	Pine Towers Housing Corporation	Total
\$ -	\$ -	\$ -	\$ 192	\$ 42	\$ -	\$ 1,078	\$ 1,457	\$ 14,337
-	-	-	1	-	-	5	9	172
-	-	-	193	42	-	1,083	1,466	14,509
-	-	-	49	134	-	192	227	2,636
-	-	-	-	-	-	55	5	60
-	-	-	-	-	-	5	2	84
-	-	-	64	145	-	226	228	4,617
-	-	-	45	16	2,000	95	96	3,103
-	-	-	48	83	-	196	205	2,922
-	-	-	25	34	-	25	146	452
-	-	-	84	-	-	-	-	466
-	191	-	18	-	12	127	-	961
-	-	-	87	95	-	7	342	2,860
-	191	-	420	507	2,012	928	1,251	18,161
-	19	-	72	1	904	7	4	1,178
-	-	-	48	-	2	2	12	179
-	-	-	8	372	-	-	656	1,036
-	-	-	(146)	-	-	-	-	(335)
-	19	-	(18)	373	906	9	672	2,058
-	(172)	-	(245)	(92)	(1,106)	164	887	(1,594)
801	1,489	47	(118)	(787)	5,784	811	4,402	26,508
\$ 801	\$ 1,317	\$ 47	\$ (363)	\$ (879)	\$ 4,678	\$ 975	\$ 5,289	\$ 24,914



City of Phoenix

The background of the page is an aerial photograph of a city at sunset. The sun is low on the horizon, creating a warm orange and pink glow across the sky. The city below is densely packed with buildings and greenery. A large, semi-transparent circular graphic is overlaid on the right side of the image. This graphic consists of a dark blue circle with a white border, which is itself set within a larger, light blue semi-circular shape that extends towards the bottom right corner of the page.

Statistical section



City of Phoenix



Statistical Section

FINANCIAL TRENDS

*These schedules contain trend information
to show how the City's financial
performance and position have changed
over time.*



City of Phoenix



City of Phoenix

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

Table 1

	Fiscal Year		
	2025	2024	2023
GOVERNMENTAL ACTIVITIES			
Net Investment in Capital Assets	\$ 5,261,654	\$ 4,797,695	\$ 4,367,046
Restricted	2,009,844	1,640,273	1,693,107
Unrestricted (Deficit)	(1,836,786)	(1,784,501)	(2,349,867)
Total Governmental Activities Net Position	\$ 5,434,712	\$ 4,653,467	\$ 3,710,286
BUSINESS-TYPE ACTIVITIES			
Net Investment in Capital Assets	\$ 4,125,776	\$ 3,858,886	\$ 3,692,473
Restricted	525,982	403,392	330,788
Unrestricted	1,753,789	1,524,238	1,328,208
Total Business-Type Activities Net Position	\$ 6,405,547	\$ 5,786,516	\$ 5,351,469
PRIMARY GOVERNMENT			
Net Investment in Capital Assets	\$ 9,387,430	\$ 8,656,581	\$ 8,059,519
Restricted	2,535,826	2,043,665	2,023,895
Unrestricted (Deficit)	(82,997)	(260,263)	(1,021,659)
Total Primary Government Net Position	\$ 11,840,259	\$ 10,439,983	\$ 9,061,755

Table 1
(Continued)

Fiscal Year													
2022		2021		2020		2019		2018		2017		2016	
\$	3,984,584	\$	3,384,939	\$	3,333,084	\$	3,242,655	\$	3,084,874	\$	2,809,418	\$	2,788,275
	1,458,949		1,249,610		1,069,053		1,079,339		1,047,298		920,847		763,630
	(2,575,996)		(2,420,747)		(2,814,774)		(2,766,124)		(2,883,831)		(2,408,807)		(2,084,298)
\$	2,867,537	\$	2,213,802	\$	1,587,363	\$	1,555,870	\$	1,248,341	\$	1,321,458	\$	1,467,607
\$	3,592,530	\$	3,346,870	\$	3,448,793	\$	3,488,654	\$	3,288,066	\$	2,972,041	\$	2,803,361
	290,321		438,450		404,598		519,638		524,637		486,857		462,115
	953,363		601,380		340,416		114,947		169,406		458,696		489,530
\$	4,836,214	\$	4,386,700	\$	4,193,807	\$	4,123,239	\$	3,982,109	\$	3,917,594	\$	3,755,006
\$	7,577,114	\$	6,731,809	\$	6,781,877	\$	6,731,309	\$	6,372,940	\$	5,781,459	\$	5,591,636
	1,749,270		1,688,060		1,473,651		1,598,977		1,571,935		1,407,704		1,225,745
	(1,622,633)		(1,819,367)		(2,474,358)		(2,651,177)		(2,714,425)		(1,950,111)		(1,594,768)
\$	7,703,751	\$	6,600,502	\$	5,781,170	\$	5,679,109	\$	5,230,450	\$	5,239,052	\$	5,222,613

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

Table 2

	Fiscal Year		
	2025	2024	2023
Expenses			
Governmental Activities			
General Government	\$ 205,802	\$ 194,616	\$ 226,765
Criminal Justice	41,735	41,485	43,078
Public Safety	1,553,479	1,582,485	1,410,810
Transportation	663,022	667,627	660,716
Community Enrichment	410,047	449,437	451,584
Community Development	341,974	340,979	285,857
Environmental Services	43,775	42,883	43,017
Interest on Long-Term Debt	65,522	48,332	46,762
Total Governmental Activities Expenses	3,325,356	3,367,844	3,168,589
Business-Type Activities			
Aviation	666,191	642,225	602,290
Phoenix Convention Center	125,501	111,397	103,358
Water Services	525,888	471,296	414,218
Wastewater Services	220,253	201,179	177,807
Solid Waste	197,827	192,853	186,439
Total Business-Type Activities Expenses	1,735,660	1,618,950	1,484,112
Total Primary Government Expenses	\$ 5,061,016	\$ 4,986,794	\$ 4,652,701

Table 2
(Continued)

Fiscal Year						
2022	2021	2020	2019	2018	2017	2016
\$ 258,138	\$ 171,106	\$ 111,422	\$ 88,160	\$ 100,307	\$ 98,541	\$ 111,801
38,261	36,812	36,050	38,297	35,040	34,045	35,198
1,284,353	1,367,004	1,340,379	1,278,856	1,200,523	1,347,829	1,025,401
748,459	427,982	574,139	540,551	523,946	373,455	399,228
465,542	419,047	324,553	307,406	289,183	276,991	570,183
262,627	259,183	251,207	211,547	225,386	218,463	200,762
75,371	59,224	52,369	22,362	39,113	32,960	49,050
50,328	53,532	53,629	57,014	67,523	77,073	84,893
3,183,079	2,793,890	2,743,748	2,544,193	2,481,021	2,459,357	2,476,516
539,372	576,657	547,590	518,462	514,271	496,131	504,304
98,624	88,530	103,983	103,138	105,703	103,248	107,133
422,543	373,006	421,541	410,636	406,501	333,706	359,703
172,121	176,062	174,259	170,273	172,461	177,185	170,440
171,221	133,843	126,301	148,061	146,589	146,910	141,129
1,403,881	1,348,098	1,373,674	1,350,570	1,345,525	1,257,180	1,282,709
\$ 4,586,960	\$ 4,141,988	\$ 4,117,422	\$ 3,894,763	\$ 3,826,546	\$ 3,716,537	\$ 3,759,225

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

Table 2

(Continued)

	Fiscal Year		
	2025	2024	2023
Program Revenue			
Governmental Activities			
Charges for Services:			
General Government	\$ 18,475	\$ 18,493	\$ 17,150
Criminal Justice	19,553	13,040	15,936
Public Safety	112,679	93,453	85,370
Transportation	253,879	270,865	301,416
Community Enrichment	17,970	17,013	20,598
Community Development	112,384	117,507	116,388
Environmental Services	48	85	52
Operating Grants and Contributions	610,713	601,670	628,062
Capital Grants and Contributions	202,009	256,134	312,924
Total Governmental Activities Program Revenue	1,347,710	1,388,260	1,497,896
Business-Type Activities			
Charges for Services:			
Aviation	765,438	702,996	626,139
Phoenix Convention Center	58,704	58,259	53,319
Water Services	639,596	576,124	490,556
Wastewater Services	272,746	247,651	268,652
Solid Waste	214,472	210,229	201,735
Grants and Contributions	171,544	148,719	210,050
Total Business-Type Activities Program Revenue	2,122,500	1,943,978	1,850,451
Total Primary Government Program Revenue	\$ 3,470,210	\$ 3,332,238	\$ 3,348,347
Net (Expense)/Revenue			
Governmental Activities	\$ (1,977,646)	\$ (1,979,584)	\$ (1,670,693)
Business-Type Activities	386,840	325,028	366,339
Total Primary Government Net Expense	\$ (1,590,806)	\$ (1,654,556)	\$ (1,304,354)

Table 2
(Continued)

Fiscal Year						
2022	2021	2020	2019	2018	2017	2016
\$ 17,321	\$ 17,077	\$ 18,395	\$ 22,012	\$ 20,491	\$ 19,784	\$ 18,387
17,547	23,970	14,239	22,232	15,684	14,583	15,813
78,363	59,862	70,309	70,377	69,201	69,671	68,167
332,866	10,484	30,552	39,226	36,181	35,083	36,331
12,082	8,936	9,696	11,208	9,448	9,708	11,016
122,070	97,406	94,086	95,974	83,925	74,490	68,396
80	74	49	64	40	22	134
695,334	689,564	472,089	407,132	407,429	396,866	355,750
403,681	350,544	169,586	134,985	177,863	96,058	94,379
1,679,344	1,257,917	879,001	803,210	820,262	716,265	668,373
525,220	378,553	451,157	520,951	506,988	403,766	380,533
45,556	27,114	43,040	47,381	44,743	40,568	42,840
469,835	467,576	425,390	382,915	413,263	398,263	378,378
224,819	216,830	213,562	209,415	207,747	198,945	193,727
199,550	185,699	154,685	148,728	149,023	150,346	146,799
284,760	226,844	80,209	99,914	95,356	204,212	138,162
1,749,740	1,502,616	1,368,043	1,409,304	1,417,120	1,396,100	1,280,439
\$ 3,429,084	\$ 2,760,533	\$ 2,247,044	\$ 2,212,514	\$ 2,237,382	\$ 2,112,365	\$ 1,948,812
\$ (1,503,735)	\$ (1,535,973)	\$ (1,864,747)	\$ (1,740,983)	\$ (1,660,759)	\$ (1,743,092)	\$ (1,808,143)
345,859	154,518	(5,631)	58,734	71,595	138,920	(2,270)
\$ (1,157,876)	\$ (1,381,455)	\$ (1,870,378)	\$ (1,682,249)	\$ (1,589,164)	\$ (1,604,172)	\$ (1,810,413)

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

Table 2

(Continued)

	Fiscal Year		
	2025	2024	2023
General Revenues and Other Changes in			
Net Position			
Governmental Activities			
Taxes	\$ 1,827,274	\$ 1,835,827	\$ 1,775,126
Grants and Contributions Not Restricted	752,642	838,435	687,048
Investment Earnings, Net	139,954	211,629	32,214
Miscellaneous	113,312	94,358	80,433
Sale Proceeds from DPHC to City for Debt Repayment	-	-	-
Transfers - Internal Activities	(74,291)	(57,484)	(61,379)
Total Governmental Activities	2,758,891	2,922,765	2,513,442
Business-Type Activities			
Investment Earnings, Net	148,590	37,668	77,046
Miscellaneous	9,310	14,867	10,491
Transfers - Internal Activities	74,291	57,484	61,379
Total Business-Type Activities	232,191	110,019	148,916
Total Primary Government	2,991,082	3,032,784	2,662,358
Change in Net Position (Deficit)			
Governmental Activities	781,245	943,181	842,749
Business-Type Activities	619,031	435,047	515,255
Total Primary Government	\$ 1,400,276	\$ 1,378,228	\$ 1,358,004

Table 2
(Continued)

Fiscal Year							
2022	2021	2020	2019	2018	2017	2016	
\$ 1,645,122	\$ 1,409,082	\$ 1,288,430	\$ 1,261,469	\$ 1,165,415	\$ 1,116,831	\$ 1,009,824	
553,265	654,429	483,036	437,427	434,985	406,084	376,017	
(82,226)	(6,861)	33,833	41,942	9,190	6,355	11,932	
90,230	130,504	117,512	76,255	118,620	85,994	82,607	
-	-	-	265,000	-	-	-	
(48,921)	(24,742)	(26,571)	(33,581)	(25,547)	(18,321)	(24,631)	
2,157,470	2,162,412	1,896,240	2,048,512	1,702,663	1,596,943	1,455,749	
43,900	13,633	49,628	48,815	9,062	5,347	16,097	
10,834	-	-	-	-	-	-	
48,921	24,742	26,571	33,581	25,547	18,321	24,631	
103,655	38,375	76,199	82,396	34,609	23,668	40,728	
2,261,125	2,200,787	1,972,439	2,130,908	1,737,272	1,620,611	1,496,477	
653,735	626,439	31,493	307,529	41,904	(146,149)	(352,394)	
449,514	192,893	70,568	141,130	106,204	162,588	38,458	
\$ 1,103,249	\$ 819,332	\$ 102,061	\$ 448,659	\$ 148,108	\$ 16,439	\$ (313,936)	

Fund Balances of Governmental Funds
Table 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2025	2024	2023	2022
General Fund				
Non-Spendable	\$ 38,725	\$ 37,881	\$ 34,609	\$ 28,596
Spendable				
Restricted	55,222	52,733	50,362	49,526
Assigned	230,546	211,586	208,190	159,263
Unassigned	276,798	353,150	141,143	201,757
Total General Fund	601,291	655,350	434,304	439,142
All Other Governmental Funds				
Non-Spendable	953	671	746	832
Spendable				
Restricted	1,718,383	1,366,354	1,444,055	1,228,610
Committed	167,219	150,452	139,017	119,342
Assigned	244,218	253,788	274,423	170,193
Unassigned	(71,051)	(72,515)	(226,563)	(221,449)
Total All Other Governmental Funds	2,059,722	1,698,750	1,631,678	1,297,528
Total Fund Balances of Governmental Funds	\$ 2,661,013	\$ 2,354,100	\$ 2,065,982	\$ 1,736,670

Table 3
(Continued)

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 21,876	\$ 17,240	\$ 17,134	\$ 16,175	\$ 13,706	\$ 13,498
49,942	49,878	48,920	47,774	49,024	62,047
136,559	107,216	97,461	79,144	51,510	48,715
374,772	255,782	243,541	216,572	241,712	227,227
583,149	430,116	407,056	359,665	355,952	351,487
794	789	801	954	5,235	5,386
1,016,336	857,174	813,308	812,860	871,823	701,583
92,496	93,538	81,575	72,032	55,304	38,803
156,470	147,631	157,235	156,061	153,146	141,007
(116,188)	(56,177)	(14,701)	(10,666)	(15,581)	(11,117)
1,149,908	1,042,955	1,038,218	1,031,241	1,069,927	875,662
\$ 1,733,057	\$ 1,473,071	\$ 1,445,274	\$ 1,390,906	\$ 1,425,879	\$ 1,227,149

Changes in Fund Balances of Governmental Funds
Table 4

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2025	2024	2023	2022
Revenues				
City Taxes (see Table 5)	\$ 1,828,509	\$ 1,834,352	\$ 1,774,833	\$ 1,645,068
Licenses and Permits	18,906	18,240	16,922	17,159
Intergovernmental (see Table 6)	1,559,027	1,692,214	1,628,004	1,628,465
Charges for Services	270,020	257,414	247,124	238,364
Fines and Forfeitures	8,786	3,517	5,773	7,317
Parks and Recreation	1,919	1,665	1,470	1,018
Special Assessments	1,115	849	2,053	8
Investment Income (Loss)	139,954	211,629	32,214	(82,226)
Interest Income from Leases	6,926	7,042	6,618	4,782
Dwelling Rentals	5,676	4,546	4,678	5,557
Other	105,690	86,242	72,931	85,746
Total Revenues	3,946,528	4,117,710	3,792,620	3,551,258
Expenditures				
General Government	179,711	149,271	134,675	159,254
Criminal Justice	46,854	44,824	43,993	41,003
Public Safety	1,496,748	1,441,058	1,314,145	1,172,208
Transportation	427,956	432,887	389,258	350,263
Community Enrichment	357,370	379,896	365,364	346,409
Community Development	331,138	323,156	269,330	235,112
Environmental Services	31,164	27,322	22,029	46,722
Debt Service:				
Principal	153,408	160,357	213,468	168,998
Interest	73,980	62,567	65,410	61,747
Bond Issuance Costs	1,545	-	-	565
Other	6,431	1,420	2,151	2,905
Capital	916,121	749,350	733,353	974,816
Leases/Subscriptions	-	-	2,238	21,224
Total Expenditures	4,022,426	3,772,108	3,555,414	3,581,226
Excess (Deficiency) of Revenues Over Expenditures	\$ (75,898)	\$ 345,602	\$ 237,206	\$ (29,968)

Table 4
(Continued)

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 1,410,625	\$ 1,287,094	\$ 1,261,164	\$ 1,165,539	\$ 1,116,077	\$ 1,009,918
16,926	18,271	21,871	20,125	19,275	18,209
1,632,857	1,111,832	948,743	996,708	885,972	814,134
178,652	197,396	208,584	192,338	183,619	173,372
14,098	11,374	19,087	12,349	11,285	12,106
141	1,130	1,815	1,715	1,865	6,919
2	10	9	11	14	13
(6,861)	33,832	41,942	9,190	6,355	11,932
-	-	-	-	-	-
6,978	8,140	8,720	8,057	7,825	7,077
130,642	117,432	76,318	115,954	86,022	82,546
3,384,060	2,786,511	2,588,253	2,521,986	2,318,309	2,136,226
129,098	92,079	69,693	75,317	71,173	78,973
37,626	36,883	35,762	34,285	33,884	32,406
1,099,800	1,075,342	996,765	959,741	897,590	858,297
328,235	367,735	367,586	308,118	266,745	253,265
304,346	234,441	224,326	220,198	216,310	505,522
244,928	224,352	192,766	201,031	193,900	175,956
28,798	31,347	12,250	10,624	12,839	12,002
117,917	173,201	155,902	133,784	149,208	130,974
62,569	68,517	73,746	87,932	89,040	95,401
1,368	32	1,062	461	2,326	491
3,759	164	1,205	1,204	1,207	1,225
957,579	626,858	399,218	498,717	303,398	274,864
-	-	-	-	-	-
3,316,023	2,930,951	2,530,281	2,531,412	2,237,620	2,419,376
\$ 68,037	\$ (144,440)	\$ 57,972	\$ (9,426)	\$ 80,689	\$ (283,150)

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

Table 4

(Continued)

	Fiscal Year			
	2025	2024	2023	2022
Other Financing Sources (Uses)				
Transfers From Other Funds	\$ 227,061	\$ 164,437	\$ 239,181	\$ 244,932
Transfers to Other Funds	(301,352)	(221,921)	(300,559)	(293,853)
Proceeds from Leases / Subscriptions	3,710	-	2,238	21,224
Issuance of Debt:				
General Obligation and Revenue Bonds	233,020	-	131,650	-
Premium on General Obligation and Revenue Bonds	18,595	-	19,596	17,176
Certificates of Participation and Municipal Corporation Obligations	180,000	-	-	-
Premium on Certificates of Participation and Municipal Corporation Obligations	21,777	-	-	-
Special Assessment Bonds	-	-	-	-
Refunding Bonds	-	-	-	146,400
Proceeds from Loans	-	-	-	60,000
Proceeds from Refinancing	-	-	-	-
Financed Purchases	-	-	-	-
Deposit to Refunding Escrow	-	-	-	(162,298)
Total Other Financing Sources and Uses	382,811	(57,484)	92,106	33,581
Net Change in Fund Balances	\$ 306,913	\$ 288,118	\$ 329,312	\$ 3,613
Debt Service as a Percentage of Noncapital Expenditures (1)	7.3%	6.9%	8.9%	7.3%

(1) Calculated by taking debt service principal and interest expenditures divided by total expenditures minus capitalized expenditures (capital acquisitions from Exhibit B-4)

Table 4
(Continued)

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 205,364	\$ 181,208	\$ 176,282	\$ 162,292	\$ 166,530	\$ 160,614
(230,106)	(207,779)	(209,863)	(187,839)	(184,851)	(185,245)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	67,930	-
231,595	-	-	-	116,835	-
25,324	-	-	-	28,978	-
-	-	29,977	-	-	-
116,685	-	-	-	362,585	-
-	200,000	-	-	-	-
-	-	-	-	-	306,438
-	(1,192)	-	-	-	-
(156,913)	-	-	-	(439,966)	-
191,949	172,237	(3,604)	(25,547)	118,041	281,807
\$ 259,986	\$ 27,797	\$ (54,368)	\$ (34,973)	\$ 198,730	\$ (1,343)
6.3%	9.4%	10.2%	10.0%	11.6%	10.0%

Tax Revenues by Source - Governmental Funds (1)
Table 5

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2025	2024	2023	2022
General Property Taxes				
Primary - Operating	\$ 213,583	\$ 206,393	\$ 201,050	\$ 192,215
Secondary - Debt Service	137,459	131,014	126,149	119,974
Total General Property Taxes	351,042	337,407	327,199	312,189
City Sales and Franchise Taxes				
General Government Purposes:				
Privilege License Tax and Fees	607,992	624,149	604,770	559,962
Utility and Franchise Tax	128,575	113,660	101,629	97,984
Earmarked for:				
Sports Facilities	29,970	29,932	32,000	27,040
Convention Center	85,052	89,192	92,516	77,786
Neighborhood Protection	53,415	55,009	53,147	49,174
Public Safety Enhancement	35,216	31,258	30,097	26,537
Public Safety Expansion	106,833	110,016	106,294	98,347
Parks & Preserves	53,418	55,007	53,148	49,173
Capital Construction	6,427	7,328	6,292	6,209
Transit	365,494	376,179	362,473	335,608
Total City Sales and Franchise Taxes	1,472,392	1,491,730	1,442,366	1,327,820
Special Taxing District	3,183	2,967	3,142	2,856
Salt River Project In-Lieu Taxes	1,892	2,248	2,126	2,203
Total City Taxes	\$ 1,828,509	\$ 1,834,352	\$ 1,774,833	\$ 1,645,068

(1) Includes general, special revenue and debt service funds.

Table 5
(Continued)

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 182,043	\$ 170,209	\$ 162,129	\$ 154,560	\$ 146,121	\$ 141,310
115,069	107,555	101,652	95,435	91,021	50,484
297,112	277,764	263,781	249,995	237,142	191,794
469,424	416,399	402,238	366,280	355,904	351,148
96,026	90,229	93,776	93,791	90,780	90,845
13,991	17,449	20,732	19,979	18,435	17,874
54,331	55,266	61,200	52,730	49,051	46,501
40,940	36,233	35,073	31,684	30,172	28,706
24,476	23,978	26,138	25,976	25,238	25,391
81,880	72,464	70,033	63,188	60,167	57,350
40,940	36,233	35,073	31,683	30,173	28,705
7,030	8,548	8,812	9,574	11,064	12,875
279,349	247,593	239,418	216,165	203,201	154,628
1,108,387	1,004,392	992,493	911,050	874,185	814,023
3,115	2,880	2,903	2,440	2,735	2,438
2,011	2,058	1,987	2,054	2,015	1,663
\$ 1,410,625	\$ 1,287,094	\$ 1,261,164	\$ 1,165,539	\$ 1,116,077	\$ 1,009,918

Intergovernmental Revenues by Source - Governmental Funds (1)
Table 6

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2025	2024	2023	2022
State Shared Revenue				
Highway User Tax	\$ 160,638	\$ 157,357	\$ 152,748	\$ 155,466
State Sales Tax	266,256	261,511	254,006	240,387
State Income Tax	351,016	435,754	308,183	213,294
Vehicle License Tax	87,754	83,823	80,593	78,695
Local Transportation Assistance	4,067	4,067	4,067	4,053
Total State Shared Revenue	869,731	942,512	799,597	691,895
Federal Grants	398,403	378,283	441,107	570,619
Other Intergovernmental Revenue	290,893	371,419	387,300	365,951
Total Intergovernmental Revenues	\$ 1,559,027	\$ 1,692,214	\$ 1,628,004	\$ 1,628,465

(1) Includes general, special revenue, capital projects and debt service funds.

Table 6
(Continued)

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 146,188	\$ 135,983	\$ 138,864	\$ 131,355	\$ 126,058	\$ 116,682
204,104	171,926	165,066	155,998	143,975	137,544
240,237	214,697	196,918	200,035	191,225	174,234
79,769	70,484	70,210	66,784	61,586	59,801
4,220	4,220	4,220	4,366	4,242	4,356
674,518	597,310	575,278	558,538	527,086	492,617
581,124	339,453	254,653	217,976	250,217	256,853
377,215	175,069	118,812	220,194	108,669	64,664
\$ 1,632,857	\$ 1,111,832	\$ 948,743	\$ 996,708	\$ 885,972	\$ 814,134



City of Phoenix



Statistical Section

REVENUE CAPACITY

*These schedules present information
on the City's sales tax and property tax
collections.*



City of Phoenix



City of Phoenix

City Transaction Privilege Taxes by Category
Table 7

Last Ten Fiscal Years

(in thousands)

Category	Fiscal Year			
	2025	2024	2023	2022
Retail (2) (3)	\$ 631,771	\$ 624,074	\$ 596,044	\$ 573,660
Retail Food Sales (1)	-	-	-	-
Utilities & Telecommunications	118,109	112,014	103,283	98,706
Construction Contracting (2)	125,628	142,966	132,951	120,146
Commercial Rental	117,164	114,034	98,648	90,249
Restaurants & Bars	128,192	125,997	122,779	108,867
Hotel/Motel Lodging	71,793	73,247	75,155	62,238
Tangible Personal Property Rental	71,467	65,307	75,882	51,888
Apartment/Residential Rental	55,458	86,304	81,194	70,139
Motor Vehicle Rental	16,462	16,213	15,561	14,723
Amusements	16,551	18,833	15,151	12,510
Advertising	2,644	2,006	3,103	2,826
Job Printing	2,857	2,681	2,521	2,301
Mining, Timbering, Extraction	5	-	2	25
Publishing	312	300	194	222
Transportation	28	31	42	320
Use Tax (2)	51,638	40,677	54,863	55,562
Jet Fuel	894	874	922	731
Total	\$ 1,410,973	\$ 1,425,558	\$ 1,378,295	\$ 1,265,113

Source: City of Phoenix Finance Department, Revenue and Risk Management Division

(1) Effective April 1, 2015, the Phoenix City Council approved an ordinance to amend the City of Phoenix Tax Code providing for the taxation of the sale of food for home consumption under the retail and use tax business classifications. The tax rate was reduced to 0% from 1%.

(2) Effective January 1, 2016, the City of Phoenix implemented a multi-level tax rate impacting the Retail, Use Tax and Construction Contracting categories. The current rates for 2024-2025 sales are as follows: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$13,886 for a single item. Level 2 at 2.00% for amounts greater than \$13,886 for a single item) and Construction Contracting (Contracts accepted January 1, 2016 to current at 2.30%. Pre-2016 contracts at 2.00%).

(3) Retail includes taxes collected from Medical and Adult Use Marijuana sales due to the passage of Proposition 203 and 207, which passed on November 2, 2010 and November 3, 2020, respectively.

Table 7
(Continued)

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 495,479	\$ 416,153	\$ 379,510	\$ 357,069	\$ 325,641	\$ 300,177
-	3	36	(3)	15	409
98,490	98,533	102,031	105,289	100,131	109,107
95,965	87,560	77,296	58,113	49,117	43,201
88,285	76,915	79,341	75,161	70,001	63,945
81,354	83,530	90,114	85,132	76,848	71,828
31,898	42,975	52,049	47,118	43,262	42,611
39,760	39,805	39,506	32,632	27,165	21,334
59,323	54,064	49,320	45,405	39,310	37,451
7,935	9,463	10,296	13,427	16,109	19,751
4,118	8,013	9,923	9,149	8,595	7,861
2,480	1,934	2,588	2,258	2,110	2,312
1,961	1,948	2,749	2,327	2,207	2,136
-	-	-	-	-	-
78	101	308	494	565	554
979	131	72	15	8	5
49,788	44,415	46,166	38,026	35,449	31,089
780	691	815	1,210	3,092	2,971
\$ 1,058,673	\$ 966,234	\$ 942,120	\$ 872,822	\$ 799,625	\$ 756,742

Direct and Overlapping Sales Tax Rates
Table 8

Last Ten Fiscal Years

Category (1)	As of June 30			
	2025	2024	2023	2022
City Rates				
Retail (3)	2.30/2.00%	2.30/2.00%	2.30/2.00%	2.30/2.00%
Utilities	2.70	2.70	2.70	2.70
Telecommunications	4.70	4.70	4.70	4.70
Construction Contracting (3)	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
Commercial Rental	2.40	2.40	2.40	2.40
Restaurants & Bars	2.30	2.30	2.30	2.30
Hotel/Motel Lodging	5.30	5.30	5.30	5.30
Tangible Personal Property Rental	2.30	2.30	2.30	2.30
Apartment/Residential Rental	2.30	2.30	2.30	2.30
Motor Vehicle Rental	4.30	4.30	4.30	4.30
Amusements	2.30	2.30	2.30	2.30
Advertising	0.50	0.50	0.50	0.50
Job Printing	2.30	2.30	2.30	2.30
Mining	0.10	0.10	0.10	0.10
Timbering/Extraction	2.30	2.30	2.30	2.30
Publishing	2.30	2.30	2.30	2.30
Transportation	2.30	2.30	2.30	2.30
Use Tax (3)	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
Jet Fuel (2)	0.73	0.73	0.73	0.73
County Rates				
Commercial Rental	0.50%	0.50%	0.50%	0.50%
Hotel/Motel Lodging	1.77	1.77	1.77	1.77
All Others	0.70	0.70	0.70	0.70
Mining/Timbering/Extraction	0.44	0.44	0.44	0.44
Jet Fuel (2)	0.31	0.31	0.31	0.31

(1) Excludes State Rates.

(2) Rate shown as cents per gallon.

(3) Effective January 1, 2016, the City of Phoenix implemented a multi-level tax rate impacting the Retail, Use Tax and Construction Contracting categories. The current rates for 2024-2025 sales are as follows: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$13,886 for a single item. Level 2 at 2.00% for amounts greater than \$13,886 for a single item) and Construction Contracting (Contracts accepted January 1, 2016 to current at 2.30%. Pre-2016 contracts at 2.00%).

Source: City of Phoenix Finance Department, Revenue and Risk Management Division

Table 8
(Continued)

As of June 30					
2021	2020	2019	2018	2017	2016
2.30/2.00%	2.30/2.00%	2.30/2.00%	2.30/2.00%	2.30/2.00%	2.30/2.00%
2.70	2.70	2.70	2.70	2.70	2.70
4.70	4.70	4.70	4.70	4.70	4.70
2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
2.40	2.40	2.40	2.40	2.40	2.40
2.30	2.30	2.30	2.30	2.30	2.30
5.30	5.30	5.30	5.30	5.30	5.30
2.30	2.30	2.30	2.30	2.30	2.30
2.30	2.30	2.30	2.30	2.30	2.30
4.30	4.30	4.30	4.30	4.30	4.30
2.30	2.30	2.30	2.30	2.30	2.30
0.50	0.50	0.50	0.50	0.50	0.50
2.30	2.30	2.30	2.30	2.30	2.30
0.10	0.10	0.10	0.10	0.10	0.10
2.30	2.30	2.30	2.30	2.30	2.30
2.30	2.30	2.30	2.30	2.30	2.30
2.30	2.30	2.30	2.30	2.30	2.30
2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
0.73	0.73	0.73	0.73	0.73	0.73
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
1.77	1.77	1.77	1.77	1.77	1.77
0.70	0.70	0.70	0.70	0.70	0.70
0.44	0.44	0.44	0.44	0.44	0.44
0.31	0.31	0.31	0.31	0.31	0.31

City Transaction Privilege Taxpayers - By Category
Table 9

Current Fiscal Year and Nine Years Ago

Category	2025			
	Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
Retail	75,584	40.35%	\$ 631,771	44.78%
Utilities & Telecommunications	1,422	0.76	118,109	8.37
Construction Contracting	9,006	4.81	125,628	8.90
Commercial Rental	22,353	11.93	117,164	8.30
Restaurants & Bars	7,291	3.89	128,192	9.09
Hotel/Motel Lodging	6,126	3.27	71,793	5.09
Tangible Personal Property Rental	7,745	4.13	71,467	5.07
Apartment/Residential Rental	6,036	3.22	55,458	3.93
Motor Vehicle Rental	612	0.33	16,462	1.17
Amusements	1,032	0.55	16,551	1.17
Advertising	604	0.32	2,644	0.19
Job Printing	765	0.41	2,857	0.20
Mining, Timbering, Extraction	71	0.04	5	-
Publishing	216	0.12	312	0.02
Transportation	431	0.23	28	-
Use Tax	47,951	25.60	51,638	3.66
Jet Fuel	69	0.04	894	0.06
Total	187,314	100.00%	\$ 1,410,973	100.00%

Source: City of Phoenix Finance Department, Revenue and Risk Management Division

Table 9
(Continued)

2016			
Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
23,430	41.72%	\$ 300,586	40.24%
400	0.71	99,089	13.27
8,230	14.65	43,201	5.79
7,290	12.98	63,945	8.56
3,312	5.90	71,828	9.62
280	0.50	42,611	5.71
1,090	1.94	21,334	2.86
7,718	13.74	37,451	5.02
45	0.08	19,751	2.65
280	0.50	7,861	1.05
223	0.40	2,312	0.31
317	0.56	2,136	0.29
-	-	-	-
102	0.18	554	0.07
14	0.02	5	-
3,415	6.08	31,089	4.16
21	0.04	2,971	0.40
56,167	100.00%	\$ 746,724	100.00%

City Property Tax Levies and Collections
Table 10

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30,	Collected within the Fiscal Year of the Levy				Total Collections to Date					
	Tax		% of		Collections In Subsequent		% of			
	Levy	Amount	Levy		Years ⁽¹⁾	Amount	Levy			
2025	\$	357,545	\$	346,040	96.78%	\$	-	\$	346,040	96.78%
2024		341,442		334,369	97.93		3,311		337,680	98.90
2023		327,315		322,611	98.56		1,682		324,293	99.08
2022		313,719		308,466	98.33		2,004		310,470	98.96
2021		296,508		292,525	98.66		2,110		294,635	99.37
2020		281,597		273,728	97.21		4,283		278,011	98.73
2019		265,405		260,408	98.12		2,065		262,473	98.90
2018		253,182		248,097	97.99		2,577		250,674	99.01
2017		238,313		235,000	98.61		2,366		237,366	99.60
2016		192,502		189,460	98.42		2,020		191,480	99.47

(1) Amount is the difference between collections to date (from County reports) and the amount collected in the year of the levy.

Source: Maricopa County, Arizona Treasurer's Office



City of Phoenix

Property Tax Rates and Levies - Direct and Overlapping Governments
Table 11

Last Ten Fiscal Years

(in thousands)

										Central	
										Arizona	Maricopa
										Water	County
										Conservation	Library
										District	District

(1) Beginning in fiscal year 2016 (tax year 2015), primary and secondary levies are based on a single valuation, the Limited Net Assessed Valuation. See Note 4 to the financial statements. Fiscal years prior to 2016 use either the Primary Net Assessed Valuation or the Secondary Net Assessed Valuation, as applicable.

(2) Tax rates between the various elementary and high school districts within the City vary. The rates shown on this table are for Phoenix Elementary District No. 1 and Phoenix Union High School District. Tax levies for elementary and high school districts equal the total levy of all overlapping school districts within the City.

Source: Maricopa County Finance Department

Table 11
(Continued)

Volunteer Fire District Assistance	Maricopa Special Health Care District	Education Equalization	School Districts				Total
			Community College	East Valley Inst. of Technology	Western Maricopa Education Center	Elementary and High School ⁽²⁾	
\$ 0.01	\$ 0.29	\$ -	\$ 1.08	\$ 0.05	\$ 0.18	\$ 9.26	\$ 14.44
0.01	0.27	-	1.10	0.05	0.18	9.09	14.28
0.01	0.27	-	1.14	0.05	0.18	9.54	14.83
0.01	0.25	-	1.19	0.05	0.15	9.63	14.99
0.01	0.30	0.43	1.23	0.05	0.16	9.61	15.64
0.01	0.30	0.44	1.29	0.05	0.17	10.42	16.59
0.01	0.33	0.46	1.33	0.05	0.16	11.12	17.37
0.01	0.29	0.47	1.38	0.05	0.15	11.64	17.91
0.01	0.29	0.49	1.41	0.05	0.18	12.03	18.40
0.01	0.31	0.50	1.47	0.05	0.08	12.29	18.66
\$ 1,351	\$ 51,790	\$ -	\$ 192,443	\$ 1,234	\$ 15,057	\$ 1,237,245	\$ 2,131,411
1,375	45,813	-	189,903	1,181	14,577	1,218,006	2,082,819
1,317	44,177	-	185,229	1,131	13,591	1,193,841	2,030,448
1,270	38,540	-	184,245	1,079	10,979	1,164,888	1,973,920
1,273	43,959	63,250	181,414	1,040	10,709	1,130,076	1,998,081
1,253	42,410	61,775	179,345	990	10,556	1,092,762	1,930,902
1,256	44,072	60,096	175,668	941	9,945	1,083,175	1,889,468
1,327	36,468	58,874	170,547	891	8,457	1,043,971	1,804,264
1,196	33,418	57,113	165,225	844	9,568	995,271	1,721,999
1,230	33,529	55,113	160,899	800	4,267	957,588	1,644,862

Property Tax Levies
Table 12

Applicable to Phoenix Property Owners

(in thousands)

	2025-26 Levies							
	Limited Net Assessed Valuation ⁽¹⁾			Primary Tax Rate Per \$100	Total Phoenix Primary Tax Levy		Total Phoenix Secondary Tax Levy	
	Total	Percent	Amount					Total Phoenix Tax Levy
City of Phoenix	\$ 17,772,778	100.00%	\$ 17,772,778	\$ 1.2658	\$ 224,968	\$ 0.8141	\$ 144,688	\$ 369,656
Maricopa County	60,724,517	29.27	17,772,778	1.1591	206,004	-	-	206,004
Flood Control	56,554,826	29.27	16,553,598	-	-	0.1428	23,639	23,639
Central Arizona Water Conservation District	60,474,824	29.27	17,700,981	-	-	0.1400	24,781	24,781
Maricopa County Library District	60,724,517	29.27	17,772,778	-	-	0.0462	8,211	8,211
Volunteer Fire District Assistance	60,724,517	29.27	17,772,778	-	-	0.0076	1,351	1,351
East Valley Institute of Technology	29,382,856	8.40	2,467,971	-	-	0.0500	1,234	1,234
West Maricopa Education Center	23,716,679	34.98	8,295,970	-	-	0.1815	15,057	15,057
Maricopa Special Health Care District	60,474,824	29.39	17,772,778	-	-	0.2914	51,790	51,790
State of Arizona	92,371,827	19.24	17,772,778	-	-	-	-	-
School Districts								
Maricopa County Community College District	60,724,517	29.27	17,772,778	1.0600	188,391	0.0228	4,052	192,443
High School Districts								
Phoenix Union	6,986,211	96.26	6,724,808	1.7212	115,747	2.5476	171,321	287,068
Glendale Union	2,177,321	77.78	1,693,448	1.6194	27,424	1.8127	30,697	58,121
Tempe Union	4,880,654	29.26	1,428,159	1.5926	22,745	0.6660	9,512	32,257
Tolleson Union	2,060,374	47.82	985,249	1.6086	15,849	4.1515	40,903	56,752
Agua Fria Union	2,641,487	0.01	357	1.9527	7	1.2213	4	11
Total High School Districts								434,209
Elementary School Districts								
No. 1 Phoenix	927,299	100.00	927,299	1.7603	16,323	3.2263	29,917	46,240
No. 2 Riverside	515,188	98.14	505,584	1.3096	6,621	1.6802	8,495	15,116
No. 3 Tempe	2,113,239	13.80	291,553	1.6407	4,784	2.7075	7,894	12,678
No. 5 Isaac	188,927	100.00	188,927	1.7729	3,349	5.2553	9,929	13,278
No. 6 Washington	1,739,827	97.33	1,693,448	1.7358	29,395	2.4087	40,790	70,185
No. 7 Wilson	144,342	100.00	144,342	1.6680	2,408	3.0621	4,420	6,828
No. 8 Osborn	586,414	99.96	586,197	1.6338	9,577	2.1336	12,507	22,084
No. 14 Creighton	649,715	87.80	570,419	1.7024	9,711	2.5862	14,752	24,463
No. 17 Tolleson	312,629	20.07	62,756	1.7133	1,075	2.4256	1,522	2,597
No. 21 Murphy	136,113	100.00	136,113	1.7102	2,328	1.5787	2,149	4,477
No. 28 Kyrene	2,767,415	41.07	1,136,606	1.6238	18,456	1.6426	18,670	37,126
No. 31 Balsz	406,056	93.38	379,168	1.6592	6,291	1.8841	7,144	13,435
No. 38 Madison	1,345,278	100.00	1,345,277	1.7866	24,035	2.0226	27,210	51,245
No. 40 Glendale	437,495	<0.01	-	1.7467	-	4.1893	-	-
No. 45 Fowler	517,763	87.62	453,688	1.6455	7,465	1.4360	6,515	13,980
No. 48 Scottsdale (Unified)	7,269,287	14.30	1,039,812	2.2384	23,275	0.9914	10,309	33,584
No. 59 Laveen	413,178	87.17	360,174	1.8378	6,619	4.6823	16,864	23,483
No. 62 Union	140,545	98.13	137,922	1.6989	2,343	2.7141	3,743	6,086
No. 65 Littleton	485,456	16.95	82,301	1.6167	1,331	2.5821	2,125	3,456
No. 66 Roosevelt	901,587	98.90	891,698	1.6612	14,813	4.1982	37,435	52,248
No. 68 Alhambra	394,665	79.10	312,162	1.7871	5,579	4.8053	15,000	20,579
No. 69 Paradise Valley (Unified)	4,803,380	70.80	3,400,616	3.1600	107,459	1.9286	65,584	173,043
No. 79 Litchfield	1,812,167	0.02	357	1.7104	6	1.2202	4	10
No. 83 Cartwright	377,448	100.00	377,448	1.6992	6,414	6.4053	24,177	30,591
No. 92 Pendergast	603,982	41.16	248,581	1.6369	4,069	3.6454	9,062	13,131
No. 93 Cave Creek (Unified)	2,841,222	13.31	378,097	1.0173	3,846	0.1276	482	4,328
No. 97 Deer Valley (Unified)	3,758,751	56.45	2,121,831	3.2158	68,234	1.9102	40,531	108,765
Total Elementary School Districts								803,036
Total All School Districts								1,429,688
Total Levies Applicable to Phoenix								\$ 2,131,411

(1) Beginning in fiscal year 2016 (tax year 2015), primary and secondary levies are based on a single valuation. See Note 4 to the financial statements.

Sources: Maricopa County Finance Department and the State of Arizona

Property Tax Levies**Table 12**

Applicable to Phoenix Property Owners

(Continued)

(in thousands)

2024-25 Levies								
	Limited Net Assessed Valuation ⁽¹⁾			Primary Tax Rate Per \$100	Total Phoenix Primary Tax Levy		Total Phoenix Secondary Tax Levy	
	Total	Percent	Amount		Tax Rate Per \$100		Tax Levy	
City of Phoenix	\$ 17,190,476	100.00%	\$ 17,190,476	\$ 1.2658	\$ 217,597	\$ 0.8141	\$ 139,948	\$ 357,545
Maricopa County	58,328,686	29.47	17,190,476	1.1591	199,255	-	-	199,255
Flood Control	53,876,587	29.47	15,877,430	-	-	0.1470	23,340	23,340
Central Arizona Water Conservation District	57,548,877	29.47	16,959,654	-	-	0.1400	23,744	23,744
Maricopa County Library District	58,328,686	29.47	17,190,476	-	-	0.0470	8,080	8,080
Volunteer Fire District Assistance	58,328,686	29.47	17,190,476	-	-	0.0080	1,375	1,375
East Valley Institute of Technology	28,325,407	8.34	2,362,860	-	-	0.0500	1,181	1,181
West Maricopa Education Center	22,530,836	35.45	7,987,495	-	-	0.1825	14,577	14,577
Maricopa Special Health Care District	57,548,877	29.87	17,190,476	-	-	0.2665	45,813	45,813
State of Arizona	88,425,611	19.44	17,190,476	-	-	-	-	-
School Districts								
Maricopa County Community College District	58,328,686	29.47	17,190,476	1.0486	180,259	0.0561	9,644	189,903
High School Districts								
Phoenix Union	6,827,276	96.35	6,577,853	1.7414	114,547	2.5845	170,005	284,552
Glendale Union	2,097,748	78.02	1,636,652	1.6348	26,756	1.8221	29,821	56,577
Tempe Union	4,742,511	28.96	1,373,554	1.6968	23,306	0.6660	9,148	32,454
Tolleson Union	1,928,261	48.75	940,022	1.8913	17,779	2.8081	26,397	44,176
Agua Fria Union	2,450,770	0.01	278	2.0288	6	1.2241	3	9
Total High School Districts								417,768
Elementary School Districts								
No. 1 Phoenix	917,013	100.00	917,013	1.6354	14,997	3.1285	28,689	43,686
No. 2 Riverside	511,925	98.05	501,959	1.2757	6,403	2.2080	11,083	17,486
No. 3 Tempe	2,026,991	13.58	275,249	1.6293	4,485	2.4184	6,657	11,142
No. 5 Isaac	185,569	100.00	185,569	2.6877	4,988	5.2313	9,708	14,696
No. 6 Washington	1,680,072	97.42	1,636,652	1.8154	29,712	2.4354	39,859	69,571
No. 7 Wilson	147,533	100.00	147,533	1.6382	2,417	2.7804	4,102	6,519
No. 8 Osborn	568,105	99.96	567,888	1.6629	9,443	2.2356	12,696	22,139
No. 14 Creighton	603,956	87.45	528,159	1.7266	9,119	2.6465	13,978	23,097
No. 17 Tolleson	294,963	18.98	55,988	1.7530	981	2.2769	1,275	2,256
No. 21 Murphy	132,663	100.00	132,663	1.7342	2,301	2.2362	2,967	5,268
No. 28 Kyrene	2,715,520	40.45	1,098,305	1.6667	18,305	1.7159	18,846	37,151
No. 31 Balsz	405,062	93.89	380,318	1.7189	6,537	1.6135	6,136	12,673
No. 38 Madison	1,317,975	100.00	1,317,975	1.7130	22,577	2.0501	27,020	49,597
No. 40 Glendale	417,676	<0.01	-	1.6311	-	4.3802	-	-
No. 45 Fowler	511,663	87.95	450,013	1.6753	7,539	1.4513	6,531	14,070
No. 48 Scottsdale (Unified)	7,025,019	14.08	989,307	2.2289	22,051	1.0215	10,106	32,157
No. 59 Laveen	361,823	86.54	313,107	1.8912	5,921	5.0213	15,722	21,643
No. 62 Union	125,810	97.76	122,992	2.0023	2,463	2.5571	3,145	5,608
No. 65 Littleton	442,942	16.62	73,632	1.6669	1,227	2.7400	2,018	3,245
No. 66 Roosevelt	869,011	98.91	859,558	1.7671	15,189	4.3787	37,637	52,826
No. 68 Alhambra	448,434	82.04	367,904	1.7373	6,392	4.0676	14,965	21,357
No. 69 Paradise Valley (Unified)	4,655,224	70.42	3,278,373	3.3160	108,711	2.0011	65,604	174,315
No. 79 Litchfield	1,677,502	0.02	278	1.7514	5	1.2441	3	8
No. 83 Cartwright	358,207	100.00	358,207	2.0150	7,218	6.4005	22,927	30,145
No. 92 Pendergast	552,883	42.94	237,397	1.6855	4,001	3.7139	8,817	12,818
No. 93 Cave Creek (Unified)	2,731,901	13.46	367,825	1.3319	4,899	0.1336	491	5,390
No. 97 Deer Valley (Unified)	3,607,813	56.17	2,026,575	3.2695	66,259	2.2262	45,116	111,375
Total Elementary School Districts								800,238
Total All School Districts								1,407,909
Total Levies Applicable to Phoenix								\$ 2,082,819

Primary Net Assessed Valuation and Estimated True Valuation
Table 13

Last Ten Fiscal Years

(dollars in thousands except for per capita amounts)

Fiscal Year	Secondary Tax		Limited Net Assessed Valuation by Classification ⁽¹⁾				Total
			Commercial/ Utilities/ Industrial	Residential	Rural and Other		
2025-26	\$	0.81	\$ 6,474,750	\$ 10,914,366	\$ 383,662	\$	17,772,778
2024-25		0.81	6,499,945	10,302,040	388,491		17,190,476
2023-24		0.81	6,283,934	9,641,818	339,587		16,265,339
2022-23		0.81	6,105,703	9,053,200	331,629		15,490,532
2021-22		0.81	5,971,432	8,464,971	364,474		14,800,877
2020-21		0.82	5,650,658	7,965,353	307,175		13,923,186
2019-20		0.82	5,459,356	7,444,157	319,504		13,223,017
2018-19		0.82	5,159,914	6,938,819	301,043		12,399,776
2017-18		0.82	4,922,316	6,491,721	307,348		11,721,385
2016-17		0.83	4,642,740	6,062,572	276,839		10,982,151

Source: Maricopa County Finance Department

For further information on population changes that affect the Assessed Valuation per Capita Actual and Uninflated amounts, see Table 21.

(1) Beginning in fiscal year 2016 (tax year 2015), primary and secondary levies are based on a single valuation, the Primary Net Assessed Valuation, also referred to as the Limited Net Assessed Valuation. See Note 4 to the financial statements. Fiscal years prior to 2016 use the Secondary Net Assessed Valuation.

Table 13
(Continued)

Assessed Valuation Per Capita				
Percent Change in Net Valuation	Actual		Uninflated	Estimated True Valuation
3.39%	\$	10,394	\$	5,729
5.69		10,126		5,727
5.00		9,670		5,650
4.66		9,348		5,804
6.30		8,955		5,958
5.30		8,511		5,794
6.64		8,229		5,689
5.79		7,756		5,474
6.73		7,422		5,355
3.83		7,013		5,153
				\$ 183,388,933
				174,381,971
				164,038,643
				154,984,009
				146,033,864
				138,096,772
				129,817,493
				121,702,906
				116,338,740
				110,159,434

Principal Property Taxpayers
Table 14

Current Year and Nine Years Ago

(in thousands)

Taxpayer	2024-25			2015-16		
	Limited Net Assessed Valuation ⁽¹⁾	Ranking	As a Percent of Total City	Secondary Net Assessed Valuation ⁽¹⁾	Ranking	As a Percent of Total City
Arizona Public Service Company	\$ 568,293	1	3.31%	\$ 371,274	1	3.51%
Southwest Gas Corporation (T&D)	127,575	2	0.74	75,218	2	0.71
Salt River Project (T&D)	112,589	3	0.65			
Esplanade Owner LLC	34,256	4	0.20			
Qwest Corporation (DBA Century Link)	32,999	5	0.19	61,902	3	0.59
Host Kierland LP	29,682	6	0.17	35,043	5	0.33
Phoenix Plaza PT LLC	29,679	7	0.17	21,450	9	0.20
Target Corporation	26,095	8	0.15	21,774	8	0.21
United Services Automobile Association	25,328	9	0.15	24,784	7	0.23
CRP LDF 55th Ave LLC	22,082	10	0.13			
AT&T Corporation				38,863	4	0.37
Metropolitan Life Insurance Company				26,204	6	0.25
Starwood Hotels and Resorts				20,591	10	0.19
Total	\$ 1,008,578		5.86%	\$ 697,103		6.59%
City Total Limited Net Assessed Valuation	\$ 17,190,476			\$ 10,577,032		

Sources:

Maricopa County Assessor

Arizona Department of Revenue

City of Phoenix Finance Department

(1) Beginning in fiscal year 2016 (tax year 2015), primary and secondary levies are based on a single valuation, the Limited Net Assessed Valuation. See Note 4 to the financial statements. Fiscal years prior to 2016 used the Secondary Net Assessed Valuation.



Statistical Section

DEBT CAPACITY

These schedules present information regarding the City's current levels of outstanding debt and the City's capacity to issue additional debt.





City of Phoenix



City of Phoenix

Legal Debt Margin - General Obligation Bonds
Table 15

Last Ten Fiscal Years

(in thousands)

	Fiscal Year			
	2025-26	2024-25	2023-24	2022-23
6% Limitation				
Legal Debt Limitation	\$ 2,072,695	\$ 2,115,205	\$ 1,736,343	\$ 1,382,707
General Obligation Bonds Outstanding (1)	120,325	30,965	53,965	76,825
Debt Limit Reduction from Refunding (3)	-	6,835	11,911	14,780
Subtotal	120,325	37,800	65,876	91,605
Total Debt Margin Available	\$ 1,952,370	\$ 2,077,405	\$ 1,670,467	\$ 1,291,102
 Total Net Debt Applicable to the 6% Limit as a percentage of 6% Debt Limit	 5.81%	 1.79%	 3.79%	 6.63%
20% Limitation				
Legal Debt Limitation	\$ 6,908,982	\$ 7,050,684	\$ 5,787,809	\$ 4,609,023
General Obligation Bonds Outstanding (1)	558,885	514,655	593,935	738,570
Debt Limit Reduction from Refunding (3)	42,231	44,848	46,983	47,632
Subtotal	601,116	559,503	640,918	786,202
Total Debt Margin Available	\$ 6,307,866	\$ 6,491,181	\$ 5,146,891	\$ 3,822,821
 Total Net Debt Applicable to the 20% Limit as a percentage of 20% Debt Limit	 8.70%	 7.94%	 11.07%	 17.06%
 Full Cash Net Assessed Valuation	 \$ 34,544,910	 \$ 35,253,420	 \$ 28,939,043	 \$ 23,045,115

(1) Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of the City's full cash net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of the City's full net assessed valuation.

(2) In 2015-16, as a result of Proposition 117, the debt limitation was based on the Primary Net Assessed Valuation. Prior years were based in Secondary Net Assessed Valuation now referred to as Full Cash Net Assessed Valuation. Legislation passed in 2016 changed the basis back to Full Cash Net Assessed Valuation starting in fiscal year 2016-17. See Note 4 to the financial statements for an explanation on Proposition 117.

(3) Per A.R.S. §35-473.01.I, refunding bonds issued on or after August 6, 2016 may cause a reduction in available debt limits based on the nature of the refunded bonds (each, a "Debt Limit Reduction from Refunding"). If the principal amount of the refunded bonds is greater than the principal amount of the bonds that are refunding them and net premium is used to fund the escrow, then the difference in principal amounts will constitute a Debt Limit Reduction from Refunding.

Table 15
(Continued)

Fiscal Year					
2021-22	2020-21	2019-20	2018-19	2017-18	2016-17 ⁽²⁾
\$ 1,306,853	\$ 1,193,383	\$ 1,091,621	\$ 999,953	\$ 921,981	\$ 840,535
91,715	113,510	145,925	172,680	207,115	274,835
14,595	14,628	14,727	17,715	19,355	-
106,310	128,138	160,652	190,395	226,470	274,835
\$ 1,200,543	\$ 1,065,245	\$ 930,969	\$ 809,558	\$ 695,511	\$ 565,700
8.13%	10.74%	14.72%	19.04%	24.56%	32.70%
\$ 4,356,176	\$ 3,977,943	\$ 3,638,736	\$ 3,333,175	\$ 3,073,271	\$ 2,801,784
827,190	890,365	939,125	977,105	994,290	1,061,880
32,899	33,261	34,545	36,102	37,915	-
860,089	923,626	973,670	1,013,207	1,032,205	1,061,880
\$ 3,496,087	\$ 3,054,317	\$ 2,665,066	\$ 2,319,968	\$ 2,041,066	\$ 1,739,904
19.74%	23.22%	26.76%	30.40%	33.59%	37.90%
\$ 21,780,881	\$ 19,889,714	\$ 18,193,681	\$ 16,665,875	\$ 15,366,354	\$ 14,008,919

**Ratio of Debt Service Expenditures for General Bonded Debt
to General Governmental Operating Expenditures - Budget Basis**
Table 16

Last Ten Fiscal Years

(in thousands)

	Total Debt Service		Total General Governmental Operating Expenditures ⁽¹⁾		Ratio of Debt Service to General Governmental Operating Expenditures
2024-25	\$	226,233	\$	3,725,292	6.1%
2023-24		216,046		3,543,453	6.1
2022-23		281,028		3,269,057	8.6
2021-22		233,024		3,062,950	7.6
2020-21		184,421		2,802,951	6.6
2019-20		241,914		2,597,121	9.3
2018-19		230,724		2,480,223	9.3
2017-18		213,683		2,261,519	9.4
2016-17		230,590		2,225,748	10.4
2015-16		219,326		2,046,050	10.7

(1) Includes all funds other than the enterprise funds. See Table 24.



City of Phoenix

Pledged-Revenue Bond Coverage (1)
Table 17

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30,	Airport Revenue Bonds ⁽²⁾						Rental Car Facility Charge Revenue Bonds ⁽⁴⁾			
	Operating Revenues	Less: Operating Expenses	Net Operating Revenues	Principal	Interest	Coverage	Customer Facility Charge Revenues	Principal	Interest	Coverage
2025	\$ 675,954	\$ 367,356	\$ 308,598	\$ 44,839	\$ 51,703	3.20	\$ 55,242	\$ 8,185	\$ 12,359	2.69
2024	622,136	321,698	300,438	42,662	54,039	3.11	52,527	7,995	12,545	2.56
2023 ⁽³⁾	524,308	301,735	222,573	442	6,565	31.76	48,058	7,825	12,720	2.34
2022 ⁽³⁾	449,805	278,986	170,819	-	3,035	56.28	59,454	7,655	12,885	2.89
2021 ⁽³⁾	304,431	242,138	62,293	6,020	2,448	7.36	34,435	7,500	13,043	1.68
2020	368,898	259,866	109,032	30,071	38,210	1.60	40,583	2,410	11,610	2.89
2019	410,375	257,345	153,030	23,797	38,095	2.47	50,851	10,990	10,284	2.39
2018	401,197	249,613	151,584	29,759	31,356	2.48	48,765	10,370	10,903	2.29
2017	370,841	245,116	125,725	26,310	28,420	2.30	46,882	9,795	11,478	2.20
2016	360,163	230,236	129,927	24,581	28,156	2.46	46,969	9,255	12,022	2.21

Fiscal Year Ended June 30,	Excise Tax Revenue Bonds ⁽⁵⁾				Transit Excise Tax Revenue Bonds ⁽⁶⁾				Community Facilities District Assessment Bonds ⁽⁷⁾			
	Excise Tax Revenues	Principal	Interest	Coverage	Transit Excise Tax Revenues	Principal	Interest	Coverage	Assessment Collections/ Project Revenues	Principal	Interest	Coverage
2025	\$ 1,513,327	\$ 66,025	\$ 42,084	14.00	\$ 208,854	\$ -	\$ -	-	\$ 2,532	\$ 790	\$ 1,461	1.12
2024	1,595,667	61,825	35,589	16.38	214,959	-	-	-	2,443	755	1,494	1.09
2023	1,432,513	60,995	37,138	14.60	207,127	-	-	-	3,076	725	1,526	1.37
2022	1,252,223	38,389	33,197	17.49	191,777	-	-	-	1,971	695	1,557	0.88
2021	1,112,310	50,130	33,760	13.26	159,627	-	-	-	1,241	665	1,586	0.55
2020	1,001,305	53,400	32,471	11.66	141,482	67,275	3,264	2.01	972	-	-	-
2019	976,954	52,975	34,677	11.15	136,674	61,060	6,117	2.03	-	-	-	-
2018	925,893	39,355	44,450	11.05	123,318	55,205	8,775	1.93	-	-	-	-
2017	887,212	41,855	40,718	10.74	115,910	49,865	11,071	1.90	-	-	-	-
2016	858,716	38,285	44,146	10.42	112,254	37,145	12,807	2.25	-	-	-	-

(1) Includes bonds issued by the City of Phoenix as well as the City of Phoenix Civic Improvement Corporation. Pledged-revenue coverage is calculated using budgetary basis operating revenues net of operating expenses. Actual budgetary amounts are obtained from Special Revenue Fund Budgetary Comparison Schedules and Enterprise Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis.

(2) Excludes defeasance of Airport Bonds Series 2008B and 2008D (AMT) on June 29, 2018.

(3) The Airport Revenue Bonds principal and interest payments in fiscal years 2021, 2022, and 2023 represent the amounts not covered by the CARES Act Grant.

(4) Includes Customer Facility Charge (CFC) receipts deposited into the Trustee-held Revenue Fund only. Revenues are derived primarily from daily usage fees paid by rental car customers arriving at Phoenix Sky Harbor International Airport. Effective January 1, 2009, the CFC is \$6.00 per transaction day. The \$6.00 CFC rate is considered Pledged Revenues and is required to be deposited into the Trustee-held Revenue Fund. In Fiscal Years 2009 through 2020 \$4.50 of the \$6.00 Pledged Rate was considered Pledged Revenues. The City was not required to deposit the CFC receipts generated by the additional \$1.50 into the Trustee-held Revenue. In Fiscal Years 2009 through 2020, the City opted to deposit the entire \$6.00 CFC into the Trustee-held Revenue Fund. The Pledged Revenues must be used to fund various accounts established under the Bond Indenture, including the debt service fund.

(5) Debt service on some Excise Tax Bonds are paid from solid waste revenues, but only pledged excise tax revenues are included in this table.

Pledged-Revenue Bond Coverage (1)

Last Ten Fiscal Years

(in thousands)

Table 17

(Continued)

Fiscal Year Ended June 30,	Special Assessment Bonds ⁽⁸⁾					Wastewater Revenue Bonds					
	Special Assessment Collections	Principal	Interest	Coverage		Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage
2025	\$ -	\$ -	\$ -	-		\$ 295,664	\$ 109,153	\$ 186,511	\$ 26,096	\$ 36,456	2.98
2024	-	-	-	-		266,185	101,174	165,011	51,714	31,806	1.98
2023	-	-	-	-		241,867	91,360	150,507	49,277	27,468	1.96
2022	-	-	-	-		242,837	85,617	157,220	47,007	24,362	2.20
2021	-	-	-	-		227,870	81,235	146,635	44,827	26,547	2.05
2020	9	16	1	0.54		226,717	78,753	147,964	42,778	28,597	2.07
2019	10	17	2	0.53		219,198	80,831	138,367	42,899	30,850	1.88
2018	11	19	3	0.50		215,580	78,753	136,827	42,052	26,971	1.98
2017	14	18	4	0.64		205,748	74,591	131,157	39,485	29,704	1.90
2016	13	19	5	0.54		199,761	66,817	132,944	36,568	32,626	1.92
Water Revenue Bonds											
Fiscal Year Ended June 30,	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage					
2025	\$ 682,013	\$ 302,795	\$ 379,218	\$ 72,003	\$ 63,631	2.80					
2024	623,246	290,469	332,777	75,100	67,416	2.34					
2023	504,507	260,065	244,442	71,487	76,388	1.65					
2022	495,345	230,171	265,174	58,020	73,733	2.01					
2021	496,694	221,644	275,050	64,972	68,851	2.06					
2020	458,761	211,527	247,234	62,025	58,736	2.05					
2019	406,217	205,280	200,937	58,678	54,325	1.78					
2018	441,468	193,018	248,450	52,976	56,861	2.26					
2017	420,471	168,119	252,352	47,690	59,339	2.36					
2016	399,709	168,304	231,405	34,344	62,058	2.40					

(6) The City has pledged 100% of a 0.4% increase in the City's privilege license (sales) tax rate approved by the City of Phoenix voters on March 14, 2000 to be used for expanded bus service, the construction of a light rail system and other transportation improvements. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing tax rate dedicated for transportation. The dedicated sales tax rate was increased from the previous 0.4% transit sales tax rate to 0.7% and became effective January 1, 2016, with a sunset date of December 31, 2050. Only the revenue collected from the original 0.4% transit sales tax is currently pledged to the Transit Excise Tax Bonds.

(7) The City issued Park Central Community Facilities District Special Assessment Revenue Bonds, Taxable Series 2019 on June 27, 2019. In Fiscal Year 2020, the Interest payments totaling \$1,603,304 were funded with Capitalized Interest held in the Debt Service Expense Fund. The first interest payment on these bonds was made on January 1, 2020.

(8) Coverage ratio is less than 1.0 due to prepayment of assessments that were in fund balance.

Ratio of Outstanding Debt by Type
Table 18

Last Ten Fiscal Years

(in thousands, except per capita)

Fiscal Year	Governmental Activities										Total Governmental Activities
	General Obligation Bonds	Loans from Direct Borrowings	Municipal Corporation Bonds	Special Assessment Bonds	Community Facilities Districts ⁽¹⁾	Leases ⁽²⁾	Subscriptions ⁽²⁾	Financed Purchases ⁽²⁾	Premiums/ (Discounts)		
2025	\$ 679,210	\$ -	\$ 657,000	\$ -	\$ 26,370	\$ 15,915	\$ 29,779	\$ -	\$ 86,072	\$ 1,494,346	
2024	545,620	-	524,290	-	27,160	17,537	30,783	-	61,714	1,207,104	
2023	647,900	-	575,155	-	27,915	19,034	35,740	-	76,996	1,382,740	
2022	815,395	-	488,750	-	28,640	20,413	-	-	77,826	1,431,024	
2021	918,575	-	509,205	-	29,335	-	-	1,166	80,594	1,538,875	
2020	1,002,860	40,940	303,235	44	30,000	-	-	2,307	74,823	1,454,209	
2019	1,071,685	40,940	407,595	60	30,000	-	-	3,424	93,366	1,647,070	
2018	1,129,145	305,940	506,020	77	-	-	-	4,516	115,000	2,060,698	
2017	1,178,330	305,940	590,600	96	-	-	-	5,586	139,710	2,220,262	
2016	1,305,320	305,940	563,630	114	-	-	-	6,633	65,478	2,247,115	

Business-Type Activities						Total		
Fiscal Year	General Obligation Bonds	Loans from Direct Borrowings	Municipal Corporation Bonds	Premiums/ (Discounts)	Total Business-Type Activities	Total Debt as a Percentage of		
						Total Primary Government	Personal Income ⁽³⁾	Total Debt Per Capita ⁽³⁾
2025	\$ -	\$ 5,185	\$ 4,681,825	\$ 475,186	\$ 5,162,196	\$ 6,656,542	5.9%	\$ 3,893
2024	-	6,554	4,889,359	524,243	5,420,156	6,627,260	5.9	3,904
2023	-	8,338	4,720,050	555,470	5,283,858	6,666,598	6.0	3,963
2022	-	10,087	4,948,325	611,243	5,569,655	7,000,679	6.8	4,225
2021	330	11,804	5,127,085	669,014	5,808,233	7,347,108	7.7	4,507
2020	1,015	13,488	4,998,006	642,199	5,654,708	7,108,917	8.4	4,346
2019	13,365	14,991	3,900,400	418,690	4,347,446	5,994,516	7.8	3,731
2018	20,640	13,014	3,843,625	442,932	4,320,211	6,380,909	8.6	3,991
2017	23,075	14,007	3,783,345	339,184	4,159,611	6,379,873	9.4	4,040
2016	31,395	14,971	3,996,090	282,330	4,324,786	6,571,901	9.6	4,197

(1) Community Facilities District bonds are not backed by pledged revenues of any City of Phoenix bond credits. Payments on Community Facilities District bonds are payable from assessments on properties within the district.

(2) Leases, Subscriptions and Financed Purchases are not backed by pledged revenues of any City of Phoenix bond credits. Payments are subject to annual expenditure appropriation of the applicable fund.

(3) See Table 21 for personal income and population data. Per Capita Income is not available for calendar year 2024 or 2025, therefore, 2023 calendar year per capita income was used.

Governmental & Business-Type Activities Debt per Capita**Table 19**

Last Ten Fiscal Years

(in thousands)

Fiscal Year	General Obligation Bonded Debt				Debt Secured by Revenues other than Property Tax ⁽²⁾	Premiums/ (Discounts)	Less: Amounts Available in Debt Service Fund ⁽³⁾	Net Direct Bonded Debt	Net Direct Bonded Debt Per Capita
	Governmental Activities	Business-Type Activities	Total	As a Percentage of Valuation of Property ⁽¹⁾					
2024-25	\$ 679,210	\$ -	\$ 679,210	3.8%	\$ 967,721	\$ 115,687	\$ 8,844	\$ 1,753,774	\$ 1,026
2023-24	545,620	-	545,620	3.2	876,580	95,046	8,246	1,509,000	889
2022-23	647,900	-	647,900	4.0	890,085	114,269	7,256	1,644,998	978
2021-22	815,395	-	815,395	5.3	819,430	119,441	70,705	1,683,561	1,016
2020-21	918,575	330	918,905	6.2	859,000	126,938	74,743	1,830,100	1,123
2019-20	1,002,860	1,015	1,003,875	7.2	662,321	112,239	78,476	1,699,959	1,039
2018-19	1,071,685	13,365	1,085,050	8.2	784,129	135,224	81,826	1,922,577	1,197
2017-18	1,129,145	20,640	1,149,785	9.3	1,164,273	161,733	80,712	2,395,079	1,498
2016-17	1,178,330	23,075	1,201,405	10.2	1,259,923	191,602	81,101	2,571,829	1,629
2015-16	1,305,320	31,395	1,336,715	12.2	1,250,922	117,574	110,282	2,594,929	1,657

(1) Percentage of Valuation of Property only includes property tax supported bonded debt.

(2) Includes Loans from Direct Borrowings, Certificates of Participation, Municipal Corporation Obligations, Special Assessment Bonds, Leases and Financed Purchases issued under the general credit of the City which includes the General Obligation and Excise Tax credits.

(3) Restricted balance in the General Obligation/Secondary Property Tax Fund.

Direct and Overlapping Bonded Debt
Table 20

June 30, 2025

(in thousands)

	Direct Debt	
Direct Debt - City of Phoenix Governmental Activities (1)		
General Obligation Bonds		
6% Limitation Various Purpose	\$	120,325
20% Limitation Various Purpose		558,885
Total General Obligation Bonds		679,210
Other Obligations		
Municipal Corporation Obligations		657,000
Community Facilities Districts		26,370
Leases		15,915
Subscriptions		29,779
Total Other Obligations		729,064
Total Direct Debt		1,408,274
Discounts/Premiums		86,072
Total Governmental Activities	\$	1,494,346

	Bonded Debt	Valuation Percent to City	Overlapping Debt
Overlapping Debt (2)			
Maricopa County Community College District	\$ 87,320	29.27%	\$ 25,559
High School Districts			
Phoenix Union	364,285	96.26	350,661
Glendale Union	151,480	77.78	117,821
Tempe Union	100,105	29.26	29,291
Tolleson Union	258,395	47.82	123,564
Agua Fria Union	238,675	0.01	24
Elementary School Districts			
No. 1 Phoenix	75,070	100.00	75,070
No. 2 Riverside	43,210	98.14	42,406
No. 3 Tempe	126,650	13.80	17,478
No. 6 Washington	92,260	97.33	89,797
No. 7 Wilson	1,875	100.00	1,875
No. 8 Osborn	60,565	99.96	60,541
No. 14 Creighton	54,530	87.80	47,877
No. 17 Tolleson	35,015	20.07	7,028
No. 28 Kyrene	143,065	41.07	58,757
No. 31 Balsz	31,605	93.38	29,513
No. 38 Madison	103,555	100.00	103,555
No. 40 Glendale	43,965	<0.01	-
No. 45 Fowler	5,800	87.62	5,082
No. 48 Scottsdale (Unified)	153,625	14.30	21,968
No. 59 Laveen	30,720	87.17	26,779
No. 62 Union	14,490	98.13	14,219
No. 65 Littleton	42,400	16.95	7,187
No. 66 Roosevelt	104,350	98.90	103,202
No. 68 Alhambra	34,270	79.10	27,108
No. 69 Paradise Valley (Unified)	323,977	70.80	229,376
No. 79 Litchfield	50,875	0.02	10
No. 83 Cartwright	67,560	100.00	67,560
No. 92 Pendergast	65,215	41.16	26,842
No. 93 Cave Creek (Unified)	19,065	13.31	2,538
No. 97 Deer Valley (Unified)	176,740	56.45	99,770
Total Overlapping Debt	\$ 3,100,712		1,812,458
Net Direct and Overlapping Bonded Debt			\$ 3,306,804

(1) Net of cash with fiscal agent for July 1, 2025 maturities.

(2) Source: Prior year Arizona Department of Administration (ADOA) Report of Bond Indebtedness Fiscal Year 2024, General Obligation Bonds outstanding, not including discounts/premiums, as of 6/30/25. The ADOA Report of Bond Indebtedness Fiscal Year 2025 is not available until December 2025.



Statistical Section

ECONOMIC AND DEMOGRAPHIC INFORMATION

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



City of Phoenix

Demographic Statistics

Table 21

June 30, 2025

Fiscal Year	Population (June 30)	Personal Income (in thousands)	Per Capita Income ⁽¹⁾	Median Age	Elementary & High School Enrollment	Unemployment Rate
2025	1,709,885	\$ 113,476,518	\$ 66,365 ⁽²⁾	37.5	⁽²⁾ 263,940	4.1%
2024	1,697,696	112,667,595	66,365 ⁽²⁾	37.5	⁽²⁾ 262,441	3.3%
2023	1,682,053	111,629,447	66,365 ⁽²⁾	37.5	⁽²⁾ 270,257	3.5%
2022	1,657,035	102,471,044	61,840	37.1	273,319	3.3%
2021	1,630,195	95,053,410	58,308	36.9	270,013	6.8%
2020	1,635,879	84,821,962	51,851	36.6	280,023	10.3%
2019	1,606,815	77,231,563	48,065	36.4	269,226	4.9%
2018	1,598,736	74,403,575	46,539	35.8	277,104	4.7%
2017	1,579,253	67,694,680	42,865	35.6	278,622	5.0%
2016	1,565,896	68,316,911	43,628	36.1	276,832	5.8%

(1) Calendar Year

(2) Amount and age not yet available for calendar years 2024 and 2025, therefore, 2023 calendar year per capita income and median age was used. Data was updated per source as of March 4, 2025, and December 12, 2024, respectively.

Source: City of Phoenix Planning and Development Services Department
U.S Department of Commerce, Bureau of Economic Analysis
Arizona Department of Education
Arizona Office of Economic Opportunity

Principal Employers

Current Year and Nine Years Ago

Table 22

Employer ⁽¹⁾	2025			2016		
	Employees ⁽¹⁾	Rank	Percentage of Total City Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total City Employment ⁽²⁾
Banner Health	48,869	1	1.99%	40,226	2	2.10%
Amazon.com Inc	40,000	2	1.63%			
State of Arizona	39,733	3	1.62%	42,687	1	2.23%
Walmart Inc	37,979	4	1.55%	34,350	3	1.79%
Arizona State University	35,754	5	1.46%	12,488	8	0.65%
University of Arizona	22,391	6	0.91%			
Fry's Food Stores	20,000	7	0.82%	18,870	4	0.99%
HonorHealth	16,969	8	0.69%			
Dignity Health Arizona	14,676	9	0.60%			
City of Phoenix	14,452	10	0.59%	14,421	6	0.75%
Wells Fargo & Co				14,860	5	0.78%
US Postal Service				13,509	7	0.71%
Intel Corp				11,000	9	0.57%
Bank of America				9,809	10	0.51%

Source: Phoenix Business Journal Book of Lists

(1) Top employers in the State of Arizona. Employee count is inclusive of all Arizona employees.

(2) City Employment is the Phoenix-Mesa-Scottsdale MSA total nonfarm employment, seasonally adjusted.



Statistical Section

OPERATING INFORMATION

These schedules contain services and infrastructure data to show how the City's financial information relates to the services the City provides and the activities it performs.





City of Phoenix



City of Phoenix

Statistical Profile
Table 23

Last Ten Fiscal Years

	2025	2024	2023	2022
AREA (square miles)	520.1	519.4	519.3	519.9
POPULATION AND DWELLING UNITS (1)				
City of Phoenix	1,709,885	1,697,696	1,682,053	1,657,035
Maricopa County (Metro Phoenix) (2)	4,726,247	4,726,247	4,665,020	4,586,431
Number of Dwelling Units (City)	684,256	671,351	658,481	650,236
CITY EMPLOYEES (3)				
Governmental:				
General Government	1,047	1,011	1,030	932
Criminal Justice	275	272	273	284
Public Safety	6,093	5,945	5,814	5,858
Transportation	694	689	662	676
Environmental Services	443	436	415	396
Community Enrichment	1,247	1,263	1,207	1,397
Community Development	811	799	760	740
Total Governmental Employees	10,610	10,415	10,161	10,283
Public Enterprise:				
Aviation	843	837	793	771
Phoenix Convention Center	175	176	163	192
Water Services	1,121	1,076	1,057	1,013
Wastewater Services	289	286	275	260
Solid Waste	571	578	598	554
Total Public Enterprise Employees	2,999	2,953	2,886	2,790
Total Full-Time Employees	13,609	13,368	13,047	13,073
Governmental Employees per 1,000 Population	6.2	6.2	6.0	6.2
PUBLIC SAFETY				
Police Protection				
Police Precincts	7	7	7	7
Police Employees (Authorized, Sworn)	3,271	3,271	3,271	3,270
Dispatched Calls for Service	595,869	597,321	611,846	665,652
Total Calls for 911/Crimestop	1,720,441	1,699,788	1,761,310	1,815,096
Fire Protection				
Fire Stations	60	59	59	59
Fire Employees	2,561	2,421	2,366	2,281
Total Calls for Service	284,499	228,040	233,651	243,635
COMMUNITY ENRICHMENT				
Libraries				
Number	18	17	17	17
Total Stock (in thousands)	5,143	4,540	4,478	4,524
Circulation (in thousands) (4)	10,558	10,266	9,364	8,453
Parks And Recreation				
Number of Play Structures	298	296	296	296
City Parks (number of acres)	48,425	48,425	45,085	45,085

(1) Source: City of Phoenix Planning and Development Services Department. Derived from data from the 2010 Census, the 2020 Census, the Arizona State Demographer's Office, the Maricopa Association of Governments, and the Arizona Commerce Authority.

(2) Maricopa County population not yet available for 2025, therefore, the July 1, 2024 county population was used.

(3) City-wide actual full time employees. Public Safety also includes authorized full-time positions.

(4) Fiscal year 2021 circulation reduced due to branch closures. Only curbside services available due to COVID-19.

Table 23
(Continued)

2021	2020	2019	2018	2017	2016
519.9	519.7	519.7	519.5	519.5	519.4
1,630,195	1,635,879	1,606,815	1,598,736	1,579,253	1,565,896
4,507,419	4,436,704	4,374,730	4,229,000	4,221,684	4,152,807
640,714	632,236	625,641	618,923	613,463	609,405
896	873	866	880	900	879
267	271	257	255	254	249
5,856	5,977	5,981	5,856	5,775	5,642
701	730	699	677	703	650
408	399	399	394	394	370
1,099	1,101	1,090	1,071	1,080	1,045
729	706	698	703	712	685
9,956	10,057	9,990	9,836	9,818	9,520
751	777	793	815	784	748
143	178	180	186	187	187
1,043	1,036	1,043	1,025	1,029	978
275	271	263	281	292	288
574	581	574	543	533	549
2,786	2,843	2,853	2,850	2,825	2,750
12,742	12,900	12,843	12,686	12,643	12,270
6.0	6.1	6.2	6.2	6.2	6.1
7	7	7	7	7	7
3,271	3,271	3,274	3,272	3,272	3,269
655,503	680,834	680,037	682,689	691,346	671,456
1,844,861	2,007,520	2,023,811	2,061,535	2,287,694	2,354,398
59	59	58	58	58	58
2,121	2,074	2,055	1,995	1,997	1,979
217,992	212,988	206,969	212,869	212,259	204,669
17	17	17	17	17	17
4,287	3,409	3,800	3,500	1,837	1,908
6,833	8,529	11,500	11,303	12,096	12,901
283	279	268	268	268	256
45,146	45,636	45,636	45,313	45,313	45,313

Statistical Profile
 Last Ten Fiscal Years

Table 23
 (Continued)

	2025	2024	2023	2022
TRANSPORTATION				
Public Transit Ridership				
Bus (in thousands) (5)	17,963	17,060	16,427	16,876
Dial-a-Ride (in thousands)	323	315	297	285
Light Rail (in thousands) (6)	6,164	6,309	5,728	5,102
Traffic Control And Lighting				
Signalized Intersections	1,300	1,268	1,183	1,182
Street Lights in Use	99,598	97,546	97,444	96,937
Streets				
Miles of Streets	4,919	4,897	4,870	4,863
Miles Resurfaced and Sealed:				
Major/Collector Streets	62	65	97	122
Local Streets	287	246	307	213
COMMUNITY DEVELOPMENT				
Construction Permits (7)				
Number of Permits Issued	40,366	43,386	47,737	49,719
Market Value (in thousands)	7,253,377	6,944,662	8,899,236	9,277,267
AVIATION				
Scheduled Airlines Served	23	23	22	22
Aircraft Traffic Movements (in thousands)	1,156	1,075	956	778
Passengers Enplaned/Deplaned (in thousands)	52,130	50,698	47,037	43,939
PHOENIX CONVENTION CENTER				
Number of Conventions (8)	63	68	68	62
Number of Attendees (8)	709,161	784,719	723,614	512,996
WATER SERVICES				
Production (billion gallons)	106.0	104.8	96.2	100.2
Average Daily Production (million gallons)	290.4	287.0	268.9	274.5
Miles of Water Mains	7,184	7,158	7,130	7,027
Number of Accounts	451,611	447,852	443,463	442,287
WASTEWATER SERVICES				
Miles of Sewer Lines	5,066	5,055	5,037	4,985
Number of Accounts	433,994	430,019	423,122	415,840
SOLID WASTE COLLECTION SERVICES				
Residences Served	424,400	424,210	420,586	417,182
City Disposal (tons)	537,242	605,443	613,149	626,381
Total Disposal (tons)	936,787	971,092	974,563	1,003,944
Total Recycling (tons)	113,104	113,616	119,420	124,985
GOLF				
Rounds of Golf Played	311,245	306,912	291,762	280,867
Acres of Golf Courses Maintained	622	622	622	622

(5) Reported bus boardings were lower than actual boardings due to COVID-19. Rear-door boardings were in effect throughout fiscal year 2021, and fareboxes were not being used. Front door boarding and use of fareboxes resumed on October 11, 2021.

(6) Ridership data represents passenger boardings in the City of Phoenix only and does not include boardings in other cities.

(7) Construction permits include plumbing, electrical and mechanical permits, which are excluded from Table 13.

(8) The majority of convention events were cancelled starting in March 2020 due to COVID-19. The first convention post-COVID-19 was in June 2021.

Table 23
(Continued)

2021	2020	2019	2018	2017	2016
15,122	27,837	34,523	35,365	33,725	34,615
274	302	349	339	330	371
4,032	8,008	9,822	10,318	10,864	9,850
1,162	1,153	1,148	1,135	1,140	1,130
96,828	94,886	95,600	95,600	91,449	90,927
4,858	4,863	4,863	4,863	4,857	4,857
139	57	74	79	86	107
445	359	318	263	387	122
47,977	43,330	44,246	44,533	42,698	42,384
6,858,336	5,635,054	4,707,133	4,104,288	3,655,744	3,937,700
20	20	23	21	19	19
751	932	974	925	923	927
26,780	34,726	45,531	44,340	43,533	44,158
3	72	61	57	62	59
25,340	331,762	528,411	512,463	644,431	642,982
106.2	97.5	94.9	102.7	97.8	97.6
290.9	266.3	260.7	281.4	268.1	266.8
7,027	7,007	6,980	6,967	6,888	6,882
433,023	429,739	425,492	421,226	423,569	416,303
4,954	4,896	4,906	4,890	4,847	4,846
421,521	417,633	413,967	414,559	410,952	406,967
413,826	410,177	408,264	405,009	402,504	400,549
631,870	637,804	613,421	596,161	623,032	589,033
986,352	978,032	938,906	861,177	943,347	896,255
128,788	123,722	119,944	120,113	119,517	114,319
274,725	215,306	191,807	170,480	200,405	223,266
622	622	622	622	622	622



City of Phoenix



Statistical Section
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**OTHER SUPPORTING
SCHEDULES**



City of Phoenix



City of Phoenix

Summary of Operating Funds - Budget Basis
For the Fiscal Year Ended June 30, 2025
(in thousands)

Table 24

	Resources					
	Fund Balances July 1	Revenues	Recoveries	Fund Transfers		Total
				From	To	
General Purpose Funds						
General Fund	\$ 293,513	\$ 509,571	\$ 9,032	\$ 1,382,672	\$ (36,492)	\$ 2,158,296
Excise Tax	-	2,092,487	-	-	(2,092,487)	-
Total General Purpose Funds	293,513	2,602,058	9,032	1,382,672	(2,128,979)	2,158,296
Federal Funds						
Transit - Federal Grants	(21,661)	40,315	86	156	(369)	18,527
Grants						
Human Services	(5,841)	69,534	2,297	-	-	65,990
Community Development	(965)	16,262	176	-	-	15,473
Federal Operating Trust	(21,382)	109,807	5,700	-	-	94,125
Public Housing Neighborhood Transformation	2,543	6,963	337	-	-	9,843
Total Federal Funds	(47,278)	242,881	8,596	156	(369)	203,958
Other Special Revenue and Debt Service Funds						
Highway User Revenue	87,081	169,113	1,446	131	(3,398)	254,373
Transportation Tax 2050	451,818	52,276	9,693	367,456	(10,462)	870,781
Transit - Other Agency	(2,247)	68,858	15	156	(1,396)	65,386
Municipal Court Awards	(775)	3,413	177	-	-	2,815
Parks and Preserves	91,963	5,590	3,023	53,418	(110)	153,884
Development Services	35,854	83,106	11,170	-	(6,683)	123,447
Community Reinvestment	21,356	8,365	96	-	(2,067)	27,750
Public Housing	35,710	177,699	10,677	-	(126)	223,960
Sports Facilities	104,267	8,269	86	29,970	(16,631)	125,961
Capital Construction	25,900	1,116	202	7,226	-	34,444
Other Restricted	223,093	63,014	326	60,764	(2,159)	345,038
Neighborhood Protection	24,487	1,235	148	60,915	(878)	85,907
Public Safety Enhancement	26,838	-	13	35,216	(15,612)	46,455
Public Safety Expansion	48,408	1,052	5	110,583	(2,010)	158,038
Golf Courses	7,236	13,786	77	-	-	21,099
Secondary Property Tax Debt Service	100	137,458	-	52	(1,269)	136,341
City Improvement	-	23	-	82,194	-	82,217
Regional Wireless Cooperative	3,723	6,379	-	-	-	10,102
Total Other Funds	1,184,813	800,752	37,154	808,081	(62,801)	2,767,998
Enterprise Funds						
Aviation	754,130	675,954	8,223	816	(22,630)	1,416,493
Phoenix Convention Center	169,706	40,449	1,510	85,052	(4,778)	291,939
Water System	118,852	662,696	6,028	-	(67,892)	719,684
Water System - Val Vista	1,171	39,712	341	-	(1,222)	40,002
Wastewater	239,263	290,999	4,666	3,831	(17,019)	521,740
Wastewater - SROG	3,110	74,118	4,068	-	(2,940)	78,356
Solid Waste	54,170	216,762	1,833	5,623	(13,276)	265,112
Total Enterprise Funds	1,340,402	2,000,690	26,669	95,322	(129,757)	3,333,326
Total Operating Funds	\$ 2,771,450	\$ 5,646,381	\$ 81,451	2,286,231	(2,321,906)	\$ 8,463,578
Other Transfers - Non-budgeted Funds				59,016	(23,341)	
				\$ 2,345,247	\$ (2,345,247)	

(1) Includes operating capital outlay and utility repayment agreements.

Table 24
(Continued)

Expenditures and Encumbrances						Fund Balances June 30
Current Operating ⁽¹⁾	Capital Impr. Program	Debt Service	Lease- Purchase	Total		
\$ 1,886,240	\$ 50,274	\$ -	\$ -	\$ 1,936,514	\$	221,782
-	-	-	-	-	-	-
1,886,240	50,274	-	-	1,936,514		221,782
14,625	40,236	-	-	54,861		(36,334)
66,184	4,186	-	-	70,370		(4,380)
15,990	1,690	-	-	17,680		(2,207)
89,840	37,354	-	-	127,194		(33,069)
1,850	5,525	-	-	7,375		2,468
188,489	88,991	-	-	277,480		(73,522)
83,355	87,153	-	-	170,508		83,865
243,348	136,924	-	-	380,272		490,509
69,031	6,714	-	-	75,745		(10,359)
3,255	-	-	-	3,255		(440)
6,520	67,772	-	-	74,292		79,592
86,148	5,651	-	-	91,799		31,648
1,719	4,288	-	-	6,007		21,743
159,536	7,263	-	-	166,799		57,161
2,933	2,736	-	-	5,669		120,292
132	10,940	-	-	11,072		23,372
71,555	17,445	-	-	89,000		256,038
55,612	-	-	-	55,612		30,295
31,423	-	-	-	31,423		15,032
114,252	-	-	-	114,252		43,786
11,204	-	-	-	11,204		9,895
-	-	136,341	-	136,341		-
-	-	1,011	81,206	82,217		-
3,876	1,955	-	-	5,831		4,271
943,899	348,841	137,352	81,206	1,511,298		1,256,700
367,356	132,120	96,542	-	596,018		820,475
70,380	5,281	-	23,685	99,346		192,593
298,561	143,041	144,149	-	585,751		133,933
37,382	4,424	-	-	41,806		(1,804)
110,803	86,620	62,552	-	259,975		261,765
64,009	8,015	-	-	72,024		6,332
174,051	5,914	150	9,997	190,112		75,000
1,122,542	385,415	303,393	33,682	1,845,032		1,488,294
\$ 4,141,170	\$ 873,521	\$ 440,745	\$ 114,888	\$ 5,570,324	\$	2,893,254

Summary of Capital Projects Funds Budget Basis
 For the Fiscal Year Ended June 30, 2025
 (in thousands)

Table 25

	Resources				
	Beginning Balances, July 1	Current Revenue			Recovery of Prior Years Expenditures
		Grants	Interest	Other	
General Government					
100 W Washington	\$ 25,885	\$ -	\$ 12,797	\$ 4,366	\$ 335
2001 Bond Program	(189)	-	-	-	-
2006 Bond Program	1,441	-	10,386	-	-
Badging System	29,026	-	1,065	(865)	1
General Government Lease Purchase	13,635	-	519	(423)	143
Mega V Lease Purchase	530	-	963	(485)	-
Regional Wireless	685	-	25	-	-
SAP/HANA Upgrade	162	-	8	-	-
Sports Facilities Capital Reserve	22,023	-	1,023	-	-
Time and Labor System	8,036	-	-	-	-
Trunked Radio System	179	-	-	-	-
	101,413	-	26,786	2,593	479
Public Safety					
1988 Bond Program	27	-	-	-	-
2001 Bond Program	(566)	-	-	-	-
2006 Bond Program	(7,042)	-	-	-	19
2023 Bond Program	(5,523)	-	7	-	420
Aerial Fleet Capital Reserve Fund	659	-	-	-	-
Impact Fees	23,624	-	864	3,649	-
Other Cities Reimbursement - 800Mhz	289	-	-	-	-
2025 Bond Program	-	-	-	-	-
	11,468	-	871	3,649	439
Transportation					
1988 Bond Program	849	-	-	-	-
2001 Bond Program	(532)	-	-	-	-
2004 CIC Transit LRT Revenue Bonds	67	-	-	-	-
2006 Bond Program	6,701	-	-	-	-
2023 Bond Program	(2)	-	-	-	-
AHUR Capital Reserve	9,428	-	378	50	-
American Rec. & Reinv. Act of 2009	(1)	-	-	-	-
Federal Aid - Street Transportation	(1,976)	6,709	-	-	412
Federal Transportation Administration Grants	(73,286)	1,243	-	-	-
Impact Fees	68,947	-	1,831	11,571	3
Northwest Valley Transportation Infrastructure	(2,033)	199	-	-	2,149
Paradise Ridge Flood Control	19,000	-	-	-	-
State Aid - Street Transportation	1,049	(6,994)	-	1,621	5
Streets Developer Reimbursement	(4,738)	1,673	-	17,624	14
	23,473	2,830	2,209	30,866	2,583
Public Works					
2001 Bond Program	317	-	-	-	-
2006 Bond Program	(720)	-	-	-	-
Capital Replacement Fund	5,181	-	46	-	825
Impact Fees	16,206	-	680	1,279	-
Facilities Capital Grants Total	-	306	-	-	-
	20,984	306	726	1,279	825
Community Enrichment					
1988 Bond Program	419	-	-	-	-
2001 Bond Program	2,548	-	-	-	-
2006 Bond Program	760	-	-	-	-
2023 Bond Program	(103)	-	-	-	-
Impact Fees	32,084	-	1,466	5,203	1
Parks & Rec Grants	2,301	140	-	-	-
Parks and Rec Dept Capital Gifts	35	-	-	452	-
	38,044	140	1,466	5,655	1
Community Development					
1989 Bond Program	2	-	-	-	-
2001 Bond Program	1,326	-	-	-	-
2006 Bond Program	(929)	-	-	-	-
2023 Bond Program	(132)	-	-	-	-
830 E Jefferson Remodel	(13)	-	-	-	-
Federal Modernization Grants	2,422	8,367	220	-	37
Impact Fees	2,600	-	34	-	-
	\$ 5,276	\$ 8,367	\$ 254	\$ -	\$ 37

Table 25
(Continued)

Bonds Sold	Fund Transfers To (From)	Total Resources	Uses Expenditures and Encumbrances	Ending Balances, June 30	Bonds Available for Sale
\$ 249,560	\$ (58,518)	234,425	\$ (18,301)	\$ 216,124	
-	-	(189)	-	(189)	615
986	(52)	12,761	(748)	12,013	4,790
-	-	29,227	(1,550)	27,677	-
33,594	(899)	46,569	(4,683)	41,886	-
-	-	1,008	-	1,008	-
-	-	710	-	710	-
-	-	170	(167)	3	-
-	-	23,046	-	23,046	-
11,304	(19,337)	3	(3)	-	-
-	-	179	-	179	-
295,444	(78,806)	347,909	(25,452)	322,457	5,405
-	-	27	-	27	-
-	-	(566)	-	(566)	1,915
-	-	(7,023)	-	(7,023)	36,700
105,893	9,524	110,321	(74,630)	35,691	61,012
-	14,005	14,664	(8,875)	5,789	-
-	-	28,137	(6,838)	21,299	-
-	-	289	-	289	-
-	-	-	(2)	(2)	-
105,893	23,529	145,849	(90,345)	55,504	99,627
-	-	849	-	849	1,000
-	-	(532)	-	(532)	2,225
-	(67)	-	-	-	-
-	-	6,701	-	6,701	23,865
-	7,222	7,220	(9,449)	(2,229)	30,945
-	-	9,856	(17)	9,839	-
-	1	-	-	-	-
-	91	5,236	(25,782)	(20,546)	-
-	(526)	(72,569)	(1,872)	(74,441)	-
-	-	82,352	(2,210)	80,142	-
-	-	315	(129)	186	-
-	-	19,000	-	19,000	-
-	4,898	579	(14,554)	(13,975)	-
-	(5,835)	8,738	(9,849)	(1,111)	-
-	5,784	67,745	(63,862)	3,883	58,035
-	-	317	-	317	305
-	-	(720)	-	(720)	9,669
20,505	10,000	36,557	(13,779)	22,778	-
-	-	18,165	(6)	18,159	-
-	-	306	(2,073)	(1,767)	-
20,505	10,000	54,625	(15,858)	38,767	9,974
-	-	419	-	419	-
-	-	2,548	-	2,548	7,400
-	-	760	-	760	26,056
-	3,620	3,517	(10,831)	(7,314)	106,074
-	-	38,754	(12,173)	26,581	-
-	-	2,441	(2,410)	31	-
-	-	487	-	487	-
-	3,620	48,926	(25,414)	23,512	139,530
-	-	2	-	2	-
-	-	1,326	2	1,328	3,150
-	-	(929)	(153)	(1,082)	34,665
-	24,135	24,003	(24,090)	(87)	51,969
-	-	(13)	-	(13)	-
-	-	11,046	(3,017)	8,029	-
-	-	2,634	-	2,634	-
\$ -	\$ 24,135	\$ 38,069	\$ (27,258)	\$ 10,811	\$ 89,784

Summary of Capital Projects Funds Budget Basis
For the Fiscal Year Ended June 30, 2025
(in thousands)

Table 25
(Continued)

	Beginning Balances, July 1	Resources			Recovery of Prior Years Expenditures
		Grants	Current Revenue Interest	Other	
Aviation					
2020 CFC Bond	\$ (1,491)	\$ -	\$ 7	\$ -	\$ 995
Airport Facilities Improvement Grants	(267,349)	60,184	-	-	1,725
Airport Revenue Bonds	(302,420)	-	3,765	(1,715)	18,988
CFC Trustee-Improvement Reserves/Surplus	70,008	-	3,585	55,263	-
City Improvement Aviation Bonds	170,371	-	2	-	-
Passenger Facility Charges	156,919	-	7,827	96,467	1,631
Transportation Security Admin Grant	-	-	-	-	-
	(173,962)	60,184	15,186	150,015	23,339
Phoenix Convention Center					
CC Expansion Series B	13,387	25,999	1,486	-	-
Lease Purchase	-	-	-	-	-
	13,387	25,999	1,486	-	-
Water System					
CIC Water Bonds	(138,583)	-	3,737	(1,823)	17,272
NW Valley Water Infrastructure	10,743	-	-	-	-
Impact Fees	97,907	-	4,721	15,608	-
Water Imp Dist Proj-Prop Owner	-	-	-	-	-
Special Water Improvement	100,010	-	-	-	-
Val Vista - Other Agencies' Participation	(3,510)	-	-	2,262	227
Water Capital Grants	-	61	-	-	-
	66,567	61	8,458	16,047	17,499
Wastewater					
CIC Wastewater Bonds	(24,171)	-	5,927	(640)	2,295
NW Valley Wastewater Inf	24,791	-	-	-	-
Impact Fees	34,052	-	1,372	10,842	-
Special Wastewater Improvement	53,000	-	-	-	-
SROG - Other Agencies' Participation	(33,969)	-	-	31,824	428
	53,703	-	7,299	42,026	2,723
Solid Waste					
End Use Reserve	17,632	-	606	-	-
Solid - Mega IV	260	-	160	-	-
Solid Waste Capital Grants	-	78	-	-	-
Solid Waste Disposal CIC Bonds Prin/Int	4	-	-	-	-
Solid Waste Remediation Funds	5,494	-	219	-	4
SWD Equipment Facilities Bonds	8,415	-	457	(549)	94
	31,805	78	1,442	(549)	98
	\$ 192,158	\$ 97,965	\$ 66,183	\$ 251,581	\$ 48,023

Table 25
(Continued)

			Uses			
Bonds Sold	Fund Transfers To(From)	Total Resources	Expenditures and Encumbrances	Ending Balances, June 30	Bonds Available for Sale	
\$ -	\$ 422	\$ (67)	\$ -	\$ (67)	\$ -	-
-	5,858	(199,582)	(78,015)	(277,597)	-	-
-	(1,395)	(282,777)	(69,159)	(351,936)	-	-
-	(16,658)	112,198	(26,571)	85,627	-	-
91,295	(96,753)	164,915	(571)	164,344	-	-
-	651	263,495	(171,457)	92,038	-	-
-	-	-	-	-	-	-
91,295	(107,875)	58,182	(345,773)	(287,591)	-	-
-	-	40,872	(25,999)	14,873	-	-
30,005	-	30,005	(30,000)	5	-	-
30,005	-	70,877	(55,999)	14,878	-	-
-	37,144	(82,253)	(35,074)	(117,327)	-	-
-	-	10,743	-	10,743	-	-
-	-	118,236	(1,031)	117,205	-	-
-	-	-	-	-	-	-
-	-	100,010	-	100,010	-	-
-	-	(1,021)	(12,430)	(13,451)	-	-
-	-	61	(3,496)	(3,435)	-	-
-	37,144	145,776	(52,031)	93,745	-	-
-	-	(16,589)	(355,502)	(372,091)	-	-
-	(3,831)	20,960	-	20,960	-	-
-	-	46,266	(338)	45,928	-	-
-	-	53,000	-	53,000	-	-
-	-	(1,717)	(37,513)	(39,230)	-	-
-	(3,831)	101,920	(393,353)	(291,433)	-	-
-	(5,546)	12,692	-	12,692	-	-
-	-	420	-	420	-	-
-	(78)	-	-	-	-	-
-	-	4	-	4	-	-
-	-	5,717	(155)	5,562	-	-
-	19,338	27,755	(22,332)	5,423	-	-
-	13,714	46,588	(22,487)	24,101	-	-
\$ 543,142	\$ (72,586)	\$ 1,126,466	\$ (1,117,832)	\$ 8,634	\$ 402,355	-

**Capital Improvement Program
Expenditures and Encumbrances**
Table 26

For the Fiscal Years Ended June 30, 2025 and 2024

(in thousands)

	Operating Funds ⁽¹⁾		Capital Funds		Totals	
	2025	2024	2025	2024	2025	2024
General Government						
Information Technology	\$ 9,300	\$ 10,820	\$ 6,197	\$ 101	\$ 15,497	\$ 10,921
Regional Wireless	1,955	-	-	-	1,955	-
Finance Projects	1,000	-	167	1,031	1,167	1,031
	12,255	10,820	6,364	1,132	18,619	11,952
Criminal Justice						
Municipal Court	4,673	-	-	6,273	4,673	6,273
	4,673	-	-	6,273	4,673	6,273
Public Safety						
Fire Protection	4,423	1,953	53,370	6,273	57,793	8,226
Police Protection	-	-	33,610	10,732	33,610	10,732
	4,423	1,953	86,980	17,005	91,403	18,958
Transportation						
Street Transportation and Drainage	174,818	125,322	63,907	23,032	238,725	148,354
Transit	125,726	86,068	-	119	125,726	86,187
	300,544	211,390	63,907	23,151	364,451	234,541
Public Works						
Facilities Management	26,797	20,558	23,934	24,487	50,731	45,045
	26,797	20,558	23,934	24,487	50,731	45,045
Community Enrichment						
Arts and Cultural Facilities	3,072	1,765	4,262	13	7,334	1,778
Libraries	3,272	1,722	117	-	3,389	1,722
Parks and Mountain Preserves	69,070	84,015	15,506	13,583	84,576	97,598
	75,414	87,502	19,885	13,596	95,299	101,098
Community Development						
Economic/Downtown Development	4,836	6,071	24,009	-	28,845	6,071
Human Services	21,728	12,934	926	-	22,654	12,934
Historic Preservation	5,405	24,686	1,358	-	6,763	24,686
Housing / HOPE VI	34,940	30,544	3,534	4,920	38,474	35,464
Neighborhood Development	117	495	-	-	117	495
	67,026	74,730	29,827	4,920	96,853	79,650
Aviation	131,656	92,395	345,684	680,859	477,340	773,254
Convention Center	5,907	7,251	73,379	25,499	79,286	32,750
Water System	155,301	165,211	53,971	167,774	209,272	332,985
Wastewater	84,379	87,905	391,414	179,986	475,793	267,891
Solid Waste	5,147	6,788	22,487	10,484	27,634	17,272
	<u>\$ 873,522</u>	<u>\$ 766,503</u>	<u>\$ 1,117,832</u>	<u>\$ 1,155,166</u>	<u>\$ 1,991,354</u>	<u>\$ 1,921,669</u>

(1) The amounts reported on this exhibit are by program, not by funding source. For the enterprise operating funds, funding for capital improvement program expenditures for the fiscal year ended June 30, 2025 as reported in the accompanying budgetary financial statements were as follows:

Aviation	\$ 132,120
Convention Center	5,281
Water	143,041
Water - Val Vista	4,424
Wastewater	86,620
Wastewater - SROG	8,015
Solid Waste	5,914
	<u>\$ 385,415</u>

Transfers To/From Other Funds
For the Fiscal Year Ended June 30, 2025
(in thousands)

Table 27

	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise Funds	Totals
Transfers From						
General Fund	\$ -	\$ 32,009 ⁽¹⁾	\$ 52,093 ⁽³⁾	\$ 10,000 ⁽⁴⁾	\$ 85,867	\$ 179,969
Special Revenue						
Transit	716	44 ⁽²⁾	7,980 ⁽³⁾	-	-	8,740
Highway User Revenue	-	-	3,398 ⁽³⁾	-	-	3,398
Development Services	2,067	-	-	-	-	2,067
Public Housing	126	-	-	-	-	126
Neighborhood Protection	102	-	-	-	-	102
Public Safety Enhancement	205	11,264 ⁽²⁾	-	-	-	11,469
Total Special Revenue	3,216	11,308	11,378	-	-	25,902
Debt Service						
Sports Facilities	1	21 ⁽²⁾	16,494 ⁽³⁾	-	-	16,516
Total Debt Service	1	21	16,494	-	-	16,516
Capital Projects						
Parks and Preserves	103	7 ⁽²⁾	-	-	-	110
Street Improvements	-	-	899 ⁽³⁾	-	-	899
Police and Fire Protection	-	-	13 ⁽³⁾	-	-	13
Municipal Buildings and Svc Centers	-	-	52 ⁽³⁾	58,487 ⁽⁵⁾	19,337 ⁽⁶⁾	77,876
Transit	-	67 ⁽²⁾	-	-	-	67
Total Capital Projects	103	74	964	58,487	19,337	78,965
Enterprise						
Aviation	-	-	458 ⁽³⁾	-	-	458
Phoenix Convention Center	384	59 ⁽²⁾	85 ⁽³⁾	-	-	528
Water System	17,574	-	202 ⁽³⁾	-	-	17,776
Wastewater	10,354	-	141 ⁽³⁾	-	-	10,495
Solid Waste	1,225	-	431 ⁽³⁾	-	-	1,656
Total Enterprise	29,537	59	1,317	-	-	30,913
Totals	\$ 32,857	\$ 43,471	\$ 82,246	\$ 68,487	\$ 105,204	\$ 332,265

(1) Other Restricted and Public Housing

(2) Other Restricted, Neighborhood Protection, and Transportation 2050

(3) City Improvement and General Obligation Secondary Property Tax

(4) Municipal Buildings and Service Centers

(5) General Obligation Capital

(6) Solid Waste

Budgetary Transfers - Budget Basis
Table 28

For the Fiscal Year Ended June 30, 2025

(in thousands)

	Transfers to					
	General Fund			Special Revenue		
Transfers from	Staff and Administrative	In-Lieu Property Taxes	Other Transfers	Total General Fund	Neighborhood Protection	Transportation Tax 2050
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds						
Excise Tax	-	-	1,281,330	1,281,330	53,415	365,494
Highway User Revenue	-	-	-	-	-	-
Transit Other Agency	-	-	-	-	-	1,240
Federal Transit Grants	-	-	-	-	-	136
Transportation Tax 2050	1,703	-	-	1,703	-	-
Development Services	6,683	-	-	6,683	-	-
Community Reinvestment	-	-	2,067	2,067	-	-
Public Housing	-	126	-	126	-	-
Parks and Preserves	-	-	-	-	-	-
Other Restricted	676	-	1,483	2,159	-	-
Neighborhood Protection	769	-	-	769	-	-
Public Safety Enhancement	612	-	-	612	7,500	-
Public Safety Expansion	1,791	-	-	1,791	-	-
Total Special Revenue	12,234	126	1,284,880	1,297,240	60,915	366,870
Debt Service Funds						
Sports Facilities	115	-	-	115	-	-
Secondary Property Tax	-	-	-	-	-	-
Total Debt Service	115	-	-	115	-	-
Enterprise Funds						
Aviation	16,637	-	-	16,637	-	-
Phoenix Convention Center	4,250	-	-	4,250	-	-
Water System	12,972	17,574	-	30,546	-	-
Water System - Val Vista	1,222	-	-	1,222	-	-
Wastewater	6,523	10,354	-	16,877	-	-
Wastewater - SROG	2,940	-	-	2,940	-	-
Solid Waste	11,620	1,225	-	12,845	-	-
Total Enterprise	56,164	29,153	-	85,317	-	-
Other Funds not Budgeted						
Interest Alignment Trust	-	-	-	-	-	-
Transit Capital Projects	-	-	-	-	-	-
Street Improvements Capital Projects	-	-	-	-	-	-
Transportation 2050 Capital Projects	-	-	-	-	-	586
General Obligation Capital	-	-	-	-	-	-
City Improvement Capital	-	-	-	-	-	-
Solid Waste Capital	-	-	-	-	-	-
Wastewater Capital	-	-	-	-	-	-
Total Other Funds not Budgeted	-	-	-	-	-	586
Totals	\$ 68,513	\$ 29,279	\$ 1,284,880	\$ 1,382,672	\$ 60,915	\$ 367,456

(1) Transfer to Other Restricted Special Revenue Funds

(2) Transfer to Capital Construction (\$6,427), Parks and Preserves (\$53,418), Public Safety Enhancement (\$35,216), Public Safety Expansion (\$106,833), and Other Restricted Special Revenue Funds (\$23,369)

(3) Transfer to Transit - Federal Transit Grants Special Revenue Fund

(4) Transfer to Neighborhood Protection Special Revenue Fund

(5) Transfer to Highway User Special Revenue Fund (\$131) and Capital Construction Capital Projects Fund (\$799)

(6) Transfer to City Improvement Debt Service Fund

(7) Transfer to City Improvement Debt Service Fund (\$51,963) and Sports Facilities Debt Service Fund (\$29,970)

(8) Transfer to Secondary Property Tax Debt Service Fund

Table 28
(Continued)

Transfers to						
Funds		Enterprise Funds		Funds Not Budgeted		Totals
Other	Debt Service Funds	Phoenix Convention Center	Other	Infrastructure Repayment Agreement	Other	
\$ 22,223 ⁽¹⁾	\$ 129 ⁽⁶⁾	\$ -	\$ 816 ⁽⁹⁾	\$ 2,564	\$ 10,760 ⁽¹²⁾	\$ 36,492
225,263 ⁽²⁾	81,933 ⁽⁷⁾	85,052	-	-	-	2,092,487
-	3,398 ⁽⁶⁾	-	-	-	-	3,398
156 ⁽³⁾	-	-	-	-	-	1,396
-	-	-	-	-	233 ⁽¹³⁾	369
63 ⁽¹⁾	7,980 ⁽⁶⁾	-	-	716	-	10,462
-	-	-	-	-	-	6,683
-	-	-	-	-	-	2,067
-	-	-	-	-	-	126
7 ⁽¹⁾	-	-	-	103	-	110
-	-	-	-	-	-	2,159
7 ⁽¹⁾	-	-	-	102	-	878
7,500 ⁽⁴⁾	-	-	-	-	-	15,612
14 ⁽¹⁾	-	-	-	205	-	2,010
233,010	93,311	85,052	-	1,126	233	2,137,757
21 ⁽¹⁾	16,494 ⁽⁶⁾	-	-	1	-	16,631
-	-	-	-	-	1,269 ⁽¹⁴⁾	1,269
21	16,494	-	-	1	1,269	17,900
-	458 ⁽⁶⁾	-	-	-	5,535 ⁽¹⁵⁾	22,630
59 ⁽¹⁾	85 ⁽⁶⁾	-	-	384	-	4,778
-	202 ⁽⁶⁾	-	-	-	37,144 ⁽¹⁶⁾	67,892
-	-	-	-	-	-	1,222
-	142 ⁽⁶⁾	-	-	-	-	17,019
-	-	-	-	-	-	2,940
-	431 ⁽⁶⁾	-	-	-	-	13,276
59	1,318	-	-	384	42,679	129,757
11,251 ⁽¹⁾	-	-	-	-	-	11,251
156 ⁽³⁾	-	-	-	-	-	156
930 ⁽⁵⁾	-	-	-	-	-	930
-	-	-	-	-	-	586
-	52 ⁽⁸⁾	-	-	-	-	52
-	912 ⁽⁶⁾	-	-	-	-	912
-	-	-	5,623 ⁽¹⁰⁾	-	-	5,623
-	-	-	3,831 ⁽¹¹⁾	-	-	3,831
12,337	964	-	9,454	-	-	23,341
\$ 267,650	\$ 112,216	\$ 85,052	\$ 10,270	\$ 4,075	\$ 54,941	\$ 2,345,247

(9) Transfer to Aviation Enterprise Fund

(10) Transfer to Solid Waste Enterprise Fund

(11) Transfer to Wastewater Enterprise Fund

(12) Transfer to Municipal Buildings and Service Centers (\$10,000) and Life Insurance Trust (\$760)

(13) Transfer to Transit Capital Fund

(14) Transfer to General Obligation Reserve Fund

(15) Transfer to Aviation Capital Fund

(16) Transfer to Water Capital Fund

Bonds and Other Debt Payable
Table 29

June 30, 2025

(in thousands)

								Outstanding at June 30, 2025 ⁽¹⁾		
								Payable from		
	Authorized	Sold	Unsold	Premium Applied to Authorization	Retired/ Refunded/ Deceased	Capital Appreciation	Total ⁽²⁾	General Property Taxes	City Revenues/ Other ⁽³⁾	
General Obligation Bonds										
6% Limitation										
Various Purpose	\$ 985,290	\$ 824,111	\$ 161,179	\$ 1,716	\$ 702,070	\$ -	\$ 120,325	\$ 120,325	\$ -	
Solid Waste	32,815	32,815	-	-	32,815	-	-	-	-	
20% Limitation										
Various Purpose	2,451,870	2,210,694	241,176	15,264	1,636,545	-	558,885	558,885	-	
Airport	30,435	30,435	-	-	30,435	-	-	-	-	
Sanitary Sewers	72,200	72,200	-	-	72,200	-	-	-	-	
Water	112,949	112,949	-	-	112,949	-	-	-	-	
Total General Obligation Bonds	3,685,559	3,283,204	402,355	16,980	2,587,014	-	679,210	679,210	-	
Loans from Direct Borrowings										
Wastewater WIFA	17,591	17,591	-	-	13,594	-	3,997	-	3,997	
Water WIFA	6,520	6,520	-	-	5,332	-	1,188	-	1,188	
Total Loans from Direct Borrowings	24,111	24,111	-	-	18,926	-	5,185	-	5,185	
Total General Obligation and Loans from Direct Borrowings	3,709,670	3,307,315	402,355	16,980	2,605,940	-	684,395	679,210	5,185	
Municipal Corporation Obligations										
General Government	2,498,606	2,498,606	-	-	1,841,606	-	657,000	-	657,000	
Enterprise	11,662,341	11,662,341	-	-	7,081,949	101,433	4,681,825	-	4,681,825	
Total Municipal Corporation Obligations	14,160,947	14,160,947	-	-	8,923,555	101,433	5,338,825	-	5,338,825	
Subtotal	17,870,617	17,468,262	402,355	16,980	11,529,495	101,433	6,023,220	679,210	5,344,010	
Community Facilities Districts	30,000	30,000	-	-	3,630	-	26,370	-	26,370	
Totals	\$ 17,900,617	\$ 17,498,262	\$ 402,355	\$ 16,980	\$ 11,533,125	\$ 101,433	\$ 6,049,590	\$ 679,210	\$ 5,370,380	

(1) Net of July 1, 2025 payments deposited with the City's fiscal agent. Balances have not been reduced for amount held in the general obligation reserve fund. General obligation reserve fund balance totaled \$11.0 million on June 30, 2025.

(2) Total Outstanding is reported net of the premium applied to the available authorization.

(3) These bonds are supported by City enterprise revenues, excise taxes, special revenues, special assessments and community facilities districts revenues and/or assessments.

Debt Service Requirements

Table 30

General Obligation Bonds Limited to Six and Twenty Percent of Assessed Valuation (1)

June 30, 2025

(in thousands)

Fiscal Year	General Government 6% Bonds ⁽²⁾			General Government 20% Bonds ⁽³⁾		
	Principal	Interest	Total	Principal	Interest	Total
2025-26	\$ -	\$ 5,462	\$ 5,462	\$ 108,085	\$ 27,816	\$ 135,901
2026-27	-	5,462	5,462	108,600	22,550	131,150
2027-28	25,455	5,462	30,917	42,545	17,121	59,666
2028-29	34,265	4,341	38,606	29,075	15,239	44,314
2029-30	19,580	2,814	22,394	29,865	13,736	43,601
2030-31	19,580	1,930	21,510	31,010	12,189	43,199
2031-32	5,445	1,045	6,490	40,340	10,583	50,923
2032-33	1,965	786	2,751	45,560	8,507	54,067
2033-34	2,020	689	2,709	47,300	6,167	53,467
2034-35	2,370	601	2,971	15,130	3,825	18,955
2035-36	1,215	482	1,697	7,785	3,069	10,854
2036-37	1,215	421	1,636	7,785	2,680	10,465
2037-38	1,155	361	1,516	7,345	2,290	9,635
2038-39	1,115	303	1,418	7,135	1,923	9,058
2039-40	945	247	1,192	6,025	1,566	7,591
2040-41	880	200	1,080	5,620	1,265	6,885
2041-42	520	156	676	3,280	984	4,264
2042-43	520	130	650	3,280	820	4,100
2043-44	520	104	624	3,280	656	3,936
2044-45	520	78	598	3,280	492	3,772
2045-46	520	52	572	3,280	328	3,608
2046-47	520	26	546	3,280	164	3,444
	\$ 120,325	\$ 31,152	\$ 151,477	\$ 558,885	\$ 153,970	\$ 712,855

(1) Various purpose bonds limited to 20% of assessed valuation are those issued for water, sewer, artificial light, open space preserves, parks, playgrounds, recreational facilities, public safety, law enforcement, fire and emergency services facilities, and streets and transportation facilities. Other various purpose general obligation bonds are limited to 6% of assessed valuation.

(2) Includes all property tax supported various purpose general obligation bonds limited to 6% of assessed valuation.

(3) Includes all property tax supported various purpose general obligation bonds limited to 20% of assessed valuation.

Debt Service Requirements
Table 31
By Type of Security to Bondholders and By General Purpose of Assets Acquired

June 30, 2025

(in thousands)

Fiscal Year	General Obligation / General Government ⁽¹⁾		
	Principal	Interest	Total
2025-26	\$ 108,085	\$ 33,278	\$ 141,363
2026-27	108,600	28,012	136,612
2027-28	68,000	22,583	90,583
2028-29	63,340	19,580	82,920
2029-30	49,445	16,550	65,995
2030-31	50,590	14,119	64,709
2031-32	45,785	11,628	57,413
2032-33	47,525	9,293	56,818
2033-34	49,320	6,856	56,176
2034-35	17,500	4,426	21,926
2035-36	9,000	3,551	12,551
2036-37	9,000	3,101	12,101
2037-38	8,500	2,651	11,151
2038-39	8,250	2,226	10,476
2039-40	6,970	1,813	8,783
2040-41	6,500	1,465	7,965
2041-42	3,800	1,140	4,940
2042-43	3,800	950	4,750
2043-44	3,800	760	4,560
2044-45	3,800	570	4,370
2045-46	3,800	380	4,180
2046-47	3,800	190	3,990
	<u>\$ 679,210</u>	<u>\$ 185,122</u>	<u>\$ 864,332</u>

(1) Includes all general government property tax supported various purpose general obligation bonds.

Bond Ratings

Table 32

Most City bonds are issued through a loan agreement with the CIC, a non-profit issuer of municipal bonds. The outstanding CIC bonds are rated by three major rating agencies: Fitch Ratings, Moody's Investors Service, and S&P Global Ratings. The following table presents the underlying ratings assigned to all outstanding City and CIC bonds. Best efforts are made to update ratings in a timely manner; however, check the rating agency websites for the most up-to-date information.

Description	Rating ⁽¹⁾		
	Moody's	S&P	Fitch ⁽²⁾
<u>General Fund Credits</u>			
General Obligation (3)	Aa1	AA+	AAA
Subordinated Excise Tax Revenue	Aa1	AAA	AA+
<u>Enterprise Credits</u>			
Senior Lien Airport Revenue	Aa2	AA-	-
Junior Lien Airport Revenue	Aa3	A+	-
Junior Lien Wastewater System Revenue	Aa2	AAA	-
Junior Lien Water System Revenue	Aa2	AAA	-
<u>Special Revenue Credits</u>			
Rental Car Facility Charge Revenue	A2	A	-
State of AZ Distribution Revenue (Convention Center)	Aa1	AA	-
Transportation Excise Tax Revenue	-	AAA	AA+

(1) The ratings are subject to change at any time.

(2) Fitch has rated the General Obligation and the Subordinated Excise Tax Revenue bonds since 2017. All General Obligation and Subordinated Excise Tax Revenue bonds issued prior to 2017 were rated by Moody's and S&P only.

(3) Issued by the City of Phoenix, Arizona.



City of Phoenix



City of Phoenix

