

For Fiscal Year Ended
June 30, 2021

City of Phoenix, Arizona

Annual Comprehensive Financial Report



Setting a path forward for a sustainable Phoenix



City of Phoenix

City of Phoenix, Arizona



**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

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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 10, 2021

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, 2021. 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 BKD, LLP to perform the audit of the City's ACFR for fiscal year 2020-2021. 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*, which superseded OMB Circular A-133 and other related documents. BKD, 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, 2021, the City encompassed 519.9 square miles, with the City of Phoenix estimating the City's population at 1,652,815.

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

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 and 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, affordable housing, 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.

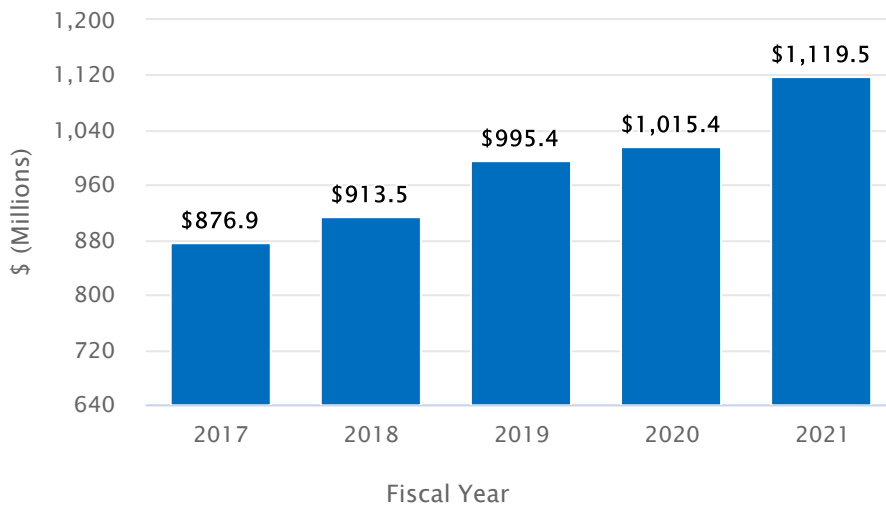
Phoenix continues to be among the fastest growing cities in the country. During the period of 2010 to 2020, population growth was an estimated 11.2% in Phoenix as compared to 7.4% for the U.S. In that same timeframe, employment in the Phoenix area has grown 25.4% while employment in the U.S. has grown 8.9%. As of June 2021, the non-seasonally adjusted unemployment rate for the Phoenix area and the U.S. was 6.6% and 6.1%, respectively. The Phoenix area has a mix of industry that mirrors the U.S. The primary employment sectors and their share of total employment consist of the service industry including financial activities (55.3%); trade, transportation, and utilities (20.2%); government (10.1%); manufacturing (6.3%); construction (6.3%); information (1.7%); and natural resources and mining (0.1%).

The housing market in the Phoenix area is growing as building permits associated with single-family homes increased 27.2% from 2019 to 2020 to the highest level since 2007. Data produced by the National Association of Realtors indicates that the median sales price for an existing single-family home in Greater Phoenix increased 51.5% from 2018 to the second quarter of 2021 as compared to a 36.8% increase nationwide for the same time period. The U.S. median sales price for an existing single-family home in 2020 was \$300,200, and the median sales price for a similar home in Greater Phoenix was \$333,000. The median price of existing single-family homes in Greater Phoenix continue to remain low relative to most major western cities including Los Angeles, San Diego, Denver, Seattle, Portland, and Salt Lake.

According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area, which declined 0.7% in 2010, grew by an average of 6.7% per year from 2011 through 2020, and grew 6.9% in 2020. This growth was supported by gains in personal income averaging 5.3% annually from 2011 through 2020. The Greater Phoenix Blue Chip Economic Forecast estimates an increase in retail sales of 7.1% in 2021 and an increase of 5.4% in 2022.

For 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 2020-21, the assessed valuation increased by 31.1% to \$13.9 billion. The assessed valuation increased another 6.3% to \$14.8 billion for fiscal year 2021-22. City total property tax rate (primary and secondary) for fiscal year 2021-22 was set to \$2.12 per \$100 assessed valuation.

City Excise Taxes



As indicated above, City excise taxes, consisting primarily of City sales taxes, increased from \$1,015.4 million in fiscal year 2019-20 to \$1,119.5 million in fiscal year 2020-21. This is an increase of \$104.1 million, or 10.3%, despite the COVID-19 pandemic. Retail sales and construction exhibited strong growth throughout the pandemic and have offset declines in the hospitality and leisure categories.

Finally, the City of Phoenix and the Greater Phoenix Economic Council are working together to attract wealth-generating companies from outside the region to Phoenix and to encourage expansion of existing companies. A

large part of this strategy has been to emphasize Phoenix as a tech industry hub. Phoenix has experienced rapid growth of its tech industry and has seen 12,180 tech jobs added from 2016 to 2020. According to Eller Economic and Business Research Center (EBRC) at the University of Arizona, the long-term outlook remains positive for the metropolitan Phoenix area due to expectations that population, employment and income growth will continue to outpace the nation through the next three decades.

Long-Term Financial Planning

The City's financial planning process is primarily driven by the budget process. This process includes the annual operating budget, which is prepared on a modified zero-base budgeting process. This includes an annual base budget for each City department that is subjected to a detailed technical review and is adjusted for base reductions or supplementals (budget additions) based on revenue and expenditure forecasts. City departments are required to review their budgets after the third month of the fiscal year (3+9), and information is updated after the seventh month of the fiscal year (7+5). The budget process also includes input from the departments, the City Manager's Office, City Council, and citizens including numerous community budget hearings. The City Council formally adopts the budget for the following year in mid-June.

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

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

Major Initiatives

The City of Phoenix adopted a strategic plan in 2011 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 2020-21 related to the plan are highlighted below.

Economic Development and Education – The City's Community and Economic Development Department staff assisted 23 companies to locate in Phoenix and create 5,635 new jobs, a 25% increase in new jobs from last year. On November 18, 2020, City Council authorized a development agreement with Taiwan Semiconductor Manufacturing Company (TSMC), which selected Phoenix for their new U.S advanced semiconductor factory. TSMC plans to make a \$12 billion investment in the project and is expected to add 1,900 high-wage jobs. Redevelopment of the former Del Rio landfill is moving forward with a food innovation, education, distribution facility and a new City park amenity. The redevelopment, known as Arizona Fresh, is expected to create 1,500 jobs, incur a capital expenditure of \$200 million and generate \$848 million in annual economic output. On September 18, 2020, the garage at Park Central Mall in midtown Phoenix opened to the public. The garage is a public infrastructure improvement of the Park Central Community Facilities District, a blended component unit of the City of Phoenix formed by petition to the City Council in August 2018.

Financial Excellence – On August 4, the Finance Department priced the City of Phoenix Civic Improvement Corporation Subordinated Excise Tax Revenue bonds totaling \$398.3 million. The sale included \$131.6 million of tax-exempt bonds, \$150 million of taxable bonds and \$116.7 million of refunding bonds (taxable). The City received the following ratings: Aa2 from Moody's, AA+ from Fitch and AAA from S&P. The bond proceeds will be used to fund renovations to the Downtown Arena, the shoring wall at the Phoenix Convention Center, solid waste facility improvements and equipment, as well as Council-approved technology projects. The refunded bonds resulted in about \$14 million in overall savings. During pricing, demand for City bonds was very strong, and the City received over \$3 billion in orders for a supply of \$398.3 million resulting in a true interest cost of 2.05%. This historically low rate will save the City and the constituents of Phoenix millions of dollars in the years to come.

Infrastructure – In the second year of the Street Transportation Department's Accelerated Pavement Maintenance Program (APMP), 587 miles of Phoenix streets received pavement maintenance treatments, which is approximately 12% of the entire street network. Construction progresses on two major expansions of the light rail system in Phoenix.

The Northwest Extension Phase II project will extend light rail west on Dunlap Avenue from 19th Avenue, then north on 25th Avenue and across I-17 at Mountain View Road, ending on the west side of the freeway near the former Metrocenter Mall. And, the five-mile South Central Extension will connect South Phoenix to the regional light rail system, operating from downtown Phoenix to Baseline Road. Planning and design is also underway for the 10-mile Capitol/I-10 West light rail extension, which will connect downtown Phoenix to the Capitol mall and the west Valley.

Neighborhoods and Livability – The Neighborhood Services Department, in partnership with Arizona Community Action Association and nine participating agencies, launched the Coronavirus Relief Fund Utility, Rent/Mortgage Assistance Program, which provides emergency assistance relief to eligible Phoenix residents experiencing financial hardship as a result of the COVID-19 pandemic. In 2020, these agencies provided 3,003 households with over \$9.8 million in rent/mortgage assistance and over \$1.9 million in utility assistance, totaling over \$11.7 million in critical services to households in need. In September 2020, the Parks and Recreation Department kicked off construction of the City’s newest community center with a ceremonial groundbreaking event in Cesar Chavez Park. Construction of the \$12 million, 34,000-square-foot facility is scheduled for completion in fall 2021. During this unprecedented pandemic, the Public Works Department experienced an increase in solid waste collection demand from residential customers. Recycling tonnage increased by 20%, refuse tonnage increased by 11%, and bulk trash tonnage experienced a 15% increase. Increased tonnage has been a challenge for many cities across the state and country. Where many cities addressed this concern through reducing services such as bulk trash and recycling, the Public Works Department stepped up and managed to maintain continuity of services with existing resources despite the drastic increase in tonnage.

Public Safety – On November 4, 2020, Council authorized the building of a new Fire Station (Station 62) at 93rd Avenue and Lower Buckeye Road. The new 15,000-square-foot, four-bay station will result in significant service delivery improvements to the surrounding community, which has seen robust residential and commercial growth. In July, the Phoenix Police Department shortened the release time of Critical Incident Briefing (CIB) videos from 45-50 days to within 14 days of an incident. The CIB videos contain audio, body-worn camera footage and information related to high-profile incidents.

Social Service Delivery – In 2020, the Phoenix City Council unanimously approved the first-ever Housing Phoenix Plan, which establishes a goal of creating or preserving 50,000 homes by 2030 to address the housing shortage in Phoenix. One accomplishment includes the development of the Section 8 Landlord Incentive Program, which incentivizes Phoenix landlords to sign a one-year Housing Assistance Payment contract to make their properties available to Section 8 voucher holders. Also, staff have identified City-owned land for the potential development of affordable and mixed-income housing. Continuing to make progress in implementing the Housing Phoenix Plan will help the City reach the goal of creating a stronger and more vibrant Phoenix through increased housing options for all.

Sustainability – The Office of Sustainability developed the City’s “HeatReady” program in collaboration with Arizona State University to mitigate the urban heat island in Phoenix. As part of the program, a GIS tool was developed that rated every street in Phoenix for heat vulnerability. This enables the Street Transportation Department to prioritize tree planting in the right-of-way in vulnerable neighborhoods.

Technology – To ensure students and community members have free internet access, as some schools closed due to the global pandemic, the City of Phoenix expanded its Wi-Fi coverage outside of nearly 50 libraries, community, senior, and recreation centers. The Information Technology Services Department provided approximately 1.18 square miles of exterior Wi-Fi coverage, allowing residents to sit in parking lots and public areas outside of participating facilities to connect their devices daily from 8 a.m. to 9 p.m. Phoenix’s focus on digital equity ensures students have 13 hours of internet access a day to participate in distance learning and navigate online tools. The installation of Wi-Fi antennas on City-owned public facilities was approved by the Phoenix City Council in May and funded through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The Strategic Plan continues to evolve in response to the important challenges we face. On June 8, 2021, the Phoenix City Council took action to mitigate the harmful health and economic impacts of COVID-19 by authorizing the use of \$198 million in federal funds. The American Rescue Plan Act, or ARPA, was one of the largest recovery responses taken by the federal government and passed by Congress on March 11, 2021. Within its ARPA Strategic Plan, the City of Phoenix created three distinct investment areas: community investment, City operations and contingency for future needs. This plan includes 47 programs spanning areas such as COVID-19 testing and vaccine efforts, homelessness and mental services, business assistance, family financial assistance, youth sports and education, technology and wireless network improvements, and food insecurity. Over 70% of all City ARPA funds will be directed back to the community through community investment programs.

Awards and Recognition

The City of Phoenix was named the 2020 Gold Winner in the category of Best Government Response-Helping People and Businesses During COVID-19 by Public Relations World Awards (PRWA). This award honors the contributions of individuals, teams and organizations that have demonstrated creativity, resourcefulness and innovative thinking to assist the public in dealing with the impacts of COVID-19. In May 2020, the Public Works Department led an effort to provide “Blitz Testing” events for residents. This included partnerships with certified health providers who set up testing clinics at City parks, neighborhood schools and churches. In August 2020, Public Works and other departments collaborated to launch the COVID-19 Mobile Testing Van program to bring testing to community members experiencing various challenges that prevent them from getting to a testing site. As of September 2021, more than 220 Blitz Testing events have been coordinated across the City, providing approximately 42,000 tests to the community, and more than 146,000 tests have been provided through the mobile testing vans at nearly 360 events.

The City of Phoenix was honored with a Distinguished Budget Presentation Award by the Government Finance Officers Association (GFOA) for its current budget. This is the 30th consecutive award for the City, which is bestowed through a peer-review process. The GFOA gives the Distinguished Budget Presentation Award to government organizations that most effectively present their budget information according to nationally recognized guidelines. This ensures that the budget documents produced can serve as a policy guide, a financial plan, an operations overview, and a communications tool, and are clear to understand and encourage budget transparency.

The City of Phoenix earned a perfect score of 100 on the 2020 Human Rights Campaign (HRC) Municipal Equality Index for the eighth year in a row for its ongoing efforts to ensure equal treatment of members of the lesbian, gay, bisexual and transgender community. The HRC uses the Municipal Equality Index score to examine how inclusive municipal laws, policies, and services are of the LGBTQ community who live and work in each city. Phoenix has maintained a perfect score since the passage of the City’s anti-discrimination ordinance in 2012. The ordinance makes it unlawful to discriminate against someone based on sexual orientation, gender, identity or disability for the purpose of employment, public accommodations, housing, and government contracts.

The City of Phoenix’s Human Services Department director, Marchelle Franklin, was named one of the AZ Business magazine’s Most Influential Women in Arizona Business for 2020. As one of only 50 Arizona women to receive this honor, Franklin was recognized for her 18 years of public service and her mission and commitment to meet the needs of at-risk residents. Franklin manages a \$95 million budget and leads over 375 employees as the Human Services Director. She joined the City of Phoenix in 2002 and, prior to her current role, served as director of the Phoenix Police Department Community Affairs division, deputy director for community development and government relations at Phoenix Sky Harbor International Airport, and separate roles as chief of staff for the Mayor and City Council. Before transitioning to municipal work, Franklin spent nearly 15 years in the private sector working in human resources management. In addition to her role as a member of the Board of Directors at the Fiesta Bowl, Franklin also serves as Board Secretary for The Desert Pearls Foundation, Inc.

City of Phoenix Director of Golf, Greg Leicht, was honored as the Southwest PGA Golf Professional of the Year. This is the highest annual award bestowed by the Southwest PGA on a PGA Professional. Leicht is the 46th recipient of the award. The Professional of the Year award is given to those who have great leadership qualities, strong moral character and a substantial record of service. Leicht has served as the City’s director of golf since 2018 and oversees the operation of its eight municipal courses. During his tenure, he directed a variety of upgrades to those facilities, including renovated and re-branded restaurants that opened in 2019. Those improvements contributed to a 12.5% increase in rounds played during the 2018-19 fiscal year. Leicht earned his PGA Certification in General Management and has worked at a number of courses around the Phoenix metro area, including the TPC Scottsdale, The Phoenician and Vistal Golf Club. While at Vistal, Leicht hosted the Special Olympics State Golf Championships for 12 years and continues to be heavily involved with that event.

Ed Faron, Accredited Airport Executive, Manager of the Phoenix Deer Valley Airport, was named 2020 Airport Executive of the Year by the Arizona Airports Association. Faron has been with the City of Phoenix for 18 years, the last six as airport manager for Phoenix Deer Valley, which is the busiest general aviation airport in the country. He works tirelessly to advocate for the growth and development of Deer Valley Airport and for aviation in Arizona as a whole. A pilot himself, Ed’s deep passion for general aviation allows him to run a seamless operation and advocate for pilots, tenants, and stakeholders throughout the state of Arizona.

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, 2020. 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, 2021 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 comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the fifth consecutive year the Aviation Enterprise Fund has achieved this honor.

The component unit financial report for COPERS for the year ended June 30, 2020 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, 2020. 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**

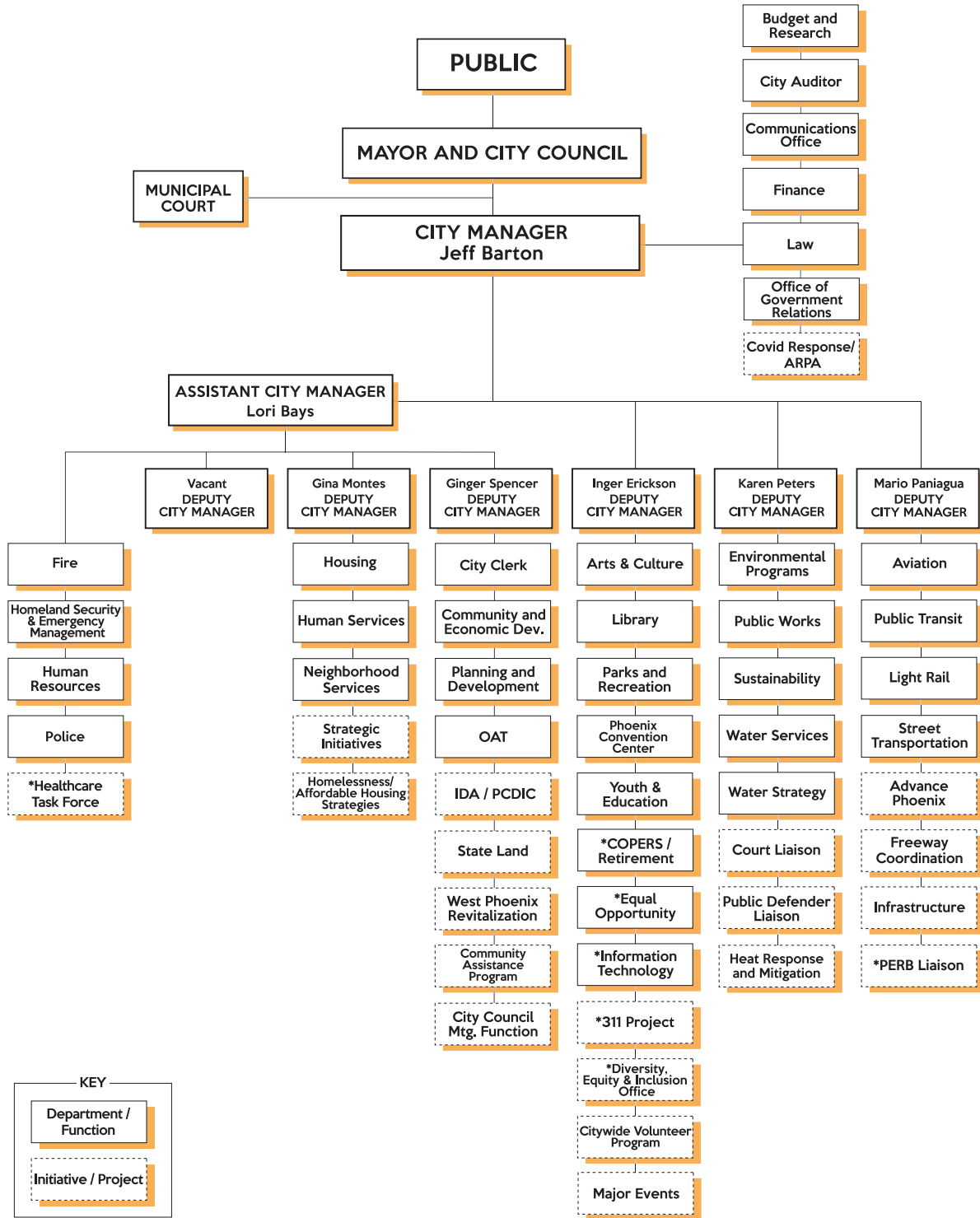
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

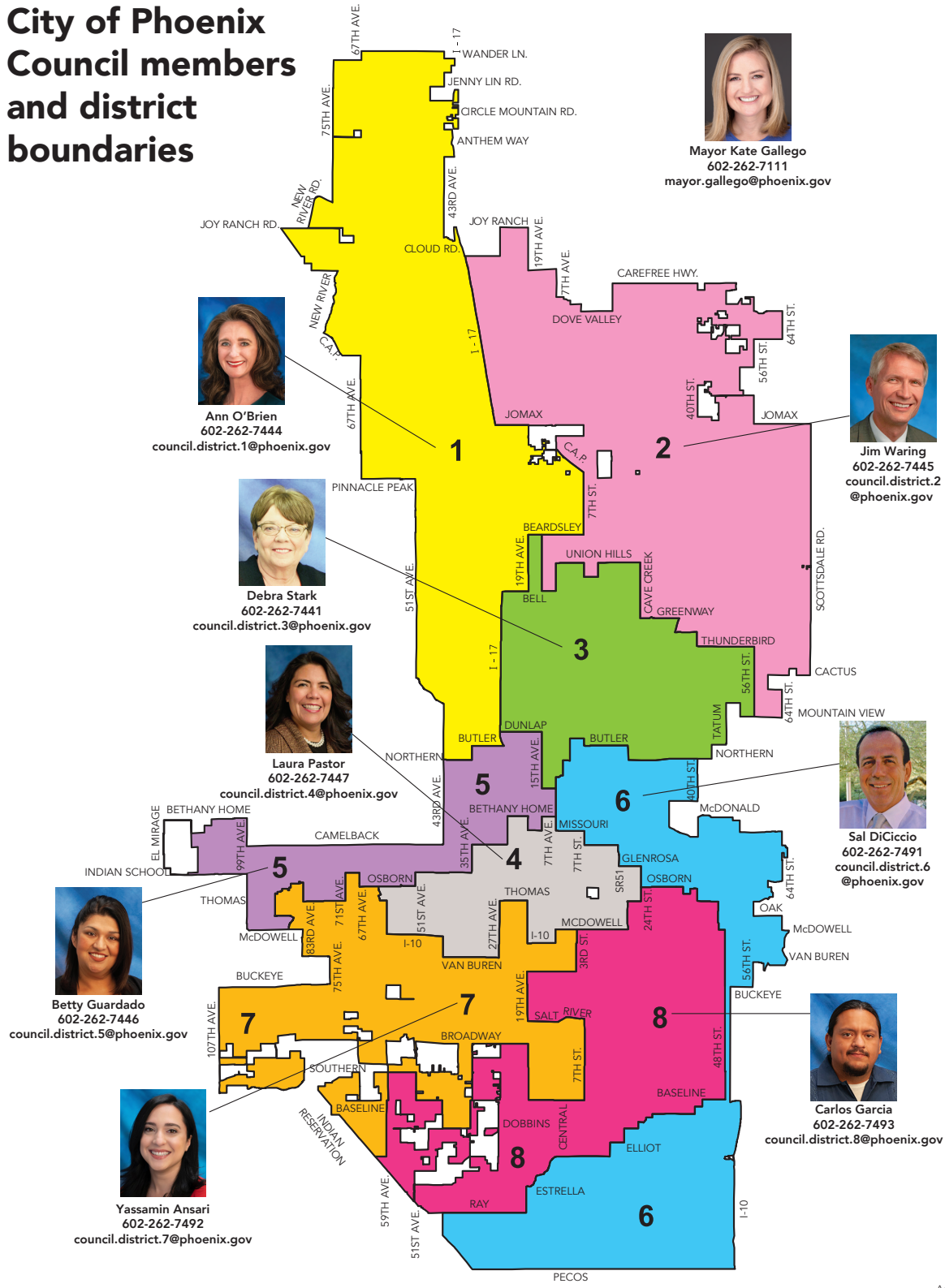
Executive Director/CEO

CITY OF PHOENIX ORGANIZATIONAL CHART



* Denotes Temporary Assignment

City of Phoenix Council members and district boundaries



April 2021



Financial section

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



City of Phoenix



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Independent Auditor's Report

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

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Phoenix Industrial Development Authority (IDA), a discretely presented component unit, which represents 33 percent, 65 percent, and 38 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 approximately 3 percent of total assets, 7 percent of net position, and approximately 19 percent of the total nonoperating revenues (expenses) of the enterprise funds of the City. 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 approximately 13 percent of the assets, 60 percent of net position and approximately 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the 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, 2021, 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.

Emphasis of Matter

As described in *Note 1* to the basic financial statements, in fiscal year 2021, the City adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* and paragraphs 4 and 5 of Governmental Accounting Standards Board Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, nonmajor governmental combining fund financial statements, nonmajor governmental funds budgetary comparison schedules, enterprise funds comparative statements, enterprise funds budget and actual schedules, fiduciary funds combining statements and Phoenix Housing Financing Corporations (a component unit) combining statements, other supporting schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor governmental combining fund financial statements, enterprise funds comparative statements, fiduciary funds combining statements, and Phoenix Housing Financing Corporations (component unit) combining statements are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the nonmajor governmental combining fund financial statements, enterprise funds comparative 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. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements as of and for the year ended June 30, 2020, which are not presented with the accompanying financial statements. In our report dated December 11, 2020, we expressed unmodified opinions on the respective 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.

The introductory section, nonmajor governmental funds budgetary comparison schedules, enterprise funds budget, and actual schedules, other supporting schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BKD, LLP

Dallas, Texas
December 10, 2021



City of Phoenix



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

(required supplementary information)



City of Phoenix

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

As management of the City of Phoenix, Arizona, we offer the following narrative overview and analysis of the financial activities of the City of Phoenix, Arizona (the City) for the fiscal year ended June 30, 2021. 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 resources of the City exceeded its total liabilities plus deferred inflows of resources at the close of the fiscal year by \$6.6 billion (net position), which represents an increase of \$819.3 million, or 14.2%, as compared to fiscal year 2019-20. The increase was primarily attributed to a \$643.3 million, or 23.0%, increase in Governmental Activities revenues as compared to fiscal-year 2019-20.
- On the Government-Wide Financial Statements, the City's total cash and investments of \$3.1 billion at June 30, 2021 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). 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 in fiscal year 2020-21 is included in Advance Payments on the Government-Wide Statement of Net Position. The second allocation of \$198.0 million will be received in fiscal year 2021-22.
- Excise and other tax revenues increased by \$120.7 million, or 9.4%. A majority of the increase stems from transaction privilege taxes collected on higher levels of taxable retail sales, construction contracting, and commercial rental activities in the City for fiscal year 2020-21.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$1.7 billion, an increase of \$260.0 million from last fiscal year. Approximately 37.2% of the total governmental fund balance amount, or \$644.1 million, is designated by the City as committed, assigned and unassigned. The remaining 62.8%, or \$1.1 billion, is designated as non-spendable or restricted. See Note 3 on page 63 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 and can be found on pages 8 and 11.

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 51 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, 2021.

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 \$6.6 billion at the close of the fiscal year.

The largest portion of the City's net position, \$6.7 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 3,906,794	\$ 3,133,445	\$ 3,193,215	\$ 3,260,558	\$ 7,100,009	\$ 6,394,003
Capital assets	5,356,046	5,111,210	7,896,550	7,646,250	13,252,596	12,757,460
Total assets	9,262,840	8,244,655	11,089,765	10,906,808	20,352,605	19,151,463
Deferred outflows of resources	692,535	621,272	84,717	135,191	777,252	756,463
Other liabilities	975,855	753,796	565,395	511,299	1,541,250	1,265,095
Long-term liabilities						
outstanding	6,441,796	6,374,816	6,114,623	6,290,883	12,556,419	12,665,699
Total liabilities	7,417,651	7,128,612	6,680,018	6,802,182	14,097,669	13,930,794
Deferred inflows of resources	323,922	149,952	107,764	46,010	431,686	195,962
Net position:						
Net investment in capital						
assets	3,384,939	3,333,084	3,346,870	3,448,793	6,731,809	6,781,877
Restricted	1,249,610	1,069,053	438,450	404,598	1,688,060	1,473,651
Unrestricted	(2,420,747)	(2,814,774)	601,380	340,416	(1,819,367)	(2,474,358)
Total net position	\$ 2,213,802	\$ 1,587,363	\$ 4,386,700	\$ 4,193,807	\$ 6,600,502	\$ 5,781,170

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 \$1.8 billion. The City's balance of \$3.1 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 Assets. The City's capital assets for the fiscal year ended June 30, 2021, totaled \$13.3 billion, net of accumulated depreciation. This represents an increase from the prior fiscal year of \$495.1 million, which includes an increase of \$244.8 million for Governmental Activities and an increase of \$250.3 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 \$253.6 million.
- Construction for the PHX Sky Train at Sky Harbor International Airport valued at \$172.9 million.
- Various street and storm sewer projects throughout the City valued at \$151.0 million.
- Footprint Center (formerly Talking Stick Resort Arena) renovation project valued at \$136.2 million.
- New and replacement water and sewer mains throughout the City valued at \$122.1 million.
- Aviation terminal 4 improvements valued at \$112.0 million.
- Water and wastewater distribution and collection facilities projects valued at \$92.5 million.
- Transit bus purchases valued at \$57.2 million.

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

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

	Governmental Activities		Business-Type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,280,201	\$ 1,280,126	\$ 691,933	\$ 691,898	\$ 1,972,134	\$ 1,972,024
Artwork	7,545	7,044	12,169	12,141	19,714	19,185
Construction-in-Progress	225,082	228,785	1,771,062	1,377,678	1,996,144	1,606,463
Buildings	884,150	733,849	1,695,144	1,788,994	2,579,294	2,522,843
Improvements	301,640	275,311	1,870,259	1,886,729	2,171,899	2,162,040
Infrastructure	2,238,878	2,186,270	1,249,777	1,230,629	3,488,655	3,416,899
Equipment	403,315	383,610	502,274	552,851	905,589	936,461
Intangible Assets	15,235	16,215	103,932	105,330	119,167	121,545
Total	<u>\$ 5,356,046</u>	<u>\$ 5,111,210</u>	<u>\$ 7,896,550</u>	<u>\$ 7,646,250</u>	<u>\$ 13,252,596</u>	<u>\$ 12,757,460</u>

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

Financial Obligations. The City's total financial obligations decreased by \$109.3 million, or (0.9%). This was primarily due to the decrease in the Net Pension Liability, which was offset by an increase in Municipal Corporation Obligations, net.

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 \$963.9 million, net of discounts/premiums and the City's available debt margin at June 30, 2021

was \$1.2 billion in the 6% capacity and \$3.5 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 \$6.3 billion of municipal corporation obligations net of discounts/premiums. Under the terms of these agreements, the CIC issued bonds to finance the facilities and equipment, and the City agreed to make lease and purchase payments sufficient to pay principal and interest on the outstanding obligations. The City also pays all expenses of operating and maintaining the facilities and equipment.

In fiscal year 2021, the Civic Improvement Corporation issued \$866.9 million in new debt. Proceeds of the bonds refunded several series of outstanding Excise Tax Bonds totaling \$109.3 million and \$209.7 million of outstanding Water System Revenue Bonds, with the remaining proceeds primarily applied to the renovation of Footprint Center, Convention Center improvements, and various Water System improvements. Additional information can be found in Note 10 to the financial statements.

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	
	2021	2020	2021	2020	2021	2020
General obligation bonds, net	\$ 963,531	\$ 1,059,181	\$ 343	\$ 1,056	\$ 963,874	\$ 1,060,237
Loans from direct borrowings	-	40,940	11,804	13,488	11,804	54,428
Municipal corporation obligations, net	544,843	321,737	5,796,086	5,640,164	6,340,929	5,961,901
Special assessment bonds	-	44	-	-	-	44
Community facilities districts, net	29,335	30,000	-	-	29,335	30,000
Insurance claims payable	222,230	193,435	-	-	222,230	193,435
Compensated absences	156,084	148,505	20,681	19,561	176,765	168,066
Landfill closure/Post-closure costs	-	-	16,820	16,838	16,820	16,838
Pollution remediation	3,648	4,564	1,350	1,425	4,998	5,989
Utility/Water contractual agreements	-	2,301	-	-	-	2,301
Capital lease	1,166	2,307	-	-	1,166	2,307
Net pension liability	4,415,427	4,412,770	236,628	551,075	4,652,055	4,963,845
Net OPEB liability	105,532	159,032	30,911	47,276	136,443	206,308
Total	\$ 6,441,796	\$ 6,374,816	\$ 6,114,623	\$ 6,290,883	\$ 12,556,419	\$ 12,665,699

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, 2021
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 217,809	\$ 237,326	\$ 1,275,772	\$ 1,287,834	\$ 1,493,581	\$ 1,525,160
Grants and contributions						
Operating	689,564	472,089	-	-	689,564	472,089
Capital	350,544	169,586	123,908	71,136	474,452	240,722
General revenues						
Excise taxes	1,119,492	1,015,414	-	-	1,119,492	1,015,414
Other taxes	289,590	273,016	-	-	289,590	273,016
Grants/contributions not restricted to specific programs	654,429	483,036	-	-	654,429	483,036
Other	123,643	151,345	116,569	58,701	240,212	210,046
Total revenues	<u>3,445,071</u>	<u>2,801,812</u>	<u>1,516,249</u>	<u>1,417,671</u>	<u>4,961,320</u>	<u>4,219,483</u>
Expenses						
General government	171,106	111,422	-	-	171,106	111,422
Criminal justice	36,812	36,050	-	-	36,812	36,050
Public safety	1,367,004	1,340,379	-	-	1,367,004	1,340,379
Transportation	427,982	574,139	-	-	427,982	574,139
Community enrichment	419,047	324,553	-	-	419,047	324,553
Community development	259,183	251,207	-	-	259,183	251,207
Environmental services	59,224	52,369	-	-	59,224	52,369
Interest on long-term debt	53,532	53,629	-	-	53,532	53,629
Aviation	-	-	576,657	547,590	576,657	547,590
Phoenix convention center	-	-	88,530	103,983	88,530	103,983
Water services	-	-	373,006	421,541	373,006	421,541
Wastewater services	-	-	176,062	174,259	176,062	174,259
Solid waste	-	-	133,843	126,301	133,843	126,301
Total expenses	<u>2,793,890</u>	<u>2,743,748</u>	<u>1,348,098</u>	<u>1,373,674</u>	<u>4,141,988</u>	<u>4,117,422</u>
Increase in net position before transfers	651,181	58,064	168,151	43,997	819,332	102,061
Transfers - internal activities	(24,742)	(26,571)	24,742	26,571	-	-
Increase in net position	<u>626,439</u>	<u>31,493</u>	<u>192,893</u>	<u>70,568</u>	<u>819,332</u>	<u>102,061</u>
Net Position - July 1	<u>1,587,363</u>	<u>1,555,870</u>	<u>4,193,807</u>	<u>4,123,239</u>	<u>5,781,170</u>	<u>5,679,109</u>
Net Position - June 30	<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>

As shown above, Total Government net position increased by \$819.3 million, or 14.2%, as compared to fiscal year 2019-20. Governmental Activities accounted for \$626.4 million, or 76.5%, of the increase and Business-Type Activities accounted for \$192.9 million, or 23.5%. The increase in net position for Governmental Activities is the result of an increase of \$451.2 million, or 63.3%, in grants and contributions that is directly attributable to ARPA and other grant monies received by the City. The increase in net position for Business-Type Activities is primarily attributable to steady revenue collections in the Water System, Wastewater and Solid Waste Enterprise Funds during fiscal year 2020-21.

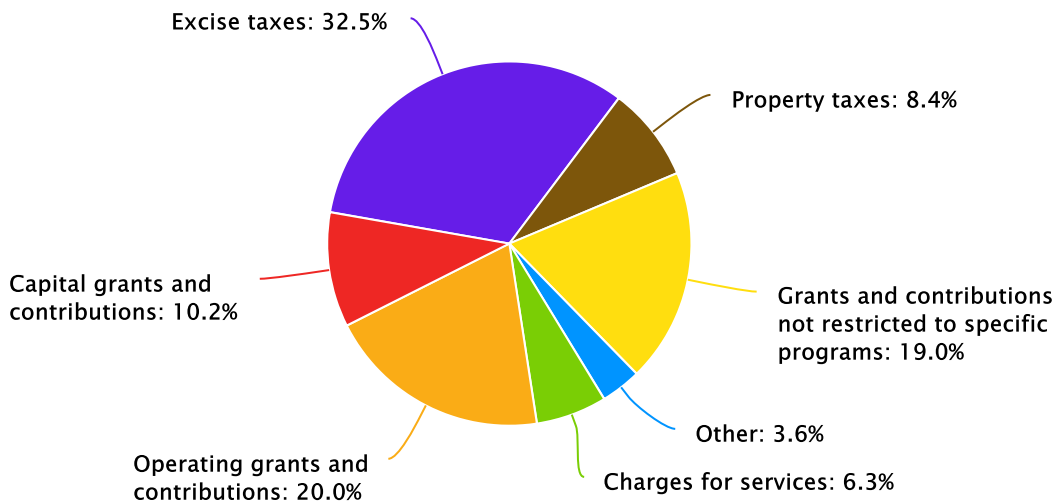
In addition to ARPA, operating grants and contributions for the Governmental Activities increased due to other federal grant programs. The City received \$51.1 million from the Emergency Rental Assistance (ERA1) program as part of the Consolidated Appropriations Act of 2021 for distribution of emergency rent and utility assistance on behalf of low-income and/or unemployed populations impacted by COVID-19. Also, the City was awarded an allocation of \$55.3 million from the Emergency Rental Assistance (ERA2) program as part of ARPA. This program will provide financial services to residents experiencing difficulty due to COVID-19 in paying their rent and utility bills. The City received the first allocation of \$22.1 million, with the second allocation of \$33.2 million expected to be received in fiscal year 2021-22.

Excise and other tax revenues increased by \$120.7 million, or 9.4%. A majority of the increase stems from transaction privilege taxes collected on higher levels of taxable retail sales, construction contracting, and commercial rental activities in the City during fiscal year 2020-21. For additional information, see Table 7 related to the City Transaction Privilege Taxes by Category.

General government expenses increased by \$59.7 million, or 53.6%, primarily due to technology upgrades necessary for City employees to telework, as well as assistance payments to City residents and organizations. Transportation expenses decreased \$146.2 million, or 25.5%, due to optimizing the bus routes to align with fewer riders, which resulted in significant savings on fuel and other operational expenses. Community enrichment expenses increased by \$94.5 million, or 29.1%, due to emergency rental assistance payments and other grant-funded payments directly to aid City residents and businesses during the pandemic.

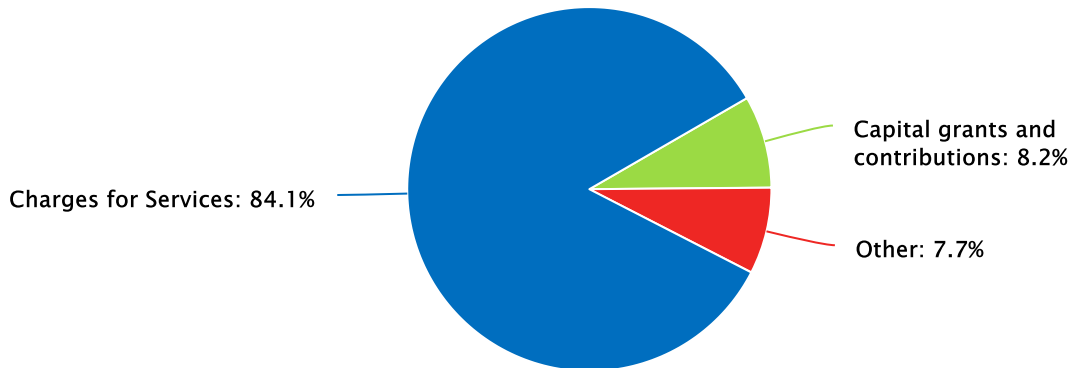
The sources of the revenues shown previously are portrayed in the following charts by percentage for the Governmental Activities and then the Business-Type Activities.

**Revenues by Source – Governmental Activities
Fiscal Year Ended June 30, 2021**



As shown above, excise taxes, which include City sales and franchise taxes, are the largest source of revenue for the Governmental Activities comprising 32.5% 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, 2021



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-9), Enterprise Funds (Exhibits B-10 through B-12) and Fiduciary Funds (Exhibits B-13 and B-14).

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-9) 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-10 through B-12 beginning on page 40) 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-9 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, 2021
 (in thousands)

	Fund Balances June 30, 2020	Net Change in Fund Balances	Fund Balances June 30, 2021
General Fund	\$ 430,116	\$ 153,033	\$ 583,149
Transit Special Revenue Fund	170,656	42,413	213,069
Transit Capital Projects Fund	21,471	(137,644)	(116,173)
G.O./Secondary Property Tax	78,476	(3,733)	74,743
Nonmajor Governmental	772,352	205,917	978,269
Total	\$ 1,473,071	\$ 259,986	\$ 1,733,057
Total Nonspendable	18,029	4,641	22,670
Spendable - Restricted	907,052	159,226	1,066,278
Spendable - Committed, Assigned, Unassigned	547,990	96,119	644,109
Total Governmental Fund Balances	\$ 1,473,071	\$ 259,986	\$ 1,733,057

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 \$260.0 million, or 17.6% from last fiscal year. Of the total governmental funds combined ending balances, approximately 98.7% of this amount, or \$1.7 billion, constitutes *total spendable balance*. Of the spendable amount, there is \$644.1 million available at the City's discretion and has been categorized as committed, assigned or unassigned. The remaining \$1.1 billion, or 62.8%, 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 increased by \$153.0 million, or 35.6%. This increase in fund balance was primarily due to an increase in city taxes and intergovernmental revenues.

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 2021, the fund balance increased by \$42.4 million, or 24.9%, as a result of higher intergovernmental revenues received that are related to the light rail extension projects and replacement bus purchases.

The Transit Capital Projects Fund has a fund deficit of \$116.2 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 \$127.6 million in the Transit Capital Projects Fund, which is causing the temporary fund deficit before the transfer of funds to take place in fiscal year 2022.

The fund balance for the nonmajor governmental funds increased by \$205.9 million, or 26.7%, in fiscal year 2020-21. Both the Municipal Buildings & Service Centers and Sports & Cultural Facilities capital projects funds increased due to bond proceeds for future capital outlay expenditures, such as renovations and improvements to the Phoenix Convention Center and Footprint Center.

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-9) 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, 2021
(in thousands)**

	Final Amended Budget	Actuals	Variance Positive (Negative)
Revenues	\$ 384,904	\$ 484,936	\$ 100,032
Expenditures and Encumbrances	1,476,913	1,371,152	105,761
Deficiency of Revenues Under Expenditures and Encumbrances	(1,092,009)	(886,216)	205,793
Other Financing Sources	945,244	1,000,097	54,853
Net Change in Fund Balance	<u>\$ (146,765)</u>	<u>113,881</u>	<u>\$ 260,646</u>
Fund Balance July 1		169,119	
Fund Balance June 30		<u>\$ 283,000</u>	

The total actual revenues in the General Fund were more than 26.0% of the final amended budget and total expenditures were less than the final amended budget due primarily measures put into place (i.e. hiring freeze, expenditure limitations, etc.) to control expenditures during the first part of the fiscal year. The final amended general fund budget projected fiscal year expenditures of \$1.5 billion includes \$36.7 million of contingency, which was not utilized. The actual general fund budgetary expenditures for the fiscal year ended June 30, 2021, were \$1.4 billion which is \$105.8 million less than the amended budget (see Exhibit B-5). The actual general fund expenditures reflect department efficiencies, service cuts and controlling costs during the fiscal year.

Enterprise Funds. The Enterprise Fund Financial Statements (Exhibits B-10 through B-12) 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-10 and B-11.

City of Phoenix
Changes in Enterprise Fund Net Position
Fiscal Year Ended June 30, 2021
 (in thousands)

	Net Position (Deficit) July 1, 2020	Change in Net Position (Deficit)	Net Position (Deficit) June 30, 2021
Aviation	\$ 1,693,863	\$ (41,662)	\$ 1,652,201
Phoenix Convention Center	(49,120)	(7,330)	(56,450)
Water System	1,446,110	125,479	1,571,589
Wastewater	1,088,369	65,800	1,154,169
Solid Waste	14,585	50,606	65,191
Total	<u>\$ 4,193,807</u>	<u>\$ 192,893</u>	<u>\$ 4,386,700</u>

As shown in the table, Net Position for the Enterprise Funds increased in total by \$192.9 million during the fiscal year. The increases were due to increased revenues and contributions of capital assets. The Aviation net position decreased by \$41.7 million, or -2.5%, due primarily to fewer passenger enplanements related to the COVID-19 pandemic. The deficit for the Phoenix Convention Center increased by \$7.3 million, or -14.9%, due to a decrease in operating revenues from fewer event bookings due to the pandemic. 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, Wastewater and Solid Waste Enterprise Funds all increased during fiscal year 2021 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 51 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

- During the period of 2010 to 2020, population growth was an estimated 11.2% in Phoenix as compared to 7.4% for the U.S. As of June 2021, the City encompasses 519.8 square miles and has an estimated population of 1,652,815.
- As of June 2021, the non-seasonally adjusted unemployment rate for the Phoenix area and the U.S. was 6.6% and 6.1%, respectively.
- The fiscal year 2021-22 assessed valuation increased 6.3% to \$14.8 billion.
- The housing market in the Phoenix area is growing as building permits associated with single-family homes increased 27.2% from 2019 to 2020 to the highest level since 2007. Data produced by the National Association of Realtors indicates that the median sales price for an existing single-family home in Greater Phoenix increased 51.5% from 2018 to the second quarter of 2021 as compared to a 36.8% increase nationwide for the same time period.
- According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area, which declined 0.7% in 2010, grew by an average of 6.7% per year from 2011 through 2020, and grew 6.9% in 2020. This growth was supported by gains in personal income averaging 5.3% annually from 2011 through 2020. The Greater Phoenix Blue Chip Economic Forecast estimates an increase in retail sales of 7.1% in 2021 and an increase of 5.4% in 2022.

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, 2021

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
ASSETS					
Cash and Cash Equivalents	\$ 527,380	\$ 162,359	\$ 689,739	\$ 11,129	\$ 29,689
Cash Deposits	1,079	10	1,089	3,796	-
Cash and Securities with					
Fiscal Agents/Trustees	189,495	-	189,495	3,926	-
Investments	1,441,195	752,761	2,193,956	-	-
Receivables, Net of Allowances	336,194	200,142	536,336	9,660	179
Prepaid Items	485	6,143	6,628	348	39
Inventories	22,185	23,553	45,738	-	-
Restricted Assets	-	1,346,673	1,346,673	-	-
Investment in Joint Use Agreements	1,323,364	509,458	1,832,822	-	-
Net OPEB Asset	65,417	8,475	73,892	-	-
Other Noncurrent Assets	-	183,641	183,641	-	3,479
Capital Assets					
Non-depreciable	2,058,844	2,475,164	4,534,008	12,729	-
Depreciable, net	3,297,202	5,421,386	8,718,588	24,704	-
Total Assets	<u>9,262,840</u>	<u>11,089,765</u>	<u>20,352,605</u>	<u>66,292</u>	<u>33,386</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss on Refunding	12,767	77,753	90,520	-	-
Pension Related	663,774	4,374	668,148	-	-
OPEB Related	15,994	2,590	18,584	-	-
Total Deferred Outflows of Resources	<u>692,535</u>	<u>84,717</u>	<u>777,252</u>	<u>-</u>	<u>-</u>

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, 2021

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
LIABILITIES					
Accounts Payable	310,149	70,134	380,283	841	240
Due to Fiduciary Fund	-	70,000	70,000	-	-
Reimbursement Agreement to City	-	-	-	2,393	-
Trust Liabilities and Deposits	48,814	39	48,853	242	-
Advance Payments	267,517	14,878	282,395	121	-
Liabilities Payable from Restricted Assets	-	105,417	105,417	177	-
Short-Term Obligations	200,000	-	200,000	-	-
Matured Bonds and Certificates Payable	117,915	180,545	298,460	-	-
Interest Payable	31,460	124,382	155,842	2,812	-
Noncurrent Liabilities					
Due Within One Year					
Insurance Claims Payable	59,660	-	59,660	-	-
Accrued Compensated Absences	19,865	2,844	22,709	-	-
Pollution Remediation	32	75	107	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	1,444	1,444	-	-
General Obligation Bonds	87,845	330	88,175	-	-
Loans from Direct Borrowings	-	1,717	1,717	-	-
Municipal Corporation Obligations	20,455	177,403	197,858	-	-
Community Facilities Districts, net	695	-	695	-	-
Capital Lease	1,166	-	1,166	-	-
Due in More Than One Year					
Insurance Claims Payable	162,570	-	162,570	-	-
Accrued Compensated Absences	136,219	17,837	154,056	-	-
Pollution Remediation	3,616	1,275	4,891	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	15,376	15,376	-	-
General Obligation Bonds, net	875,686	13	875,699	-	-
Loans from Direct Borrowings, net	-	10,087	10,087	-	-
Municipal Corporation Obligations, net	524,388	5,618,683	6,143,071	-	-
Community Facilities Districts, net	28,640	-	28,640	-	-
Notes Payable	-	-	-	41,528	-
Net Pension Liability	4,415,427	236,628	4,652,055	-	-
Net OPEB Liability	105,532	30,911	136,443	-	-
Total Liabilities	7,417,651	6,680,018	14,097,669	48,114	240
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Refunding	5,673	4,956	10,629	-	-
Service Concession Arrangement	22,687	-	22,687	-	-
Pension Related	249,752	91,744	341,496	-	-
OPEB Related	45,810	11,064	56,874	-	-
Total Deferred Inflows of Resources	323,922	107,764	431,686	-	-
NET POSITION					
Net Investment in Capital Assets	3,384,939	3,346,870	6,731,809	(5,518)	-
Restricted For:					
Capital Projects	317,888	-	317,888	-	-
Debt Service	200,078	200,110	400,188	-	-
Passenger Facility Charges	-	70,437	70,437	-	-
Customer Facility Charges	-	13,790	13,790	-	-
Public Transit Operations	212,275	-	212,275	-	-
OPEB	65,417	8,475	73,892	-	-
Other	453,952	145,638	599,590	-	-
Unrestricted (Deficit)	(2,420,747)	601,380	(1,819,367)	23,696	33,146
Total Net Position	\$ 2,213,802	\$ 4,386,700	\$ 6,600,502	\$ 18,178	\$ 33,146

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, 2021

(in thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 171,106	\$ 17,077	\$ 28,462	\$ 800
Criminal Justice	36,812	23,970	118	-
Public Safety	1,367,004	59,862	34,100	-
Transportation	427,982	10,484	343,404	279,697
Community Enrichment	419,047	8,936	138,402	12
Community Development	259,183	97,406	139,780	69,203
Environmental Services	59,224	74	5,298	832
Interest on Long-Term Debt	53,532	-	-	-
Total Governmental Activities	<u>2,793,890</u>	<u>217,809</u>	<u>689,564</u>	<u>350,544</u>
Business-Type Activities				
Aviation	576,657	378,553	102,936	48,661
Phoenix Convention Center	88,530	27,114	-	-
Water Services	373,006	467,576	-	44,429
Wastewater Services	176,062	216,830	-	30,818
Solid Waste	133,843	185,699	-	-
Total Business-Type Activities	<u>1,348,098</u>	<u>1,275,772</u>	<u>102,936</u>	<u>123,908</u>
Total Primary Government	<u>\$ 4,141,988</u>	<u>\$ 1,493,581</u>	<u>\$ 792,500</u>	<u>\$ 474,452</u>
Component Units:				
Phoenix Housing Finance Corporations	\$ 10,683	\$ 8,283	\$ -	\$ -
Phoenix Industrial Development Authority	\$ 2,609	\$ 4,414	\$ -	\$ -
General Revenues (Expenses)				
Taxes				
Excise Taxes				
Property Taxes, Levied for General Purposes				
Property Taxes, Levied for Debt Service				
Grants and Contributions Not Restricted to Specific Programs				
Investment Earnings, Net				
Miscellaneous				
Transfers - Internal Activities				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - July 1				
Net Position - June 30				

The accompanying notes are an integral part of these financial statements

Exhibit A-2
(Continued)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business- type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
\$ (124,767)	\$ -	\$ (124,767)		
(12,724)	-	(12,724)		
(1,273,042)	-	(1,273,042)		
205,603	-	205,603		
(271,697)	-	(271,697)		
47,206	-	47,206		
(53,020)	-	(53,020)		
(53,532)	-	(53,532)		
<u>(1,535,973)</u>	<u>-</u>	<u>(1,535,973)</u>		
-	(46,507)	(46,507)		
-	(61,416)	(61,416)		
-	138,999	138,999		
-	71,586	71,586		
-	51,856	51,856		
-	154,518	154,518		
<u>\$ (1,535,973)</u>	<u>\$ 154,518</u>	<u>\$ (1,381,455)</u>		
			<u>\$ (2,400)</u>	<u>\$ 1,805</u>
1,119,492	-	1,119,492	-	-
175,142	-	175,142	-	-
114,448	-	114,448	-	-
654,429	-	654,429	-	-
(6,861)	13,633	6,772	116	327
130,504	-	130,504	1,503	1,438
(24,742)	24,742	-	-	-
<u>2,162,412</u>	<u>38,375</u>	<u>2,200,787</u>	<u>1,619</u>	<u>1,765</u>
626,439	192,893	819,332	(781)	3,570
1,587,363	4,193,807	5,781,170	18,959	29,576
<u>\$ 2,213,802</u>	<u>\$ 4,386,700</u>	<u>\$ 6,600,502</u>	<u>\$ 18,178</u>	<u>\$ 33,146</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, 2021

(in thousands)

	General					
	Transit Special General	Transit Capital Revenue	Transit Capital Projects	Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 295,427	\$ 26,549	\$ -	\$ -	\$ 205,404	\$ 527,380
Cash Deposits	1,079	-	-	-	-	1,079
Cash and Securities with Fiscal Agents/Trustees	17,147	-	-	106,566	65,782	189,495
Investments	485,412	115,918	-	71,870	767,995	1,441,195
Due from Other Funds	-	132,030	-	-	50,450	182,480
Receivables, Net of Allowance						
Accounts Receivable	54,195	18	-	-	3,491	57,704
Taxes Receivable	120,969	-	-	2,018	4	122,991
Delinquent Taxes Receivable	2,644	-	-	1,841	-	4,485
Intergovernmental	30,005	35,868	11,440	-	61,725	139,038
Accrued Interest	439	-	-	854	237	1,530
Notes Receivable	-	-	-	-	10,446	10,446
Prepaid Items	32	453	-	-	-	485
Inventories	21,844	341	-	-	-	22,185
Total Assets	1,029,193	311,177	11,440	183,149	1,165,534	2,700,493
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Due to Other Funds	39,726	-	127,609	-	15,145	182,480
Accounts Payable	151,442	98,079	3	-	60,625	310,149
Insurance Claims Payable	672	-	-	-	-	672
Trust Liabilities and Deposits	9,012	29	1	-	39,772	48,814
Matured Bonds Payable	-	-	-	84,285	33,630	117,915
Interest Payable	-	-	-	22,280	9,180	31,460
Advance Payments	242,548	-	-	-	28,913	271,461
Total Liabilities	443,400	98,108	127,613	106,565	187,265	962,951
DEFERRED INFLOWS OF RESOURCES						
Delinquent Property Taxes	2,644	-	-	1,841	-	4,485
Total Deferred Inflows of Resources	2,644	-	-	1,841	-	4,485
Fund Balances						
Non-Spendable						
Inventories	21,844	341	-	-	-	22,185
Prepaid Items	32	453	-	-	-	485
Restricted	49,942	212,275	-	74,743	729,318	1,066,278
Committed	-	-	-	-	92,496	92,496
Assigned	136,559	-	-	-	156,470	293,029
Unassigned	374,772	-	(116,173)	-	(15)	258,584
Total Fund Balances	583,149	213,069	(116,173)	74,743	978,269	1,733,057
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,029,193	\$ 311,177	\$ 11,440	\$ 183,149	\$ 1,165,534	\$ 2,700,493

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, 2021

(in thousands)

Fund balances - total governmental funds balance sheet		\$ 1,733,057
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	8,214,677	
Accumulated depreciation	<u>(2,858,631)</u>	5,356,046
The investment in joint use agreements are not a financial resource and, therefore, are not reported in the funds.		
Valley Metro Rail Inc.	1,281,123	
Regional Wireless Cooperative	<u>42,241</u>	1,323,364
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Net OPEB asset		65,417
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.		8,429
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.	12,767	
Deferred outflows of resources from pensions.	663,774	
Deferred outflows of resources from OPEB.	<u>15,994</u>	692,535
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Governmental bonds payable	(1,537,709)	
Pollution remediation	(3,648)	
Compensated absences	(156,084)	
Insurance claims payable	(221,558)	
Capital lease	(1,166)	
Net pension liability	(4,415,427)	
Net OPEB liability	<u>(105,532)</u>	(6,441,124)
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.	(5,673)	
Deferred inflows of resources from service concession arrangement.	(22,687)	
Deferred inflows of resources from pensions.	(249,752)	
Deferred inflows of resources from OPEB.	<u>(45,810)</u>	(323,922)
Net position of governmental activities - statement of net position		<u>\$ 2,213,802</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, 2021

(in thousands)

	General	Transit Special Revenue	Transit Capital Projects	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
City Taxes	\$ 795,141	\$ 279,349	\$ -	\$ 115,069	\$ 221,066	\$ 1,410,625
Licenses and Permits	15,993	-	-	-	933	16,926
Intergovernmental	634,944	197,035	279,662	4,628	516,588	1,632,857
Charges for Services	71,875	6,543	-	-	100,234	178,652
Fines and Forfeitures	14,052	-	-	-	46	14,098
Parks and Recreation	-	-	-	-	141	141
Special Assessments	-	-	-	-	2	2
Investment Income						
Net Change in Fair Value of Investments	(22,245)	(1,179)	73	(1,378)	(2,524)	(27,253)
Interest	7,430	3,604	1	1,488	7,869	20,392
Dwelling Rentals	-	-	-	-	6,978	6,978
Other	22,839	5,248	269	-	102,286	130,642
Total Revenues	1,540,029	490,600	280,005	119,807	953,619	3,384,060
EXPENDITURES						
Current						
General Government	95,692	-	-	-	33,406	129,098
Criminal Justice	35,584	-	-	-	2,042	37,626
Public Safety	905,689	-	-	-	194,111	1,099,800
Transportation	21,803	212,076	-	-	94,356	328,235
Community Enrichment	159,574	-	-	-	144,772	304,346
Community Development	23,829	-	-	-	221,099	244,928
Environmental Services	21,451	1	-	-	7,346	28,798
Capital Outlay	44,840	233,126	334,653	-	344,960	957,579
Debt Service						
Principal	-	-	-	84,285	33,632	117,917
Interest	-	-	-	44,561	18,008	62,569
Bond Issuance Costs	-	-	-	-	1,368	1,368
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	13	13
Capital Lease	1,192	-	-	-	-	1,192
Other	-	-	-	-	2,554	2,554
Total Expenditures	1,309,654	445,203	334,653	128,846	1,097,667	3,316,023
Excess (Deficiency) of Revenues Over Expenditures	230,375	45,397	(54,648)	(9,039)	(144,048)	68,037
OTHER FINANCING SOURCES (USES)						
Transfers from Other Funds	31,607	-	4	5,306	168,447	205,364
Transfers to Other Funds	(108,949)	(2,984)	(83,000)	-	(35,173)	(230,106)
Issuance of Debt						
Municipal Corporation Bonds	-	-	-	-	231,595	231,595
Premium on Municipal Corporation Bonds	-	-	-	-	25,324	25,324
Refunding Bonds	-	-	-	-	116,685	116,685
Deposit to Refunding Escrow	-	-	-	-	(156,913)	(156,913)
Total Other Financing Sources and (Uses)	(77,342)	(2,984)	(82,996)	5,306	349,965	191,949
Net Change in Fund Balances	153,033	42,413	(137,644)	(3,733)	205,917	259,986
FUND BALANCES, JULY 1	430,116	170,656	21,471	78,476	772,352	1,473,071
FUND BALANCES, JUNE 30	\$ 583,149	\$ 213,069	\$ (116,173)	\$ 74,743	\$ 978,269	\$ 1,733,057

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, 2021

(in thousands)

Net change in fund balances - total governmental funds	\$ 259,986
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 (\$428,750) exceeded depreciation (\$217,311) and loss on disposals of capital assets (\$28,283) in the current period.	183,156
The City's share of increase in net position from the investment in joint ventures is not reflected in the fund financial statements.	283,851
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	61,011
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	(98,771)
Amortization of bond premium/discount and deferred gain/loss on refundings	13,025
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	(7,579)
Insurance claims	(28,836)
Capital lease	1,142
Pollution remediation	916
Water Repayment Agreements	2,301
Pensions	(73,304)
OPEB	29,541
Change in net position of governmental activities - statement of activities	<u>\$ 626,439</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, 2021
 (in thousands)

Exhibit B-5

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
City Taxes	\$ 181,947	\$ 181,947	\$ 184,054	\$ 2,107
Contributions/Donations	14	14	117	103
Licenses and Permits	15,970	15,970	13,299	(2,671)
Intergovernmental	73,738	73,738	190,642	116,904
Charges for Services	76,451	76,451	67,425	(9,026)
Fines and Forfeitures	11,083	11,083	8,911	(2,172)
Rentals	3,551	3,551	3,169	(382)
Interest	9,427	9,427	5,189	(4,238)
Miscellaneous	12,723	12,723	12,130	(593)
Total Revenues	<u>384,904</u>	<u>384,904</u>	<u>484,936</u>	<u>100,032</u>
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	152,890	182,890	154,210	28,680
Criminal Justice	37,541	37,341	36,162	1,179
Public Safety	944,680	939,480	925,920	13,560
Transportation	20,762	23,562	22,145	1,417
Community Enrichment	169,541	166,541	158,590	7,951
Community Development	24,761	25,161	24,113	1,048
Environmental Services	18,799	21,999	20,905	1,094
Capital Outlay	19,643	32,943	29,107	3,836
Contingency	36,996	46,996	-	46,996
Total Expenditures and Encumbrances	<u>1,425,613</u>	<u>1,476,913</u>	<u>1,371,152</u>	<u>105,761</u>
Deficiency of Revenues Over Expenditures and Encumbrances	(1,040,709)	(1,092,009)	(886,216)	205,793
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Staff and Administrative	58,210	58,210	44,839	(13,371)
In-Lieu Property Taxes	28,567	28,567	27,628	(939)
Excise Taxes and Other	918,881	918,881	975,743	56,862
Transfers to Other Funds				
City Improvement Debt Service Fund	(42,019)	(42,019)	(112)	41,907
Other Restricted Special Revenue Fund	(17,872)	(17,872)	(18,184)	(312)
Infrastructure Repayment Agreement Trust	(1,523)	(1,523)	(1,275)	248
Public Safety Pension Stabilization Reserve Fund	-	-	(1,000)	(1,000)
Aerial Fleet Capital Reserve Fund	-	-	(5,000)	(5,000)
Other Benefit & Insurance Trust Funds	-	-	(25,000)	(25,000)
Recovery of Prior Years Expenditures	1,000	1,000	2,458	1,458
Total Other Financing Sources (Uses)	<u>945,244</u>	<u>945,244</u>	<u>1,000,097</u>	<u>54,853</u>
Net Change in Fund Balance	<u>\$ (95,465)</u>	<u>\$ (146,765)</u>	<u>113,881</u>	<u>\$ 260,646</u>
Fund Balance, July 1			169,119	
Fund Balance, June 30			<u>\$ 283,000</u>	

The accompanying notes are an integral part of these financial statements

Budgetary Comparison Statement

Exhibit B-6

Transit 2000 Special Revenue Fund

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$ -	\$ -	\$ (3)	\$ (3)
Total Revenues	-	-	(3)	(3)
OTHER FINANCING SOURCES				
Transfers from Other Funds				
Transportation Tax 2050 Special Revenue Fund	-	-	3	3
Total Other Financing Sources	-	-	3	3
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

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, 2021
 (in thousands)

Exhibit B-7

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 41,266	\$ 41,266	\$ 20,727	\$ (20,539)
Charges for Services	-	-	(8)	(8)
Interest	(143)	(143)	(34)	109
Total Revenues	41,123	41,123	20,685	(20,438)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	15,364	15,364	15,364	-
Capital	18,710	18,710	9,035	9,675
Total Expenditures and Encumbrances	34,074	34,074	24,399	9,675
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	7,049	7,049	(3,714)	(10,763)
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	32	32
Total Other Financing Sources	-	-	32	32
Net Change in Fund Balance	\$ 7,049	\$ 7,049	(3,682)	\$ (10,731)
Fund Balance, July 1			(5,480)	
Fund Balance, June 30			\$ (9,162)	

The accompanying notes are an integral part of these financial statements

Budgetary Comparison Statement
Transit - Federal Transit Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit B-8

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 180,910	\$ 180,910	\$ 141,732	\$ (39,178)
Total Revenues	180,910	180,910	141,732	(39,178)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	98,178	98,178	99,976	(1,798)
Capital	82,732	82,732	41,871	40,861
Total Expenditures and Encumbrances	180,910	180,910	141,847	39,063
Deficiency of Revenues Over Expenditures and Encumbrances	-	-	(115)	(115)
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	115	115
Total Other Financing Sources	-	-	115	115
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1				-
Fund Balance, June 30			\$	-

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, 2021
 (in thousands)

Exhibit B-9

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 500	\$ 500
Charges for Services	39,792	39,792	7,219	(32,573)
Rentals	131	131	135	4
Interest	500	500	1,869	1,369
Miscellaneous	3,045	3,045	4,398	1,353
Total Revenues	43,468	43,468	14,121	(29,347)
EXPENDITURES AND ENCUMBRANCES				
Current Operating Transportation	167,904	127,904	97,838	30,066
Capital	107,267	175,567	159,654	15,913
Total Expenditures and Encumbrances	275,171	303,471	257,492	45,979
Deficiency of Revenues Over Expenditures and Encumbrances	(231,703)	(260,003)	(243,371)	16,632
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	249,230	249,230	279,348	30,118
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,061)	(1,061)	(1,063)	(2)
City Improvement Debt Service Fund	(7,292)	(7,292)	(1,350)	5,942
Infrastructure Repayment Agreement Trust	(1,318)	(1,318)	(1,089)	229
Other Restricted Special Revenue Fund	(448)	(448)	(190)	258
Transit 2000 Special Revenue Fund	-	-	(3)	(3)
Recovery of Prior Years Expenditures	-	-	1,376	1,376
Total Other Financing Sources (Uses)	239,111	239,111	277,029	37,918
Net Change in Fund Balance	\$ 7,408	\$ (20,892)	33,658	\$ 54,550
Fund Balance, July 1			161,597	
Fund Balance, June 30			\$ 195,255	

The accompanying notes are an integral part of these financial statements



City of Phoenix

**Fund Financial Statements
Enterprise Funds
Statement of Net Position
June 30, 2021
(in thousands)**
Exhibit B-10

	Aviation	Phoenix Convention Center
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 59,797	\$ 9,037
Investments	327,962	36,786
Receivables, Net of Allowances	73,110	42
Prepaid Items	-	-
Cash Deposits	10	-
Inventories, at Average Cost	3,264	262
Total Unrestricted Current Assets	464,143	46,127
Restricted Assets		
Cash and Cash Equivalents	16,574	972
Cash Deposits	-	3,900
Cash and Securities with Fiscal Agents/Trustees	137,155	28,566
Investments	296,103	16,576
Receivables, Net of Allowances	23,328	14
Total Restricted Current Assets	473,160	50,028
Total Current Assets	937,303	96,155
Noncurrent Assets		
Restricted Cash with Fiscal Agents/Trustees	183,641	-
Capital Assets, Net of Accumulated Depreciation	3,441,457	597,096
Investment in Joint Use Agreement	-	-
Net OPEB Asset	2,475	550
Total Noncurrent Assets	3,627,573	597,646
Total Assets	4,564,876	693,801
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	50,518	4,015
Pension Related	1,181	312
OPEB Related	739	162
Total Deferred Outflows of Resources	52,438	4,489
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	26,507	2,098
Due to Fiduciary Fund	70,000	-
Trust Liabilities and Deposits	39	-
Advance Payments	14,878	-
Accrued Landfill Postclosure Care Costs	-	-
Current Portion of Pollution Remediation	75	-
Current Portion of Accrued Compensated Absences	995	178
Total Current Liabilities Payable from Current Assets	112,494	2,276
Current Liabilities Payable from Restricted Assets		
Accounts Payable	52,063	-
Trust Liabilities and Deposits	-	3,914
Matured Bonds Payable	50,045	9,721
Interest Payable	56,327	18,084
Current Portion of General Obligation Bonds	-	-
Current Portion of Loans from Direct Borrowings	-	-
Current Portion of Municipal Corporation Obligations	52,190	10,473
Accrued Landfill Closure Costs	-	-
Total Current Liabilities Payable from Restricted Assets	210,625	42,192
Total Current Liabilities	323,119	44,468
Noncurrent Liabilities		
General Obligation Bonds, net	-	-
Loans from Direct Borrowings	-	-
Municipal Corporation Obligations, net	2,584,333	678,096
Pollution Remediation	1,275	-
Accrued Landfill Closure and Postclosure Care Costs	-	-
Accrued Compensated Absences	6,257	1,136
Net Pension Liability	12,783	21,883
Net OPEB Liability	8,731	1,913
Total Noncurrent Liabilities	2,613,379	703,028
Total Liabilities	2,936,498	747,496
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding Bonds	681	-
Pension Related	24,769	6,547
OPEB Related	3,165	697
Total Deferred Inflows of Resources	28,615	7,244
NET POSITION		
Net Investment in Capital Assets	1,199,517	(94,776)
Restricted for Debt Service	69,610	9,721
Restricted from Passenger Facility Charges	70,437	-
Restricted from Customer Facility Charges	13,790	-
Restricted from Enabling Legislation for Capital Projects	-	-
Restricted for OPEB	2,475	550
Unrestricted (Deficit)	296,372	28,055
Total Net Position (Deficit)	\$ 1,652,201	\$ (56,450)

The accompanying notes are an integral part of these financial statements

Exhibit B-10
(Continued)

Water System	Wastewater	Solid Waste	Total
\$ 46,775	\$ 38,556	\$ 8,194	\$ 162,359
194,168	156,252	37,593	752,761
60,504	48,285	18,201	200,142
6,143	-	-	6,143
-	-	-	10
15,174	3,144	1,709	23,553
322,764	246,237	65,697	1,144,968
29,010	17,530	2,795	66,881
6,603	2	113	10,618
99,380	57,520	12,603	335,224
475,613	71,486	50,733	910,511
97	-	-	23,439
610,703	146,538	66,244	1,346,673
933,467	392,775	131,941	2,491,641
-	-	-	183,641
2,622,881	1,088,779	146,337	7,896,550
190,450	319,008	-	509,458
3,027	929	1,494	8,475
2,816,358	1,408,716	147,831	8,598,124
3,749,825	1,801,491	279,772	11,089,765
21,399	1,427	394	77,753
1,935	-	946	4,374
925	283	481	2,590
24,259	1,710	1,821	84,717
19,735	15,585	6,209	70,134
-	-	-	70,000
-	-	-	39
-	-	-	14,878
-	-	1,444	1,444
-	-	-	75
1,046	218	407	2,844
20,781	15,803	8,060	159,414
28,828	13,611	40	94,542
6,704	1	114	10,733
64,972	45,202	10,605	180,545
34,692	13,281	1,998	124,382
-	-	330	330
255	862	600	1,717
57,765	46,145	10,830	177,403
-	-	142	142
193,216	119,102	24,659	589,794
213,997	134,905	32,719	749,208
-	-	13	13
1,998	6,739	1,350	10,087
1,786,588	499,708	69,958	5,618,683
-	-	-	1,275
-	-	15,376	15,376
6,605	1,363	2,476	17,837
135,644	-	66,318	236,628
11,043	3,365	5,859	30,911
1,941,878	511,175	161,350	5,930,810
2,155,875	646,080	194,069	6,680,018
2,082	1,744	449	4,956
40,586	-	19,842	91,744
3,952	1,208	2,042	11,064
46,620	2,952	22,333	107,764
1,384,440	763,661	94,028	3,346,870
64,972	45,202	10,605	200,110
-	-	-	70,437
-	-	-	13,790
94,035	51,603	-	145,638
3,027	929	1,494	8,475
25,115	292,774	(40,936)	601,380
\$ 1,571,589	\$ 1,154,169	\$ 65,191	\$ 4,386,700

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Exhibit B-11
Enterprise Funds
Statement of Revenues, Expenses and Changes in Net Position

June 30, 2021

(in thousands)

	Phoenix	
	Aviation	Convention Center
Operating Revenues		
Aeronautical Fees	\$ 143,266	\$ -
Sales	-	-
Rentals	85,053	1,671
Sewer Service Charges	-	-
Sanitation and Landfill Fees	-	-
Concessions	-	857
Other	63,749	24,586
Total Operating Revenues	<u>292,068</u>	<u>27,114</u>
Operating Expenses		
Administration and Engineering	-	14,997
Operation and Maintenance	278,070	12,546
Promotion	-	2,411
Depreciation and Amortization	178,006	23,539
Staff and Administrative	10,117	3,044
Other	-	1,513
Total Operating Expenses	<u>466,193</u>	<u>58,050</u>
Operating Income (Loss)	<u>(174,125)</u>	<u>(30,936)</u>
Non-Operating Revenues (Expenses)		
Passenger Facility Charges	55,037	-
Rental Car Customer Facility Charges	31,448	-
Investment Income		
Net Decrease in Fair Value of Investments	(3,404)	(517)
Interest on Investments	9,168	1,111
CARES Grant	102,936	-
Interest	(96,781)	(30,517)
Equity Interest in Joint Use Agreement Operating Loss	-	-
Gain (Loss) on Disposal of Capital Assets	(13,683)	37
Total Non-Operating Revenues (Expenses)	<u>84,721</u>	<u>(29,886)</u>
Income (Loss) Before Contributions and Transfers	<u>(89,404)</u>	<u>(60,822)</u>
Capital Contributions	48,661	-
Transfers from Other Funds	-	54,331
Transfers to Other Funds	(919)	(839)
Change in Net Position	<u>(41,662)</u>	<u>(7,330)</u>
Net Position (Deficit), July 1	1,693,863	(49,120)
Net Position (Deficit), June 30	<u>\$ 1,652,201</u>	<u>\$ (56,450)</u>

The accompanying notes are an integral part of these financial statements

Exhibit B-11

(Continued)

Water System	Wastewater	Solid Waste	Total
\$ -	\$ -	\$ -	\$ 143,266
387,920	-	-	387,920
-	-	-	86,724
-	170,684	-	170,684
-	-	172,765	172,765
-	-	-	857
79,656	46,146	12,934	227,071
467,576	216,830	185,699	1,189,287
(3,541)	13,193	2,959	27,608
180,023	72,916	100,292	643,847
-	-	-	2,411
116,475	42,726	15,912	376,658
9,369	4,903	6,952	34,385
-	-	6,780	8,293
302,326	133,738	132,895	1,093,202
165,250	83,092	52,804	96,085
-	-	-	55,037
-	-	-	31,448
(1,333)	(1,303)	(268)	(6,825)
4,155	5,094	930	20,458
-	-	-	102,936
(55,369)	(18,630)	(1,362)	(202,659)
(12,687)	(23,826)	-	(36,513)
(2,624)	132	414	(15,724)
(67,858)	(38,533)	(286)	(51,842)
97,392	44,559	52,518	44,243
44,429	30,818	-	123,908
-	-	-	54,331
(16,342)	(9,577)	(1,912)	(29,589)
125,479	65,800	50,606	192,893
1,446,110	1,088,369	14,585	4,193,807
\$ 1,571,589	\$ 1,154,169	\$ 65,191	\$ 4,386,700

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Enterprise Funds
Statement of Cash Flows
 June 30, 2021
 (in thousands)

Exhibit B-12

	Aviation	Phoenix Convention Center
Cash Flows from Operating Activities		
Receipts from Customers	\$ 291,984	\$ 27,482
Payments to Suppliers	(166,620)	(27,731)
Payments to Employees	(85,093)	(18,166)
Payment of Staff and Administrative Expenses	(110,117)	(3,044)
Net Cash Provided (Used) by Operating Activities	(69,846)	(21,459)
Cash Flows from Noncapital Financing Activities		
Non-Capital Grants	54,808	-
Transfers from Other Funds	-	54,331
Transfers to Other Funds	(919)	(839)
Net Cash Provided (Used) by Noncapital Financing Activities	53,889	53,492
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	-	24,158
Principal Paid on Capital Debt	(55,785)	(9,024)
Interest Paid on Capital Debt	(116,557)	(34,601)
Acquisition and Construction of Capital Assets	(356,008)	(10,813)
Proceeds from Sales of Capital Assets	238	285
Passenger Facility Charges	46,070	-
Customer Facility Charges	29,783	-
Capital Contributions	48,185	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(404,074)	(29,995)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(755,719)	(41,120)
Proceeds from Sale and Maturities of Investment Securities	1,058,637	38,694
Net Activity for Short-Term Investments	98,862	3,562
Interest on Investments	6,690	614
Net Cash Provided (Used) by Investing Activities	408,470	1,750
Net Decrease in Cash and Cash Equivalents	(11,561)	3,788
Cash and Cash Equivalents, July 1	408,738	38,687
Cash and Cash Equivalents, June 30	<u>\$ 397,177</u>	<u>\$ 42,475</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating		
Operating Income (Loss)	\$ (174,125)	\$ (30,936)
Adjustments		
Depreciation	178,006	23,539
Deferred Outflows - Pension and OPEB	14,728	3,141
Deferred Inflows - Pension and OPEB	13,786	4,172
Change in Assets and Liabilities		
Receivables	(5,317)	-
Allowance for Doubtful Accounts	310	-
Prepaid Items	-	-
Inventories	(92)	(16)
Accounts Payable	4,180	(2,451)
Due to Fiduciary Fund	70,000	-
Net OPEB Asset	(899)	(200)
Trust Liabilities and Deposits	(345)	368
Advance Payments	5,268	-
Pollution Remediation	(75)	-
Accrued Compensated Absences	376	(55)
Accrued Landfill Closure and Postclosure Care Costs	-	-
Net Pension Liability	(170,909)	(17,975)
Net OPEB Liability	(4,738)	(1,046)
Net Cash Provided (Used) by Operating Activities	<u>\$ (69,846)</u>	<u>\$ (21,459)</u>
Noncash Capital and Financing Activities		
Bond Capital Appreciation	\$ -	\$ (1,139)
Amortization of Deferred Gains/Losses of Bond Refundings	5,216	273
Unrealized Gain (Losses) on Investments	(2,231)	(191)
Proceeds from Refunding Bonds Deposited with Escrow Agent	-	-
Accounts Payable Related to Capital Asset Additions	52,063	-
Total Noncash Capital and Financing Activities	<u>\$ 55,048</u>	<u>\$ (1,057)</u>
Cash and Cash Equivalents		
Unrestricted		
Cash and Cash Equivalents	\$ 59,797	\$ 9,037
Cash Deposits	10	-
Total Unrestricted	59,807	9,037
Restricted		
Cash and Cash Equivalents	16,574	972
Cash and Securities with Fiscal Agents/Trustees	320,796	28,566
Cash Deposits	-	3,900
Total Restricted	337,370	33,438
	<u>\$ 397,177</u>	<u>\$ 42,475</u>

The accompanying notes are an integral part of these financial statements

Exhibit B-12
(Continued)

Water System	Wastewater	Solid Waste	Total
\$ 463,285	\$ 217,613	\$ 183,587	\$ 1,183,951
(123,699)	(58,927)	(77,185)	(454,162)
(106,444)	(17,996)	(55,374)	(283,073)
(9,369)	(4,903)	(6,952)	(134,385)
223,773	135,787	44,076	312,331
-	-	-	54,808
-	-	-	54,331
(16,342)	(9,577)	(1,912)	(29,589)
(16,342)	(9,577)	(1,912)	79,550
327,893	-	39,699	391,750
(68,760)	(44,128)	(11,185)	(188,882)
(68,135)	(28,322)	(3,276)	(250,891)
(186,002)	(117,214)	(19,984)	(690,021)
-	415	418	1,356
-	-	-	46,070
-	-	-	29,783
44,429	30,818	-	123,432
49,425	(158,431)	5,672	(537,403)
(126,667)	(183,004)	(168,731)	(1,275,241)
-	247,764	129,203	1,474,298
(75,468)	(13,988)	(4,186)	8,782
2,727	3,791	662	14,484
(199,408)	54,563	(43,052)	222,323
57,448	22,342	4,784	76,801
124,320	91,266	18,921	681,932
\$ 181,768	\$ 113,608	\$ 23,705	\$ 758,733
\$ 165,250	\$ 83,092	\$ 52,804	\$ 96,085
116,475	42,726	15,912	376,658
17,275	106	8,229	43,479
27,447	1,037	13,729	60,171
(6,196)	(592)	(3,580)	(15,685)
2,843	1,488	1,471	6,112
624	-	-	624
(815)	1,136	(901)	(688)
(5,719)	8,823	(685)	4,148
-	-	-	70,000
(1,100)	(337)	(542)	(3,078)
(926)	(112)	-	(1,015)
(12)	-	-	5,256
-	-	-	(75)
517	152	130	1,120
-	-	31	31
(86,172)	-	(39,391)	(314,447)
(5,718)	(1,732)	(3,131)	(16,365)
\$ 223,773	\$ 135,787	\$ 44,076	\$ 312,331
\$ -	\$ -	\$ -	\$ (1,139)
933	282	(132)	6,572
(967)	(396)	(77)	(3,862)
(209,630)	-	-	(209,630)
28,828	13,611	40	94,542
\$ (180,836)	\$ 13,497	\$ (169)	\$ (113,517)
\$ 46,775	\$ 38,556	\$ 8,194	\$ 162,359
-	-	-	10
46,775	38,556	8,194	162,369
29,010	17,530	2,795	66,881
99,380	57,520	12,603	518,865
6,603	2	113	10,618
134,993	75,052	15,511	596,364
\$ 181,768	\$ 113,608	\$ 23,705	\$ 758,733

The accompanying notes are an integral part of these financial statements

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

June 30, 2021

(in thousands)

	Pension and Other Employee Benefit Trusts
ASSETS	
Cash and Cash Equivalents	\$ 194,708
Investments	
Treasurer's Pooled Investments	5,142
Temporary Investments	106,543
Fixed Income	671,834
Domestic Equities	1,249,501
International Equities	387,046
Real Return	719,245
Absolute Return	133,018
Real Estate	418,286
Receivables	
Accounts Receivable	6,345
Contributions Receivable (1)	90,174
Interest and Dividends	3,666
Prepaid Items	5,657
Total Assets	3,991,165
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	-
LIABILITIES	
Accounts Payable	129,632
Accrued Payroll Payable	-
Claims Payable	29,048
Total Liabilities	158,680
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	-
NET POSITION	
Restricted for Pensions	3,438,027
Restricted for Other Employee Benefits	394,458
Total Restricted for Pension and Other Employee Benefits	\$ 3,832,485

(1) Includes \$70 million due from the Aviation Enterprise Fund

The accompanying notes are an integral part of these financial statements

Fund Financial Statements**Exhibit B-14****Fiduciary Funds****Statement of Changes in Fiduciary Net Position**

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Pension and Other Employee Benefit Trusts
ADDITIONS	
Contributions	
City of Phoenix	\$ 540,741
Employees	98,256
Other	4,936
Total Contributions	<u>643,933</u>
Investment Income	
Net Increase in Fair Value of Investments	646,731
Interest	22,772
Dividends	19,304
Other	10,500
Investment Income	<u>699,307</u>
Less: Investment Expense	<u>16,603</u>
Total Net Investment Income	<u>682,704</u>
Total Additions	<u>1,326,637</u>
DEDUCTIONS	
Benefit Payments	492,929
Refunds of Contributions	3,047
Inter-System Transfers	452
Other	26,161
Total Deductions	<u>522,589</u>
Net Increase	804,048
Net Position Restricted for Pension and Other Employee Benefits	
Beginning of Year, July 1	\$ 3,028,437
End of Year, June 30	<u>\$ 3,832,485</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:

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 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 3352 E. Camelback Rd., Phoenix, Arizona, 85018.

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 \$24.7 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, Transit 2000 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 2020-21, 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 2020-21 expenditure limit supplied by the Economic Estimates Commission was \$1.6 billion. The City increased this limit to \$9.8 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.	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 operating 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 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. Capital leases are classified as capital assets in amounts equal to the lesser of fair market value or the present value of net minimum lease payments at the inception of the lease.

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.

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

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

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) **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.

l) **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.

m) **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.

n) **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.

o) **Fund Deficits**

The Transit Capital Projects Fund reported a deficit of \$116.2 million. Deficits sometimes occur in the capital projects funds which are recovered through future bond sales and/or the award of federal grants. The Transit Capital Projects Fund reported a deficit of \$116.2 million. The Phoenix Convention Center Enterprise fund reported a deficit of \$56.5 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.

p) **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.

q) **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.

r) **New Accounting Pronouncements**

New Accounting Pronouncements Adopted in 2021:

GASB Statement No. 84, ***Fiduciary Activities***, establishes criteria for the identification of fiduciary activities and provides guidance on reporting those activities. An activity meeting the criteria should be reported in a fiduciary fund. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. In conjunction with GASB Statement No. 97 (described below), the City has determined there is a change in the presentation, but no impact to the City's net position. Amounts previously reported in the Payroll Agency Fund are now reported within the General Fund. There are no longer any custodial funds to be reported as a result of this Statement.

GASB Statement No. 90, ***Majority Equity Interests - an amendment of GASB Statement No. 14 and No. 61***, requires that governments analyze the holdings of legally separate organizations to see if the ownership of a majority equity interest in that organization qualifies as an investment under GASB Statement No. 72. If it does meet the definition of an investment under GASB Statement No. 72, that interest should be reported as an asset using the equity method of accounting. If it does not meet the definition of an investment under GASB Statement No. 72, the government should report that organization as a component unity, in addition to recording the interest as an asset using the equity method of accounting within the applicable full accrual fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has determined there is no impact to the financial statements as a result of this Statement.

GASB Statement No. 97, ***Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans***, amends GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement increases consistency and comparability related to the reporting of fiduciary component units and mitigates costs associated with the reporting of certain defined contribution pension, OPEB and other employee benefit plans, such as Section 457 plans. The requirements of this Statement are effective for reporting periods beginning after June 30, 2022 for 457 plans and immediately for the remainder of the standard. In conjunction with GASB Statement No. 84 (described above), the City has determined there is no impact to the financial statements as a result of this Statement.

GASB Statement No. 98, ***The Annual Comprehensive Financial Report***, establishes the term *annual comprehensive financial report* and its acronym *ACFR*. This new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City has implemented this Statement in fiscal year 2021.

Pronouncements Issued But Not Yet Effective:

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

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
87	<i>Leases</i>	2022
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

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-9) are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP bases are:

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

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

Adjustments necessary to convert the change in fund balance for the fiscal year ended June 30, 2021 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	\$ 113,881	\$ 29,976
Entity differences - amounts not budgeted	258,137	(543)
Transfers not recognized for budget purposes	211	-
Advance payments not recognized for budget purposes (net of reversals of prior year accruals)	(228,071)	32,801
Accrued expenditures not recognized for budget purposes (net of reversals of prior year accruals)	180	(75,160)
Unrealized gain or loss on investments	(20,788)	580
Encumbrances at June 30 recognized as expenditures for budget purposes	29,483	54,759
GAAP basis	<u>\$ 153,033</u>	<u>\$ 42,413</u>

Adjustments necessary to convert the fund balances at June 30, 2021 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	\$ 283,000	\$ 186,093
Entity differences - amounts not budgeted	365,450	1,229
Advance payments not recognized for budget purposes	22,555	(1,441)
Accrued expenditures not recognized for budget purposes	(262,930)	(92,984)
Unrealized gain or loss on investments	89,104	(14,285)
Encumbrances at June 30 recognized as expenditures for budget purposes	85,970	134,457
GAAP basis	<u>\$ 583,149</u>	<u>\$ 213,069</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	\$ 21,876	\$ 794	\$ -	\$ -	\$ -	\$ 22,670
Spendable:						
Restricted for:						
Capital Construction	-	-	-	-	229,601	229,601
Debt Service	-	-	-	74,743	7,419	82,162
Public Transit Operations	-	211,012	-	-	-	211,012
Road Maintenance and Construction	-	-	-	-	191,007	191,007
Public Parks and Preserves	-	-	-	-	108,093	108,093
Insurance Claims	49,942	1,263	-	-	-	51,205
Low Income Housing Programs	-	-	-	-	39,348	39,348
Court Operations	-	-	-	-	2,704	2,704
Police and Fire Personnel	-	-	-	-	93,717	93,717
Other	-	-	-	-	57,429	57,429
Committed to:						
Debt Service	-	-	-	-	57,705	57,705
Capital Construction	-	-	-	-	29,445	29,445
Court Operations	-	-	-	-	1,922	1,922
Public Safety Pension	-	-	-	-	3,424	3,424
Assigned to:						
Capital Construction	-	-	-	-	28,293	28,293
Insurance	85,854	-	-	-	-	85,854
Development Services	-	-	-	-	93,052	93,052
Low Income Housing Programs	-	-	-	-	10,373	10,373
Pension Reserve	42,364	-	-	-	-	42,364
Other	8,341	-	-	-	24,752	33,093
Unassigned	374,772	-	(116,173)	-	(15)	258,584
Total fund balances	\$ 583,149	\$ 213,069	\$ (116,173)	\$ 74,743	\$ 978,269	\$ 1,733,057

4. Property Tax Levy, Assessment and Collection

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

- A primary system for taxes levied to pay current operation and maintenance expenses.

- 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 primary tax 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 PNAV for tax year 2021 (fiscal year 2021-22) is \$14.8 billion.

Separate tax rates are set for both primary and secondary levies. The total amount of primary property taxes that the City can levy is 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):

	2020 Levy			Prior Levies	Total
	Primary	Secondary	Total		
Property Taxes Receivable, July 1	\$ -	\$ -	\$ -	\$ 7,647	\$ 7,647
Current Tax Levy	181,767	114,741	296,508	-	296,508
Adjustment by County Assessor	180	180	360	(1,194)	(834)
	181,947	114,921	296,868	6,453	303,321
Less: Collections, net	(179,272)	(113,253)	(292,525)	(4,820)	(297,345)
Property Taxes Receivable, June 30	\$ 2,675	\$ 1,668	\$ 4,343	\$ 1,633	\$ 5,976

In fiscal year 2020-21, current property tax collections were \$292.5 million, or 98.0%, 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 2021-22, 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, 2021, was comprised of the following (in thousands):

	Total
Cash in Bank	\$ 238,877
Cash on Hand	154
Short-Term Pooled Investments	443,735
Short-Term Non-Pooled Investments	309,380
Total Cash and Cash Equivalents	<u>\$ 992,146</u>

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

Primary Government	
Unrestricted	
General Fund	\$ 295,427
Transit Special Revenue Fund	26,549
Non-Major Governmental Funds	205,404
Enterprise Funds	
Aviation	59,797
Phoenix Convention Center	9,037
Water System	46,775
Wastewater	38,556
Solid Waste	8,194
Total Unrestricted	<u>689,739</u>
Restricted	
Enterprise Funds	
Aviation	16,574
Phoenix Convention Center	972
Water System	29,010
Wastewater	17,530
Solid Waste	2,795
Total Restricted	<u>66,881</u>
Total Primary Government	756,620
Component Unit - PHFC	11,129
Component Unit - Phoenix IDA	29,689
Fiduciary Funds	
Employee Pension Trust	144,172
Employee Benefit Trust	50,536
Total Reporting Entity	<u>\$ 992,146</u>

Deposits

Cash deposits are subject to custodial risk. Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's deposits were entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name at fiscal year end. There was one day during fiscal year 2021 that had undercollateralized deposit liabilities. The carrying amount of the City's deposits at June 30, 2021 was \$237.8 million and the bank ledger balance was \$252.3 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, 2021 was \$712.2 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, 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 2021, the City has recorded approximately \$0.6 million in rebates related to its single use account program.

Total investments at June 30, 2021, stated at fair value, were \$6.8 billion. The following summarizes those amounts 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	151,840	0.012
U.S. Treasury Securities	1,004,255	0.923
U.S. Government Agency Securities		
Housing and Urban Development	15,591	1.671
FFCB Notes	85,932	1.864
FNMA Notes	47,825	2.983
FHLMC Notes	139,875	2.364
FHLB Notes	201,666	3.411
Total U.S. Government Agency Securities	490,889	2.745
Pre-Refunded Municipal Securities	336,903	0.984
Certificates of Deposit	151,789	0.210
Commercial Paper	137,292	0.111
Mortgage Backed Securities		
GNMA	41,565	1.832
FNMA/FHLMC CMO/MBS	40,768	4.195
Total Mortgage Backed Securities	82,333	3.002
Total Pooled Investments	2,355,301	1.229
Less: Joint Venture Pooled Investments	(68,805)	
Less: Short-Term Pooled Investments	(443,736)	
Net Pooled Investments	1,842,760	
Non-Pooled Investments		
Repurchase Agreements Collateralized by U.S. Treasury Securities	46,661	0.006
U.S. Treasury Securities	1,305,403	0.373
U.S. Government Agency Securities - FHLB Notes	126,432	0.234
Pre-Refunded Municipal Securities	23	4.503
Total Non-Pooled Investments	1,478,519	0.350
Less: Short-Term Non-Pooled Investments	(165,643)	
Net Non-Pooled Investments	1,312,876	
Total City Investments	<u>\$ 3,155,636</u>	

	Credit Quality Rating	Fair Value	Weighted Average Maturity (Years)
COPERS Investments			
Fixed Income Investments			
Derivatives	Not Rated	\$ 933	20.337
Total Derivatives		933	
U. S. Treasury Securities	Not Rated	45,331	12.779
U. S. Treasury Securities	CCC	10	2.378
Total U. S. Treasury Securities		45,341	
Total U.S. Government Agency Securities	Not Rated	491	5.666
Total U.S. Government Agency Securities	AA	500	1.126
		991	
Mortgage Backed Securities	Not Rated	53,674	24.727
Mortgage Backed Securities	AAA	1,449	23.187
Mortgage Backed Securities	AA	335	22.567
Mortgage Backed Securities	A	810	17.916
Mortgage Backed Securities	BBB	962	7.890
Mortgage Backed Securities	B	146	23.003
Mortgage Backed Securities	CCC	200	14.667
Mortgage Backed Securities	CC	372	15.912
Total Mortgage Backed Securities		57,948	
Asset Backed Securities	Not Rated	12,913	14.968
Asset Backed Securities	AAA	3,234	10.148
Asset Backed Securities	AA	440	27.687
Asset Backed Securities	A	843	0.046
Asset Backed Securities	BBB	2,353	28.214
Asset Backed Securities	B	753	11.063
Total Asset Backed Securities		20,536	
Municipal Bonds	AAA	1,363	14.067
Municipal Bonds	AA	2,459	17.547
Municipal Bonds	A	1,320	23.311
Municipal Bonds	BBB	508	17.970
Municipal Bonds	BB	211	16.389
Municipal Bonds	C	1,200	-
		7,061	
Corporate Bonds	Not Rated	107,799	5.288
Corporate Bonds	AAA	2,747	21.355
Corporate Bonds	AA	6,472	16.249
Corporate Bonds	A	18,537	12.795
Corporate Bonds	BBB	48,316	12.683
Corporate Bonds	BB	27,089	8.161
Corporate Bonds	B	57,660	5.307
Corporate Bonds	CCC	48,653	4.631
Corporate Bonds	CC	1,332	6.388
Corporate Bonds	C	152	3.507
Corporate Bonds	D	630	4.850
Total Corporate Bonds		319,387	
International Bonds	Not Rated	86,129	10.418
International Bonds	AA	1,262	7.780
International Bonds	A	1,297	6.523
International Bonds	BBB	4,037	18.480
International Bonds	BB	1,142	21.090
Total International Bonds		93,867	
Total Fixed Income Investments		546,064	
Temporary Investments from Securities Lending		85,842	
Domestic Equities:			
Common Stocks		846,629	
Private Stocks		274,568	
Real Estate		402,099	
Total Domestic Equities		1,523,296	
Global Commingled		334,279	
International Equities		696,558	
Hedge Funds		132,995	
Total COPERS Investments		\$ 3,319,034	
Fiduciary Fund External Investments			
Employee Benefit Trust			
Bond Mutual Funds			
Doubleline Core Total Return	Not Rated	\$ 18,855	6.650
PIMCO Total Return	Not Rated	18,928	7.740
Vanguard Total Bond Market Index	Not Rated	32,761	8.600
Total Bond Mutual Funds		70,544	
Stock Mutual Funds	Not Rated	233,645	
Pacific Hedged Strategies Funds	Not Rated	36	
Real Estate	Not Rated	16,187	
Total Fiduciary Fund External Investments		\$ 320,412	

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

Primary Government	
Unrestricted	
General Fund	\$ 485,412
Transit Special Revenue Fund	115,918
General Obligation/Secondary Property Tax	71,870
Non-Major Governmental Funds	767,995
Enterprise Funds	
Aviation	327,962
Phoenix Convention Center	36,786
Water System	194,168
Wastewater	156,252
Solid Waste	37,593
Total Unrestricted	<u>2,193,956</u>
Restricted	
Enterprise Funds	
Aviation	296,103
Phoenix Convention Center	16,576
Water System	475,613
Wastewater	71,486
Solid Waste	50,733
Total Restricted	<u>910,511</u>
Total Primary Government	<u>3,104,467</u>
Fiduciary Funds	
Employee Pension Trust	3,319,391
Employee Benefit Trust	371,224
Total Reporting Entity	<u><u>\$ 6,795,082</u></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, 2021 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using			
	June 30, 2021	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	\$ 2,508,159	\$ 16,186	\$ 2,491,973	\$ -
U.S. Government agency obligations	617,321	-	617,321	-
U.S. Government agency MBS/CMO	82,333	-	82,333	-
Municipal bonds	336,926	-	336,926	-
Commercial paper	137,292	-	137,292	-
Total investments, including those classified as, cash equivalents by fair value level	\$ 3,682,031	\$ 16,186	\$ 3,665,845	\$ -

U.S. Government securities totaling \$16.2 million in fiscal year 2021 are classified in Level 1 of the fair value hierarchy and are valued using quoted prices in active markets.

U.S. Government securities totaling \$2.5 billion, U.S. government agency obligations totaling \$617.3 million, U.S. government agency MBS/CMO totaling \$82.3 million, municipal bonds totaling \$336.9 million and commercial paper totaling \$137.3 million in fiscal year 2021 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 \$70.5 million and Stock Mutual Funds totaling \$249.3 million classified in Level 1 of the fair value hierarchy in fiscal year 2021 are valued using quoted prices in active markets. Stock Mutual Funds totaling \$499 thousand classified in Level 2 of the fair value hierarchy in fiscal year 2021 are valued using other significant observable inputs. Pacific Hedged Strategies Funds totaling \$36 thousand in fiscal year 2021, 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, 2021 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using			
	June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Equities	\$ 846,629	\$ 313,456	\$ -	\$ 533,173
International Equities	696,558	301,763	-	394,795
Fixed Income				
Derivatives	933	(56)	989	-
US government and agency	46,332	45,341	991	-
Mortgage backed - residential	57,948	-	57,948	-
Asset backed	20,536	-	20,536	-
Municipal bonds	7,061	-	7,061	-
Corporate bonds	319,387	29	196,700	122,658
Foreign	93,867	-	8,552	85,315
Global Commingled	106,086	106,086	-	-
Total fixed income securities	652,150	151,400	292,777	207,973
Temporary Investments from Securities Lending	18,249	-	18,249	-
Subtotal	2,213,586	\$ 766,619	\$ 311,026	\$ 1,135,941
Investments measured at the net asset value (NAV)				
Private Equity	274,568			
Hedge Funds	132,995			
Global Commingled	228,193			
Real Estate Funds	402,099			
Total Investments Measured at NAV	1,037,855			
Cash Equivalents in Securities Lending	67,593			
Total investments and cash equivalents				
by fair value level	\$ 3,319,034			

Certain investments are reported at the net asset values calculated by the investment manager. These investments at June 30, 2021, detailed in the following table, are subject to capital calls and specific redemption terms:

	June 30, 2021 (in thousands)	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds	\$ 132,995	\$ -	Quarterly	90 Days
Global Commingled	228,193	-	Monthly	30 Days
Private Equity	274,568	289,205	Quarterly	0-90 Days
Real Estate Funds	402,099	120,845	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 consists of three core real estate funds and 15 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

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 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, 2021, have weighted average maturities ranging from 6.7 to 8.6 years.

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

Credit Risk

The City's investment policy limits its purchase of investments to the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's "S&P" and Moody's Investors Service "Moody's". The portfolio is primarily invested in securities issued by the U.S. Treasury or by U.S. Government Agency Securities which are rated Aaa by Moody's and AA+ by S&P. Repurchase agreements are collateralized by U.S. Treasuries at 102%. In addition, the portfolio is invested in pre-refunded or escrowed to maturity municipal securities for which the payment of interest, and ultimately the repayment of the principal, is backed by U.S. Treasury Securities, U.S. Government Agencies or cash. Municipal securities must have a short-term minimum rating of A1 by S&P and P1 by Moody's and a long-term uninsured rating of A+ by S&P and A1 by Moody's. Money market mutual funds must have a current minimum money market rating of AAAM by S&P and Aaa-mf 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.

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	\$ 328,098

The LTD and MERP Trusts have allocated 22% 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 99.97% and 0.03%, respectively, of the foreign fixed income investments at June 30, 2021.

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 2021, 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 2021, 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, 2021, the collateral pool had a weighted average maturity (WAM) of 34 days and a weighted average life (WAL) of 87 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, 2021 are stated net of the allowance for doubtful accounts, and are summarized as follows (in thousands):

	Accounts	Taxes	Interest	Intergov- ernmental ⁽¹⁾	Notes	Total
Unrestricted						
Governmental Activities						
General Fund	\$ 54,195	\$ 123,613	\$ 439	\$ 30,005	\$ -	\$ 208,252
Transit Special Revenue	18	-	-	35,868	-	35,886
G.O./Secondary Property	-	3,859	854	-	-	4,713
Tax	3,491	4	237	73,165	10,446	87,343
Nonmajor	57,704	127,476	1,530	139,038	10,446	336,194
Business-Type Activities						
Aviation	15,960	-	-	57,150	-	73,110
Phoenix Convention Center	42	-	-	-	-	42
Water System	58,893	-	-	1,611	-	60,504
Wastewater	21,877	-	-	9,816	16,592	48,285
Solid Waste	18,184	-	-	17	-	18,201
	114,956	-	-	68,594	16,592	200,142
Subtotal	172,660	127,476	1,530	207,632	27,038	536,336
Restricted						
Business-Type Activities						
Aviation	15,041	-	386	7,901	-	23,328
Phoenix Convention Center	-	-	14	-	-	14
Water System	-	-	97	-	-	97
	15,041	-	497	7,901	-	23,439
Total	\$ 187,701	\$ 127,476	\$ 2,027	\$ 215,533	\$ 27,038	\$ 559,775

(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.

The following is a summary of the allowance for doubtful accounts for all funds at June 30, 2021 (in thousands):

	Allowance for Doubtful Accounts		
	Accounts	Taxes	Total
Governmental			
General Fund	\$ 10,651	\$ 6,606	\$ 17,257
Transit Special Revenue Fund	69	-	69
Nonmajor	500	-	500
Business-Type			
Aviation	521	-	521
Phoenix Convention Center	48	-	48
Water System	5,448	-	5,448
Wastewater	3,023	-	3,023
Solid Waste	3,224	-	3,224
	<u>\$ 23,484</u>	<u>\$ 6,606</u>	<u>\$ 30,090</u>

Enterprise fund Accounts Receivable included unbilled charges at June 30, 2021, as follows (in thousands):

Aviation	\$ 15,609
Water System	26,460
Wastewater	8,135
Solid Waste	6,579
	<u>\$ 56,783</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, 2021.

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 \$90.7 million as of June 30, 2021.

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 2022 and as late as fiscal year ending 2057. As of June 30, 2021 the total amount of the notes outstanding is \$10.4 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 \$16.6 million as of June 30, 2021.

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, 2021 (in thousands):

	Payable Funds	
	Governmental Funds	Enterprise Funds
Receivable Funds		
Governmental Funds		
Transit Special Revenue	\$ 132,030	
Nonmajor Governmental	50,450	
Total Governmental Funds	<u>\$ 182,480</u>	
Fiduciary Funds		
COPERS		\$ 70,000
Total Fiduciary Funds		<u>\$ 70,000</u>

Interfund balances at June 30, 2021 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 \$24.7 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, 2021 (in thousands):

	Transfers Out	Transfers In
Governmental Funds		
General Fund	\$ 108,949	\$ 31,607
Transit Special Revenue Fund	2,984	-
General Obligation/Secondary Property Tax	-	5,306
Nonmajor Governmental	118,173	168,451
Total Governmental Funds	<u>230,106</u>	<u>205,364</u>
Enterprise Funds		
Aviation	919	-
Phoenix Convention Center	839	54,331
Water System	16,342	-
Wastewater	9,577	-
Solid Waste	1,912	-
Total Enterprise Funds	<u>29,589</u>	<u>54,331</u>
Total Transfers	<u>\$ 259,695</u>	<u>\$ 259,695</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, 2021, are summarized as follows (in thousands):

Restricted Assets	
Cash and Cash Equivalents	\$ 66,881
Cash Deposits	10,618
Cash and Securities with Fiscal Agents/Trustees	518,865
Investments	910,511
Receivables, Net of Allowances	23,439
Total Restricted Assets	<u>\$ 1,530,314</u>
Liabilities Payable from Restricted Assets	
Accounts Payable	\$ 94,542
Trust Liabilities and Deposits	10,733
Accrued Landfill Closure Costs	142
Subtotal	<u>105,417</u>
Matured Bonds and Certificates Payable	180,545
Interest Payable	124,382
Current Portion of General Obligation Bonds	330
Current Portion of Revenue Bonds	1,717
Current Portion of Municipal Corporation Obligations	177,403
Total Liabilities Payable from Restricted Assets	<u>\$ 589,794</u>

9. Capital Assets

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

	Balances				Balances	
	July 1, 2020	Additions	Deletions	Transfers	June 30, 2021	
Governmental activities:						
Non-depreciable assets:						
Land	\$ 1,280,126	\$ 4,960	\$ (4,977)	\$ 92	\$ 1,280,201	
Infrastructure	544,860	220	-	936	546,016	
Artwork	7,044	48	-	453	7,545	
Construction-in-Progress	228,785	129,315	(20,526)	(112,492)	225,082	
Total non-depreciable assets	2,060,815	134,543	(25,503)	(111,011)	2,058,844	
Depreciable assets:						
Buildings	1,530,473	142,391	(13,531)	55,274	1,714,607	
Improvements	680,453	22,189	(841)	32,785	734,586	
Infrastructure	2,531,185	105,607	(834)	21,432	2,657,390	
Equipment	962,055	83,852	(42,588)	1,458	1,004,777	
Intangible Assets	42,600	760	(37)	1,150	44,473	
Total depreciable assets	5,746,766	354,799	(57,831)	112,099	6,155,833	
Less accumulated depreciation for:						
Buildings	(796,624)	(45,433)	11,600	-	(830,457)	
Improvements	(405,142)	(28,641)	837	-	(432,946)	
Infrastructure	(889,775)	(74,925)	172	-	(964,528)	
Equipment	(578,445)	(65,422)	42,405	-	(601,462)	
Intangible Assets	(26,385)	(2,890)	37	-	(29,238)	
Total accumulated depreciation	(2,696,371)	(217,311)	55,051	-	(2,858,631)	
Total depreciable assets, net	3,050,395	137,488	(2,780)	112,099	3,297,202	
Governmental activities, capital assets, net	\$ 5,111,210	\$ 272,031	\$ (28,283)	\$ 1,088	\$ 5,356,046	
Business-type activities:						
Non-depreciable assets:						
Land	\$ 691,898	\$ 44	\$ (9)	\$ -	\$ 691,933	
Artwork	12,141	(602)	-	630	12,169	
Construction-in-Progress	1,377,678	495,152	(18,409)	(83,359)	1,771,062	
Total non-depreciable assets	2,081,717	494,594	(18,418)	(82,729)	2,475,164	
Depreciable assets:						
Buildings	3,327,232	9,911	(30,879)	1,962	3,308,226	
Improvements	4,203,614	86,240	(16,182)	44,756	4,318,428	
Infrastructure	1,966,105	46,092	-	19,627	2,031,824	
Equipment	1,438,539	24,622	(28,079)	6,556	1,441,638	
Intangible Assets	235,549	1,240	(195)	8,740	245,334	
Total depreciable assets	11,171,039	168,105	(75,335)	81,641	11,345,450	
Less accumulated depreciation for:						
Buildings	(1,538,238)	(96,984)	22,140	-	(1,613,082)	
Improvements	(2,316,885)	(141,120)	9,836	-	(2,448,169)	
Infrastructure	(735,476)	(46,571)	-	-	(782,047)	
Equipment	(885,688)	(80,607)	26,931	-	(939,364)	
Intangible Assets	(130,219)	(11,377)	194	-	(141,402)	
Total accumulated depreciation	(5,606,506)	(376,659)	59,101	-	(5,924,064)	
Total depreciable assets, net	5,564,533	(208,554)	(16,234)	81,641	5,421,386	
Business-type activities, capital assets, net	\$ 7,646,250	\$ 286,040	\$ (34,652)	\$ (1,088)	\$ 7,896,550	

Phoenix Housing Finance Corporations:

	Balances				Balances	
	July 1, 2020	Additions	Deletions	Transfers	June 30, 2021	
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	(9,393)	(653)	-	-	(10,046)	
Improvements	(2,841)	(1,537)	-	-	(4,378)	
Equipment	(15)	(1)	-	-	(16)	
Intangible Assets	(193)	(77)	-	-	(270)	
Total accumulated depreciation	(12,442)	(2,268)	-	-	(14,710)	
Total depreciable assets, net	26,972	(2,268)	-	-	24,704	
Component Unit, capital assets, net	\$ 39,701	\$ (2,268)	\$ -	\$ -	\$ 37,433	

Depreciation expense was charged to governmental functions in the government-wide financial statements for the year ended June 30, 2021 as follows (in thousands):

General Government	\$ 14,406
Criminal Justice	119
Public Safety	34,479
Transportation	113,329
Community Enrichment	36,463
Community Development	9,494
Environmental Services	9,021
	<u>\$ 217,311</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, 2021 is \$27.6 million.

10. *Financial Obligations*

Long-Term Obligations

Changes in long-term obligations during fiscal year 2020-21 are summarized as follows (in thousands):

	Balances July 1, 2020	Additions ⁽¹⁾	Reductions ^{(1) (2)}	Balances June 30, 2021	Amounts Due Within One Year
Governmental Activities					
Bonds, Loans and Notes Payable:					
General Obligation Bonds	\$ 1,002,860	\$ -	\$ 84,285	\$ 918,575	\$ 87,845
Loans from Direct Borrowings	40,940	-	40,940	-	-
Municipal Corporation Obligations	303,235	348,280	142,310	509,205	20,455
Special Assessment Bonds	44	-	44	-	-
Community Facilities Districts	30,000	-	665	29,335	695
	<u>1,377,079</u>	<u>348,280</u>	<u>268,244</u>	<u>1,457,115</u>	<u>108,995</u>
Discounts/Premiums	74,823	22,525	16,754	80,594	-
Total Bonds, Loans and Notes Payable	<u>1,451,902</u>	<u>370,805</u>	<u>284,998</u>	<u>1,537,709</u>	<u>108,995</u>
Other Liabilities:					
Insurance Claims Payable	193,435	80,313	51,518	222,230	59,660
Accrued Compensated Absences	148,505	156,084	148,505	156,084	19,865
Utility/Water Contractual Agreements	2,301	-	2,301	-	-
Pollution Remediation	4,564	-	916	3,648	32
Capital Lease	2,307	-	1,141	1,166	1,166
Net Pension	4,412,770	1,559,264	1,556,609	4,415,425	-
Net OPEB	159,032	30,320	83,820	105,532	-
Total Other Liabilities	<u>4,922,914</u>	<u>1,825,981</u>	<u>1,844,810</u>	<u>4,904,085</u>	<u>80,723</u>
Total Governmental Activities	<u>\$ 6,374,816</u>	<u>\$ 2,196,786</u>	<u>\$ 2,129,808</u>	<u>\$ 6,441,794</u>	<u>\$ 189,718</u>
Business-Type Activities					
Bonds, Loans and Notes Payable:					
General Obligation Bonds	\$ 1,015	\$ -	\$ 685	\$ 330	\$ 330
Loans from Direct Borrowings	13,488	-	1,684	11,804	1,717
Municipal Corporation Obligations	4,888,576	518,625	388,407	5,018,794	177,403
	<u>4,903,079</u>	<u>518,625</u>	<u>390,776</u>	<u>5,030,928</u>	<u>179,450</u>
Discounts/Premiums	642,199	101,126	74,311	669,014	-
Cumulative Capital Appreciation on State of AZ					
Distrib. Revenue Bonds	109,430	-	1,139	108,291	-
Total Bonds, Loans and Notes Payable	<u>5,654,708</u>	<u>619,751</u>	<u>466,226</u>	<u>5,808,233</u>	<u>179,450</u>
Other liabilities:					
Accrued Compensated Absences	19,561	20,681	19,561	20,681	2,844
Accrued Landfill Closure and Postclosure Care Costs	16,838	-	18	16,820	1,444
Pollution Remediation	1,425	-	75	1,350	75
Net Pension	551,075	36,291	350,738	236,628	-
Net OPEB	47,276	8,179	24,544	30,911	-
Total Other Liabilities	<u>636,175</u>	<u>65,151</u>	<u>394,936</u>	<u>306,390</u>	<u>4,363</u>
Total Business-Type Activities	<u>\$ 6,290,883</u>	<u>\$ 684,902</u>	<u>\$ 861,162</u>	<u>\$ 6,114,623</u>	<u>\$ 183,813</u>
Component Units					
Phoenix Housing Finance Corporations					
Notes Payable	\$ 41,438	\$ 90	\$ -	\$ 41,528	\$ -
Total Component Units	<u>\$ 41,438</u>	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 41,528</u>	<u>\$ -</u>

(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, 2021 maturities, a portion of which is included in restricted assets for the governmental and enterprise funds. These deposits at June 30, 2021, were as follows (in thousands):

	Principal	Interest	Total
Governmental Funds			
General Obligation Bonds	\$ 84,285	\$ 22,280	\$ 106,565
Municipal Corporation Obligations	32,965	8,387	41,352
Community Facilities Districts	665	793	1,458
	<u>117,915</u>	<u>31,460</u>	<u>149,375</u>
Enterprise Funds			
General Obligation Bonds	685	24	709
Municipal Corporation Obligations	178,776	124,197	302,973
	<u>179,461</u>	<u>124,221</u>	<u>303,682</u>
	<u>\$ 297,376</u>	<u>\$ 155,681</u>	<u>\$ 453,057</u>

Issues of long-term debt, excluding deferred gain/losses on refundings, net of \$79.9 million were as follows at June 30, 2021 (dollars in thousands):

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding ⁽¹⁾	Interest Outstanding ⁽¹⁾	Unamortized Premium (Discount)
General Obligation Bonds								
03/01/04	Various Improvements (3)	7/1/10-28	4.22	16.3	\$ 200,000	\$ 14,720	\$ 3,091	\$ 36
10/27/09	Various Improvements Taxable Series 2009A (2)(13)	7/1/20-34	3.42	18.4	280,955	253,305	99,667	-
10/27/09	Refunding 2009C	7/1/11-23	2.70	6.7	117,195	12,430	606	55
06/12/12	Various Improvements 2012A	7/1/23-34	3.55	17.2	103,360	103,360	31,960	2,081
06/12/12	Various Improvements Taxable Series 2012B	7/1/21-23	2.76	9.8	16,640	9,855	355	-
06/12/12	Refunding 2012C	7/1/15-27	2.39	9.2	176,465	80,155	9,685	3,364
06/24/14	Refunding	7/1/19-27	2.71	9.5	278,015	220,600	28,764	8,126
09/13/16	Refunding	7/1/18-27	1.74	9.0	226,215	206,415	48,496	29,507
06/21/17	Refunding	7/1/18-27	1.52	3.4	68,305	18,065	2,529	1,800
	Total General Obligation Bonds				1,467,150	918,905	225,153	44,969
Loans from Direct Borrowings								
08/03/10	Wastewater WIFA	7/1/18-26	2.97	12.0	6,287	3,692	284	-
04/11/11	Water WIFA	7/1/16-24	2.97	9.4	2,093	756	45	-
06/01/11	Wastewater WIFA	7/1/26-29	2.97	16.6	3,909	3,909	760	-
09/14/11	Water WIFA	7/1/24-29	2.97	15.8	1,497	1,497	266	-
04/11/19	Closed Loop Fund, LP	10/15/19-24	0.00	5.0	3,000	1,950	-	-
	Total Loans from Direct Borrowings				16,786	11,804	1,355	-

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding ⁽¹⁾	Interest Outstanding ⁽¹⁾	Unamortized Premium (Discount)
Municipal Corporation Obligations								
08/01/01	Water System Rev Refunding (3)(5)	7/1/02-24	4.68	14.1	99,980	20,180	2,259	169
10/06/05	State Distribution Revenue 2005B (3)(10)	7/1/12-44	4.72	28.9	275,362	251,499	405,443	14,607
09/01/10	Airport Rev 2010B (Taxable) (3b)(6b)(11) (12)(13)	7/1/2040	3.67	29.8	21,345	21,345	26,767	-
06/07/11	Excise Tax Revenue 2011A (4a)	7/1/14-31	2.86	7.6	27,530	350	12	4
12/22/11	Wastewater System Revenue Ref (7b)	7/1/14-24	2.58	8.4	118,290	38,030	3,503	1,474
06/21/12	Excise Tax Revenue Refunding 2012A (4b)	7/1/14-25	2.30	6.7	17,510	1,520	91	44
06/21/12	Excise Tax Revenue Ref 2012B (Taxable) (4b)	7/1/16-33	4.01	13.7	33,095	1,620	53	-
03/05/13	Airport Revenue Ref (AMT)(3c)(6a)	7/1/14-32	3.28	11.8	196,600	134,955	43,763	12,605
04/15/14	Wastewater System Refunding (7b)	7/1/15-29	3.00	9.4	127,810	81,770	19,372	6,671
12/17/14	Water System Revenue 2014A (5)	7/1/19-44	3.76	19.7	152,830	10,920	1,110	161
12/17/14	Water System Rev Refunding 2014B (5)	7/1/16-29	2.64	9.7	445,085	332,525	71,018	27,656
05/12/15	Excise Tax Rev Refunding 2015A (4b)(8)	7/1/17-41	3.56	16.2	319,305	283,800	163,951	32,865
05/12/15	Excise Tax Rev Ref 2015B (Taxable) (4b)	7/1/16-35	3.35	10.2	60,895	41,685	10,480	-
12/15/15	Airport Revenue 2015A (Non-AMT)(3d) (6b)(11)	7/1/16-45	3.99	18.6	95,785	86,475	61,969	8,269
12/15/15	Airport Rev Ref 2015B (Non-AMT)(3e) (6b)(11)	7/1/2034	4.08	18.5	18,655	18,655	12,126	1,716
11/16/16	Wastewater System Rev Refunding (7b)	7/1/17-35	2.89	11.3	225,325	187,750	78,510	28,327
01/10/17	Water System Rev Refunding 2016 (5)	7/1/17-39	3.59	15.1	375,780	358,255	199,839	43,418
06/01/17	Excise Tax Revenue 2017A (4b)	7/1/18-32	2.16	6.8	116,835	66,865	14,196	6,873
06/01/17	Excise Tax Rev Refunding 2017B (4b) (8)	7/1/19-29	2.02	6.3	101,895	65,905	11,782	6,094
06/01/17	Excise Tax Rev Ref (Taxable) 2017C (4b)	7/1/18-22	2.04	3.1	15,680	3,245	69	-
11/21/17	Airport Revenue 2017A (AMT)(3f)(6a)	7/1/18-47	3.84	18.7	190,930	179,560	145,207	23,876
11/21/17	Airport Rev Ref 2017B (Non-AMT)(3f)(6a)	7/1/21-38	3.23	13.5	173,440	170,430	85,848	24,831
12/21/17	Airport Rev Ref 2017D (Non-AMT)(3d) (6b)(11)	7/1/21-40	3.36	14.2	474,725	459,050	233,942	53,214
06/19/18	Wastewater System Revenue 2018A (7b)	7/1/25-43	3.66	17.4	133,270	133,270	88,640	14,575
06/19/18	Wastewater System Rev Ref 2018B (7a)	7/1/19-24	2.26	4.0	84,295	50,980	5,481	3,006
11/28/18	Airport Revenue 2018 (AMT) (3f) (6a)	7/1/19-48	4.22	19.3	226,180	217,255	184,411	17,695
12/05/19	Rental Car Facility (Taxable) 2019A (3a)(9)	7/1/28-45	3.33	18.4	244,245	244,245	193,445	43,234
12/05/19	Rental Car Facility Ref (Taxable) 2019B (3a)(9)	7/1/20-28	2.60	4.6	60,485	50,575	4,752	-
12/11/19	Airport Revenue 2019A (Non-AMT)(3d) (6b)(11)	7/1/41-49	3.61	25.9	341,095	341,095	371,813	47,861
12/11/19	Airport Revenue 2019B (AMT)(3d)(6b)	7/1/20-49	3.44	19.1	392,005	390,155	319,262	59,992
12/11/19	Airport Rev Refunding (Taxable) 2019C (3d)(6b)	7/1/23-25	2.38	4.6	29,435	29,435	2,035	-
04/09/20	Water System Revenue 2020A (5)	7/1/30-44	3.14	20.0	165,115	165,115	155,064	43,061
04/09/20	Water System Revenue 2020B (5)(14)	7/1/30-44	3.14	20.0	228,015	228,015	214,136	59,465
08/25/20	Excise Tax Revenue 2020A (4b)(8)	7/1/21-45	1.90	12.0	131,595	130,435	68,287	36,088
08/25/20	Excise Tax Revenue (Taxable) 2020B (4b)	7/1/21-45	2.39	13.9	150,000	145,725	46,707	-
08/25/20	Excise Tax Rev Refunding (Taxable) 2020C (4b)	7/1/23-36	1.58	7.1	116,685	116,685	11,145	-
06/09/21	Water System Revenue 2021A (5)	7/1/26-45	2.45	16.1	250,000	250,000	191,129	76,280
06/09/21	Water System Rev Refunding 2021B (5)	7/1/22-26	0.52	3.5	67,345	67,345	11,484	10,508
06/09/21	Water System Rev Refunding (Taxable) 2021C (5)	7/1/26-44	2.61	15.0	151,280	151,280	58,693	-
Total Municipal Corporation Obligations					6,455,732	5,527,999	3,517,794	704,639
Community Facilities Districts								
06/27/19	Park Cntrl CFD Spec Assess Rev Bonds (3g)	7/1/21-44	5.73	16.0	30,000	29,335	22,397	-
Total Community Facilities Districts					30,000	29,335	22,397	-
Total Primary Government Bonds					\$ 7,969,668	\$ 6,488,043	\$ 3,766,699	\$ 749,608

- (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, 2021 (in thousands):

(a) Airport Rental Car Parity Reserve for Series 2019A, 2019B	\$ 20,545
(b) Junior Lien Airport Debt Service Reserve for Series 2010B	2,134
(c) 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 pledged excise taxes as security. The taxes pledged are as follows:
 - (a) Senior lien pledge on all outstanding excise tax obligations.
 - (b) Subordinated junior lien pledge on all outstanding 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, 2027. 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 5.9% (the Sequester Reductions) in FY 2021. 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.

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 Financem 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.

Municipal Corporation Obligations

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

*New Issuances**Subordinated Excise Tax Revenue Bonds, Series 2020A*

In August 2020, the CIC issued \$131.6 million of Excise Tax Revenue Bonds, Series 2020A. Proceeds of the bonds will be used to pay the cost to fund, or to reimburse the City for, the costs of repairing, renovating,

replacing and improving the City's convention center and various other City facilities or equipment and to prepay the Loan with respect to the Hotel (DNT Asset Trust) of \$40.3 million. The bonds have an average life of 11.967 years and were sold at an all-in true interest cost of 1.899%.

Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)

In August 2020, the CIC issued \$150.0 million of Excise Tax Revenue Bonds, Series 2020B Taxable. Proceeds of the bonds will be used to pay the costs of repairing, renovating and improving a City-owned multipurpose arena. The bonds have an average life of 13.917 years and were sold at an all-in true interest cost of 2.388%.

Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable)

In August 2020, the CIC issued \$116.7 million of Excise Tax Revenue Refunding Bonds, Series 2020C Taxable. Proceeds of the bonds refunded \$3,815,000 of Senior Lien Excise Tax Bonds, Series 2011A, \$34.6 million of Senior Lien Excise Tax Bonds, Series 2011B (Taxable), \$24.3 million of Senior Lien Excise Tax Bonds, Series 2011C, \$8.5 million of Senior Lien Excise Tax Bonds, Series 2012, \$2.8 million of Subordinated Excise Tax Revenue Bonds, Series 2012A, \$23.1 million of Subordinated Excise Tax Revenue Bonds, Series 2012B (Taxable), and \$12.1 million of Subordinated Excise Tax Revenue Bonds, Series 2017A for a total refunded of \$109.3 million. The bonds have an average life of 7.087 years, were sold at an all-in true interest cost of 1.583% and produced present value savings, net of transaction costs, of \$14.4 million.

Junior Lien Water System Revenue Bonds, Series 2021A

In June 2021, the CIC issued \$250.0 million of Junior Lien Water System Revenue Bonds, Series 2021A. Proceeds of the bonds, including premium on the bonds, will be used to pay the costs of various improvements to the City's Water System. The bonds have an average life of 16.106 years and were sold at an all-in true interest cost of 2.45%.

Junior Lien Water System Revenue Refunding Bonds, Series 2021B

In June 2021, the CIC issued \$67.3 million of Junior Lien Water System Revenue Refunding Bonds, Series 2021B. Proceeds of the bonds refunded \$77.5 million of Junior Lien Water Revenue Refunding Bonds, Series 2011. The bonds have an average life of 3.472 years and were sold at an all-in true interest cost of 0.524%, which produced present value savings, net of transaction costs, of \$10.3 million.

Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C

In June 2021, the CIC issued \$151.3 million of Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C. Proceeds of the bonds refunded \$132.2 million of Junior Lien Water Revenue Bonds, Series 2014A. The bonds have an average life of 15.006 years and were sold at an all-in true interest cost of 2.608%, which produced present value savings, net of transaction costs, of \$18.1 million.

Default Provisions

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

State of Arizona Distribution Revenue Bonds

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

Community Facilities Districts

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

The Park Central Community Facilities District ("PCCFD") was formed on August 29, 2018, by the Mayor and Council of the City in order to provide public infrastructure within the boundaries of PCCFD for development of a multi-use residential, commercial and retail project known as "Park Central". 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, 2021 is \$41.5 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		
2022	\$ 87,845	\$ 41,219	\$ 20,455	\$ 15,509	\$ 695	\$ 1,557	\$ 167,280	
2023	97,845	37,654	45,245	14,858	725	1,526	197,853	
2024	108,720	33,492	50,865	13,511	755	1,494	208,837	
2025	121,400	28,690	38,890	11,954	790	1,461	203,185	
2026	371,730	68,246	39,800	10,762	825	1,424	492,787	
2027-31	131,035	15,836	153,280	37,131	4,775	6,472	348,529	
2032-36	-	-	93,285	18,428	6,380	4,868	122,961	
2037-41	-	-	37,370	6,947	8,295	2,944	55,556	
2042-46	-	-	30,015	2,057	6,095	651	38,818	
	<u>\$ 918,575</u>	<u>\$ 225,137</u>	<u>\$ 509,205</u>	<u>\$ 131,157</u>	<u>\$ 29,335</u>	<u>\$ 22,397</u>	<u>\$ 1,835,806</u>	
Authorized	\$ 2,790,760							
Unissued	\$ 152,355							
Interest Rates	2.0 - 5.5%							

City of Phoenix Bonds - Business-Type Activities								
Fiscal Years	General Obligation		Loans from Direct Borrowings		Municipal Corporation Obligations		Debt Service Total	
	Principal	Interest	Principal	Interest	Principal	Interest		
2022	\$ 330	\$ 17	\$ 1,717	\$ 292	\$ 177,403	\$ 246,752	\$ 426,511	
2023	-	-	1,750	259	207,743	238,367	448,119	
2024	-	-	1,783	225	212,479	228,570	443,057	
2025	-	-	1,369	190	195,177	218,545	415,281	
2026	-	-	1,255	154	205,174	209,395	415,978	
2027-31	-	-	3,930	234	957,922	906,318	1,868,404	
2032-36	-	-	-	-	947,253	682,716	1,629,969	
2037-41	-	-	-	-	1,029,447	446,709	1,476,156	
2042-46	-	-	-	-	833,571	187,175	1,020,746	
2047-50	-	-	-	-	252,625	22,089	274,714	
	<u>\$ 330</u>	<u>\$ 17</u>	<u>\$ 11,804</u>	<u>\$ 1,354</u>	<u>\$ 5,018,794</u>	<u>\$ 3,386,636</u>	<u>\$ 8,418,935</u>	
Authorized	\$ 248,399							
Interest Rates	2.0 - 5.5%							
Total	\$ 918,905	\$ 225,154	\$ 521,009	\$ 132,511	\$ 5,048,129	\$ 3,409,033	\$ 10,254,741	

Short-Term Obligations

Changes in short-term obligations during fiscal year 2020-21 are summarized as follows (in thousands):

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

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

Issues of short-term debt were as follows at June 30, 2021 (dollars in thousands):

Purpose	Issuing Bank	Expiration Date	Line of Credit	Amount Outstanding	Unused Line of Credit
Water Revolving Credit Facility	Wells Fargo Bank, N.A.	6/27/2022	200,000	-	200,000
Transportation 2050 Revolving Credit Facility	Bank of America, N.A.	6/2/2023	200,000	200,000	-
Total Revolving Credit Facilities			\$ 400,000	\$ 200,000	\$ 200,000

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

Water Revolving Credit Facility

The Revolving Credit Agreement provides for the three-year loan period with Wells Fargo, N.A., ending on June 27, 2022, 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 June 27, 2022, 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 27, 2025.

Upon an event of default under the Revolving Credit Agreement, Wells Fargo 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 Wells Fargo, 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.

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 are 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.

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, 2021 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 \$111.6 million, including \$99.0 million that has already been paid out and an estimated \$12.6 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 \$28.3 million, including \$3.1 million that has already been paid out and an estimated \$25.2 million that will be paid out in future years. \$4.4 million of this has been recorded as a liability on the accompanying financial statements based on the use of approximately 17.4% of the estimated capacity of the landfill.

Of the liabilities discussed above, \$142 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 \$6.2 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, 2021, the total remaining liability is \$3.6 million and it is estimated that the remediation will be completed in 78 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, 2021 is \$1.4 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

During fiscal year 2020-21, the City had no defeasances.

Refundings

During fiscal year 2020-21, the City issued Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2020C, Junior Lien Water System Revenue Refunding Bonds, Series 2021B and Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C. 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. The effects of the new money and refunding is summarized as follows (in thousands):

	Subordinated Excise Tax Revenue	Junior Lien Water Revenue	Junior Lien Water Revenue
Series	2020C	2021B	2021C
Closing Date	08/25/20	06/09/21	06/09/21
Net Interest Rate	1.55%	0.50%	2.62%
Refunding Bonds Issued	\$ 116,685	\$ 67,345	\$ 151,280
Premium (Discount)	-	10,696	-
Underwriter's Discount	(415)	(176)	(479)
Issuance Costs and Insurance	(297)	(175)	(192)
Net Proceeds	<u>\$ 115,973</u>	<u>\$ 77,690</u>	<u>\$ 150,609</u>
Refunded Amount	\$ 109,345	\$ 77,455	\$ 132,175
Decrease (Increase) in Debt Service	\$ 13,660	\$ 10,599	\$ 19,379
Economic Gain (Loss)	\$ 14,367	\$ 10,337	\$ 18,069
Number of Years Affected	9	5	23

The deferred and amortized amounts of accounting gains/losses on bond refundings (which are deferred outflows/inflows of resources) at June 30, 2021, are summarized as follows (in thousands):

	Deferred Amount July 1	Additions (Gains)/Losses	Reductions due to Refundings	Amortization Gains/(Losses)	Deferred Amount June 30
General Government					
General Obligation	\$ 7,340	\$ -	\$ -	\$ (2,865)	\$ 4,475
Civic Improvement Corporation	(306)	6,857	(3,027)	(905)	2,619
	<u>\$ 7,034</u>	<u>\$ 6,857</u>	<u>\$ (3,027)</u>	<u>\$ (3,770)</u>	<u>\$ 7,094</u>
Enterprise Funds					
Aviation					
Civic Improvement Corporation	54,978	-	-	(5,141)	49,837
Convention Center					
Civic Improvement Corporation	4,288	-	-	(273)	4,015
Water					
General Obligation	-	-	-	-	-
Civic Improvement Corporation	22,331	(211)	(1,572)	(1,231)	19,317
Wastewater					
Civic Improvement Corporation	(35)	-	-	(282)	(317)
Solid Waste					
General Obligation	(25)	-	-	12	(13)
Civic Improvement Corporation	(162)	-	-	120	(42)
	<u>\$ 81,375</u>	<u>\$ (211)</u>	<u>\$ (1,572)</u>	<u>\$ (6,795)</u>	<u>\$ 72,797</u>

Advanced refunding and defeasance arrangements at June 30, 2021, were as follows (in thousands):

Refunded and Defeased Bonds						Assets Held in Trust⁽¹⁾
Date Refunded/ Defeased	Call Date	Issue Dates	Type	Balance		
08/25/20	07/01/22	06/21/12	Civic Improvement Corporation Senior Lien Series, Series 2012 Subordinated Excise Tax Refunding Bonds, Taxable Series 2020C	\$ 8,500	\$	8,904
08/25/20	07/01/22	06/21/12	Civic Improvement Corporation Subordinated Lien Series 2012A, Series 2012B (Taxable), Series 2017A	\$ 38,090	\$	39,751
	07/01/27	06/01/17	Subordinated Excise Tax Refunding Bonds, Taxable Series 2020C			
06/09/21	07/01/24	12/17/14	Civic Improvement Corporation Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C	\$ 132,175	\$	150,213

(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 (PNAV), also referred to as limited net assessed valuation. PNAV 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 PNAV.

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 2021 (fiscal year 2021-22) is \$21.8 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, 2021 was as follows (in thousands):

Six Percent Bonds	\$	1,200,543
Twenty Percent Bonds		3,496,087
Total Debt Margin Available	\$	<u>4,696,630</u>

13. Risk Management

The City maintained a combination of commercial insurance and self-insurance during the year ended June 30, 2021, 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, 2021, claims payable totaled \$222.2 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2021	2020
Claims Payable, July 1	\$ 193,435	\$ 181,178
Current Year Claims and Changes in Estimates	66,246	52,563
Claim Payments	(37,451)	(40,306)
Claims Payable, June 30	<u>\$ 222,230</u>	<u>\$ 193,435</u>

Claims that are expected to be paid with expendable available financial resources are accounted for in the General Fund (\$672 thousand). 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	
	2021	2020
Amounts due within one year	\$ 59,660	\$ 51,518
Amounts due in more than one year	162,570	141,917
	<u>\$ 222,230</u>	<u>\$ 193,435</u>

Of the General Fund Balance, \$49.9 million is restricted, \$77.2 million is assigned for payment of claims, \$8.7 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 \$232.8 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, 2021, claims payable totaled \$29.0 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2021	2020
Claims Payable, July 1	\$ 25,396	\$ 22,907
Current Year Claims and Changes in Estimates	222,823	201,109
Claim Payments	(219,171)	(198,620)
Claims Payable, June 30	<u>\$ 29,048</u>	<u>\$ 25,396</u>

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

	Year Ended June 30	
	2021	2020
Amounts due within one year	<u>\$ 29,048</u>	<u>\$ 25,396</u>

14. Leases

Operating Leases

The City's public housing program leases housing facilities that are, in turn, subleased to low income and elderly tenants. These lease obligations are subsidized by the federal government. Total rental expense for these leases was \$72.9 million for the fiscal year ended June 30, 2021.

The City also leases certain airport facilities to third parties. The Phoenix City Council approved temporary rent relief for terminal concessions and rental car companies, as a response to the decreased passenger traffic resulting from the global COVID-19 pandemic. The rent relief covered minimum guaranteed rent for April 2020 through July 2021. This resulted in reduced guaranteed lease revenue in fiscal year 2021. Minimum future rentals on non-cancelable operating leases at June 30, 2021 were as follows (in thousands):

Years Ending June 30		
2022	\$	74,635
2023		72,590
2024		52,394
2025		49,931
2026		49,283
Thereafter		265,688
		<u>\$ 564,521</u>

The above amounts do not include contingent rentals, which also may be received under the airport facilities leases, primarily as a percentage of sales in excess of stipulated minimums. Contingent rentals amounted to \$52.6 million for the fiscal year ended June 30, 2021. A summary of the assets leased to third parties under the airport operating lease agreements at June 30, 2021 is as follows (in thousands):

Buildings	\$ 1,386,423
Less: Accumulated Depreciation	<u>(759,278)</u>
	<u>\$ 627,145</u>

Capital Leases

In fiscal year 2017, the City entered into a capital lease for the purchase of fourteen fire trucks. Capital lease payments are recorded as expenditures when payable. The present value of future minimum payments is as follows (in thousands):

Years Ending June 30		
2022	\$	1,166
		<u>\$ 1,166</u>

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, 2021, the City has recorded \$13.8 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, 2021, the City has recorded \$8.9 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, 2021 are as follows (in thousands):

Contractor	Type of Service	Expiration Date	Estimated Annual Subsidy
MV Transportation Service	Dial-a-Ride	June 30, 2025	\$ 15,984
First Transit Inc.	Fixed Route Bus Service	June 30, 2023	39,722
Transdev Services, Inc.	Fixed Route Bus Service	June 30, 2025	90,864
Valley Metro Rail	Light Rail Service	June 30, 2022	5,937
Regional Public Transportation Authority	Fixed Route Bus Service	June 30, 2022	5,234
			\$ 157,741

Approximately 7.6% 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 56.9% of the total transit costs for fiscal 2021-22. 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, 2021, as follows (in thousands):

Aviation	\$ 161,805
Phoenix Convention Center	4,847
Water System	509,318
Wastewater	127,957
Solid Waste	3,983
	\$ 807,910

Encumbrances

Governmental fund encumbrances at June 30, 2021, were as follows (in thousands):

General Fund	\$ 85,930
Transit Special Revenue Fund	138,391
Non-Major Funds	322,200
	\$ 546,521

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, 2021.

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, 2021, 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>2021</u>
General	\$ 160,044
Police	101,667
Fire	<u>39,822</u>
	301,533
Less: Amounts Accrued as a Liability	<u>(72,097)</u>
	<u>\$ 229,436</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, 2021 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, 2021.

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, 2021, 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, 2021:

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	2021 (in thousands)	
		\$4,964	\$850

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, 2021, was \$1.3 billion.

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

Regional Wireless Cooperative (RWC)

The City currently participates with twenty-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, 2021, was \$42.2 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 \$319.0 million at June 30, 2021, 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, 2021 is provided below (in thousands).

	<u>2021</u>
Assets	
Pooled Investments	\$ 54,356
Receivables	13,037
Inventories, at average cost	6,996
Capital Assets, Net of Accumulated Depreciation	<u>597,597</u>
Total Assets	671,986
Liabilities	<u>(57,657)</u>
Net Position	<u>\$ 614,329</u>
Total Revenues	\$ 72,402
Total Expenses	(91,036)
Decrease in Net Position	<u>\$ (18,634)</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 \$190.5 million at June 30, 2021, 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, 2021 is provided below (in thousands).

	<u>2021</u>
Assets	
Pooled Investments	\$ 9,715
Receivables	3,711
Inventories, at average cost	2,317
Capital Assets, Net of Accumulated Depreciation	239,060
Total Assets	<u>254,803</u>
Liabilities	<u>(12,149)</u>
Net Position	<u>\$ 242,654</u>
Total Revenues	\$ 47,804
Total Expenses	(39,834)
Capital Contributions	-
Decrease in Net Position	<u>\$ 7,970</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 2021. 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 2021 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 \$39.0 million for the year ended June 30, 2021. 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, 2021, is presented below (in thousands).

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
COPERS				
Governmental Activities	\$ 867,144	\$ 11,374	\$ 238,508	\$ 47,849
Business-Type Activities	236,628	4,374	91,744	13,028
PSPRS - Police	2,312,312	375,400	307	275,127
PSPRS - Fire	1,231,068	276,382	10,933	146,775
EORP	4,903	618	4	978
Total	\$ 4,652,055	\$ 668,148	\$ 341,496	\$ 483,757

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	
	2021	2020
Active Members		
Tier 1	4,522	4,855
Tier 2	587	626
Tier 3	2,860	2,546
Total	7,969	8,027
Deferred Vested Member Counts	1,053	1,033
In Pay Members		
Service Retirees	6,183	6,109
Beneficiaries	1,171	1,160
Disabled Retirees	233	233
Total	7,587	7,502
Total Members	16,609	16,562

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 17 year period. For the fiscal year ended June 30, 2021, the total contribution rate was 38.62% 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, \$357.4 million for the fiscal year.

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:

Change in Net Pension Liability

(in thousands)

	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (NPL) (a)-(b)
Balances at 6/30/2020	\$ 4,414,114	\$ 2,681,173	\$ 1,732,941
Changes for the year:			
Service cost	78,643	-	78,643
Interest on the total pension liability	303,102	-	303,102
Difference between expected and actual experience of the total pension liability	(4,347)	-	(4,347)
Benefit payments, including refunds of employee contributions	(249,713)	(249,713)	-
Contributions - employer	-	357,382	(357,382)
Contributions - employee	-	40,561	(40,561)
Net investment income	-	610,554	(610,554)
Pension plan administrative expense	-	(1,930)	1,930
Net changes	127,685	756,854	(629,169)
Balances at June 30, 2021	\$ 4,541,799	\$ 3,438,027	\$ 1,103,772

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

e) Actuarial Assumptions

Actuarial assumptions used to determine the total pension liability in the June 30, 2021 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	Individual salary increases are composed of a price inflation component, a real wage growth component, and a merit or longevity component that varies by age. Total salary increases range from 7.00% at 1-7 attained service to 2.80% for 15+ attained 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 2021 Target Allocation	FY 2021 Actual Allocation	10-Year Expected Real Return
U.S. Equity	16.0%	22.1%	6.8%
Developed Market Equity (Non-U.S.)	9.0%	14.7%	8.5%
Emerging Market Equity	8.0%	6.0%	10.4%
Private Equity	9.0%	6.9%	11.9%
Investment Grade Bonds	15.0%	12.0%	1.3%
TIPS	7.0%	4.7%	1.4%
High Yield Bonds	5.0%	50.0%	3.9%
Bank Loans	3.0%	2.6%	3.9%
Emerging Market Bonds	3.0%	2.5%	4.1%
Infrastructure	4.0%	0.8%	8.0%
Natural Resources	4.0%	0.4%	10.5%
Hedge Funds	5.0%	3.9%	3.6%
Real Estate	12.0%	11.9%	7.9%
GTAA	-%	3.1%	3.7%
Cash	-%	3.7%	0.7%

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, 2021:

Sensitivity of Net Pension Liability to the Single Discount
Rate Assumption

(in thousands)

	1.0% Decrease (6.00%)	Current Single Discount Rate Assumption (7.00%)	1.0% Increase (8.00%)
Net Pension Liability	\$ 1,657,008	\$ 1,103,772	\$ 642,863

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

For the year ended June 30, 2021, the City recognized pension expense of \$60.9 million. At June 30, 2021 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	\$ 15,748	\$ 58,653
Changes in assumptions	-	37,432
Net difference between projected and actual earnings on pension plan investments	-	234,167
Total	\$ 15,748	\$ 330,252

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:

2022	\$ (76,147)
2023	(68,659)
2024	(84,713)
2025	(84,985)
2026	-
Thereafter	-
Total	\$ (314,504)

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, 2020	
	Police	Fire
Retirees and Beneficiaries	2,588	1,204
Inactive, Non-Retired Members	844	229
Active Members	2,584	1,460
Total	6,016	2,893
Covered Valuation Payroll (in thousands)	\$ 233,472	\$ 139,641

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, 2013.

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, 2021, the required employer contribution rates were as follows:

	Police	Fire
Tier 1	65.70%	60.61%
Tier 2	65.70%	60.61%
Tier 3	10.39%	10.36%
Tier 3 Legacy	50.78%	44.66%

However, for fiscal year ended June 30, 2021, the City chose to contribute \$170.5 million and \$102.4 million for Police and Fire, respectively and were based on the following contribution rates:

	Police	Fire
Tier 1	70.85%	64.37%
Tier 2	70.85%	64.37%
Tier 3	10.39%	10.36%
Tier 3 Legacy	55.55%	48.51%

d) **Net Pension Liability**

The City's net pension liability was measured as of June 30, 2020, 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, 2021 (in thousands):

Change in Net Pension Liability

	POLICE			FIRE		
	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (NPL) (a)-(b)	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (NPL) (a)-(b)
Balances at June 30, 2020	<u>\$ 3,492,834</u>	<u>\$ 1,368,288</u>	<u>\$ 2,124,546</u>	<u>\$ 1,867,271</u>	<u>\$ 765,370</u>	<u>\$ 1,101,901</u>
Changes for the Year:						
Service cost	51,069	-	51,069	31,668	-	31,668
Interest on the total pension liability	251,285	-	251,285	134,204	-	134,204
Differences between expected and actual experience	91,331	-	91,331	74,975	-	74,975
Changes of Assumptions	-	-	-	-	-	-
Contributions - employer	-	167,099	(167,099)	-	90,148	(90,148)
Contributions - employee	-	22,896	(22,896)	-	12,598	(12,598)
Net investment income	-	17,437	(17,437)	-	9,715	(9,715)
Benefit payments, including refunds of employee contributions	(203,329)	(203,329)	-	(121,050)	(121,050)	-
Administrative expense	-	(1,422)	1,422	-	(793)	793
Other	-	(91)	91	-	12	(12)
Net changes	<u>190,356</u>	<u>2,590</u>	<u>187,766</u>	<u>119,797</u>	<u>(9,370)</u>	<u>129,167</u>
Balances at June 30, 2021	<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>

Detailed information about the pension plan's fiduciary net position is available in the separately issued Public Safety Personnel Retirement System Annual Comprehensive Financial Report available online at www.psprs.com.

e) Actuarial Assumptions

The actuarial assumptions used to determine the total pension liability in the June 30, 2020 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	\$110,000 for 2020. 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, 2020, as provided by PSPRS, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Public Equity	23.00%	1.13%
International Public Equity	15.00%	0.91%
Global Private Equity	18.00%	1.52%
Other Assets (Capital Appreciation)	7.00%	0.39%
Core Bonds	2.00%	-%
Private Credit	22.00%	1.17%
Diversifying Strategies	12.00%	0.39%
Cash	1.00%	(0.01%)
Total	100.00%	

Note - Assumed inflation rate (as provided by PSPRS): 2.40%

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%	Current	1%
	Decrease	Discount Rate	Increase
	(6.30%/6.00%)	(7.30%/7.00%)	(8.30%/8.00%)
Net Pension Liability	\$ 2,791,063	\$ 2,312,312	\$ 1,920,282

	FIRE		
	1%	Current Single	1%
	Decrease	Discount Rate	Increase
	(6.30%/6.00%)	(7.30%/7.00%)	(8.30%/8.00%)
Net Pension Liability	\$ 1,489,097	\$ 1,231,068	\$ 1,019,097

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

For the year ended June 30, 2021, pension expense of \$275.1 million and \$146.8 million were recognized for Police and Fire, respectively. At June 30, 2021, 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	\$ 86,092	\$ 307	\$ 77,490	\$ 10,933
Changes in assumptions	47,320	-	56,351	-
Net difference between projected and actual earnings on pension plan investments	71,485	-	40,126	-
Contributions made subsequent to the measurement date	170,504	-	102,415	-
Total	\$ 375,401	\$ 307	\$ 276,382	\$ 10,933

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 2022. 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	
2022	\$ 57,869		2022	\$ 38,235	
2023	56,357		2023	41,543	
2024	55,715		2024	34,896	
2025	34,649		2025	23,587	
2026	-		2026	14,062	
Thereafter	-		Thereafter	10,711	
Total	\$ 204,590		Total	\$ 163,034	

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, 2021, the City had 8 covered officials participating in the plan. Covered payroll for the year then ended was \$418 thousand (of \$580.5 million general City covered payroll). Net pension liability for EORP was \$4.9 million as of June 30, 2021 and is reported in the Governmental Activities of the Government-Wide Statement of Net Position (Exhibit A-1). No additional disclosures regarding EORP are provided due to the immateriality to the City's finances as a whole. EORP financial statements are available online at www.psprs.com.

21. Other Postemployment Benefits (OPEB)

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

A summary of OPEB related items as of and for the year ended June 30, 2021, is presented below (in thousands).

Plan	Net OPEB Liability/(Asset)	Deferred	Deferred	OPEB Expense (Income)
		Outflows of Resources	Inflows of Resources	
LTD				
Governmental Activities	\$ (38,749)	\$ 3,382	\$ 19,144	\$ (855)
Business-Type Activities	(8,475)	740	4,187	(187)
MERP				
Governmental Activities	105,532	6,317	23,480	(4,139)
Business-Type Activities	30,911	1,850	6,877	(1,236)
PSPRS - Police	(15,541)	3,786	1,919	(791)
PSPRS - Fire	(11,036)	2,492	1,251	(161)
EORP	(91)	17	16	(5)
Total	\$ 62,551	\$ 18,584	\$ 56,874	\$ (7,374)

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, 2021, the City elected not to contribute any amounts due to the LTD program being fully-funded. Employees are not required to contribute to the LTD program.

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

The City's net OPEB liability/(asset) was measured as of June 30, 2021, 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 market 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 6.75% was used to measure the total OPEB liability/(asset) as of June 30, 2021. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.75%. 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)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balances at June 30, 2020	\$ 47,685	\$ 77,757	\$ (30,072)
Changes for the year:			
Service cost	3,606	-	3,606
Interest on the total OPEB liability	3,193	-	3,193
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(2,650)	-	(2,650)
Changes of assumptions	(116)	-	(116)
Benefit payments, including refunds of employee contributions	(4,381)	(4,381)	-
Employer contributions	-	-	-
Employee contributions	-	-	-
OPEB plan net investment income	-	21,612	(21,612)
OPEB plan administrative expense	-	(456)	456
Other	-	29	(29)
Net change in plan fiduciary net position	(348)	16,804	(17,152)
Balances at June 30, 2021	\$ 47,337	\$ 94,561	\$ (47,224)

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	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.75%
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%
Total	100.00%

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

Below is a table providing the sensitivity of the net OPEB liability/(asset) to changes in the discount rate as of June 30, 2021. 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 (5.75%)	Current Single Discount Rate Assumption (6.75%)	1% Increase (7.75%)
Net OPEB Liability (Asset):	\$ (44,044)	\$ (47,224)	\$ (50,084)

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

For the year ended June 30, 2021, the City recognized a reduction of OPEB expense of approximately \$1.0 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
Differences between expected and actual experience	\$ -	\$ 4,349
Assumption changes	505	5,761
Net difference between projected and actual earnings on OPEB plan investments	3,617	13,221
Total	\$ 4,122	\$ 23,331

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:		
2022	\$	(3,183)
2023		(3,319)
2024		(3,608)
2025		(4,575)
2026		(1,270)
Thereafter		(3,254)
Total	\$	(19,209)

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, 2021, the City contributed \$31.0 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, 2021. 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 market 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 6.75% was used to measure the total OPEB liability as of June 30, 2021. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.75%. The discount rate used in the June 30, 2019 valuation was 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The schedule below indicates changes in net OPEB liability:

Change in Net OPEB Liability

(in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2020	\$ 385,845	\$ 179,537	\$ 206,308
Changes for the year:			
Service cost	3,629	-	3,629
Interest on the total OPEB liability	25,249	-	25,249
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(6,128)	-	(6,128)
Changes of assumptions	(12,042)	-	(12,042)
Benefit payments, including refunds of employee contributions	(27,186)	(27,186)	-
Employer contributions	-	31,004	(31,004)
Employee contributions	-	-	-
OPEB plan net investment income	-	50,174	(50,174)
OPEB plan administrative expense	-	(606)	606
Other	-	1	(1)
Net change in plan fiduciary net position	(16,478)	53,387	(69,865)
Balances at 6/30/2021	\$ 369,367	\$ 232,924	\$ 136,443

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	6.75%
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%
Total	100.00%

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

Below is a table providing the sensitivity of the net OPEB liability to changes in the discount rate as of June 30, 2021. 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 (5.75%)	Current Single Discount Rate Assumption (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 172,475	\$ 136,443	\$ 105,763

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, 2021. 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	\$ 136,200	\$ 136,443	\$ 136,726

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

For the year ended June 30, 2021, the City recognized a reduction of OPEB expense of \$5.4 million. At June 30, 2020 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	\$ 8,167	\$ 30,358
Total	\$ 8,167	\$ 30,358

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:

2022	\$ (4,461)
2023	(4,752)
2024	(5,388)
2025	(7,590)
2026	-
Thereafter	-
Total	\$ (22,191)

i)

Statement of Fiduciary Net Position

(in thousands)

	MERP
ASSETS	
Cash and Cash Equivalents	\$ 2,038
Investments	
Treasurer's Pooled Investments	4,785
Fixed Income	49,843
Domestic Equities	98,923
International Equities	43,338
Real Return	22,687
Absolute Return	23
Real Estate	11,288
Total Assets	<u>232,925</u>
LIABILITIES	
Accounts Payable	<u>16</u>
NET POSITION	
Restricted for Other Employee Benefits	<u>\$ 232,909</u>

Statement of Changes in Fiduciary Net Position

(in thousands)

	MERP
ADDITIONS	
Contributions	
City of Phoenix	\$ 31,004
Investment Income	
Net Increase in Fair Value of Investments	45,739
Interest	4,436
Total Additions	<u>81,179</u>
DEDUCTIONS	
Benefit Payments	27,186
Other	607
Total Deductions	<u>27,793</u>
CHANGE IN FIDUCIARY NET POSITION	53,386
NET POSITION	
Net Position, Beginning	179,523
Net Position, Ending	<u>\$ 232,909</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:

	June 30, 2020	
	Police	Fire
Retirees and Beneficiaries	2,588	1,204
Inactive, Non-Retired Members	417	202
Active Members	2,584	1,460
Total	5,589	2,866

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, 2021, 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, 2021, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2020. The schedule below indicates changes in net OPEB liability/(asset) as of the actuary report dated June 30, 2021 (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)
Balances at 6/30/2020	\$ 48,011	\$ 67,123	\$ (19,112)	\$ 25,719	\$ 37,950	\$ (12,231)
Changes for the Year:						
Service cost	1,097	-	1,097	552	-	552
Interest on the total OPEB liability	3,507	-	3,507	1,874	-	1,874
Differences between expected and actual experience of the total OPEB liability	(149)	-	(149)	(762)	-	(762)
Contributions - employer	-	58	(58)	-	17	(17)
Contributions - employee	-	58	(58)	-	17	(17)
Net investment income	-	835	(835)	-	472	(472)
Benefit payments, including refunds of employee contributions	(3,440)	(3,440)	-	(1,895)	(1,895)	-
OPEB plan administrative expense	-	(68)	68	-	(38)	38
Other	-	1	(1)	-	1	(1)
Net changes	1,015	(2,556)	3,571	(231)	(1,426)	1,195
Balances at 6/30/2021	\$ 49,026	\$ 64,567	\$ (15,541)	\$ 25,488	\$ 36,524	\$ (11,036)

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 accommodate 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, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash	1.00%	-0.60%
Core Bonds	2.00%	0.22%
Real Assets	7.00%	5.61%
Diversifying Strategies	12.00%	3.22%
Private Credit	22.00%	5.31%
Global Private Equity	18.00%	8.42%
Non-U.S. Equity	15.00%	6.09%
U.S. Equity	23.00%	4.93%
Total	100.00%	

* Geometric Real Rate of Return. Based on inflation assumption of 2.4%

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):

	POLICE		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.30%/6.00%)	(7.30%/7.00%)	(8.30%/8.00%)
Net Pension Liability	\$ (10,207)	\$ (15,541)	\$ (20,047)

	FIRE		
	1%	Current Single	1%
	Decrease	Discount Rate	Increase
	(6.30%/6.00%)	(7.30%/7.00%)	(8.30%/8.00%)
Net Pension Liability	\$ (8,325)	\$ (11,036)	\$ (13,335)

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

For the year ended June 30, 2021, the City recognized a credit to OPEB income of \$1.0 million. At June 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	POLICE		FIRE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,662	\$ 329	\$ 947
Changes in assumptions	283	257	182	304
Net difference between projected and actual earnings on OPEB plan investments	3,503	-	1,981	-
Total	\$ 3,786	\$ 1,919	\$ 2,492	\$ 1,251

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

POLICE		FIRE	
Year Ending June 30	Net Deferred Outflows and Inflows of Resources	Year Ending June 30	Net Deferred Outflows and Inflows of Resources
2021	\$ (401)	2021	\$ 94
2022	813	2022	386
2023	868	2023	441
2024	612	2024	436
2025	(25)	2025	(7)
Thereafter	-	Thereafter	(109)
Total	\$ 1,867	Total	\$ 1,241

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, 2021, the City had 8 covered officials participating in the plan. Net OPEB asset for EORP was \$91 thousand as of June 30, 2021 and is reported in the Governmental Activities of the Government-Wide Statement of Net Position (Exhibit A-1). No additional disclosures regarding EORP are provided due to the immateriality to the City's finances as a whole. EORP financial statements are available online at www.psprs.com.

Post Employment Health Plan

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

22. Subsequent Events

City Manager

City Manager Ed Zuercher retired on October 8, 2021, ending a 28 year career with the City of Phoenix. He served as City Manager since 2013. Mayor Kate Gallego and the Phoenix City Council have appointed Jeffrey J. Barton as the new City Manager.

Chief Financial Officer

Chief Financial Officer Denise M. Olson retired on July 16, 2021, ending a 27 year career with the City of Phoenix. Former City Manager Ed Zuercher named Kathleen Gitkin as the Chief Financial Officer on September 20, 2021, after she had been acting in this role since July 2021.

Federal Aviation Administration (FAA)

On August 3, 2021, pursuant to the American Rescue Plan Act of 2021, the City of Phoenix Aviation Department was awarded a \$139.0 million FAA Airport Rescue Grant. These funds provide economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the COVID-19 pandemic. Funds provided under this grant must only be used for airport operational expenses or debt service payments.

Debt Issuance

On October 1, 2021, the City of Phoenix issued the Subordinated Excise Tax Revenue Obligations Tax-Exempt Series 2021 for \$42.0 million and Taxable Series 2021 for \$18.0 million. These obligations were issued for the purchase of an office building located at 100 W. Washington Street in Phoenix, AZ and the necessary improvements. The obligations were issued at an all-in true interest cost of 1.698% and 2.022%, respectively.



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)

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 78,643	\$ 81,119	\$ 73,255	\$ 73,072	\$ 72,876	\$ 80,757	\$ 75,310	\$ 78,331
Interest on the total pension liability	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	(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	(249,713)	(242,143)	(237,389)	(227,576)	(223,668)	(216,193)	(204,402)	(179,877)
Net change in total pension liability	\$ 127,685	\$ 12,289	\$ 175,779	\$ 96,594	\$ 145,315	\$ 8,230	\$ 361,124	\$ 135,337
Total pension liability - beginning	4,414,114	4,401,825	4,226,046	4,129,452	3,984,137	3,975,907	3,614,784	3,479,447
Total pension liability - ending	<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>
Plan Fiduciary Net Position								
Contributions - employer	\$ 357,382	\$ 175,947	\$ 165,796	\$ 229,006	\$ 152,153	\$ 119,844	\$ 117,092	\$ 110,629
Contributions - employee	40,561	39,356	35,042	33,340	30,870	29,523	27,861	27,760
Net investment income	610,554	50,389	142,963	166,514	243,211	9,171	47,148	298,736
Benefit payments, including refunds of employee contributions	(249,713)	(242,143)	(237,389)	(227,576)	(223,668)	(216,409)	(204,403)	(179,877)
Pension plan administrative expense	(1,930)	(2,509)	(793)	(377)	(380)	(234)	(415)	(628)
Net change in plan fiduciary net position	\$ 756,854	\$ 21,040	\$ 105,619	\$ 200,907	\$ 202,186	\$ (58,105)	\$ (12,717)	\$ 256,620
Plan fiduciary net position - beginning	2,681,173	2,660,133	2,554,514	2,353,607	2,151,421	2,209,526	2,222,242	1,965,622
Plan fiduciary net position - ending	<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>\$ 1,103,772</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	75.70%	60.74%	60.43%	60.45%	57.00%	54.00%	55.57%	61.48%
Covered payroll	\$ 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	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 6/30/21 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.

COPERS Schedule of Employer Contributions

(in thousands)

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
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%
2012	114,709	114,709	-	540,792	21.21%

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

NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation date: June 30, 2019. 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, 2021 were determined based on the June 30, 2019 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 market; 25% corridor
Salary increases	3.00% plus merit component based on age ranging from 6.60% at age 20 to 0.00% for members age 65 and older.
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2009 - 2014.
Mortality	CalPERS mortality tables with adjustment factors, projected with MP-2015
Cost-of-living adjustment	1.25%

Other: The City of Phoenix Employees' Retirement System adopted new assumptions based on the experience study performed for the period beginning July 1, 2014 through June 30, 2020. These assumptions will be effective beginning with the June 30, 2020 Actuarial Valuation.

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

(in thousands)

	POLICE						
	2021	2020*	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 51,069	\$ 52,681	\$ 49,601	\$ 58,148	\$ 47,232	\$ 47,490	\$ 50,173
Interest on the Total Pension Liability	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	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	(203,329)	(185,901)	(168,682)	(164,031)	(170,877)	(142,444)	(129,266)
Net change in total pension liability	\$ 190,356	\$ 188,697	\$ 111,837	\$ 242,775	\$ 351,138	\$ 58,626	\$ 327,474
Total pension liability - beginning	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>\$ 3,683,190</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>
Plan Fiduciary Net Position							
Contributions - employer	\$ 167,099	\$ 149,442	\$ 124,618	\$ 113,645	\$ 92,298	\$ 80,311	\$ 78,428
Contributions - employee	22,896	18,525	22,728	31,289	31,061	28,941	27,931
Net investment income	17,437	71,707	89,411	139,676	7,019	43,559	146,354
Benefit payments, including refunds of employee contributions	(203,329)	(185,901)	(168,682)	(164,031)	(170,877)	(142,444)	(129,266)
Hall/Parker Settlement	-	-	(42,201)	-	-	-	-
Pension Plan Administrative Expense	(1,422)	(1,247)	(1,364)	(1,236)	(1,010)	(1,063)	-
Other**	(91)	88	(443)	652	411	(842)	(53,122)
Net change in Plan Fiduciary Net Position	\$ 2,590	\$ 52,614	\$ 24,067	\$ 119,995	\$ (41,098)	\$ 8,462	\$ 70,325
Plan Fiduciary Net Position - Beginning	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 Plan Fiduciary Net Position - Ending	-	(5)	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<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>\$ 2,312,312</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	37.22%	39.17%	39.82%	40.46%	39.72%	46.67%	47.42%
Covered Payroll	\$ 233,472	\$ 228,846	\$ 221,105	\$ 231,023	\$ 225,236	\$ 215,928	\$ 229,987
Net Pension Liability as a Percentage of Covered Valuation Payroll	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 6/30/20 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						
	2021	2020*	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 31,668	\$ 32,749	\$ 30,634	\$ 31,155	\$ 25,101	\$ 25,159	\$ 25,964
Interest on the Total Pension Liability	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	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	(121,050)	(96,862)	(89,735)	(88,133)	(108,988)	(72,612)	(68,945)
Net change in total pension liability	119,797	89,723	85,324	134,116	148,162	34,613	159,254
Total pension liability - beginning	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>\$ 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>
Plan Fiduciary Net Position							
Contributions - employer	\$ 90,148	\$ 77,142	\$ 73,288	\$ 56,671	\$ 49,932	\$ 43,076	\$ 42,900
Contributions - employee	12,598	11,592	13,413	16,694	16,039	14,250	14,152
Net investment income	9,715	39,879	49,178	76,651	3,927	24,513	82,575
Benefit payments, including refunds of employee contributions	(121,050)	(96,862)	(89,735)	(88,133)	(108,988)	(72,612)	(68,945)
Hall/Parker Settlement	-	-	(21,840)	-	-	-	-
Pension Plan Administrative Expense	(793)	(695)	(751)	(679)	(565)	(599)	-
Other**	12	-	251	11	1,050	(536)	(30,298)
Net change in Plan Fiduciary Net Position	\$ (9,370)	\$ 31,056	\$ 23,804	\$ 61,215	\$ (38,605)	\$ 8,092	\$ 40,384
Plan Fiduciary Net Position - Beginning	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>\$ 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>\$ 1,231,068</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	38.05%	40.99%	41.31%	41.99%	41.67%	48.79%	49.43%
Covered Payroll	\$ 139,641	\$ 135,273	\$ 132,503	\$ 127,530	\$ 124,322	\$ 121,291	\$ 125,639
Net Pension Liability as a Percentage of Covered Valuation Payroll	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 6/30/20 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
Police	2021	\$ -	\$ 170,504	\$ -	\$ -	-%
	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%
Fire	2021	\$ -	\$ 102,415	\$ -	\$ -	-%
	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 2021, the City chose to contribute more than the actuarially determined amount. Fiscal year 2021 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 2020 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	7.40%
Mortality	<p>Healthy Actives: RP-2014 Employee Mortality Tables, extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>Healthy Inactives: RP-2014 Healthy Annuitant Mortality Tables (110% for females), extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>Disabled Lives: RP-2014 Disabled Mortality Tables, extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</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, 2018 Actuarial Valuation Report prepared by GRS Retirement Consulting.

The information in this schedule has been determined as of the measurement date 6/30/20 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)

	2021	2020	2019	2018	2017
Total OPEB liability/(asset)					
Service cost	\$ 3,606	\$ 3,495	\$ 3,679	\$ 3,554	\$ 3,434
Interest on the total OPEB liability/(asset)	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	(116)	628	(8,013)	-	-
Benefit payments, including refunds of employee contributions	(4,381)	(3,755)	(4,126)	(3,993)	(4,289)
Net change in total OPEB liability/(asset)	(348)	3,455	(7,624)	2,968	2,371
Total OPEB liability/(asset) - beginning	47,685	44,230	51,854	48,886	46,515
Total OPEB liability/(asset) - ending	<u>\$ 47,337</u>	<u>\$ 47,685</u>	<u>\$ 44,230</u>	<u>\$ 51,854</u>	<u>\$ 48,886</u>
Plan Fiduciary Net Position					
Employer contributions	\$ -	\$ 1,134	\$ 1,758	\$ 1,643	\$ 1,381
Employee contributions	-	-	-	-	-
OPEB plan net investment income	21,612	662	3,983	4,611	8,488
Benefit payments, including refunds of employee contributions	(4,381)	(3,755)	(4,126)	(3,993)	(4,290)
OPEB plan administrative expense	(456)	(363)	(380)	(409)	(276)
Other	29	-	(86)	167	129
Net change in plan fiduciary net position	16,804	(2,322)	1,149	2,019	5,432
Plan fiduciary net position - beginning	77,757	80,079	78,930	76,911	71,479
Plan fiduciary net position - ending	<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>\$ (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)	199.76%	163.06%	181.05%	152.23%	157.33%
Covered payroll	\$ 872,987	\$ 858,320	\$ 831,706	\$ 832,952	\$ 804,784
Net OPEB liability/(asset) as a percentage of covered payroll	(5.41%)	(3.50%)	(4.31%)	(3.25%)	(3.48%)

Notes to Schedule:

- Service Cost determined under the Entry Age Normal Method

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 - LTD

(in thousands)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
2021	\$ 1,540	\$ -	\$ 1,540	\$ 872,987	-%
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, 2019

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	Market
Inflation	3.00%
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 assumptions have been updated to match those used in the valuation of their pension benefit. Additionally, the recovery rates were updated to the most recent tables available from the Society of Actuaries, with adjustments. No other assumptions changes were made since the prior valuation.

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

	2021	2020	2019	2018	2017
<u>Total OPEB liability/(asset)</u>					
Service cost	\$ 3,629	\$ 4,432	\$ 4,282	\$ 4,690	\$ 4,531
Interest on the total OPEB liability/(asset)	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	(12,042)	8,320	(637)	-	-
Benefit payments, including refunds of employee contributions	(27,186)	(27,089)	(25,520)	(24,107)	(23,936)
Net change in total OPEB liability	(16,478)	11,102	4,969	5,409	5,067
Total OPEB liability/(asset) - beginning	385,845	374,743	369,774	364,365	359,298
Total OPEB liability/(asset) - ending	<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	\$ 31,004	\$ 26,987	\$ 24,100	\$ 25,881	\$ 27,863
Employee contributions	-	-	-	-	-
OPEB plan net investment income	50,174	1,460	8,734	9,761	17,188
Benefit payments, including refunds of employee contributions	(27,186)	(27,089)	(25,520)	(24,107)	(23,936)
OPEB plan administrative expense	(606)	-	-	-	-
Other	1	13	(17)	6	-
Net change in plan fiduciary net position	53,387	1,371	7,297	11,541	21,115
Plan fiduciary net position - beginning	179,537	178,166	170,869	159,328	138,213
Plan fiduciary net position - ending	<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>\$ 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	63.06%	46.53%	47.54%	46.21%	43.73%
Covered payroll	\$ 214,741	\$ 280,071	\$ 270,600	\$ 329,982	\$ 318,823
Net OPEB liability as a percentage of covered payroll	63.54%	73.66%	72.64%	60.28%	64.31%

Notes to Schedule:

- Service Cost determined under the Entry Age Normal Method

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 - MERP

(in thousands)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
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	23 years
Asset valuation method	Market
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 7.5% in 2020 grading down to 4.5% in 2034.
Expenses	Investment expenses are paid from investment returns.

Other information:

Notes Since the June 30, 2019 valuation, demographic assumptions for General members have been updated to reflect the assumptions used in the City of Phoenix Employees' Retirement System Actuarial Valuation as of June 30, 2020. Election rate and future benefit assumptions were also updated as of June 30, 2021 valuation.

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)

	2021		2020		2019		2018	
	Police	Fire	Police	Fire	Police	Fire	Police	Fire
<u>Total OPEB Liability</u>								
Service Cost	\$ 1,097	\$ 552	\$ 699	\$ 341	\$ 647	\$ 338	\$ 762	\$ 357
Interest on the Total OPEB Liability	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	(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	(3,440)	(1,895)	(3,257)	(1,763)	(3,253)	(1,766)	(3,014)	(1,735)
Net change in total OPEB liability	\$ 1,015	\$ (230)	\$ 18	\$ 1,077	\$ 202	\$ 211	\$ (2,771)	\$ (873)
Total pension liability - beginning	48,011	25,718	47,993	24,641	47,791	24,430	50,562	25,303
Total pension liability - ending	<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>
<u>Plan Fiduciary Net Position</u>								
Contributions - employer	\$ 58	\$ 17	\$ 31	\$ 8	\$ -	\$ -	\$ -	\$ -
Contributions - employee	58	17	31	8	5	1	-	-
Net investment income	835	473	3,548	2,004	4,483	2,529	7,098	4,002
Benefit payments, including refunds of employee contributions	(3,440)	(1,895)	(3,257)	(1,763)	(3,253)	(1,766)	(3,014)	(1,735)
OPEB Plan Administrative Expense	(67)	(37)	(61)	(34)	(68)	(39)	(63)	(36)
Net change in Plan Fiduciary Net Position	\$ (2,556)	\$ (1,425)	\$ 292	\$ 223	\$ 1,167	\$ 725	\$ 4,021	\$ 2,231
Plan Fiduciary Net Position - Beginning	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>\$ 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>\$ (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>
Plan Fiduciary Net Position as a Percentage of the								
Total OPEB Liability (Asset)	131.70%	143.30%	139.81%	147.56%	139.24%	153.10%	137.39%	151.46%
Covered Payroll	233,472	139,641	228,846	135,273	221,105	132,503	231,023	127,530
Net OPEB Liability (Asset) as a Percentage of Covered Valuation Payroll	(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 6/30/20 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 Contributions for Measurement Date Ended June 30

(in thousands)		Schedule of Contributions for Measurement Date Ended June 30					
	Year Ended June 30	Actuarially Determined Contribution *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Valuation Payroll	
Police	2021	\$ -	\$ -	\$ -	\$ -	-%	
	2020	58	58	-	233,472	0.03%	
	2019	31	31	-	228,846	0.01%	
	2018	-	-	-	221,105	-%	
	2017	-	-	-	231,023	-%	
Fire	2021	\$ -	\$ -	\$ -	\$ -	-%	
	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 2020 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	7.40%
Mortality	<p>Healthy Actives: RP-2014 Employee Mortality Tables, extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>Healthy Inactives: RP-2014 Healthy Annuitant Mortality Tables (110% for females), extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>Disabled Lives: RP-2014 Disabled Mortality Tables, extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</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, 2018 Actuarial Valuation Report prepared by GRS Retirement Consulting.

The information in this schedule has been determined as of the measurement date 6/30/20 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
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**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, 2021
 (in thousands)

Exhibit C-1

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
ASSETS					
Cash and Cash Equivalents	\$ 21,668	\$ 654	\$ 42,644	\$ -	\$ 11,720
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-	7,815
Investments	91,279	2,840	175,683	-	41,699
Due from Other Funds	-	-	-	-	-
Receivables, Net of Allowance					
Accounts Receivable	25	-	1,419	932	824
Taxes Receivable	-	-	-	-	-
Intergovernmental	13,251	1,373	80	25,938	2,283
Accrued Interest	-	-	-	-	122
Notes Receivable	-	-	-	-	10,446
Total Assets	126,223	4,867	219,826	26,870	74,909
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	-	-	-	4,421	-
Accounts Payable	8,212	240	3,112	8,829	2,009
Trust Liabilities and Deposits	6,685	-	14,027	13	18,053
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Advance Payments	-	-	10,150	13,607	5,126
Total Liabilities	14,897	240	27,289	26,870	25,188
Deferred Inflows of Resources					
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Spendable					
Restricted	111,326	2,705	99,485	-	39,348
Committed	-	1,922	-	-	-
Assigned	-	-	93,052	-	10,373
Unassigned	-	-	-	-	-
Total Fund Balances	111,326	4,627	192,537	-	49,721
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 126,223	\$ 4,867	\$ 219,826	\$ 26,870	\$ 74,909

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	
\$ 17,932	\$ 5,065	\$ 13,024	\$ 112,707	\$ 5,924	\$ 22,196	\$ 29,619	\$ -	
-	-	-	7,815	-	-	-	-	
72,529	23,824	52,098	459,952	23,952	88,844	33,360	18,099	
-	-	-	-	-	-	32,583	-	
-	-	-	3,200	1	6	224	-	
4	-	-	4	-	-	-	-	
-	-	-	42,925	-	-	18,800	-	
-	-	-	122	-	-	115	-	
-	-	-	10,446	-	-	-	-	
<u>90,465</u>	<u>28,889</u>	<u>65,122</u>	<u>637,171</u>	<u>29,877</u>	<u>111,046</u>	<u>114,701</u>	<u>18,099</u>	
-	-	-	-	-	-	-	-	
-	-	-	4,421	-	-	-	10,724	
4,579	-	4	26,985	432	2,953	26,608	1,027	
281	290	-	39,349	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	28,883	-	-	-	-	
<u>4,860</u>	<u>290</u>	<u>4</u>	<u>99,638</u>	<u>432</u>	<u>2,953</u>	<u>26,608</u>	<u>11,751</u>	
-	-	-	-	-	-	-	-	
57,429	28,599	65,118	404,010	-	108,093	79,681	6,348	
3,424	-	-	5,346	29,445	-	-	-	
24,752	-	-	128,177	-	-	8,412	-	
-	-	-	-	-	-	-	-	
<u>85,605</u>	<u>28,599</u>	<u>65,118</u>	<u>537,533</u>	<u>29,445</u>	<u>108,093</u>	<u>88,093</u>	<u>6,348</u>	
\$ 90,465	\$ 28,889	\$ 65,122	\$ 637,171	\$ 29,877	\$ 111,046	\$ 114,701	\$ 18,099	

**Combining Balance Sheet
Nonmajor Governmental Funds**
 June 30, 2021
 (in thousands)

Exhibit C-1
 (Continued)

	Capital Projects Funds			
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 313	\$ 3,642
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-
Investments	-	-	-	72,859
Due from Other Funds	717	7,940	5,222	107
Receivables, Net of Allowance				
Accounts Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Intergovernmental	-	-	-	-
Accrued Interest	-	-	-	-
Notes Receivable	-	-	-	-
Total Assets	<u>717</u>	<u>7,940</u>	<u>5,535</u>	<u>76,608</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Due to Other Funds	-	-	-	-
Accounts Payable	-	197	4	1,129
Trust Liabilities and Deposits	-	423	-	-
Matured Bonds Payable	-	-	-	-
Interest Payable	-	-	-	-
Advance Payments	-	-	-	-
Total Liabilities	<u>-</u>	<u>620</u>	<u>4</u>	<u>1,129</u>
Deferred Inflows of Resources				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Spendable				
Restricted	717	7,320	5,531	75,494
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(15)
Total Fund Balances	<u>717</u>	<u>7,320</u>	<u>5,531</u>	<u>75,479</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 717</u>	<u>\$ 7,940</u>	<u>\$ 5,535</u>	<u>\$ 76,608</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	
\$ 18,781	\$ 80,475	\$ 11,587	\$ 635	\$ -	\$ -	12,222	\$ 205,404
12,042	12,042	-	41,352	-	4,573	45,925	65,782
19,881	256,995	47,406	3,641	-	1	51,048	767,995
3,881	50,450	-	-	-	-	-	50,450
-	231	-	-	30	30	60	3,491
-	-	-	-	-	-	-	4
-	18,800	-	-	-	-	-	61,725
-	115	-	-	-	-	-	237
-	-	-	-	-	-	-	10,446
<u>54,585</u>	<u>419,108</u>	<u>58,993</u>	<u>45,628</u>	<u>30</u>	<u>4,604</u>	<u>109,255</u>	<u>1,165,534</u>
-	-	-	-	-	-	-	-
-	10,724	-	-	-	-	-	15,145
-	32,350	1,288	-	-	2	1,290	60,625
-	423	-	-	-	-	-	39,772
-	-	-	32,965	-	665	33,630	33,630
-	-	-	8,387	-	793	9,180	9,180
-	-	-	-	30	-	30	28,913
-	43,497	1,288	41,352	30	1,460	44,130	187,265
-	-	-	-	-	-	-	-
34,704	317,888	-	4,276	-	3,144	7,420	729,318
-	29,445	57,705	-	-	-	57,705	92,496
19,881	28,293	-	-	-	-	-	156,470
-	(15)	-	-	-	-	-	(15)
<u>54,585</u>	<u>375,611</u>	<u>57,705</u>	<u>4,276</u>	<u>-</u>	<u>3,144</u>	<u>65,125</u>	<u>978,269</u>
\$ 54,585	\$ 419,108	\$ 58,993	\$ 45,628	\$ 30	\$ 4,604	\$ 109,255	\$ 1,165,534

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

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
REVENUES					
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	146,188	-	-	243,995	103,163
Charges for Services	-	2,816	88,513	-	-
Fines and Forfeitures	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income					
Net Change in Fair Value of Investments	(473)	(40)	(501)	(10)	(334)
Interest	1,480	124	1,596	34	615
Dwelling Rentals	-	-	-	-	6,978
Other	164	-	6,583	1,540	8,527
Total Revenues	147,359	2,900	96,191	245,559	118,949
EXPENDITURES					
Current Operating					
General Government	-	49	-	31,214	-
Criminal Justice	-	1,931	-	111	-
Public Safety	-	2,859	-	21,940	-
Transportation	89,808	-	-	168	-
Community Enrichment	-	-	-	137,741	169
Community Development	-	-	67,428	44,710	105,062
Environmental Services	-	-	-	5,020	-
Capital Outlay	43,651	780	11,859	4,655	2,542
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	133,459	5,619	79,287	245,559	107,773
Excess (Deficiency) of Revenues Over Expenditures	13,900	(2,719)	16,904	-	11,176
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	-	7	-	-
Transfers to Other Funds	(3,801)	-	(7,369)	-	(241)
Issuance of Debt					
Municipal Corporation Bonds	-	-	-	-	-
Premium on Municipal Corporation Bonds	-	-	-	-	-
Refunding Bonds	-	-	-	-	-
Deposit to Refunding Escrow	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,801)	-	(7,362)	-	(241)
Net Change in Fund Balances	10,099	(2,719)	9,542	-	10,935
FUND BALANCES, JULY 1	101,227	7,346	182,995	-	38,786
FUND BALANCES, JUNE 30	\$ 111,326	\$ 4,627	\$ 192,537	\$ -	\$ 49,721

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
\$ 11,809	\$ 40,940	\$ 106,356	\$ 159,105	\$ 7,030	\$ 40,940	\$ -	\$ -
933	-	-	933	-	-	-	-
761	3,028	10,251	507,386	-	-	8,449	-
8,263	-	-	99,592	-	-	-	-
46	-	-	46	-	-	-	-
141	-	-	141	-	-	-	-
-	-	-	-	-	-	-	-
(194)	(105)	(119)	(1,776)	(119)	(450)	29	12
457	349	390	5,045	375	1,454	(18)	-
-	-	-	6,978	-	-	-	-
16,301	205	-	33,320	8	949	2,994	355
38,517	44,417	116,878	810,770	7,294	42,893	11,454	367
1,644	-	-	32,907	-	-	-	-
-	-	-	2,042	-	-	-	-
21,846	39,957	105,905	192,507	-	-	-	-
4,313	-	-	94,289	67	-	-	-
1,122	-	-	139,032	-	5,645	-	-
3,289	-	-	220,489	-	-	-	-
2,261	-	-	7,281	65	-	-	-
9,180	711	1,302	74,680	3,377	32,479	75,127	4,077
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	66
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
43,655	40,668	107,207	763,227	3,509	38,124	75,127	4,143
(5,138)	3,749	9,671	47,543	3,785	4,769	(63,673)	(3,776)
18,746	297	-	19,050	-	7,156	83,172	5,000
(5,754)	(182)	(369)	(17,716)	(172)	(182)	-	-
-	-	-	-	-	-	-	15,461
-	-	-	-	-	-	-	5,011
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
12,992	115	(369)	1,334	(172)	6,974	83,172	25,472
7,854	3,864	9,302	48,877	3,613	11,743	19,499	21,696
77,751	24,735	55,816	488,656	25,832	96,350	68,594	(15,348)
\$ 85,605	\$ 28,599	\$ 65,118	\$ 537,533	\$ 29,445	\$ 108,093	\$ 88,093	\$ 6,348

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

 For the Fiscal Year Ended June 30, 2021
(in thousands)

	Capital Projects Funds			
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers
REVENUES				
City Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and PermitsCash Deposits	-	-	-	-
Intergovernmental	-	-	753	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Parks and Recreation	-	-	-	-
Special Assessments	-	-	-	-
Investment Income				
Net Change in Fair Value of Investments	-	(7)	(24)	40
Interest	-	(3)	76	48
Dwelling Rentals	-	-	-	-
Other	-	-	-	-
Total Revenues	-	(10)	805	88
EXPENDITURES				
Current Operating				
General Government	-	-	-	-
Criminal Justice	-	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	-	-
Community Enrichment	-	-	-	-
Community Development	-	-	-	-
Environmental Services	-	-	-	-
Capital Outlay	-	763	1,222	2,970
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond Issuance Costs	-	-	-	147
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-
Other	-	-	-	-
Total Expenditures	-	763	1,222	3,117
Excess (Deficiency) of Revenues Over Expenditures	-	(773)	(417)	(3,029)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	-	1,028
Transfers to Other Funds	-	(477)	-	(1,178)
Issuance of Debt				
Municipal Corporation Bonds	-	-	-	34,539
Premium on Municipal Corporation Bonds	-	-	-	10,766
Refunding Bonds	-	-	-	-
Deposit to Refunding Escrow	-	-	-	-
Total Other Financing Sources (Uses)	-	(477)	-	45,155
Net Change in Fund Balances	-	(1,250)	(417)	42,126
FUND BALANCES, JULY 1	717	8,570	5,948	33,353
FUND BALANCES, JUNE 30	\$ 717	\$ 7,320	\$ 5,531	\$ 75,479

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	
\$ -	\$ 47,970	\$ 13,991	\$ -	\$ -	\$ -	\$ 13,991	\$ 221,066
-	-	-	-	-	-	-	933
-	9,202	-	-	-	-	-	516,588
-	-	-	-	-	642	642	100,234
-	-	-	-	-	-	-	46
-	-	-	-	-	-	-	141
-	-	-	-	2	-	2	2
51	(468)	(280)	-	-	-	(280)	(2,524)
2	1,934	887	1	-	2	890	7,869
-	-	-	-	-	-	-	6,978
60,354	64,660	3,709	-	-	597	4,306	102,286
60,407	123,298	18,307	1	2	1,241	19,551	953,619
-	-	499	-	-	-	499	33,406
-	-	-	-	-	-	-	2,042
-	-	1,604	-	-	-	1,604	194,111
-	67	-	-	-	-	-	94,356
-	5,645	95	-	-	-	95	144,772
-	-	610	-	-	-	610	221,099
-	65	-	-	-	-	-	7,346
134,867	254,882	9,352	-	-	6,046	15,398	344,960
-	-	-	32,965	2	665	33,632	33,632
-	-	-	16,420	2	1,586	18,008	18,008
622	835	-	533	-	-	533	1,368
-	-	-	9	-	4	13	13
-	-	-	1,349	-	1,205	2,554	2,554
135,489	261,494	12,160	51,276	4	9,506	72,946	1,097,667
(75,082)	(138,196)	6,147	(51,275)	(2)	(8,265)	(53,395)	(144,048)
622	96,978	1,028	51,389	2	-	52,419	168,447
-	(2,009)	(14,420)	(1,028)	-	-	(15,448)	(35,173)
150,000	200,000	-	31,595	-	-	31,595	231,595
-	15,777	-	9,547	-	-	9,547	25,324
-	-	-	116,685	-	-	116,685	116,685
-	-	-	(156,913)	-	-	(156,913)	(156,913)
150,622	310,746	(13,392)	51,275	2	-	37,885	349,965
75,540	172,550	(7,245)	-	-	(8,265)	(15,510)	205,917
(20,955)	224,532	64,950	4,276	-	11,409	80,635	772,352
\$ 54,585	\$ 397,082	\$ 57,705	\$ 4,276	\$ -	\$ 3,144	\$ 65,125	\$ 978,269



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, 2021
(in thousands)

Exhibit D-1

	Budget			Expenditures	Actual		Variance with Final Budget Positive (Negative)
	Originally Adopted	Reallocation Transfers	Final		Encumbrances	Total	
General Government							
Mayor	\$ 2,245	\$ -	\$ 2,245	\$ 1,903	\$ 103	\$ 2,006	\$ 239
City Council	5,444	-	5,444	3,941	221	4,162	1,282
City Manager	5,971	7,000	12,971	7,494	446	7,940	5,031
City Auditor	3,205	-	3,205	2,520	135	2,655	550
Information Technology	52,395	9,000	61,395	44,634	11,149	55,783	5,612
Equal Opportunity	2,761	-	2,761	2,299	45	2,344	417
City Clerk	7,285	-	7,285	5,129	389	5,518	1,767
Human Resources	12,969	5,000	17,969	13,145	2,049	15,194	2,775
Law	26,183	-	26,183	21,672	2,268	23,940	2,243
Budget and Research	3,975	-	3,975	3,447	150	3,597	378
Finance	26,013	9,000	35,013	24,949	2,027	26,976	8,037
Cable	2,794	-	2,794	2,594	60	2,654	140
Other	1,650	-	1,650	1,405	36	1,441	209
Total General Government	152,890	30,000	182,890	135,132	19,078	154,210	28,680
Criminal Justice							
Municipal Court	32,161	(200)	31,961	30,577	525	31,102	859
Public Defender	5,380	-	5,380	5,054	6	5,060	320
Total Criminal Justice	37,541	(200)	37,341	35,631	531	36,162	1,179
Public Safety							
Police	591,931	(5,200)	586,731	568,448	5,597	574,045	12,686
Fire	352,507	-	352,507	339,451	12,381	351,832	675
Other	242	-	242	13	30	43	199
Total Public Safety	944,680	(5,200)	939,480	907,912	18,008	925,920	13,560
Transportation							
Street Transportation	18,976	-	18,976	18,415	181	18,596	380
Public Transit	1,786	2,800	4,586	1,318	2,231	3,549	1,037
Total Transportation	20,762	2,800	23,562	19,733	2,412	22,145	1,417
Community Enrichment							
Parks & Recreation	101,808	(3,000)	98,808	86,482	7,351	93,833	4,975
Library	40,896	-	40,896	34,634	4,204	38,838	2,058
Human Services	19,978	-	19,978	17,972	2,058	20,030	(52)
Other	6,859	-	6,859	5,436	453	5,889	970
Total Community Enrichment	169,541	(3,000)	166,541	144,524	14,066	158,590	7,951
Community Development							
Economic Development	6,251	400	6,651	5,648	171	5,819	832
Neighborhood Services	14,033	-	14,033	13,320	158	13,478	555
Other	4,477	-	4,477	4,483	333	4,816	(339)
Total Community Development	24,761	400	25,161	23,451	662	24,113	1,048
Environmental Services							
Public Works	17,643	3,200	20,843	9,797	9,942	19,739	1,104
Office of Sustainability	424	-	424	439	1	440	(16)
Other	732	-	732	712	14	726	6
Total Environmental Services	18,799	3,200	21,999	10,948	9,957	20,905	1,094
Capital							
Community Development	-	10,300	10,300	10,427	-	10,427	(127)
Community Enrichment	1,299	3,000	4,299	1,252	2,305	3,557	742
General Government	4,569	-	4,569	1,017	3,015	4,032	537
Public Safety	-	-	-	5	-	5	(5)
Environmental Services	13,775	-	13,775	4,278	6,808	11,086	2,689
Total Capital	19,643	13,300	32,943	16,979	12,128	29,107	3,836
Contingency	36,996	10,000	46,996	-	-	-	46,996
Totals	\$ 1,425,613	\$ 51,300	\$ 1,476,913	\$ 1,294,310	\$ 76,842	\$ 1,371,152	\$ 105,761

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

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
City Taxes	\$ 1,019,253	\$ 1,019,253	\$ 1,108,384	\$ 89,131
Licenses and Permits	2,960	2,960	2,694	(266)
Intergovernmental	415,239	415,239	444,341	29,102
Total Revenues	1,437,452	1,437,452	1,555,419	117,967
OTHER FINANCING USES				
Transfers to Other Funds				
General Fund	(882,712)	(882,712)	(973,468)	(90,756)
Transportation Tax 2050	(249,230)	(249,230)	(279,348)	(30,118)
Parks and Preserves	(36,539)	(36,539)	(40,940)	(4,401)
Sports Facilities	(20,558)	(20,558)	(13,990)	6,568
Capital Construction	(8,239)	(8,239)	(7,030)	1,209
Police Neighborhood Protection	(25,578)	(25,578)	(28,657)	(3,079)
Block Watch Neighborhood Protection	(1,827)	(1,827)	(2,047)	(220)
Fire Neighborhood Protection	(9,134)	(9,134)	(10,236)	(1,102)
Police Public Safety Enhancement	(14,129)	(14,129)	(15,174)	(1,045)
Fire Public Safety Enhancement	(8,660)	(8,660)	(9,300)	(640)
Police Public Safety Expansion	(58,466)	(58,466)	(65,504)	(7,038)
Fire Public Safety Expansion	(14,617)	(14,617)	(16,377)	(1,760)
City Improvement	(41,904)	(41,904)	(30,321)	11,583
Phoenix Convention Center	(60,050)	(60,050)	(54,331)	5,719
Other Restricted Funds	(5,809)	(5,809)	(8,696)	(2,887)
Total Other Financing Uses	(1,437,452)	(1,437,452)	(1,555,419)	(117,967)
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, 2021
(in thousands)

Exhibit D-3

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental				
Highway User	\$ 145,124	\$ 145,124	\$ 146,188	\$ 1,064
Contributions/Donations	-	-	80	80
Charges for Services	10	10	3	(7)
Rentals	150	150	-	(150)
Interest	1,000	1,000	727	(273)
Miscellaneous	-	-	56	56
Total Revenues	146,284	146,284	147,054	770
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	81,659	81,659	73,865	7,794
Capital	87,484	87,484	66,730	20,754
Total Expenditures and Encumbrances	169,143	169,143	140,595	28,548
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(22,859)	(22,859)	6,459	29,318
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds				
City Improvement Debt Service Fund	(3,919)	(3,919)	(3,793)	126
Capital Projects Fund	-	-	(7)	
Recovery of Prior Years Expenditures	1,124	1,124	900	(224)
Total Other Financing Sources (Uses)	(2,795)	(2,795)	(2,900)	(105)
Net Change in Fund Balance	\$ (25,654)	\$ (25,654)	3,559	\$ 29,213
Fund Balance, July 1			44,484	
Fund Balance, June 30			\$ 48,043	

Budgetary Comparison Schedule
Municipal Court Awards Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-4

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 5,760	\$ 5,760	\$ 1,982	\$ (3,778)
Total Revenues	5,760	5,760	1,982	(3,778)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	165	165	50	115
Public Safety	5,595	5,595	3,836	1,759
Total Expenditures and Encumbrances	5,760	5,760	3,886	1,874
Deficiency of Revenues Over Expenditures and Encumbrances	-	-	(1,904)	(1,904)
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	2	2	48	46
Total Other Financing Sources	2	2	48	46
Net Change in Fund Balance	<u>\$ 2</u>	<u>\$ 2</u>	(1,856)	<u>\$ (1,858)</u>
Fund Balance, July 1			(1,058)	
Fund Balance, June 30			<u>\$ (2,914)</u>	

Budgetary Comparison Schedule
Development Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 72,180	\$ 72,180	\$ 71,110	\$ (1,070)
Interest	-	-	5	5
Miscellaneous	(40)	(40)	(147)	(107)
Total Revenues	72,140	72,140	70,968	(1,172)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	67,555	67,555	61,330	6,225
Capital	14,862	14,862	11,926	2,936
Contingency	5,000	5,000	-	5,000
Total Expenditures and Encumbrances	87,417	87,417	73,256	14,161
Deficiency of Revenues Over Expenditures and Encumbrances	(15,277)	(15,277)	(2,288)	12,989
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(4,409)	(4,409)	(4,440)	(31)
Recovery of Prior Years Expenditures	14	14	175	161
Total Other Financing Sources (Uses)	(4,395)	(4,395)	(4,265)	130
Net Change in Fund Balance	<u>\$ (19,672)</u>	<u>\$ (19,672)</u>	<u>(6,553)</u>	<u>\$ 13,119</u>
Fund Balance, July 1			58,722	
Fund Balance, June 30			<u>\$ 52,169</u>	

Budgetary Comparison Schedule
Community Reinvestment Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-6

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 144	\$ 144	\$ 157	\$ 13
Rentals	5,567	5,567	6,730	1,163
Interest	276	276	124	(152)
Total Revenues	5,987	5,987	7,011	1,024
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	1,931	1,931	1,144	787
Capital	6,604	6,604	992	5,612
Total Expenditures and Encumbrances	8,535	8,535	2,136	6,399
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(2,548)	(2,548)	4,875	7,423
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Other Restricted Special Revenue Fund	5,940	5,940	-	(5,940)
Transfers to Other Funds				
General Fund				
Other	(2,064)	(2,064)	(2,064)	-
Recovery of Prior Years Expenditures	-	-	119	119
Total Other Financing Sources (Uses)	3,876	3,876	(1,945)	(5,821)
Net Change in Fund Balance	\$ 1,328	\$ 1,328	2,930	\$ 1,602
Fund Balance, July 1			15,173	
Fund Balance, June 30			\$ 18,103	

Budgetary Comparison Schedule
Federal Operating Trust Grants Special Revenue Fund

Exhibit D-7

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 321,297	\$ 321,297	\$ 150,193	\$ (171,104)
Interest	18	18	11	(7)
Miscellaneous	6,171	6,171	1,307	(4,864)
Total Revenues	327,486	327,486	151,511	(175,975)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	1,879	1,879	29,665	(27,786)
Criminal Justice	-	-	110	(110)
Public Safety	25,281	25,281	24,837	444
Transportation	72	72	170	(98)
Community Enrichment	18,825	18,825	66,292	(47,467)
Community Development	8,988	8,988	41,033	(32,045)
Environmental Services	491	491	5,130	(4,639)
Capital	-	100	110	(10)
Total Expenditures and Encumbrances	55,536	55,636	167,347	(111,711)
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	271,950	271,850	(15,836)	(287,686)
OTHER FINANCING SOURCES				
Transfer from Other Funds				
Other Restricted Special Revenue Fund	-	-	10,225	10,225
Recovery of Prior Years Expenditures	-	-	5,611	5,611
Total Other Financing Sources	-	-	15,836	15,836
Net Change in Fund Balance	\$ 271,950	\$ 271,850	-	\$ (271,850)
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, 2021

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 52,215	\$ 52,215	\$ 17,124	\$ (35,091)
Charges for Services	1,015	1,015	92	(923)
Interest	-	-	1	1
Miscellaneous	145	145	86	(59)
Total Revenues	53,375	53,375	17,303	(36,072)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	231	231	184	47
Community Enrichment	2,213	2,213	1,219	994
Community Development	40,253	40,253	14,509	25,744
Capital	10,678	10,678	1,772	8,906
Total Expenditures and Encumbrances	53,375	53,375	17,684	35,691
Deficiency of Revenues Over				
Expenditures and Encumbrances	-	-	(381)	(381)
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	-	-	272	272
Total Other Financing Sources	-	-	272	272
Net Change in Fund Balance	\$ -	\$ -	(109)	\$ (109)
Fund Balance, July 1			1,073	
Fund Balance, June 30			\$ 964	

Budgetary Comparison Schedule
Human Services Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-9

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 58,918	\$ 58,918	\$ 72,046	\$ 13,128
Contributions/Donations	32	32	55	23
Interest	13	13	7	(6)
Total Revenues	58,963	58,963	72,108	13,145
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	58,963	58,963	72,238	(13,275)
Total Expenditures and Encumbrances	58,963	58,963	72,238	(13,275)
Deficiency of Revenues Over				
Expenditures and Encumbrances	-	-	(130)	(130)
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	130	130
Total Other Financing Sources	-	-	130	130
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
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, 2021

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Contributions/Donations				
Intergovernmental	\$ 98,080	\$ 98,080	\$ 95,432	\$ (2,648)
Charges for Services				
Interest	462	462	112	(350)
Dwelling Rentals	5,183	5,183	3,763	(1,420)
Miscellaneous	5,170	5,170	8,785	3,615
Total Revenues	108,895	108,895	108,092	(803)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	89	89	90	(1)
Community Development	105,160	105,160	96,758	8,402
Capital	14,969	14,969	2,693	12,276
Total Expenditures and Encumbrances	120,218	120,218	99,541	20,677
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(11,323)	(11,323)	8,551	19,874
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
In-Lieu Property Taxes	(200)	(200)	(171)	29
City Improvement	(70)	(70)	(70)	-
Recovery of Prior Years Expenditures	-	-	489	489
Total Other Financing Sources (Uses)	(270)	(270)	248	518
Net Change in Fund Balance	\$ (11,593)	\$ (11,593)	8,799	\$ 20,392
Fund Balance, July 1			25,249	
Fund Balance, June 30			\$ 34,048	

Budgetary Comparison Schedule
Public Housing Neighborhood Transformation Grant Special
Revenue Fund

Exhibit D-11

For the Fiscal Year Ended June 30, 2021
(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 14,535	\$ 14,535	\$ 2,690	\$ (11,845)
Interest	50	50	4	(46)
Miscellaneous	135	135	547	412
Total Revenues	14,720	14,720	3,241	(11,479)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	126	126	79	47
Community Development	4,849	4,849	2,299	2,550
Capital	9,745	9,745	-	9,745
Total Expenditures and Encumbrances	14,720	14,720	2,378	12,342
Excess of Revenues Over				
Expenditures and Encumbrances	-	-	863	863
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	-	-	44	44
Total Other Financing Sources	-	-	44	44
Net Change in Fund Balance	\$ -	\$ -	907	\$ 907
Fund Balance, July 1			1,787	
Fund Balance, June 30			\$ 2,694	

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

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			Budgetary	Positive
			Basis	(Negative)
REVENUES				
Rentals	\$ 3,596	\$ 3,596	\$ 3,596	\$ -
Interest	770	770	464	(306)
Miscellaneous	46	46	114	68
Total Revenues	4,412	4,412	4,174	(238)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	639	639	389	250
Public Safety	1,604	1,604	1,604	-
Community Enrichment	555	555	555	-
Community Development	375	375	383	(8)
Capital	7,060	7,460	5,758	1,702
Contingency	20,000	20,000	-	20,000
Total Expenditures and Encumbrances	30,233	30,633	8,689	21,944
Deficiency of Revenues Over Expenditures and Encumbrances	(25,821)	(26,221)	(4,515)	21,706
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	20,558	20,558	13,990	(6,568)
Capital Projects Fund	1,028	1,028	1,028	-
Transfers to Other Funds				
General Fund				
Staff and Administrative	(174)	(174)	(148)	26
Other	(79)	(79)	(79)	-
City Improvement Debt Service Fund	(20,289)	(20,289)	(13,782)	6,507
Other Restricted Special Revenue Fund	(140)	(140)	-	140
Capital Projects Fund	-	-	(622)	(622)
Infrastructure Repayment Agreement Trust	(10)	(10)	(16)	(6)
Recovery of Prior Year Expenditures	-	-	129	129
Total Other Financing Sources (Uses)	894	894	500	(394)
Net Change in Fund Balance	<u>\$ (24,927)</u>	<u>\$ (25,327)</u>	<u>(4,015)</u>	<u>\$ 21,312</u>
Fund Balance, July 1			60,780	
Fund Balance, June 30			<u>\$ 56,765</u>	

Budgetary Comparison Schedule
Capital Construction Capital Projects Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-13

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Interest	\$ 300	\$ 300	\$ 194	\$ (106)
Miscellaneous	-	-	8	8
Total Revenues	300	300	202	(98)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	97	97	67	30
Environmental Services	70	70	66	4
Capital	21,570	21,570	4,037	17,533
Total Expenditures and Encumbrances	21,737	21,737	4,170	17,567
Deficiency of Revenues Over Expenditures and Encumbrances	(21,437)	(21,437)	(3,968)	17,469
OTHER FINANCING SOURCES				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	8,239	8,239	7,030	(1,209)
Streets Capital Projects Fund	-	-	30	30
Recovery of Prior Years Expenditures	228	228	611	383
Total Other Financing Sources	8,467	8,467	7,671	(796)
Net Change in Fund Balance	\$ (12,970)	\$ (12,970)	3,703	\$ 16,673
Fund Balance, July 1			20,705	
Fund Balance, June 30			\$ 24,408	

Budgetary Comparison Schedule
Parks and Preserves Capital Projects Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-14

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Rentals	\$ 742	\$ 742	\$ 700	\$ (42)
Interest	1,500	1,500	756	(744)
Miscellaneous	-	-	604	604
Total Revenues	2,242	2,242	2,060	(182)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	6,251	6,251	5,509	742
Capital	68,566	68,566	23,224	45,342
Total Expenditures and Encumbrances	74,817	74,817	28,733	46,084
Deficiency of Revenues Over Expenditures and Encumbrances	(72,575)	(72,575)	(26,673)	45,902
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	36,539	36,539	40,940	4,401
Golf Courses Special Revenue Fund	-	-	653	653
Other Restricted Special Revenue Fund	-	-	5,670	5,670
Transfers to Other Funds				
Other Restricted Special Revenue Fund	(64)	(64)	(27)	37
Infrastructure Repayment Agreement Trust	(189)	(189)	(155)	34
Recovery of Prior Years Expenditures	141	141	(205)	(346)
Total Other Financing Sources (Uses)	36,427	36,427	46,876	10,449
Net Change in Fund Balance	\$ (36,148)	\$ (36,148)	20,203	\$ 56,351
Fund Balance, July 1			66,092	
Fund Balance, June 30			\$ 86,295	

Budgetary Comparison Schedule
Other Restricted Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(in thousands)

Exhibit D-15

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Contributions/Donations	\$ 1,016	\$ 1,016	\$ 328	\$ (688)
Licenses and Permits	2,000	2,000	933	(1,067)
City Taxes	3,074	3,074	3,115	41
Intergovernmental	1,162	1,162	1,486	324
Charges for Services	8,432	8,432	9,091	659
Fines and Forfeitures	92	92	46	(46)
Parks and Recreation	2,336	2,336	469	(1,867)
Rentals	4,443	4,443	4,566	123
Interest	1,124	1,124	511	(613)
Miscellaneous	19,474	19,474	14,677	(4,797)
Total Revenues	43,153	43,153	35,222	(7,931)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	2,483	2,483	1,114	1,369
Criminal Justice	2,975	2,975	2,005	970
Public Safety	30,453	30,453	21,912	8,541
Transportation	5,075	5,075	4,946	129
Community Enrichment	5,195	5,195	1,288	3,907
Community Development	12,506	12,156	8,969	3,187
Environmental Services	3,260	2,660	2,572	88
Capital	15,747	16,697	6,685	10,012
Total Expenditures and Encumbrances	77,694	77,694	49,491	28,203
Deficiency of Revenues Over Expenditures and Encumbrances	(34,541)	(34,541)	(14,269)	20,272
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	5,809	5,809	8,696	2,887
General Fund - Other	17,587	17,587	17,613	26
General Fund - Library	-	-	371	371
Transportation Tax 2050 Special Revenue Fund	447	447	-	(447)
Sports Facilities Special Revenue Fund	140	140	-	(140)
Miscellaneous	256	256	630	374
Transfers to Other Funds				
General Fund - Staff and Administrative	(334)	(334)	(371)	(37)
General Fund - Other	(8,401)	(8,401)	-	8,401
Community Reinvestment Special Revenue Fund	(5,940)	(5,940)	-	5,940
Federal Transit Grants Special Revenue Fund	-	-	(10,225)	(10,225)
Parks and Preserves Special Revenue Fund	-	-	(5,670)	(5,670)
Trust and Gift Funds	-	-	(26)	(26)
Recovery of Prior Years Expenditures	45	45	392	347
Total Other Financing Sources (Uses)	9,609	9,609	11,410	1,801
Net Change in Fund Balance	<u>\$ (24,932)</u>	<u>\$ (24,932)</u>	<u>(2,859)</u>	<u>\$ 22,073</u>
Fund Balance, July 1			101,692	
Fund Balance, June 30			<u>\$ 98,833</u>	

Budgetary Comparison Schedule
Neighborhood Protection Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-16

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,028	\$ 3,028
Interest	405	405	181	(224)
Miscellaneous	232	232	205	(27)
Total Revenues	637	637	3,414	2,777
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	40,308	40,308	39,501	807
Community Development	400	400	42	358
Total Expenditures and Encumbrances	40,708	40,708	39,543	1,165
Deficiency of Revenues Over Expenditures and Encumbrances	(40,071)	(40,071)	(36,129)	3,942
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	36,539	36,539	40,940	4,401
Transfers to Other Funds				
General Fund				
Staff and Administrative	(429)	(429)	(561)	(132)
Infrastructure Repayment Agreement Trust	(188)	(188)	(155)	33
Other Restricted Special Revenue Fund	(64)	(64)	(27)	37
Recovery of Prior Year Expenditures	-	-	6	6
Total Other Financing Sources (Uses)	35,858	35,858	40,203	4,345
Net Change in Fund Balance	<u>\$ (4,213)</u>	<u>\$ (4,213)</u>	4,074	<u>\$ 8,287</u>
Fund Balance, July 1			22,535	
Fund Balance, June 30			<u>\$ 26,609</u>	

Budgetary Comparison Schedule
Public Safety Enhancement Special Revenue Fund

Exhibit D-17

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,427	\$ 2,427
Total Revenues	-	-	2,427	2,427
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	30,293	20,293	25,895	(5,602)
Total Expenditures and Encumbrances	30,293	20,293	25,895	(5,602)
Deficiency of Revenues Over Expenditures and Encumbrances	(30,293)	(20,293)	(23,468)	(3,175)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	22,789	22,789	24,474	1,685
Transfers to Other Funds				
General Fund				
Staff and Administrative	(384)	(384)	(416)	(32)
Recovery of Prior Year Expenditures	-	-	2	2
Total Other Financing Sources (Uses)	22,405	22,405	24,060	1,655
Net Change in Fund Balance	\$ (7,888)	\$ 2,112	592	\$ (1,520)
Fund Balance, July 1			21,566	
Fund Balance, June 30			\$ 22,158	

Budgetary Comparison Schedule
Public Safety Expansion Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-18

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,824	\$ 7,824
Interest	607	607	209	(398)
Total Revenues	607	607	8,033	7,426
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	81,177	82,077	78,622	3,455
Total Expenditures and Encumbrances	81,177	82,077	78,622	3,455
Deficiency of Revenues Over Expenditures and Encumbrances	(80,570)	(81,470)	(70,589)	10,881
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	73,083	73,083	81,881	8,798
Transfers to Other Funds				
General Fund				
Staff and Administrative	(944)	(944)	(1,037)	(93)
Infrastructure Repayment Agreement Trust	(377)	(377)	(310)	67
Other Restricted Special Revenue Fund	(128)	(128)	(58)	70
Recovery of Prior Year Expenditures	-	-	2	2
Total Other Financing Sources (Uses)	71,634	71,634	80,478	8,844
Net Change in Fund Balance	<u>\$ (8,936)</u>	<u>\$ (9,836)</u>	9,889	<u>\$ 19,725</u>
Fund Balance, July 1			32,869	
Fund Balance, June 30			<u>\$ 42,758</u>	

Budgetary Comparison Schedule

Exhibit D-19

Golf Courses Special Revenue Fund

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 5,883	\$ 5,883	\$ 8,713	\$ 2,830
Rentals	147	147	150	3
Interest	2	2	4	2
Miscellaneous	242	242	325	83
Total Revenues	6,274	6,274	9,192	2,918
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	5,604	7,604	7,318	286
Capital	593	1,893	1,817	76
Total Expenditures and Encumbrances	6,197	9,497	9,135	362
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	77	(3,223)	57	3,280
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
Parks and Preserves Special Revenue Fund	-	-	(653)	(653)
Recovery of Prior Year Expenditures	-	-	1	1
Total Other Financing Sources (Uses)	-	-	(652)	(652)
Net Change in Fund Balance	\$ 77	\$ (3,223)	(595)	\$ 2,628
Fund Balance, July 1			2,036	
Fund Balance, June 30			\$ 1,441	

Budgetary Comparison Schedule
Exhibit D-20
Regional Wireless Cooperative

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 3,575	\$ 3,575	\$ 3,684	\$ 109
Interest	87	87	44	(43)
Miscellaneous	1,504	1,504	1,562	58
Total Revenues	5,166	5,166	5,290	124
EXPENDITURES AND ENCUMBRANCES				
Operations	5,118	6,018	5,134	884
Total Expenditures and Encumbrances	5,118	6,018	5,134	884
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	48	(852)	156	1,008
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	200	200
Total Other Financing Sources	-	-	200	200
Net Change in Fund Balance	\$ 48	\$ (852)	356	\$ 1,208
Fund Balance, July 1			1,798	
Fund Balance, June 30			\$ 2,154	

Budgetary Comparison Schedule
Secondary Property Tax Debt Service Fund
 For the Fiscal Year Ended June 30, 2021
 (in thousands)

Exhibit D-21

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 113,594	\$ 113,594	\$ 115,069	\$ 1,475
Intergovernmental	4,612	4,612	4,628	16
Total Revenues	118,206	118,206	119,697	1,491
EXPENDITURES AND ENCUMBRANCES				
General Obligation Bond Debt Service				
Principal	84,285	84,285	84,285	-
Interest	44,561	44,561	44,561	-
Arbitrage Rebate and Fiscal Agent Fees	1	1	-	1
Other Debt Service Costs	651	651	-	651
Total Expenditures and Encumbrances	129,498	129,498	128,846	652
Deficiency of Revenues Over Expenditures and Encumbrances	(11,292)	(11,292)	(9,149)	2,143
OTHER FINANCING SOURCES				
Proceeds from Refunding Bonds	650	650	-	(650)
Transfers from Other Funds				
Capital Project Funds	-	-	5,306	5,306
General Obligation Reserve Fund	10,642	10,642	3,843	(6,799)
Total Other Financing Sources	11,292	11,292	9,149	(2,143)
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, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 1	\$ 1
Total Revenues	-	-	1	1
EXPENDITURES AND ENCUMBRANCES				
Lease-Purchase Payments	74,732	74,732	49,385	25,347
Arbitrage Rebate and Fiscal Agent Fees	11	11	9	2
Other	94	94	1,348	(1,254)
Total Expenditures and Encumbrances	74,837	74,837	50,742	24,095
Deficiency of Revenues Over Expenditures and Encumbrances	(74,837)	(74,837)	(50,741)	24,096
OTHER FINANCING SOURCES (USES)				
Proceeds from Municipal Corporation Obligations	95	95	41,024	40,929
Proceeds from Refunding Bonds	-	-	116,270	116,270
Transfers from Other Funds				
General Fund - Library	115	115	112	(3)
Excise Tax Special Revenue Fund	41,904	41,904	30,321	(11,583)
Public Housing Special Revenue Fund	70	70	70	-
Capital Projects Fund	-	-	149	149
Enterprise Funds	2,182	2,182	1,811	(371)
Transportation Tax 2050 Special Revenue Fund	7,293	7,293	1,350	(5,943)
Arizona Highway User Special Revenue Fund	3,919	3,919	3,793	(126)
Sports Facilities Special Revenue Fund	20,287	20,287	13,782	(6,505)
Deposits to Refunding Escrow	-	-	(115,973)	(115,973)
Deposits to Loan Provider	-	-	(40,940)	(40,940)
Transfers to Other Funds				
Capital Projects Fund	(1,028)	(1,028)	(1,028)	-
Total Other Financing Sources (Uses)	74,837	74,837	50,741	(24,096)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	-
Fund Balance, June 30			\$ -	-



City of Phoenix



Financial Section
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**OTHER SUPPLEMENTARY
INFORMATION -
Enterprise Funds
- Comparative
Statements and
Schedules**

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
Comparative Statements of Net Position**
Exhibit E-1

June 30, 2021 and 2020

(in thousands)

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 59,797	\$ 45,571
Investments	327,962	455,630
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2021, \$521 and 2020, \$211)	15,960	10,953
Intergovernmental	57,150	9,010
Deposits in Escrow	10	326
Inventories, at Average Cost	3,264	3,172
Total Unrestricted Current Assets	464,143	524,662
Restricted Assets Debt Service		
Debt Service		
Cash with Fiscal Agent/Trustee	121,347	145,965
Customer Facility Charge		
Cash and Cash Equivalents	-	158
Cash with Fiscal Agent/Trustee	15,808	16,688
Accounts Receivable	3,118	1,453
Capital Projects		
Cash and Cash Equivalents	16,574	16,389
Investments	296,103	570,215
Receivables		
Interest	386	1,312
Intergovernmental	7,901	7,437
Passenger Facility Charges	11,923	2,956
Total Restricted Current Assets	473,160	762,573
Total Current Assets	937,303	1,287,235
Noncurrent Assets		
Restricted Cash with Fiscal Agent/Trustee	183,641	183,641
Capital Assets		
Land	576,695	576,650
Buildings	2,006,590	2,025,668
Improvements Other Than Buildings	1,827,184	1,770,411
Equipment	749,814	760,948
Intangibles	37,454	29,249
Construction in Progress	896,129	648,869
Less: Accumulated Depreciation	(2,652,409)	(2,522,208)
Total Capital Assets, Net of Accumulated Depreciation	3,441,457	3,289,587
Net OPEB Asset	2,475	1,576
Total Noncurrent Assets	3,627,573	3,474,804
Total Assets	4,564,876	4,762,039
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	50,518	55,734
Pension Related	1,181	15,618
OPEB Related	739	1,030
Total Deferred Outflows of Resources	52,438	72,382

Exhibit E-1
(Continued)

	2021	2020
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	26,507	22,327
Due to Fiduciary Fund	70,000	-
Trust Liabilities and Deposits	39	384
Advance Payments	14,878	9,610
Current Portion of Pollution Remediation	75	75
Current Portion of Accrued Compensated Absences	995	876
Total Current Liabilities Payable from Current Assets	112,494	33,272
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	50,045	55,785
Interest Payable	56,327	60,231
Current Portion of Rental Car Facility Revenue Bonds	7,655	7,500
Current Portion of Municipal Corporation Obligations	44,535	42,545
Capital Projects		
Accounts Payable	52,063	64,274
Total Current Liabilities Payable from Restricted Assets	210,625	230,335
Total Current Liabilities	323,119	263,607
Noncurrent Liabilities		
Rental Car Facility Revenue Bonds, net	330,399	340,658
Municipal Corporation Obligations, net	2,253,934	2,316,878
Pollution Remediation	1,275	1,350
Accrued Compensated Absences	6,257	6,000
Net Pension Liability	12,783	183,692
Net OPEB Liability	8,731	13,469
Total Noncurrent Liabilities	2,613,379	2,862,047
Total Liabilities	2,936,498	3,125,654
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding Bonds	681	756
Pension Related	24,769	13,693
OPEB Related	3,165	455
Total Deferred Inflows of Resources	28,615	14,904
NET POSITION		
Net Investment in Capital Assets	1,199,517	1,288,177
Restricted for:		
Debt Service	69,610	75,350
Passenger Facility Charges	70,437	32,453
Customer Facility Charges	13,790	13,162
OPEB	2,475	1,576
Unrestricted	296,372	283,145
Total Net Position	\$ 1,652,201	\$ 1,693,863

Aviation Enterprise Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position

Exhibit E-2

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Operating Revenues		
Aeronautical Revenue		
Terminal Fees	\$ 77,776	\$ 94,460
Landing Fees	45,162	53,072
Air Cargo and Hangar Rentals	8,129	8,668
Other	12,199	13,909
Non-Aeronautical Revenue		
Parking	51,485	70,330
Rental Cars	45,017	46,471
Terminal - Food and Beverage	12,122	18,462
Terminal - Retail	8,932	10,829
Rental Revenue	18,982	18,938
Ground Transportation	8,785	7,242
Other	3,479	4,471
Total Operating Revenues	292,068	346,852
Operating Expenses		
Operation and Maintenance		
Personal Services	148,966	127,199
Contractual Services	102,198	122,786
Supplies	8,325	11,945
Equipment/Minor Improvements	18,581	7,899
Depreciation	178,006	179,992
Staff and Administrative	10,117	9,736
Total Operating Expenses	466,193	459,557
Operating Loss	(174,125)	(112,705)
Non-Operating Revenues (Expenses)		
Passenger Facility Charges	55,037	65,717
Rental Car Customer Facility Charges	31,448	38,588
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(3,404)	6,950
Interest	9,168	18,147
CARES Grant	102,936	9,073
Interest on Capital Debt	(96,781)	(86,810)
Loss on Disposal of Capital Assets	(13,683)	(1,223)
Total Non-Operating Revenues (Expenses)	84,721	50,442
Net Income Loss Before Contributions and Transfers	(89,404)	(62,263)
Capital Contributions	48,661	31,231
Transfers from General Fund - Other	-	248
Transfers to Debt Service Fund	(919)	(949)
Change in Net Position	(41,662)	(31,733)
Net Position, July 1	1,693,863	1,725,596
Net Position, June 30	\$ 1,652,201	\$ 1,693,863

Aviation Enterprise Fund

Exhibit E-3

Comparative Statements of Cash Flows

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Cash Flows from Operating Activities		
Receipts from Customers	\$ 291,984	\$ 343,325
Payments to Suppliers	(166,620)	(192,003)
Payments to Employees	(85,093)	(86,927)
Payment of Staff and Administrative Expenses	(110,117)	(9,736)
Net Cash Provided (Used) by Operating Activities	(69,846)	54,659
Cash Flows from Noncapital Financing Activities		
Non-Capital Grants	54,808	167
Transfers from Other Funds	-	248
Transfers to Other Funds	(919)	(949)
Net Cash Provided (Used) by Noncapital Financing Activities	53,889	(534)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	-	908,894
Principal Paid on Capital Debt	(55,785)	(55,100)
Interest Paid on Capital Debt	(116,557)	(79,731)
Acquisition and Construction of Capital Assets	(356,008)	(428,674)
Proceeds from Sales of Capital Assets	238	16
Passenger Facility Charges	46,070	74,037
Customer Facility Charges	29,783	40,798
Capital Contributions	48,185	31,570
Net Cash Provided (Used) by Capital and Related Financing Activities	(404,074)	491,810
Cash Flows from Investing Activities		
Purchases of Investment Securities	(755,719)	(2,160,838)
Proceeds from Sale and Maturities of Investment Securities	1,058,637	1,648,768
Net Activity for Short-Term Investments	98,862	(58,215)
Interest on Investments	6,690	23,935
Net Cash Provided (Used) by Investing Activities	408,470	(546,350)
Net Decrease in Cash and Cash Equivalents	(11,561)	(415)
Cash and Cash Equivalents, July 1	408,738	409,153
Cash and Cash Equivalents, June 30	\$ 397,177	\$ 408,738
Reconciliation of Operating Loss to		
Net Cash Provided (Used) by Operating Activities		
Operating Loss	(174,125)	(112,705)
Adjustments		
Depreciation	178,006	179,992
Deferred Outflows - Pension and OPEB	14,728	(9,339)
Deferred Inflows - Pension and OPEB	13,786	7,797
Change in Assets and Liabilities		
Receivables	(5,317)	621
Allowance for Doubtful Accounts	310	211
Inventories	(92)	(104)
Net OPEB Asset	(899)	368
Accounts Payable	4,180	(7,684)
Due to Fiduciary Fund	70,000	-
Trust Liabilities and Deposits	(345)	30
Advance Payments	5,268	(4,389)
Pollution Remediation	(75)	(75)
Accrued Compensated Absences	376	286
Net Pension Liability	(170,909)	(927)
Net OPEB Liability	(4,738)	577
Net Cash Provided (Used) by Operating Activities	\$ (69,846)	\$ 54,659
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings	5,216	5,141
Unrealized Gains (Losses) on Investments	(2,231)	4,120
Accounts Payable Related to Capital Asset Additions	52,063	64,274
Total Noncash Capital and Financing Activities	\$ 55,048	\$ 73,535

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, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Landing Area	\$ 54,625	\$ 54,625	\$ 42,248	\$ (12,377)
Terminal Area	168,260	168,260	114,235	(54,025)
Ground Transportation	162,883	162,883	91,920	(70,963)
Interest on Investments	2,425	2,425	3,407	982
Other	37,722	37,722	37,431	(291)
Total Revenues	425,915	425,915	289,241	(136,674)
Transfer from Customer Facility Charge Revenues for O&M Expense Reimbursement	-	-	15,190	15,190
Total Revenues and Transfers from CFC	425,915	425,915	304,431	(121,484)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance				
Personal Services	137,031	137,031	126,783	(10,248)
Contractual Services	129,318	129,318	104,201	(25,117)
Supplies	13,182	13,182	8,544	(4,638)
Equipment/Minor Improvements	5,895	5,895	2,610	(3,285)
Contingency	20,000	20,000	-	(20,000)
Total Operating Expenditures	305,426	305,426	242,138	(63,288)
Net Revenue Available for Revenue Bond Debt Service	120,489	120,489	62,293	(58,196)
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	23,800	23,800	4,820	(18,980)
Interest	35,965	35,965	106	(35,859)
Total Senior Lien Revenue Bond Debt Service	59,765	59,765	4,926	(54,839)
Net Revenue Available for Junior Lien Revenue Bond Debt Service	60,724	60,724	57,367	(3,357)
Junior Lien Revenue Bond Debt Service				
Principal	2,509	2,509	1,200	(1,309)
Interest	24,757	24,757	2,342	(22,415)
Total Junior Lien Revenue Bond Debt Service	27,266	27,266	3,542	(23,724)
Net Revenue Available After Junior Lien Revenue Bond Debt Service	33,458	33,458	53,825	20,367
Other Expenditures				
Capital Improvement Program	126,150	126,150	27,116	(99,034)
Total Other Expenditures	126,150	126,150	27,116	(99,034)
Total Expenditures and Encumbrances	518,607	518,607	277,722	(240,885)
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(92,692)	(92,692)	26,709	119,401
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Aviation Capital Fund	16,241	16,241	63,146	46,905
General Fund - Other	285	285	-	(285)
Transfers to Other Funds				
General Fund				
Staff and Administrative	(10,071)	(10,071)	(10,117)	(46)
Debt Service Fund	(948)	(948)	(919)	29
Pay Down of Unfunded Pension Liability (1)	(185,000)	(185,000)	(100,000)	85,000
Recovery of Prior Years Expenditures	1,147	1,147	5,716	4,569
Total Other Financing Sources (Uses)	(178,346)	(178,346)	(42,174)	136,172
Net Increase (Decrease) in Fund Balance	\$ (271,038)	\$ (271,038)	(15,465)	\$ 255,573
FUND BALANCE, JULY 1			381,755	
FUND BALANCE, JUNE 30			<u>\$ 366,290</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
Comparative Statements of Net Position**
Exhibit E-5

June 30, 2021 and 2020

(in thousands)

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 9,037	\$ 7,671
Investments	36,786	51,434
Accounts Receivable, Net of Allowance for Doubtful Accounts (2021, \$48 and 2020, \$43)	42	42
Inventories, at Average Cost	262	246
Total Unrestricted Current Assets	46,127	59,393
Restricted Assets Debt Service		
Debt Service		
Cash with Fiscal Agent/Trustee	28,566	27,463
Capital Projects		
Cash and Cash Equivalents	972	-
Investments	16,576	3,065
Receivables		
Accrued Interest	14	33
Customer and Other Deposits	3,900	3,553
Total Restricted Current Assets	50,028	34,114
Total Current Assets	96,155	93,507
Noncurrent Assets		
Capital Assets		
Land	29,418	29,418
Buildings	895,249	895,212
Improvements Other Than Buildings	19,793	14,031
Equipment	24,655	23,903
Intangible Assets	50	50
Construction in Progress	24,700	20,718
Less: Accumulated Depreciation	(396,769)	(373,260)
Total Capital Assets, Net of Accumulated Depreciation	597,096	610,072
Net OPEB Asset	550	350
Total Noncurrent Assets	597,646	610,422
Total Assets	693,801	703,929
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	4,015	4,288
Pension Related	312	3,389
OPEB Related	162	226
Total Deferred Outflows of Resources	4,489	7,903

Exhibit E-5
(Continued)

	2021	2020
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	2,098	4,549
Current Portion of Accrued Compensated Absences	178	174
Total Current Liabilities Payable from Current Assets	2,276	4,723
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	9,721	9,024
Interest Payable	18,084	17,680
Current Portion of Municipal Corporation Obligations	10,473	9,721
Customer Deposits	3,914	3,546
Total Current Liabilities Payable from Restricted Assets	42,192	39,971
Total Current Liabilities	44,468	44,694
Noncurrent Liabilities		
Municipal Corporation Obligations, net	678,096	669,174
Accrued Compensated Absences	1,136	1,195
Net Pension Liability	21,883	39,858
Net OPEB Liability	1,913	2,959
Total Noncurrent Liabilities	703,028	713,186
Total Liabilities	747,496	757,880
DEFERRED INFLOWS OF RESOURCES		
Pension Related	6,547	2,972
OPEB Related	697	100
Total Deferred Inflows of Resources	7,244	3,072
NET POSITION		
Net Investment in Capital Assets	(94,776)	(73,561)
Restricted for:		
Debt Service	9,721	9,024
OPEB	550	350
Unrestricted	28,055	15,067
Total Net Position (Deficit)	\$ (56,450)	\$ (49,120)

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

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Operating Revenues		
Rental of Facilities and Equipment	\$ 1,671	\$ 8,613
Concessions	857	12,967
Box Office Services	1	822
Other (1)	24,585	20,638
Total Operating Revenues	<u>27,114</u>	<u>43,040</u>
Operating Expenses		
Administration	14,997	28,419
Operation and Maintenance	12,546	14,009
Promotion	2,411	2,979
Depreciation	23,539	23,542
Staff and Administrative	3,044	2,944
Security	1,513	1,832
Total Operating Expenses	<u>58,050</u>	<u>73,725</u>
Operating Loss	(30,936)	(30,685)
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(517)	604
Interest	1,111	1,989
Interest on Capital Debt	(30,517)	(30,258)
Gain on Disposal of Capital Assets	37	-
Total Non-Operating Revenues (Expenses)	<u>(29,886)</u>	<u>(27,665)</u>
Loss Before Contributions and Transfers	(60,822)	(58,350)
Transfers from Excise Tax Fund	54,331	55,266
Transfers to Debt Service Fund	(91)	(94)
Transfers to Infrastructure Repayment Agreement Trust Fund	(620)	(394)
Transfers to Other Restricted Special Revenue Fund	(128)	(131)
Change in Net Position (Deficit)	<u>(7,330)</u>	<u>(3,703)</u>
Net Position, July 1	(49,120)	(45,417)
Net Position (Deficit), June 30	<u>\$ (56,450)</u>	<u>\$ (49,120)</u>

(1) Other revenues includes payment received from the State of Arizona for debt service on series 2005B bonds.

Phoenix Convention Center Enterprise Fund
Comparative Statements of Cash Flows

Exhibit E-7

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Cash Flows from Operating Activities		
Receipts from Customers	\$ 27,482	\$ 42,729
Payments to Suppliers	(27,731)	(25,974)
Payments to Employees	(18,166)	(20,548)
Payment of Staff and Administrative Expenses	(3,044)	(2,944)
Net Cash Used by Operating Activities	(21,459)	(6,737)
Cash Flows from Noncapital Financing Activities		
Transfers from Other Funds	54,331	55,266
Transfers to Other Funds	(839)	(619)
Net Cash Provided by Noncapital Financing Activities	53,492	54,647
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	24,158	-
Principal Paid on Capital Debt	(9,024)	(8,335)
Interest Paid on Capital Debt	(34,601)	(34,411)
Acquisition and Construction of Capital Assets	(10,813)	(21,262)
Proceeds from Sales of Capital Assets	285	558
Net Cash Used by Capital and Related Financing Activities	(29,995)	(63,450)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(41,120)	(8,401)
Proceeds from Sale and Maturities of Investment Securities	38,694	8,088
Net Activity for Short-Term Investments	3,562	9,512
Interest on Investments	614	2,593
Net Cash Provided by Investing Activities	1,750	11,792
Net Increase (Decrease) in Cash and Cash Equivalents	3,788	(3,748)
Cash and Cash Equivalents, July 1	38,687	42,435
Cash and Cash Equivalents, June 30	\$ 42,475	\$ 38,687
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	\$ (30,936)	\$ (30,685)
Adjustments		
Depreciation	23,539	23,542
Deferred Outflows - Pension and OPEB	3,141	(2,028)
Deferred Inflows - Pension and OPEB	4,172	1,695
Change in Assets and Liabilities		
Accounts Receivable	-	274
Inventories	(16)	(45)
Net OPEB Asset	(200)	72
Accounts Payable	(2,451)	1,054
Customer Deposits	368	(586)
Accrued Compensated Absences	(55)	40
Net Pension Liability	(17,975)	(201)
Net OPEB Liability	(1,046)	131
Net Cash Used by Operating Activities	(21,459)	(6,737)
Noncash Capital and Financing Activities		
Bond Capital Appreciation	(1,139)	(936)
Amortization of Deferred Gains/Losses of Bond Refundings	273	273
Unrealized Gains (Losses) on Investments	(191)	593
Total Noncash Capital and Financing Activities	\$ (1,057)	\$ (70)

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, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Rental of Facilities and Equipment	\$ 6,271	\$ 6,271	\$ 1,817	\$ (4,454)
Concessions	17,059	17,059	869	(16,190)
Box Office Services	606	606	1	(605)
Interest	1,500	1,500	453	(1,047)
Other	1,895	1,895	452	(1,443)
Total Revenues	27,331	27,331	3,592	(23,739)
EXPENDITURES AND ENCUMBRANCES				
Operations	59,254	59,254	44,751	14,503
Capital Improvement Program	14,706	14,706	3,058	11,648
Lease-Purchase Payments	21,070	21,070	20,639	431
Contingency	3,000	3,000	-	3,000
Total Expenditures and Encumbrances	98,030	98,030	68,448	29,582
Deficiency of Revenues Over Expenditures and Encumbrances	(70,699)	(70,699)	(64,856)	5,843
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Fund	60,050	60,050	54,331	(5,719)
Transfers to Other Funds				
Staff and Administrative	(3,025)	(3,025)	(3,044)	(19)
Infrastructure Repayment Agreement Trust Fund	(759)	(759)	(621)	138
Debt Service Fund	(94)	(94)	(91)	3
Other Restricted Special Revenue Fund	(873)	(873)	(128)	745
Recovery of Prior Years Expenditures	51	51	985	934
Total Other Financing Sources (Uses)	55,350	55,350	51,432	(3,918)
Net Decrease in Fund Balance	\$ (15,349)	\$ (15,349)	(13,424)	\$ 1,925
FUND BALANCE, JULY 1			56,548	
FUND BALANCE, JUNE 30			\$ 43,124	



City of Phoenix

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

June 30, 2021 and 2020

(in thousands)

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 46,775	\$ 12,049
Investments	194,168	187,259
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2021, \$5,448 and 2020, \$2,605)	58,893	56,417
Intergovernmental	1,611	734
Prepaid Items	6,143	6,767
Inventories, at Average Cost	15,174	14,359
Total Unrestricted Current Assets	322,764	277,585
Restricted Assets		
Debt Service		
Cash with Fiscal Agent	99,380	98,860
Capital Projects		
Cash and Cash Equivalents	29,010	5,881
Investments	475,613	280,386
Receivables		
Interest	97	2
Customer and Other Deposits	6,603	7,530
Total Restricted Current Assets	610,703	392,659
Total Current Assets	933,467	670,244
Noncurrent Assets		
Capital Assets		
Land	43,463	43,463
Buildings	251,140	251,127
Improvements Other Than Buildings	986,061	975,883
Equipment	355,380	354,610
Mains, Hydrants, Meters and Service Connections	2,031,824	1,966,106
Intangibles	171,948	171,294
Construction in Progress	581,312	496,457
Less: Accumulated Depreciation	(1,798,247)	(1,687,342)
Total Capital Assets, Net of Accumulated Depreciation	2,622,881	2,571,598
Investment in Val Vista Treatment Plant		
Joint Use Agreement	190,450	187,875
Net OPEB Asset	3,027	1,927
Total Other Assets	193,477	189,802
Total Noncurrent Assets	2,816,358	2,761,400
Total Assets	3,749,825	3,431,644
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	21,399	22,331
Pension Related	1,935	18,860
OPEB Related	925	1,275
Total Deferred Outflows of Resources	24,259	42,466

Exhibit E-9
(Continued)

	2021	2020
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	19,735	25,454
Advance Payments	-	12
Current Portion of Accrued Compensated Absences	1,046	904
Total Current Liabilities Payable from Current Assets	20,781	26,370
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	64,972	68,760
Interest Payable	34,692	30,380
Current Portion of Loans from Direct Borrowings	255	247
Current Portion of Municipal Corporation Obligations	57,765	64,725
Capital Projects		
Accounts Payable	28,828	29,185
Customer and Other Deposits	6,704	7,630
Total Current Liabilities Payable from Restricted Assets	193,216	200,927
Total Current Liabilities	213,997	227,297
Noncurrent Liabilities		
General Obligation Bonds, net	-	-
Loans from Direct Borrowings, net	1,998	2,253
Municipal Corporation Obligations, net	1,786,588	1,536,552
Accrued Compensated Absences	6,605	6,230
Net Pension Liability	135,644	221,816
Net OPEB Liability	11,043	16,761
Total Noncurrent Liabilities	1,941,878	1,783,612
Total Liabilities	2,155,875	2,010,909
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding Bonds	2,082	-
Pension Related	40,586	16,535
OPEB Related	3,952	556
Total Deferred Inflows of Resources	46,620	17,091
NET POSITION		
Net Investment in Capital Assets	1,384,440	1,402,727
Restricted for:		
Debt Service	64,972	68,760
Restricted from Enabling Legislation	94,035	84,860
OPEB	3,027	1,927
Unrestricted	25,115	(112,164)
Total Net Position	\$ 1,571,589	\$ 1,446,110

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

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Operating Revenues		
Water Sales	\$ 387,920	\$ 348,088
Environmental Charges	78,589	68,719
Other	1,067	8,583
Total Operating Revenues	<u>467,576</u>	<u>425,390</u>
Operating Expenses		
Administration and Engineering	(3,541)	39,448
Operation and Maintenance		
Customer Service	8,101	8,038
Production and Treatment	107,972	116,390
Distribution and Centralized Functions	63,950	70,391
Depreciation and Amortization	116,475	111,023
Staff and Administrative	9,369	7,855
Total Operating Expenses	<u>302,326</u>	<u>353,145</u>
Operating Income	165,250	72,245
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(1,333)	2,962
Interest	4,155	7,032
Interest on Capital Debt	(55,369)	(45,028)
Equity Interest in Joint Use Agreement Operating Loss	(12,687)	(11,361)
Loss on Disposal of Capital Assets	(2,624)	(12,007)
Total Non-Operating Revenues (Expenses)	<u>(67,858)</u>	<u>(58,402)</u>
Net Income Before Contributions and Transfers	97,392	13,843
Capital Contributions	44,429	32,688
Transfers to Special Revenue Funds	-	(284)
Transfers to General Fund - In Lieu Property Taxes	(16,257)	-
Transfers to Debt Service Fund	(85)	(15,585)
Change in Net Position	<u>125,479</u>	<u>30,662</u>
Net Position, July 1	1,446,110	1,415,448
Net Position, June 30	<u>\$ 1,571,589</u>	<u>\$ 1,446,110</u>

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

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Cash Flows from Operating Activities		
Receipts from Customers	\$ 463,285	\$ 415,904
Payments to Suppliers	(123,699)	(137,375)
Payments to Employees	(106,444)	(102,759)
Payment of Staff and Administrative Expenses	(9,369)	(7,855)
Net Cash Provided by Operating Activities	223,773	167,915
Cash Flows from Noncapital Financing Activities		
Operating Transfers to Other Funds	(16,342)	(15,869)
Net Cash Used by Noncapital Financing Activities	(16,342)	(15,869)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	327,893	302,357
Principal Paid on Capital Debt	(68,760)	(58,678)
Interest Paid on Capital Debt	(68,135)	(55,813)
Acquisition and Construction of Capital Assets	(186,002)	(214,921)
Proceeds from Sales of Capital Assets	-	3,461
Capital Contributions	44,429	32,688
Net Cash Provided (Used) by Capital and Related Financing Activities	49,425	9,094
Cash Flows from Investing Activities		
Purchases of Investment Securities	(126,667)	(239,031)
Net Activity for Short-Term Investments	(75,468)	(7,100)
Interest on Investments	2,727	9,994
Net Cash Used by Investing Activities	(199,408)	(236,137)
Net Increase (Decrease) in Cash and Cash Equivalents	57,448	(74,997)
Cash and Cash Equivalents, July 1	124,320	199,317
Cash and Cash Equivalents, June 30	\$ 181,768	\$ 124,320
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 165,250	\$ 72,245
Adjustments		
Depreciation and Amortization	116,475	111,023
Deferred Outflows - Pension and OPEB	17,275	(11,306)
Deferred Inflows - Pension and OPEB	27,447	9,414
Change in Assets and Liabilities		
Receivables	(6,196)	(9,043)
Allowance for Doubtful Accounts	2,843	531
Prepaid Expenses	624	(2,452)
Inventories	(815)	(962)
Net OPEB Asset	(1,100)	451
Accounts Payable	(5,719)	2,395
Advance Payments	(12)	-
Pollution Remediation	-	(4,100)
Customer and Other Deposits	(926)	(974)
Accrued Compensated Absences	517	768
Net Pension Liability	(86,172)	(1,121)
Net OPEB Liability	(5,718)	1,046
Net Cash Provided by Operating Activities	\$ 223,773	\$ 167,915
Noncash Capital and Financing Activities		
Accounts Payable Related to Capital Asset Additions	\$ 28,828	\$ 29,185
Amortization of Deferred Gains/Losses of Bond Refundings	933	1,693
Proceeds from Refunding Bonds Deposited with Escrow Agent	(209,630)	-
Unrealized Gains (Losses) on Investments	(967)	2,527
Total Noncash Capital and Financing Activities	\$ (180,836)	\$ 33,405

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, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Water Sales	\$ 369,851	\$ 369,851	\$ 387,921	\$ 18,070
Environmental Charges	74,763	74,763	78,589	3,826
Development Occupational Fees	4,100	4,100	6,171	2,071
Water Service Fees	5,500	5,500	2,540	(2,960)
Distribution	740	740	6,112	5,372
Interest	5,776	5,776	1,573	(4,203)
Other	11,260	11,260	(135)	(11,395)
Total Revenues	471,990	471,990	482,771	10,781
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	214,019	217,019	201,943	15,076
Operation and Maintenance - Val Vista	17,438	17,438	15,724	1,714
Total Operating Expenditures and Encumbrances	231,457	234,457	217,667	16,790
Net Revenue Available for Revenue Bond Debt Service	240,533	237,533	265,104	27,571
Junior Lien Revenue Bond Debt Service				
Principal	62,025	64,972	64,972	-
Interest	59,109	80,661	68,851	11,810
Total Junior Lien Revenue Bond Debt Service	121,134	145,633	133,823	11,810
Net Revenue Available After Junior Lien Revenue Bond Debt Service	119,399	91,900	131,281	39,381
Other Expenditures and Encumbrances				
Operating Capital Outlay	3,685	3,685	1,706	1,979
Capital Improvement Program	86,843	82,272	57,882	24,390
Total Other Expenditures and Encumbrances	90,528	85,957	59,588	26,369
Total Expenditures and Encumbrances	443,119	466,047	411,078	54,969
Excess of Revenues Over Expenditures and Encumbrances	28,871	5,943	71,693	65,750
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Debt Service Fund	-	-	66	66
Transfers to Other Funds				
General Fund				
Staff and Administrative	(8,215)	(8,215)	(9,336)	(1,121)
In-Lieu Property Taxes	(16,865)	(16,865)	(16,367)	498
Debt Service Fund	(237)	(237)	(85)	152
Water Capital Fund	-	-	(17,591)	(17,591)
Recovery of Prior Years Expenditures	-	-	2,487	2,487
Total Other Financing Sources (Uses)	(25,317)	(25,317)	(40,826)	(15,509)
Net Increase (Decrease) in Fund Balance	\$ 3,554	\$ (19,374)	30,867	\$ 50,241
FUND BALANCE, JULY 1			115,791	
FUND BALANCE, JUNE 30			<u>\$ 146,658</u>	

Exhibit E-13

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

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Val Vista Water System	\$ 7,878	\$ 7,878	\$ 9,364	\$ 1,486
Operating Revenue - Water	17,438	17,438	15,724	(1,714)
Interest	(86)	(86)	(7)	79
Other	-	-	34	34
Total Revenues	25,230	25,230	25,115	(115)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	21,769	21,769	19,701	2,068
Capital Outlay				
Capital Improvement Program	2,890	2,890	4,429	(1,539)
Total Expenditures and Encumbrances	24,659	24,659	24,130	529
Excess of Revenues Over				
Expenditures and Encumbrances	571	571	985	414
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(571)	(571)	(678)	(107)
Recovery of Prior Years Expenditures	-	-	2,045	2,045
Total Other Financing Sources (Uses)	(571)	(571)	1,367	1,938
Net Increase in Fund Balance	\$ -	\$ -	2,352	\$ 2,352
FUND BALANCE, JULY 1			(2,367)	
FUND BALANCE, JUNE 30			(15)	
Members' Contributed Operating Reserve			2,340	
Members' Contributed Replacement Reserve			611	
FUND DEFICIT, UNRESERVED			\$ (2,966)	

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
Comparative Statements of Net Position**
Exhibit E-14

June 30, 2021 and 2020

(in thousands)

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 38,556	\$ 20,254
Investments	156,252	126,336
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2021, \$3,023 and 2020, \$1,535)	21,877	21,355
Intergovernmental	9,816	6,453
Notes Receivable	16,592	21,373
Inventories, at Average Cost	3,144	4,280
Total Unrestricted Current Assets	246,237	200,051
Restricted Assets Debt Service		
Debt Service		
Cash with Fiscal Agent	57,520	57,507
Capital Projects		
Cash and Cash Equivalents	17,530	13,393
Investments	71,486	152,173
Customer Deposits and Other Trust Liabilities	2	112
Total Restricted Current Assets	146,538	223,185
Total Current Assets	392,775	423,236
Noncurrent Assets		
Capital Assets		
Land	29,017	29,026
Buildings	76,541	76,519
Improvements Other Than Buildings	1,424,104	1,380,837
Equipment	153,837	151,907
Intangibles	30,469	29,867
Construction in Progress	259,494	207,763
Less: Accumulated Depreciation	(884,683)	(843,204)
Total Capital Assets, Net of Accumulated Depreciation	1,088,779	1,032,715
Other Assets		
Investment in SROG Joint Use Agreement	319,008	328,988
Net OPEB Asset	929	592
Total Noncurrent Assets	1,408,716	1,362,295
Total Assets	1,801,491	1,785,531
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	1,427	1,903
OPEB Related	283	389
Total Deferred Outflows of Resources	1,710	2,292

Exhibit E-14
(Continued)

	2021	2020
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	15,585	6,757
Advance Payments	-	3
Current Portion of Accrued Compensated Absences	218	183
Total Current Liabilities Payable from Current Assets	15,803	6,943
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	45,202	44,128
Interest Payable	13,281	14,329
Current Portion of General Obligation Bonds	-	375
Current Portion of Loans from Direct Borrowings	862	837
Current Portion of Municipal Corporation Obligations	46,145	43,990
Capital Projects		
Accounts Payable	13,611	17,906
Customer Deposits and Other Trust Liabilities	1	113
Total Current Liabilities Payable from Restricted Assets	119,102	121,678
Total Current Liabilities	134,905	128,621
Noncurrent Liabilities		
General Obligation Bonds, net	-	3
Loans from Direct Borrowings, net	6,739	7,601
Municipal Corporation Obligations, net	499,708	554,777
Accrued Compensated Absences	1,363	1,246
Net OPEB Liability	3,365	5,097
Total Noncurrent Liabilities	511,175	568,724
Total Liabilities	646,080	697,345
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding Bonds	1,744	1,938
OPEB Related	1,208	171
Total Deferred Inflows of Resources	2,952	2,109
NET POSITION		
Net Investment in Capital Assets	763,661	754,309
Restricted for:		
Debt Service	45,202	44,128
Restricted from Enabling Legislation	51,603	60,879
OPEB	929	592
Unrestricted	292,774	228,461
Total Net Position	\$ 1,154,169	\$ 1,088,369

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

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Operating Revenues		
Sewer Service Charges	\$ 170,684	\$ 170,071
Environmental Charges	35,775	35,292
Other	10,371	8,199
Total Operating Revenues	<u>216,830</u>	<u>213,562</u>
Operating Expenses		
Administration	13,193	24,284
Operation and Maintenance		
Wastewater Treatment Plants	36,798	36,558
Sewer Maintenance and Collections	31,067	23,590
Industrial Waste/Pre-Treatment	5,051	4,605
Depreciation	42,726	40,510
Staff and Administrative	4,903	3,901
Total Operating Expenses	<u>133,738</u>	<u>133,448</u>
Operating Income	83,092	80,114
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(1,303)	3,438
Interest	5,094	6,659
Interest on Capital Debt	(18,630)	(19,119)
Equity Interest in Joint Use Agreement Operating Loss	(23,826)	(21,995)
Gain on Disposal of Capital Assets	132	303
Total Non-Operating Revenues (Expenses)	<u>(38,533)</u>	<u>(30,714)</u>
Net Income Before Contributions and Transfers	44,559	49,400
Capital Contributions	30,818	7,217
Transfers from Special Revenue Funds	-	8
Transfers to General Fund - In Lieu Property Taxes	(9,517)	(9,579)
Transfers to General Fund - In Lieu Property Taxes	(60)	-
Change in Net Position	<u>65,800</u>	<u>47,046</u>
Net Position, July 1	1,088,369	1,041,323
Net Position, June 30	<u>\$ 1,154,169</u>	<u>\$ 1,088,369</u>

Wastewater Enterprise Fund**Exhibit E-16****Comparative Statements of Cash Flows**

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Cash Flows from Operating Activities		
Receipts from Customers	\$ 217,613	\$ 214,962
Payments to Suppliers	(58,927)	(78,578)
Payments to Employees	(17,996)	(18,363)
Payment of Staff and Administrative Expenses	(4,903)	(3,901)
Net Cash Provided by Operating Activities	135,787	114,120
Cash Flows from Noncapital Financing Activities		
Operating Transfers from Other Funds	-	8
Operating Transfers to Other Funds	(9,577)	(9,579)
Net Cash Used by Noncapital Financing Activities	(9,577)	(9,571)
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Capital Debt	(44,128)	(44,059)
Interest Paid on Capital Debt	(28,322)	(29,643)
Acquisition and Construction of Capital Assets	(117,214)	(60,627)
Proceeds from Sales of Capital Assets	415	446
Capital Contributions	30,818	7,217
Net Cash Used by Capital and Related Financing Activities	(158,431)	(126,666)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(183,004)	(592,248)
Proceeds from Sale and Maturities of Investment Securities	247,764	644,031
Net Activity for Short-Term Investments	(13,988)	(43,976)
Interest on Investments	3,791	10,097
Net Cash Provided by Investing Activities	54,563	17,904
Net Increase (Decrease) in Cash and Cash Equivalents	22,342	(4,213)
Cash and Cash Equivalents, July 1	91,266	95,479
Cash and Cash Equivalents, June 30	\$ 113,608	\$ 91,266
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 83,092	\$ 80,114
Adjustments		
Depreciation	42,726	40,510
Deferred Outflows - OPEB	106	(268)
Deferred Inflows - OPEB	1,037	(21)
Change in Assets and Liabilities		
Receivables	(592)	1,102
Allowance for Doubtful Accounts	1,488	300
Inventories	1,136	(809)
Net OPEB Asset	(337)	115
Accounts Payable & Advance Payments	8,823	(6,794)
Customer Deposits	(112)	-
Accrued Compensated Absences	152	(14)
Net OPEB Liability	(1,732)	(115)
Net Cash Provided by Operating Activities	\$ 135,787	\$ 114,120
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings	\$ 282	\$ 268
Unrealized Gains (Losses) on Investments	(396)	1,502
Accounts Payable Related to Capital Asset Additions	13,611	17,906
Total Noncash Capital and Financing Activities	\$ 13,497	\$ 19,676

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, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sewer Service Charges	\$ 170,889	\$ 170,889	\$ 170,684	\$ (205)
Environmental Charges	35,731	35,731	35,775	44
Development Occupational Fees	4,000	4,000	5,723	1,723
Interest	5,268	5,268	2,674	(2,594)
Other	5,368	5,368	10,803	5,435
Total Revenues	221,256	221,256	225,659	4,403
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	68,463	68,463	58,091	10,372
Operation and Maintenance - SROG	26,524	26,524	23,144	3,380
Total Operating Expenditures and Encumbrances	94,987	94,987	81,235	13,752
Net Revenue Available for Revenue Bond Debt Service	126,269	126,269	144,424	18,155
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	11,655	11,655	11,655	-
Interest	3,132	3,132	3,132	-
Total Senior Lien Revenue Bond Debt Service	14,787	14,787	14,787	-
Net Revenue Available for Junior Lien				
Revenue Bond Debt Service	111,482	111,482	129,637	18,155
Junior Lien Revenue Bond Debt Service				
Principal	33,172	33,172	33,172	-
Interest	23,415	23,415	23,415	-
Total Junior Lien Revenue Bond Debt Service	56,587	56,587	56,587	-
Net Revenue Available After Junior Lien				
Revenue Bond Debt Service	54,895	54,895	73,050	18,155
Other Expenditures and Encumbrances				
Operating Capital Outlay	2,352	2,352	2,264	88
Capital Improvement Program	26,762	26,762	27,772	(1,010)
General Obligation Bond Debt Service				
Principal	375	375	375	-
Interest	15	15	15	-
Total Other Expenditures and Encumbrances	29,504	29,504	30,426	(922)
Total Expenditures and Encumbrances	195,865	195,865	183,035	12,830
Excess of Revenues Over				
Expenditures and Encumbrances	25,391	25,391	42,624	17,233
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(4,084)	(4,084)	(4,586)	(502)
In-Lieu Property Taxes	(10,315)	(10,315)	(9,834)	481
Debt Service Fund	(150)	(150)	(60)	90
Recovery of Prior Years Expenditures	269	269	2,211	1,942
Total Other Financing Sources (Uses)	(14,280)	(14,280)	(12,269)	2,011
Net Increase in Fund Balance	\$ 11,111	\$ 11,111	30,355	\$ 19,244
FUND BALANCE, JULY 1			124,611	
FUND BALANCE, JUNE 30			\$ 154,966	

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, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Multi-City Sewer System	\$ 17,561	\$ 17,561	\$ 14,058	\$ (3,503)
Operating Revenue - Wastewater	26,524	26,524	23,144	(3,380)
Sales of By-Products	10,775	10,775	12,659	1,884
Interest	188	188	69	(119)
Other	35	35	2,298	2,263
Total Revenues	55,083	55,083	52,228	(2,855)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	46,452	46,452	45,729	723
Capital Outlay				
Operating	2,065	2,065	1,630	435
Capital Improvement Program	5,500	5,500	5,504	(4)
Total Expenditures and Encumbrances	54,017	54,017	52,863	1,154
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	1,066	1,066	(635)	(1,701)
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,773)	(1,773)	(2,090)	(317)
Recovery of Prior Years Expenditures	-	-	818	818
Total Other Financing Sources (Uses)	(1,773)	(1,773)	(1,272)	501
Net Decrease in Fund Balance	\$ (707)	\$ (707)	(1,907)	\$ (1,200)
FUND BALANCE, JULY 1			5,592	
FUND BALANCE, JUNE 30			3,685	
Members' Contributed Replacement Reserve			6,781	
Members' Contributed Operating Reserve			7,810	
FUND DEFICIT, UNRESERVED			<u>\$ (10,906)</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
Comparative Statements of Net Position**
Exhibit E-19

June 30, 2021 and 2020

(in thousands)

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 8,194	\$ 4,929
Investments	37,593	33,014
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2021, \$3,224 and 2020, \$1,753)	18,184	15,083
Intergovernmental	17	1,009
Inventories	1,709	808
Total Unrestricted Current Assets	<u>65,697</u>	<u>54,843</u>
Restricted Assets		
Debt Service		
Cash with Fiscal Agent/Trustee	12,603	12,088
Capital Projects		
Cash and Cash Equivalents	2,795	1,889
Investments	50,733	11,600
Customer Deposits	113	15
Total Restricted Current Assets	<u>66,244</u>	<u>25,592</u>
Total Current Assets	<u>131,941</u>	<u>80,435</u>
Noncurrent Assets		
Capital Assets		
Land	13,340	13,340
Buildings	78,707	78,707
Improvements Other Than Buildings	61,287	60,952
Equipment	170,121	160,811
Intangibles	5,413	5,089
Construction in Progress	9,426	7,361
Less: Accumulated Depreciation	<u>(191,957)</u>	<u>(183,982)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>146,337</u>	<u>142,278</u>
Net OPEB Asset	1,494	952
Total Noncurrent Assets	<u>147,831</u>	<u>143,230</u>
Total Assets	<u>279,772</u>	<u>223,665</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	394	492
Pension Related	946	8,987
OPEB Related	481	669
Total Deferred Outflows of Resources	<u>1,821</u>	<u>10,148</u>

Exhibit E-19
(Continued)

	2021	2020
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	6,209	6,894
Accrued Landfill Postclosure Care Costs	1,444	844
Current Portion of Accrued Compensated Absences	407	356
Total Current Liabilities Payable from Current Assets	8,060	8,094
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	10,605	10,585
Interest Payable	1,998	1,503
Current Portion of Loans from Direct Borrowings	600	600
Current Portion of General Obligation Bonds	330	310
Current Portion of Municipal Corporation Obligations	10,830	10,295
Capital Projects		
Accounts Payable	40	43
Accrued Landfill Closure Costs	142	93
Customer Deposits	114	114
Total Current Liabilities Payable from Restricted Assets	24,659	23,543
Total Current Liabilities	32,719	31,637
Noncurrent Liabilities		
Loans from Direct Borrowings	1,350	1,950
General Obligation Bonds, net	13	368
Municipal Corporation Obligations, net	69,958	43,349
Accrued Landfill Closure and Postclosure Care Costs	15,376	15,994
Accrued Compensated Absences	2,476	2,397
Net Pension Liability	66,318	105,709
Net OPEB Liability	5,859	8,990
Total Noncurrent Liabilities	161,350	178,757
Total Liabilities	194,069	210,394
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding Bonds	449	679
Pension Related	19,842	7,880
OPEB Related	2,042	275
Total Deferred Inflows of Resources	22,333	8,834
NET POSITION		
Net Investment in Capital Assets	94,028	77,141
Restricted for:		
Debt Service	10,605	10,585
OPEB	1,494	952
Unrestricted (Deficit)	(40,936)	(74,093)
Total Net Position (Deficit)	\$ 65,191	\$ 14,585

Solid Waste Enterprise Fund
Comparative Statements of Revenues, Expenses and Changes
in Net Position

Exhibit E-20

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Operating Revenues		
Solid Waste Service Fees	\$ 160,339	\$ 137,680
Landfill Fees	12,426	9,660
Recycling	8,752	3,953
Other	4,182	3,392
Total Operating Revenues	<u>185,699</u>	<u>154,685</u>
Operating Expenses		
Administration	2,959	27,888
Solid Waste Collections	55,215	54,754
Landfills		
Operations	35,553	33,130
Closure and Postclosure Care Costs	1,874	(29,937)
Recycling	7,650	9,745
Depreciation	15,912	15,931
Staff and Administrative	6,952	6,153
Other	6,780	7,630
Total Operating Expenses	<u>132,895</u>	<u>125,294</u>
Operating Income	52,804	29,391
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(268)	501
Interest	930	1,346
Interest on Capital Debt	(1,362)	(1,075)
Gain on Disposal of Capital Assets	414	68
Total Non-Operating Revenues (Expenses)	<u>(286)</u>	<u>840</u>
Net Income Before Contributions and Transfers	52,518	30,231
Transfers to General Fund - In Lieu Property Taxes	(1,256)	(1,311)
Transfers to Debt Service Fund	(656)	(624)
Change in Net Position	<u>50,606</u>	<u>28,296</u>
Net Position (Deficit), July 1	14,585	(13,711)
Net Position, June 30	<u>\$ 65,191</u>	<u>\$ 14,585</u>

Solid Waste Enterprise Fund
Comparative Statements of Cash Flows

Exhibit E-21

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	2021	2020
Cash Flows from Operating Activities		
Receipts from Customers	\$ 183,587	\$ 152,209
Payments to Suppliers	(77,185)	(83,128)
Payments to Employees	(55,374)	(54,554)
Payment of Staff and Administrative Expenses	(6,952)	(6,153)
Net Cash Provided by Operating Activities	44,076	8,374
Cash Flows from Noncapital Financing Activities		
Operating Transfers to Other Funds	(1,912)	(1,935)
Net Cash Used by Noncapital Financing Activities	(1,912)	(1,935)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	39,699	-
Principal Paid on Capital Debt	(11,185)	(11,235)
Interest Paid on Capital Debt	(3,276)	(3,268)
Acquisition and Construction of Capital Assets	(19,984)	(10,842)
Proceeds from Sales of Capital Assets	418	68
Net Cash Provided (Used) by Capital and Related Financing Activities	5,672	(25,277)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(168,731)	-
Proceeds from Sale and Maturities of Investment Securities	129,203	-
Net Activity for Short-Term Investments	(4,186)	12,239
Interest on Investments	662	1,847
Net Cash Provided (Used) by Investing Activities	(43,052)	14,086
Net Increase (Decrease) in Cash and Cash Equivalents	4,784	(4,752)
Cash and Cash Equivalents, July 1	18,921	23,673
Cash and Cash Equivalents, June 30	\$ 23,705	\$ 18,921
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 52,804	\$ 29,391
Adjustments		
Depreciation	15,912	15,931
Deferred Outflows - Pension and OPEB	8,229	(5,429)
Deferred Inflows - Pension and OPEB	13,729	4,491
Change in Assets and Liabilities		
Receivables	(3,580)	(2,743)
Allowance for Doubtful Accounts	1,471	263
Inventories	(901)	252
Net OPEB Asset	(542)	201
Accounts Payable	(685)	(2,327)
Accrued Compensated Absences	130	(542)
Accrued Landfill Closure and Postclosure Care	31	(31,033)
Net Pension Liability	(39,391)	(534)
Net OPEB Liability	(3,131)	453
Net Cash Provided by Operating Activities	\$ 44,076	\$ 8,374
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings	(132)	(132)
Unrealized Gains (Losses) on Investments	(77)	481
Accounts Payable Related to Capital Asset Additions	40	43
Total Noncash Capital and Financing Activities	\$ (169)	\$ 392

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, 2021

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Solid Waste Service Fees	\$ 158,976	\$ 158,976	\$ 160,430	\$ 1,454
City Landfill Fees	13,792	13,792	21,087	7,295
Interest	18	18	298	280
Other	2,346	2,346	4,495	2,149
Total Revenues	175,132	175,132	186,310	11,178
EXPENDITURES AND ENCUMBRANCES				
Operations	160,353	160,353	152,022	8,331
Capital Improvement Program	9,833	9,833	8,068	1,765
General Obligation Bond Debt Service				
Principal	310	310	310	-
Interest	32	32	32	-
Lease-Purchase Payments	15,802	15,802	14,034	1,768
Loans from Direct Borrowings	600	600	600	-
Total Expenditures and Encumbrances	186,930	186,930	175,066	11,864
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(11,798)	(11,798)	11,244	23,042
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(6,257)	(6,257)	(6,952)	(695)
In-Lieu Property Taxes	(1,387)	(1,387)	(1,256)	131
Solid Waste Capital Reserve	(1,250)	(1,250)	(1,319)	(69)
Debt Service Fund	(754)	(754)	(656)	98
Recovery of Prior Years Expenditures	268	268	4,300	4,032
Total Other Financing Sources (Uses)	(9,380)	(9,380)	(5,883)	3,497
Net Increase (Decrease) in Fund Balance	\$ (21,178)	\$ (21,178)	5,361	\$ 26,539
FUND BALANCE, JULY 1			24,927	
FUND BALANCE, JUNE 30			\$ 30,288	



City of Phoenix



Financial Section
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**OTHER SUPPLEMENTARY
INFORMATION -
Fiduciary Funds
- Combining Fund
Financial Statements**



City of Phoenix

Fiduciary Funds
Exhibit F-1
Combining Statement of Fiduciary Net Position

June 30, 2021

(in thousands)

	Pension and Other Employee Benefit Trusts	
	City of Phoenix Employee Retirement System (COPERS)	Excess Benefit Arrangement
ASSETS		
Cash and Cash Equivalents	\$ 143,738	\$ 434
Investments		
Treasurer's Pooled Investments	-	357
Temporary Investments	85,842	-
Fixed Income	546,064	-
Domestic Equities	1,121,197	-
International Equities	334,279	-
Real Return	696,558	-
Absolute Return	132,995	-
Real Estate	402,099	-
Receivables		
Accounts Receivable	5,595	-
Contributions Receivable (1)	89,386	-
Interest and Dividends	3,652	3
Prepaid Items	-	-
Total Assets	3,561,405	794
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	-	-
LIABILITIES		
Accounts Payable	123,378	-
Claims Payable	-	-
Total Liabilities	123,378	-
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	-	-
NET POSITION		
Restricted for pension and other employee benefits	\$ 3,438,027	\$ 794

(1) COPERS - Includes \$70 million due from the Aviation Enterprise Fund

Exhibit F-1
(Continued)

Pension and Other Employee Benefit Trusts

Health Care Benefits	Retiree Rate Stabilization	Medical Expense Reimbursement Plan	Long-Term Disability	Total
\$ 42,595	\$ 5,651	\$ 2,038	\$ 252	\$ 194,708
-	-	4,785	-	5,142
-	-	-	20,701	106,543
46,028	-	49,843	29,899	671,834
-	-	98,923	29,381	1,249,501
-	-	43,338	9,429	387,046
-	-	22,687	-	719,245
-	-	23	-	133,018
-	-	11,288	4,899	418,286
750	-	-	-	6,345
788	-	-	-	90,174
11	-	-	-	3,666
5,657	-	-	-	5,657
<u>95,829</u>	<u>5,651</u>	<u>232,925</u>	<u>94,561</u>	<u>3,991,165</u>
-	-	-	-	-
6,225	-	16	13	129,632
29,048	-	-	-	29,048
<u>35,273</u>	<u>-</u>	<u>16</u>	<u>13</u>	<u>158,680</u>
-	-	-	-	-
<u>\$ 60,556</u>	<u>\$ 5,651</u>	<u>\$ 232,909</u>	<u>\$ 94,548</u>	<u>\$ 3,832,485</u>

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

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Pension and Other Employee Benefit Trusts	
	City of Phoenix Employee Retirement System (COPERS)	Excess Benefit Arrangement
ADDITIONS		
Contributions		
City of Phoenix	\$ 357,382	\$ 238
Employees	40,561	-
Other	-	-
Total Contributions	397,943	238
Investment Income		
From Investing Activities		
Net Increase (Decrease) in Fair Value of Investments	581,813	(1)
Interest	17,689	2
Dividends	17,400	-
Other	10,255	-
Investment Income	627,157	1
Less: Investment Expense	16,603	-
Total Net Investment Income	610,554	1
Total Additions	1,008,497	239
DEDUCTIONS		
Benefit Payments	246,214	331
Refunds of Contributions	3,047	-
Inter-System Transfers	452	-
Other	1,930	-
Total Deductions	251,643	331
Net Increase (Decrease)	756,854	(92)
Net Position Restricted for Pension and Other Employee		
Benefits		
Beginning of Year, July 1	2,681,173	886
End of Year, June 30	\$ 3,438,027	\$ 794

Exhibit F-2
(Continued)

Pension and Other Employee Benefit Trusts

Health Care Benefits	Retiree Rate Stabilization	Medical Expense Reimbursement Plan	Long-Term Disability	Total
\$ 152,117	\$ -	\$ 31,004	\$ -	\$ 540,741
57,695	-	-	-	98,256
4,936	-	-	-	4,936
214,748	-	31,004	-	643,933
(533)	5	45,739	19,708	646,731
644	1	4,436	-	22,772
-	-	-	1,904	19,304
-	-	-	245	10,500
111	6	50,175	21,857	699,307
-	-	-	-	16,603
111	6	50,175	21,857	682,704
214,859	6	81,179	21,857	1,326,637
214,614	-	27,186	4,584	492,929
-	-	-	-	3,047
-	-	-	-	452
23,155	-	607	469	26,161
237,769	-	27,793	5,053	522,589
(22,910)	6	53,386	16,804	804,048
83,466	5,645	179,523	77,744	3,028,437
\$ 60,556	\$ 5,651	\$ 232,909	\$ 94,548	\$ 3,832,485



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, 2021

(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
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,028	\$ -	\$ 1,540	\$ 968
Cash Deposits	-	-	2,087	-	886	-
Cash and Securities with Fiscal Agents/Trustees	39	-	-	83	-	-
Receivables, Net of Allowances	4,568	26	108	2,953	841	272
Prepaid Items	-	-	187	-	50	-
Capital Assets, at Cost						
Non-depreciable	-	-	3,025	-	1,150	-
Depreciable (net)	-	-	8,967	-	7,509	-
Total Assets	4,607	26	17,402	3,036	11,976	1,240
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
LIABILITIES						
Accounts Payable	173	-	183	-	84	272
Reimbursement Agreement to City	-	-	2,393	-	-	-
Trust Liabilities and Deposits	-	-	81	-	44	-
Advance Payments	-	-	34	-	13	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-
Interest Payable	-	-	1,187	-	275	-
Noncurrent Liabilities						
Due in More Than One Year						
Notes Payable to City						
Instrumentality	-	-	-	-	-	-
Notes Payable to City	-	-	15,304	-	5,532	-
Total Liabilities	173	-	19,182	-	5,948	272
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	-	-	-	-	-	-
NET POSITION (DEFICIT)						
Net Investment in Capital Assets	-	-	(5,705)	-	3,127	-
Unrestricted	4,434	26	3,925	3,036	2,901	968
Total Net Position (Deficit)	\$ 4,434	\$ 26	\$ (1,780)	\$ 3,036	\$ 6,028	\$ 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	\$ 343	\$ 1,525	\$ -	\$ 1,098	\$ 110	\$ 1,125	\$ 337	\$ 11,129
-	-	-	-	117	27	-	679	3,796
-	-	-	-	3,717	-	-	87	3,926
-	771	33	47	41	-	-	-	9,660
-	-	-	-	109	2	-	-	348
-	-	-	-	7,417	1,055	-	82	12,729
-	-	-	-	6,304	1,567	-	357	24,704
1,055	1,114	1,558	47	18,803	2,761	1,125	1,542	66,292
-	-	-	-	-	-	-	-	-
-	-	-	-	40	18	-	71	841
-	-	-	-	-	-	-	-	2,393
-	-	-	-	90	8	-	19	242
-	-	-	-	63	2	-	9	121
-	-	-	-	100	22	-	55	177
-	-	-	-	1,350	-	-	-	2,812
-	-	-	-	-	420	-	-	420
-	-	-	-	16,777	2,945	-	550	41,108
-	-	-	-	18,420	3,415	-	704	48,114
-	-	-	-	-	-	-	-	-
-	-	-	-	(3,056)	(323)	-	439	(5,518)
1,055	1,114	1,558	47	3,439	(331)	1,125	399	23,696
\$ 1,055	\$ 1,114	\$ 1,558	\$ 47	\$ 383	\$ (654)	\$ 1,125	\$ 838	\$ 18,178

**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, 2021

(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
Revenues						
Rental Income	\$ -	\$ -	\$ 3,723	\$ -	\$ 1,274	\$ -
Vending Income	-	-	-	-	-	-
Total Revenues	-	-	3,723	-	1,274	-
Operating Expenses						
Salaries	-	-	788	-	305	-
Temporary Labor	-	-	-	-	-	-
Advertising	-	-	13	-	3	-
Maintenance	-	-	834	-	403	-
Administrative Costs	-	-	175	-	92	-
Utilities	-	-	624	-	247	-
Insurance	-	-	64	-	36	-
Interest Expense	-	-	103	-	275	-
Other	27	-	200	5	124	272
Depreciation	-	-	1,103	-	696	-
Total Operating Expenses	27	-	3,904	5	2,181	272
Non-Operating Revenues (Expenses)						
Other Income	-	13	99	-	42	272
Interest Income	-	-	-	87	-	-
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	-	13	99	87	42	272
Change in Net Position	(27)	13	(82)	82	(865)	-
Net Position, July 1	4,461	13	(1,698)	2,954	6,893	968
Net Position, June 30	\$ 4,434	\$ 26	\$ (1,780)	\$ 3,036	\$ 6,028	\$ 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
\$ -	\$ -	\$ -	\$ -	\$ 2,346	\$ 168	\$ -	\$ 760	\$ 8,271
-	-	-	-	3	-	-	9	12
-	-	-	-	2,349	168	-	769	8,283
-	-	-	-	553	108	-	166	1,920
-	-	-	-	-	-	-	18	18
-	-	-	-	4	-	-	1	21
-	-	-	-	863	63	-	91	2,254
-	-	-	-	137	10	-	128	542
-	-	-	-	527	37	-	140	1,575
-	-	-	-	71	5	-	-	176
-	-	-	-	160	-	-	-	538
-	161	-	262	101	25	-	84	1,261
-	-	-	-	226	95	-	148	2,268
-	161	-	262	2,642	343	-	776	10,573
-	-	33	-	154	2	888	-	1,503
-	-	-	-	29	-	-	-	116
(1)	-	-	-	(109)	-	-	-	(110)
(1)	-	33	-	74	2	888	-	1,509
(1)	(161)	33	(262)	(219)	(173)	888	(7)	(781)
1,056	1,275	1,525	309	602	(481)	237	845	18,959
\$ 1,055	\$ 1,114	\$ 1,558	\$ 47	\$ 383	\$ (654)	\$ 1,125	\$ 838	\$ 18,178



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, 2021
 (in thousands)

Exhibit H-1

	Resources					
	Fund Balances		Recoveries	Fund Transfers		Total
	July 1	Revenues		From	To	
General Purpose Funds						
General Fund	\$ 169,119	\$ 484,936	\$ 2,458	\$ 1,048,210	\$ (50,571)	\$ 1,654,152
Excise Tax	-	1,555,419	-	-	(1,555,419)	-
Total General Purpose Funds	169,119	2,040,355	2,458	1,048,210	(1,605,990)	1,654,152
Federal Funds						
Transit - Federal Grants	-	141,732	115	-	-	141,847
Grants						
Human Services	-	72,108	130	-	-	72,238
Community Development	1,073	17,303	272	-	-	18,648
Federal Operating Trust	-	151,511	5,611	10,225	-	167,347
Public Housing Neighborhood Transformation	1,787	3,241	44	-	-	5,072
Total Federal Funds	2,860	385,895	6,172	10,225	-	405,152
Other Special Revenue and Debt Service Funds						
Highway User Revenue	44,484	147,054	900	-	(3,800)	188,638
Transit 2000	-	(3)	-	3	-	-
Transportation Tax 2050	161,597	14,121	1,376	279,348	(3,695)	452,747
Transit - Other Agency	(5,480)	20,685	32	-	-	15,237
Municipal Court Awards	(1,058)	1,982	48	-	-	972
Parks and Preserves	66,092	2,060	(205)	47,263	(182)	115,028
Development Services	58,722	70,968	175	-	(4,440)	125,425
Community Reinvestment	15,173	7,011	119	-	(2,064)	20,239
Public Housing	25,249	108,092	489	-	(241)	133,589
Sports Facilities	60,780	4,174	129	15,018	(14,647)	65,454
Capital Construction	20,705	202	611	7,060	-	28,578
Other Restricted	101,692	35,222	392	27,310	(16,292)	148,324
Neighborhood Protection	22,535	3,414	6	40,940	(743)	66,152
Public Safety Enhancement	21,566	2,427	2	24,474	(416)	48,053
Public Safety Expansion	32,869	8,033	2	81,881	(1,405)	121,380
Golf Courses	2,036	9,192	1	-	(653)	10,576
Secondary Property Tax Debt Service	100	119,697	-	9,149	-	128,946
City Improvement	-	1	381	51,388	(1,028)	50,742
Regional Wireless Cooperative	1,798	5,290	200	-	-	7,288
Total Other Funds	628,860	559,622	4,658	583,834	(49,606)	1,727,368
Enterprise Funds						
Aviation	381,755	304,431	5,716	63,146	(11,036)	744,012
Phoenix Convention Center	56,548	3,592	985	54,331	(3,884)	111,572
Water System	115,791	482,771	2,487	66	(43,379)	557,736
Water System - Val Vista	(2,367)	25,115	2,045	-	(678)	24,115
Wastewater	124,611	225,659	2,211	-	(14,480)	338,001
Wastewater - SROG	5,591	52,228	819	-	(2,090)	56,548
Solid Waste	24,927	186,310	4,300	-	(10,183)	205,354
Total Enterprise Funds	706,856	1,280,106	18,563	117,543	(85,730)	2,037,338
Total Operating Funds	\$ 1,507,695	\$ 4,265,978	\$ 31,851	1,759,812	(1,741,326)	\$ 5,824,010
Other Transfers - Non-budgeted Funds				54,243	(72,729)	
				\$ 1,814,055	\$ (1,814,055)	

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

Exhibit H-1
(Continued)

Expenditures and Encumbrances						Fund Balances June 30
Current Operating ⁽¹⁾	Capital Impr. Program	Debt Service	Lease-Purchase	Total		
\$ 1,342,046	\$ 29,106	\$ -	\$ -	\$ 1,371,152	\$ 283,000	-
-	-	-	-	-	-	-
1,342,046	29,106	-	-	1,371,152	283,000	-
99,976	41,871	-	-	141,847	-	-
72,238	-	-	-	72,238	-	-
15,912	1,772	-	-	17,684	964	-
167,237	110	-	-	167,347	-	-
2,378	-	-	-	2,378	2,694	-
357,741	43,753	-	-	401,494	3,658	-
73,865	66,730	-	-	140,595	48,043	-
-	-	-	-	-	-	-
97,838	159,654	-	-	257,492	195,255	-
15,364	9,035	-	-	24,399	(9,162)	-
3,886	-	-	-	3,886	(2,914)	-
5,509	23,224	-	-	28,733	86,295	-
61,330	11,926	-	-	73,256	52,169	-
1,144	992	-	-	2,136	18,103	-
96,848	2,693	-	-	99,541	34,048	-
2,931	5,758	-	-	8,689	56,765	-
133	4,037	-	-	4,170	24,408	-
42,806	6,685	-	-	49,491	98,833	-
39,543	-	-	-	39,543	26,609	-
25,895	-	-	-	25,895	22,158	-
78,622	-	-	-	78,622	42,758	-
7,318	1,817	-	-	9,135	1,441	-
-	-	128,846	-	128,846	100	-
-	-	1,357	49,385	50,742	-	-
5,134	-	-	-	5,134	2,154	-
558,166	292,551	130,203	49,385	1,030,305	697,063	-
342,138	27,116	8,468	-	377,722	366,290	-
44,751	3,058	-	20,639	68,448	43,124	-
219,373	57,882	133,823	-	411,078	146,658	-
19,701	4,429	-	-	24,130	(15)	-
83,499	27,772	71,764	-	183,035	154,966	-
47,359	5,504	-	-	52,863	3,685	-
152,622	8,068	342	14,034	175,066	30,288	-
909,443	133,829	214,397	34,673	1,292,342	744,996	-
\$ 3,167,396	\$ 499,239	\$ 344,600	\$ 84,058	\$ 4,095,293	\$ 1,728,717	-

Summary of Capital Projects Funds Budget Basis
Exhibit H-2

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Beginning Balances, July 1	Resources			Recovery of Prior Years Expenditures
		Grants	Current Revenue		
			Interest	Other	
General Government					
2001 Bond Program	\$ (51)	\$ -	\$ -	\$ -	\$ -
2006 Bond Program	5,767	-	11	-	2
2010 Lease Purchase	14	-	-	-	-
2013 Lease Purchase	(4,697)	-	-	-	-
Badging System	-	-	18	-	-
General Gov't Lease Purchase	(49,154)	-	52	-	108
Mega IV Lease Purchase	4,406	-	-	-	-
Mega V Lease Purchase	10,658	-	23	354	-
Regional Wireless	5,085	-	21	(89)	415
Sports Facilities Capital Reserve	19,839	-	41	-	-
Trunked Radio System	179	-	-	-	-
	(7,954)	-	166	265	525
Public Safety					
1988 Bond Program	27	-	-	-	-
2001 Bond Program	(1,312)	-	-	-	-
2006 Bond Program	(4,169)	-	-	-	49
Aerial Fleet Capital Reserve Fund	-	-	-	355	-
Impact Fees	15,388	-	133	3,637	118
Other Cities Reimbursement - 800Mhz	289	-	-	-	-
	10,223	-	133	3,992	167
Transportation					
1988 Bond Program	849	-	-	-	-
2001 Bond Program	(457)	-	-	-	-
2004 CIC Transit LRT Revenue Bonds	66	-	-	-	-
2006 Bond Program	6,696	-	-	-	5
AHUR Capital Reserve	7,233	-	(28)	78	627
American Rec. & Reinv. Act of 2009	(1)	-	-	-	-
Federal Aid - Street Transportation	(4,892)	4,711	-	-	371
Federal Transportation Administration Grants	(93,799)	1,130	-	-	10,423
Impact Fees	22,774	-	188	6,866	-
Northwest Valley Transportation Infrastructure	-	-	-	-	-
State Aid - Street Transportation	(594)	541	-	76	32
Street Improvement Bonds	-	-	-	176	-
Streets Developer Reimbursement	(796)	8,939	-	(2,932)	373
T2050 Bonds	112,755	-	116	-	10
	49,834	15,321	276	4,264	11,841
Public Works					
2001 Bond Program	332	-	-	-	-
2006 Bond Program	(720)	-	-	-	-
Capital Replacement Fund	1,390	-	9	-	-
Impact Fees	7,873	-	69	2,267	8
	8,875	-	78	2,267	8
Community Enrichment					
1988 Bond Program	419	-	-	-	-
2001 Bond Program	2,772	-	-	-	-
2006 Bond Program	760	-	-	-	-
Impact Fees	30,586	-	299	4,477	75
Parks & Rec Grants	(3,506)	-	-	-	-
Parks and Rec Dept Capital Gifts	35	-	-	-	-
Parks land sale proceeds	2	-	(2)	-	-
	31,068	-	297	4,477	75
Community Development					
1989 Bond Program	2	-	-	-	-
2001 Bond Program	1,684	-	-	-	2
2006 Bond Program	(2,896)	-	-	-	7
830 E Jefferson Remodel	(13)	-	-	-	-
Federal Modernization Grants	5,561	753	39	-	-
Impact Fees	2,659	-	7	-	-
	\$ 6,997	\$ 753	\$ 46	\$ -	\$ 9

Exhibit H-2
(Continued)

Bonds Sold	Fund Transfers To(From)	Total Resources	Uses Expenditures and Encumbrances	Ending Balances, June 30	Bonds Available for Sale
\$ -	\$ -	\$ (51)	\$ -	\$ (51)	\$ 615
-	-	5,780	-	5,780	4,790
-	(12)	2	-	2	-
-	-	(4,697)	-	(4,697)	-
26,457	(9)	26,466	(1,599)	24,867	-
169,783	494	121,283	(103,847)	17,436	-
-	-	4,406	-	4,406	-
18,701	-	29,736	-	29,736	-
-	-	5,432	(3,692)	1,740	-
-	-	19,880	-	19,880	-
-	-	179	-	179	-
214,941	473	208,416	(109,138)	99,278	5,405
-	-	27	-	27	-
-	-	(1,312)	-	(1,312)	1,915
-	-	(4,120)	69	(4,051)	36,700
-	5,000	5,355	-	5,355	-
-	2	19,278	(755)	18,523	-
-	-	289	-	289	-
-	5,002	19,517	(686)	18,831	38,615
-	-	849	-	849	1,000
-	-	(457)	-	(457)	2,225
-	-	66	-	66	-
-	-	6,701	-	6,701	23,865
-	-	7,910	(60)	7,850	-
-	-	(1)	-	(1)	-
-	-	190	(10,400)	(10,210)	-
-	-	(82,246)	(83,069)	(165,315)	-
-	8	29,836	(5,259)	24,577	-
-	-	-	(17,943)	(17,943)	-
-	-	55	(2,927)	(2,872)	-
25	(201)	-	-	-	-
-	-	5,584	(13,392)	(7,808)	-
-	-	112,881	(75,814)	37,067	-
25	(193)	81,368	(208,864)	(127,496)	27,090
-	-	332	-	332	305
-	-	(720)	-	(720)	9,669
-	-	1,399	-	1,399	-
-	(7)	10,210	(9)	10,201	-
-	(7)	11,221	(9)	11,212	9,974
-	-	419	-	419	-
-	-	2,772	-	2,772	7,400
-	-	760	-	760	26,056
-	(5,304)	30,133	(164)	29,969	-
-	-	(3,506)	(347)	(3,853)	-
-	-	35	-	35	-
-	-	-	-	-	-
-	(5,304)	30,613	(511)	30,102	33,456
-	-	2	-	2	-
-	-	1,686	(164)	1,522	3,150
-	-	(2,889)	-	(2,889)	34,665
-	-	(13)	-	(13)	-
-	-	6,353	(1,200)	5,153	-
-	-	2,666	-	2,666	-
\$ -	\$ -	\$ 7,805	\$ (1,364)	\$ 6,441	\$ 37,815

Summary of Capital Projects Funds Budget Basis
Exhibit H-2

For the Fiscal Year Ended June 30, 2021

(Continued)

(in thousands)

	Beginning Balances, July 1	Resources			Recovery of Prior Years Expenditures
		Grants	Current Revenue		
			Interest	Other	
Aviation					
2020 CFC Bond	\$ 118,014	\$ -	\$ 381	\$ -	\$ -
Airport Facilities Improvement Grants	(48,505)	47,039	-	-	826
Airport Revenue Bonds	151,451	-	678	-	160
CFC City Improvement Reserves/Surplus	374	-	-	-	-
CFC Trustee-Improvement Reserves/Surplus	18,045	-	3	29,781	-
City Improvement Aviation Bonds	212,763	-	-	-	-
Passenger Facility Charges	8,083	-	597	51,500	2,158
Senior Lien Airport Revenue Bonds	-	-	-	-	-
Transportation Security Admin Grant	-	153	-	-	-
	<u>460,225</u>	<u>47,192</u>	<u>1,659</u>	<u>81,281</u>	<u>3,144</u>
Phoenix Convention Center					
CC Expansion Series B	10,911	23,998	164	-	-
Lease Purchase	(22,220)	-	4	-	-
	<u>(11,309)</u>	<u>23,998</u>	<u>168</u>	<u>-</u>	<u>-</u>
Water System					
CIC Water Bonds	(55,279)	-	-	(1)	136,666
Impact Fees	64,338	-	551	15,666	-
Special Water Improvement	100,010	-	-	-	-
Val Vista - Other Agencies' Participation	(14,240)	-	-	9,511	7
Water Capital Grants	-	(99)	-	-	-
	<u>94,829</u>	<u>(99)</u>	<u>551</u>	<u>25,176</u>	<u>136,673</u>
Wastewater					
CIC Wastewater Bonds	(72,907)	-	-	-	61,906
Impact Fees	61,276	-	425	8,388	137
Special Wastewater Improvement	53,000	-	-	-	-
SROG - Other Agencies' Participation	(11,211)	-	-	8,973	267
	<u>30,158</u>	<u>-</u>	<u>425</u>	<u>17,361</u>	<u>62,310</u>
Solid Waste					
End Use Reserve	11,249	-	87	-	-
Solid - Mega IV	318	-	46	-	732
Solid Waste Disposal CIC Bonds Prin/Int	4	-	-	-	-
Solid Waste Remediation Funds	6,237	-	49	-	-
SWD Equipment Facilities Bonds	-	-	26	-	-
	<u>17,808</u>	<u>-</u>	<u>208</u>	<u>-</u>	<u>732</u>
	<u>\$ 690,754</u>	<u>\$ 87,165</u>	<u>\$ 4,007</u>	<u>\$ 139,083</u>	<u>\$ 215,484</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
\$ -	\$ (74,679)	\$ 43,716	\$ (6,842)	\$ 36,874	\$ -
-	(3,869)	(4,509)	(26,887)	(31,396)	-
-	(15,600)	136,689	(66,863)	69,826	-
-	(374)	-	-	-	-
-	(14,777)	33,052	(15,555)	17,497	-
-	(14,976)	197,787	-	197,787	-
-	31,155	93,493	(29,390)	64,103	-
-	-	-	-	-	-
-	(153)	-	-	-	-
-	(93,273)	500,228	(145,537)	354,691	-
-	-	35,073	(23,998)	11,075	-
24,151	(10)	1,925	(1,899)	26	-
24,151	(10)	36,998	(25,897)	11,101	-
325,768	17,525	424,679	(489,119)	(64,440)	-
-	1	80,556	(9,160)	71,396	-
-	-	100,010	-	100,010	-
-	-	(4,722)	(610)	(5,332)	-
-	-	(99)	-	(99)	-
325,768	17,526	600,424	(498,889)	101,535	-
-	-	(11,001)	(95,515)	(106,516)	-
-	2	70,228	(111)	70,117	-
-	-	53,000	-	53,000	-
-	-	(1,971)	(8,756)	(10,727)	-
-	2	110,256	(104,382)	5,874	-
-	1,319	12,655	(1)	12,654	-
-	-	1,096	(767)	329	-
-	-	4	-	4	-
-	-	6,286	(298)	5,988	-
39,503	-	39,529	(5)	39,524	-
39,503	1,319	59,570	(1,071)	58,499	-
\$ 604,388	\$ (74,465)	\$ 1,666,416	\$ (1,096,348)	\$ 570,068	\$ 152,355

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

For the Fiscal Years Ended June 30, 2021 and 2020

(in thousands)

	Operating Funds ⁽¹⁾		Capital Funds		Totals	
	2021	2020	2021	2020	2021	2020
General Government						
Information Technology	\$ 5,182	\$ 2,342	\$ 6,542	\$ 2,150	\$ 11,724	\$ 4,492
Regional Wireless	-	-	964	3,204	964	3,204
	5,182	2,342	7,506	5,354	12,688	7,696
Public Safety						
Fire Protection	4,147	-	4,993	637	9,140	637
	4,147	-	4,993	637	9,140	637
Transportation						
Street Transportation and Drainage	91,512	94,660	125,773	87,278	217,285	181,938
Transit	189,368	55,473	83,144	95,343	272,512	150,816
	280,880	150,133	208,917	182,621	489,797	332,754
Public Works						
Facilities Management	14,028	12,805	1,829	1,292	15,857	14,097
	14,028	12,805	1,829	1,292	15,857	14,097
Community Enrichment						
Arts and Cultural Facilities	-	-	-	97	-	97
Libraries	272	631	-	-	272	631
Parks and Mountain Preserves	31,410	38,698	554	17,302	31,964	56,000
	31,682	39,329	554	17,399	32,236	56,728
Community Development						
Economic/Downtown Development	2,520	8,167	95,660	54,341	98,180	62,508
Historic Preservation	11,054	17,301	-	121	11,054	17,422
Housing / HOPE VI	13,478	4,146	1,200	1,888	14,678	6,034
Neighborhood Development	1,175	2,026	-	843	1,175	2,869
	28,227	31,640	96,860	57,193	125,087	88,833
Aviation	26,881	20,339	145,537	234,185	172,418	254,524
Convention Center	5,744	6,428	25,896	45,720	31,640	52,148
Water System	61,862	65,245	498,888	186,901	560,750	252,146
Wastewater	32,881	26,050	104,299	97,091	137,180	123,141
Solid Waste	7,726	4,243	1,069	1,247	8,795	5,490
	\$ 499,240	\$ 358,554	\$ 1,096,348	\$ 829,640	\$ 1,595,588	\$ 1,188,194

(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, 2021 as reported in the accompanying budgetary financial statements were as follows:

Aviation	\$ 27,116
Convention Center	3,058
Water	57,882
Water - Val Vista	4,429
Wastewater	27,772
Wastewater - SROG	5,504
Solid Waste	8,068
	<u>\$ 133,829</u>

Transfers To/From Other Funds**Exhibit H-4**

For the Fiscal Year Ended June 30, 2021

(in thousands)

	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise Funds	Totals
Transfers From						
General Fund	\$ -	\$ 18,529 ⁽¹⁾	\$ 30,436 ⁽⁴⁾	\$ 5,653 ⁽⁷⁾	\$ 54,331	\$ 108,949
Special Revenue						
Transit	1,085	190 ⁽¹⁾	1,350 ⁽⁵⁾	359 ⁽⁸⁾	-	2,984
Highway User Revenue	-	7 ⁽²⁾	3,794 ⁽⁵⁾	-	-	3,801
Development Services	2,064	-	5,305 ⁽⁶⁾	-	-	7,369
Public Housing	171	-	70 ⁽⁵⁾	-	-	241
Other Restricted	-	83 ⁽³⁾	-	5,671 ⁽⁸⁾	-	5,754
Neighborhood Protection	155	27 ⁽¹⁾	-	-	-	182
Public Safety Enhancement	310	59 ⁽¹⁾	-	-	-	369
Total Special Revenue	3,785	366	10,519	6,030	-	20,700
Debt Service						
Sports Facilities	17	-	13,781 ⁽⁵⁾	622 ⁽⁹⁾	-	14,420
City Improvement	-	-	-	1,028 ⁽¹⁰⁾	-	1,028
Total Debt Service	17	-	13,781	1,650	-	15,448
Capital Projects						
Capital Construction	-	-	-	172 ⁽¹¹⁾	-	172
Parks and Preserves	155	27 ⁽¹⁾	-	-	-	182
Parks, Recreation and Libraries	-	-	-	477 ⁽⁸⁾	-	477
Municipal Buildings and Service Centers	-	-	1,178 ⁽⁵⁾	-	-	1,178
Transit	-	-	-	83,000 ⁽¹¹⁾	-	83,000
Total Capital Projects	155	27	1,178	83,649	-	85,009
Enterprise						
Aviation	-	-	919 ⁽⁵⁾	-	-	919
Phoenix Convention Center	620	128 ⁽¹⁾	91 ⁽⁵⁾	-	-	839
Water System	16,257	-	85 ⁽⁵⁾	-	-	16,342
Wastewater	9,517	-	60 ⁽⁵⁾	-	-	9,577
Solid Waste	1,256	-	656 ⁽⁵⁾	-	-	1,912
Total Enterprise	27,650	128	1,811	-	-	29,589
Totals	\$ 31,607	\$ 19,050	\$ 57,725	\$ 96,982	\$ 54,331	\$ 259,695

- (1) Other Restricted
(2) Development Services
(3) Trust & Gift Funds
(4) City Improvement, Special Assessments
(5) City Improvement
(6) GO / Secondary Property Tax

- (7) Parks & Preserves, Street Improvements
(8) Parks and Preserves
(9) Sports & Cultural Facilities
(10) Municipal Buildings & Service Centers
(11) Street Improvements

Budgetary Transfers - Budget Basis
Exhibit H-5

For the Fiscal Year Ended June 30, 2021

(in thousands)

	Transfers to					
	Staff and Administrative	General Fund			Special Revenue	
		In-Lieu Property Taxes	Other Transfers	Total General Fund	Neighborhood Protection	Transportation Tax 2050
Transfers from						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds						
Excise Tax	-	-	973,468	973,468	40,940	279,348
Highway User Revenue	-	-	-	-	-	-
Transportation Tax 2050	1,063	-	-	1,063	-	-
Development Services	4,440	-	-	4,440	-	-
Community Reinvestment	-	-	2,064	2,064	-	-
Public Housing	-	171	-	171	-	-
Sports Facilities	148	-	79	227	-	-
Golf	-	-	-	-	-	-
Parks and Preserves	-	-	-	-	-	-
Other Restricted	371	-	-	371	-	-
Neighborhood Protection	561	-	-	561	-	-
Public Safety Enhancement	416	-	-	416	-	-
Public Safety Expansion	1,037	-	-	1,037	-	-
Total Special Revenue	8,036	171	975,611	983,818	40,940	279,348
Debt Service Funds						
City Improvement	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-
Enterprise Funds						
Aviation	10,117	-	-	10,117	-	-
Phoenix Convention Center	3,044	-	-	3,044	-	-
Water System	9,336	16,367	-	25,703	-	-
Water System - Val Vista	678	-	-	678	-	-
Wastewater	4,586	9,834	-	14,420	-	-
Wastewater - SROG	2,090	-	-	2,090	-	-
Solid Waste	6,952	1,256	-	8,208	-	-
Total Enterprise	36,803	27,457	-	64,260	-	-
Other Funds not Budgeted						
General Obligation Reserve Fund	-	-	-	-	-	-
Peripheral Planning Area Fund	-	-	-	-	-	-
Pueblo Grande Museum Trust	-	-	-	-	-	-
Phoenix Residential Investment Development Effort	-	-	-	-	-	-
Tatum Ranch Community Facilities District	-	-	-	-	-	-
Trust Fund	-	-	132	132	-	-
Street Improvements Capital	-	-	-	-	-	-
Water Debt Service Fund	-	-	-	-	-	-
Aviation Capital	-	-	-	-	-	-
City Improvement Capital	-	-	-	-	-	-
Total Other Funds not Budgeted	-	-	132	132	-	-
Totals	\$ 44,839	\$ 27,628	\$ 975,743	\$ 1,048,210	\$ 40,940	\$ 279,348

(1) Transfer to Other Restricted Special Revenue Funds

(2) Transfer to Capital Construction (\$7,030), Sports Facilities (\$13,990), Parks and Preserves (\$40,940), Public Safety Enhancement (\$24,474), Public Safety Expansion (\$81,881), Other Restricted (\$8,696) Special Revenue Funds

(3) Transfer to Other Restricted Special Revenue Funds (\$190) and Transit 2000 Special Revenue Fund (\$3)

(4) Transfer to Parks & Preserves Special Revenue Funds

(5) Transfer to Other Restricted Special Revenue Funds

(6) Transfers to Federal Transit Grants Special Revenue Fund (\$10,225) and Parks & Preserves Special Revenue Fund (\$5,670)

(7) Transfer to Municipal Buildings & Service Centers Capital Projects Fund

(8) Transfer to Capital Construction Special Revenue 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		
\$ 18,184 ⁽¹⁾	\$ 112 ⁽¹⁰⁾	\$ -	\$ -	\$ 1,275	\$ 31,000 ⁽¹³⁾	\$ 50,571	
177,011 ⁽²⁾	30,321 ⁽¹⁰⁾	54,331	-	-	-	1,555,419	
-	3,793 ⁽¹⁰⁾	-	-	-	7 ⁽¹⁴⁾	3,800	
193 ⁽³⁾	1,350 ⁽¹⁰⁾	-	-	1,089	-	3,695	
-	-	-	-	-	-	4,440	
-	-	-	-	-	-	2,064	
-	70 ⁽¹⁰⁾	-	-	-	-	241	
-	13,782 ⁽¹⁰⁾	-	-	16	622 ⁽¹⁴⁾	14,647	
653 ⁽⁴⁾	-	-	-	-	-	653	
27 ⁽⁵⁾	-	-	-	155	-	182	
15,895 ⁽⁶⁾	-	-	-	-	26 ⁽¹⁵⁾	16,292	
27 ⁽¹⁾	-	-	-	155	-	743	
-	-	-	-	-	-	416	
58 ⁽¹⁾	-	-	-	310	-	1,405	
193,864	49,316	54,331	-	1,725	655	1,603,997	
1,028 ⁽⁷⁾	-	-	-	-	-	1,028	
1,028	-	-	-	-	-	1,028	
-	919 ⁽¹⁰⁾	-	-	-	-	11,036	
128 ⁽¹⁾	91 ⁽¹⁰⁾	-	-	621	-	3,884	
-	85 ⁽¹⁰⁾	-	-	-	17,591 ⁽¹⁶⁾	43,379	
-	-	-	-	-	-	678	
-	60 ⁽¹⁰⁾	-	-	-	-	14,480	
-	-	-	-	-	-	2,090	
-	656 ⁽¹⁰⁾	-	-	-	1,319 ⁽¹⁷⁾	10,183	
128	1,811	-	-	621	18,910	85,730	
-	3,843 ⁽¹¹⁾	-	-	-	-	3,843	
-	5,306 ⁽¹¹⁾	-	-	-	-	5,306	
-	-	-	-	-	37 ⁽¹⁾	37	
-	-	-	-	-	19 ⁽¹⁾	19	
-	-	-	-	-	1 ⁽¹⁾	1	
-	-	-	-	-	-	132	
30 ⁽⁸⁾	-	-	-	-	-	30	
-	-	-	66 ⁽⁹⁾	-	-	66	
-	-	-	63,146 ⁽¹²⁾	-	-	63,146	
-	149 ⁽¹¹⁾	-	-	-	-	149	
30	9,298	-	63,212	-	57	72,729	
\$ 213,234	\$ 60,537	\$ 54,331	\$ 63,212	\$ 3,621	\$ 50,622	\$ 1,814,055	

(9) Transfer to Water System Enterprise Fund

(10) Transfer to City Improvement Debt Service Fund

(11) Transfers to Secondary Property Tax

(12) Transfer to Aviation Enterprise Fund

(13) Transfers to MERP Trust Fund (\$8.25 million), SIR Trust Fund (\$8.5 million), Workers Compensation Trust Fund (\$8.25 million), Aerial Fleet Capital Reserve Fund (\$5 million), and Public Safety Pension Stabilization Reserve Fund (\$1 million)

(14) Transfer to Capital Projects Fund

(15) Transfer to Trust & Gift Funds

(16) Transfer to Water Capital Fund

(17) Transfer to Solid Waste Capital Reserve Fund

Bonds and Other Debt Payable
Exhibit H-6

June 30, 2021

(in thousands)

							Outstanding at June 30, 2021 ⁽¹⁾		
	Authorized	Sold	Unsold	Retired/ Refunded/ Defeased	Capital Appreciation	Total	Payable from		
							General Property Taxes	City Revenues/ Other ⁽²⁾	
General Obligation Bonds									
6% Limitation									
Various Purpose	\$ 755,530	\$ 691,210	\$ 64,320	\$ 599,825	\$ -	\$ 91,385	\$ 91,385	\$ -	
Solid Waste	32,815	32,815	-	32,485	-	330	-	330	
20% Limitation									
Various Purpose	2,035,230	1,947,195	88,035	1,120,005	-	827,190	827,190	-	
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	3,039,159	2,886,804	152,355	1,967,899	-	918,905	918,575	330	
Loans from Direct Borrowings									
DNT Asset Trust	305,940	305,940	-	305,940	-	-	-	-	
Wastewater WIFA	17,591	17,591	-	9,990	-	7,601	-	7,601	
Water WIFA	6,520	6,520	-	4,267	-	2,253	-	2,253	
Closed Loop	3,000	3,000	-	1,050	-	1,950	-	1,950	
Total Loans from Direct Borrowings	333,051	333,051	-	321,247	-	11,804	-	11,804	
Total General Obligation and Revenue Bonds/ Bank Loans	3,372,210	3,219,855	152,355	2,289,146	-	930,709	918,575	12,134	
Municipal Corporation Obligations									
General Government	2,186,956	2,186,956	-	1,677,751	-	509,205	-	509,205	
Enterprise	11,099,546	11,099,546	-	6,080,752	108,291	5,127,085	-	5,127,085	
Total Municipal Corporation Obligations	13,286,502	13,286,502	-	7,758,503	108,291	5,636,290	-	5,636,290	
Subtotal	16,658,712	16,506,357	152,355	10,047,649	108,291	6,566,999	918,575	5,648,424	
Community Facilities Districts	30,000	30,000	-	665	-	29,335	-	29,335	
Totals	<u>\$ 16,688,712</u>	<u>\$ 16,536,357</u>	<u>\$ 152,355</u>	<u>\$ 10,048,314</u>	<u>\$ 108,291</u>	<u>\$ 6,596,334</u>	<u>\$ 918,575</u>	<u>\$ 5,677,759</u>	

(1) Net of July 1, 2021 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, 2021.

(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, 2021

(in thousands)

Fiscal Year	General Government ⁽²⁾			Enterprise			Total 6% Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021-22	\$ 14,340	\$ 4,428	\$ 18,768	\$ 330	\$ 17	\$ 347	\$ 14,670	\$ 4,445	\$ 19,115
2022-23	16,255	3,697	19,952	-	-	-	16,255	3,697	19,952
2023-24	29,825	2,971	32,796	-	-	-	29,825	2,971	32,796
2024-25	30,965	1,548	32,513	-	-	-	30,965	1,548	32,513
	<u>\$ 91,385</u>	<u>\$ 12,644</u>	<u>\$ 104,029</u>	<u>\$ 330</u>	<u>\$ 17</u>	<u>\$ 347</u>	<u>\$ 91,715</u>	<u>\$ 12,661</u>	<u>\$ 104,376</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, 2021

(in thousands)

Fiscal Year	General Government ⁽²⁾			Total 20% Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021-22	\$ 73,505	\$ 36,792	\$ 110,297	\$ 73,505	\$ 36,792	\$ 110,297
2022-23	81,590	33,957	115,547	81,590	33,957	115,547
2023-24	78,895	30,520	109,415	78,895	30,520	109,415
2024-25	90,435	27,141	117,576	90,435	27,141	117,576
2025-26	132,135	23,253	155,388	132,135	23,253	155,388
2026-27	138,015	17,208	155,223	138,015	17,208	155,223
2027-28	42,655	10,935	53,590	42,655	10,935	53,590
2028-29	28,940	9,130	38,070	28,940	9,130	38,070
2029-30	29,985	7,719	37,704	29,985	7,719	37,704
2030-31	31,065	6,257	37,322	31,065	6,257	37,322
2031-32	32,185	4,744	36,929	32,185	4,744	36,929
2032-33	33,310	3,211	36,521	33,310	3,211	36,521
2033-34	34,475	1,625	36,100	34,475	1,625	36,100
	<u>\$ 827,190</u>	<u>\$ 212,492</u>	<u>\$ 1,039,682</u>	<u>\$ 827,190</u>	<u>\$ 212,492</u>	<u>\$ 1,039,682</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****Exhibit H-9**

June 30, 2021

(in thousands)

Fiscal Year	General Obligation ⁽¹⁾		
	Principal	Interest	Total
2021-22	\$ 88,175	\$ 41,237	\$ 129,412
2022-23	97,845	37,654	135,499
2023-24	108,720	33,491	142,211
2024-25	121,400	28,689	150,089
2025-26	132,135	23,253	155,388
2026-27	138,015	17,208	155,223
2027-28	42,655	10,935	53,590
2028-29	28,940	9,130	38,070
2029-30	29,985	7,719	37,704
2030-31	31,065	6,257	37,322
2031-32	32,185	4,744	36,929
2032-33	33,310	3,211	36,521
2033-34	34,475	1,625	36,100
	<u>\$ 918,905</u>	<u>\$ 225,153</u>	<u>\$ 1,144,058</u>

(1) Includes all property tax supported various purpose general obligation bonds and general obligation bonds issued for the City's enterprise funds.

**Debt Service Requirements
By General Purpose of Assets Acquired**
Exhibit H-10

June 30, 2021

(in thousands)

Fiscal Year	General Government ⁽¹⁾			Enterprise ⁽²⁾			Total Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021-22	\$ 87,845	\$ 41,220	\$ 129,065	\$ 330	\$ 17	\$ 347	\$ 88,175	\$ 41,237	\$ 129,412
2022-23	97,845	37,654	135,499	-	-	-	97,845	37,654	135,499
2023-24	108,720	33,491	142,211	-	-	-	108,720	33,491	142,211
2024-25	121,400	28,689	150,089	-	-	-	121,400	28,689	150,089
2025-26	132,135	23,253	155,388	-	-	-	132,135	23,253	155,388
2026-27	138,015	17,208	155,223	-	-	-	138,015	17,208	155,223
2027-28	42,655	10,935	53,590	-	-	-	42,655	10,935	53,590
2028-29	28,940	9,130	38,070	-	-	-	28,940	9,130	38,070
2029-30	29,985	7,719	37,704	-	-	-	29,985	7,719	37,704
2030-31	31,065	6,257	37,322	-	-	-	31,065	6,257	37,322
2031-32	32,185	4,744	36,929	-	-	-	32,185	4,744	36,929
2032-33	33,310	3,211	36,521	-	-	-	33,310	3,211	36,521
2033-34	34,475	1,625	36,100	-	-	-	34,475	1,625	36,100
	<u>\$ 918,575</u>	<u>\$ 225,136</u>	<u>\$ 1,143,711</u>	<u>\$ 330</u>	<u>\$ 17</u>	<u>\$ 347</u>	<u>\$ 918,905</u>	<u>\$ 225,153</u>	<u>\$ 1,144,058</u>

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

(2) Includes all general obligation bonds issued for the City's enterprise funds.

Bond Ratings

Exhibit H-11

Description	Rating ^{(1) (2)}		
	Moody's	S & P	Fitch ⁽³⁾
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)	Aa3	A+	-
Junior Lien Airport Revenue (4)	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)	A3	BBB+	-
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 only rated the Series 2017 General Obligation Bonds and the 2017 and 2020 Subordinated Excise Tax Revenue Bonds.

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



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

Net Position by Component
Table 1

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

	Fiscal Year		
	2021	2020	2019
GOVERNMENTAL ACTIVITIES			
Net Investment in Capital Assets	\$ 3,384,939	\$ 3,333,084	\$ 3,242,655
Restricted	1,249,610	1,069,053	1,079,339
Unrestricted (Deficit) (1)	(2,420,747)	(2,814,774)	(2,766,124)
Total Governmental Activities Net Position	\$ 2,213,802	\$ 1,587,363	\$ 1,555,870
BUSINESS-TYPE ACTIVITIES			
Net Investment in Capital Assets	\$ 3,346,870	\$ 3,448,793	\$ 3,488,654
Restricted	438,450	404,598	519,638
Unrestricted (1)	601,380	340,416	114,947
Total Business-Type Activities Net Position	\$ 4,386,700	\$ 4,193,807	\$ 4,123,239
PRIMARY GOVERNMENT			
Net Investment in Capital Assets	\$ 6,731,809	\$ 6,781,877	\$ 6,731,309
Restricted	1,688,060	1,473,651	1,598,977
Unrestricted (Deficit) (1)	(1,819,367)	(2,474,358)	(2,651,177)
Total Primary Government Net Position	\$ 6,600,502	\$ 5,781,170	\$ 5,679,109

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

Table 1
(Continued)

		Fiscal Year											
		2018	2017	2016	2015	2014	2013	2012					
\$	3,084,874	\$	2,809,418	\$	2,788,275	\$	2,653,697	\$	2,576,366	\$	2,454,765	\$	2,313,680
	1,047,298		920,847		763,630		830,425		868,223		930,237		1,233,603
	(2,883,831)		(2,408,807)		(2,084,298)		(1,691,553)		1,002,557		991,572		861,526
\$	1,248,341	\$	1,321,458	\$	1,467,607	\$	1,792,569	\$	4,447,146	\$	4,376,574	\$	4,408,809
\$	3,288,066	\$	2,972,041	\$	2,803,361	\$	2,782,282	\$	2,818,479	\$	2,826,143	\$	2,968,536
	524,637		486,857		462,115		441,896		363,946		174,160		188,682
	169,406		458,696		489,530		519,802		970,844		1,102,763		943,329
\$	3,982,109	\$	3,917,594	\$	3,755,006	\$	3,743,980	\$	4,153,269	\$	4,103,066	\$	4,100,547
\$	6,372,940	\$	5,781,459	\$	5,591,636	\$	5,435,979	\$	5,394,845	\$	5,280,908	\$	5,282,216
	1,571,935		1,407,704		1,225,745		1,272,321		1,232,169		1,104,397		1,422,285
	(2,714,425)		(1,950,111)		(1,594,768)		(1,171,751)		1,973,401		2,094,335		1,804,855
\$	5,230,450	\$	5,239,052	\$	5,222,613	\$	5,536,549	\$	8,600,415	\$	8,479,640	\$	8,509,356

Changes in Net Position
Table 2

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

	Fiscal Year		
	2021	2020	2019
Expenses			
Governmental Activities			
General Government	\$ 171,106	\$ 111,422	\$ 88,160
Criminal Justice	36,812	36,050	38,297
Public Safety	1,367,004	1,340,379	1,278,856
Transportation	427,982	574,139	540,551
Community Enrichment	419,047	324,553	307,406
Community Development	259,183	251,207	211,547
Environmental Services	59,224	52,369	22,362
Interest on Long-Term Debt	53,532	53,629	57,014
Total Governmental Activities Expenses	2,793,890	2,743,748	2,544,193
Business-Type Activities			
Aviation	576,657	547,590	518,462
Phoenix Convention Center	88,530	103,983	103,138
Water Services	373,006	421,541	410,636
Wastewater Services	176,062	174,259	170,273
Solid Waste	133,843	126,301	148,061
Golf Courses (1)	-	-	-
Total Business-Type Activities Expenses	1,348,098	1,373,674	1,350,570
Total Primary Government Expenses	\$ 4,141,988	\$ 4,117,422	\$ 3,894,763

(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											
		2018	2017	2016	2015	2014	2013	2012					
\$	100,307	\$	98,541	\$	111,801	\$	99,320	\$	152,502	\$	186,104	\$	88,187
	35,040		34,045		35,198		34,242		34,356		35,409		35,703
	1,200,523		1,347,829		1,025,401		914,215		888,801		896,801		850,636
	523,946		373,455		399,228		398,925		394,664		407,563		421,680
	289,183		276,991		570,183		245,795		252,760		237,856		245,713
	225,386		218,463		200,762		215,931		222,266		221,588		218,847
	39,113		32,960		49,050		48,293		33,616		33,334		42,326
	67,523		77,073		84,893		83,796		93,013		117,667		109,412
	2,481,021		2,459,357		2,476,516		2,040,517		2,071,978		2,136,322		2,012,504
	514,271		496,131		504,304		482,915		471,744		464,388		435,675
	105,703		103,248		107,133		105,458		105,889		103,472		103,420
	406,501		333,706		359,703		336,445		342,584		335,004		361,751
	172,461		177,185		170,440		171,250		181,329		191,568		178,258
	146,589		146,910		141,129		150,625		134,264		133,295		133,414
	-		-		-		-		-		9,876		8,879
	1,345,525		1,257,180		1,282,709		1,246,693		1,235,810		1,237,603		1,221,397
\$	3,826,546	\$	3,716,537	\$	3,759,225	\$	3,287,210	\$	3,307,788	\$	3,373,925	\$	3,233,901

Changes in Net Position

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

Table 2
 (Continued)

	Fiscal Year		
	2021	2020	2019
Program Revenue			
Governmental Activities			
Charges for Services:			
General Government	\$ 17,077	\$ 18,395	\$ 22,012
Criminal Justice	23,970	14,239	22,232
Public Safety	59,862	70,309	70,377
Transportation	10,484	30,552	39,226
Community Enrichment	8,936	9,696	11,208
Community Development	97,406	94,086	95,974
Environmental Services	74	49	64
Operating Grants and Contributions	689,564	472,089	407,132
Capital Grants and Contributions	350,544	169,586	134,985
Total Governmental Activities Program Revenue	<u>1,257,917</u>	<u>879,001</u>	<u>803,210</u>
Business-Type Activities			
Charges for Services:			
Aviation	378,553	451,157	520,951
Phoenix Convention Center	27,114	43,040	47,381
Water Services	467,576	425,390	382,915
Wastewater Services	216,830	213,562	209,415
Solid Waste	185,699	154,685	148,728
Golf Courses (1)	-	-	-
Capital Grants and Contributions	226,844	80,209	99,914
Total Business-Type Activities Program Revenue	<u>1,502,616</u>	<u>1,368,043</u>	<u>1,409,304</u>
Total Primary Government Program Revenue	<u>\$ 2,760,533</u>	<u>\$ 2,247,044</u>	<u>\$ 2,212,514</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (1,535,973)	\$ (1,864,747)	\$ (1,740,983)
Business-Type Activities	154,518	(5,631)	58,734
Total Primary Government Net Expense	<u>\$ (1,381,455)</u>	<u>\$ (1,870,378)</u>	<u>\$ (1,682,249)</u>

Table 2
(Continued)

		Fiscal Year											
		2018	2017	2016	2015	2014	2013	2012					
\$	20,491	\$	19,784	\$	18,387	\$	18,159	\$	16,272	\$	15,748	\$	16,469
	15,684		14,583		15,813		18,336		20,337		21,737		24,864
	69,201		69,671		68,167		71,381		71,913		69,648		72,081
	36,181		35,083		36,331		37,907		38,780		36,125		38,035
	9,448		9,708		11,016		10,737		13,740		5,071		5,589
	83,925		74,490		68,396		58,599		64,893		60,837		49,618
	40		22		134		478		505		232		520
	407,429		396,866		355,750		361,919		343,898		393,652		358,692
	177,863		96,058		94,379		82,285		150,410		98,647		101,019
	820,262		716,265		668,373		659,801		720,748		701,697		666,887
	506,988		403,766		380,533		385,806		369,157		305,686		299,783
	44,743		40,568		42,840		42,759		36,864		24,218		15,888
	413,263		398,263		378,378		358,760		385,294		381,862		380,679
	207,747		198,945		193,727		185,974		186,350		190,519		212,361
	149,023		150,346		146,799		147,536		145,790		144,055		144,004
	-		-		-		-		-		8,401		6,653
	95,356		204,212		138,162		144,654		130,975		158,314		173,149
	1,417,120		1,396,100		1,280,439		1,265,489		1,254,430		1,213,055		1,232,517
\$	2,237,382	\$	2,112,365	\$	1,948,812	\$	1,925,290	\$	1,975,178	\$	1,914,752	\$	1,899,404
\$	(1,660,759)	\$	(1,743,092)	\$	(1,808,143)	\$	(1,380,716)	\$	(1,351,230)	\$	(1,434,625)	\$	(1,345,608)
	71,595		138,920		(2,270)		18,796		18,620		(24,548)		11,120
\$	(1,589,164)	\$	(1,604,172)	\$	(1,810,413)	\$	(1,361,920)	\$	(1,332,610)	\$	(1,459,173)	\$	(1,334,488)

Changes in Net Position

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

Table 2
 (Continued)

	Fiscal Year		
	2021	2020	2019
General Revenues and Other Changes in			
Net Position			
Governmental Activities			
Taxes	\$ 1,409,082	\$ 1,288,430	\$ 1,261,469
Grants and Contributions Not Restricted	654,429	483,036	437,427
Investment Earnings, Net	(6,861)	33,833	41,942
Miscellaneous	130,504	117,512	76,255
Sale Proceeds from DPHC to City for Debt Repayment	-	-	265,000
Transfers - Internal Activities	(24,742)	(26,571)	(33,581)
Total Governmental Activities	2,162,412	1,896,240	2,048,512
Business-Type Activities			
Investment Earnings, Net	13,633	49,628	48,815
Transfers - Internal Activities	24,742	26,571	33,581
Total Business-Type Activities	38,375	76,199	82,396
Total Primary Government	2,200,787	1,972,439	2,130,908
Change in Net Position (Deficit)			
Governmental Activities	639,083	31,493	307,529
Business-Type Activities	192,893	70,568	141,130
Total Primary Government	\$ 831,976	\$ 102,061	\$ 448,659

Table 2
(Continued)

		Fiscal Year											
		2018	2017	2016	2015	2014	2013	2012					
\$	1,165,415	\$	1,116,831	\$	1,009,824	\$	955,091	\$	1,001,017	\$	1,029,392	\$	944,388
	434,985		406,084		376,017		376,923		349,149		318,673		297,342
	9,190		6,355		11,932		7,419		22,572		2,404		6,671
	118,620		85,994		82,607		82,321		69,860		77,337		78,397
	-		-		-		-		-		-		-
	(25,547)		(18,321)		(24,631)		(25,080)		(22,653)		(25,416)		(19,501)
	1,702,663		1,596,943		1,455,749		1,396,674		1,419,945		1,402,390		1,307,297
	9,062		5,347		16,097		9,864		10,787		1,651		7,585
	25,547		18,321		24,631		25,080		22,653		25,416		19,501
	34,609		23,668		40,728		34,944		33,440		27,067		27,086
	1,737,272		1,620,611		1,496,477		1,431,618		1,453,385		1,429,457		1,334,383
	41,904		(146,149)		(352,394)		15,958		68,715		(32,235)		(38,311)
	106,204		162,588		38,458		53,740		52,060		2,519		38,206
\$	148,108	\$	16,439	\$	(313,936)	\$	69,698	\$	120,775	\$	(29,716)	\$	(105)

Fund Balances of Governmental Funds
Table 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2021	2020	2019	2018
General Fund				
Non-Spendable	\$ 21,876	\$ 17,240	\$ 17,134	\$ 16,175
Spendable				
Restricted	49,942	49,878	48,920	47,774
Assigned	136,559	107,216	97,461	79,144
Unassigned	374,772	255,782	243,541	216,572
Total General Fund	583,149	430,116	407,056	359,665
All Other Governmental Funds				
Non-Spendable	794	789	801	954
Spendable				
Restricted	1,016,336	857,174	813,308	812,860
Committed	92,496	93,538	81,575	72,032
Assigned	156,470	147,631	157,235	156,061
Unassigned	(116,188)	(56,177)	(14,701)	(10,666)
Total All Other Governmental Funds	1,149,908	1,042,955	1,038,218	1,031,241
Total Fund Balances of Governmental Funds	\$ 1,733,057	\$ 1,473,071	\$ 1,445,274	\$ 1,390,906

Table 3
(Continued)

Fiscal Year						
2017	2016	2015	2014	2013	2012	
\$ 13,706	\$ 13,498	\$ 14,224	\$ 14,198	\$ 15,736	\$ 15,357	
49,024	62,047	61,564	61,309	40,361	37,913	
51,510	48,715	41,338	46,181	55,390	50,250	
241,712	227,227	210,286	178,563	161,012	200,892	
355,952	351,487	327,412	300,251	272,499	304,412	
5,235	5,386	5,394	5,945	5,601	5,891	
871,823	701,583	768,861	823,478	889,876	982,955	
55,304	38,803	27,005	36,491	47,874	58,703	
153,146	141,007	132,902	128,261	139,593	140,036	
(15,581)	(11,117)	(33,082)	(57,039)	(56,671)	(36,942)	
1,069,927	875,662	901,080	937,136	1,026,273	1,150,643	
\$ 1,425,879	\$ 1,227,149	\$ 1,228,492	\$ 1,237,387	\$ 1,298,772	\$ 1,455,055	

Changes in Fund Balances of Governmental Funds
Table 4

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2021	2020	2019	2018
Revenues				
City Taxes (see Table 5)	\$ 1,410,625	\$ 1,287,094	\$ 1,261,164	\$ 1,165,539
Licenses and Permits	16,926	18,271	21,871	20,125
Intergovernmental (see Table 6)	1,632,857	1,111,832	948,743	996,708
Charges for Services	178,652	197,396	208,584	192,338
Fines and Forfeitures	14,098	11,374	19,087	12,349
Parks and Recreation	141	1,130	1,815	1,715
Special Assessments	2	10	9	11
Investment Income	(6,861)	33,832	41,942	9,190
Dwelling Rentals	6,978	8,140	8,720	8,057
Other	130,642	117,432	76,318	115,954
Total Revenues	3,384,060	2,786,511	2,588,253	2,521,986
Expenditures				
General Government	129,098	92,079	69,693	75,317
Criminal Justice	37,626	36,883	35,762	34,285
Public Safety	1,099,800	1,075,342	996,765	959,741
Transportation	328,235	367,735	367,586	308,118
Community Enrichment	304,346	234,441	224,326	220,198
Community Development	244,928	224,352	192,766	201,031
Environmental Services	28,798	31,347	12,250	10,624
Debt Service:				
Principal	117,917	173,201	155,902	133,784
Interest	62,569	68,517	73,746	87,932
Bond Issuance Costs	1,368	32	1,062	461
Other	3,759	164	1,205	1,204
Capital	957,579	626,858	399,218	498,717
Total Expenditures	3,316,023	2,930,951	2,530,281	2,531,412
Excess (Deficiency) of Revenues Over Expenditures	\$ 68,037	\$ (144,440)	\$ 57,972	\$ (9,426)

Table 4
(Continued)

Fiscal Year						
2017	2016	2015	2014	2013	2012	
\$ 1,116,077	\$ 1,009,918	\$ 955,818	\$ 1,001,873	\$ 1,031,123	\$ 947,012	
19,275	18,209	17,602	15,860	15,377	16,039	
885,972	814,134	821,127	850,231	809,198	757,053	
183,619	173,372	169,276	178,290	169,527	163,408	
11,285	12,106	14,222	15,340	15,942	18,332	
1,865	6,919	7,393	10,316	1,891	2,414	
14	13	29	39	35	55	
6,355	11,932	7,419	22,572	2,404	6,671	
7,825	7,077	7,104	6,658	6,882	6,987	
86,022	82,546	82,604	70,170	79,557	76,173	
2,318,309	2,136,226	2,082,594	2,171,349	2,131,936	1,994,144	
71,173	78,973	78,182	133,854	170,009	69,705	
33,884	32,406	32,403	34,223	35,258	35,372	
897,590	858,297	826,488	830,599	832,133	795,995	
266,745	253,265	263,509	253,517	252,812	252,965	
216,310	505,522	194,428	197,960	189,899	193,355	
193,900	175,956	189,580	201,812	202,038	196,309	
12,839	12,002	16,853	13,987	16,549	19,036	
149,208	130,974	116,008	70,768	90,671	94,169	
89,040	95,401	94,163	98,897	122,189	110,740	
2,326	491	470	3,187	79	1,902	
1,207	1,225	29	25	422	522	
303,398	274,864	254,647	365,887	350,744	346,979	
2,237,620	2,419,376	2,066,760	2,204,716	2,262,803	2,117,049	
\$ 80,689	\$ (283,150)	\$ 15,834	\$ (33,367)	\$ (130,867)	\$ (122,905)	

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

Table 4

(Continued)

	Fiscal Year			
	2021	2020	2019	2018
Other Financing Sources (Uses)				
Transfers From Other Funds	\$ 205,364	\$ 181,208	\$ 176,282	\$ 162,292
Transfers to Other Funds	(230,106)	(207,779)	(209,863)	(187,839)
Issuance of Debt:				
General Obligation and Revenue Bonds	-	-	-	-
Premium on General Obligation and Revenue Bonds	-	-	-	-
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	-	-	-	-
Proceeds from Loans	-	200,000	-	-
Proceeds from Refinancing	116,685	-	-	-
Capital Lease	-	(1,192)	-	-
Deposit to Refunding Escrow	(156,913)	-	-	-
Total Other Financing Sources and Uses	191,949	172,237	(3,604)	(25,547)
Net Change in Fund Balances	\$ 259,986	\$ 27,797	\$ (54,368)	\$ (34,973)
Debt Service as a Percentage of Noncapital Expenditures (1)	6.4%	9.4%	10.3%	10.0%

(1) Calculated by taking debt service expenditures divided by total expenditures minus capitalized expenditures (capital acquisitions from Exhibit B-4)

Table 4
(Continued)

Fiscal Year						
2017	2016	2015	2014	2013	2012	
\$ 166,530	\$ 160,614	\$ 123,046	\$ 122,091	\$ 136,971	\$ 129,121	
(184,851)	(185,245)	(148,126)	(144,744)	(162,387)	(148,622)	
-	-	-	-	-	120,000	
67,930	-	-	28,544	-	25,880	
116,835	-	-	-	-	-	
28,978	-	10	39,826	-	4,889	
-	-	-	-	-	-	
362,585	-	60,945	591,600	-	238,120	
-	-	-	-	-	-	
-	306,438	-	-	-	-	
-	-	-	-	-	-	
(439,966)	-	(60,604)	(656,414)	-	(262,592)	
118,041	281,807	(24,729)	(19,097)	(25,416)	106,796	
\$ 198,730	\$ (1,343)	\$ (8,895)	\$ (52,464)	\$ (156,283)	\$ (16,109)	
11.8%	10.1%	11.4%	8.8%	10.5%	10.7%	

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

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2021	2020	2019	2018
General Property Taxes				
Primary - Operating	\$ 182,043	\$ 170,209	\$ 162,129	\$ 154,560
Secondary - Debt Service	115,069	107,555	101,652	95,435
Total General Property Taxes	297,112	277,764	263,781	249,995
City Sales and Franchise Taxes				
General Government Purposes:				
Privilege License Tax and Fees	469,424	416,399	402,238	366,280
Utility and Franchise Tax	96,026	90,229	93,776	93,791
Earmarked for:				
Sports Facilities	13,991	17,449	20,732	19,979
Convention Center	54,331	55,266	61,200	52,730
Neighborhood Protection	40,940	36,233	35,073	31,684
Public Safety Enhancement	24,476	23,978	26,138	25,976
Public Safety Expansion	81,880	72,464	70,033	63,188
Parks & Preserves	40,940	36,233	35,073	31,683
Capital Construction	7,030	8,548	8,812	9,574
Transit	279,349	247,593	239,418	216,165
Total City Sales and Franchise Taxes	1,108,387	1,004,392	992,493	911,050
Access to Care Tax	-	-	-	-
Special Taxing District	3,115	2,880	2,903	2,440
Salt River Project In-Lieu Taxes	2,011	2,058	1,987	2,054
Total City Taxes	\$ 1,410,625	\$ 1,287,094	\$ 1,261,164	\$ 1,165,539

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

Table 5
(Continued)

		Fiscal Year									
		2017	2016	2015	2014	2013	2012				
\$	146,121	\$	141,310	\$	138,242	\$	143,931	\$	132,101	\$	128,054
	91,021		50,484		49,567		35,204		62,012		94,436
	237,142		191,794		187,809		179,135		194,113		222,490
	355,904		351,148		324,006		326,459		318,751		308,727
	90,780		90,845		107,386		98,870		99,027		104,962
	18,435		17,874		17,062		15,988		14,893		14,670
	49,051		46,501		46,402		44,311		40,828		40,030
	30,172		28,706		29,881		29,153		27,515		26,503
	25,238		25,391		25,068		24,849		24,648		23,670
	60,167		57,350		59,760		58,308		55,029		53,084
	30,173		28,705		29,882		29,153		27,515		26,546
	11,064		12,875		14,281		15,087		16,382		16,560
	203,201		154,628		110,347		111,068		110,059		106,185
	874,185		814,023		764,075		753,246		734,647		720,937
	-		-		31		65,621		98,431		-
	2,735		2,438		2,308		2,240		2,291		2,061
	2,015		1,663		1,595		1,631		1,641		1,524
\$	1,116,077	\$	1,009,918	\$	955,818	\$	1,001,873	\$	1,031,123	\$	947,012

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

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2021	2020	2019	2018
State Shared Revenue				
Highway User Tax	\$ 146,188	\$ 135,983	\$ 138,864	\$ 131,355
State Sales Tax	204,104	171,926	165,066	155,998
State Income Tax	240,237	214,697	196,918	200,035
Vehicle License Tax	79,769	70,484	70,210	66,784
Local Transportation Assistance	4,220	4,220	4,220	4,366
Total State Shared Revenue	674,518	597,310	575,278	558,538
Federal Grants	581,124	339,453	254,653	217,976
Other Intergovernmental Revenue	377,215	175,069	118,812	220,194
Total Intergovernmental Revenues	\$ 1,632,857	\$ 1,111,832	\$ 948,743	\$ 996,708

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

Table 6
(Continued)

Fiscal Year						
2017	2016	2015	2014	2013	2012	
\$ 126,058	\$ 116,682	\$ 111,748	\$ 102,009	\$ 98,804	\$ 90,368	
143,975	137,544	132,218	127,005	118,730	114,017	
191,225	174,234	175,184	161,580	147,668	122,012	
61,586	59,801	55,293	51,689	48,370	46,400	
4,242	4,356	4,334	4,265	4,251	4,242	
527,086	492,617	478,777	446,548	417,823	377,039	
250,217	256,853	234,616	236,169	277,236	261,053	
108,669	64,664	107,734	167,514	114,139	118,961	
\$ 885,972	\$ 814,134	\$ 821,127	\$ 850,231	\$ 809,198	\$ 757,053	



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			
	2021	2020	2019	2018
Retail (2) (3)	\$ 495,479	\$ 416,153	\$ 379,510	\$ 357,069
Retail Food Sales (1)	-	3	36	(3)
Utilities & Telecommunications	98,490	98,533	102,031	105,289
Construction Contracting (2)	95,965	87,560	77,296	58,113
Commercial Rental	88,285	76,915	79,341	75,161
Restaurants & Bars	81,354	83,530	90,114	85,132
Hotel/Motel Lodging	31,898	42,975	52,049	47,118
Tangible Personal Property Rental	39,760	39,805	39,506	32,632
Apartment/Residential Rental	59,323	54,064	49,320	45,405
Motor Vehicle Rental	7,935	9,463	10,296	13,427
Amusements	4,118	8,013	9,923	9,149
Advertising	2,480	1,934	2,588	2,258
Job Printing	1,961	1,948	2,749	2,327
Publishing	78	101	308	494
Transportation	979	131	72	15
Use Tax (2)	49,788	44,415	46,166	38,026
Jet Fuel	780	691	815	1,210
Total	\$ 1,058,673	\$ 966,234	\$ 942,120	\$ 872,822

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 which will impact the following categories: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$10,000 for a single item. Level 2 at 2.00% for amounts greater than \$10,000 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						
2017	2016	2015	2014	2013	2012	
\$ 325,641	\$ 300,177	\$ 267,260	\$ 251,514	\$ 238,798	\$ 230,900	
15	409	24,792	43,831	51,589	49,393	
100,131	109,107	109,857	111,767	113,839	112,973	
49,117	43,201	45,279	49,506	43,851	44,071	
70,001	63,945	58,919	58,007	60,179	58,721	
76,848	71,828	63,645	59,039	55,350	52,298	
43,262	42,611	39,501	34,403	31,666	30,486	
27,165	21,334	19,406	17,463	19,760	16,354	
39,310	37,451	32,589	30,046	27,144	25,025	
16,109	19,751	18,618	18,186	17,148	16,907	
8,595	7,861	7,065	6,925	6,463	6,225	
2,110	2,312	2,689	2,458	2,655	2,800	
2,207	2,136	2,171	2,035	2,212	2,109	
565	554	523	519	365	140	
8	5	7	8	8	6	
35,449	31,089	32,071	30,755	23,927	24,204	
3,092	2,971	3,105	2,937	3,089	2,996	
\$ 799,625	\$ 756,742	\$ 727,497	\$ 719,399	\$ 698,043	\$ 675,608	

Direct and Overlapping Sales Tax Rates
Table 8

Last Ten Fiscal Years

Category (1)	As of June 30			
	2021	2020	2019	2018
City Rates				
Retail (3)	2.30/2.00%	2.30/2.00%	2.30/2.00%	2.30/2.00%
Utilities	2.70	2.70	2.70	2.70
Telecommunications	4.70	4.70	4.70	4.70
Construction Contracting (3)	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
Commercial Rental	2.40	2.40	2.40	2.40
Restaurants & Bars	2.30	2.30	2.30	2.30
Hotel/Motel Lodging	5.30	5.30	5.30	5.30
Tangible Personal Property Rental	2.30	2.30	2.30	2.30
Apartment/Residential Rental	2.30	2.30	2.30	2.30
Motor Vehicle Rental	4.30	4.30	4.30	4.30
Amusements	2.30	2.30	2.30	2.30
Advertising	0.50	0.50	0.50	0.50
Job Printing	2.30	2.30	2.30	2.30
Mining	0.10	0.10	0.10	0.10
Timbering/Extractions	2.30	2.30	2.30	2.30
Publishing	2.30	2.30	2.30	2.30
Transportation	2.30	2.30	2.30	2.30
Use Tax (3)	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
Jet Fuel (2)	0.73	0.73	0.73	0.73
County Rates				
Commercial Rental	0.50%	0.50%	0.50%	0.50%
Hotel/Motel Lodging	1.77	1.77	1.77	1.77
All Others	0.70	0.70	0.70	0.70
Mining/Timbering/Extractions	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 which will impact the following categories: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$10,000 for a single item. Level 2 at 2.00% for amounts greater than \$10,000 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					
2017	2016	2015	2014	2013	2012
2.30/2.00%	2.30/2.00%	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	2.00	2.00	2.00	2.00
2.40	2.40	2.10	2.10	2.10	2.10
2.30	2.30	2.00	2.00	2.00	2.00
5.30	5.30	5.00	5.00	5.00	5.00
2.30	2.30	2.00	2.00	2.00	2.00
2.30	2.30	2.00	2.00	2.00	2.00
4.30	4.30	4.00	4.00	4.00	4.00
2.30	2.30	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50	0.50
2.30	2.30	2.00	2.00	2.00	2.00
0.10	0.10	-	-	-	-
2.30	2.30	-	-	-	-
2.30	2.30	2.00	2.00	2.00	2.00
2.30	2.30	2.00	2.00	2.00	2.00
2.30/2.00	2.30/2.00	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	-	-	-	-
0.31	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	2021			
	Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
Retail	59,054	29.40%	\$ 495,479	46.80%
Utilities & Telecommunications	1,297	0.65	98,490	9.30
Construction Contracting	9,492	4.73	95,965	9.07
Mining, Timbering, Extraction	42	0.02	-	-
Commercial Rental	23,574	11.74	88,285	8.34
Restaurants & Bars	6,263	3.12	81,354	7.69
Hotel/Motel Lodging	2,036	1.01	31,898	3.01
Tangible Personal Property Rental	5,951	2.96	39,760	3.76
Apartment/Residential Rental	44,529	22.17	59,323	5.60
Motor Vehicle Rental	440	0.22	7,935	0.75
Amusements	1,043	0.52	4,118	0.39
Advertising	590	0.29	2,480	0.23
Job Printing	815	0.41	1,961	0.19
Publishing	230	0.11	78	0.01
Transportation	324	0.16	979	0.09
Use Tax	45,094	22.45	49,788	4.70
Jet Fuel	71	0.04	780	0.07
Total	200,845	100.00%	\$ 1,058,673	100.00%

Source: City of Phoenix Finance Department, Revenue Enforcement Division

Table 9
(Continued)

2012			
Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
19,610	36.80%	\$ 280,293	41.50%
513	0.96	112,973	16.72
10,300	19.33	44,071	6.53
-	-	-	-
8,884	16.68	58,721	8.70
3,148	5.91	52,298	7.74
102	0.19	30,486	4.51
1,188	2.23	16,354	2.42
6,664	12.50	25,025	3.70
23	0.04	16,907	2.50
188	0.35	6,225	0.92
226	0.42	2,800	0.41
354	0.66	2,109	0.31
55	0.10	140	0.02
13	0.02	6	-
2,017	3.78	24,204	3.58
17	0.03	2,996	0.44
<u>53,302</u>	<u>100.00%</u>	<u>\$ 675,608</u>	<u>100.00%</u>



City of Phoenix

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 ⁽¹⁾	Amount	% of Levy	
2021	\$ 296,508	\$ 292,525	98.66%	\$ -	\$ 292,525	98.66%	
2020	281,597	273,728	97.21	5,567	279,295	99.18	
2019	265,405	260,408	98.12	3,662	264,070	99.50	
2018	253,182	248,097	97.99	3,233	25,330	99.27	
2017	238,313	235,000	98.61	2,837	237,837	99.80	
2016	192,502	189,460	98.42	2,186	191,646	99.56	
2015	189,852	185,764	97.85	2,073	187,837	98.94	
2014	180,295	176,226	97.74	2,639	178,865	99.21	
2013	196,891	191,304	97.16	3,123	194,427	98.75	
2012	223,483	216,456	96.86	3,730	220,186	98.52	

(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

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	Maricopa County Library District	
	Primary	Secondary	Total			Arizona		
						Water Conservation District		
Tax Rates per \$100 of Limited Net Assessed Valuation (1)								
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	
2012-13	1.24	0.58	1.82	1.24	0.18	0.10	0.05	
Tax Levies (1)								
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	
2012-13	133,930	62,961	196,891	134,037	17,216	10,870	5,338	

(1) Beginning in fiscal year 2016 (tax year 2015), primary and secondary levies are based in 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	School Districts					Elementary and High School ⁽²⁾	Total
		Education Equalization	Community College	East Valley Inst. of Technology	West Maricopa Education Center			
\$ 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	
0.01	0.17	0.47	1.38	0.05	0.05	11.28	16.80	
\$ 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	
1,193	18,260	50,960	148,952	757	2,433	869,478	1,456,385	

Property Tax Levies
Table 12

Applicable to Phoenix Property Owners

(in thousands)

	2021-22 Levies								
	Limited Net Assessed Valuation ⁽¹⁾			Primary Tax Rate Per \$100	Total		Total		Total Phoenix Tax Levy
	Total	Within Phoenix			Phoenix Primary Tax Levy	Secondary Tax Rate Per \$100	Phoenix Secondary Tax Levy	Total Phoenix Tax Levy	
		Percent	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	-	-	-	-	-	
School Districts									
Maricopa County Community College District	48,724,127	30.38	14,800,877	1.1112	164,467	0.1145	16,947	181,414	
High School Districts									
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	
Elementary School Districts									
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	

(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)

	2020-21 Levies								
	Limited Net Assessed Valuation ⁽¹⁾			Primary Tax Rate Per \$100	Total Phoenix		Total Phoenix		Total Phoenix Tax Levy
	Total	Percent Within Phoenix	Amount		Primary Tax Levy	Secondary Tax Rate Per \$100	Secondary Tax Levy	Total Phoenix Tax Levy	
City of Phoenix	\$ 13,923,186	100.00%	\$ 13,923,186	\$ 1.3055	\$ 181,767	\$ 0.8241	\$ 114,741	\$ 296,508	
Maricopa County	45,704,970	30.46	13,923,186	1.4009	195,050	-	-	195,050	
Education Equalization	45,822,046	30.46	13,957,395	0.4426	61,775	-	-	61,775	
Flood Control	42,084,634	30.46	12,818,980	-	-	0.1792	22,972	22,972	
Central Arizona Water Conservation District	45,822,046	30.46	13,957,395	-	-	0.1400	19,540	19,540	
Maricopa County Library District	45,704,970	30.46	13,923,186	-	-	0.0556	7,741	7,741	
Volunteer Fire District Assistance	45,704,970	30.46	13,923,186	-	-	0.0090	1,253	1,253	
East Valley Institute of Technology	20,400,196	9.70	1,979,721	-	-	0.0500	990	990	
West Maricopa Education Center	16,833,710	37.89	6,377,984	-	-	0.1655	10,556	10,556	
Maricopa Special Health Care District	45,822,046	30.39	13,923,186	-	-	0.3046	42,410	42,410	
State of Arizona	69,914,508	19.91	13,923,186	-	-	-	-	-	
School Districts									
Maricopa County Community College District	45,704,970	30.46	13,923,186	1.1250	156,636	0.1631	22,709	179,345	
High School Districts									
Phoenix Union	5,591,190	96.41	5,390,604	2.9684	160,015	1.8614	100,341	260,356	
Glendale Union	1,734,333	78.95	1,369,285	2.2546	30,872	1.5798	21,632	52,504	
Tempe Union	3,965,463	29.11	1,154,299	1.8659	21,538	0.6332	7,309	28,847	
Tolleson Union	1,351,671	47.94	647,951	2.1034	13,629	2.6041	16,873	30,502	
Agua Fria Union	1,454,888	0.02	235	2.0270	5	1.3245	3	8	
Total High School Districts								372,217	
Elementary School Districts									
No. 1 Phoenix	796,501	100.00	796,501	3.3836	26,950	2.2027	17,545	44,495	
No. 2 Riverside	410,049	98.04	401,996	1.3816	5,554	2.0815	8,368	13,922	
No. 3 Tempe	1,661,541	14.19	235,806	2.6172	6,172	1.8457	4,352	10,524	
No. 5 Isaac	163,733	100.00	163,733	5.3378	8,740	2.9113	4,767	13,506	
No. 6 Washington	1,406,430	97.36	1,369,284	2.3495	32,171	2.3430	32,082	64,254	
No. 7 Wilson	117,861	100.00	117,861	3.4287	4,041	1.7101	2,016	6,057	
No. 8 Osborn	479,747	99.94	479,479	2.2064	10,579	2.2656	10,863	21,442	
No. 14 Creighton	485,456	87.05	422,584	1.9993	8,449	2.9693	12,548	20,997	
No. 17 Tolleson	218,385	17.98	39,266	2.0362	800	2.5569	1,004	1,804	
No. 21 Murphy	116,645	100.00	116,645	2.0478	2,389	2.2047	2,572	4,960	
No. 28 Kyrene	2,303,922	39.87	918,493	1.8964	17,418	1.8856	17,319	34,737	
No. 31 Balsz	346,910	93.96	325,962	1.9884	6,481	1.8375	5,990	12,471	
No. 38 Madison	1,128,047	10.00	1,128,047	1.8911	21,332	2.1912	24,718	46,050	
No. 40 Glendale	327,903	<0.01	1	1.9542	-	3.8831	-	-	
No. 45 Fowler	391,534	86.93	340,354	1.8838	6,412	1.5173	5,164	11,576	
No. 48 Scottsdale (Unified)	5,840,050	14.13	825,422	2.6334	21,737	0.9939	8,204	29,941	
No. 59 Laveen	251,482	85.33	214,581	2.0181	4,330	5.5039	11,810	16,141	
No. 62 Union	76,130	96.11	73,168	2.0025	1,465	2.4905	1,822	3,287	
No. 65 Littleton	292,444	17.01	49,748	2.1731	1,081	3.3745	1,679	2,760	
No. 66 Roosevelt	673,429	98.85	665,696	4.0709	27,100	3.1366	20,880	47,980	
No. 68 Alhambra	334,938	80.95	271,126	1.8614	5,047	4.9593	13,446	18,493	
No. 69 Paradise Valley (Unified)	3,786,062	69.74	2,640,285	3.7598	99,269	2.0927	55,253	154,523	
No. 79 Litchfield	999,689	0.02	235	1.9027	4	1.6202	4	8	
No. 83 Cartwright	286,393	100.00	286,393	4.2225	12,093	4.9249	14,105	26,198	
No. 92 Pendergast	373,179	38.97	145,415	1.9784	2,877	4.0425	5,878	8,755	
No. 93 Cave Creek (Unified)	2,198,123	13.59	298,639	1.6527	4,936	0.1628	486	5,422	
No. 97 Deer Valley (Unified)	2,902,851	54.98	1,596,017	3.7950	60,569	2.4858	39,674	100,243	
Total Elementary School Districts								720,545	
Total All School Districts								1,272,107	
Total Levies Applicable to Phoenix								\$ 1,930,902	

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 Rate		Limited Net Assessed Valuation by Classification ⁽¹⁾				Total
			Commercial/ Utilities/ Industrial	Residential	Rural and Other		
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
2012-13		0.58	5,254,484	5,228,248	367,012		10,849,744

Source: Maricopa County Finance Department

For further information on population changes that affect the Assessed Valuation per Capita Actual and Uninflated amounts, see Table 21.

(1) Beginning in fiscal year 2016 (tax year 2015), primary and secondary levies are based on a single valuation, the Primary Net Assessed Valuation, also referred to as the Limited Net Assessed Valuation. See Note 4 to the financial statements. Fiscal years prior to 2016 use the Secondary Net Assessed Valuation.

Table 13
(Continued)

Assessed Valuation Per Capita				
Percent Change in Net Valuation	Actual	Uninflated	Estimated True Valuation	
6.30%	\$ 8,955	\$ 5,958	\$ 146,033,864	
0.05	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	
(12.10)	7,401	5,695	103,538,837	

Principal Property Taxpayers
Table 14

Current Year and Nine Years Ago

(in thousands)

Taxpayer	2020-21			2011-12		
	Limited Net Assessed Valuation ⁽¹⁾	Ranking	As a Percent of Total City	Secondary Net Assessed Valuation ⁽¹⁾	Ranking	As a Percent of Total City
Arizona Public Service Company	\$ 466,215	1	3.35%	\$ 346,145	1	2.80%
Southwest Gas Corporation	104,005	2	0.75	79,900	3	0.65
Century Link (Qwest Communications)	50,677	3	0.36	94,826	2	0.77
Host Camelback I LLC	36,650	4	0.26			
Host Kierland LP	34,863	5	0.25	46,240	4	0.37
Esplanade Owner LP	32,540	6	0.23			
Phoenix Plaza PT LLC	26,636	7	0.19	25,335	9	0.21
Target Corporation	23,420	8	0.17	28,060	8	0.23
Apollo Group Inc	22,986	9	0.16			
United Services Automobile Association	22,706	10	0.16			
Hub Properties Trust				34,999	5	0.28
AT&T Corporation				34,329	6	0.28
Metropolitan Life Insurance Company				31,468	7	0.25
Stawood Hotels and Resorts				24,862	10	0.20
Total	\$ 820,698		5.88%	\$ 746,164		6.04%
City Total Limited Net Assessed Valuation		\$ 13,923,186				
City Total Secondary Net Assessed Valuation				\$ 12,343,774		

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			
	2021-22	2020-21	2019-20	2018-19
6% Limitation				
Legal Debt Limitation	\$ 1,306,853	\$ 1,193,383	\$ 1,091,621	\$ 999,953
General Obligation Bonds Outstanding (1)	91,715	113,510	145,925	172,680
Less: Assets held in Restricted Redemption Funds (4)	-	-	-	-
Debt Limit Reduction from Refunding (5)	14,595	14,628	14,727	17,715
Subtotal	106,310	128,138	160,652	190,395
Total Debt Margin Available	\$ 1,200,543	\$ 1,065,245	\$ 930,969	\$ 809,558
Total Net Debt Applicable to the 6% Limit				
as a percentage of 6% Debt Limit	8.13%	10.74%	14.72%	19.04%
20% Limitation				
Legal Debt Limitation	\$ 4,356,176	\$ 3,977,943	\$ 3,638,736	\$ 3,333,175
General Obligation Bonds Outstanding (1)	827,190	890,365	939,125	977,105
Less: Capital Appreciation (2)	-	-	-	-
Debt Limit Reduction from Refunding (5)	32,899	33,261	34,545	36,102
Subtotal	860,089	923,626	973,670	1,013,207
Total Debt Margin Available	\$ 3,496,087	\$ 3,054,317	\$ 2,665,066	\$ 2,319,968
Total Net Debt Applicable to the 20% Limit				
as a percentage of 20% Debt Limit	19.74%	23.22%	26.76%	30.40%
Full Cash Net Assessed Valuation	\$ 21,780,881	\$ 19,889,714	\$ 18,193,681	\$ 16,665,875

(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						
2017-18	2016-17 ⁽³⁾	2015-16	2014-15	2013-14	2012-13	
\$ 921,981	\$ 840,535	\$ 634,622	\$ 649,118	\$ 598,483	\$ 650,985	
207,115	274,835	323,260	363,100	370,195	370,195	
-	-	181,730	247,025	290,812	321,451	
19,355	-	-	-	-	-	
226,470	274,835	141,530	116,075	79,383	48,744	
\$ 695,511	\$ 565,700	\$ 493,092	\$ 533,043	\$ 519,100	\$ 602,241	
24.56%	32.70%	22.30%	17.88%	13.26%	7.49%	
\$ 3,073,271	\$ 2,801,784	\$ 2,115,406	\$ 2,163,727	\$ 1,994,943	\$ 2,169,949	
994,290	1,061,880	1,104,837	1,132,676	1,174,635	1,218,080	
-	-	-	-	(882)	(811)	
37,915	-	-	-	-	-	
1,032,205	1,061,880	1,104,837	1,132,676	1,173,753	1,217,269	
\$ 2,041,066	\$ 1,739,904	\$ 1,010,569	\$ 1,031,051	\$ 821,190	\$ 952,680	
33.59%	37.90%	52.23%	52.35%	58.84%	56.10%	
\$ 15,366,354	\$ 14,008,919	\$ 10,577,032	\$ 10,818,634	\$ 9,974,713	\$ 10,849,744	

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

 Last Ten Fiscal Years
(in thousands)

	Total Debt Service		Total General Governmental Operating Expenditures ⁽¹⁾		Ratio of Debt Service to General Governmental Operating Expenditures
2020-21	\$	184,421	\$	2,802,951	6.6%
2019-20		241,914		2,597,121	0.1
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
2011-12		206,977		1,911,330	10.8

(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 ⁽²⁾					
	Operating Revenues	Less: Operating Expenses	Net Operating Revenues	Principal	Interest	Coverage
2021 ⁽³⁾	\$ 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
2012	299,633	190,127	109,506	25,655	33,768	1.84

Fiscal Year Ended June 30,	Excise Tax Revenue Bonds ⁽⁴⁾				Highway User Revenue Bonds ⁽⁵⁾				Community Facilities District Assessment Bonds ⁽⁶⁾			
	Excise Tax Revenues	Principal	Interest	Coverage	Highway User Tax Revenues	Principal	Interest	Coverage	Assessment Collections/ Project Revenues	Principal	Interest	Coverage
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	98,804	-	-	-
2012	747,595	12,875	35,016	15.61	90,368	6,266	15,734	4.11	-	-	-	-

(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 year 2021 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 ⁽⁷⁾				Special Assessment Bonds ⁽⁸⁾				Transit Excise Tax Revenue Bonds ⁽⁹⁾			
	Customer Facility Charge Revenues	Principal	Interest	Coverage	Special Assessment Collections	Principal	Interest	Coverage	Transit Excise Tax Revenues	Principal	Interest	Coverage
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	112,113	37,145	12,807	2.24
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
2012	41,538	7,435	13,838	1.95	55	58	13	0.77	106,185	27,215	20,526	2.22
	Wastewater Revenue Bonds						Water Revenue Bonds					
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
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
2012	212,990	72,021	140,969	23,973	39,479	2.22	391,654	163,043	228,611	30,775	66,780	2.34

(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. The current CFC is \$6.00 per transaction day, effective January 1, 2009. Of the \$6.00 rate, \$4.50 is considered Pledged Revenues and is required to be deposited 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. The City may, but is not required to, deposit the CFC receipts generated by the additional \$1.50 into the Trustee-held Revenue Fund. If the additional \$1.50 is deposited into the Trustee-held Revenue Fund, the monies become Pledged Revenues and are subject to the same use restrictions as the \$4.50. In Fiscal Years 2011 through 2021, the City opted to deposit the entire \$6.00 CFC into the Trustee-held Revenue 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 ⁽¹⁾	Certificates of Participation	Capital Leases ⁽²⁾	Premiums/ (Discounts)		
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
2012	1,505,350	5,875	-	789,450	200	-	26,945	-	67,092	-	2,394,912

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 ⁽³⁾	Total Debt Per Capita ⁽³⁾
2021	\$ 330	\$ 11,804	\$ 5,127,085	\$ 669,014	\$ 5,808,233	\$ 7,347,108	9.2%	\$ 4,445
2020	1,015	13,488	4,998,006	642,199	5,654,708	7,108,917	9.4	4,346
2019	13,365	14,991	3,900,400	418,690	4,347,446	5,994,516	8.7	3,731
2018	20,640	13,014	3,843,625	442,932	4,320,211	5,967,281	9.3	3,991
2017	23,075	14,007	3,783,345	339,184	4,159,611	6,220,309	9.4	4,040
2016	31,395	14,971	3,996,090	282,330	4,324,786	6,545,048	9.6	4,197
2015	56,477	15,908	4,029,790	299,001	4,401,176	6,648,291	10.1	4,242
2014	65,571	16,818	4,094,225	199,012	4,375,626	6,455,951	10.6	4,384
2013	73,532	17,701	4,246,165	201,404	4,538,802	6,761,553	11.9	4,600
2012	83,736	18,560	4,401,753	184,447	4,688,496	6,983,460	12.7	4,832

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

(3) See Table 21 for personal income and population data. Beginning in fiscal year 2011, population numbers were revised based on the 2010 U.S. Census. Fiscal years 2011 and 2012 population figures have been adjusted to reflect the City's successful appeal of the 2010 census, which resulted in the addition of 1,496 persons. Per Capita Income is not available for calendar year 2016 or 2017; therefore, 2015 calendar year per capita income was used.

Governmental & Business-Type Activities Debt per Capita**Table 19**

Last Ten Fiscal Years

Fiscal Year	(in thousands)			General Obligation Bonded Debt as a Percentage of Valuation of Property	(in thousands)			Total Debt Per Capita ⁽²⁾
	General Obligation Bonded Debt				Debt Secured by Revenues other than Property Tax ⁽¹⁾	Premiums/ (Discounts)	Net Debt	
	Governmental Activities	Business- Type Activities	Total					
2020-21	\$ 918,575	\$ 330	\$ 918,905	6.2%	\$ 888,335	\$ 126,938	\$ 1,934,178	\$ 1,170
2019-20	1,002,860	1,015	1,003,875	7.2	692,321	112,239	1,808,435	1,105
2018-19	1,071,685	13,365	1,085,050	8.2	814,129	135,224	2,034,403	1,266
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
2011-12	1,505,350	83,736	1,589,086	14.6	1,271,155	84,957	2,945,198	2,009

(1) Includes Revenue Bonds/Bank Loans, Certificates of Participation, Municipal Corporation Obligations, Special Assessment Bonds and Capital Leases.

(2) Beginning in fiscal year 2011, population numbers were revised based on the 2010 U.S. Census. 2011 and 2012 population figures have been adjusted to reflect the City's successful appeal of the 2010 census which resulted in the addition of 1,496 persons.

Direct and Overlapping Bonded Debt
Table 20

June 30, 2021

(in thousands)

	<u>Direct Debt</u>		
Direct Debt - City of Phoenix Governmental Activities (1)			
General Obligation Bonds			
6% Limitation Various Purpose			\$ 91,385
20% Limitation Various Purpose			827,190
Total General Obligation Bonds			<u>918,575</u>
Other Obligations			
Municipal Corporation Obligations			509,205
Capital Leases			1,166
Community Facilities Districts			29,335
Total Other Obligations			<u>539,706</u>
Total Direct Debt			1,458,281
Discounts/Premiums			80,594
Total Governmental Activities			<u>\$ 1,538,875</u>
		Valuation Percent	
	Bonded Debt	to City	Overlapping Debt
Overlapping Debt (2)			
Maricopa County Community College District	\$ 312,450	30.38%	\$ 94,922
High School Districts			
Phoenix Union	394,405	96.45	380,404
Glendale Union	89,535	79.10	70,822
Tempe Union	78,170	28.98	22,654
Tolleson Union	169,815	49.17	83,498
Agua Fria Union	132,210	0.02	26
Elementary School Districts			
No. 1 Phoenix	55,395	100.00	55,395
No. 2 Riverside	31,800	97.96	31,151
No. 3 Tempe	138,845	14.29	19,841
No. 6 Washington	96,320	97.39	93,806
No. 7 Wilson	3,465	100.00	3,465
No. 8 Osborn	50,375	99.94	50,345
No. 14 Creighton	47,520	87.09	41,385
No. 17 Tolleson	24,320	18.32	4,455
No. 21 Murphy	7,005	100.00	7,005
No. 28 Kyrene	174,185	39.86	69,430
No. 31 Balsz	28,715	94.04	27,004
No. 38 Madison	106,605	100.00	106,605
No. 40 Glendale	31,510	<0.01	-
No. 45 Fowler	9,675	87.83	8,498
No. 48 Scottsdale (Unified)	259,600	14.09	36,578
No. 59 Laveen	25,085	85.06	21,337
No. 62 Union	8,720	96.63	8,426
No. 65 Littleton	24,975	17.75	4,433
No. 66 Roosevelt	42,330	98.86	41,847
No. 68 Alhambra	26,700	81.25	21,694
No. 69 Paradise Valley (Unified)	297,852	69.66	207,484
No. 79 Litchfield	41,220	0.02	8
No. 83 Cartwright	19,355	100.00	19,355
No. 92 Pendergast	42,225	40.19	16,970
No. 93 Cave Creek (Unified)	29,745	13.62	4,051
No. 97 Deer Valley (Unified)	198,940	55.21	109,835
Total Overlapping Debt	<u>\$ 2,999,067</u>		<u>1,662,729</u>
Net Direct and Overlapping Bonded Debt			<u>\$ 3,201,604</u>

(1) Net of cash with fiscal agent for July 1, 2021 maturities.

(2) Source: Prior year Arizona Department of Administration (ADOA) Report of Bond Indebtedness Fiscal Year 2020, General Obligation Bonds outstanding, not including discounts/premiums, as of 6/30/21. The ADOA Report of Bond Indebtedness Fiscal Year 2021 is not available until December 2021.



Statistical Section

**ECONOMIC AND
DEMOGRAPHIC
INFORMATION**

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



City of Phoenix

Demographic Statistics

Table 21

June 30, 2021

Fiscal Year	Population (June 30) ⁽⁴⁾	Personal Income (in thousands)	Per Capita Income ⁽¹⁾	Median Age ⁽²⁾	Elementary & High School Enrollment	Unemployment Rate
2021	1,652,815	\$ 79,442,553	\$ 48,065 ⁽³⁾	36.4 ⁽³⁾	254,641	6.6%
2020	1,635,879	75,454,919	48,065 ⁽³⁾	36.4 ⁽³⁾	266,023	10.3%
2019	1,606,815	68,876,125	48,065 ⁽³⁾	36.4 ⁽³⁾	213,765	4.9%
2018	1,598,736	68,529,819	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%
2012	1,465,901	55,713,033	38,006	34.6	261,393	8.4%

(1) Calendar Year

(2) For fiscal years 2012 and 2013, median age is based on the 2010 U.S. Census.

(3) Amount and age not yet available for calendar years 2021 and 2020, therefore, 2019 calendar year per capita income and median age was used. Data was updated per source as of December 15, 2020, and December 10, 2020, respectively.

(4) Beginning in fiscal year 2010, population numbers were revised based on the 2010 U.S. Census. 2012 population figures have been adjusted to reflect the City's successful appeal of the 2010 census which resulted in the addition of 1,496 persons.

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
Table 22

Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Banner Health	45,918	1	2.08%	24,825	3	1.45%
State of Arizona	41,606	2	1.88%	49,800	1	2.91%
Wal-Mart Stores Inc.	36,995	3	1.67%	30,634	2	1.79%
Arizona State University	35,474	4	1.60%	11,185	8	0.65%
Fry's Food Stores	20,235	5	0.92%			
City of Phoenix	16,432	6	0.74%	15,100	4	0.88%
Wells Fargo & Co.	16,300	7	0.74%	13,308	5	0.78%
University of Arizona	16,021	8	0.72%			
Dignity Health Arizona	15,403	9	0.70%			
Maricopa County	13,648	10	0.62%	12,792	7	0.75%
Bank of America				13,300	6	0.78%
Apollo Group				11,000	9	0.64%
JPMorgan/Chase				10,600	10	0.62%

Source: Phoenix Business Journal Book of Lists

Note: Top employers in Maricopa County. Employee counts noted above include total Arizona employees.



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

	2021	2020	2019	2018
AREA (square miles)	519.9	519.7	519.7	519.5
POPULATION AND DWELLING UNITS (1)				
City of Phoenix (2)	1,652,815	1,635,879	1,606,815	1,598,736
Maricopa County (Metro Phoenix)	4,845,832	4,670,190	4,374,730	4,229,000
Number of Dwelling Units (City)	640,714	632,236	625,641	618,923
CITY EMPLOYEES (3)				
Governmental:				
General Government	896	873	866	880
Criminal Justice	267	271	257	255
Public Safety	5,856	5,977	5,981	5,856
Transportation	701	730	699	677
Environmental Services	408	399	399	394
Community Enrichment	1,099	1,101	1,090	1,071
Community Development	729	706	698	703
Total Governmental Employees	9,956	10,057	9,990	9,836
Public Enterprise:				
Aviation	751	777	793	815
Phoenix Convention Center	143	178	180	186
Water Services	1,043	1,036	1,043	1,025
Wastewater Services	275	271	263	281
Solid Waste	574	581	574	543
Golf	-	-	-	-
Total Public Enterprise Employees	2,786	2,843	2,853	2,850
Total Full-Time Employees	12,742	12,900	12,843	12,686
Governmental per 1,000 Population	6.0	6.1	6.2	6.2
PUBLIC SAFETY				
Police Protection				
Police Precincts	7	7	7	7
Police Employees (Authorized)	3,271	3,271	3,274	3,272
Dispatched Calls for Service	656,000	680,834	680,037	682,689
Total Calls for 911/Crimestop	1,844,861	2,007,520	2,023,811	2,061,535
Fire Protection				
Fire Stations	59	59	58	58
Fire Employees	2,121	2,074	2,055	1,995
Total Calls for Service	217,992	212,988	206,969	212,869
COMMUNITY ENRICHMENT				
Libraries				
Number	17	17	17	17
Total Stock (in thousands)	4,287	3,409	3,800	3,500
Circulation (in thousands) (4)	6,833	8,529	11,500	11,303
Parks And Recreation				
Number of Playgrounds	283	279	268	268
City Parks (number of acres)	45,146	45,636	45,636	45,313

(1) Source: City of Phoenix Planning and Development Services Department. Derived from data from the 2000 Census, 2010 Census, the Arizona State Demographer's Office, and the Maricopa Association of Governments.

(2) The Census Bureau had missed the gain of 1,496 persons and 463 dwelling units in 2010. The City of Phoenix appealed and these numbers were officially changed by the Census Bureau in September 2013.

(3) City-wide actual full time employees. Public Safety also includes authorized full-time positions.

(4) Fiscal year 2021 curculation reduced due to branch closures. Only curbside services available due to COVID-19.

Table 23
(Continued)

2017	2016	2015	2014	2013	2012
519.5	519.4	519.4	519.4	519.3	519.2
1,579,253	1,565,896	1,528,115	1,505,070	1,485,719	1,465,901
4,221,684	4,152,807	4,078,062	4,008,651	3,944,791	3,883,949
613,463	609,405	603,259	600,589	596,676	594,190
900	879	819	821	886	894
254	249	253	263	284	298
5,775	5,642	5,530	5,657	5,843	5,949
703	650	645	667	688	717
394	370	377	413	459	461
1,080	1,045	1,051	1,071	1,127	1,194
712	685	682	684	689	680
9,818	9,520	9,357	9,576	9,976	10,193
784	748	732	774	769	771
187	187	181	199	222	221
1,029	978	931	955	994	999
292	288	278	298	321	331
533	549	549	541	531	544
-	-	-	-	44	51
2,825	2,750	2,671	2,767	2,881	2,917
12,643	12,270	12,028	12,343	12,857	13,110
6.2	6.1	6.1	6.4	6.7	7.0
7	7	7	8	8	8
3,272	3,269	3,268	3,266	3,266	4,441
691,346	671,456	655,874	641,183	648,718	657,507
2,287,694	2,354,398	2,238,368	2,064,978	2,130,339	2,131,868
58	58	58	58	58	58
1,997	1,979	1,944	1,912	1,947	1,972
212,259	204,669	186,594	173,065	172,568	165,034
17	17	17	17	17	17
1,837	1,908	1,854	1,802	1,735	1,791
12,096	12,901	10,549	10,428	11,159	14,465
268	256	256	256	244	242
45,313	45,313	45,313	45,313	46,634	46,032

Statistical Profile
 Last Ten Fiscal Years

Table 23
 (Continued)

	2021	2020	2019	2018
TRANSPORTATION				
Public Transit Ridership				
Bus (in thousands) (5)	15,122	27,837	34,523	35,365
Dial-a-Ride (in thousands)	274	302	349	339
Light Rail (in thousands) (6)	4,032	8,008	9,822	10,318
Traffic Control And Lighting				
Signalized Intersections	1,162	1,153	1,148	1,135
Street Lights in Use	96,828	94,886	95,600	95,600
Streets				
Miles of Streets	4,858	4,863	4,863	4,863
Miles Resurfaced and Sealed:				
Major/Collector Streets	139	57	74	79
Local Streets	445	359	318	263
COMMUNITY DEVELOPMENT				
Construction Permits (7)				
Number of Permits Issued	47,977	43,330	44,246	44,533
Market Value (in thousands)	6,858,336	5,635,054	4,707,133	4,104,288
AVIATION				
Scheduled Airlines Served	20	20	23	21
Aircraft Traffic Movements (in thousands)	751	932	974	925
Passengers Enplaned/Deplaned (in thousands)	26,780	34,726	45,531	44,340
PHOENIX CONVENTION CENTER				
Number of Conventions (8)	3	72	61	57
WATER SERVICES				
Production (billion gallons)	106.2	97.5	94.9	102.7
Average Daily Production (million gallons)	290.9	266.3	260.7	281.4
Miles of Water Mains	7,027	7,007	6,980	6,967
Number of Accounts	433,023	429,739	425,492	421,226
WASTEWATER SERVICES				
Miles of Sewer Lines	4,954	4,896	4,906	4,890
Number of Accounts	421,521	417,633	413,967	414,559
SOLID WASTE COLLECTION SERVICES				
Residences Served	413,826	410,177	408,264	405,009
City Disposal (tons)	631,870	637,804	613,421	596,161
Total Disposal (tons)	986,352	978,032	938,906	861,177
Total Recycling (tons)	128,788	123,722	119,944	120,113
GOLF				
Rounds of Golf Played	274,725	215,306	191,807	170,480
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.

(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 since March 2020 due to COVID-19.

Table 23
(Continued)

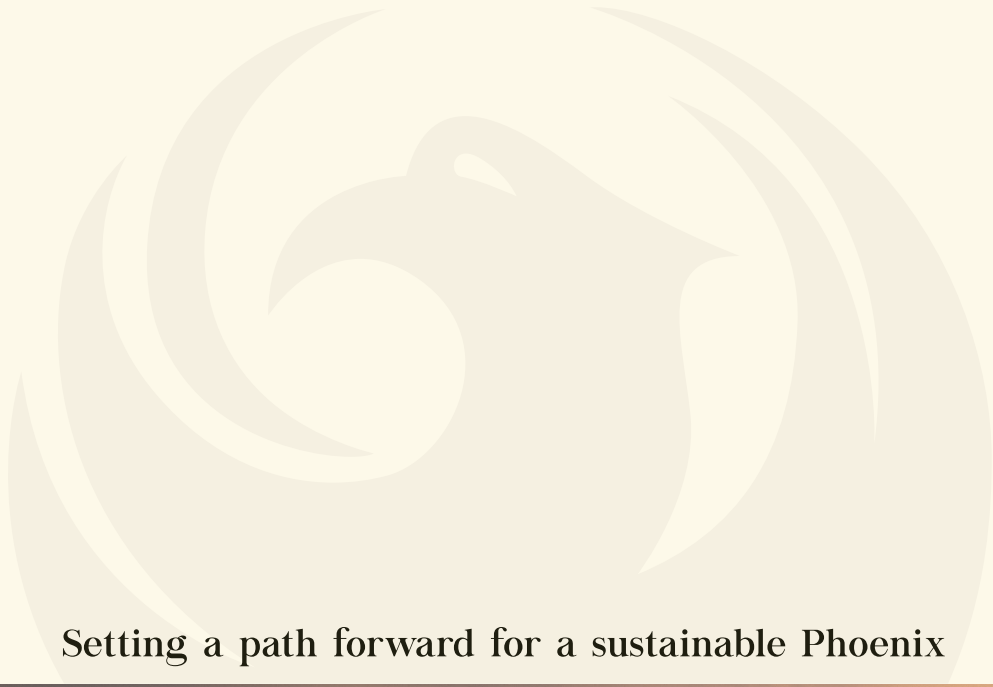
2017	2016	2015	2014	2013	2012
33,725	34,615	38,329	38,903	39,575	38,440
330	371	356	344	336	337
10,864	9,850	9,039	9,023	8,924	8,387
1,140	1,130	1,106	1,099	1,102	1,096
91,449	90,927	95,592	90,380	90,613	95,592
4,857	4,857	4,857	4,856	4,850	4,832
86	107	3	18	11	10
387	122	129	100	77	183
42,698	42,384	37,527	34,255	30,295	27,652
3,655,744	3,937,700	3,013,043	2,805,861	2,964,395	2,845,334
19	19	19	21	21	17
923	927	894	867	934	963
43,533	44,158	43,000	41,093	40,565	40,554
62	59	49	52	58	58
97.8	97.6	93.4	97.6	97.8	100.8
268.1	266.8	255.8	266.9	267.8	275.5
6,888	6,882	6,883	6,867	6,847	6,953
423,569	416,303	418,995	416,623	414,188	407,902
4,847	4,846	4,841	4,833	4,816	4,984
410,952	406,967	402,495	402,624	397,627	394,495
402,504	400,549	402,012	400,075	397,624	395,785
623,032	589,033	586,789	564,452	566,509	599,952
943,347	896,255	883,119	863,226	875,601	948,931
119,517	114,319	113,990	106,708	107,237	105,695
200,405	223,266	221,267	254,703	248,630	253,288
622	622	622	922	922	922



City of Phoenix



City of Phoenix



Setting a path forward for a sustainable Phoenix

