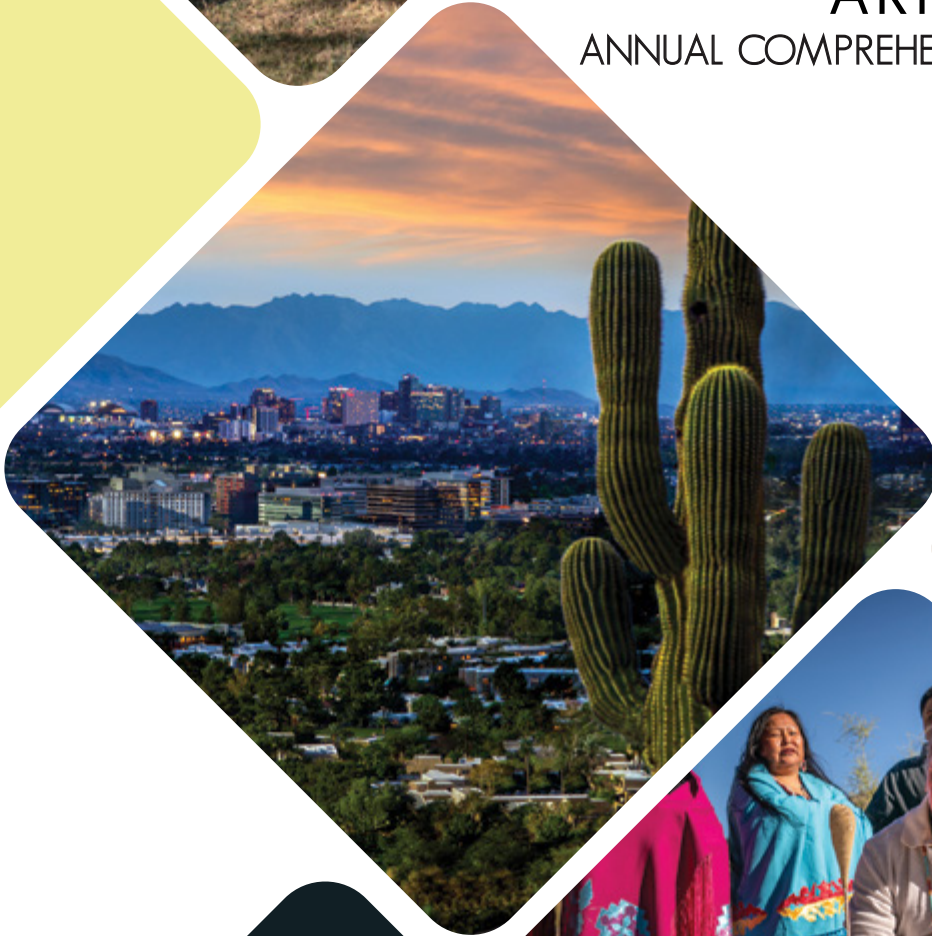




FOR FISCAL YEAR ENDED  
**JUNE 30, 2022**

# **CITY OF PHOENIX,** ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT





**City of Phoenix**

**City of Phoenix, Arizona**



**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022**

**City Council**

Kate Gallego, Mayor

Ann O'Brien, District 1

Jim Waring, District 2

Debra Stark, District 3

Laura Pastor, Vice Mayor, District 4

Betty Guardado, District 5

Sal DiCiccio, District 6

Yassamin Ansari, District 7

Carlos Garcia, District 8

**Administrative Staff**

Jeffrey J. Barton, City Manager

**Prepared By**

Finance Department

Kathleen Gitkin, Chief Financial Officer



**City of Phoenix**

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# 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 16, 2022

Honorable Mayor, City Council and City Manager:

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, 2022. 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, LLP to perform the audit of the City's ACFR for fiscal year 2021-2022. 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, 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/financesite/Pages/singleauditindex.aspx>.

## ***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 Phoenix Housing Financing Corporations ("PHFC") and the Phoenix Industrial Development Authority ("Phoenix IDA") be included in the reporting entity.

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, 2022, the City encompassed 519.9 square miles, with the City of Phoenix estimating the population at 1,648,257.

Major employers of the Phoenix metropolitan area include Banner Health, Amazon.com Inc., State of Arizona, Wal-Mart Inc., Arizona State University, Fry's Food Stores, University of Arizona, Dignity Health Arizona, City of Phoenix and Wells Fargo & Co.

## ***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 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. The City has shown steady growth in terms of population, employment, housing starts, personal income, and retail sales in recent years. The City 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 major initiative for the City. The City has focused efforts on supporting over 40 suppliers that are associated with Taiwan Semiconductor Manufacturing Company (TSMC). This includes suppliers of suppliers as the multiplying effects of the TSMC project reverberate through the economy. Suppliers such as Sunlit, Linde and Air Liquide all broke ground this year with over \$750 million in combined capital investments. Also, the City has worked with 29 companies to locate and create 3,709 new jobs at an average salary of \$81,927 with a capital investment of more than \$1.1 billion. Several high-profile advanced manufacturing and technical locates include Cavco Industries, Diamond Age, Foxlink, Sendoso, Blue Origin and Georgia Pacific.

Phoenix Sky Harbor International Airport continues to be one of the best airports in the country, which has helped to drive increased levels of tourism and investment in the local economy. All of Phoenix's overseas international flights have resumed and most all international markets have returned since being paused due to the pandemic. These flights include:

- British Airways' daily direct Phoenix to London flight.
- American Airlines' daily flight to London.
- Air Canada's twice weekly Montreal flight, which will now be available year-round.
- Condor resumed its direct Phoenix to Frankfurt flight which is served twice per week.

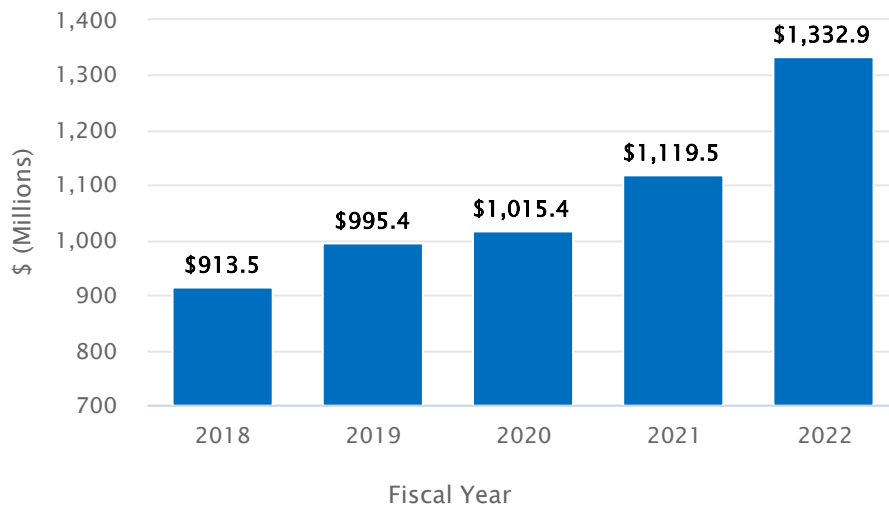
The Phoenix metropolitan area employment mix is well diversified and fairly similar to that of the United States as a whole. An exception is construction and financial employment, which comprise more of Phoenix's employment mix than the United States average due to historical rapid population and employment growth. Additionally, the Phoenix area's manufacturing mix is much more concentrated in high technology than the United States. The high technology manufacturing sectors are cyclical in nature and may be more impacted during periods of economic slowing than other manufacturing sectors. The primary employment sectors and their share of total employment in the Phoenix metropolitan area consist of service industry (46%); trade (15%); government (11%); financial activities (9%); manufacturing (6%); and construction (6%).

According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area grew by an average of 6.7% per year from 2011 through 2020, and grew 20.2% in 2021. This growth was supported by gains in personal income averaging 5.9% annually from 2011 through 2020, and grew 6.3% in 2021. The Greater Phoenix Blue Chip Economic Forecast estimates a 8.3% increase in retail sales and a 5.2% increase in personal income in 2022.

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 2021-22, the assessed valuation increased by 39.6% to \$14.8 billion. The assessed valuation increased another 4.7% to \$15.5 billion for fiscal year 2022-23. City total property tax rate (primary and secondary) for fiscal year 2022-23 was set to \$2.11 per \$100 assessed valuation.

The City of Phoenix maintains strong credit ratings for General Obligation (GO) and Excise Tax bonds. The ratings were affirmed by Fitch Ratings (AAA), S&P Global Ratings (AA+) and Moody's Investor Service (Aa1) in April 2022. All three ratings have a stable outlook. Phoenix's strong credit ratings reduce the overall cost to the City when borrowing money for critical public projects. While the regional economy was affected by the coronavirus outbreak, Phoenix's economic and tax base growth outperformed other parts of the U.S. Finances remain in a healthy position, supported by prudent budget management and revenue growth driven by the City's strong economy. Phoenix serves as the economic hub for the broader metropolitan statistical area, which has experienced strong and sustainable growth in recent years. These ratings reflect the efforts of the elected officials and City Management whose decisions ensure the City maintains a strong financial position.

### City Excise Taxes



As indicated above, City excise taxes, consisting primarily of City sales taxes, increased from \$1,119.5 million in fiscal year 2020-21 to \$1,332.9 million in fiscal year 2021-22. This is an increase of \$213.4 million, or 19.1%. The largest increases in these taxes were generated from strong growth in retail sales, construction, and hotel/motel lodging - 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 has adopted a strategic plan to help guide decision-making at all levels of the organization and focus the City's efforts to deliver core services that meet the City's mission: to improve the quality of life in Phoenix through efficient delivery of outstanding public services. Some of the major accomplishments during fiscal year 2021-22 related to the plan are highlighted below.

**Economic Development and Education** – City staff assisted 48 companies creating 4,642 new jobs at an average salary of \$52,059, with a capital investment of \$134,940,000, and a total of 784,268 square feet. Notable expansions include: TriWest Healthcare Alliance, ITC Manufacturing, Caris Life Sciences, LabCorp, Valor IT Global and Brewer Companies.



**Financial Excellence** – The City completed the purchase of the 27 story former Wells Fargo office tower. The strategic acquisition of the adjacent buildings and parking garages will focus on consolidating various police and public safety functions into a more efficiently combined facility. City staff issued \$60 million of Subordinated Excise Tax Revenue Obligations on October 1, 2021. The final maturity of the obligations is July 2031 with an all-in rate of 1.80 percent.

**Infrastructure** – Construction continued on the Drought Pipeline Project. As part of Project 1, the 66-inch Pipeline from the 24th Street Water Treatment Plant to 32nd Street and Shea Boulevard was mobilized. Additionally, Project 2 construction focused on the 66-inch pipeline from 32nd Street and Shea Boulevard to 32nd Street and Bell Road. Finally, as part of the Drought Contingency Plan to ensure a reliable and resilient water supply into the future, the Groundwater Well Program continued as two additional wells were drilled.

**Innovation and Efficiency** – The City was elevated to What Works Cities (WWC) Gold Certification, which is a higher level of recognition than the City's previous Silver level certification. WWC has set the national standard of excellence for data-driven, well-managed local government with its comprehensive certification process. WWC considers Gold certified cities "great at understanding data, tracking progress, and using data and evidence to inform decisions."

**Neighborhoods and Livability** – The Phoenix Public Library and the Phoenix Public Library Foundation received a \$50,000 grant from Fiesta Bowl Charities to create a new interactive and educational play space at Cholla Library. The colorful new space in the first-floor children's area was completed and available for children and families in 2021.

**Public Safety** – The Community Assistance Program (CAP) began an expansion from five Crisis Response Units to 10 Crisis Response Units and nine Behavioral Health Units. The CAP provides crisis response, and mental and behavioral health services to residents in need. The CAP has continued to offer training for new volunteers and current staff by collaborating with community partners. CAP also successfully coordinated four Regional Crisis Intervention Trainings for new volunteers and employees.

**Social Service Delivery** – On Sept. 21, 2021, the City Council approved \$12 million for the Family Assistance Resource (FAR) program as part of the City's American Rescue Plan Act (ARPA) Strategic Plan. Under this 12-month pilot program, 1,000 Phoenix families with children were selected to receive \$1,000 of assistance each month on a prepaid debit card to use for household expenses such as childcare, groceries, rent/utility bills, transportation, and other similar needs. Families with children who have applied for emergency rental assistance and reside in city-owned public housing, or have a Section 8 voucher, were randomly selected via lottery system and asked to participate.

**Sustainability** – Water Services staff revised the intergovernmental agreement with the City of Tucson, allowing storage of more of Phoenix's Colorado River allocation in Tucson. Staff also revised the contract with Roosevelt Irrigation District to allow Phoenix to store more (and different types of) water, including supplies from the Salt River.

**Technology** – The myPHX311 project team launched a new web portal to replace Phoenix-At-Your-Ser-vice, with a virtual agent residing on the portal and brand new native mobile app. The portal includes the existing list of 20 online services plus four new services. With the app that launched November 16, 2021, residents can now conveniently submit their service requests such as quickly paying their city services bill, finding their trash day, reporting graffiti, and much more. The virtual assistant can answer the most frequently asked questions without having to search through the City's website.

### **Awards and Recognition**

The City of Phoenix is one of 15 cities awarded \$1 million dollars in the 2021-2022 Bloomberg Philanthropies Global Mayors Challenge. The worldwide innovation competition supports and spreads the most promising ideas that emerged during the COVID-19 pandemic. Phoenix's award-winning innovation is a data-directed Mobile Career Unit (MCU) that helps unemployed residents overcome barriers and obtain employment. The MCU connects hiring employers with jobseekers, right in their neighborhoods, filling job vacancies and providing access to employment services. Global talent shortages are at a 15-year high, with one in three employers citing difficulty filling jobs. The City of Phoenix got creative and focused on coming up with new ways for employers and job seekers to connect. The pilot MCU program has successfully provided employers with skilled talent and resulted in 'on the spot' hires. In addition to the \$1 million dollar award, Phoenix's MCU initiative will also receive technical support and coaching over three years. A targeted zip code focus is coupled with quantitative and qualitative data to determine areas in Phoenix that most need assistance. Offering training, interview opportunities (virtual and in-person), translation, career counseling, and supplemental supportive services, the goals of the MCU is to decrease unemployment, while boosting confidence. The MCU is the only service in Phoenix that serves as this kind of mobile career "hotspot."

The City of Phoenix has achieved 2021 What Works Cities Gold Certification, the national standard of excellence in data-driven city governance. What Works Cities Certification evaluates how well cities are managed by measuring the extent in which city leaders incorporate data and evidence in their decision-making. What Works Cities is a national initiative launched to help cities use data and evidence more effectively to tackle their most pressing challenges. The City of Phoenix supports using data and resident perspectives to drive decisions and create policies and programs that are more impactful and meaningful to the community. This Gold achievement speaks to the innovation and passion many public servants in Phoenix demonstrate in a continuous effort to better learn from and respond to the needs and ideas of residents. What Works Cities Certification assesses cities based on their data-driven decision-making practices, such as whether they are using data to set goals and track progress, allocate funding, evaluate the effectiveness of programs, and achieve desired outcomes from contracts with outside vendors.

The Center for Digital Government (CDG) has named the City of Phoenix a 2021 Digital Cities Survey Winner for the '500,000 or More Population Category'. The 21st annual Digital Cities Survey examines technology based programs and plans of the city. It focuses on cybersecurity, digitization of services, data transparency, and community engagement. "Innovative cities are able to leverage data and harness new technology to enhance the services they provide," said CDG Vice President Phil Bertolini. The CDG recognizes cities for putting technology to good use toward improving the lives of constituents and strengthening the relationships cities have with both public and private partners. Over the last year, the City of Phoenix Information Technology Department successfully launched a new service through an app called "MyPHX311" that allows residents to pay their city services bill, report quality-of-life issues, and request city services. In partnership with Arizona State University and Amazon Web Services, Phoenix also developed a virtual assistant chatbot prototype for its website, which supports English and Spanish queries as well as providing voice assistance for the visually impaired. Phoenix's Information Technology Department's mission is to further the delivery of secure, responsible, sustainable, and flexible IT services, solutions, and governance.

At the 2021 Open Your Heart Gala, Phoenix Fire Chief Kara Kalkbrenner and Phoenix Police Chief Jeri Williams were awarded the first ever Visionary Leader Awards from Hunkapi Farms. Thanks to the work and dedication from Phoenix's Chiefs, equine therapy is now covered for all Fire, Police and 911 operations personnel. Phoenix is the first and only city in the country to have equine therapy fully covered. Equine-assisted therapy encompasses a range of treatments that involve activities with horses to promote physical and mental health. Hunkapi Farm's First Responder Program started in January 2019 and has helped dozens of first responders reduce their stress. Chief Kalkbrenner and Chief Williams are two of the most forward-thinking, passionate leaders I know," said Councilwoman Laura Pastor. "They continue to put the mental health of their first responders first, something so many other Fire and Police departments ignore. The Visionary Leadership Award is so well deserved!" The annual Open Your Heart gala brings leaders and community members together to support the programs for those in Arizona who need them most.

### ***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, 2021. 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, 2022 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, 2021. This was the sixth consecutive year the Aviation Enterprise Fund has achieved this honor.

The component unit financial report for COPERS for the year ended June 30, 2021 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, 2021. 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,

\*\*\*Signature On File\*\*\*

Kathleen Gitkin  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Phoenix  
Arizona**

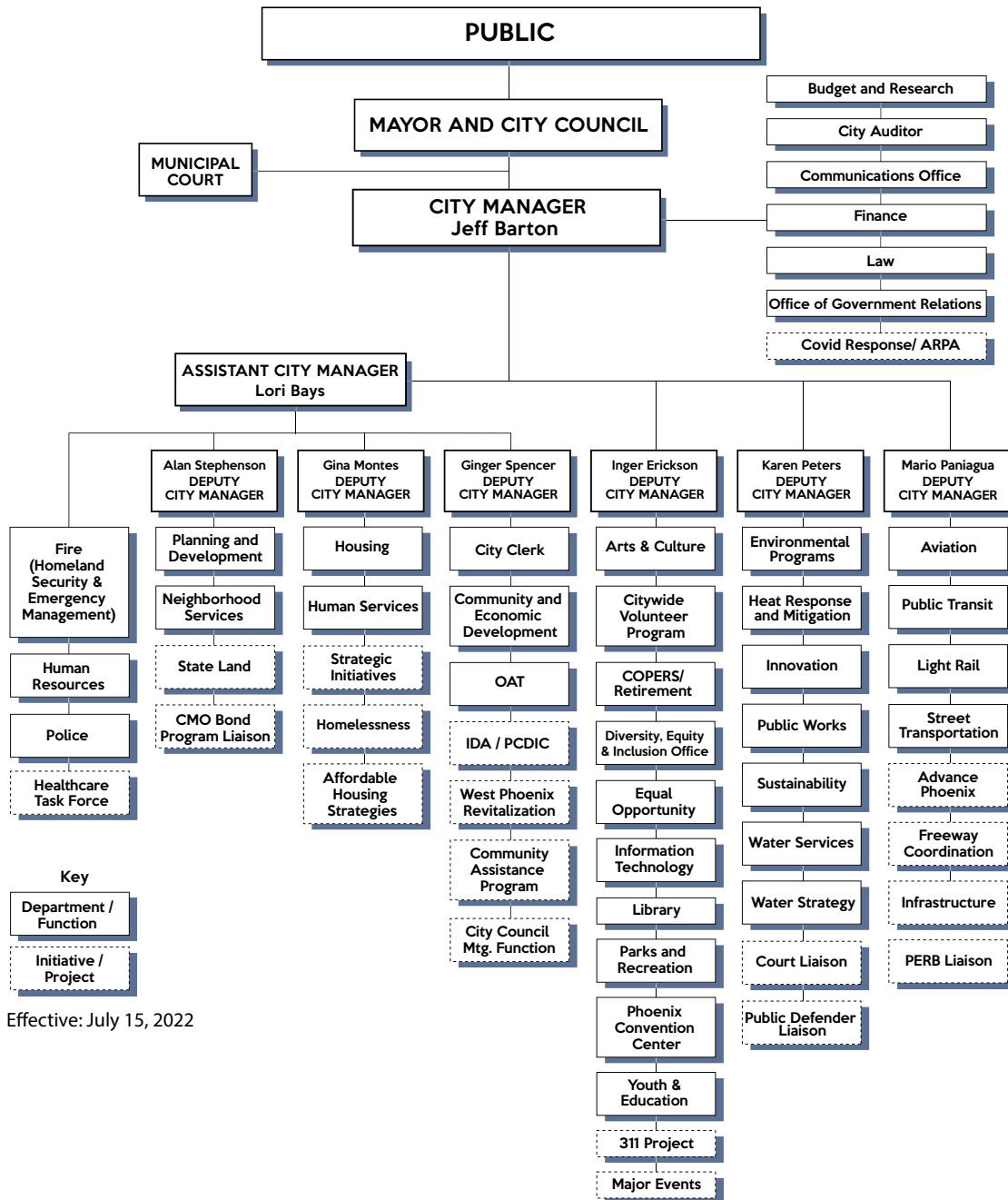
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

CITY OF PHOENIX ORGANIZATIONAL CHART



**City of Phoenix  
Council Members  
and District Boundaries**



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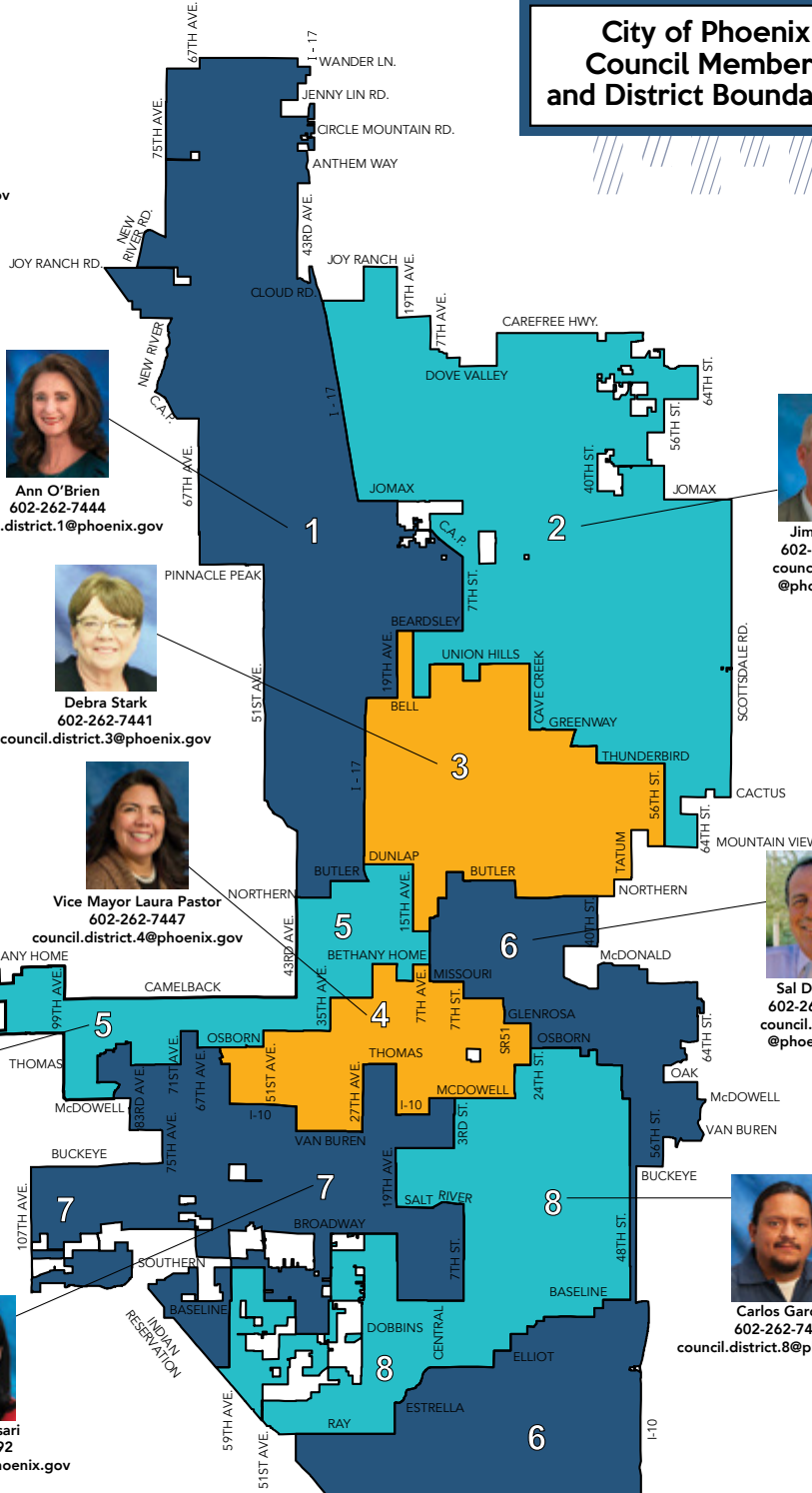
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# Financial section

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



**City of Phoenix**



**FORVIS**

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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, 2022, 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 reports of 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the 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 Phoenix Industrial Development Authority (IDA), a discretely presented component unit, which represents 36 percent, 68 percent, and 40 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Multi-City Subregional Operating Group (SROG), a joint use agreement of the City, which represents 15 percent of total assets, 25 percent of net position, and 78 percent of the total nonoperating revenues (expenses) of the Wastewater Fund. We also did not audit the financial statements of the Valley Metro Rail, Inc. or Regional Wireless Cooperative, joint use agreements of the City, which represents 16 percent of the assets, 57 percent of net position, and 8 percent of total revenues of the governmental activities of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for IDA and the joint use activities related to SROG, Valley Metro Rail, Inc., and Regional Wireless Cooperative is based solely on the reports 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 opinion.

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

***Emphasis of Matter***

***Change in Accounting Principle***

As discussed in *Note 14* to the financial statements, in fiscal year 2022 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

***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.

***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 opinion. 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.

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information 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 to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor governmental combining fund financial statements, enterprise funds financial statements, fiduciary funds combining statements, and Phoenix Housing Financing 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 annual report. The other information comprises the introductory section, nonmajor governmental funds budgetary schedules, enterprise funds budget and actual schedules, other supporting schedules and the statistical section but does not include the 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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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,LLP**

Dallas, Texas  
December 16, 2022



**Financial Section**  
.....

**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, 2022. Readers are encouraged to consider this overview and analysis in combination with the traditional letter of transmittal that can be found on pages I - VII 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 \$7.7 billion (net position), which represents an increase of \$1.1 billion, or 16.7%, as compared to fiscal year 2020-21. The increase in net position for Governmental Activities is primarily the result of an increase in excise tax revenues and additional grant funds being received from ARPA in fiscal year 2021-22. The increase in net position for Business-Type Activities is primarily attributable to increased revenues from the Aviation and Convention Center Enterprise Funds, which experienced increased levels of passenger enplanements and event bookings, respectively.
- On the Government-Wide Financial Statements, the City's total cash and investments of \$3.4 billion at June 30, 2022 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City was awarded an allocation of \$396.1 million from the Coronavirus State and Local Fiscal Recovery Fund under the umbrella of the American Rescue Plan Act (ARPA) in fiscal year 2020-21. ARPA was signed into law to provide additional relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses. The first allocation of \$198.1 million was received in fiscal year 2020-21 and the second allocation of \$198.0 million was received in fiscal year 2021-22. Unearned amounts have been included in Advance Payments on the Government-Wide Statement of Net Position.
- Excise and other tax revenues increased by \$236.0 million, or 16.8%. A majority of the increase stems from transaction privilege taxes collected on higher levels of taxable retail sales, construction contracting, restaurants & bars, hotel & motel lodging, and rental activities in the City for fiscal year 2021-22.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$1.7 billion, an increase of \$3.6 million from last fiscal year. Approximately 24.7% of the total governmental fund balance amount, or \$429.1 million, is designated by the City as committed, assigned and unassigned. The remaining 75.3%, or \$1.3 billion, is designated as non-spendable or restricted. See Note 3 on page 60 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 22 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 49 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, 2022.

**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 \$7.7 billion at the close of the fiscal year.

The largest portion of the City's net position, \$7.6 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 4,461,564	\$ 3,906,794	\$ 3,756,532	\$ 3,193,215	\$ 8,218,096	\$ 7,100,009
Capital and lease assets	5,567,329	5,356,046	8,217,359	7,896,550	13,784,688	13,252,596
Total assets	10,028,893	9,262,840	11,973,891	11,089,765	22,002,784	20,352,605
Deferred outflows of resources	700,085	692,535	122,675	84,717	822,760	777,252
Other liabilities	1,069,239	975,855	953,328	565,395	2,022,567	1,541,250
Long-term liabilities						
outstanding	6,259,398	6,441,796	5,963,806	6,114,623	12,223,204	12,556,419
Total liabilities	7,328,637	7,417,651	6,917,134	6,680,018	14,245,771	14,097,669
Deferred inflows of resources	532,804	323,922	343,218	107,764	876,022	431,686
Net position:						
Net investment in capital						
assets	3,984,584	3,384,939	3,592,530	3,346,870	7,577,114	6,731,809
Restricted	1,458,949	1,249,610	290,321	438,450	1,749,270	1,688,060
Unrestricted	(2,575,996)	(2,420,747)	953,363	601,380	(1,622,633)	(1,819,367)
Total net position	\$ 2,867,537	\$ 2,213,802	\$ 4,836,214	\$ 4,386,700	\$ 7,703,751	\$ 6,600,502

The *restricted* portion of the City's net position, \$1.7 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 (\$4.8 billion) are included in the remaining balance, or the *unrestricted net position*, resulting



in a deficit of \$1.6 billion. The City's balance of \$3.4 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 and Lease Assets.** The City's capital and lease assets for the fiscal year ended June 30, 2022, totaled \$13.8 billion, net of accumulated depreciation. This represents an increase from the prior fiscal year of \$510.9 million, which includes an increase of \$190.1 million for Governmental Activities and an increase of \$320.8 million for Business-Type Activities. Major additions to capital assets during the fiscal year included the following:

- Design and construction related to the light rail extension projects valued at \$439.9 million.
- New and replacement water and sewer mains throughout the City valued at \$255.8 million.
- Water and wastewater distribution, collection and treatment facilities projects valued at \$191.5 million.
- Various street and storm sewer projects throughout the City valued at \$169.5 million.
- Aviation terminal 4 improvements valued at \$65.6 million.
- Footprint Center renovation project valued at \$54.8 million.

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

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

	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,314,550	\$ 1,280,201	\$ 692,227	\$ 691,933	\$ 2,006,777	\$ 1,972,134
Artwork	7,927	7,545	12,169	12,169	20,096	19,714
Construction-in-Progress	318,961	225,082	2,069,859	1,771,062	2,388,820	1,996,144
Buildings	920,539	884,150	1,791,097	1,695,144	2,711,636	2,579,294
Improvements	302,593	301,640	1,780,256	1,870,259	2,082,849	2,171,899
Infrastructure	2,245,304	2,238,878	1,240,854	1,249,777	3,486,158	3,488,655
Equipment	423,080	403,315	541,957	502,274	965,037	905,589
Intangible Assets	14,709	15,235	88,940	103,932	103,649	119,167
Right-to-Use Lease Assets	19,666	21,224	-	-	19,666	21,224
<b>Total</b>	<b>\$ 5,567,329</b>	<b>\$ 5,377,270</b>	<b>\$ 8,217,359</b>	<b>\$ 7,896,550</b>	<b>\$ 13,784,688</b>	<b>\$ 13,273,820</b>

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

**Financial Obligations.** The City's total financial obligations decreased by \$333.2 million, or (2.7%). This was primarily due to the decrease in the Municipal Corporation Obligations, net, and General Obligation Bonds, net, which resulted from debt service payments in fiscal year 2021-22.

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. The general obligation bonds long-

term balance was \$862.8 million, net of discounts/premiums and the City's available debt margin at June 30, 2022 was \$1.3 billion in the 6% capacity and \$3.8 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 \$6.1 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.

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	
	2022	2021	2022	2021	2022	2021
General obligation bonds, net	\$ 862,796	\$ 963,531	\$ -	\$ 343	\$ 862,796	\$ 963,874
Loans from direct borrowings	-	-	10,087	11,804	10,087	11,804
Municipal corporation obligations, net	519,175	544,843	5,559,567	5,796,086	6,078,742	6,340,929
Special assessment bonds	-	-	-	-	-	-
Community facilities districts, net	28,640	29,335	-	-	28,640	29,335
Insurance claims payable	204,686	222,230	-	-	204,686	222,230
Compensated absences	155,118	156,084	20,318	20,681	175,436	176,765
Landfill closure/Post-closure costs	-	-	16,323	16,820	16,323	16,820
Pollution remediation	3,503	3,648	1,275	1,350	4,778	4,998
Financed purchases	-	1,166	-	-	-	1,166
Lease Liability	20,413	-	-	-	20,413	-
Net pension liability	4,327,182	4,415,425	315,973	236,628	4,643,155	4,652,053
Net OPEB liability	137,900	105,532	40,262	30,911	178,162	136,443
<b>Total</b>	<b>\$ 6,259,413</b>	<b>\$ 6,441,794</b>	<b>\$ 5,963,805</b>	<b>\$ 6,114,623</b>	<b>\$ 12,223,218</b>	<b>\$ 12,556,417</b>

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, 2022**  
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 580,329	\$ 217,809	\$ 1,464,980	\$ 1,275,772	\$ 2,045,309	\$ 1,493,581
Grants and contributions						
Operating	695,334	689,564	-	-	695,334	689,564
Capital	403,681	350,544	142,839	123,908	546,520	474,452
General revenues						
Excise taxes	1,332,879	1,119,492	-	-	1,332,879	1,119,492
Other taxes	312,243	289,590	-	-	312,243	289,590
Grants/contributions not restricted to specific programs	553,265	654,429	-	-	553,265	654,429
Other	8,004	123,643	196,655	116,569	204,659	240,212
Total revenues	<u>3,885,735</u>	<u>3,445,071</u>	<u>1,804,474</u>	<u>1,516,249</u>	<u>5,690,209</u>	<u>4,961,320</u>
<b>Expenses</b>						
General government	258,138	171,106	-	-	258,138	171,106
Criminal justice	38,261	36,812	-	-	38,261	36,812
Public safety	1,284,353	1,367,004	-	-	1,284,353	1,367,004
Transportation	748,459	427,982	-	-	748,459	427,982
Community enrichment	465,542	419,047	-	-	465,542	419,047
Community development	262,627	259,183	-	-	262,627	259,183
Environmental services	75,371	59,224	-	-	75,371	59,224
Interest on long-term debt	50,328	53,532	-	-	50,328	53,532
Aviation	-	-	539,372	576,657	539,372	576,657
Phoenix convention center	-	-	98,624	88,530	98,624	88,530
Water services	-	-	422,543	373,006	422,543	373,006
Wastewater services	-	-	172,121	176,062	172,121	176,062
Solid waste	-	-	171,221	133,843	171,221	133,843
Total expenses	<u>3,183,079</u>	<u>2,793,890</u>	<u>1,403,881</u>	<u>1,348,098</u>	<u>4,586,960</u>	<u>4,141,988</u>
Increase in net position before transfers	702,656	651,181	400,593	168,151	1,103,249	819,332
Transfers - internal activities	(48,921)	(24,742)	48,921	24,742	-	-
Increase in net position	<u>653,735</u>	<u>626,439</u>	<u>449,514</u>	<u>192,893</u>	<u>1,103,249</u>	<u>819,332</u>
<b>Net Position - July 1</b>	<u>2,213,802</u>	<u>1,587,363</u>	<u>4,386,700</u>	<u>4,193,807</u>	<u>6,600,502</u>	<u>5,781,170</u>
<b>Net Position - June 30</b>	<u>\$ 2,867,537</u>	<u>\$ 2,213,802</u>	<u>\$ 4,836,214</u>	<u>\$ 4,386,700</u>	<u>\$ 7,703,751</u>	<u>\$ 6,600,502</u>

As shown above, Total Government net position increased by \$1.1 billion, or 16.7%, as compared to fiscal year 2020-21. Governmental Activities accounted for \$653.7 million, or 59.3%, of the increase and Business-Type Activities accounted for \$449.5 million, or 40.7%. The increase in net position for Governmental Activities is primarily the result of an increase in excise tax revenues, additional grant funds being received from ARPA, and a gain recorded in transportation program revenues related to the City’s investment for the Valley Metro Rail Inc. in fiscal year 2021-22. The increase in net position for Business-Type Activities is primarily attributable to increased revenues from the Aviation and Convention Center Enterprise Funds, which experienced increased levels of passenger enplanements and event bookings, respectively.

Excise and other tax revenues increased by \$236.0 million, or 16.8%. A majority of the increase stems from transaction privilege taxes collected on higher levels of taxable retail sales, construction contracting, restaurants & bars, hotel & motel lodging, and rental activities in the City during fiscal year 2021-22. For additional information, see Table 7 related to the City Transaction Privilege Taxes by Category.

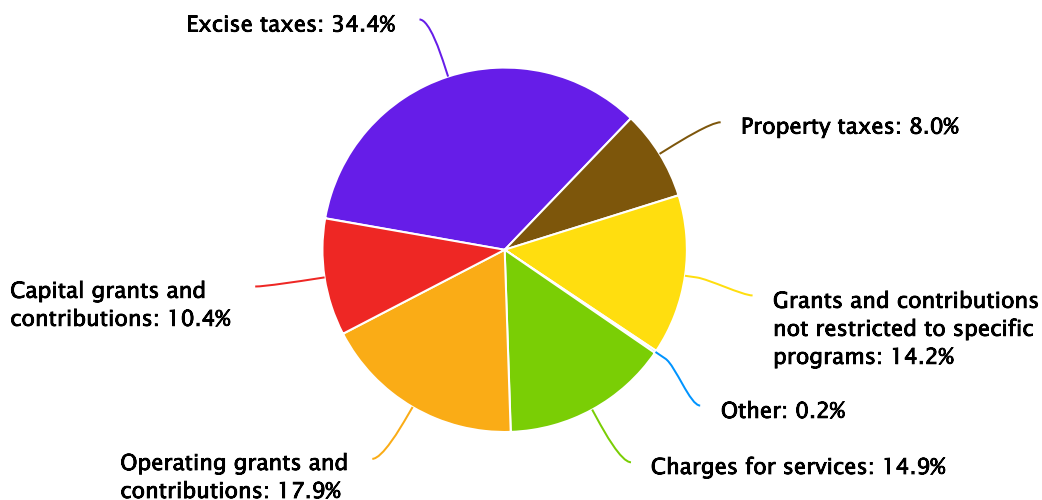
Transportation expenses increased by \$320.5 million, or 74.9%, due to an increase in bus and light rail ridership, as well as capital outlay for the light rail extension projects. General government expenses increased by \$87.3 million, or 51.0%, due to a rise in employee costs and information technology upgrades. Community enrichment expenses increased by \$46.5 million, or 11.1%, due to emergency rental assistance payments and other grant-funded payments directly to aid City residents and businesses.

The Aviation Enterprise Fund’s operating revenues increased by \$105.4 million, or 36.1%, as compared to fiscal year 2020-21. This increase is the direct result of additional flights being added to Sky Harbor Airport’s operations and an overall increase in the number of passenger enplanements in fiscal year 2021-22. Also, the Convention Center Enterprise Fund’s operating revenues increased by \$18.4 million, or 68.0%, as compared to fiscal year 2020-21. The Convention Center’s number of corporate events and other rental activities have begun to return to pre-pandemic levels.

The operating expenses went down for the Aviation Enterprise Fund in fiscal year 2021-22, as compared to the prior year, by \$37.3 million, or 6.5%. This decrease is due to the paydown of its share of the net pension liability in fiscal year 2020-21. The Water Services Enterprise Fund’s operating expenses increased by \$49.5 million, or 13.3%, due to the cost of raw water, electricity and chemicals rising due to inflationary factors. Also, the Solid Waste Enterprise Fund’s operating expenses increased by \$37.4 million, or 27.9%, due to more customer accounts being opened that has led to higher collection and landfill activities, as well as an increase in pension expense.

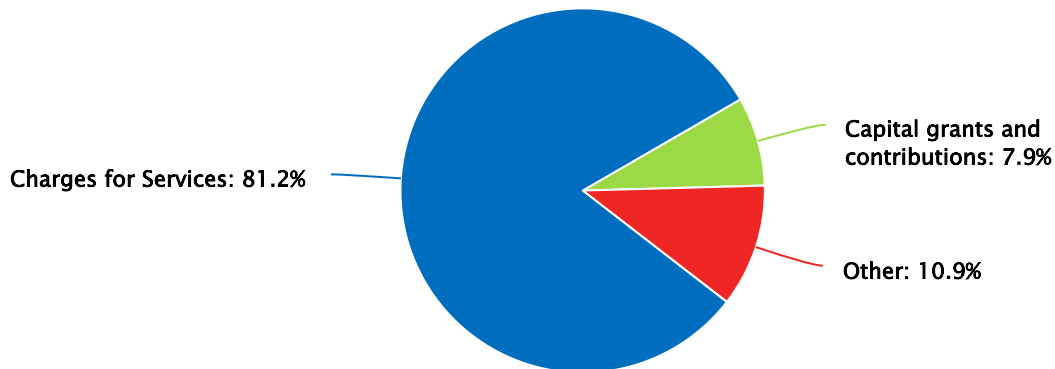
The sources of the revenues shown previously are portrayed in the following charts by percentage for the Governmental Activities and then the Business-Type Activities.

**Revenues by Source – Governmental Activities  
Fiscal Year Ended June 30, 2022**



As shown above, excise taxes, which include City sales and franchise taxes, are the largest source of revenue for the Governmental Activities comprising 34.4% 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, 2022**



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-14 beginning on page 30 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, Transit Capital Projects 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-one 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 38) 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 30) 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, 2022**  
 (in thousands)

	Fund Balances (Deficit) June 30, 2021	Net Change in Fund Balances (Deficit)	Fund Balances (Deficit) June 30, 2022
General Fund	\$ 583,149	\$ (144,007)	\$ 439,142
Transit Special Revenue Fund	213,069	196,381	409,450
Transit Capital Projects Fund	(116,173)	(105,263)	(221,436)
G.O./Secondary Property Tax	74,743	(4,038)	70,705
Nonmajor Governmental	978,269	60,540	1,038,809
<b>Total</b>	<b>\$ 1,733,057</b>	<b>\$ 3,613</b>	<b>\$ 1,736,670</b>
Total Nonspendable	22,670	6,758	29,428
Spendable - Restricted	1,066,278	211,858	1,278,136
Spendable - Committed, Assigned, Unassigned	644,109	(215,003)	429,106
<b>Total Governmental Fund Balances</b>	<b>\$ 1,733,057</b>	<b>\$ 3,613</b>	<b>\$ 1,736,670</b>

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 \$1.7 billion, an increase of \$3.6 million, or 0.2% from last fiscal year. Of the total governmental funds combined ending balances, approximately 98.3% of this amount, or \$1.7 billion, constitutes *total spendable balance*. Of the spendable amount, there is \$429.1 million available at the City's discretion and has been categorized as committed, assigned or unassigned. The remaining \$1.3 billion, or 75.3%, 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 \$144.0 million, or 24.7%. This decrease in fund balance was primarily due to an increase in public safety expenses and information technology security upgrades to the City's hardware and software systems.

The Transit Special Revenue Fund accounts for the voter approved excise taxes dedicated to the construction, operation and maintenance of the public transit system. In fiscal year 2022, the fund balance increased by \$196.4 million, or 92.2%, as a result of higher intergovernmental revenues received that are related to future light rail extension projects and replacement bus purchases. The Transit Capital Projects Fund has a fund deficit of \$221.4 million as a result of interfund transactions with the Transit Special Revenue Fund related to capital outlay expenditures. There is a Due to Other Funds liability of \$231.1 million in the Transit Capital Projects Fund, which is causing the temporary fund deficit before the transfer of funds takes place in fiscal year 2023. Both of these major funds are used for transportation-related program expenditures and transfers of funds from the Transit Special Revenue Fund to the Transit Capital Project Fund take place on a frequent basis.

The fund balance for the nonmajor governmental funds increased by \$60.5 million, or 6.2%, in fiscal year 2021-22. The Development Services Special Revenue Fund accounts for a majority of this increase. Its fund balance increased by \$39.7 million, or 20.6%, as compared to fiscal year 2020-21. This increase is due to higher revenues from charges for services for building plan & safety permits fees with higher levels of construction activity in fiscal year 2021-22.

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, 2022  
(in thousands)**

	Final Amended Budget	Actuals	Variance Positive (Negative)
Revenues	\$ 385,547	\$ 399,680	\$ 14,133
Expenditures and Encumbrances	1,621,668	1,470,251	151,417
Deficiency of Revenues Under Expenditures and Encumbrances	(1,236,121)	(1,070,571)	165,550
Other Financing Sources	977,306	1,012,017	34,711
Net Change in Fund Balance	<u>\$ (258,815)</u>	<u>(58,554)</u>	<u>\$ 200,261</u>
Fund Balance July 1		283,000	
Fund Balance June 30		<u>\$ 224,446</u>	

The total actual revenues in the General Fund were more than 3.7% of the final amended budget and total expenditures were less than the final amended budget. The final amended general fund expenditure budget of \$1.6 billion includes \$113.2 million of contingency, which was not utilized. The actual general fund budgetary expenditures for the fiscal year ended June 30, 2022, were \$1.5 billion which is \$151.4 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, 2022**  
 (in thousands)

	Net Position (Deficit) July 1, 2021	Change in Net Position	Net Position (Deficit) June 30, 2022
Aviation	\$ 1,652,201	\$ 188,427	\$ 1,840,628
Phoenix Convention Center	(56,450)	26,342	(30,108)
Water System	1,571,589	111,726	1,683,315
Wastewater	1,154,169	93,469	1,247,638
Solid Waste	65,191	29,550	94,741
Total	<u>\$ 4,386,700</u>	<u>\$ 449,514</u>	<u>\$ 4,836,214</u>

As shown in the table, Net Position for the Enterprise Funds increased in total by \$449.5 million during the fiscal year. The increases were due to increased revenues and contributions of capital assets. The Aviation net position increased by \$188.4 million, or 11.4%, due to an increase in passenger enplanements and a decrease in liabilities during fiscal year 2021-22. The deficit for the Phoenix Convention Center decreased by \$26.3 million, or 46.7%, due to an increase in operating revenues from higher levels of event bookings, as compared to the prior fiscal year. The deficit is driven by the timing difference between depreciation expense on the north and west building expansion, principal payments for the related debt, and pension expense. As the City increases the principal payments in accordance with the debt service schedules and the depreciation remains constant, the deficit balance will be eliminated in the Phoenix Convention Center. The Phoenix Convention Center currently has enough cash flow to meet future debt service payments and operating requirements. The net position for the Water System and Solid Waste Enterprise Funds increased during fiscal year 2021-22 due to revenue collections from more households as the City's population continues to grow.

### 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 2013 was 1,485,719. As of June 2022, the City has an estimated population of 1,648,257. This population growth represents a 10.9% increase over this ten-year span.
- The fiscal year 2022-23 assessed valuation increased 4.7% to \$15.5 billion.
- According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area grew by an average of 6.7% per year from 2011 through 2020, and grew 20.2% in 2021. This growth was supported by gains in personal income averaging 5.9% annually from 2011 through 2020, and grew 6.3% in 2021. The Greater Phoenix Blue Chip Economic Forecast estimates an increase in retail sales of 8.3% and 5.2% in personal income in 2022.
- The City of Phoenix maintains strong credit ratings for General Obligation (GO) and Excise Tax bonds. The ratings were affirmed by Fitch Ratings (AAA), S&P Global Ratings (AA+) and Moody's Investor Service (Aa1) in April 2022. All three ratings have a stable outlook.



**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, Phoenix, Arizona, 85003.



**City of Phoenix**



**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, 2022

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 299,124	\$ 185,867	\$ 484,991	\$ 11,897	\$ 30,379
Cash Deposits	1,065	10	1,075	4,258	27
Cash and Securities with					
Fiscal Agents/Trustees	160,374	-	160,374	3,541	-
Investments	1,705,898	1,019,030	2,724,928	-	-
Receivables, Net of Allowances	413,816	200,504	614,320	10,369	576
Prepaid Items	651	6,900	7,551	471	44
Inventories	28,860	21,582	50,442	-	-
Restricted Assets	-	1,308,652	1,308,652	-	1,938
Investment in Joint Use Agreements	1,629,183	497,799	2,126,982	-	-
Net OPEB Asset	71,818	4,839	76,657	-	-
Leases Receivable	150,775	327,699	478,474	-	-
Other Noncurrent Assets	-	183,650	183,650	-	3,357
Capital Assets					
Non-depreciable	2,188,143	2,774,255	4,962,398	12,729	-
Depreciable, net	3,379,186	5,443,104	8,822,290	22,402	-
Total Assets	10,028,893	11,973,891	22,002,784	65,667	36,321
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Loss on Refunding	9,999	70,291	80,290	-	-
Pension Related	639,927	39,086	679,013	-	-
OPEB Related	50,159	13,298	63,457	-	-
Total Deferred Outflows of Resources	700,085	122,675	822,760	-	-

The accompanying notes are an integral part of these financial statements

## Government-Wide Financial Statements

Exhibit A-1

## Statement of Net Position

(Continued)

June 30, 2022

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
<b>LIABILITIES</b>					
Accounts Payable	305,550	91,345	396,895	947	193
Reimbursement Agreement to City	-	-	-	2,348	-
Trust Liabilities and Deposits	57,178	39	57,217	343	-
Advance Payments	371,472	34,745	406,217	177	-
Liabilities Payable from Restricted Assets	-	124,140	124,140	127	-
Short-Term Obligations	200,000	400,000	600,000	-	-
Matured Bonds Payable	108,995	178,850	287,845	-	-
Interest Payable	26,044	124,209	150,253	3,123	-
Noncurrent Liabilities					
Due Within One Year					
Insurance Claims Payable	53,969	-	53,969	-	-
Accrued Compensated Absences	19,757	2,789	22,546	-	-
Pollution Remediation	47	75	122	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	1,520	1,520	-	-
General Obligation Bonds	95,990	-	95,990	-	-
Loans from Direct Borrowings	-	1,749	1,749	-	-
Municipal Corporation Obligations	45,245	207,743	252,988	-	-
Community Facilities Districts, net	725	-	725	-	-
Due in More Than One Year					
Insurance Claims Payable	150,717	-	150,717	-	-
Accrued Compensated Absences	135,361	17,529	152,890	-	-
Pollution Remediation	3,441	1,200	4,641	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	14,803	14,803	-	-
General Obligation Bonds, net	766,806	-	766,806	-	-
Loans from Direct Borrowings, net	-	8,338	8,338	-	-
Municipal Corporation Obligations, net	473,930	5,351,825	5,825,755	-	-
Community Facilities Districts, net	27,915	-	27,915	-	-
Notes Payable	-	-	-	41,573	-
Lease Liability	20,413	-	20,413	-	-
Net Pension Liability	4,327,182	315,973	4,643,155	-	-
Net OPEB Liability	137,900	40,262	178,162	-	-
Total Liabilities	7,328,637	6,917,134	14,245,771	48,638	193
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Gain on Refunding	8,562	3,936	12,498	-	-
Service Concession Arrangement	21,673	-	21,673	-	-
Pension Related	307,872	12,515	320,387	-	-
OPEB Related	48,232	8,476	56,708	-	-
Leases Related	146,465	318,291	464,756	-	-
Total Deferred Inflows of Resources	532,804	343,218	876,022	-	-
<b>NET POSITION</b>					
Net Investment in Capital Assets	3,984,584	3,592,530	7,577,114	(7,775)	-
Restricted For:					
Capital Projects	223,131	-	223,131	-	1,938
Debt Service	187,576	20,335	207,911	-	-
Passenger Facility Charges	-	103,681	103,681	-	-
Customer Facility Charges	-	34,596	34,596	-	-
Public Transit Operations	408,618	-	408,618	-	-
OPEB	71,818	4,839	76,657	-	-
Other	567,806	126,870	694,676	-	-
Unrestricted (Deficit)	(2,575,996)	953,363	(1,622,633)	24,804	34,190
Total Net Position	\$ 2,867,537	\$ 4,836,214	\$ 7,703,751	\$ 17,029	\$ 36,128

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, 2022

(in thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$ 258,138	\$ 17,321	\$ 39,156	\$ 345
Criminal Justice	38,261	17,547	-	-
Public Safety	1,284,353	78,363	25,062	-
Transportation	748,459	332,866	318,049	341,294
Community Enrichment	465,542	12,082	159,928	301
Community Development	262,627	122,070	131,006	61,330
Environmental Services	75,371	80	22,133	411
Interest on Long-Term Debt	50,328	-	-	-
Total Governmental Activities	<u>3,183,079</u>	<u>580,329</u>	<u>695,334</u>	<u>403,681</u>
<b>Business-Type Activities</b>				
Aviation	539,372	525,220	141,921	33,557
Phoenix Convention Center	98,624	45,556	-	208
Water Services	422,543	469,835	-	68,718
Wastewater Services	172,121	224,819	-	40,345
Solid Waste	171,221	199,550	-	11
Total Business-Type Activities	<u>1,403,881</u>	<u>1,464,980</u>	<u>141,921</u>	<u>142,839</u>
<b>Total Primary Government</b>	<u>\$ 4,586,960</u>	<u>\$ 2,045,309</u>	<u>\$ 837,255</u>	<u>\$ 546,520</u>
<b>Component Units:</b>				
Phoenix Housing Finance Corporations	\$ 11,455	\$ 8,889	\$ -	\$ -
Phoenix Industrial Development Authority	\$ 3,902	\$ 7,010	\$ -	\$ -
<b>General Revenues (Expenses)</b>				
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				
<b>Total General Revenues and Transfers</b>				
Change in Net Position				
<b>Net Position - July 1</b>				
<b>Net Position - June 30</b>				

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
\$ (201,316)	\$ -	\$ (201,316)		
(20,714)	-	(20,714)		
(1,180,928)	-	(1,180,928)		
243,750	-	243,750		
(293,231)	-	(293,231)		
51,779	-	51,779		
(52,747)	-	(52,747)		
(50,328)	-	(50,328)		
<u>(1,503,735)</u>	<u>-</u>	<u>(1,503,735)</u>		
-	161,326	161,326		
-	(52,860)	(52,860)		
-	116,010	116,010		
-	93,043	93,043		
-	28,340	28,340		
-	345,859	345,859		
<u>\$ (1,503,735)</u>	<u>\$ 345,859</u>	<u>\$ (1,157,876)</u>		
			<u>\$ (2,566)</u>	<u>\$ 3,108</u>
1,332,879	-	1,332,879	-	-
192,277	-	192,277	-	-
119,966	-	119,966	-	-
553,265	-	553,265	-	-
(82,226)	43,900	(38,326)	102	(537)
90,230	10,834	101,064	1,315	411
(48,921)	48,921	-	-	-
<u>2,157,470</u>	<u>103,655</u>	<u>2,261,125</u>	<u>1,417</u>	<u>(126)</u>
653,735	449,514	1,103,249	(1,149)	2,982
2,213,802	4,386,700	6,600,502	18,178	33,146
<u>\$ 2,867,537</u>	<u>\$ 4,836,214</u>	<u>\$ 7,703,751</u>	<u>\$ 17,029</u>	<u>\$ 36,128</u>

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, 2022

(in thousands)

	General					
	General	Transit Special Revenue	Transit Capital Projects	Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 79,785	\$ 22,856	\$ -	\$ 18	\$ 196,465	\$ 299,124
Cash Deposits	1,065	-	-	-	-	1,065
Cash and Securities with Fiscal Agents/Trustees	14,921	-	-	105,356	40,097	160,374
Investments	613,079	135,664	-	67,261	889,894	1,705,898
Due from Other Funds	21,093	231,114	-	-	37,033	289,240
Receivables, Net of Allowance						
Accounts Receivable	62,155	1,415	-	1,213	23,676	88,459
Taxes Receivable	144,270	-	-	2,002	4	146,276
Delinquent Taxes Receivable	2,706	-	-	1,834	-	4,540
Intergovernmental	29,735	49,127	9,678	-	75,422	163,962
Accrued Interest	329	-	-	211	153	693
Notes Receivable	-	-	-	-	9,886	9,886
Leases Receivable	-	-	-	-	150,775	150,775
Prepaid Items	149	419	-	-	83	651
Inventories	28,447	413	-	-	-	28,860
Total Assets	997,734	441,008	9,678	177,895	1,423,488	3,049,803
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Total Deferred Outflows of Resources	-	-	-	-	-	-
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Due to Other Funds	17,417	-	231,114	-	40,709	289,240
Accounts Payable	180,455	31,521	-	-	93,574	305,550
Trust Liabilities and Deposits	8,789	37	-	-	48,352	57,178
Matured Bonds Payable	-	-	-	87,845	21,150	108,995
Interest Payable	-	-	-	17,511	8,533	26,044
Advance Payments	349,225	-	-	-	25,896	375,121
Total Liabilities	555,886	31,558	231,114	105,356	238,214	1,162,128
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Delinquent Property Taxes	2,706	-	-	1,834	-	4,540
Leases Related	-	-	-	-	146,465	146,465
Total Deferred Inflows of Resources	2,706	-	-	1,834	146,465	151,005
<b>Fund Balances</b>						
<b>Non-Spendable</b>						
Inventories	28,447	413	-	-	-	28,860
Prepaid Items	149	419	-	-	-	568
Restricted	49,526	408,618	-	70,705	749,287	1,278,136
Committed	-	-	-	-	119,342	119,342
Assigned	159,263	-	-	-	170,193	329,456
Unassigned	201,757	-	(221,436)	-	(13)	(19,692)
Total Fund Balances (Deficit)	439,142	409,450	(221,436)	70,705	1,038,809	1,736,670
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 997,734	\$ 441,008	\$ 9,678	\$ 177,895	\$ 1,423,488	\$ 3,049,803

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, 2022

(in thousands)

Fund balances - total governmental funds balance sheet	\$	1,736,670
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	8,571,353	
Accumulated depreciation	<u>(3,004,024)</u>	5,567,329
The investment in joint use agreements are not a financial resource and, therefore, are not reported in the funds.		
Valley Metro Rail Inc.	1,591,023	
Regional Wireless Cooperative	<u>38,160</u>	1,629,183
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Net OPEB asset		71,818
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.		
		8,189
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.	9,999	
Deferred outflows of resources from pensions.	639,927	
Deferred outflows of resources from OPEB.	<u>50,159</u>	700,085
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	(1,410,611)	
Pollution remediation	(3,488)	
Compensated absences	(155,118)	
Insurance claims payable	(204,686)	
Lease liability	(20,413)	
Net pension liability	(4,327,182)	
Net OPEB liability	<u>(137,900)</u>	(6,259,398)
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.	(8,562)	
Deferred inflows of resources from service concession arrangement.	(21,673)	
Deferred inflows of resources from pensions.	(307,872)	
Deferred inflows of resources from OPEB.	<u>(48,232)</u>	(386,339)
Net position of governmental activities - statement of net position	\$	<u><u>2,867,537</u></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, 2022

(in thousands)

	General	Transit Special Revenue	Transit Capital Projects	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
City Taxes	\$ 911,531	\$ 335,608	\$ -	\$ 119,974	\$ 277,955	\$ 1,645,068
Licenses and Permits	16,465	-	-	-	694	17,159
Intergovernmental	516,098	161,554	341,186	3,961	605,666	1,628,465
Charges for Services	89,000	18,467	-	-	130,897	238,364
Fines and Forfeitures	7,268	-	-	-	49	7,317
Parks and Recreation	-	-	-	-	1,018	1,018
Special Assessments	-	-	-	-	8	8
Investment Income (Loss)						
Net Change in Fair Value of Investments	(120,264)	7,389	-	(481)	12,352	(101,004)
Interest	7,746	3,264	-	514	7,254	18,778
Interest Income from Leases	-	-	-	-	4,782	4,782
Dwelling Rentals	-	-	-	-	5,557	5,557
Other	20,924	6,773	-	-	58,049	85,746
Total Revenues	1,448,768	533,055	341,186	123,968	1,104,281	3,551,258
<b>EXPENDITURES</b>						
Current						
General Government	103,660	-	-	-	55,594	159,254
Criminal Justice	39,216	-	-	-	1,787	41,003
Public Safety	951,323	-	-	-	220,885	1,172,208
Transportation	25,385	227,568	-	-	97,310	350,263
Community Enrichment	179,025	-	-	-	167,384	346,409
Community Development	26,646	-	-	-	208,466	235,112
Environmental Services	21,876	-	-	-	24,846	46,722
Capital Outlay	46,434	106,321	446,102	-	375,959	974,816
Leases	8,650	-	-	-	-	8,650
Debt Service						
Principal	-	-	-	87,845	81,153	168,998
Interest	-	-	-	40,599	21,148	61,747
Bond Issuance Costs	-	-	-	565	-	565
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	2	5	7
Financed Purchases	1,191	-	-	-	-	1,191
Other	-	-	-	280	1,427	1,707
Total Expenditures	1,403,406	333,889	446,102	129,291	1,255,964	3,568,652
Excess (Deficiency) of Revenues Over Expenditures	45,362	199,166	(104,916)	(5,323)	(151,683)	(17,394)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from Other Funds	32,470	-	-	523	211,939	244,932
Transfers to Other Funds	(230,489)	(2,785)	(347)	(516)	(59,716)	(293,853)
Proceeds from Leases	8,650	-	-	-	-	8,650
Issuance of Debt						
Refunding Bonds	-	-	-	146,400	-	146,400
Premium on Refunding Bonds	-	-	-	17,176	-	17,176
Loans from Direct Borrowings	-	-	-	-	60,000	60,000
Deposit to Refunding Escrow	-	-	-	(162,298)	-	(162,298)
Total Other Financing Sources and (Uses)	(189,369)	(2,785)	(347)	1,285	212,223	21,007
Net Change in Fund Balances	(144,007)	196,381	(105,263)	(4,038)	60,540	3,613
<b>FUND BALANCES (DEFICIT), JULY 1</b>	583,149	213,069	(116,173)	74,743	978,269	1,733,057
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ 439,142	\$ 409,450	\$ (221,436)	\$ 70,705	\$ 1,038,809	\$ 1,736,670

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, 2022

(in thousands)

Net change in fund balances - total governmental funds	\$ 3,613
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 expense. This is the amount by which capital acquisitions and contributed assets (\$439,802) exceeded depreciation (\$235,097), loss on disposals of capital assets (\$17,237), and lease liability (\$20,413) in the current period.	167,055
The City's share of increase in net position from the investment in joint ventures is not reflected in the fund financial statements.	305,819
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	24,575
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 principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments, bond issuances, refunding transactions - net	107,720
Amortization of bond premium/discount and deferred gain/loss on refundings	13,724
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures, or reductions in expenditures, in governmental funds.	
Compensated absences	966
Insurance claims	16,873
Financed purchases	1,166
Pollution remediation	160
Pensions	6,284
OPEB	5,780
Change in net position of governmental activities - statement of activities	<u>\$ 653,735</u>

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, 2022  
 (in thousands)

**Exhibit B-5**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
City Taxes	\$ 193,312	\$ 193,312	\$ 194,418	\$ 1,106
Contributions/Donations	-	-	10	10
Licenses and Permits	13,430	13,430	13,443	13
Intergovernmental	80,840	80,840	80,553	(287)
Charges for Services	69,729	69,729	84,177	14,448
Fines and Forfeitures	8,700	8,700	7,828	(872)
Rentals	3,085	3,085	2,055	(1,030)
Interest	5,555	5,555	3,932	(1,623)
Miscellaneous	10,896	10,896	13,264	2,368
Total Revenues	<u>385,547</u>	<u>385,547</u>	<u>399,680</u>	<u>14,133</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
General Government	171,392	172,791	161,907	10,884
Criminal Justice	39,858	41,438	40,008	1,430
Public Safety	999,730	999,730	992,648	7,082
Transportation	23,477	25,007	23,166	1,841
Community Enrichment	181,164	182,964	173,631	9,333
Community Development	29,344	32,015	28,225	3,790
Environmental Services	24,482	27,932	26,508	1,424
Capital Outlay	25,007	26,627	24,158	2,469
Contingency	113,164	113,164	-	113,164
Total Expenditures and Encumbrances	<u>1,607,618</u>	<u>1,621,668</u>	<u>1,470,251</u>	<u>151,417</u>
Deficiency of Revenues Over Expenditures and Encumbrances	(1,222,071)	(1,236,121)	(1,070,571)	165,550
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Staff and Administrative	44,839	44,839	48,751	3,912
In-Lieu Property Taxes	31,236	31,236	27,757	(3,479)
Excise Taxes and Other	936,532	936,532	1,020,342	83,810
Transfers to Other Funds				
Aviation Fund	(125)	(125)	(189)	(64)
City Improvement Debt Service Fund	(39)	(39)	(39)	-
Other Restricted Special Revenue Fund	(26,710)	(26,710)	(59,798)	(33,088)
Capital Projects Fund	-	-	(3,731)	(3,731)
Infrastructure Repayment Agreement Trust	(2,427)	(2,427)	(1,369)	1,058
Aerial Fleet Capital Reserve Fund	(7,000)	(7,000)	(7,000)	-
Other Benefit & Insurance Trust Funds	-	-	(16,500)	(16,500)
Recovery of Prior Years Expenditures	1,000	1,000	3,793	2,793
Total Other Financing Sources (Uses)	<u>977,306</u>	<u>977,306</u>	<u>1,012,017</u>	<u>34,711</u>
Net Change in Fund Balance	<u>\$ (244,765)</u>	<u>\$ (258,815)</u>	<u>(58,554)</u>	<u>\$ 200,261</u>
Fund Balance, July 1			283,000	
Fund Balance, June 30			<u>\$ 224,446</u>	

The accompanying notes are an integral part of these financial statements

**Budgetary Comparison Statement**  
**Transit - Other Agency Special Revenue Fund**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

Exhibit B-6

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 39,056	\$ 39,056	\$ 7,053	\$ (32,003)
Charges for Services	-	-	20	20
Interest	(111)	(111)	(15)	96
Total Revenues	38,945	38,945	7,058	(31,887)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Transportation	24,998	24,998	6,390	18,608
Capital	13,961	13,961	3,857	10,104
Total Expenditures and Encumbrances	38,959	38,959	10,247	28,712
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(14)	(14)	(3,189)	(3,175)
<b>OTHER FINANCING SOURCES</b>				
Recovery of Prior Years Expenditures	14	14	13	(1)
Total Other Financing Sources	14	14	13	(1)
Net Change in Fund Balance	\$ -	\$ -	(3,176)	\$ (3,176)
Fund Balance (Deficit), July 1			(9,162)	
Fund Balance (Deficit), June 30			\$ (12,338)	

The accompanying notes are an integral part of these financial statements

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

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 240,756	\$ 240,756	\$ 172,847	\$ (67,909)
Charges for Services	-	-	2	2
Miscellaneous	-	-	(133)	(133)
Total Revenues	240,756	240,756	172,716	(68,040)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Transportation	161,955	161,955	150,615	11,340
Capital	78,801	78,801	22,157	56,644
Total Expenditures and Encumbrances	240,756	240,756	172,772	67,984
Deficiency of Revenues Over Expenditures and Encumbrances	-	-	(56)	(56)
<b>OTHER FINANCING SOURCES</b>				
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	(56)	\$ (56)
Fund Balance, July 1				-
Fund Balance (Deficit), June 30			\$	(56)

The accompanying notes are an integral part of these financial statements

**Budgetary Comparison Statement**  
**Transportation Tax 2050 Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2022  
(in thousands)

Exhibit B-8

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 82	\$ 82
Charges for Services	23,144	23,144	21,987	(1,157)
Rentals	113	113	78	(35)
Interest	975	975	1,607	632
Miscellaneous	3,742	3,742	3,245	(497)
Total Revenues	27,974	27,974	26,999	(975)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating Transportation	91,312	91,312	78,304	13,008
Capital	308,724	308,724	177,799	130,925
Total Expenditures and Encumbrances	400,036	400,036	256,103	143,933
Deficiency of Revenues Over Expenditures and Encumbrances	(372,062)	(372,062)	(229,104)	142,958
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	274,396	274,396	335,609	61,213
Streets Advanced T2050 Capital Projects Fund	-	-	11,264	11,264
Transportation 2050 Capital Projects Fund	-	-	10	10
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,063)	(1,063)	(1,048)	15
City Improvement Debt Service Fund	(18,779)	(18,779)	(1,523)	17,256
Infrastructure Repayment Agreement Trust	(1,135)	(1,135)	(1,212)	(77)
Transit 2000 Special Revenue Fund	(215)	(215)	(50)	165
Recovery of Prior Years Expenditures	-	-	19,038	19,038
Total Other Financing Sources (Uses)	253,204	253,204	362,088	108,884
Net Change in Fund Balance	\$ (118,858)	\$ (118,858)	132,984	\$ 251,842
Fund Balance, July 1			195,255	
Fund Balance, June 30			\$ 328,239	

The accompanying notes are an integral part of these financial statements

**Fund Financial Statements  
Enterprise Funds  
Statement of Net Position  
June 30, 2022  
(in thousands)**
**Exhibit B-9**

	ASSETS	Aviation	Phoenix Convention Center
Current Assets			
Cash and Cash Equivalents		\$ 80,811	\$ 12,043
Investments		434,373	66,516
Receivables, Net of Allowances		107,071	362
Prepaid Items		-	-
Cash Deposits		10	-
Inventories, at Average Cost		3,278	248
Total Unrestricted Current Assets		625,543	79,169
Restricted Assets			
Cash and Cash Equivalents		25,606	877
Cash Deposits		-	4,779
Cash and Securities with Fiscal Agents/Trustees		143,866	29,314
Investments		222,147	14,518
Receivables, Net of Allowances		16,437	14
Total Restricted Current Assets		408,056	49,502
Total Current Assets		1,033,599	128,671
Noncurrent Assets			
Capital Assets, Net of Accumulated Depreciation		3,397,045	576,989
Investment in Joint Use Agreement		-	-
Restricted Cash with Fiscal Agents/Trustees		183,650	-
Leases Receivable		282,968	11,733
Net OPEB Asset		1,375	272
Total Noncurrent Assets		3,865,038	588,994
Total Assets		4,898,637	717,665
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Refunding Bonds		45,396	3,742
Pension Related		-	3,667
OPEB Related		3,760	801
Total Deferred Outflows of Resources		49,156	8,210
	<b>LIABILITIES</b>		
Current Liabilities Payable from Current Assets			
Accounts Payable		27,094	2,866
Trust Liabilities and Deposits		39	-
Advance Payments		34,743	-
Accrued Landfill Postclosure Care Costs		-	-
Current Portion of Pollution Remediation		75	-
Current Portion of Accrued Compensated Absences		982	193
Total Current Liabilities Payable from Current Assets		62,933	3,059
Current Liabilities Payable from Restricted Assets			
Accounts Payable		44,407	-
Trust Liabilities and Deposits		-	4,793
Short-Term Obligations		-	-
Matured Bonds Payable		52,190	10,473
Interest Payable		55,252	18,070
Current Portion of Loans from Direct Borrowings		-	-
Current Portion of Municipal Corporation Obligations		68,495	7,968
Accrued Landfill Closure Costs		-	-
Total Current Liabilities Payable from Restricted Assets		220,344	41,304
Total Current Liabilities		283,277	44,363
Noncurrent Liabilities			
Loans from Direct Borrowings		-	-
Municipal Corporation Obligations, net		2,495,245	665,165
Pollution Remediation		1,200	-
Accrued Landfill Closure and Postclosure Care Costs		-	-
Accrued Compensated Absences		6,198	1,235
Net Pension Liability		-	29,646
Net OPEB Liability		11,367	2,478
Total Noncurrent Liabilities		2,514,010	698,524
Total Liabilities		2,797,287	742,887
	<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Gain on Refunding Bonds		606	-
Pension Related		-	1,174
OPEB Related		2,399	504
Leases Related		306,873	11,418
Total Deferred Inflows of Resources		309,878	13,096
	<b>NET POSITION</b>		
Net Investment in Capital Assets		1,168,267	(92,372)
Restricted for Debt Service		19,565	770
Restricted from Passenger Facility Charges		103,681	-
Restricted from Customer Facility Charges		34,596	-
Restricted from Enabling Legislation for Capital Projects		-	-
Restricted for OPEB		1,375	272
Unrestricted (Deficit)		513,144	61,222
Total Net Position (Deficit)		\$ 1,840,628	\$ (30,108)

The accompanying notes are an integral part of these financial statements

Exhibit B-9  
(Continued)

Water System	Wastewater	Solid Waste	Total
\$ 44,275	\$ 41,231	\$ 7,507	\$ 185,867
243,878	219,621	54,642	1,019,030
64,149	42,441	19,479	233,502
6,900	-	-	6,900
-	-	-	10
13,653	2,490	1,913	21,582
372,855	305,783	83,541	1,466,891
45,811	31,003	2,387	105,684
7,866	94	115	12,854
94,704	58,213	12,893	338,990
427,421	117,918	51,918	833,922
719	-	32	17,202
576,521	207,228	67,345	1,308,652
949,376	513,011	150,886	2,775,543
2,871,402	1,223,052	148,871	8,217,359
188,663	309,136	-	497,799
-	-	-	183,650
-	-	-	294,701
1,725	535	932	4,839
3,061,790	1,532,723	149,803	9,198,348
4,011,166	2,045,734	300,689	11,973,891
19,907	951	295	70,291
23,395	-	12,024	39,086
4,789	1,416	2,532	13,298
48,091	2,367	14,851	122,675
35,835	16,846	8,704	91,345
-	-	-	39
-	2	-	34,745
-	-	1,520	1,520
-	-	-	75
1,001	222	391	2,789
36,836	17,070	10,615	130,513
48,946	17,559	190	111,102
7,960	94	115	12,962
200,000	200,000	-	400,000
58,020	47,007	11,160	178,850
36,973	12,181	1,733	124,209
262	887	600	1,749
71,225	48,390	11,665	207,743
-	-	76	76
423,386	326,118	25,539	1,036,691
460,222	343,188	36,154	1,167,204
1,736	5,852	750	8,338
1,691,883	443,321	56,211	5,351,825
-	-	-	1,200
-	-	14,803	14,803
6,326	1,411	2,359	17,529
189,127	-	97,200	315,973
14,549	4,231	7,637	40,262
1,903,621	454,815	178,960	5,749,930
2,363,843	798,003	215,114	6,917,134
1,561	1,551	218	3,936
7,491	-	3,850	12,515
3,047	909	1,617	8,476
-	-	-	318,291
12,099	2,460	5,685	343,218
1,497,507	898,934	120,194	3,592,530
-	-	-	20,335
-	-	-	103,681
-	-	-	34,596
99,131	27,739	-	126,870
1,725	535	932	4,839
84,952	320,430	(26,385)	953,363
\$ 1,683,315	\$ 1,247,638	\$ 94,741	\$ 4,836,214

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, 2022

(in thousands)

	Aviation	Phoenix Convention Center
Operating Revenues		
Aeronautical Fees	142,572	-
Sales	-	-
Rentals	129,355	9,885
Sewer Service Charges	-	-
Sanitation and Landfill Fees	-	-
Concessions	-	11,413
Other	125,565	24,258
Total Operating Revenues	397,492	45,556
Operating Expenses		
Administration and Engineering	-	23,628
Operation and Maintenance	250,985	13,733
Promotion	-	2,562
Depreciation and Amortization	178,490	24,165
Staff and Administrative	10,233	2,721
Other	-	1,721
Total Operating Expenses	439,708	68,530
Operating Income (Loss)	(42,216)	(22,974)
Non-Operating Revenues (Expenses)		
Passenger Facility Charges	83,103	-
Rental Car Customer Facility Charges	44,625	-
Investment Income		
Net Increase in Fair Value of Investments	11,112	1,020
Interest on Investments	5,518	803
Interest Income from Leases	10,455	379
Federal COVID Grants	141,921	-
Interest on Capital Debt	(94,957)	(30,094)
Equity Interest in Joint Use Agreement Operating Loss	-	-
Gain (Loss) on Disposal of Capital Assets	(4,707)	-
Total Non-Operating Revenues (Expenses)	197,070	(27,892)
Net Income (Loss) Before Contributions and Transfers	154,854	(50,866)
Capital Contributions	33,557	208
Transfers from Other Funds	189	77,786
Transfers to Other Funds	(173)	(786)
Change in Net Position	188,427	26,342
Net Position (Deficit), July 1	1,652,201	(56,450)
Net Position (Deficit), June 30	\$ 1,840,628	\$ (30,108)

The accompanying notes are an integral part of these financial statements



## Exhibit B-10

(Continued)

Water System	Wastewater	Solid Waste	Total
-	-	-	142,572
381,534	-	-	381,534
-	-	-	139,240
-	172,078	-	172,078
-	-	185,707	185,707
-	-	-	11,413
88,301	52,741	13,843	304,708
469,835	224,819	199,550	1,337,252
35,852	16,394	27,157	103,031
192,511	67,895	112,153	637,277
-	-	-	2,562
114,552	44,103	16,001	377,311
10,045	4,936	8,935	36,870
-	-	6,528	8,249
352,960	133,328	170,774	1,165,300
116,875	91,491	28,776	171,952
-	-	-	83,103
-	-	-	44,625
6,106	6,591	1,687	26,516
6,166	3,821	1,076	17,384
-	-	-	10,834
-	-	-	141,921
(53,746)	(16,718)	(1,239)	(196,754)
(11,349)	(22,220)	-	(33,569)
(4,488)	145	792	(8,258)
(57,311)	(28,381)	2,316	85,802
59,564	63,110	31,092	257,754
68,718	40,345	11	142,839
-	-	-	77,975
(16,556)	(9,986)	(1,553)	(29,054)
111,726	93,469	29,550	449,514
1,571,589	1,154,169	65,191	4,386,700
\$ 1,683,315	\$ 1,247,638	\$ 94,741	\$ 4,836,214

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, 2022  
 (in thousands)

**Exhibit B-11**

	Aviation	Phoenix Convention Center
Cash Flows from Operating Activities		
Receipts from Customers	\$ 405,200	\$ 45,800
Payments to Suppliers	(197,405)	(23,446)
Payments to Employees	(89,576)	(18,256)
Pension Liability Paydown	(70,000)	-
Payment of Staff and Administrative Expenses	(10,233)	(2,721)
Net Cash Provided by Operating Activities	37,986	1,377
Cash Flows from Noncapital Financing Activities		
Noncapital Grants	144,022	-
Transfers from Other Funds	189	77,786
Transfers to Other Funds	(173)	(786)
Net Cash Provided (Used) by Noncapital Financing Activities	144,038	77,000
Cash Flows from Capital and Related Financing Activities		
Proceeds from Short-Term Capital Debt	-	-
Principal Paid on Capital Debt	(50,045)	(9,722)
Interest Paid on Capital Debt	(111,578)	(34,799)
Acquisition and Construction of Capital Assets	(151,552)	(4,112)
Proceeds from Sales of Capital Assets	5,111	54
Passenger Facility Charges	87,749	-
Customer Facility Charges	44,435	-
Interest Income from Leases	10,455	-
Capital Contributions	35,658	208
Net Cash Used by Capital and Related Financing Activities	(129,767)	(48,371)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(749,441)	(16,463)
Proceeds from Sale and Maturities of Investment Securities	893,023	19,052
Net Activity for Short-Term Investments	(176,037)	(30,261)
Interest on Investments	16,964	1,825
Net Cash Provided (Used) by Investing Activities	(15,491)	(25,847)
Net Increase (Decrease) in Cash and Cash Equivalents	36,766	4,159
Cash and Cash Equivalents, July 1	397,177	42,475
Cash and Cash Equivalents, June 30	<u>\$ 433,943</u>	<u>\$ 46,634</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (42,216)	\$ (22,974)
Adjustments		
Depreciation	178,490	24,165
Deferred Outflows - Pension and OPEB	(1,840)	(3,993)
Deferred Inflows - Pension and OPEB	(25,535)	(5,566)
Change in Assets and Liabilities		
Receivables	(3,237)	(262)
Allowance for Doubtful Accounts	161	(45)
Leases Receivable	(9,081)	(328)
Prepaid Items	-	-
Inventories	(14)	14
Accounts Payable	587	769
Due to Fiduciary Fund	(70,000)	-
Net OPEB Asset	1,100	277
Trust Liabilities and Deposits	-	879
Advance Payments	19,865	-
Pollution Remediation	(75)	-
Accrued Compensated Absences	(72)	113
Accrued Landfill Closure and Postclosure Care Costs	-	-
Net Pension Liability	(12,783)	7,763
Net OPEB Liability	2,636	565
Net Cash Provided by Operating Activities	<u>\$ 37,986</u>	<u>\$ 1,377</u>
Noncash Capital and Financing Activities		
Bond Capital Appreciation	\$ -	\$ (1,357)
Amortization of Deferred Gains/Losses of Bond Refundings	5,047	273
Contribution of Assets	-	-
Unrealized Gain (Losses) on Investments	9,965	772
Accounts Payable Related to Capital Asset Additions	44,407	-
Total Noncash Capital and Financing Activities	<u>\$ 59,419</u>	<u>\$ (312)</u>
Cash and Cash Equivalents		
Unrestricted		
Cash and Cash Equivalents	\$ 80,811	\$ 12,043
Cash Deposits	10	-
Total Unrestricted	80,821	12,043
Restricted		
Cash and Cash Equivalents	25,606	877
Cash and Securities with Fiscal Agents/Trustees	327,516	29,314
Cash Deposits	-	4,779
Total Restricted	<u>353,122</u>	<u>34,970</u>
	<u>\$ 433,943</u>	<u>\$ 47,013</u>

The accompanying notes are an integral part of these financial statements

Exhibit B-11  
(Continued)

Water System	Wastewater	Solid Waste	Total
\$ 467,448	\$ 230,756	\$ 198,275	\$ 1,347,479
(102,237)	(62,911)	(80,525)	(466,524)
(110,621)	(19,582)	(60,044)	(298,079)
-	-	-	(70,000)
(10,045)	(4,936)	(8,935)	(36,870)
244,545	143,327	48,771	476,006
-	-	-	144,022
-	-	-	77,975
(16,556)	(9,986)	(1,553)	(29,054)
(16,556)	(9,986)	(1,553)	192,943
200,000	200,000	-	400,000
(64,972)	(45,202)	(11,205)	(181,146)
(73,974)	(25,533)	(3,729)	(249,613)
(323,090)	(186,800)	(18,818)	(684,372)
175	170	1,235	6,745
-	-	-	87,749
-	-	-	44,435
-	-	-	10,455
34,627	40,345	-	110,838
(227,234)	(17,020)	(32,517)	(454,909)
53,638	(110,377)	(128,986)	(951,629)
-	32,402	129,196	1,073,673
(55,153)	(31,826)	(18,445)	(311,722)
11,648	10,413	2,731	43,581
10,133	(99,388)	(15,504)	(146,097)
10,888	16,933	(803)	67,943
181,768	113,608	23,705	758,733
\$ 192,656	\$ 130,541	\$ 22,902	\$ 826,676
\$ 116,875	\$ 91,491	\$ 28,776	\$ 171,952
114,552	44,103	16,001	377,311
(25,323)	(1,133)	(13,129)	(45,418)
(34,000)	(299)	(16,417)	(81,817)
(4,333)	5,134	(2,040)	(4,738)
688	710	763	2,277
-	-	-	(9,409)
(757)	-	-	(757)
1,521	654	(206)	1,969
16,099	1,263	2,495	21,213
-	-	-	(70,000)
1,302	394	562	3,635
1,256	93	2	2,230
-	-	-	19,865
-	-	-	(75)
(323)	51	(133)	(364)
-	-	(563)	(563)
53,482	-	30,882	79,344
3,506	866	1,778	9,351
\$ 244,545	\$ 143,327	\$ 48,771	\$ 476,006
\$ -	\$ -	\$ -	\$ (1,357)
971	282	(132)	6,441
34,091	-	-	34,091
7,422	(396)	1,556	19,319
48,946	17,559	190	111,102
\$ 91,430	\$ 17,445	\$ 1,614	\$ 169,596
\$ 44,275	\$ 41,231	\$ 7,507	\$ 185,867
-	-	-	10
44,275	41,231	7,507	185,877
45,811	31,003	2,387	105,684
94,704	58,213	12,893	522,640
7,866	94	115	12,854
148,381	89,310	15,395	641,178
\$ 192,656	\$ 130,541	\$ 22,902	\$ 827,055

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, 2022

(in thousands)

	Pension and Other Employee Benefit Trusts
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 203,480
Investments	
Treasurer's Pooled Investments	6,434
Temporary Investments	52,712
Fixed Income	596,971
Domestic Equities	1,234,076
International Equities	320,872
Real Return	561,038
Absolute Return	140,957
Real Estate	524,341
Receivables	
Accounts Receivable	23,713
Contributions Receivable	22,414
Interest and Dividends	4,097
Prepaid Items	5,667
Total Assets	3,696,772
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Total Deferred Outflows of Resources	-
<b>LIABILITIES</b>	
Accounts Payable	97,934
Claims Payable	29,827
Total Liabilities	127,761
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Total Deferred Inflows of Resources	-
<b>NET POSITION</b>	
Restricted for Pensions	3,242,687
Restricted for Other Employee Benefits	326,324
Total Restricted for Pension and Other Employee Benefits	\$ 3,569,011

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, 2022

(in thousands)

	<b>Pension and Other Employee Benefit Trusts</b>
<b>ADDITIONS</b>	
Contributions	
City of Phoenix	\$ 364,344
Employees	114,192
Other	24,391
Total Contributions	<u>502,927</u>
Investment Income	
Net Decrease in Fair Value of Investments	(251,668)
Interest	22,910
Dividends	21,921
Other	17,148
Investment Income (Loss)	<u>(189,689)</u>
Less: Investment Expense	<u>17,947</u>
Total Net Investment Income (Loss)	<u>(207,636)</u>
Total Additions	<u>295,291</u>
<b>DEDUCTIONS</b>	
Benefit Payments	528,330
Refunds of Contributions	4,436
Inter-System Transfers	443
Other	25,556
Total Deductions	<u>558,765</u>
Net Decrease	(263,474)
Net Position Restricted for Pension and Other Employee Benefits	
Beginning of Year, July 1	\$ 3,832,485
End of Year, June 30	<u>\$ 3,569,011</u>

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:

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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 and Lease Assets
10	Financial Obligations
11	Refunded, Refinanced and Defeased Obligations
12	Legal Debt Margin
13	Risk Management
14	Leases
15	Contractual and Other Commitments
16	Contingent Liabilities
17	Tax Abatements
18	Joint Use 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.

**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 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.

**Phoenix-Mesa Gateway Airport ("PMGA")**

PMGA is a nonprofit corporation established and funded by the City of Phoenix, City of Mesa, Towns of Gilbert and Queen Creek, and the Gila River Indian Community. The purpose of the entity is the redevelopment of Williams Air Force Base that was closed in September 1993 to become PMGA. The Board of Directors consists of the mayors for the respective municipalities and the governor of the tribal community. The City of Phoenix contributed \$1.3 million this fiscal year (life to date \$26.0 million) to the PMGA operating and capital budget.

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 is 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.

**Transit Capital Projects Fund**

The Transit Capital Projects Fund is the only capital projects fund that is presented as a major fund in the basic financial statements. It is used to account for the purchase, construction and equipping of facilities and vehicles to provide public transit service.

**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. 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.

### **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 four other employee benefit trust funds to account for the activities of the Health Care Benefits, Retiree Rate Stabilization, 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 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 2021-22, 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 2021-22 expenditure limit supplied by the Economic Estimates Commission was \$1.7 billion. The City increased this limit to \$9.1 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

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 and Lease 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.

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

<b>Buildings and improvements</b>	<b>5 to 50 years</b>
<b>Motor vehicles and motorized equipment</b>	<b>3 to 25 years</b>
<b>Furniture, machinery and equipment</b>	<b>5 to 25 years</b>
<b>General government infrastructure</b>	<b>6 to 100 years</b>
<b>Mains, hydrants, meters and service connections</b>	<b>5 to 50 years</b>
<b>Intangible assets</b>	<b>5 to 50 years</b>
<b>Leased assets</b>	<b>9 to 15 years</b>

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) **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.

m) **Compensated Absences**

Vacation and compensatory time benefits are accrued as liabilities as employees earn the benefits to the extent that they meet both of the following criteria: 1) the City's obligation is attributable to employees' services already rendered; and 2) it is probable 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 to the extent that it is probable that the City will compensate the employees through cash payments conditioned on the employees' retirement. Unused sick leave hours not eligible for such cash payment is 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.

n) **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.

o) **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.

p) **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.

q) **Fund Deficits**

The Transit Capital Projects Fund reported a deficit of \$221.4 million. Deficits sometimes occur in the capital projects funds which are recovered through future bond sales and/or the award of federal grants. The Phoenix Convention Center Enterprise fund reported a deficit of \$30.1 million. The deficit is primarily in the Net Investment in Capital Assets resulting from the timing difference between depreciation on the Phoenix Convention Center north and west building expansion and the principal payments for the related debt. As the City increases the principal payments in accordance with the debt service schedules and the depreciation remains constant, the deficit balance will be eliminated.

r) **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.

s) **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.

t) **New Accounting Pronouncements**

**New Accounting Pronouncements Adopted in 2022:**

GASB Statement No. 87, **Leases**, establishes new guidance for lease accounting for lessees and lessors and eliminates the classification of leases into operating or capital leases. This Statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Lessees will recognize a lease liability and an intangible right-to-use lease asset. Lessors will recognize a lease receivable and a deferred inflow of resources. The requirements of this

Statement are effective for reporting periods beginning after June 15, 2021. The City has implemented this Statement in fiscal year 2022. See Notes 6 and 14 for additional information.

**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:

<b>GASB Statement No.</b>	<b>GASB Accounting Standard</b>	<b>Effective Fiscal Year</b>
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements (SBITA)</i>	2023
99	<i>Omnibus 2022</i>	2023
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2025

**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 B6 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:

	<b>Budget</b>	<b>GAAP</b>
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, 2022 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**

	<u>General Fund</u>	<u>Transit Special Revenue Fund</u>
Budget basis	\$ (58,554)	\$ 129,752
Entity differences - amounts not budgeted	111,240	(383)
Advance payments not recognized for budget purposes (net of reversals of prior year accruals)	(108,865)	(20,047)
Accrued expenditures not recognized for budget purposes (net of reversals of prior year accruals)	(9,316)	62,535
Unrealized gain or loss on investments	(117,822)	9,061
Encumbrances at June 30 recognized as expenditures for budget purposes	39,310	15,463
GAAP basis	<u>\$ (144,007)</u>	<u>\$ 196,381</u>

Adjustments necessary to convert the fund balances at June 30, 2022 on the budget basis to the GAAP basis are as follows (in thousands):

**Fund Balances at June 30**

	<u>General Fund</u>	<u>Transit Special Revenue Fund</u>
Budget basis	\$ 224,446	\$ 315,845
Entity differences - amounts not budgeted	476,312	846
Advance payments not recognized for budget purposes	(327,221)	(21,488)
Accrued expenditures not recognized for budget purposes	(30,949)	(30,070)
Unrealized gain or loss on investments	(28,725)	(5,231)
Encumbrances at June 30 recognized as expenditures for budget purposes	125,279	149,548
GAAP basis	<u>\$ 439,142</u>	<u>\$ 409,450</u>

**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	Transit Capital Projects	General Obligation/ Secondary Property Taxes	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (in thousands):						
Nonspendable:						
Inventory / Prepaid	\$ 28,596	\$ 832	\$ -	\$ -	\$ -	\$ 29,428
Spendable:						
Restricted for:						
Capital Construction	-	-	-	-	212,354	212,354
Debt Service	-	-	-	70,705	7,874	78,579
Public Transit Operations	-	407,351	-	-	-	407,351
Road Maintenance and Construction	-	-	-	-	152,009	152,009
Public Parks and Preserves	-	-	-	-	129,237	129,237
Insurance Claims	49,526	1,267	-	-	-	50,793
Low Income Housing Programs	-	-	-	-	50,332	50,332
Court Operations	-	-	-	-	5,556	5,556
Police and Fire Personnel	-	-	-	-	100,520	100,520
Other	-	-	-	-	91,405	91,405
Committed to:						
Debt Service	-	-	-	-	71,047	71,047
Capital Construction	-	-	-	-	31,166	31,166
Court Operations	-	-	-	-	893	893
Public Safety Pension	-	-	-	-	16,236	16,236
Assigned to:						
Capital Construction	-	-	-	-	28,650	28,650
Insurance	100,084	-	-	-	-	100,084
Development Services	-	-	-	-	106,585	106,585
Low Income Housing Programs	-	-	-	-	10,295	10,295
Pension Reserve	44,770	-	-	-	-	44,770
Other	14,409	-	-	-	24,663	39,072
Unassigned	201,757	-	(221,436)	-	(13)	(19,692)
Total fund balances (Deficit)	\$ 439,142	\$ 409,450	\$ (221,436)	\$ 70,705	\$ 1,038,809	\$ 1,736,670

**4. Property Tax**
**Levy, Assessment and Collection**

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

- a) A primary system for taxes levied to pay current operation and maintenance expenses.
- b) 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 2022 (fiscal year 2022-23) is \$15.5 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):

	2021 Levy			Prior Levies	Total
	Primary	Secondary	Total		
Property Taxes Receivable, July 1	\$ -	\$ -	\$ -	\$ 5,976	\$ 5,976
Current Tax Levy	193,225	120,494	313,719	-	313,719
Adjustment by County Assessor	(413)	(197)	(610)	(866)	(1,476)
	192,812	120,297	313,109	5,110	318,219
Less: Collections, net	(189,938)	(118,528)	(308,466)	(3,671)	(312,137)
Property Taxes Receivable, June 30	\$ 2,874	\$ 1,769	\$ 4,643	\$ 1,439	\$ 6,082

In fiscal year 2021-22, current property tax collections were \$308.5 million, or 98.3% 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 2022-23, 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, 2022, was comprised of the following (in thousands):

	Total
Cash in Bank	\$ 32,388
Cash on Hand	139
Short-Term Pooled Investments	465,128
Short-Term Non-Pooled Investments	338,777
Total Cash and Cash Equivalents	\$ 836,432

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

Primary Government	
Unrestricted	
General Fund	\$ 79,785
Transit Special Revenue Fund	22,856
General Obligation/Secondary Property Tax	18
Non-Major Governmental Funds	196,465
Enterprise Funds	
Aviation	80,811
Phoenix Convention Center	12,043
Water System	44,275
Wastewater	41,231
Solid Waste	7,507
Total Unrestricted	484,991
Restricted	
Enterprise Funds	
Aviation	25,606
Phoenix Convention Center	877
Water System	45,811
Wastewater	31,003
Solid Waste	2,387
Total Restricted	105,684
Total Primary Government	590,675
Component Unit - PHFC	11,897
Component Unit - Phoenix IDA	30,380
Fiduciary Funds	
Employee Pension Trust	184,070
Employee Benefit Trust	19,410
Total Reporting Entity	\$ 836,432

**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 2022 that had undercollateralized deposit liabilities. The carrying amount of the City's deposits at June 30, 2022 was \$31.0 million and the bank ledger balance was \$42.6 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, 2022 was \$686.6 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 2022, the City has recorded approximately \$0.6 million in rebates related to its single use account program.



Total investments at June 30, 2022, stated at fair value, were \$7.0 billion. The following summarizes those amounts, which exclude investments held and reported separately by COPERS 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	227,325	0.014
U.S. Treasury Securities	1,613,852	0.821
U.S. Government Agency Securities		
Housing and Urban Development	10,160	1.179
FFCB Notes	88,236	1.265
FNMA Notes	38,239	2.464
FHLMC Notes	130,671	1.639
FHLB Notes	392,366	2.305
Total U.S. Government Agency Securities	<u>659,672</u>	2.026
Pre-Refunded Municipal Securities	176,550	0.534
Certificates of Deposit	96,308	0.024
Commercial Paper	139,710	0.121
Mortgage Backed Securities		
GNMA	21,696	2.164
FNMA/FHLMC CMO/MBS/CMBS	24,535	3.477
Total Mortgage Backed Securities	<u>46,231</u>	2.861
Total Pooled Investments	<u>2,959,648</u>	0.984
Less: Joint Venture Pooled Investments	(87,364)	
Less: Short-Term Pooled Investments	(465,125)	
Net Pooled Investments	<u>2,407,159</u>	
Non-Pooled Investments		
Repurchase Agreements Collateralized by U.S. Treasury Securities	17,707	0.005
U.S. Treasury Securities	1,265,584	0.301
U.S. Government Agency Securities - FHLMC Notes	996	1.994
U.S. Government Agency Securities - FHLB Notes	74,388	0.161
Pre-Refunded Municipal Securities	20	4.003
Total Non-Pooled Investments	<u>1,358,695</u>	0.291
Less: Short-Term Non-Pooled Investments	(154,858)	
Net Non-Pooled Investments	<u>1,203,837</u>	
Total City Investments	<u>\$ 3,610,996</u>	

	Credit Quality Rating	Fair Value	Weighted Average Maturity (Years)
COPERS Investments			
Fixed Income Investments			
Derivatives	Not Rated	\$ 975	31.416
Total Derivatives		975	
U. S. Treasury Securities	AAA	41,678	14.687
U. S. Treasury Securities	B	10	1.376
U. S. Treasury Securities	Not Rated	626	27.374
Total U. S. Treasury Securities		42,314	
Total U.S. Government Agency Securities	AAA	490	0.126
Total U.S. Government Agency Securities	Not Rated	392	4.666
		882	
Mortgage Backed Securities	AAA	3,882	22.776
Mortgage Backed Securities	AA	2,053	21.400
Mortgage Backed Securities	A	64	24.961
Mortgage Backed Securities	B	475	13.844
Mortgage Backed Securities	C	325	14.766
Mortgage Backed Securities	Not Rated	53,831	25.636
Total Mortgage Backed Securities		60,630	
Asset Backed Securities	AAA	3,444	15.034
Asset Backed Securities	AA	1,676	9.558
Asset Backed Securities	BBB	807	27.786
Asset Backed Securities	B	819	11.352
Asset Backed Securities	Not Rated	11,688	16.043
Total Asset Backed Securities		18,434	
Municipal Bonds	AAA	623	16.603
Municipal Bonds	AA	2,235	16.297
Municipal Bonds	A	699	23.392
Municipal Bonds	B	1,589	18.288
Municipal Bonds	Not Rated	617	29.361
Total Municipal Bonds		5,763	
Corporate Bonds	AAA	18,965	10.410
Corporate Bonds	AA	7,060	9.587
Corporate Bonds	A	18,045	10.195
Corporate Bonds	B	53,900	7.812
Corporate Bonds	CCC	1,005	3.099
Corporate Bonds	C	19,142	4.715
Corporate Bonds	Not Rated	164,681	6.587
Total Corporate Bonds		282,798	
International Bonds	AAA	532	26.800
International Bonds	A	1,308	19.258
International Bonds	BBB	475	22.725
International Bonds	BB	498	17.170
International Bonds	B	1,342	9.517
International Bonds	C	310	1.564
International Bonds	Not Rated	71,687	4.614
Total International Bonds		76,152	
Total Fixed Income Investments		487,948	
Temporary Investments from Securities Lending		52,712	
Domestic Equities:			
Common Stocks		781,752	
Private Stocks		347,164	
Real Estate		510,347	
Total Domestic Equities		1,639,263	
Global Commingled		263,181	
International Equities		532,661	
Hedge Funds		140,952	
Total COPERS Investments		<u>\$ 3,116,717</u>	
Fiduciary Fund External Investments			
Employee Benefit Trust			
Bond Mutual Funds			
Doubleline Core Total Return	Not Rated	\$ 16,935	8.040
PIMCO Total Return	Not Rated	16,825	6.960
Vanguard Total Bond Market Index	Not Rated	29,549	8.900
Total Bond Mutual Funds		63,309	
Stock Mutual Funds	Not Rated	191,226	
Pacific Hedged Strategies Funds	Not Rated	8	
Real Estate	Not Rated	13,994	
Total Fiduciary Fund External Investments		<u>\$ 268,537</u>	

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

	<u>Fair Value</u>
Primary Government	
Unrestricted	
General Fund	\$ 613,079
Transit Special Revenue Fund	135,664
General Obligation/Secondary Property Tax	67,261
Non-Major Governmental Funds	889,894
Enterprise Funds	
Aviation	434,373
Phoenix Convention Center	66,516
Water System	243,877
Wastewater	219,621
Solid Waste	54,642
Total Unrestricted	<u>2,724,927</u>
Restricted	
Enterprise Funds	
Aviation	222,147
Phoenix Convention Center	14,518
Water System	427,421
Wastewater	117,918
Solid Waste	51,918
Total Restricted	<u>833,922</u>
Total Primary Government	3,558,849
Fiduciary Funds	
Employee Pension Trust	3,117,412
Employee Benefit Trust	319,989
Total Reporting Entity	<u>\$ 6,996,250</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, 2022 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using			
	June 30, 2022	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	\$ 3,124,467	\$ 15,551	\$ 3,108,916	\$ -
U.S. Government agency obligations	737,430	-	737,430	-
U.S. Government agency MBS/CMO	43,858	-	43,858	-
Municipal bonds	176,571	-	176,571	-
Commercial paper	139,710	-	139,710	-
Total investments, including those classified as, cash equivalents by fair value level	<u>\$ 4,222,036</u>	<u>\$ 15,551</u>	<u>\$ 4,206,485</u>	<u>\$ -</u>

U.S. Government securities totaling \$15.6 million in fiscal year 2022 are classified in Level 1 of the fair value hierarchy and are valued using quoted prices in active markets.

U.S. Government securities totaling \$3.1 billion, U.S. government agency obligations totaling \$737.4 million, U.S. government agency MBS/CMO totaling \$43.9 million, municipal bonds totaling \$176.6 million and commercial paper totaling \$139.7 million in fiscal year 2022 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 \$63.3 million and Stock Mutual Funds totaling \$204.9 million classified in Level 1 of the fair value hierarchy in fiscal year 2022 are valued using quoted prices in active markets. Stock Mutual Funds totaling \$365 thousand classified in Level 2 of the fair value hierarchy in fiscal year 2022 are valued using other significant observable inputs. Pacific Hedged Strategies Funds totaling \$8 thousand in fiscal year 2022, classified in Level 3 of the fair value hierarchy is valued by appraisal using valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow model and similar techniques not on market, exchange, dealer or broker-traded transactions.

The following is a summary of the fair value hierarchy of the fair value of investments of COPERS as of June 30, 2022 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using			
	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Equities	\$ 781,752	\$ 266,395	\$ -	\$ 515,357
International Equities	532,661	353,570	-	179,091
Fixed Income				
Derivatives	975	(702)	1,677	-
US government and agency	43,196	43,196	-	-
Mortgage backed - residential	60,630	-	60,630	-
Asset backed	18,434	-	18,434	-
Municipal bonds	5,763	-	5,763	-
Corporate bonds	282,798	-	167,784	115,014
Foreign	76,152	69,446	6,706	-
Global Commingled	95,632	95,632	-	-
Total fixed income securities	583,580	207,572	260,994	115,014
Temporary Investments from Securities Lending	3,128	3,128	-	-
Subtotal	1,901,121	\$ 830,665	\$ 260,994	\$ 809,462
Investments measured at the net asset value (NAV)				
Private Equity	347,164			
Hedge Funds	140,952			
Global Commingled	167,549			
Real Estate Funds	510,347			
Total Investments Measured at NAV	1,166,012			
Cash Equivalents in Securities Lending	49,584			
Total investments and cash equivalents by fair value level	\$ 3,116,717			

Certain investments are reported at the net asset values calculated by the investment manager. These investments at June 30, 2022, detailed in the following table, are subject to capital calls and specific redemption terms:

	June 30, 2022 (in thousands)	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds	\$ 140,952	\$ -	Quarterly	90 Days
Global Commingled	167,549	-	Monthly	30 Days
Private Equity	347,164	234,220	Quarterly	0-90 Days
Real Estate Funds	510,347	121,798	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, 2022, have weighted average maturities ranging from 7.0 to 8.9 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 market rating of AAA 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	\$ 466,754

The LTD and MERP Trusts have allocated 24% 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 PIMCO, 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 99.98% and 0.02%, respectively, of the foreign fixed income investments at June 30, 2022.

### 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 2022, 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 2022, 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, 2022, the collateral pool had a weighted average maturity (WAM) of 32 days and a weighted average life (WAL) of 99 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, 2022 are stated net of the allowance for doubtful accounts, and are summarized as follows (in thousands):

	Accounts	Taxes	Interest	Intergov- ernmental <sup>(1)</sup>	Notes	Leases <sup>(2)</sup>	Total
<b>Unrestricted</b>							
Governmental Activities							
General Fund	\$ 62,155	\$ 146,976	\$ 329	\$ 29,735	\$ -	\$ -	\$ 239,195
Transit Special Revenue	1,415	-	-	49,127	-	-	50,542
Transit Capital Projects	-	-	-	9,678	-	-	9,678
G.O./Secondary Property Tax	1,213	3,836	211	-	-	-	5,260
Nonmajor	23,676	4	153	75,422	9,886	150,775	259,916
	<u>88,459</u>	<u>150,816</u>	<u>693</u>	<u>163,962</u>	<u>9,886</u>	<u>150,775</u>	<u>564,591</u>
Business-Type Activities							
Aviation	19,036	-	-	55,049	-	315,954	390,039
Phoenix Convention Center	349	-	-	-	-	11,746	12,095
Water System	63,398	-	-	751	-	-	64,149
Wastewater	24,720	-	-	14,592	6,464	-	45,776
Solid Waste	19,221	-	-	258	-	-	19,479
	<u>126,724</u>	<u>-</u>	<u>-</u>	<u>70,650</u>	<u>6,464</u>	<u>327,700</u>	<u>531,538</u>
Subtotal	<u>215,183</u>	<u>150,816</u>	<u>693</u>	<u>234,612</u>	<u>16,350</u>	<u>478,475</u>	<u>1,096,129</u>
<b>Restricted</b>							
Business-Type Activities							
Aviation	10,585	-	52	5,800	-	-	16,437
Phoenix Convention Center	-	-	14	-	-	-	14
Water System	-	-	719	-	-	-	719
Solid Waste	-	-	32	-	-	-	32
	<u>10,585</u>	<u>-</u>	<u>817</u>	<u>5,800</u>	<u>-</u>	<u>-</u>	<u>17,202</u>
Total	<u>\$ 225,768</u>	<u>\$ 150,816</u>	<u>\$ 1,510</u>	<u>\$ 240,412</u>	<u>\$ 16,350</u>	<u>\$ 478,475</u>	<u>\$ 1,113,331</u>

(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.



The following is a summary of the allowance for doubtful accounts for all funds at June 30, 2022 (in thousands):

	Allowance for Doubtful Accounts		
	Accounts	Taxes	Total
Governmental			
General Fund	\$ 14,040	\$ 6,474	\$ 20,514
Transit Special Revenue Fund	76	-	76
Nonmajor	682	-	682
Business-Type			
Aviation	682	-	682
Phoenix Convention Center	3	-	3
Water System	6,136	-	6,136
Wastewater	3,733	-	3,733
Solid Waste	3,987	-	3,987
	<u>\$ 29,339</u>	<u>\$ 6,474</u>	<u>\$ 35,813</u>

Enterprise fund Accounts Receivable included unbilled charges at June 30, 2022, as follows (in thousands):

Aviation	\$ 11,912
Water System	26,843
Wastewater	7,665
Solid Waste	6,734
	<u>\$ 53,154</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; 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; and Phoenix Starfish Place Corporation 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 \$80.6 million as of June 30, 2022.

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 \$94.0 million as of June 30, 2022.

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 2023 and as late as fiscal year ending 2057. As of June 30, 2022 the total amount of the notes outstanding is \$9.9 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.

The City has entered into a loan agreement with Ninety-First Avenue Renewable Biogas, LLC to provide secured financing for the construction of a digester gas (biogas) treatment facility at the 91st Avenue Wastewater Treatment Plant. The agreement has been recorded as a notes receivable in the Wastewater Enterprise Fund. After completion of the Biogas Facility and continuing to the maturity date, the City will be repaid the capital costs over a maximum of ten years with 4.5% annual interest. The amount of the note outstanding is \$6.4 million as of June 30, 2022.

**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, 2022 (in thousands):

	<u>Payable Funds</u>
	<u>Governmental</u>
	<u>Funds</u>
Receivable Funds	
Governmental Funds	
General Fund	\$ 17,417
Transit Special Revenue	231,114
Nonmajor Governmental	40,709
Total Governmental Funds	<u>\$ 289,240</u>

Interfund balances at June 30, 2022 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 \$48.9 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, 2022 (in thousands):

	<u>Transfers Out</u>	<u>Transfers In</u>
Governmental Funds		
General Fund	\$ 230,489	\$ 32,470
Transit Special Revenue Fund	2,785	-
Transit Capital Projects Fund	347	-
General Obligation/Secondary Property Tax	516	523
Nonmajor Governmental	59,716	211,939
Total Governmental Funds	<u>293,853</u>	<u>244,932</u>
Enterprise Funds		
Aviation	173	189
Phoenix Convention Center	786	77,786
Water System	16,556	-
Wastewater	9,986	-
Solid Waste	1,553	-
Total Enterprise Funds	<u>29,054</u>	<u>77,975</u>
Total Transfers	<u>\$ 322,907</u>	<u>\$ 322,907</u>

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, 2022, are summarized as follows (in thousands):

Restricted Assets	
Cash and Cash Equivalents	\$ 105,684
Cash Deposits	12,854
Cash and Securities with Fiscal Agents/Trustees	522,640
Investments	833,922
Receivables, Net of Allowances	17,202
Total Restricted Assets	<u>\$ 1,492,302</u>
Liabilities Payable from Restricted Assets	
Accounts Payable	\$ 111,102
Trust Liabilities and Deposits	12,962
Accrued Landfill Closure Costs	76
Subtotal	<u>124,140</u>
Short-Term Obligations	400,000
Matured Bonds Payable	178,850
Interest Payable	124,209
Current Portion of Loans from Direct Borrowings	1,749
Current Portion of Municipal Corporation Obligations	207,743
Total Liabilities Payable from Restricted Assets	<u>\$ 1,036,691</u>

**9. Capital and Lease Assets**

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

	Balances July 1, 2021*		Additions	Deletions	Transfers	Balances June 30, 2022				
<b>Governmental activities:</b>										
Non-depreciable assets:										
Land	\$	1,280,201	\$	25,394	\$	(599)	\$	9,554	\$	1,314,550
Infrastructure		546,016		6		-		683		546,705
Artwork		7,545		382		-		-		7,927
Construction-in-Progress		225,082		196,239		(13,873)		(88,487)		318,961
Total non-depreciable assets		2,058,844		222,021		(14,472)		(78,250)		2,188,143
Depreciable assets:										
Buildings		1,714,607		81,712		(9,284)		8,931		1,795,966
Improvements		734,586		11,201		(2,569)		20,574		763,792
Infrastructure		2,657,390		78,850		(1,392)		8,059		2,742,907
Equipment		1,004,777		47,170		(79,406)		40,624		1,013,165
Intangible Assets		44,473		1,400		(6)		289		46,156
Right-to-Use Lease Assets		21,224		-		-		-		21,224
Total depreciable assets		6,177,057		220,333		(92,657)		78,477		6,383,210
Less accumulated depreciation for:										
Buildings		(830,457)		(54,124)		9,154		-		(875,427)
Improvements		(432,946)		(30,779)		2,526		-		(461,199)
Infrastructure		(964,528)		(79,861)		81		-		(1,044,308)
Equipment		(601,462)		(66,561)		78,126		(188)		(590,085)
Intangible Assets		(29,238)		(2,214)		5		-		(31,447)
Right-to-Use Lease Assets		-		(1,558)		-		-		(1,558)
Total accumulated depreciation		(2,858,631)		(235,097)		89,892		(188)		(3,004,024)
Total depreciable assets, net		3,318,426		(14,764)		(2,765)		78,289		3,379,186
Governmental activities, net	\$	5,377,270	\$	207,257	\$	(17,237)	\$	39	\$	5,567,329
<b>Business-type activities:</b>										
Non-depreciable assets:										
Land	\$	691,933	\$	11	\$	(58)	\$	341	\$	692,227
Artwork		12,169		-		-		-		12,169
Construction-in-Progress		1,771,062		524,726		(6,793)		(219,136)		2,069,859
Total non-depreciable assets		2,475,164		524,737		(6,851)		(218,795)		2,774,255
Depreciable assets:										
Buildings		3,308,226		61,337		(26,137)		136,802		3,480,228
Improvements		4,318,428		47,637		(89)		6,710		4,372,686
Infrastructure		2,031,824		37,376		-		1,377		2,070,577
Equipment		1,441,638		48,879		(45,462)		73,075		1,518,130
Intangible Assets		245,334		56		(15,292)		563		230,661
Total depreciable assets		11,345,450		195,285		(86,980)		218,527		11,672,282
Less accumulated depreciation for:										
Buildings		(1,613,082)		(95,955)		20,553		-		(1,688,484)
Improvements		(2,448,169)		(144,325)		64		-		(2,592,430)
Infrastructure		(782,047)		(47,677)		-		-		(829,724)
Equipment		(939,364)		(78,261)		55,998		36		(961,591)
Intangible Assets		(141,402)		(11,093)		10,804		-		(141,691)
Total accumulated depreciation		(5,924,064)		(377,311)		87,419		36		(6,213,920)
Total depreciable assets, net		5,421,386		(182,026)		439		218,563		5,458,362
Business-type activities, net	\$	7,896,550	\$	342,711	\$	(6,412)	\$	(232)	\$	8,232,617

\* With the implementation of GASB 87 in the current fiscal year, it was required to restate the prior fiscal year ending balance for the right-to-use lease assets. This restatement was for \$21.2 million.

**Phoenix Housing Finance Corporations:**

	Balances					Balances	
	July 1, 2021	Additions	Deletions	Transfers		June 30, 2022	
Non-depreciable assets:							
Land	\$ 6,365	\$ -	\$ -	\$ -	\$ -	\$ 6,365	
Construction in Progress	6,364	-	-	-	-	6,364	
Total non-depreciable assets	12,729	-	-	-	-	12,729	
Depreciable assets:							
Buildings	20,681	-	-	-	-	20,681	
Improvements	17,159	-	-	-	-	17,159	
Equipment	29	-	-	-	-	29	
Intangible Assets	1,545	-	-	-	-	1,545	
Total depreciable assets	39,414	-	-	-	-	39,414	
Less accumulated depreciation for:							
Buildings	(10,046)	(661)	-	-	-	(10,707)	
Improvements	(4,378)	(1,524)	-	-	-	(5,902)	
Equipment	(16)	(1)	-	-	-	(17)	
Intangible Assets	(270)	(116)	-	-	-	(386)	
Total accumulated depreciation	(14,710)	(2,302)	-	-	-	(17,012)	
Total depreciable assets, net	24,704	(2,302)	-	-	-	22,402	
Component Units, net	\$ 37,433	\$ (2,302)	\$ -	\$ -	\$ -	\$ 35,131	

Depreciation expense was charged to governmental functions in the government-wide financial statements for the year ended June 30, 2022 as follows (in thousands):

General Government	\$ 24,686
Criminal Justice	60
Public Safety	31,013
Transportation	122,568
Community Enrichment	37,510
Community Development	9,401
Environmental Services	9,859
	<u>\$ 235,097</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 2025 due to expected demand increases. Therefore, no impairment loss will be recognized. The carrying value of the assets at June 30, 2022 is \$25.6 million.

**10. Financial Obligations**  
**Long-Term Obligations**

Changes in long-term obligations during fiscal year 2021-22 are summarized as follows (in thousands):

	Balances July 1, 2021**	Additions <sup>(1)</sup>	Reductions <sup>(1) (2)</sup>	Balances June 30, 2022	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds, Loans and Notes Payable:					
General Obligation Bonds	\$ 918,575	\$ 146,400	\$ 249,580	\$ 815,395	\$ 95,990
Loans from Direct Borrowings	-	60,000	60,000	-	-
Municipal Corporation Obligations	509,205	-	20,455	488,750	45,245
Community Facilities Districts	29,335	-	695	28,640	725
	1,457,115	206,400	330,730	1,332,785	141,960
Discounts/Premiums	80,594	17,176	19,944	77,826	-
Total Bonds, Loans and Notes Payable	1,537,709	223,576	350,674	1,410,611	141,960
Other Liabilities:					
Insurance Claims Payable	222,230	42,115	59,660	204,685	53,969
Accrued Compensated Absences	156,084	155,118	156,084	155,118	19,757
Pollution Remediation	3,648	-	160	3,488	47
Financed Purchases	1,166	-	1,166	-	-
Leases	12,575	8,650	812	20,413	1,380
Net Pension	4,415,425	1,515,714	1,603,957	4,327,182	-
Net OPEB	105,532	75,172	42,804	137,900	-
Total Other Liabilities	4,916,660	1,796,769	1,864,643	4,848,786	75,153
Total Governmental Activities	\$ 6,454,369	\$ 2,020,345	\$ 2,215,317	\$ 6,259,397	\$ 217,113
<b>Business-Type Activities</b>					
Bonds, Loans and Notes Payable:					
General Obligation Bonds	\$ 330	\$ -	\$ 330	\$ -	\$ -
Loans from Direct Borrowings	11,804	-	1,717	10,087	1,749
Municipal Corporation Obligations	5,018,794	-	177,403	4,841,391	207,743
	5,030,928	-	179,450	4,851,478	209,492
Discounts/Premiums	669,014	-	57,771	611,243	-
Cumulative Capital Appreciation on State of AZ					
Distribution Revenue Bonds	108,291	-	1,357	106,934	-
Total Bonds, Loans and Notes Payable	5,808,233	-	238,578	5,569,655	209,492
Other liabilities:					
Accrued Compensated Absences	20,681	20,318	20,681	20,318	2,789
Accrued Landfill Closure and Postclosure Care Costs	16,820	-	497	16,323	1,520
Pollution Remediation	1,350	-	75	1,275	75
Net Pension	236,628	184,835	105,490	315,973	-
Net OPEB	30,911	22,136	12,785	40,262	-
Total Other Liabilities	306,390	227,289	139,528	394,151	4,384
Total Business-Type Activities	\$ 6,114,623	\$ 227,289	\$ 378,106	\$ 5,963,806	\$ 213,876
<b>Component Units</b>					
Phoenix Housing Finance Corporations					
Notes Payable	\$ 41,528	\$ 45	\$ -	\$ 41,573	\$ -
Total Component Units	\$ 41,528	\$ 45	\$ -	\$ 41,573	\$ -

\*\* With the implementation of GASB 87, it was required to restate the prior fiscal year ending balance by including the lease liability of \$12.6 million as noted above.

(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.

The amounts reported in the previous table have been reduced by deposits made with the City's fiscal agents for July 1, 2022 maturities, a portion of which is included in restricted assets for the governmental and enterprise funds. These deposits at June 30, 2022, were as follows (in thousands):

	Principal	Interest	Total
<b>Governmental Funds</b>			
General Obligation Bonds	\$ 87,845	\$ 17,511	\$ 105,356
Municipal Corporation Obligations	20,455	7,754	28,209
Community Facilities Districts	695	778	1,473
	<u>108,995</u>	<u>26,043</u>	<u>135,038</u>
<b>Enterprise Funds</b>			
General Obligation Bonds	330	9	339
Municipal Corporation Obligations	177,403	124,055	301,458
	<u>177,733</u>	<u>124,064</u>	<u>301,797</u>
	<u>\$ 286,728</u>	<u>\$ 150,107</u>	<u>\$ 436,835</u>

Issues of long-term debt, excluding deferred gain/losses on refundings, net of \$67.8 million were as follows at June 30, 2022 (dollars in thousands):

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding <sup>(1)</sup>	Interest Outstanding <sup>(1)</sup>	Unamortized Premium (Discount)
<b>General Obligation Bonds</b>								
03/01/04	Various Improvements (3)	7/1/10-28	4.22	16.3	200,000	14,720	2,650	31
10/27/09	Various Improvements Taxable Series 2009A (2)(13)	7/1/20-34	3.42	18.4	280,955	237,495	86,346	-
10/27/09	Refunding 2009C	7/1/11-23	2.70	6.7	117,195	3,615	126	12
06/12/12	Various Improvements Taxable Series 2012B	7/1/21-23	2.76	9.8	16,640	2,895	83	-
06/24/14	Refunding	7/1/19-27	2.71	9.5	278,015	189,670	20,054	5,665
09/13/16	Refunding	7/1/18-27	1.74	9.0	226,215	206,415	38,363	23,342
06/21/17	Refunding	7/1/18-27	1.52	3.4	68,305	14,185	1,652	1,175
05/25/22	Refunding	7/1/23-34	2.93	5.9	146,400	146,400	43,296	17,176
	Total General Obligation Bonds				<u>1,333,725</u>	<u>815,395</u>	<u>192,570</u>	<u>47,401</u>
<b>Loans from Direct Borrowings</b>								
08/03/10	Wastewater WIFA	7/1/18-26	2.97	12.0	6,287	2,830	175	-
04/11/11	Water WIFA	7/1/16-24	2.97	9.4	2,093	501	22	-
06/01/11	Wastewater WIFA	7/1/26-29	2.97	16.6	3,909	3,909	644	-
09/14/11	Water WIFA	7/1/24-29	2.97	15.8	1,497	1,497	222	-
04/11/19	Closed Loop Fund, LP	10/15/19-24	0.00	5.0	3,000	1,350	-	-
	Total Loans from Direct Borrowings				<u>16,786</u>	<u>10,087</u>	<u>1,063</u>	<u>-</u>

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding <sup>(1)</sup>	Interest Outstanding <sup>(1)</sup>	Unamortized Premium (Discount)
<b>Municipal Corporation Obligations</b>								
08/01/01	Water System Rev Refunding (3)(5)	7/1/02-24	4.68	14.1	99,980	13,810	1,149	86
10/06/05	State Distribution Revenue 2005B (3)(10)	7/1/12-44	4.72	28.9	275,362	248,146	384,298	13,634
09/01/10	Airport Rev 2010B (Taxable) (3b)(6b)(11) (12)(13)	7/1/2040	3.67	29.8	21,345	21,345	25,358	-
12/22/11	Wastewater System Revenue Ref (7b)	7/1/14-24	2.58	8.4	118,290	21,935	1,628	685
06/21/12	Excise Tax Revenue Refunding 2012A (4)	7/1/14-25	2.30	6.7	17,510	220	20	10
03/05/13	Airport Revenue Ref (AMT)(3c)(6a)	7/1/14-32	3.28	11.8	196,600	125,455	37,015	10,661
04/15/14	Wastewater System Refunding (7b)	7/1/15-29	3.00	9.4	127,810	73,155	15,344	5,284
12/17/14	Water System Revenue 2014A (5)	7/1/19-44	3.76	19.7	152,830	7,455	564	67
12/17/14	Water System Rev Refunding 2014B (5)	7/1/16-29	2.64	9.7	445,085	295,915	55,427	21,584
05/12/15	Excise Tax Rev Refunding 2015A (4)(8)	7/1/17-41	3.56	16.2	319,305	275,365	149,812	29,697
05/12/15	Excise Tax Rev Ref 2015B (Taxable) (4)	7/1/16-35	3.35	10.2	60,895	36,925	9,070	-
12/15/15	Airport Revenue 2015A (Non-AMT)(3d) (6b)(11)	7/1/16-45	3.99	18.6	95,785	84,515	57,745	7,706
12/15/15	Airport Rev Ref 2015B (Non-AMT)(3e) (6b)(11)	7/1/2034	4.08	18.5	18,655	18,655	11,193	1,584
11/16/16	Wastewater System Rev Refunding (7b)	7/1/17-35	2.89	11.3	225,325	178,505	69,122	24,940
01/10/17	Water System Rev Refunding 2016 (5)	7/1/17-39	3.59	15.1	375,780	350,895	181,926	39,526
06/01/17	Excise Tax Revenue 2017A (4)	7/1/18-32	2.16	6.8	116,835	66,865	11,214	5,430
06/01/17	Excise Tax Rev Refunding 2017B (4) (8)	7/1/19-29	2.02	6.3	101,895	53,670	8,684	4,425
11/21/17	Airport Revenue 2017A (AMT)(3f)(6a)	7/1/18-47	3.84	18.7	190,930	176,045	136,229	22,400
11/21/17	Airport Rev Ref 2017B (Non-AMT)(3f)(6a)	7/1/21-38	3.23	13.5	173,440	162,340	77,326	22,366
12/21/17	Airport Rev Ref 2017D (Non-AMT)(3d) (6b)(11)	7/1/21-40	3.36	14.2	474,725	442,590	212,071	48,239
06/19/18	Wastewater System Revenue 2018A (7b)	7/1/25-43	3.66	17.4	133,270	133,270	82,344	13,539
06/19/18	Wastewater System Rev Ref 2018B (7a)	7/1/19-24	2.26	4.0	84,295	38,790	2,932	1,608
11/28/18	Airport Revenue 2018 (AMT) (3f) (6a)	7/1/19-48	4.22	19.3	226,180	213,505	173,749	16,672
12/05/19	Rental Car Facility (Taxable) 2019A (3a)(9)	7/1/28-45	3.33	18.4	244,245	244,245	181,794	40,630
12/05/19	Rental Car Facility Ref (Taxable) 2019B (3a)(9)	7/1/20-28	2.60	4.6	60,485	42,920	3,517	-
12/11/19	Airport Revenue 2019A (Non-AMT)(3d) (6b)(11)	7/1/41-49	3.61	25.9	341,095	341,095	356,544	45,895
12/11/19	Airport Revenue 2019B (AMT)(3d)(6b)	7/1/20-49	3.44	19.1	392,005	388,895	300,929	56,547
12/11/19	Airport Rev Refunding (Taxable) 2019C (3d)(6b)	7/1/23-25	2.38	4.6	29,435	29,435	1,366	-
04/09/20	Water System Revenue 2020A (5)	7/1/30-44	3.14	20.0	165,115	165,115	146,809	40,768
04/09/20	Water System Revenue 2020B (5)(14)	7/1/30-44	3.14	20.0	228,015	228,015	202,735	56,299
08/25/20	Excise Tax Revenue 2020A (4)(8)	7/1/21-45	1.90	12.0	131,595	129,025	62,005	32,480
08/25/20	Excise Tax Revenue (Taxable) 2020B (4)	7/1/21-45	2.39	13.9	150,000	140,675	43,738	-
08/25/20	Excise Tax Rev Refunding (Taxable) 2020C (4)	7/1/23-36	1.58	7.1	116,685	116,685	9,632	-
06/09/21	Water System Revenue 2021A (5)	7/1/26-45	2.45	16.1	250,000	250,000	179,100	71,479
06/09/21	Water System Rev Refunding 2021B (5)	7/1/22-26	0.52	3.5	67,345	63,385	8,117	7,427
06/09/21	Water System Rev Refunding (Taxable) 2021C (5)	7/1/26-44	2.61	15.0	151,280	151,280	55,027	-
Total Municipal Corporation Obligations					6,379,427	5,330,141	3,255,533	641,668
<b>Community Facilities Districts</b>								
06/27/19	Park Cntrl CFD Spec Assess Rev Bonds (3g)	7/1/21-44	5.73	16.0	30,000	28,640	20,840	-
Total Community Facilities Districts					30,000	28,640	20,840	-
<b>Total Primary Government Bonds</b>					<b>\$ 7,759,938</b>	<b>\$ 6,184,263</b>	<b>\$ 3,470,006</b>	<b>\$ 689,069</b>



- (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, 2022 (in thousands):
 

(a) Airport Rental Car Parity Reserve for Series 2019A, 2019B	\$	20,558
(b) Junior Lien Airport Debt Service Reserve for Series 2010B		2,134
(c) Airport Revenue Refunding Bonds, Series 2013 (AMT) Reserve		16,251
(d) Junior Lien Airport Parity Reserve for Series 2015A, 2017D, 2019A, 2019B and 2019C		95,602
(e) Airport Revenue Refunding Bonds, Series 2015B (Non-AMT) Reserve		1,866
(f) Senior Lien Airport Parity Reserve for Series 2017A, 2017B, 2018		47,239
(g) Park Central CFD Special Assessment Bonds Taxable Series 2019 Reserve		2,252
- (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 pledged Wastewater System revenues as security for these bonds. The revenues pledged are as follows:
  - (a) Senior lien pledge on all outstanding Wastewater System obligations.
  - (b) Junior lien pledge on all outstanding Wastewater System obligations.
- (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 2015A and 2019A bonds. The Series 2015A bonds have a pledge equivalent to 30% and 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 2022. 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 Issuance*

In May 2022, the City issued \$146.4 million of General Obligation Refunding Bonds, Series 2022. Proceeds of the bonds refunded \$161.7 million of outstanding general obligation bonds. The bonds have an average life of 5.9 years, were sold at an all-in true interest cost of 2.93% and produced present value savings, net of transaction costs, of \$6.6 million.

#### *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.

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.

#### *Closed Loop Fund, LP*

The City entered into an agreement with Closed Loop Fund, LP on April 11, 2019, for \$3.0 million at 0% interest for the acquisition and fabrication of property, and payment of costs of installation of said property at the City's single stream municipal recycling facility located at the North Gateway Transfer Station. Upon event of default under the agreement, Closed Loop Fund, LP may take possession of said property. Under default, interest would begin accruing at a rate of 2% per annum on the difference between the net income derived from possession of the property and the remaining amount owed. Events of default include, but are not limited to, failure to pay amounts to Closed Loop Fund, LP by the applicable grace period, abandonment or ceasing to operate the property, failure to maintain insurance on the property, and failure to perform certain covenants contained in the agreement. There is no acceleration on this agreement.

#### *Subordinated Excise Tax Revenue Obligations*

The City entered into an agreement with US Bank, N.A., Trustee, and Truist Bank, original purchaser, on October 1, 2021, for a \$42.0 million Tax-Exempt Series at 1.6% interest and a \$18.0 million Taxable Series at 1.92% interest for the acquisition, construction and improvement of property for a City building for public safety and/or other municipal services plus related financing costs. The Loan has an average life of 6.34 years and was issued with an all-in true interest cost of 1.8%. The Loan is payable from and secured by a

subordinate lien on the City's excise tax revenues on parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations.

If an event of default occurs, the Trustee 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 Truist Bank 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.

##### *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". In June 2019, PCCFD issued \$30.0 million of Special Assessment Revenue Bonds, Taxable Series 2019.

##### *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, 2022 is \$41.6 million.

**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		
2023	\$ 95,990	\$ 39,508	\$ 45,245	\$ 14,858	\$ 725	\$ 1,526	\$ 197,852	
2024	105,580	34,522	50,865	13,511	755	1,494	206,727	
2025	119,605	29,691	38,890	11,954	790	1,461	202,391	
2026	130,445	24,151	39,800	10,762	825	1,424	207,407	
2027	134,270	17,990	39,000	9,488	865	1,385	202,998	
2028-32	162,160	41,436	137,270	32,666	5,035	6,210	384,777	
2033-37	67,345	5,272	78,905	15,243	6,750	4,497	178,012	
2038-42	-	-	35,965	5,922	8,730	2,512	53,129	
2043-47	-	-	22,810	1,245	4,165	331	28,551	
	<u>\$ 815,395</u>	<u>\$ 192,570</u>	<u>\$ 488,750</u>	<u>\$ 115,649</u>	<u>\$ 28,640</u>	<u>\$ 20,840</u>	<u>\$ 1,661,844</u>	
Authorized	\$ 2,937,160							
Unissued	\$ 152,355							
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	
2023	\$ 1,749	\$ 260	\$ 207,743	\$ 238,367	\$ 448,119
2024	1,784	225	212,479	228,569	443,057
2025	1,369	190	195,177	218,545	415,281
2026	1,255	154	205,174	209,395	415,978
2027	1,292	117	194,497	199,667	395,573
2028-32	2,638	117	951,249	861,409	1,815,413
2033-37	-	-	955,538	636,475	1,592,013
2038-42	-	-	1,034,499	397,957	1,432,456
2043-47	-	-	721,440	138,919	860,359
2048-51	-	-	163,595	10,581	174,176
	<u>\$ 10,087</u>	<u>\$ 1,063</u>	<u>\$ 4,841,391</u>	<u>\$ 3,139,884</u>	<u>\$ 7,992,425</u>

**Short-Term Obligations**

Changes in short-term obligations during fiscal year 2021-22 are summarized as follows (in thousands):

	Balance, July 1	Additions <sup>(1)</sup>	Reductions <sup>(1)</sup>	Balance, June 30
<b>Governmental Activities</b>				
Revolving Credit Facilities				
Transportation 2050 Revolving Credit Facility	\$ 200,000	\$ -	\$ -	\$ 200,000
<b>Total Governmental Activities</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>
<b>Business-Type Activities</b>				
Revolving Credit Facilities				
Water Revolving Credit Facility	\$ -	\$ 200,000	\$ -	\$ 200,000
Wastewater Revolving Credit Facility	-	200,000	-	200,000
<b>Total Business-Type Activities</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ 400,000</b>

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

Issues of short-term debt were as follows at June 30, 2022 (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.	06/02/23	\$ 200,000	\$ 200,000	\$ -
Water Revolving Credit Facility	JPMorgan Chase Bank, N.A.	04/25/25	200,000	200,000	-
Wastewater Revolving Credit Facility	JPMorgan Chase Bank, N.A.	04/25/25	200,000	200,000	-
<b>Total Revolving Credit Facilities</b>			<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>\$ -</b>

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

**Transportation 2050 Revolving Credit Facility**

The Revolving Credit Agreement provides for a three-year loan period with Bank of America, N.A., ending on June 2, 2023, 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 June 2, 2023, 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 June 2, 2026.

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 provides for a three-year loan period with JPMorgan Chase Bank, N.A., ending on April 25, 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 (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 25, 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 April 25, 2028.

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.

#### **Wastewater Revolving Credit Facility**

The Revolving Credit Agreement provides for a three-year loan period with JPMorgan Chase Bank, N.A., ending on April 25, 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 (such loans, together with any obligations on a parity therewith, the "Senior Lien Obligations" and the "Junior Subordinate Lien Obligations") are payable from wastewater system revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Wastewater 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 25, 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 April 25, 2028.

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 wastewater 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, 2022 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 \$113.4 million, including \$100.7 million that has already been paid out and an estimated \$12.7 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 \$30.1 million, including \$3.1 million that has already been paid out and an estimated \$27.0 million that will be paid out in

future years. \$3.7 million of this has been recorded as a liability on the accompanying financial statements based on the use of approximately 13.8% of the estimated capacity of the landfill.

Of the liabilities discussed above, \$76 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 \$5.8 million (which includes recoveries and applicable interest earnings) has been included in restricted assets on the enterprise fund balance sheet. 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 both the Governmental and Business-Type Activities. The liability in the Governmental Activities pertains to a leaking underground storage tank at the Glenrosa Service Center. The situation was identified by the City Public Works Department in 1986. The City created and has been implementing a corrective action plan which was approved by the Arizona Department of Environmental Quality (ADEQ), to ensure the contamination does not spread. As of June 30, 2022, the total remaining liability is \$3.5 million and it is estimated that the remediation will be completed in 77 years.

The liability in the Business-Type Activities is primarily a result of 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, 2022 is \$1.3 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.

**Defeasances / Extinguishment of Debt**

During fiscal year 2021-22, the City defeased \$60.0 million of Subordinated Excise Tax Revenue Obligations Tax-Exempt Series 2021 and Taxable Series 2021. General City funds were used to fund the defeasance with the trustee in accordance with the trust agreement on June 30, 2022. The City eliminated future interest payments by defeasing the tax-exempt and taxable loans.

**Refundings**

During fiscal year 2021-22, the City issued General Obligation Refunding Bonds, Series 2022. The refunding bonds reduced the present value of future debt service payments. These savings were available due to improved municipal bond market conditions (i.e., lower interest rates) during the year compared to the issuance year. The effects of the new money and refunding is summarized as follows (in thousands):

	General Obligation Bonds
Series	2022
Closing Date	05/25/22
Net Interest Rate	3.08%
Refunding Bonds Issued	\$ 146,400
Premium (Discount)	17,176
Underwriter's Discount	(565)
Issuance Costs and Insurance	(712)
Net Proceeds	<u>\$ 162,299</u>
Refunded Amount	\$ 161,735
Decrease (Increase) in Debt Service	\$ 7,302
Economic Gain (Loss)	\$ 6,592
Number of Years Affected	13



The deferred and amortized amounts of accounting gains/losses on bond refundings (which are deferred outflows/inflows of resources) at June 30, 2022, are summarized as follows (in thousands):

	Deferred Amount July 1	Additions (Gains)/Losses	Reductions due to Refundings	Amortization Gains/(Losses)	Deferred Amount June 30
<b>General Government</b>					
General Obligation	\$ 4,475	\$ (4,238)	\$ -	\$ (1,422)	\$ (1,185)
Civic Improvement Corporation	2,619	-	-	3	2,622
	<u>\$ 7,094</u>	<u>\$ (4,238)</u>	<u>\$ -</u>	<u>\$ (1,419)</u>	<u>\$ 1,437</u>
<b>Enterprise Funds</b>					
<b>Aviation</b>					
Civic Improvement Corporation	49,837	-	-	(5,047)	44,790
<b>Convention Center</b>					
Civic Improvement Corporation	4,015	-	-	(273)	3,742
<b>Water</b>					
Civic Improvement Corporation	19,317	-	-	(971)	18,346
<b>Wastewater</b>					
Civic Improvement Corporation	(317)	-	-	(283)	(600)
<b>Solid Waste</b>					
General Obligation	(13)	-	-	13	-
Civic Improvement Corporation	(42)	-	-	119	77
	<u>\$ 72,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,442)</u>	<u>\$ 66,355</u>

Advanced refunding and defeasance arrangements at June 30, 2022, were as follows (in thousands):

<b>Refunded and Defeased Bonds</b>						<b>Assets Held in Trust<sup>(1)</sup></b>
<b>Date Refunded/ Defeased</b>	<b>Call Date</b>	<b>Issue Date</b>	<b>Type</b>	<b>Balance</b>		
06/09/21	07/01/24	12/17/14	Civic Improvement Corporation Junior Lien Water System Revenue Bonds	\$ 132,175	\$ 144,222	

(1) Assets held in trust for advanced refunded bonds reflect the market value of those assets.

**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 Chapter 177, Laws of Arizona 2016, which became effective August 6, 2016, the City's debt limitation is based on the full cash net assessed valuation (FCNAV) instead of the PNAV. The FCNAV for tax year 2022 (fiscal year 2022-23) is \$23.0 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, 2022 was as follows (in thousands):

Six Percent Bonds	\$ 1,291,102
Twenty Percent Bonds	<u>3,822,821</u>
Total Debt Margin Available	<u>\$ 5,113,923</u>

**13. Risk Management**

The City maintained a combination of commercial insurance and self-insurance during the year ended June 30, 2022, 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, 2022, claims payable totaled \$204.7 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2022	2021
Claims Payable, July 1	\$ 222,230	\$ 193,435
Current Year Claims and Changes in Estimates	31,189	66,246
Claim Payments	(48,734)	(37,451)
Claims Payable, June 30	\$ 204,685	\$ 222,230

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	
	2022	2021
Amounts due within one year	\$ 53,969	\$ 59,660
Amounts due in more than one year	150,716	162,570
	\$ 204,685	\$ 222,230

Of the General Fund Balance, \$49.5 million is restricted, \$77.6 million is assigned for payment of claims, \$22.5 million is assigned for payment of insurance premiums and \$1.3 million of the Transit Special Revenue Fund Balance is restricted, as reported in the Fund Financial Statements.

#### **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 and aggregate losses exceeding \$221.5 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 20 for additional information.

At June 30, 2022, claims payable totaled \$29.8 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2022	2021
Claims Payable, July 1	\$ 29,048	\$ 25,396
Current Year Claims and Changes in Estimates	232,552	222,823
Claim Payments	(231,773)	(219,171)
Claims Payable, June 30	\$ 29,827	\$ 29,048

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	
	2022	2021
Amounts due within one year	\$ 29,827	\$ 29,048

**14. 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, 2022, 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):

<b>Governmental Activities</b>					
Fiscal Year Ending June 30	Principal		Interest		Total
2023	\$	1,380	\$	745	\$ 2,125
2024		1,497		688	2,185
2025		1,621		626	2,247
2026		1,757		559	2,316
2027		1,902		486	2,388
2028-2032		8,471		1,257	9,728
2033-2037		3,785		314	4,099
	\$	<u>20,413</u>	\$	<u>4,675</u>	<u>\$ 25,088</u>

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, 2022 was \$72.6 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, 2022 (in thousands):

<b>Governmental Activities</b>					
Fiscal Year Ending June 30	Principal	Interest	Total		
2023	\$ 495	\$ 4,765	\$	5,260	
2024	576	4,747		5,323	
2025	638	4,726		5,364	
2026	704	4,703		5,407	
2027	874	4,677		5,551	
2028 - 2032	9,958	22,556		32,514	
2033 - 2037	9,069	21,006		30,075	
2038 - 2042	3,478	19,720		23,198	
2043 - 2047	1,443	19,587		21,030	
2048 - 2052	3,749	19,078		22,827	
2053 - 2057	3,302	18,539		21,841	
2058 - 2062	6,677	17,689		24,366	
2063 - 2067	8,589	16,438		25,027	
2068 - 2072	10,593	14,924		25,517	
2073 - 2077	16,109	12,762		28,871	
2078 - 2082	23,060	9,605		32,665	
2083 - 2087	14,002	6,286		20,288	
2088 - 2092	4,551	5,449		10,000	
2093 - 2097	6,340	4,618		10,958	
2098 - 2102	9,182	3,318		12,500	
2103 - 2107	11,240	1,718		12,958	
2108 - 2110	6,146	110		6,256	
	<u>\$ 150,775</u>	<u>\$ 237,021</u>	<u>\$</u>	<u>387,796</u>	

<b>Business-Type Activities</b>					
Fiscal Year Ending June 30	Principal	Interest	Total		
2023	\$ 32,999	\$ 9,934	\$	42,933	
2024	32,865	8,923		41,788	
2025	33,893	7,849		41,742	
2026	33,175	6,752		39,927	
2027	17,434	5,934		23,368	
2028 - 2032	57,854	23,079		80,933	
2033 - 2037	13,215	18,002		31,217	
2038 - 2042	12,428	16,140		28,568	
2043 - 2047	16,205	13,840		30,045	
2048 - 2052	20,682	10,865		31,547	
2053 - 2057	19,163	7,546		26,709	
2058 - 2062	17,922	4,663		22,585	
2063 - 2067	13,196	2,037		15,233	
2068 - 2072	6,668	405		7,073	
	<u>\$ 327,699</u>	<u>\$ 135,969</u>	<u>\$</u>	<u>463,668</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, 2022 was \$62.5 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, 2022 was \$77.5 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, 2022 was \$2.5 million.

#### **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, 2022 was \$1.5 million.

#### **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, 2022 was \$75.0 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 2022. 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, 2022 was \$58.5 million.

#### **Service Concession Arrangements**

On July 18, 2014, the City entered into a lease 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 lease. As of June 30, 2022, the City has recorded \$13.2 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 contract.

On November 24, 2014, the City entered into a lease 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 lease. As of June 30, 2022, the City has recorded \$8.5 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 contract.

**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):

<b>Contractor</b>	<b>Type of Service</b>	<b>Expiration Date</b>	<b>Estimated Annual Subsidy</b>
MV Transportation Service	Dial-a-Ride	June 30, 2025	\$ 16,033
First Transit Inc.	Fixed Route Bus Service	June 30, 2023	40,049
Transdev Services, Inc.	Fixed Route Bus Service	June 30, 2025	93,149
Valley Metro Rail	Light Rail Service	June 30, 2023	14,442
Regional Public Transportation Authority	Fixed Route Bus Service	June 30, 2023	2,949
			\$ 166,622

Approximately 2.7% 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 4.5% of the total transit costs for fiscal 2022-23. 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, 2022, as follows (in thousands):

Aviation	\$ 69,686
Phoenix Convention Center	7,286
Water System	358,921
Wastewater	140,090
Solid Waste	20,377
	\$ 596,360

**Encumbrances**

Governmental fund encumbrances at June 30, 2022, were as follows (in thousands):

General Fund	\$ 127,342
Transit Special Revenue Fund	153,005
Non-Major Funds	260,703
	\$ 541,050

**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, 2022.

**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 35% 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 35% 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 is accrued as a liability as it is earned by the employees if it is probable that the employees will be compensated through cash payments at 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, 2022, actuarial valuation of the sick leave liability was based on the termination payment method and includes other amounts that are directly and incrementally related to those payments 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):

	<u>2022</u>
General	\$ 158,711
Police	96,225
Fire	<u>39,951</u>
	294,887
	<u>(70,623)</u>
	<u>\$ 224,264</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, 2022 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, 2022.

**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, 2022, 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 the 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, 2022:

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	2022 (in thousands)	
		\$5,455	\$2,169

**18. Joint Use 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, 2022, was \$1.6 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-three 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, 2022, was \$38.3 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 \$309.1 million at June 30, 2022, 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, 2022 is provided below (in thousands).

	<u>2022</u>
Assets	
Pooled Investments	\$ 73,683
Receivables	14,017
Inventories, at average cost	7,615
Capital Assets, Net of Accumulated Depreciation	<u>576,924</u>
Total Assets	672,239
Liabilities	<u>(75,517)</u>
Net Position	<u>\$ 596,722</u>
Total Revenues	\$ 75,336
Total Expenses	<u>(92,940)</u>
Decrease in Net Position	<u>\$ (17,604)</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 \$188.7 million at June 30, 2022, 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, 2022 is provided below (in thousands).

	<u>2022</u>
Assets	
Pooled Investments	\$ 8,658
Receivables	6,454
Inventories, at average cost	1,693
Capital Assets, Net of Accumulated Depreciation	239,196
Total Assets	<u>256,001</u>
Liabilities	<u>(12,608)</u>
Net Position	<u>\$ 243,393</u>
Total Revenues	\$ 44,995
Total Expenses	<u>(44,256)</u>
Increase in Net Position	<u>\$ 739</u>

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.

### **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 \$19,500 of their salaries during calendar year 2022. 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 2022 annual contribution limit is \$57,000. 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 \$44.5 million for the year ended June 30, 2022. 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, 2022, is presented below (in thousands).

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
COPERS				
Governmental Activities	\$ 1,164,631	\$ 144,063	\$ 46,127	\$ 91,355
Business-Type Activities	315,973	39,086	12,515	24,785
PSPRS - Police	2,079,419	290,492	164,032	202,533
PSPRS - Fire	1,078,584	204,958	97,421	115,525
EORP	4,548	414	292	577
<b>Total</b>	\$ 4,643,155	\$ 679,013	\$ 320,387	\$ 434,775

**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	
	2022	2021
<b>Active Members</b>		
Tier 1	4,110	4,522
Tier 2	541	587
Tier 3	3,287	2,860
Total	7,938	7,969
<b>Deferred Vested Member Counts</b>	1,109	1,053
<b>In Pay Members</b>		
Service Retirees	6,363	6,183
Beneficiaries	1,195	1,171
Disabled Retirees	222	233
Total	7,780	7,587
<b>Total Members</b>	16,827	16,609

**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 16 year period. For the fiscal year ended June 30, 2022, the total contribution rate was 37.60% 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, \$178.3 million for the fiscal year.

d) **Net Pension Liability**

The City's net pension liability was measured as of June 30, 2022, 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)

	<b>Total Pension Liability (TPL)</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (NPL)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
<b>Balances at 6/30/2021</b>	\$ 4,541,799	\$ 3,438,027	\$ 1,103,772
<b>Changes for the year:</b>			
Service cost	79,869	-	79,869
Interest on the total pension liability	311,636	-	311,636
Difference between expected and actual experience of the total pension liability	52,647	-	52,647
Benefit payments, including refunds of employee contributions	(262,660)	(262,660)	-
Contributions - employer	-	178,319	(178,319)
Contributions - employee	-	53,350	(53,350)
Net investment income	-	(161,785)	161,785
Pension plan administrative expense	-	(2,564)	2,564
<b>Net changes</b>	<b>181,492</b>	<b>(195,340)</b>	<b>376,832</b>
<b>Balances at June 30, 2022</b>	<b>\$ 4,723,291</b>	<b>\$ 3,242,687</b>	<b>\$ 1,480,604</b>

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](http://www.phoenix.gov/copers).

e) **Actuarial Assumptions**

Actuarial assumptions used to determine the total pension liability in the June 30, 2022 valuation were based on the results of the actuarial experience study covering the period from July 1, 2014 through June 30, 2020. Those assumptions, applied to all periods included in the measurement, are as follows:

Investment Rate of Return	7.00%
Inflation	2.30%
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 the California Public Employees Retirement System (CalPERS) mortality tables with adjustment factors, projected with MP-2015.

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 2022 Target Allocation	FY 2022 Actual Allocation	10-Year Expected Real Return
U.S. Equity	16.0%	20.1%	6.8%
Developed Market Equity (Non-U.S.)	9.0%	11.4%	8.1%
Emerging Market Equity	8.0%	5.0%	10.3%
Private Equity	9.0%	8.1%	11.9%
Investment Grade Bonds	15.0%	11.0%	1.8%
TIPS	7.0%	4.6%	1.8%
High Yield Bonds	5.0%	4.4%	3.8%
Bank Loans	3.0%	2.6%	3.1%
Emerging Market Bonds	3.0%	2.1%	4.2%
Infrastructure	4.0%	1.6%	8.2%
Natural Resources	4.0%	1.0%	9.2%
Hedge Funds	5.0%	4.3%	3.6%
Real Estate	12.0%	15.7%	7.5%
GTAA	-%	2.9%	3.9%
Cash	-%	5.1%	1.1%



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, 2022:

**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	\$ 2,054,771	\$ 1,480,604	\$ 1,006,618

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

For the year ended June 30, 2022, the City recognized pension expense of \$116.1 million. At June 30, 2022 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	\$ 49,992	\$ 33,687
Changes in assumptions	-	24,955
Net difference between projected and actual earnings on pension plan investments	133,157	-
<b>Total</b>	<b>\$ 183,149</b>	<b>\$ 58,642</b>

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:

2023	\$ 22,056
2024	6,002
2025	5,730
2026	90,719
2027	-
Thereafter	-
<b>Total</b>	<b>\$ 124,507</b>

**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, 2021	
	Police	Fire
Retirees and Beneficiaries	2,702	1,223
Inactive, Non-Retired Members	918	256
Active Members	2,438	1,451
<b>Total</b>	<b>6,058</b>	<b>2,930</b>
 Covered Valuation Payroll (in thousands)	 \$ 229,875	 \$ 148,348

**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 was prior to July 20, 2011, and 11.65% of compensation for employees whose membership date began on or after July 20, 2011. 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 14.65%, 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, 2022, the required employer contribution rates were as follows:

	Police	Fire
Tier 1	67.32%	63.29%
Tier 2	67.32%	63.29%
Tier 3	10.39%	10.36%
Tier 3 Legacy	53.43%	48.08%

However, for fiscal year ended June 30, 2022, the City chose to contribute \$184.5 million and \$106.4 million for Police and Fire, respectively and were based on the following contribution rates:

	Police	Fire
Tier 1	75.10%	70.29%
Tier 2	75.10%	70.29%
Tier 3	10.39%	10.36%
Tier 3 Legacy	61.21%	55.08%

d) **Net Pension Liability**

The City's net pension liability was measured as of June 30, 2021, 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, 2022 (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)
<b>Balances at June 30, 2021</b>	<u>\$ 3,683,190</u>	<u>\$ 1,370,878</u>	<u>\$ 2,312,312</u>	<u>\$ 1,987,068</u>	<u>\$ 756,000</u>	<u>\$ 1,231,068</u>
<b>Changes for the Year:</b>						
Service cost	51,687	-	51,687	32,998	-	32,998
Interest on the total pension liability	265,180	-	265,180	143,726	-	143,726
Differences between expected and actual experience	23,801	-	23,801	2,186	-	2,186
Changes of Assumptions	-	-	-	-	-	-
Contributions - employer	-	172,800	(172,800)	-	106,126	(106,126)
Contributions - employee	-	23,096	(23,096)	-	13,566	(13,566)
Net investment income	-	379,441	(379,441)	-	212,684	(212,684)
Benefit payments, including refunds of employee contributions	(204,565)	(204,565)	-	(102,431)	(102,431)	-
Administrative expense	-	(1,780)	1,780	-	(994)	994
Other	-	4	(4)	-	12	(12)
Net changes	<u>136,103</u>	<u>368,996</u>	<u>(232,893)</u>	<u>76,479</u>	<u>228,963</u>	<u>(152,484)</u>
<b>Balances at June 30, 2022</b>	<u>\$ 3,819,293</u>	<u>\$ 1,739,874</u>	<u>\$ 2,079,419</u>	<u>\$ 2,063,547</u>	<u>\$ 984,963</u>	<u>\$ 1,078,584</u>

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](http://www.psprs.com).

e) **Actuarial Assumptions**

The actuarial assumptions used to determine the total pension liability in the June 30, 2021 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	3.50% to 7.50% including inflation
Tiers 1 & 2 Investment Rate of Return	7.30%, net of investment and administrative expenses
Tier 3 Investment Rate of Return	7.00%, net of investment and administrative expenses
Tier 3 Compensation Limit	\$115,868 for 2021. Assumed increases of 2.00% per year.
Retirement Rates	Rates based on a 2017 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 1.75% for this valuation.
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The Discount Rate used to measure the Total Pension Liability was 7.30% 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 (7.30% 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, 2021, as provided by PSPRS, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Public Equity	24.00%	4.08%
International Public Equity	16.00%	5.20%
Global Private Equity	20.00%	7.67%
Other Assets (Capital Appreciation)	7.00%	5.43%
Core Bonds	2.00%	0.42%
Private Credit	20.00%	5.74%
Diversifying Strategies	10.00%	3.99%
Cash	1.00%	(0.31%)
Total	100.00%	

Note - Assumed inflation rate (as provided by PSPRS): 2.22%

**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 7.30% 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 (6.30%/6.00%)	Current Discount Rate (7.30%/7.00%)	1% Increase (8.30%/8.00%)
Net Pension Liability	\$ 2,568,714	\$ 2,079,419	\$ 1,677,976

FIRE			
	1% Decrease (6.30%/6.00%)	Current Single Discount Rate (7.30%/7.00%)	1% Increase (8.30%/8.00%)
Net Pension Liability	\$ 1,343,567	\$ 1,078,584	\$ 860,303

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

For the year ended June 30, 2022, pension expense of \$202.5 million and \$115.5 million were recognized for Police and Fire, respectively. At June 30, 2022, 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	\$ 82,407	\$ 107	\$ 64,244	\$ 5,321
Changes in assumptions	23,591	-	34,328	-
Net difference between projected and actual earnings on pension plan investments	-	163,925	-	92,100
Contributions made subsequent to the measurement date	184,494	-	106,386	-
<b>Total</b>	<u>\$ 290,492</u>	<u>\$ 164,032</u>	<u>\$ 204,958</u>	<u>\$ 97,421</u>

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 2023. 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 June 30	Net Deferred Outflows of Resources		Year Ending June 30	Net Deferred Outflows of Resources	
2023	\$ 5,168		2023	\$ 10,475	
2024	4,526		2024	3,828	
2025	(16,541)		2025	(7,482)	
2026	(51,187)		2026	(17,006)	
2027	-		2027	11,023	
Thereafter	-		Thereafter	313	
<b>Total</b>	<b>\$ (58,034)</b>		<b>Total</b>	<b>\$ 1,151</b>	

#### 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, 2022, the City had 8 covered officials participating in the plan. Covered payroll for the year then ended was \$409 thousand (of \$595.3 million general City covered payroll). Net pension liability for EORP was \$4.5 million as of June 30, 2022 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](http://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, 2022, is presented below (in thousands).

Plan	Net OPEB Liability/(Asset)	Deferred	Deferred	OPEB Expense (Income)
		Outflows of Resources	Inflows of Resources	
LTD				
Governmental Activities	\$ (22,317)	\$ 15,484	\$ 15,363	\$ 1,732
Business-Type Activities	(4,839)	3,358	3,330	380
MERP				
Governmental Activities	137,900	34,048	17,623	20,028
Business-Type Activities	40,262	9,940	5,146	5,983
PSPRS - Police	(30,746)	212	10,051	(3,420)
PSPRS - Fire	(18,617)	409	5,155	(1,571)
EORP	(138)	6	40	(14)
<b>Total</b>	<b>\$ 101,505</b>	<b>\$ 63,457</b>	<b>\$ 56,708</b>	<b>\$ 23,118</b>

**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, 2021, the effective date of the biennial OPEB valuation, follows:

	Police	Fire	General City	Total
Current Active Employees	2,908	1,663	7,914	12,485
Currently Disabled Employees	17	10	271	298
Total Covered Participants	2,925	1,673	8,185	12,783

**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, 2022, the City elected to contribute \$1.4 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, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2021. The net OPEB liability/(asset) is measured as the total OPEB liability/(asset), 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/(asset) as of June 30, 2022. 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/(asset).



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

**Change in Net OPEB Liability/(Asset)**

(in thousands)

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability/(Asset) (a)-(b)</b>
<b>Balances at June 30, 2021</b>	\$ 47,337	\$ 94,561	\$ (47,224)
<b>Changes for the year:</b>			
Service cost	3,867	-	3,867
Interest on the total OPEB liability	3,163	-	3,163
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	787	-	787
Benefit payments, including refunds of employee contributions	(4,833)	(4,833)	-
Employer contributions	-	1,401	(1,401)
Employee contributions	-	-	-
OPEB plan net investment income	-	(13,083)	13,083
OPEB plan administrative expense	-	(556)	556
Other	-	(13)	13
<b>Net change in plan fiduciary net position</b>	<b>2,984</b>	<b>(17,084)</b>	<b>20,068</b>
<b>Balances at June 30, 2022</b>	<b>\$ 50,321</b>	<b>\$ 77,477</b>	<b>\$ (27,156)</b>

e) **Actuarial Assumptions**

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

Valuation date	6/30/21
Actuarial cost method	Projected Unit Credit
Actuarial assumptions:	
Investment rate of return	6.50%
Projected payroll increases	Use Actual Salary Scale
Inflation	3.00%

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	30.00%
International Equities	30.00%
Fixed Income	25.00%
Marketable Alternatives	10.00%
Real Estate	5.00%
<b>Total</b>	<b>100.00%</b>

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, 2022. 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):	\$ (23,775)	\$ (27,156)	\$ (30,201)

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

For the year ended June 30, 2022, the City recognized a OPEB expense of approximately \$2.1 million. At June 30, 2022 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	\$ -	\$ 3,815
Assumption changes	1,153	4,963
Net difference between projected and actual earnings on OPEB plan investments	17,689	9,915
<b>Total</b>	<b>\$ 18,842</b>	<b>\$ 18,693</b>

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:	
2023	\$ 625
2024	336
2025	(631)
2026	2,674
2027	(1,192)
Thereafter	(1,663)
Total	<u>\$ 149</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.

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, 2021, the effective date of the biennial OPEB valuation, are:

	<u>2021</u>
Plan Members Currently Receiving Benefits	9,772
Active Plan Members	2,690
Total Plan Members	<u>12,462</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, 2022, the City contributed \$27.7 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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. 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, 2022. 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)

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
<b>Balances at 6/30/2021</b>	\$ 369,367	\$ 232,924	\$ 136,443
<b>Changes for the year:</b>			
Service cost	3,495	-	3,495
Interest on the total OPEB liability	24,114	-	24,114
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	8,185	-	8,185
Benefit payments, including refunds of employee contributions	(27,747)	(27,747)	-
Employer contributions	-	27,704	(27,704)
Employee contributions	-	-	-
OPEB plan net investment income	-	(32,988)	32,988
OPEB plan administrative expense	-	(640)	640
Other	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>8,047</b>	<b>(33,671)</b>	<b>41,718</b>
<b>Balances at 6/30/2022</b>	<b>\$ 377,414</b>	<b>\$ 199,253</b>	<b>\$ 178,161</b>

e) **Actuarial Assumptions**

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

Valuation date	6/30/21
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return	6.50%
Projected payroll increases	3.50%
Health Care Trend Rates	Rates starting at 7.5% in 2020 grading down to 4.5% in 2034

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. 1% of pre-retirement deaths for general employees are assumed to be duty-related and 12% 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	30.00%
International Equities	30.00%
Fixed Income	25.00%
Marketable Alternatives	10.00%
Real Estate	5.00%
<b>Total</b>	<b>100.00%</b>

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, 2022. 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	\$ 215,028	\$ 178,161	\$ 146,817

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, 2022. 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	\$ 177,888	\$ 178,161	\$ 178,481

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

For the year ended June 30, 2022, the City recognized a OPEB expense of \$26.0 million. At June 30, 2021 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	\$ 43,988	\$ 22,769
<b>Total</b>	<b>\$ 43,988</b>	<b>\$ 22,769</b>

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:

2023	\$ 4,985
2024	4,350
2025	2,148
2026	9,736
2027	-
Thereafter	-
<b>Total</b>	<b>\$ 21,219</b>

i) **MERP Statements as of June 30, 2022**

**Statement of Fiduciary Net Position**

(in thousands)

	<u>MERP</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,003
Invesments	
Treasurer's Pooled Investments	5,468
Fixed Income	44,787
Domestic Equities	81,958
International Equities	34,825
Real Return	20,218
Absolute Return	5
Real Estate	9,989
Total Investments	<u>197,250</u>
Accounts Receivable	-
Total Assets	<u>199,253</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>31</u>
<b>NET POSITION</b>	
Restricted for Other Employee Benefits	<u>\$ 199,222</u>

**Statement of Changes in Fiduciary Net Position**

(in thousands)

	<u>MERP</u>
<b>ADDITIONS</b>	
Contributions	
City of Phoenix	\$ 27,704
Investment Income (Loss)	
Net Decrease in Fair Value of Investments	(38,282)
Interest	5,294
Total Additions	<u>(5,284)</u>
<b>DEDUCTIONS</b>	
Benefit Payments	27,747
Other	656
Total Deductions	<u>28,403</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	(33,687)
<b>NET POSITION</b>	
Net Position, Beginning	232,909
Net Position, Ending	<u>\$ 199,222</u>

**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:

	<b>June 30, 2021</b>	
	<b>Police</b>	<b>Fire</b>
Retirees and Beneficiaries	2,702	1,223
Inactive, Non-Retired Members	446	221
Active Members	2,438	1,451
Total	5,586	2,895

**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, 2022, 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, 2022, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2021. The schedule below indicates changes in net OPEB liability/(asset) as of the actuary report dated June 30, 2022 (in thousands):

**Change in Net OPEB Liability/(Asset)**

	POLICE			FIRE		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
<b>Balances at 6/30/2021</b>	\$ 49,026	\$ 64,567	\$ (15,541)	\$ 25,488	\$ 36,524	\$ (11,036)
<b>Changes for the Year:</b>						
Service cost	1,074	-	1,074	553	-	553
Interest on the total OPEB liability	3,530	-	3,530	1,830	-	1,830
Differences between expected and actual experience of the total OPEB liability	(2,216)	-	(2,216)	(54)	-	(54)
Contributions - employer	-	79	(79)	-	24	(24)
Contributions - employee	-	79	(79)	-	24	(24)
Net investment income	-	17,507	(17,507)	-	9,904	(9,904)
Benefit payments, including refunds of employee contributions	(3,485)	(3,485)	-	(1,943)	(1,943)	-
OPEB plan administrative expense	-	(72)	72	-	(42)	42
Net changes	(1,097)	14,108	(15,205)	386	7,967	(7,581)
<b>Balances at 6/30/2022</b>	\$ 47,929	\$ 78,675	\$ (30,746)	\$ 25,874	\$ 44,491	\$ (18,617)

**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	3.50% to 7.50% including inflation
Tiers 1 & 2 Investment Rate of Return	7.30%, 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 2017 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, 2017.

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, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash	1.00%	-0.31%
Core Bonds	2.00%	0.42%
Real Assets	7.00%	5.43%
Diversifying Strategies	10.00%	3.99%
Private Credit	20.00%	5.74%
Global Private Equity	20.00%	7.67%
Non-U.S. Equity	16.00%	5.20%
U.S. Equity	24.00%	4.08%
Total	100.00%	

\* Based on inflation assumption of 2.22%

The Discount Rate used to measure the Total OPEB Liability was 7.30 percent for Tiers 1 and 2 benefits and 7.00 percent 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 (7.30 percent for Tiers 1 and 2 benefits and 7.00 percent 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 7.30 percent for Tiers 1 and 2 benefits and 7.00 percent for Tier 3 benefits. The municipal bond rate is 2.66 percent (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 7.30 percent for Tiers 1 and 2 benefits and 7.00 percent 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 7.30% 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):

<b>POLICE</b>			
	<b>1% Decrease (6.30%/6.00%)</b>	<b>Current Discount Rate (7.30%/7.00%)</b>	<b>1% Increase (8.30%/8.00%)</b>
Net Pension Liability	\$ (25,547)	\$ (30,746)	\$ (35,140)

<b>FIRE</b>			
	<b>1% Decrease (6.30%/6.00%)</b>	<b>Current Single Discount Rate (7.30%/7.00%)</b>	<b>1% Increase (8.30%/8.00%)</b>
Net Pension Liability	\$ (15,688)	\$ (18,617)	\$ (20,951)

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

For the year ended June 30, 2022, the City recognized a credit to OPEB income of \$5.0 million. At June 30, 2022 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	\$ -	\$ 2,643	\$ 263	\$ 775
Changes in assumptions	212	-	146	187
Net difference between projected and actual earnings on OPEB plan investments	-	7,408	-	4,193
<b>Total</b>	<b>\$ 212</b>	<b>\$ 10,051</b>	<b>\$ 409</b>	<b>\$ 5,155</b>

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

Year Ending June 30	POLICE		Year Ending June 30	FIRE	
		Net Deferred Outflows and Inflows of Resources			Net Deferred Outflows and Inflows of Resources
2023	\$	(2,214)	2023	\$	(1,084)
2024		(2,159)	2024		(1,029)
2025		(2,416)	2025		(1,033)
2026		(3,050)	2026		(1,476)
2027		-	2027		(117)
Thereafter		-	Thereafter		(7)
<b>Total</b>	<b>\$</b>	<b>(9,839)</b>	<b>Total</b>	<b>\$</b>	<b>(4,746)</b>

**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, 2022, the City had 8 covered officials participating in the plan. Net OPEB asset for EORP was \$138 thousand as of June 30, 2022 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](http://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****Debt Issuance**

On July 12, 2022, the City of Phoenix Civic Improvement Corporation issued \$131.7 million of Subordinated Excise Tax Revenue Bonds, Series 2022. The bonds were issued at an all-in true interest cost of 3.79% and were dated and delivered August 3, 2022.

On July 19, 2022, the City of Phoenix defeased \$74.5 million of General Obligation Refunding Bonds, Series 2014 with a total cost of \$75.9 million and present value savings of \$9.9 million. This defeased maturities in 2023 through 2027.

**Bond Ratings**

On October 19, 2022, Standard & Poor's Rating Services ("S&P") announced that it raised its financial strength rating for the City of Phoenix Civic Improvement Corporation Airport Revenue Bonds to "AA-" from "A+" for the Senior Lien and to "A+" from "A" for the Junior Lien. Both credits have a stable outlook.

On October 19, 2022, S&P announced that it raised its financial strength rating for the City of Phoenix Civic Improvement Corporation Rental Car Facility Revenue Bonds to "A" from "BBB+" with a stable outlook.



**City of Phoenix**



**Financial Section**  
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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**City of Phoenix**



**COPERS****Schedule of Changes in Net Pension  
Liability and Related Ratios**

(in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 79,869	\$ 78,643	\$ 81,119	\$ 73,255	\$ 73,072	\$ 72,876	\$ 80,757	\$ 75,310	\$ 78,331
Interest on the total pension liability	311,636	303,102	313,397	300,543	293,883	293,258	293,206	266,355	257,219
Changes of benefit terms	-	-	-	-	-	-	(3,229)	-	-
Differences between expected and actual experience of the total pension liability	52,647	(4,347)	(77,698)	39,370	(42,785)	429	(76,891)	(31,009)	(20,336)
Changes of assumptions	-	-	(62,386)	-	-	2,420	(69,420)	254,870	-
Benefit payments, including refunds of employee contributions	<u>(262,660)</u>	<u>(249,713)</u>	<u>(242,143)</u>	<u>(237,389)</u>	<u>(227,576)</u>	<u>(223,668)</u>	<u>(216,193)</u>	<u>(204,402)</u>	<u>(179,877)</u>
Net change in total pension liability	\$ 181,492	\$ 127,685	\$ 12,289	\$ 175,779	\$ 96,594	\$ 145,315	\$ 8,230	\$ 361,124	\$ 135,337
Total pension liability - beginning	<u>4,541,799</u>	<u>4,414,114</u>	<u>4,401,825</u>	<u>4,226,046</u>	<u>4,129,452</u>	<u>3,984,137</u>	<u>3,975,907</u>	<u>3,614,784</u>	<u>3,479,447</u>
Total pension liability - ending	<u>\$4,723,291</u>	<u>\$4,541,799</u>	<u>\$4,414,114</u>	<u>\$4,401,825</u>	<u>\$4,226,046</u>	<u>\$4,129,452</u>	<u>\$3,984,137</u>	<u>\$3,975,908</u>	<u>\$ 3,614,784</u>
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	\$ 178,319	\$ 357,382	\$ 175,947	\$ 165,796	\$ 229,006	\$ 152,153	\$ 119,844	\$ 117,092	\$ 110,629
Contributions - employee	53,350	40,561	39,356	35,042	33,340	30,870	29,523	27,861	27,760
Net investment income (loss)	(161,785)	610,554	50,389	142,963	166,514	243,211	9,171	47,148	298,736
Benefit payments, including refunds of employee contributions	(262,660)	(249,713)	(242,143)	(237,389)	(227,576)	(223,668)	(216,409)	(204,403)	(179,877)
Pension plan administrative expense	<u>(2,564)</u>	<u>(1,930)</u>	<u>(2,509)</u>	<u>(793)</u>	<u>(377)</u>	<u>(380)</u>	<u>(234)</u>	<u>(415)</u>	<u>(628)</u>
Net change in plan fiduciary net position	\$ (195,340)	\$ 756,854	\$ 21,040	\$ 105,619	\$ 200,907	\$ 202,186	\$ (58,105)	\$ (12,717)	\$ 256,620
Plan fiduciary net position - beginning	<u>3,438,027</u>	<u>2,681,173</u>	<u>2,660,133</u>	<u>2,554,514</u>	<u>2,353,607</u>	<u>2,151,421</u>	<u>2,209,526</u>	<u>2,222,242</u>	<u>1,965,622</u>
Plan fiduciary net position - ending	<u>\$3,242,687</u>	<u>\$3,438,027</u>	<u>\$2,681,173</u>	<u>\$2,660,133</u>	<u>\$2,554,514</u>	<u>\$2,353,607</u>	<u>\$2,151,421</u>	<u>\$2,209,525</u>	<u>\$ 2,222,242</u>
Net pension liability	<u>\$1,480,604</u>	<u>\$1,103,772</u>	<u>\$1,732,941</u>	<u>\$1,741,692</u>	<u>\$1,671,532</u>	<u>\$1,775,845</u>	<u>\$1,832,716</u>	<u>\$1,766,383</u>	<u>\$ 1,392,542</u>
Plan fiduciary net position as a percentage of the total pension liability	68.65%	75.70%	60.74%	60.43%	60.45%	57.00%	54.00%	55.57%	61.48%
Covered payroll	\$ 595,304	\$ 580,451	\$ 568,089	\$ 561,938	\$ 526,667	\$ 521,295	\$ 473,974	\$ 484,309	\$ 518,746
Net pension liability as a percentage of covered payroll	248.71%	190.16%	305.05%	309.94%	317.38%	340.66%	386.67%	364.72%	268.44%

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

The information in this schedule has been determined as of the measurement date 6/30/22 of the City's net pension 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 68, only periods of which such information is available are presented.

**COPERS Schedule of Employer Contributions**

(in thousands)

<b>Fiscal Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a Percentage of Covered Payroll</b>
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%
2015	117,092	117,092	-	484,309	24.18%
2014	110,629	110,629	-	518,746	21.33%
2013	115,244	115,244	-	524,648	21.97%

\*City made additional contributions in fiscal years 2018, 2021, and 2022.

**NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Valuation date:** June 30, 2020. 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, 2022 were determined based on the June 30, 2020 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.
<b>Other:</b>	None

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

(in thousands)

	POLICE							
	2022	2021	2020*	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service Cost	\$ 51,687	\$ 51,069	\$ 52,681	\$ 49,601	\$ 58,148	\$ 47,232	\$ 47,490	\$ 50,173
Interest on the Total Pension Liability	265,180	251,285	241,526	231,824	217,244	199,120	195,645	170,560
Changes of benefit terms	-	-	-	-	22,618	171,696	-	38,647
Difference between expected and actual experience of the Total Pension Liability	23,801	91,331	21,415	(906)	1,601	3,644	(42,065)	(13,758)
Changes of assumptions	-	-	58,976	-	107,195	100,323	-	211,118
Benefit payments, including refunds of employee contributions	(204,565)	(203,329)	(185,901)	(168,682)	(164,031)	(170,877)	(142,444)	(129,266)
Net change in total pension liability	\$ 136,103	\$ 190,356	\$ 188,697	\$ 111,837	\$ 242,775	\$ 351,138	\$ 58,626	\$ 327,474
Total pension liability - beginning	3,683,190	3,492,834	3,304,137	3,192,300	2,949,525	2,598,387	2,539,761	2,212,287
Total pension liability - ending	<u>\$ 3,819,293</u>	<u>\$ 3,683,190</u>	<u>\$ 3,492,834</u>	<u>\$ 3,304,137</u>	<u>\$ 3,192,300</u>	<u>\$ 2,949,525</u>	<u>\$ 2,598,387</u>	<u>\$ 2,539,761</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 172,800	\$ 167,099	\$ 149,442	\$ 124,618	\$ 113,645	\$ 92,298	\$ 80,311	\$ 78,428
Contributions - employee	23,096	22,896	18,525	22,728	31,289	31,061	28,941	27,931
Net investment income	379,441	17,437	71,707	89,411	139,676	7,019	43,559	146,354
Benefit payments, including refunds of employee contributions	(204,565)	(203,329)	(185,901)	(168,682)	(164,031)	(170,877)	(142,444)	(129,266)
Hall/Parker Settlement	-	-	-	(42,201)	-	-	-	-
Pension Plan Administrative Expense	(1,780)	(1,422)	(1,247)	(1,364)	(1,236)	(1,010)	(1,063)	-
Other**	4	(91)	88	(443)	652	411	(842)	(53,122)
Net change in Plan Fiduciary Net Position	\$ 368,996	\$ 2,590	\$ 52,614	\$ 24,067	\$ 119,995	\$ (41,098)	\$ 8,462	\$ 70,325
Plan Fiduciary Net Position - Beginning	1,370,878	1,368,288	1,315,679	1,291,612	1,171,617	1,212,715	1,204,253	1,133,928
Adjustment to Beginning of Year	-	-	(5)	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 1,739,874</u>	<u>\$ 1,370,878</u>	<u>\$ 1,368,288</u>	<u>\$ 1,315,679</u>	<u>\$ 1,291,612</u>	<u>\$ 1,171,617</u>	<u>\$ 1,212,715</u>	<u>\$ 1,204,253</u>
Net Pension Liability	<u>\$ 2,079,419</u>	<u>\$ 2,312,312</u>	<u>\$ 2,124,546</u>	<u>\$ 1,988,458</u>	<u>\$ 1,900,688</u>	<u>\$ 1,777,908</u>	<u>\$ 1,385,672</u>	<u>\$ 1,335,508</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.55%	37.22%	39.17%	39.82%	40.46%	39.72%	46.67%	47.42%
Covered Payroll	\$ 229,875	\$ 233,472	\$ 228,846	\$ 221,105	\$ 231,023	\$ 225,236	\$ 215,928	\$ 229,987
Net Pension Liability as a Percentage of Covered Valuation Payroll	904.59%	990.40%	928.37%	899.33%	822.73%	789.35%	641.73%	580.69%

\* 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 6/30/21 of the City's net pension 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 68, only periods of which such information is available are presented.

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

	FIRE							
	2022	2021	2020*	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service Cost	\$ 32,998	\$ 31,668	\$ 32,749	\$ 30,634	\$ 31,155	\$ 25,101	\$ 25,159	\$ 25,964
Interest on the Total Pension Liability	143,726	134,204	130,378	123,038	114,721	107,388	106,101	93,775
Changes of benefit terms	-	-	-	-	9,098	95,865	-	18,125
Difference between expected and actual experience of the Total Pension Liability	2,186	74,975	(7,563)	21,387	5,985	(22,672)	(24,035)	(9,814)
Changes of assumptions	-	-	31,021	-	61,290	51,468	-	100,149
Benefit payments, including refunds of employee contributions	(102,431)	(121,050)	(96,862)	(89,735)	(88,133)	(108,988)	(72,612)	(68,945)
Net change in total pension liability	76,479	119,797	89,723	85,324	134,116	148,162	34,613	159,254
Total pension liability - beginning	1,987,068	1,867,271	1,777,548	1,692,224	1,558,108	1,409,946	1,375,333	1,216,079
Total pension liability - ending	<u>\$ 2,063,547</u>	<u>\$ 1,987,068</u>	<u>\$ 1,867,271</u>	<u>\$ 1,777,548</u>	<u>\$ 1,692,224</u>	<u>\$ 1,558,108</u>	<u>\$ 1,409,946</u>	<u>\$ 1,375,333</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 106,126	\$ 90,148	\$ 77,142	\$ 73,288	\$ 56,671	\$ 49,932	\$ 43,076	\$ 42,900
Contributions - employee	13,566	12,598	11,592	13,413	16,694	16,039	14,250	14,152
Net investment income	212,684	9,715	39,879	49,178	76,651	3,927	24,513	82,575
Benefit payments, including refunds of employee contributions	(102,431)	(121,050)	(96,862)	(89,735)	(88,133)	(108,988)	(72,612)	(68,945)
Hall/Parker Settlement	-	-	-	(21,840)	-	-	-	-
Pension Plan Administrative Expense	(994)	(793)	(695)	(751)	(679)	(565)	(599)	-
Other**	12	12	-	251	11	1,050	(536)	(30,298)
Net change in Plan Fiduciary Net Position	\$ 228,963	\$ (9,370)	\$ 31,056	\$ 23,804	\$ 61,215	\$ (38,605)	\$ 8,092	\$ 40,384
Plan Fiduciary Net Position - Beginning	756,000	765,370	734,315	710,511	649,296	687,901	679,809	639,425
Adjustment to Beginning of Year	-	-	(1)	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 984,963</u>	<u>\$ 756,000</u>	<u>\$ 765,370</u>	<u>\$ 734,315</u>	<u>\$ 710,511</u>	<u>\$ 649,296</u>	<u>\$ 687,901</u>	<u>\$ 679,809</u>
Net Pension Liability	<u>\$ 1,078,584</u>	<u>\$ 1,231,068</u>	<u>\$ 1,101,901</u>	<u>\$ 1,043,233</u>	<u>\$ 981,713</u>	<u>\$ 908,812</u>	<u>\$ 722,045</u>	<u>\$ 695,524</u>
Plan Fiduciary Net Position as a Percentage of the Total								
Pension Liability	47.73%	38.05%	40.99%	41.31%	41.99%	41.67%	48.79%	49.43%
Covered Payroll	\$ 148,348	\$ 139,641	\$ 135,273	\$ 132,503	\$ 127,530	\$ 124,322	\$ 121,291	\$ 125,639
Net Pension Liability as a Percentage of Covered Valuation Payroll	727.06%	881.60%	814.58%	787.33%	769.79%	731.02%	595.30%	553.59%

\* 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 6/30/21 of the City's net pension 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 68, only periods of which such information is available are presented.

**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
<b>Police</b>	2022	\$ -	\$ 184,494	\$ -	\$ -	-%
	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%
	2015	80,311	80,311	-	215,928	37.19%
	2014	78,428	78,428	-	229,987	34.10%
<b>Fire</b>	2022	\$ -	\$ 106,386	\$ -	\$ -	-%
	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%
	2015	43,076	43,076	-	121,291	35.51%
	2014	42,900	42,900	-	125,639	34.15%

\*\*\* 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 2022, the City chose to contribute more than the actuarially determined amount. Fiscal year 2022 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 2021 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	7.30%
Mortality	<p>Healthy Actives: PubS-2010 Employee Mortality Tables, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2018. 100% of active deaths are assumed to be in the line of duty.</p> <p>Healthy Inactives: PubS-2010 Healthy Retiree Mortality Tables, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2018.</p> <p>Disabled Lives: PubS-2010 Disabled Mortality Tables, projected with future mortality improvements reflected generationally using 75% of scale MP-2018.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the June 30, 2019 Actuarial Valuation Report prepared by Foster & Foster, Inc.

The information in this schedule has been determined as of the measurement date 6/30/21 of the City's net pension 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 68, only periods of which such information is available are presented.

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

(in thousands)

	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability/(asset)</b>						
Service cost	\$ 3,867	\$ 3,606	\$ 3,495	\$ 3,679	\$ 3,554	\$ 3,434
Interest on the total OPEB liability/(asset)	3,163	3,193	3,087	3,614	3,407	3,226
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(2,650)	-	(2,778)	-	-
Changes of assumptions	787	(116)	628	(8,013)	-	-
Benefit payments, including refunds of employee contributions	(4,833)	(4,381)	(3,755)	(4,126)	(3,993)	(4,289)
Net change in total OPEB liability/(asset)	2,984	(348)	3,455	(7,624)	2,968	2,371
Total OPEB liability/(asset) - beginning	47,337	47,685	44,230	51,854	48,886	46,515
Total OPEB liability/(asset) - ending	<u>\$ 50,321</u>	<u>\$ 47,337</u>	<u>\$ 47,685</u>	<u>\$ 44,230</u>	<u>\$ 51,854</u>	<u>\$ 48,886</u>
<b>Plan Fiduciary Net Position</b>						
Employer contributions	\$ 1,401	\$ -	\$ 1,134	\$ 1,758	\$ 1,643	\$ 1,381
Employee contributions	-	-	-	-	-	-
OPEB plan net investment income (loss)	(13,083)	21,612	662	3,983	4,611	8,488
Benefit payments, including refunds of employee contributions	(4,833)	(4,381)	(3,755)	(4,126)	(3,993)	(4,290)
OPEB plan administrative expense	(556)	(456)	(363)	(380)	(409)	(276)
Other	(13)	29	-	(86)	167	129
Net change in plan fiduciary net position	(17,084)	16,804	(2,322)	1,149	2,019	5,432
Plan fiduciary net position - beginning	94,561	77,757	80,079	78,930	76,911	71,479
Plan fiduciary net position - ending	<u>\$ 77,477</u>	<u>\$ 94,561</u>	<u>\$ 77,757</u>	<u>\$ 80,079</u>	<u>\$ 78,930</u>	<u>\$ 76,911</u>
Net OPEB liability/(asset) - ending	<u>\$ (27,156)</u>	<u>\$ (47,224)</u>	<u>\$ (30,072)</u>	<u>\$ (35,849)</u>	<u>\$ (27,076)</u>	<u>\$ (28,025)</u>
Plan fiduciary net position as a percentage of total OPEB liability/(asset)	153.97%	199.76%	163.06%	181.05%	152.23%	157.33%
Covered payroll	\$ 898,304	\$ 872,987	\$ 858,320	\$ 831,706	\$ 832,952	\$ 804,784
Net OPEB liability/(asset) as a percentage of covered payroll	(3.02%)	(5.41%)	(3.50%)	(4.31%)	(3.25%)	(3.48%)

**Notes to Schedule:**

- Service Cost determined under the Entry Age Normal Method
- 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 6/30/22 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.

**Schedule of Employer OPEB Contributions - LTD**

(in thousands)

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a percentage of Covered Payroll</b>
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, 2021**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Projected Unit Credit
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	6.75%
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 discount rate has been updated to 6.50% as of June 30, 2022 from 6.75% as of June 30, 2021.

The information in this schedule has been determined as of the measurement date 6/30/2021 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.

**MERP**
**Schedule of Changes in Net OPEB Liability and Related Ratios**

(in thousands)

	2022	2021	2020	2019	2018	2017
<u>Total OPEB liability/(asset)</u>						
Service cost	\$ 3,495	\$ 3,629	\$ 4,432	\$ 4,282	\$ 4,690	\$ 4,531
Interest on the total OPEB liability/(asset)	24,114	25,249	25,439	25,141	24,826	24,472
Changes of benefit terms	-	-	-	19,835	-	-
Differences between expected and actual experience	-	(6,128)	-	(18,132)	-	-
Changes of assumptions	8,185	(12,042)	8,320	(637)	-	-
Benefit payments, including refunds of employee contributions	(27,747)	(27,186)	(27,089)	(25,520)	(24,107)	(23,936)
Net change in total OPEB liability	8,047	(16,478)	11,102	4,969	5,409	5,067
Total OPEB liability/(asset) - beginning	369,367	385,845	374,743	369,774	364,365	359,298
Total OPEB liability/(asset) - ending	<u>\$ 377,414</u>	<u>\$ 369,367</u>	<u>\$ 385,845</u>	<u>\$ 374,743</u>	<u>\$ 369,774</u>	<u>\$ 364,365</u>
<u>Plan Fiduciary Net Position</u>						
Employer contributions	\$ 27,704	\$ 31,004	\$ 26,987	\$ 24,100	\$ 25,881	\$ 27,863
Employee contributions	-	-	-	-	-	-
OPEB plan net investment income (loss)	(32,988)	50,174	1,460	8,734	9,761	17,188
Benefit payments, including refunds of employee contributions	(27,747)	(27,186)	(27,089)	(25,520)	(24,107)	(23,936)
OPEB plan administrative expense	(640)	(606)	-	-	-	-
Other	-	1	13	(17)	6	-
Net change in plan fiduciary net position	(33,671)	53,387	1,371	7,297	11,541	21,115
Plan fiduciary net position - beginning	232,924	179,537	178,166	170,869	159,328	138,213
Plan fiduciary net position - ending	<u>\$ 199,253</u>	<u>\$ 232,924</u>	<u>\$ 179,537</u>	<u>\$ 178,166</u>	<u>\$ 170,869</u>	<u>\$ 159,328</u>
Net OPEB liability/(asset) - ending	<u>\$ 178,161</u>	<u>\$ 136,443</u>	<u>\$ 206,308</u>	<u>\$ 196,577</u>	<u>\$ 198,905</u>	<u>\$ 205,037</u>
Plan fiduciary net position as a percentage of total OPEB liability	52.79%	63.06%	46.53%	47.54%	46.21%	43.73%
Covered payroll	\$ 222,257	\$ 214,741	\$ 280,071	\$ 270,600	\$ 329,982	\$ 318,823
Net OPEB liability as a percentage of covered payroll	80.16%	63.54%	73.66%	72.64%	60.28%	64.31%

**Notes to Schedule:**

- Service Cost determined under the Entry Age Normal Method
- June 30, 2022, assumption changes reflect the change in discount rate from 6.75% to 6.50%.

The information in this schedule has been determined as of the measurement date 6/30/22 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.



**Schedule of Employer OPEB Contributions - MERP**

(in thousands)

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a percentage of Covered Payroll</b>
2022	\$ 15,912	\$ 27,704	\$ (11,792)	\$ 222,257	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, 2021**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Asset valuation method	Fair Value
Projected payroll increases	3.50%
Investment rate of return	6.75%
Health care trend rates	Applies only to Duty Related Death Benefits: Rates starting at 7.00% in 2022 grading down to 4.25% in 2035.
Expenses	Investment expenses are paid from investment returns.

**Other information:**

Notes The discount rate was updated to 6.50% as of June 30, 2022.

The information in this schedule has been determined as of the measurement date 6/30/21 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.

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

	2022		2021		2020		2019		2018	
	Police	Fire	Police	Fire	Police	Fire	Police	Fire	Police	Fire
<b>Total OPEB Liability</b>										
Service Cost	\$ 1,074	\$ 553	\$ 1,097	\$ 552	\$ 699	\$ 341	\$ 647	\$ 338	\$ 762	\$ 357
Interest on the Total OPEB Liability	3,530	1,830	3,507	1,874	3,483	1,783	3,440	1,755	3,708	1,846
Changes of benefit terms	-	-	-	-	-	-	-	-	26	28
Difference between expected and actual experience	(2,216)	(54)	(149)	(761)	(1,332)	461	(632)	(116)	(2,617)	(595)
Changes of assumptions	-	-	-	-	425	255	-	-	(1,636)	(774)
Benefit payments, including refunds of employee contributions	(3,485)	(1,943)	(3,440)	(1,895)	(3,257)	(1,763)	(3,253)	(1,766)	(3,014)	(1,735)
Net change in total OPEB liability	\$ (1,097)	\$ 386	\$ 1,015	\$ (230)	\$ 18	\$ 1,077	\$ 202	\$ 211	\$ (2,771)	\$ (873)
Total pension liability - beginning	49,026	25,488	48,011	25,718	47,993	24,641	47,791	24,430	50,562	25,303
Total pension liability - ending	<u>\$ 47,929</u>	<u>\$ 25,874</u>	<u>\$ 49,026</u>	<u>\$ 25,488</u>	<u>\$ 48,011</u>	<u>\$ 25,718</u>	<u>\$ 47,993</u>	<u>\$ 24,641</u>	<u>\$ 47,791</u>	<u>\$ 24,430</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 79	\$ 24	\$ 58	\$ 17	\$ 31	\$ 8	\$ -	\$ -	\$ -	\$ -
Contributions - employee	79	24	58	17	31	8	5	1	-	-
Net investment income	17,507	9,904	835	473	3,548	2,004	4,483	2,529	7,098	4,002
Benefit payments, including refunds of employee contributions	(3,485)	(1,943)	(3,440)	(1,895)	(3,257)	(1,763)	(3,253)	(1,766)	(3,014)	(1,735)
OPEB Plan Administrative Expense	(72)	(42)	(67)	(37)	(61)	(34)	(68)	(39)	(63)	(36)
Net change in Plan Fiduciary Net Position	\$ 14,108	\$ 7,967	\$ (2,556)	\$ (1,425)	\$ 292	\$ 223	\$ 1,167	\$ 725	\$ 4,021	\$ 2,231
Plan Fiduciary Net Position - Beginning	64,567	36,524	67,123	37,949	66,826	37,726	65,659	37,001	61,638	34,770
Adjustment to Beginning of Year	-	-	-	-	5	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 78,675</u>	<u>\$ 44,491</u>	<u>\$ 64,567</u>	<u>\$ 36,524</u>	<u>\$ 67,123</u>	<u>\$ 37,949</u>	<u>\$ 66,826</u>	<u>\$ 37,726</u>	<u>\$ 65,659</u>	<u>\$ 37,001</u>
Net OPEB Liability/(Asset)	<u>\$ (30,746)</u>	<u>\$ (18,617)</u>	<u>\$ (15,541)</u>	<u>\$ (11,036)</u>	<u>\$ (19,112)</u>	<u>\$ (12,231)</u>	<u>\$ (18,833)</u>	<u>\$ (13,085)</u>	<u>\$ (17,868)</u>	<u>\$ (12,571)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</b>	164.15%	171.95%	131.70%	143.30%	139.81%	147.56%	139.24%	153.10%	137.39%	151.46%
Covered Payroll	229,875	148,348	233,472	139,641	228,846	135,273	221,105	132,503	231,023	127,530
<b>Net OPEB Liability (Asset) as a Percentage of Covered Valuation Payroll</b>	(13.38%)	(12.55%)	(6.66%)	(7.90%)	(8.35%)	(9.04%)	(8.52%)	(9.88%)	(7.73%)	(9.86%)

The information in this schedule has been determined as of the measurement date 6/30/21 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.

**Schedule of Employer OPEB Contributions - PSPRS**

(in thousands)

		Schedule of Contributions for Measurement Date Ended June 30					
(in thousands)		Actuarially Determined Contribution *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Valuation Payroll	
	Year Ended June 30						
<b>Police</b>	2022	\$ -	\$ -	\$ -	\$ -	-%	
	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	-%	
<b>Fire</b>	2022	\$ -	\$ -	\$ -	-	-%	
	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 2021 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	7.30%
Mortality	<p><b>Healthy Actives:</b> PubS-2010 Employee mortality tables, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2018. 100% of active deaths are assumed to be in the line of duty.</p> <p><b>Healthy Inactives:</b> PubS-2010 Healthy Retiree mortality tables, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2018.</p> <p><b>Disabled Lives:</b> PubS-2010 Disabled mortality tables, projected with future mortality improvements reflected generationally using 75% of scale MP-2018.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the June 30, 2019 Actuarial Valuation Report prepared by Foster & Foster, Inc.

The information in this schedule has been determined as of the measurement date 6/30/21 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, and donations specified for various city programs.

**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.

**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, 2022  
 (in thousands)

**Exhibit C-1**

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 23,510	\$ 699	\$ 40,455	\$ -	\$ 13,853
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-	8,023
Investments	128,337	3,743	218,788	374	49,593
Due from Other Funds	-	-	-	17,417	-
Receivables, Net of Allowance					
Accounts Receivable	25	-	1,180	1,834	837
Taxes Receivable	-	-	-	-	-
Intergovernmental	14,732	2,330	-	24,130	5,334
Accrued Interest	-	-	-	-	77
Notes Receivable	-	-	-	-	9,886
Leases Receivable	-	-	139,993	-	-
Prepaid Items	-	-	-	-	78
Total Assets	<u>166,604</u>	<u>6,772</u>	<u>400,416</u>	<u>43,755</u>	<u>87,681</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities					
Due to Other Funds	-	-	-	2,395	-
Accounts Payable	11,439	323	2,222	33,239	2,463
Trust Liabilities and Deposits	8,256	-	20,658	13	18,378
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Advance Payments	-	-	11,550	8,108	6,213
Total Liabilities	<u>19,695</u>	<u>323</u>	<u>34,430</u>	<u>43,755</u>	<u>27,054</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases Related	-	-	135,841	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>135,841</u>	<u>-</u>	<u>-</u>
Fund Balances					
Spendable					
Restricted	146,909	5,556	123,560	-	50,332
Committed	-	893	-	-	-
Assigned	-	-	106,585	-	10,295
Unassigned	-	-	-	-	-
Total Fund Balances	<u>146,909</u>	<u>6,449</u>	<u>230,145</u>	<u>-</u>	<u>60,627</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 166,604</u>	<u>\$ 6,772</u>	<u>\$ 400,416</u>	<u>\$ 43,755</u>	<u>\$ 87,681</u>



Exhibit C-1  
(Continued)

Special Revenue Funds				Capital Projects Funds				
Other Restricted	Neighborhood Protection	Public Safety Enhancement	Total	Capital Construction	Parks and Preserves	Street Improvements	Police and Fire Protection	
\$ 21,144	\$ 5,776	\$ 10,744	\$ 116,181	\$ 4,772	\$ 20,995	\$ 5,810	\$ 2,178	
-	-	-	8,023	-	-	-	-	
113,818	27,739	56,751	599,143	26,766	111,118	17,840	12,585	
-	-	-	17,417	-	-	-	4,706	
128	-	-	4,004	1	-	19,652	-	
4	-	-	4	-	-	-	-	
39	-	-	46,565	-	-	28,857	-	
-	-	-	77	-	-	21	5	
-	-	-	9,886	-	-	-	-	
10,782	-	-	150,775	-	-	-	-	
-	-	-	78	-	-	-	-	
<u>145,915</u>	<u>33,515</u>	<u>67,495</u>	<u>952,153</u>	<u>31,539</u>	<u>132,113</u>	<u>72,180</u>	<u>19,474</u>	
-	-	-	-	-	-	-	-	
-	-	-	2,395	-	-	33,428	-	
2,703	45	107	52,541	373	2,876	24,879	10,303	
286	338	-	47,929	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	25,871	-	-	-	-	
<u>2,989</u>	<u>383</u>	<u>107</u>	<u>128,736</u>	<u>373</u>	<u>2,876</u>	<u>58,307</u>	<u>10,303</u>	
10,624	-	-	146,465	-	-	-	-	
<u>10,624</u>	<u>-</u>	<u>-</u>	<u>146,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
91,403	33,132	67,388	518,280	-	129,237	5,099	9,171	
16,236	-	-	17,129	31,166	-	-	-	
24,663	-	-	141,543	-	-	8,774	-	
-	-	-	-	-	-	-	-	
<u>132,302</u>	<u>33,132</u>	<u>67,388</u>	<u>676,952</u>	<u>31,166</u>	<u>129,237</u>	<u>13,873</u>	<u>9,171</u>	
\$ 145,915	\$ 33,515	\$ 67,495	\$ 952,153	\$ 31,539	\$ 132,113	\$ 72,180	\$ 19,474	

**Combining Balance Sheet  
Nonmajor Governmental Funds**  
 June 30, 2022  
 (in thousands)

**Exhibit C-1  
(Continued)**

	Capital Projects Funds			
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 313	\$ 14,615
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-
Investments	-	-	-	57,594
Due from Other Funds	717	2,384	7,592	-
Receivables, Net of Allowance				
Accounts Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Intergovernmental	-	-	-	-
Accrued Interest	-	-	-	50
Notes Receivable	-	-	-	-
Leases Receivable	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>717</u>	<u>2,384</u>	<u>7,905</u>	<u>72,259</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Due to Other Funds	-	-	-	4,886
Accounts Payable	-	1,603	50	947
Trust Liabilities and Deposits	-	423	-	-
Matured Bonds Payable	-	-	-	-
Interest Payable	-	-	-	-
Advance Payments	-	-	-	-
Total Liabilities	<u>-</u>	<u>2,026</u>	<u>50</u>	<u>5,833</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases Related	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Spendable				
Restricted	717	358	7,855	66,439
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(13)
Total Fund Balances	<u>717</u>	<u>358</u>	<u>7,855</u>	<u>66,426</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 717</u>	<u>\$ 2,384</u>	<u>\$ 7,905</u>	<u>\$ 72,259</u>

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	
\$ 19,914	\$ 68,597	\$ 11,283	\$ 391	\$ 3	\$ 10	\$ 11,687	\$ 196,465
-	-	-	28,209	1	3,864	32,074	40,097
-	225,903	59,764	5,031	-	53	64,848	889,894
4,217	19,616	-	-	-	-	-	37,033
-	19,653	-	-	19	-	19	23,676
-	-	-	-	-	-	-	4
-	28,857	-	-	-	-	-	75,422
-	76	-	-	-	-	-	153
-	-	-	-	-	-	-	9,886
-	-	-	-	-	-	-	150,775
-	-	-	-	5	-	5	83
<u>24,131</u>	<u>362,702</u>	<u>71,047</u>	<u>33,631</u>	<u>28</u>	<u>3,927</u>	<u>108,633</u>	<u>1,423,488</u>
-	-	-	-	-	-	-	-
-	38,314	-	-	-	-	-	40,709
-	41,031	-	-	-	2	2	93,574
-	423	-	-	-	-	-	48,352
-	-	-	20,455	-	695	21,150	21,150
-	-	-	7,754	1	778	8,533	8,533
-	-	-	-	25	-	25	25,896
-	79,768	-	28,209	26	1,475	29,710	238,214
-	-	-	-	-	-	-	146,465
-	-	-	-	-	-	-	146,465
4,255	223,131	-	5,422	2	2,452	7,876	749,287
-	31,166	71,047	-	-	-	71,047	119,342
19,876	28,650	-	-	-	-	-	170,193
-	(13)	-	-	-	-	-	(13)
<u>24,131</u>	<u>282,934</u>	<u>71,047</u>	<u>5,422</u>	<u>2</u>	<u>2,452</u>	<u>78,923</u>	<u>1,038,809</u>
\$ 24,131	\$ 362,702	\$ 71,047	\$ 33,631	\$ 28	\$ 3,927	\$ 108,633	\$ 1,423,488

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Governmental Funds**
**Exhibit C-2**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
<b>REVENUES</b>					
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	155,466	-	-	305,479	105,929
Charges for Services	-	6,765	114,297	-	-
Fines and Forfeitures	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income					
Net Change in Fair Value of Investments	2,886	164	2,732	47	45
Interest	1,286	76	1,243	22	571
Interest Income from Leases	-	-	4,427	-	-
Dwelling Rentals	-	-	-	-	5,557
Other	472	-	6,539	1,083	8,984
<b>Total Revenues</b>	<b>160,110</b>	<b>7,005</b>	<b>129,238</b>	<b>306,631</b>	<b>121,086</b>
<b>EXPENDITURES</b>					
Current Operating					
General Government	-	51	-	54,725	12
Criminal Justice	-	1,787	-	-	-
Public Safety	-	2,842	-	22,882	-
Transportation	91,426	-	-	1,054	-
Community Enrichment	-	-	-	158,879	341
Community Development	-	-	75,558	24,035	105,237
Environmental Services	-	-	-	22,569	-
Capital Outlay	32,937	503	14,007	22,487	4,363
Leases	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Expenditures</b>	<b>124,363</b>	<b>5,183</b>	<b>89,565</b>	<b>306,631</b>	<b>109,953</b>
Excess (Deficiency) of Revenues Over Expenditures	35,747	1,822	39,673	-	11,133
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from Other Funds	10	-	-	-	-
Transfers to Other Funds	(174)	-	(2,065)	-	(227)
Proceeds from Leases	-	-	-	-	-
Issuance of Debt					
Loans from Direct Borrowings	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(164)</b>	<b>-</b>	<b>(2,065)</b>	<b>-</b>	<b>(227)</b>
<b>Net Change in Fund Balances</b>	<b>35,583</b>	<b>1,822</b>	<b>37,608</b>	<b>-</b>	<b>10,906</b>
<b>FUND BALANCES, JULY 1</b>	<b>111,326</b>	<b>4,627</b>	<b>192,537</b>	<b>-</b>	<b>49,721</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 146,909</b>	<b>\$ 6,449</b>	<b>\$ 230,145</b>	<b>\$ -</b>	<b>\$ 60,627</b>

Exhibit C-2  
(Continued)

Special Revenue Funds				Capital Projects Funds			
Other Restricted	Neighborhood Protection	Public Safety Enhancement	Total	Capital Construction	Parks and Preserves	Street Improvements	Police and Fire Protection
\$ 21,476	\$ 49,173	\$ 124,884	\$ 195,533	\$ 6,209	\$ 49,173	\$ -	\$ -
694	-	-	694	-	-	-	-
112	-	-	566,986	-	299	35,874	-
9,066	-	-	130,128	-	-	-	-
49	-	-	49	-	-	-	-
1,018	-	-	1,018	-	-	-	-
-	-	-	-	-	-	-	-
832	557	601	7,864	650	2,678	(93)	(105)
391	241	301	4,131	295	1,208	426	124
355	-	-	4,782	-	-	-	-
-	-	-	5,557	-	-	-	-
8,495	654	-	26,227	-	162	3,563	-
42,488	50,625	125,786	942,969	7,154	53,520	39,770	19
706	-	-	55,494	-	-	-	-
-	-	-	1,787	-	-	-	-
25,898	45,645	121,934	219,201	-	-	-	-
4,761	-	-	97,241	69	-	-	-
1,395	-	-	160,615	-	5,982	-	-
3,267	-	-	208,097	-	-	-	-
2,245	-	-	24,814	32	-	-	-
17,422	267	1,220	93,206	5,332	26,214	115,996	12,007
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	16
55,694	45,912	123,154	860,455	5,433	32,196	115,996	12,023
(13,206)	4,713	2,632	82,514	1,721	21,324	(76,226)	(12,004)
59,903	-	-	59,913	-	-	3,731	15,377
-	(180)	(362)	(3,008)	-	(180)	(1,725)	(550)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
59,903	(180)	(362)	56,905	-	(180)	2,006	14,827
46,697	4,533	2,270	139,419	1,721	21,144	(74,220)	2,823
85,605	28,599	65,118	537,533	29,445	108,093	88,093	6,348
\$ 132,302	\$ 33,132	\$ 67,388	\$ 676,952	\$ 31,166	\$ 129,237	\$ 13,873	\$ 9,171

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Governmental Funds**
**Exhibit C-2  
(Continued)**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Capital Projects Funds			
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers
<b>REVENUES</b>				
City Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Cash Deposits	-	-	-	-
Intergovernmental	-	-	2,507	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Parks and Recreation	-	-	-	-
Special Assessments	-	-	-	-
Investment Income				
Net Change in Fair Value of Investments	-	-	118	(163)
Interest	-	-	54	379
Interest Income from Leases	-	-	-	-
Dwelling Rentals	-	-	-	-
Other	-	-	1	17
Total Revenues	-	-	2,680	233
<b>EXPENDITURES</b>				
Current Operating				
General Government	-	-	-	-
Criminal Justice	-	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	-	-
Community Enrichment	-	330	-	-
Community Development	-	-	-	-
Environmental Services	-	-	-	-
Capital Outlay	-	4,415	1,144	61,345
Leases	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-
Other	-	-	-	-
Total Expenditures	-	4,745	1,144	61,345
Excess (Deficiency) of Revenues Over Expenditures	-	(4,745)	1,536	(61,112)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	1,074	18,422
Transfers to Other Funds	-	(2,217)	(286)	(26,363)
Proceeds from Leases	-	-	-	-
Issuance of Debt				
Loans from Direct Borrowings	-	-	-	60,000
Total Other Financing Sources (Uses)	-	(2,217)	788	52,059
Net Change in Fund Balances	-	(6,962)	2,324	(9,053)
<b>FUND BALANCES, JULY 1</b>	717	7,320	5,531	75,479
<b>FUND BALANCES, JUNE 30</b>	\$ 717	\$ 358	\$ 7,855	\$ 66,426

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	
\$ -	\$ 55,382	\$ 27,040	\$ -	\$ -	\$ -	\$ 27,040	\$ 277,955
-	-	-	-	-	-	-	694
-	38,680	-	-	-	-	-	605,666
-	-	-	-	-	769	769	130,897
-	-	-	-	-	-	-	49
-	-	-	-	-	-	-	1,018
-	-	-	-	8	-	8	8
33	3,118	1,370	-	-	-	1,370	12,352
-	2,486	635	-	-	2	637	7,254
-	-	-	-	-	-	-	4,782
-	-	-	-	-	-	-	5,557
23,261	27,004	3,618	-	-	1,200	4,818	58,049
23,294	126,670	32,663	-	8	1,971	34,642	1,104,281
-	-	100	-	-	-	100	55,594
-	-	-	-	-	-	-	1,787
-	-	1,684	-	-	-	1,684	220,885
-	69	-	-	-	-	-	97,310
-	6,312	457	-	-	-	457	167,384
-	-	369	-	-	-	369	208,466
-	32	-	-	-	-	-	24,846
53,684	280,137	2,616	-	-	-	2,616	375,959
-	-	-	-	-	-	-	-
-	-	-	80,455	3	695	81,153	81,153
-	-	-	19,590	1	1,557	21,148	21,148
-	-	-	1	-	4	5	5
-	16	-	1,004	-	407	1,411	1,427
53,684	286,566	5,226	101,050	4	2,663	108,943	1,255,964
(30,390)	(159,896)	27,437	(101,050)	4	(692)	(74,301)	(151,683)
9,174	47,778	1,026	103,222	-	-	104,248	211,939
(9,238)	(40,559)	(15,121)	(1,026)	(2)	-	(16,149)	(59,716)
-	-	-	-	-	-	-	-
-	60,000	-	-	-	-	-	60,000
(64)	67,219	(14,095)	102,196	(2)	-	88,099	212,223
(30,454)	(92,677)	13,342	1,146	2	(692)	13,798	60,540
54,585	375,611	57,705	4,276	-	3,144	65,125	978,269
\$ 24,131	\$ 282,934	\$ 71,047	\$ 5,422	\$ 2	\$ 2,452	\$ 78,923	\$ 1,038,809



**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, 2022  
(in thousands)**

Exhibit D-1

	Budget			Expenditures	Actual		Variance with Final Budget Positive (Negative)
	Originally Adopted	Reallocation Transfers	Final		Encum- brances	Total	
General Government							
Mayor	\$ 2,323	\$ -	\$ 2,323	\$ 2,151	\$ 49	\$ 2,200	\$ 123
City Council	5,577	-	5,577	4,451	331	4,782	795
City Manager	8,111	-	8,111	4,932	1,211	6,143	1,968
City Auditor	3,174	-	3,174	2,638	105	2,743	431
Information Technology	60,148	1,119	61,267	49,562	13,483	63,045	(1,778)
Equal Opportunity	2,875	-	2,875	2,775	14	2,789	86
City Clerk	7,475	-	7,475	3,985	346	4,331	3,144
Human Resources	19,275	-	19,275	19,156	1,474	20,630	(1,355)
Law	23,864	-	23,864	23,685	957	24,642	(778)
Budget and Research	4,311	-	4,311	3,937	71	4,008	303
Finance	29,715	-	29,715	21,046	752	21,798	7,917
Cable	3,303	136	3,439	3,154	149	3,303	136
Other	1,242	143	1,385	1,447	46	1,493	(108)
Total General Government	171,393	1,398	172,791	142,919	18,988	161,907	10,884
Criminal Justice							
Municipal Court	34,224	-	34,224	31,552	881	32,433	1,791
Public Defender	5,634	1,580	7,214	7,318	257	7,575	(361)
Total Criminal Justice	39,858	1,580	41,438	38,870	1,138	40,008	1,430
Public Safety							
Police	611,239	-	611,239	577,697	32,591	610,288	951
Fire	388,358	-	388,358	369,879	12,473	382,352	6,006
Other	133	-	133	22	(14)	8	125
Total Public Safety	999,730	-	999,730	947,598	45,050	992,648	7,082
Transportation							
Street Transportation	21,639	1,530	23,169	22,138	261	22,399	770
Public Transit	1,838	-	1,838	604	163	767	1,071
Total Transportation	23,477	1,530	25,007	22,742	424	23,166	1,841
Community Enrichment							
Parks & Recreation	108,229	-	108,229	93,801	9,505	103,306	4,923
Library	43,865	-	43,865	37,559	4,125	41,684	2,181
Human Services	22,051	-	22,051	18,964	2,744	21,708	343
Other	7,018	1,801	8,819	6,492	441	6,933	1,886
Total Community Enrichment	181,163	1,801	182,964	156,816	16,815	173,631	9,333
Community Development							
Economic Development	6,884	2,671	9,555	7,551	129	7,680	1,875
Neighborhood Services	15,515	-	15,515	13,877	677	14,554	961
Other	6,945	-	6,945	4,471	1,520	5,991	954
Total Community Development	29,344	2,671	32,015	25,899	2,326	28,225	3,790
Environmental Services							
Public Works	22,728	3,450	26,178	11,735	13,195	24,930	1,248
Office of Sustainability	474	-	474	466	-	466	8
Other	1,280	-	1,280	957	155	1,112	168
Total Environmental Services	24,482	3,450	27,932	13,158	13,350	26,508	1,424
Capital							
Community Enrichment	1,182	-	1,182	601	113	714	468
General Government	7,298	1,620	8,918	7,109	5,400	12,509	(3,591)
Public Safety	1,580	-	1,580	-	-	-	1,580
Environmental Services	14,947	-	14,947	5,154	5,385	10,539	4,408
Transportation	-	-	-	362	34	396	(396)
Total Capital	25,007	1,620	26,627	13,226	10,932	24,158	2,469
Contingency	113,164	-	113,164	-	-	-	113,164
Totals	\$ 1,607,618	\$ 14,050	\$ 1,621,668	\$ 1,361,228	\$ 109,023	\$ 1,470,251	\$ 151,417

**Budgetary Comparison Schedule**
**Exhibit D-2**
**Excise Tax Special Revenue Fund**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
City Taxes	\$ 1,096,129	\$ 1,096,129	\$ 1,327,820	\$ 231,691
Licenses and Permits	2,771	2,771	3,022	251
Intergovernmental	417,261	417,261	453,683	36,422
Total Revenues	1,516,161	1,516,161	1,784,525	268,364
<b>OTHER FINANCING USES</b>				
Transfers to Other Funds				
General Fund	(934,260)	(934,260)	(1,018,277)	(84,017)
Transportation Tax 2050	(274,396)	(274,396)	(335,609)	(61,213)
Parks and Preserves	(40,213)	(40,213)	(49,173)	(8,960)
Sports Facilities	(15,578)	(15,578)	(27,040)	(11,462)
Capital Construction	(7,370)	(7,370)	(6,210)	1,160
Police Neighborhood Protection	(28,150)	(28,150)	(34,422)	(6,272)
Block Watch Neighborhood Protection	(2,011)	(2,011)	(2,458)	(447)
Fire Neighborhood Protection	(10,053)	(10,053)	(12,293)	(2,240)
Police Public Safety Enhancement	(15,318)	(15,318)	(16,453)	(1,135)
Fire Public Safety Enhancement	(9,388)	(9,388)	(10,084)	(696)
Police Public Safety Expansion	(64,342)	(64,342)	(78,677)	(14,335)
Fire Public Safety Expansion	(16,086)	(16,086)	(19,670)	(3,584)
City Improvement	(35,969)	(35,969)	(77,755)	(41,786)
Phoenix Convention Center	(57,196)	(57,196)	(77,786)	(20,590)
Other Restricted Funds	(5,831)	(5,831)	(18,618)	(12,787)
Total Other Financing Uses	(1,516,161)	(1,516,161)	(1,784,525)	(268,364)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

**Budgetary Comparison Schedule**  
**Highway User Revenue Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2022  
(in thousands)

Exhibit D-3

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental				
Highway User	\$ 148,960	\$ 148,960	\$ 155,465	\$ 6,505
Contributions/Donations	-	-	146	146
Charges for Services	-	-	3	3
Interest	750	750	630	(120)
Miscellaneous	5	5	215	210
Total Revenues	149,715	149,715	156,459	6,744
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Transportation	89,856	89,856	77,798	12,058
Capital	85,482	85,482	64,859	20,623
Total Expenditures and Encumbrances	175,338	175,338	142,657	32,681
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(25,623)	(25,623)	13,802	39,425
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers From Other Funds				
Capital Projects Fund	-	-	3,731	3,731
Enterprise Fund	-	-	10	10
Transfers To Other Funds				
City Improvement Debt Service Fund	(892)	(892)	(161)	731
Streets and Highways Debt Service Fund	-	-	(10)	(10)
Recovery of Prior Years Expenditures	691	691	4,166	3,475
Total Other Financing Sources (Uses)	(201)	(201)	7,736	7,937
Net Change in Fund Balance	\$ (25,824)	\$ (25,824)	21,538	\$ 47,362
Fund Balance, July 1			48,043	
Fund Balance, June 30			\$ 69,581	

**Budgetary Comparison Schedule**  
**Municipal Court Awards Special Revenue Fund**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

**Exhibit D-4**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 5,296	\$ 5,296	\$ 6,051	\$ 755
Total Revenues	5,296	5,296	6,051	755
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
General Government	58	58	55	3
Public Safety	5,406	5,406	3,167	2,239
Total Expenditures and Encumbrances	5,464	5,464	3,222	2,242
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(168)	(168)	2,829	2,997
<b>OTHER FINANCING SOURCES</b>				
Recovery of Prior Years Expenditures	2	2	19	17
Total Other Financing Sources	2	2	19	17
Net Change in Fund Balance	<u>\$ (166)</u>	<u>\$ (166)</u>	2,848	<u>\$ 3,014</u>
Fund Balance (Deficit), July 1			(2,914)	
Fund Balance (Deficit), June 30			<u>\$ (66)</u>	

**Budgetary Comparison Schedule**  
**Development Services Special Revenue Fund**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

Exhibit D-5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 71,453	\$ 71,453	\$ 87,416	\$ 15,963
Miscellaneous	(25)	(25)	165	190
Total Revenues	71,428	71,428	87,581	16,153
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Community Development	74,906	74,906	68,941	5,965
Capital	4,451	4,451	1,208	3,243
Contingency	7,000	7,000	-	7,000
Total Expenditures and Encumbrances	86,357	86,357	70,149	16,208
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(14,929)	(14,929)	17,432	32,361
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(4,440)	(4,440)	(5,261)	(821)
Recovery of Prior Years Expenditures	14	14	283	269
Total Other Financing Sources (Uses)	(4,426)	(4,426)	(4,978)	(552)
Net Change in Fund Balance	\$ (19,355)	\$ (19,355)	12,454	\$ 31,809
Fund Balance, July 1			52,169	
Fund Balance, June 30			\$ 64,623	

**Budgetary Comparison Schedule**  
**Community Reinvestment Special Revenue Fund**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

**Exhibit D-6**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Contributions/Donations	\$ -	\$ -	\$ 60	\$ 60
Charges for Services	152	152	201	49
Rentals	5,553	5,553	6,449	896
Interest	157	157	100	(57)
Miscellaneous	-	-	140	140
Total Revenues	5,862	5,862	6,950	1,088
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Community Development	2,128	2,128	1,316	812
Capital	7,734	7,734	1,544	6,190
Total Expenditures and Encumbrances	9,862	9,862	2,860	7,002
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(4,000)	(4,000)	4,090	8,090
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Other Restricted Special Revenue Fund	4,845	4,845	-	(4,845)
Transfers to Other Funds				
General Fund				
Other	(2,065)	(2,065)	(2,065)	-
Parks and Preserves Special Revenue Fund	(156)	(156)	-	156
Recovery of Prior Years Expenditures	1	1	6	5
Total Other Financing Sources (Uses)	2,625	2,625	(2,059)	(4,684)
Net Change in Fund Balance	<u>\$ (1,375)</u>	<u>\$ (1,375)</u>	2,031	<u>\$ 3,406</u>
Fund Balance, July 1			18,103	
Fund Balance, June 30			<u>\$ 20,134</u>	



**Budgetary Comparison Schedule**

Exhibit D-7

**Federal Operating Trust Grants Special Revenue Fund**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 505,270	\$ 505,270	\$ 149,206	\$ (356,064)
Interest	4	4	6	2
Miscellaneous	6,950	6,950	531	(6,419)
Total Revenues	512,224	512,224	149,743	(362,481)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
General Government	418,550	218,357	39,467	178,890
Criminal Justice	-	-	-	-
Public Safety	34,222	34,222	24,666	9,556
Transportation	30	30	1,054	(1,024)
Community Enrichment	37,758	37,758	26,761	10,997
Community Development	11,077	11,077	11,845	(768)
Environmental Services	362	362	22,563	(22,201)
Capital	10,225	87,148	24,407	62,741
Total Expenditures and Encumbrances	512,224	388,954	150,763	238,191
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	123,270	(1,020)	(124,290)
<b>OTHER FINANCING SOURCES</b>				
Recovery of Prior Years Expenditures	-	-	1,020	1,020
Total Other Financing Sources	-	-	1,020	1,020
Net Change in Fund Balance	\$ -	\$ 123,270	-	\$ (123,270)
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

**Budgetary Comparison Schedule**  
**Community Development Grants Special Revenue Fund**
**Exhibit D-8**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 70,290	\$ 70,290	\$ 17,004	\$ (53,286)
Charges for Services	200	200	314	114
Interest	1	1	1	-
Miscellaneous	90	90	127	37
Total Revenues	70,581	70,581	17,446	(53,135)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
General Government	273	273	244	29
Community Enrichment	1,283	1,283	996	287
Community Development	56,631	55,031	12,374	42,657
Capital	12,394	13,994	4,849	9,145
Total Expenditures and Encumbrances	70,581	70,581	18,463	52,118
Deficiency of Revenues Over				
Expenditures and Encumbrances	-	-	(1,017)	(1,017)
<b>OTHER FINANCING SOURCES</b>				
Recovery of Prior Year Expenditures	-	-	39	39
Total Other Financing Sources	-	-	39	39
Net Change in Fund Balance	\$ -	\$ -	(978)	\$ (978)
Fund Balance, July 1			964	
Fund Balance (Deficit), June 30			\$ (14)	

**Budgetary Comparison Schedule**  
**Human Services Grants Special Revenue Fund**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

Exhibit D-9

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 86,542	\$ 86,542	\$ 134,346	\$ 47,804
Contributions/Donations	31	31	52	21
Interest	8	8	4	(4)
Miscellaneous	-	-	39	39
Total Revenues	86,581	86,581	134,441	47,860
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Community Enrichment	86,581	156,481	137,221	19,260
Total Expenditures and Encumbrances	86,581	156,481	137,221	19,260
Deficiency of Revenues Over Expenditures and Encumbrances	-	(69,900)	(2,780)	67,120
<b>OTHER FINANCING SOURCES</b>				
Recovery of Prior Years Expenditures	-	-	2,780	2,780
Total Other Financing Sources	-	-	2,780	2,780
Net Change in Fund Balance	\$ -	\$ (69,900)	-	\$ 69,900
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

**Budgetary Comparison Schedule**
**Exhibit D-10**
**Public Housing Special Revenue Fund**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 94,688	\$ 94,688	\$ 94,475	\$ (213)
Interest	361	361	89	(272)
Dwelling Rentals	4,446	4,446	3,276	(1,170)
Miscellaneous	6,251	6,251	10,690	4,439
Total Revenues	105,746	105,746	108,530	2,784
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
General Government	-	-	12	(12)
Community Enrichment	100	100	96	4
Community Development	98,758	98,758	96,535	2,223
Capital	13,894	13,894	2,278	11,616
Total Expenditures and Encumbrances	112,752	112,752	98,921	13,831
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(7,006)	(7,006)	9,609	16,615
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds				
General Fund				
In-Lieu Property Taxes	(200)	(200)	(153)	47
City Improvement	(74)	(74)	(74)	-
Recovery of Prior Years Expenditures	74	74	32	(42)
Total Other Financing Sources (Uses)	(200)	(200)	(195)	5
Net Change in Fund Balance	\$ (7,206)	\$ (7,206)	9,414	\$ 16,620
Fund Balance, July 1			34,048	
Fund Balance, June 30			\$ 43,462	

**Budgetary Comparison Schedule**  
**Public Housing Neighborhood Transformation Grant Special**  
**Revenue Fund**

Exhibit D-11

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 14,561	\$ 14,561	\$ 7,480	\$ (7,081)
Interest	27	27	3	(24)
Miscellaneous	527	527	761	234
Total Revenues	15,115	15,115	8,244	(6,871)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Community Enrichment	126	126	86	40
Community Development	5,244	5,244	6,217	(973)
Capital	9,745	9,745	1,282	8,463
Total Expenditures and Encumbrances	15,115	15,115	7,585	7,530
Excess of Revenues Over				
Expenditures and Encumbrances	-	-	659	659
<b>OTHER FINANCING SOURCES</b>				
Recovery of Prior Year Expenditures	-	-	5	5
Total Other Financing Sources	-	-	5	5
Net Change in Fund Balance	\$ -	\$ -	664	\$ 664
Fund Balance, July 1			2,694	
Fund Balance, June 30			\$ 3,358	

**Budgetary Comparison Schedule**
**Exhibit D-12**
**Sports Facilities Debt Service Fund**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Rentals	\$ 3,587	\$ 3,587	\$ 3,587	\$ -
Interest	622	622	305	(317)
Miscellaneous	31	31	31	-
Total Revenues	4,240	4,240	3,923	(317)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
General Government	158	158	109	49
Public Safety	1,684	1,684	1,684	-
Community Enrichment	555	805	698	107
Community Development	292	292	267	25
Capital	2,393	2,393	2,064	329
Contingency	20,000	20,000	-	20,000
Total Expenditures and Encumbrances	25,082	25,332	4,822	20,510
Deficiency of Revenues Over Expenditures and Encumbrances	(20,842)	(21,092)	(899)	20,193
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	15,578	15,578	27,040	11,462
Capital Projects Fund	1,026	1,026	1,026	-
Transfers to Other Funds				
General Fund				
Staff and Administrative	(148)	(148)	(103)	45
Other	(79)	(79)	-	79
City Improvement Debt Service Fund	(15,149)	(15,149)	(15,116)	33
Other Restricted Special Revenue Fund	(22)	(22)	-	22
Infrastructure Repayment Agreement Trust	(17)	(17)	(5)	12
Recovery of Prior Year Expenditures	1	1	-	(1)
Total Other Financing Sources (Uses)	1,190	1,190	12,842	11,652
Net Change in Fund Balance	<u>\$ (19,652)</u>	<u>\$ (19,902)</u>	11,943	<u>\$ 31,845</u>
Fund Balance, July 1			56,765	
Fund Balance, June 30			<u>\$ 68,708</u>	

**Budgetary Comparison Schedule**  
**Capital Construction Capital Projects Fund**  
For the Fiscal Year Ended June 30, 2022  
(in thousands)

Exhibit D-13

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest	\$ 210	\$ 210	\$ 141	\$ (69)
Miscellaneous	12	12	-	(12)
Total Revenues	222	222	141	(81)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Transportation	70	70	69	1
Environmental Services	70	70	31	39
Capital	20,380	20,380	5,626	14,754
Total Expenditures and Encumbrances	20,520	20,520	5,726	14,794
Deficiency of Revenues Over Expenditures and Encumbrances	(20,298)	(20,298)	(5,585)	14,713
<b>OTHER FINANCING SOURCES</b>				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	7,370	7,370	6,210	(1,160)
Recovery of Prior Years Expenditures	236	236	143	(93)
Total Other Financing Sources	7,606	7,606	6,353	(1,253)
Net Change in Fund Balance	\$ (12,692)	\$ (12,692)	768	\$ 13,460
Fund Balance, July 1			24,408	
Fund Balance, June 30			\$ 25,176	

**Budgetary Comparison Schedule**  
**Parks and Preserves Capital Projects Fund**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

**Exhibit D-14**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 299	\$ 299
Rentals	677	677	134	(543)
Interest	940	940	580	(360)
Miscellaneous	235	235	28	(207)
Total Revenues	1,852	1,852	1,041	(811)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Community Enrichment	6,479	6,479	6,109	370
Capital	66,212	66,212	30,945	35,267
Total Expenditures and Encumbrances	72,691	72,691	37,054	35,637
Deficiency of Revenues Over Expenditures and Encumbrances	(70,839)	(70,839)	(36,013)	34,826
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	40,213	40,213	49,173	8,960
Community Reinvestment Special Revenue Fund	156	156	-	(156)
Transfers to Other Funds				
Other Restricted Special Revenue Fund	(31)	(31)	(7)	24
Infrastructure Repayment Agreement Trust	(162)	(162)	(173)	(11)
Recovery of Prior Years Expenditures	-	-	184	184
Total Other Financing Sources (Uses)	40,176	40,176	49,177	9,001
Net Change in Fund Balance	\$ (30,663)	\$ (30,663)	13,164	\$ 43,827
Fund Balance, July 1			86,295	
Fund Balance, June 30			\$ 99,459	



**Budgetary Comparison Schedule**

Exhibit D-15

**Other Restricted Special Revenue Funds**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
City Taxes	\$ 2,691	\$ 2,691	\$ 2,857	\$ 166
Contributions/Donations	751	751	1,675	924
Licenses and Permits	1,700	1,700	694	(1,006)
Intergovernmental	12	12	112	100
Charges for Services	8,010	8,010	9,756	1,746
Fines and Forfeitures	40	40	49	9
Parks and Recreation	1,878	1,878	1,382	(496)
Rentals	4,567	4,567	5,447	880
Interest	796	796	304	(492)
Miscellaneous	11,177	11,177	1,845	(9,332)
Total Revenues	31,622	31,622	24,121	(7,501)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
General Government	2,424	2,424	779	1,645
Criminal Justice	3,265	3,265	1,969	1,296
Public Safety	36,018	36,018	34,939	1,079
Transportation	5,170	5,170	4,900	270
Community Enrichment	3,907	3,907	1,720	2,187
Community Development	12,389	12,389	6,502	5,887
Environmental Services	3,295	3,172	2,198	974
Capital	12,718	12,841	9,572	3,269
Total Expenditures and Encumbrances	79,186	79,186	62,579	16,607
Deficiency of Revenues Over Expenditures and Encumbrances	(47,564)	(47,564)	(38,458)	9,106
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	5,831	5,831	18,618	12,787
General Fund - Other	26,710	26,710	59,798	33,088
Miscellaneous	531	531	105	(426)
Transfers to Other Funds				
General Fund - Staff and Administrative	(371)	(371)	(287)	84
Community Reinvestment Special Revenue Fund	(4,845)	(4,845)	-	4,845
Miscellaneous	(573)	(573)	-	573
Recovery of Prior Years Expenditures	32	32	507	475
Total Other Financing Sources (Uses)	27,315	27,315	78,741	51,426
Net Change in Fund Balance	<u>\$ (20,249)</u>	<u>\$ (20,249)</u>	<u>40,283</u>	<u>\$ 60,532</u>
Fund Balance, July 1			98,833	
Fund Balance, June 30			<u>\$ 139,116</u>	

**Budgetary Comparison Schedule**  
**Neighborhood Protection Special Revenue Fund**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

**Exhibit D-16**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest	\$ 220	\$ 220	\$ 124	\$ (96)
Miscellaneous	185	185	654	469
Total Revenues	405	405	778	373
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Public Safety	45,410	47,680	47,868	(188)
Community Development	261	261	73	188
Total Expenditures and Encumbrances	45,671	47,941	47,941	-
Deficiency of Revenues Over Expenditures and Encumbrances	(45,266)	(47,536)	(47,163)	373
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	40,214	40,214	49,173	8,959
Transfers to Other Funds				
General Fund				
Staff and Administrative	(561)	(561)	(519)	42
Infrastructure Repayment Agreement Trust	(161)	(161)	(173)	(12)
Other Restricted Special Revenue Fund	(31)	(31)	(7)	24
Total Other Financing Sources (Uses)	39,461	39,461	48,474	9,013
Net Change in Fund Balance	\$ (5,805)	\$ (8,075)	1,311	\$ 9,386
Fund Balance, July 1			26,609	
Fund Balance, June 30			\$ 27,920	

**Budgetary Comparison Schedule**  
**Public Safety Enhancement Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2022  
(in thousands)

Exhibit D-17

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Public Safety	30,482	30,482	27,129	3,353
Total Expenditures and Encumbrances	30,482	30,482	27,129	3,353
Deficiency of Revenues Over Expenditures and Encumbrances	(30,482)	(30,482)	(27,129)	3,353
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	24,707	24,707	26,537	1,830
Transfers to Other Funds				
General Fund				
Staff and Administrative	(416)	(416)	(419)	(3)
Recovery of Prior Year Expenditures	-	-	1	1
Total Other Financing Sources (Uses)	24,291	24,291	26,119	1,828
Net Change in Fund Balance	<u>\$ (6,191)</u>	<u>\$ (6,191)</u>	<u>(1,010)</u>	<u>\$ 5,181</u>
Fund Balance, July 1			22,158	
Fund Balance, June 30			<u>\$ 21,148</u>	

**Budgetary Comparison Schedule**  
**Public Safety Expansion Special Revenue Fund**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

**Exhibit D-18**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 320	\$ 320	\$ 134	\$ (186)
Total Revenues	320	320	134	(186)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Public Safety	96,706	96,706	96,207	499
Total Expenditures and Encumbrances	96,706	96,706	96,207	499
Deficiency of Revenues Over Expenditures and Encumbrances	(96,386)	(96,386)	(96,073)	313
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	80,428	80,428	98,347	17,919
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,037)	(1,037)	(1,148)	(111)
Infrastructure Repayment Agreement Trust	(325)	(325)	(346)	(21)
Other Restricted Special Revenue Fund	(61)	(61)	(16)	45
Total Other Financing Sources (Uses)	79,005	79,005	96,837	17,832
Net Change in Fund Balance	\$ (17,381)	\$ (17,381)	764	\$ 18,145
Fund Balance, July 1			42,758	
Fund Balance, June 30			\$ 43,522	

**Budgetary Comparison Schedule**

Exhibit D-19

**Golf Courses Special Revenue Fund**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 6,390	\$ 6,390	\$ 9,730	\$ 3,340
Rentals	148	148	272	124
Interest	10	10	21	11
Miscellaneous	245	245	287	42
Total Revenues	6,793	6,793	10,310	3,517
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Current Operating				
Community Enrichment	6,224	8,224	8,051	173
Capital	-	1,100	687	413
Total Expenditures and Encumbrances	6,224	9,324	8,738	586
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	569	(2,531)	1,572	4,103
<b>OTHER FINANCING SOURCES (USES)</b>				
Recovery of Prior Year Expenditures	-	-	12	12
Total Other Financing Sources (Uses)	-	-	12	12
Net Change in Fund Balance	\$ 569	\$ (2,531)	1,584	\$ 4,115
Fund Balance, July 1			1,441	
Fund Balance, June 30			\$ 3,025	

**Budgetary Comparison Schedule**
**Exhibit D-20**
**Regional Wireless Cooperative**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 3,965	\$ 3,965	\$ 3,660	\$ (305)
Interest	58	58	24	(34)
Miscellaneous	1,492	1,492	1,463	(29)
Total Revenues	5,515	5,515	5,147	(368)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Operations	5,485	5,895	4,808	1,087
Total Expenditures and Encumbrances	5,485	5,895	4,808	1,087
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	30	(380)	339	719
<b>OTHER FINANCING SOURCES</b>				
Recovery of Prior Years Expenditures	9	9	8	(1)
Total Other Financing Sources	9	9	8	(1)
Net Change in Fund Balance	\$ 39	\$ (371)	347	\$ 718
Fund Balance, July 1			2,154	
Fund Balance, June 30			\$ 2,501	

**Budgetary Comparison Schedule**  
**Secondary Property Tax Debt Service Fund**  
For the Fiscal Year Ended June 30, 2022  
(in thousands)

Exhibit D-21

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 119,289	\$ 119,289	\$ 119,973	\$ 684
Intergovernmental	4,396	4,396	3,961	(435)
Interest	-	-	1	1
Total Revenues	123,685	123,685	123,935	250
<b>EXPENDITURES AND ENCUMBRANCES</b>				
General Obligation Bond Debt Service				
Principal	87,845	87,845	87,845	-
Interest	41,219	41,219	40,599	620
Arbitrage Rebate and Fiscal Agent Fees	-	-	2	(2)
Other Debt Service Costs	650	650	280	370
Total Expenditures and Encumbrances	129,714	129,714	128,726	988
Deficiency of Revenues Over Expenditures and Encumbrances	(6,029)	(6,029)	(4,791)	1,238
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Refunding Bonds	650	650	162,838	162,188
Deposit to Refunding Escrow	-	-	(162,298)	(162,298)
Transfers from Other Funds				
General Obligation Reserve Fund	5,379	5,379	4,251	(1,128)
Total Other Financing Sources (Uses)	6,029	6,029	4,791	(1,238)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			100	
Fund Balance, June 30			\$ 100	

**Budgetary Comparison Schedule**
**Exhibit D-22**
**City Improvement Debt Service Fund**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 1	\$ 1
Total Revenues	-	-	1	1
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Lease-Purchase Payments	38,432	38,432	36,232	2,200
Loans from Direct Borrowings	30,973	60,763	60,763	-
Arbitrage Rebate and Fiscal Agent Fees	11	11	11	-
Other	1,005	1,005	1,000	5
Total Expenditures and Encumbrances	70,421	100,211	98,006	2,205
Deficiency of Revenues Over Expenditures and Encumbrances	(70,421)	(100,211)	(98,005)	2,206
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
General Fund - Library	39	39	39	-
Excise Tax Special Revenue Fund	35,969	35,969	77,755	41,786
Public Housing Special Revenue Fund	74	74	74	-
Capital Projects Fund	-	-	3,817	3,817
Enterprise Funds	546	546	546	-
Transportation Tax 2050 Special Revenue Fund	18,778	18,778	1,523	(17,255)
Arizona Highway User Special Revenue Fund	892	892	161	(731)
Sports Facilities Special Revenue Fund	15,149	15,149	15,116	(33)
Transfers to Other Funds				
Capital Projects Fund	(1,026)	(1,026)	(1,026)	-
Total Other Financing Sources (Uses)	70,421	70,421	98,005	27,584
Net Change in Fund Balance	\$ -	\$ (29,790)	-	\$ 29,790
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, 2022

(in thousands)

<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$	80,811
Investments		434,373
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$682)		19,036
Intergovernmental		55,049
Leases		32,986
Deposits in Escrow		10
Inventories, at Average Cost		3,278
Total Unrestricted Current Assets		625,543
<b>Restricted Assets</b>		
Debt Service		
Cash with Fiscal Agent/Trustee		107,442
Customer Facility Charge		
Cash with Fiscal Agent/Trustee		36,424
Accounts Receivable		3,308
Capital Projects		
Cash and Cash Equivalents		25,606
Investments		222,147
Receivables		
Interest		52
Intergovernmental		5,800
Passenger Facility Charges		7,277
Total Restricted Current Assets		408,056
Total Current Assets		1,033,599
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Land		577,047
Buildings		2,160,778
Improvements Other Than Buildings		1,839,671
Equipment		838,221
Intangibles		37,510
Construction in Progress		757,516
Less: Accumulated Depreciation		(2,813,698)
Total Capital Assets, Net of Accumulated Depreciation		3,397,045
<b>Other Noncurrent Assets</b>		
Restricted Cash with Fiscal Agent/Trustee		183,650
Leases Receivable		282,968
Net OPEB Asset		1,375
Total Noncurrent Assets		3,865,038
Total Assets		4,898,637
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Refunding Bonds		45,396
OPEB Related		3,760
Total Deferred Outflows of Resources		49,156

Exhibit E-1  
(Continued)

<b><u>LIABILITIES</u></b>	
Current Liabilities Payable from Current Assets	
Accounts Payable	27,094
Trust Liabilities and Deposits	39
Advance Payments	34,743
Current Portion of Pollution Remediation	75
Current Portion of Accrued Compensated Absences	982
Total Current Liabilities Payable from Current Assets	62,933
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	52,190
Interest Payable	55,252
Current Portion of Rental Car Facility Revenue Bonds	7,825
Current Portion of Municipal Corporation Obligations	60,670
Capital Projects	
Accounts Payable	44,407
Total Current Liabilities Payable from Restricted Assets	220,344
Total Current Liabilities	283,277
Noncurrent Liabilities	
Rental Car Facility Revenue Bonds, net	319,970
Municipal Corporation Obligations, net	2,175,275
Pollution Remediation	1,200
Accrued Compensated Absences	6,198
Net OPEB Liability	11,367
Total Noncurrent Liabilities	2,514,010
Total Liabilities	2,797,287
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred Gain on Refunding Bonds	606
OPEB Related	2,399
Leases Related	306,873
Total Deferred Inflows of Resources	309,878
<b><u>NET POSITION</u></b>	
Net Investment in Capital Assets	1,168,267
Restricted for:	
Debt Service	19,565
Passenger Facility Charges	103,681
Customer Facility Charges	34,596
OPEB	1,375
Unrestricted	513,144
Total Net Position	\$ 1,840,628

**Aviation Enterprise Fund**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**

**Exhibit E-2**

For the Fiscal Year Ended June 30, 2022

(in thousands)

Operating Revenues		
Aeronautical Revenue		
Terminal Fees	\$	76,463
Landing Fees		39,958
Air Cargo and Hangar Rentals		7,417
Other		18,734
Non-Aeronautical Revenue		
Parking		101,054
Rental Cars		68,000
Terminal - Food and Beverage		23,446
Terminal - Retail		15,593
Rental Revenue		22,316
Ground Transportation		18,426
Other		6,085
Total Operating Revenues		<u>397,492</u>
Operating Expenses		
Operation and Maintenance		
Personal Services		98,279
Contractual Services		120,765
Supplies		11,543
Equipment/Minor Improvements		20,398
Depreciation		178,490
Staff and Administrative		10,233
Total Operating Expenses		<u>439,708</u>
Operating Loss		(42,216)
Non-Operating Revenues (Expenses)		
Passenger Facility Charges		83,103
Rental Car Customer Facility Charges		44,625
Investment Income		
Net Increase in Fair Value of Investments		11,112
Interest		5,518
Interest Income from Leases		10,455
Federal COVID Grants		141,921
Interest on Capital Debt		(94,957)
Loss on Disposal of Capital Assets		(4,707)
Total Non-Operating Revenues (Expenses)		<u>197,070</u>
Net Income Before Contributions and Transfers		154,854
Capital Contributions		33,557
Transfers from General Fund - Other		189
Transfers to Debt Service Fund		(173)
Change in Net Position		<u>188,427</u>
Net Position, July 1		1,652,201
Net Position, June 30	\$	<u><u>1,840,628</u></u>

## Exhibit E-3

## Aviation Enterprise Fund

## Statement of Cash Flows

For the Fiscal Year Ended June 30, 2022

(in thousands)

<b>Cash Flows from Operating Activities</b>	
Receipts from Customers	\$ 405,200
Payments to Suppliers	(197,405)
	(89,576)
Payments to Employees	(70,000)
Pension Liability Paydown	(10,233)
Payment of Staff and Administrative Expenses	37,986
Net Cash Provided by Operating Activities	<u>37,986</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Noncapital Grants	144,022
Transfers from Other Funds	189
Transfers to Other Funds	(173)
Net Cash Provided by Noncapital Financing Activities	<u>144,038</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Principal Paid on Capital Debt	(50,045)
Interest Paid on Capital Debt	(111,578)
Acquisition and Construction of Capital Assets	(151,552)
Proceeds from Sales of Capital Assets	5,111
Passenger Facility Charges	87,749
Customer Facility Charges	44,435
Interest Income from Leases	10,455
Capital Contributions	35,658
Net Cash Used by Capital and Related Financing Activities	<u>(129,767)</u>
<b>Cash Flows from Investing Activities</b>	
Purchases of Investment Securities	(749,441)
Proceeds from Sale and Maturities of Investment Securities	893,023
Net Activity for Short-Term Investments	(176,037)
Interest on Investments	16,964
Net Cash Used by Investing Activities	<u>(15,491)</u>
Net Increase in Cash and Cash Equivalents	36,766
Cash and Cash Equivalents, July 1	397,177
Cash and Cash Equivalents, June 30	<u>\$ 433,943</u>
<b>Reconciliation of Operating Loss to</b>	
Net Cash Provided (Used) by Operating Activities	
Operating Loss	(42,216)
Adjustments	
Depreciation	178,490
Deferred Outflows - Pension and OPEB	(1,840)
Deferred Inflows - Pension and OPEB	(25,535)
Change in Assets and Liabilities	
Receivables	(3,237)
Allowance for Doubtful Accounts	161
Lease Contracts Receivable	(9,081)
Inventories	(14)
Net OPEB Asset	1,100
Accounts Payable	587
Due to Fiduciary Fund	(70,000)
Advance Payments	19,865
Pollution Remediation	(75)
Accrued Compensated Absences	(72)
Net Pension Liability	(12,783)
Net OPEB Liability	2,636
Net Cash Provided by Operating Activities	<u>\$ 37,986</u>
<b>Noncash Capital and Financing Activities</b>	
Amortization of Deferred Gains/Losses of Bond Refundings	5,047
Unrealized Gains on Investments	9,965
Accounts Payable Related to Capital Asset Additions	44,407
Total Noncash Capital and Financing Activities	<u>\$ 59,419</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, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Landing Area	\$ 54,370	\$ 54,370	\$ 49,447	\$ (4,923)
Terminal Area	164,503	164,503	161,904	(2,599)
Ground Transportation	146,340	146,340	179,946	33,606
Interest on Investments	5,711	5,711	2,312	(3,399)
Other	41,622	41,622	37,884	(3,738)
Total Revenues	412,546	412,546	431,493	18,947
Transfer from Customer Facility Charge Revenues for O&M Expense Reimbursement	-	-	18,312	18,312
Total Revenues and Transfers from CFC	412,546	412,546	449,805	37,259
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Operation and Maintenance				
Personal Services	138,150	138,150	134,931	3,219
Contractual Services	126,597	126,597	127,532	(935)
Supplies	13,031	13,031	12,898	133
Equipment/Minor Improvements	5,219	5,219	3,625	1,594
Contingency	20,000	20,000	-	20,000
Total Operating Expenditures	302,997	302,997	278,986	24,011
Net Revenue Available for Revenue Bond Debt Service	109,549	109,549	170,819	61,270
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	24,855	24,855	-	24,855
Interest	34,910	34,910	995	33,915
Total Senior Lien Revenue Bond Debt Service	59,765	59,765	995	58,770
Net Revenue Available for Junior Lien Revenue Bond Debt Service	49,784	49,784	169,824	120,040
Junior Lien Revenue Bond Debt Service				
Principal	3,220	3,220	-	3,220
Interest	24,266	24,266	2,040	22,226
Total Junior Lien Revenue Bond Debt Service	27,486	27,486	2,040	25,446
Net Revenue Available After Junior Lien Revenue Bond Debt Service	22,298	22,298	167,784	94,594
Other Expenditures				
Capital Improvement Program	126,993	126,993	18,738	108,255
Total Other Expenditures	126,993	126,993	18,738	108,255
Total Expenditures and Encumbrances	517,241	517,241	300,759	216,482
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(104,695)	(104,695)	149,046	253,741
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Aviation Capital Fund	32,575	32,575	12,500	(20,075)
Special Revenue Funds	47	47	-	(47)
General Fund - Other	125	125	189	64
Federal COVID Grants	-	-	55,307	55,307
Transfers to Other Funds				
General Fund				
Staff and Administrative	(10,117)	(10,117)	(10,233)	(116)
Debt Service Fund	(173)	(173)	(173)	-
Pay Down of Unfunded Pension Liability (1)	(70,000)	(70,000)	(70,000)	-
Recovery of Prior Years Expenditures	1,780	1,780	6,803	5,023
Total Other Financing Sources (Uses)	(45,763)	(45,763)	(5,607)	40,156
Net Increase (Decrease) in Fund Balance	\$ (150,458)	\$ (150,458)	143,439	\$ 293,897
<b>FUND BALANCE, JULY 1</b>			366,290	
<b>FUND BALANCE, JUNE 30</b>			<u>509,729</u>	

(1) In fiscal year 2021, City Council authorized the use of Aviation Funds to pay down the COPERS unfunded pension liability.





**City of Phoenix**

**Phoenix Convention Center Enterprise Fund**
**Exhibit E-5**
**Statement of Net Position**

June 30, 2022

(in thousands)

<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$	12,043
Investments		66,516
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$3)		349
Leases Receivable		13
Inventories, at Average Cost		248
Total Unrestricted Current Assets		79,169
Restricted Assets		
Debt Service		
Cash with Fiscal Agent/Trustee		29,314
Capital Projects		
Cash and Cash Equivalents		877
Investments		14,518
Receivables		
Accrued Interest		14
Customer and Other Deposits		4,779
Total Restricted Current Assets		49,502
Total Current Assets		128,671
Noncurrent Assets		
Capital Assets		
Land		29,418
Buildings		921,605
Improvements Other Than Buildings		20,779
Equipment		25,097
Intangible Assets		50
Construction in Progress		595
Less: Accumulated Depreciation		(420,555)
Total Capital Assets, Net of Accumulated Depreciation		576,989
Other Noncurrent Assets		
Leases Receivable		11,733
Net OPEB Asset		272
Total Noncurrent Assets		588,994
Total Assets		717,665
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Refunding Bonds		3,742
Pension Related		3,667
OPEB Related		801
Total Deferred Outflows of Resources		8,210

Exhibit E-5  
(Continued)

<b>LIABILITIES</b>	
Current Liabilities Payable from Current Assets	
Accounts Payable	2,866
Current Portion of Accrued Compensated Absences	193
Total Current Liabilities Payable from Current Assets	3,059
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	10,473
Interest Payable	18,070
Current Portion of Municipal Corporation Obligations	7,968
Customer Deposits	4,793
Total Current Liabilities Payable from Restricted Assets	41,304
Total Current Liabilities	44,363
Noncurrent Liabilities	
Municipal Corporation Obligations, net	665,165
Accrued Compensated Absences	1,235
Net Pension Liability	29,646
Net OPEB Liability	2,478
Total Noncurrent Liabilities	698,524
Total Liabilities	742,887
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related	1,174
OPEB Related	504
Leases Related	11,418
Total Deferred Inflows of Resources	13,096
<b>NET POSITION</b>	
Net Investment in Capital Assets	(92,372)
Restricted for:	
Debt Service	770
OPEB	272
Unrestricted	61,222
Total Net Position (Deficit)	\$ (30,108)

**Phoenix Convention Center Enterprise Fund  
Statement of Revenues, Expenses and  
Changes in Net Position**
**Exhibit E-6**

For the Fiscal Year Ended June 30, 2022

(in thousands)

Operating Revenues		
Rental of Facilities and Equipment	\$	9,885
Concessions		11,413
Box Office Services		921
Other (1)		23,337
Total Operating Revenues		<u>45,556</u>
Operating Expenses		
Administration		23,628
Operation and Maintenance		13,733
Promotion		2,562
Depreciation		24,165
Staff and Administrative		2,721
Security		1,721
Total Operating Expenses		<u>68,530</u>
Operating Loss		(22,974)
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments		1,020
Interest		803
Interest Income from Leases		379
Interest on Capital Debt		(30,094)
Total Non-Operating Revenues (Expenses)		<u>(27,892)</u>
Net Loss Before Contributions and Transfers		(50,866)
Capital Contributions		208
Transfers from Excise Tax Fund		77,786
Transfers to Debt Service Fund		(27)
Transfers to Infrastructure Repayment Agreement Trust Fund		(724)
Transfer to Highway User Special Revenue Fund		(10)
Transfers to Other Restricted Special Revenue Fund		(25)
Change in Net Position (Deficit)		<u>26,342</u>
Net Position (Deficit), July 1		<u>(56,450)</u>
Net Position (Deficit), June 30	\$	<u><u>(30,108)</u></u>

(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, 2022

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 45,800
Payments to Suppliers	(23,446)
Payments to Employees	(18,256)
Payment of Staff and Administrative Expenses	(2,721)
Net Cash Provided by Operating Activities	<u>1,377</u>
Cash Flows from Noncapital Financing Activities	
Transfers from Other Funds	77,786
Transfers to Other Funds	(786)
Net Cash Provided by Noncapital Financing Activities	<u>77,000</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(9,722)
Interest Paid on Capital Debt	(34,799)
Acquisition and Construction of Capital Assets	(4,112)
Proceeds from Sales of Capital Assets	54
Interest Income from Leases	379
Capital Contributions	208
Net Cash Used by Capital and Related Financing Activities	<u>(47,992)</u>
Cash Flows from Investing Activities	
Purchases of Investment Securities	(16,463)
Proceeds from Sale and Maturities of Investment Securities	19,052
Net Activity for Short-Term Investments	(30,261)
Interest on Investments	1,825
Net Cash Used by Investing Activities	<u>(25,847)</u>
Net Increase in Cash and Cash Equivalents	4,538
Cash and Cash Equivalents, July 1	42,475
Cash and Cash Equivalents, June 30	<u>\$ 47,013</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	\$ (22,974)
Adjustments	
Depreciation	24,165
Deferred Outflows - Pension and OPEB	(3,993)
Deferred Inflows - Pension and OPEB	(5,566)
Change in Assets and Liabilities	
Accounts Receivable	(307)
Leases Receivable	(328)
Inventories	14
Net OPEB Asset	277
Accounts Payable	769
Customer Deposits	879
Accrued Compensated Absences	113
Net Pension Liability	7,763
Net OPEB Liability	565
Net Cash Provided by Operating Activities	<u>1,377</u>
Noncash Capital and Financing Activities	
Bond Capital Appreciation	(1,357)
Amortization of Deferred Gains of Bond Refundings	273
Unrealized Gains on Investments	772
Total Noncash Capital and Financing Activities	<u>\$ (312)</u>

**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, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Rental of Facilities and Equipment	\$ 3,118	\$ 3,118	\$ 4,375	\$ 1,257
Concessions	11,790	11,790	12,808	1,018
Box Office Services	505	505	484	(21)
Interest	800	800	316	(484)
Other	2,587	2,587	3,378	791
Total Revenues	18,800	18,800	21,361	2,561
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Operations	45,880	45,880	43,366	2,514
Capital Improvement Program	15,480	15,480	62	15,418
Lease-Purchase Payments	20,763	20,763	20,763	-
Contingency	3,000	3,000	-	3,000
Total Expenditures and Encumbrances	85,123	85,123	64,191	20,932
Deficiency of Revenues Over Expenditures and Encumbrances	(66,323)	(66,323)	(42,830)	23,493
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Excise Tax Fund	57,196	57,196	77,786	20,590
Transfers to Other Funds				
Staff and Administrative	(3,044)	(3,044)	(2,721)	323
Infrastructure Repayment Agreement Trust Fund	(558)	(558)	(725)	(167)
Debt Service Fund	(27)	(27)	(27)	-
Other Restricted Special Revenue Fund	(172)	(172)	(35)	137
Recovery of Prior Years Expenditures	61	61	1,223	1,162
Total Other Financing Sources (Uses)	53,456	53,456	75,501	22,045
Net Decrease in Fund Balance	\$ (12,867)	\$ (12,867)	32,671	\$ 45,538
<b>FUND BALANCE, JULY 1</b>			43,124	
<b>FUND BALANCE, JUNE 30</b>			\$ 75,795	



**City of Phoenix**

**Water System Enterprise Fund**
**Exhibit E-9**
**Statement of Net Position**

June 30, 2022

(in thousands)

<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 44,275
Investments	243,878
Receivables	
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$6,136)	63,398
Intergovernmental	751
Prepaid Items	6,900
Inventories, at Average Cost	13,653
Total Unrestricted Current Assets	372,855
Restricted Assets	
Debt Service	
Cash with Fiscal Agent	94,704
Capital Projects	
Cash and Cash Equivalents	45,811
Investments	427,421
Receivables	
Interest	719
Customer and Other Deposits	7,866
Total Restricted Current Assets	576,521
Total Current Assets	949,376
Noncurrent Assets	
Capital Assets	
Land	43,405
Buildings	251,140
Improvements Other Than Buildings	993,356
Equipment	355,316
Mains, Hydrants, Meters and Service Connections	2,070,577
Intangibles	157,219
Construction in Progress	899,439
Less: Accumulated Depreciation	(1,899,050)
Total Capital Assets, Net of Accumulated Depreciation	2,871,402
Investment in Val Vista Treatment Plant	
Joint Use Agreement	188,663
Net OPEB Asset	1,725
Total Other Assets	190,388
Total Noncurrent Assets	3,061,790
Total Assets	4,011,166
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Loss on Refunding Bonds	19,907
Pension Related	23,395
OPEB Related	4,789
Total Deferred Outflows of Resources	48,091



Exhibit E-9  
(Continued)

<b>LIABILITIES</b>	
Current Liabilities Payable from Current Assets	
Accounts Payable	35,835
Current Portion of Accrued Compensated Absences	1,001
Total Current Liabilities Payable from Current Assets	36,836
Current Liabilities Payable from Restricted Assets	
Debt Service	
Short-Term Obligations	200,000
Matured Bonds Payable	58,020
Interest Payable	36,973
Current Portion of Loans from Direct Borrowings	262
Current Portion of Municipal Corporation Obligations	71,225
Capital Projects	
Accounts Payable	48,946
Customer and Other Deposits	7,960
Total Current Liabilities Payable from Restricted Assets	423,386
Total Current Liabilities	460,222
Noncurrent Liabilities	
Loans from Direct Borrowings, net	1,736
Municipal Corporation Obligations, net	1,691,883
Accrued Compensated Absences	6,326
Net Pension Liability	189,127
Net OPEB Liability	14,549
Total Noncurrent Liabilities	1,903,621
Total Liabilities	2,363,843
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Gain on Refunding Bonds	1,561
Pension Related	7,491
OPEB Related	3,047
Total Deferred Inflows of Resources	12,099
<b>NET POSITION</b>	
Net Investment in Capital Assets	1,497,507
Restricted for:	
Restricted from Enabling Legislation	99,131
OPEB	1,725
Unrestricted	84,952
Total Net Position	\$ 1,683,315

**Water System Enterprise Fund  
Statement of Revenues, Expenses and  
Changes in Net Position**
**Exhibit E-10**

For the Fiscal Year Ended June 30, 2022

(in thousands)

Operating Revenues		
Water Sales	\$	381,534
Environmental Charges		73,910
Other		14,391
Total Operating Revenues		469,835
Operating Expenses		
Administration and Engineering		35,852
Operation and Maintenance		
Customer Service		8,273
Production and Treatment		130,489
Distribution and Centralized Functions		53,749
Depreciation and Amortization		114,552
Staff and Administrative		10,045
Total Operating Expenses		352,960
Operating Income		116,875
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments		6,106
Interest		6,166
Interest on Capital Debt		(53,746)
Equity Interest in Joint Use Agreement Operating Loss		(11,349)
Loss on Disposal of Capital Assets		(4,488)
Total Non-Operating Revenues (Expenses)		(57,311)
Net Income Before Contributions and Transfers		59,564
Capital Contributions		68,718
Transfers to General Fund - In Lieu Property Taxes		(16,456)
Transfers to Debt Service Fund		(100)
Change in Net Position		111,726
Net Position, July 1		1,571,589
Net Position, June 30	\$	1,683,315

**Water System Enterprise Fund****Exhibit E-11****Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2022

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 467,448
Payments to Suppliers	(102,237)
Payments to Employees	(110,621)
Payment of Staff and Administrative Expenses	(10,045)
Net Cash Provided by Operating Activities	<u>244,545</u>
Cash Flows from Noncapital Financing Activities	
Operating Transfers to Other Funds	(16,556)
Net Cash Used by Noncapital Financing Activities	<u>(16,556)</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Capital Debt	200,000
Principal Paid on Capital Debt	(64,972)
Interest Paid on Capital Debt	(73,974)
Acquisition and Construction of Capital Assets	(323,090)
Proceeds from Sales of Capital Assets	175
Capital Contributions	34,627
Net Cash Used by Capital and Related Financing Activities	<u>(227,234)</u>
Cash Flows from Investing Activities	
Purchases of Investment Securities	53,638
Net Activity for Short-Term Investments	(55,153)
Interest on Investments	11,648
Net Cash Provided by Investing Activities	<u>10,133</u>
Net Increase in Cash and Cash Equivalents	10,888
Cash and Cash Equivalents, July 1	181,768
Cash and Cash Equivalents, June 30	<u>\$ 192,656</u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income	\$ 116,875
Adjustments	
Depreciation and Amortization	114,552
Deferred Outflows - Pension and OPEB	(25,323)
Deferred Inflows - Pension and OPEB	(34,000)
Change in Assets and Liabilities	
Receivables	(4,333)
Allowance for Doubtful Accounts	688
Prepaid Expenses	(757)
Inventories	1,521
Net OPEB Asset	1,302
Accounts Payable	16,099
Customer and Other Deposits	1,256
Accrued Compensated Absences	(323)
Net Pension Liability	53,482
Net OPEB Liability	3,506
Net Cash Provided by Operating Activities	<u>\$ 244,545</u>
Noncash Capital and Financing Activities	
Accounts Payable Related to Capital Asset Additions	\$ 48,946
Amortization of Deferred Gains/Losses of Bond Refundings	971
Contributions of Capital Assets	34,091
Unrealized Gains on Investments	7,422
Total Noncash Capital and Financing Activities	<u>\$ 91,430</u>

**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, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Water Sales	\$ 376,701	\$ 376,701	\$ 381,534	\$ 4,833
Environmental Charges	74,227	74,227	73,910	(317)
Development Occupational Fees	4,900	4,900	6,365	1,465
Water Service Fees	5,000	5,000	2,973	(2,027)
Distribution	740	740	5,630	4,890
Interest	8,374	8,374	2,253	(6,121)
Other	9,020	9,020	11,195	2,175
Total Revenues	478,962	478,962	483,860	4,898
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Operation and Maintenance	233,424	234,924	209,491	25,433
Operation and Maintenance - Val Vista	17,339	17,339	16,191	1,148
Total Operating Expenditures and Encumbrances	250,763	252,263	225,682	26,581
Net Revenue Available for Revenue Bond Debt Service	228,199	226,699	258,178	31,479
Junior Lien Revenue Bond Debt Service				
Principal	68,090	68,090	58,020	10,070
Interest	85,211	85,211	73,733	11,478
Total Junior Lien Revenue Bond Debt Service	153,301	153,301	131,753	21,548
Net Revenue Available After Junior Lien Revenue Bond Debt Service	74,898	73,398	126,425	53,027
Other Expenditures and Encumbrances				
Operating Capital Outlay	3,319	3,319	3,143	176
Capital Improvement Program	120,765	120,765	90,953	29,812
Total Other Expenditures and Encumbrances	124,084	124,084	94,096	29,988
Total Expenditures and Encumbrances	528,148	529,648	451,531	78,117
Excess of Revenues Over Expenditures and Encumbrances	(49,186)	(50,686)	32,329	83,015
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Debt Service Fund	-	-	84	84
Water Capital Fund	-	-	14,000	14,000
Transfers to Other Funds				
General Fund				
Staff and Administrative	(10,014)	(10,014)	(10,045)	(31)
In-Lieu Property Taxes	(18,650)	(18,650)	(16,456)	2,194
Debt Service Fund	(100)	(100)	(100)	-
Recovery of Prior Years Expenditures	2,029	2,029	2,937	908
Total Other Financing Sources (Uses)	(26,735)	(26,735)	(9,580)	17,155
Net Increase (Decrease) in Fund Balance	\$ (75,921)	\$ (77,421)	22,749	\$ 100,170
<b>FUND BALANCE, JULY 1</b>			146,658	
<b>FUND BALANCE, JUNE 30</b>			<u>\$ 169,407</u>	

**Water System Enterprise Fund**  
**Val Vista Water Treatment Plant**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual - Budget Basis**

Exhibit E-13

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Val Vista Water System	\$ 8,792	\$ 8,792	\$ 8,411	\$ (381)
Operating Revenue - Water	17,339	17,339	16,191	(1,148)
Interest	(57)	(57)	(7)	50
Other	-	-	11	11
Total Revenues	26,074	26,074	24,606	(1,468)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Operation and Maintenance	24,722	24,722	20,680	4,042
Capital Outlay				
Operating	548	548	620	(72)
Capital Improvement Program	4,590	4,590	4,635	(45)
Total Expenditures and Encumbrances	29,860	29,860	25,935	3,925
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(3,786)	(3,786)	(1,329)	2,457
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(661)	(661)	(801)	(140)
Recovery of Prior Years Expenditures	-	-	133	133
Total Other Financing Sources (Uses)	(661)	(661)	(668)	(7)
Net Increase in Fund Balance	\$ (4,447)	\$ (4,447)	(1,997)	\$ 2,450
<b>FUND DEFICIT, JULY 1</b>			(15)	
<b>FUND DEFICIT, JUNE 30</b>			(2,012)	
Members' Contributed Operating Reserve			2,516	
Members' Contributed Replacement Reserve			962	
<b>FUND DEFICIT, UNRESERVED</b>			\$ (5,490)	

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, 2022

(in thousands)

<b><u>ASSETS</u></b>	
Current Assets	
Cash and Cash Equivalents	\$ 41,231
Investments	219,621
Receivables	
Accounts Receivable, Net of Allowance for	
Doubtful Accounts (\$3,733)	21,415
Intergovernmental	14,592
Notes Receivable	6,434
Inventories, at Average Cost	2,490
Total Unrestricted Current Assets	305,783
Restricted Assets	
Debt Service	
Cash with Fiscal Agent	58,213
Capital Projects	
Cash and Cash Equivalents	31,003
Investments	117,918
Customer Deposits and Other Trust Liabilities	94
Total Restricted Current Assets	207,228
Total Current Assets	513,011
Noncurrent Assets	
Capital Assets	
Land	29,017
Buildings	76,541
Improvements Other Than Buildings	1,452,102
Equipment	153,801
Intangibles	30,469
Construction in Progress	406,799
Less: Accumulated Depreciation	(925,677)
Total Capital Assets, Net of Accumulated Depreciation	1,223,052
Other Assets	
Investment in SROG Joint Use Agreement	309,136
Net OPEB Asset	535
Total Noncurrent Assets	1,532,723
Total Assets	2,045,734
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred Loss on Refunding Bonds	951
OPEB Related	1,416
Total Deferred Outflows of Resources	2,367

Exhibit E-14  
(Continued)

<b><u>LIABILITIES</u></b>	
Current Liabilities Payable from Current Assets	
Accounts Payable	16,846
Advance Payments	2
Current Portion of Accrued Compensated Absences	222
Total Current Liabilities Payable from Current Assets	17,070
Current Liabilities Payable from Restricted Assets	
Debt Service	
Short-Term Obligations	200,000
Matured Bonds Payable	47,007
Interest Payable	12,181
Current Portion of Loans from Direct Borrowings	887
Current Portion of Municipal Corporation Obligations	48,390
Capital Projects	
Accounts Payable	17,559
Customer Deposits and Other Trust Liabilities	94
Total Current Liabilities Payable from Restricted Assets	326,118
Total Current Liabilities	343,188
Noncurrent Liabilities	
Loans from Direct Borrowings, net	5,852
Municipal Corporation Obligations, net	443,321
Accrued Compensated Absences	1,411
Net OPEB Liability	4,231
Total Noncurrent Liabilities	454,815
Total Liabilities	798,003
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred Gain on Refunding Bonds	1,551
OPEB Related	909
Total Deferred Inflows of Resources	2,460
<b><u>NET POSITION</u></b>	
Net Investment in Capital Assets	898,934
Restricted for:	
Restricted from Enabling Legislation	27,739
OPEB	535
Unrestricted	320,430
Total Net Position	\$ 1,247,638

**Wastewater Enterprise Fund  
Statement of Revenues, Expenses and  
Changes in Net Position**
**Exhibit E-15**

For the Fiscal Year Ended June 30, 2022

(in thousands)

Operating Revenues		
Sewer Service Charges	\$	172,078
Environmental Charges		36,864
Other		15,877
Total Operating Revenues		<u>224,819</u>
 Operating Expenses		
Administration		16,394
Operation and Maintenance		
Wastewater Treatment Plants		37,472
Sewer Maintenance and Collections		24,806
Industrial Waste/Pre-Treatment		5,617
Depreciation		44,103
Staff and Administrative		4,936
Total Operating Expenses		<u>133,328</u>
Operating Income		91,491
 Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments		6,591
Interest		3,821
Interest on Capital Debt		(16,718)
Equity Interest in Joint Use Agreement Operating Loss		(22,220)
Gain on Disposal of Capital Assets		145
Total Non-Operating Revenues (Expenses)		<u>(28,381)</u>
Net Income Before Contributions and Transfers		63,110
Capital Contributions		40,345
Transfers to General Fund - In Lieu Property Taxes		(9,916)
Transfers to Debt Service Fund		(70)
Change in Net Position		<u>93,469</u>
Net Position, July 1		<u>1,154,169</u>
Net Position, June 30	\$	<u><u>1,247,638</u></u>



**Wastewater Enterprise Fund****Exhibit E-16****Statement of Cash Flows**

For the Fiscal Years Ended June 30, 2022

(in thousands)

Cash Flows from Operating Activities		
Receipts from Customers	\$	230,756
Payments to Suppliers		(62,911)
Payments to Employees		(19,582)
Payment of Staff and Administrative Expenses		(4,936)
Net Cash Provided by Operating Activities		<u>143,327</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers to Other Funds		(9,986)
Net Cash Used by Noncapital Financing Activities		<u>(9,986)</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt		200,000
Principal Paid on Capital Debt		(45,202)
Interest Paid on Capital Debt		(25,533)
Acquisition and Construction of Capital Assets		(186,800)
Proceeds from Sales of Capital Assets		170
Capital Contributions		40,345
Net Cash Used by Capital and Related Financing Activities		<u>(17,020)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities		(110,377)
Proceeds from Sale and Maturities of Investment Securities		32,402
Net Activity for Short-Term Investments		(31,826)
Interest on Investments		10,413
Net Cash Used by Investing Activities		<u>(99,388)</u>
Net Increase in Cash and Cash Equivalents		16,933
Cash and Cash Equivalents, July 1		113,608
Cash and Cash Equivalents, June 30	\$	<u>130,541</u>
Reconciliation of Operating Income to		
Net Cash Provided (Used) by Operating Activities		
Operating Income	\$	91,491
Adjustments		
Depreciation		44,103
Deferred Outflows - OPEB		(1,133)
Deferred Inflows - OPEB		(299)
Change in Assets and Liabilities		
Receivables		5,134
Allowance for Doubtful Accounts		710
Inventories		654
Net OPEB Asset		394
Accounts Payable & Advance Payments		1,263
Customer Deposits		93
Accrued Compensated Absences		51
Net OPEB Liability		866
Net Cash Provided by Operating Activities	\$	<u>143,327</u>
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings	\$	282
Unrealized Gains on Investments		5,360
Accounts Payable Related to Capital Asset Additions		17,559
Total Noncash Capital and Financing Activities	\$	<u>23,201</u>

**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, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Sewer Service Charges	\$ 171,919	\$ 171,919	\$ 175,297	\$ 3,378
Environmental Charges	36,104	36,104	36,864	760
Development Occupational Fees	4,700	4,700	6,086	1,386
Interest	3,317	3,317	2,043	(1,274)
Other	11,051	11,051	16,059	5,008
Total Revenues	227,091	227,091	236,349	9,258
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Operation and Maintenance	68,630	68,630	61,788	6,842
Operation and Maintenance - SROG	30,004	30,004	23,829	6,175
Total Operating Expenditures and Encumbrances	98,634	98,634	85,617	13,017
Net Revenue Available for Revenue Bond Debt Service	128,457	128,457	150,732	22,275
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	12,190	12,190	12,190	-
Interest	2,549	2,549	2,549	-
Total Senior Lien Revenue Bond Debt Service	14,739	14,739	14,739	-
Net Revenue Available for Junior Lien				
Revenue Bond Debt Service	113,718	113,718	135,993	22,275
Junior Lien Revenue Bond Debt Service				
Principal	34,817	34,817	34,817	-
Interest	21,813	21,813	21,813	-
Total Junior Lien Revenue Bond Debt Service	56,630	56,630	56,630	-
Net Revenue Available After Junior Lien				
Revenue Bond Debt Service	57,088	57,088	79,363	22,275
Other Expenditures and Encumbrances				
Operating Capital Outlay	1,916	1,916	1,877	39
Capital Improvement Program	66,159	66,159	61,006	5,153
Total Other Expenditures and Encumbrances	68,075	68,075	62,883	5,192
Total Expenditures and Encumbrances	238,078	238,078	219,869	18,209
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(10,987)	(10,987)	16,480	27,467
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds				
Aviation Capital Funds	-	-	46,000	46,000
Transfers to Other Funds				
General Fund				
Staff and Administrative	(4,754)	(4,754)	(4,936)	(182)
In-Lieu Property Taxes	(10,962)	(10,962)	(9,916)	1,046
Debt Service Fund	(70)	(70)	(70)	-
Recovery of Prior Years Expenditures	537	537	6,488	5,951
Total Other Financing Sources (Uses)	(15,249)	(15,249)	37,566	52,815
Net Increase in Fund Balance	\$ (26,236)	\$ (26,236)	54,046	\$ 80,282
<b>FUND BALANCE, JULY 1</b>			154,966	
<b>FUND BALANCE, JUNE 30</b>			\$ 209,012	

**Wastewater Enterprise Fund**  
**Sub-Regional Operating Group ("SROG")**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual - Budget Basis**

Exhibit E-18

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Multi-City Sewer System	\$ 15,721	\$ 15,721	\$ 13,616	\$ (2,105)
Operating Revenue - Wastewater	30,005	30,005	23,829	(6,176)
Sales of By-Products	11,555	11,555	13,430	1,875
Interest	294	294	71	(223)
Other	35	35	3,393	3,358
Total Revenues	57,610	57,610	54,339	(3,271)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Operation and Maintenance	57,301	57,301	47,037	10,264
Capital Outlay				
Operating	635	635	451	184
Capital Improvement Program	5,500	5,500	5,458	42
Total Expenditures and Encumbrances	63,436	63,436	52,946	10,490
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(5,826)	(5,826)	1,393	7,219
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,922)	(1,922)	(2,295)	(373)
Recovery of Prior Years Expenditures	684	684	1,245	561
Total Other Financing Sources (Uses)	(1,238)	(1,238)	(1,050)	188
Net Decrease in Fund Balance	\$ (7,064)	\$ (7,064)	343	\$ 7,407
<b>FUND BALANCE, JULY 1</b>			3,685	
<b>FUND BALANCE, JUNE 30</b>			4,028	
Members' Contributed Replacement Reserve			7,085	
Members' Contributed Operating Reserve			8,056	
<b>FUND DEFICIT, UNRESERVED</b>			<u>\$ (11,113)</u>	

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, 2022

(in thousands)

<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 7,507
Investments	54,642
Receivables	
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$3,987)	19,221
Intergovernmental	258
Inventories	1,913
Total Unrestricted Current Assets	83,541
Restricted Assets	
Debt Service	
Cash with Fiscal Agent/Trustee	12,893
Capital Projects	
Cash and Cash Equivalents	2,387
Investments	51,918
Receivables	
Interest	32
Customer Deposits	115
Total Restricted Current Assets	67,345
Total Current Assets	150,886
Noncurrent Assets	
Capital Assets	
Land	13,340
Buildings	70,164
Improvements Other Than Buildings	66,778
Equipment	157,864
Intangibles	5,413
Construction in Progress	5,510
Less: Accumulated Depreciation	(170,198)
Total Capital Assets, Net of Accumulated Depreciation	148,871
Net OPEB Asset	932
Total Noncurrent Assets	149,803
Total Assets	300,689
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Loss on Refunding Bonds	295
Pension Related	12,024
OPEB Related	2,532
Total Deferred Outflows of Resources	14,851

Exhibit E-19  
(Continued)

<b><u>LIABILITIES</u></b>	
Current Liabilities Payable from Current Assets	
Accounts Payable	8,704
Accrued Landfill Postclosure Care Costs	1,520
Current Portion of Accrued Compensated Absences	391
Total Current Liabilities Payable from Current Assets	10,615
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	11,160
Interest Payable	1,733
Current Portion of Loans from Direct Borrowings	600
Current Portion of Municipal Corporation Obligations	11,665
Capital Projects	
Accounts Payable	190
Accrued Landfill Closure Costs	76
Customer Deposits	115
Total Current Liabilities Payable from Restricted Assets	25,539
Total Current Liabilities	36,154
Noncurrent Liabilities	
Loans from Direct Borrowings	750
Municipal Corporation Obligations, net	56,211
Accrued Landfill Closure and Postclosure Care Costs	14,803
Accrued Compensated Absences	2,359
Net Pension Liability	97,200
Net OPEB Liability	7,637
Total Noncurrent Liabilities	178,960
Total Liabilities	215,114
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred Gain on Refunding Bonds	218
Pension Related	3,850
OPEB Related	1,617
Total Deferred Inflows of Resources	5,685
<b><u>NET POSITION</u></b>	
Net Investment in Capital Assets	120,194
Restricted for:	
OPEB	932
Unrestricted (Deficit)	(26,385)
Total Net Position	\$ 94,741

**Solid Waste Enterprise Fund**  
**Statement of Revenues, Expenses and Changes**  
**in Net Position**

**Exhibit E-20**

For the Fiscal Year Ended June 30, 2022

(in thousands)

Operating Revenues	
Solid Waste Service Fees	\$ 171,481
Landfill Fees	14,226
Recycling	11,514
Other	2,329
Total Operating Revenues	199,550
Operating Expenses	
Administration	27,157
Solid Waste Collections	62,507
Landfills	
Operations	39,840
Closure and Postclosure Care Costs	1,098
Recycling	8,708
Depreciation	16,001
Staff and Administrative	8,935
Other	6,528
Total Operating Expenses	170,774
Operating Income	28,776
Non-Operating Revenues (Expenses)	
Investment Income	
Net Increase in Fair Value of Investments	1,687
Interest	1,076
Interest on Capital Debt	(1,239)
Gain on Disposal of Capital Assets	792
Total Non-Operating Revenues (Expenses)	2,316
Net Income Before Contributions and Transfers	31,092
Capital Contributions	11
Transfers to General Fund - In Lieu Property Taxes	(1,232)
Transfers to Capital Projects Fund	(145)
Transfers to Debt Service Fund	(176)
Change in Net Position	29,550
Net Position, July 1	65,191
Net Position, June 30	\$ 94,741

**Solid Waste Enterprise Fund****Exhibit E-21****Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2022

(in thousands)

Cash Flows from Operating Activities		
Receipts from Customers	\$	198,275
Payments to Suppliers		(80,525)
Payments to Employees		(60,044)
Payment of Staff and Administrative Expenses		(8,935)
Net Cash Provided by Operating Activities		<u>48,771</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers to Other Funds		(1,553)
Net Cash Used by Noncapital Financing Activities		<u>(1,553)</u>
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Capital Debt		(11,205)
Interest Paid on Capital Debt		(3,729)
Acquisition and Construction of Capital Assets		(18,818)
Proceeds from Sales of Capital Assets		1,235
Net Cash Used by Capital and Related Financing Activities		<u>(32,517)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities		(128,986)
Proceeds from Sale and Maturities of Investment Securities		129,196
Net Activity for Short-Term Investments		(18,445)
Interest on Investments		2,731
Net Cash Used by Investing Activities		<u>(15,504)</u>
Net Decrease in Cash and Cash Equivalents		(803)
Cash and Cash Equivalents, July 1		<u>23,705</u>
Cash and Cash Equivalents, June 30	\$	<u><u>22,902</u></u>
Reconciliation of Operating Income to		
Net Cash Provided (Used) by Operating Activities		
Operating Income	\$	28,776
Adjustments		
Depreciation		16,001
Deferred Outflows - Pension and OPEB		(13,129)
Deferred Inflows - Pension and OPEB		(16,417)
Change in Assets and Liabilities		
Receivables		(2,040)
Allowance for Doubtful Accounts		763
Inventories		(206)
Net OPEB Asset		562
Accounts Payable		2,495
Trust Liabilities and Deposits		2
Accrued Compensated Absences		(133)
Accrued Landfill Closure and Postclosure Care		(563)
Net Pension Liability		30,882
Net OPEB Liability		1,778
Net Cash Provided by Operating Activities	\$	<u>48,771</u>
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings		(132)
Unrealized Gains on Investments		1,556
Accounts Payable Related to Capital Asset Additions		190
Total Noncash Capital and Financing Activities	\$	<u><u>1,614</u></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, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Solid Waste Service Fees	\$ 169,328	\$ 169,328	\$ 171,355	\$ 2,027
City Landfill Fees	18,489	18,489	25,867	7,378
Interest	500	500	287	(213)
Other	1,553	1,553	2,141	588
Total Revenues	189,870	189,870	199,650	9,780
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Operations	171,647	171,647	158,151	13,496
Capital Improvement Program	11,278	11,278	5,493	5,785
General Obligation Bond Debt Service				
Principal	330	330	330	-
Interest	16	16	16	-
Lease-Purchase Payments	14,280	14,280	14,280	-
Loans from Direct Borrowings	600	600	600	-
Total Expenditures and Encumbrances	198,151	198,151	178,870	19,281
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(8,281)	(8,281)	20,780	29,061
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(6,952)	(6,952)	(8,935)	(1,983)
In-Lieu Property Taxes	(1,424)	(1,424)	(1,232)	192
Solid Waste Capital Reserve	(1,250)	(1,250)	(1,337)	(87)
Debt Service Fund	(176)	(176)	(176)	-
Recovery of Prior Years Expenditures	268	268	325	57
Total Other Financing Sources (Uses)	(9,534)	(9,534)	(11,355)	(1,821)
Net Increase (Decrease) in Fund Balance	\$ (17,815)	\$ (17,815)	9,425	\$ 27,240
<b>FUND BALANCE, JULY 1</b>			30,288	
<b>FUND BALANCE, JUNE 30</b>			\$ 39,713	





**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, 2022

(in thousands)

	<b>Pension and Other Employee Benefit Trusts</b>	
	<b>City of Phoenix Employee Retirement System (COPERS)</b>	<b>Excess Benefit Arrangement</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 183,915	\$ 155
Investments		
Treasurer's Pooled Investments	-	695
Temporary Investments	52,712	-
Fixed Income	487,948	-
Domestic Equities	1,128,916	-
International Equities	263,181	-
Real Return	532,661	-
Absolute Return	140,952	-
Real Estate	510,347	-
Receivables		
Accounts Receivable	8,112	-
Contributions Receivable	21,432	-
Interest and Dividends	4,044	1
Prepaid Items	-	-
Total Assets	<u>3,334,220</u>	<u>851</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts Payable	91,533	-
Claims Payable	-	-
Total Liabilities	<u>91,533</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for pension and other employee benefits	<u>\$ 3,242,687</u>	<u>\$ 851</u>

Exhibit F-1  
(Continued)

## Pension and Other Employee Benefit Trusts

Health Care Benefits	Retiree Rate Stabilization	Medical Expense Reimbursement Plan	Long-Term Disability	Total
\$ 16,955	\$ -	\$ 2,003	\$ 452	\$ 203,480
-	-	5,468	271	6,434
-	-	-	-	52,712
45,714	-	44,787	18,522	596,971
-	-	81,958	23,202	1,234,076
-	-	34,825	22,866	320,872
-	-	20,218	8,159	561,038
-	-	5	-	140,957
-	-	9,989	4,005	524,341
15,601	-	-	-	23,713
982	-	-	-	22,414
52	-	-	-	4,097
5,667	-	-	-	5,667
<u>84,971</u>	<u>-</u>	<u>199,253</u>	<u>77,477</u>	<u>3,696,772</u>
-	-	-	-	-
6,357	-	31	13	97,934
29,827	-	-	-	29,827
<u>36,184</u>	<u>-</u>	<u>31</u>	<u>13</u>	<u>127,761</u>
-	-	-	-	-
<u>\$ 48,787</u>	<u>\$ -</u>	<u>\$ 199,222</u>	<u>\$ 77,464</u>	<u>\$ 3,569,011</u>

**Fund Financial Statements**
**Exhibit F-2**
**Fiduciary Funds**
**Combining Statement of Changes in Fiduciary Net Position**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	<b>Pension and Other Employee Benefit Trusts</b>	
	<b>City of Phoenix</b>	
	<b>Employee Retirement System (COPERS)</b>	<b>Excess Benefit Arrangement</b>
<b>ADDITIONS</b>		
Contributions		
City of Phoenix	\$ 178,319	\$ 408
Employees	53,350	-
Other	-	-
Total Contributions	<u>231,669</u>	<u>408</u>
Investment Income		
From Investing Activities		
Net Increase (Decrease) in Fair Value of Investments	(198,029)	(10)
Interest	17,501	10
Dividends	19,732	-
Other	16,959	-
Investment Income (Loss)	<u>(143,837)</u>	<u>-</u>
Less: Investment Expense	17,947	-
Total Net Investment Income (Loss)	<u>(161,784)</u>	<u>-</u>
Total Additions	<u>69,885</u>	<u>408</u>
<b>DEDUCTIONS</b>		
Benefit Payments	257,782	351
Refunds of Contributions	4,436	-
Inter-System Transfers	443	-
Other	2,564	-
Total Deductions	<u>265,225</u>	<u>351</u>
Net Increase (Decrease)	<u>(195,340)</u>	<u>57</u>
Net Position Restricted for Pension and Other Employee		
Benefits		
Beginning of Year, July 1	<u>3,438,027</u>	<u>794</u>
End of Year, June 30	<u>\$ 3,242,687</u>	<u>\$ 851</u>

Exhibit F-2  
(Continued)

## Pension and Other Employee Benefit Trusts

Health Care Benefits	Retiree Rate Stabilization	Medical Expense Reimbursement Plan	Long-Term Disability	Total
\$ 156,512	\$ -	\$ 27,704	\$ 1,401	\$ 364,344
60,842	-	-	-	114,192
24,391	-	-	-	24,391
<u>241,745</u>	<u>-</u>	<u>27,704</u>	<u>1,401</u>	<u>502,927</u>
(77)	2	(38,282)	(15,272)	(251,668)
104	1	5,294	-	22,910
-	-	-	2,189	21,921
-	-	-	189	17,148
<u>27</u>	<u>3</u>	<u>(32,988)</u>	<u>(12,894)</u>	<u>(189,689)</u>
-	-	-	-	17,947
<u>27</u>	<u>3</u>	<u>(32,988)</u>	<u>(12,894)</u>	<u>(207,636)</u>
<u>241,772</u>	<u>3</u>	<u>(5,284)</u>	<u>(11,493)</u>	<u>295,291</u>
231,774	5,654	27,747	5,022	528,330
-	-	-	-	4,436
-	-	-	-	443
<u>21,767</u>	<u>-</u>	<u>656</u>	<u>569</u>	<u>25,556</u>
<u>253,541</u>	<u>5,654</u>	<u>28,403</u>	<u>5,591</u>	<u>558,765</u>
<u>(11,769)</u>	<u>(5,651)</u>	<u>(33,687)</u>	<u>(17,084)</u>	<u>(263,474)</u>
60,556	5,651	232,909	94,548	3,832,485
<u>\$ 48,787</u>	<u>\$ -</u>	<u>\$ 199,222</u>	<u>\$ 77,464</u>	<u>\$ 3,569,011</u>



**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)**
**Exhibit G-1**
**Combining Statement of Net Position**

June 30, 2022

(in thousands)

	Phoenix Housing Finance Corporation	City of Phoenix Municipal Housing Corporation	Phoenix Central City Revitalization Corporation & LLC	Phoenix South Mountain Housing Corporation	Phoenix South Mountain Housing Transformation Corporation, Summit, LLC	Phoenix Green Housing Corporation
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,663	\$ -	\$ 1,568	\$ 968
Cash Deposits	-	-	2,345	-	1,003	-
Cash and Securities with Fiscal Agents/Trustees	39	-	-	85	-	-
Receivables, Net of Allowances	4,567	14	110	3,036	842	260
Prepaid Items	-	-	193	-	57	-
Capital Assets, at Cost						
Non-depreciable	-	-	3,025	-	1,150	-
Depreciable (net)	-	-	7,865	-	6,814	-
Total Assets	4,606	14	17,201	3,121	11,434	1,228
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Total Deferred Outflows of Resources	-	-	-	-	-	-
<b>LIABILITIES</b>						
Accounts Payable	173	14	212	-	98	260
Reimbursement Agreement to City	-	-	2,348	-	-	-
Trust Liabilities and Deposits	-	-	80	-	45	-
Advance Payments	-	-	38	-	15	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-
Interest Payable	-	-	1,290	-	321	-
Noncurrent Liabilities						
Due in More Than One Year						
Notes Payable to City						
Instrumentality	-	-	-	-	-	-
Notes Payable to City	-	-	15,304	-	5,532	-
Total Liabilities	173	14	19,272	-	6,011	260
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Total Deferred Inflows of Resources	-	-	-	-	-	-
<b>NET POSITION (DEFICIT)</b>						
Net Investment in Capital Assets	-	-	(6,762)	-	2,432	-
Unrestricted	4,433	-	4,691	3,121	2,991	968
Total Net Position (Deficit)	\$ 4,433	\$ -	\$ (2,071)	\$ 3,121	\$ 5,423	\$ 968

Exhibit G-1  
(Continued)

Phoenix East Revitalization Corporation	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	Total
\$ 1,055	\$ 219	\$ 1,604	\$ -	\$ 402	\$ 14	\$ 2,066	\$ 338	\$ 11,897
-	-	-	-	125	7	-	778	4,258
-	-	-	-	3,331	-	-	86	3,541
-	771	18	47	470	-	234	-	10,369
-	-	-	-	212	9	-	-	471
-	-	-	-	7,417	1,055	-	82	12,729
-	-	-	-	6,077	1,425	-	221	22,402
1,055	990	1,622	47	18,034	2,510	2,300	1,505	65,667
-	-	-	-	-	-	-	-	-
-	-	-	-	85	22	-	83	947
-	-	-	-	-	-	-	-	2,348
-	-	-	-	191	7	-	20	343
-	-	-	-	86	8	-	30	177
-	-	-	-	117	5	-	5	127
-	-	-	-	1,512	-	-	-	3,123
-	-	-	-	-	465	-	-	465
-	-	-	-	16,777	2,945	-	550	41,108
-	-	-	-	18,768	3,452	-	688	48,638
-	-	-	-	-	-	-	-	-
-	-	-	-	(3,283)	(465)	-	303	(7,775)
1,055	990	1,622	47	2,549	(477)	2,300	514	24,804
\$ 1,055	\$ 990	\$ 1,622	\$ 47	\$ (734)	\$ (942)	\$ 2,300	\$ 817	\$ 17,029

**Phoenix Housing Finance Corporations (Discretely Presented  
Component Units)**
**Exhibit G-2**
**Combining Statement of Revenues, Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Phoenix Housing Finance Corporation	City of Phoenix Municipal Housing Corporation	Phoenix Central City Revitalization Corporation & LLC	Phoenix South Mountain Housing Corporation	Phoenix South Mountain Housing Transformation Corporation, Summit, LLC	Phoenix Green Housing Corporation
<b>Revenues</b>						
Rental Income	\$ -	\$ -	\$ 3,756	\$ -	\$ 1,373	\$ -
Vending Income	-	-	-	-	-	-
Total Revenues	-	-	3,756	-	1,373	-
<b>Operating Expenses</b>						
Salaries	-	-	805	-	390	-
Temporary Labor	-	-	-	-	-	-
Advertising	-	-	26	-	7	-
Maintenance	-	-	1,012	-	323	-
Administrative Costs	-	-	243	-	95	-
Utilities	-	-	603	-	297	-
Insurance	-	-	61	-	39	-
Interest Expense	-	-	103	-	45	-
Other	1	40	206	-	129	254
Depreciation	-	-	1,103	-	696	-
Total Operating Expenses	1	40	4,162	-	2,021	254
<b>Non-Operating Revenues (Expenses)</b>						
Other Income	-	14	115	-	43	254
Interest Income	-	-	-	85	-	-
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	-	14	115	85	43	254
Change in Net Position	(1)	(26)	(291)	85	(605)	-
Net Position (Deficit), July 1	4,434	26	(1,780)	3,036	6,028	968
Net Position (Deficit), June 30	\$ 4,433	\$ -	\$ (2,071)	\$ 3,121	\$ 5,423	\$ 968

Exhibit G-2  
(Continued)

Phoenix East Revitalization Corporation	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	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,720	\$ 240	\$ -	\$ 778	\$ 8,867
-	-	-	-	19	-	-	3	22
-	-	-	-	2,739	240	-	781	8,889
-	-	-	-	563	131	-	155	2,044
-	-	-	-	-	-	-	13	13
-	-	-	-	2	1	-	2	38
-	-	-	-	1,483	101	-	198	3,117
-	-	-	-	192	24	-	80	634
-	-	-	-	642	84	-	133	1,759
-	-	-	-	87	12	-	-	199
-	-	-	-	162	-	-	-	310
-	124	-	-	161	38	-	85	1,038
-	-	-	-	226	142	-	136	2,303
-	124	-	-	3,518	533	-	802	11,455
-	-	64	-	111	5	1,175	-	1,781
-	-	-	-	17	-	-	-	102
-	-	-	-	(466)	-	-	-	(466)
-	-	64	-	(338)	5	1,175	-	1,417
-	(124)	64	-	(1,117)	(288)	1,175	(21)	(1,149)
1,055	1,114	1,558	47	383	(654)	1,125	838	18,178
\$ 1,055	\$ 990	\$ 1,622	\$ 47	\$ (734)	\$ (942)	\$ 2,300	\$ 817	\$ 17,029



**City of Phoenix**





**Financial Section**  
.....

**OTHER SUPPLEMENTARY  
INFORMATION - Other  
Supporting Schedules**



**City of Phoenix**



**City of Phoenix**

**Summary of Operating Funds - Budget Basis**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

**Exhibit H-1**

	Resources					
	Fund Balances		Recoveries	Fund Transfers		Total
	July 1	Revenues		From	To	
<b>General Purpose Funds</b>						
General Fund	\$ 283,000	\$ 399,680	\$ 3,793	\$ 1,096,850	\$ (88,626)	\$ 1,694,697
Excise Tax	-	1,784,525	-	-	(1,784,525)	-
Total General Purpose Funds	283,000	2,184,205	3,793	1,096,850	(1,873,151)	1,694,697
<b>Federal Funds</b>						
Transit - Federal Grants	-	172,716	-	-	-	172,716
Grants						
Human Services	-	134,441	2,780	-	-	137,221
Community Development	964	17,446	39	-	-	18,449
Federal Operating Trust	-	149,743	1,020	-	-	150,763
Public Housing Neighborhood Transformation	2,694	8,244	5	-	-	10,943
Total Federal Funds	3,658	482,590	3,844	-	-	490,092
<b>Other Special Revenue and Debt Service Funds</b>						
Highway User Revenue	48,043	156,459	4,166	3,741	(171)	212,238
Transportation Tax 2050	195,255	26,999	19,038	346,883	(3,833)	584,342
Transit - Other Agency	(9,162)	7,058	13	-	-	(2,091)
Municipal Court Awards	(2,914)	6,051	19	-	-	3,156
Parks and Preserves	86,295	1,041	184	49,173	(180)	136,513
Development Services	52,169	87,581	283	-	(5,261)	134,772
Community Reinvestment	18,103	6,950	6	-	(2,065)	22,994
Public Housing	34,048	108,530	32	-	(227)	142,383
Sports Facilities	56,765	3,923	-	28,066	(15,224)	73,530
Capital Construction	24,408	141	143	6,210	-	30,902
Other Restricted	98,833	24,121	507	78,521	(287)	201,695
Neighborhood Protection	26,609	778	-	49,173	(699)	75,861
Public Safety Enhancement	22,158	-	1	26,537	(419)	48,277
Public Safety Expansion	42,758	134	-	98,347	(1,510)	139,729
Golf Courses	1,441	10,310	12	-	-	11,763
Secondary Property Tax Debt Service	100	123,935	540	4,251	-	128,826
City Improvement	-	1	-	99,031	(1,026)	98,006
Regional Wireless Cooperative	2,154	5,147	8	-	-	7,309
Total Other Funds	697,063	569,159	24,952	789,933	(30,902)	2,050,205
<b>Enterprise Funds</b>						
Aviation	366,290	505,112	6,803	12,689	(10,406)	880,488
Phoenix Convention Center	43,124	21,361	1,223	77,786	(3,508)	139,986
Water System	146,658	483,860	2,937	14,084	(26,601)	620,938
Water System - Val Vista	(15)	24,606	133	-	(801)	23,923
Wastewater	154,966	236,349	6,488	46,000	(14,922)	428,881
Wastewater - SROG	3,685	54,339	1,245	-	(2,295)	56,974
Solid Waste	30,288	199,650	325	-	(11,680)	218,583
Total Enterprise Funds	744,996	1,525,277	19,154	150,559	(70,213)	2,369,773
Total Operating Funds	\$ 1,728,717	\$ 4,761,231	\$ 51,743	2,037,342	(1,974,266)	\$ 6,604,767
Other Transfers - Non-budgeted Funds				32,686	(95,762)	
				\$ 2,070,028	\$ (2,070,028)	

(1) Includes operating capital outlay and utility repayment agreements.

Exhibit H-1  
(Continued)

Expenditures and Encumbrances						Fund Balances June 30
Current Operating <sup>(1)</sup>	Capital Impr. Program	Debt Service	Lease- Purchase	Total		
\$ 1,446,093	\$ 24,158	\$ -	\$ -	\$ 1,470,251	\$	224,446
-	-	-	-	-	-	-
1,446,093	24,158	-	-	1,470,251		224,446
150,615	22,157	-	-	172,772		(56)
137,221	-	-	-	137,221		-
13,614	4,849	-	-	18,463		(14)
126,356	24,407	-	-	150,763		-
6,303	1,282	-	-	7,585		3,358
434,109	52,695	-	-	486,804		3,288
77,798	64,859	-	-	142,657		69,581
78,304	177,799	-	-	256,103		328,239
6,390	3,857	-	-	10,247		(12,338)
3,222	-	-	-	3,222		(66)
6,109	30,945	-	-	37,054		99,459
68,941	1,208	-	-	70,149		64,623
1,316	1,544	-	-	2,860		20,134
96,643	2,278	-	-	98,921		43,462
2,758	2,064	-	-	4,822		68,708
100	5,626	-	-	5,726		25,176
53,007	9,572	-	-	62,579		139,116
47,941	-	-	-	47,941		27,920
27,129	-	-	-	27,129		21,148
96,207	-	-	-	96,207		43,522
8,051	687	-	-	8,738		3,025
-	-	128,726	-	128,726		100
-	-	61,774	36,232	98,006		-
4,808	-	-	-	4,808		2,501
578,724	300,439	190,500	36,232	1,105,895		944,310
348,986	18,738	3,035	-	370,759		509,729
43,366	62	-	20,763	64,191		75,795
228,825	90,953	131,753	-	451,531		169,407
21,300	4,635	-	-	25,935		(2,012)
87,494	61,006	71,369	-	219,869		209,012
47,488	5,458	-	-	52,946		4,028
158,151	5,493	946	14,280	178,870		39,713
935,610	186,345	207,103	35,043	1,364,101		1,005,672
\$ 3,394,536	\$ 563,637	\$ 397,603	\$ 71,275	\$ 4,427,051	\$	2,177,716

**Summary of Capital Projects Funds Budget Basis**
**Exhibit H-2**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Resources				
	Beginning Balances, July 1	Current Revenue			Recovery of Prior Years Expenditures
		Grants	Interest	Other	
<b>General Government</b>					
2001 Bond Program	\$ (51)	\$ -	\$ -	\$ (138)	\$ -
2006 Bond Program	5,780	-	25	-	-
2010 Lease Purchase	2	-	-	-	-
2013 Lease Purchase	(4,697)	-	-	-	-
100 W Washington	-	-	33	-	-
Badging System	24,867	-	43	-	1
General Gov't Lease Purchase	17,436	-	33	-	70
Mega IV Lease Purchase	4,406	-	(58)	-	-
Mega V Lease Purchase	29,736	-	41	369	-
Regional Wireless	1,740	-	9	352	6
SAP/HANA Upgrade	-	-	3	-	-
Sports Facilities Capital Reserve	19,880	-	35	-	-
Trunked Radio System	179	-	-	-	-
	<u>99,278</u>	<u>-</u>	<u>164</u>	<u>583</u>	<u>77</u>
<b>Public Safety</b>					
1988 Bond Program	27	-	-	-	-
2001 Bond Program	(1,312)	-	-	(137)	-
2006 Bond Program	(4,051)	-	-	-	-
Aerial Fleet Capital Reserve Fund	5,355	-	-	-	-
Impact Fees	18,523	-	106	5,205	-
Other Cities Reimbursement - 800Mhz	289	-	-	-	-
	<u>18,831</u>	<u>-</u>	<u>106</u>	<u>5,068</u>	<u>-</u>
<b>Transportation</b>					
1988 Bond Program	849	-	-	-	-
2001 Bond Program	(457)	-	-	(75)	-
2004 CIC Transit LRT Revenue Bonds	66	-	-	1	-
2006 Bond Program	6,701	-	-	-	-
AHUR Capital Reserve	7,850	-	41	100	77
American Rec. & Reinv. Act of 2009	(1)	-	-	-	-
Federal Aid - Street Transportation	(10,210)	12,286	-	-	981
Federal Transportation Administration Grants	(165,315)	-	-	-	468
Impact Fees	24,577	-	157	14,502	-
Northwest Valley Transportation Infrastructure	(17,943)	21,035	-	-	445
State Aid - Street Transportation	(2,872)	2,529	-	42	369
Streets Developer Reimbursement	(7,808)	24	-	3,422	1,927
T2050 Bonds	37,067	-	61	-	9
	<u>(127,496)</u>	<u>35,874</u>	<u>259</u>	<u>17,992</u>	<u>4,276</u>
<b>Public Works</b>					
2001 Bond Program	332	-	-	(90)	-
2006 Bond Program	(720)	-	-	-	-
Capital Replacement Fund	1,399	-	5	-	-
Impact Fees	10,201	-	58	2,603	-
	<u>11,212</u>	<u>-</u>	<u>63</u>	<u>2,513</u>	<u>-</u>
<b>Community Enrichment</b>					
1988 Bond Program	419	-	-	-	-
2001 Bond Program	2,772	-	-	(232)	-
2006 Bond Program	760	-	-	-	-
Impact Fees	29,969	-	173	4,479	25
Parks & Rec Grants	(3,853)	(294)	-	(36)	-
Parks and Rec Dept Capital Gifts	35	-	-	-	-
	<u>30,102</u>	<u>(294)</u>	<u>173</u>	<u>4,211</u>	<u>25</u>
<b>Community Development</b>					
1989 Bond Program	2	-	-	-	-
2001 Bond Program	1,522	-	-	(163)	-
2006 Bond Program	(2,889)	-	-	-	-
830 E Jefferson Remodel	(13)	-	-	-	-
Federal Modernization Grants	5,153	2,507	25	-	-
Impact Fees	2,666	-	5	(109)	-
	<u>\$ 6,441</u>	<u>\$ 2,507</u>	<u>\$ 30</u>	<u>\$ (272)</u>	<u>\$ -</u>

Exhibit H-2  
(Continued)

Bonds Sold	Fund Transfers To(From)	Total Resources	Uses Expenditures and Encumbrances	Ending Balances, June 30	Bonds Available for Sale
\$ -	\$ -	\$ (189)	\$ -	\$ (189)	\$ 615
-	-	5,805	-	5,805	4,790
-	(2)	-	-	-	-
-	4,697	-	-	-	-
60,000	-	60,033	(51,321)	8,712	-
-	-	24,911	(2,476)	22,435	-
-	(96)	17,443	(3,516)	13,927	-
-	(4,348)	-	-	-	-
-	(19,946)	10,200	-	10,200	-
-	-	2,107	(1,001)	1,106	-
-	8,000	8,003	(5,469)	2,534	-
-	237	20,152	-	20,152	-
-	8,137	8,316	-	8,316	-
60,000	(3,321)	156,781	(63,783)	92,998	5,405
-	-	27	-	27	-
-	-	(1,449)	-	(1,449)	1,915
-	-	(4,051)	(3,435)	(7,486)	36,700
-	7,000	12,355	(7,879)	4,476	-
-	-	23,834	(2,127)	21,707	-
-	-	289	-	289	-
-	7,000	31,005	(13,441)	17,564	38,615
-	-	849	-	849	1,000
-	-	(532)	-	(532)	2,225
-	-	67	-	67	-
-	-	6,701	-	6,701	23,865
-	149	8,217	(13)	8,204	-
-	-	(1)	-	(1)	-
-	(3,219)	(162)	(9,228)	(9,390)	-
-	-	(164,847)	(67,912)	(232,759)	-
-	-	39,236	(2)	39,234	-
-	3,731	7,268	(28,868)	(21,600)	-
-	-	68	(757)	(689)	-
-	3,219	784	(8,654)	(7,870)	-
-	(15,154)	21,983	(21,870)	113	-
-	(11,274)	(80,369)	(137,304)	(217,673)	27,090
-	-	242	-	242	305
-	-	(720)	-	(720)	9,669
-	-	1,404	-	1,404	-
-	-	12,862	(2)	12,860	-
-	-	13,788	(2)	13,786	9,974
-	-	419	-	419	-
-	-	2,540	-	2,540	7,400
-	-	760	-	760	26,056
-	-	34,646	(1,302)	33,344	-
-	-	(4,183)	(18)	(4,201)	-
-	-	35	-	35	-
-	-	34,217	(1,320)	32,897	33,456
-	-	2	-	2	-
-	-	1,359	(38)	1,321	3,150
-	-	(2,889)	-	(2,889)	34,665
-	-	(13)	-	(13)	-
-	-	7,685	(1,285)	6,400	-
-	-	2,562	-	2,562	-
\$ -	\$ -	\$ 8,706	\$ (1,323)	\$ 7,383	\$ 37,815

**Summary of Capital Projects Funds Budget Basis**
**Exhibit H-2**

For the Fiscal Year Ended June 30, 2022

(Continued)

(in thousands)

	Resources				
	Beginning Balances, July 1	Current Revenue			Recovery of Prior Years Expenditures
		Grants	Interest	Other	
Aviation					
2020 CFC Bond	\$ 36,874	\$ -	\$ 71	\$ -	\$ -
Airport Facilities Improvement Grants	(31,396)	17,359	-	-	773
Airport Revenue Bonds	69,826	-	204	-	1
CFC Trustee-Improvement Reserves/Surplus	17,497	-	21	44,535	-
City Improvement Aviation Bonds	197,787	-	-	-	-
Passenger Facility Charges	64,103	-	421	84,326	55
Transportation Security Admin Grant	-	266	-	-	-
	<u>354,691</u>	<u>17,625</u>	<u>717</u>	<u>128,861</u>	<u>829</u>
Phoenix Convention Center					
CC Expansion Series B	11,075	24,498	27	-	-
Lease Purchase	26	-	1	-	-
	<u>11,101</u>	<u>24,498</u>	<u>28</u>	<u>-</u>	<u>-</u>
Water System					
CIC Water Bonds	(64,440)	-	-	256	1,728
Impact Fees	71,396	-	421	22,768	-
Special Water Improvement	100,010	-	-	-	-
Val Vista - Other Agencies' Participation	(5,332)	-	-	8,270	4
Water Capital Grants	(99)	-	-	-	-
	<u>101,535</u>	<u>-</u>	<u>421</u>	<u>31,294</u>	<u>1,732</u>
Wastewater					
CIC Wastewater Bonds	(106,516)	-	-	-	4,521
Impact Fees	70,117	-	198	10,702	90
Special Wastewater Improvement	53,000	-	-	-	-
SROG - Other Agencies' Participation	(10,727)	-	-	8,505	65
	<u>5,874</u>	<u>-</u>	<u>198</u>	<u>19,207</u>	<u>4,676</u>
Solid Waste					
End Use Reserve	12,654	-	63	-	-
Solid - Mega IV	329	-	31	-	-
Solid Waste Capital Grants	-	350	-	-	-
Solid Waste Disposal CIC Bonds Prin/Int	4	-	-	-	-
Solid Waste Remediation Funds	5,988	-	30	-	2
SWD Equipment Facilities Bonds	39,524	-	70	-	-
	<u>58,499</u>	<u>350</u>	<u>194</u>	<u>-</u>	<u>2</u>
	<u>\$ 570,068</u>	<u>\$ 80,560</u>	<u>\$ 2,353</u>	<u>\$ 209,457</u>	<u>\$ 11,617</u>



Exhibit H-2  
(Continued)

Bonds Sold	Fund Transfers To(From)	Total Resources	Uses		Ending Balances, June 30	Bonds Available for Sale
			Expenditures and Encumbrances			
\$ -	\$ (23,796)	\$ 13,149	\$ (700)	\$ 12,449	\$ -	
-	525	(12,739)	(25,209)	(37,948)	-	
-	7,014	77,045	(7,247)	69,798	-	
-	(18,312)	43,741	(6,102)	37,639	-	
-	(14,975)	182,812	-	182,812	-	
-	3,809	152,714	(57,635)	95,079	-	
-	(52)	214	(104)	110	-	
-	(45,787)	456,936	(96,997)	359,939	-	
-	-	35,600	(24,498)	11,102	-	
-	-	27	(3)	24	-	
-	-	35,627	(24,501)	11,126	-	
200,000	(50)	137,494	(96,834)	40,660	-	
-	(14,000)	80,585	(6,753)	73,832	-	
-	-	100,010	-	100,010	-	
-	-	2,942	(5,347)	(2,405)	-	
-	-	(99)	-	(99)	-	
200,000	(14,050)	320,932	(108,934)	211,998	-	
200,000	-	98,005	(105,819)	(7,814)	-	
-	(46,000)	35,107	(277)	34,830	-	
-	-	53,000	-	53,000	-	
-	-	(2,157)	(13,775)	(15,932)	-	
200,000	(46,000)	183,955	(119,871)	64,084	-	
-	1,337	14,054	(34)	14,020	-	
-	-	360	(20)	340	-	
-	-	350	(350)	-	-	
-	-	4	-	4	-	
-	-	6,020	(336)	5,684	-	
-	-	39,594	(14,372)	25,222	-	
-	1,337	60,382	(15,112)	45,270	-	
\$ 460,000	\$ (112,095)	\$ 1,221,960	\$ (582,588)	\$ 639,372	\$ 152,355	

**Capital Improvement Program  
Expenditures and Encumbrances**
**Exhibit H-3**

For the Fiscal Years Ended June 30, 2022 and 2021

(in thousands)

	Operating Funds <sup>(1)</sup>		Capital Funds		Totals	
	2022	2021	2022	2021	2022	2021
General Government						
Information Technology	\$ 14,436	\$ 5,182	\$ 2,138	\$ 6,542	\$ 16,574	\$ 11,724
Regional Wireless	-	-	379	964	379	964
Finance Projects	-	-	5,469	-	5,469	-
	<u>14,436</u>	<u>5,182</u>	<u>7,986</u>	<u>7,506</u>	<u>22,422</u>	<u>12,688</u>
Public Safety						
Fire Protection	1,950	4,147	3,085	4,993	5,035	9,140
Police Protection	-	-	12,345	-	12,345	-
	<u>1,950</u>	<u>4,147</u>	<u>15,430</u>	<u>4,993</u>	<u>17,380</u>	<u>9,140</u>
Transportation						
Street Transportation and Drainage	108,053	91,512	69,403	125,773	177,456	217,285
Transit	169,225	189,368	67,928	83,144	237,153	272,512
	<u>277,278</u>	<u>280,880</u>	<u>137,331</u>	<u>208,917</u>	<u>414,609</u>	<u>489,797</u>
Public Works						
Facilities Management	11,899	14,028	2,877	1,829	14,776	15,857
	<u>11,899</u>	<u>14,028</u>	<u>2,877</u>	<u>1,829</u>	<u>14,776</u>	<u>15,857</u>
Community Enrichment						
Libraries	1,101	272	-	-	1,101	272
Parks and Mountain Preserves	39,562	31,410	1,338	554	40,900	31,964
	<u>40,663</u>	<u>31,682</u>	<u>1,338</u>	<u>554</u>	<u>42,001</u>	<u>32,236</u>
Community Development						
Economic/Downtown Development	2,587	2,520	-	95,660	2,587	98,180
Historic Preservation	553	11,054	-	-	553	11,054
Housing / HOPE VI	5,392	13,478	1,285	1,200	6,677	14,678
Neighborhood Development	4,849	1,175	-	-	4,849	1,175
	<u>13,381</u>	<u>28,227</u>	<u>1,285</u>	<u>96,860</u>	<u>14,666</u>	<u>125,087</u>
Aviation	18,398	26,881	96,997	145,537	115,395	172,418
Convention Center	9,281	5,744	75,470	25,896	84,751	31,640
Water System	96,388	61,862	108,904	498,888	205,292	560,750
Wastewater	66,084	32,881	119,861	104,299	185,945	137,180
Solid Waste	13,877	7,726	15,109	1,069	28,986	8,795
	<u>\$ 563,635</u>	<u>\$ 499,240</u>	<u>\$ 582,588</u>	<u>\$ 1,096,348</u>	<u>\$ 1,146,223</u>	<u>\$ 1,595,588</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, 2022 as reported in the accompanying budgetary financial statements were as follows:

Aviation	\$ 18,738
Convention Center	62
Water	90,953
Water - Val Vista	4,635
Wastewater	61,006
Wastewater - SROG	5,458
Solid Waste	5,493
	<u>\$ 186,345</u>

**Transfers To/From Other Funds**  
 For the Fiscal Year Ended June 30, 2022  
 (in thousands)

Exhibit H-4

	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise Funds	Totals
<b>Transfers From</b>						
<b>General Fund</b>	\$ -	\$ 59,798 <sup>(1)</sup>	\$ 81,985 <sup>(3)</sup>	\$ 10,731 <sup>(5)</sup>	\$ 77,975	\$ 230,489
<b>Special Revenue</b>						
Transit	1,212	50 <sup>(1)</sup>	1,523 <sup>(3)</sup>	-	-	2,785
Highway User Revenue	13	-	161 <sup>(3)</sup>	-	-	174
Development Services	2,065	-	-	-	-	2,065
Public Housing	153	-	74 <sup>(3)</sup>	-	-	227
Neighborhood Protection	173	7 <sup>(1)</sup>	-	-	-	180
Public Safety Enhancement	346	16 <sup>(1)</sup>	-	-	-	362
Total Special Revenue	3,962	73	1,758	-	-	5,793
<b>Debt Service</b>						
Sports Facilities	5	-	15,116 <sup>(3)</sup>	-	-	15,121
General Obligation/Secondary Property Tax	-	-	-	516 <sup>(6)</sup>	-	516
City Improvement	-	-	-	1,026 <sup>(6)</sup>	-	1,026
Special Assessments	2	-	-	-	-	2
Total Debt Service	7	-	15,116	1,542	-	16,665
<b>Capital Projects</b>						
Parks and Preserves	173	7 <sup>(1)</sup>	-	-	-	180
Street Improvements	-	-	724 <sup>(3)</sup>	1,001 <sup>(6)</sup>	-	1,725
Police and Fire Protection	-	-	-	550 <sup>(7)</sup>	-	550
Parks, Recreation and Libraries	-	-	-	2,217 <sup>(7)</sup>	-	2,217
Public Housing	-	-	-	286 <sup>(7)</sup>	-	286
Municipal Buildings and Service Centers	-	-	4,610 <sup>(4)</sup>	21,753 <sup>(8)</sup>	-	26,363
Sports and Cultural Facilities	-	-	32 <sup>(3)</sup>	9,206 <sup>(9)</sup>	-	9,238
Transit	-	-	-	347 <sup>(7)</sup>	-	347
Total Capital Projects	173	7	5,366	35,360	-	40,906
<b>Enterprise</b>						
Aviation	-	-	173 <sup>(3)</sup>	-	-	173
Phoenix Convention Center	724	35 <sup>(2)</sup>	27 <sup>(3)</sup>	-	-	786
Water System	16,456	-	100 <sup>(3)</sup>	-	-	16,556
Wastewater	9,916	-	70 <sup>(3)</sup>	-	-	9,986
Solid Waste	1,232	-	176 <sup>(3)</sup>	145 <sup>(7)</sup>	-	1,553
Total Enterprise	28,328	35	546	145	-	29,054
Totals	\$ 32,470	\$ 59,913	\$ 104,771	\$ 47,778	\$ 77,975	\$ 322,907

- (1) Other Restricted  
 (2) Other Restricted, Highway User Revenue  
 (3) City Improvement  
 (4) GO / Secondary Property Tax, City Improvement, Sports Facilities  
 (5) Police & Fire Protection, Street Improvements

- (6) Municipal Buildings & Service Centers  
 (7) Sports & Cultural Facilities  
 (8) Sports & Cultural Facilities, Police & Fire Protection  
 (9) Police & Fire Protection, Municipal Buildings & Service Centers

**Budgetary Transfers - Budget Basis**
**Exhibit H-5**

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Transfers to					
	General Fund			Total General Fund	Special Revenue	
	Staff and Administrative	In-Lieu Property Taxes	Other Transfers		Neighborhood Protection	Transportation Tax 2050
<b>Transfers from</b>						
<b>General Fund</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Special Revenue Funds</b>						
Excise Tax	-	-	1,018,277	1,018,277	49,173	335,609
Highway User Revenue	-	-	-	-	-	-
Transportation Tax 2050	1,048	-	-	1,048	-	-
Development Services	5,261	-	-	5,261	-	-
Community Reinvestment	-	-	2,065	2,065	-	-
Public Housing	-	153	-	153	-	-
Sports Facilities	103	-	-	103	-	-
Parks and Preserves	-	-	-	-	-	-
Other Restricted	287	-	-	287	-	-
Neighborhood Protection	519	-	-	519	-	-
Public Safety Enhancement	419	-	-	419	-	-
Public Safety Expansion	1,148	-	-	1,148	-	-
Total Special Revenue	8,785	153	1,020,342	1,029,280	49,173	335,609
<b>Debt Service Funds</b>						
City Improvement	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-
<b>Enterprise Funds</b>						
Aviation	10,233	-	-	10,233	-	-
Phoenix Convention Center	2,721	-	-	2,721	-	-
Water System	10,045	16,456	-	26,501	-	-
Water System - Val Vista	801	-	-	801	-	-
Wastewater	4,936	9,916	-	14,852	-	-
Wastewater - SROG	2,295	-	-	2,295	-	-
Solid Waste	8,935	1,232	-	10,167	-	-
Total Enterprise	39,966	27,604	-	67,570	-	-
<b>Other Funds not Budgeted</b>						
General Obligation Reserve Fund	-	-	-	-	-	-
Streets Advanced T2050 Capital	-	-	-	-	-	11,264
Street Improvements Capital	-	-	-	-	-	-
Transportation 2050 Capital	-	-	-	-	-	10
Park Central Community Facilities District	-	-	-	-	-	-
Water Capital	-	-	-	-	-	-
Water Debt Service Fund	-	-	-	-	-	-
Aviation Capital	-	-	-	-	-	-
City Improvement Capital	-	-	-	-	-	-
Total Other Funds not Budgeted	-	-	-	-	-	11,274
<b>Totals</b>	<b>\$ 48,751</b>	<b>\$ 27,757</b>	<b>\$ 1,020,342</b>	<b>\$ 1,096,850</b>	<b>\$ 49,173</b>	<b>\$ 346,883</b>

(1) Transfer to Other Restricted Special Revenue Funds

(2) Transfers to Capital Construction (\$6,210), Sports Facilities (\$27,040), Parks and Preserves (\$49,173), Public Safety Enhancement (\$26,537), Public Safety Expansion (\$98,347), Other Restricted Special Revenue Funds (\$18,618)

(3) Transfer to Transit 2000 Special Revenue Fund

(4) Transfer to Municipal Buildings and Service Centers Capital Projects Fund

(5) Transfer to Highway User Revenue Fund

(6) Transfer to City Improvement Debt Service Fund

(7) Transfer to Secondary Property Tax

(8) Transfer to Aviation Enterprise Fund

(9) Transfer to Water System Enterprise Fund

Exhibit H-5  
(Continued)

Transfers to							Totals
Funds		Enterprise Funds		Funds Not Budgeted			
Other	Debt Service Funds	Phoenix Convention Center	Other	Infrastructure Repayment Agreement	Other		
\$ 59,798 <sup>(1)</sup>	\$ 39 <sup>(6)</sup>	\$ -	\$ 189 <sup>(8)</sup>	\$ 1,369	\$ 27,231 <sup>(11)</sup>	\$ 88,626	
225,925 <sup>(2)</sup>	77,755 <sup>(6)</sup>	77,786	-	-	-	1,784,525	
-	161 <sup>(6)</sup>	-	-	-	10 <sup>(12)</sup>	171	
50 <sup>(3)</sup>	1,523 <sup>(6)</sup>	-	-	1,212	-	3,833	
-	-	-	-	-	-	5,261	
-	-	-	-	-	-	2,065	
-	74 <sup>(6)</sup>	-	-	-	-	227	
-	15,116 <sup>(6)</sup>	-	-	5	-	15,224	
7 <sup>(1)</sup>	-	-	-	173	-	180	
-	-	-	-	-	-	287	
7 <sup>(1)</sup>	-	-	-	173	-	699	
-	-	-	-	-	-	419	
16 <sup>(1)</sup>	-	-	-	346	-	1,510	
226,005	94,629	77,786	-	1,909	10	1,814,401	
1,026 <sup>(4)</sup>	-	-	-	-	-	1,026	
1,026	-	-	-	-	-	1,026	
-	173 <sup>(6)</sup>	-	-	-	-	10,406	
35 <sup>(1)</sup>	27 <sup>(6)</sup>	-	-	725	-	3,508	
-	100 <sup>(6)</sup>	-	-	-	-	26,601	
-	-	-	-	-	-	801	
-	70 <sup>(6)</sup>	-	-	-	-	14,922	
-	-	-	-	-	-	2,295	
-	176 <sup>(6)</sup>	-	-	-	1,337 <sup>(13)</sup>	11,680	
35	546	-	-	725	1,337	70,213	
-	4,251 <sup>(7)</sup>	-	-	-	-	4,251	
-	-	-	-	-	-	11,264	
3,731 <sup>(5)</sup>	-	-	-	-	-	3,731	
-	-	-	-	-	-	10	
-	-	-	-	-	105 <sup>(1)</sup>	105	
-	-	-	14,000 <sup>(9)</sup>	-	-	14,000	
-	-	-	84 <sup>(9)</sup>	-	-	84	
-	-	-	58,500 <sup>(10)</sup>	-	-	58,500	
-	3,817 <sup>(6)</sup>	-	-	-	-	3,817	
3,731	8,068	-	72,584	-	105	95,762	
\$ 290,595	\$ 103,282	\$ 77,786	\$ 72,773	\$ 4,003	\$ 28,683	\$ 2,070,028	

(10) Transfers to Aviation Enterprise Fund (\$12,500) and Wastewater System Enterprise Fund (\$46,000)

(11) Transfers to Street Improvements Capital Fund (\$3,731), Aerial Fleet Capital Reserve Fund (\$7,000), SIR Trust Fund (\$5,100), MERP Trust Fund (\$4,950), Workers Compensation Trust Fund (\$4,950), Public Safety Pension Stabilization Reserve Fund (\$1,000), and Unemployment Compensation Trust Fund (\$500)

(12) Transfer to Streets and Highways Debt Service Fund

(13) Transfer to Solid Waste Capital Reserve Fund

**Bonds and Other Debt Payable**
**Exhibit H-6**

June 30, 2022

(in thousands)

	Authorized	Sold	Unsold	Retired/ Refunded/ Defeased	Capital Appreciation	Outstanding at June 30, 2022 <sup>(1)</sup>			
						Total	Payable from		City Revenues/ Other <sup>(2)</sup>
							General Property Taxes		
<b>General Obligation Bonds</b>									
6% Limitation									
Various Purpose	\$ 766,390	\$ 702,070	\$ 64,320	\$ 625,245	\$ -	\$ 76,825	\$ 76,825	\$ -	\$ -
Solid Waste	32,815	32,815	-	32,815	-	-	-	-	-
20% Limitation									
Various Purpose	2,170,770	2,082,735	88,035	1,344,165	-	738,570	738,570	-	-
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	3,185,559	3,033,204	152,355	2,217,809	-	815,395	815,395	-	-
<b>Loans from Direct Borrowings</b>									
Wastewater WIFA	17,591	17,591	-	10,852	-	6,739	-	6,739	-
Water WIFA	6,520	6,520	-	4,522	-	1,998	-	1,998	-
Closed Loop	3,000	3,000	-	1,650	-	1,350	-	1,350	-
Municipal Property Loan	60,000	60,000	-	60,000	-	-	-	-	-
Total Loans from Direct Borrowings	87,111	87,111	-	77,024	-	10,087	-	10,087	-
Total General Obligation and Loans from Direct Borrowings	3,272,670	3,120,315	152,355	2,294,833	-	825,482	815,395	10,087	-
<b>Municipal Corporation Obligations</b>									
General Government	2,186,956	2,186,956	-	1,698,206	-	488,750	-	488,750	-
Enterprise	11,099,546	11,099,546	-	6,258,155	106,934	4,948,325	-	4,948,325	-
Total Municipal Corporation Obligations	13,286,502	13,286,502	-	7,956,361	106,934	5,437,075	-	5,437,075	-
Subtotal	16,559,172	16,406,817	152,355	10,251,194	106,934	6,262,557	815,395	5,447,162	-
<b>Community Facilities Districts</b>	30,000	30,000	-	1,360	-	28,640	-	28,640	-
<b>Totals</b>	<b>\$ 16,589,172</b>	<b>\$ 16,436,817</b>	<b>\$ 152,355</b>	<b>\$ 10,252,554</b>	<b>\$ 106,934</b>	<b>\$ 6,291,197</b>	<b>\$ 815,395</b>	<b>\$ 5,475,802</b>	<b>\$ -</b>

(1) Net of July 1, 2022 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 \$76.0 million on June 30, 2022.

(2) 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**

Exhibit H-7

**General Obligation Bonds Limited to Six Percent of Assessed Valuation (1)**

June 30, 2022

(in thousands)

Fiscal Year	General Government <sup>(2)</sup>			Total 6% Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022-23	\$ 22,860	\$ 3,896	\$ 26,756	\$ 22,860	\$ 3,896	\$ 26,756
2023-24	23,000	2,698	25,698	23,000	2,698	25,698
2024-25	30,965	1,548	32,513	30,965	1,548	32,513
	<u>\$ 76,825</u>	<u>\$ 8,142</u>	<u>\$ 84,967</u>	<u>\$ 76,825</u>	<u>\$ 8,142</u>	<u>\$ 84,967</u>

(1) Various purpose general obligation bonds are limited to 6% of assessed valuation, except for bonds issued for water, sewer, artificial light, open space preserves, parks, playgrounds, recreational facilities, public safety, law enforcement, fire and emergency services facilities, and street and transportation facilities, which are limited to 20% of assessed valuation (see Exhibit H-8).

(2) Includes all property tax supported various purpose general obligation bonds limited to 6% of assessed valuation.

**Debt Service Requirements**
**Exhibit H-8**
**General Obligation Bonds Limited to**
**Twenty Percent of Assessed Valuation (1)**

June 30, 2022

(in thousands)

Fiscal Year	General Government <sup>(2)</sup>			Total 20% Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022-23	\$ 73,130	\$ 35,612	\$ 108,742	\$ 73,130	\$ 35,612	\$ 108,742
2023-24	82,580	31,823	114,403	82,580	31,823	114,403
2024-25	88,640	28,143	116,783	88,640	28,143	116,783
2025-26	130,445	24,151	154,596	130,445	24,151	154,596
2026-27	134,270	17,990	152,260	134,270	17,990	152,260
2027-28	42,000	11,584	53,584	42,000	11,584	53,584
2028-29	28,340	9,727	38,067	28,340	9,727	38,067
2029-30	29,445	8,256	37,701	29,445	8,256	37,701
2030-31	30,590	6,728	37,318	30,590	6,728	37,318
2031-32	31,785	5,141	36,926	31,785	5,141	36,926
2032-33	33,025	3,493	36,518	33,025	3,493	36,518
2033-34	34,320	1,780	36,100	34,320	1,780	36,100
	<u>\$ 738,570</u>	<u>\$ 184,428</u>	<u>\$ 922,998</u>	<u>\$ 738,570</u>	<u>\$ 184,428</u>	<u>\$ 922,998</u>

(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 general obligation bonds are limited to 6% of assessed valuation (see Exhibit H-7).

(2) Includes all property tax supported various purpose general obligation bonds limited to 20% of assessed valuation.



**Debt Service Requirements**  
**By Type of Security to Bondholders**  
**and By General Purpose of Assets Acquired**

Exhibit H-9

June 30, 2022

(in thousands)

Fiscal Year	General Obligation / General Government <sup>(1)</sup>		
	Principal	Interest	Total
2022-23	\$ 95,990	\$ 39,508	\$ 135,498
2023-24	105,580	34,521	140,101
2024-25	119,605	29,691	149,296
2025-26	130,445	24,151	154,596
2026-27	134,270	17,990	152,260
2027-28	42,000	11,584	53,584
2028-29	28,340	9,727	38,067
2029-30	29,445	8,256	37,701
2030-31	30,590	6,728	37,318
2031-32	31,785	5,141	36,926
2032-33	33,025	3,493	36,518
2033-34	34,320	1,780	36,100
	<u>\$ 815,395</u>	<u>\$ 192,570</u>	<u>\$ 1,007,965</u>

(1) Includes all general government property tax supported various purpose general obligation bonds.

**Bond Ratings**
**Exhibit H-10**

Description	Rating <sup>(1) (2)</sup>		
	Moody's	S & P	Fitch <sup>(3)</sup>
General Obligation	Aa1	AA+	AAA
Senior Lien Excise Tax Revenue (4)	Aa2	AAA	AA+
Subordinated Excise Tax Revenue (4)	Aa2	AAA	AA+
Senior Lien Airport Revenue (4) (5)	Aa3	AA-	-
Junior Lien Airport Revenue (4) (5)	A1	A+	-
Senior Lien Wastewater System Revenue (4)	Aa2	AAA	-
Junior Lien Wastewater System Revenue (4)	Aa2	AA+	-
Junior Lien Water System Revenue (4)	Aa2	AAA	-
Rental Car Facility Charge Revenue Bonds (4) (5)	A3	A	-
State of AZ Distribution Revenue Bonds (Convention Center) (4)	Aa2	AA	-

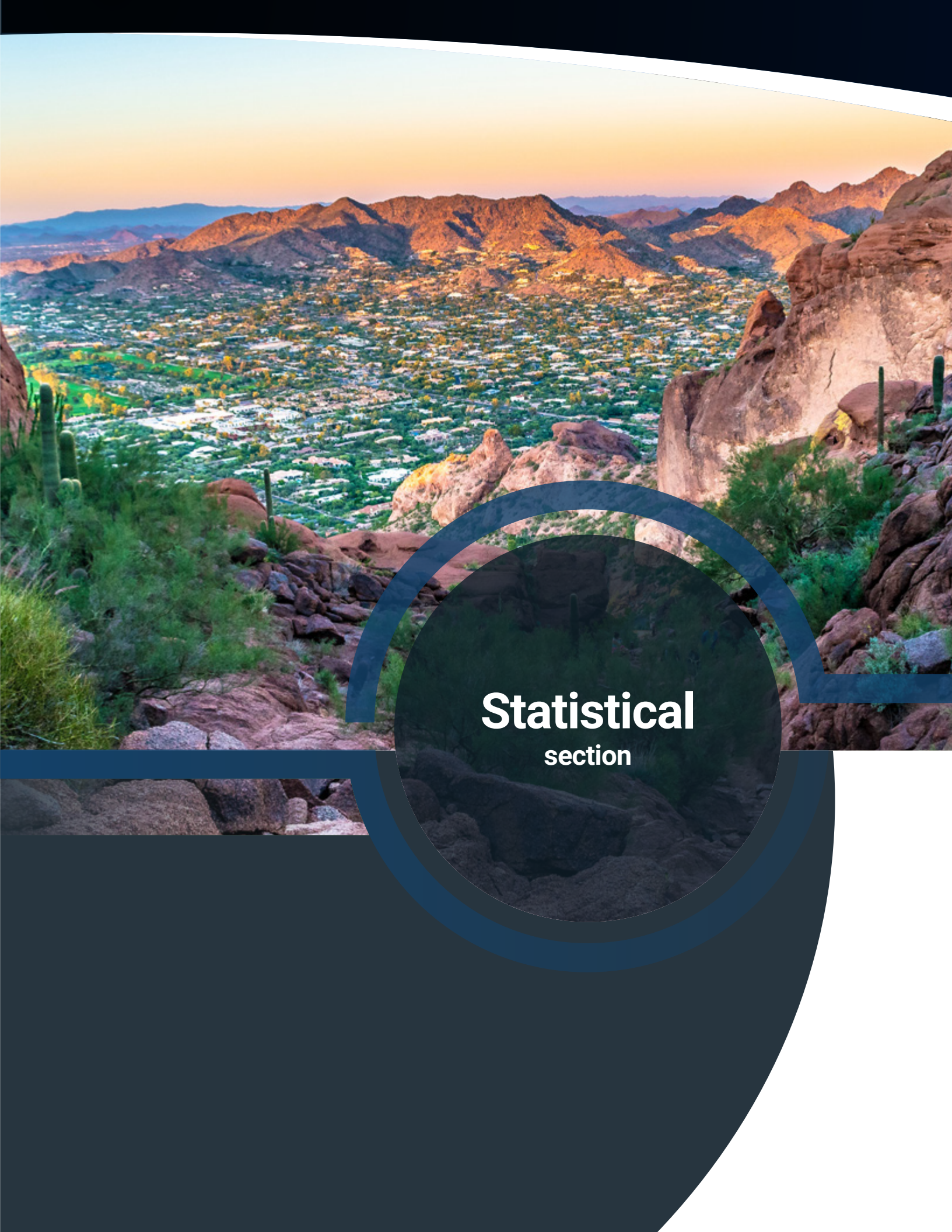
(1) The ratings are subject to change at any time.

(2) Represents underlying rating.

(3) Fitch Ratings assigns a single Issuer Default Rating for all General Fund credits. Fitch has rated the General Obligation Bonds, Series 2017 and 2022, and the Subordinated Excise Tax Revenue Bonds, Series 2020 and 2022.

(4) Issued by the City of Phoenix Civic Improvement Corporation.

(5) On October 19, 2022, S & P announced that it raised its financial strength rating on the City of Phoenix Civic Improvement Corporation Airport Revenue and Rental Car Facility Revenue Bonds. Ratings have been updated to reflect this.



**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**
**Table 1**

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

	Fiscal Year		
	2022	2021	2020
<b>GOVERNMENTAL ACTIVITIES</b>			
Net Investment in Capital Assets	\$ 3,984,584	\$ 3,384,939	\$ 3,333,084
Restricted	1,458,949	1,249,610	1,069,053
Unrestricted (Deficit) (1)	(2,575,996)	(2,420,747)	(2,814,774)
Total Governmental Activities Net Position	\$ 2,867,537	\$ 2,213,802	\$ 1,587,363
<b>BUSINESS-TYPE ACTIVITIES</b>			
Net Investment in Capital Assets	\$ 3,592,530	\$ 3,346,870	\$ 3,448,793
Restricted	290,321	438,450	404,598
Unrestricted (1)	953,363	601,380	340,416
Total Business-Type Activities Net Position	\$ 4,836,214	\$ 4,386,700	\$ 4,193,807
<b>PRIMARY GOVERNMENT</b>			
Net Investment in Capital Assets	\$ 7,577,114	\$ 6,731,809	\$ 6,781,877
Restricted	1,749,270	1,688,060	1,473,651
Unrestricted (Deficit) (1)	(1,622,633)	(1,819,367)	(2,474,358)
Total Primary Government Net Position	\$ 7,703,751	\$ 6,600,502	\$ 5,781,170

(1) Unrestricted net position decreased starting in fiscal year 2015 due to the implementation of GASB Statement No. 68.



Table 1  
(Continued)

		Fiscal Year											
		2019	2018	2017	2016	2015	2014	2013					
\$	3,242,655	\$	3,084,874	\$	2,809,418	\$	2,788,275	\$	2,653,697	\$	2,576,366	\$	2,454,765
	1,079,339		1,047,298		920,847		763,630		830,425		868,223		930,237
	(2,766,124)		(2,883,831)		(2,408,807)		(2,084,298)		(1,691,553)		1,002,557		991,572
\$	1,555,870	\$	1,248,341	\$	1,321,458	\$	1,467,607	\$	1,792,569	\$	4,447,146	\$	4,376,574
\$	3,488,654	\$	3,288,066	\$	2,972,041	\$	2,803,361	\$	2,782,282	\$	2,818,479	\$	2,826,143
	519,638		524,637		486,857		462,115		441,896		363,946		174,160
	114,947		169,406		458,696		489,530		519,802		970,844		1,102,763
\$	4,123,239	\$	3,982,109	\$	3,917,594	\$	3,755,006	\$	3,743,980	\$	4,153,269	\$	4,103,066
\$	6,731,309	\$	6,372,940	\$	5,781,459	\$	5,591,636	\$	5,435,979	\$	5,394,845	\$	5,280,908
	1,598,977		1,571,935		1,407,704		1,225,745		1,272,321		1,232,169		1,104,397
	(2,651,177)		(2,714,425)		(1,950,111)		(1,594,768)		(1,171,751)		1,973,401		2,094,335
\$	5,679,109	\$	5,230,450	\$	5,239,052	\$	5,222,613	\$	5,536,549	\$	8,600,415	\$	8,479,640

**Changes in Net Position**
**Table 2**

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

	Fiscal Year		
	2022	2021	2020
<b>Expenses</b>			
<b>Governmental Activities</b>			
General Government	\$ 258,138	\$ 171,106	\$ 111,422
Criminal Justice	38,261	36,812	36,050
Public Safety	1,284,353	1,367,004	1,340,379
Transportation	748,459	427,982	574,139
Community Enrichment	465,542	419,047	324,553
Community Development	262,627	259,183	251,207
Environmental Services	75,371	59,224	52,369
Interest on Long-Term Debt	50,328	53,532	53,629
Total Governmental Activities Expenses	3,183,079	2,793,890	2,743,748
<b>Business-Type Activities</b>			
Aviation	539,372	576,657	547,590
Phoenix Convention Center	98,624	88,530	103,983
Water Services	422,543	373,006	421,541
Wastewater Services	172,121	176,062	174,259
Solid Waste	171,221	133,843	126,301
Golf Courses (1)	-	-	-
Total Business-Type Activities Expenses	1,403,881	1,348,098	1,373,674
<b>Total Primary Government Expenses</b>	<b>\$ 4,586,960</b>	<b>\$ 4,141,988</b>	<b>\$ 4,117,422</b>

(1) On March 6, 2013, City Council voted to eliminate the Golf Enterprise Fund. As of July 1, 2013, all activity of the City of Phoenix Municipal Golf program was reported in the governmental funds.

Table 2  
(Continued)

Fiscal Year						
2019	2018	2017	2016	2015	2014	2013
\$ 88,160	\$ 100,307	\$ 98,541	\$ 111,801	\$ 99,320	\$ 152,502	\$ 186,104
38,297	35,040	34,045	35,198	34,242	34,356	35,409
1,278,856	1,200,523	1,347,829	1,025,401	914,215	888,801	896,801
540,551	523,946	373,455	399,228	398,925	394,664	407,563
307,406	289,183	276,991	570,183	245,795	252,760	237,856
211,547	225,386	218,463	200,762	215,931	222,266	221,588
22,362	39,113	32,960	49,050	48,293	33,616	33,334
57,014	67,523	77,073	84,893	83,796	93,013	117,667
2,544,193	2,481,021	2,459,357	2,476,516	2,040,517	2,071,978	2,136,322
518,462	514,271	496,131	504,304	482,915	471,744	464,388
103,138	105,703	103,248	107,133	105,458	105,889	103,472
410,636	406,501	333,706	359,703	336,445	342,584	335,004
170,273	172,461	177,185	170,440	171,250	181,329	191,568
148,061	146,589	146,910	141,129	150,625	134,264	133,295
-	-	-	-	-	-	9,876
1,350,570	1,345,525	1,257,180	1,282,709	1,246,693	1,235,810	1,237,603
\$ 3,894,763	\$ 3,826,546	\$ 3,716,537	\$ 3,759,225	\$ 3,287,210	\$ 3,307,788	\$ 3,373,925

**Changes in Net Position**

 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (in thousands)

**Table 2**  
 (Continued)

	Fiscal Year		
	2022	2021	2020
<b>Program Revenue</b>			
Governmental Activities			
Charges for Services:			
General Government	\$ 17,321	\$ 17,077	\$ 18,395
Criminal Justice	17,547	23,970	14,239
Public Safety	78,363	59,862	70,309
Transportation	332,866	10,484	30,552
Community Enrichment	12,082	8,936	9,696
Community Development	122,070	97,406	94,086
Environmental Services	80	74	49
Operating Grants and Contributions	695,334	689,564	472,089
Capital Grants and Contributions	403,681	350,544	169,586
Total Governmental Activities Program Revenue	<u>1,679,344</u>	<u>1,257,917</u>	<u>879,001</u>
Business-Type Activities			
Charges for Services:			
Aviation	525,220	378,553	451,157
Phoenix Convention Center	45,556	27,114	43,040
Water Services	469,835	467,576	425,390
Wastewater Services	224,819	216,830	213,562
Solid Waste	199,550	185,699	154,685
Golf Courses (1)	-	-	-
Grants and Contributions	284,760	226,844	80,209
Total Business-Type Activities Program Revenue	<u>1,749,740</u>	<u>1,502,616</u>	<u>1,368,043</u>
Total Primary Government Program Revenue	<u>\$ 3,429,084</u>	<u>\$ 2,760,533</u>	<u>\$ 2,247,044</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (1,503,735)	\$ (1,535,973)	\$ (1,864,747)
Business-Type Activities	345,859	154,518	(5,631)
Total Primary Government Net Expense	<u>\$ (1,157,876)</u>	<u>\$ (1,381,455)</u>	<u>\$ (1,870,378)</u>

Table 2  
(Continued)

		Fiscal Year											
		2019	2018	2017	2016	2015	2014	2013					
\$	22,012	\$	20,491	\$	19,784	\$	18,387	\$	18,159	\$	16,272	\$	15,748
	22,232		15,684		14,583		15,813		18,336		20,337		21,737
	70,377		69,201		69,671		68,167		71,381		71,913		69,648
	39,226		36,181		35,083		36,331		37,907		38,780		36,125
	11,208		9,448		9,708		11,016		10,737		13,740		5,071
	95,974		83,925		74,490		68,396		58,599		64,893		60,837
	64		40		22		134		478		505		232
	407,132		407,429		396,866		355,750		361,919		343,898		393,652
	134,985		177,863		96,058		94,379		82,285		150,410		98,647
	803,210		820,262		716,265		668,373		659,801		720,748		701,697
	520,951		506,988		403,766		380,533		385,806		369,157		305,686
	47,381		44,743		40,568		42,840		42,759		36,864		24,218
	382,915		413,263		398,263		378,378		358,760		385,294		381,862
	209,415		207,747		198,945		193,727		185,974		186,350		190,519
	148,728		149,023		150,346		146,799		147,536		145,790		144,055
	-		-		-		-		-		-		8,401
	99,914		95,356		204,212		138,162		144,654		130,975		158,314
	1,409,304		1,417,120		1,396,100		1,280,439		1,265,489		1,254,430		1,213,055
\$	2,212,514	\$	2,237,382	\$	2,112,365	\$	1,948,812	\$	1,925,290	\$	1,975,178	\$	1,914,752
\$	(1,740,983)	\$	(1,660,759)	\$	(1,743,092)	\$	(1,808,143)	\$	(1,380,716)	\$	(1,351,230)	\$	(1,434,625)
	58,734		71,595		138,920		(2,270)		18,796		18,620		(24,548)
\$	(1,682,249)	\$	(1,589,164)	\$	(1,604,172)	\$	(1,810,413)	\$	(1,361,920)	\$	(1,332,610)	\$	(1,459,173)

**Changes in Net Position**

 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (in thousands)

**Table 2**  
 (Continued)

	Fiscal Year		
	2022	2021	2020
<b>General Revenues and Other Changes in</b>			
<b>Net Position</b>			
Governmental Activities			
Taxes	\$ 1,645,122	\$ 1,409,082	\$ 1,288,430
Grants and Contributions Not Restricted	553,265	654,429	483,036
Investment Earnings, Net	(82,226)	(6,861)	33,833
Miscellaneous	90,230	130,504	117,512
Sale Proceeds from DPHC to City for Debt Repayment	-	-	-
Transfers - Internal Activities	(48,921)	(24,742)	(26,571)
Total Governmental Activities	2,157,470	2,162,412	1,896,240
Business-Type Activities			
Investment Earnings, Net	43,900	13,633	49,628
Miscellaneous	10,834	-	-
Transfers - Internal Activities	48,921	24,742	26,571
Total Business-Type Activities	103,655	38,375	76,199
Total Primary Government	2,261,125	2,200,787	1,972,439
<b>Change in Net Position (Deficit)</b>			
Governmental Activities	653,735	626,439	31,493
Business-Type Activities	449,514	192,893	70,568
Total Primary Government	\$ 1,103,249	\$ 819,332	\$ 102,061

Table 2  
(Continued)

		Fiscal Year											
		2019	2018	2017	2016	2015	2014	2013					
\$	1,261,469	\$	1,165,415	\$	1,116,831	\$	1,009,824	\$	955,091	\$	1,001,017	\$	1,029,392
	437,427		434,985		406,084		376,017		376,923		349,149		318,673
	41,942		9,190		6,355		11,932		7,419		22,572		2,404
	76,255		118,620		85,994		82,607		82,321		69,860		77,337
	265,000		-		-		-		-		-		-
	(33,581)		(25,547)		(18,321)		(24,631)		(25,080)		(22,653)		(25,416)
	2,048,512		1,702,663		1,596,943		1,455,749		1,396,674		1,419,945		1,402,390
	48,815		9,062		5,347		16,097		9,864		10,787		1,651
	-		-		-		-		-		-		-
	33,581		25,547		18,321		24,631		25,080		22,653		25,416
	82,396		34,609		23,668		40,728		34,944		33,440		27,067
	2,130,908		1,737,272		1,620,611		1,496,477		1,431,618		1,453,385		1,429,457
	307,529		41,904		(146,149)		(352,394)		15,958		68,715		(32,235)
	141,130		106,204		162,588		38,458		53,740		52,060		2,519
\$	448,659	\$	148,108	\$	16,439	\$	(313,936)	\$	69,698	\$	120,775	\$	(29,716)

**Fund Balances of Governmental Funds**
**Table 3**

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2022	2021	2020	2019
<b>General Fund</b>				
Non-Spendable	\$ 28,596	\$ 21,876	\$ 17,240	\$ 17,134
Spendable				
Restricted	49,526	49,942	49,878	48,920
Assigned	159,263	136,559	107,216	97,461
Unassigned	201,757	374,772	255,782	243,541
Total General Fund	439,142	583,149	430,116	407,056
<b>All Other Governmental Funds</b>				
Non-Spendable	832	794	789	801
Spendable				
Restricted	1,228,610	1,016,336	857,174	813,308
Committed	119,342	92,496	93,538	81,575
Assigned	170,193	156,470	147,631	157,235
Unassigned	(221,449)	(116,188)	(56,177)	(14,701)
Total All Other Governmental Funds	1,297,528	1,149,908	1,042,955	1,038,218
<b>Total Fund Balances of Governmental Funds</b>	<b>\$ 1,736,670</b>	<b>\$ 1,733,057</b>	<b>\$ 1,473,071</b>	<b>\$ 1,445,274</b>



**Table 3**  
(Continued)

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 16,175	\$ 13,706	\$ 13,498	\$ 14,224	\$ 14,198	\$ 15,736	
47,774	49,024	62,047	61,564	61,309	40,361	
79,144	51,510	48,715	41,338	46,181	55,390	
216,572	241,712	227,227	210,286	178,563	161,012	
359,665	355,952	351,487	327,412	300,251	272,499	
954	5,235	5,386	5,394	5,945	5,601	
812,860	871,823	701,583	768,861	823,478	889,876	
72,032	55,304	38,803	27,005	36,491	47,874	
156,061	153,146	141,007	132,902	128,261	139,593	
(10,666)	(15,581)	(11,117)	(33,082)	(57,039)	(56,671)	
1,031,241	1,069,927	875,662	901,080	937,136	1,026,273	
\$ 1,390,906	\$ 1,425,879	\$ 1,227,149	\$ 1,228,492	\$ 1,237,387	\$ 1,298,772	

**Changes in Fund Balances of Governmental Funds**
**Table 4**

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2022	2021	2020	2019
<b>Revenues</b>				
City Taxes (see Table 5)	\$ 1,645,068	\$ 1,410,625	\$ 1,287,094	\$ 1,261,164
Licenses and Permits	17,159	16,926	18,271	21,871
Intergovernmental (see Table 6)	1,628,465	1,632,857	1,111,832	948,743
Charges for Services	238,364	178,652	197,396	208,584
Fines and Forfeitures	7,317	14,098	11,374	19,087
Parks and Recreation	1,018	141	1,130	1,815
Special Assessments	8	2	10	9
Investment Income (Loss)	(82,226)	(6,861)	33,832	41,942
Interest Income from Leases	4,782	-	-	-
Dwelling Rentals	5,557	6,978	8,140	8,720
Other	85,746	130,642	117,432	76,318
Total Revenues	3,551,258	3,384,060	2,786,511	2,588,253
<b>Expenditures</b>				
General Government	159,254	129,098	92,079	69,693
Criminal Justice	41,003	37,626	36,883	35,762
Public Safety	1,172,208	1,099,800	1,075,342	996,765
Transportation	350,263	328,235	367,735	367,586
Community Enrichment	346,409	304,346	234,441	224,326
Community Development	235,112	244,928	224,352	192,766
Environmental Services	46,722	28,798	31,347	12,250
Debt Service:				
Principal	168,998	117,917	173,201	155,902
Interest	61,747	62,569	68,517	73,746
Bond Issuance Costs	565	1,368	32	1,062
Other	2,905	3,759	164	1,205
Capital	974,816	957,579	626,858	399,218
Leases	21,224	-	-	-
Total Expenditures	3,581,226	3,316,023	2,930,951	2,530,281
Excess (Deficiency) of Revenues Over Expenditures	\$ (29,968)	\$ 68,037	\$ (144,440)	\$ 57,972

Table 4  
(Continued)

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 1,165,539	\$ 1,116,077	\$ 1,009,918	\$ 955,818	\$ 1,001,873	\$ 1,031,123	
20,125	19,275	18,209	17,602	15,860	15,377	
996,708	885,972	814,134	821,127	850,231	809,198	
192,338	183,619	173,372	169,276	178,290	169,527	
12,349	11,285	12,106	14,222	15,340	15,942	
1,715	1,865	6,919	7,393	10,316	1,891	
11	14	13	29	39	35	
9,190	6,355	11,932	7,419	22,572	2,404	
-	-	-	-	-	-	
8,057	7,825	7,077	7,104	6,658	6,882	
115,954	86,022	82,546	82,604	70,170	79,557	
2,521,986	2,318,309	2,136,226	2,082,594	2,171,349	2,131,936	
75,317	71,173	78,973	78,182	133,854	170,009	
34,285	33,884	32,406	32,403	34,223	35,258	
959,741	897,590	858,297	826,488	830,599	832,133	
308,118	266,745	253,265	263,509	253,517	252,812	
220,198	216,310	505,522	194,428	197,960	189,899	
201,031	193,900	175,956	189,580	201,812	202,038	
10,624	12,839	12,002	16,853	13,987	16,549	
133,784	149,208	130,974	116,008	70,768	90,671	
87,932	89,040	95,401	94,163	98,897	122,189	
461	2,326	491	470	3,187	79	
1,204	1,207	1,225	29	25	422	
498,717	303,398	274,864	254,647	365,887	350,744	
-	-	-	-	-	-	
2,531,412	2,237,620	2,419,376	2,066,760	2,204,716	2,262,803	
\$ (9,426)	\$ 80,689	\$ (283,150)	\$ 15,834	\$ (33,367)	\$ (130,867)	

**Changes in Fund Balances of Governmental Funds**

 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (in thousands)

**Table 4**  
 (Continued)

	Fiscal Year			
	2022	2021	2020	2019
<b>Other Financing Sources (Uses)</b>				
Transfers From Other Funds	\$ 244,932	\$ 205,364	\$ 181,208	\$ 176,282
Transfers to Other Funds	(293,853)	(230,106)	(207,779)	(209,863)
Proceeds from Leases	21,224	-	-	-
Issuance of Debt:				
General Obligation and Revenue Bonds	-	-	-	-
Premium on General Obligation and Revenue Bonds	17,176	-	-	-
Certificates of Participation and Municipal Corporation Obligations	-	231,595	-	-
Premium on Certificates of Participation and Municipal Corporation Obligations	-	25,324	-	-
Special Assessment Bonds	-	-	-	29,977
Refunding Bonds	146,400	116,685	-	-
Proceeds from Loans	60,000	-	200,000	-
Proceeds from Refinancing	-	-	-	-
Financed Purchases	-	-	(1,192)	-
Deposit to Refunding Escrow	(162,298)	(156,913)	-	-
Total Other Financing Sources and Uses	33,581	191,949	172,237	(3,604)
Net Change in Fund Balances	\$ 3,613	\$ 259,986	\$ 27,797	\$ (54,368)
Debt Service as a Percentage of Noncapital Expenditures (1)	7.3%	6.3%	9.4%	10.2%

(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									
		2018	2017	2016	2015	2014	2013				
\$	162,292	\$	166,530	\$	160,614	\$	123,046	\$	122,091	\$	136,971
	(187,839)		(184,851)		(185,245)		(148,126)		(144,744)		(162,387)
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		67,930		-		-		28,544		-
	-		116,835		-		-		-		-
	-		28,978		-		10		39,826		-
	-		-		-		-		-		-
	-		362,585		-		60,945		591,600		-
	-		-		-		-		-		-
	-		-		306,438		-		-		-
	-		-		-		-		-		-
	-		(439,966)		-		(60,604)		(656,414)		-
	(25,547)		118,041		281,807		(24,729)		(19,097)		(25,416)
\$	(34,973)	\$	198,730	\$	(1,343)	\$	(8,895)	\$	(52,464)	\$	(156,283)
	10.0%		11.6%		10.0%		11.4%		8.6%		10.5%

**Tax Revenues by Source - Governmental Funds (1)**
**Table 5**

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2022	2021	2020	2019
General Property Taxes				
Primary - Operating	\$ 192,215	\$ 182,043	\$ 170,209	\$ 162,129
Secondary - Debt Service	119,974	115,069	107,555	101,652
Total General Property Taxes	312,189	297,112	277,764	263,781
City Sales and Franchise Taxes				
General Government Purposes:				
Privilege License Tax and Fees	559,962	469,424	416,399	402,238
Utility and Franchise Tax	97,984	96,026	90,229	93,776
Earmarked for:				
Sports Facilities	27,040	13,991	17,449	20,732
Convention Center	77,786	54,331	55,266	61,200
Neighborhood Protection	49,174	40,940	36,233	35,073
Public Safety Enhancement	26,537	24,476	23,978	26,138
Public Safety Expansion	98,347	81,880	72,464	70,033
Parks & Preserves	49,173	40,940	36,233	35,073
Capital Construction	6,209	7,030	8,548	8,812
Transit	335,608	279,349	247,593	239,418
Total City Sales and Franchise Taxes	1,327,820	1,108,387	1,004,392	992,493
Access to Care Tax	-	-	-	-
Special Taxing District	2,856	3,115	2,880	2,903
Salt River Project In-Lieu Taxes	2,203	2,011	2,058	1,987
Total City Taxes	\$ 1,645,068	\$ 1,410,625	\$ 1,287,094	\$ 1,261,164

(1) Includes general, special revenue and debt service funds.

**Table 5**  
(Continued)

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 154,560	\$ 146,121	\$ 141,310	\$ 138,242	\$ 143,931	\$ 132,101	
95,435	91,021	50,484	49,567	35,204	62,012	
249,995	237,142	191,794	187,809	179,135	194,113	
366,280	355,904	351,148	324,006	326,459	318,751	
93,791	90,780	90,845	107,386	98,870	99,027	
19,979	18,435	17,874	17,062	15,988	14,893	
52,730	49,051	46,501	46,402	44,311	40,828	
31,684	30,172	28,706	29,881	29,153	27,515	
25,976	25,238	25,391	25,068	24,849	24,648	
63,188	60,167	57,350	59,760	58,308	55,029	
31,683	30,173	28,705	29,882	29,153	27,515	
9,574	11,064	12,875	14,281	15,087	16,382	
216,165	203,201	154,628	110,347	111,068	110,059	
911,050	874,185	814,023	764,075	753,246	734,647	
-	-	-	31	65,621	98,431	
2,440	2,735	2,438	2,308	2,240	2,291	
2,054	2,015	1,663	1,595	1,631	1,641	
\$ 1,165,539	\$ 1,116,077	\$ 1,009,918	\$ 955,818	\$ 1,001,873	\$ 1,031,123	

**Intergovernmental Revenues by Source - Governmental Funds (1)**
**Table 6**

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2022	2021	2020	2019
State Shared Revenue				
Highway User Tax	\$ 155,466	\$ 146,188	\$ 135,983	\$ 138,864
State Sales Tax	240,387	204,104	171,926	165,066
State Income Tax	213,294	240,237	214,697	196,918
Vehicle License Tax	78,695	79,769	70,484	70,210
Local Transportation Assistance	4,053	4,220	4,220	4,220
Total State Shared Revenue	691,895	674,518	597,310	575,278
Federal Grants	570,619	581,124	339,453	254,653
Other Intergovernmental Revenue	365,951	377,215	175,069	118,812
Total Intergovernmental Revenues	\$ 1,628,465	\$ 1,632,857	\$ 1,111,832	\$ 948,743

(1) Includes general, special revenue and capital projects funds.



**Table 6**  
(Continued)

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 131,355	\$ 126,058	\$ 116,682	\$ 111,748	\$ 102,009	\$ 98,804	
155,998	143,975	137,544	132,218	127,005	118,730	
200,035	191,225	174,234	175,184	161,580	147,668	
66,784	61,586	59,801	55,293	51,689	48,370	
4,366	4,242	4,356	4,334	4,265	4,251	
558,538	527,086	492,617	478,777	446,548	417,823	
217,976	250,217	256,853	234,616	236,169	277,236	
220,194	108,669	64,664	107,734	167,514	114,139	
\$ 996,708	\$ 885,972	\$ 814,134	\$ 821,127	\$ 850,231	\$ 809,198	



**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			
	2022	2021	2020	2019
Retail (2) (3)	\$ 573,660	\$ 495,479	\$ 416,153	\$ 379,510
Retail Food Sales (1)	-	-	3	36
Utilities & Telecommunications	98,706	98,490	98,533	102,031
Construction Contracting (2)	120,146	95,965	87,560	77,296
Commercial Rental	90,249	88,285	76,915	79,341
Restaurants & Bars	108,867	81,354	83,530	90,114
Hotel/Motel Lodging	62,238	31,898	42,975	52,049
Tangible Personal Property Rental	51,888	39,760	39,805	39,506
Apartment/Residential Rental	70,139	59,323	54,064	49,320
Motor Vehicle Rental	14,723	7,935	9,463	10,296
Amusements	12,510	4,118	8,013	9,923
Advertising	2,826	2,480	1,934	2,588
Job Printing	2,301	1,961	1,948	2,749
Mining, Timbering, Extraction	25	-	-	-
Publishing	222	78	101	308
Transportation	320	979	131	72
Use Tax (2)	55,562	49,788	44,415	46,166
Jet Fuel	731	780	691	815
<b>Total</b>	<b>\$ 1,265,113</b>	<b>\$ 1,058,673</b>	<b>\$ 966,234</b>	<b>\$ 942,120</b>

Source: City of Phoenix Finance Department, Revenue Enforcement 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 2022-2023 sales are as follows: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$11,631 for a single item. Level 2 at 2.00% for amounts greater than \$11,631 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						
2018	2017	2016	2015	2014	2013	
\$ 357,069	\$ 325,641	\$ 300,177	\$ 267,260	\$ 251,514	\$ 238,798	
(3)	15	409	24,792	43,831	51,589	
105,289	100,131	109,107	109,857	111,767	113,839	
58,113	49,117	43,201	45,279	49,506	43,851	
75,161	70,001	63,945	58,919	58,007	60,179	
85,132	76,848	71,828	63,645	59,039	55,350	
47,118	43,262	42,611	39,501	34,403	31,666	
32,632	27,165	21,334	19,406	17,463	19,760	
45,405	39,310	37,451	32,589	30,046	27,144	
13,427	16,109	19,751	18,618	18,186	17,148	
9,149	8,595	7,861	7,065	6,925	6,463	
2,258	2,110	2,312	2,689	2,458	2,655	
2,327	2,207	2,136	2,171	2,035	2,212	
-	-	-	-	-	-	
494	565	554	523	519	365	
15	8	5	7	8	8	
38,026	35,449	31,089	32,071	30,755	23,927	
1,210	3,092	2,971	3,105	2,937	3,089	
\$ 872,822	\$ 799,625	\$ 756,742	\$ 727,497	\$ 719,399	\$ 698,043	

**Direct and Overlapping Sales Tax Rates**
**Table 8**

Last Ten Fiscal Years

Category (1)	As of June 30			
	2022	2021	2020	2019
<b>City Rates</b>				
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
<b>County Rates</b>				
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 2022-2023 sales are as follows: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$11,631 for a single item. Level 2 at 2.00% for amounts greater than \$11,631 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 Enforcement Division



Table 8  
(Continued)

As of June 30					
2018	2017	2016	2015	2014	2013
2.30/2.00%	2.30/2.00%	2.30/2.00%	2.00%	2.00%	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	2.00	2.00	2.00
2.40	2.40	2.40	2.10	2.10	2.10
2.30	2.30	2.30	2.00	2.00	2.00
5.30	5.30	5.30	5.00	5.00	5.00
2.30	2.30	2.30	2.00	2.00	2.00
2.30	2.30	2.30	2.00	2.00	2.00
4.30	4.30	4.30	4.00	4.00	4.00
2.30	2.30	2.30	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50	0.50
2.30	2.30	2.30	2.00	2.00	2.00
0.10	0.10	0.10	-	-	-
2.30	2.30	2.30	-	-	-
2.30	2.30	2.30	2.00	2.00	2.00
2.30	2.30	2.30	2.00	2.00	2.00
2.30/2.00	2.30/2.00	2.30/2.00	2.00	2.00	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	-	-	-
0.31	0.31	0.31	0.31	0.31	0.31

**City Transaction Privilege Taxpayers - By Category**  
 Current Fiscal Year and Nine Years Ago

**Table 9**

Category	2022			
	Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
Retail	63,477	30.12%	\$ 573,660	45.34%
Utilities & Telecommunications	1,320	0.63	98,706	7.80
Construction Contracting	9,518	4.52	120,146	9.50
Commercial Rental	23,353	11.08	90,249	7.13
Restaurants & Bars	6,377	3.03	108,867	8.61
Hotel/Motel Lodging	2,890	1.37	62,238	4.92
Tangible Personal Property Rental	6,372	3.02	51,888	4.10
Apartment/Residential Rental	47,512	22.54	70,139	5.54
Motor Vehicle Rental	497	0.24	14,723	1.16
Amusements	1,060	0.50	12,510	0.99
Advertising	599	0.28	2,826	0.22
Job Printing	829	0.39	2,301	0.18
Mining, Timbering, Extraction	44	0.02	25	0.00
Publishing	223	0.11	222	0.02
Transportation	377	0.18	320	0.03
Use Tax	46,255	21.94	55,562	4.39
Jet Fuel	76	0.04	731	0.06
<b>Total</b>	<b>210,779</b>	<b>100.00%</b>	<b>\$ 1,265,113</b>	<b>100.00%</b>

Source: City of Phoenix Finance Department, Revenue Enforcement Division

**Table 9**  
(Continued)

2013			
Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
20,140	37.05%	\$ 290,287	41.59%
515	0.95	113,839	16.31
10,385	19.10	43,851	6.28
9,046	16.64	60,179	8.62
3,134	5.77	55,350	7.93
128	0.24	31,666	4.54
1,183	2.18	19,760	2.83
6,857	12.61	27,144	3.89
25	0.05	17,148	2.46
195	0.36	6,463	0.93
228	0.42	2,655	0.38
349	0.64	2,212	0.32
-	-	-	-
57	0.10	365	0.05
16	0.03	8	0.00
2,086	3.84	23,927	3.43
16	0.03	3,089	0.44
<u>54,360</u>	<u>100.00%</u>	<u>\$ 697,943</u>	<u>100.00%</u>

**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 Levy	Amount	% of Levy	Collections In Subsequent Years <sup>(1)</sup>	Amount	% of Levy
2022	\$ 313,719	\$ 308,466	98.33%	\$ -	\$ 308,466	98.33%
2021	296,508	292,525	98.66	3,746	296,271	99.92
2020	281,597	273,728	97.21	5,539	279,267	99.17
2019	265,405	260,408	98.12	2,978	263,386	99.24
2018	253,182	248,097	97.99	3,156	251,253	99.24
2017	238,313	235,000	98.61	2,754	237,754	99.77
2016	192,502	189,460	98.42	2,154	191,614	99.54
2015	189,852	185,764	97.85	2,074	187,838	98.94
2014	180,295	176,226	97.74	2,640	178,866	99.21
2013	196,891	191,304	97.16	3,124	194,428	98.75

(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)

	City of Phoenix			Maricopa County	Flood Control	Central Arizona Water Conservation District	Maricopa County Library District	
	Primary	Secondary	Total					
<b>Tax Rates per \$100 of Limited Net Assessed Valuation (1)</b>								
2022-23	\$ 1.30	\$ 0.81	\$ 2.11	\$ 1.25	\$ 0.16	\$ 0.14	\$ 0.05	
2021-22	1.31	0.81	2.12	1.35	0.18	0.14	0.06	
2020-21	1.31	0.82	2.13	1.40	0.18	0.14	0.06	
2019-20	1.31	0.82	2.13	1.40	0.18	0.14	0.06	
2018-19	1.32	0.82	2.14	1.40	0.18	0.14	0.06	
2017-18	1.34	0.82	2.16	1.40	0.18	0.14	0.06	
2016-17	1.34	0.83	2.17	1.40	0.18	0.14	0.06	
2015-16	1.34	0.48	1.82	1.36	0.16	0.14	0.06	
2014-15	1.35	0.47	1.82	1.32	0.14	0.14	0.06	
2013-14	1.47	0.35	1.82	1.28	0.14	0.14	0.04	
<b>Tax Levies (1)</b>								
2022-23	\$ 201,207	\$ 126,108	\$ 327,315	\$ 193,213	\$ 22,734	\$ 21,834	\$ 7,823	
2021-22	193,225	120,494	313,719	199,205	24,435	20,772	8,229	
2020-21	181,767	114,741	296,508	195,050	22,972	19,540	7,741	
2019-20	172,626	108,971	281,597	185,241	21,699	18,426	7,352	
2018-19	163,218	102,187	265,405	173,708	20,337	17,385	6,894	
2017-18	156,586	96,596	253,182	164,205	19,058	16,402	6,517	
2016-17	146,711	91,602	238,313	153,849	17,767	15,401	6,106	
2015-16	141,880	50,622	192,502	143,943	15,126	14,866	5,881	
2014-15	139,448	50,404	189,852	136,029	13,465	15,135	6,015	
2013-14	145,024	35,271	180,295	126,659	12,331	13,969	4,369	

(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	West Maricopa Education Center	Elementary and High School <sup>(2)</sup>	
\$ 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
0.01	0.30	0.51	1.49	0.05	0.07	12.15	18.12
0.01	0.19	0.51	1.52	0.05	0.08	11.34	17.18
0.01	0.19	0.51	1.53	0.05	0.06	12.13	17.90
\$ 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
1,227	31,953	53,456	158,021	767	3,402	914,751	1,535,895
1,223	20,079	52,407	157,628	774	4,019	877,269	1,473,895
1,207	19,341	50,665	151,917	706	2,686	854,993	1,419,138

**Property Tax Levies**
**Table 12**

Applicable to Phoenix Property Owners

(in thousands)

	2022-23 Levies							
	Limited Net Assessed Valuation <sup>(1)</sup>			Primary Tax Rate Per \$100	Total		Total	
	Total	Percent	Amount		Phoenix Primary Tax Levy	Secondary Tax Rate Per \$100	Phoenix Secondary Tax Levy	Total Phoenix Tax Levy
City of Phoenix	\$ 15,490,532	100.00%	\$ 15,490,532	\$ 1.2989	\$ 201,207	\$ 0.8141	\$ 126,108	\$ 327,315
Maricopa County	51,575,018	30.03	15,490,532	1.2473	193,213	-	-	193,213
Education Equalization	51,932,898	30.03	15,595,449	-	-	-	-	-
Flood Control	47,553,261	30.03	14,280,244	-	-	0.1592	22,734	22,734
Central Arizona Water Conservation District	51,932,898	30.03	15,595,449	-	-	0.1400	21,834	21,834
Maricopa County Library District	51,575,018	30.03	15,490,532	-	-	0.0505	7,823	7,823
Volunteer Fire District Assistance	51,575,018	30.03	15,490,532	-	-	0.0082	1,270	1,270
East Valley Institute of Technology	25,369,202	8.51	2,157,734	-	-	0.0500	1,079	1,079
West Maricopa Education Center	19,300,491	36.98	7,138,170	-	-	0.1538	10,979	10,979
Maricopa Special Health Care District	51,932,898	29.83	15,490,532	-	-	0.2488	38,540	38,540
State of Arizona	78,405,599	19.76	15,490,532	-	-	-	-	-
<b>School Districts</b>								
Maricopa County Community College District	51,575,018	30.03	15,490,532	1.0865	168,305	0.1029	15,940	184,245
<b>High School Districts</b>								
Phoenix Union	6,194,276	96.36	5,968,826	2.7758	165,683	1.8303	109,247	274,930
Glendale Union	1,909,834	78.82	1,505,276	2.0836	31,364	1.6011	24,101	55,465
Tempe Union	4,407,553	28.82	1,270,398	1.7482	22,209	0.5960	7,572	29,781
Tolleson Union	1,607,351	48.78	784,123	1.7720	13,895	3.6421	28,559	42,454
Agua Fria Union	1,825,896	0.02	333	1.8369	6	1.2854	4	10
Total High School Districts								402,640
<b>Elementary School Districts</b>								
No. 1 Phoenix	859,063	100.00	859,063	3.2063	27,544	1.8172	15,611	43,155
No. 2 Riverside	460,796	97.88	451,007	1.2972	5,850	2.1204	9,563	15,413
No. 3 Tempe	1,883,101	14.00	263,706	2.5081	6,614	1.9652	5,182	11,796
No. 5 Isaac	175,650	100.00	175,650	5.3378	9,376	2.5391	4,460	13,836
No. 6 Washington	1,545,562	97.39	1,505,275	2.2438	33,775	2.2092	33,255	67,030
No. 7 Wilson	137,692	100.00	137,692	3.1028	4,272	1.4255	1,963	6,235
No. 8 Osborn	525,072	99.95	524,801	2.0577	10,799	2.1355	11,207	22,006
No. 14 Creighton	536,741	87.22	468,125	1.8729	8,768	2.6567	12,437	21,205
No. 17 Tolleson	257,911	17.67	45,567	1.9241	877	2.3851	1,087	1,964
No. 21 Murphy	126,168	100.00	126,168	1.8544	2,340	1.7048	2,151	4,491
No. 28 Kyrene	2,524,452	39.88	1,006,692	1.7977	18,097	1.7703	17,821	35,918
No. 31 Balsz	380,659	93.98	357,751	1.8177	6,503	1.6954	6,065	12,568
No. 38 Madison	1,239,316	100.00	1,239,316	1.7437	21,610	2.0695	25,648	47,258
No. 40 Glendale	364,273	<0.01	1	1.9339	-	3.5815	-	-
No. 45 Fowler	459,857	88.42	406,598	1.7536	7,130	1.6424	6,678	13,808
No. 48 Scottsdale (Unified)	6,406,818	13.85	887,337	2.4282	21,546	0.9165	8,132	29,678
No. 59 Laveen	298,016	85.48	254,746	2.0553	5,236	5.2119	13,277	18,513
No. 62 Union	95,817	96.92	92,866	2.0253	1,881	2.5147	2,335	4,216
No. 65 Littleton	348,508	16.58	57,787	1.9650	1,136	3.1659	1,829	2,965
No. 66 Roosevelt	778,704	98.90	770,144	3.6718	28,278	2.7552	21,219	49,497
No. 68 Alhambra	369,432	80.50	297,386	1.9848	5,903	4.7040	13,989	19,892
No. 69 Paradise Valley (Unified)	4,251,312	69.28	2,945,496	3.5757	105,322	2.2826	67,234	172,556
No. 79 Litchfield	1,226,791	0.03	333	1.7919	6	1.5116	5	11
No. 83 Cartwright	306,967	100.00	306,967	3.8673	11,871	5.2129	16,002	27,873
No. 92 Pendergast	445,258	40.72	181,325	1.8702	3,391	3.8160	6,919	10,310
No. 93 Cave Creek (Unified)	2,439,936	13.77	336,054	1.4820	4,980	0.1473	495	5,475
No. 97 Deer Valley (Unified)	3,234,501	55.41	1,792,191	3.5262	63,196	2.3091	41,383	104,579
Total Elementary School Districts								762,248
Total All School Districts								1,349,133
Total Levies Applicable to Phoenix								\$ 1,973,920

(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

Applicable to Phoenix Property Owners

(in thousands)

Table 12

(Continued)

	2021-22 Levies								
	Limited Net Assessed Valuation <sup>(1)</sup>			Primary Tax Rate Per \$100	Total Phoenix		Total Phoenix		Total Phoenix Tax Levy
	Total	Within Phoenix			Primary Tax Levy	Secondary Tax Rate Per \$100	Secondary Tax Levy	Total Phoenix Tax Levy	
		Percent	Amount	Amount					
City of Phoenix	\$ 14,800,877	100.00%	\$ 14,800,877	\$ 1.3055	\$ 193,225	\$ 0.8141	\$ 120,494	\$ 313,719	
Maricopa County	48,724,127	30.38	14,800,877	1.3459	199,205	-	-	199,205	
Education Equalization	48,837,617	30.38	14,836,868	0.4263	63,250	-	-	63,250	
Flood Control	44,882,715	30.38	13,635,369	-	-	0.1792	24,435	24,435	
Central Arizona Water Conservation District	48,837,617	30.38	14,836,868	-	-	0.1400	20,772	20,772	
Maricopa County Library District	48,724,127	30.38	14,800,877	-	-	0.0556	8,229	8,229	
Volunteer Fire District Assistance	48,724,127	30.38	14,800,877	-	-	0.0086	1,273	1,273	
East Valley Institute of Technology	23,998,252	8.67	2,080,587	-	-	0.0500	1,040	1,040	
West Maricopa Education Center	18,045,628	37.58	6,782,195	-	-	0.1579	10,709	10,709	
Maricopa Special Health Care District	48,837,617	30.31	14,800,877	-	-	0.2970	43,959	43,959	
State of Arizona	74,200,233	19.95	14,800,877	-	-	-	-	-	
<b>School Districts</b>									
Maricopa County Community College District	48,724,127	30.38	14,800,877	1.1112	164,467	0.1145	16,947	181,414	
<b>High School Districts</b>									
Phoenix Union	5,945,159	96.45	5,734,267	2.9139	167,091	1.8037	103,429	270,520	
Glendale Union	1,838,146	79.10	1,453,895	2.2463	32,659	1.5367	22,342	55,001	
Tempe Union	4,201,600	28.98	1,217,455	1.8431	22,439	0.6035	7,347	29,786	
Tolleson Union	1,471,719	49.17	723,650	1.9960	14,444	2.7375	19,810	34,254	
Agua Fria Union	1,633,724	0.02	259	2.0385	5	1.2613	3	8	
Total High School Districts								389,569	
<b>Elementary School Districts</b>									
No. 1 Phoenix	874,077	100.00	874,077	3.1179	27,253	1.7150	14,990	42,243	
No. 2 Riverside	433,795	97.96	424,966	1.2186	5,179	2.0695	8,795	13,973	
No. 3 Tempe	1,788,975	14.29	255,669	2.6138	6,683	1.8370	4,697	11,379	
No. 5 Isaac	171,443	100.00	171,443	5.3378	9,151	2.6075	4,470	13,622	
No. 6 Washington	1,492,786	97.39	1,453,894	2.4556	35,702	2.1075	30,641	66,343	
No. 7 Wilson	127,943	100.00	127,943	3.3065	4,230	1.4027	1,795	6,025	
No. 8 Osborn	510,095	99.94	509,815	2.2138	11,286	2.1729	11,078	22,364	
No. 14 Creighton	510,322	87.09	444,431	2.0070	8,920	2.8501	12,667	21,586	
No. 17 Tolleson	238,882	18.32	43,774	1.9483	853	2.4300	1,064	1,917	
No. 21 Murphy	123,360	100.00	123,360	2.0317	2,506	2.2679	2,798	5,304	
No. 28 Kyrene	2,412,625	39.86	961,786	1.9032	18,305	1.7752	17,074	35,378	
No. 31 Balsz	365,559	94.04	343,784	1.9371	6,659	1.7188	5,909	12,568	
No. 38 Madison	1,192,160	100.00	1,192,160	1.8344	21,869	2.0280	24,177	46,046	
No. 40 Glendale	345,361	<0.01	1	2.1652	-	3.0754	-	-	
No. 45 Fowler	426,359	87.83	374,473	1.9498	7,301	1.3612	5,097	12,399	
No. 48 Scottsdale (Unified)	6,125,463	14.09	863,133	2.5261	21,804	0.9318	8,043	29,846	
No. 59 Laveen	267,342	85.06	227,412	2.2279	5,067	5.1354	11,679	16,745	
No. 62 Union	90,105	96.63	87,072	1.9000	1,654	2.1113	1,838	3,493	
No. 65 Littleton	310,116	17.75	5,504	2.1807	1,200	3.2852	1,808	3,008	
No. 66 Roosevelt	719,208	98.86	711,027	3.8956	27,699	2.9335	20,858	48,557	
No. 68 Alhambra	351,989	81.25	285,985	2.1208	6,065	4.7996	13,726	19,791	
No. 69 Paradise Valley (Unified)	4,015,026	69.66	2,796,780	3.7424	104,667	2.0633	57,706	162,377	
No. 79 Litchfield	1,101,918	0.02	259	1.9456	5	1.5494	4	9	
No. 83 Cartwright	297,864	100.00	297,864	4.3512	12,961	5.1679	15,393	28,354	
No. 92 Pendergast	406,257	40.19	163,286	2.0180	3,295	3.7949	6,197	9,492	
No. 93 Cave Creek (Unified)	2,315,163	13.62	315,316	1.4188	4,474	0.1543	487	4,960	
No. 97 Deer Valley (Unified)	3,071,462	55.21	1,695,637	3.7629	63,805	2.2955	38,923	102,728	
Total Elementary School Districts								740,507	
Total All School Districts								1,311,490	
Total Levies Applicable to Phoenix								\$ 1,998,081	

**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 <sup>(1)</sup>				Total
			Commercial/ Utilities/ Industrial	Residential	Rural and Other		
	Rate						
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
2015-16		0.48	4,579,070	5,701,785	296,177		10,577,032
2014-15		0.47	4,700,793	5,788,311	329,530		10,818,634
2013-14		0.35	4,662,457	4,979,086	333,170		9,974,713

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)

<b>Assessed Valuation Per Capita</b>				
<b>Percent Change in Net Valuation</b>	<b>Actual</b>	<b>Uninflated</b>	<b>Estimated True Valuation</b>	
4.66%	\$ 9,398	\$ 5,835	\$ 154,984,009	
6.30	8,955	5,958	146,033,864	
5.30	8,511	5,794	138,096,772	
6.64	8,229	5,689	129,817,493	
5.79	7,756	5,474	121,702,906	
6.73	7,422	5,355	116,338,740	
3.83	7,013	5,153	110,159,434	
(2.23)	6,922	5,121	105,206,669	
8.46	7,188	5,357	106,487,248	
(8.06)	6,714	5,081	98,192,506	

**Principal Property Taxpayers**
**Table 14**

Current Year and Nine Years Ago

(in thousands)

Taxpayer	2021-22			2012-13		
	Limited Net Assessed Valuation <sup>(1)</sup>	Ranking	As a Percent of Total City	Secondary Net Assessed Valuation <sup>(1)</sup>	Ranking	As a Percent of Total City
Arizona Public Service Company	\$ 509,709	1	3.44%	\$ 360,731	1	3.32%
Southwest Gas Corporation	115,929	2	0.78	74,079	3	0.68
Century Link (Qwest Communications)	43,052	3	0.29	95,557	2	0.88
Host Kierland LP	36,606	4	0.25	40,532	4	0.37
Esplanade Owner LP	34,167	5	0.23			
Host Camelback I LLC	31,033	6	0.21			
Phoenix Plaza PT LLC	27,968	7	0.19	23,353	9	0.22
Target Corporation	24,591	8	0.17			
United Services Automobile Association	23,841	9	0.16			
Bre Iconic ABR Owner LLC	21,340	10	0.14			
AT&T Inc				34,058	5	0.31
Metropolitan Life Insurance Company				28,969	6	0.27
HUB Properties Trust				27,247	7	0.25
Verizon Wirelss				24,021	8	0.22
Stawood Hotels and Resorts				23,109	10	0.21
<b>Total</b>	<b>\$ 868,236</b>		<b>5.86%</b>	<b>\$ 731,656</b>		<b>6.73%</b>
City Total Limited Net Assessed Valuation	<u>\$ 14,800,877</u>					
City Total Secondary Net Assessed Valuation				<u>\$ 10,849,744</u>		

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			
	2022-23	2021-22	2020-21	2019-20
<b>6% Limitation</b>				
Legal Debt Limitation	\$ 1,382,707	\$ 1,306,853	\$ 1,193,383	\$ 1,091,621
General Obligation Bonds Outstanding (1)	76,825	91,715	113,510	145,925
Less: Assets held in Restricted Redemption Funds (4)	-	-	-	-
Debt Limit Reduction from Refunding (5)	14,780	14,595	14,628	14,727
Subtotal	91,605	106,310	128,138	160,652
Total Debt Margin Available	\$ 1,291,102	\$ 1,200,543	\$ 1,065,245	\$ 930,969
Total Net Debt Applicable to the 6% Limit				
as a percentage of 6% Debt Limit	6.63%	8.13%	10.74%	14.72%
<b>20% Limitation</b>				
Legal Debt Limitation	\$ 4,609,023	\$ 4,356,176	\$ 3,977,943	\$ 3,638,736
General Obligation Bonds Outstanding (1)	738,570	827,190	890,365	939,125
Less: Capital Appreciation (2)	-	-	-	-
Debt Limit Reduction from Refunding (5)	47,632	32,899	33,261	34,545
Subtotal	786,202	860,089	923,626	973,670
Total Debt Margin Available	\$ 3,822,821	\$ 3,496,087	\$ 3,054,317	\$ 2,665,066
Total Net Debt Applicable to the 20% Limit				
as a percentage of 20% Debt Limit	17.06%	19.74%	23.22%	26.76%
Full Cash Net Assessed Valuation	\$ 23,045,115	\$ 21,780,881	\$ 19,889,714	\$ 18,193,681

(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) The General Obligation Bonds outstanding balance includes accrued interest, or capital appreciation, on capital appreciation bonds. For purposes of the legal debt margin computation, the bonds outstanding balance must be reduced by the amount of this capital appreciation.

(3) 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.

(4) Beginning in FY 2016-17, Assets held in Restricted Redemption Funds will no longer be used in the calculation of the 6% Legal Debt Limitation.

(5) Per A.R.S. Section 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						
2018-19	2017-18	2016-17 <sup>(3)</sup>	2015-16 <sup>(3)</sup>	2014-15	2013-14	
\$ 999,953	\$ 921,981	\$ 840,535	\$ 634,622	\$ 649,118	\$ 598,483	
172,680	207,115	274,835	323,260	363,100	370,195	
-	-	-	181,730	247,025	290,812	
17,715	19,355	-	-	-	-	
190,395	226,470	274,835	141,530	116,075	79,383	
\$ 809,558	\$ 695,511	\$ 565,700	\$ 493,092	\$ 533,043	\$ 519,100	
19.04%	24.56%	32.70%	22.30%	17.88%	13.26%	
\$ 3,333,175	\$ 3,073,271	\$ 2,801,784	\$ 2,115,406	\$ 2,163,727	\$ 1,994,943	
977,105	994,290	1,061,880	1,104,837	1,132,676	1,174,635	
-	-	-	-	-	(882)	
36,102	37,915	-	-	-	-	
1,013,207	1,032,205	1,061,880	1,104,837	1,132,676	1,173,753	
\$ 2,319,968	\$ 2,041,066	\$ 1,739,904	\$ 1,010,569	\$ 1,031,051	\$ 821,190	
30.40%	33.59%	37.90%	52.23%	52.35%	58.84%	
\$ 16,665,875	\$ 15,366,354	\$ 14,008,919	\$ 10,577,032	\$ 10,818,634	\$ 9,974,713	

**Ratio of Debt Service Expenditures for General Bonded Debt  
to General Governmental Operating Expenditures - Budget Basis**
**Table 16**

 Last Ten Fiscal Years  
(in thousands)

	<b>Total Debt Service</b>		<b>Total General Governmental Operating Expenditures <sup>(1)</sup></b>		<b>Ratio of Debt Service to General Governmental Operating Expenditures</b>
2021-22	\$	233,024	\$	3,062,949	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
2014-15		210,428		1,911,760	11.0
2013-14		170,762		1,898,389	9.0
2012-13		213,298		2,004,539	10.6

(1) Includes all funds other than the enterprise funds. See Exhibit H-1.



**City of Phoenix**

**Pledged-Revenue Bond Coverage (1)**
**Table 17**

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30,	Airport Revenue Bonds <sup>(2)</sup>					
	Operating Revenues	Less: Operating Expenses	Net Operating Revenues	Principal	Interest	Coverage
2022 <sup>(3)</sup>	\$ 449,805	\$ 278,986	\$ 170,819	\$ -	\$ 3,035	56.28
2021 <sup>(3)</sup>	304,431	242,138	62,293	6,020	2,448	7.36
2020	368,898	259,866	109,032	30,071	38,210	1.60
2019	410,375	257,345	153,030	23,797	38,095	2.47
2018	401,197	249,613	151,584	29,759	31,356	2.48
2017	370,841	245,116	125,725	26,310	28,420	2.30
2016	360,163	230,236	129,927	24,581	28,156	2.46
2015	354,221	226,165	128,056	22,870	27,466	2.54
2014	343,550	224,563	118,987	23,145	28,489	2.30
2013	309,862	201,996	107,866	21,905	31,338	2.03

Fiscal Year Ended June 30,	Excise Tax Revenue Bonds <sup>(4)</sup>				Highway User Revenue Bonds <sup>(5)</sup>				Community Facilities District Assessment Bonds <sup>(6)</sup>			
	Excise Tax Revenues	Principal	Interest	Coverage	Highway User Tax Revenues	Principal	Interest	Coverage	Assessment Collections/ Project Revenues	Principal	Interest	Coverage
2022	\$ 1,252,223	\$ 38,389	\$ 33,197	17.49	\$ 155,466	\$ -	\$ -	-	\$ 1,971	\$ 695	\$ 1,557	0.88
2021	1,112,310	50,130	33,760	13.26	146,188	-	-	-	1,241	665	1,586	0.55
2020	1,001,305	53,400	32,471	11.66	135,998	-	-	-	972	-	-	-
2019	976,954	52,975	34,677	11.15	138,864	-	-	-	-	-	-	-
2018	925,893	39,355	44,450	11.05	131,355	-	-	-	-	-	-	-
2017	887,212	41,855	40,718	10.74	126,058	-	-	-	-	-	-	-
2016	858,716	38,285	44,146	10.42	116,682	-	-	-	-	-	-	-
2015	844,389	34,865	36,511	11.83	111,748	-	-	-	-	-	-	-
2014	816,923	31,095	40,794	11.36	102,009	-	-	-	-	-	-	-
2013	783,630	29,785	42,171	10.89	98,804	5,875	16,125	4.49	-	-	-	-

(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 and 2022 represent the amounts not covered by the CARES Act Grant.

(4) Debt service on some Excise Tax Bonds are paid from airport and solid waste revenues, but only pledged excise tax revenues are included in this table.

(5) The final maturity of Highway User Revenue Bonds was paid on 7/1/2013.

(6) 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.

**Pledged-Revenue Bond Coverage (1)**

**Table 17**

Last Ten Fiscal Years

(Continued)

(in thousands)

Fiscal Year Ended June 30,	Rental Car Facility Charge Revenue Bonds <sup>(7)</sup>				Special Assessment Bonds <sup>(8)</sup>				Transit Excise Tax Revenue Bonds <sup>(9)</sup>			
	Customer Facility Charge Revenues	Principal	Interest	Coverage	Special Assessment Collections	Principal	Interest	Coverage	Transit Excise Tax Revenues	Principal	Interest	Coverage
2022	\$ 59,454	\$ 7,655	\$ 12,885	2.89	\$ -	\$ -	\$ -	-	\$ 191,777	\$ -	\$ -	-
2021	34,435	7,500	13,043	1.68	-	-	-	-	159,627	-	-	-
2020	40,583	2,410	11,610	2.89	9	16	1	0.54	141,482	67,275	3,264	2.01
2019	50,851	10,990	10,284	2.39	10	17	2	0.53	136,674	61,060	6,117	2.03
2018	48,765	10,370	10,903	2.29	11	19	3	0.50	123,318	55,205	8,775	1.93
2017	46,882	9,795	11,478	2.20	14	18	4	0.64	115,910	49,865	11,071	1.90
2016	46,969	9,255	12,022	2.21	13	19	5	0.54	112,254	37,145	12,807	2.25
2015	45,698	8,750	12,527	2.15	29	18	7	1.16	110,347	32,775	14,416	2.34
2014	41,858	8,285	12,992	1.97	50	18	8	1.92	111,068	25,595	15,037	2.73
2013	40,579	7,845	13,431	1.91	35	31	10	0.85	110,059	31,035	19,098	2.20
	<b>Wastewater Revenue Bonds</b>						<b>Water Revenue Bonds</b>					
Fiscal Year Ended June 30,	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage
2022	\$ 242,837	\$ 85,617	\$ 157,220	\$ 47,007	\$ 24,362	2.20	\$ 495,345	\$ 230,171	\$ 265,174	\$ 58,020	\$ 73,733	2.01
2021	227,870	81,235	146,635	44,827	26,547	2.05	496,694	221,644	275,050	64,972	68,851	2.06
2020	226,717	78,753	147,964	42,778	28,597	2.07	458,761	211,527	247,234	62,025	58,736	2.05
2019	219,198	80,831	138,367	42,899	30,850	1.88	406,217	205,280	200,937	58,678	54,325	1.78
2018	215,580	78,753	136,827	42,052	26,971	1.98	441,468	193,018	248,450	52,976	56,861	2.26
2017	205,748	74,591	131,157	39,485	29,704	1.90	420,471	168,119	252,352	47,690	59,339	2.36
2016	199,761	66,817	132,944	36,568	32,626	1.92	399,709	168,304	231,405	34,344	62,058	2.40
2015	190,815	65,799	125,016	22,612	33,679	2.22	371,591	159,505	212,086	55,042	51,493	1.99
2014	193,009	70,245	122,764	32,347	36,191	1.79	400,507	165,992	234,515	50,231	62,726	2.08
2013	194,611	70,244	124,367	25,082	37,705	1.98	425,937	164,137	261,800	43,436	65,244	2.41

(7) 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.

(8) Coverage ratio is less than 1.0 due to prepayment of assessments that are currently in fund balance.

(9) 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.

**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	Revenue Bonds	Loans from Direct Borrowings	Municipal Corporation Bonds	Special Assessment Bonds	Community Facilities Districts <sup>(1)</sup>	Certificates of Participation	Financed Purchases <sup>(2)</sup>	Premiums/ (Discounts)		
2022	\$ 815,395	\$ -	\$ -	\$ 488,750	\$ -	\$ 28,640	\$ -	\$ -	\$ 77,826	\$ -	\$ 1,410,611
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
2015	1,371,620	-	-	628,285	133	-	-	-	80,287	-	2,080,325
2014	1,430,205	-	-	671,560	151	-	24,265	-	96,570	-	2,222,751
2013	1,472,180	-	-	739,170	169	-	25,630	-	57,815	-	2,294,964

Fiscal Year	Business-Type Activities					Total		
	General Obligation Bonds	Loans from Direct Borrowings	Municipal Corporation Bonds	Premiums/ (Discounts)	Total Business-Type Activities	Total Primary Government	Total Debt as a Percentage of Personal Income <sup>(3)</sup>	Total Debt Per Capita <sup>(3)</sup>
2022	\$ -	\$ 10,087	\$ 4,948,325	\$ 611,243	\$ 5,569,655	\$ 6,980,266	8.2%	\$ 4,235
2021	330	11,804	5,127,085	669,014	5,808,233	7,347,108	8.7	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
2015	56,477	15,908	4,029,790	299,001	4,401,176	6,481,501	10.1	4,242
2014	65,571	16,818	4,094,225	199,012	4,375,626	6,598,377	10.6	4,384
2013	73,532	17,701	4,246,165	201,404	4,538,802	6,833,766	11.9	4,600

(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) Financed Purchases are not backed by pledged revenues of any City of Phoenix bond credits. Payments on Financed Purchases are subject to annual expenditure appropriation of the General Fund.

(3) See Table 21 for personal income and population data. Per Capita Income is not available for calendar year 2021 or 2022, therefore, 2020 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			As a Percentage of Valuation of Property <sup>(1)</sup>	Debt Secured by Revenues other than Property Tax <sup>(2)</sup>	Premiums/ (Discounts)	Net Direct Bonded Debt	Net Direct Bonded Debt Per Capita
	Governmental Activities	Business- Type Activities	Total					
2021-22	\$ 815,395	\$ -	\$ 815,395	5.3%	\$ 819,430	\$ 119,441	\$ 1,754,266	\$ 1,064
2020-21	918,575	330	918,905	6.2	859,000	126,938	1,904,843	1,168
2019-20	1,002,860	1,015	1,003,875	7.2	662,321	112,239	1,778,435	1,087
2018-19	1,071,685	13,365	1,085,050	8.2	784,129	135,224	2,004,403	1,247
2017-18	1,129,145	20,640	1,149,785	9.3	1,164,273	161,733	2,475,791	1,549
2016-17	1,178,330	23,075	1,201,405	10.2	1,259,923	191,602	2,652,930	1,680
2015-16	1,305,320	31,395	1,336,715	12.2	1,250,922	117,574	2,705,211	1,728
2014-15	1,371,620	56,477	1,428,097	13.5	1,013,798	137,197	2,579,092	1,688
2013-14	1,430,205	65,571	1,495,776	13.8	1,125,726	112,237	2,733,739	1,816
2012-13	1,472,180	73,532	1,545,712	15.5	1,204,429	74,163	2,824,304	1,901

(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 and Financed Purchases issued under the general credit of the City which includes the General Obligation and Excise Tax credits.

**Direct and Overlapping Bonded Debt**
**Table 20**

June 30, 2022

(in thousands)

	<u>Direct Debt</u>		
<b>Direct Debt - City of Phoenix Governmental Activities (1)</b>			
General Obligation Bonds			
6% Limitation Various Purpose			\$ 76,825
20% Limitation Various Purpose			738,570
Total General Obligation Bonds			<u>815,395</u>
Other Obligations			
Municipal Corporation Obligations			488,750
Community Facilities Districts			28,640
Total Other Obligations			<u>517,390</u>
Total Direct Debt			<u>1,332,785</u>
Discounts/Premiums			77,826
Total Governmental Activities			<u>\$ 1,410,611</u>
		<b>Valuation Percent</b>	
	<b>Bonded Debt</b>	<b>to City</b>	<b>Overlapping Debt</b>
<b>Overlapping Debt (2)</b>			
Maricopa County Community College District	\$ 250,065	30.03%	\$ 75,095
High School Districts			
Phoenix Union	388,570	96.36	374,426
Glendale Union	135,580	78.82	106,864
Tempe Union	76,755	28.82	22,121
Agua Fria Union	123,255	0.02	25
Elementary School Districts			
No. 1 Phoenix	47,360	100.00	47,360
No. 2 Riverside	37,750	97.88	36,950
No. 3 Tempe	125,565	14.00	17,579
No. 6 Washington	104,015	97.39	101,300
No. 7 Wilson	3,010	100.00	3,010
No. 8 Osborn	48,415	99.95	48,391
No. 14 Creighton	42,595	87.22	37,151
No. 17 Tolleson	22,705	17.67	4,012
No. 28 Kyrene	182,955	39.88	72,962
No. 31 Balsz	26,445	93.98	24,853
No. 38 Madison	93,875	100.00	93,875
No. 40 Glendale	40,180	<0.01	-
No. 48 Scottsdale (Unified)	302,834	13.85	41,943
No. 59 Laveen	21,895	85.48	18,716
No. 62 Union	7,135	96.92	6,915
No. 65 Littleton	22,695	16.58	3,763
No. 66 Roosevelt	73,485	98.90	72,677
No. 68 Alhambra	38,980	80.50	31,379
No. 69 Paradise Valley (Unified)	326,641	69.28	226,297
No. 79 Litchfield	43,385	0.03	13
No. 83 Cartwright	32,895	100.00	32,895
No. 92 Pendergast	47,180	40.72	19,212
No. 93 Cave Creek (Unified)	27,205	13.77	3,746
No. 97 Deer Valley (Unified)	164,875	55.41	91,357
Total Overlapping Debt	<u>\$ 2,858,300</u>		<u>1,614,887</u>
Net Direct and Overlapping Bonded Debt			<u>\$ 3,025,498</u>

(1) Net of cash with fiscal agent for July 1, 2022 maturities.

(2) Source: Prior year Arizona Department of Administration (ADOA) Report of Bond Indebtedness Fiscal Year 2021, General Obligation Bonds outstanding, not including discounts/premiums, as of 6/30/22. The ADOA Report of Bond Indebtedness Fiscal Year 2022 is not available until December 2022.





**Statistical Section**  
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**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, 2022

Fiscal Year	Population (June 30)	Personal Income (in thousands)	Per Capita Income <sup>(1)</sup>	Median Age <sup>(2)</sup>	Elementary & High School Enrollment	Unemployment Rate
2022	1,648,257	\$ 85,463,774	\$ 51,851 <sup>(3)</sup>	36.6	<sup>(3)</sup> 277,304	3.3%
2021	1,630,195	84,527,241	51,851 <sup>(3)</sup>	36.6	<sup>(3)</sup> 254,641	6.8%
2020	1,635,879	84,821,962	51,851 <sup>(3)</sup>	36.6	<sup>(3)</sup> 266,023	10.3%
2019	1,606,815	77,231,563	48,065	36.4	213,765	4.9%
2018	1,598,736	74,403,575	46,539	35.8	226,279	4.7%
2017	1,579,253	67,694,680	42,865	35.6	280,857	5.0%
2016	1,565,896	68,316,911	43,628	36.1	281,906	5.8%
2015	1,528,115	64,321,417	42,092	35.7	271,089	6.6%
2014	1,505,070	62,041,996	41,222	35.6	268,065	7.6%
2013	1,485,719	57,564,183	38,745	34.6	264,333	8.3%

(1) Calendar Year

(2) For fiscal year 2013, median age is based on the 2010 U.S. Census.

(3) Amount and age not yet available for calendar years 2021 and 2022, therefore, 2020 calendar year per capita income and median age was used. Data was updated per source as of November 16, 2021, and March 17, 2022, respectively.

Source: City of Phoenix Planning and Development Services Department  
U.S Department of Commerce, Bureau of Economic Analysis  
Arizona Department of Education  
Arizona Department of Economic Security

**Principal Employers**  
 Current Year and Nine Years Ago

**Table 22**

Employer <sup>(1)</sup>	2022			2013		
	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment <sup>(2)</sup>
Banner Health	41,435	1	1.80%	25,270	3	1.44%
Amazon.com Inc	40,000	2	1.74%			
State of Arizona	39,172	3	1.71%	49,278	1	2.80%
Walmart Inc	38,309	4	1.67%	32,169	2	1.83%
Arizona State University	34,421	5	1.50%	12,222	7	0.70%
Fry's Food Stores	21,012	6	0.92%			
University of Arizona	19,823	7	0.86%			
Dignity Health Arizona	16,525	8	0.72%			
City of Phoenix	15,645	9	0.68%	14,983	4	0.85%
Wells Fargo & Co	15,500	10	0.68%	14,713	5	0.84%
Maricopa County				12,698	6	0.72%
Intel Corp				11,900	8	0.68%
JPMorgan/Chase				11,042	9	0.63%
Bank of America				11,000	10	0.63%

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

	2022	2021	2020	2019
<b>AREA (square miles)</b>	519.9	519.9	519.7	519.7
<b>POPULATION AND DWELLING UNITS (1)</b>				
City of Phoenix	1,648,257	1,630,195	1,635,879	1,606,815
Maricopa County (Metro Phoenix) (2)	4,507,419	4,507,419	4,436,704	4,374,730
Number of Dwelling Units (City)	650,236	640,714	632,236	625,641
<b>CITY EMPLOYEES (3)</b>				
Governmental:				
General Government	932	896	873	866
Criminal Justice	284	267	271	257
Public Safety	5,858	5,856	5,977	5,981
Transportation	676	701	730	699
Environmental Services	396	408	399	399
Community Enrichment	1,397	1,099	1,101	1,090
Community Development	740	729	706	698
Total Governmental Employees	10,283	9,956	10,057	9,990
Public Enterprise:				
Aviation	771	751	777	793
Phoenix Convention Center	192	143	178	180
Water Services	1,013	1,043	1,036	1,043
Wastewater Services	260	275	271	263
Solid Waste	554	574	581	574
Golf	-	-	-	-
Total Public Enterprise Employees	2,790	2,786	2,843	2,853
Total Full-Time Employees	13,073	12,742	12,900	12,843
Governmental Employees per 1,000 Population	6.2	6.0	6.1	6.2
<b>PUBLIC SAFETY</b>				
<b>Police Protection</b>				
Police Precincts	7	7	7	7
Police Employees (Authorized)	3,270	3,271	3,271	3,274
Dispatched Calls for Service	665,652	655,459	680,834	680,037
Total Calls for 911/Crimestop	1,815,096	1,844,861	2,007,520	2,023,811
<b>Fire Protection</b>				
Fire Stations	59	59	59	58
Fire Employees	2,281	2,121	2,074	2,055
Total Calls for Service	247,806	217,992	212,988	206,969
<b>COMMUNITY ENRICHMENT</b>				
<b>Libraries</b>				
Number	17	17	17	17
Total Stock (in thousands)	4,524	4,287	3,409	3,800
Circulation (in thousands) (4)	8,453	6,833	8,529	11,500
<b>Parks And Recreation</b>				
Number of Playgrounds	296	283	279	268
City Parks (number of acres)	45,085	45,146	45,636	45,636

(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 2022, therefore, the July 1, 2021 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)

2018	2017	2016	2015	2014	2013
519.5	519.5	519.4	519.4	519.4	519.3
1,598,736	1,579,253	1,565,896	1,528,115	1,505,070	1,485,719
4,229,000	4,221,684	4,152,807	4,078,062	4,008,651	3,944,791
618,923	613,463	609,405	603,259	600,589	596,676
880	900	879	819	821	886
255	254	249	253	263	284
5,856	5,775	5,642	5,530	5,657	5,843
677	703	650	645	667	688
394	394	370	377	413	459
1,071	1,080	1,045	1,051	1,071	1,127
703	712	685	682	684	689
9,836	9,818	9,520	9,357	9,576	9,976
815	784	748	732	774	769
186	187	187	181	199	222
1,025	1,029	978	931	955	994
281	292	288	278	298	321
543	533	549	549	541	531
-	-	-	-	-	44
2,850	2,825	2,750	2,671	2,767	2,881
12,686	12,643	12,270	12,028	12,343	12,857
6.2	6.2	6.1	6.1	6.4	6.7
7	7	7	7	8	8
3,272	3,272	3,269	3,268	3,266	3,266
682,689	691,346	671,456	655,874	641,183	648,718
2,061,535	2,287,694	2,354,398	2,238,368	2,064,978	2,130,339
58	58	58	58	58	58
1,995	1,997	1,979	1,944	1,912	1,947
212,869	212,259	204,669	186,594	173,065	172,568
17	17	17	17	17	17
3,500	1,837	1,908	1,854	1,802	1,735
11,303	12,096	12,901	10,549	10,428	11,159
268	268	256	256	256	244
45,313	45,313	45,313	45,313	45,313	46,634

**Statistical Profile**  
 Last Ten Fiscal Years

**Table 23**  
 (Continued)

	2022	2021	2020	2019
<b>TRANSPORTATION</b>				
<b>Public Transit Ridership</b>				
Bus (in thousands) (5)	16,876	15,122	27,837	34,523
Dial-a-Ride (in thousands)	285	274	302	349
Light Rail (in thousands) (6)	5,102	4,032	8,008	9,822
<b>Traffic Control And Lighting</b>				
Signalized Intersections	1,182	1,162	1,153	1,148
Street Lights in Use	96,937	96,828	94,886	95,600
<b>Streets</b>				
Miles of Streets	4,863	4,858	4,863	4,863
Miles Resurfaced and Sealed:				
Major/Collector Streets	122	139	57	74
Local Streets	213	445	359	318
<b>COMMUNITY DEVELOPMENT</b>				
<b>Construction Permits (7)</b>				
Number of Permits Issued	49,719	47,977	43,330	44,246
Market Value (in thousands)	9,277,267	6,858,336	5,635,054	4,707,133
<b>AVIATION</b>				
Scheduled Airlines Served	22	20	20	23
Aircraft Traffic Movements (in thousands)	778	751	932	974
Passengers Enplaned/Deplaned (in thousands)	43,939	26,780	34,726	45,531
<b>PHOENIX CONVENTION CENTER</b>				
Number of Conventions (8)	62	3	72	61
<b>WATER SERVICES</b>				
Production (billion gallons)	100.2	106.2	97.5	94.9
Average Daily Production (million gallons)	274.5	290.9	266.3	260.7
Miles of Water Mains	7,027	7,027	7,007	6,980
Number of Accounts	442,287	433,023	429,739	425,492
<b>WASTEWATER SERVICES</b>				
Miles of Sewer Lines	4,985	4,954	4,896	4,906
Number of Accounts	415,840	421,521	417,633	413,967
<b>SOLID WASTE COLLECTION SERVICES</b>				
Residences Served	417,182	413,826	410,177	408,264
City Disposal (tons)	626,381	631,870	637,804	613,421
Total Disposal (tons)	1,003,944	986,352	978,032	938,906
Total Recycling (tons)	124,985	128,788	123,722	119,944
<b>GOLF</b>				
Rounds of Golf Played	280,867	274,725	215,306	191,807
Acres of Golf Courses Maintained	622	622	622	622

(5) Reported bus boarding 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)

2018	2017	2016	2015	2014	2013
35,365	33,725	34,615	38,329	38,903	39,575
339	330	371	356	344	336
10,318	10,864	9,850	9,039	9,023	8,924
1,135	1,140	1,130	1,106	1,099	1,102
95,600	91,449	90,927	95,592	90,380	90,613
4,863	4,857	4,857	4,857	4,856	4,850
79	86	107	3	18	11
263	387	122	129	100	77
44,533	42,698	42,384	37,527	34,255	30,295
4,104,288	3,655,744	3,937,700	3,013,043	2,805,861	2,964,395
21	19	19	19	21	21
925	923	927	894	867	934
44,340	43,533	44,158	43,000	41,093	40,565
57	62	59	49	52	58
102.7	97.8	97.6	93.4	97.6	97.8
281.4	268.1	266.8	255.8	266.9	267.8
6,967	6,888	6,882	6,883	6,867	6,847
421,226	423,569	416,303	418,995	416,623	414,188
4,890	4,847	4,846	4,841	4,833	4,816
414,559	410,952	406,967	402,495	402,624	397,627
405,009	402,504	400,549	402,012	400,075	397,624
596,161	623,032	589,033	586,789	564,452	566,509
861,177	943,347	896,255	883,119	863,226	875,601
120,113	119,517	114,319	113,990	106,708	107,237
170,480	200,405	223,266	221,267	254,703	248,630
622	622	622	622	922	922



**City of Phoenix**



**City of Phoenix**

PROGRAMS AND SERVICES  
THAT BUILD A BETTER PHOENIX

