

# City of Phoenix

## Financial Condition Report

### Fiscal Year Ended June 30, 2013

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City of Phoenix  
 Finance Department  
 251 W. Washington St., 9th Floor  
 Phoenix, AZ 85003  
 Voice: 602-262-7166  
 TTY: 602-534-5500



The information included in this report contains an overview of the city's economic condition and outlook, an analysis of the city's financial position, and information concerning the city's assets and debt. The purpose of this report is to provide our residents with easily understandable information about how their tax dollars are spent.

This report is based primarily on the city of Phoenix Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, which can be viewed in its entirety online at [phoenix.gov/finance](http://phoenix.gov/finance).

COMMUNITY PROFILE	
Phoenix Population	1,485,719
Maricopa County Population	3,944,791
Area (in square miles)	519.3
Per Capita Income	\$36,833
Feet Above Sea Level	1,117
Average Annual Temperature (F)	74.2
Average Annual Rainfall (in inches)	8.01
Average Annual Sunny Days	334



City of Phoenix

# Message from the Chief Financial Officer



Neal Young,  
Chief Financial Officer

**Finance Department Mission:  
Stewardship, Integrity,  
Innovation in service to our customers.**

Dear Reader:

In an effort toward complete transparency, I am pleased to submit to residents the City of Phoenix Financial Condition Report for the fiscal year ending June 30, 2013. The information presented in this report is based primarily on the City of Phoenix Comprehensive Annual Financial Report (CAFR) which is available in its entirety online at [phoenix.gov/finance](http://phoenix.gov/finance).

This summary of the CAFR has the objective of providing an easily understandable summary of the city's financial status. This report focuses on the entire financial picture of the city for all functions provided to our residents. The report includes information about city management, an overview of the city's economic outlook and key financial information concerning the city's revenues, expenditures, capital assets and debt.

I hope that you find the information helpful and encourage you to access our audited CAFR on the city's website for more detailed information on the city's finances. Your questions, comments and suggestions regarding this report are welcome. You can contact the Finance Department at 602-262-7166.

Sincerely,

Neal Young  
Chief Financial Officer

## Financial Excellence Strategic Plan

- Maintain high bond ratings
- Develop capital and funding plans for critical infrastructure
- Provide accurate and reliable revenue and expenditure forecasting
- Maintain a transparent financial environment, free of fraud, waste and abuse



Calvin C. Goode  
Municipal Building



City of Phoenix

# About Phoenix City Council

Phoenix operates under a council-manager form of government. 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 1982, an initiative was passed by the Phoenix voters creating a district system for electing council members. 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.

## \*\* Phoenix City Council at 6/30/2013



**Mayor  
Greg Stanton**



**District 1  
Vice Mayor Thelda Williams**



**District 5  
Councilman Daniel Valenzuela**



**District 2  
Councilman Jim Waring**



**District 6  
Councilman Sal DiCiccio**



**District 3  
Councilman Bill Gates**



**District 7  
Councilman Michael Nowakowski**



**District 4  
Councilman Tom Simplot**



**District 8  
Councilman Michael Johnson**

\*\* NOTE: The Mayor and Council members above were in office at the end of the fiscal year on June 30, 2013. At the beginning of 2014, two new City Council members were in office:



**District 4  
Councilwoman Laura Pastor**



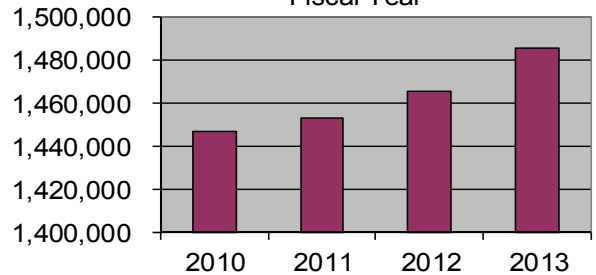
**District 8  
Councilwoman Kate Gallego**



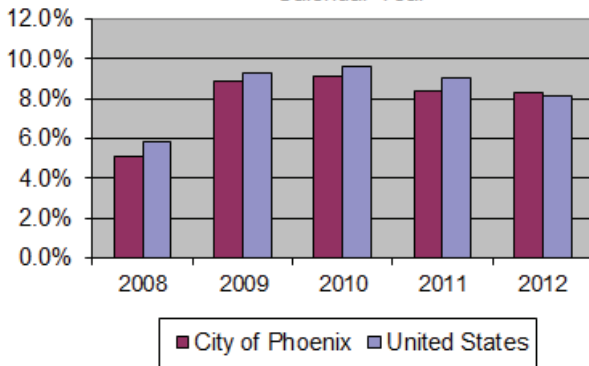
# Where We've Been

Phoenix continues to be an attractive place to live and work, and has been one of the most rapidly growing metropolitan areas in the country in recent decades. Although the economic downturn affected Greater Phoenix, a recovery appears to have begun in terms of population, employment, housing, and retail sales. The city continues to implement policies to remain structurally balanced, maintain or improve current service levels and attract wealth generating companies.

**City of Phoenix Population**  
Fiscal Year



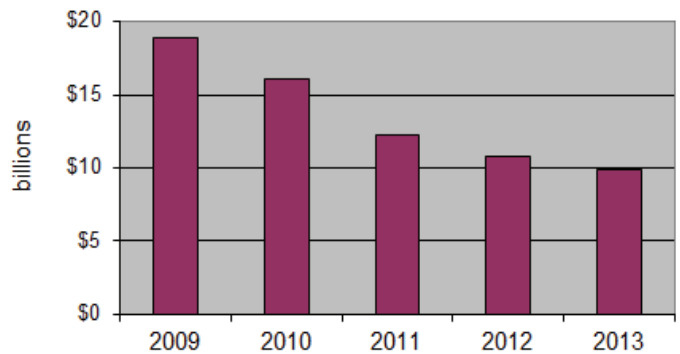
**Unemployment Rates**  
Calendar Year



The local economy was significantly impacted by the recession of 2007-2009 causing a decline in both population and jobs in the Phoenix area. However, from 2002 to 2012, population growth was 23.8% in the Phoenix area as compared to 9.1% for the U.S. As of August 2013, the unemployment rate for the Phoenix area was 6.8% as compared to the U.S. rate of 7.3%. The Phoenix area has a mix of service industry that mirrors the U.S.

The effects of the national and local economy has resulted in a decrease of assessed valuations and a corresponding decrease in property taxes. The city has continued to monitor these revenues very closely and adjust budgets and bond programs accordingly. Although total secondary assessed valuation decreased in 2013 from \$10.8 billion to \$10.0 billion, assessed valuation are expected to increase in 2014 as the recent recovery impacts the assessments.

**Secondary Assessed Valuation**  
Fiscal Year



The city of Phoenix continues to aggressively attract new businesses. Employers that have recently relocated their headquarters or major operations to Phoenix include Niagara Bottling, Asurion, HotChalk, Waste Management, WinCo Foods, STEALTH Software, Laser Options, Inovalon, Dalsin Industries, WebPT and Preferred Homecare. The long-term outlook remains positive for the metropolitan Phoenix area due to expectations that strong population and employment growth will resume, and will continue through the next two decades.



Phoenix Sky Harbor International Airport launched **PHX Sky Train** in April 2013 (Stage 1), which operates 24 hours a day, seven days per week. With strong ridership and 99.5 percent reliability, passengers use the PHX Sky Train to connect between the regional light rail system, the airport's largest economy parking area and Terminal 4. By the first quarter of 2015, the train will extend to Terminal 3 with a walkway to Terminal 2 (Stage 1A), providing service between all three terminals at the airport. The final stage of construction will connect to the airport's Rental Car Center.



The city continues to improve and modernize its transit/light rail system. **Valley Metro's Northwest Extension** is an expansion of light rail service that will eventually travel to the area near Interstate 17 and Dunlap Avenue. Phase I of the construction project is a 3.2-mile extension that will extend light rail north on 19th Avenue from Montebello to Dunlap Avenue and serve 5,000 riders per day. Construction began in January 2013. This extension is scheduled to open in late 2015/early 2016 and will support nearly 20,000 residents and another 20,000 employees from businesses along the light rail line. It will serve as an essential means of travel in an area where 14% of households are dependent on transit compared to 7% percent countywide.

On March 12, 2013, Phoenix voters passed Proposition 201-**Reform of the City of Phoenix Employees' Retirement Plan**. The Reform has transformed COPERS into a two tier retirement plan. Changes affect new general city employees hired on or after July 1, 2013 (Tier 2). The Tier 2 contribution rate is based on a 50/50 split with the city of Phoenix's actuarially determined rate. Employees are eligible for retirement based on one of the determining factors:

1. Age 60, with 10 or more years of credited service.
2. Age 62, with five or more years of credited service.
3. Any age, which added to years of credited service, equals 87 (Rule of 87).

In addition, the approved ballot measure allowed the Investment Policy to be updated to include any investments that meet the Prudent Investor Rule. The changes to the pension system are expected to save the city more than \$600 million over the next 25 years.

A major effort initiated by the city manager and approved by the mayor and city council to ensure city government is operating as efficiently as possible was the creation of the **Innovation and Efficiency Task Force**. The task force, initiated in December 2009, is comprised of private sector members appointed by the mayor and city council, and city staff. The objective of the task force is to explore, develop, and implement innovative processes that will result in a more efficient delivery of city services and maximize the use of limited taxpayer dollars. Since its inception, Innovation and Efficiency Task Force suggestions have achieved \$89 million in citywide savings. The city has a new goal of \$100 million in savings by 2015, and an additional \$100 million by 2020.



# Basis of Accounting

The term “basis of accounting” is used to describe the timing of recognition, or *when* the effects of transactions or events should be recognized. The financial statements presented in this report were prepared using the Generally Accepted Accounting Principles (GAAP) basis of accounting. Other reports issued by the city may use the budget basis of accounting.

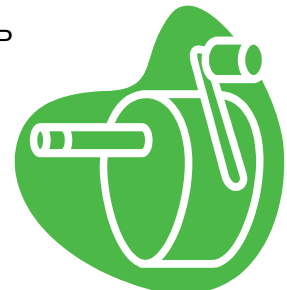


The city maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget adopted by the city council. An operating budget is legally adopted by ordinance each fiscal year and sets limits on the amount the city is able to spend on Phoenix functions. Some reports issued by the city use the budget basis of accounting to compare city financial activities to the adopted budget. Most of the statements in this report were taken from the city’s Comprehensive Annual Financial Report, which is prepared using the GAAP basis of accounting.

The timing of revenue and expenditures may be different under the GAAP basis of accounting than under the budgetary basis of accounting. For example in GAAP accounting, revenues are recognized in governmental funds as soon as they are both measurable and available. Under the budgetary basis of accounting, revenue may be deferred until amounts are actually received in cash.



Another difference occurs in the recognition of an encumbrance, which is an amount for which there is a legal obligation to spend in the future, such as entering into a contract with a business to supply the city a product or service. Under the budgetary basis of accounting, the encumbered amount can be classified as an expense, when the contract is signed, but under the GAAP basis of accounting encumbrances are never classified as expenditures until the service has been performed.





# Statement of Net Position

## Government Wide Statement of Net Position

June 30, 2012 and 2013 (In Thousands)	Total City Government	
	2012	2013
<b>Assets</b>		
Cash and investments	\$ 1,969,684	\$ 1,787,169
Current and other assets	2,977,171	2,989,716
Capital assets, net of depreciation	11,796,464	11,787,319
<b>Total assets</b>	<b>16,743,319</b>	<b>16,564,204</b>
Deferred outflows of resources	64,743	57,254
<b>Total deferred outflows of resources</b>	<b>64,743</b>	<b>57,254</b>
<b>Liabilities</b>		
Long term liabilities	7,448,878	7,203,736
Other liabilities	849,828	938,082
<b>Total liabilities</b>	<b>8,298,706</b>	<b>8,141,818</b>
<b>Net position</b>		
Net investment in capital assets	5,282,216	5,280,909
Restricted	1,422,285	1,104,397
Unrestricted	1,804,855	2,094,334
<b>Total net position</b>	<b>\$ 8,509,356</b>	<b>\$ 8,479,640</b>

**Current and other assets** - Assets that one can reasonably expect to convert to cash, sell, or use within one year.

**Capital assets** - The city's long-term investments in land, buildings, equipment, improvements, infrastructure and construction in progress. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Page 9 provides more detailed information on capital assets.

**Deferred outflows of resources** - A consumption of net assets by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

**Long term liabilities** - Represents mainly debt obligations of the city. The proceeds from these various debt issues are used to finance large projects such as road construction and major equipment purchases.

**Other liabilities** - These are primarily debts that can be paid off in one year or less. This includes accounts payable, accrued payroll and accrued interest payable.

**Net investment in capital assets** - This represents the city's investment in its capital assets less accumulated depreciation and any outstanding debt attributable to the acquisition, construction, or improvement of these assets.

**Restricted net position** - Resources whose use is subject to externally imposed restrictions. The city has resources set aside for debt service payments, development impact fees restricted to growth-related projects, other capital Projects and required reserves.

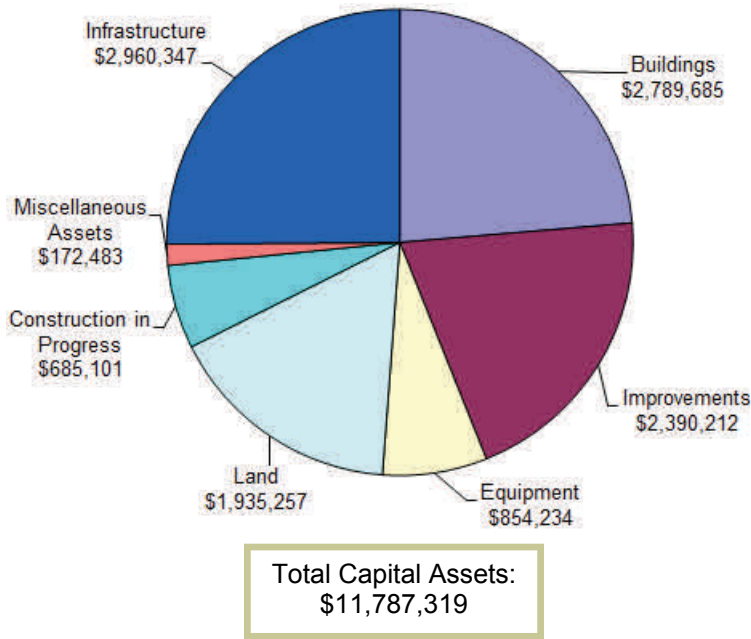
**Unrestricted net position** - Resources available to the city to provide services to the citizens and creditors if there were no additional revenues or resources available.



# Capital Assets

The city invests in capital assets to provide services to and enhance the quality of life of our citizens. As shown on the previous page, the city’s capital assets (net of depreciation) was \$11,787,319,000. This total is made up of the following asset categories:

**City of Phoenix Capital Assets  
As of June 30, 2013**  
(in thousands)



**Asset Category Definitions:**

- **Buildings** include police and fire stations, courts, libraries, recreation facilities and sports facilities.
- **Improvements** include upgrades such as parking lots, fences, bus shelters, playgrounds, sports courts and fields, and water treatment facilities.
- **Equipment** includes garbage and recycling trucks, police cars, fire engines and light rail cars.
- **Land** means real estate purchased to provide services to residents like parks or police stations.
- **Construction in Progress** reflects the cost of all projects for construction of buildings, other improvements, and equipment that are in progress and not yet completed.
- **Miscellaneous Assets** include artwork, software and water rights.
- **Infrastructure** includes water and sewer lines, streets, bridges and storm drains.



**Major additions to capital assets during the fiscal year included the following:**

<u>Project</u>	<u>Value</u>	<u>Asset Category/Service Provided</u>
• PHX Sky Train-Sky Harbor - Stage 1A	\$120,100,000	Construction in Progress/Transportation
• Street/Storm Sewer Projects	\$60,900,000	Streets and Infrastructure/Transportation
• Water/Sewer Mains	\$59,000,000	Infrastructure and Improvements/Utilities
• Water Treatment Facilities	\$44,600,000	Buildings and Equipment/Utilities
• Parks/Preserve Land Acquisition	\$25,100,000	Land/Community Enrichment
• Sky Harbor, Deer Valley and Goodyear Airports Runways, Taxiways and Aprons	\$24,400,000	Equipment/Public Safety/Transportation





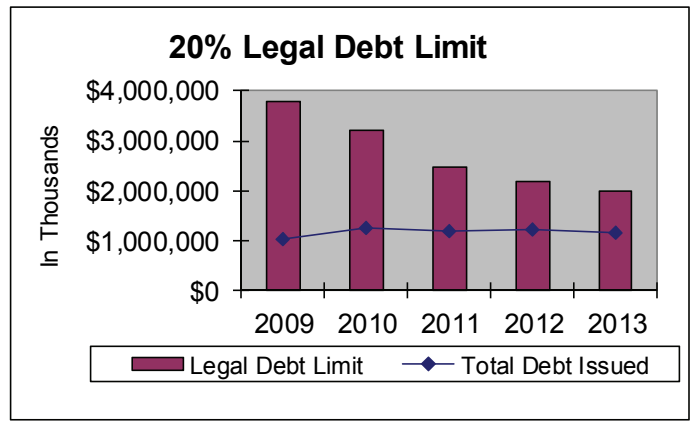
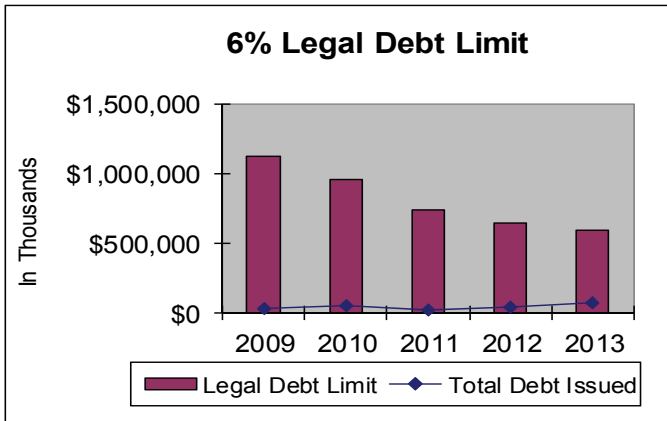
# Debt

The city utilizes general obligation bonds, revenue bonds, certificates of participation and special assessment bonds for long-term financing of facilities.

### General Obligation Bonds

The city typically issues general obligation bonds, which are voter approved, to fund capital projects of general government (non-enterprise) departments. These projects 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.

State law dictates that revenue collected for the city's secondary property tax levy be used solely to pay principal and interest on voter approved long-term debt. The law imposes two limits on the total of general obligation debt; an amount equal to 20% of the city's secondary assessed valuation can be issued to fund water, sewer, artificial light, open space preserves, parks, playgrounds, recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities projects and an amount equal to 6% of the secondary assessed valuation can be issued for all other purposes. These limits are known as the **Legal Debt Limit**.



**City of Phoenix**  
**General Obligation Bond Ratings**  
**2013**  
**S & P**      **Moody's**  
**AA+**      **Aa1**

### Revenue Bonds

Revenue bonds are secured by taxes, user fees, and charges for services and are not considered a general obligation of the city. State law authorizes the city to issue voter-approved highway user revenue and utility revenue bonds. This includes municipal corporation bonds issued by the city of Phoenix Improvement Corporation (the "CIC"), an affiliated non-profit corporation that issues bonds or certificates of participation to finance certain facilities and equipment. The city makes lease purchase payments to cover the principal and interest on those obligations.

### Other Bond Types:

#### Certificates of Participation

The City has pledged excise taxes as security for certificates of participation. The pledge is subordinate to outstanding senior lien and junior lien excise tax obligations.

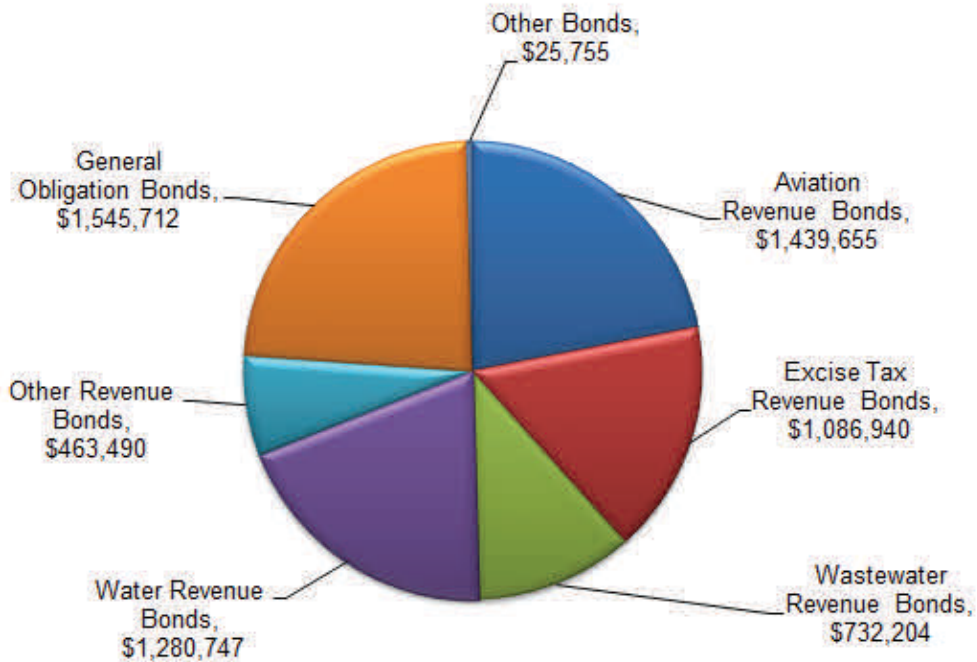
#### Special Assessment Bonds

Proceeds from special assessment bonds are used for improvements such as paving, sidewalks, and sewers. These bonds are secured by payments due from assessed property owners.

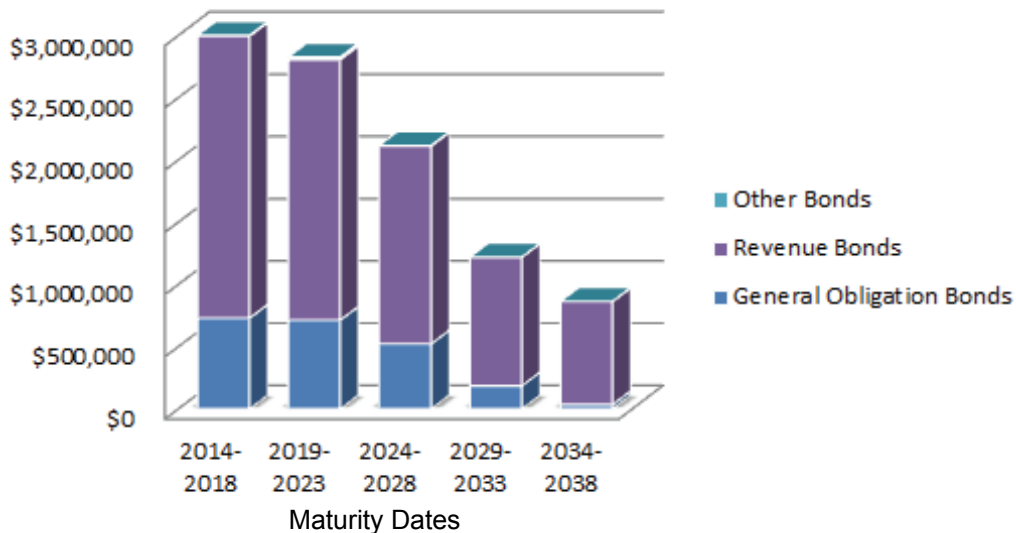


# Debt (continued)

## 2013 Outstanding Debt by Type (in thousands)



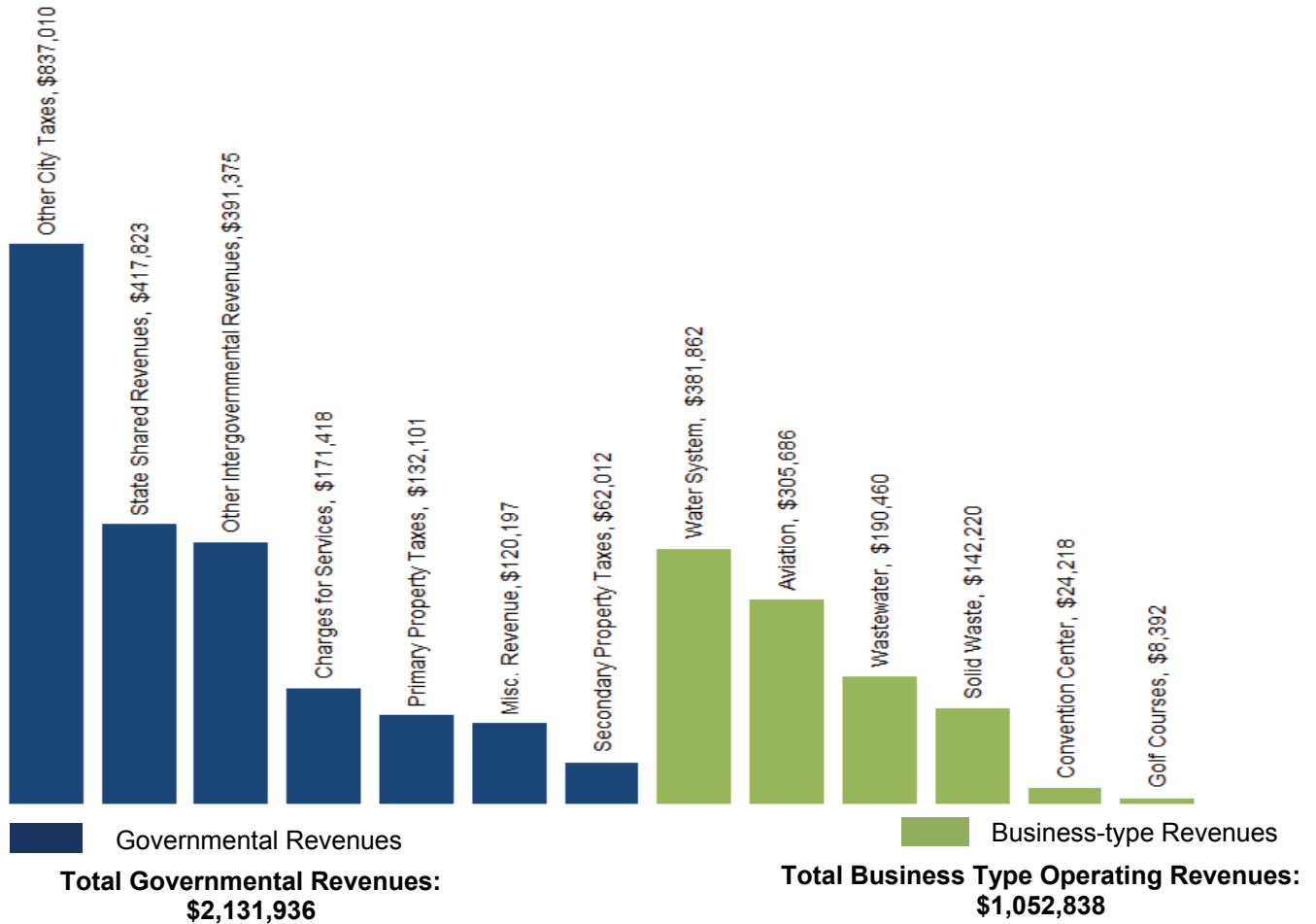
## Debt Service Requirements-Governmental and Business-type Activities (in thousands)





# Where the Money Comes From

## Governmental and Business-type Revenues Fiscal Year 2013 (in thousands)



### Governmental Revenues

Governmental funds are used to account for the basic functions of the city, such as police, fire, courts, streets, parks, libraries and public housing. The major governmental revenue categories are:

City Taxes: Includes sales taxes, property taxes, franchise fees, special taxing district revenues, and payments in-lieu of taxes.

State Shared Revenues: The state of Arizona shares certain revenues with cities, such as income tax, state sales tax, vehicle license tax, and highway user revenues, as required by various state statutes.

Other Intergovernmental Revenues: Federal grants and revenues from other government sources.

Charges for Services: Revenues collected for services such as building inspections, court and police fees and public transit fares.

Miscellaneous: Investment income, dwelling rentals, concession sales, fines, licenses and permits.

### Business-type Revenues

Business-type funds are used to account for activities that are financed and operated in a manner similar to private businesses. These funds are considered self-supporting in that the services rendered are generally financed through user charges or fees. The operating revenues shown in the pie chart do not include grants or transfers. In general, business-type revenues can only be used to support the expenditures of the business-type fund in which it was earned. The major business-type revenues are Water System, Aviation, Wastewater, Solid Waste and Convention Center.

# Where the Money Comes From (continued)

## Governmental Revenues Fiscal Year 2013

City taxes account for 48% of governmental fund revenues. Some revenues are earmarked for specific uses, while others are available for general use.

**Property Taxes** - Arizona's property tax system provides for two separate tax systems - 1) a primary system for taxes levied to pay current operation and maintenance expenses; and - 2) a secondary system for taxes levied to pay principal and interest on voter approved bonded indebtedness. The secondary system is also used for the determination of the maximum permissible bonded indebtedness.

**City Sales Taxes** - Sales tax revenues are either earmarked for specific uses, such as public safety, transit, or the convention center, or are available for general use. This category not only includes retail sales tax, but also hotel/motel taxes, commercial rental, construction contracting, and motor vehicle rentals among others.

**Utility, Franchise, and Other Taxes** - These taxes include franchise fees paid by public utilities, telecommunications companies, and cable television businesses. These taxes are available for general use. The Access to Care Tax Program, an intergovernmental agreement which authorizes the City to receive funds from participating hospitals, provided \$98.4 million to Arizona Health Care Cost Containment System (AHCCCS) and led to increases in both Other Taxes and General Government Expenses.

**City Taxes**  
(in thousands)



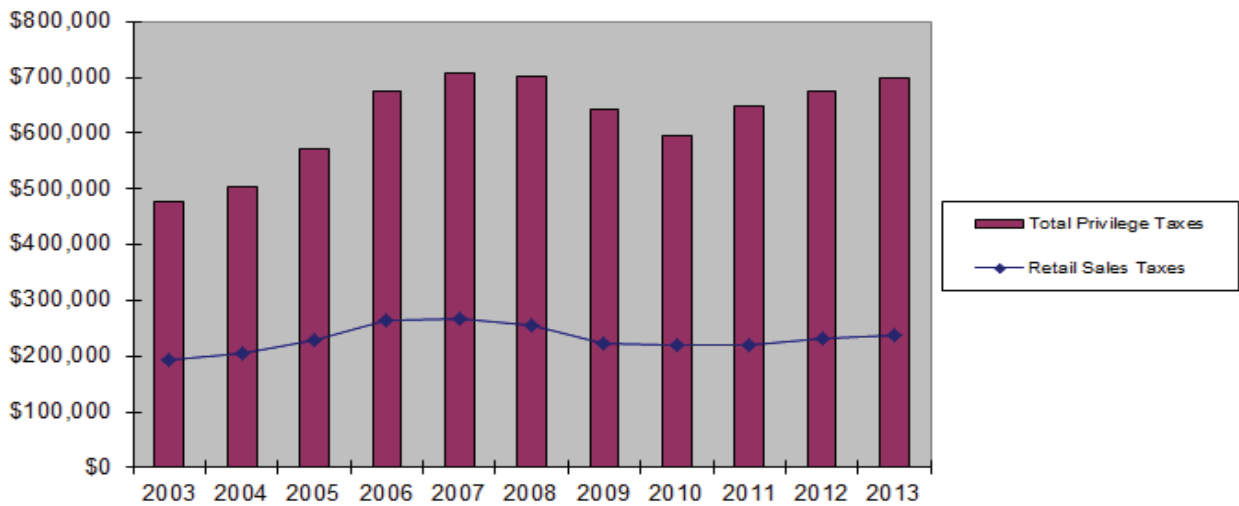
On average, for every total tax dollar the city earns, 6 cents is spent on debt service, and 41 cents is earmarked for specific spending purposes, such as public safety or transportation. That leaves 53 cents of every tax dollar to spend on general fund programs.



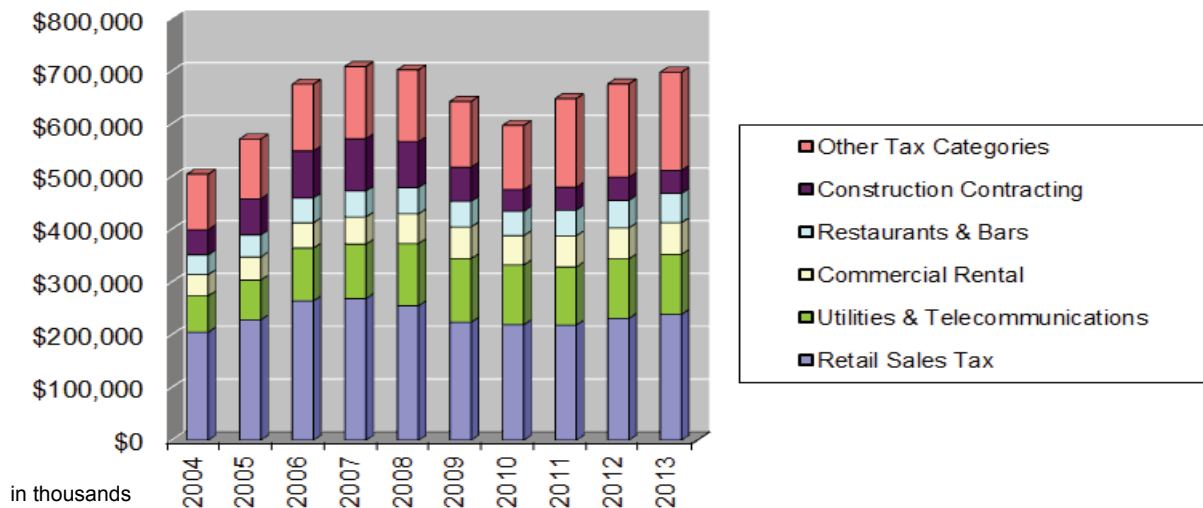
# Where the Money Comes From (continued)

Transaction Privilege Taxes are imposed on various business activities. Revenues from these activities or tax categories are distributed to various funds depending on the tax allocation structure approved by voters. The retail sales tax fund distribution is shown on the following page.

## Retail Sales Taxes as a portion of total Privilege Taxes (in thousands)



## City Transaction Privilege Taxes by Category (in thousands)



Other Tax Categories include Hotel/Motel Lodging, Apartment/Residential Rental, Motor Vehicle Rental, Amusements, Advertising, Job Printing, Publishing, Use Tax, Jet Fuel and Retail Food Sales.





## Where Your Retail Sales Tax Dollar Goes

The retail sales tax rate for the city of Phoenix is 2.0%. Adding in the state and county sales tax rates, the total tax rate for items purchased at retail in the city of Phoenix is 9.3%.

2.0%	<b>City of Phoenix</b>
6.6%	<b>State of Arizona</b>
<u>0.7%</u>	<b>Maricopa County</b>
9.3%	<b>Total Phoenix Sales Tax Rate</b>

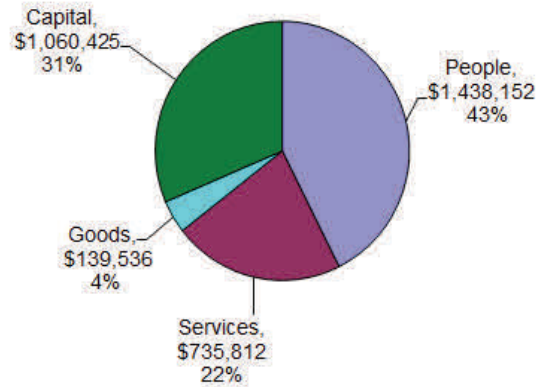
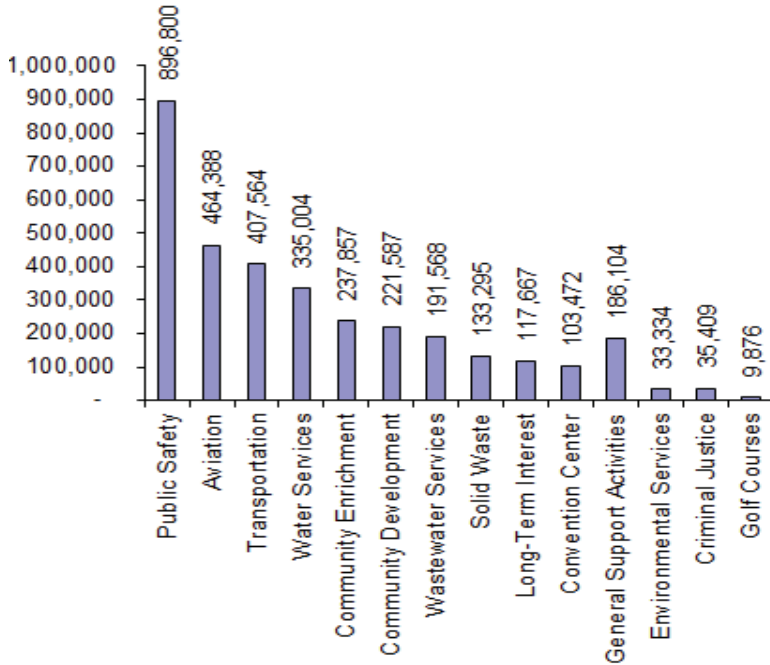
### Where the Phoenix 2.0% Goes:

- 1.2% **General Fund**  
The General Fund provides for many of the major functions of the city including public safety (police and fire), criminal justice, general government, transportation, community enrichment, community development and environmental services. It is the primary operating fund of the city.
  
- 0.4% **Transit 2000**  
Approved by voters in 2000, these funds are used for improvements in public transportation and traffic flow, and to help reduce air pollution. Funds have been used to expand bus service, construct and operate the light rail system, and for additional traffic control measures, such as bus pullouts and left turn arrows. This tax is to be in effect for 20 years.
  
- 0.2% **Public Safety Expansion**  
This ordinance, approved by voters in 2007, provides for the funding of additional police officers and fire fighters.
  
- 0.1% **Neighborhood Protection Fund**  
Created in 1993 as a result of the enactment of the Neighborhood Protection Ordinance (Proposition 301), this fund expanded Police, Fire and Neighborhood Block Watch Programs.
  
- 0.1% **Parks & Desert Preserves**  
In 2007 Phoenix voters reauthorized the Phoenix Parks and Preserve Initiative that provides funds to save thousands of acres of state trust land, make improvements to neighborhood and community parks and build regional parks.



# Where the Money Goes (continued)

City of Phoenix Expenses  
For the Year Ending June 30, 2013  
(in thousands)



Total Expenses: \$3,373,925

**People** - cost of employees including wages and benefits  
**Services** - contractual services provided by external entities  
**Goods** - inventories, supplies, and materials  
**Capital** - costs of property, plant and equipment; primarily depreciation and interest

	People	Services	Goods	Capital	Total	% of Total
Public Safety	\$ 762,424	\$ 56,283	\$ 20,657	\$ 57,436	\$ 896,800	26.58%
Aviation	79,954	109,191	11,247	263,996	464,388	13.76%
Transportation	69,556	162,740	22,959	152,309	407,564	12.08%
Water Services	92,427	17,417	43,349	181,811	335,004	9.93%
Community Enrichment	116,563	59,755	13,679	47,860	237,857	7.05%
Community Development	70,843	128,795	2,442	19,507	221,587	6.57%
Wastewater Services	64,435	34,909	1,483	90,741	191,568	5.68%
Solid Waste	49,277	47,907	2,726	33,385	133,295	3.95%
Long-Term Interest	-	-	-	117,667	117,667	3.49%
Convention Center	22,133	19,777	1,056	60,506	103,472	3.07%
General Support Activities	69,120	87,554	13,390	16,040	186,104	5.52%
Environmental Services	7,194	2,498	4,962	18,680	33,334	0.99%
Criminal Justice	29,196	5,557	449	207	35,409	1.05%
Golf	5,030	3,429	1,137	280	9,876	0.28%
<b>TOTAL</b>	<b>\$1,438,152</b>	<b>\$735,812</b>	<b>\$139,536</b>	<b>\$1,060,425</b>	<b>\$3,373,925</b>	<b>100.00%</b>

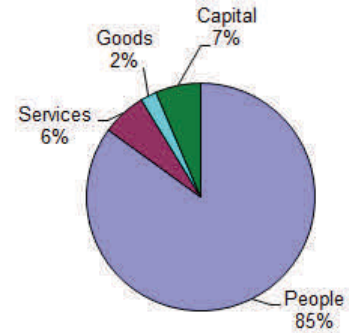


# Where the Money Goes (continued)

**Public Safety Expenditures**  
**\$896,800**  
(in thousands)

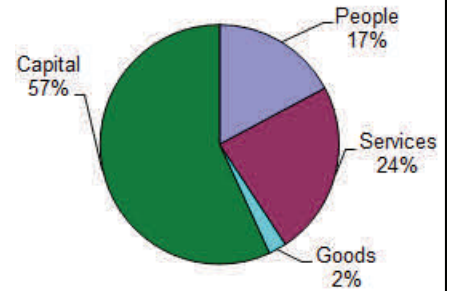
The city's largest expenditure category is **Public Safety**. This includes the Police and Fire departments.

The Police Department provides law enforcement and community resources for police services and the protection of the lives and property of our residents. The Fire Department provides safety of life and property through fire prevention, fire control and emergency medical and public education services.



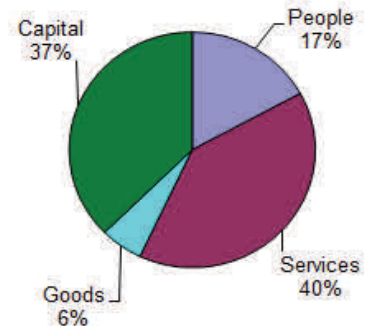
**Aviation Expenditures**  
**\$464,388**  
(in thousands)

The **Aviation** Department provides the Phoenix metropolitan area with a self-supporting system of airports and aviation facilities that accommodate general and commercial aviation in a safe, efficient and convenient manner. Major facilities include Sky Harbor International Airport, Deer Valley Airport, Goodyear Airport and the Rental Car Center at Sky Harbor.



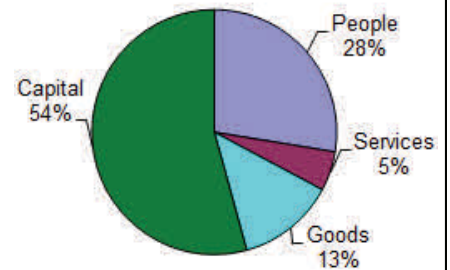
**Transportation Expenditures**  
**\$407,564**  
(in thousands)

**Transportation** expenditures include costs incurred by the Street Transportation and Public Transit departments. The Street Transportation expenditures are primarily capital costs for designing, building and maintaining city streets. Additionally, Street Transportation also administers street lights, parking meters and traffic management. The majority of Public Transit expenditures are for service contracts related to bus and light rail operations.



**Water Expenditures**  
**\$335,004**  
(in thousands)

The city's **Water** Program provides a safe and adequate domestic water supply to all residents in the Phoenix water service area. All of Phoenix's water is treated at one of six water treatment plants before traveling through 7,000 miles of distribution lines to customers' taps within a 540-square-mile service area.



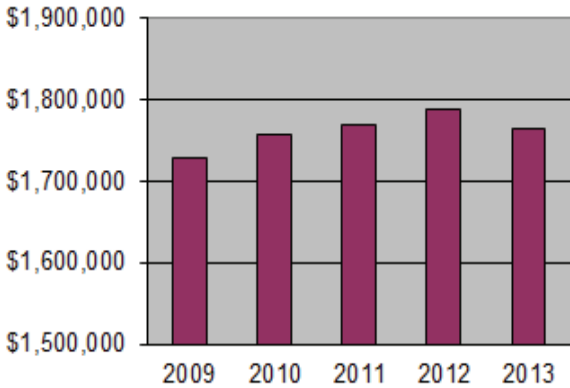


# Business-type Net Position

Business-type funds (or Enterprise Funds) are used to report activity for which a fee is charged to users for goods or services, similar to the private business. These funds can only be used to pay for the operational expenses of each business-type activity, including most of the capital improvements. Therefore, fees are set to recover all costs associated with providing these services.

The graphs on the next two pages show the net position for the four largest city of Phoenix business-type funds. The net position is the difference between the assets and liabilities of each fund. The largest portion of the city’s net position consists of investments in capital assets, such as land, buildings and equipment. The excess of revenues over expenses in a fiscal year contribute to the net position of a fund. Overtime, increases or decreases in net position may serve as a useful indicator of changes in a fund’s financial position.

**AVIATION - Net Position**  
(in thousands)



	2009	2010	2011	2012	2013
Scheduled Airlines	19	19	18	17	21
Aircraft Traffic Movement (in thousands)	1,038	984	941	963	934
Passengers Arriving and Departing (in thousands)	37,936	38,289	39,561	40,554	40,565

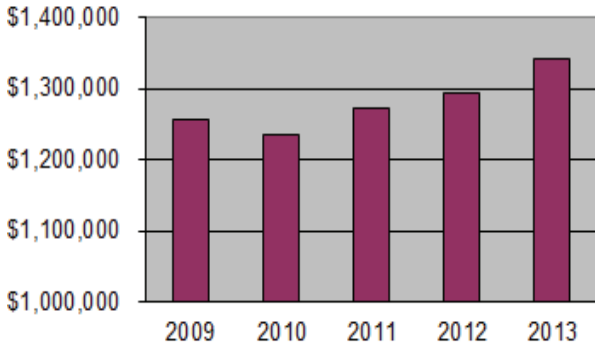
The Phoenix Aviation Department owns and operates Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and Phoenix Goodyear Airport. Aviation provides the Phoenix metropolitan area with a self-supporting system of airports and aviation facilities that accommodate general and commercial aviation in a safe, efficient and convenient manner.





# Business-type Net Position (continued)

**WATER SYSTEM - Net Position**  
(in thousands)

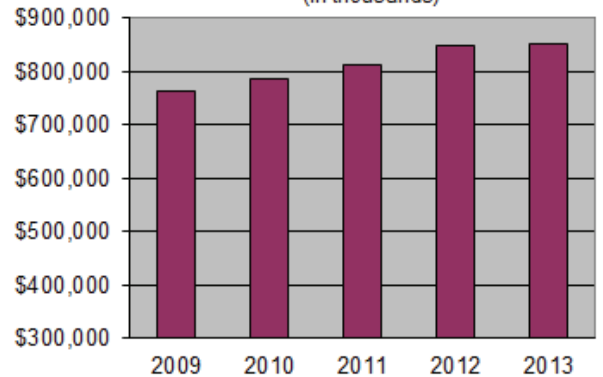


	2009	2010	2011	2012	2013
Production (billion gallons)	99.2	97.9	99.9	100.8	97.8
Avg Daily Production (million gallons)	271.8	267.9	273.6	275.5	267.8
Miles of Water Main	6,935	6,955	6,962	6,953	6,847
Number of Accounts	402,926	403,104	404,647	407,902	414,188
Avg Daily Consumption per Acct (ccf)	307.1	298.1	289.6	297.7	286.6

The city's Water Services program provides a safe and adequate domestic water supply to all residents in the Phoenix water service area. The major component of the Water System's net position include water mains, hydrants, meters and service connections.

	2009	2010	2011	2012	2013
Miles of Sewer Lines	4,960	4,975	4,980	4,984	4,816
Number of Accounts	373,588	373,123	391,267	394,495	397,627

**WASTEWATER - Net Position**  
(in thousands)



The Wastewater program assists in providing a clean, healthy environment through the effective management of all water borne wastes generated within the Phoenix drainage area.

**SOLID WASTE - Net Position**  
(in thousands)



	2009	2010	2011	2012	2013
Residences Served (in thousands)	390	393	394	396	398
City Disposal (in tons)	710	650	645	600	567
Total Disposal (in tons)	1,039	975	1,046	949	876

The Solid Waste Fund assists in providing a safe and aesthetically acceptable environment through effective, integrated management of the solid waste stream, including collection, disposal and recycling activities. The net position of the Solid Waste fund have increased due improved efficiencies. This has allowed for capital improvements without the need to issue debt or increase customers fees.

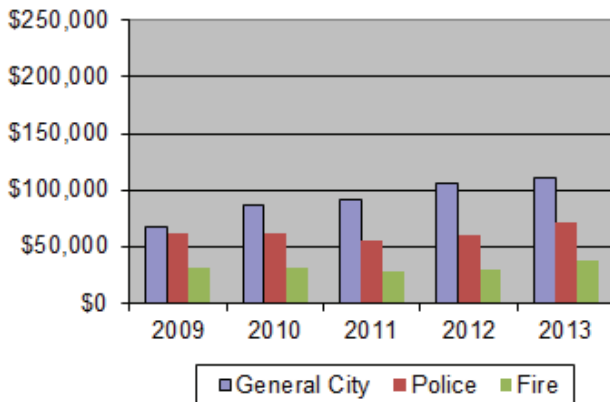




# Pension Plans

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 Plan (COPERS) covers general city employees. Sworn police and fire employees are covered by the Arizona Public Safety Personnel Retirement System (APSPRS) and elected officials are covered by the Elected Officials' Retirement Plan of Arizona (EORPA). Information related to COPERS and the City's portion of APSPRS are shown below.

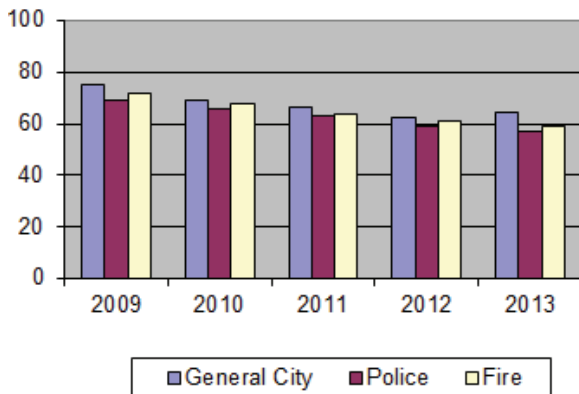
Pension Contributions by City  
(in thousands)



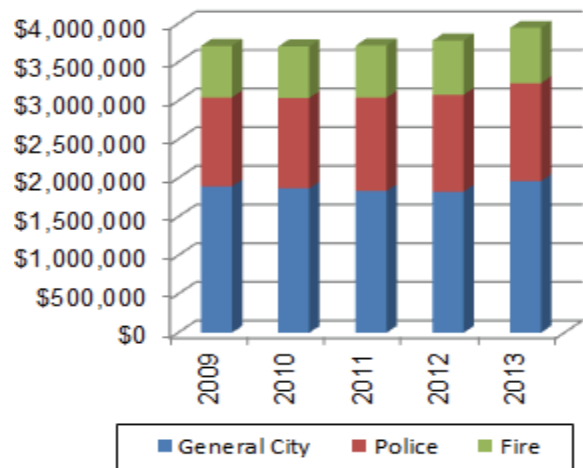
The city contributes to each of the pension plans that covers its employees. An actuarially determined amount is contributed to fully fund benefits for active members and to amortize any unfunded actuarial liability. Per City Charter, the city of Phoenix contributes 100% of required contributions, something not every city does. Employees also contribute a percentage of their pay to the pension plans. The percentage required depends on the pension plan to which they belong. The graph at left shows historical contribution information.

Contributions by the city and the employees are held as assets by each of the respective pension plans. These assets are used to pay current and future retirees.

% Pension Liability Funded



Pension Assets  
(in thousands)



An independent actuary is hired each year to estimate the liability of each of the pension plans. Plan assets divided by the determined liability equals the percent funded.



# Key Statistics

SELECTED CITY PERFORMANCE MEASURES		
	FY 2012	FY 2013
<b>PUBLIC SAFETY</b>		
<u>Police</u>		
Police Precincts	8	8
Police Employees	4,441	4,442
Dispatched Calls for Service	658,227	648,729
<u>Fire</u>		
Fire Stations	58	58
Fire Employees	1,972	1,897
Calls for Service	165,034	172,568
<b>COMMUNITY ENRICHMENT</b>		
<u>Libraries</u>		
Book Circulation (in thousands)	14,465	11,159
Total Stock (in thousands)	1,791	1,735
Number of Library Branches	17	17
<u>Parks and Recreation</u>		
City Parks (number of acres)	46,032	46,634
Acres of Golf Courses Maintained	922	922
Rounds of Golf Played	253,288	248,630
<b>TRANSPORTATION</b>		
<u>Public Transit</u>		
Ridership (in thousands)		
Bus	38,440	39,044
Dial-a-Ride	337	336
Light Rail	8,387	8,924
<u>Streets</u>		
Total Miles	4,832	4,850
Miles Resurfaced and Sealed	193	88
Street Lights in Use	95,592	90,613

