

City of Phoenix, Arizona Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

.....



Transportation Projects



Energy Efficiency Improvements



Environmental Projects



Public Safety

PUTTING PHOENIX
TO WORK

PROJECT FUNDED BY THE
**American Recovery
and
Reinvestment Act**

**Moving Phoenix Forward
In Challenging Times**

.....

Putting Phoenix to Work

Like the rest of the country, Phoenix has been experiencing the effects of a declining housing market and a downturn in the economy. For six of the last seven years, the city has cut its General Fund budget by nearly \$350 million including the elimination of approximately 1,350 jobs. This level of cuts is unprecedented in city history.

The city's General Fund, which is used for services like police, fire, libraries and parks, gets more than 50 percent of its revenue from sales taxes. So when people spend less money on things like clothes, household appliances and new cars, the city receives less sales tax revenue and has less money to spend.

The \$787 billion American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed by President Obama on Feb. 17, 2009, to create and save jobs, jumpstart the economy and build the foundation for long-term economic growth.

The city of Phoenix is aggressively working to secure ARRA funding to create local jobs and stimulate our economy. New jobs will boost sales taxes in Phoenix and elsewhere, improving the economy and bringing needed revenue into the General Fund. Construction projects are the most typical example – projects that can create hundreds or thousands of jobs.

While the stimulus money isn't coming directly to the city to restore our budget and programs, the funds will put people in the community to work and start reversing the drop in revenues we have experienced over the past two years.

From community services such as foreclosure prevention and home weatherization; to environmental projects such as Green Phoenix, a plan to make Phoenix the first carbon neutral and sustainable city in America; to capital construction projects such as transportation and street improvements; the city will remain focused on securing dollars from the stimulus legislation to help put Phoenix back to work and moving forward.

City of Phoenix, Arizona



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

City Council

Phil Gordon, Mayor
Thelda Williams, District 1
Peggy Neely, District 2
Bill Gates, District 3
Tom Simplot, District 4
Claude Mattox, District 5
Sal DiCiccio, District 6
Michael Nowakowski, Vice Mayor, District 7
Michael Johnson, District 8

Administrative Staff

David Cavazos, City Manager

Prepared By

Finance Department
Jeff DeWitt, Finance Director



City of Phoenix

Comprehensive Annual Financial Report

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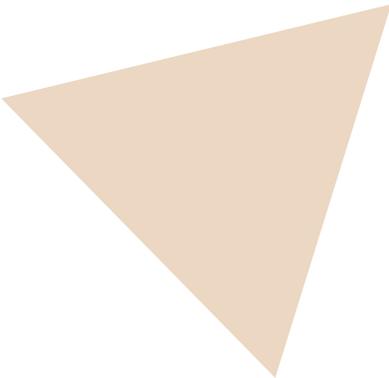
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Introductory Section

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
FINANCE DEPARTMENT
FINANCIAL ACCOUNTING AND REPORTING DIVISION



December 17, 2010

Honorable Mayor, City Council and City Manager:

In accordance with the requirements of the City Charter, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Phoenix, Arizona (the City), for the fiscal year ended June 30, 2010. 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 control 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 3 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 Clifton Gunderson LLP to perform the audit of the City's CAFR for fiscal year 2009-2010. 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 Act of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Clifton Gunderson 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 Act of 1996 and related OMB Circular A-133. Due to the size and complexity of the City's financial systems, the single audit report is issued separately from this CAFR. Copies are available upon request from the City's Finance Department, through the Financial Accounting and Reporting Division on the 5th floor of 251 W. Washington Street, Phoenix, Arizona, 85003, or on the City's internet site: <http://phoenix.gov/citygovernment/financial/reports/singleaudit/index.html>.

City Profile

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and infrastructure; as well as recreational and cultural activities. The City's six enterprise funds provide aviation, convention, water, wastewater, solid waste disposal and golf course 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, the Phoenix Housing Financing Corporations, and the Downtown Phoenix Hotel Corporation be included in the reporting entity.

Phoenix is the fifth most populous 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. It is situated 1,117 feet above sea level in the semi-arid Salt River Valley. The area is widely known for its mild, sunny winters and hot summers and receives average rainfall of 8.27 inches a year.

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 2005 census recorded Phoenix's population at 1,475,834. As of June 30, 2010, the City encompassed 519.10 square miles, with the City of Phoenix Development Services and Planning Department estimating the City's population at 1,700,300 making it the fifth most populous city in the United States.

Major employers of the Phoenix metropolitan area include the State of Arizona, Wal-Mart Stores, Inc., Banner Health Systems, City of Phoenix, Wells Fargo and Company, Maricopa County, Apollo Group Inc., Arizona State University, Honeywell Aerospace, Bank Of America, and Intel Corporation.

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, special revenue, Secondary Property Tax Debt Service, City Improvement Debt Service and enterprise 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 (reappropriate) 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 in terms of population, employment and personal income growth. From 1999 to 2009, population growth was 39.4% in greater Phoenix compared to 10.0% for the U.S. During periods of slowing in the U.S. economy, the Phoenix area has usually continued to grow, albeit slowly. It has taken a national recession for the Phoenix area to experience employment declines. The National Bureau of Economic Research (NBER) maintains the chronology of national business cycles and identifies the dates of expansion and recession. The NBER declared that the most recent recession began in December 2007 and ended in June 2009. This recession lasted 18 months and was the longest recession since the end of World War II. A forecast provided by the University of Arizona's Eller College of Management indicates that population growth will be relatively weak in the near future and is projected to be 2% for 2010 and 3% in 2011.

The duration of the national recession and the slow recovery will define the duration of the negative growth in employment for greater Phoenix. In 2008 and 2009, as the national and greater Phoenix economies were impacted by the recession, employment in greater Phoenix decreased 2.5% and 7.9% while the U.S. as a whole decrease 0.6% and 4.3% respectively. The University of Arizona's Eller College of Management forecast indicates that employment is expected to decline 2.8% in 2010 and increase 2.4% in 2011 and continue to improve thereafter. The greater Phoenix employment mix is well diversified and fairly similar to that of the United States as a whole. The primary employment sectors and their share of total employment consist of service industry (42%); trade (17%); government (14%); construction (6%); financial activities (8.5%); and manufacturing (7%). Employment in greater Phoenix will continue to be under pressure until the local housing market and credit markets stabilize and the national economy continues to recover.

According to the Greater Phoenix Blue Chip Economic Forecast, retail sales, which declined 10.3% in 2008 and 10.6% in 2009, are projected to increase by 3.6% in 2010. In addition, it is estimated that personal income increased 1.2% in 2008 and 3.5% in 2009 and will increase by 1.9% in 2010 and increase 3.4% in 2011. These forecasts indicate a slow recovery over the next several years.

According to the National Association of Realtors, as of the second quarter of 2010, the U.S. median sales price for an existing single-family home was \$176,900 and the median sales price for a similar home in Greater Phoenix was \$144,700. The recent drop in home prices has made Phoenix housing very affordable compared to most other western cities including Los Angeles, San Diego, Denver, Houston, Albuquerque and Seattle. While the decrease in home values has negative repercussions, affordable housing is expected to be a positive factor in Phoenix's emergence from the recent recession.

The national and local economy has negatively impacted property taxes and excise taxes which are major sources of funding for City operations. The City has continued to monitor these revenues closely and adjust budgets and bond programs accordingly.

Property taxes declined from a total secondary assessed valuation at \$18.9 billion in fiscal year 2009-10 to \$16.1 billion in fiscal year 2010-11. This represents a 14.8% reduction from 2009-10 values. The City's total property tax rate (primary and secondary) for 2010-11 remains at \$1.82 per \$100 of assessed valuation. The City's general obligation bond property tax reserves of \$339 million as of June 30, 2010 and deferral of capital projects in the bond program allow the City to maintain the current property tax rate.

The City's Excise Taxes, consisting primarily of City sales taxes, continued to decline through fiscal year 2009-10 requiring reductions in General Fund expenditures. The original General Fund reduction was estimated at \$275 million, but with department efficiencies, a new tax on food for home consumption and employee wage and benefit concessions, General Fund program and service cuts were reduced to \$63.7 million including approximately 593 positions. The budget reductions became effective April 5, 2010.

The City also made use of Federal assistance from the America Recovery and Reinvestment Act (ARRA) to provide economic stimulus through funds obtained for capital projects. The City has been awarded more than \$429.1 million in federal stimulus funding with the majority of the funds earmarked for capital projects related to transportation, housing, water, wastewater, energy and public safety.

Another major effort initiated by the City Manager and approved by the Mayor and City Council to ensure City government is operating as efficient as possible, was the creation of the Innovation and Efficiency Task Force. The task force, initiated in January 2010, is comprised of private sector members appointed by the Mayor and City Council and City staff. The objective of the task force was created to explore, develop and implement innovative processes that would result in a more efficient delivery of city services and maximize the use of limited taxpayer dollars. The task force is organized into four action subcommittees to help it accomplish its goals as set forth by the City Manager:

- Department/Function Consolidations
- Right Sourcing and Service Cuts
- Revenue Enhancements and Cost Recovery
- Process Improvement and Efficiency

These subcommittees have been working with every City department to identify specific improvements and cost saving initiatives. Additionally, more than 1,000 ideas have been proposed by employees through a website suggestion program launched in February 2010. As of December 2010, the City has saved \$10.6 million in the General Fund and more than \$25 million overall for 2009-10 and 2010-11 fiscal years, which exceeds the General Fund goal of saving \$10 million as part of the 2010 -11 budget.

Finally, the City of Phoenix has aggressively attracted new businesses during the downturn in the economy. The City along with the Greater Phoenix Economic Council, are working together to attract wealth generating companies from outside the region to Phoenix. Employers that have recently relocated their headquarters or major operations to Phoenix include W.L. Gore, Republic Services, Shutterfly, American Presidential Lines/Neptune Orient Lines and Amazon.com Azdc, Inc. The long term outlook remains good for the metropolitan Phoenix area due to expectations that strong population and employment growth will resume, and will continue through the next two 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 budget 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, citizens, and 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.

At a more detailed level, the water, wastewater and solid waste enterprise funds annually present five-year financial forecasts to the City Council as part of their annual rate review process. The City Council reviews the financial plans and the associated rates necessary to support the enterprise funds and their capital programs for the upcoming year.

The Aviation Department also routinely updates its long-range capital and financial plans. This process has been very valuable during the economic downturn and its associated impact on the airline industry. The process has allowed the Aviation Department to adjust its capital spending and operations accordingly.

Major Initiatives and Awards

The City of Phoenix was the recipient of the National Civic League's All-America City award in June 2009. This is the fifth time the City has earned the recognition, for its collaborative projects that involve the community and address critical issues. The City highlighted the newly developed urban education campuses (Arizona State University Downtown Phoenix Campus and Phoenix Biomedical Campus), the Phoenix Parks and Preserve Initiative and the innovative library teen spaces. Phoenix previously won the All-America City Award in 1950, 1958, 1980 and 1989. It is the country's most prestigious community recognition award, honoring communities of all sizes for collaborative projects addressing critical issues.

In July 2010, the City of Phoenix received an award from the International City/County Management Association (ICMA) for its commitment to continuous learning and improvement, based on criteria of effective, results-oriented management practices.

In October 2010, the City of Phoenix received the Valley Forward's 30th Annual Environmental Excellence President's Award (Best of Show) as well as a first-place Crescordia award in the "Buildings and Structures/Institutional" category for the Nina Mason Pulliam Rio Salado Audubon Center. The Audubon Center was completed in August 2009 and is a 7,200-square-foot center that is part of Phoenix's Rio Salado Habitat Restoration area. The City of Phoenix had eight additional projects recognized at the annual awards ceremony. The Environmental Excellence Awards program is Arizona's oldest and most prestigious awards competition focusing on environmental initiatives. A record 150 entries were received this year.

One of the City's largest single ongoing projects in the Capital Improvement Program is the PHX Sky Train at Phoenix Sky Harbor International Airport, which is estimated to cost \$644.3 million for Stage 1 and is scheduled to be operational in the first quarter of 2013. The PHX Sky Train is an automated people mover designed to carry over 35 million passengers annually through several stations along a guideway spanning approximately five miles. Construction will be split into two stages with Stage 2 expected to be completed in 2020. Stage 1 will be a fully operable system and will link the Valley Metro light rail station with Terminal 4 via the East Economy lot parking and Stage 2 will extend the system to all terminals and the Rental Car Center.

CityScape is a 5-acre, mixed-use development that blends urban living with work, shopping and entertainment and will include restaurants, a grocery store, offices, and outdoor event space. The project encompasses two blocks in downtown Phoenix and is one block from the US Airways Center and is within two blocks of Chase Field. Construction on CityScape began in the fall of 2007 and the first phase opened in March 2010. The first phase includes 660,000 square feet of Class A office space, 186,000 square feet of retail, 1,300 parking spaces and the redevelopment of Patriot's Square Park. The next phase will include construction of a 242 room Palomar hotel. The final phases of the project will be built out over several years based on market demand.

The fully expanded Phoenix Convention Center, which welcomed its first convention in January 2009, now offers approximately 900,000 square feet of rentable convention space and is one of the top 20 facilities in the country in terms of size. The Phoenix Convention Center surpassed its projected goals for 2009, hosting 69 conventions with 306,429 delegates, which equates to an economic impact of approximately \$445 million in direct spending. In 2010, the convention center will host a total of 62 conventions with an estimated 237,974 delegates equating to approximately \$345 million in direct spending.

The METRO light rail system has been open for operations since December 2008. The system includes a 20-mile light rail starter segment connecting north central Phoenix with Tempe and Mesa. Average daily ridership has increased from 20,908 in fiscal year 2008-09 to 25,548 in fiscal year 2009-2010.

The Downtown Phoenix Hotel opened October 1, 2008. It is the first hotel to be built downtown since 1976. With 31 stories, it is the tallest hotel in Arizona offering 80,000 square feet of meeting space, with a 29,000 square foot grand ballroom and 17 meeting rooms. In September 2009, the Hotel was awarded AAA's Four Diamond Rating for 2010. Less than 4 percent of the properties approved by AAA achieve this prestigious distinction.

The ASU Downtown Phoenix campus began its fifth year of operation on August 19, 2010. For the fall of 2010, approximately 11,000 students are enrolled downtown with more than 1,000 students living on the campus, which employs approximately 1,250 people. Campus build-out projections call for 15,000 students, 4,000 beds, 1.5 million square feet of academic and support space, 900,000 square feet of private development, at least 1,800 faculty and staff and 100,000 visitors annually. The City and ASU are working together to develop the State's workforce through education and generating additional academic and intellectual capital.

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 comprehensive annual financial report for the fiscal year ended June 30, 2009. 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 comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

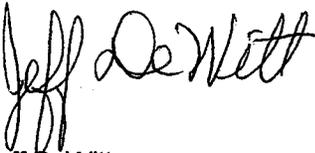
A Certificate of Achievement is valid for a period of one year only. The City has received this award continuously since 1976. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

The component unit financial report for COPERS for the year ended June 30, 2009 was also awarded a GFOA Certificate of Achievement. COPERS has received this award each year since 1985.

Acknowledgements

I want to thank the staff of the Finance Department for their efforts in preparing this report. I would also like to thank all City departments for their cooperation and assistance throughout the past year. I also appreciate the guidance and support extended by the City Manager and his staff, and the Mayor and City Council in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,



Jeff DeWitt
Finance Director

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



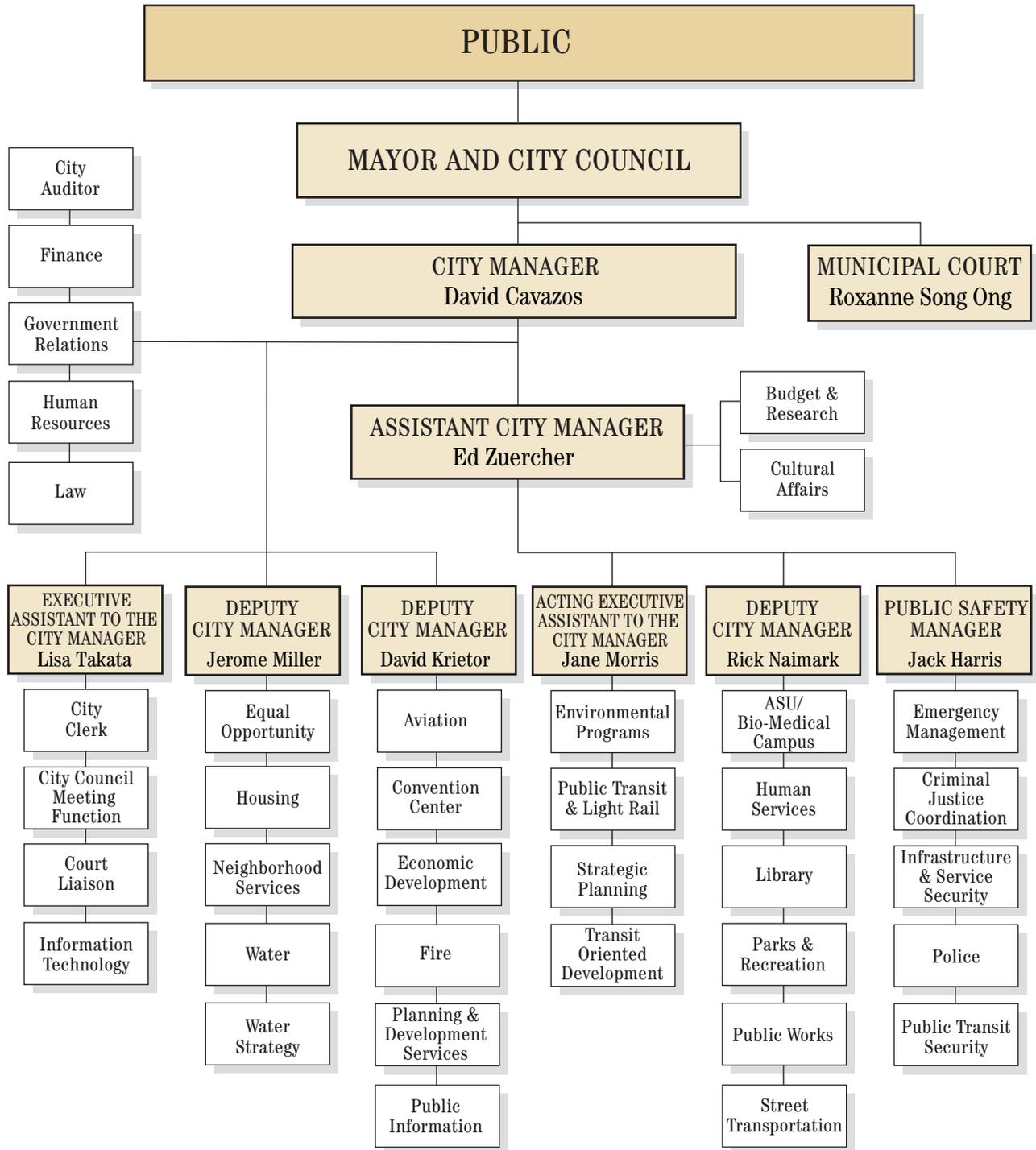
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

City of Phoenix Organizational Chart



Effective 10/25/10

City of Phoenix Council members and district boundaries



Mayor Phil Gordon
602-262-7111
phil.gordon@phoenix.gov



Thelda Williams
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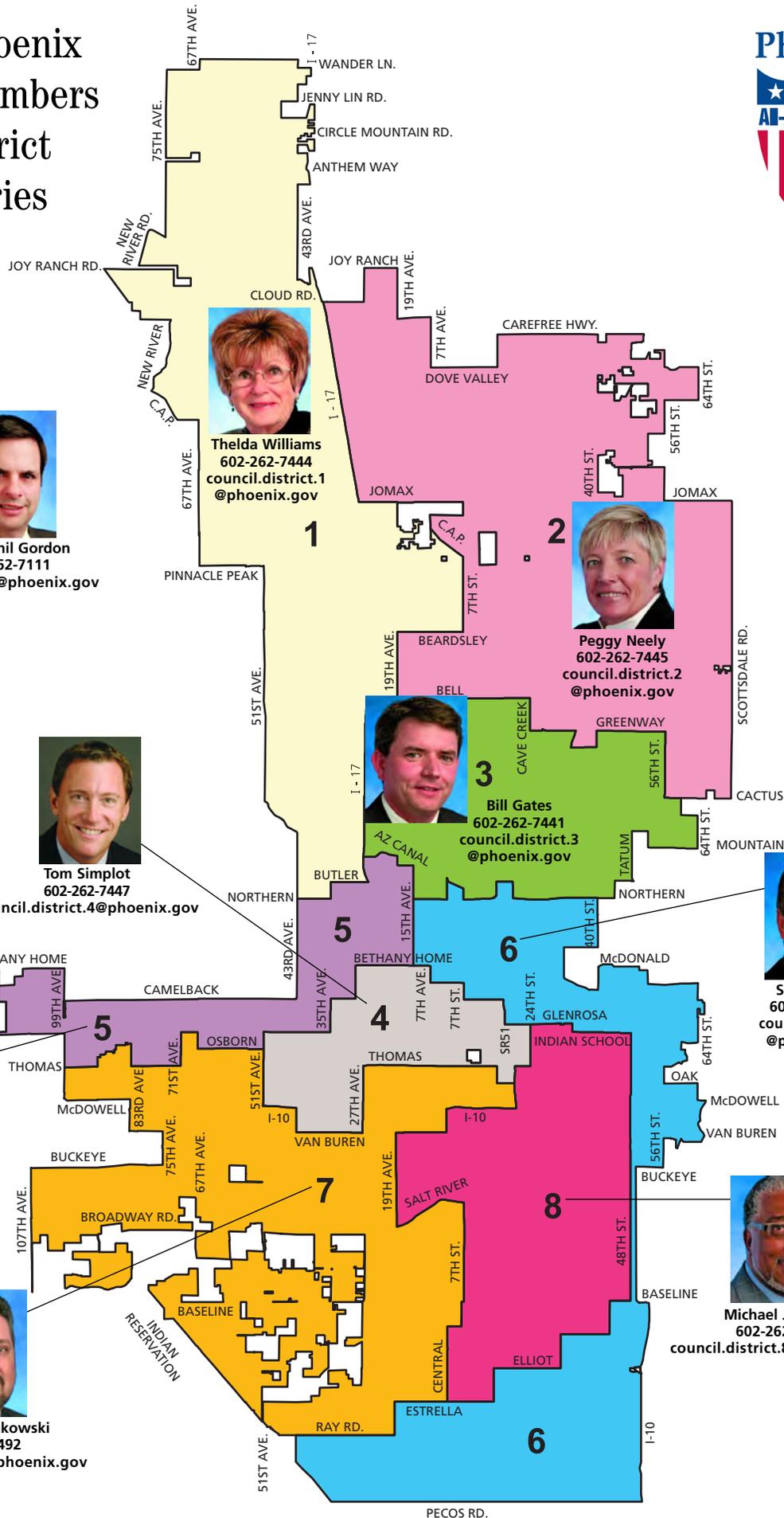
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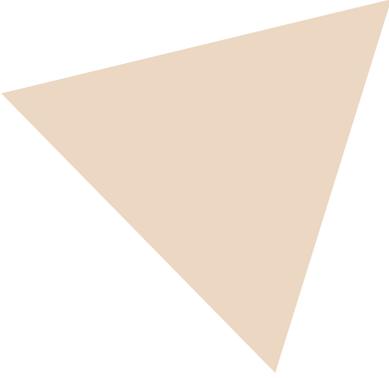


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City of Phoenix



Financial Section

The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, the audited financial statements, notes to the audited financial statements, and supplemental information.



Independent Auditor's Report

The 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Phoenix, Arizona (the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, as listed in the financial section of the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Phoenix, Arizona as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison statements for the general fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the schedule of funding progress included in the required supplementary information to the basic financial statements on pages 3 through 12, and 89, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

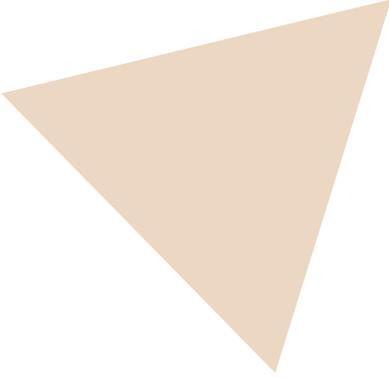
Our audit was conducted for the purpose of forming opinions on the City's basic financial statements. The non-major governmental funds, other supplementary information through and including other supporting schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Clifton Henderson LLP

Phoenix, Arizona
December 17, 2010



Financial Section

**Management's Discussion and
Analysis (required supplementary
information)**



MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2010. Readers are encouraged to consider the overview and analysis in combination with the traditional transmittal letter that can be found on pages I – VI of this report.

FINANCIAL HIGHLIGHTS

- The total assets of the City exceeded its total liabilities at the close of the fiscal year by \$8.3 billion (net assets). Of this amount, \$2.1 billion (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$74.2 million or 0.9 percent as compared to fiscal year ended June 30, 2009.
- As of the close of the fiscal year, the City's Governmental Funds reported combined ending fund balances of \$1.4 billion, an increase of \$159.4 million from last fiscal year. Approximately 52.8 percent of Total Fund Balance amount, or \$761.8 million, is available for spending at the City's discretion (*unreserved fund balance*).
- At the close of the fiscal year, unreserved fund balance for the general fund was \$231.2 million, or 90.5 percent of the total general fund balance of \$255.6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's 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's finances, in a manner similar to a private-sector business. They are presented in Exhibits A-1 and A-2 beginning on page 13 of this report. Summarized versions of these Exhibits are included in this MD&A and can be found on pages 4 and 7.

The *Statement of Net Assets*, Exhibit A-1, presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of changes in the City's financial position.

The *Statement of Activities*, Exhibit A-2, presents information showing how the City's net assets changed during the fiscal year. All changes in net assets 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 Assets 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, convention center, water, wastewater, solid waste disposal and golf courses. In addition, financial information is also presented for the City's discretely presented component units, the Phoenix Housing Finance Corporations and the Downtown Phoenix Hotel Corporation. See Note 1 on page 33 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, 2010.

Net Assets. As noted above, net assets may serve over time as a useful indicator of a government's financial position. The City's net assets, the amount by which assets exceeded liabilities, were \$8.3 billion at the close of the fiscal year.

The largest portion of the City's net assets (\$5.3 billion or 64.0 percent) reflects its investments in capital assets, e.g., land, buildings, improvements, machinery and equipment, and infrastructure, less any related debt used to acquire those assets that is 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 Assets.

**City of Phoenix
Net Assets
as of June 30
(in thousands)**

	Governmental Activities		Business-Type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 2,699,477	\$ 2,449,174	\$ 2,170,788	\$ 2,255,660	\$ 4,870,265	\$ 4,704,834
Capital assets	4,539,616	4,567,593	6,797,559	6,569,281	11,337,175	11,136,874
Total assets	<u>7,239,093</u>	<u>7,016,767</u>	<u>8,968,347</u>	<u>8,824,941</u>	<u>16,207,440</u>	<u>15,841,708</u>
Other Liabilities	124,063	110,039	428,951	197,509	553,014	307,548
Long-term liabilities outstanding	2,786,163	2,522,787	4,522,669	4,591,628	7,308,832	7,114,415
Total liabilities	<u>2,910,226</u>	<u>2,632,826</u>	<u>4,951,620</u>	<u>4,789,137</u>	<u>7,861,846</u>	<u>7,421,963</u>
Net assets:						
Invested in capital assets, net of related debt	2,184,990	2,441,889	3,146,717	3,260,962	5,331,707	5,702,851
Restricted	756,315	620,582	153,667	163,387	909,982	783,969
Unrestricted	1,387,562	1,321,470	716,343	611,455	2,103,905	1,932,925
Total net assets	<u>\$ 4,328,867</u>	<u>\$ 4,383,941</u>	<u>\$ 4,016,727</u>	<u>\$ 4,035,804</u>	<u>\$ 8,345,594</u>	<u>\$ 8,419,745</u>

The *restricted* portion of the City's net assets (\$910.0 million) 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 remaining balance, or the *unrestricted net assets* (\$2.1 billion), may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the City had positive balances in all three categories of net assets (1-invested in capital assets net of related debt, 2-restricted and 3-unrestricted), both for the government as a whole, as well as its separate Governmental and Business-Type Activities.

Capital Assets. The City's investment in capital assets for the fiscal year ended June 30, 2010, was \$11.3 billion, net of accumulated depreciation. This represents an increase from the prior fiscal year of \$200.3 million, a decrease of \$28.0 million for Governmental Activities and an increase of \$228.3 million for Business-Type Activities.

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

- Design and construction related to the Sky Harbor Sky Train valued at \$154.5 million.
- New and replacement water and sewer mains throughout the City valued at \$87.4 million.
- Various street and storm sewer projects throughout the City valued at \$86.6 million.
- Design and construction at the Deer Valley water treatment plant valued at \$63.0 million.
- Construction and acquisition of Public Safety facilities and equipment valued at \$58.2 million.
- Construction of an In-Line Baggage Explosive Detection System for Sky Harbor International Airport valued at \$37.3 million.
- Land acquisition by the Aviation Department valued at \$26.4 million.
- Land acquisition for the Light Rail Northwest Extension valued at \$19.4 million.
- Construction and maintenance of Sky Harbor runways, taxiways and aprons valued at \$19.2 million.
- Acquisition of Parks and Preserve Land valued at \$17.4 million

The following table provides a listing of the capital assets.

City of Phoenix Capital Assets (net of depreciation) as of June 30 (in thousands)						
	Governmental Activities		Business-Type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Buildings	\$ 927,017	\$ 880,522	\$ 1,724,271	\$ 1,588,237	\$ 2,651,288	\$ 2,468,759
Improvements	243,063	232,614	1,721,221	1,704,927	1,964,284	1,937,541
Equipment	278,847	282,555	461,139	389,074	739,986	671,629
Artwork	9,501	10,481	8,220	6,174	17,721	16,655
Land	1,106,472	1,052,756	735,421	724,560	1,841,893	1,777,316
Infrastructure	1,733,727	1,710,589	1,095,836	1,072,329	2,829,563	2,782,918
Intangible Assets	18,943	12,802	164,175	123,598	183,118	136,400
Construction-in-Progress	222,046	385,274	887,276	960,382	1,109,322	1,345,656
Total	\$ 4,539,616	\$ 4,567,593	\$ 6,797,559	\$ 6,569,281	\$ 11,337,175	\$ 11,136,874

Additional information regarding the City's capital assets can be found in Note 8 to the financial statements.

Long-term Liabilities. The City had total long-term liabilities or obligations of \$7.3 billion (which is comprised primarily of bonded debt) at the end of the fiscal year. Of this amount, general obligation bonds that are backed by the full faith and credit of the City comprise \$1.6 billion, while municipal corporation obligations account for \$4.8 billion and Certificates of Participation account for \$30.0 million of the total. Revenue bonds total \$56.0 million and an additional \$0.3 million are special assessment bonds where the City is contingently liable in the event that the assessment revenues are insufficient to satisfy the debt payments.

Under Arizona law, cities can issue general obligation bonds for purposes of water, sewer, artificial light, open space preserves, parks, playgrounds, recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities up to an amount not exceeding 20% of secondary assessed valuation. General obligation bonds for all other purposes may be issued up to an amount not exceeding 6% of secondary assessed valuation.

The City's available debt margin at June 30, 2010 was \$914 million in the 6% capacity and \$2.0 billion in the 20% capacity. Additional information regarding the debt limitations and capacities can be found in Note 11 to the financial statements and also in Table 15 in the statistical section.

The following table illustrates the long-term obligations of the City.

**City of Phoenix
Long-Term Liabilities
as of June 30
(in thousands)**

	Governmental Activities		Business-Type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 1,514,437	\$ 1,191,716	\$ 127,649	\$ 145,455	\$ 1,642,086	\$ 1,337,171
Revenue bonds	41,190	68,041	14,846	-	56,036	68,041
Certificates of Participation	29,754	30,973	-	-	29,754	30,973
Municipal Corporation						
Obligations	768,909	780,701	4,054,133	3,993,127	4,823,042	4,773,828
Special assessment bonds	336	260	-	-	336	260
Insurance claims payable	99,671	89,399	-	-	99,671	89,399
Compensated absences	134,497	136,896	19,546	19,730	154,043	156,626
Landfill Closure/Post-						
closure costs	-	-	69,923	67,710	69,923	67,710
Pollution Remediation	22,250	22,500	16,940	20,877	39,190	43,377
Other	175,119	202,301	219,632	344,729	394,751	547,030
Total	<u>\$ 2,786,163</u>	<u>\$ 2,522,787</u>	<u>\$ 4,522,669</u>	<u>\$ 4,591,628</u>	<u>\$ 7,308,832</u>	<u>\$ 7,114,415</u>

The City's total long-term obligations increased by \$194.4 million during the fiscal year just ended, which represents an increase of 2.7 percent. Most of the increase in long-term liabilities was in governmental activities reflecting issuances for general obligation bonds. In October 2009, the City sold \$281 million of long-term fixed rate general obligation bonds which were issued as Qualified Build America Bonds, and sold \$69 million of long-term fixed rate general obligation bonds. The proceeds from these general obligation bonds were used to fund various projects throughout the city. In October 2009, the City also refunded \$117 million of long-term fixed rate general obligation bonds.

The City maintains the following ratings on its general obligation debt: "AAA" from Standard & Poor's and "Aa1" from Moody's Investors Service. Both Standard & Poor's and Moody's Investors Service list the City's outlook as "Stable".

Further detail pertaining to the City's long-term obligations is available in Note 9 to the financial statements.

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

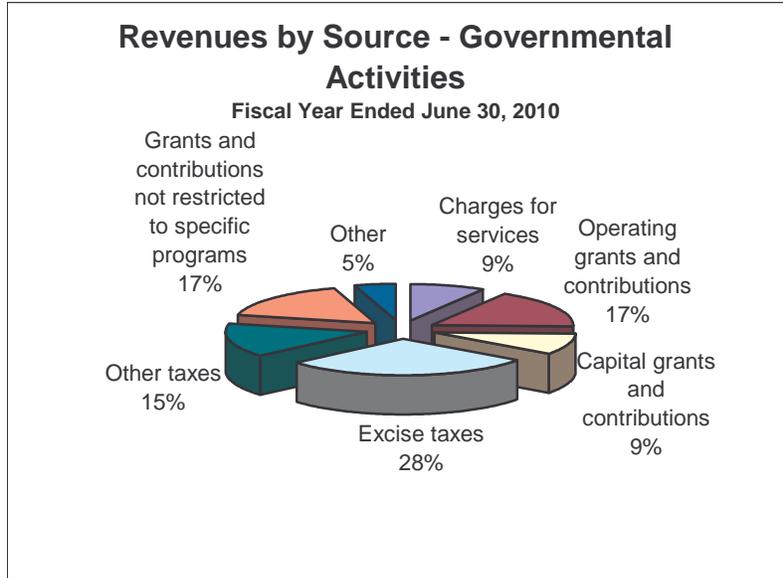
**City of Phoenix
Changes in Net Assets
For the year ended June 30
(in thousands)**

	Governmental Activities		Business-Type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues						
Charges for services	\$ 187,190	\$ 239,369	\$ 951,817	\$ 932,142	\$ 1,139,007	\$ 1,171,511
Grants and contributions						
Operating	360,927	340,756	-	-	360,927	340,756
Capital	203,473	174,302	200,485	178,800	403,958	353,102
General revenues						
Excise taxes	617,110	670,678	-	-	617,110	670,678
Other taxes	322,108	312,068	-	-	322,108	312,068
Grants/contributions not restricted to specific programs	360,241	407,156	-	-	360,241	407,156
Other	102,962	98,085	13,766	31,970	116,728	130,055
Total revenues	2,154,011	2,242,414	1,166,068	1,142,912	3,320,079	3,385,326
Expenses						
General government	83,975	92,403	-	-	83,975	92,403
Criminal justice	40,029	39,477	-	-	40,029	39,477
Public safety	851,414	869,389	-	-	851,414	869,389
Transportation	541,666	385,240	-	-	541,666	385,240
Environmental services	58,189	47,320	-	-	58,189	47,320
Community enrichment	287,019	264,615	-	-	287,019	264,615
Community development	225,137	210,645	-	-	225,137	210,645
Interest on long-term debt	107,480	96,631	-	-	107,480	96,631
Aviation	-	-	393,485	389,460	393,485	389,460
Phoenix Convention Center	-	-	114,071	86,942	114,071	86,942
Water services	-	-	359,342	326,775	359,342	326,775
Wastewater services	-	-	187,134	186,565	187,134	186,565
Solid waste	-	-	136,395	141,693	136,395	141,693
Golf courses	-	-	8,894	9,716	8,894	9,716
Total expenses	2,194,909	2,005,720	1,199,321	1,141,151	3,394,230	3,146,871
Increase/(Decrease) in net assets before transfers	(40,898)	236,694	(33,253)	1,761	(74,151)	238,455
Transfers	(14,176)	(52,649)	14,176	52,649	-	-
Increase/(Decrease) in net assets	(55,074)	184,045	(19,077)	54,410	(74,151)	238,455
Net Assets - July 1	4,383,941	4,199,896	4,035,804	3,981,394	8,419,745	8,181,290
Net Assets - June 30	\$ 4,328,867	\$ 4,383,941	\$ 4,016,727	\$ 4,035,804	\$ 8,345,594	\$ 8,419,745

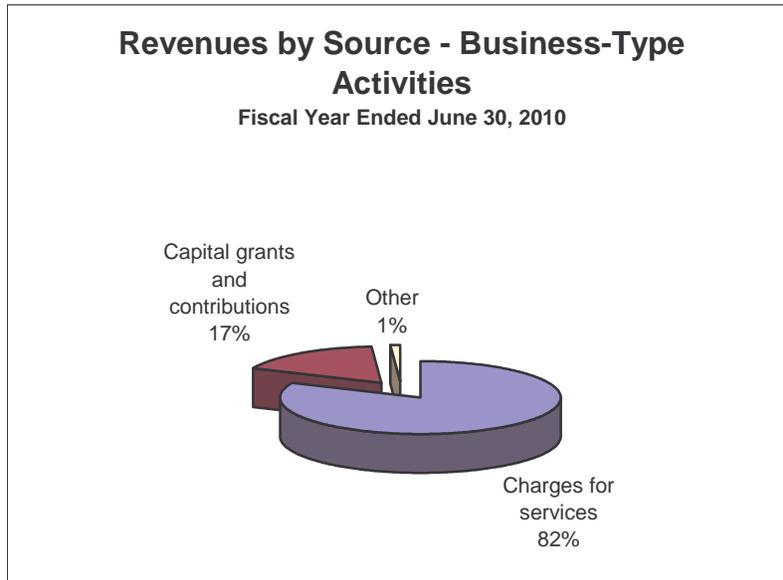
As can be seen above, Total Government net assets decreased by \$74.2 million, of which \$55.1 million were related to Governmental Activities accounting for 73.7 percent of the total fiscal year decrease in net assets. Business-Type Activities decreased the City's net assets by \$19.1 million, or 26.3 percent of the total fiscal year decrease in net assets.

During fiscal year ended 2010, excise tax revenues declined due to the condition of the local economy. A variety of factors have contributed to this decline in economic growth including weakness in the residential and commercial real estate markets, increased unemployment, declines in personal income growth, and increased oil and food prices. Transportation expenditures increased during the fiscal year due to a full year of light rail operations. There were also expenditure increases related to additional facilities coming on-line at the water treatment plants and the Phoenix Convention Center.

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



As can be seen above, excise taxes, which include City sales and franchise taxes, are the largest source of revenue for the Governmental Activities comprising twenty eight percent of the total. Additional information about tax revenues is presented in Table 5 in the Statistical Section.



As can be seen in this chart, charges for services account for the majority of the Business-Type Activities revenues, which is to be expected for this fund type.

2) Basic Financial Statements - Fund Financial Statements

The Fund Financial Statements are presented in Exhibits B-1 through B-11 beginning on page 18 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 of the funds of the City can be divided into three categories: Governmental Funds (Exhibits B-1 through B-6), Enterprise Funds (Exhibits B-7 through B-9) and Fiduciary Funds (Exhibits B-10 and B-11).

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 inflow 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-eight 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, Excise Tax Special Revenue Fund, and the General Obligation/Secondary Property Tax Debt Service Fund which are considered to be major funds under GASB 34. Data from the other twenty-five Governmental Funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major Governmental Funds is provided in the form of *combining statements* later in this report.

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 Excise Tax Special Revenue Fund (Exhibit B-6) 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 the City's Sky Harbor International Airport and two regional airports, Phoenix Convention Center, water system, wastewater system, solid waste disposal and the City golf courses.

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-7 through B-9 on pages 24-28) provide separate information for each of the six 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-6 on pages 18-23) is to provide information on near-term inflows, outflows and balances of spendable resources (modified accrual basis). All major Governmental Funds are presented on these financial statements, while the non-major 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, 2010
(in thousands)

	Fund Balances July 1, 2009	Net Change in Fund Balances	Fund Balances June 30, 2010
General Fund	\$ 262,610	\$ (7,029)	\$ 255,581
G.O./Secondary Property Tax	274,768	64,956	339,724
Nonmajor Governmental	745,758	101,508	847,266
Total	<u>\$ 1,283,136</u>	<u>\$ 159,435</u>	<u>\$ 1,442,571</u>
Total Reserved	\$ 670,590	\$ 10,200	\$ 680,790
Total Unreserved	612,546	149,235	761,781
Total Governmental Balances	<u>\$ 1,283,136</u>	<u>\$ 159,435</u>	<u>\$ 1,442,571</u>

Note: See Exhibit B1 on page 18 for details of the reserved and unreserved 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 \$1.4 billion, an increase of \$159.4 million from last fiscal year. Of the total governmental funds combined ending balances, approximately 52.8 percent of this amount, or \$761.8 million, constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of the combined fund balance is *reserved*: This indicates that it is not available for new spending because it has already been committed 1) to liquidate contract and purchase orders for the prior year (\$206.4 million), 2) to pay debt service (\$343.8 million), 3) to pay for supply inventories (\$16.2 million), 4) for prepaid items (\$4.7 million), and 5) for notes receivable (\$109.7 million).

The General Fund is the chief 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, the General Fund balance decreased by \$7.0 million. This decrease in fund balance was due primarily to a decrease in excise tax transfers. The Excise Tax Special Revenue Fund, another major fund, is used to account for City sales and franchise taxes. At the end of each fiscal year, the balance of the Excise Tax Special Revenue Fund is transferred to other funds resulting in an ending fund balance of zero.

The fund balance of the General Obligation/Secondary Property Tax Debt Service Fund increased by \$65.0 million. This increase was due to secondary property tax revenues which are used for general obligation debt service. The nonmajor governmental funds, consisting of the special revenue, capital projects and debt service funds, had a combined increase in fund balance of \$101.5 million, reflecting the proceeds from the General Obligation (GO) bond sale in October 2009.

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 after the Notes to the Financial Statements. The City has chosen to present these budgetary statements as part of the Basic Financial Statements (Exhibits B-5 and B-6). Additionally, governments are required to disclose certain information about employee pension funds. The City has provided this information in Note 18 to the financial statements.

The total expenditures in the General Fund were less than the final amended budget by \$117.6 million. The final amended general fund budget projected fiscal year expenditures of \$1.1 billion. The actual general fund expenditures for the fiscal year ended June 30, 2010, were \$994.3 million which is \$117.6 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-7 through B-9) 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-7 and B-8.

City of Phoenix
Changes in Enterprise Fund Net Assets
Fiscal Year Ended June 30, 2010
(in thousands)

	Net Assets July 1, 2009	Change in Net Assets	Net Assets June 30, 2010
Aviation	\$ 1,727,838	\$ 30,026	\$ 1,757,864
Phoenix Convention Center	266,647	(50,003)	216,644
Water System	1,256,174	(21,075)	1,235,099
Wastewater	763,748	24,062	787,810
Solid Waste	16,373	1,043	17,416
Golf Courses	5,024	(3,130)	1,894
Total	<u>\$ 4,035,804</u>	<u>\$ (19,077)</u>	<u>\$ 4,016,727</u>

As shown in the table, Net Assets for the Enterprise Funds decreased in total by \$19.1 million during the fiscal year. The Phoenix Convention Center and Water System comprised the majority of this total with decreases of \$50.0 million and \$21.1 million, respectively. The Phoenix Convention Center reflects the effects of the economy including a decrease in dedicated excise tax revenues, increase in interest expense on debt, increase in operating and a maintenance costs related to the expansion of facilities, and reflects the sale of the Jefferson Street parking garage in which the proceeds were used to further downtown development through the Cityscape project. The Aviation and Water System Funds comprise 74.5 percent (\$1.8 billion and \$1.2 billion, respectively) of the total Enterprise Fund Net Assets at June 30, 2010.

3. Basic Financial Statements - Notes to the Financial Statements

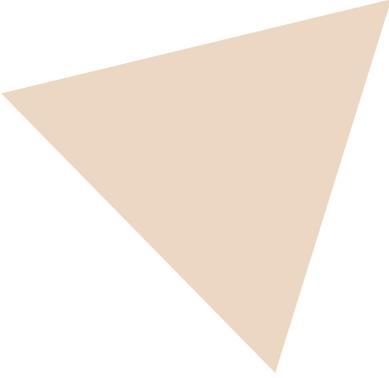
The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes to the basic financial statements can be found beginning on page 33 of this report.

ECONOMIC FACTORS

- The greater Phoenix area employment in 2008 and 2009 has decreased 2.5 percent and 7.9 percent respectively. Employment growth will continue to be under pressure until the recovery begins in the local housing market, credits markets stabilize, and the national economy continues to recover.
- Following several years of robust growth, the City's property tax base decreased in 2010 due to the recent downturn in the national economy and the overbuilding that occurred in the real estate sector during the mid 2000's. The 2010 total secondary assessed valuation is \$16.1 billion, which represents 14.7 percent reduction from 2009 assessed value of \$18.9 million.
- New economic stimulus programs by the federal government, though not expected to change the underlying dynamics of the national economy, are expected to add an additional boost to the economy. The City has been awarded more than \$429.1 million in federal stimulus funding with the majority of the funds earmarked for capital projects related to transportation, housing, water, wastewater, energy and public safety.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Phoenix' 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 Finance Director, City of Phoenix, Calvin C. Goode Municipal Building, Ninth Floor, 251 W. Washington, Phoenix, Arizona, 85003.



Financial Section

**Basic Financial Statements –
Government-Wide Financial Statements**



City of Phoenix, Arizona
Government-Wide Financial Statements
Statement of Net Assets
June 30, 2010
(in thousands)

Exhibit A-1

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown Phoenix Hotel Corporation	Phoenix Housing Finance Corporations
ASSETS					
Cash and Cash Equivalents	\$ 327,877	\$ 54,764	\$ 382,641	\$ 5,167	\$ 1,171
Cash Deposits	1,120	457	1,577		
Cash and Securities with Fiscal Agents/Trustees	175,241	-	175,241		
Investments	901,445	366,620	1,268,065		
Internal Balances	8,905	(8,905)	-		
Receivables, Net of Allowances	345,201	101,118	446,319	1,927	8,045
Prepaid Items	4,736	3,869	8,605	303	
Inventories	16,154	10,328	26,482	250	
Restricted Assets	-	974,674	974,674	65,886	
Investment in Joint Use Agreements	916,056	667,277	1,583,333		
Other Postemployment Benefits Asset	2,742	586	3,328		
Other Noncurrent Assets	-	-	-	103	
Capital Assets, at Cost					
Non-depreciable	1,795,560	1,630,917	3,426,477	1,150	
Depreciable (net)	2,744,056	5,166,642	7,910,698	267,288	
Total Assets	<u>7,239,093</u>	<u>8,968,347</u>	<u>16,207,440</u>	<u>342,074</u>	<u>9,216</u>
LIABILITIES					
Accounts Payable	72,252	39,962	112,214	4,387	3,331
Trust Liabilities and Deposits	51,811	500	52,311	165	
Unearned Revenue	-	7,235	7,235		
Liabilities Payable from Restricted Assets	-	372,254	372,254	19,356	
Utility/Water Contractual Agreements	-	9,000	9,000		
Noncurrent Liabilities					
Due Within One Year					
Current Portion of Insurance Claims Payable	32,343	-	32,343		
Current Portion of Accrued Compensated Absences	18,916	2,875	21,791		
Current Portion of Pollution Remediation	250	3,123	3,373		
Current Portion of Accrued Landfill Closure and Postclosure Care Costs	-	2,439	2,439		
Matured Bonds and Certificates Payable	115,737	116,470	232,207		
Interest Payable	59,382	98,797	158,179		
Current Portion of General Obligation Bonds	50,355	36,960	87,315		
Current Portion of Revenue Bonds	29,740	948	30,688		
Current Portion of Certificates of Participation	1,230	-	1,230		
Current Portion of Municipal Corporation Obligations	44,250	109,335	153,585		
Current Portion of Special Assessment Bonds	77	-	77		
Due in More Than One Year					
Insurance Claims Payable	67,328	-	67,328		
Accrued Compensated Absences	115,581	16,671	132,252		
General Obligation Bonds	1,464,082	90,689	1,554,771		
Revenue Bonds	11,450	13,898	25,348	337,915	
Certificates of Participation	28,524	-	28,524		
Municipal Corporation Obligations	724,659	3,944,798	4,669,457		
Special Assessment Bonds	259	-	259		
Pollution Remediation	22,000	13,817	35,817		
Utility/Water Contractual Agreements	-	2,423	2,423		
Rebatable Arbitrage	-	1,942	1,942		
Accrued Landfill Closure and Postclosure Care Costs	-	67,484	67,484		
Total Liabilities	<u>2,910,226</u>	<u>4,951,620</u>	<u>7,861,846</u>	<u>361,823</u>	<u>3,331</u>
NET ASSETS (DEFICIT)					
Invested in Capital Assets, Net of Related Debt	2,184,990	3,146,717	5,331,707	(12,558)	
Restricted For:					
Capital Projects	314,629	-	314,629	21,287	
Debt Service	343,829	30,787	374,616	31,599	
Customer Facility Charges (CFC) Reserves	-	20,943	20,943		
Development Impact Fees	97,857	101,937	199,794		
Unrestricted	1,387,562	716,343	2,103,905	(60,077)	5,885
Total Net Assets (Deficit)	<u>\$ 4,328,867</u>	<u>\$ 4,016,727</u>	<u>\$ 8,345,594</u>	<u>\$ (19,749)</u>	<u>\$ 5,885</u>

The accompanying notes are an integral part of these financial statements.

City of Phoenix, Arizona
Government-Wide Financial Statements
Statement of Activities

Exhibit A-2

For the Year Ended June 30, 2010
(in thousands)

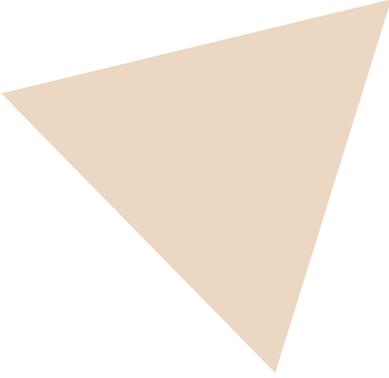
	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
Governmental Activities				
General Government	\$ 83,975	\$ 17,150	\$ 894	\$ -
Criminal Justice	40,029	27,461	2,472	-
Public Safety	851,414	58,939	14,513	94
Transportation	541,666	39,804	173,889	192,369
Community Enrichment	287,019	5,180	44,985	5,147
Community Development	225,137	38,293	123,977	5,863
Environmental Services	58,189	363	197	-
Interest on Long-Term Debt	107,480	-	-	-
Total Governmental Activities	<u>2,194,909</u>	<u>187,190</u>	<u>360,927</u>	<u>203,473</u>
Business-Type Activities				
Aviation	393,485	266,778	-	153,215
Phoenix Convention Center	114,071	21,636	-	6,879
Water Services	359,342	329,003	-	15,821
Wastewater Services	187,134	190,716	-	24,463
Solid Waste	136,395	137,956	-	72
Golf Courses	8,894	5,728	-	35
Total Business-Type Activities	<u>1,199,321</u>	<u>951,817</u>	<u>-</u>	<u>200,485</u>
Total Primary Government	<u>\$ 3,394,230</u>	<u>\$ 1,139,007</u>	<u>\$ 360,927</u>	<u>\$ 403,958</u>
Component Units:				
Downtown Phoenix Hotel Corp.	\$ 62,622	\$ 52,568	\$ -	\$ -
Phoenix Housing Finance Corp.	\$ 640	\$ -	\$ -	\$ 1,811
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 (Expenses) and Transfers				
Change in Net Assets				
Net Assets - July 1				
Net Assets - June 30				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Downtown Phoenix Hotel Corporation	Phoenix Housing Finance Corporations	
\$ (65,931)	\$ -	\$ (65,931)			
(10,096)	-	(10,096)			
(777,868)	-	(777,868)			
(135,604)	-	(135,604)			
(231,707)	-	(231,707)			
(57,004)	-	(57,004)			
(57,629)	-	(57,629)			
(107,480)	-	(107,480)			
(1,443,319)	-	(1,443,319)			
-	26,508	26,508			
-	(85,556)	(85,556)			
-	(14,518)	(14,518)			
-	28,045	28,045			
-	1,633	1,633			
-	(3,131)	(3,131)			
-	(47,019)	(47,019)			
(1,443,319)	(47,019)	(1,490,338)			
			\$ (10,054)		
				\$ 1,171	
617,110	-	617,110			
125,160	-	125,160			
196,948	-	196,948			
360,241	-	360,241			
19,605	13,766	33,371	196		
83,357	-	83,357	-		
(14,176)	14,176	-			
1,388,245	27,942	1,416,187	196	-	
(55,074)	(19,077)	(74,151)	(9,858)	1,171	
4,383,941	4,035,804	8,419,745	(9,891)	4,714	
\$ 4,328,867	\$ 4,016,727	\$ 8,345,594	\$ (19,749)	\$ 5,885	



City of Phoenix



Financial Section

**Basic Financial Statements –
Fund Financial Statements**





City of Phoenix

City of Phoenix, Arizona
Fund Financial Statements
Balance Sheet
Governmental Funds

Exhibit B-1

June 30, 2010
(in thousands)

	General	Excise Tax	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 13,083	\$ -	\$ 129,109	\$ 185,685	\$ 327,877
Cash Deposits	1,092	-	-	28	1,120
Cash and Securities with Fiscal Agents/Trustees	-	-	83,931	91,310	175,241
Investments	71,408	-	204,221	625,816	901,445
Due from Other Funds	159,626	-	-	8,666	168,292
Receivables, Net of Allowance					
Accounts Receivable	17,331	1	-	20,015	37,347
Taxes Receivable	2,690	61,946	4,108	15	68,759
Delinquent Taxes Receivable	4,209	-	6,720	-	10,929
Intergovernmental	5,155	19,030	-	91,536	115,721
Accrued Interest	286	-	2,286	188	2,760
Notes Receivable	-	-	-	109,685	109,685
Prepaid Items	-	-	-	4,736	4,736
Inventories	14,739	-	-	1,415	16,154
Total Assets	<u>\$ 289,619</u>	<u>\$ 80,977</u>	<u>\$ 430,375</u>	<u>\$ 1,139,095</u>	<u>\$ 1,940,066</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to Other Funds	\$ -	\$ 80,977	\$ -	\$ 78,410	\$ 159,387
Accounts Payable	11,373	-	-	60,879	72,252
Insurance Claims Payable	1,310	-	-	97	1,407
Trust Liabilities and Deposits	14,205	-	-	37,606	51,811
Matured Bonds Payable	-	-	46,647	69,090	115,737
Interest Payable	-	-	37,284	22,098	59,382
Deferred Revenue	7,150	-	6,720	23,649	37,519
Total Liabilities	<u>34,038</u>	<u>80,977</u>	<u>90,651</u>	<u>291,829</u>	<u>497,495</u>
Fund Balances					
Reserved for					
Encumbrances	9,655	-	-	196,731	206,386
Debt Service	-	-	339,107	4,722	343,829
Inventories	14,739	-	-	1,415	16,154
Prepaid Items	-	-	-	4,736	4,736
Notes Receivable	-	-	-	109,685	109,685
Unreserved					
Designated for Insurance Claims, reported in:					
General Fund	79,671	-	-	-	79,671
Special Revenue Funds	-	-	-	2,040	2,040
Designated for Unrealized Gain on Investments, reported in:					
General Fund	3,753	-	-	-	3,753
Special Revenue Funds	-	-	-	1,694	1,694
Capital Projects Funds	-	-	-	73	73
Debt Service Funds	-	-	617	269	886
Undesignated, reported in:					
General Fund	147,763	-	-	-	147,763
Special Revenue Funds	-	-	-	376,179	376,179
Capital Projects Funds	-	-	-	149,722	149,722
Total Fund Balances	<u>255,581</u>	<u>-</u>	<u>339,724</u>	<u>847,266</u>	<u>1,442,571</u>
Total Liabilities and Fund Balances	<u>\$ 289,619</u>	<u>\$ 80,977</u>	<u>\$ 430,375</u>	<u>\$ 1,139,095</u>	<u>\$ 1,940,066</u>

The accompanying notes are an integral part of these financial statements.

City of Phoenix, Arizona
Fund Financial Statements
Reconciliation of the Balance Sheet
to the Statement of Net Assets
Governmental Funds
 June 30, 2010
 (in thousands)

Exhibit B-2

Fund balances - total governmental funds balance sheet \$ 1,442,571

Amounts reported for governmental activities in the statement of net assets 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	6,012,402	
Accumulated depreciation	<u>(1,472,786)</u>	
		4,539,616

The equity in joint ventures are not a financial resource and, therefore, are not reported in the funds.

Valley Metro Rail Inc.	843,413	
Regional Wireless Cooperative	<u>72,643</u>	
		916,056

The OPEB Asset reported in governmental activities is not a financial resource and, therefore, is not reported in the funds. 2,742

Other assets used in governmental activities are not available to pay for current period expenditures and, therefore, are deferred in the funds. 37,519

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	(2,354,626)	
Pollution Remediation	(22,250)	
Compensated absences	(134,497)	
Insurance claims payable	<u>(98,264)</u>	
		<u>(2,609,637)</u>

Net assets of governmental activities - statement of net assets \$ 4,328,867

The accompanying notes are an integral part of these financial statements.

City of Phoenix, Arizona
Fund Financial Statements
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds

Exhibit B-3

For the Fiscal Year Ended June 30, 2010
(in thousands)

	General	Excise Tax	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
City Taxes	\$ 122,762	\$ 617,110	\$ 196,673	\$ 1,925	\$ 938,470
Licenses and Permits	13,863	2,869	-	12	16,744
Intergovernmental	54,994	297,462	3,448	565,738	921,642
Charges for Services	60,437	-	-	87,839	148,276
Fines and Forfeitures	17,383	-	-	-	17,383
Parks and Recreation	-	-	-	1,909	1,909
Special Assessments	-	-	-	70	70
Investment Income					
Net Change in Fair Value of Investments	(4,131)	-	(6,247)	(5,985)	(16,363)
Interest	11,355	-	9,410	15,203	35,968
Dwelling Rentals	-	-	-	8,574	8,574
Other	29,647	-	83	54,281	84,011
Total Revenues	306,310	917,441	203,367	729,566	2,156,684
EXPENDITURES					
Current Operating					
General Government	53,786	-	-	3,394	57,180
Criminal Justice	34,887	-	-	2,090	36,977
Public Safety	668,909	-	-	143,643	812,552
Transportation	43,590	-	-	222,344	265,934
Community Enrichment	146,220	-	-	51,829	198,049
Community Development	21,659	-	-	163,606	185,265
Environmental Services	17,738	-	-	1,426	19,164
Capital Outlay	4,325	-	-	525,069	529,394
Debt Service					
Principal	-	-	46,647	69,178	115,825
Interest	-	-	66,542	44,194	110,736
Bond Issuance Costs	-	-	384	1,962	2,346
Arbitrage Rebate and Fiscal Agent Fees	-	-	8	23	31
Other	-	-	-	4	4
Total Expenditures	991,114	-	113,581	1,228,762	2,333,457
Excess (Deficiency) of Revenues Over Expenditures	(684,804)	917,441	89,786	(499,196)	(176,773)
OTHER FINANCING SOURCES (USES)					
Transfers From Other Funds	679,542	-	-	384,137	1,063,679
Transfers to Other Funds	(1,767)	(917,441)	(25,214)	(133,433)	(1,077,855)
Issuance of Debt					
General Obligation and Revenue Bonds	-	-	(1,631)	350,000	348,369
Premium on General Obligation and Revenue Bonds	-	-	1,631	-	1,631
Refunding Bonds	-	-	69,911	-	69,911
Deposit to Refunding Escrow	-	-	(69,527)	-	(69,527)
Total Other Financing Sources and (Uses)	677,775	(917,441)	(24,830)	600,704	336,208
Net Change in Fund Balances	(7,029)	-	64,956	101,508	159,435
FUND BALANCES, JULY 1	262,610	-	274,768	745,758	1,283,136
FUND BALANCES, JUNE 30	\$ 255,581	\$ -	\$ 339,724	\$ 847,266	\$ 1,442,571

The accompanying notes are an integral part of these financial statements.

City of Phoenix, Arizona
Fund Financial Statements
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2010
(in thousands)

Exhibit B-4

Net change in fund balances - total governmental funds \$ 159,435

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 (\$134,567) plus the increase in the equity share of the joint venture (\$70,018) exceeded depreciation (\$157,047) and loss on disposals of capital assets (\$5,497) in the current period. 42,041

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (2,673)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Additions to bonded debt	(420,917)
Bond principal payments and other reductions	185,834
Amortization of bond premium	6,161

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Compensated absences	2,399
Insurance claims	(9,863)
Other Postemployment Benefit (OPEB) Asset	(17,741)
Pollution Remediation	250
	250

Change in net assets of governmental activities - statement of activities \$ (55,074)

The accompanying notes are an integral part of these financial statements.

City of Phoenix, Arizona
Fund Financial Statements
Budgetary Comparison Statement
General Fund

Exhibit B-5

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
City Taxes	\$ 122,355	\$ 122,355	\$ 122,761	\$ 406
Licenses and Permits	14,989	14,989	13,863	(1,126)
Intergovernmental	59,363	59,363	51,390	(7,973)
Charges for Services	64,643	64,643	63,704	(939)
Fines and Forfeitures	17,445	17,445	17,359	(86)
Interest	971	971	287	(684)
Miscellaneous	18,448	18,448	21,232	2,784
Total Revenues	<u>298,214</u>	<u>298,214</u>	<u>290,596</u>	<u>(7,618)</u>
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	87,286	86,986	77,130	9,856
Criminal Justice	37,988	37,988	35,029	2,959
Public Safety	702,478	702,478	658,886	43,592
Transportation	45,368	45,468	39,570	5,898
Community Enrichment	159,672	159,578	145,893	13,685
Community Development	25,187	25,187	21,351	3,836
Environmental Services	23,001	23,001	15,767	7,234
Capital	1,019	1,413	696	717
Contingency	29,800	29,800	-	29,800
Total Expenditures and Encumbrances	<u>1,111,799</u>	<u>1,111,899</u>	<u>994,322</u>	<u>117,577</u>
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(813,585)	(813,685)	(703,726)	109,959
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Staff and Administrative	24,482	24,482	22,545	(1,937)
In-Lieu Property Taxes	20,231	20,231	20,505	274
Excise Taxes and Other	768,561	768,561	661,851	(106,710)
Transfers to Other Funds				
Miscellaneous	(1,435)	(1,435)	(1,164)	271
Recovery of Prior Years Expenditures	1,100	1,100	1,161	61
Total Other Financing Sources and (Uses)	<u>812,939</u>	<u>812,939</u>	<u>704,898</u>	<u>(108,041)</u>
Net Change in Fund Balance	<u>\$ (646)</u>	<u>\$ (746)</u>	1,172	<u>\$ 1,918</u>
Fund Balance, July 1			<u>45,580</u>	
Fund Balance, June 30			<u>\$ 46,752</u>	

The accompanying notes are an integral part of these financial statements.

City of Phoenix, Arizona
Fund Financial Statements
Budgetary Comparison Statement
Excise Tax Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit B-6

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
City Taxes	\$ 758,747	\$ 758,747	\$ 617,110	\$ (141,637)
Licenses and Permits	2,930	2,930	2,869	(61)
Intergovernmental	323,968	323,968	297,462	(26,506)
Total Revenues	<u>1,085,645</u>	<u>1,085,645</u>	<u>917,441</u>	<u>(168,204)</u>
OTHER FINANCING USES				
Transfers to Other Funds				
General Fund	(713,914)	(713,914)	(629,018)	84,896
Transit 2000	(111,326)	(111,326)	(86,465)	24,861
Parks and Preserves	(27,831)	(27,831)	(21,615)	6,216
Sports Facilities	(16,142)	(16,142)	(12,502)	3,640
Capital Construction	(21,454)	(21,454)	(17,415)	4,039
Police Neighborhood Protection	(19,482)	(19,482)	(15,131)	4,351
Block Watch Neighborhood Protection	(1,392)	(1,392)	(1,081)	311
Fire Neighborhood Protection	(6,958)	(6,958)	(5,403)	1,555
Police Public Safety Enhancement	(16,608)	(16,608)	(14,867)	1,741
Fire Public Safety Enhancement	(10,182)	(10,182)	(9,111)	1,071
Police Public Safety Expansion	(43,604)	(43,604)	(34,505)	9,099
Fire Public Safety Expansion	(10,901)	(10,901)	(8,626)	2,275
City Improvement	(35,150)	(35,150)	(26,901)	8,249
Phoenix Convention Center	(50,701)	(50,701)	(34,801)	15,900
Total Other Financing Uses	<u>(1,085,645)</u>	<u>(1,085,645)</u>	<u>(917,441)</u>	<u>168,204</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, July 1			<u>-</u>	
Fund Balance, June 30			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

City of Phoenix, Arizona
Fund Financial Statements
Enterprise Funds
Statement of Net Assets
June 30, 2010
(in thousands)

Exhibit B-7

	<u>Aviation</u>	<u>Phoenix Convention Center</u>
<u>ASSETS</u>		
Current Assets		
Cash and Cash Equivalents	\$ 27,840	\$ 6,229
Investments	180,724	38,369
Receivables, Net of Allowances	6,970	250
Prepaid Items	170	-
Cash Deposits	457	-
Inventories, at Average Cost	1,452	199
Total Unrestricted Current Assets	<u>217,613</u>	<u>45,047</u>
Restricted Assets		
Cash and Cash Equivalents	39,855	4,236
Cash Deposits	-	2,465
Cash and Securities with Fiscal Agents/Trustees	125,402	15,254
Investments	107,234	13,990
Receivables, Net of Allowances	24,446	1
Total Restricted Current Assets	<u>296,937</u>	<u>35,946</u>
Total Current Assets	<u>514,550</u>	<u>80,993</u>
Noncurrent Assets		
Capital Assets, at Cost, Net of Accumulated Depreciation	2,508,150	865,286
Investment in Joint Use Agreement	-	-
OPEB Asset	158	48
Total Noncurrent Assets	<u>2,508,308</u>	<u>865,334</u>
Total Assets	<u>3,022,858</u>	<u>946,327</u>
<u>LIABILITIES</u>		
Current Liabilities Payable from Current Assets		
Accounts Payable	9,758	947
Due to Other Funds	-	-
Trust Liabilities and Deposits	486	-
Utility/Water Contractual Agreements	-	-
Deferred Revenue	7,115	-
Accrued Landfill Postclosure Care Costs	-	-
Current Portion of Pollution Remediation	3,123	-
Current Portion of Accrued Compensated Absences	849	234
Total Current Liabilities Payable from Current Assets	<u>21,331</u>	<u>1,181</u>
Current Liabilities Payable from Restricted Assets		
Accounts Payable	43,591	15
Trust Liabilities and Deposits	-	2,465
Bond Anticipation Notes Payable	200,000	-
Matured Bonds and Certificates Payable	26,735	1,795
Interest Payable	25,415	8,393
Current Portion of General Obligation Bonds	850	-
Current Portion of Revenue Bonds	-	-
Current Portion of Municipal Corporation Obligations	34,740	1,895
Accrued Landfill Closure Costs	-	-
Total Current Liabilities Payable from Restricted Assets	<u>331,331</u>	<u>14,563</u>
Total Current Liabilities	<u>352,662</u>	<u>15,744</u>
Noncurrent Liabilities		
General Obligation Bonds, Net of Deferred Interest Expense Adjustment	9,784	-
Revenue Bonds, Net of Deferred Interest Expense Adjustment	-	-
Municipal Corporation Obligations, Net of Deferred Interest Expense Adjustment	878,749	670,541
Unamortized Premium (Discount)	5,032	40,127
Pollution Remediation	13,817	-
Utility/Water Contractual Agreements	-	-
Rebatable Arbitrage	-	1,942
Accrued Landfill Closure and Postclosure Care Costs	-	-
Accrued Compensated Absences	4,950	1,329
Total Noncurrent Liabilities	<u>912,332</u>	<u>713,939</u>
Total Liabilities	<u>1,264,994</u>	<u>729,683</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	1,465,741	154,118
Restricted for Capital Projects	-	-
Restricted for Debt Service	30,787	-
Restricted for CFC Transportation O&M / Improvement Reserves	20,943	-
Restricted for Development Impact Fees	-	-
Unrestricted	240,393	62,526
Total Net Assets	<u>\$ 1,757,864</u>	<u>\$ 216,644</u>

The accompanying notes are an integral part of these financial statements.

Exhibit B-7

(Continued)

Water System	Wastewater	Solid Waste	Golf Courses	Total
\$ 4,468	\$ 11,100	\$ 5,127	\$ -	\$ 54,764
44,494	68,981	34,052	-	366,620
56,723	23,609	13,566	-	101,118
3,699	-	-	-	3,869
-	-	-	-	457
7,331	1,151	-	195	10,328
116,715	104,841	52,745	195	537,156
31,004	18,957	10,382	-	104,434
4,369	183	113	-	7,130
85,577	50,383	11,003	-	287,619
243,819	129,726	49,641	-	544,410
342	6,292	-	-	31,081
365,111	205,541	71,139	-	974,674
481,826	310,382	123,884	195	1,511,830
2,241,640	1,032,433	138,767	11,283	6,797,559
180,631	486,646	-	-	667,277
207	71	92	10	586
2,422,478	1,519,150	138,859	11,293	7,465,422
2,904,304	1,829,532	262,743	11,488	8,977,252
18,284	9,176	1,757	40	39,962
-	-	-	8,905	8,905
-	-	-	14	500
9,000	-	-	-	9,000
2	1	-	117	7,235
-	-	2,439	-	2,439
-	-	-	-	3,123
1,024	312	380	76	2,875
28,310	9,489	4,576	9,152	74,039
13,411	4,215	914	-	62,146
5,164	183	113	-	7,925
-	100,000	-	-	300,000
49,330	31,345	7,265	-	116,470
39,116	22,135	3,738	-	98,797
11,720	17,585	6,805	-	36,960
268	680	-	-	948
40,085	26,185	6,430	-	109,335
-	-	2,183	-	2,183
159,094	202,328	27,448	-	734,764
187,404	211,817	32,024	9,152	808,803
45,196	22,313	11,081	-	88,374
1,556	12,342	-	-	13,898
1,361,335	765,919	128,943	-	3,805,487
65,302	27,512	3,653	-	141,626
-	-	-	-	13,817
2,423	-	-	-	2,423
-	-	-	-	1,942
-	-	67,484	-	67,484
5,989	1,819	2,142	442	16,671
1,481,801	829,905	213,303	442	4,151,722
1,669,205	1,041,722	245,327	9,594	4,960,525
923,505	588,292	3,778	11,283	3,146,717
-	-	-	-	-
-	-	-	-	30,787
-	-	-	-	20,943
62,643	36,824	2,470	-	101,937
248,951	162,694	11,168	(9,389)	716,343
\$ 1,235,099	\$ 787,810	\$ 17,416	\$ 1,894	\$ 4,016,727

City of Phoenix, Arizona
Fund Financial Statements
Enterprise Funds
Statement of Revenues, Expenses and
Changes in Net Assets

Exhibit B-8

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Aviation	Phoenix Convention Center
Operating Revenues		
Landing and Terminals Fees	\$ 137,517	\$ -
Sales	-	-
Rentals	107,918	5,853
Sewer Service Charges	-	-
Sanitation and Landfill Fees	-	-
Golf Fees	-	-
Concessions	-	8,791
Other	21,343	6,992
Total Operating Revenues	<u>266,778</u>	<u>21,636</u>
Operating Expenses		
Administration and Engineering	-	24,898
Operation and Maintenance	195,538	16,434
Promotion	-	2,837
Depreciation and Amortization	129,034	26,016
Staff and Administrative	5,037	2,154
Environmental, Studies & Noise Program	13,811	-
Other	1,877	2,500
Total Operating Expenses	<u>345,297</u>	<u>74,839</u>
Operating Income (Loss)	<u>(78,519)</u>	<u>(53,203)</u>
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(2,937)	(387)
Interest on Investments	6,455	2,100
Interest on Capital Debt	(46,768)	(28,432)
Equity Interest in Joint Use Agreement Operating Loss	-	-
Gain (Loss) on Disposal of Capital Assets	(1,420)	(10,800)
Total Non-Operating Revenues (Expenses)	<u>(44,670)</u>	<u>(37,519)</u>
Income (Loss) Before Contributions and Transfers	<u>(123,189)</u>	<u>(90,722)</u>
Capital Contributions	153,215	6,879
Transfers from Other Funds	-	34,801
Transfers to Other Funds	-	(961)
Change in Net Assets	<u>30,026</u>	<u>(50,003)</u>
Net Assets, July 1	<u>1,727,838</u>	<u>266,647</u>
Net Assets, June 30	<u>\$ 1,757,864</u>	<u>\$ 216,644</u>

The accompanying notes are an integral part of these financial statements.

Exhibit B-8

(Continued)

Water System	Wastewater	Solid Waste	Golf Courses	Total
\$ -	\$ -	\$ -	\$ -	\$ 137,517
271,123	-	-	-	271,123
-	-	-	-	113,771
-	149,084	-	-	149,084
-	-	128,130	-	128,130
-	-	-	4,016	4,016
-	-	-	1,471	10,262
57,880	41,632	9,233	240	137,320
329,003	190,716	137,363	5,727	951,223
30,873	10,240	25,483	585	92,079
159,652	72,684	78,866	7,343	530,517
-	-	-	-	2,837
90,648	41,858	13,722	667	301,945
5,211	1,178	4,526	279	18,385
-	-	-	-	13,811
-	-	6,941	20	11,338
286,384	125,960	129,538	8,894	970,912
42,619	64,756	7,825	(3,167)	(19,689)
(4,529)	(1,690)	(381)	(1)	(9,925)
9,211	4,551	1,372	2	23,691
(63,473)	(36,796)	(6,857)	-	(182,326)
(8,417)	(24,273)	-	-	(32,690)
(1,068)	(105)	593	1	(12,799)
(68,276)	(58,313)	(5,273)	2	(214,049)
(25,657)	6,443	2,552	(3,165)	(233,738)
15,821	24,463	72	35	200,485
15,923	7,373	1,918	-	60,015
(27,162)	(14,217)	(3,499)	-	(45,839)
(21,075)	24,062	1,043	(3,130)	(19,077)
1,256,174	763,748	16,373	5,024	4,035,804
\$ 1,235,099	\$ 787,810	\$ 17,416	\$ 1,894	\$ 4,016,727

City of Phoenix, Arizona
Fund Financial Statements
Enterprise Funds

Exhibit B-9

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2010
(in thousands)

	<u>Aviation</u>	<u>Phoenix Convention Center</u>
Cash Flows from Operating Activities		
Receipts from Customers	\$ 264,357	\$ 21,812
Payments to Suppliers	(145,576)	(24,340)
Payments to Employees	(69,859)	(22,415)
Payment of Staff and Administrative Expenses	(5,037)	(2,154)
Net Cash Provided (Used) by Operating Activities	<u>43,885</u>	<u>(27,097)</u>
Cash Flows from Noncapital Financing Activities		
Transfers from Other Funds	-	34,801
Transfers to Other Funds	-	(961)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>33,840</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	120,000	-
Principal Paid on Capital Debt	(26,815)	(1,705)
Interest Paid on Capital Debt	(51,959)	(16,833)
Loans from Other Funds	-	-
Acquisition and Construction of Capital Assets	(273,304)	(5,164)
Proceeds from Sales of Capital Assets	133	13
Capital Contributions	153,786	9
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(78,159)</u>	<u>(23,680)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities	(640,333)	(437,215)
Proceeds from Sale and Maturities of Investment Securities	702,285	460,006
Net Activity for Short-Term Investments	(90,698)	(26,250)
Interest on Investments	3,579	1,002
Net Cash Provided (Used) by Investing Activities	<u>(25,167)</u>	<u>(2,457)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(59,441)</u>	<u>(19,394)</u>
Cash and Cash Equivalents, July 1	252,995	47,578
Cash and Cash Equivalents, June 30	<u>\$ 193,554</u>	<u>\$ 28,184</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (78,519)	\$ (53,203)
Adjustments		
Depreciation and Amortization	129,034	26,016
(Increase) Decrease in Assets		
Deposits	1	-
Receivables	(1,199)	(17)
Allowance for Doubtful Accounts	365	-
Prepaid Items	170	-
Inventories	(123)	(53)
OPEB Asset	1,145	273
Increase (Decrease) in Liabilities		
Accounts Payable	(1,572)	(206)
Trust Liabilities and Deposits	-	193
Deferred Revenue	(1,587)	-
Pollution Remediation	(3,937)	-
Accrued Compensated Absences	107	(100)
Accrued Landfill Closure and Postclosure Care Costs	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 43,885</u>	<u>\$ (27,097)</u>
Noncash Transactions Affecting Financial Position		
Contributions of Capital Assets	\$ 531	\$ 6,870
Bond Capital Appreciation	-	15,265
Refunding Issuance in Excess of Bond Retirement	433	62
Increase (Decrease) in Fair Value of Investments	416	(84)
Total Noncash Transactions Affecting Financial Position	<u>\$ 1,380</u>	<u>\$ 22,113</u>
Cash and Cash Equivalents		
Unrestricted		
Cash and Cash Equivalents	\$ 27,840	\$ 6,229
Customer and Other Deposits	457	-
Restricted		
Cash and Cash Equivalents	39,855	4,236
Cash with Fiscal Agents/Trustees	125,402	15,254
Customer and Other Deposits	-	2,465
	<u>165,257</u>	<u>21,955</u>
	<u>\$ 193,554</u>	<u>\$ 28,184</u>

The accompanying notes are an integral part of these financial statements.

Exhibit B-9

(Continued)

	Water System	Wastewater	Solid Waste	Golf Courses	Total
\$	334,409	\$ 178,950	\$ 130,731	\$ 5,746	\$ 936,005
	(93,746)	(59,915)	(65,836)	(2,630)	(392,043)
	(89,334)	(22,613)	(42,924)	(5,217)	(252,362)
	(5,211)	(1,178)	(4,526)	(279)	(18,385)
	146,118	95,244	17,445	(2,380)	273,215
	15,923	7,373	1,918	-	60,015
	(27,162)	(14,217)	(3,499)	-	(45,839)
	(11,239)	(6,844)	(1,581)	-	14,176
	2,076	113,757	31	-	235,864
	(34,605)	(24,146)	(12,067)	-	(99,338)
	(66,168)	(46,019)	(7,793)	-	(188,772)
	-	-	-	2,450	2,450
	(168,884)	(93,856)	(7,781)	(101)	(549,090)
	227	9	1,308	2	1,692
	7,066	7,136	39	-	168,036
	(260,288)	(43,119)	(26,263)	2,351	(429,158)
	(296,335)	(304,326)	(116,535)	-	(1,794,744)
	442,210	278,649	132,751	-	2,015,901
	(29,853)	(21,322)	(11,812)	-	(179,935)
	5,401	2,859	1,008	1	13,850
	121,423	(44,140)	5,412	1	55,072
	(3,986)	1,141	(4,987)	(28)	(86,695)
	129,404	79,482	31,612	28	541,099
\$	125,418	\$ 80,623	\$ 26,625	\$ -	\$ 454,404
\$	42,619	\$ 64,756	\$ 7,825	\$ (3,167)	\$ (19,689)
	90,648	41,858	13,722	667	301,945
	2,952	-	-	-	2,953
	4,861	(11,814)	(6,567)	-	(14,736)
	40	51	(54)	-	402
	(180)	-	-	-	(10)
	203	(63)	-	15	(21)
	1,445	506	746	122	4,237
	3,117	79	(1,404)	(2)	12
	562	(3)	(11)	-	741
	(57)	-	-	19	(1,625)
	-	-	-	-	(3,937)
	(92)	(126)	61	(34)	(184)
	-	-	3,127	-	3,127
\$	146,118	\$ 95,244	\$ 17,445	\$ (2,380)	\$ 273,215
\$	8,755	\$ 17,327	\$ (33)	\$ 35	\$ 33,485
	226	-	-	-	15,491
	1,239	2,601	77	-	4,412
	(539)	10	(27)	-	(224)
\$	9,681	\$ 19,938	\$ 17	\$ 35	\$ 53,164
\$	4,468	\$ 11,100	\$ 5,127	\$ -	\$ 54,764
	-	-	-	-	457
	31,004	18,957	10,382	-	104,434
	85,577	50,383	11,003	-	287,619
	4,369	183	113	-	7,130
	120,950	69,523	21,498	-	399,183
\$	125,418	\$ 80,623	\$ 26,625	\$ -	\$ 454,404

City of Phoenix, Arizona
Fund Financial Statements
Fiduciary Funds
Statement of Fiduciary Net Assets

Exhibit B-10

June 30, 2010
(in thousands)

	Pension and Other Employee Benefit Trusts	Agency Funds
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 70,497	\$ 10,750
Investments		
Treasurer's Pooled Investments	76,081	60,915
Temporary Investments	238,396	-
Fixed Income	504,471	-
Domestic Equities	752,152	-
International Equities	369,908	-
Receivables		
Accounts Receivable	47,473	-
Contributions Receivable	5,761	-
Interest and Dividends	3,621	-
Prepaid Items	5,150	-
Total Assets	<u>2,073,510</u>	<u>71,665</u>
<u>LIABILITIES</u>		
Accounts Payable	322,993	-
Accrued Payroll Payable	-	71,665
Claims Payable	25,008	-
Total Liabilities	<u>348,001</u>	<u>71,665</u>
<u>NET ASSETS</u>		
Held in trust for pension and other employee benefits	<u>\$ 1,725,509</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

City of Phoenix, Arizona
Fund Financial Statements
Fiduciary Funds
Statement of Changes in Fiduciary
Net Assets

Exhibit B-11

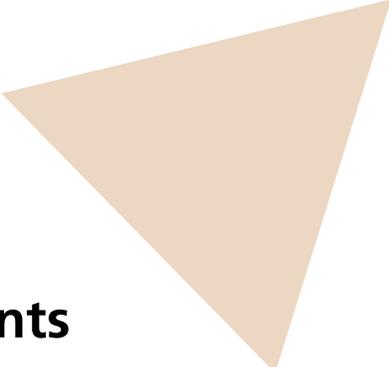
For the Fiscal Year Ended June 30, 2010
(in thousands)

	<u>Pension and Other Employee Benefit Trusts</u>
<u>ADDITIONS</u>	
Contributions	
City of Phoenix	\$ 228,513
Employees	90,566
Inter-System Transfers	14,203
Other	4,488
Total Contributions	<u>337,770</u>
Investment Income	
From Investing Activities	
Net Decrease in Fair Value of Investments	114,554
Interest	19,443
Dividends	19,412
Other	908
Investment Income	<u>154,317</u>
Less: Investment Expense	<u>4,991</u>
Net Investment Income	
from Investing Activities	149,326
Security Lending Activity Gross Income	1,630
Security Lending Expenses	<u>(690)</u>
Total Net Investment Income	<u>150,266</u>
Total Additions	<u>488,036</u>
<u>DEDUCTIONS</u>	
Benefit Payments	349,180
Refunds of Contributions	2,884
Inter-System Transfers	11,283
Other	10,789
Total Deductions	<u>374,136</u>
Net Increase	113,900
Net Assets Held in Trust for Pension and Other Employee Benefits	
Beginning of Year, July 1	<u>1,611,609</u>
End of Year, June 30	<u>\$ 1,725,509</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:

Note	Description
1	Summary of Significant Accounting Policies
2	Budget Basis of Accounting
3	Property Tax
4	Cash and Investments
5	Receivables
6	Interfund Transactions
7	Restricted Assets and Liabilities Payable from Restricted Assets
8	Capital Assets
9	Long Term Obligations
10	Refunded and Refinanced Obligations
11	Legal Debt Margin
12	Risk Management
13	Operating Leases
14	Contractual and Other Commitments
15	Contingent Liabilities
16	Joint Use Agreements
17	Deferred Compensation Plan
18	Pension Plans
19	Other Postemployment Benefits
20	Subsequent Events



City of Phoenix, Arizona

Notes to the Financial Statements

As of and for the Fiscal Year Ended June 30, 2010

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.

GASB No. 20 requires that governments’ proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The City has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

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 No. 14, 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.

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. Employees contribute 5% 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 101 S. Central Avenue, Suite 600, Phoenix, Arizona, 85004.

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 on the 5th Floor of 251 W. Washington Street, Phoenix, Arizona, 85003.

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. The corporations are governed by self-perpetuating Board of Directors consisting of at least three persons who are appointed by and consist of City management. Although the corporations are legally separate from the City, governmental accounting standards require the corporations to be reported as a non-major discretely presented component unit of

Notes to the Financial Statements

(Continued)

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 on the 5th Floor of 251 W. Washington Street, Phoenix, Arizona, 85003.

Downtown Phoenix Hotel Corporation ("DPHC")

The DPHC is an Arizona nonprofit corporation duly organized and existing under the laws of the State. The Corporation was formed in January, 2005, for the sole purpose of owning, acquiring, constructing, equipping, financing and taking any other actions that an Arizona nonprofit corporation may take with respect to a full-service downtown hotel. The City Council of the City of Phoenix appoints the corporation's Board of Directors, approves the annual budget, and approves amendments to the Articles of Incorporation and Bylaws. Upon future dissolution of the corporation, remaining assets will revert to the City. Accordingly, the corporation is considered to be a governmental unit for financial reporting purposes. Although the corporation is legally separate from the City, governmental accounting standards require the corporation 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 corporation. Separate financial statements for the corporation can be obtained from the City's Finance Department, through the Financial Accounting and Reporting Division on the 5th Floor of 251 W. Washington Street, Phoenix, Arizona, 85003.

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.

Williams Gateway Airport Authority ("WGAA")

WGAA 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 WGAA. 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 \$8.9 million) to the WGAA operating and capital budget.

c. Basic Financial Statements

The basic financial statements constitute the core of the financial section of the City's Comprehensive Annual Financial Report (CAFR). 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 assets 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.

Notes to the Financial Statements

(Continued)

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 assets reports all financial and capital resources of the government (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted and 3) unrestricted. Invested in capital assets, net of related debt, 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 assets are those whose use 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 assets 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 assets are available.

Reservations or designations of net assets imposed by the reporting government, whether by administrative policy or legislative actions of the reporting government, are not shown on the government-wide 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 and depreciation expense on assets shared by multiple functions are 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, liabilities, 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.

Notes to the Financial Statements

(Continued)

The proprietary (enterprise) fund and fiduciary fund 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, liabilities, 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.

Excise Tax Special Revenue Fund

The Excise Tax Fund is the only special revenue fund that is presented as a major fund in the basic financial statements. Revenues received for various sales and franchise taxes are recorded in the Excise Tax Fund and then subsequently transferred to the specific fund that has been budgeted to utilize the taxes.

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 reports the following nonmajor governmental funds:

Special Revenue Funds

Thirteen 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 legally restricted to expenditures for specified purposes.

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.

Capital Projects Funds

Eight 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).

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 net income is useful or necessary for sound fiscal management. The measurement focus is based upon determination of net income, changes in net assets, 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 six 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, solid waste disposal system and golf courses.

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 assets and changes in net assets 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 and Long Term Disability.

Agency Funds

Agency funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations, other governmental units and other funds. The City has three agency funds to account for accrued payroll liabilities such as withholding taxes, and contributions to the Post Employment Health Plan and the Deferred Compensation Plan.

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 and current liabilities 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.

Enterprise funds and pension trust funds are accounted for on a flow of economic resources measurement focus whereby all assets and liabilities associated with the operation of these funds are included on the statement of net assets. Statements of revenues, expenditures and changes in net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Notes to the Financial Statements

(Continued)

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, privilege license 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.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus.

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, Transit 2000 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 2009-10, the reappropriation budget was \$1,451,500,000.

Notes to the Financial Statements
(Continued)

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 2009-10 expenditure limit supplied by the Economic Estimates Commission was \$1,335,225,471. The City increased this limit to \$6,865,156,000 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 2007 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 2011-12. 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
City Manager’s proposed budget for ensuing year submitted to Council	On or before the first Tuesday in June	No provision
Publish general summary of budget and notice of public hearing	Publish in newspaper of general circulation at least two weeks prior to first public hearing	No provision
Public hearing and tentative budget adoption	On or before the last day of June	On or before the third Monday in July
Publish budget summary and notice of public hearing	No provision	Once a week for two consecutive weeks following tentative adoption
Public hearing and final budget adoption	No provision	No later than the second Monday in August
Property tax levy adoption	No later than the last regular Council meeting in July	No sooner than fourteen days following final budget adoption and no later than the third Monday in August

Notes to the Financial Statements (Continued)

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, liabilities, and net assets, 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. Reservations and Designations

In the governmental fund financial statements, reservations and designations of fund balance are recorded to signify that a portion of fund balance is not appropriable for expenditure, or is legally segregated or earmarked by management for specific future use.

i. 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 twenty 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. Fair value is based on quoted market prices as of the valuation date.

j. Inventories

Inventories consist of expendable supplies held for consumption. Inventories in governmental funds are stated at average cost. Enterprise fund inventories are stated at the lower of average cost or market. Inventories are primarily accounted for on the consumption method. The reserve for inventories in the governmental funds is equal to the amount of inventories to indicate that a portion of the fund balance is not available for future expenditure.

k. 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, sub-grade 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.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than two years. 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 are recorded at the estimated fair value at the date of donation.

Notes to the Financial Statements (Continued)

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed for the enterprise funds. See Note 8 for presentation of capital additions and interest costs 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) or net realizable value, if lower, as of the date of the transfer.

I. 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' termination or retirement. For governmental funds, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. For the government-wide financial statements, as well as the enterprise fund financial statements, all of the outstanding compensated absences are recorded as a liability.

m. 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 assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Unamortized bond premiums or discounts are reported separately 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. 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.

n. Fund Deficits

At June 30, 2010, two special revenue funds reported fund deficits: Neighborhood Protection \$13,491,000 and Public Safety Enhancement \$2,339,000. The deficits occurred due to lower than planned receipts of voter approved local sales taxes. The City Council has approved a multi-year plan to resolve these fund deficits over the next several years. The plan includes a combination of efforts including cost cutting measures, and the reduction of positions funded by these taxes through a hiring freeze and attrition.

Notes to the Financial Statements
(Continued)

o. 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, and in-lieu property taxes, which are recorded as revenue in the General Fund and expenses in the Enterprise funds. In addition, operating transfers are made between funds to shift resources from a fund legally authorized to receive revenue to a fund authorized to expend the revenue.

p. 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 No. 9, the trust funds are not required to present a statement of cash flows.

q. New Accounting Pronouncements

In February 2009, GASB issued Statement No. 54, ***Fund Balance Reporting and Governmental Fund Type Definitions***. The statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. It establishes the fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. This statement is effective for the City's financial statements for periods beginning after June 15, 2010. The City will implement Statement No. 54 in the June 30, 2011 CAFR. It is expected to refine the presentation of the fund balance classifications of the governmental fund types.

2. Budget Basis of Accounting

The City's budget is adopted on a basis other than GAAP. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for the General and major Special Revenue Funds (Exhibits B-5 and B-6) 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	A reservation of fund balance
Grant Revenues	Recognized on a modified cash basis	Recognized on the accrual basis
Investment Income	Unrealized gain or loss on investments not recognized	Unrealized gain or loss on investments recognized
Reservations of Fund Balance	Not recognized	Recognized
Designation of Fund Balance for Unrealized Gains on Investments	Not recognized	Recognized
In-Lieu Property Taxes	Interfund Transfers	Revenues and expenses
Staff and Administrative Costs	Interfund Transfers	Reimbursable expenses

Notes to the Financial Statements
(Continued)

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 results of operations for the fiscal year ended June 30, 2010 on the budget basis to the GAAP basis are as follows (in thousands):

	Excess of Sources of Financial Resources Over Uses of Financial Resources	
	General	Excise Tax Special Revenue
Budget basis	\$ 1,172	\$ -
Entity differences - amounts not budgeted	(13,012)	-
Transfers not recognized for budget purposes	(22,903)	-
Accrued/(deferred) revenue not recognized for budget purposes (net of reversals of prior year accruals)	3,617	-
Accrued expenditures not recognized for budget purposes (net of reversals of prior year accruals)	21,333	-
Unrealized gain or loss on investments	5,668	-
Encumbrances at June 30 recognized as expenditures for budget purposes	(2,904)	-
GAAP basis	<u>\$ (7,029)</u>	<u>\$ -</u>

Adjustments necessary to convert the fund balances at June 30, 2010 on the budget basis to the GAAP basis are as follows (in thousands):

	Fund Balances at June 30	
	General	Excise Tax Special Revenue
Budget basis	\$ 46,752	\$ -
Entity differences - amounts not budgeted	138,804	-
Transfers not recognized for budget purposes	(22,375)	-
Accrued/(deferred) revenue not recognized for budget purposes (net of reversals of prior year accruals)	7,613	-
Accrued expenditures not recognized for budget purposes (net of reversals of prior year accruals)	12,604	-
Unrealized gain or loss on investments	61,864	-
Encumbrances at June 30 recognized as expenditures for budget purposes	10,319	-
GAAP basis	<u>\$ 255,581</u>	<u>\$ -</u>

Notes to the Financial Statements
(Continued)

3. Property Tax

Levy, Assessment and Collection

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

1. A primary system for taxes levied to pay current operation and maintenance expenses.
2. 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.

Specific provisions are made under each system for determining the full cash and limited values of property, the basis of assessment, and the maximum annual tax levies on certain types of property and by certain taxing authorities. Under the primary system, the limited value of locally-assessed real property (residential, commercial, industrial, agricultural and unimproved property) may increase by more than 10% annually only under certain circumstances. Under the secondary system, there is no limitation on the annual increase in full cash value of any property. Primary levies are limited to a 2% increase annually plus levies attributable to assessed valuation added as a result of growth and annexation. In addition, levies may be increased by an amount equal to payments made during the year by the City pursuant to involuntary tort judgements. Secondary tax levies do not have a limitation. City of Phoenix assessed valuations for tax year 2010 are: primary \$15,102,603,682 and secondary \$16,092,308,328.

The City Council adopts the annual tax levy 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 full cash value as determined by the Maricopa County Assessor. For locally assessed property, the full cash value 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 full cash value 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):

	2009 Levy			Prior Levies	Total
	Primary	Secondary	Total		
Taxes Receivable, July 1	\$ -	\$ -	\$ -	\$ 12,924	\$ 12,924
Current Tax Levy	123,095	198,722	321,817	-	321,817
Adjustments by County Assessor	(747)	(729)	(1,476)	(1,554)	(3,030)
	122,348	197,993	320,341	11,370	331,711
Less: Collections	(117,814)	(190,300)	(308,114)	(9,651)	(317,765)
Taxes Receivable, June 30	<u>\$ 4,534</u>	<u>\$ 7,693</u>	<u>\$ 12,227</u>	<u>\$ 1,719</u>	<u>\$ 13,946</u>

In fiscal 2009-10, current property tax collections were \$308,114,000, or 95.8% of the tax levy, and were recognized as revenue when received. At fiscal year end, the delinquent property tax expected to be collected within 60 days was recognized as revenue and recorded as a receivable for the governmental funds. As delinquent payments are received in 2010-11, 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 fund balance in the Secondary Property Tax Debt Service Fund must remain in that fund and 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.

Notes to the Financial Statements
(Continued)

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.

Unsecured Personal Property

The foregoing is applicable to real property, improvements thereon and secured personal property (personal property attached to real property), utilities and other centrally assessed property. During fiscal 2009-10, 0.01% of the total property tax collections represented taxes on unsecured personal property, which are assessed on a monthly basis using different procedures than those applicable to secured property.

4. Cash and Investments

Cash and cash equivalents at June 30, 2010, was comprised of the following (in thousands):

	<u>Total</u>
Cash in Bank	\$ 17,109
Cash on Hand	191
Short-Term Pooled Investments	176,969
Short-Term Non-Pooled Investments	414,291
Cash with Fiscal Agent (1)	19,101
Total Cash and Cash Equivalents	<u>\$ 627,661</u>

- (1) Represents cash advanced by the City to fiscal agents on June 30, 2010 for debt service payments on refunded/defeased bonds due to bondholders on July 1, 2010. The City was reimbursed on July 1, 2010, from proceeds of investments maturing in escrow accounts held by the respective fiscal/escrow agents.

Notes to the Financial Statements
(Continued)

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

Primary Government	
Unrestricted	
General Fund	\$ 13,083
General Obligation/Secondary Property Tax	129,109
Non-Major Governmental Funds	185,685
Enterprise Funds	
Aviation	27,840
Phoenix Convention Center	6,229
Water System	4,468
Wastewater	11,100
Solid Waste	5,127
Total Unrestricted	<u>382,641</u>
Restricted	
Enterprise Funds	
Aviation	39,855
Phoenix Civic Plaza	4,236
Water System	31,004
Wastewater	18,957
Solid Waste	10,382
Total Restricted	<u>104,434</u>
Total Primary Government	487,075
Component Unit - DPHC	58,168
Component Unit - PHFC	1,171
Fiduciary Funds	
Employee Pension Trust	58,161
Employee Benefit Trust	12,336
Payroll Agency	10,750
Total Reporting Entity	<u><u>\$ 627,661</u></u>

Notes to the Financial Statements
(Continued)

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 during the year and at fiscal year end were entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name. The carrying amount of the City's deposits at June 30, 2010 was \$17,109,000 and the bank ledger balance was \$32,092,000.

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, 2010 was \$368,562,000. Securities with fiscal agents and trustees are not subject to custodial risk. The carrying amount of the City's securities with fiscal agents and trustees at June 30, 2010 was \$94,298,000 and the bank ledger balance was \$94,449,000.

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, COPERS is also authorized to invest in certain types of investment grade domestic preferred and common stocks, and real property. The City Charter allows COPERS to invest up to 60% in common stocks. COPERS is also authorized to invest in "Investment Derivative Instruments" which include swaps, forwards, options on swaps, and options on forwards.

Total investments at June 30, 2010, stated at fair value, were \$3,826,991,000. The following summarizes those amounts reported in "Investments" in the accompanying financial statements (in thousands):

	<u>Credit Quality Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Component Unit Investments			
Downtown Phoenix Hotel Corporation			
U.S. Government Agency Securities			
FHLMC Notes	AAA	\$ 12,593	0.561

(continued)

Notes to the Financial Statements
(Continued)

	Credit Quality Rating	Fair Value	Weighted Average Maturity (Years)
City Investments			
Pooled Investments			
Short-Term Investment Funds	AAA	69,704	0.003
Repurchase Agreements collateralized by U.S. Treasury Securities	Not Rated	56,066	0.003
U.S. Treasury Securities	N/A (1)	503,951	1.282
U.S. Government Agency Securities			
FNMA Notes	AAA	139,436	2.810
FHLMC Notes	AAA	65,343	2.588
FHLB Notes	AAA	232,894	1.248
Total U.S. Government Agency Securities		<u>437,673</u>	1.946
FDIC Commercial Paper	A1+	27,000	0.006
Municipal Securities	AA+	11,653	0.730
FDIC Corporate Notes	AAA	171,772	1.655
Mortgage Backed Securities			
GNMA	N/A (1)	78,941	2.630
FNMA Notes	AAA	2,428	1.263
FHLMC Notes	AAA	20,148	0.957
Total Mortgage Backed Securities		<u>101,517</u>	2.265
Collateralized Mortgage Obligations			
FNMA Notes	AAA	19,470	1.291
FHLMC Notes	AAA	22,322	0.830
Total Collateralized Mortgage Obligations		<u>41,792</u>	1.045
Total Pooled Investments		1,421,128	1.453
Less: SROG Pooled Investments		(39,167)	
Less: Val Vista Pooled Investments		(4,408)	
Less: RWC Pooled Investments		(460)	
Less: Short-Term Pooled Investments		<u>(206,456)</u>	
Net Pooled Investments		1,170,637	
Non-Pooled Investments			
Short-Term Investment Funds	AAA	140	0.003
Repurchase Agreements collateralized by U.S. Treasury Securities	Not Rated	111,834	0.000
U.S. Treasury Securities	N/A (1)	515,481	0.641
U.S. Government Agency Securities			
FNMA Notes	AAA	72,747	0.622
FHLMC Notes	AAA	97,586	0.345
FHLB Notes	AAA	219,896	0.210
FFCB Notes	AAA	50,995	0.962
Total U.S. Government Agency Securities		<u>441,224</u>	0.395
Municipal Securities	AA+	2,282	0.430
FDIC Corporate Notes	AAA	5,638	1.919
		1,076,599	0.479
Less: Short-Term Non-Pooled Investments		<u>(297,765)</u>	
Total Non-Pooled Investments		<u>778,834</u>	
Mutual Funds	Not Rated	118,499	
Total City Investments		<u>2,067,970</u>	

(1) U.S. Government Guaranteed

Notes to the Financial Statements
(Continued)

	Credit Quality		Remaining Maturity (Years)					
	Rating	Fair Value	0-5	6-10	11-15	16-20	21-25	Over 25
COPERS Investments								
Fixed Income Investments								
Total Derivatives	Not Rated	\$ 1,002	\$ 858	\$ (150)	\$ (190)	\$ -	\$ -	\$ 484
U.S. Treasury	Not Rated	24,504	9,495	-	6,568	8,441	-	-
U.S. Treasury	AAA	202,680	111,320	30,240	2,509	16,747	27,366	14,498
Total U.S. Treasury		227,184	120,815	30,240	9,077	25,188	27,366	14,498
U.S. Govt. Agency Securities	AAA	110	67	43	-	-	-	-
U.S. Govt. Agency Securities	BBB	3,385	991	1,500	-	-	-	894
Total U.S. Govt. Agency Securities		3,495	1,058	1,543	-	-	-	894
Mortgage Backed Securities	Not Rated	1,751	-	-	-	-	-	1,751
Mortgage Backed Securities	AAA	70,424	-	-	898	409	5,779	63,338
Mortgage Backed Securities	AA	1,348	-	-	-	-	-	1,348
Mortgage Backed Securities	A	3,980	-	-	-	-	544	3,436
Mortgage Backed Securities	BBB	1,525	-	-	-	-	343	1,182
Mortgage Backed Securities	BB	979	-	-	-	-	-	979
Mortgage Backed Securities	B	3,835	-	-	-	-	-	3,835
Mortgage Backed Securities	CCC	5,465	-	-	-	-	-	5,465
Mortgage Backed Securities	CC	491	-	-	-	-	-	491
Total Mortgage Backed Securities		89,798	-	-	898	409	6,666	81,825
Asset Backed Securities	Not Rated	631	-	-	-	3	-	628
Asset Backed Securities	AAA	7,482	3,184	246	1,660	-	-	2,392
Asset Backed Securities	AA	102	-	-	-	-	-	102
Asset Backed Securities	BBB	318	-	23	58	-	237	-
Asset Backed Securities	BB	374	-	-	-	-	374	-
Asset Backed Securities	B	1,142	-	-	-	-	-	1,142
Asset Backed Securities	CCC	224	-	-	-	-	-	224
Asset Backed Securities	CC	145	-	-	-	-	-	145
Asset Backed Securities	D	382	-	-	-	-	-	382
Total Asset Backed Securities		10,800	3,184	269	1,718	3	611	5,015
Municipal Bonds	AA	1,210	-	-	-	203	403	604
Municipal Bonds	A	877	690	-	-	-	-	187
Total Municipal Bonds		2,087	690	-	-	203	403	791
Corporate Bonds	Not Rated	43,953	9,550	1	33,717	244	441	-
Corporate Bonds	AAA	2,143	1,386	744	-	-	-	13
Corporate Bonds	AA	5,839	1,766	2,331	-	-	-	1,742
Corporate Bonds	A	26,350	10,128	12,953	-	55	22	3,192
Corporate Bonds	BBB	18,662	2,456	10,861	811	86	1,240	3,208
Corporate Bonds	BB	542	68	66	-	-	215	193
Corporate Bonds	B	51	51	-	-	-	-	-
Corporate Bonds	CCC	203	51	-	14	-	138	-
Total Corporate Bonds		97,743	25,456	26,956	34,542	385	2,056	8,348
International Bonds	Not Rated	2,786	1,311	-	1,475	-	-	-
International Bonds	AAA	5,637	5,532	105	-	-	-	-
International Bonds	AA	5,036	3,078	1,254	-	-	-	704
International Bonds	A	5,836	1,429	3,156	700	-	-	551
International Bonds	BBB	7,311	4,342	2,440	-	-	73	456
International Bonds	D	144	144	-	-	-	-	-
Total International Bonds		26,750	15,836	6,955	2,175	-	73	1,711
Total Fixed Income Investments		458,859	\$ 167,897	\$ 65,813	\$ 48,220	\$ 26,188	\$ 37,175	\$ 113,566
Temporary Investments from								
Securities Lending Collateral		238,396						
Domestic Equities								
Common Stocks		541,812						
Commodities Exchange Traded Fund		9,269						
Real Estate		135,755						
Total Domestic Equities		686,836						
International Equities		362,337						
Total COPERS Investments		1,746,428						
Total Investments		\$ 3,826,991						

Notes to the Financial Statements
(Continued)

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

Primary Government	
Unrestricted	
General Fund	\$ 71,408
General Obligation/Secondary Property Tax	204,221
Non-Major Governmental Funds	625,816
Enterprise Funds	
Aviation	180,724
Phoenix Convention Center	38,369
Water System	44,494
Wastewater	68,981
Solid Waste	34,052
Total Unrestricted	<u>1,268,065</u>
Restricted	
Enterprise Funds	
Aviation	107,234
Phoenix Convention Center	13,990
Water System	243,819
Wastewater	129,726
Solid Waste	49,641
Total Restricted	<u>544,410</u>
Total Primary Government	<u>1,812,475</u>
Component Unit - DPHC	12,593
Fiduciary Funds	
Employee Pension Trust	1,747,362
Employee Benefit Trust	193,646
Payroll Agency	60,915
Total Reporting Entity	<u><u>\$ 3,826,991</u></u>

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 issues
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 12 years at the time of purchase for MBS and 5 years at the time of purchase for CMO.

Notes to the Financial Statements

(Continued)

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' investment management agreement with Artio Global Management specifies a weighted average duration of +/- one year of the Barclays Capital US Aggregate Index. The investment management agreement with PIMCO requires a weighted average duration of +/- two years of the Barclays Capital US Aggregate Index. COPERS' investment services agreement with Western Asset Management Company directs them to maintain an average weighted duration of portfolio security holdings, including futures and options positions, within $\pm 20\%$ of the Barclays Capital U.S. 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 carry long-term AAA ratings from both rating organizations. Repurchase agreements are generally collateralized by U.S. Treasuries at 102%. 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. The rating requirements do not apply to obligations issued by the City of Phoenix. Money market mutual funds must have a current minimum money market rating of AAAM by S&P and Aaa by Moody's. For commercial paper, an Issuer's program must have a minimum rating of "A1" by S&P and "P1" by Moody's. The issuing corporation must be organized and operating in the United States and have a minimum long-term debt rating of "A+" by S&P and "A1" by Moody's. Programs rated by only one of the agencies are ineligible.

The City has invested in commercial paper and corporate notes issued by various financial institutions. These investments are insured by the Federal Deposit Insurance Corporation (FDIC) via the Temporary Liquidity Guarantee Program (TLGP). The FDIC created this program to strengthen confidence and encourage liquidity in the banking system by guaranteeing newly issued senior unsecured debt of banks, thrifts, and certain holding companies, and by providing full coverage of non-interest bearing deposit transaction accounts, regardless of dollar amount.

The City's investment in mutual funds did not receive a credit quality rating from a national rating agency and can be withdrawn at any time.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. COPERS' investment policy permits purchasing any security that is included in the Barclays Capital U.S. Aggregate Index and relies on the methodology used by Barclays Capital to determine if a security is investment grade. For fixed income securities and their futures or options derivatives, emphasis will be on high-quality securities. COPERS' currently has three managers responsible for fixed income investments. Artio Capital Management, PIMCO and Western Asset Management Company (Western) are active bond managers. As part of their portfolio, 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.

Concentration of Credit Risk

Investments in any one issuer that represent 5% or more of total City investments are as follows (in thousands):

<u>Issuer</u>	<u>Fair Value</u>
FNMA	\$ 234,081
FHLMC	205,399
FHLB	452,790

COPERS' investment policy does not allow for an investment in any one issuer that is in excess of five percent of COPERS' total investments which includes futures, options and swaps, except investments issued or explicitly guaranteed by the U.S. government. As of June 30, 2010, COPERS did not have any investments with any one issuer in excess of five percent.

Notes to the Financial Statements

(Continued)

Foreign Currency Risk

COPERS' investment policy includes a target of 21% of the COPERS plan's total assets in international investments. The current actual international investment allocation is 20.07% of total COPERS' assets as of June 30, 2010. The fair value of COPERS' international commingled equity funds managed by Pyramis Global Advisors, GMO and Blackrock/iShares was \$307,433,000 as of June 30, 2010. Dollar denominated holdings accounted for 100.00% of the international investments. There were no non-dollar denominated holdings at June 30, 2010.

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 March 5, 2002, authorized State Street Bank and Trust Company ("State Street") to lend its securities to broker-dealers and banks pursuant to a form of loan agreement. The Agreement was amended effective November 16, 2006 directing State Street Bank and Trust to invest cash collateral in the Funds for Short-Term Investment – Quality D, replacing the requirement to invest in the Quality A Fund.

During 2010, State Street lent, on behalf of COPERS, certain securities held by State Street 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. State Street 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, 100% of the market 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 market value of the loaned securities.

COPERS did not impose any restrictions during the fiscal year on the amount of the loans that State Street made on its behalf and State Street indemnified COPERS by agreeing to purchase replacement securities or return cash collateral in the event borrower failed to return the loaned security or pay distributions thereon. There were no such failures by any borrowers. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or State Street.

During 2010, 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 collective investment pool. As of June 30, 2010, such investment pool had an average duration of 30 days and an average weighted maturity of 244 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2010, COPERS had no credit risk exposure to borrowers. The collateral held, and the market value of securities on loan for COPERS as of June 30, 2010, was \$238,396,000 and \$230,959,000, respectively.

Notes to the Financial Statements
(Continued)

5. Receivables

Receivables at June 30, 2010 are stated net of the allowance for doubtful accounts, and are summarized as follows (in thousands):

	<u>Accounts</u>	<u>Taxes</u>	<u>Interest</u>	<u>Intergov- ernmental (1)</u>	<u>Notes</u>	<u>Total</u>
Unrestricted						
Governmental Activities						
General Fund	\$ 17,331	\$ 6,899	\$ 286	\$ 5,155	\$ -	\$ 29,671
Excise Tax	1	61,946	-	19,030	-	80,977
G.O./Secondary Property Tax	-	10,828	2,286	-	-	13,114
Nonmajor	20,015	15	188	91,536	109,685	221,439
	<u>37,347</u>	<u>79,688</u>	<u>2,760</u>	<u>115,721</u>	<u>109,685</u>	<u>345,201</u>
Business-Type Activities						
Aviation	6,970	-	-	-	-	6,970
Phoenix Convention Center	250	-	-	-	-	250
Water System	55,143	-	-	1,580	-	56,723
Wastewater	21,880	-	-	1,729	-	23,609
Solid Waste	13,561	-	-	5	-	13,566
	<u>97,804</u>	<u>-</u>	<u>-</u>	<u>3,314</u>	<u>-</u>	<u>101,118</u>
	<u>135,151</u>	<u>79,688</u>	<u>2,760</u>	<u>119,035</u>	<u>109,685</u>	<u>446,319</u>
Restricted						
Business-Type Activities						
Aviation	11,549	-	502	12,395	-	24,446
Phoenix Convention Center	-	-	1	-	-	1
Water System	-	-	342	-	-	342
Wastewater	-	-	2	6,290	-	6,292
	<u>11,549</u>	<u>-</u>	<u>847</u>	<u>18,685</u>	<u>-</u>	<u>31,081</u>
	<u>\$ 146,700</u>	<u>\$ 79,688</u>	<u>\$ 3,607</u>	<u>\$ 137,720</u>	<u>\$ 109,685</u>	<u>\$ 477,400</u>

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

Notes to the Financial Statements
(Continued)

The following is a summary of the allowance for doubtful accounts for all funds and the bad debt expense for the enterprise funds at June 30, 2010 (in thousands):

	Allowance for Doubtful Accounts		
	Accounts	Taxes	Total
Governmental			
General Fund	\$ 31,617	\$ -	\$ 31,617
Excise Tax	-	14,583	14,583
Nonmajor	1,831	-	1,831
Business-Type			
Aviation	962	-	962
Phoenix Convention Center	59	-	59
Water System	2,218	-	2,218
Wastewater	1,228	-	1,228
Solid Waste	1,179	-	1,179
Golf Courses	10	-	10
	<u>\$ 39,104</u>	<u>\$ 14,583</u>	<u>\$ 53,687</u>

Enterprise fund Accounts Receivable included unbilled charges at June 30, 2010, as follows (in thousands):

Aviation	\$ 4,604
Water System	23,560
Wastewater	7,909
Solid Waste	4,922
	<u>\$ 40,995</u>

Notes Receivable

The City has entered into a loan agreement with Native American Connections, Inc. "NACI" for the sale of property to NACI. The loan agreement has been recorded as a note receivable in the Municipal Buildings and Service Centers Capital Projects Fund. In fiscal year 2010, the City renegotiated the loan agreement with NACI, adjusting the terms of the payment agreement. As of June 30, 2010, the note amount is \$859,016, with a maturity date of January 1, 2021, and an interest rate of 3.0%.

The City has also entered into loan agreements with the Mathew Henson Partnership, LLP, for financing of the Mathew Henson housing project, to include a mix of public housing units and market rate units. The loans have been recorded as note receivables in the Public Housing Special Revenue Fund. The loan amount as of June 30, 2010, totaled \$11,939,228. The loans are to be repaid from a portion of the operating proceeds of the housing project. The commencement date of repayment varies between the loans from 45-57 years.

The City has entered into a lease purchase financing agreement with Valley Metro Rail, Inc. "VMRI" for the financing of 14 Light Rail Transit vehicles. The agreement has been recorded as a note receivable in the Transit Special Revenue Fund. The receivable amount as of June 30, 2010, is \$38,628,253. The lease payments to the City will be made in four annual installments commencing on June 1, 2011 and include an annual interest rate of 5.1%.

Notes to the Financial Statements
(Continued)

The City has entered into intergovernmental agreements with the Arizona Department of Transportation and the Regional Transportation Plan to accelerate three road construction projects. The intergovernmental agreements have been recorded as Notes Receivable in the Streets Improvement Capital Projects Fund. The receivable amount as of June 30, 2010 is \$42,527,781. The first of these agreements, with a receivable of \$12,566,033 as of June 30, 2010, will be payable to the City in fiscal year 2012. The second and third agreements are payable to the City in fiscal years 2022 and 2023, respectively.

The City has also entered into various loan agreements with third parties related to its public housing programs. These loan agreements have been recorded as notes receivable within the Public Housing Special Revenue Fund. Under these agreements, the City has loaned money to nonprofit corporations for the purpose of establishing and/or improving public housing units. The loans are secured by an interest in the property being acquired and/or improved. The following is a summary of these notes:

Note Amount	Dated	Due	Interest Rate	Monthly Payments		Balance June 30, 2010
				Amount	Commencing	
\$ 250,000	04/10/94	04/01/19	4%	\$ 1,363	09/01/95	\$ 180,272
150,000	04/01/94	08/01/18	4%	883	09/01/95	96,827
248,660	01/01/95	01/01/25	2%	919	02/01/95	140,778
86,000	02/01/95	08/01/19	2%	370	03/01/95	37,175
64,000	02/01/95	08/01/19	2%	276	03/01/95	27,583
250,000	05/01/95	11/01/19	2%	1,076	06/01/95	110,774
250,000	06/01/95	11/30/24	4%	1,320	07/01/95	179,841
30,611	06/01/95	10/01/16	2%	220	07/01/95	8,657
250,000	12/01/95	12/01/21	4%	1,290	01/01/96	187,198
197,803	01/01/96	01/01/21	2%	838	02/01/96	95,892
91,000	11/01/96	11/01/26	2%	336	12/01/96	56,369
62,030	12/01/96	10/01/16	2%	316	01/01/97	22,497
250,061	03/01/97	09/01/21	2%	1,077	04/01/97	129,971
207,355	11/27/96	04/01/27	2%	766	05/01/97	131,906
225,000	07/01/03	05/01/27	2%	832	08/01/03	163,288
134,000	03/01/98	03/01/28	2%	495	04/01/98	88,742
81,766	05/01/99	05/01/19	2%	414	06/01/99	40,507
250,000	09/01/98	09/01/28	2%	924	10/01/98	174,529
250,000	07/01/99	07/01/29	4%	1,194	08/01/99	251,253
250,000	02/01/00	02/01/30	4%	1,194	03/01/00	205,313
200,000	01/01/04	01/01/17	0%	1,282	02/01/04	152,564
500,000	01/01/02	07/01/40	4%	12,782	07/01/02	541,374
272,594	04/01/00	01/01/23	4%	1,207	06/01/02	267,929
270,786	07/01/01	10/01/36	4%	1,198	02/01/03	314,708
261,053	11/01/01	12/01/32	4%	1,246	01/01/03	231,378
250,000	12/01/02	12/01/32	2%	924	01/01/03	207,774
1,000,000	06/01/01	07/01/52	6%	4,100	07/01/01	1,398,246
9,398,545	various	various	4%	various	various	3,716,688
457,500	01/01/03	06/01/40	4%	6,442	02/01/03	241,278
199,000	08/01/03	08/01/33	4%	950	09/01/03	187,729
530,865	11/01/03	04/01/33	4%	30,617	03/01/05	520,000
250,000	04/01/03	04/01/23	4%	1,530	07/01/03	201,037
250,000	07/01/04	11/01/35	4%	1,210	03/01/05	243,607
321,640	09/01/05	09/01/35	2%	1,189	10/01/05	282,641
1,000,000	02/01/04	02/01/44	2%	37,821	02/01/07	1,340,862
530,000	11/01/06	11/01/26	1%	2,437	12/01/06	446,795
2,500,000	07/01/06	01/01/45	1%	41,786	01/01/09	2,500,000
190,000	04/01/05	04/01/25	0%	335	05/01/05	173,585
1,200,000	05/04/05	07/01/36	2%	54,830	07/01/07	1,210,463
500,000	06/28/05	06/28/26	4%	38,262	06/28/07	597,586
						17,105,616
						(1,375,000)
						<u>\$ 15,730,616</u>

Allowance for Doubtful Accounts

Notes to the Financial Statements
(Continued)

6. Interfund Transactions

Net interfund receivables and payables between governmental activities and business-type activities in the amount of \$8,905,000 are included in the government-wide financial statements at June 30, 2010. The following amounts due to other funds or due from other funds are included in the fund financial statements at June 30, 2010 (in thousands):

	<u>Due To</u>	<u>Due From</u>
Unrestricted		
Governmental Funds		
General Fund	\$ -	\$ 159,626
Excise Tax	80,977	-
Transit Capital Project	-	-
Nonmajor Governmental	78,410	8,666
Total Governmental Funds	<u>159,387</u>	<u>168,292</u>
Enterprise Funds		
Golf Courses	<u>8,905</u>	<u>-</u>
Total Due To/Due From	<u>\$ 168,292</u>	<u>\$ 168,292</u>

Interfund balances at June 30, 2010 are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements. All interfund balances outstanding at June 30, 2010 are expected to be repaid within one year.

Net transfers of \$14,176,000 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, 2010 (in thousands):

	<u>Transfers Out</u>	<u>Transfers In</u>
Governmental Funds		
General Fund	\$ 1,767	\$ 679,542
Excise Tax	917,441	-
GO Secondary Property Tax	25,214	-
Nonmajor Governmental	133,433	384,137
Total Governmental Funds	<u>1,077,855</u>	<u>1,063,679</u>
Enterprise Funds		
Phoenix Convention Center	961	34,801
Water System	27,162	15,923
Wastewater	14,217	7,373
Solid Waste	3,499	1,918
Golf Courses	-	-
Total Enterprise Funds	<u>45,839</u>	<u>60,015</u>
Total Transfers	<u>\$ 1,123,694</u>	<u>\$ 1,123,694</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 excise tax fund to the various funds that receive earmarked excise tax revenues and to the general fund.

Notes to the Financial Statements
(Continued)

7. Restricted Assets and Liabilities Payable from Restricted Assets

Restricted assets and liabilities payable from restricted assets recorded in the Enterprise Funds at June 30, 2010, are summarized as follows (in thousands):

Restricted Assets	
Cash and Cash Equivalents	\$ 104,434
Cash Deposits	7,130
Cash and Securities with Fiscal Agents/Trustees	287,619
Investments	544,410
Receivables, Net of Allowances	31,081
	<u> </u>
Total Restricted Assets	<u>\$ 974,674</u>
Liabilities Payable from Restricted Assets	
Accounts Payable	\$ 62,146
Trust Liabilities and Deposits	7,925
Bond Anticipation Notes Payable	300,000
Accrued Landfill Closure Costs	2,183
	<u> </u>
Subtotal	<u>372,254</u>
Matured Bonds and Certificates Payable	116,470
Interest Payable	98,797
Current Portion of General Obligation Bonds	36,960
Current Portion of Municipal Corporation Obligations	110,283
	<u> </u>
Total Liabilities Payable from Restricted Assets	<u>\$ 734,764</u>

Restricted assets and liabilities payable from restricted assets recorded in the Downtown Phoenix Hotel Corporation component unit at June 30, 2010, are summarized as follows (in thousands):

Restricted Assets	
Cash and Cash Equivalents	\$ 53,001
Investments	12,593
Receivables, Net of Allowances	292
	<u> </u>
Total Restricted Assets	<u>\$ 65,886</u>
Liabilities Payable from Restricted Assets	
Accounts and Interest Payable	\$ 9,056
Trust Liabilities and Deposits	10,300
	<u> </u>
Subtotal	<u>\$ 19,356</u>

Notes to the Financial Statements
(Continued)

8. Capital Assets

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

	Balances July 1, 2009	Additions	Deletions	Balances June 30, 2010
Governmental activities:				
Non-depreciable assets:				
Land	\$ 1,052,756	\$ 54,782	\$ (1,066)	\$ 1,106,472
Infrastructure	447,754	9,787	-	457,541
Artwork	10,481	1	(981)	9,501
Construction-in-Progress	385,274	139,932	(303,160)	222,046
Total non-depreciable assets	<u>1,896,265</u>	<u>204,502</u>	<u>(305,207)</u>	<u>1,795,560</u>
Depreciable assets:				
Buildings	1,262,277	84,814	(2,807)	1,344,284
Improvements	398,280	29,873	(1,650)	426,503
Infrastructure	1,749,917	65,145	(45,792)	1,769,270
Equipment	603,217	45,614	(27,085)	621,746
Intangible Assets	45,222	10,464	(647)	55,039
Total depreciable assets	<u>4,058,913</u>	<u>235,910</u>	<u>(77,981)</u>	<u>4,216,842</u>
Less accumulated depreciation for:				
Buildings	(381,755)	(36,769)	1,257	(417,267)
Improvements	(165,666)	(18,246)	472	(183,440)
Infrastructure	(487,082)	(51,688)	45,686	(493,084)
Equipment	(320,662)	(46,177)	23,940	(342,899)
Intangible Assets	(32,420)	(4,167)	491	(36,096)
Total accumulated depreciation	<u>(1,387,585)</u>	<u>(157,047)</u>	<u>71,846</u>	<u>(1,472,786)</u>
Total depreciable assets, net	<u>2,671,328</u>	<u>78,863</u>	<u>(6,135)</u>	<u>2,744,056</u>
Governmental activities, capital assets, at cost, net	<u>\$ 4,567,593</u>	<u>\$ 283,365</u>	<u>\$ (311,342)</u>	<u>\$ 4,539,616</u>
Business-type activities:				
Non-depreciable assets:				
Land	\$ 724,560	\$ 19,482	\$ (8,621)	\$ 735,421
Artwork	6,174	2,047	(1)	8,220
Construction-in-Progress	960,382	409,272	(482,378)	887,276
Total non-depreciable assets	<u>1,691,116</u>	<u>430,801</u>	<u>(491,000)</u>	<u>1,630,917</u>
Depreciable assets:				
Buildings	2,224,497	224,689	(18,944)	2,430,242
Improvements	2,875,303	132,477	(13,819)	2,993,961
Infrastructure	1,486,092	60,661	(224)	1,546,529
Equipment	675,846	125,484	(16,248)	785,082
Intangible Assets	198,195	55,296	(1,117)	252,374
Total depreciable assets	<u>7,459,933</u>	<u>598,607</u>	<u>(50,352)</u>	<u>8,008,188</u>
Less accumulated depreciation for:				
Buildings	(636,260)	(85,632)	15,921	(705,971)
Improvements	(1,170,376)	(114,056)	11,692	(1,272,740)
Infrastructure	(413,763)	(37,054)	124	(450,693)
Equipment	(286,772)	(50,716)	13,545	(323,943)
Intangible Assets	(74,597)	(14,487)	885	(88,199)
Total accumulated depreciation	<u>(2,581,768)</u>	<u>(301,945)</u>	<u>42,167</u>	<u>(2,841,546)</u>
Total depreciable assets, net	<u>4,878,165</u>	<u>296,662</u>	<u>(8,185)</u>	<u>5,166,642</u>
Business-type activities, capital assets, at cost, net	<u>\$ 6,569,281</u>	<u>\$ 727,463</u>	<u>\$ (499,185)</u>	<u>\$ 6,797,559</u>

Notes to the Financial Statements
(Continued)

Component Unit - Downtown Phoenix Hotel Corporation:

	Balances		Balances	
	July 1, 2009	Additions	Deletions	June 30, 2010
Non-depreciable assets:				
Land	\$ -	\$ 1,150	\$ -	\$ 1,150
Depreciable assets:				
Buildings	276,960	540	-	277,500
Improvements	537	-	-	537
Equipment	575	1,234	-	1,809
Total depreciable assets	<u>278,072</u>	<u>1,774</u>	<u>-</u>	<u>279,846</u>
Less accumulated depreciation for:				
Buildings	(5,182)	(6,879)	-	(12,061)
Improvements	(27)	(36)	-	(63)
Equipment	(28)	(406)	-	(434)
Total accumulated depreciation	<u>(5,237)</u>	<u>(7,321)</u>	<u>-</u>	<u>(12,558)</u>
Total depreciable assets, net	<u>272,835</u>	<u>(5,547)</u>	<u>-</u>	<u>267,288</u>
Component Unit, capital assets, at cost, net	<u>\$ 272,835</u>	<u>\$ (4,397)</u>	<u>\$ -</u>	<u>\$ 268,438</u>

Depreciation expense was charged to governmental functions in the government-wide financial statements for the year ended June 30, 2010, as follows (in thousands):

General Government	\$ 10,590
Criminal Justice	804
Public Safety	24,850
Transportation	75,730
Community Enrichment	24,335
Community Development	10,695
Environmental Services	10,043
	<u>\$ 157,047</u>

The amount of net enterprise fund interest cost capitalized for the year ended June 30, 2010, was as follows (in thousands):

Aviation	\$ 3,962
Convention Center	2,241
Water System	8,763
Wastewater	7,293
Solid Waste	122
	<u>\$ 22,381</u>

Notes to the Financial Statements
(Continued)

9. Long-Term Obligations

Changes in long-term obligations during fiscal 2009-10 are summarized as follows (in thousands):

	Balances July 1	Additions (1)	Reductions (2)	Balances June 30	Amounts Due Within One Year
Governmental activities					
Bonds and notes payable:					
General Obligation Bonds	\$ 1,200,792	\$ 418,280	\$ 118,693	\$ 1,500,379	\$ 50,355
Revenue Bonds					
Street and Highway User Revenue	70,166	-	28,285	41,881	29,740
Certificates of Participation	30,625	-	1,175	29,450	1,230
Municipal Corporation Obligations	784,020	-	39,630	744,390	44,250
Special Assessment Bonds	260	163	87	336	77
	<u>2,085,863</u>	<u>418,443</u>	<u>187,870</u>	<u>2,316,436</u>	<u>125,652</u>
Discounts/Premiums	54,013	1,631	7,792	47,852	7,129
Deferred Loss on Refunding	(14,172)	(44)	(4,554)	(9,662)	1,992
Total bonds and notes payable	<u>2,125,704</u>	<u>420,030</u>	<u>191,108</u>	<u>2,354,626</u>	<u>134,773</u>
Other liabilities:					
Insurance Claims Payable	89,399	99,671	89,399	99,671	32,343
Accrued Compensated Absences	136,896	134,497	136,896	134,497	18,916
Pollution Remediation	22,500	-	250	22,250	250
Total other liabilities	<u>248,795</u>	<u>234,168</u>	<u>226,545</u>	<u>256,418</u>	<u>51,509</u>
Total governmental activities	<u>\$ 2,374,499</u>	<u>\$ 654,198</u>	<u>\$ 417,653</u>	<u>\$ 2,611,044</u>	<u>\$ 186,282</u>
Business-type activities					
Bonds and notes payable:					
General Obligation Bonds	\$ 146,642	\$ 48,915	\$ 64,132	\$ 131,425	\$ 36,960
Revenue Bonds	-	15,589	743	14,846	948
Municipal Corporation Obligations	3,970,972	-	96,700	3,874,272	102,270
	<u>4,117,614</u>	<u>64,504</u>	<u>161,575</u>	<u>4,020,543</u>	<u>140,178</u>
Discounts/Premiums	152,590	1,290	12,254	141,626	11,652
Deferred Loss on Refunding	(32,637)	(6,288)	(6,070)	(32,855)	4,414
Cumulative capital appreciation on general obligation minibonds	2,234	-	1,552	682	63
Cumulative capital appreciation on State of AZ distrib. revenue bonds	51,370	15,264	-	66,634	16,028
Total bonds and notes payable	<u>4,291,171</u>	<u>74,770</u>	<u>169,311</u>	<u>4,196,630</u>	<u>172,335</u>
Other liabilities:					
Accrued Compensated Absences	19,730	19,546	19,730	19,546	2,875
Utility/Water Contractual Agreements	15,032	-	3,609	11,423	9,000
Rebatable Arbitrage	2,655	1,942	2,655	1,942	-
Accrued Landfill Closure and Postclosure Care Costs	67,710	6,264	4,051	69,923	2,439
Pollution Remediation	20,877	-	3,937	16,940	3,123
Total other liabilities	<u>126,004</u>	<u>27,752</u>	<u>33,982</u>	<u>119,774</u>	<u>17,437</u>
Total business-type activities	<u>\$ 4,417,175</u>	<u>\$ 102,522</u>	<u>\$ 203,293</u>	<u>\$ 4,316,404</u>	<u>\$ 189,772</u>
Component Units					
Downtown Phoenix Hotel Corporation					
Revenue Bonds	\$ 350,000	\$ -	\$ -	\$ 350,000	\$ -
Discounts/Premiums/Issuance Costs	(12,442)	-	(357)	(12,085)	345
Total component units	<u>\$ 337,558</u>	<u>\$ -</u>	<u>\$ (357)</u>	<u>\$ 337,915</u>	<u>\$ 345</u>

(1) Reductions include \$1,552,000 for accrued interest on capital appreciation enterprise general obligation minibonds and maturity of Series 1989. Additions include \$15,264,000 for accrued interest on capital appreciation State of Arizona distribution revenue bonds. Also included in additions and reductions for bonds and notes payable are new deferred gains, losses, discounts/premiums and corresponding annual amortizations, as well as new bond issuances and principal payments.

(2) For the Governmental Activities, Insurance Claims Payable and Compensated Absences are generally liquidated by the General Fund.

Notes to the Financial Statements

(Continued)

The amounts reported above have been reduced by deposits made with the City's fiscal agent for July 1, 2010 maturities, a portion of which is included in restricted assets for the enterprise funds. These deposits at June 30, 2010, were as follows (in thousands):

	Principal	Interest	Total
Governmental Funds			
General Obligation Bonds	\$ 46,647	\$ 37,284	\$ 83,931
Street and Highway User Revenue Bonds	28,285	1,481	29,766
Municipal Corporation Obligations	39,630	19,896	59,526
Special Assessment Bonds	-	8	8
	<u>114,562</u>	<u>58,669</u>	<u>173,231</u>
Enterprise Funds			
General Obligation Bonds	16,928	4,609	21,537
Municipal Corporation Obligations	94,350	93,391	187,741
	<u>111,278</u>	<u>98,000</u>	<u>209,278</u>
	<u>\$ 225,840</u>	<u>\$ 156,669</u>	<u>\$ 382,509</u>

Issues of long-term debt, excluding deferred losses of \$42,517 and accumulated appreciation on general obligation mini-bonds (\$682) and State of Arizona distribution revenue bonds (\$66,634) were as follows at June 30, 2010 (dollars in thousands):

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding (1)	Interest Outstanding (1)	Unamortized Discount (Premium)
General Obligation Bonds								
12/06/91	Sanitary Sewer	7/1/95-11	4.56	13.9	\$ 30,000	\$ 7,968	\$ 336	\$ -
12/01/93	Water Improvements	7/1/04-14	4.98	13.8	17,229	2,252	1,329	-
07/01/95	Refunding	7/1/10-17	5.56	19.9	85,000	27,215	9,616	-
12/12/01	Sanitary Sewer	7/1/03-21	3.70	18.0	6,075	4,014	945	-
05/22/02	Refunding	7/1/03-18	4.37	8.4	144,495	58,830	7,378	(830)
05/22/02	Various Improvements	7/1/15-27	5.11	18.3	89,970	41,465	25,451	(471)
05/22/02	Refunding	7/1/14-15	4.77	12.4	14,680	8,525	1,847	(133)
05/21/03	Refunding	7/1/05-16	3.25	9.1	83,320	63,140	7,396	(1,210)
03/01/04	Various Improvements	7/1/10-28	4.22	16.3	200,000	155,565	81,555	(2,463)
03/01/04	Refunding	7/1/11-19	3.74	11.7	50,870	39,165	10,590	(1,915)
07/01/05	Various Improvements	7/1/11-25	4.23	13.9	257,000	231,820	99,723	(3,411)
06/13/07	Various Improvements	7/1/13-27	4.37	14.1	342,700	342,700	166,201	(3,754)
06/13/07	Refunding	7/1/09-27	4.22	11.3	151,720	144,085	59,785	(5,346)
06/13/07	Various Improvements - Taxable	7/1/08-13	5.44	3.4	77,550	37,865	3,527	1
10/27/09	Various Improvements - Taxable	7/1/20-34	3.42	18.4	280,955	280,955	259,032	-
10/27/09	Various Improvements - Taxable	7/1/15-20	3.97	7.9	69,045	69,045	19,352	-
10/27/09	Refunding	7/1/11-23	2.70	6.7	117,195	117,195	21,689	(2,601)
	Total General Obligation Bonds				<u>2,017,804</u>	<u>1,631,804</u>	<u>775,752</u>	<u>(22,133)</u>
Certificates of Participation								
07/21/04	Amphitheatre Refunding (2) (3b)	8/1/05-19	4.71	13.3	10,900	7,475	1,865	(44)
07/21/04	Amphitheatre, Stadium and Housing (2) (3b)	8/1/05-24	4.71	13.3	9,555	6,965	2,446	(38)
07/21/04	Superblock Refinancing (2) (3b)	8/1/20-24	4.71	13.3	15,010	15,010	8,769	117
	Total Certificates of Participation				<u>35,465</u>	<u>29,450</u>	<u>13,080</u>	<u>35</u>

(Continued)

Notes to the Financial Statements

(Continued)

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding (1)	Interest Outstanding (1)	Unamortized Discount (Premium)
Revenue Bonds								
03/15/92	Street/Highway Refunding	7/1/93-11	6.72	13.4	117,880	1,785	112	-
12/15/92	Street/Highway Refunding (2)	7/1/94-13	6.33	15.0	58,226	12,786	31,898	-
01/01/99	Street/Highway Refunding	7/1/99-11	4.65	9.1	10,375	1,545	71	-
05/01/02	Street/Highway Refunding (2)	7/1/03-11	3.76	5.3	123,125	14,640	728	(145)
06/01/03	Street/Highway Refunding	7/1/05-11	2.56	6.2	47,360	11,125	556	(227)
05/26/10	Wastewater Revenue	7/1/10-29	2.97	5.3	7,395	6,735	1,151	-
06/01/10	Water Revenue	7/1/10-29	2.00	9.8	1,907	1,824	371	-
06/30/10	Wastewater Revenue	7/1/18-26	2.97	12.0	6,287	6,287	2,236	-
	Total Revenue Bonds				372,555	56,727	37,123	(372)
Special Assessment Bonds								
Various	Unredeemed Matured Bonds	-	-	-	44	44	-	-
2001	Various Improvements	1/1/02-11	6.90	10.0	174	17	1	-
2002	Various Improvements	1/1/03-12	6.90	10.0	268	53	4	-
2003	Various Improvements	1/1/04-13	6.90	10.0	136	41	4	-
2008	Various Improvements	1/1/09-18	6.90	10.0	22	18	5	-
2010	Various Improvements	1/1/11-20	6.90	10.0	163	163	56	-
	Total Special Assessment Bonds				807	336	70	-
Municipal Corporation Obligations								
01/15/98	Multipurpose Arena Refunding (2) (3b)	7/1/98-19	6.64	14.1	48,740	29,805	9,712	-
08/01/98	Airport Revenue (5)	7/1/06-25	5.08	18.1	150,000	34,285	24,055	(1)
06/01/99	Adams Street Garage (3a)	7/1/05-11	5.31	20.7	15,000	410	21	-
08/01/00	Municipal Facilities Revenue (2) (3b)	7/1/01-11	5.35	8.2	65,000	2,435	140	-
07/01/01	Wastewater System Refunding (6)	7/1/02-24	5.02	16.4	166,260	146,220	62,190	-
08/01/01	Water System Refunding (2) (4)	7/1/02-24	4.68	14.1	99,980	70,645	32,268	(2,411)
04/01/02	Water System Revenue (2) (4)	7/1/07-26	5.08	16.3	220,000	191,855	94,249	(1,280)
05/01/02	Airport Sr. Lien Refunding (2) (5)	7/1/08-13	4.82	9.5	23,225	16,575	1,932	(236)
05/01/02	Airport Sr. Lien Revenue (2) (5)	7/1/14-32	5.53	22.7	231,390	231,390	178,468	1,598
05/01/03	New City Hall Refunding (3a)	7/1/04-29	4.43	15.6	47,600	20,410	8,977	(579)
05/01/03	Solid Waste Improvements (2)(7)	7/1/04-14	4.17	12.3	80,000	14,670	1,878	(222)
05/01/03	Municipal Facilities (2)(3b)	7/1/05-25	4.03	11.8	25,000	17,865	5,815	(375)
05/01/03	Municipal Facilities (Taxable) (2)(3b)	7/1/09-33	5.64	20.8	25,000	23,940	19,356	98
05/01/03	Municipal Facilities (Taxable) (2)(3b)	7/1/09-33	5.66	20.8	10,000	9,580	7,761	48
10/01/03	Water System Refunding (4)	7/1/05-22	4.53	15.6	11,325	10,885	4,393	129
06/01/04	Excise Tax Revenue (2)(3b)	7/1/06-25	4.14	8.4	22,000	12,235	2,660	(434)
06/02/04	Rental Car Facility (Taxable) (2)(8)	7/1/07-29	6.20	16.5	260,000	234,685	169,547	-
07/21/04	Water Rights Land Acq. Ref. (2)(4)	8/1/06-17	4.13	8.3	27,775	18,750	3,286	2
12/10/04	Transit Excise Tax Revenue (2)(9)	7/1/06-20	4.08	10.9	500,000	432,920	138,996	(22,171)
12/16/04	Wastewater System Revenue (2)(6)	7/1/10-29	4.59	16.6	180,000	169,535	98,080	(5,418)
01/11/05	Wastewater System Ref. (10)(11)	7/1/06-15	3.67	10.9	102,020	62,095	9,597	(2,606)
06/01/05	Water System Revenue (2)(4)	7/1/10-29	4.28	16.4	600,000	582,465	334,211	(32,034)
09/13/05	Excise Tax Revenue (2)(3b)	7/1/17-41	4.62	26.3	300,000	300,000	320,481	(15,173)
10/06/05	State Distribution Revenue (2)(12)	7/1/12-44	4.72	28.9	275,362	275,362	576,964	(25,084)
06/01/06	Solid Waste Improvements (2)(7)	7/1/07-26	4.45	12.4	84,265	74,095	33,806	(1,112)
06/01/06	Municipal Facilities (2)(3b)	7/1/07-13	3.89	3.7	28,230	9,745	711	(34)
06/01/06	Municipal Facilities (Taxable) (2)(3b)	7/1/07-35	6.10	19.0	41,920	40,465	38,349	(51)
06/01/07	Excise Tax Revenue Refunding (3a)	7/1/09-29	4.51	14.5	103,605	103,065	57,717	(3,060)
06/01/07	Excise Tax Revenue (2)(3b)	7/1/08-27	4.46	12.0	21,115	19,045	9,120	(387)
06/01/07	Excise Tax Revenue Refunding (2)(3b)	7/1/09-23	4.33	10.5	71,820	68,915	26,410	(2,605)
06/01/07	Excise Tax Revenue Ref. (Taxable) (2)(3b)	7/1/08-22	5.81	9.2	35,670	31,185	12,711	129
11/27/07	Wastewater System Revenue (2)(6)	7/1/12-37	4.65	20.0	300,000	300,000	260,472	(12,209)
06/18/08	Airport Revenue (5)	7/1/20-38	5.02	22.5	206,840	206,840	211,374	(609)
06/18/08	Airport Revenue (Taxable) (5)	7/1/12-19	4.68	7.8	43,160	43,160	12,951	(1,213)
06/18/08	Airport Revenue Refunding (5)	7/1/09-22	4.26	8.0	109,850	94,985	31,580	(2,716)
06/18/08	Airport Revenue Refunding (Taxable) (5)	7/1/09-20	4.58	5.6	68,520	52,310	13,242	(1,589)
11/18/08	Wastewater System Revenue Ref. (10)	7/1/16-24	5.02	11.9	133,400	133,400	76,182	(5,352)
06/02/09	Water System Revenue (4)	7/1/14-39	4.63	20.5	450,000	450,000	436,009	(21,642)
06/02/09	Water System Revenue Refunding (4)	7/1/10-19	2.78	6.0	90,295	82,435	20,018	(7,143)
	Total Municipal Corporation Obligations				5,274,367	4,618,662	3,345,689	(165,742)
Total Primary Government Bonds					\$ 7,700,998	\$ 6,336,979	\$ 4,171,714	\$ (188,212)

Notes to the Financial Statements

(Continued)

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding (1)	Interest Outstanding (1)	Unamortized Discount (Premium)
Component Units								
12/20/05	Senior Revenue (Hotel) (2)(13)	7/1/12-40	5.29	25.1	\$ 156,710	\$ 156,710	\$ 161,120	\$ (3,820)
12/20/05	Subordinate Revenue (Hotel) (2)(14)	7/1/19-40	5.09	26.2	164,425	164,425	176,284	(2,872)
12/20/05	Subord.Revenue-Taxable (Hotel) (2)(14)	7/1/12-19	5.67	10.2	28,865	28,865	8,590	-
Total Component Unit Bonds					\$ 350,000	\$ 350,000	\$ 345,994	\$ (6,692)

- (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) Insured by a municipal bond insurance policy, a reserve account surety bond, or a debt service reserve fund.
- (3) 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.
- (4) The City has made a junior lien pledge of Water System revenues as security.
- (5) The City has pledged net airport revenues on a senior lien basis as security for these bonds.
- (6) The City has made a junior lien pledge of Wastewater System revenues as security for these bonds.
- (7) The City has pledged excise taxes on a subordinated junior lien basis as security; however, debt service requirements on these obligations are paid from Solid Waste revenues.
- (8) The City has made a first priority pledge of a \$4.50 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.
- (9) The City has made a first priority pledge of funds received by the City from a 0.4 percent increment to the City's privilege license (sales) tax, which increment was approved at a special election held in and for the City on March 14, 2000 and subsequently adopted by the City Council of the City pursuant to Ordinance No. G-4254, enacted April 5, 2000.
- (10) The City has made a senior lien pledge of Wastewater System revenues as security for these bonds.
- (11) The scheduled payment of principal and interest on the 2004B bonds maturing July 1 2009 through and including July 1, 2015, are guaranteed by a financial guaranty insurance policy issued simultaneously with the issuance of the bonds.
- (12) 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.
- (13) Debt service requirements on these obligations are payable from gross operating revenues derived from operation of the hotel, subject only to the payment of certain operation and maintenance expenses, and from certain funds and accounts created under an indenture. The bonds are further secured by a senior leasehold interest in the site and the hotel.
- (14) Debt service requirements on these obligations are payable from gross operating revenues derived from operation of the hotel, subject only to the payment of certain operation and maintenance expenses, and from certain funds and accounts created under an indenture, and secured on a basis junior and subordinate to senior bonds. The bonds are further secured by a subordinate leasehold interest in the site and the hotel as well as amounts received from the City under a room block leaseback agreement in the event hotel revenues are insufficient to make debt service payments on the subordinate bonds.

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.

- In October 2009, the City sold \$280,955,000 of long-term fixed rate general obligation bonds. The bonds were issued as Qualified Build America Bonds (Direct Pay) whereby the City elected to receive subsidy payment in the amount of 35% of each interest payment on the Qualified Build America Bonds, paid directly to the City by the United States of America. The bond proceeds were used for various purpose projects. The bonds have an average life of 18.4 years and were sold at a true interest cost of 3.42%, net of the subsidy.
- In October 2009, the city sold \$69,045,000 of long-term fixed rate general obligation bonds. The bond proceeds were used for various purpose projects. The bonds have an average life of 7.9 years and were sold at a true interest cost of 3.97%.
- In October 2009, the City refunded \$117,150,000 of long-term fixed rate general obligation bonds with the issuance of \$117,195,000 of general obligation bonds. The refunding bonds have an average life of 6.7 years, were sold at a true interest cost of 2.70% and produced present value savings, net of transaction costs, of \$11,495,881.

Notes to the Financial Statements

(Continued)

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 highway user revenue bonds are secured by State-shared gas taxes and other highway user fees and charges, and are also not a general obligation of the City.

Effective November 19, 2009, Arizona state legislation was passed that allows a city or town, during fiscal years 2009-10 and 2010-11, to enter into a financial loan repayment agreement with the Water Infrastructure Finance Authority of Arizona (WIFA) without voter approval, if the agreement is financed with funding made available to WIFA under the American Recovery and Reinvestment Act of 2009 (ARRA).

In December 2009, the City entered into four loan agreements with WIFA. Loan proceeds received by the City from WIFA pursuant to ARRA will be used to fund various capital projects of the Water and Wastewater systems of the City. The following loans are reflected in the financial statements of the City as of June 30, 2010:

- In May 2010, the City received \$6,000,000 and \$1,395,214 pursuant to two loan agreements with WIFA, respectively, from funding made available to WIFA under the ARRA. The City made a junior lien pledge of operating revenues of the wastewater system for the payment of principal and interest on the loans. The loans have an average life of 5.3 years and a true interest cost of 3.0%.
- In June 2010, the City received \$1,906,658 pursuant to a loan agreement with WIFA, from funding made available to WIFA under the ARRA. The City made a junior lien pledge of net operating revenues of the water system for the payment of principal and interest on the loan. The loan has an average life of 9.8 years and a true interest cost of 2.0%.
- In August 2010, the City received \$6,286,996 pursuant to a loan agreement with WIFA, from funding made available to WIFA under the ARRA. The City made a junior lien pledge of operating revenues of the wastewater system for the payment of principal and interest on the loan. The loan has an average life of 12 years and a true interest cost of 3.0%.

Certificates of Participation

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

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 or certificates of participation 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.

Special Assessment Bonds

Proceeds from special assessment bonds are used for improvements such as paving, sidewalks and sewers. Payments made by the assessed property owners are pledged to pay debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public auction and the proceeds are used to offset the defaulted assessment. If there is no purchase at the public auction, the City is required to buy the property with funds appropriated from the General Fund.

Notes to the Financial Statements

(Continued)

Component Units

In December 2005, the Downtown Phoenix Hotel Corporation (the "Hotel Corporation") issued senior revenue and subordinate revenue bonds to (1) finance the planning, design, engineering, development, construction, equipping, furnishing and opening of a 1,000 room hotel in downtown Phoenix; (2) finance a parking garage for the hotel; (3) finance initial operating supplies and inventories for the hotel; (4) pay capitalized interest on the bonds during construction of the project and for the first six months following the anticipated substantial completion date of October 1, 2008; (5) fund the initial deposits to certain reserves; and (6) fund initial working capital. The bonds are special revenue obligations of the Hotel Corporation, payable from gross operating revenues derived by the Hotel Corporation from operation of the hotel, subject only to the payment of certain operation and maintenance expenses, and from certain funds and accounts created under an indenture. The bonds are further secured by senior and subordinate leasehold deeds of trust granted to the trustee by the Hotel Corporation with respect to the Hotel Corporation's leasehold interest in the site and the hotel. The subordinated bonds are payable and secured on a basis junior and subordinate to the senior bonds with respect to the revenues of the hotel and the Hotel Corporation's leasehold interest in the site and the hotel.

The subordinated bonds are also secured by amounts received from the City under a room block leaseback agreement in the event hotel revenues are insufficient to make debt service payments on the subordinate bonds. Pursuant to the room block leaseback agreement, the obligation of the City to make lease payments is secured by a pledge of certain sports facilities taxes. Sports facilities taxes are one component of excise taxes and include (1) an incremental three percent tax levied on the gross income from the business activity of any hotel or motel engaging within the City in the business of charging for lodging and/or lodging space furnished to any person who, for a period of not more than thirty consecutive days, obtains lodging or lodging space in any hotel or motel, and (2) an incremental two percent tax levied on the gross income from the business activity of any person engaging in the business of leasing, licensing for use, or renting any motor vehicle with a gross vehicle weight of less than twelve thousand pounds for a term of not more than thirty-one calendar days.

The City has covenanted in the room block leaseback agreement to first apply excise taxes (other than sports facilities taxes) to the payment of senior excise tax obligations before applying sports facilities taxes. The City's pledge of sports facilities taxes under the room block leaseback agreement is a second priority pledge of the sports facilities taxes and therefore is subordinate and junior to the City's first priority pledge of excise taxes (which include sports facilities taxes) with respect to the City's senior excise tax obligations.

Debt Service Requirements

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

Notes to the Financial Statements
(Continued)

City of Phoenix Bonds - Governmental Activities

Fiscal Years	General Obligation		Highway User Revenue		Total Other Obligations (1)		Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2011	\$ 50,355	\$ 68,739	\$ 29,740	\$ 1,507	\$ 45,557	\$ 39,167	\$ 235,065
2012	65,120	66,463	6,266	15,734	47,359	36,869	237,811
2013	57,455	63,634	5,875	16,125	51,901	34,462	229,452
2014	49,380	61,168	-	-	54,123	31,873	196,544
2015	69,195	58,974	-	-	58,628	29,192	215,989
2016-20	454,394	239,114	-	-	361,839	97,492	1,152,839
2021-25	449,605	135,209	-	-	78,390	31,974	695,178
2026-30	214,840	46,843	-	-	56,355	13,561	331,599
2031-35	90,035	12,060	-	-	19,980	3,242	125,317
	<u>\$ 1,500,379</u>	<u>\$ 752,204</u>	<u>\$ 41,881</u>	<u>\$ 33,366</u>	<u>\$ 774,132</u>	<u>\$ 317,832</u>	<u>\$ 3,419,794</u>

Authorized \$ 2,066,682 \$ 356,966

Unissued \$ 272,357 \$ -

Interest Rates 2.0 - 7.4% 3.3 - 7.6%

(1) Other obligations consist of the following (in thousands):

Fiscal Years	Certificates of Participation		Municipal Corporation Obligations		Special Assessment Bonds		Total Other Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,230	\$ 1,382	\$ 44,250	\$ 37,768	\$ 77	\$ 17	\$ 45,557	\$ 39,167
2012	1,275	1,333	46,025	35,523	59	13	47,359	36,869
2013	1,315	1,281	50,555	33,171	31	10	51,901	34,462
2014	1,365	1,229	52,740	30,636	18	8	54,123	31,873
2015	1,420	1,174	57,190	28,011	18	7	58,628	29,192
2016-20	8,480	4,927	353,270	92,550	89	15	361,839	97,492
2021-25	14,365	1,754	64,025	30,220	-	-	78,390	31,974
2026-30	-	-	56,355	13,561	-	-	56,355	13,561
2031-35	-	-	19,980	3,242	-	-	19,980	3,242
	<u>\$ 29,450</u>	<u>\$ 13,080</u>	<u>\$ 744,390</u>	<u>\$ 304,682</u>	<u>\$ 292</u>	<u>\$ 70</u>	<u>\$ 774,132</u>	<u>\$ 317,832</u>

Notes to the Financial Statements
(Continued)

City of Phoenix Bonds - Business-Type Activities								Component Units	
Fiscal Years	General Obligation		Revenue Obligations		Total Other Obligations (1)		Debt Service	Downtown Phoenix Hotel Corporation	
	Principal	Interest	Principal	Interest	Principal	Interest	Total	Principal	Interest
2011	\$ 36,960	\$ 5,045	\$ 764	\$ 406	\$ 102,270	\$ 182,999	\$ 328,444	\$ -	\$ 17,412
2012	11,623	3,703	786	401	114,235	178,054	308,802	4,565	17,412
2013	11,865	3,330	808	380	129,038	177,676	323,097	4,890	17,179
2014	6,994	3,885	831	355	128,805	187,071	327,941	5,230	16,929
2015	11,875	2,680	856	332	121,930	180,634	318,307	5,595	16,662
2016-20	49,963	4,783	4,659	1,275	794,244	798,125	1,653,049	34,135	78,613
2021-25	2,145	122	5,366	568	913,768	579,377	1,501,346	45,875	69,379
2026-30	-	-	776	41	695,357	365,420	1,061,594	61,480	56,403
2031-35	-	-	-	-	421,186	225,192	646,378	81,275	39,382
2036-40	-	-	-	-	359,924	118,749	478,673	106,955	16,623
2041-45	-	-	-	-	93,515	47,710	141,225	-	-
	<u>\$ 131,425</u>	<u>\$ 23,548</u>	<u>\$ 14,846</u>	<u>\$ 3,758</u>	<u>\$ 3,874,272</u>	<u>\$ 3,041,007</u>	<u>\$ 7,088,856</u>	<u>\$ 350,000</u>	<u>\$ 345,994</u>
Authorized	\$ 223,479		\$ 14,846					\$ 350,000	
Unissued	\$ -		\$ -					\$ -	
Interest Rates	2.0 - 7.4%		2.0 - 3.0%					4.0 - 5.3%	

(1) Other obligations consist of the following (in thousands):

Fiscal Years	Municipal Corporation Obligations		Total Other Obligations	
	Principal	Interest	Principal	Interest
2011	\$ 102,270	\$ 182,999	\$ 102,270	\$ 182,999
2012	114,235	178,054	114,235	178,054
2013	129,038	177,676	129,038	177,676
2014	128,805	187,071	128,805	187,071
2015	121,930	180,634	121,930	180,634
2016-20	794,244	798,125	794,244	798,125
2021-25	913,768	579,377	913,768	579,377
2026-30	695,357	365,420	695,357	365,420
2031-35	421,186	225,192	421,186	225,192
2036-40	359,924	118,749	359,924	118,749
2041-45	93,515	47,710	93,515	47,710
	<u>\$ 3,874,272</u>	<u>\$ 3,041,007</u>	<u>\$ 3,874,272</u>	<u>\$ 3,041,007</u>

Notes to the Financial Statements

(Continued)

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, 2010 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 \$142,738,000, including \$75,487,000 that has already been paid out and an estimated \$67,251,000 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. The accrual for these costs was increased by \$2,116,000 during fiscal 2009-10 in connection with these landfills.

Total closure and postclosure care costs for the SR-85 Landfill are currently estimated to be \$47,129,000, which will be paid out in future years. \$4,854,000 of this has been recorded as a liability on the accompanying financial statements based on the use of approximately 10.3% of the estimated capacity of the landfill.

Of the liabilities discussed above, \$2,183,000 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 \$29,015,000 from third parties. These recoveries are used to reduce remediation expense in the year the recovery is assured. A total of \$10,137,000 (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, 2010, the total remaining liability is \$22,250,000 and it is estimated that the remediation will be completed in 89 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, 2010 is \$16,939,979, and is recorded in the Aviation Enterprise Fund.

10. Refunded, Refinanced and Defeased Obligations

Future debt service on refunded bonds has 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. 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.

Notes to the Financial Statements
(Continued)

During fiscal year 2009-10, the City issued General Obligation Refunding Bonds, Series 2009C to reduce 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 effect of the refunding is summarized as follows (in thousands):

	<u>City of Phoenix</u> <u>General</u> <u>Obligation</u> <u>Bonds</u>
Series	2009C
Closing Date	10/27/2009
Net Interest Rate	2.74%
Refunding Bonds Issued	\$ 117,195
Premium (Discount)	2,449
Issuance Costs and Insurance	(185)
Net Proceeds	<u>\$ 119,459</u>
Refunded Amount	\$ 117,150
Decrease in Debt Service	11,624
Economic Gain	11,496
Number of Years Affected	14

The deferred and amortized amounts of accounting losses on bond refundings (which are netted against outstanding bond obligations) at June 30, 2010, are summarized as follows (in thousands):

	<u>Deferred</u> <u>Amount</u> <u>July 1</u>	<u>Additions</u>	<u>Reductions due</u> <u>to Refundings</u>	<u>Amortization</u>	<u>Deferred</u> <u>Amount</u> <u>June 30</u>
General Government					
General Obligation	\$ 9,076	\$ (2,518)	\$ -	\$ (799)	\$ 5,759
Revenue	2,125	-	-	(1,062)	1,063
Certificates of Participation	(348)	-	-	44	(304)
Civic Improvement Corporation	3,319	-	-	(175)	3,144
	<u>\$ 14,172</u>	<u>\$ (2,518)</u>	<u>\$ -</u>	<u>\$ (1,992)</u>	<u>\$ 9,662</u>
Enterprise Funds					
Aviation					
General Obligation	\$ 923	\$ -	\$ -	\$ (207)	\$ 716
Civic Improvement Corporation	1,588	-	-	(227)	1,361
Convention Center					
Civic Improvement Corporation	808	-	-	(62)	746
Water					
General Obligation	1,456	4,324	(1,083)	(744)	3,953
Civic Improvement Corporation	6,109	-	-	(495)	5,614
Wastewater					
General Obligation	660	1,530	(393)	(193)	1,604
Civic Improvement Corporation	21,554	-	-	(2,408)	19,146
Solid Waste					
General Obligation	383	374	(120)	(138)	499
Civic Improvement Corporation	(844)	-	-	60	(784)
	<u>\$ 32,637</u>	<u>\$ 6,228</u>	<u>\$ (1,596)</u>	<u>\$ (4,414)</u>	<u>\$ 32,855</u>

Notes to the Financial Statements
(Continued)

Advanced refunding and defeasance arrangements at June 30, 2010 were as follows (in thousands):

Date Refunded/ Defeased	Refunded and Defeased Bonds		Balance Outstanding	Assets Held in Trust (1)
	Issue Dates	Type		
12/16/92	03/15/87 - 02/01/92	Junior Lien Street and Highway User Revenue	\$ 5,000	\$ 5,322
04/27/93	12/01/78 - 12/06/91	General Obligation General Government	\$ 3,738	\$ 7,480
04/01/04	07/01/95 - 06/01/02	General Obligation General Government	\$ 25,165	\$ 25,600
07/19/06	07/01/95 - 7/01/05	General Obligation General Government	\$ 80,625	\$ 84,461
06/13/07	01/15/98 - 06/01/02	General Obligation General Government	\$ 31,370	\$ 31,881
06/27/07	01/15/98 - 06/01/02	Civic Improvement Corporation Senior Lien Excise Tax Revenue	\$ 18,675	\$ 18,701
06/27/07	01/15/98 - 06/01/02	Civic Improvement Corporation Subordinated Excise Tax Revenue	\$ 45,610	\$ 45,673
03/28/08	07/01/01 - 12/01/04	Civic Improvement Corporation Wastewater System Revenue	\$ 12,150	\$ 12,742
06/26/09	08/30/00 - 06/27/07	Civic Improvement Corporation Subordinated Excise Tax Revenue	\$ 8,450	\$ 9,125

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

Notes to the Financial Statements

(Continued)

11. Legal Debt Margin

As discussed in Note 3, secondary property taxes are used to finance bond principal and interest payments. Under Arizona law, general obligation bonds 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 may not exceed 20% of a City's secondary assessed valuation. General obligation bonds for all other purposes may not exceed 6% of the secondary assessed valuation. The total debt margin available at July 1, 2010 was as follows (in thousands):

Six Percent Bonds	\$	914,286
Twenty Percent Bonds		<u>1,977,985</u>
	\$	<u>2,892,271</u>

12. Risk Management

The City maintained a combination of commercial insurance and self-insurance during the year ended June 30, 2010, as described below.

General Fund and Transit Special Revenue Fund

Liability – The City maintained a self-insured retention of \$7,500,000 for most public entity liability exposures and a self-insured retention of \$5,000,000 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 \$15,000,000 for its workers' compensation exposure. Excess workers' compensation insurance was purchased for losses exceeding the self-insured retention. Workers' Compensation for Phoenix Transit employees was self-insured up to \$400,000 and excess workers' compensation insurance was purchased for losses exceeding that amount.

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.

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 assets, with the other funds reimbursing the General Fund for their share of the cost of the City's self-insurance program. At June 30, 2010, claims payable totaled \$99.7 million. Changes in this liability for the last two fiscal years follow (in thousands):

Notes to the Financial Statements
(Continued)

	Year Ended June 30	
	2010	2009
Claims Payable, July 1	\$ 89,399	\$ 94,431
Current Year Claims and Changes in Estimates	39,749	27,270
Claim Payments	(29,477)	(32,302)
Claims Payable, June 30	<u>\$ 99,671</u>	<u>\$ 89,399</u>

Claims that are expected to be paid with expendable available financial resources are accounted for in the General Fund. All other claims are accounted for in the government-wide statement of net assets. These balances were as follows (in thousands):

	June 30	
	2010	2009
Amounts due within one year	\$ 32,343	\$ 33,749
Amounts due in more than one year	67,328	55,650
	<u>\$ 99,671</u>	<u>\$ 89,399</u>

In addition, assets of \$79,670,801 and \$2,039,460 are held in the General Fund and Transit Special Revenue Fund, respectively, at June 30, 2010 for purposes of funding the claims liability reported in the government-wide statement of net assets. As a result, \$79,670,801 of the General Fund balance and \$2,039,460 of the Transit Special Revenue Fund balance are designated for payment of claims.

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 \$1,000,000 and aggregate losses exceeding \$207,333,246. Dental coverage was provided through two different plans. A dental PPO was self-insured through the City of Phoenix Health Care Benefits Trust and a dental HMO was 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. As a funded other post-employment benefit, no liability is reflected in the Government-Wide Statement of Net Assets. See Note 19 for additional information.

At June 30, 2010, claims payable totaled \$25.0 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2010	2009
Claims Payable, July 1	\$ 23,890	\$ 21,580
Current Year Claims and Changes in Estimates	194,206	183,526
Claim Payments	(193,088)	(181,216)
Claims Payable, June 30	<u>\$ 25,008</u>	<u>\$ 23,890</u>

Notes to the Financial Statements

(Continued)

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

	<u>June 30</u>	
	<u>2010</u>	<u>2009</u>
Amounts due within one year	\$ 25,008	\$ 23,890
Amounts due in more than one year	-0-	-0-
	<u>\$ 25,008</u>	<u>\$ 23,890</u>

13. 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 \$45,037,922 for the fiscal year ended June 30, 2010.

The City also leases certain airport facilities to third parties. Minimum future rentals on non-cancelable operating leases at June 30, 2010 were as follows (in thousands):

<u>Years Ending</u> <u>June 30</u>	
2011	\$ 54,939
2012	52,750
2013	51,934
2014	44,582
2015	42,968
2016-2068	<u>248,910</u>
	<u>\$ 496,083</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 \$12,148,918 for the fiscal year ended June 30, 2010. A summary of the assets leased to third parties under the airport operating lease agreements at June 30, 2010 is as follows (in thousands):

Buildings	\$ 1,147,518
Less: Accumulated Depreciation	<u>(458,298)</u>
	<u>\$ 689,220</u>

Notes to the Financial Statements
(Continued)

14. Contractual and Other Commitments

Public Transit

The City provides public transit service through the following private contractors: Veolia Transportation, First Transit Inc. and MV Transportation Service. In addition, the City purchases fixed route bus service from the Regional Public Transportation Authority "RPTA" and Valley Metro Rail. 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, 2011 are as follows (in thousands):

Contractor	Type of Service	Expiration Date	Estimated Annual Subsidy
MV Transportation Service	Dial-a-Ride	June 30, 2011	\$ 12,660
First Transit Inc.	Fixed Route Bus Service	June 30, 2011	22,992
Veolia Transportation	Fixed Route Bus Service	June 30, 2015	69,963
Valley Metro Rail	Light Rail Service	June 30, 2011	20,526
Regional Public Transportation Authority	Fixed Route Bus Service	June 30, 2011	4,530
MV Transportation Service	Fixed Route Bus Service	June 30, 2011	411
			<u>\$ 131,082</u>

Approximately 15.4% of the total net transit costs 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 5.5% of the total transit costs for fiscal 2010-11. The City has been the designated recipient for these grants since 1975.

Plan Six Funding Agreements

The Plan Six Funding Agreement provides for a cost sharing arrangement to ensure timely completion of the Plan Six facilities of the Central Arizona Project. These facilities include the new Waddell Dam on the Agua Fria River and modifications of the Roosevelt and Stewart Mountain dams on the Salt River. The parties to this agreement include the United States Government, the State of Arizona, the Central Arizona Water Conservation District, Maricopa County Flood Control District, the Salt River Project, and the cities of Phoenix, Chandler, Glendale, Mesa, Scottsdale, Tempe and Tucson. The Plan Six Funding Agreement does not constitute a joint venture as cost sharing projects are not considered joint ventures as the participating governments do not retain an on-going financial interest or responsibility in the project, in accordance with GASB Statement No. 14, "The Financial Reporting Entity".

Deposited funds from prior fiscal years are held in the Arizona State Treasurer's Local Government Investment Pool "LGIP" for Plan Six and, as disbursements are made from this fund, the City records an asset (water rights). The City will amortize this asset over a 40-year life.

On April 9, 2010, the Arizona State Treasurer's Office was notified by the U. S. Department of the Interior, Bureau of Reclamation Division, of the final costs associated with this agreement. The Arizona State Treasurer's Office paid the amount due to the Bureau of Reclamation and returned the excess funds to the parties of this agreement.

Notes to the Financial Statements

(Continued)

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, 2010, as follows (in thousands):

Aviation	\$ 452,707
Phoenix Convention Center	9,352
Water System	109,913
Wastewater	38,196
Solid Waste	20,908
	<hr/>
	\$ 631,076
	<hr/>

15. 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 12, 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 in 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, 2010.

Public Housing Notes Payable

Excluded from the City's long-term obligations in the accompanying financial statements are Public Housing Notes Payable. These obligations were incurred in connection with the City's public housing activities, but are entirely supported by the federal government. The City would be obligated to pay the debt service on these bonds only in the event of default by the federal government. The outstanding balances on these notes at June 30, 2010 were \$630,505.

Sick Leave

Sick leave is continuously accumulated at the rate of 15 days per year but can only be taken in the event of illness. Upon retirement, for every 173 hours of unused sick leave, one month of creditable service is allowed in determining a General Employee Retirement Plan pension. A balance of over 80 hours after making the above calculation will allow an extra month of creditable service. The dollar amount of any cash payment as described below is included in the final average compensation, but the hours used are excluded from credited service.

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 Office and Clerical 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.

Notes to the Financial Statements
(Continued)

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 only if the leave is attributable to past service and it is probable that the employees will be compensated through cash payments conditioned on the employees' termination or retirement. In accordance with these criteria, 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, 2010, actuarial valuation of the sick leave liability was based on the termination method, with the liability pro-rated based on the current service of a participant. The projected sick leave benefit payment under the termination method is calculated as the maximum sick leave hours eligible for payment multiplied by the probability of an individual employee reaching retirement multiplied by the employee's projected salary at first eligibility for retirement pro-rated based on the employee's current service to date over the projected service to retirement increased by the cost of salary-related fringe benefits.

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

	<u>2010</u>
General	\$ 185,893
Police	122,495
Fire	<u>43,958</u>
	352,346
Less: Amounts Accrued as a Liability	<u>(72,755)</u>
	<u><u>\$ 279,591</u></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, 2010 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; although City management believes any such claims would be immaterial to the City's financial position at June 30, 2010.

The City has accepted grant funds from the Federal Aviation Administration (the "FAA") to purchase land near Phoenix Sky Harbor International Airport (the "Airport") for noise compatibility purposes. After the City purchased the land, it was developed and leased to private corporations. The FAA gave the City written approval to use the proceeds of these leases for the operation and maintenance of the Airport. On January 13, 2006, the FAA notified the City that based on the Department of Transportation's Office of Inspector General's audit of eleven airports, including the Airport, the FAA determined that leasing the land the City purchased for noise compatibility purposes constituted disposal of the property purchased with FAA grant funds. The FAA has contacted the City claiming it is entitled to its fair share of the proceeds of the leases under Federal law. According to the FAA, the City has been authorized to receive approximately \$89,000,000 in grants from the FAA for noise compatibility purposes. Further investigation is necessary by both the City and the FAA to determine: (i) if the City will be required to reimburse the FAA for some of the grants; (ii) whether the leases can be treated as an exchange of land rather than a disposal of land; or (iii) whether other grant eligible projects may be used by the City to offset any monies the City owes the FAA. The City intends to pursue all avenues with the FAA to establish that the City is not liable to reimburse the FAA.

Notes to the Financial Statements

(Continued)

16. Joint Use Agreements

Valley Metro Rail, Inc. "VMRI"

The City currently participates with the cities of Tempe, Mesa, and Glendale in a joint powers agreement for the design, construction and operation of a light rail transit system. The Valley Metro Rail, Inc. "VMRI" is the management agency that was incorporated to administer the joint powers agreement between the cities. The 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, 2010, was \$843,413,478.

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 eleven cities and districts in the Regional Wireless Cooperative 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, 2010, was \$72,642,640.

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

Notes to the Financial Statements
(Continued)

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 \$486,645,632 at June 30, 2010, 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 years ended June 30, 2010 is provided below (in thousands).

	<u>2010</u>
Assets	
Cash Equivalents and Pooled Investments	\$ 39,169
Receivables	12,680
Inventories, at average cost	527
Capital Assets, Net of Accumulated Depreciation	<u>923,885</u>
Total Assets	976,261
Liabilities	<u>(43,434)</u>
Net Assets	<u>\$ 932,827</u>
Total Revenues	\$ 109,725
Total Expenses	<u>(88,094)</u>
Increase in Net Assets	<u>\$ 21,631</u>

Separate financial statements for the activity under the joint use agreement can be obtained through the AMWUA office at 4041 N. Central Avenue, 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.

Notes to the Financial Statements
(Continued)

The City's investment under the joint use agreement was \$180,631,165 at June 30, 2010, 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 years ended June 30, 2010 is provided below (in thousands).

	<u>2010</u>
Assets	
Cash Equivalents and Pooled Investments	\$ 6,433
Receivables	9,816
Inventories, at average cost	348
Capital Assets, Net of Accumulated Depreciation	<u>251,282</u>
Total Assets	267,879
Liabilities	<u>(11,850)</u>
Net Assets	<u>\$ 256,029</u>
Total Revenues	\$ 54,217
Total Expenses	<u>(33,224)</u>
Increase in Net Assets	<u>\$ 20,993</u>

Separate financial statements for the activity under the joint use agreement can be obtained through the City of Phoenix, Finance Department, Utilities Accounting Division, 305 W. Washington Street, Phoenix, Arizona 85003.

17. Deferred Compensation Plan (DCP)

The City provides eligible employees with two voluntary investment options designed to supplement income at retirement. These programs allow an employee to defer income from peak earning years to provide additional income upon retirement. The City offers a 457 Deferred Compensation Plan (the "457 Plan") that has numerous investment options, and allows enrollment or changes on an ongoing basis. The second, a 401(a) Defined Contribution Plan (the "401(a) Plan"), has more restrictions for participation, but has higher contribution limits.

A governing board makes decisions about the fund options available under these Plans. For full-time and job-share employees, the City contributes a percentage of salary to DCP. Due to the tax-deferred nature of the Plans, generally speaking, the funds cannot be withdrawn while still employed by the City, unless a severe financial hardship exists. IRS regulations provide guidance regarding hardship withdrawals. Nationwide Investment Services Corporation is currently the plan administrator for both Plans.

The 457 Plan was created in accordance with Internal Revenue Code Section 457. The 457 Plan permits employees to defer a portion of their salaries until future years. The amount deferred is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees may choose to defer the lesser of 100% of includable income for 457 deferrals, or \$16,500 during calendar year 2010. A 1996 federal law requires all assets and income of Internal Revenue Code Section 457 deferred compensation plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of participants and their beneficiaries. On September 23, 1998, the City Council approved Ordinance No.S-25613 that amended the Plan to comply with the 1996 federal law. The Ordinance established a trust into which all assets of the Plan were transferred December 4, 1998.

The City's newest retirement savings plan, the 401(a) Plan, provides employees with an additional option for tax-deferred retirement savings. Eligible employees may make personal contributions to the City 401(a) Plan by electing to defer a designated percentage of their salary to the Plan. 401(a) personal contribution elections are irrevocable. For active employees, the 2010 annual maximum is \$49,000. The City also contributes to the 401(a) on the eligible employee's behalf an amount equal to a percentage of employee's base annual salary.

Notes to the Financial Statements

(Continued)

18. Pension Plans

Plan Descriptions

Substantially all full-time employees and elected officials of the City are covered by one of three contributory pension plans. In addition to normal retirement benefits, all of the plans also provide for disability and survivor benefits, as well as deferred pensions for former employees. Pension benefits vest after five years for general City employees and elected officials and after ten years for public safety employees.

The City of Phoenix Employees' Retirement Plan ("COPERS") is a single-employer defined benefit pension plan for all full-time classified civil service general City employees. Members are eligible for retirement benefits upon meeting one of the following age and service requirements:

1. Age 60 years, with ten or more years of credited service.
2. Age 62 years, with five or more years of credited service.
3. Any age, which added to years of credited service equals 80 (Rule of 80).

The Plan is authorized by and administered in accordance with Chapter XXIV of the Charter of the City of Phoenix. Authority to make amendments to the plan rests with City voters. The Plan is administered by a nine-member Retirement Board. COPERS has been included as part of the City's reporting entity as a pension trust fund. Copies of the separately issued COPERS financial report, which includes financial statements and required supplemental information, may be obtained from COPERS, Barrister Place, 101 South Central Avenue, Suite 600, Phoenix, Arizona 85004.

The Arizona Public Safety Personnel Retirement System ("APSPRS") is an agent multiple-employer defined benefit pension and health insurance premium subsidy plan for all sworn police officers and fire fighters. Members are eligible for normal retirement benefits and a health insurance premium subsidy after 20 years of service or at age 62 with completion of 10 years of service. It is authorized by and administered in accordance with Arizona Revised Statutes Title 38, Chapter 5, Article 4, Section 38.841-859. Authority to make amendments rests with the Arizona State Legislature. Benefits are projected based on benefit levels and cost-sharing arrangements as of the date of valuation and do not explicitly reflect the potential effects of legal or contractual funding limitations. The Plan is administered by local boards consisting of the City Mayor or designee, two members elected by employees and two citizens appointed by the mayor and approved by the City Council. The same board administers both the Fire Fighters and Police pension plans for the City.

The Elected Officials' Retirement Plan of Arizona ("EORPA") is a cost-sharing multiple-employer defined benefit pension plan for all elected officials of the City. Members are eligible for retirement benefits, including a health insurance premium subsidy, upon ceasing to hold office and meeting one of the following age and service requirements:

1. Any age, with twenty or more years of credited service.
2. Age 62 years, with ten or more years of credited service.
3. Age 65 years, with five or more years of credited service.
4. Early retirement, with five years of service and ceasing to hold office (reduced pension).

Notes to the Financial Statements
(Continued)

Benefits are based on 4% of the member's final annual salary multiplied by the years of credited service. The maximum is 80% of the member's highest average annual salary. Benefits for early retirees (option 4 above) are reduced by 3/12 of 1% for each month that early retirement precedes normal retirement age. EORPA is authorized by and administered in accordance with Arizona Revised Statutes Title 38, Chapter 5, Article 3, Section 802 as amended. The authority to make amendments rests with the Arizona State Legislature. The Plan is administered by the Arizona Public Safety Personnel Retirement System.

Copies of the publicly available financial reports for the APSPRS and EORPA may be obtained from Arizona Public Safety Personnel Retirement System, 1020 East Missouri, Phoenix, Arizona 85014-2613.

Funding Policy and Annual Pension Cost

The City contributes an actuarially determined amount to COPERS to fully fund benefits for active members and to amortize any unfunded actuarial liability as a level percent of projected member payroll over an open period of 20 years from July 1, 2009. The employee contribution rate is 5% of compensation. In addition to funding the plan for benefits, the City pays the administrative costs of the plan as a City expense. Investment expenses are paid by the plan from investment earnings.

Contribution rates for APSPRS are specified by State statute, with a 7.65% employee share and an employer's share equal to a level percent of compensation to fund normal cost and unfunded accrued liability over an open period of 30 years from July 1, 2006, but not less than 8% beginning with fiscal year 2007-08. Optionally, the employer may increase its contributions in order to lower the employees' share.

Three-year trend information for the City's single employer and the agent multiple employer defined benefit pension plans follows:

	Contributions Required and Contributions Made			
	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
General City	6/30/10	\$ 86,591,498	100 %	N/A
Employees	6/30/09	67,152,987	100	N/A
	6/30/08	64,198,136	100	N/A
APSPRS Employees (1):				
Police Pension	6/30/10	\$ 60,118,773	100 %	N/A
Police Health	6/30/10	4,292,306	100	N/A
Police Pension	6/30/09	61,411,442	100	N/A
Police Health	6/30/09	2,347,899	100	N/A
Police Pension	6/30/08	43,393,713	100	N/A
Police Health	6/30/08	2,393,040	100	N/A
Fire Pension	6/30/10	\$ 29,764,426	100 %	N/A
Fire Health	6/30/10	2,242,166	100	N/A
Fire Pension	6/30/09	30,691,971	100	N/A
Fire Health	6/30/09	1,461,823	100	N/A
Fire Pension	6/30/08	22,864,601	100	N/A
Fire Health	6/30/08	1,334,123	100	N/A

(1) Beginning in fiscal year ended June 30, 2008, the pension and health insurance premium subsidy for Police and Fire are presented separately. The health insurance premium subsidy, annual pension cost, and contributions made were estimated based on the actuarially determined rate provided.

Contribution rates for EORPA are specified by State statute, with a 7% employee share and an actuarially determined employer's share equal to a level percent of compensation to fund normal cost and unfunded accrued liability over a closed period of 30 years from July 1, 2006.

Notes to the Financial Statements
(Continued)

Below is three-year contribution trend information for the Elected Officials' cost-sharing multiple-employer retirement plan:

	Contributions Required and Contributions Made			
	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
Elected Officials				
Pension	6/30/10	\$ 125,896	100 %	N/A
Health	6/30/10	9,768	100	N/A
Pension	6/30/09	150,915	100	N/A
Health	6/30/09	5,070	100	N/A
Pension	6/30/08	120,374	100	N/A
Health	6/30/08	1,277	100	N/A

The City's annual pension costs for the current year and related information for each plan is as follows:

	COPERS	APSPRS		
		Police (1) Pension/Health	Fire (1) Pension/Health	EORPA (1) Pension/Health
Contribution Rates:				
City	14.35%	22.69%/1.62%	22.70%/1.71%	24.36%/1.89%
Plan Members	5.00%	7.65%	7.65%	7.00%
Annual Pension Cost	\$ 86,591	\$60,119/\$4,292	\$29,764/\$2,242	\$126/\$10
Contributions Made	\$ 86,591	\$60,119/\$4,292	\$29,764/\$2,242	\$126/\$10
Actuarial Valuation Date	6/30/10	6/30/09	6/30/09	6/30/09
Actuarial Cost Method	Entry Age, Normal Cost	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percentage of Payroll, Open	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 years	27 years	27 years	27 years
Asset Valuation Method	4-year smoothed market	7-year smoothed market	7-year smoothed market	7-year smoothed market
Actuarial Assumptions:				
Investment Rate of Return	8.0%	8.5%	8.5%	8.5%
Projected Salary Increases *	5.0 - 9.0%	5.5 - 8.5%	5.5 - 8.5%	5.0%
* Includes Inflation at	4.5%	5.5%	5.5%	5.0%
Cost-of-Living Adjustments	-	-	-	-

- (1) Beginning in fiscal year ended June 30, 2009, the pension and health insurance premium subsidy for Police, Fire, and Elected Officials are presented separately. The health insurance premium subsidy, annual pension cost, and contributions made were estimated based on the actuarially determined rate provided.
- (2) A fire premium tax levied by the State is credited toward the City's contribution for firefighters employed by the City of Phoenix. The amount reported above is before the fire insurance premium tax credit allowance of \$3,570,000.
- (3) COPERS' amount includes \$350,000 allocated to the Excess Benefit Arrangement.

Notes to the Financial Statements
(Continued)

Funded Status and Funding Progress (as of the most recent valuation)

Schedule of Funding Progress (in thousands)							
Actuarial Valuation Date	Funding Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Percent Funded (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b - a)/(c)	
General City							
Employees							
6/30/10	\$ 1,868,093	\$ 2,697,288	\$ 829,195	69.3 %	\$ 550,175	150.7 %	
APSPRS (1)							
6/30/09	\$ 1,151,521	\$ 1,664,876	\$ 513,355	69.2 %	\$ 251,906	203.8 %	Police - Pension
6/30/09	0	33,895	33,895	0.0	251,906	13.5	Police - Health
APSPRS (1)							
6/30/09	\$ 666,725	\$ 928,269	\$ 261,544	71.8 %	\$ 124,785	209.6 %	Fire - Pension
6/30/09	0	18,485	18,485	0.0	125,785	14.8	Fire - Health

(1) Most recent year available.

A schedule for funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

19. Other Postemployment Benefits (OPEB)

In accordance with the compensation plan adopted by the City Council each fiscal year, the City offers continuation of group medical and conversion of group life insurance to retirees or to those eligible for long-term disability benefits. If converted, the life insurance premium must be paid in full by the retiree, but the City continues to contribute toward the medical insurance premium for a certain period of time. Continuation of the City's contribution towards retiree medical coverage is dependent on the annual budget authorization by the City Council.

Postemployment Healthcare

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

Medical Expense Reimbursement Plan

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, as current retirees do. The MERP is a single-employer, defined benefit plan. Contributions by the City (plus earnings thereon) are the sole source of funding for the MERP.

The monthly subsidy reimburses retirees for qualified medical expenses, including hospital, doctor and prescription drug charges. The City's contribution varies with length of service or bargaining unit, from \$117 to \$202 per month. Retirees may be eligible for additional City contributions depending on their bargaining unit, retirement date, or enrollment in the City's medical insurance program. Current and future retirees who are eligible to receive the MERP and choose to purchase health insurance through the City's plan during retirement, will receive an additional City contribution to minimize the impact of unblending health insurance rates for active and retired employees.

Notes to the Financial Statements

(Continued)

The City has 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 the MERP. The City has delegated responsibility for fiduciary oversight of the MERP Trust to the five-member Board of Trustees, subject to oversight of the City Council. The MERP issues a separate report that can be obtained from the City's Finance Department, through the Financial Accounting and Reporting Division on the 5th Floor of 251 W. Washington Street, Phoenix, Arizona, 85003.

The number of participants as of August 1, 2009, the effective date of the biennial OPEB valuation, follows. There have been no significant changes in the number covered or the type of coverage since that date.

	General City	Public Safety	Total
Active employees	5,244	3,190	8,434
Retirees and Beneficiaries	4,176	1,959	6,135
Total	9,420	5,149	14,569

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective July 1, 2007, and is implementing these requirements prospectively. The City's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (in thousands):

Annual required contribution	\$ 39,000
Interest on OPEB Asset	1,426
Contributions from the City	17,204
Decrease in net OPEB asset	(20,370)
Net OPEB asset, beginning of year	20,370
Net OPEB asset, end of year	\$ -0-

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for fiscal year 2010, were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
6/30/2010	\$37,574	\$17,204	45.8%	\$ -0-
6/30/2009	\$37,967	\$43,579	114.8%	\$20,370
6/30/2008	\$39,000	\$53,758	137.8%	\$14,758

As of August 1, 2009, the most recent actuarial valuation date, the MERP was prefunded by the City to a dedicated MERP Trust. The actuarial accrued liability for benefits was \$424,989,178 and the actuarial value of assets was \$60,459,207, resulting in an unfunded actuarial accrued liability (UAAL) of \$364,529,971. The covered payroll (annual payroll of active employees covered by the plan) was \$593,931,810, and the ratio of the UAAL to the covered payroll was 61.4 percent.

Notes to the Financial Statements

(Continued)

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Valuation date	08/01/09
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Remaining amortization period	24 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increase *	N/A

* Inflation rate is a component of projected salary increase.

Post Employment Health Plan

Benefit eligible employees with more than 15 years until retirement eligibility, as of August 1, 2007, receive \$150 per month while employed by the City as a defined contribution to the Post Employment Health Plan (PEHP). This is a 100% employer-paid benefit. The program provides employees who have a payroll deduction for City medical insurance coverage (single or family) with a PEHP account. This account is to be used by the employee when he/she retires or separates employment with the City for qualified medical expenses (including health insurance premiums). The current administrator of the City's PEHP is Nationwide Retirement Solutions.

Long-Term Disability Program

Long-term disability (LTD) benefits are available to all regular, full-time, benefit-eligible employees who have been employed by the City for at least 12 consecutive months. Coverage for benefit eligible employees provides income protection of 66 2/3 percent of an employee's monthly base salary following a continuous three-month waiting period from the last day worked; provided all leave accruals have been exhausted, continuing to age 80. Employees receiving long-term disability benefits are entitled to continuation of group medical, dental and life insurance for a specified period. 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 percent of the cost for this benefit.

The City has 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 City has delegated responsibility for administering the LTD trust to the five-member Board of Trustees, subject to oversight of the City Council. The LTD Trust issues a separate report that can be obtained from the City's Finance Department, through the Risk Management Division on the 8th Floor of 251 W. Washington Street, Phoenix, Arizona, 85003.

The number of participants as of July 1, 2009, the effective date of the biennial OPEB valuation, follows. There have been no significant changes in the number or category of employees covered since that date.

	Fire	Police	General City	Total
Current Active Employees	1,641	3,278	9,313	14,232
Currently Disabled Employees	10	36	292	338
Total Covered Participants	1,651	3,314	9,605	14,570

Notes to the Financial Statements

(Continued)

The City implemented GASB 45 effective July 1, 2007, and has calculated the beginning OPEB asset in accordance with the parameters of GASB 45. The City's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution (ARC), an actuarially determined amount in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB asset (in thousands):

Annual required contribution	\$ 2,801
Interest on Net OPEB Asset	345
Contributions made	848
Decrease in OPEB Asset	<u>(1,608)</u>
Net OPEB asset, beginning of year	4,936
Net OPEB asset, end of year	<u>\$ 3,328</u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for fiscal year 2009 were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
6/30/2010	\$ 2,456	\$ 848	34.5%	\$3,328
6/30/2009	\$ (323)	\$ 0	N/A	\$4,936
6/30/2008	\$ 0	\$ 0	N/A	\$4,613

As of July 1, 2009, the most recent actuarial valuation date, the LTD was 91.7 percent funded. The actuarial accrued liability for benefits was \$66,523,792, and the actuarial value of assets was \$60,992,358, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,531,434. The covered payroll (annual payroll of active employees covered by the plan) was \$876,001,000, and the ratio of the UAAL to the covered payroll was .63 percent.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Valuation date	07/01/09
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increase*	4.0%

* Inflation rate is a component of projected salary increase.

Notes to the Financial Statements

(Continued)

Actuarial Valuations

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

20. Subsequent Events

Debt Issuances and Ratings Update

On August 3, 2010, The City Of Phoenix received \$6,286,996 pursuant to a loan agreement with the Water Infrastructure Finance Authority of Arizona (WIFA), from funding made available to WIFA under the American Recovery and Reinvestment Act of 2009 (ARRA). The City made a junior lien pledge of operating revenues of the wastewater system for the payment of principal and interest on the loan. The loan has an average life of 12 years and a true interest cost of 3.0%.

On August 11, 2010, the City of Phoenix Civic Improvement Corporation issued \$642,680,000 Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT). The bonds were issued at an all-in true interest cost of 4.69% and were delivered on September 1, 2010.

On August 11, 2010, the City of Phoenix Civic Improvement Corporation issued \$21,345,000 Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment). The bonds are designated as "Recovery Zone Economic Development Bonds-Direct Payment." The City has elected to receive subsidy payments, in the amount of 45% of each interest payment on the bonds, paid directly to the City by the United States Treasury. The bonds were issued at an all-in true interest cost, net of the subsidy, of 3.67% and were delivered on September 1, 2010.

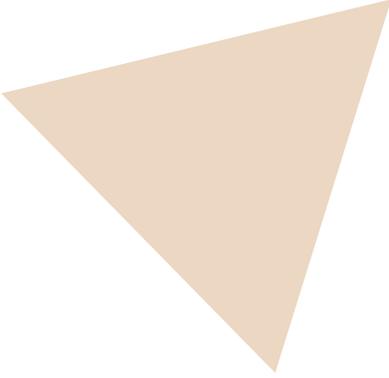
On August 11, 2010, the City of Phoenix Civic Improvement Corporation issued \$32,080,000 Junior Lien Airport Revenue Refunding Bonds, Series 2010C (Non-AMT). The bonds were issued at an all-in true interest cost of 4.33% and were delivered on September 1, 2010. Total present value savings on the refunding was \$2,242,464.

On November 12, 2010, the City Of Phoenix received \$4,401,322 pursuant to a loan agreement with WIFA, from funding made available to WIFA under the ARRA. Of the amount received, \$3,200,000 is not required to be repaid pursuant to the ARRA. The City made a junior lien pledge of operating revenues of the water system for the payment of principal and interest on the remaining \$1,201,322. The loan has an average life of 2.8 years and a true interest cost of 3.0%.

On December 17, 2010, Moody's Investors Service (Moody's) downgraded the Downtown Phoenix Hotel Corporation's Senior Revenue Bonds, Series 2005A from Baa3 to Ba1 and assigned a negative outlook to the bonds. Moody's also downgraded the Downtown Phoenix Hotel Corporation's Subordinate Revenue Bonds Series 2005B and Taxable Series 2005C from A1 to A2 but maintained the stable outlook. The subordinate revenue bonds were upgraded from A2 to A1 on April 30, 2010 as part of Moody's recalibration of its municipal debt ratings. The current A2 rating represents the original rating assigned to the bonds by Moody's in April 2008.



City of Phoenix



Financial Section

**Required Supplementary
Information**



REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited) Schedule of Funding Progress (in thousands)

	<u>Actuarial Valuation Date</u>	<u>Funding Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Percent Funded (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b - a)/(c)</u>
PENSION PLANS:							
General City Employees							
	6/30/10	\$ 1,868,093	\$ 2,697,288	\$ 829,195	69.3 %	\$ 550,175	150.7 %
	6/30/09	1,895,148	2,518,094	622,946	75.3	539,468	115.5
	6/30/08	1,908,414	2,413,365	504,951	79.1	566,512	89.1
APSPRS - Police Pension (1) (2)							
	6/30/09	\$ 1,151,521	\$ 1,664,876	\$ 513,355	69.2 %	\$ 251,906	203.8 %
	6/30/08	1,089,018	1,595,363	506,345	68.3	238,513	212.3
	6/30/07	1,046,953	1,569,290	522,337	66.7	211,112	247.4
APSPRS - Police Health (1) (2)							
	6/30/09	\$ -	\$ 33,895	\$ 33,895	0.0 %	\$ 251,906	13.5 %
	6/30/08	-	53,039	53,039	0.0	238,513	22.2
	6/30/07	-	53,017	53,017	0.0	211,112	25.1
APSPRS - Fire Pension (1) (2)							
	6/30/09	\$ 666,725	\$ 928,269	\$ 261,544	71.8 %	\$ 124,785	209.6 %
	6/30/08	636,120	896,842	260,722	70.9	117,583	221.7
	6/30/07	613,892	894,775	280,883	68.6	104,118	269.8
APSPRS - Fire Health (1) (2)							
	6/30/09	\$ -	\$ 18,485	\$ 18,485	0.0 %	\$ 124,785	14.8 %
	6/30/08	-	30,488	30,488	0.0	117,583	25.9
	6/30/07	-	30,799	30,799	0.0	104,118	29.6
MERP (3)							
	8/01/09	\$ 60,459	\$ 424,989	\$ 364,530	14.2 %	\$ 593,932	61.4 %
	8/01/06	-	345,579	345,579	0.0	563,570	61.3
LTD							
	7/01/09	\$ 60,992	\$ 66,523	\$ 5,531	91.7 %	\$ 876,001	0.63 %
	7/01/07	64,956	60,344	(4,612)	107.6	856,510	(0.54)

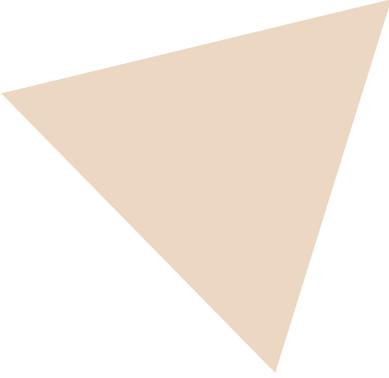
(1) Amounts from fiscal year ended June 30, 2009 were the most recent available for Public Safety employees - Police and Fire. Beginning in fiscal year ended June 30, 2008, the pension and health insurance premium subsidy for Police and Fire are presented separately.

(2) Public Safety covered payroll does not include that of members participating in the Deferred Retirement Option Plan (DROP). Actual dollar amounts for fiscal years after June 30, 2009 will depend on the actual covered payroll for the period.

(3) The original GASB 43 & 45 compliant OPEB valuation for the City of Phoenix had a valuation date of August 1, 2006 producing biennial funding results applying to the 2007-08 and 2008-09 fiscal years. This corresponds to the first fiscal period that GASB reporting was required for OPEB plans. The current valuation as of August 1, 2009 provides funding results for the 2009-10 and 2010-11 fiscal years with biennial valuations planned going forward from this date.



City of Phoenix



Financial Section

**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.

Local Transportation Assistance - to account for the City's share of Arizona State Lottery proceeds. This money is used for mass transit operating and capital purposes. Up to 10% may be used for cultural, educational, historical, recreational or scientific facilities or programs.

Transit - to account for federal grant operating funds, Regional Public Transportation Assistance funds, Transit 2000 revenues and the City's local matching funds. Expenditures are for the administrative and operating costs of the public transit system.

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.

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

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

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

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 2.0% public safety expansion sales tax which was implemented in December 2007.

Fund Descriptions - 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.

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

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

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

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

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

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

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

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

Debt Service Funds

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

Streets and Highways - to account for debt service on major street and Squaw Peak Parkway highway user revenue bonds. Funding is provided by transfers of state-shared gasoline tax revenues from the Highway User Special Revenue Fund.

Public Housing - to account for debt service on housing revenue bonds. Funding is provided by transfers from the Public Housing Special Revenue Fund and by contributions from the federal government (HUD).

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.



City of Phoenix

City of Phoenix, Arizona
Combining Balance Sheet
Nonmajor Governmental Funds

Exhibit C-1

June 30, 2010
(in thousands)

	Special Revenue Funds				
	Highway User Revenue	Local Trans- portation Assistance	Transit	Municipal Court	Develop- ment Services
ASSETS					
Cash and Cash Equivalents	\$ 5,390	\$ -	\$ 18,459	\$ 2,325	\$ 15,961
Cash Deposits	28	-	-	-	-
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-	-
Investments	31,394	-	131,810	13,916	94,266
Due from Other Funds	-	-	106	-	-
Receivables, Net of Allowance					
Accounts Receivable	-	-	2,904	-	482
Taxes Receivable	-	-	-	-	-
Delinquent Taxes Receivable	-	-	-	-	-
Intergovernmental	9,581	-	43,659	-	31
Accrued Interest	-	-	-	-	-
Notes Receivable	-	-	38,628	-	-
Prepaid Items	-	-	1,034	-	-
Inventories	-	-	1,415	-	-
Total Assets	\$ 46,393	\$ -	\$ 238,015	\$ 16,241	\$ 110,740
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	1,249	-	14,841	550	2,902
Insurance Claims Payable	-	-	97	-	-
Trust Liabilities and Deposits	1,598	-	45	4,821	6,065
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	3,916
Total Liabilities	2,847	-	14,983	5,371	12,883
Fund Balances					
Reserved					
Encumbrances	8,907	-	8,488	165	14,384
Debt Service	-	-	-	-	-
Inventories	-	-	1,415	-	-
Prepaid Items	-	-	1,034	-	-
Notes Receivable	-	-	38,628	-	-
Unreserved					
Designated for Insurance Claims	-	-	2,040	-	-
Designated for Unrealized					
Gain on Investments	129	-	581	52	487
Undesignated	34,510	-	170,846	10,653	82,986
Total Fund Balances	43,546	-	223,032	10,870	97,857
Total Liabilities and Fund Balances	\$ 46,393	\$ -	\$ 238,015	\$ 16,241	\$ 110,740

Special Revenue Funds

Grants	Public Housing	Sports Facilities	Capital Construction	Parks and Preserves	Other Restricted	Neighborhood Protection	Public Safety Enhancement	Total
\$ -	\$ 6,617	\$ 4,483	\$ 1,781	\$ 6,870	\$ 4,082	\$ 241	\$ -	\$ 66,209
-	-	-	-	-	-	-	-	28
-	2,010	-	-	-	-	-	-	2,010
-	26,049	25,898	10,570	39,231	21,970	-	-	395,104
-	-	-	-	6,020	-	-	-	6,126
4,601	959	3,182	-	-	324	-	-	12,452
-	-	-	-	-	15	-	-	15
-	-	-	-	-	-	-	-	-
22,812	5,009	-	-	-	-	-	-	81,092
-	15	-	-	-	-	-	-	15
-	27,670	-	-	-	-	-	-	66,298
-	3,702	-	-	-	-	-	-	4,736
-	-	-	-	-	-	-	-	1,415
\$ 27,413	\$ 72,031	\$ 33,563	\$ 12,351	\$ 52,121	\$ 26,391	\$ 241	\$ -	\$ 635,500

\$ 3,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,577	\$ 2,298	\$ 18,790
3,220	1,878	192	1,482	503	1,718	-	41	28,576
-	-	-	-	-	-	-	-	97
1,513	21,667	-	-	-	318	1,155	-	37,182
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
18,765	528	-	-	-	-	-	-	23,209
27,413	24,073	192	1,482	503	2,036	13,732	2,339	107,854

22,507	8,406	346	6,347	3,464	1,530	1	739	75,284
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,415
-	3,702	-	-	-	-	-	-	4,736
-	27,670	-	-	-	-	-	-	66,298
-	-	-	-	-	-	-	-	2,040
-	-	130	4	210	101	-	-	1,694
(22,507)	8,180	32,895	4,518	47,944	22,724	(13,492)	(3,078)	376,179
-	47,958	33,371	10,869	51,618	24,355	(13,491)	(2,339)	527,646
\$ 27,413	\$ 72,031	\$ 33,563	\$ 12,351	\$ 52,121	\$ 26,391	\$ 241	\$ -	\$ 635,500

City of Phoenix, Arizona
Combining Balance Sheet
Nonmajor Governmental Funds

Exhibit C-1
(Continued)

June 30, 2010
(in thousands)

	Capital Projects Funds					
	Street Improve- ments	Police and Fire Protection	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers
ASSETS						
Cash and Cash Equivalents	\$ 35,346	\$ 13,391	\$ 7,122	\$ 13,182	\$ 13,379	\$ 26,026
Cash Deposits	-	-	-	-	-	-
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-	-	-
Investments	24,453	27,644	17,086	11,151	20,043	20,211
Due from Other Funds	-	-	2,540	-	-	-
Receivables, Net of Allowance						
Accounts Receivable	80	-	6	-	-	7,118
Taxes Receivable	-	-	-	-	-	-
Delinquent Taxes Receivable	-	-	-	-	-	-
Intergovernmental	8,750	-	-	-	-	-
Accrued Interest	20	29	13	14	18	68
Notes Receivable	42,528	-	-	-	-	859
Prepaid Items	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Assets	<u>\$ 111,177</u>	<u>\$ 41,064</u>	<u>\$ 26,767</u>	<u>\$ 24,347</u>	<u>\$ 33,440</u>	<u>\$ 54,282</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to Other Funds	\$ 538	\$ 30,346	\$ -	\$ 6,020	\$ 4,737	\$ 5,989
Accounts Payable	3,787	2,556	1,962	1,642	386	15,288
Insurance Claims Payable	-	-	-	-	-	-
Trust Liabilities and Deposits	-	-	-	423	-	-
Matured Bonds Payable	-	-	-	-	-	-
Interest Payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	<u>4,325</u>	<u>32,902</u>	<u>1,962</u>	<u>8,085</u>	<u>5,123</u>	<u>21,277</u>
Fund Balances						
Reserved						
Encumbrances	34,642	27,356	2,222	1,158	5,937	9,832
Debt Service	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Notes Receivable	42,528	-	-	-	-	859
Unreserved						
Designated for Insurance Claims	-	-	-	-	-	-
Designated for Unrealized						
Gain on Investments	1	-	11	-	-	7
Undesignated	29,681	(19,194)	22,572	15,104	22,380	22,307
Total Fund Balances	<u>106,852</u>	<u>8,162</u>	<u>24,805</u>	<u>16,262</u>	<u>28,317</u>	<u>33,005</u>
Total Liabilities and Fund Balances	<u>\$ 111,177</u>	<u>\$ 41,064</u>	<u>\$ 26,767</u>	<u>\$ 24,347</u>	<u>\$ 33,440</u>	<u>\$ 54,282</u>

Exhibit C-1
(Continued)

Capital Projects Funds			Debt Service Funds					Total Non-Major Governmental Funds
Transit	Sports and Cultural Facilities	Total	Streets and Highways	Public Housing	City Improve- ment	Special Assess- ment	Total	
\$ -	\$ 9,985	\$ 118,431	\$ -	\$ -	\$ 997	\$ 48	\$ 1,045	\$ 185,685
-	-	-	-	-	-	-	-	28
-	-	-	29,766	-	59,526	8	89,300	91,310
96,024	8,185	224,797	-	-	5,647	268	5,915	625,816
-	-	2,540	-	-	-	-	-	8,666
-	-	7,204	-	-	-	359	359	20,015
-	-	-	-	-	-	-	-	15
-	-	-	-	-	-	-	-	-
1,694	-	10,444	-	-	-	-	-	91,536
-	11	173	-	-	-	-	-	188
-	-	43,387	-	-	-	-	-	109,685
-	-	-	-	-	-	-	-	4,736
-	-	-	-	-	-	-	-	1,415
<u>\$ 97,718</u>	<u>\$ 18,181</u>	<u>\$ 406,976</u>	<u>\$ 29,766</u>	<u>\$ -</u>	<u>\$ 66,170</u>	<u>\$ 683</u>	<u>\$ 96,619</u>	<u>\$ 1,139,095</u>
\$ 106	\$ 11,884	\$ 59,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,410
1,607	5,075	32,303	-	-	-	-	-	60,879
-	-	-	-	-	-	-	-	97
1	-	424	-	-	-	-	-	37,606
-	-	-	28,285	-	40,805	-	69,090	69,090
-	-	-	1,481	-	20,609	8	22,098	22,098
-	-	-	-	-	-	440	440	23,649
<u>1,714</u>	<u>16,959</u>	<u>92,347</u>	<u>29,766</u>	<u>-</u>	<u>61,414</u>	<u>448</u>	<u>91,628</u>	<u>291,829</u>
26,508	13,792	121,447	-	-	-	-	-	196,731
-	-	-	-	-	4,487	235	4,722	4,722
-	-	-	-	-	-	-	-	1,415
-	-	-	-	-	-	-	-	4,736
-	-	43,387	-	-	-	-	-	109,685
-	-	-	-	-	-	-	-	2,040
54	-	73	-	-	269	-	269	2,036
69,442	(12,570)	149,722	-	-	-	-	-	525,901
96,004	1,222	314,629	-	-	4,756	235	4,991	847,266
<u>\$ 97,718</u>	<u>\$ 18,181</u>	<u>\$ 406,976</u>	<u>\$ 29,766</u>	<u>\$ -</u>	<u>\$ 66,170</u>	<u>\$ 683</u>	<u>\$ 96,619</u>	<u>\$ 1,139,095</u>

City of Phoenix, Arizona
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds

Exhibit C-2

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Special Revenue Funds				
	Highway User Revenue	Local Trans- portation Assistance	Transit	Municipal Court	Develop- ment Services
REVENUES					
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	103,995	3,771	66,093	-	-
Charges for Services	12	-	38,062	6,614	33,841
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income					
Net Change in Fair Value of Investments	(254)	-	(1,007)	(53)	(665)
Interest	852	-	3,244	171	2,181
Dwelling Rentals	-	-	-	-	-
Other	8	-	15,986	14	(25)
Total Revenues	104,613	3,771	122,378	6,746	35,332
EXPENDITURES					
Current Operating					
General Government	-	-	-	268	-
Criminal Justice	-	-	-	2,020	-
Public Safety	-	-	-	3,873	1,876
Transportation	41,796	3,706	176,680	-	-
Community Enrichment	-	65	157	-	-
Community Development	-	-	-	-	28,938
Environmental Services	-	-	-	-	-
Capital Outlay	29,418	-	4,343	514	15,650
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Total Expenditures	71,214	3,771	181,180	6,675	46,464
Excess (Deficiency) of Revenues Over Expenditures	33,399	-	(58,802)	71	(11,132)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	-	86,465	-	-
Transfers to Other Funds	(31,246)	-	(44,223)	-	(4,200)
Issuance of Debt					
General Obligation and Revenue Bonds	-	-	-	-	-
Total Other Financing Sources (Uses)	(31,246)	-	42,242	-	(4,200)
Net Change in Fund Balances	2,153	-	(16,560)	71	(15,332)
FUND BALANCES, JULY 1	41,393	-	239,592	10,799	113,189
FUND BALANCES, JUNE 30	\$ 43,546	\$ -	\$ 223,032	\$ 10,870	\$ 97,857

Special Revenue Funds

Grants	Public Housing	Sports Facilities	Capital Construction	Parks and Preserves	Other Restricted	Neighborhood Protection	Public Safety Enhancement	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,925	\$ -	\$ -	\$ 1,925
-	-	-	-	-	12	-	-	12
115,264	72,880	-	-	-	262	-	-	362,265
-	26	-	2	-	9,282	-	-	87,839
-	-	-	-	-	1,909	-	-	1,909
-	-	-	-	-	-	-	-	-
(1,048)	(38)	(152)	(96)	(256)	(290)	-	(61)	(3,920)
2,576	103	515	261	849	845	-	199	11,796
-	8,408	-	-	-	166	-	-	8,574
1,017	1,379	442	15	1,711	8,451	120	-	29,118
117,809	82,758	805	182	2,304	22,562	120	138	499,518
1,415	-	109	-	-	1,602	-	-	3,394
70	-	-	-	-	-	-	-	2,090
12,129	-	1,053	-	-	8,647	30,335	85,730	143,643
26	-	-	129	-	7	-	-	222,344
46,159	-	336	-	1,790	3,322	-	-	51,829
48,457	82,723	323	-	-	3,165	-	-	163,606
1	-	-	34	-	1,391	-	-	1,426
9,552	(2,218)	-	21,317	14,210	4,465	-	3,004	100,255
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
117,809	80,505	1,821	21,480	16,000	22,599	30,335	88,734	688,587
-	2,253	(1,016)	(21,298)	(13,696)	(37)	(30,215)	(88,596)	(189,069)
-	1	13,804	17,415	21,615	200	21,615	67,109	228,224
-	(376)	(10,232)	-	(66)	(502)	(140)	(132)	(91,117)
-	-	-	-	-	-	-	-	-
-	(375)	3,572	17,415	21,549	(302)	21,475	66,977	137,107
-	1,878	2,556	(3,883)	7,853	(339)	(8,740)	(21,619)	(51,962)
-	46,080	30,815	14,752	43,765	24,694	(4,751)	19,280	579,608
\$ -	\$ 47,958	\$ 33,371	\$ 10,869	\$ 51,618	\$ 24,355	\$ (13,491)	\$ (2,339)	\$ 527,646

City of Phoenix, Arizona
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Governmental Funds

Exhibit C-2

(Continued)

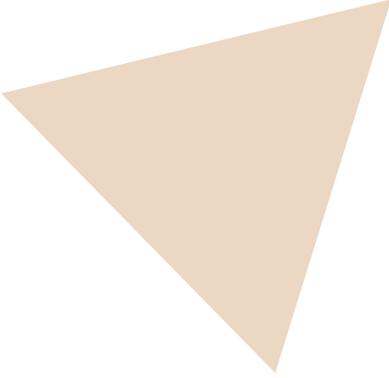
For the Fiscal Year Ended June 30, 2010
(in thousands)

	Capital Projects Funds					
	Street Improve- ments	Police and Fire Protection	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers
REVENUES						
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	5,807	94	-	5,147	5,863	-
Charges for Services	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Investment Income						
Net Change in Fair Value of Investments	(45)	(65)	(33)	(31)	(32)	(440)
Interest	247	157	89	76	94	631
Dwelling Rentals	-	-	-	-	-	-
Other	775	-	91	60	25	21,179
Total Revenues	6,784	186	147	5,252	5,950	21,370
EXPENDITURES						
Current Operating						
General Government	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Community Enrichment	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Environmental Services	-	-	-	-	-	-
Capital Outlay	25,145	52,268	11,104	22,224	23,647	69,550
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond Issuance Costs	307	531	224	253	315	134
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Expenditures	25,452	52,799	11,328	22,477	23,962	69,684
Excess (Deficiency) of Revenues Over Expenditures	(18,668)	(52,613)	(11,181)	(17,225)	(18,012)	(48,314)
OTHER FINANCING SOURCES (USES)						
Transfers from Other Funds	661	2,067	256	961	416	28,054
Transfers to Other Funds	(2,741)	(4,995)	(2,337)	(7,225)	(3,270)	(13,174)
Issuance of Debt						
General Obligation and Revenue Bonds	54,890	94,700	39,970	45,125	56,120	23,910
Total Other Financing Sources (Uses)	52,810	91,772	37,889	38,861	53,266	38,790
Net Change in Fund Balances	34,142	39,159	26,708	21,636	35,254	(9,524)
FUND BALANCES, JULY 1	72,710	(30,997)	(1,903)	(5,374)	(6,937)	42,529
FUND BALANCES, JUNE 30	\$ 106,852	\$ 8,162	\$ 24,805	\$ 16,262	\$ 28,317	\$ 33,005

Capital Projects Funds			Debt Service Funds					Total Non-Major Governmental Funds
Transit	Sports and Cultural Facilities	Total	Streets and Highways	Public Housing	City Improve- ment	Special Assess- ment	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,925
-	-	-	-	-	-	-	-	12
186,562	-	203,473	-	-	-	-	-	565,738
-	-	-	-	-	-	-	-	87,839
-	-	-	-	-	-	-	-	1,909
-	-	-	-	-	-	70	70	70
(1,156)	(26)	(1,828)	-	-	(227)	(10)	(237)	(5,985)
1,378	62	2,734	-	-	661	12	673	15,203
-	-	-	-	-	-	-	-	8,574
11	3,019	25,160	-	-	-	3	3	54,281
186,795	3,055	229,539	-	-	434	75	509	729,566
-	-	-	-	-	-	-	-	3,394
-	-	-	-	-	-	-	-	2,090
-	-	-	-	-	-	-	-	143,643
-	-	-	-	-	-	-	-	222,344
-	-	-	-	-	-	-	-	51,829
-	-	-	-	-	-	-	-	163,606
-	-	-	-	-	-	-	-	1,426
196,099	24,777	424,814	-	-	-	-	-	525,069
-	-	-	28,285	-	40,805	88	69,178	69,178
-	-	-	2,961	-	41,218	15	44,194	44,194
-	198	1,962	-	-	-	-	-	1,962
-	-	-	-	-	23	-	23	23
-	-	-	-	-	4	-	4	4
196,099	24,975	426,776	31,246	-	82,050	103	113,399	1,228,762
(9,304)	(21,920)	(197,237)	(31,246)	-	(81,616)	(28)	(112,890)	(499,196)
942	8,239	41,596	31,246	-	83,071	-	114,317	384,137
-	(6,464)	(40,206)	-	-	(1,963)	(147)	(2,110)	(133,433)
-	35,285	350,000	-	-	-	-	-	350,000
942	37,060	351,390	31,246	-	81,108	(147)	112,207	600,704
(8,362)	15,140	154,153	-	-	(508)	(175)	(683)	101,508
104,366	(13,918)	160,476	-	-	5,264	410	5,674	745,758
\$ 96,004	\$ 1,222	\$ 314,629	\$ -	\$ -	\$ 4,756	\$ 235	\$ 4,991	\$ 847,266



City of Phoenix



Financial Section

Other Supplementary Information

**Nonmajor Governmental Funds –
Budgetary Comparison Schedules**



City of Phoenix, Arizona
Schedule of Expenditures and Encumbrances
Budget and Actual - Budget Basis
General Fund

Exhibit D-1

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budget			Actual			Variance with Final Budget Positive (Negative)
	Originally Adopted	Reallocation Transfers	Final	Expend- itures	Encum- brances	Total	
General Government							
Mayor	\$ 2,104	\$ -	\$ 2,104	\$ 1,846	\$ (11)	\$ 1,835	\$ 269
City Council	4,285	-	4,285	3,594	7	3,601	684
City Manager	1,097	-	1,097	986	4	990	107
Deputy City Managers	1,376	-	1,376	1,153	(32)	1,121	255
City Auditor	2,679	-	2,679	2,516	(7)	2,509	170
Information Technology	3,565	(300)	3,265	(447)	1,642	1,195	2,070
Equal Opportunity	2,802	-	2,802	2,626	(4)	2,622	180
City Clerk	4,631	-	4,631	4,488	(7)	4,481	150
Elections	867	-	867	856	1	857	10
Personnel	12,001	-	12,001	11,307	42	11,349	652
Law	21,294	-	21,294	18,786	84	18,870	2,424
Budget and Research	3,230	-	3,230	2,810	16	2,826	404
Finance	21,968	-	21,968	19,043	181	19,224	2,744
Engineering & Architectural Services	(293)	-	(293)	805	(242)	563	(856)
Other	1,547	-	1,547	1,368	46	1,414	133
Total General Government	83,153	(300)	82,853	71,737	1,720	73,457	9,396
Criminal Justice							
Municipal Court	33,149	-	33,149	30,221	272	30,493	2,656
Public Defender	4,839	-	4,839	4,517	19	4,536	303
Total Criminal Justice	37,988	-	37,988	34,738	291	35,029	2,959
Public Safety							
Police	456,705	-	456,705	432,917	2,313	435,230	21,475
Fire	243,651	-	243,651	220,059	2,032	222,091	21,560
Other	2,123	-	2,123	1,564	1	1,565	558
Total Public Safety	702,479	-	702,479	654,540	4,346	658,886	43,593
Transportation							
Street Transportation	25,037	-	25,037	18,771	632	19,403	5,634
Public Transit	19,522	-	19,522	19,056	-	19,056	466
Total Transportation	44,559	-	44,559	37,827	632	38,459	6,100
Community Enrichment							
Parks & Recreation	94,456	-	94,456	88,635	600	89,235	5,221
Library	36,071	(94)	35,977	31,247	1,818	33,065	2,912
Human Services	24,810	-	24,810	19,858	188	20,046	4,764
Other	4,334	-	4,334	3,516	31	3,547	787
Total Community Enrichment	159,671	(94)	159,577	143,256	2,637	145,893	13,684
Community Development							
Planning	6,122	-	6,122	5,403	(16)	5,387	735
Economic Development	5,471	2	5,473	4,465	9	4,474	999
Neighborhood Services	13,245	-	13,245	11,116	86	11,202	2,043
Other	349	(2)	347	318	(30)	288	59
Total Community Development	25,187	-	25,187	21,302	49	21,351	3,836
Environmental Services							
Public Works	21,781	-	21,781	11,089	3,554	14,643	7,138
Other	1,220	-	1,220	1,125	(1)	1,124	96
Total Environmental Services	23,001	-	23,001	12,214	3,553	15,767	7,234
Cable							
General Government	4,133	-	4,133	3,689	(16)	3,673	460
Transportation	808	100	908	1,111	-	1,111	(203)
Community Enrichment	1	-	1	-	-	-	1
Total Cable	4,942	100	5,042	4,800	(16)	4,784	258
Capital							
Community Enrichment	-	394	394	161	-	161	233
Environmental Services	1,019	-	1,019	403	132	535	484
Total Capital	1,019	394	1,413	564	132	696	717
Contingency	29,800	-	29,800	-	-	-	29,800
Totals	\$ 1,111,799	\$ 100	\$ 1,111,899	\$ 980,978	\$ 13,344	\$ 994,322	\$ 117,577

City of Phoenix, Arizona
Budgetary Comparison Schedule
Highway User Revenue Special Revenue Fund

Exhibit D-2

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Highway User	\$ 115,275	\$ 115,275	\$ 103,979	\$ (11,296)
State Government	-	-	15	15
Interest	2,500	2,500	731	(1,769)
Miscellaneous	900	900	20	(880)
Total Revenues	118,675	118,675	104,745	(13,930)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	41,228	43,228	41,798	1,430
Capital	36,114	34,114	22,520	11,594
Debt Service				
Principal	28,285	28,285	28,285	-
Interest	2,962	2,962	2,961	1
Total Expenditures and Encumbrances	108,589	108,589	95,564	13,025
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	10,086	10,086	9,181	(905)
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds				
Streets Capital Project Fund	-	-	(52)	(52)
Recovery of Prior Years Expenditures	-	-	3,098	3,098
Total Other Financing Sources and Uses	-	-	3,046	3,046
Net Change in Fund Balance	\$ 10,086	\$ 10,086	12,227	\$ 2,141
Fund Balance, July 1			10,903	
Fund Balance, June 30			\$ 23,130	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Local Transportation Assistance Special Revenue Fund
 For the Fiscal Year Ended June 30, 2010
 (in thousands)

Exhibit D-3

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,790	\$ 6,790	\$ 3,771	\$ (3,019)
Total Revenues	6,790	6,790	3,771	(3,019)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	6,684	6,684	3,706	2,978
Community Enrichment	106	106	65	41
Total Expenditures and Encumbrances	6,790	6,790	3,771	3,019
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Transit 2000 Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-4

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 63,759	\$ 63,759	\$ 45,759	\$ (18,000)
Interest	1,402	1,402	3,834	2,432
Miscellaneous	4,767	4,767	2,944	(1,823)
Total Revenues	69,928	69,928	52,537	(17,391)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	160,980	161,221	148,643	12,578
Community Enrichment	156	156	156	-
Capital	22,036	21,545	3,210	18,335
Contingency	10,500	10,500	-	10,500
Total Expenditures and Encumbrances	193,672	193,422	152,009	41,413
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(123,744)	(123,494)	(99,472)	24,022
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Fund	111,326	111,326	86,465	(24,861)
Transit - Other Agency Special Revenue	44,223	44,223	38,832	(5,391)
Transfers to Other Funds				
City Improvement Debt Service Fund	(43,960)	(43,960)	(43,959)	1
Infrastructure Repayment Agreement Trust	(367)	(367)	(264)	103
Recovery of Prior Years Expenditures	500	500	2,528	2,028
Total Other Financing Sources and Uses	111,722	111,722	83,602	(28,120)
Net Change in Fund Balance	<u>\$ (12,022)</u>	<u>\$ (11,772)</u>	<u>(15,870)</u>	<u>\$ (4,098)</u>
Fund Balance, July 1			235,879	
Fund Balance, June 30			<u>\$ 220,009</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Transit - Other Agency Special Revenue Funds
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-5

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 68,663	\$ 68,663	\$ 57,923	\$ (10,740)
Charges for Services	67	67	78	11
Interest	100	100	85	(15)
Miscellaneous	-	-	10	10
Total Revenues	68,830	68,830	58,096	(10,734)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	18,648	18,648	15,404	3,244
Capital	14,768	14,768	248	14,520
Total Expenditures and Encumbrances	33,416	33,416	15,652	17,764
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	35,414	35,414	42,444	7,030
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
Transit 2000 Special Revenue	(44,223)	(44,223)	(38,832)	5,391
Recovery of Prior Years Expenditures	-	-	87	87
Total Other Financing Sources and Uses	(44,223)	(44,223)	(38,745)	5,478
Net Change in Fund Balance	<u>\$ (8,809)</u>	<u>\$ (8,809)</u>	3,699	<u>\$ 12,508</u>
Fund Balance, July 1			7,491	
Fund Balance, June 30			<u>\$ 11,190</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Transit - Federal Transit Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-6

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 11,582	\$ 11,582	\$ 12,472	\$ 890
Interest	-	-	11	11
Miscellaneous	-	-	134	134
Total Revenues	11,582	11,582	12,617	1,035
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	8,582	13,199	12,457	742
Capital	3,000	833	1	832
Total Expenditures and Encumbrances	11,582	14,032	12,458	1,574
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	(2,450)	159	2,609
OTHER FINANCING SOURCES (USES)				
Recovery of Prior Years Expenditures	-	-	88	88
Total Other Financing Sources and Uses	-	-	88	88
Net Change in Fund Balance	\$ -	\$ (2,450)	247	\$ 2,697
Fund Balance, July 1			13	
Fund Balance, June 30			\$ 260	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Municipal Court Awards Special Revenue Fund

Exhibit D-7

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 5,251	\$ 5,251	\$ 5,179	\$ (72)
Total Revenues	5,251	5,251	5,179	(72)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	253	353	265	88
Public Safety	5,002	5,002	4,241	761
Total Expenditures and Encumbrances	5,255	5,355	4,506	849
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(4)	(104)	673	777
OTHER FINANCING SOURCES (USES)				
Recovery of Prior Years Expenditures	-	-	2	2
Total Other Financing Sources and Uses	-	-	2	2
Net Change in Fund Balance	<u>\$ (4)</u>	<u>\$ (104)</u>	675	<u>\$ 779</u>
Fund Balance, July 1			1,263	
Fund Balance, June 30			<u>\$ 1,938</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Development Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-8

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 36,040	\$ 36,040	\$ 28,203	\$ (7,837)
Miscellaneous	(40)	(40)	(35)	5
Total Revenues	36,000	36,000	28,168	(7,832)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	2,731	2,731	1,876	855
Community Development	37,482	37,482	25,522	11,960
Capital	30	30	35	(5)
Total Expenditures and Encumbrances	40,243	40,243	27,433	12,810
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(4,243)	(4,243)	735	4,978
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(3,325)	(3,325)	(2,546)	779
Recovery of Prior Years Expenditures	-	-	2	2
Total Other Financing Sources and Uses	(3,325)	(3,325)	(2,544)	781
Net Change in Fund Balance	<u>\$ (7,568)</u>	<u>\$ (7,568)</u>	(1,809)	<u>\$ 5,759</u>
Fund Balance, July 1			13,726	
Fund Balance, June 30			<u>\$ 11,917</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Community Reinvestment Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-9

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 3,096	\$ 3,096	\$ 2,445	\$ (651)
Rentals	2	2	11	9
Interest	423	423	292	(131)
Total Revenues	3,521	3,521	2,748	(773)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	96	196	217	(21)
Capital	7,182	7,082	1,136	5,946
Total Expenditures and Encumbrances	7,278	7,278	1,353	5,925
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(3,757)	(3,757)	1,395	5,152
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Other	(1,181)	(1,181)	-	1,181
Other Restricted Special Revenue Fund	-	-	(200)	(200)
Capital Projects Fund	-	-	(4,000)	(4,000)
Aviation Enterprise Fund	-	-	(876)	(876)
Total Other Financing Sources and Uses	(1,181)	(1,181)	(5,076)	(3,895)
Net Change in Fund Balance	<u>\$ (4,938)</u>	<u>\$ (4,938)</u>	<u>(3,681)</u>	<u>\$ 1,257</u>
Fund Balance, July 1			14,141	
Fund Balance, June 30			<u>\$ 10,460</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Federal Operating Trust Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-10

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 205,364	\$ 205,364	\$ 65,910	\$ (139,454)
Interest	15	15	167	152
Miscellaneous	300	300	625	325
Total Revenues	205,679	205,679	66,702	(138,977)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	2,497	2,497	1,195	1,302
Criminal Justice	-	-	70	(70)
Public Safety	13,694	13,694	14,777	(1,083)
Transportation	24	24	30	(6)
Community Enrichment	1,770	1,770	1,778	(8)
Community Development	45,317	45,317	30,941	14,376
Environmental Services	98	98	1	97
Capital	142,279	129,779	18,125	111,654
Total Expenditures and Encumbrances	205,679	193,179	66,917	126,262
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	12,500	(215)	(12,715)
OTHER FINANCING SOURCES (USES)				
Recovery of Prior Years Expenditures	-	-	215	215
Total Other Financing Sources and Uses	-	-	215	215
Net Change in Fund Balance	\$ -	\$ 12,500	-	\$ (12,500)
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Community Development Grants Special Revenue Fund

Exhibit D-11

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 37,040	\$ 37,040	\$ 20,579	\$ (16,461)
Charges for Services	240	240	(1,780)	(2,020)
Interest	59	59	12	(47)
Miscellaneous	23	23	86	63
Total Revenues	37,362	37,362	18,897	(18,465)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	240	240	237	3
Community Enrichment	1,031	1,031	839	192
Community Development	31,345	30,351	17,280	13,071
Capital	4,746	5,740	624	5,116
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures and Encumbrances	37,362	37,362	18,980	18,382
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	-	(83)	(83)
OTHER FINANCING SOURCES (USES)				
Recovery of Prior Years Expenditures	-	-	83	83
Total Other Financing Sources and Uses	-	-	83	83
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Human Services Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-12

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 38,351	\$ 38,351	\$ 43,498	\$ 5,147
Interest	8	8	6	(2)
Miscellaneous	292	292	301	9
Total Revenues	38,651	38,651	43,805	5,154
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	38,651	44,651	43,807	844
Total Expenditures and Encumbrances	38,651	44,651	43,807	844
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	(6,000)	(2)	5,998
OTHER FINANCING SOURCES (USES)				
Recovery of Prior Years Expenditures	-	-	2	2
Total Other Financing Sources and Uses	-	-	2	2
Net Change in Fund Balance	\$ -	\$ (6,000)	-	\$ 6,000
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Public Housing Special Revenue Fund

Exhibit D-13

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 66,610	\$ 66,610	\$ 78,021	\$ 11,411
Interest	321	321	147	(174)
Dwelling Rentals	6,399	6,399	6,620	221
Miscellaneous	3,375	3,375	1,246	(2,129)
Total Revenues	76,705	76,705	86,034	9,329
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	(85)	(85)	2	(87)
Community Development	71,524	72,049	67,441	4,608
Capital	19,616	19,091	12,522	6,569
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures and Encumbrances	91,055	91,055	79,965	11,090
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(14,350)	(14,350)	6,069	20,419
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
In-Lieu Property Taxes	(302)	(302)	(302)	-
Other Restricted Special Revenue Funds	-	-	(850)	(850)
City Improvement	-	-	(74)	(74)
Recovery of Prior Years Expenditures	-	-	157	157
Total Other Financing Sources and Uses	(302)	(302)	(1,069)	(767)
Net Change in Fund Balance	<u>\$ (14,652)</u>	<u>\$ (14,652)</u>	5,000	<u>\$ 19,652</u>
Fund Balance, July 1			19,657	
Fund Balance, June 30			<u>\$ 24,657</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Public Housing Hope VI Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-14

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,253	\$ 3,253	\$ 2,036	\$ (1,217)
Interest	-	-	15	15
Miscellaneous	600	600	-	(600)
Total Revenues	3,853	3,853	2,051	(1,802)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	1,225	1,225	344	881
Capital	2,628	2,628	1,849	779
Total Expenditures and Encumbrances	3,853	3,853	2,193	1,660
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	-	(142)	(142)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(142)	<u>\$ (142)</u>
Fund Balance, July 1			2,543	
Fund Balance, June 30			<u>\$ 2,401</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Sports Facilities Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-15

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 1,065	\$ 1,065	\$ 671	\$ (394)
Miscellaneous	372	372	442	70
Total Revenues	1,437	1,437	1,113	(324)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	129	129	109	20
Public Safety	1,053	1,053	1,053	-
Community Enrichment	504	504	504	-
Community Development	135	135	133	2
Lease-Purchase Payments	9,868	10,168	9,868	300
Total Expenditures and Encumbrances	11,689	11,989	11,667	322
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(10,252)	(10,552)	(10,554)	(2)
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	16,142	16,142	12,502	(3,640)
Municipal Buildings Capital Projects Fund	-	-	17	17
Sports and Cultural Facilities Capital Fund	-	-	1,285	1,285
Transfers to Other Funds				
General Fund				
Staff and Administrative	(100)	(100)	(111)	(11)
Other	(79)	(79)	(79)	-
Infrastructure Repayment Agreement Trust	(360)	(360)	(360)	-
Total Other Financing Sources and Uses	15,603	15,603	13,254	(2,349)
Net Change in Fund Balance	<u>\$ 5,351</u>	<u>\$ 5,051</u>	2,700	<u>\$ (2,351)</u>
Fund Balance, July 1			32,663	
Fund Balance, June 30			<u>\$ 35,363</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Capital Construction Special Revenue Fund

Exhibit D-16

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 2	\$ 2
Interest	600	600	251	(349)
Miscellaneous	-	-	15	15
Total Revenues	600	600	268	(332)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	131	231	129	102
Environmental Services	71	71	34	37
Capital	29,324	29,224	21,963	7,261
Total Expenditures and Encumbrances	29,526	29,526	22,126	7,400
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(28,926)	(28,926)	(21,858)	7,068
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds				
Excise Tax Fund	21,454	21,454	17,415	(4,039)
Streets Capital Projects	-	-	20	20
Recovery of Prior Years Expenditures	-	-	579	579
Total Other Financing Sources and Uses	21,454	21,454	18,014	(3,440)
Net Change in Fund Balance	<u>\$ (7,472)</u>	<u>\$ (7,472)</u>	<u>(3,844)</u>	<u>\$ 3,628</u>
Fund Balance, July 1			7,109	
Fund Balance, June 30			<u>\$ 3,265</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Parks and Preserves Special Revenue Fund

Exhibit D-17

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 1,962	\$ 1,962	\$ 955	\$ (1,007)
Miscellaneous	-	-	1,710	1,710
Total Revenues	1,962	1,962	2,665	703
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	1,907	2,007	1,791	216
Capital	56,053	55,953	14,843	41,110
Total Expenditures and Encumbrances	57,960	57,960	16,634	41,326
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(55,998)	(55,998)	(13,969)	42,029
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	27,831	27,831	21,615	(6,216)
Transfers to Other Funds				
Infrastructure Repayment Agreement Trust	(92)	(92)	(66)	26
Recovery of Prior Years Expenditures	100	100	425	325
Total Other Financing Sources and Uses	27,839	27,839	21,974	(5,865)
Net Change in Fund Balance	<u>\$ (28,159)</u>	<u>\$ (28,159)</u>	8,005	<u>\$ 36,164</u>
Fund Balance, July 1			41,547	
Fund Balance, June 30			<u>\$ 49,552</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Other Restricted Special Revenue Funds

Exhibit D-18

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Contributions/Donations	\$ 1,436	\$ 1,436	\$ 1,512	\$ 76
Licenses and Permits	10	10	12	2
City Taxes	1,958	1,958	1,925	(33)
Intergovernmental	-	-	262	262
Charges for Services	13,631	13,631	10,914	(2,717)
Fines and Forfeitures	-	-	94	94
Parks and Recreation	2,782	2,782	2,174	(608)
Rentals	4,085	4,085	5,455	1,370
Interest	756	756	579	(177)
Miscellaneous	1,839	1,839	2,583	744
Total Revenues	26,497	26,497	25,510	(987)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	1,078	1,078	951	127
Criminal Justice	3,206	4,706	1,995	2,711
Public Safety	9,563	9,563	8,605	958
Transportation	-	-	7	(7)
Community Enrichment	5,406	4,965	3,291	1,674
Community Development	7,277	7,277	4,895	2,382
Environmental Services	1,238	1,238	1,359	(121)
Capital	10,280	10,721	1,858	8,863
Total Expenditures and Encumbrances	38,048	39,548	22,961	16,587
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(11,551)	(13,051)	2,549	15,600
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Community Reinvestment Special Revenue	-	-	200	200
Public Housing Special Revenue Fund	-	-	850	850
Transfers to Other Funds				
General Fund	(520)	(520)	-	520
Municipal Buildings Capital Projects	-	-	(501)	(501)
Recovery of Prior Years Expenditures	-	-	91	91
Total Other Financing Sources and Uses	(520)	(520)	640	1,160
Net Change in Fund Balance	<u>\$ (12,071)</u>	<u>\$ (13,571)</u>	3,189	<u>\$ 16,760</u>
Fund Balance, July 1			35,368	
Fund Balance, June 30			<u>\$ 38,557</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Neighborhood Protection Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-19

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 65	\$ 65	\$ (186)	\$ (251)
Miscellaneous	124	124	120	(4)
Total Revenues	189	189	(66)	(255)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	35,936	35,936	30,342	5,594
Total Expenditures and Encumbrances	35,936	35,936	30,342	5,594
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(35,747)	(35,747)	(30,408)	5,339
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	27,832	27,832	21,615	(6,217)
Transfers to Other Funds				
Infrastructure Repayment Agreement Trust	(166)	(166)	(140)	26
Total Other Financing Sources and Uses	27,666	27,666	21,475	(6,191)
Net Change in Fund Balance	<u>\$ (8,081)</u>	<u>\$ (8,081)</u>	(8,933)	<u>\$ (852)</u>
Fund Balance, July 1			(5,031)	
Fund Balance, June 30			<u>\$ (13,964)</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Public Safety Enhancement Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit D-20

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	\$ 33,397	\$ 33,297	\$ 32,110	\$ 1,187
Total Expenditures and Encumbrances	33,397	33,297	32,110	1,187
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(33,397)	(33,297)	(32,110)	1,187
OTHER FINANCING SOURCES (USES)				
Transfers from Excise Tax Fund	26,790	26,790	23,978	(2,812)
Total Other Financing Sources and Uses	26,790	26,790	23,978	(2,812)
Net Change in Fund Balance	<u>\$ (6,607)</u>	<u>\$ (6,507)</u>	(8,132)	<u>\$ (1,625)</u>
Fund Balance, July 1			(4,152)	
Fund Balance, June 30			<u>\$ (12,284)</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Public Safety Expansion Special Revenue Fund

Exhibit D-21

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 518	\$ 518	\$ 362	\$ (156)
Total Revenues	518	518	362	(156)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	64,257	64,257	55,835	8,422
Total Expenditures and Encumbrances	64,257	64,257	55,835	8,422
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(63,739)	(63,739)	(55,473)	8,266
OTHER FINANCING SOURCES (USES)				
Transfers from Excise Tax Fund	54,505	54,505	43,131	(11,374)
Transfers to Other Funds				
Infrastructure Repayment Agreement Trust	(190)	(190)	(132)	58
Recovery of Prior Years Expenditures	-	-	-	-
Total Other Financing Sources and Uses	54,315	54,315	42,999	(11,316)
Net Change in Fund Balance	<u>\$ (9,424)</u>	<u>\$ (9,424)</u>	(12,474)	<u>\$ (3,050)</u>
Fund Balance, July 1			22,183	
Fund Balance, June 30			<u>\$ 9,709</u>	

City of Phoenix, Arizona
Budgetary Comparison Schedule
Secondary Property Tax Debt Service Fund

Exhibit D-22

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 198,722	\$ 198,722	\$ 196,673	\$ (2,049)
Intergovernmental	-	-	3,448	3,448
Interest	1,500	1,500	856	(644)
Total Revenues	200,222	200,222	200,977	755
EXPENDITURES AND ENCUMBRANCES				
General Obligation Bond Debt Service				
Principal	90,670	90,670	64,830	25,840
Interest	89,016	89,116	73,573	15,543
Early Redemption	20,527	21,327	62,566	(41,239)
Arbitrage Rebate and Fiscal Agent Fees	9	9	8	1
Other Debt Service Costs	-	500	384	116
Total Expenditures and Encumbrances	200,222	201,622	201,361	261
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	(1,400)	(384)	1,016
OTHER FINANCING SOURCES (USES)				
Proceeds from General Obligation Bonds	-	-	69,911	69,911
Deposit to Refunding Escrow	-	-	(69,527)	(69,527)
Total Other Financing Sources and Uses	-	-	384	384
Net Change in Fund Balance	\$ -	\$ (1,400)	-	\$ 1,400
Fund Balance, July 1			100	
Fund Balance, June 30			\$ 100	

City of Phoenix, Arizona
Budgetary Comparison Schedule
City Improvement Debt Service Fund

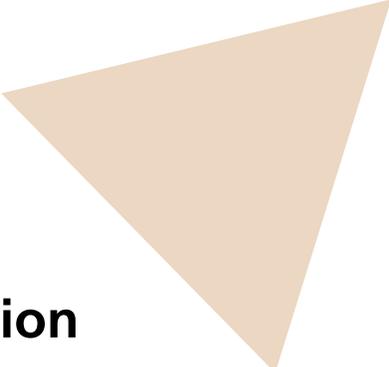
Exhibit D-23

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES AND ENCUMBRANCES				
Lease-Purchase Payments	\$ 79,087	\$ 79,087	\$ 72,155	\$ 6,932
Fiscal Agent Fees	21	21	19	2
Other Debt Service Costs	2	2	4	(2)
Total Expenditures and Encumbrances	79,110	79,110	72,178	6,932
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(79,110)	(79,110)	(72,178)	6,932
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	35,150	35,150	26,901	(8,249)
Transit 2000 Special Revenue Fund	43,960	43,960	43,959	(1)
Public Housing Special Revenue Fund	-	-	74	74
Capital Projects Fund	-	-	1,244	1,244
Total Other Financing Sources and Uses	79,110	79,110	72,178	(6,932)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			701	
Fund Balance, June 30			\$ 701	



City of Phoenix



Financial Section

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 accountability 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.

Golf Courses – to account for the operations of all City owned golf courses.





City of Phoenix

City of Phoenix, Arizona
Aviation Enterprise Fund
Comparative Statements of Net Assets

Exhibit E-1

June 30, 2010 and 2009
(in thousands)

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and Cash Equivalents	\$ 27,840	\$ 56,270
Investments	180,724	159,668
Receivables		
Accounts Receivable, Net of Allowance for		
Doubtful Accounts (2010, \$962 and 2009, \$597)	6,970	6,136
Deposits in Escrow	457	458
Prepaid Items	170	340
Inventories, at Average Cost	1,452	1,329
Total Unrestricted Current Assets	<u>217,613</u>	<u>224,201</u>
Restricted Assets		
Debt Service		
Cash and Cash Equivalents	-	5,982
Investments	-	9,754
Cash with Fiscal Agent/Trustee	104,192	52,786
Accrued Interest Receivable	502	561
Customer Facility Charge		
Cash and Cash Equivalents	2,035	10,002
Cash with Fiscal Agent/Trustee	21,210	72,657
Investments	32,622	11,230
Accounts Receivable	2,630	2,523
Capital Projects		
Cash and Cash Equivalents	37,820	54,840
Investments	74,612	78,558
Receivables		
Intergovernmental	12,395	13,809
Passenger Facility Charges	8,919	8,290
Total Restricted Current Assets	<u>296,937</u>	<u>320,992</u>
Total Current Assets	<u>514,550</u>	<u>545,193</u>
Noncurrent Assets		
Capital Assets		
Land	553,520	537,801
Buildings	1,147,518	1,021,630
Improvements Other Than Buildings	1,145,057	1,136,783
Equipment	292,843	223,376
Intangibles	7,812	5,707
Construction in Progress	462,317	401,660
Less: Accumulated Depreciation	<u>(1,100,917)</u>	<u>(990,406)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,508,150</u>	<u>2,336,551</u>
OPEB Asset	158	1,303
Total Noncurrent Assets	<u>2,508,308</u>	<u>2,337,854</u>
Total Assets	<u>3,022,858</u>	<u>2,883,047</u>

<u>LIABILITIES</u>	<u>2010</u>	<u>2009</u>
Current Liabilities Payable from Current Assets		
Accounts Payable	9,758	11,330
Trust Liabilities and Deposits	486	486
Deferred Revenue	7,115	8,702
Current Portion of Pollution Remediation	3,123	3,559
Current Portion of Accrued Compensated Absences	849	811
Total Current Liabilities Payable from Current Assets	21,331	24,888
Current Liabilities Payable from Restricted Assets		
Debt Service		
Bond Anticipation Notes Payable	200,000	80,000
Matured Bonds Payable	26,735	26,815
Interest Payable	25,415	25,963
Current Portion of General Obligation Bonds	850	845
Current Portion of Rental Car Facility Revenue Bonds	7,065	6,735
Current Portion of Municipal Corporation Obligations	27,675	19,155
Capital Projects		
Accounts Payable	43,591	18,774
Total Current Liabilities Payable from Restricted Assets	331,331	178,287
Total Current Liabilities	352,662	203,175
Noncurrent Liabilities		
General Obligation Bonds, Net of Deferred Interest Expense Adjustment (2010, \$716 and 2009, \$923)	9,784	10,427
Rental Car Facility Revenue Bonds, Net of Deferred Interest Expense Adjustment (2010, \$0 and 2009, \$0)	227,620	234,685
Municipal Corporation Obligations, Net of Deferred Interest Expense Adjustment (2010, \$1,361 and 2009, \$1,588)	651,129	678,577
Unamortized Premium (Discount)	5,032	6,146
Pollution Remediation	13,817	17,318
Accrued Compensated Absences	4,950	4,881
Total Noncurrent Liabilities	912,332	952,034
Total Liabilities	1,264,994	1,155,209
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	1,465,741	1,493,939
Restricted for Bond Reserve	30,787	30,787
Restricted for CFC Transportation O&M / Improvement Reserves	20,943	21,232
Unrestricted	240,393	181,880
Total Net Assets	\$ 1,757,864	\$ 1,727,838

City of Phoenix, Arizona
Aviation Enterprise Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Assets

Exhibit E-2

For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Landing and Terminals Fees	\$ 137,517	\$ 140,944
Parking and Car Rentals	107,918	108,985
Other	21,343	23,150
Total Operating Revenues	<u>266,778</u>	<u>273,079</u>
Operating Expenses		
Operation and Maintenance	195,538	198,845
Environmental, Studies & Noise Program	13,811	18,132
Depreciation	129,034	110,067
Staff and Administrative	5,037	5,943
Other	1,877	13,373
Total Operating Expenses	<u>345,297</u>	<u>346,360</u>
Operating Loss	(78,519)	(73,281)
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair		
Value of Investments	(2,937)	310
Interest	6,455	8,648
Interest on Capital Debt	(46,768)	(43,076)
Loss on Disposal of Capital Assets	(1,420)	(24)
Total Non-Operating Revenues (Expenses)	<u>(44,670)</u>	<u>(34,142)</u>
Net Loss Before Contributions	(123,189)	(107,423)
Capital Contributions	<u>153,215</u>	<u>132,712</u>
Change in Net Assets	30,026	25,289
Net Assets, July 1	1,727,838	1,702,549
Net Assets, June 30	<u>\$ 1,757,864</u>	<u>\$ 1,727,838</u>

City of Phoenix, Arizona
Aviation Enterprise Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

Exhibit E-3

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Receipts from Customers	\$ 264,357	\$ 273,056
Payments to Suppliers	(145,576)	(164,902)
Payments to Employees	(69,859)	(63,994)
Payment of Staff and Administrative Expenses	(5,037)	(5,943)
Net Cash Provided by Operating Activities	<u>43,885</u>	<u>38,217</u>
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Short Term Debt	120,000	80,000
Principal Paid on Capital Debt	(26,815)	(24,664)
Interest Paid on Capital Debt	(51,959)	(47,191)
Acquisition and Construction of Capital Assets	(273,304)	(233,810)
Proceeds from Sales of Capital Assets	133	212
Capital Contributions	153,786	136,063
Net Cash Used by Capital and Related Financing Activities	<u>(78,159)</u>	<u>(89,390)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities	(640,333)	(2,868,770)
Proceeds from Sale and Maturities of Investment Securities	702,285	2,808,015
Net Activity for Short-Term Investments	(90,698)	14,793
Interest on Investments	3,579	8,399
Net Cash Used by Investing Activities	<u>(25,167)</u>	<u>(37,563)</u>
Net Decrease in Cash and Cash Equivalents	<u>(59,441)</u>	<u>(88,736)</u>
Cash and Cash Equivalents, July 1	252,995	341,731
Cash and Cash Equivalents, June 30	<u>\$ 193,554</u>	<u>\$ 252,995</u>
Reconciliation of Operating Loss to		
Net Cash Provided by Operating Activities		
Operating Loss	\$ (78,519)	\$ (73,281)
Adjustments		
Depreciation	129,034	110,067
(Increase) Decrease in Assets		
Receivables	(1,199)	431
Allowance for Doubtful Accounts	365	(653)
Deposits in Escrow	1	-
Prepaid Items	170	170
Inventories	(123)	(104)
OPEB Asset	1,145	(271)
Increase (Decrease) in Liabilities		
Accounts Payable	(1,572)	(1,339)
Deferred Revenue	(1,587)	199
Polution Remediation	(3,937)	3,028
Accrued Compensated Absences	107	(30)
Net Cash Provided by Operating Activities	<u>\$ 43,885</u>	<u>\$ 38,217</u>
Noncash Transactions Affecting Financial Position		
Refunding Issuance in Excess of Bond Retirement	\$ 433	\$ 698
Contributions of Capital Assets	531	
Increase (Decrease) in Fair Value of Investments	416	(526)
Total Noncash Transactions Affecting Financial Position	<u>\$ 1,380</u>	<u>\$ 172</u>

City of Phoenix, Arizona
Aviation Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis

Exhibit E-4

For the Fiscal Year Ended June 30, 2010
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Landing Area	\$ 34,137	\$ 34,137	\$ 38,295	\$ 4,158
Terminal Area	105,704	105,704	97,825	(7,879)
Ground Transportation	115,632	115,632	104,949	(10,683)
Interest on Investments	7,750	7,750	3,180	(4,570)
Other	27,537	27,537	27,623	86
Total Revenues	290,760	290,760	271,872	(18,888)
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operation and Maintenance				
Personal Services	100,953	100,721	96,208	4,513
Contractual Services	75,148	77,977	76,543	1,434
Supplies	11,960	11,989	8,336	3,653
Equipment/Minor Improvements	2,077	2,421	2,144	277
Contingency	14,000	14,000	-	14,000
Total Operating Expenditures	204,138	207,108	183,231	23,877
Net Revenue Available for Revenue Bond Debt Service	86,622	83,652	88,641	4,989
Revenue Bond Debt Service				
Principal	18,880	18,880	18,880	-
Interest	35,708	35,708	35,708	-
Total Revenue Bond Debt Service	54,588	54,588	54,588	-
Net Revenue Available After Revenue Bond Debt Service	32,034	29,064	34,053	4,989
Other Expenditures				
Capital Improvement Program	25,056	25,407	13,607	11,800
General Obligation Bond Debt Service				
Principal	845	845	845	-
Interest	497	497	498	(1)
Lease-Purchase Payments	311	311	311	-
Total Other Expenditures	26,709	27,060	15,261	11,799
Total Expenditures and Encumbrances	285,435	288,756	253,080	35,676
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	5,325	2,004	18,792	16,788
<u>OTHER FINANCING SOURCES (USES)</u>				
Recovery of Prior Years Expenditures	-	-	2,649	2,649
Transfers to Other Funds				
General Fund				
Staff and Administrative	(5,602)	(5,602)	(5,037)	565
Transfers from Other Funds				
Aviation Capital Fund	-	-	11,056	11,056
Total Other Financing Sources (Uses)	(5,602)	(5,602)	8,668	14,270
Net Increase (Decrease) in Fund Balance	\$ (277)	\$ (3,598)	27,460	\$ 31,058
FUND BALANCE, JULY 1			130,631	
FUND BALANCE, JUNE 30			<u>\$ 158,091</u>	

City of Phoenix, Arizona
Aviation Enterprise Operating (Non-Pledged) Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis

Exhibit E-5

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Customer Facility Charge	\$ 33,000	\$ 33,000	\$ 35,944	\$ 2,944
Interest on Investments	316	316	272	(44)
Total Revenues	<u>33,316</u>	<u>33,316</u>	<u>36,216</u>	<u>2,900</u>
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operation and Maintenance				
Rental Car Center	18,662	15,341	11,923	3,418
Total Operating Expenditures	<u>18,662</u>	<u>15,341</u>	<u>11,923</u>	<u>3,418</u>
Net Revenue Available for Revenue Bond Debt Service	14,654	17,975	24,293	6,318
Revenue Bond Debt Service				
Principal	6,735	6,735	6,735	-
Interest	14,542	14,542	14,542	-
Total Revenue Bond Debt Service	<u>21,277</u>	<u>21,277</u>	<u>21,277</u>	<u>-</u>
Net Revenue Available After Revenue Bond Debt Service	(6,623)	(3,302)	3,016	6,318
Total Expenditures and Encumbrances	<u>39,939</u>	<u>36,618</u>	<u>33,200</u>	<u>3,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	<u>(6,623)</u>	<u>(3,302)</u>	<u>3,016</u>	<u>6,318</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to Other Funds				
Aviation Capital Fund	-	-	(363)	(363)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(363)</u>	<u>(363)</u>
Net Increase (Decrease) in Fund Balance	<u>\$ (6,623)</u>	<u>\$ (3,302)</u>	<u>2,653</u>	<u>\$ 5,955</u>
FUND BALANCE, JULY 1			42,995	
FUND BALANCE, JUNE 30			<u>\$ 45,648</u>	

City of Phoenix, Arizona
Phoenix Convention Center Enterprise Fund
Comparative Statements of Net Assets

Exhibit E-6

June 30, 2010 and 2009
(in thousands)

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and Cash Equivalents	\$ 6,229	\$ 8,413
Investments	38,369	38,839
Accounts Receivable, Net of Allowance for Doubtful Accounts (2010, \$59 and 2009, \$56)	250	233
Inventories, at Average Cost	199	146
Total Unrestricted Current Assets	<u>45,047</u>	<u>47,631</u>
Restricted Assets		
Debt Service		
Cash with Fiscal Agent/Trustee	15,254	10,145
Capital Projects		
Cash and Cash Equivalents	4,236	26,748
Investments	13,990	10,061
Receivables		
Accrued Interest	1	1
Customer and Other Deposits	2,465	2,272
Total Restricted Current Assets	<u>35,946</u>	<u>49,227</u>
Total Current Assets	<u>80,993</u>	<u>96,858</u>
Noncurrent Assets		
Capital Assets		
Land	51,574	59,874
Buildings	925,497	848,903
Improvements Other Than Buildings	12,748	14,200
Equipment	21,435	10,704
Intangible Assets	333	352
Construction in Progress	2,054	89,714
Less: Accumulated Depreciation	(148,355)	(132,752)
Total Capital Assets, Net of Accumulated Depreciation	<u>865,286</u>	<u>890,995</u>
OPEB Asset	48	321
Total Noncurrent Assets	<u>865,334</u>	<u>891,316</u>
Total Assets	<u>946,327</u>	<u>988,174</u>

<u>LIABILITIES</u>	2010	2009
Current Liabilities Payable from Current Assets		
Accounts Payable	947	1,153
Current Portion of Accrued Compensated Absences	234	245
Total Current Liabilities Payable from Current Assets	1,181	1,398
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	1,795	1,705
Interest Payable	8,393	8,440
Current Portion of Municipal Corporation Obligations	1,895	1,795
Capital Projects		
Accounts Payable	15	3,168
Customer Deposits	2,465	2,272
Total Current Liabilities Payable from Restricted Assets	14,563	17,380
Total Current Liabilities	15,744	18,778
Noncurrent Liabilities		
Municipal Corporation Obligations, Net of Deferred Interest		
Expense Adjustment (2010, \$746 and 2009, \$808)	670,541	657,109
Unamortized Premium (Discount)	40,127	41,567
Rebatable Arbitrage	1,942	2,655
Accrued Compensated Absences	1,329	1,418
Total Noncurrent Liabilities	713,939	702,749
Total Liabilities	729,683	721,527
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	154,118	215,111
Restricted for Debt Service	-	3,953
Unrestricted	62,526	47,583
Total Net Assets	\$ 216,644	\$ 266,647

City of Phoenix, Arizona
Phoenix Convention Center Enterprise Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Assets

Exhibit E-7

For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Rental of Facilities and Equipment	\$ 5,853	\$ 4,096
Concessions	8,791	10,167
Box Office Services	260	222
Other	6,732	13,922
Total Operating Revenues	<u>21,636</u>	<u>28,407</u>
Operating Expenses		
Administration	24,898	33,421
Operation and Maintenance	16,434	14,770
Promotion	2,837	2,953
Depreciation	26,016	16,746
Staff and Administrative	2,154	2,556
Security	2,500	2,465
Total Operating Expenses	<u>74,839</u>	<u>72,911</u>
Operating Loss	(53,203)	(44,504)
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(387)	514
Interest	2,100	3,600
Interest on Capital Debt	(28,432)	(13,967)
Loss on Disposal of Capital Assets	(10,800)	(64)
Total Non-Operating Revenues (Expenses)	<u>(37,519)</u>	<u>(9,917)</u>
Loss Before Contributions and Transfers	(90,722)	(54,421)
Capital Contributions - Municipalities	6,879	710
Transfers from Excise Tax Fund	34,801	45,380
Transfers to Infrastructure Repayment Agreement Trust Fund	(961)	(941)
Change in Net Assets	<u>(50,003)</u>	<u>(9,272)</u>
Net Assets, July 1	266,647	275,919
Net Assets, June 30	<u>\$ 216,644</u>	<u>\$ 266,647</u>

City of Phoenix, Arizona
Phoenix Convention Center Enterprise Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

Exhibit E-8

	2010	2009
Cash Flows from Operating Activities		
Receipts from Customers	\$ 21,812	\$ 28,563
Payments to Suppliers	(24,340)	(34,142)
Payments to Employees	(22,415)	(19,196)
Payment of Staff and Administrative Expenses	(2,154)	(2,556)
Net Cash Used by Operating Activities	<u>(27,097)</u>	<u>(27,331)</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers from Other Funds	34,801	45,380
Operating Transfers to Other Funds	(961)	(941)
Net Cash Provided by Noncapital Financing Activities	<u>33,840</u>	<u>44,439</u>
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Capital Debt	(1,705)	(985)
Interest Paid on Capital Debt	(16,833)	(16,906)
Acquisition and Construction of Capital Assets	(5,164)	(102,001)
Proceeds from Sales of Capital Assets	13	25
Capital Contributions	9	-
Net Cash Used by Capital and Related Financing Activities	<u>(23,680)</u>	<u>(119,867)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities	(437,215)	(725,003)
Proceeds from Sale and Maturities of Investment Securities	460,006	832,410
Net Activity for Short-Term Investments	(26,250)	(29,418)
Interest on Investments	1,002	2,769
Net Cash Provided (Used) by Investing Activities	<u>(2,457)</u>	<u>80,758</u>
Net Decrease in Cash and Cash Equivalents	<u>(19,394)</u>	<u>(22,001)</u>
Cash and Cash Equivalents, July 1	47,578	69,579
Cash and Cash Equivalents, June 30	<u>\$ 28,184</u>	<u>\$ 47,578</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	\$ (53,203)	\$ (44,504)
Adjustments		
Depreciation and Amortization	26,016	16,746
(Increase) Decrease in Assets		
Accounts Receivable	(17)	(24)
Inventories	(53)	(8)
OPEB Asset	273	(76)
Increase (Decrease) in Liabilities		
Accounts Payable	(206)	170
Customer Deposits	193	180
Accrued Compensated Absences	(100)	185
Net Cash Used by Operating Activities	<u>\$ (27,097)</u>	<u>\$ (27,331)</u>
Noncash Transactions Affecting Financial Position		
Contributions of Capital Assets	\$ 6,870	\$ 704
Bond Capital Appreciation	15,265	14,624
Refunding Issuance in Excess of Bond Retirement	62	62
Increase (Decrease) in Fair Value of Investments	(84)	(13)
Total Noncash Transactions Affecting Financial Position	<u>\$ 22,113</u>	<u>\$ 15,377</u>

City of Phoenix, Arizona
Phoenix Convention Center Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis

Exhibit E-9

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Rental of Facilities and Equipment	\$ 5,694	\$ 5,694	\$ 5,047	\$ (647)
Concessions	7,998	7,998	9,640	1,642
Box Office Services	181	181	260	79
Interest	1,500	1,500	951	(549)
Other	989	989	1,707	718
Total Revenues	16,362	16,362	17,605	1,243
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operations	64,478	64,478	46,044	18,434
Capital Improvement Program	4,463	4,463	1,018	3,445
Lease-Purchase Payments	18,582	18,582	18,582	-
Total Expenditures and Encumbrances	87,523	87,523	65,644	21,879
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	(71,161)	(71,161)	(48,039)	23,122
<u>OTHER FINANCING SOURCES (USES)</u>				
Recovery of Prior Years Expenditures	-	-	144	144
Transfers from Other Funds				
Excise Tax Fund	50,701	50,701	34,801	(15,900)
Capital Projects Fund	-	-	14,205	14,205
Transfers to Other Funds				
General Fund				
Staff and Administrative	(2,428)	(2,428)	(2,154)	274
Infrastructure Repayment Agreement Trust Fund	(996)	(996)	(961)	35
Total Other Financing Sources (Uses)	47,277	47,277	46,035	(1,242)
Net Decrease in Fund Balance	\$ (23,884)	\$ (23,884)	(2,004)	\$ 21,880
FUND BALANCE, JULY 1			50,800	
FUND BALANCE, JUNE 30			\$ 48,796	



City of Phoenix

City of Phoenix, Arizona
Water System Enterprise Fund
Comparative Statements of Net Assets

Exhibit E-10

June 30, 2010 and 2009
(in thousands)

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and Cash Equivalents	\$ 4,468	\$ 6,555
Investments	44,494	44,373
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2010, \$2218 and 2009, \$2178)	55,143	59,671
Intergovernmental	1,580	1,953
Prepaid Items	3,699	3,519
Inventories, at Average Cost	7,331	7,534
Total Unrestricted Current Assets	<u>116,715</u>	<u>123,605</u>
Restricted Assets		
Debt Service		
Cash with Fiscal Agent	85,577	54,681
Capital Projects		
Cash and Cash Equivalents	31,004	64,231
Investment in L.G.I.P. for Plan Six	-	2,952
Investments	243,819	359,964
Receivables		
Accrued Interest	342	1,061
Customer and Other Deposits	4,369	3,937
Total Restricted Current Assets	<u>365,111</u>	<u>486,826</u>
Total Current Assets	<u>481,826</u>	<u>610,431</u>
Noncurrent Assets		
Capital Assets		
Land	89,622	88,604
Buildings	217,680	214,653
Improvements Other Than Buildings	565,289	556,035
Equipment	242,328	227,538
Mains, Hydrants, Meters and Service Connections	1,546,529	1,486,092
Intangibles	189,522	147,758
Construction in Progress	316,776	296,978
Less: Accumulated Depreciation	(926,106)	(843,252)
Total Capital Assets, Net of Accumulated Depreciation	<u>2,241,640</u>	<u>2,174,406</u>
Other Assets		
Investment in Val Vista Treatment Plant Joint Use Agreement	180,631	160,930
OPEB Asset	207	1,652
Total Other Assets	<u>180,838</u>	<u>162,582</u>
Total Noncurrent Assets	<u>2,422,478</u>	<u>2,336,988</u>
Total Assets	<u>2,904,304</u>	<u>2,947,419</u>

LIABILITIES	2010	2009
Current Liabilities Payable from Current Assets		
Accounts Payable	18,284	15,167
Utility/Water Contractual Agreements	9,000	10,203
Deferred Revenue	2	59
Current Portion of Accrued Compensated Absences	1,024	1,006
Total Current Liabilities Payable from Current Assets	28,310	26,435
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	49,330	30,996
Interest Payable	39,116	26,572
Current Portion of General Obligation Bonds	11,720	11,483
Current Portion of Revenue Bonds	268	-
Current Portion of Municipal Corporation Obligations	40,085	37,960
Capital Projects		
Accounts Payable	13,411	12,518
Customer and Other Deposits	5,164	4,602
Total Current Liabilities Payable from Restricted Assets	159,094	124,131
Total Current Liabilities	187,404	150,566
Noncurrent Liabilities		
General Obligation Bonds, Net of Deferred Interest		
Expense Adjustment (2010, \$3953 and 2009, \$1456)	45,196	58,015
Revenue Bonds	1,556	-
Municipal Corporation Obligations, Net of Deferred Interest		
Expense Adjustment (2010, \$5614 and 2009, \$6109)	1,361,335	1,400,926
Unamortized Premium (Discount)	65,302	70,810
Utility/Water Contractual Agreements	2,423	4,829
Accrued Compensated Absences	5,989	6,099
Total Noncurrent Liabilities	1,481,801	1,540,679
Total Liabilities	1,669,205	1,691,245
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	923,505	967,451
Restricted for Plan Six	-	2,952
Restricted for Enabling Legislation	62,643	63,615
Unrestricted	248,951	222,156
Total Net Assets	\$ 1,235,099	\$ 1,256,174

City of Phoenix, Arizona
Water System Enterprise Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Assets

Exhibit E-11

For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

	2010	2009
Operating Revenues		
Water Sales	\$ 271,123	\$ 253,679
Environmental Charges	45,852	41,014
Other	12,028	13,059
Total Operating Revenues	<u>329,003</u>	<u>307,752</u>
Operating Expenses		
Administration and Engineering	30,873	33,959
Operation and Maintenance		
Customer Service	22,904	20,018
Production and Treatment	74,528	73,887
Distribution and Centralized Functions	62,220	51,148
Depreciation and Amortization	90,648	85,563
Staff and Administrative	5,211	5,787
Total Operating Expenses	<u>286,384</u>	<u>270,362</u>
Operating Income	42,619	37,390
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(4,529)	780
Interest	9,211	8,381
Interest on Capital Debt	(63,473)	(50,409)
Equity Interest in Joint Use Agreement Operating Loss	(8,417)	(5,809)
Loss on Disposal of Capital Assets	(1,068)	(195)
Total Non-Operating Revenues (Expenses)	<u>(68,276)</u>	<u>(47,252)</u>
Net Loss Before Contributions and Transfers	(25,657)	(9,862)
Capital Contributions	15,821	28,324
Transfers from Debt Service Fund	15,923	18,333
Transfers to General Fund - In Lieu Property Taxes	(11,239)	(10,422)
Transfers to General Fund - Reserve	(15,923)	(9,166)
Change in Net Assets	<u>(21,075)</u>	<u>17,207</u>
Net Assets, July 1	1,256,174	1,238,967
Net Assets, June 30	<u>\$ 1,235,099</u>	<u>\$ 1,256,174</u>

City of Phoenix, Arizona
Water System Enterprise Fund
Comparative Statements of Cash Flows

Exhibit E-12

For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

	2010	2009
Cash Flows from Operating Activities		
Receipts from Customers	\$ 334,409	\$ 302,579
Payments to Suppliers	(93,746)	(99,962)
Payments to Employees	(89,334)	(81,452)
Payment of Staff and Administrative Expenses	(5,211)	(5,787)
Net Cash Provided by Operating Activities	<u>146,118</u>	<u>115,378</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers from Other Funds	15,923	18,333
Operating Transfers to Other Funds	(27,162)	(19,588)
Net Cash Used by Noncapital Financing Activities	<u>(11,239)</u>	<u>(1,255)</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	2,076	373,426
Principal Paid on Capital Debt	(34,605)	(24,203)
Interest Paid on Capital Debt	(66,168)	(61,720)
Acquisition and Construction of Capital Assets	(168,884)	(197,710)
Proceeds from Sales of Capital Assets	227	202
Capital Contributions	7,066	10,731
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(260,288)</u>	<u>100,726</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities	(296,335)	(541,325)
Proceeds from Sales and Maturities of Investment Securities	442,210	319,298
Net Activity for Short-Term Investments	(29,853)	7,230
Interest on Investments	5,401	8,106
Net Cash Provided (Used) by Investing Activities	<u>121,423</u>	<u>(206,691)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(3,986)</u>	<u>8,158</u>
Cash and Cash Equivalents, July 1	129,404	121,246
Cash and Cash Equivalents, June 30	<u>\$ 125,418</u>	<u>\$ 129,404</u>
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 42,619	\$ 37,390
Adjustments		
Depreciation and Amortization	90,648	85,563
(Increase) Decrease in Assets		
Deposits for Plan Six	2,952	(2)
Receivables	4,861	(5,755)
Allowance for Doubtful Accounts	40	113
Prepaid Expenses	(180)	296
Inventories	203	(1,888)
OPEB Asset	1,445	(357)
Increase (Decrease) in Liabilities		
Accounts Payable	3,117	(326)
Deferred Revenue	(57)	-
Customer and Other Deposits	562	469
Accrued Compensated Absences	(92)	(125)
Net Cash Provided by Operating Activities	<u>\$ 146,118</u>	<u>\$ 115,378</u>
Noncash Transactions Affecting Financial Position		
Contributions of Capital Assets	\$ 8,755	\$ 17,593
Bond Capital Appreciation	226	211
Refunding Issuance in Excess of Bond Retirement	1,239	810
Increase (Decrease) in Fair Value of Investments	(539)	(199)
Total Noncash Transactions Affecting Financial Position	<u>\$ 9,681</u>	<u>\$ 18,415</u>

City of Phoenix, Arizona
Water System Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
(In Expense Priority Established by Bond Ordinance)
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit E-13

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Water Sales	\$ 284,689	\$ 284,689	\$ 271,239	\$ (13,450)
Environmental Charges	46,288	46,288	45,852	(436)
Development Occupational Fees	2,500	2,500	1,606	(894)
Water Service Fees	5,355	5,355	5,653	298
Distribution	3,130	3,130	2,441	(689)
Interest	5,685	5,685	6,295	610
Other	6,983	6,983	4,242	(2,741)
Total Revenues	354,630	354,630	337,328	(17,302)
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operation and Maintenance	179,532	179,532	149,608	29,924
Operation and Maintenance - Val Vista	14,099	14,099	10,413	3,686
Total Operating Expenditures and Encumbrances	193,631	193,631	160,021	33,610
Net Revenue Available for Revenue Bond Debt Service	160,999	160,999	177,307	16,308
Junior Lien Revenue Bond Debt Service				
Principal	37,570	37,570	37,960	(390)
Interest	85,158	85,158	73,605	11,553
Total Junior Lien Revenue Bond Debt Service	122,728	122,728	111,565	11,163
Net Revenue Available After Junior Lien Revenue Bond Debt Service	38,271	38,271	65,742	27,471
Other Expenditures and Encumbrances				
Operating Capital Outlay	1,026	1,026	1,201	(175)
Capital Improvement Program	93,154	93,154	57,875	35,279
General Obligation Bond Debt Service				
Principal	-	-	262	(262)
Interest	-	-	3	(3)
Total Other Expenditures and Encumbrances	94,180	94,180	59,341	34,839
Total Expenditures and Encumbrances	410,539	410,539	330,927	79,612
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	(55,909)	(55,909)	6,401	62,310
<u>OTHER FINANCING SOURCES (USES)</u>				
Recovery of Prior Years Expenditures	-	-	2,003	2,003
Transfers from Other Funds				
Water Capital Projects Fund	-	-	19,885	19,885
Water Impact Fees Fund	-	-	5,000	5,000
Transfers to Other Funds				
General Fund - Staff and Administrative	(5,543)	(5,543)	(5,211)	332
General Fund - In-Lieu Property Taxes	(10,889)	(10,889)	(11,239)	(350)
General Fund - Reserve	(8,686)	(8,686)	(15,923)	(7,237)
Total Other Financing Sources (Uses)	(25,118)	(25,118)	(5,485)	19,633
Net Increase (Decrease) in Fund Balance	\$ (81,027)	\$ (81,027)	916	\$ 81,943
FUND BALANCE, JULY 1			141,926	
FUND BALANCE, JUNE 30			\$ 142,842	

City of Phoenix, Arizona
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, 2010
(in thousands)

Exhibit E-14

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>REVENUES</u>				
Val Vista Water System	\$ 9,386	\$ 9,386	\$ 8,213	\$ (1,173)
Operating Revenue - Water	14,099	14,099	10,413	(3,686)
Interest	150	150	49	(101)
Total Revenues	<u>23,635</u>	<u>23,635</u>	<u>18,675</u>	<u>(4,960)</u>
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operation and Maintenance	21,885	21,885	16,726	5,159
Capital Outlay				
Operating	-	-	8	(8)
Capital Improvement Program	922	922	879	43
Total Expenditures and Encumbrances	<u>22,807</u>	<u>22,807</u>	<u>17,613</u>	<u>5,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	<u>828</u>	<u>828</u>	<u>1,062</u>	<u>234</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to Other Funds				
General Fund - Staff and Administrative	(678)	(678)	(695)	(17)
Total Other Financing Sources (Uses)	<u>(678)</u>	<u>(678)</u>	<u>(695)</u>	<u>(17)</u>
Net Increase in Fund Balance	<u>\$ 150</u>	<u>\$ 150</u>	<u>367</u>	<u>\$ 217</u>
FUND BALANCE, JULY 1			<u>3,438</u>	
FUND BALANCE, JUNE 30			<u>3,805</u>	
Members' Contributed Operating Reserve			<u>2,456</u>	
Members' Contributed Replacement Reserve			<u>1,566</u>	
FUND DEFICIT, UNRESERVED			<u>\$ (217)</u>	

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.

City of Phoenix, Arizona
Wastewater Enterprise Fund
Comparative Statements of Net Assets

Exhibit E-15

June 30, 2010 and 2009
(in thousands)

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current Assets		
Cash and Cash Equivalents	\$ 11,100	\$ 14,622
Investments	68,981	66,018
Receivables		
Accounts Receivable, Net of Allowance for		
Doubtful Accounts (2010, \$1,228 and 2009, \$1,177)	21,880	16,724
Intergovernmental	1,729	1,414
Inventories, at Average Cost	1,151	1,088
Total Unrestricted Current Assets	<u>104,841</u>	<u>99,866</u>
Restricted Assets		
Debt Service		
Cash with Fiscal Agent	50,383	45,464
Capital Projects		
Cash and Cash Equivalents	18,957	19,210
Investments	129,726	85,691
Receivables		
Intergovernmental	6,290	-
Accrued Interest	2	-
Customer Deposits and Other Trust Liabilities	183	186
Total Restricted Current Assets	<u>205,541</u>	<u>150,551</u>
Total Current Assets	<u>310,382</u>	<u>250,417</u>
Noncurrent Assets		
Capital Assets		
Land	22,381	19,744
Buildings	70,476	70,171
Improvements Other Than Buildings	1,224,597	1,122,103
Equipment	125,590	116,298
Intangibles	49,305	44,276
Construction in Progress	101,380	155,527
Less: Accumulated Depreciation	(561,296)	(518,824)
Total Capital Assets, Net of Accumulated Depreciation	<u>1,032,433</u>	<u>1,009,295</u>
Other Assets		
Investment in SROG Joint Use Agreement	486,646	466,553
OPEB Asset	71	577
Total Noncurrent Assets	<u>1,519,150</u>	<u>1,476,425</u>
Total Assets	<u>1,829,532</u>	<u>1,726,842</u>

	2010	2009
<u>LIABILITIES</u>		
Current Liabilities Payable from Current Assets		
Accounts Payable	9,176	9,097
Deferred Revenue	1	-
Current Portion of Accrued Compensated Absences	312	318
Total Current Liabilities Payable from Current Assets	9,489	9,415
Current Liabilities Payable from Restricted Assets		
Debt Service		
Bond Anticipation Notes Payable	100,000	-
Matured Bonds Payable	31,345	24,146
Interest Payable	22,135	23,667
Current Portion of General Obligation Bonds	17,585	10,825
Current Revenue Bonds	680	-
Current Portion of Municipal Corporation Obligations	26,185	24,945
Capital Projects		
Accounts Payable	4,215	13,218
Customer Deposits and Other Trust Liabilities	183	186
Total Current Liabilities Payable from Restricted Assets	202,328	96,987
Total Current Liabilities	211,817	106,402
Noncurrent Liabilities		
General Obligation Bonds, Net of Deferred Interest Expense Adjustment (2010, \$1,604 and 2009, \$660)	22,313	34,883
Revenue Bonds	12,342	-
Municipal Corporation Obligations, Net of Deferred Interest Expense Adjustment (2010, \$19,146 and 2009, \$21,554)	765,919	789,696
Unamortized Premium (Discount)	27,512	30,174
Accrued Compensated Absences	1,819	1,939
Total Noncurrent Liabilities	829,905	856,692
Total Liabilities	1,041,722	963,094
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	588,292	557,073
Restricted for Enabling Legislation	36,824	38,428
Unrestricted	162,694	168,247
Total Net Assets	\$ 787,810	\$ 763,748

City of Phoenix, Arizona
Wastewater Enterprise Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Assets

Exhibit E-16

For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Sewer Service Charges	\$ 149,084	\$ 144,144
Environmental Charges	34,648	32,834
Other	6,984	4,786
Total Operating Revenues	<u>190,716</u>	<u>181,764</u>
Operating Expenses		
Administration	10,240	11,208
Operation and Maintenance		
Wastewater Treatment Plants	38,459	37,889
Sewer Maintenance and Collections	29,086	26,605
Industrial Waste/Pre-Treatment	5,139	5,096
Depreciation	41,858	41,648
Staff and Administrative	1,178	1,150
Total Operating Expenses	<u>125,960</u>	<u>123,596</u>
Operating Income	64,756	58,168
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase (Decrease) in Fair Value of Investments	(1,690)	1,046
Interest	4,551	5,497
Interest on Capital Debt	(36,796)	(48,947)
Equity Interest in Joint Use Agreement Operating Loss	(24,273)	(13,843)
Loss on Disposal of Capital Assets	(105)	(179)
Total Non-Operating Revenues (Expenses)	<u>(58,313)</u>	<u>(56,426)</u>
Net Income Before Contributions and Transfers	6,443	1,742
Capital Contributions	24,463	16,861
Transfers from Debt Service Fund	7,373	7,735
Transfers to General Fund - In Lieu Property Taxes	(7,823)	(7,518)
Transfers to General Fund - Reserve	(6,394)	(3,867)
Change in Net Assets	<u>24,062</u>	<u>14,953</u>
Net Assets, July 1	763,748	748,795
Net Assets, June 30	<u>\$ 787,810</u>	<u>\$ 763,748</u>

City of Phoenix, Arizona
Wastewater Enterprise Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

Exhibit E-17

	2010	2009
Cash Flows from Operating Activities		
Receipts from Customers	\$ 178,950	\$ 182,085
Payments to Suppliers	(59,915)	(59,413)
Payments to Employees	(22,613)	(21,066)
Payment of Staff and Administrative Expenses	(1,178)	(1,150)
Net Cash Provided by Operating Activities	<u>95,244</u>	<u>100,456</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers from Other Funds	7,373	7,735
Operating Transfers to Other Funds	(14,217)	(11,385)
Net Cash Used by Noncapital Financing Activities	<u>(6,844)</u>	<u>(3,650)</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	113,757	9,327
Principal Paid on Capital Debt	(24,146)	(21,530)
Interest Paid on Capital Debt	(46,019)	(55,524)
Acquisition and Construction of Capital Assets	(93,856)	(139,943)
Proceeds (Loss) from Sales of Capital Assets	9	(69)
Capital Contributions	7,136	4,523
Net Cash Used by Capital and Related Financing Activities	<u>(43,119)</u>	<u>(203,216)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities	(304,326)	(505,219)
Proceeds from Sales and Maturities of Investment Securities	278,649	627,006
Net Activity for Short-Term Investments	(21,322)	(101,560)
Interest on Investments	2,859	6,546
Net Cash Provided (Used) by Investing Activities	<u>(44,140)</u>	<u>26,773</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,141	(79,637)
Cash and Cash Equivalents, July 1	79,482	159,119
Cash and Cash Equivalents, June 30	<u>\$ 80,623</u>	<u>\$ 79,482</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 64,756	\$ 58,168
Adjustments		
Depreciation	41,858	41,648
(Increase) Decrease in Assets		
Receivables	(11,814)	344
Allowance for Doubtful Accounts	51	-
Inventories	(63)	(210)
OPEB Asset	506	(122)
Increase (Decrease) in Liabilities		
Accounts Payable	79	762
Customer Deposits	(3)	(23)
Accrued Compensated Absences	(126)	(111)
Net Cash Provided by Operating Activities	<u>\$ 95,244</u>	<u>\$ 100,456</u>
Noncash Transactions Affecting Financial Position		
Contributions of Capital Assets	\$ 17,327	\$ 12,338
Refunding Issuance in Excess of Bond Retirement	2,601	2,513
Increase (Decrease) in Fair Value of Investments	10	(224)
Total Noncash Transactions Affecting Financial Position	<u>\$ 19,938</u>	<u>\$ 14,627</u>

City of Phoenix, Arizona
Wastewater Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis

Exhibit E-18

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Sewer Service Charges	\$ 151,318	\$ 151,318	\$ 149,081	\$ (2,237)
Environmental Charges	34,627	34,627	34,648	21
Development Occupational Fees	1,800	1,800	1,485	(315)
Interest	4,296	4,296	4,132	(164)
Other	4,241	4,241	5,149	908
Total Revenues	196,282	196,282	194,495	(1,787)
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operation and Maintenance	62,607	62,878	48,226	14,652
Operation and Maintenance - SROG	31,392	31,392	23,791	7,601
Total Operating Expenditures and Encumbrances	93,999	94,270	72,017	22,253
Net Revenue Available for Revenue Bond Debt Service	102,283	102,012	122,478	20,466
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	10,760	10,760	10,760	-
Interest	3,577	7,577	10,914	(3,337)
Total Senior Lien Revenue Bond Debt Service	14,337	18,337	21,674	(3,337)
Net Revenue Available for Junior Lien Revenue Bond Debt Service	87,946	83,675	100,804	17,129
Junior Lien Revenue Bond Debt Service				
Principal	14,185	14,185	14,185	-
Interest	31,510	31,510	31,510	-
Total Junior Lien Revenue Bond Debt Service	45,695	45,695	45,695	-
Net Revenue Available After Junior Lien Revenue Bond Debt Service	42,251	37,980	55,109	17,129
Other Expenditures and Encumbrances				
Bond Anticipation Note Interest	6,000	6,000	333	5,667
Operating Capital Outlay	662	961	928	33
Capital Improvement Program	51,399	46,829	20,203	26,626
General Obligation Bond Debt Service				
Principal	-	-	660	(660)
Interest	-	-	21	(21)
Total Other Expenditures and Encumbrances	58,061	53,790	22,145	31,645
Total Expenditures and Encumbrances	212,092	212,092	161,531	50,561
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	(15,810)	(15,810)	32,964	48,774
<u>OTHER FINANCING SOURCES (USES)</u>				
Recovery of Prior Years Expenditures	-	-	3,662	3,662
Transfers from Other Funds				
Impact Fee Funds	-	-	5,000	5,000
Transfers to Other Funds				
General Fund - Staff and Administrative	(1,233)	(1,233)	(1,178)	55
General Fund - In-Lieu Property Taxes	(7,828)	(7,828)	(7,823)	5
General Fund - Reserve	(6,394)	(6,394)	(6,394)	-
Sanitary Sewer Improvement District Projects Fund	-	-	(293)	(293)
Wastewater Capital Reserve Funds	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	(25,455)	(25,455)	(17,026)	8,429
Net Increase (Decrease) in Fund Balance	\$ (41,265)	\$ (41,265)	15,938	\$ 57,203
FUND BALANCE, JULY 1			129,463	
FUND BALANCE, JUNE 30			<u>\$ 145,401</u>	

City of Phoenix, Arizona
Wastewater Enterprise Fund
Sub-Regional Operating Group ("SROG")
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
 For the Fiscal Year Ended June 30, 2010
 (in thousands)

Exhibit E-19

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>REVENUES</u>				
Multi-City Sewer System	\$ 22,197	\$ 22,197	\$ 16,571	\$ (5,626)
Operating Revenue - Wastewater	31,392	31,392	23,791	(7,601)
Sales of By-Products	2,460	2,460	11,132	8,672
Interest	251	251	201	(50)
Other	47	47	679	632
Total Revenues	56,347	56,347	52,374	(3,973)
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operation and Maintenance	51,266	51,166	38,526	12,640
Capital Outlay				
Operating	406	506	462	44
Capital Improvement Program	4,000	4,000	4,001	(1)
Total Expenditures and Encumbrances	55,672	55,672	42,989	12,683
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	675	675	9,385	8,710
<u>OTHER FINANCING SOURCES (USES)</u>				
Recovery of Prior Years Expenditures	-	-	130	130
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,027)	(1,027)	(1,087)	(60)
Total Other Financing Sources (Uses)	(1,027)	(1,027)	(957)	70
Net Increase (Decrease) in Fund Balance	\$ (352)	\$ (352)	8,428	\$ 8,780
FUND BALANCE, JULY 1			7,177	
FUND BALANCE, JUNE 30			15,605	
Members' Contributed Replacement Reserve			4,711	
Members' Contributed Operating Reserve			6,406	
FUND DEFICIT, UNRESERVED			<u>\$ 4,488</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.

City of Phoenix, Arizona
Solid Waste Enterprise Fund
Comparative Statements of Net Assets

Exhibit E-20

June 30, 2010 and 2009
(in thousands)

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and Cash Equivalents	\$ 5,127	\$ 6,781
Investments	34,052	32,919
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2010, \$1,179 and 2009, \$1,233)	13,561	6,940
Intergovernmental	5	5
Total Unrestricted Current Assets	<u>52,745</u>	<u>46,645</u>
Restricted Assets		
Debt Service		
Cash with Fiscal Agent/Trustee	11,003	16,157
Capital Projects		
Cash and Cash Equivalents	10,382	8,550
Investments	49,641	55,179
Receivables		
Accrued Interest	-	17
Customer Deposits	113	124
Total Restricted Current Assets	<u>71,139</u>	<u>80,027</u>
Total Current Assets	<u>123,884</u>	<u>126,672</u>
Noncurrent Assets		
Capital Assets		
Land	13,340	13,553
Buildings	66,484	66,553
Improvements Other Than Buildings	32,628	32,579
Equipment	107,202	100,014
Intangibles	5,342	42
Construction in Progress	4,749	16,503
Less: Accumulated Depreciation	<u>(90,978)</u>	<u>(83,025)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>138,767</u>	<u>146,219</u>
OPEB Asset	92	838
Total Noncurrent Assets	<u>138,859</u>	<u>147,057</u>
Total Assets	<u>262,743</u>	<u>273,729</u>

	2010	2009
<u>LIABILITIES</u>		
Current Liabilities Payable from Current Assets		
Accounts Payable	1,757	3,161
Accrued Landfill Postclosure Care Costs	2,439	2,444
Current Portion of Accrued Compensated Absences	380	365
Total Current Liabilities Payable from Current Assets	4,576	5,970
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	7,265	12,067
Interest Payable	3,738	4,090
Current Portion of General Obligation Bonds	6,805	3,785
Current Portion of Municipal Corporation Obligations	6,430	6,110
Capital Projects		
Accounts Payable	914	1,866
Accrued Landfill Closure Costs	2,183	1,269
Customer Deposits	113	124
Total Current Liabilities Payable from Restricted Assets	27,448	29,311
Total Current Liabilities	32,024	35,281
Noncurrent Liabilities		
General Obligation Bonds, Net of Deferred Interest Expense Adjustment (2010, \$499 and 2009, \$383)	11,081	15,192
Municipal Corporation Obligations, Net of Deferred Interest Expense Adjustment (2010, \$(783) and 2009, \$(843))	128,943	135,434
Unamortized Premium (Discount)	3,653	4,087
Accrued Landfill Closure and Postclosure Care Costs	67,484	65,266
Accrued Compensated Absences	2,142	2,096
Total Noncurrent Liabilities	213,303	222,075
Total Liabilities	245,327	257,356
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	3,778	15,573
Restricted for Enabling Legislation	2,470	2,420
Unrestricted	11,168	(1,620)
Total Net Assets	\$ 17,416	\$ 16,373

City of Phoenix, Arizona
Solid Waste Enterprise Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Assets

Exhibit E-21

For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Solid Waste Service Fees	\$ 121,302	\$ 116,698
Landfill Fees	6,828	6,654
Recycling	8,657	10,973
Other	576	310
Total Operating Revenues	<u>137,363</u>	<u>134,635</u>
Operating Expenses		
Administration	25,483	18,239
Solid Waste Collections	47,926	44,946
Environmental Services	209	77
Landfills		
Operations	23,445	31,658
Closure and Postclosure Care Costs	6,133	12,471
Recycling	1,153	2,463
Depreciation	13,722	12,549
Staff and Administrative	4,526	4,786
Other	6,941	7,128
Total Operating Expenses	<u>129,538</u>	<u>134,317</u>
Operating Income	7,825	318
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments	(381)	582
Interest	1,372	2,597
Interest on Capital Debt	(6,857)	(7,376)
Gain on Disposal of Capital Assets	593	322
Total Non-Operating Revenues (Expenses)	<u>(5,273)</u>	<u>(3,875)</u>
Net Income (Loss) Before Contributions and Transfers	2,552	(3,557)
Capital Contributions - Municipalities	72	142
Capital Contributions - Subdividers	-	9
Transfers from Debt Service Fund	1,918	6,992
Transfers to General Fund - In Lieu Property Taxes	(1,141)	(1,056)
Transfers to General Fund - Other	(2,358)	(3,496)
Change in Net Assets	<u>1,043</u>	<u>(966)</u>
Net Assets, July 1	16,373	17,339
Net Assets, June 30	<u>\$ 17,416</u>	<u>\$ 16,373</u>

City of Phoenix, Arizona
Solid Waste Enterprise Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

Exhibit E-22

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Receipts from Customers	\$ 130,731	\$ 135,586
Payments to Suppliers	(65,836)	(73,015)
Payments to Employees	(42,924)	(37,438)
Payment of Staff and Administrative Expenses	(4,526)	(4,786)
Net Cash Provided by Operating Activities	<u>17,445</u>	<u>20,347</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers from Other Funds	1,918	6,992
Operating Transfers to Other Funds	(3,499)	(4,552)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,581)</u>	<u>2,440</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	31	-
Principal Paid on Capital Debt	(12,067)	(11,476)
Interest Paid on Capital Debt	(7,793)	(8,452)
Acquisition and Construction of Capital Assets	(7,781)	(19,637)
Proceeds from Sales of Capital Assets	1,308	1,193
Capital Contributions	39	57
Net Cash Used by Capital and Related Financing Activities	<u>(26,263)</u>	<u>(38,315)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities	(116,535)	(423,782)
Proceeds from Sales and Maturities of Investment Securities	132,751	437,334
Net Activity for Short-Term Investments	(11,812)	(37,594)
Interest on Investments	1,008	2,586
Net Cash Provided (Used) by Investing Activities	<u>5,412</u>	<u>(21,456)</u>
Net Decrease in Cash and Cash Equivalents	<u>(4,987)</u>	<u>(36,984)</u>
Cash and Cash Equivalents, July 1	31,612	68,596
Cash and Cash Equivalents, June 30	<u>\$ 26,625</u>	<u>\$ 31,612</u>
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 7,825	\$ 318
Adjustments		
Depreciation and Amortization	13,722	12,549
(Increase) Decrease in Assets		
Receivables	(6,567)	695
Allowance for Doubtful Accounts	(54)	198
OPEB Asset	746	(218)
Increase (Decrease) in Liabilities		
Accounts Payable	(1,404)	(1,207)
Customer Deposits	(11)	58
Accrued Compensated Absences	61	43
Accrued Landfill Closure and Postclosure Care	3,127	7,911
Net Cash Provided by Operating Activities	<u>\$ 17,445</u>	<u>\$ 20,347</u>
Noncash Transactions Affecting Financial Position		
Contributions of Capital Assets	\$ (33)	\$ (94)
Refunding Issuance in Excess of Bond Retirement	77	11
Increase (Decrease) in Fair Value of Investments	(27)	53
Total Noncash Transactions Affecting Financial Position	<u>\$ 17</u>	<u>\$ (30)</u>

City of Phoenix, Arizona
Solid Waste Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis

Exhibit E-23

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>REVENUES</u>				
Solid Waste Service Fees	\$ 131,413	\$ 131,413	\$ 129,879	\$ (1,534)
City Landfill Fees	6,831	6,831	6,828	(3)
Interest	1,154	1,154	1,232	78
Other	611	611	967	356
Total Revenues	140,009	140,009	138,906	(1,103)
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operations	130,276	130,276	111,432	18,844
Capital Improvement Program	5,116	5,116	2,326	2,790
Lease-Purchase Payments	15,588	15,588	12,787	2,801
Total Expenditures and Encumbrances	150,980	150,980	126,545	24,435
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	(10,971)	(10,971)	12,361	23,332
<u>OTHER FINANCING SOURCES (USES)</u>				
Recovery of Prior Years Expenditures	-	-	1,431	1,431
Transfers to Other Funds				
General Fund				
Staff and Administrative	(4,546)	(4,546)	(4,526)	20
In-Lieu Property Taxes	(1,212)	(1,212)	(1,141)	71
Other	(2,358)	(2,358)	(2,358)	-
Solid Waste Capital Reserve	(1,276)	(1,276)	(1,248)	28
Total Other Financing Sources (Uses)	(9,392)	(9,392)	(7,842)	1,550
Net Increase (Decrease) in Fund Balance	\$ (20,363)	\$ (20,363)	4,519	\$ 24,882
FUND BALANCE, JULY 1			45,013	
FUND BALANCE, JUNE 30			\$ 49,532	



City of Phoenix

City of Phoenix, Arizona
Golf Courses Enterprise Fund
Comparative Statements of Net Assets

Exhibit E-24

June 30, 2010 and 2009
(in thousands)

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and Cash Equivalents	\$ -	\$ 28
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2010, \$10 and 2009, \$10)	-	-
Inventories, at Average Cost	195	210
Total Current Assets	<u>195</u>	<u>238</u>
Noncurrent Assets		
Capital Assets		
Land	4,984	4,984
Buildings	2,587	2,587
Improvements Other Than Buildings	13,642	13,603
Equipment	3,904	4,090
Intangibles	60	60
Less: Accumulated Depreciation	(13,894)	(13,509)
Total Capital Assets, Net of Accumulated Depreciation	<u>11,283</u>	<u>11,815</u>
OPEB Asset	10	132
Total Noncurrent Assets	<u>11,293</u>	<u>11,947</u>
Total Assets	<u>11,488</u>	<u>12,185</u>

	2010	2009
<u>LIABILITIES</u>		
Current Liabilities Payable from Current Assets		
Accounts Payable	40	42
Current Portion of Accrued Compensated Absences	76	80
Deferred Revenue	117	98
Trust Liabilities and Deposits	14	14
Due to Other Funds	8,905	6,455
Total Current Liabilities	9,152	6,689
Noncurrent Liabilities		
Accrued Compensated Absences	442	472
Total Noncurrent Liabilities	442	472
Total Liabilities	9,594	7,161
<u>NET ASSETS (DEFICIT)</u>		
Invested in Capital Assets, Net of Related Debt	11,283	11,815
Unrestricted	(9,389)	(6,791)
Total Net Assets (Deficit)	\$ 1,894	\$ 5,024

City of Phoenix, Arizona
Golf Courses Enterprise Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Assets

Exhibit E-25

For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Fees	\$ 4,016	\$ 4,322
Concessions	1,471	1,632
Coffee Shops	63	60
Other	177	169
Total Operating Revenues	<u>5,727</u>	<u>6,183</u>
Operating Expenses		
Administration	585	615
Operation and Maintenance	7,343	6,429
Depreciation	667	754
Parks Administrative Charges	279	279
Other	20	10
Total Operating Expenses	<u>8,894</u>	<u>8,087</u>
Operating Loss	<u>(3,167)</u>	<u>(1,904)</u>
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments	(1)	3
Interest	2	12
Interest on Capital Debt	-	(1,621)
Gain (Loss) on Disposal of Capital Assets	1	(8)
Total Non-Operating Revenues (Expenses)	<u>2</u>	<u>(1,614)</u>
Net Loss Before Contributions and Transfers	<u>(3,165)</u>	<u>(3,518)</u>
Capital Contributions - Municipalities	35	42
Transfers from Impact Fees Special Revenue	-	4,937
Transfers from Parks and Preserves Special Revenue	-	5,738
Transfers to Capital Projects Funds	-	-
Change in Net Assets	<u>(3,130)</u>	<u>7,199</u>
Net Assets, July 1	5,024	(2,175)
Net Assets (Deficit), June 30	<u>\$ 1,894</u>	<u>\$ 5,024</u>

City of Phoenix, Arizona
Golf Courses Enterprise Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

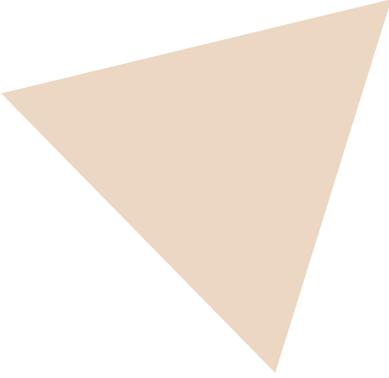
Exhibit E-26

	2010	2009
Cash Flows from Operating Activities		
Receipts from Customers	\$ 5,746	\$ 6,176
Payments to Suppliers	(2,630)	(2,221)
Payments to Employees	(5,217)	(5,225)
Payment of Staff and Administrative Expenses	(279)	(279)
Net Cash Used by Operating Activities	<u>(2,380)</u>	<u>(1,549)</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers from Other Funds	-	10,675
Operating Transfers to Other Funds	-	-
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>10,675</u>
Cash Flows from Capital and Related Financing Activities		
Loans from Other Funds	2,450	2,264
Principal Paid on Capital Debt	-	(9,992)
Interest Paid on Capital Debt	-	(1,490)
Acquisition and Construction of Capital Assets	(101)	(673)
Proceeds from Sale of Capital Assets	2	6
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>2,351</u>	<u>(9,885)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities	-	(1,807)
Proceeds from Sales and Maturities of Investment Securities	-	1,951
Net Activity for Short-Term Investments	-	(144)
Interest on Investments	1	15
Net Cash Provided by Investing Activities	<u>1</u>	<u>15</u>
Net Decrease in Cash and Cash Equivalents	<u>(28)</u>	<u>(744)</u>
Cash and Cash Equivalents, July 1	28	772
Cash and Cash Equivalents, June 30	<u>\$ -</u>	<u>\$ 28</u>
Reconciliation of Operating Loss to		
Net Cash Used by Operating Activities		
Net Operating Loss	\$ (3,167)	\$ (1,904)
Adjustments		
Depreciation and Amortization	667	754
(Increase) Decrease in Assets		
Accounts Receivable	-	5
Inventories	15	83
OPEB Asset	122	(30)
Increase (Decrease) in Liabilities		
Accounts Payable	(2)	(16)
Accrued Compensated Absences	(34)	(429)
Deferred Revenue	19	(13)
Trust Liabilities and Deposits	-	1
Net Cash Used by Operating Activities	<u>\$ (2,380)</u>	<u>\$ (1,549)</u>
Noncash Transactions Affecting Financial Position		
Contributions of Capital Assets	<u>\$ 35</u>	<u>\$ 42</u>
	<u>\$ 35</u>	<u>\$ 42</u>

City of Phoenix, Arizona
Golf Courses Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
For the Fiscal Year Ended June 30, 2010
(in thousands)

Exhibit E-27

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>REVENUES</u>				
Fees	\$ 3,912	\$ 3,912	\$ 3,645	\$ (267)
Concessions	2,102	2,102	1,848	(254)
Coffee Shops	60	60	63	3
Interest	(225)	(225)	(178)	47
Other	273	273	174	(99)
Total Revenues	6,122	6,122	5,552	(570)
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Operations	8,745	8,745	7,946	799
Lease-Purchase Payments	848	848	-	848
Total Expenditures and Encumbrances	9,593	9,593	7,946	1,647
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	(3,471)	(3,471)	(2,394)	1,077
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to Other Funds				
General Fund	(279)	(279)	(279)	-
Total Other Financing Sources (Uses)	(279)	(279)	(279)	-
Net Decrease in Fund Balance	<u>\$ (3,750)</u>	<u>\$ (3,750)</u>	<u>(2,673)</u>	<u>\$ 1,077</u>
FUND DEFICIT, JULY 1			<u>(7,345)</u>	
FUND DEFICIT, JUNE 30			<u>\$ (10,018)</u>	



Financial Section

Other Supplementary Information –

**Fiduciary Funds –
Combining Fund Financial
Statements**





City of Phoenix

City of Phoenix, Arizona
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets

Exhibit F-1

June 30, 2010
 (in thousands)

	<u>Pension and Other Employee Benefit Trusts</u>	
	<u>City of Phoenix Employee Retirement System (COPERS)</u>	<u>Excess Benefit Arrangement</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 58,099	\$ 62
Investments		
Treasurer's Pooled Investments	-	934
Temporary Investments	238,396	-
Fixed Income	458,859	-
Domestic Equities	686,836	-
International Equities	362,337	-
Receivables		
Accounts Receivable	45,801	-
Contributions Receivable	4,514	-
Interest and Dividends	3,215	10
Prepaid Items	-	-
Total Assets	<u>1,858,057</u>	<u>1,006</u>
<u>LIABILITIES</u>		
Accounts Payable	322,883	23
Accrued Payroll Payable	-	-
Claims Payable	-	-
Non-current Claims Payable	-	-
Total Liabilities	<u>322,883</u>	<u>23</u>
<u>NET ASSETS</u>		
Held in trust for pension and other employee benefits	<u>\$ 1,535,174</u>	<u>\$ 983</u>

Pension and Other Employee Benefit Trusts

Health Care Benefits	Retiree Rate Stabilization	Medical Expense Reimbursement Plan	Long Term Disability	Total
\$ 12,027	\$ -	\$ 302	\$ 7	\$ 70,497
59,768	15,103	244	32	76,081
-	-	-	-	238,396
-	-	21,592	24,020	504,471
-	-	29,993	35,323	752,152
-	-	7,571	-	369,908
1,664	-	8	-	47,473
1,247	-	-	-	5,761
136	260	-	-	3,621
5,150	-	-	-	5,150
<u>79,992</u>	<u>15,363</u>	<u>- 59,710</u>	<u>59,382</u>	<u>2,073,510</u>
52	-	14	21	322,993
-	-	-	-	-
25,008	-	-	-	25,008
-	-	-	-	-
<u>25,060</u>	<u>-</u>	<u>- 14</u>	<u>21</u>	<u>348,001</u>
<u>\$ 54,932</u>	<u>\$ 15,363</u>	<u>\$ 59,696</u>	<u>\$ 59,361</u>	<u>\$ 1,725,509</u>

City of Phoenix, Arizona
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets

Exhibit F-1
 (continued)

June 30, 2010
 (in thousands)

	<u>Agency Funds</u>			
	<u>Post Employment Health Plan</u>	<u>Deferred Compensation Plan</u>	<u>Accrued Payroll</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 10,750	\$ 10,750
Investments				
Treasurer's Pooled Investments	-	-	60,915	60,915
Temporary Investments	-	-	-	-
Fixed Income	-	-	-	-
Domestic Equities	-	-	-	-
International Equities	-	-	-	-
Receivables				
Accounts Receivable	-	-	-	-
Contributions Receivable	-	-	-	-
Interest and Dividends	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>-</u>	<u>-</u>	<u>71,665</u>	<u>71,665</u>
<u>LIABILITIES</u>				
Accounts Payable	-	-	-	-
Accrued Payroll Payable	-	-	71,665	71,665
Claims Payable	-	-	-	-
Non-current Claims Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>71,665</u>	<u>71,665</u>
<u>NET ASSETS</u>				
Held in trust for pension and other employee benefits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



City of Phoenix

City of Phoenix, Arizona
Fund Financial Statements
Fiduciary Funds
Combining Statement of Changes in Fiduciary
Net Assets

Exhibit F-2

For the Fiscal Year Ended June 30, 2010
(in thousands)

	<u>Pension and Other Employee Benefit Trusts</u>	
	<u>City of Phoenix Employee Retirement System (COPERS)</u>	<u>Excess Benefit Arrangement</u>
<u>ADDITIONS</u>		
Contributions		
City of Phoenix	\$ 86,241	\$ 350
Employees	30,240	-
Inter-System Transfers	4,619	-
Other	-	-
Total Contributions	<u>121,100</u>	<u>350</u>
Investment Income (Loss)		
From Investing Activities		
Net Increase in Fair Value of Investments	112,128	(19)
Interest	17,201	22
Dividends	16,898	-
Other	908	-
Investment Income (Loss)	<u>147,135</u>	<u>3</u>
Less: Investment Expense	4,990	-
Net Investment Income (Loss) from Investing Activities	<u>142,145</u>	<u>3</u>
Security Lending Activity Gross Income	1,630	-
Security Lending Expenses	(690)	-
Total Net Investment Income (Loss)	<u>143,085</u>	<u>3</u>
Total Additions	<u>264,185</u>	<u>353</u>
<u>DEDUCTIONS</u>		
Benefit Payments	133,522	445
Refunds of Contributions	2,877	-
Inter-System Transfers	1,699	-
Other	471	-
Total Deductions	<u>138,569</u>	<u>445</u>
Net Increase (Decrease)	125,616	(92)
Net Assets Held in Trust for Pension and Other Employee Benefits		
Beginning of Year, July 1	1,409,558	1,075
End of Year, June 30	<u>\$ 1,535,174</u>	<u>\$ 983</u>

Pension and Other Employee Benefit Trusts				
Health Care Benefits	Retiree Rate Stabilization	Medical Expense Reimbursement Plan	Long Term Disability	Total
\$ 123,870	\$ -	\$ 17,204	\$ 848	\$ 228,513
60,326	-	-	-	90,566
9,584	-	-	-	14,203
4,488	-	-	-	4,488
<u>198,268</u>	<u>-</u>	<u>17,204</u>	<u>848</u>	<u>337,770</u>
(863)	-	2,976	332	114,554
1,683	85	-	452	19,443
-	-	1,303	1,211	19,412
-	-	-	-	908
<u>820</u>	<u>85</u>	<u>4,279</u>	<u>1,995</u>	<u>154,317</u>
<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,991</u>
819	85	4,279	1,995	149,326
-	-	-	-	1,630
-	-	-	-	(690)
<u>819</u>	<u>85</u>	<u>4,279</u>	<u>1,995</u>	<u>150,266</u>
<u>199,087</u>	<u>85</u>	<u>21,483</u>	<u>2,843</u>	<u>488,036</u>
188,748	-	22,125	4,340	349,180
7	-	-	-	2,884
9,584	-	-	-	11,283
10,063	-	121	134	10,789
<u>208,402</u>	<u>-</u>	<u>22,246</u>	<u>4,474</u>	<u>374,136</u>
(9,315)	85	(763)	(1,631)	113,900
64,247	15,278	60,459	60,992	1,611,609
<u>\$ 54,932</u>	<u>\$ 15,363</u>	<u>\$ 59,696</u>	<u>\$ 59,361</u>	<u>\$ 1,725,509</u>

City of Phoenix, Arizona
 Agency Fund
 Combining Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 2010
 (in thousands)

Exhibit F-3

Post Employment Health Plan

	Balance July 1	Additions	Deductions	Balance June 30
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ 9,584	\$ 9,584	\$ -
Treasurer's Pooled Investments	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 9,584</u>	<u>\$ 9,584</u>	<u>\$ -</u>

LIABILITIES

Accrued Payroll Payable	\$ -	\$ 9,584	\$ 9,584	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 9,584</u>	<u>\$ 9,584</u>	<u>\$ -</u>

Deferred Compensation Plan

	Balance July 1	Additions	Deductions	Balance June 30
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ 99,491	\$ 99,491	\$ -
Treasurer's Pooled Investments	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 99,491</u>	<u>\$ 99,491</u>	<u>\$ -</u>

LIABILITIES

Accrued Payroll Payable	\$ -	\$ 99,491	\$ 99,491	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 99,491</u>	<u>\$ 99,491</u>	<u>\$ -</u>

City of Phoenix, Arizona
 Agency Fund
 Combining Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 2010
 (in thousands)

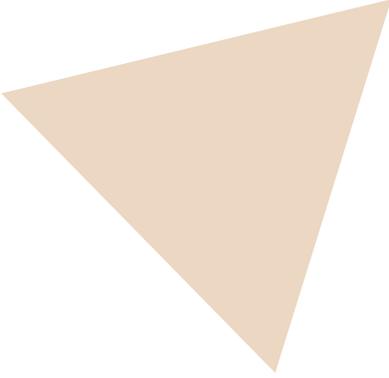
Exhibit F-3
 (continued)

	<i>Accrued Payroll</i>			
	Balance July 1	Additions	Deductions	Balance June 30
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 12,637	\$ 289,399	\$ 291,286	\$ 10,750
Treasurer's Pooled Investments	53,874	1,657,661	1,650,620	60,915
Total Assets	<u>\$ 66,511</u>	<u>\$ 1,947,060</u>	<u>\$ 1,941,906</u>	<u>\$ 71,665</u>
<u>LIABILITIES</u>				
Accrued Payroll Payable	\$ 66,511	\$ 1,947,060	\$ 1,941,906	\$ 71,665
Total Liabilities	<u>\$ 66,511</u>	<u>\$ 1,947,060</u>	<u>\$ 1,941,906</u>	<u>\$ 71,665</u>

	<i>Totals</i>			
	Balance July 1	Additions	Deductions	Balance June 30
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 12,637	\$ 398,474	\$ 400,361	\$ 10,750
Treasurer's Pooled Investments	53,874	1,657,661	1,650,620	60,915
Total Assets	<u>\$ 66,511</u>	<u>\$ 2,056,135</u>	<u>\$ 2,050,981</u>	<u>\$ 71,665</u>
<u>LIABILITIES</u>				
Accrued Payroll Payable	\$ 66,511	\$ 2,056,135	\$ 2,050,981	\$ 71,665
Total Liabilities	<u>\$ 66,511</u>	<u>\$ 2,056,135</u>	<u>\$ 2,050,981</u>	<u>\$ 71,665</u>



City of Phoenix



Financial Section

**Other Supplementary
Information –**

**Other Supporting
Schedules**





City of Phoenix

City of Phoenix, Arizona
Summary of Operating Funds - Budget Basis

Exhibit G-1

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Resources					
	Fund Balances	Revenues	Recov-eries	Fund Transfers		Total
	July 1			From	To	
General Purpose Funds						
General Fund	\$ 45,580	\$ 290,596	\$ 1,161	\$ 704,901	\$ (1,164)	\$ 1,041,074
Excise Tax	-	917,441	-	-	(917,441)	-
Total General Purpose Funds	45,580	1,208,037	1,161	704,901	(918,605)	1,041,074
Federal Funds						
Transit - Federal Grants	13	12,617	88	-	-	12,718
Grants						
Human Services	-	43,805	2	-	-	43,807
Community Development	-	18,897	83	-	-	18,980
Federal Operating Trust	-	66,702	215	-	-	66,917
Public Housing Hope VI	2,543	2,051	-	-	-	4,594
Total Federal Funds	2,556	144,072	388	-	-	147,016
Other Special Revenue and Debt Service Funds						
Highway User Revenue	10,903	104,745	3,098	-	(52)	118,694
Local Transportation Assistance	-	3,771	-	-	-	3,771
Transit 2000	235,879	52,537	2,528	125,297	(44,223)	372,018
Transit - Other Agency	7,491	58,096	87	-	(38,832)	26,842
Court Awards	1,263	5,179	2	-	-	6,444
Parks and Preserves	41,547	2,665	425	21,615	(66)	66,186
Development Services	13,726	28,168	2	-	(2,546)	39,350
Community Reinvestment	14,141	2,748	-	-	(5,076)	11,813
Public Housing	19,657	86,034	157	-	(1,226)	104,622
Sports Facilities	32,663	1,113	-	13,804	(550)	47,030
Capital Construction	7,109	268	579	17,435	-	25,391
Other Restricted	35,368	25,510	91	1,050	(501)	61,518
Neighborhood Protection	(5,031)	(66)	-	21,615	(140)	16,378
Public Safety Enhancement	(4,152)	-	-	23,978	-	19,826
Public Safety Expansion	22,183	362	-	43,131	(132)	65,544
Secondary Property Tax Debt Service	100	200,977	-	69,911	(69,527)	201,461
City Improvement	701	-	-	72,178	-	72,879
Total Other Funds	433,548	572,107	6,969	410,014	(162,871)	1,259,767
Enterprise Funds						
Aviation	130,631	271,872	2,649	11,056	(5,037)	411,171
Aviation - Operating (Non-Pledged)	42,995	36,216	-	-	(363)	78,848
Phoenix Convention Center	50,800	17,605	144	49,006	(3,115)	114,440
Water System	141,926	337,328	2,003	24,885	(32,373)	473,769
Water System - Val Vista	3,438	18,675	-	-	(695)	21,418
Wastewater	129,463	194,495	3,662	5,000	(25,688)	306,932
Wastewater - SROG	7,177	52,374	130	-	(1,087)	58,594
Solid Waste	45,013	138,906	1,431	-	(9,273)	176,077
Golf Courses	(7,345)	5,552	-	-	(279)	(2,072)
Total Enterprise Funds	544,098	1,073,023	10,019	89,947	(77,910)	1,639,177
Total Operating Funds	\$ 1,025,782	\$ 2,997,239	\$ 18,537	1,204,862	(1,159,386)	\$ 4,087,034
Other Transfers - Non-budgeted Funds				19,544	(64,636)	
Debt Service Adjustment (2)				(69,911)	69,527	
				\$ 1,154,495	\$ (1,154,495)	

- (1) Includes operating capital outlay and utility repayment agreements.
(2) Fund Transfers include amounts for proceeds from various bonds. These amounts are adjusted out of the Fund Transfer total to show actual transfer balances.

Exhibit G-1
(Continued)

Expenditures and Encumbrances						Fund
Current Operating (1)	Capital Impr. Program	Debt Service	Lease- Purchase	Total	Balances June 30	
\$ 993,626	\$ 696	\$ -	\$ -	\$ 994,322	\$	46,752
-	-	-	-	-	-	-
993,626	696	-	-	994,322	-	46,752
12,457	1	-	-	12,458	-	260
43,807	-	-	-	43,807	-	-
18,356	624	-	-	18,980	-	-
48,792	18,125	-	-	66,917	-	-
344	1,849	-	-	2,193	-	2,401
123,756	20,599	-	-	144,355	-	2,661
41,798	22,520	31,246	-	95,564	-	23,130
3,771	-	-	-	3,771	-	-
148,799	3,210	-	-	152,009	-	220,009
15,404	248	-	-	15,652	-	11,190
4,506	-	-	-	4,506	-	1,938
1,791	14,843	-	-	16,634	-	49,552
27,398	35	-	-	27,433	-	11,917
217	1,136	-	-	1,353	-	10,460
67,443	12,522	-	-	79,965	-	24,657
1,799	-	-	9,868	11,667	-	35,363
163	21,963	-	-	22,126	-	3,265
21,103	1,858	-	-	22,961	-	38,557
30,342	-	-	-	30,342	-	(13,964)
32,110	-	-	-	32,110	-	(12,284)
55,835	-	-	-	55,835	-	9,709
-	-	201,361	-	201,361	-	100
-	-	-	72,178	72,178	-	701
452,479	78,335	232,607	82,046	845,467	-	414,300
183,231	13,607	55,931	311	253,080	-	158,091
11,923	-	21,277	-	33,200	-	45,648
46,044	1,018	-	18,582	65,644	-	48,796
161,222	57,875	111,830	-	330,927	-	142,842
16,734	879	-	-	17,613	-	3,805
73,278	20,203	68,050	-	161,531	-	145,401
38,988	4,001	-	-	42,989	-	15,605
111,432	2,326	-	12,787	126,545	-	49,532
7,946	-	-	-	7,946	-	(10,018)
650,798	99,909	257,088	31,680	1,039,475	-	599,702
\$ 2,220,659	\$ 199,539	\$ 489,695	\$ 113,726	\$ 3,023,619	\$	1,063,415

City of Phoenix, Arizona
Summary of Capital Projects Funds
Budget Basis

Exhibit G-2

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Resources			
	Beginning Balances, July 1	Current Revenue		
		Grants	Interest	Other
General Government				
1984 Bond Program	\$ 261	\$ -	\$ -	\$ -
2001 Bond Program	(4,168)	-	3	-
2006 Bond Program	(1,678)	-	10	-
2010 Lease Purchase	(25,561)	-	-	20,000
General Gov't Lease Purchase	(359)	-	20	-
Mega IV Lease Purchase	14,687	-	68	23
Mega V Lease Purchase	(3,844)	-	3	3,018
Trunked Radio System	179	-	-	-
	(20,483)	-	104	23,041
Public Safety				
1988 Bond Program	36	-	-	-
2001 Bond Program	(13,318)	-	12	-
2006 Bond Program	(30,718)	-	72	-
CIC Excise Tax Rev Bonds POLICE	11,451	-	25	-
Impact Fees	1,676	-	118	697
Other Cities Reimbursement - 800Mhz	54	93	-	-
	(30,819)	93	227	697
Transportation				
1988 Bond Program	792	-	-	-
2001 Bond Program	(854)	-	4	-
2004 CIC Transit LRT Revenue Bonds	100,910	-	233	11
2006 Bond Program	(8,947)	-	56	4
AHUR Capital Reserve	22,473	-	156	-
American Rec. & Reinv. Act of 2009	(1,059)	3,075	-	-
Federal Aid - Street Transportation	-	4,632	-	-
Federal Transportation Administration Grants	(24,744)	18,407	-	-
Impact Fees	27,493	-	567	(1,341)
State Aid - Street Transportation	265	489	-	877
	116,329	26,603	1,016	(449)
Public Works				
1988 Bond Program	-	-	-	-
2001 Bond Program	(4,259)	-	7	23
2006 Bond Program	(4,843)	-	48	68
Capital Replacement Fund	5,330	-	116	1,183
Impact Fees	5,787	-	111	490
	2,015	-	282	1,764
Community Enrichment				
1988 Bond Program	565	-	-	-
2001 Bond Program	1,392	-	6	-
2006 Bond Program	(20,683)	-	61	-
Impact Fees	32,977	-	765	3,490
Parks & Rec Grants	36	5,147	-	-
Parks and Rec Dept Capital Gifts	1,109	-	-	51
Parks land sale proceeds	2,230	-	44	9
	17,626	5,147	876	3,550
Community Development				
1988 Bond Program	-	-	-	-
1989 Bond Program	144	-	-	-
2001 Bond Program	6,182	-	29	2
2006 Bond Program	(16,052)	-	39	3
830 E Jefferson Remodel	(18)	-	-	-
American Rec. & Reinv. Act of 2009	(704)	1,379	-	-
Downtown Education	(10,000)	-	-	-
Federal Modernization Grants	(1,460)	4,484	-	-
Impact Fees	1,137	-	10	(145)
	(20,771)	5,863	78	(140)

Exhibit G-2

(Continued)

Recovery of Prior Years Expenditures	Bonds Sold	Fund Transfers To(From)	Total Resources	Uses		Balances June 30	Bonds Available for Sale
				Expenditures and Encumbrances			
\$ -	\$ -	\$ -	\$ 261	\$ (221)	\$ 40	\$ -	
167	4,261	(676)	(413)	(54)	(467)	2,215	
2	9,248	3,778	11,360	(2,716)	8,644	5,900	
1	-	10,288	4,728	(50,864)	(46,136)	-	
-	-	2,999	2,660	-	2,660	-	
-	-	3,295	18,073	-	18,073	-	
223	-	(2,515)	(3,115)	(348)	(3,463)	-	
-	-	-	179	-	179	-	
393	13,509	17,169	33,733	(54,203)	(20,470)	8,115	
-	-	-	36	(9)	27	-	
230	14,210	(1,815)	(681)	(1,174)	(1,855)	4,060	
488	75,400	(1,288)	43,954	(32,885)	11,069	72,000	
86	-	(1,052)	10,510	(278)	10,232	-	
-	-	(189)	2,302	(1,545)	757	-	
-	-	-	147	-	147	-	
804	89,610	(4,344)	56,268	(35,891)	20,377	76,060	
-	-	112	904	(46)	858	1,000	
-	3,953	(2,228)	875	(986)	(111)	2,225	
1	-	942	102,097	(22,220)	79,877	-	
288	50,983	68	42,452	(16,997)	25,455	26,085	
5,000	-	-	27,629	-	27,629	-	
137	-	-	2,153	(32,869)	(30,716)	-	
215	-	(543)	4,304	(4,304)	-	-	
132	-	-	(6,205)	(1,385)	(7,590)	-	
168	-	(20)	26,867	(3,694)	23,173	-	
223	-	606	2,460	(2,629)	(169)	-	
6,164	54,936	(1,063)	203,536	(85,130)	118,406	29,310	
2	-	-	2	(2)	-	-	
349	6,210	2,327	4,657	(4,960)	(303)	2,025	
565	47,408	314	43,560	(17,990)	25,570	23,609	
-	-	501	7,130	(23)	7,107	-	
723	-	-	7,111	(1,121)	5,990	-	
1,639	53,618	3,142	62,460	(24,096)	38,364	25,634	
-	-	-	565	(8)	557	-	
259	6,488	(2,710)	5,435	(1,486)	3,949	7,675	
110	64,382	(5,109)	38,761	(30,127)	8,634	76,946	
198	-	1	37,431	(9,022)	28,409	-	
-	-	-	5,183	(5,055)	128	-	
-	-	-	1,160	(70)	1,090	-	
4	-	-	2,287	(38)	2,249	-	
571	70,870	(7,818)	90,822	(45,806)	45,016	84,621	
-	-	-	-	-	-	-	
33	-	-	177	(5)	172	-	
161	4,425	(1,660)	9,139	(796)	8,343	3,280	
242	61,510	(223)	45,519	(25,117)	20,402	45,335	
-	-	-	(18)	-	(18)	-	
3	-	-	678	(5,340)	(4,662)	-	
285	-	-	(9,715)	-	(9,715)	-	
239	-	-	3,263	(3,354)	(91)	-	
-	-	-	1,002	-	1,002	-	
963	65,935	(1,883)	50,045	(34,612)	15,433	48,615	

City of Phoenix, Arizona
Summary of Capital Projects Funds
Budget Basis

Exhibit G-2

For the Fiscal Year Ended June 30, 2010
(in thousands)

		Resources			
		Beginning Balances, July 1	Current Revenue		
			Grants	Interest	Other
Aviation	2004 CFC Bonds - Construction Fund	\$ -	\$ -	\$ 11	\$ -
	Airport Facilities Improvement Grants	(3,272)	8,055	-	-
	American Rec. & Reinv. Act of 2009	(8)	20,341	-	-
	Aviation Commercial Paper Fund	(17,881)	-	(35)	-
	Aviation Reserve - City Improvement	175,573	-	3,214	-
	CFC Trustee-Improvement Reserves/Surplus	(4,371)	-	2	-
	Community Noise Reduction Program Bonds	-	-	-	-
	Future Airport Bonds	(43)	-	-	-
	Junior Lien Airport Revenue Bonds	-	-	-	-
	Passenger Facility Charges	(148,527)	-	(943)	76,591
	RENT-A-CAR CUSTOMER FACILITY CHARGE	-	-	(11)	-
	Senior Lien Airport Revenue Bonds	92,183	-	314	-
	Transportation Security Admin Grant	(16,617)	21,016	39	-
		77,037	49,412	2,591	76,591
Phoenix Convention Center	CC Expansion Series A	7,296	-	(17)	10
	CC Expansion Series B	8,749	5,000	309	(10)
	CPBC (Capital Trust Fund)	-	-	-	-
	Phoenix Convention Center East Garage	1	-	-	-
		16,046	5,000	292	-
Water System	American Rec. & Reinv. Act of 2009	-	-	-	-
	CIC Water Bonds	74,130	-	-	32
	Impact Fees	52,041	-	1,119	3,033
	Plan Six Facilities	2,952	-	13	-
	Proceeds/Wtr Asset Sale-Scottsdale	21,422	-	-	-
	Special Water Improvement	79,373	-	-	-
	Val Vista - Other Agencies' Participation	(7,110)	-	-	5,531
	Wtr Imp Dist Proj-Prop Owner Participati	(13)	-	-	-
		222,795	-	1,132	8,596
Wastewater	American Rec. & Reinv. Act of 2009	(18,250)	2,960	-	-
	CIC WasteWater Bonds	(88,548)	3	-	5
	Impact Fees	38,427	-	797	2,681
	Sani Swr Imp Dist Projects-Prop Ownr Par	(546)	-	-	33
	Special Wastewater Improvement	40,000	-	-	-
	SROG - Other Agencies' Participation	(30,975)	-	-	28,164
		(59,892)	2,963	797	30,883
Solid Waste	End Use Reserve	14,172	-	295	-
	Impact Fees	2,420	-	49	1
	Solid - Mega IV	22,178	-	162	-
	Solid - Mega V	-	-	-	-
	Solid Waste Disposal CIC Bonds Prin/Int	4	-	-	-
	Solid Waste Remediation Funds	8,974	-	204	-
		47,748	-	710	1
Golf	Golf CIC Bonds Prin/Int	67	-	-	-
		67	-	-	-
		\$ 367,698	\$ 95,081	\$ 8,105	\$ 144,534

Exhibit G-2

(Continued)

Recovery of Prior Years Expenditures	Bonds Sold	Fund Transfers To(From)	Total Resources	Uses		Balances June 30	Bonds Available for Sale
				Expenditures and Encumbrances			
\$ -	\$ -	\$ (21)	\$ (10)	\$ -	\$ (10)	\$ -	-
167	-	(2,695)	2,255	(11,112)	(8,857)	-	-
-	-	-	20,333	(10,568)	9,765	-	-
-	-	16,674	(1,242)	-	(1,242)	-	-
-	-	-	178,787	-	178,787	-	-
4	-	370	(3,995)	(29)	(4,024)	-	-
-	-	(76)	(76)	(11,630)	(11,706)	-	-
-	-	(8)	(51)	(54,449)	(54,500)	-	-
-	-	28,281	28,281	-	28,281	-	-
2,315	120,000	(42,088)	7,348	(443,705)	(436,357)	-	-
-	-	-	(11)	-	(11)	-	-
6,880	-	7,180	106,557	(22,061)	84,496	-	-
-	-	(17,428)	(12,990)	(5)	(12,995)	-	-
9,366	120,000	(9,811)	325,186	(553,559)	(228,373)	-	-
7,676	-	(13,886)	1,079	(90)	989	-	-
10	-	-	14,058	(29)	14,029	-	-
-	-	-	-	-	-	-	-
-	-	-	1	(1)	-	-	-
7,686	-	(13,886)	15,138	(120)	15,018	-	-
-	1,907	-	1,907	(4,751)	(2,844)	-	-
2,851	-	(19,885)	57,128	(69,882)	(12,754)	-	-
-	-	(5,000)	51,193	(1,019)	50,174	-	-
-	-	-	2,965	(256)	2,709	-	-
-	-	-	21,422	-	21,422	-	-
-	-	-	79,373	-	79,373	-	-
69	-	-	(1,510)	(2,583)	(4,093)	-	-
-	-	-	(13)	-	(13)	-	-
2,920	1,907	(24,885)	212,465	(78,491)	133,974	-	-
-	14,823	-	(467)	(3,625)	(4,092)	-	-
9,973	100,000	-	21,433	(11,616)	9,817	-	-
-	-	(5,000)	36,905	(63)	36,842	-	-
57	163	293	-	-	-	-	-
-	-	10,000	50,000	-	50,000	-	-
3,479	-	-	668	(5,692)	(5,024)	-	-
13,509	114,986	5,293	108,539	(20,996)	87,543	-	-
-	-	1,248	15,715	-	15,715	-	-
-	-	-	2,470	-	2,470	-	-
2,029	-	-	24,369	(11,125)	13,244	-	-
-	-	-	-	-	-	-	-
-	-	-	4	-	4	-	-
360	-	-	9,538	(890)	8,648	-	-
2,389	-	1,248	52,096	(12,015)	40,081	-	-
-	-	-	67	-	67	-	-
-	-	-	67	-	67	-	-
\$ 46,404	\$ 585,371	\$ (36,838)	\$ 1,210,355	\$ (944,919)	\$ 265,436	\$ 272,355	

City of Phoenix, Arizona
Capital Improvement Program
Expenditures and Encumbrances

Exhibit G-3

For the Fiscal Years Ended June 30, 2010 and 2009
(in thousands)

	Operating Funds (1)		Capital Funds		Totals	
	2010	2009	2010	2009	2010	2009
General Government						
Information Technology	\$ 1,780	\$ 14,401	\$ 3,724	\$ 13,338	\$ 5,504	\$ 27,739
Public Safety						
Fire Protection	-	1,700	11,311	33,197	11,311	34,897
Police Protection	-	-	33,654	26,647	33,654	26,647
	-	1,700	44,965	59,844	44,965	61,544
Transportation						
Street Transportation and Drainage						
Major Streets	13,492	34,482	17,701	38,544	31,193	73,026
Other	24,588	24,559	27,234	4,735	51,822	29,294
Traffic Improvements	3,110	4,309	7,234	3,811	10,344	8,120
Storm Sewer Improvements	248	1,192	10,221	12,275	10,469	13,467
Freeway Mitigation	-	-	-	421	-	421
Transit	3,617	17,959	31,211	47,965	34,828	65,924
	45,055	82,501	93,601	107,751	138,656	190,252
Public Works						
Energy Conservation	1,494	1,194	-	-	1,494	1,194
Facilities Management	4,730	7,247	13,223	6,969	17,953	14,216
	6,224	8,441	13,223	6,969	19,447	15,410
Community Enrichment						
Arts and Cultural Facilities	327	-	8,079	3,528	8,406	3,528
Libraries	568	322	3,759	10,029	4,327	10,351
Parks and Mountain Preserves	15,249	53,566	24,017	73,744	39,266	127,310
	16,144	53,888	35,855	87,301	51,999	141,189
Community Development						
Economic/Downtown Development	1,136	535	53,588	11,216	54,724	11,751
Human Services	-	-	1,150	5,452	1,150	5,452
Historic Preservation	-	-	856	3,843	856	3,843
Housing / HOPE VI	29,474	6,971	15,634	10,191	45,108	17,162
Neighborhood Development	969	1,390	7,676	3,563	8,645	4,953
	31,579	8,896	78,904	34,265	110,483	43,161
Aviation	13,218	25,129	553,560	279,701	566,778	304,830
Convention Center	1,179	(3,612)	10,931	9,816	12,110	6,204
Water System	58,476	86,680	79,670	83,971	138,146	170,651
Wastewater	23,832	37,242	19,184	51,964	43,016	89,206
Solid Waste	2,052	1,865	11,302	27,054	13,354	28,919
	<u>\$ 199,539</u>	<u>\$ 317,131</u>	<u>\$ 944,919</u>	<u>\$ 761,974</u>	<u>\$ 1,144,458</u>	<u>\$ 1,079,105</u>

(1) The amounts reported on this exhibit are by program, not by funding source. For the enterprise operating funds, funding for capital improvement program expenditures for the fiscal year ended June 30, 2010 as reported in the accompanying budgetary financial statements was as follows:

Aviation	\$ 13,607
Convention Center	1,018
Water	57,875
Water - Val Vista	879
Wastewater	20,203
Wastewater - SROG	4,001
Solid Waste	2,326
	<u>\$ 99,909</u>



City of Phoenix

City of Phoenix, Arizona
Transfers To/From Other Funds

Exhibit G-4

For the Fiscal Year Ended June 30, 2010
(in thousands)

	Special			
	General Fund	Transit	Neighborhood Protection	Sports Facilities
Transfers From				
General Fund	\$ -	\$ -	\$ -	\$ -
Special Revenue				
Excise Tax	629,018	86,465	21,615	12,502
Highway User Revenue	-	-	-	-
Transit	264	-	-	-
Parks & Preserves	66	-	-	-
Development Services	-	-	-	-
Public Housing	302	-	-	-
Sports Facilities	360	-	-	-
Public Safety Enhancement	132	-	-	-
Neighborhood Protection	140	-	-	-
Other Restricted	-	-	-	-
Total Special Revenue	630,282	86,465	21,615	12,502
Debt Service				
General Obligation/ Secondary Property Tax	-	-	-	-
City Improvement	-	-	-	-
Special Assessment	147	-	-	-
Total Debt Service	147	-	-	-
Capital Projects				
Street Improvements	-	-	-	-
Police and Fire Protection	-	-	-	-
Storm Sewers	-	-	-	-
Parks, Rec and Libraries	-	-	-	-
Public Housing	-	-	-	-
Municipal Buildings and Service Centers	3,274	-	-	17
Transit	-	-	-	-
Sports and Cultural Facilities	-	-	-	1,285
Total Capital Projects	3,274	-	-	1,302
Enterprise				
Phoenix Convention Center	961	-	-	-
Water System	27,162	-	-	-
Wastewater	14,217	-	-	-
Solid Waste	3,499	-	-	-
Total Enterprise	45,839	-	-	-
Totals	\$ 679,542	\$ 86,465	\$ 21,615	\$ 13,804

- (1) Capital Construction (\$17,415,000), Park and Preserves (\$21,615,000), and Public Safety Enhancement and Expansion (\$67,109,000) Special Revenue Funds
- (2) Water (\$15,923,000), Wastewater (\$7,373,000), and Solid Waste (\$1,918,000) Enterprise Funds
- (3) Other Restricted Special Revenue Fund

Exhibit G-4

(Continued)

Transfers to								
Revenue								
Other Special Revenue	Debt Service	Capital Projects	Enterprise					
			Convention Center	Other		Totals		
\$	-	\$	-	\$	1,767	\$	1,767	
	106,139 (1)	26,901	-	34,801	-	-	917,441	
	-	31,246	-	-	-	-	31,246	
	-	43,959	-	-	-	-	44,223	
	-	-	-	-	-	-	66	
	200 (3)	-	4,000	-	-	-	4,200	
	-	73	-	-	-	-	375	
	-	9,872	-	-	-	-	10,232	
	-	-	-	-	-	-	132	
	-	-	-	-	-	-	140	
	-	-	501	-	-	-	501	
	106,339	112,051	4,501	34,801	-	-	1,008,556	
	-	-	-	-	25,214 (2)	-	25,214	
	-	-	1,963	-	-	-	1,963	
	-	-	-	-	-	-	147	
	-	-	1,963	-	25,214	-	27,324	
	-	-	2,080	-	-	-	2,080	
	-	348	2,580	-	-	-	2,928	
	-	-	2,081	-	-	-	2,081	
	-	-	6,264	-	-	-	6,264	
	-	-	2,854	-	-	-	2,854	
	-	1,917	(14,566)	-	-	-	(9,358)	
	-	2,265	-	-	-	-	2,265	
	-	-	(1,293)	-	-	-	(8)	
	-	4,530	-	-	-	-	9,106	
	-	-	-	-	-	-	961	
	-	-	-	-	-	-	27,162	
	-	-	-	-	-	-	14,217	
	-	-	-	-	-	-	3,499	
	-	-	-	-	-	-	45,839	
\$	106,339	\$	116,581	\$	8,231	\$	34,801	
					\$	25,214	\$	1,092,592

City of Phoenix, Arizona
Budgetary Transfers - Budget Basis

Exhibit G-5

For the Fiscal Year Ended June 30, 2010

(in thousands)

	Transfers to					
	General Fund			Special		
	Staff and Admin- istrative	In-Lieu Property Taxes	Other Transfers	Total General Fund	Neighbor- hood Protection	Transit 2000
Transfers from						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue						
Excise Tax	-	-	629,018	629,018	21,615	86,465
Highway User Revenue	-	-	-	-	-	-
Transit 2000	-	-	-	-	-	-
Transit Other Agency	-	-	-	-	-	38,832
Development Services	2,546	-	-	2,546	-	-
Community Reinvestment	-	-	-	-	-	-
Public Housing	-	302	-	302	-	-
Sports Facilities	111	-	79	190	-	-
Parks and Preserves	-	-	-	-	-	-
Other Restricted	-	-	-	-	-	-
Public Safety Expansion	-	-	-	-	-	-
Neighborhood Protection	-	-	-	-	-	-
Total Special Revenue	2,657	302	629,097	632,056	21,615	125,297
Enterprise						
Aviation	5,037	-	-	5,037	-	-
Aviation (Non-Pledged)	-	-	-	-	-	-
Phoenix Convention Center	2,154	-	-	2,154	-	-
Water System	5,211	11,239	15,923	32,373	-	-
Water System - Val Vista	695	-	-	695	-	-
Wastewater	1,178	7,823	6,394	15,395	-	-
Wastewater - SROG	1,087	-	-	1,087	-	-
Solid Waste	4,526	1,141	2,358	8,025	-	-
Golf Courses	-	-	279	279	-	-
Total Enterprise	19,888	20,203	24,954	65,045	-	-
Other Funds not Budgeted						
General Finance Trust	-	-	4,526	4,526	-	-
Lease Purchase Reserve Capital Fund	-	-	3,274	3,274	-	-
Municipal Buildings Capital Fund	-	-	-	-	-	-
Sports/Cultural Facilities Capital Fund	-	-	-	-	-	-
Street Improvements Capital Projects	-	-	-	-	-	-
Aviation Capital Funds	-	-	-	-	-	-
Phoenix Convention Center Capital	-	-	-	-	-	-
Water Capital Projects	-	-	-	-	-	-
Water Impact Fees	-	-	-	-	-	-
Wastewater Impact Fees	-	-	-	-	-	-
Total Other Funds not Budgeted	-	-	7,800	7,800	-	-
Totals	\$ 22,545	\$ 20,505	\$ 661,851	\$ 704,901	\$ 21,615	\$ 125,297

(1) Capital Construction (\$17,415,000), Sports Facilities (\$12,502,000), Park and Preserves (\$21,615,000), Police and Fire Public Safety Enhancement (\$23,978,000), and Police and Fire Public Safety Expansion (\$43,131,000) Special Revenue Funds

(2) Other Restricted Special Revenue Fund

(3) Sports Facilities Special Revenue Fund

(4) Capital Construction Special Revenue Fund

(5) Aviation Capital Fund

(6) Water Enterprise Fund

(7) Wastewater Enterprise Fund

Revenue		Transfers to					Totals
		Enterprise			Funds Not Budgeted		
Other	Debt Service	Phoenix Convention Center	Other	Infrastructure Repayment Agreement	Other		
\$ -	\$ -	\$ -	\$ -	\$ 1,164	\$ -	\$ 1,164	
118,641 (1)	26,901	34,801	-	-	-	917,441	
-	-	-	-	-	52 (10)	52	
-	43,959	-	-	264	-	44,223	
-	-	-	-	-	-	38,832	
-	-	-	-	-	-	2,546	
200 (2)	-	-	876 (5)	-	4,000 (11)	5,076	
850 (2)	74	-	-	-	-	1,226	
-	-	-	-	360	-	550	
-	-	-	-	66	-	66	
-	-	-	-	-	501 (11)	501	
-	-	-	-	132	-	132	
-	-	-	-	140	-	140	
119,691	70,934	34,801	-	876	962	4,553	1,010,785
-	-	-	-	-	-	-	5,037
-	-	-	-	-	363 (5)	363	
-	-	-	-	961	-	3,115	
-	-	-	-	-	-	32,373	
-	-	-	-	-	-	695	
-	-	-	-	-	10,293 (8)	25,688	
-	-	-	-	-	-	1,087	
-	-	-	-	-	1,248 (9)	9,273	
-	-	-	-	-	-	279	
-	-	-	-	961	11,904	77,910	
-	-	-	-	-	-	4,526	
-	-	-	-	-	-	3,274	
17 (3)	1,244	-	-	-	-	1,261	
1,285 (3)	-	-	-	-	-	1,285	
20 (4)	-	-	-	-	-	20	
-	-	-	10,180 (5)	-	-	10,180	
-	-	14,205	-	-	-	14,205	
-	-	-	19,885 (6)	-	-	19,885	
-	-	-	5,000 (6)	-	-	5,000	
-	-	-	5,000 (7)	-	-	5,000	
1,322	1,244	14,205	40,065	-	-	64,636	
\$ 121,013	\$ 72,178	\$ 49,006	\$ 40,941	\$ 3,087	\$ 16,457	\$ 1,154,495	

(8) Wastewater Capital Reserve Funds (\$100,000) and Sanitary Sewer Improvement District projects Fund (\$293,000)

(9) Solid Waste Capital Reserve Fund

(10) Street Improvement Capital Projects Fund

(11) Municipal Buildings Capital Projects Fund

City of Phoenix, Arizona
Bonds and Certificates Payable

Exhibit G-6

June 30, 2010
(in thousands)

	Authorized	Sold	Unsold	Retired/ Refunded/ Defeased	Capital Apprecia- tion	Outstanding at June 30, 2010 (1)		
						Total	Payable from	
							General Property Taxes	City Revenues/ Other (2)
General Obligation Bonds								
6% Limitation								
Various Purpose	\$ 599,290	\$ 517,970	\$ 81,320	\$ 145,710	\$ -	\$ 372,260	\$ 372,260	\$ -
Solid Waste	24,460	24,460	-	6,075	-	18,385	-	18,385
20% Limitation								
Various Purpose	1,467,392	1,276,355	191,037	148,235	-	1,128,120	1,128,120	-
Airport	22,565	22,565	-	11,215	-	11,350	-	11,350
Sanitary Sewers	70,240	70,240	-	28,738	-	41,502	-	41,502
Water	106,214	106,214	-	46,027	682	60,869	-	60,869
Total General Obligation Bonds	2,290,161	2,017,804	272,357	386,000	682	1,632,486	1,500,380	132,106
Revenue Bonds								
Street and Highway User	356,966	356,966	-	315,085	-	41,881	-	41,881
Wastewater	13,682	13,682	-	660	-	13,022	-	13,022
Water	1,907	1,907	-	83	-	1,824	-	1,824
Total Revenue Bonds	372,555	372,555	-	315,828	-	56,727	-	56,727
Total General Obligation and Revenue Bonds	2,662,716	2,390,359	272,357	701,828	682	1,689,213	1,500,380	188,833
Certificates of Participation	35,465	35,465	-	6,015	-	29,450	-	29,450
Municipal Corporation Obligations								
General Government	1,031,336	1,031,336	-	286,946	-	744,390	-	744,390
Enterprise	4,702,146	4,702,146	-	827,874	66,678	3,940,950	-	3,940,950
Total Municipal Corp- oration Obligations	5,733,482	5,733,482	-	1,114,820	66,678	4,685,340	-	4,685,340
Special Assessment Bonds	764	764	-	472	-	292	-	292
Subtotal	8,432,427	8,160,070	272,357	1,823,135	67,360	6,404,295	1,500,380	4,903,915
Downtown Phoenix Hotel Corp. Bonds-Component Unit	350,000	350,000	-	-	-	350,000	-	350,000
Totals	\$ 8,782,427	\$ 8,510,070	\$ 272,357	\$ 1,823,135	\$ 67,360	\$ 6,754,295	\$ 1,500,380	\$ 5,253,915

(1) Net of July 1, 2010 payments deposited with the City's fiscal agent. Balances have not been reduced for amount held in restricted early redemption fund. Restricted early redemption fund balance totaled \$339.4 million at June 30, 2010.

(2) These bonds are supported by City enterprise revenues, excise taxes, special revenues, special assessments, and grants.

City of Phoenix, Arizona
Debt Service Requirements
General Obligation Bonds Limited to
Six Percent of Assessed Valuation (1)

Exhibit G-7

June 30, 2010
(in thousands)

Fiscal Year	Property Tax Supported Various Purpose Bonds			Solid Waste Bonds			Total 6% Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010-11	\$ 19,615	\$ 17,339	\$ 36,954	\$ 6,805	\$ 739	\$ 7,544	\$ 26,420	\$ 18,078	\$ 44,498
2011-12	7,110	16,386	23,496	1,280	566	1,846	8,390	16,952	25,342
2012-13	13,970	16,077	30,047	1,345	502	1,847	15,315	16,579	31,894
2013-14	21,760	15,448	37,208	925	435	1,360	22,685	15,883	38,568
2014-15	32,615	14,406	47,021	980	388	1,368	33,595	14,794	48,389
2015-16	41,910	13,032	54,942	1,030	342	1,372	42,940	13,374	56,314
2016-17	41,725	11,114	52,839	1,080	291	1,371	42,805	11,405	54,210
2017-18	40,750	9,186	49,936	1,145	239	1,384	41,895	9,425	51,320
2018-19	29,180	7,297	36,477	1,195	183	1,378	30,375	7,480	37,855
2019-20	42,085	5,871	47,956	1,265	123	1,388	43,350	5,994	49,344
2020-21	43,795	3,885	47,680	650	60	710	44,445	3,945	48,390
2021-22	34,350	1,801	36,151	685	31	716	35,035	1,832	36,867
2022-23	1,720	166	1,886	-	-	-	1,720	166	1,886
2023-24	1,025	84	1,109	-	-	-	1,025	84	1,109
2024-25	650	33	683	-	-	-	650	33	683
	<u>\$ 372,260</u>	<u>\$ 132,125</u>	<u>\$ 504,385</u>	<u>\$ 18,385</u>	<u>\$ 3,899</u>	<u>\$ 22,284</u>	<u>\$ 390,645</u>	<u>\$ 136,024</u>	<u>\$ 526,669</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 G-8).

City of Phoenix, Arizona
Debt Service Requirements
General Obligation Bonds Limited to
Twenty Percent of Assessed Valuation (1)

Exhibit G-8

June 30, 2010
(in thousands)

Fiscal Year	Property Tax Supported Various Purpose Bonds			Airport Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2010-11	\$ 30,740	\$ 51,400	\$ 82,140	\$ 850	\$ 464	\$ 1,314
2011-12	58,010	50,077	108,087	885	430	1,315
2012-13	43,485	47,557	91,042	710	395	1,105
2013-14	27,620	45,720	73,340	505	366	871
2014-15	36,580	44,568	81,148	4,090	347	4,437
2015-16	46,030	43,121	89,151	4,310	183	4,493
2016-17	45,365	40,956	86,321	-	-	-
2017-18	50,900	38,729	89,629	-	-	-
2018-19	64,139	36,351	100,490	-	-	-
2019-20	52,310	33,457	85,767	-	-	-
2020-21	42,520	31,219	73,739	-	-	-
2021-22	56,095	29,398	85,493	-	-	-
2022-23	87,485	26,946	114,431	-	-	-
2023-24	88,685	22,906	111,591	-	-	-
2024-25	93,280	18,771	112,051	-	-	-
2025-26	68,605	14,361	82,966	-	-	-
2026-27	71,520	11,415	82,935	-	-	-
2027-28	34,050	8,347	42,397	-	-	-
2028-29	19,990	6,887	26,877	-	-	-
2029-30	20,675	5,833	26,508	-	-	-
2030-31	21,385	4,744	26,129	-	-	-
2031-32	22,115	3,617	25,732	-	-	-
2032-33	22,875	2,452	25,327	-	-	-
2033-34	23,660	1,247	24,907	-	-	-
	1,128,119	620,079	1,748,198	11,350	2,185	13,535
Capital						
Appreciation (2)	-	-	-	-	-	-
	\$ 1,128,119	\$ 620,079	\$ 1,748,198	\$ 11,350	\$ 2,185	\$ 13,535

(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 G-7).

(2) For GAAP financial statement reporting, accrued interest on capital appreciation bonds issued for enterprise purposes is added to the principal balance outstanding.

Water Bonds			Sanitary Sewer Bonds			Total 20% Bonds		
Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
\$ 11,720	\$ 2,331	\$ 14,051	\$ 17,585	\$ 1,511	\$ 19,096	\$ 60,895	\$ 55,706	\$ 116,601
5,180	1,810	6,990	4,278	897	5,175	68,353	53,214	121,567
5,310	1,706	7,016	4,500	727	5,227	54,005	50,385	104,390
4,347	2,529	6,876	1,217	555	1,772	33,689	49,170	82,859
5,515	1,438	6,953	1,290	507	1,797	47,475	46,860	94,335
15,680	1,300	16,980	6,338	457	6,795	72,358	45,061	117,419
5,755	662	6,417	1,271	257	1,528	52,391	41,875	94,266
6,165	302	6,467	1,335	198	1,533	58,400	39,229	97,629
515	24	539	1,410	137	1,547	66,064	36,512	102,576
-	-	-	1,469	85	1,554	53,779	33,542	87,321
-	-	-	810	31	841	43,330	31,250	74,580
-	-	-	-	-	-	56,095	29,398	85,493
-	-	-	-	-	-	87,485	26,946	114,431
-	-	-	-	-	-	88,685	22,906	111,591
-	-	-	-	-	-	93,280	18,771	112,051
-	-	-	-	-	-	68,605	14,361	82,966
-	-	-	-	-	-	71,520	11,415	82,935
-	-	-	-	-	-	34,050	8,347	42,397
-	-	-	-	-	-	19,990	6,887	26,877
-	-	-	-	-	-	20,675	5,833	26,508
-	-	-	-	-	-	21,385	4,744	26,129
-	-	-	-	-	-	22,115	3,617	25,732
-	-	-	-	-	-	22,875	2,452	25,327
-	-	-	-	-	-	23,660	1,247	24,907
60,187	12,102	72,289	41,503	5,362	46,865	1,241,159	639,728	1,880,887
2,461	(2,461)	-	-	-	-	2,461	(2,461)	-
\$ 62,648	\$ 9,641	\$ 72,289	\$ 41,503	\$ 5,362	\$ 46,865	\$ 1,243,620	\$ 637,267	\$ 1,880,887

City of Phoenix, Arizona
Debt Service Requirements
By Type of Security to Bondholders

Exhibit G-9

June 30, 2010
(in thousands)

Fiscal Year	General Obligation			Street and Highway User Revenue		
	Principal	Interest	Total	Principal	Interest	Total
2010-11	\$ 87,315	\$ 73,784	\$ 161,099	\$ 29,740	\$ 1,507	\$ 31,247
2011-12	76,743	70,166	146,909	6,266	15,734	22,000
2012-13	69,320	66,964	136,284	5,875	16,125	22,000
2013-14	56,374	65,053	121,427	-	-	-
2014-15	81,070	61,654	142,724	-	-	-
2015-16	115,298	58,435	173,733	-	-	-
2016-17	95,196	53,280	148,476	-	-	-
2017-18	100,295	48,654	148,949	-	-	-
2018-19	96,439	43,992	140,431	-	-	-
2019-20	97,129	39,536	136,665	-	-	-
2020-21	87,775	35,195	122,970	-	-	-
2021-22	91,130	31,230	122,360	-	-	-
2022-23	89,205	27,112	116,317	-	-	-
2023-24	89,710	22,990	112,700	-	-	-
2024-25	93,930	18,804	112,734	-	-	-
2025-26	68,605	14,361	82,966	-	-	-
2026-27	71,520	11,415	82,935	-	-	-
2027-28	34,050	8,347	42,397	-	-	-
2028-29	19,990	6,887	26,877	-	-	-
2029-30	20,675	5,833	26,508	-	-	-
2030-31	21,385	4,744	26,129	-	-	-
2031-32	22,115	3,617	25,732	-	-	-
2032-33	22,875	2,452	25,327	-	-	-
2033-34	23,660	1,247	24,907	-	-	-
	<u>1,631,804</u>	<u>775,752</u>	<u>2,407,556</u>	<u>41,881</u>	<u>33,366</u>	<u>75,247</u>
Capital Appreciation (1)	2,461	(2,461)	-	-	-	-
	<u>\$ 1,634,265</u>	<u>\$ 773,291</u>	<u>\$ 2,407,556</u>	<u>\$ 41,881</u>	<u>\$ 33,366</u>	<u>\$ 75,247</u>

(1) For GAAP financial statement reporting, accrued interest on capital appreciation bonds issued for enterprise purposes is added to the principal balance outstanding.

City of Phoenix, Arizona
Debt Service Requirements
By General Purpose of Assets Acquired

Exhibit G-10

June 30, 2010
(in thousands)

Fiscal Year	General Government (1)			Enterprise (2)			Total Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010-11	\$ 80,095	\$ 70,246	\$ 150,341	\$ 36,960	\$ 5,045	\$ 42,005	\$ 117,055	\$ 75,291	\$ 192,346
2011-12	71,386	82,197	153,583	11,623	3,703	15,326	83,009	85,900	168,909
2012-13	63,330	79,759	143,089	11,865	3,330	15,195	75,195	83,089	158,284
2013-14	49,380	61,168	110,548	6,994	3,885	10,879	56,374	65,053	121,427
2014-15	69,195	58,974	128,169	11,875	2,680	14,555	81,070	61,654	142,724
2015-16	87,940	56,153	144,093	27,358	2,282	29,640	115,298	58,435	173,733
2016-17	87,090	52,070	139,160	8,106	1,210	9,316	95,196	53,280	148,476
2017-18	91,650	47,915	139,565	8,645	739	9,384	100,295	48,654	148,949
2018-19	93,319	43,648	136,967	3,120	344	3,464	96,439	43,992	140,431
2019-20	94,395	39,328	133,723	2,734	208	2,942	97,129	39,536	136,665
2020-21	86,315	35,104	121,419	1,460	91	1,551	87,775	35,195	122,970
2021-22	90,445	31,199	121,644	685	31	716	91,130	31,230	122,360
2022-23	89,205	27,112	116,317	-	-	-	89,205	27,112	116,317
2023-24	89,710	22,990	112,700	-	-	-	89,710	22,990	112,700
2024-25	93,930	18,804	112,734	-	-	-	93,930	18,804	112,734
2025-26	68,605	14,361	82,966	-	-	-	68,605	14,361	82,966
2026-27	71,520	11,415	82,935	-	-	-	71,520	11,415	82,935
2027-28	34,050	8,347	42,397	-	-	-	34,050	8,347	42,397
2028-29	19,990	6,887	26,877	-	-	-	19,990	6,887	26,877
2029-30	20,675	5,833	26,508	-	-	-	20,675	5,833	26,508
2030-31	21,385	4,744	26,129	-	-	-	21,385	4,744	26,129
2031-32	22,115	3,617	25,732	-	-	-	22,115	3,617	25,732
2032-33	22,875	2,452	25,327	-	-	-	22,875	2,452	25,327
2033-34	23,660	1,247	24,907	-	-	-	23,660	1,247	24,907
	<u>1,542,260</u>	<u>785,570</u>	<u>2,327,830</u>	<u>131,425</u>	<u>23,548</u>	<u>154,973</u>	<u>1,673,685</u>	<u>809,118</u>	<u>2,482,803</u>
Capital Appreciation(3)	-	-	-	2,461	(2,461)	-	2,461	(2,461)	-
	<u>\$ 1,542,260</u>	<u>\$ 785,570</u>	<u>\$ 2,327,830</u>	<u>\$ 133,886</u>	<u>\$ 21,087</u>	<u>\$ 154,973</u>	<u>\$ 1,676,146</u>	<u>\$ 806,657</u>	<u>\$ 2,482,803</u>

(1) Includes all property tax supported various purpose general obligation bonds and street and highway user revenue bonds.

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

(3) For GAAP financial statement reporting, accrued interest on capital appreciation bonds issued for enterprise purposes is added to the principal balance outstanding.

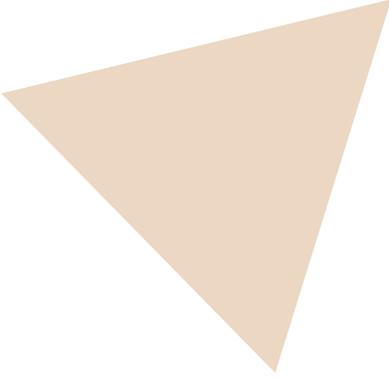
<u>Description</u>	<u>Rating (1)</u>	
	<u>Moody's</u>	<u>S & P</u>
General Obligation	Aa1	AAA
Senior Lien Excise Tax Revenue (2)	Aa2	AAA
Junior Lien Excise Tax Revenue (3)	Aa3	AA
Subordinated Excise Tax Revenue (2)	Aa3	AA
Senior Lien Airport Revenue (2)	Aa3	AA-
Junior Lien Airport Revenue (2)	A1	A+
Senior Lien Street & Highway User Revenue	Aa3	AAA
Junior Lien Street & Highway User Revenue	A1	AA
Senior Lien Wastewater System Revenue (2)	Aa2	AAA
Junior Lien Wastewater System Revenue (2)	Aa2	AA+
Senior Lien Water Revenue (3)	Aa2	AAA
Junior Lien Water Revenue (2)	Aa2	AAA
Senior Hotel Revenue Bonds (4)	Baa3	BBB-
Subordinate Hotel Revenue Bonds (4)	A2	A-
Rental Car Facility Charge Revenue Bonds (2)	A3	A
State of AZ Distribution Revenue Bonds (Convention Center) (2)	Aa3	AA
Transit Excise Tax Revenue Bonds (Light Rail) (2)	Aa3	AA

(1) Represents underlying rating, if insured.

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

(3) No bonds currently outstanding.

(4) Issued by the Downtown Phoenix Hotel Corporation.



Statistical Section

Financial Trends

These schedules contain trend information to show how the City's financial performance and position have changed over time.





City of Phoenix

**City of Phoenix, Arizona
Net Assets by Component**

Table 1

Last Nine Fiscal Years (1)
(accrual basis of accounting)
(in thousands)

	Fiscal Year		
	2010	2009	2008
GOVERNMENTAL ACTIVITIES			
Invested in Capital Assets, Net of Related Debt	\$ 2,184,990	\$ 2,441,889	\$ 2,857,041
Restricted	756,315	620,582	832,814
Unrestricted	1,387,562	1,321,470	532,706
Total Governmental Activities Net Assets	<u>\$ 4,328,867</u>	<u>\$ 4,383,941</u>	<u>\$ 4,222,561</u>
BUSINESS-TYPE ACTIVITIES			
Invested in Capital Assets, Net of Related Debt	\$ 3,146,717	\$ 3,260,962	\$ 3,304,081
Restricted	153,667	163,387	153,980
Unrestricted	716,343	611,455	717,703
Total Business-Type Activities Net Assets	<u>\$ 4,016,727</u>	<u>\$ 4,035,804</u>	<u>\$ 4,175,764</u>
PRIMARY GOVERNMENT			
Invested in Capital Assets, Net of Related Debt	\$ 5,331,707	\$ 5,702,851	\$ 6,161,122
Restricted	909,982	783,969	986,794
Unrestricted	2,103,905	1,932,925	1,250,409
Total Primary Government Net Assets	<u>\$ 8,345,594</u>	<u>\$ 8,419,745</u>	<u>\$ 8,398,325</u>

(1) The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Table 1
(Continued)

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 2,068,052	\$ 1,434,512	\$ 1,471,516	\$ 1,737,512	\$ 1,574,940	\$ 1,390,460
1,095,820	996,048	1,073,630	719,892	618,268	568,862
640,050	588,754	197,631	116,437	140,917	98,832
\$ 3,803,922	\$ 3,019,314	\$ 2,742,777	\$ 2,573,841	\$ 2,334,125	\$ 2,058,154
\$ 3,144,988	\$ 2,688,581	\$ 2,746,082	\$ 2,149,567	\$ 2,009,693	\$ 1,857,544
179,365	148,571	39,443	36,293	36,232	36,930
585,710	755,825	478,840	744,935	656,784	564,613
\$ 3,910,063	\$ 3,592,977	\$ 3,264,365	\$ 2,930,795	\$ 2,702,709	\$ 2,459,087
\$ 5,213,040	\$ 4,123,093	\$ 4,217,598	\$ 3,887,079	\$ 3,584,633	\$ 3,248,004
1,275,185	1,144,619	1,113,073	756,185	654,500	605,792
1,225,760	1,344,579	676,471	861,372	797,701	663,445
\$ 7,713,985	\$ 6,612,291	\$ 6,007,142	\$ 5,504,636	\$ 5,036,834	\$ 4,517,241

City of Phoenix, Arizona
Changes in Net Assets

Table 2

Last Nine Fiscal Years (1)
 (accrual basis of accounting)
 (in thousands)

	Fiscal Year		
	2010	2009	2008
Expenses			
Governmental Activities			
General Government	\$ 83,975	\$ 92,403	\$ 97,369
Criminal Justice	40,029	39,477	40,258
Public Safety	851,414	869,389	795,839
Transportation	541,666	385,240	182,769
Public Works	58,189	47,320	38,585
Community Enrichment	287,019	264,615	278,649
Community Development	225,137	210,645	205,934
Interest on Long-Term Debt	107,480	96,631	103,035
Total Governmental Activities Expenses	2,194,909	2,005,720	1,742,438
Business-Type Activities			
Aviation	393,485	389,460	336,572
Phoenix Convention Center	114,071	86,942	70,170
Water Services	359,342	326,775	327,544
Wastewater Services	187,134	186,565	160,008
Solid Waste	136,395	141,693	147,096
Golf Courses	8,894	9,716	9,572
Total Business-Type Activities Expenses	1,199,321	1,141,151	1,050,962
Total Primary Government Expenses	\$ 3,394,230	\$ 3,146,871	\$ 2,793,400

Table 2
(Continued)

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 103,039	\$ 94,129	\$ 78,351	\$ 74,749	\$ 63,728	\$ 63,036
40,085	37,702	35,432	31,768	372,545	334,656
732,927	667,663	577,358	537,018	173,281	157,625
264,347	316,356	316,295	250,951	218,055	136,828
44,656	44,668	40,065	30,035	24,091	11,598
263,031	251,403	249,739	211,238	198,131	169,750
204,441	196,374	172,217	156,389	148,962	128,227
96,401	102,428	83,812	64,531	60,370	55,910
<u>1,748,927</u>	<u>1,710,723</u>	<u>1,553,269</u>	<u>1,356,679</u>	<u>1,259,163</u>	<u>1,057,630</u>
312,171	279,873	231,493	228,891	210,773	196,375
66,378	68,801	42,165	46,687	48,142	50,774
272,341	276,073	232,470	210,114	206,673	192,404
153,100	148,480	141,543	120,966	111,124	113,828
126,029	115,107	92,264	92,565	84,030	74,459
9,790	8,446	7,881	7,084	7,632	7,949
<u>939,809</u>	<u>896,780</u>	<u>747,816</u>	<u>706,307</u>	<u>668,374</u>	<u>635,789</u>
<u>\$ 2,688,736</u>	<u>\$ 2,607,503</u>	<u>\$ 2,301,085</u>	<u>\$ 2,062,986</u>	<u>\$ 1,927,537</u>	<u>\$ 1,693,419</u>

City of Phoenix, Arizona
Changes in Net Assets

Table 2
(Continued)

Last Nine Fiscal Years (1)
(accrual basis of accounting)
(in thousands)

	Fiscal Year		
	2010	2009	2008
Program Revenue			
Governmental Activities			
Charges for Services:			
General Government	\$ 17,150	\$ 19,360	\$ 15,672
Criminal Justice	27,461	29,808	21,746
Public Safety	58,939	56,763	54,702
Transportation	39,804	63,758	31,004
Public Works	363	469	838
Community Enrichment	5,180	6,366	4,969
Community Development	38,293	62,845	67,733
Operating Grants and Contributions	360,927	340,756	368,938
Capital Grants and Contributions	203,473	174,302	216,788
Total Governmental Activities Program Revenue	<u>751,590</u>	<u>754,427</u>	<u>782,390</u>
Business-Type Activities			
Charges for Services:			
Aviation	266,778	273,079	286,986
Phoenix Convention Center	21,636	28,407	12,080
Water Services	329,003	307,752	299,568
Wastewater Services	190,716	181,764	173,021
Solid Waste	137,956	134,957	133,170
Golf Courses	5,728	6,183	7,229
Capital Grants and Contributions	200,485	178,800	300,575
Total Business-Type Activities Program Revenue	<u>1,152,302</u>	<u>1,110,942</u>	<u>1,212,629</u>
Total Primary Government Program Revenue	<u>\$ 1,903,892</u>	<u>\$ 1,865,369</u>	<u>\$ 1,995,019</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (1,443,319)	\$ (1,251,293)	\$ (960,048)
Business-Type Activities	(47,019)	(30,209)	161,667
Total Primary Government Net Expense	<u>\$ (1,490,338)</u>	<u>\$ (1,281,502)</u>	<u>\$ (798,381)</u>

Table 2
(Continued)

Fiscal Year						
2007	2006	2005	2004	2003	2002	
\$ 20,939	\$ 19,358	\$ 14,226	\$ 13,849	\$ 13,655	\$ 13,645	
27,383	28,174	20,942	19,434	32,253	12,733	
43,099	34,371	43,018	34,069	20,994	17,576	
81,502	26,875	26,370	24,242	22,945	23,010	
577	577	569	694	700	1,207	
3,187	3,028	2,670	6,857	6,661	7,348	
100,876	98,960	99,432	88,257	74,839	63,238	
327,157	312,712	311,601	287,534	267,731	246,738	
186,130	164,500	97,779	126,272	51,596	87,295	
790,850	688,555	616,607	601,208	491,374	472,790	
277,228	246,288	222,313	213,671	206,316	188,505	
10,518	9,351	9,316	10,054	10,275	9,669	
272,191	257,415	225,859	224,150	216,870	210,634	
160,097	139,418	124,541	114,946	104,647	99,075	
125,351	117,121	108,067	98,995	93,441	86,872	
7,725	6,842	5,857	6,179	6,686	7,444	
301,660	360,381	295,856	245,792	232,511	145,327	
1,154,770	1,136,816	991,809	913,787	870,746	747,526	
\$ 1,945,620	\$ 1,825,371	\$ 1,608,416	\$ 1,514,995	\$ 1,362,120	\$ 1,220,316	
\$ (958,077)	\$ (1,022,168)	\$ (936,662)	\$ (755,471)	\$ (767,789)	\$ (584,840)	
214,961	240,036	243,993	207,480	202,372	111,737	
\$ (743,116)	\$ (782,132)	\$ (692,669)	\$ (547,991)	\$ (565,417)	\$ (473,103)	

City of Phoenix, Arizona
Changes in Net Assets

Table 2
(Continued)

Last Nine Fiscal Years (1)
(accrual basis of accounting)
(in thousands)

	Fiscal Year		
	2010	2009	2008
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes	\$ 939,218	\$ 982,746	\$ 1,014,103
Grants and Contributions Not Restricted	360,241	407,156	410,945
Investment Earnings, Net	19,605	43,558	91,304
Loss on Disposal of Capital Assets	-	-	-
Miscellaneous	83,357	54,527	51,757
Transfers - Internal Activities	(14,176)	(52,649)	(52,010)
Total Governmental Activities	<u>1,388,245</u>	<u>1,435,338</u>	<u>1,516,099</u>
Business-Type Activities			
Investment Earnings, Net	13,766	31,970	52,024
Equity Interest in Joint Use			
Agreement Operating Loss	-	-	-
Loss on Disposal of Capital Assets	-	-	-
Transfers	14,176	52,649	52,010
Total BusinessType Activities	<u>27,942</u>	<u>84,619</u>	<u>104,034</u>
Total Primary Government	1,416,187	1,519,957	1,620,133
Change in Net Assets			
Governmental Activities	(55,074)	184,045	556,051
Business-Type Activities	(19,077)	54,410	265,701
Total Primary Government	<u>\$ (74,151)</u>	<u>\$ 238,455</u>	<u>\$ 821,752</u>

(1) The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Table 2
(Continued)

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 955,921	\$ 896,212	\$ 777,911	\$ 716,164	\$ 685,050	\$ 678,912
374,299	338,907	305,456	271,298	306,175	288,839
92,700	64,379	44,077	3,800	44,245	55,311
-	-	-	-	(14,558)	(4,077)
50,787	40,242	46,166	26,134	58,743	37,124
(42,925)	(41,035)	(68,012)	(22,209)	(35,895)	(36,430)
1,430,782	1,298,705	1,105,598	995,187	1,043,760	1,019,679
59,200	47,541	21,565	(1,603)	23,525	32,705
-	-	-	-	(15,827)	(13,917)
-	-	-	-	(2,343)	(4,584)
42,925	41,035	68,012	22,209	35,895	36,430
102,125	88,576	89,577	20,606	41,250	50,634
1,532,907	1,387,281	1,195,175	1,015,793	1,085,010	1,070,313
472,705	276,537	168,936	239,716	275,971	434,839
317,086	328,612	333,570	228,086	243,622	162,371
\$ 789,791	\$ 605,149	\$ 502,506	\$ 467,802	\$ 519,593	\$ 597,210

City of Phoenix, Arizona
Fund Balances of Governmental Funds

Table 3

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

	Fiscal Year			
	2010	2009	2008	2007
General Fund				
Reserved	\$ 24,394	\$ 72,332	\$ 83,379	\$ 89,651
Unreserved	231,187	190,278	205,286	362,943
Total General Fund	255,581 (1)	262,610	288,665 (2)	452,594
All Other Governmental Funds				
Reserved	656,396	598,258	562,967	601,198
Unreserved, reported in				
Special Revenue Funds	379,913	411,659	482,721	523,035
Capital Project Funds	149,795	8,456	223,916	420,697
Debt Service Funds	886	2,153	742	1,254
Total All Other Governmental Funds	1,186,990	1,020,526	1,270,346	1,546,184
Total Fund Balances of Governmental Funds	\$ 1,442,571	\$ 1,283,136	\$ 1,559,011	\$ 1,998,778

(1) Effective July 1, 2009 a General Fund debt service reserve was closed as part of the City's budget balancing efforts. As of June 30, 2009, the reserve amount was \$45,308,000.

(2) During fiscal year 2007-08, the City began reporting the balances and activities of the Healthcare Benefits Trust Fund, the Medical Expense Reimbursement Program, and the Long Term Disability Trust in new Employee Benefit Trust Fiduciary Funds. In previous years, this activity was included in the General Fund as they were part of the City's self-insurance risk management program. The change was made in accordance with GASB guidance on accounting for Other Postemployment Benefits (OPEB). The effect of this restatement was to decrease beginning fund balance of the General Fund, on a modified accrual basis, by \$137,411,732.

Table 3
(Continued)

Fiscal Year						
2006	2005	2004	2003	2002	2001	
\$ 81,275	\$ 76,076	\$ 62,992	\$ 57,616	\$ 55,361	\$ 70,535	
311,166	250,217	240,712	276,842	229,419	116,120	
392,441	326,293	303,704	334,458	284,780	186,655	
719,962	567,202	526,043	416,817	339,581	294,823	
483,611	399,595	365,091	289,279	258,033	217,711	
236,346	221,159	(77,749)	(9,867)	28,335	57,748	
1,752	1,125	890	21,079	22,704	22,178	
1,441,671	1,189,081	814,275	717,308	648,653	592,460	
\$ 1,834,112	\$ 1,515,374	\$ 1,117,979	\$ 1,051,766	\$ 933,433	\$ 779,115	

City of Phoenix, Arizona
Changes in Fund Balances of Governmental Funds

Table 4

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

	Fiscal Year			
	2010	2009	2008	2007
Revenues				
City Taxes (see Table 5)	\$ 938,470	\$ 980,401	\$ 1,012,645	\$ 954,761
Licenses and Permits	16,744	18,926	14,949	15,787
Intergovernmental (see Table 6)	921,642	912,904	995,307	885,478
Charges for Services	148,276	148,316	151,701	177,374
Fines and Forfeitures	17,383	18,861	18,549	19,141
Parks and Recreation	1,909	3,004	2,933	2,838
In-Lieu Property Taxes	-	-	-	-
Special Assessments	70	372	643	678
Investment Income	19,605	43,558	91,304	92,700
Dwelling Rentals	8,574	9,806	8,452	8,098
Other	84,011	54,553	51,692	50,484
Total Revenues	<u>2,156,684</u>	<u>2,190,701</u>	<u>2,348,175</u>	<u>2,207,339</u>
Expenditures				
General Government	57,180	69,860	68,686	67,097
Criminal Justice	36,977	37,717	38,539	36,160
Public Safety	812,552	812,788	765,464	665,817
Transportation	265,934	254,420	237,738	244,728
Community Enrichment	198,049	211,851	226,597	211,695
Community Development	185,265	189,345	189,748	185,596
Environmental Services	19,164	24,029	24,432	19,529
Debt Service:				
Principal	115,825	97,006	95,209	279,183
Interest	110,736	103,909	110,184	94,369
Bond Issuance Costs	2,346	2,055	31	1,185
Other	35	31	211	790
Capital	529,394	611,023	841,681	641,795
Total Expenditures	<u>2,333,457</u>	<u>2,414,034</u>	<u>2,598,520</u>	<u>2,447,944</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(176,773)</u>	<u>(223,333)</u>	<u>(250,345)</u>	<u>(240,605)</u>

Table 4
(Continued)

Fiscal Year						
	2006	2005	2004	2003	2002	2001
\$	896,995	\$ 779,467	\$ 716,952	\$ 670,744	\$ 661,765	\$ 647,475
	14,206	13,648	13,275	13,088	13,522	12,988
	800,697	711,777	650,515	613,204	622,872	565,501
	168,646	164,283	143,067	128,955	114,848	106,164
	19,932	18,561	16,892	16,779	14,060	15,323
	2,524	2,179	5,976	5,774	6,241	4,004
	-	-	-	13,000	11,865	10,703
	1,233	1,544	1,641	1,692	1,835	1,954
	64,379	44,077	3,800	44,245	55,311	78,314
	7,818	6,263	6,488	6,507	6,881	-
	51,947	45,771	26,155	58,025	21,889	37,502
	<u>2,028,377</u>	<u>1,787,570</u>	<u>1,584,761</u>	<u>1,572,013</u>	<u>1,531,089</u>	<u>1,479,928</u>
	59,697	60,437	59,643	51,786	54,917	56,716
	33,952	32,826	30,187	343,838	287,358	331,284
	620,215	560,964	526,601	164,087	151,446	145,712
	137,817	178,023	176,118	156,859	124,506	133,761
	197,445	201,552	187,531	178,488	168,591	163,247
	173,710	159,453	148,805	139,479	127,411	120,791
	17,024	19,121	21,106	14,426	8,258	17,240
	83,768	63,361	61,325	43,541	41,187	55,524
	101,851	82,811	61,828	58,551	54,933	65,420
	500	452	742	1,779	484	-
	77	549	1,961	40	493	41
	618,506	506,844	446,920	327,199	400,752	223,093
	<u>2,044,562</u>	<u>1,866,393</u>	<u>1,722,767</u>	<u>1,480,073</u>	<u>1,420,336</u>	<u>1,312,829</u>
	(16,185)	(78,823)	(138,006)	91,940	110,753	167,099

City of Phoenix, Arizona
Changes in Fund Balances of Governmental Funds

Table 4
(Continued)

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

	Fiscal Year			
	2010	2009	2008	2007
Other Financing Sources (Uses)				
Transfers From Other Funds	\$ 1,063,679	\$ 1,098,048	\$ 1,186,183	\$ 1,094,014
Transfers to Other Funds	(1,077,855)	(1,150,697)	(1,238,193)	(1,136,939)
Issuance of Debt:				
General Obligation and Revenue Bonds	348,369	-	-	420,250
Premium on General Obligation and Revenue Bonds	1,631	-	-	11,501
Certificates of Participation and Municipal Corporation Obligations	-	-	-	21,115
Premium on Certificates of Participation and Municipal Corporation Obligations	-	-	-	5,437
Special Assessment Bonds	-	22	-	-
Refunding Bonds	69,911	-	-	265,995
Deposit to Refunding Escrow	(69,527)	-	-	(276,102)
Total Other Financing Sources and Uses	336,208	(52,627)	(52,010)	405,271
 Net Change in Fund Balances	 \$ 159,435	 \$ (275,960)	 \$ (302,355)	 \$ 164,666

Debt Service as a Percentage of Noncapital Expenditures	10.0%	9.7%	10.8%	19.2%
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Table 4
(Continued)

Fiscal Year						
	2006	2005	2004	2003	2002	2001
\$	1,104,360	\$ 1,018,096	\$ 937,041	\$ 898,268	\$ 876,924	931,617
	(1,145,395)	(1,086,108)	(959,250)	(934,163)	(913,354)	(966,003)
	300,000	-	200,000	-	99,505	41,730
	5,246	-	8,599	-	850	-
	70,150	500,000	20,000	60,000	-	42,655
	562	43,667	1,311	611	-	-
	-	-	-	135	443	274
	-	35,465	42,020	157,237	264,674	-
	-	(34,902)	(45,502)	(155,695)	(287,424)	-
	334,923	476,218	204,219	26,393	41,618	50,273
\$	318,738	\$ 397,395	\$ 66,213	\$ 118,333	\$ 152,371	217,372

	10.4%	8.9%	9.0%	9.0%	9.5%	11.1%
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City of Phoenix, Arizona
Tax Revenues by Source - Governmental Funds (1)

Table 5

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

	Fiscal Year			
	2010	2009	2008	2007
General Property Taxes				
Primary - Operating	\$ 121,366	\$ 110,085	\$ 103,033	\$ 95,060
Secondary - Debt Service	196,673	196,568	161,413	117,337
Total General Property Taxes	<u>318,039</u>	<u>306,653</u>	<u>264,446</u>	<u>212,397</u>
City Sales and Franchise Taxes				
General Government Purposes:				
Privilege License Tax and Fees	254,762	265,162	323,135	339,921
Utility and Franchise Tax	100,827	105,881	96,323	92,745
Earmarked for:				
Sports Facilities	12,502	14,203	16,010	15,992
Convention Center	34,801	47,417	58,126	61,647
Neighborhood Protection	21,615	25,615	28,980	31,105
Public Safety Enhancement	23,978	24,361	24,653	23,656
Public Safety Expansion	43,131	46,578	32,214	-
Parks & Preserves	21,615	24,335	28,979	31,106
Capital Construction	17,415	19,802	20,710	18,975
Transit 2000	86,465	97,325	115,914	124,432
Total City Sales and Franchise Taxes	<u>617,111</u>	<u>670,679</u>	<u>745,044</u>	<u>739,579</u>
Special Taxing District	1,925	1,835	1,848	1,554
Salt River Project In-Lieu Taxes	1,395	1,234	1,307	1,231
Total City Taxes	<u>\$ 938,470</u>	<u>\$ 980,401</u>	<u>\$ 1,012,645</u>	<u>\$ 954,761</u>

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

Table 5
(Continued)

Fiscal Year					
2006	2005	2004	2003	2002	2001
\$ 89,721	\$ 82,547	\$ 76,392	\$ 65,107	\$ 61,818	\$ 59,586
107,763	100,761	94,263	88,425	81,559	71,342
197,484	183,308	170,655	153,532	143,377	130,928
324,207	281,301	259,488	244,566	222,113	224,007
83,720	77,664	75,653	72,534	94,822	92,303
14,834	13,660	12,577	11,948	11,300	12,679
56,889	48,003	40,322	36,849	37,281	37,547
29,634	25,337	23,051	21,807	22,208	22,145
20,330	3,136	-	-	-	-
-	-	-	-	-	-
29,633	25,363	23,073	21,808	22,129	21,938
18,870	17,679	17,196	17,966	18,130	18,350
118,537	101,462	92,349	87,092	88,028	85,553
696,654	593,605	543,709	514,570	516,011	514,522
1,595	1,270	1,316	1,480	1,206	1,063
1,262	1,284	1,272	1,162	1,171	962
\$ 896,995	\$ 779,467	\$ 716,952	\$ 670,744	\$ 661,765	\$ 647,475

City of Phoenix, Arizona
Intergovernmental Revenues by Source - Governmental Funds (1)

Table 6

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

	Fiscal Year			
	2010	2009	2008	2007
State Shared Revenue				
Highway User Tax	\$ 103,979	\$ 109,620	\$ 125,288	\$ 130,223
State Sales Tax	106,917	122,593	135,134	141,466
State Income Tax	190,546	220,806	207,694	167,560
Vehicle License Tax	49,500	53,629	59,244	61,158
Local Transportation Assistance	3,771	6,506	6,910	6,969
Total State Shared Revenue	454,713	513,154	534,270	507,376
Federal Grants	233,721	185,078	194,960	186,665
Other Intergovernmental Revenue	233,208	214,672	266,077	191,437
Total Intergovernmental Revenues	\$ 921,642	\$ 912,904	\$ 995,307	\$ 885,478

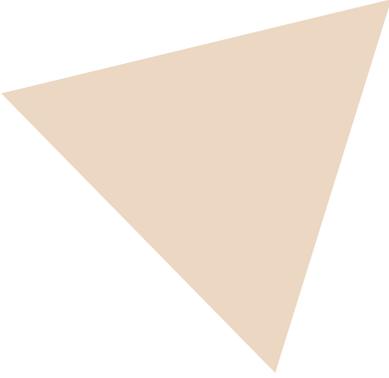
(1) Includes general, special revenue and capital projects funds.

Table 6
(Continued)

Fiscal Year					
2006	2005	2004	2003	2002	2001
\$ 124,791	\$ 117,464	\$ 111,757	\$ 104,597	\$ 100,405	\$ 102,598
141,194	123,788	111,594	103,408	102,211	105,331
138,313	121,440	119,118	140,600	137,787	133,684
63,108	56,552	53,522	47,757	45,844	43,221
7,034	7,136	7,246	7,343	7,499	7,336
474,440	426,380	403,237	403,705	393,746	392,170
177,550	178,628	160,685	148,421	136,525	137,789
148,707	106,769	86,593	61,078	92,601	35,542
\$ 800,697	\$ 711,777	\$ 650,515	\$ 613,204	\$ 622,872	\$ 565,501



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, Arizona
City Transaction Privilege Taxes by Category
 Last Ten Fiscal Years
 (in thousands)

Table 7

Category	Fiscal Year			
	2010	2009	2008	2007
Retail (1)	\$ 226,104	\$ 223,673	\$ 254,949	\$ 268,642
Utilities & Telecommunications	113,188	120,691	118,051	103,157
Construction Contracting	41,237	64,559	87,306	99,171
Commercial Rental	55,737	60,133	56,395	51,661
Restaurants & Bars	46,272	48,586	49,685	49,067
Hotel/Motel Lodging	26,868	30,423	35,643	35,819
Tangible Personal Property Rental	17,323	22,227	23,276	23,589
Apartment/Residential Rental	20,788	21,580	21,566	21,250
Motor Vehicle Rental	14,787	15,407	17,103	16,878
Amusements	6,297	6,348	7,210	7,260
Advertising	2,733	3,202	4,111	4,657
Job Printing	2,101	2,708	3,146	3,189
Publishing	407	426	531	575
Transportation	8	10	7	14
Use Tax	20,098	19,507	20,037	20,407
Jet Fuel	2,826	2,998	3,224	3,191
Total	\$ 596,774	\$ 642,478	\$ 702,240	\$ 708,527

Source: City of Phoenix Finance Department, Tax Division

- (1) Effective April 1, 2010, 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 amount of tax collected on food sales from April 1, 2010 to June 30, 2010 was \$7,007,431 which is included in the Retail category above.

Table 7
(Continued)

Fiscal Year					
2006	2005	2004	2003	2002	2001
\$ 264,184	\$ 228,411	\$ 204,956	\$ 192,612	\$ 191,522	\$ 195,648
100,296	75,193	68,758	66,350	66,353	66,531
89,213	68,760	47,683	42,836	44,464	38,971
47,904	43,894	40,224	39,243	37,798	35,718
46,967	41,800	37,648	35,195	33,881	33,846
32,643	29,231	25,760	23,049	21,419	24,533
20,925	18,865	17,822	19,256	22,416	22,800
19,949	18,123	17,407	17,422	17,530	17,172
15,955	14,572	14,040	13,309	12,550	14,235
6,901	5,840	5,441	5,656	6,139	5,726
4,151	3,682	3,409	3,253	2,958	3,379
3,152	3,312	3,054	3,224	3,294	3,683
552	572	571	594	606	660
24	11	5	5	7	11
18,592	15,778	14,466	13,445	13,127	14,429
3,575	2,981	3,081	3,149	2,975	3,170
\$ 674,983	\$ 571,025	\$ 504,325	\$ 478,598	\$ 477,039	\$ 480,512

City of Phoenix, Arizona
Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Table 8

Category (1)	As of June 30			
	2010	2009	2008	2007
City Rates				
Retail	2.00 %	2.00 %	2.00 %	1.80 %
Utilities	2.70	2.70	2.70	2.70
Telecommunications	4.70	4.70	4.70	4.70
Construction Contracting	2.00	2.00	2.00	1.80
Commercial Rental	2.10	2.10	2.10	1.90
Restaurants & Bars	2.00	2.00	2.00	1.80
Hotel/Motel Lodging	5.00	5.00	5.00	4.80
Tangible Personal Property Rental	2.00	2.00	2.00	1.80
Apartment/Residential Rental	2.00	2.00	2.00	1.80
Motor Vehicle Rental	4.00	4.00	4.00	3.80
Amusements	2.00	2.00	2.00	1.80
Advertising	0.50	0.50	0.50	0.50
Job Printing	2.00	2.00	2.00	1.80
Publishing	2.00	2.00	2.00	1.80
Transportation	2.00	2.00	2.00	1.80
Use Tax	2.00	2.00	2.00	1.80
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
Jet Fuel (2)	0.31	0.31	0.31	0.31

(1) Excludes State Rates.

(2) Rate shown as cents per gallon.

Source: City of Phoenix Finance Department, Tax Division

Table 8
(Continued)

As of June 30					
2006	2005	2004	2003	2002	2001
1.80 %	1.80 %	1.80 %	1.80 %	1.80 %	1.80 %
2.70	2.70	2.70	2.70	2.70	2.70
4.70	4.70	4.70	4.70	4.70	4.70
1.80	1.80	1.80	1.80	1.80	1.80
1.90	1.90	1.90	1.90	1.90	1.90
1.80	1.80	1.80	1.80	1.80	1.80
4.80	4.80	4.80	4.80	4.80	4.80
1.80	1.80	1.80	1.80	1.80	1.80
1.80	1.80	1.80	1.80	1.80	1.80
3.80	3.80	3.80	3.80	3.80	3.80
1.80	1.80	1.80	1.80	1.80	1.80
0.50	0.50	0.50	0.50	0.50	0.50
1.80	1.80	1.80	1.80	1.80	1.80
1.80	1.80	1.80	1.80	1.80	1.80
1.80	1.80	1.80	1.80	1.80	1.80
1.80	1.80	1.80	1.80	1.80	1.80
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
0.31	0.31	0.31	0.31	0.31	0.31

City of Phoenix, Arizona
City Transaction Privilege Tax Payers - By Category
 Current Fiscal Year and Five Years Ago (1)

Table 9

Category	2010			
	Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
Retail	30,246	45.43 %	\$ 226,104	37.89 %
Utilities & Telecommunications	682	1.02	113,188	18.97
Construction Contracting	12,363	18.57	41,237	6.91
Commercial Rental	8,829	13.26	55,737	9.34
Restaurants & Bars	3,927	5.90	46,272	7.75
Hotel/Motel Lodging	59	0.09	26,868	4.50
Tangible Personal Property Rental	1,627	2.44	17,323	2.90
Apartment/Residential Rental	5,658	8.50	20,788	3.48
Motor Vehicle Rental	38	0.06	14,787	2.48
Amusements	219	0.33	6,297	1.06
Advertising	340	0.51	2,733	0.46
Job Printing	488	0.73	2,101	0.35
Publishing	80	0.12	407	0.07
Transportation	11	0.02	8	0.00
Use Tax	1,924	2.89	20,098	3.37
Jet Fuel	87	0.13	2,826	0.47
Total	66,578	100.00 %	\$ 596,774	100.00 %

Source: City of Phoenix Finance Department, Tax Division

(1) Information is unavailable prior to FY 2004-05 due to limits of tax software.

Table 9
(Continued)

2005			
Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
19,633	40.36 %	\$ 228,411	40.00 %
607	1.25	75,193	13.17
8,692	17.88	68,760	12.04
6,625	13.63	43,894	7.69
2,906	5.98	41,800	7.32
232	0.48	29,231	5.12
1,614	3.32	18,865	3.30
3,781	7.78	18,123	3.17
39	0.08	14,572	2.55
440	0.91	5,840	1.02
192	0.39	3,682	0.64
404	0.83	3,312	0.58
81	0.17	572	0.10
11	0.02	11	0.00
3,326	6.84	15,778	2.76
37	0.08	2,981	0.52
<u>48,620</u>	<u>100.00 %</u>	<u>\$ 571,025</u>	<u>100.00 %</u>



City of Phoenix

City of Phoenix, Arizona
City Property Tax Levies and Collections
 Last Ten Fiscal Years
 (in thousands)

Table 10

Fiscal Year Ended June 30,	Tax Levy	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years (1)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2010	\$ 321,817	\$ 308,114	95.74 %	\$ -	\$ 308,114	95.74 %
2009	311,292	298,351	95.84	10,090	298,351	95.84
2008	266,892	258,971	97.03	7,689	266,660	99.91
2007	216,132	211,511	97.86	3,224	214,735	99.35
2006	201,122	195,836	97.37	2,792	198,628	98.76
2005	185,056	180,952	97.78	1,902	182,854	98.81
2004	171,899	167,281	97.31	3,407	170,688	99.30
2003	155,950	151,012	96.83	2,875	153,887	98.68
2002	145,395	140,187	96.42	3,536	143,723	98.85
2001	133,110	129,188	97.05	2,654	131,842	99.05

(1) Amount is the difference between collections to date (from County reports) and the amount collected in the year of the levy.

Source: Maricopa County, Arizona Treasurer's Office

City of Phoenix, Arizona
Property Tax Rates and Levies - Direct and
Overlapping Governments
 Last Ten Fiscal Years
 (in thousands)

Table 11

	City of Phoenix			Maricopa County	Flood Control	Central Arizona Water Conservation District	Maricopa County Library District
	Primary	Secondary	Total				
Tax Rates per \$100 of Assessed Valuation							
2010-11	\$ 0.88	\$ 0.94	\$ 1.82	\$ 1.05	\$ 0.15	\$ 0.10	\$ 0.04
2009-10	0.77	1.05	1.82	0.99	0.14	0.10	0.04
2008-09	0.76	1.06	1.82	1.03	0.14	0.10	0.04
2007-08	0.80	1.02	1.82	1.10	0.15	0.10	0.04
2006-07	0.85	0.97	1.82	1.18	0.20	0.12	0.05
2005-06	0.86	0.96	1.82	1.63	0.21	0.12	0.05
2004-05	0.85	0.97	1.82	1.67	0.21	0.12	0.05
2003-04	0.85	0.97	1.82	1.75	0.21	0.12	0.05
2002-03	0.80	1.02	1.82	1.78	0.21	0.13	0.04
2001-02	0.82	1.00	1.82	1.77	0.23	0.13	0.04

Tax Levies

2010-11	\$ 133,389	\$ 150,753	\$ 284,142	\$ 158,698	\$ 22,041	\$ 16,066	\$ 6,636
2009-10	123,095	198,722	321,817	159,155	24,395	18,903	6,658
2008-09	111,568	199,724	311,292	151,441	24,151	18,860	6,656
2007-08	103,665	163,227	266,892	142,387	22,845	16,132	6,283
2006-07	96,623	119,509	216,132	134,812	22,667	14,724	6,216
2005-06	91,311	109,811	201,122	173,698	21,580	13,691	5,950
2004-05	83,304	101,752	185,056	163,353	19,654	12,599	5,465
2003-04	76,915	94,984	171,899	159,101	18,229	11,764	5,102
2002-03	66,002	89,948	155,950	147,589	16,149	11,448	3,706
2001-02	62,753	82,642	145,395	136,439	16,283	10,702	3,466

(1) 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.

Source: Maricopa County Finance Department

Table 11
(Continued)

Volunteer Fire District Assistance	Maricopa Special Health Care District	School Districts					Total
		Education Equalizator	Community College	East Valley Inst. of Technology	West Maricopa Education Center	Elementary and High School (1)	
\$ 0.01	\$ 0.11	\$ 0.36	\$ 0.97	\$ 0.05	\$ 0.05	\$ 7.29	\$ 12.00
0.01	0.09	0.33	0.88	0.05	0.05	6.44	10.94
0.01	0.09	-	0.94	0.05	0.05	8.52	12.79
0.01	0.09	-	0.98	0.05	0.05	8.74	13.13
0.01	0.12	-	1.06	0.05	0.05	9.84	14.50
0.01	0.12	-	1.03	0.06	0.05	9.09	14.19
0.01	-	-	1.04	0.10	-	10.38	15.40
0.01	-	-	1.08	0.10	-	11.08	16.22
0.01	-	-	1.11	0.11	-	11.42	16.63
0.01	-	-	1.11	0.11	-	10.78	16.00
\$ 1,063	\$ 18,056	\$ 53,826	\$ 148,702	\$ 1,087	\$ 3,540	\$ 244,191	\$ 958,048
1,077	17,239	53,100	146,523	1,233	4,232	236,939	991,271
1,000	16,141	-	144,491	1,259	4,263	244,653	924,207
855	15,024	-	130,622	1,136	3,609	234,344	840,129
834	14,517	-	123,210	816	2,671	232,450	769,049
787	13,759	-	110,803	905	1,551	217,167	761,013
724	-	-	102,450	1,537	-	211,283	702,121
686	-	-	98,614	1,382	-	213,090	679,867
669	-	-	92,806	1,363	-	209,836	639,516
749	-	-	86,233	1,285	-	189,620	590,172

City of Phoenix, Arizona
Property Tax Levies
Applicable to Phoenix Property Owners
(in thousands)

Table 12

	2010-11 Levies									
	Primary Assessed Valuations			Primary Tax Rate Per \$100	Secondary Assessed Valuations			Secondary Tax Rate Per \$100	Total Phoenix Tax Levy	
	Total	Percent	Amount		Total	Percent	Amount			
City of Phoenix	\$ 15,102,604	100.0 %	15,102,604	\$ 0.8832	\$ 16,092,308	100.0 %	16,092,308	\$ 0.9368	\$ 284,142	
Maricopa County	46,797,410	32.3	15,102,604	1.0508	49,662,544	32.4	16,092,308	-	158,698	
Education Equalization	46,797,410	32.3	15,102,604	0.3564	-	-	-	-	53,826	
Flood Control	-	-	-	-	45,681,392	32.4	14,802,283	0.1489	22,041	
Central Arizona Water Conservation District	-	-	-	-	49,581,306	32.4	16,065,984	0.1000	16,066	
Maricopa County Library District	-	-	-	-	49,707,952	32.4	16,107,022	0.0412	6,636	
Volunteer Fire District Assistance	-	-	-	-	49,707,952	32.4	16,107,022	0.0066	1,063	
East Valley Institute of Technology	-	-	-	-	21,554,843	10.1	2,173,415	0.0500	1,087	
West Maricopa Education Center	-	-	-	-	17,718,796	40.0	7,079,167	0.0500	3,540	
Maricopa Special Health Care District	-	-	-	-	49,662,544	32.4	16,092,308	0.1122	18,056	
State of Arizona	71,379,822	21.2	15,102,604	-	75,664,424	21.3	16,092,308	-	-	
School Districts										
Maricopa County Community College District	46,797,410	32.3	15,102,604	0.7926	49,662,544	32.4	16,092,308	0.1802	148,702	
High School Districts										
Phoenix Union	6,515,133	96.1	6,259,135	2.4341	7,071,398	96.0	6,791,277	0.8147	207,682	
Glendale Union	2,120,524	78.4	1,662,751	1.6780	2,216,354	78.0	1,729,657	1.0043	45,272	
Tempe High	4,370,868	28.7	1,253,831	1.4649	4,621,382	28.1	1,298,929	0.8317	29,171	
Tolleson Union	1,285,073	46.2	593,804	1.5131	1,409,361	45.9	646,274	1.2098	16,803	
Agua Fria Union	1,204,622	0.1	1,559	1.6218	1,282,258	0.1	1,572	0.8310	38	
Total High School Districts									298,966	
Elementary School Districts										
No. 1 Phoenix	\$ 863,387	100.0 %	863,294	\$ 2.3900	\$ 961,203	100.0 %	961,110	\$ 1.6523	\$ 36,513	
No. 2 Riverside	437,059	97.3	425,168	0.8817	491,927	97.1	477,822	0.9486	8,281	
No. 3 Tempe	1,947,475	16.1	313,591	2.3099	2,076,984	16.1	334,933	1.2937	11,577	
No. 5 Isaac	205,031	100.0	205,031	4.3155	224,071	100.0	224,071	2.2606	13,913	
No. 6 Washington	1,706,592	97.4	1,662,729	1.9424	1,775,418	97.4	1,729,636	1.4409	57,219	
No. 7 Wilson	133,809	100.0	133,809	3.4044	144,756	100.0	144,756	2.9208	8,783	
No. 8 Osborn	593,162	99.9	592,780	1.5222	651,093	99.9	650,711	1.3073	17,530	
No. 14 Creighton	560,338	88.6	496,689	1.7947	601,758	88.9	534,847	1.2090	15,380	
No. 17 Tolleson	215,190	21.1	45,464	2.1867	244,849	20.0	49,067	3.1076	2,519	
No. 21 Murphy	147,031	99.9	146,955	1.6726	170,320	100.0	170,244	1.8178	5,553	
No. 28 Kyrene	2,423,393	38.8	940,240	1.5305	2,544,397	37.9	963,995	1.6748	30,535	
No. 31 Balsz	393,953	94.0	370,361	1.6252	427,291	94.4	403,167	1.0012	10,056	
No. 38 Madison	1,292,141	100.0	1,292,141	1.4984	1,366,107	100.0	1,366,107	1.3127	37,294	
No. 40 Glendale	413,932	0.0	22	1.6761	440,936	0.0	22	3.0976	1	
No. 45 Fowler	322,431	89.6	288,790	0.9472	364,539	89.2	325,088	1.8752	8,831	
No. 48 Scottsdale (Unified)	5,932,319	14.0	831,111	2.4017	6,319,354	13.8	874,486	1.3529	31,792	
No. 59 Laveen	271,834	79.2	215,392	2.1330	284,429	78.5	223,190	2.8270	10,904	
No. 62 Union	62,169	95.5	59,355	1.7242	64,357	95.5	61,458	1.1538	1,733	
No. 65 Littleton	302,172	12.4	37,396	1.5978	324,568	11.8	38,372	1.8728	1,316	
No. 66 Roosevelt	826,478	98.6	815,158	4.0298	892,538	98.6	879,771	0.7820	39,729	
No. 68 Alhambra	451,375	80.4	362,978	0.0749	492,555	79.6	392,284	3.1449	12,609	
No. 69 Paradise Valley (Unified)	3,938,448	67.7	2,665,372	3.0145	4,226,214	66.6	2,813,039	1.8858	133,396	
No. 79 Litchfield	754,077	0.2	1,559	1.6167	782,205	0.2	1,572	1.2963	46	
No. 83 Cartwright	339,532	100.0	339,379	3.3144	363,350	100.0	363,197	3.1963	22,857	
No. 92 Pendergast	383,110	42.5	162,799	1.6874	411,048	41.9	172,288	4.1086	9,826	
No. 93 Cave Creek (Unified)	2,313,462	9.9	229,747	1.4035	2,435,541	9.7	236,470	0.1783	3,646	
No. 97 Deer Valley (Unified)	2,824,573	55.8	1,577,228	3.3101	2,961,842	56.5	1,674,327	2.0252	86,116	
Total Elementary School Dis									617,955	
Total All School Districts									1,065,623	
Total Levies Applicable to Phoenix									\$ 1,630,778	

Sources: Maricopa County Finance Department and the State of Arizona

City of Phoenix, Arizona
Property Tax Levies
Applicable to Phoenix Property Owners
(in thousands)

Table 12
(Continued)

	2009-10 Levies									
	Primary Assessed Valuations			Primary Tax Rate Per \$100	Secondary Assessed Valuations			Secondary Tax Rate Per \$100	Total Phoenix Tax Levy	
	Total	Percent	Amount		Total	Percent	Amount			
City of Phoenix	\$ 16,061,683	100.0 %	16,061,683	\$ 0.7664	\$ 18,861,238	100.0 %	18,861,238	\$ 1.0536	\$ 321,817	
Maricopa County	49,679,450	32.3	16,061,683	0.9909	57,984,052	32.5	18,861,238	-	159,155	
Education Equalization	49,679,450	32.3	16,061,683	0.3306	-	-	-	-	53,100	
Flood Control	-	-	-	-	54,862,329	32.5	17,845,794	0.1367	24,395	
Central Arizona Water Conservation District	-	-	-	-	58,113,466	32.5	18,903,334	0.1000	18,903	
Maricopa County Library District	-	-	-	-	57,984,052	32.5	18,861,238	0.0353	6,658	
Volunteer Fire District Assistance	-	-	-	-	58,113,466	32.5	18,903,334	0.0057	1,077	
East Valley Institute of Technology	-	-	-	-	24,437,716	10.1	2,466,157	0.0500	1,233	
West Maricopa Education Center	-	-	-	-	20,546,517	41.2	8,463,683	0.0500	4,232	
Maricopa Special Health Care District	-	-	-	-	57,984,052	32.5	18,861,238	0.0914	17,239	
State of Arizona	74,780,095	21.5	16,061,683	-	86,525,273	21.8	18,861,238	-	-	
School Districts										
Maricopa County Community College District	49,679,450	32.3	16,061,683	0.7246	57,984,052	32.5	18,861,238	0.1598	146,523	
High School Districts										
Phoenix Union	6,883,042	95.9	6,602,643	2.2747	8,292,781	95.8	7,946,622	0.6704	203,464	
Glendale Union	2,416,158	76.8	1,855,023	1.8405	2,794,705	76.5	2,137,684	0.7636	50,465	
Tempe High	4,449,933	29.6	1,316,435	1.4772	5,135,147	29.1	1,493,760	0.7439	30,558	
Tolleson Union	1,451,886	48.2	699,683	1.0599	1,697,183	48.2	817,352	1.0364	15,887	
Agua Fria Union	1,344,882	0.4	5,588	2.0410	1,540,297	0.4	6,676	0.6539	158	
Total High School Districts									300,532	
Elementary School Districts										
No. 1 Phoenix	\$ 866,489	100.0 %	866,489	\$ 1.9799	\$ 1,077,675	100.0 %	1,077,675	\$ 1.5143	\$ 33,475	
No. 2 Riverside	391,660	96.8	378,998	0.9644	459,278	96.8	444,705	0.5423	6,067	
No. 3 Tempe	1,952,042	16.3	318,180	2.1407	2,276,858	16.2	369,647	1.1409	11,029	
No. 5 Isaac	233,438	100.0	233,438	5.7050	285,438	100.0	285,438	1.6696	18,083	
No. 6 Washington	1,912,309	97.0	1,854,999	1.6568	2,203,865	97.0	2,137,660	1.4207	61,103	
No. 7 Wilson	146,297	100.0	146,297	2.7070	165,528	100.0	165,528	2.5125	8,119	
No. 8 Osborn	618,671	99.9	618,330	1.8860	771,562	100.0	771,221	1.0780	19,975	
No. 14 Creighton	551,949	88.8	490,398	1.3818	681,971	88.4	603,005	0.8623	11,976	
No. 17 Tolleson	223,987	27.7	62,089	0.9760	275,147	26.7	73,537	2.9335	2,763	
No. 21 Murphy	144,788	100.0	144,756	1.8003	183,164	100.0	183,132	1.6553	5,637	
No. 28 Kyrene	2,497,891	40.0	998,254	1.4261	2,858,289	39.3	1,124,112	1.4804	30,877	
No. 31 Balsz	397,423	94.2	374,436	1.8488	481,944	94.2	453,768	0.9811	11,375	
No. 38 Madison	1,295,052	99.9	1,294,394	1.5186	1,538,312	100.0	1,537,654	1.0520	35,833	
No. 40 Glendale	503,849	0.0	24	1.5392	590,840	0.0	24	2.4468	1	
No. 45 Fowler	321,821	90.0	289,673	1.4328	392,305	89.5	351,023	1.5066	9,439	
No. 48 Scottsdale (Unified)	5,948,673	13.7	817,725	2.4447	7,201,680	13.5	972,398	1.3382	33,004	
No. 59 Laveen	335,778	77.1	258,809	2.0191	387,313	75.5	292,589	1.9554	10,947	
No. 62 Union	85,249	96.2	82,021	1.6417	94,872	96.0	91,040	1.0224	2,277	
No. 65 Littleton	342,339	14.9	51,166	2.5112	389,531	14.7	57,258	1.2606	2,007	
No. 66 Roosevelt	910,754	98.7	898,736	4.5961	1,084,002	98.5	1,068,257	0.5523	47,207	
No. 68 Alhambra	520,598	82.1	427,561	2.6127	620,206	81.8	507,408	2.5816	24,270	
No. 69 Paradise Valley (Unified)	4,056,829	68.7	2,788,310	2.9781	4,783,977	67.4	3,224,160	1.6372	135,825	
No. 79 Litchfield	875,411	0.6	5,588	1.6153	988,321	0.7	6,676	1.0062	157	
No. 83 Cartwright	470,144	100.0	469,999	2.5413	556,386	100.0	556,241	2.2086	24,229	
No. 92 Pendergast	478,491	44.9	214,734	1.7657	545,329	44.8	244,493	3.4367	12,194	
No. 93 Cave Creek (Unified)	2,394,697	10.7	256,797	1.4313	2,880,270	10.0	286,645	0.1661	4,152	
No. 97 Deer Valley (Unified)	3,137,928	54.0	1,693,285	2.8617	3,546,358	54.8	1,943,406	1.6277	80,090	
Total Elementary School Dis									642,111	
Total All School Districts									1,089,166	
Total Levies Applicable to Phoenix									\$ 1,696,975	

City of Phoenix, Arizona
Secondary Assessed Valuation and
Estimated True Valuation

Table 13

Last Ten Fiscal Years
(dollars in thousands except for per capita amounts)

	Secondary Assessed Valuation by Classification (1)				
	Direct Rate	Commercial/ Utilities/ Industrial	Residential	Rural and Other	Total Net Assessed Valuation
2010-11	\$ 0.94	\$ 7,712,190	\$ 7,643,363	\$ 736,755	\$ 16,092,308
2009-10	1.05	8,100,846	9,937,631	822,761	18,861,238
2008-09	1.06	7,378,160	10,598,307	879,605	18,856,072
2007-08	1.02	6,466,329	8,915,253	687,234	16,068,816
2006-07	0.97	5,902,715	5,770,798	587,621	12,261,134
2005-06	0.96	5,409,748	5,523,958	485,913	11,419,619
2004-05	0.97	5,279,811	4,768,484	441,627	10,489,922
2003-04	0.97	4,818,035	4,617,599	356,554	9,792,188
2002-03	1.02	4,604,780	3,817,332	380,771	8,802,883
2001-02	1.00	4,178,526	3,739,298	314,310	8,232,134

Source: Maricopa County Finance Department

For further information and explanation of property taxes, see Note 3 to the financial statements.

- (1) In 2000-01, Maricopa County began utilizing new legal class codes for the classification of property as required by legislation passed by the Arizona Legislature. Due to the change in legal class codes, utilities have been combined with commercial and industrial property.

Table 13

(Continued)

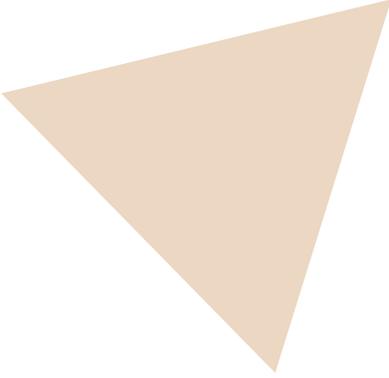
Percent Change in Net Valuation	Assessed Valuation Per Capita		Estimated True Valuation
	Actual	Uninflated	
-14.68 %	\$ 9,464	\$ 7,647	\$ 144,772,031
0.03	11,326	9,237	169,320,058
17.35	11,566	9,566	167,520,964
31.05	10,073	8,642	140,052,671
7.37	7,858	6,914	100,948,091
8.86	7,486	6,838	92,230,978
7.13	7,038	6,622	83,439,807
11.24	6,728	6,469	79,124,595
6.93	6,398	6,287	67,638,014
8.70	6,087	6,087	63,269,039

City of Phoenix, Arizona
Principal Property Taxpayers
 Current Year and Nine Years Ago
 (in thousands)

Table 14

Taxpayer	2009-10			2000-01		
	Secondary Assessed Valuation	Ranking	As a Percent of Total City	Secondary Assessed Valuation	Ranking	As a Percent of Total City
Arizona Public Service Company	\$ 408,584	1	2.17 %	\$ 220,819	1	2.92 %
Qwest Communications	167,792	2	0.89	208,592	2	2.75
Westcorp Company LP	89,408	3	0.47	36,404	9	0.48
Southwest Gas Corporation	80,545	4	0.43	53,821	4	0.71
Host Kierland LLC	65,844	5	0.35			
Cox Communications	52,527	6	0.28			
AT&T Corporation	50,086	7	0.27	72,003	3	0.95
Teachers Insurance & Annuity Assoc. of America	48,829	8	0.26			
LBA Realty Fund II WBP LLC	48,658	9	0.26			
Metropolitan Life Insurance Company	47,911	10	0.25			
MONY/Pointe Resorts Partnerships				44,739	5	0.59
Starwood Hotels and Resorts				41,276	6	0.55
MCI Worldcom				37,080	7	0.49
Honeywell				37,040	8	0.49
Bank One, Arizona				26,692	10	0.35
Total	<u>1,060,184</u>		<u>5.63 %</u>	<u>778,466</u>		<u>10.28 %</u>
City Total Secondary Assessed Valuation	<u>\$ 18,861,238</u>			<u>\$ 7,573,211</u>		

Sources: Maricopa County Assessor
 Arizona Department of Revenue
 City of Phoenix Finance Department



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, Arizona
Legal Debt Margin -
General Obligation Bonds
Last Ten Fiscal Years
(in thousands)

Table 15

	Fiscal Year			
	2010	2009	2008	2007
6% Limitation				
Legal Debt Limitation	\$ 965,538	\$ 1,131,674	\$ 1,131,364	\$ 964,129
General Obligation Bonds Outstanding (1)	390,645	310,955	329,535	346,240
Less: Assets held in Restricted Redemption Funds	(339,393)	(275,202)	(199,185)	(146,625)
	51,252	35,753	130,350	199,615
Total Debt Margin Available	<u>\$ 914,286</u>	<u>\$ 1,095,921</u>	<u>\$ 1,001,014</u>	<u>\$ 764,514</u>
Total Net Debt Applicable to the 6% Limit as a percentage of 6% Debt Limit	5.31%	3.16%	11.52%	20.70%
20% Limitation				
Legal Debt Limitation	\$ 3,218,462	\$ 3,772,248	\$ 3,771,214	\$ 3,213,763
General Obligation Bonds Outstanding (1)	1,241,159	1,036,479	1,075,421	1,122,561
Less: Capital Appreciation (2)	(682)	(2,234)	(3,438)	(3,105)
	1,240,477	1,034,245	1,071,983	1,119,456
Total Debt Margin Available	<u>\$ 1,977,985</u>	<u>\$ 2,738,003</u>	<u>\$ 2,699,231</u>	<u>\$ 2,094,307</u>
Total Net Debt Applicable to the 20% Limit as a percentage of 20% Debt Limit	38.54%	27.42%	28.43%	34.83%
Secondary Assessed Valuation	<u>\$ 16,092,308</u>	<u>\$ 18,861,238</u>	<u>\$ 18,856,072</u>	<u>\$ 16,068,816</u>

(1) Prior to fiscal year 2007, under Arizona law, cities could issue general obligation bonds for purposes of water, sewer, artificial light, open space preserves, parks, playgrounds, and recreational facilities, up to an amount not exceeding 20% of a city's net secondary assessed valuation. In fiscal year 2007, Arizona voters approved an amendment to the Arizona Constitution to allow cities to include debt for the acquisition and development of public safety, law enforcement, fire and emergency facilities, and streets and transportation facilities in the 20% debt limit. General obligation bonds for all other purposes may be issued up to an amount not exceeding 6% of secondary assessed valuation.

The General Obligation Bonds Outstanding prior to 2007 have not been adjusted retroactively to apply the effects of the change to the Arizona Constitution approved by voters in fiscal year 2007.

(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.

Table 15
(Continued)

		Fiscal Year									
		2006	2005	2004	2003	2002	2001				
\$	735,668	\$	685,177	\$	629,395	\$	587,531	\$	528,173	\$	493,928
	518,445		355,230		376,240		270,980		294,075		248,255
	(286,753)		(259,161)		(275,873)		(243,195)		(220,345)		(190,152)
	231,692		96,069		100,367		27,785		73,730		58,103
\$	503,976	\$	589,108	\$	529,028	\$	559,746	\$	454,443	\$	435,825
	31.49%		14.02%		15.95%		4.73%		13.96%		11.76%
\$	2,452,227	\$	2,283,924	\$	2,097,984	\$	1,958,438	\$	1,760,577	\$	1,646,427
	780,116		710,373		746,640		717,435		747,005		742,295
	(2,792)		(2,496)		(3,386)		(4,140)		(3,637)		(3,163)
	777,324		707,877		743,254		713,295		743,368		739,132
\$	1,674,903	\$	1,576,047	\$	1,354,730	\$	1,245,143	\$	1,017,209	\$	907,295
	31.70%		30.99%		35.43%		36.42%		42.22%		44.89%
\$	12,261,134	\$	11,419,619	\$	10,489,922	\$	9,792,188	\$	8,802,883	\$	8,232,134

**Ratio of Debt Service Expenditures for General Bonded Debt (1)
to General Governmental Operating Expenditures - Budget Basis**

Last Ten Fiscal Years
(in thousands)

	Total Debt Service	Total General Governmental Operating Expenditures (2)	Ratio of Debt Service to General Governmental Operating Expenditures
2009-10	\$ 232,607	\$ 1,984,144	11.7%
2008-09	230,158	2,059,104	11.2%
2007-08	197,865	2,043,186	9.7%
2006-07	151,292	1,802,039	8.4%
2005-06	144,076	1,703,991	8.5%
2004-05	131,471	1,606,079	8.2%
2003-04	128,276	1,445,759	8.9%
2002-03	107,643	1,405,721	7.7%
2001-02	94,879	1,331,042	7.1%
2000-01	105,832	1,284,478	8.2%

(1) Does not include general obligation bonds reported in the enterprise funds and special assessment debt with City commitment.

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

City of Phoenix, Arizona
Pledged-Revenue Bond Coverage (1)

Table 17

Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended June 30,	Airport Revenue Bonds					
	Operating Revenues	Less: Operating Expenses	Net Operating Revenues	Principal	Interest	Coverage
2010	\$ 274,521	\$ 183,231	\$ 91,290	\$ 18,880	\$ 35,708	1.67
2009	294,959	186,694	108,265	18,725	37,239	1.93
2008	300,858	188,152	112,706	9,697	22,735	3.48
2007	286,786	179,308	107,478	8,790	23,165	3.36
2006	258,239	158,194	100,045	8,325	23,633	3.13
2005	231,626	144,612	87,014	9,170	24,127	2.61
2004	220,089	134,361	85,728	8,705	24,592	2.57
2003	216,236	128,481	87,755	8,270	25,030	2.64
2002	196,858	119,816	77,042	-	14,271	5.40
2001	199,666	99,928	99,738	15,380	13,101	3.50

Fiscal Year Ended June 30,	Excise Tax Revenue Bonds (2)				Highway User Revenue Bonds			
	Excise Tax Revenues	Principal	Interest	Coverage	Highway User Tax Revenues	Principal	Interest	Coverage
2010	\$ 744,615	\$ 28,425	\$ 41,975	10.58	\$ 103,979	\$ 28,285	\$ 2,961	3.33
2009	846,865	28,180	43,787	11.77	109,620	27,005	4,235	3.51
2008	884,160	27,855	47,280	11.77	125,289	25,840	5,405	4.01
2007	864,381	32,660	49,110	10.57	130,223	24,375	6,867	4.17
2006	801,402	28,360	41,337	11.50	124,791	23,385	7,862	3.99
2005	689,130	24,860	30,738	12.39	117,464	20,540	8,667	4.02
2004	638,598	21,090	30,857	12.29	111,757	21,605	9,526	3.59
2003	630,418	17,360	25,274	14.79	104,597	10,965	10,644	4.84
2002	626,212	17,945	27,222	13.86	100,405	18,615	13,270	3.15
2001	626,416	20,395	28,264	12.87	102,598	17,775	15,223	3.11

City of Phoenix, Arizona
Pledged-Revenue Bond Coverage (1)

Table 17
(Continued)

Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended	Rental Car Facility Charge Revenue Bonds (3)				Special Assessment Bonds (4)				Transit Excise Tax Revenue Bonds (5)			
	Customer Facility Charge Revenues	Principal	Interest	Coverage	Special Assessment Collections	Principal	Interest	Coverage	Transit Excise Tax Revenues	Principal	Interest	Coverage
2010	\$ 35,122	\$ 6,735	\$ 14,542	1.65	\$ 70	\$ 88	\$ 15	0.68	\$ 86,465	\$ 20,560	\$ 22,742	2.00
2009	37,160	6,440	14,838	1.75	372	355	25	0.98	97,324	17,620	23,623	2.36
2008	37,565	6,180	15,098	1.77	643	664	55	0.89	115,914	14,910	24,369	2.95
2007	31,817	5,960	15,318	1.50	678	628	95	0.94	124,432	12,420	24,990	3.33
2006	32,034	-	15,318	2.09	1,233	1,213	154	0.90	118,537	1,570	25,068	4.45
2005	30,697	-	16,552	1.85	1,544	1,511	244	0.88	101,462	-	13,996	7.25
2004	1,751	-	-	N/A	1,641	1,492	342	0.89	92,349	-	-	N/A
2003	-	-	-	-	1,692	1,434	436	0.90	87,092	-	-	N/A
2002	-	-	-	-	1,835	1,484	524	0.91	88,028	-	-	N/A
2001	-	-	-	-	1,378	1,414	595	0.69	85,553	-	-	N/A

Fiscal Year Ended	Wastewater Revenue Bonds						Water Revenue Bonds					
	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage
2010	\$ 198,157	\$ 72,017	\$ 126,140	\$ 24,945	\$ 42,424	1.87	\$ 347,593	\$ 166,334	\$ 181,259	\$ 37,960	\$ 73,605	1.62
2009	190,927	71,552	119,375	18,640	44,195	1.90	331,861	160,814	171,047	18,310	54,127	2.36
2008	187,905	68,470	119,435	16,330	40,567	2.10	333,443	157,596	175,847	19,580	54,573	2.37
2007	177,471	62,954	114,517	13,380	30,818	2.59	313,707	142,740	170,967	17,815	53,663	2.39
2006	158,014	60,070	97,944	7,300	29,156	2.69	301,137	132,285	168,852	9,720	53,675	2.66
2005	139,829	54,606	85,223	6,810	27,165	2.51	256,077	121,627	134,450	8,815	27,305	3.72
2004	128,436	49,589	78,847	10,240	24,172	2.29	259,100	114,041	145,059	9,235	25,337	4.20
2003	116,909	45,974	70,935	9,745	23,815	2.11	253,244	108,743	144,501	15,190	25,851	3.52
2002	112,378	46,023	66,355	7,180	23,913	2.13	236,519	102,310	134,209	15,030	19,657	3.87
2001	109,782	39,610	70,172	6,235	25,610	2.20	229,578	96,106	133,472	13,410	17,715	4.29

(1) Includes bonds issued by the City of Phoenix as well as the City of Phoenix Civic Improvement Corporation.

(2) Includes debt service on bonds paid from airport revenues and solid waste revenues.

(3) 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 Year 2009 and 2010, the City opted to deposit the entire \$6.00 CFC into the Trustee-held Revenue Fund.

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

(5) The City has pledged 100% of a 0.4% increase in the City's privilege license (sales) tax rate approved by 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.

City of Phoenix, Arizona
Ratio of Outstanding Debt by Type
 Last Ten Fiscal Years
 (in thousands, except per capita)

Table 18

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Total Debt as a Percentage of Personal Income (1)	Total Debt Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Municipal Corporation Bonds	Special Assessment Bonds	Certificates of Participation	General Obligation Bonds	Revenue Bonds	Municipal Corporation Bonds			
2010	\$ 1,500,380	\$ 41,881	\$ 744,390	\$ 292	\$ 29,450	\$ 132,106	\$ 14,846	\$ 3,940,950	\$ 6,404,295	11.0 %	\$ 3,767
2009	1,200,792	70,166	784,020	260	30,625	148,876	-	4,022,342	6,257,081	11.0	3,757
2008	1,232,957	97,476	820,061	593	31,760	175,437	-	3,642,562	6,000,846	10.5	3,681
2007	1,262,652	123,816	857,461	1,257	32,870	209,254	28,745	3,123,256	5,639,311	10.3	3,535
2006	1,068,107	148,671	868,560	1,886	33,945	230,454	33,155	3,330,997	5,715,775	11.2	3,663
2005	811,027	172,496	813,180	3,099	34,985	254,576	37,315	2,711,305	4,837,983	10.2	3,172
2004	842,594	190,655	324,169	4,610	35,465	280,286	41,240	2,009,921	3,728,940	8.5	2,502
2003	674,724	209,856	327,129	6,102	20,455	313,691	54,950	1,772,656	3,379,563	8.1	2,322
2002	700,659	220,981	272,708	7,400	21,200	340,421	64,340	1,727,692	3,355,401	8.2	2,362
2001	629,848	239,081	280,370	9,855	21,910	360,702	86,480	1,111,945	2,740,191	7.0	1,978

(1) See Table 21 for personal income and population data.

City of Phoenix, Arizona
Direct and Overlapping Bonded Debt per Capita
 Last Ten Fiscal Years

Table 19

	Bonded Debt (in thousands)	Per Capita	As a Percent of Valuations	
			Assessed	Estimated True
<u>Direct Bonded Debt (1)</u>				
2009-10	\$ 1,336,753	\$ 786.19	8.3 %	0.9 %
2008-09	1,144,632	687.33	6.1	0.7
2007-08	1,306,685	801.48	6.9	0.8
2006-07	1,477,842	926.40	9.2	1.1
2005-06	1,193,634	764.96	9.7	1.2
2004-05	1,016,849	666.61	8.9	1.1
2003-04	1,078,902	723.89	10.3	1.3
2002-03	1,010,026	693.97	10.3	1.3
2001-02	1,106,056	803.87	12.6	1.6
2000-01	1,125,959	836.88	13.7	1.8
<u>Overlapping Bonded Debt (2)</u>				
2009-10	\$ 1,413,036	\$ 831.05	8.8 %	1.0 %
2008-09	1,485,707	892.15	7.9	0.9
2007-08	1,490,631	914.31	7.9	0.9
2006-07	1,456,850	913.24	9.1	1.0
2005-06	1,304,006	835.70	10.6	1.3
2004-05	1,383,527	906.99	12.1	1.5
2003-04	1,265,978	849.41	12.1	1.5
2002-03	1,264,568	868.86	12.9	1.6
2001-02	1,339,369	973.45	15.2	2.0
2000-01	1,376,478	1,023.08	16.7	2.2
<u>Total Direct and Overlapping Bonded Debt</u>				
2009-10	\$ 2,749,789	\$ 1,617.24	17.1 %	1.9 %
2008-09	2,630,339	1,579.48	14.0	1.6
2007-08	2,797,316	1,715.79	14.8	1.7
2006-07	2,934,692	1,839.64	18.3	2.1
2005-06	2,497,640	1,600.66	20.4	2.5
2004-05	2,400,376	1,573.60	21.0	2.6
2003-04	2,344,880	1,573.30	22.4	2.8
2002-03	2,274,594	1,562.83	23.2	2.9
2001-02	2,445,425	1,777.32	27.8	3.6
2000-01	2,502,437	1,859.96	30.4	4.0

(1) Includes all City bonded debt, net of assets held in restricted early redemption funds. See Table 20.

(2) Includes proportionate share of general obligation bonds of Maricopa County and all school districts which are wholly or partially within the City. Also included are City improvement districts and a community facilities district. See Table 20.

City of Phoenix, Arizona
Direct and Overlapping Bonded Debt
June 30, 2010
(in thousands)

Table 20

	Bonded Debt	Less: Self- Supporting Debt	Net Bonded Debt
Direct Debt - City of Phoenix (1)			
General Obligation Bonds			
6% Limitation			
Various Purpose	\$ 372,260	\$ -	\$ 372,260
Solid Waste	18,385	18,385	-
20% Limitation			
Various Purpose	1,128,120	-	1,128,120
Airport	11,350	11,350	-
Water	62,648	62,648	-
Sanitary Sewer	41,502	41,502	-
Total General Obligation Bonds	<u>1,634,265</u>	<u>133,885</u>	<u>1,500,380</u>
Street and Highway User Revenue Bonds	41,881	41,881	-
Total Direct Debt	<u>\$ 1,676,146</u>	<u>\$ 175,766</u>	1,500,380
Less: Assets Held in Restricted Early Redemption Funds			(339,393)
Net Direct Debt			<u>1,160,987</u>

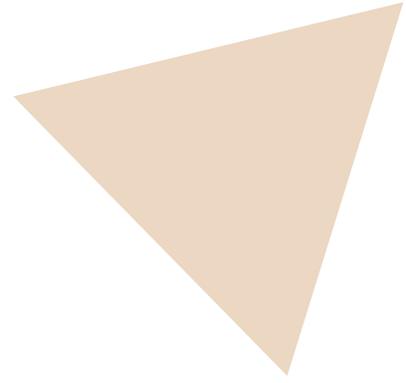
	Bonded Debt	Valuation Percent to City	
Overlapping Debt (2)			
City Improvement Districts	292	100.0	292
Tatum Ranch Community Facilities District	3,240	100.0	3,240
Maricopa County Community College District	601,930	32.4	195,025
High School Districts			
Phoenix Union	266,380	96.0	255,725
Glendale Union	87,505	78.0	68,254
Tempe High	85,410	28.1	24,000
Tolleson Union	79,520	45.9	36,500
Agua Fria Union	48,410	0.1	48
Elementary School Districts			
No. 1 Phoenix	55,855	100.0	55,855
No. 2 Riverside	23,415	97.1	22,736
No. 3 Tempe	124,850	16.1	20,101
No. 5 Isaac	-	100.0	-
No. 6 Washington	80,775	97.4	78,675
No. 7 Wilson	5,660	100.0	5,660
No. 8 Osborn	47,455	99.9	47,408
No. 14 Creighton	22,000	88.9	19,558
No. 17 Tolleson	14,055	20.0	2,811
No. 21 Murphy	9,170	100.0	9,170
No. 28 Kyrene	115,435	37.9	43,750
No. 31 Balsz	6,280	94.4	5,928
No. 38 Madison	70,385	100.0	70,385
No. 40 Glendale	14,030	-	-
No. 45 Fowler	19,615	89.2	17,497
No. 48 Scottsdale (Unified)	282,860	13.8	39,035
No. 59 Laveen	18,490	78.5	14,515
No. 62 Union	-	95.5	-
No. 65 Littleton	19,085	11.8	2,252
No. 66 Roosevelt	69,340	98.6	68,369
No. 68 Alhambra	20,885	79.6	16,624
No. 69 Paradise Valley (Unified)	261,120	66.6	173,906
No. 79 Litchfield	31,950	0.2	64
No. 92 Pendergast	27,265	41.9	11,424
No. 93 Cave Creek (Unified)	18,410	9.7	1,786
No. 97 Deer Valley (Unified)	181,315	56.5	102,443
Total Overlapping Debt	<u>\$ 2,712,387</u>		<u>1,413,036</u>
Net Direct and Overlapping Bonded Debt			<u>\$ 2,574,023</u>

(1) Net of cash with fiscal agent for July 1, 2010 maturities.

(2) Source: Maricopa County Finance Department



City of Phoenix



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, Arizona
Demographic Statistics
 June 30, 2010

Table 21

Fiscal Year	Population (June 30)	Personal Income (in thousands)	Per Capita Income (1)	Median Age (2)	Elementary & High School Enrollment	Unemployment Rate (1)
2010	1,700,300	\$ 58,289,685	\$34,282 (3)	33.0	298,680 (4)	8.3%
2009	1,665,320	57,090,500	34,282	33.0	292,536	5.1%
2008	1,630,340	57,363,513	35,185	33.0	287,470	3.2%
2007	1,595,360	54,585,242	34,215	33.0	280,195	3.5%
2006	1,560,380	50,962,011	32,660	33.0	275,628	4.1%
2005	1,525,400	47,284,349	30,998	33.0	270,828	4.0%
2004	1,490,420	43,675,268	29,304	33.0	261,470	4.9%
2003	1,455,440	41,947,236	28,821	33.0	255,519	5.6%
2002	1,420,460	40,714,645	28,663	33.0	259,495	2.6%
2001	1,385,480	39,282,514	28,353	33.0	251,195	2.6%

(1) Calendar Year

(2) Median age is based on the 2000 U.S. Census.

(3) Amount not yet available for calendar year 2010; therefore, 2009 calendar year per capita income was used.

(4) Amount not yet available for fiscal year 2010; therefore, 2009 fiscal year data was used for the calculation.

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

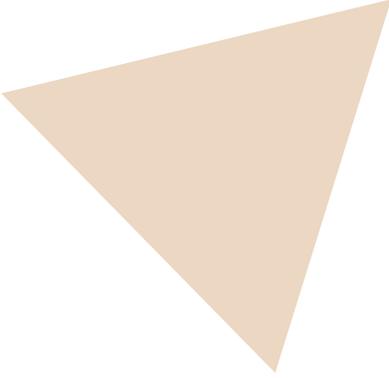
City of Phoenix, Arizona
Principal Employers
 Current Year and Nine Years Ago

Table 22

Employer	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Arizona	52,420	1	2.49%	59,348	1	3.45%
Wal-Mart	31,280	2	1.49%	13,800	6	0.80%
Banner Health Systems	27,431	3	1.30%	13,973	4	0.81%
City of Phoenix	16,375	4	0.78%	12,917	7	0.75%
Wells Fargo	14,000	5	0.67%			
Maricopa County	12,996	6	0.62%	13,860	5	0.81%
Apollo Group	12,299	7	0.58%			
Arizona State University	12,043	8	0.57%			
Honeywell Aerospace	10,145	9	0.48%	17,500	2	1.02%
Bank of America	10,000	10	0.48%			
Intel Corporation	10,000	10	0.48%	9,000	10	0.52%
Motorola, Inc.				15,500	3	0.90%
Kroger Company				9,837	8	0.57%
US Postal Service				9,756	9	0.57%
American Express Corp.				9,000	10	0.52%
Banc One Corporation				9,000	10	0.52%

Source: Phoenix Business Journal Book of Lists
 Arizona Department of Commerce, Workforce Development

Note: Top employers in Maricopa County.
 Employee count is total Arizona employees.



Statistical Section

Operating Information

These schedules contain service 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, Arizona
Statistical Profile

Table 23

Last Ten Fiscal Years

	2010	2009	2008	2007
AREA (square miles)	519.1	519.1	517.9	517.2
POPULATION AND DWELLING UNITS (1)				
City of Phoenix	1,700,300	1,665,320	1,630,340	1,595,360
Maricopa County (Metro Phoenix) (2)	3,759,766	3,759,766	3,725,530	3,649,508
Number of Dwelling Units (City)	587,422	583,515	576,610	568,127
CITY EMPLOYEES				
Governmental:				
General Government	1,008	1,210	1,339	1,341
Criminal Justice	309	345	361	359
Public Safety	6,193	6,405	6,486	6,069
Transportation	774	788	824	810
Environmental Services	521	483	482	474
Community Enrichment	1,317	1,386	1,613	1,671
Community Development	720	785	893	1,005
Total Governmental Employees	10,842	11,402	11,998	11,729
Public Enterprise:				
Aviation	775	775	762	751
Phoenix Convention Center	258	268	197	188
Water Services	1,041	1,046	1,050	1,008
Wastewater Services	315	306	302	298
Solid Waste	582	590	538	528
Golf	61	60	61	64
Total Public Enterprise Employees	3,032	3,045	2,910	2,837
Total Full-Time Employees	13,874	14,447	14,908	14,566
Governmental per 1,000 Population	6.4	6.8	7.4	7.4
PUBLIC SAFETY				
<u>Police Protection</u>				
Police Precincts	6	6	6	6
Police Employees	4,819	4,949	4,961	4,378
Dispatched Calls for Service (3)	731,662	760,650	823,497	890,665
Total Calls for 911/Crimestop (3)	2,040,080	2,091,799	2,435,385	2,650,475
<u>Fire Protection</u>				
Fire Stations	58	57	57	52
Fire Employees	1,972	2,037	2,105	2,002
Total Calls for Service	146,203	145,714	145,279	149,058
COMMUNITY ENRICHMENT				
<u>Libraries</u>				
Number	16	16	15	15
Total Stock (in thousands)	1,736	1,751	2,165	2,537
Circulation (in thousands)	14,447	14,152	15,835	14,987
<u>Parks And Recreation</u>				
Number of Playgrounds	164	164	164	154
City Parks (number of acres)	41,966	41,966	37,991	38,059

(1) Source: City of Phoenix Planning and Development Services Department

(2) The Maricopa County population amount was not available, so the 2009 number was used.

(3) A new computer aided dispatch system was implemented on 3/9/2010. The calls for service are projections based on historical data.

Table 23

(Continued)

2006	2005	2004	2003	2002	2001
515.9	515.0	514.8	511.9	484.5	478.8
1,560,380	1,525,400	1,490,420	1,455,440	1,375,906	1,345,422
3,542,582	3,393,669	3,283,028	3,171,980	3,072,400	2,975,266
556,643	544,804	531,481	522,909	513,880	505,005
1,357	1,333	1,341	1,303	1,345	1,262
354	349	360	361	369	344
5,945	5,730	5,574	5,377	5,390	5,079
807	778	763	747	745	677
466	458	478	484	496	459
1,577	1,605	1,596	1,529	1,554	1,536
969	884	906	865	896	805
11,475	11,137	11,018	10,666	10,795	10,162
716	710	688	668	664	644
176	172	174	175	181	172
1,079	1,057	1,043	982	959	846
236	230	228	229	200	235
503	491	435	441	435	398
64	65	64	72	80	80
2,774	2,725	2,632	2,567	2,519	2,375
14,249	13,862	13,650	13,233	13,314	12,537
7.4	7.3	7.4	7.3	7.8	7.6
6	6	6	6	6	6
4,169	3,999	3,877	3,812	3,717	3,660
899,214	892,092	888,281	868,290	876,227	872,886
2,575,793	2,650,215	2,563,100	2,569,959	2,513,108	2,333,570
52	50	49	48	47	46
1,885	1,873	1,719	1,710	1,663	1,577
153,037	149,553	135,306	129,149	135,708	129,765
14	14	13	13	13	13
1,963	2,179	2,048	2,000	1,974	2,016
12,991	12,264	11,529	11,396	10,802	9,151
149	143	139	137	134	125
37,716	37,599	37,599	35,977	35,345	33,881

Table 23

(Continued)

	2010	2009	2008	2007
TRANSPORTATION				
Public Transit				
Ridership (in thousands)	38,476	48,061	45,543	44,109
Dial-a-Ride (in thousands)	354	396	391	411
Light Rail (in thousands) (4)	7,576	3,486	-	-
Traffic Control And Lighting				
Signalized Intersections	1,080	1,072	1,012	992
Street Lights in Use	90,870	89,844	89,632	86,524
Streets				
Miles of Streets	4,811	4,799	4,799	4,995
Miles Resurfaced and Sealed:				
Major/Collector Streets	20	60	22	13
Local Streets	89	74	82	97
COMMUNITY DEVELOPMENT				
Construction Permits (5)				
Number of Permits Issued	28,185	33,541	33,550	43,894
Market Value (in thousands)	\$2,589,067	\$3,347,275	\$3,440,591	\$5,431,182
AVIATION				
Scheduled Airlines Served	19	19	21	22
Aircraft Traffic Movements (in thousands)	984	1,038	1,085	1,130
Passengers Enplaned/Deplaned (in thousands)	38,289	37,936	41,646	41,886
PHOENIX CONVENTION CENTER				
Number of Conventions	70	60	54	49
WATER SERVICES				
Production (billion gallons)	97.9	99.2	106.6	106.0
Average Daily Production (million gallons)	267.9	271.8	291.2	290.4
Miles of Water Mains	6,955	6,935	6,905	6,790
Number of Accounts	403,104	402,926	403,752	401,937
WASTEWATER SERVICES				
Miles of Sewer Lines	4,975	4,960	4,943	4,730
Number of Accounts	373,123	373,588	374,555	373,035
SOLID WASTE COLLECTION SERVICES				
Residences Served	392,830	390,479	386,389	379,047
City Disposal (tons)	649,616	709,812	711,365	732,360
Total Disposal (tons)	975,234	1,039,169	1,054,206	1,150,580
GOLF				
Rounds of Golf Played	246,147	255,847	299,000	313,000
Acres of Golf Courses Maintained	755	724	922	922

(4) Light rail service began on 12/27/2008.

(5) Construction permits include plumbing, electrical and mechanical permits, which are excluded from Table 13.

Table 23

(Continued)

2006	2005	2004	2003	2002	2001
45,381	43,096	41,175	37,839	34,949	32,051
409	393	370	334	304	238
-	-	-	-	-	-
979	963	946	935	919	906
82,971	79,732	77,302	75,227	72,683	70,692
4,886	4,782	4,606	4,550	4,486	4,158
21	38	39	42	38	38
122	147	173	179	181	196
46,442	41,269	36,717	33,471	31,032	31,465
\$4,474,346	\$4,379,205	\$3,284,089	\$2,579,581	\$2,627,213	\$2,962,397
22	25	23	24	23	21
1,083	1,006	1,040	1,068	1,042	1,069
41,673	40,529	38,253	36,615	34,179	36,699
40	49	40	42	50	51
109.4	102.1	108.1	103.1	111.3	105.1
299.9	279.8	295.5	282.2	305.4	288.9
6,630	6,377	6,230	6,011	5,911	5,771
394,155	383,011	371,708	362,643	355,225	350,367
4,696	4,584	4,376	4,363	4,282	4,174
364,555	353,099	344,400	335,800	331,500	327,487
366,903	355,345	346,854	339,336	332,571	327,953
719,438	711,265	710,199	689,746	644,864	679,308
1,114,186	1,106,600	1,080,598	1,003,470	982,950	1,030,142
326,000	326,000	347,000	395,000	439,000	449,000
922	922	922	922	925	925



City of Phoenix





City of Phoenix