

FOR FISCAL YEAR ENDED
JUNE 30, 2023

CITY OF PHOENIX, ARIZONA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT



INVESTING IN THE FUTURE OF PHOENIX



City of Phoenix

City of Phoenix, Arizona



**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

City Council

Kate Gallego, Mayor

Ann O'Brien, District 1

Jim Waring, District 2

Debra Stark, District 3

Laura Pastor, District 4

Betty Guardado, District 5

Kevin Robinson, District 6

Yassamin Ansari, Vice Mayor, District 7

Kesha Hodge Washington, District 8

Administrative Staff

Jeffrey J. Barton, City Manager

Prepared By

Finance Department

Kathleen Gitkin, Chief Financial Officer



City of Phoenix

Table of Contents

INTRODUCTORY SECTION

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

FINANCIAL SECTION

- 1 **Independent Auditor's Report**
- 7 **Management's Discussion and Analysis (required supplementary information)**

Basic Financial Statements

Government-Wide Financial Statements

- 22 Statement of Net Position (Exhibit A-1)
- 24 Statement of Activities (Exhibit A-2)

Fund Financial Statements

Governmental Fund Financial Statements

- 30 Balance Sheet (Exhibit B-1)
- 31 Reconciliation of the Balance Sheet to the Statement of Net Position (Exhibit B-2)
- 32 Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B-3)
- 33 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities (Exhibit B-4)
- 34 Budgetary Comparison Statement - General Fund (Exhibit B-5)
Budgetary Comparison Statements - Transit Special Revenue Fund
- 35 Transit Other Agency (Exhibit B-6)
- 36 Transit - Federal Transit Grants (Exhibit B-7)
- 37 Transportation Tax 2050 (Exhibit B-8)

Table of Contents

Enterprise Fund Financial Statements

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

Fiduciary Fund Financial Statements

- 44 Statement of Fiduciary Net Position (Exhibit B-12)
- 45 Statement of Changes in Fiduciary Net Position (Exhibit B-13)

Notes to the Financial Statements

49

Required Supplementary Information

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

Other Supplementary Information

Nonmajor Governmental Funds - Combining Fund Financial Statements

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

Table of Contents

Nonmajor Governmental Funds - Budgetary Comparison Schedules

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

Enterprise Funds - Statements and Schedules

Aviation Enterprise Fund

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

Table of Contents

	Phoenix Convention Center Enterprise Fund
194	Statement of Net Position (Exhibit E-5)
196	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-6)
197	Statement of Cash Flows (Exhibit E-7)
198	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis (Exhibit E-8)
	Water System Enterprise Fund
200	Statement of Net Position (Exhibit E-9)
202	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-10)
203	Statement of Cash Flows (Exhibit E-11)
	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
204	Water (Exhibit E-12)
205	Water - Val Vista (Exhibit E-13)
	Wastewater Enterprise Fund
206	Statement of Net Position (Exhibit E-14)
208	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-15)
209	Statement of Cash Flows (Exhibit E-16)
	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
210	Wastewater (Exhibit E-17)
211	Wastewater - SROG (Exhibit E-18)
	Solid Waste Enterprise Fund
212	Statement of Net Position (Exhibit E-19)
214	Statement of Revenues, Expenses and Changes in Net Position (Exhibit E-20)
215	Statement of Cash Flows (Exhibit E-21)
216	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis (Exhibit E-22)

Table of Contents

Fiduciary Funds

- 220 Combining Statement of Fiduciary Net Position (Exhibit F-1)
- 222 Combining Statement of Changes in Fiduciary Net Position (Exhibit F-2)

Component Units

Phoenix Housing Financing Corporations

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

Other Supporting Schedules

- 236 Summary of Operating Funds - Budget Basis (Exhibit H-1)
- 238 Summary of Capital Project Funds - Budget Basis (Exhibit H-2)
- 242 Capital Improvement Program - Expenditures and Encumbrances (Exhibit H-3)
- 243 Transfers To/From Other Funds (Exhibit H-4)
- 244 Budgetary Transfers - Budget Basis (Exhibit H-5)
- 246 Bonds and Other Debt Payable (Exhibit H-6)
 - Debt Service Requirements
 - General Obligation Bonds
 - 247 Limited to Six Percent of Assessed Valuation (Exhibit H-7)
 - 248 Limited to Twenty Percent of Assessed Valuation (Exhibit H-8)
 - 249 By Type of Security to Bondholders and By General Purpose of Assets Acquired (Exhibit H-9)
 - 250 Bond Ratings (Exhibit H-10)

Table of Contents

STATISTICAL SECTION (UNAUDITED)

Financial Trends

256	Net Position by Component (Table 1)
258	Changes in Net Position (Table 2)
264	Fund Balances of Governmental Funds (Table 3)
266	Changes in Fund Balances of Governmental Funds (Table 4)
270	Tax Revenues by Source - Governmental Funds (Table 5)
272	Intergovernmental Revenues by Source - Governmental Funds (Table 6)

Revenue Capacity

278	City Transaction Privilege Taxes by Category (Table 7)
280	Direct and Overlapping Sales Tax Rates (Table 8)
282	City Transaction Privilege Taxpayers by Category (Table 9)
284	City Property Tax Levies and Collections (Table 10)
286	Property Tax Rates and Levies - Direct and Overlapping Governments (Table 11)
288	Property Tax Levies Applicable to Phoenix Property Owners (Table 12)
290	Primary Net Assessed Valuation and Estimated True Valuation (Table 13)
292	Principal Property Taxpayers (Table 14)

Debt Capacity

296	Legal Debt Margin - General Obligation Bonds (Table 15)
298	Ratio of Debt Service Expenditures for General Bonded Debt to General Governmental Operating Expenditures - Budget Basis (Table 16)
300	Pledged - Revenue Bond Coverage (Table 17)
302	Ratio of Outstanding Debt by Type (Table 18)
303	Governmental & Business-Type Activities Debt per Capita (Table 19)
304	Direct and Overlapping Bonded Debt (Table 20)

Economic and Demographic Information

307	Demographic Statistics (Table 21)
308	Principal Employers (Table 22)

Operating Information

312	Statistical Profile (Table 23)
-----	--------------------------------



Introductory section

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



City of Phoenix

**City of Phoenix**

FINANCE DEPARTMENT

FINANCIAL ACCOUNTING AND REPORTING DIVISION

December 15, 2023

Honorable Mayor, City Council and City Manager:

In accordance with the requirements of the City Charter, I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Phoenix, Arizona (the "City"), for the fiscal year ended June 30, 2023. These financial statements are prepared and presented in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

Independent Audits

The City Charter requires an annual audit by independent certified public accountants. The City's Audit Committee has selected the independent audit firm of FORVIS, LLP to perform the audit of the City's ACFR for fiscal year 2022-2023. The Independent Auditor's Report on the financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund and the aggregate remaining funds is included in the financial section of this report.

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

City Profile

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and infrastructure; as well as recreational and cultural activities. The City's five enterprise funds provide aviation, convention, water, wastewater and solid waste disposal services. In addition, standards set by the GASB regarding the inclusion of certain entities based upon the significance of their operations or financial relationships with the City, require that the activities of the City of Phoenix Employees' Retirement System ("COPERS"), the City of Phoenix Civic Improvement Corporation ("CIC"), the Park Central Community Facilities District ("PCCFD"), the Verdin Community Facilities District ("VCFD"), the Phoenix Housing Financing Corporations ("PHFC"), and the Phoenix Industrial Development Authority ("Phoenix IDA") be included in the reporting entity. The Phoenix IDA also administers the Phoenix Community Development and Investment Corporation, known as PCDIC.

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

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

The City has grown steadily since its inception and has shown especially strong growth since 1950. In 1950, the City occupied 17 square miles with a population of almost 107,000, ranking it 99th among American cities. The 1990 census recorded Phoenix's population at 983,403 and the 2010 census recorded Phoenix's population at 1,447,128. As of June 30, 2023, the City encompassed 519.3 square miles, with the City of Phoenix estimating the population at 1,674,652.

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

Budgeting Systems and Controls

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

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

Economic Condition and Outlook

Phoenix continues to be one of the fastest-growing cities in the United States to experience economic success. Our focus on revitalizing communities, creating affordable housing, and attracting investment to build wealth among

community members has proven successful. Driven by entrepreneurship and producing a wide range of valuable jobs, Phoenix remains a top-notch performer in many major industries including manufacturing, technology, and bioscience healthcare. The City continues to implement policies and standards to remain structurally balanced, maintain or improve current service levels, and attract wealth-generating companies.

Business attraction continues to be a focus to help diversify our economic base by expanding and relocating businesses to Phoenix. Bringing in new industries that produce goods and services locally generates new dollars from outside the local economy, creating a multiplier effect. Recently, the City has focused efforts on supporting suppliers, and sub-suppliers, that are associated with Taiwan Semiconductor Manufacturing Company (TSMC). This year, JA Solar, one of the world’s largest solar panel manufacturers and six new suppliers to TSMC, selected Phoenix, bringing nearly 700 new jobs to the City. In the past year, the City has worked with 30 companies to locate and create 4,478 new jobs at an average salary of \$68,206 with a capital investment of \$1.4 billion.

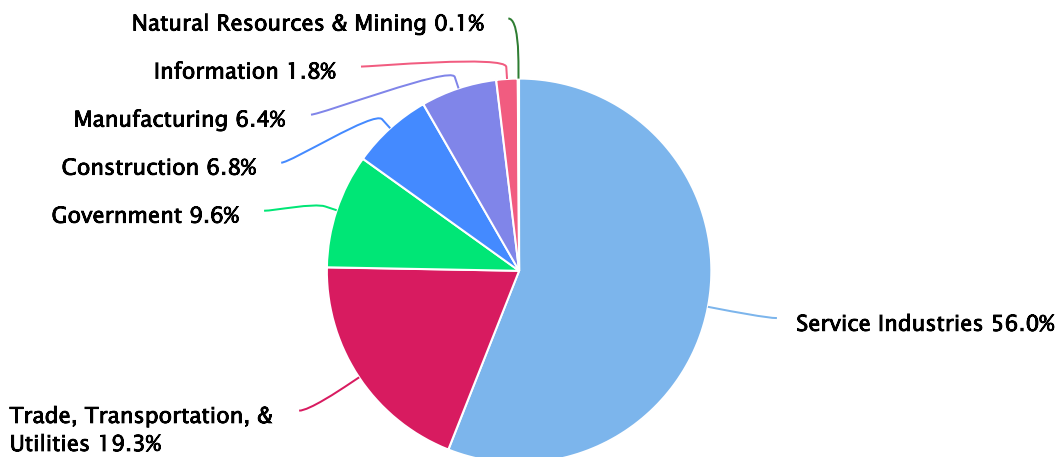
Phoenix Sky Harbor International Airport, the 10th busiest airport in the United States, is America’s Friendliest Airport. It has a \$106 million daily economic impact. On a typical day: more than 1,200 aircraft arrive and depart, more than 125,000 passengers arrive and depart, and more than 1,000 tons of air cargo is handled. Flights at Phoenix Sky Harbor International Airport serve more than 100 domestic and 22 international destinations.

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

- **PHX Sky Train®** -The PHX Sky Train® currently provides a quick, convenient connection between the Airport’s two terminals, East Economy Parking, and Valley Metro Light Rail. Construction on Phase 2 of the PHX Sky Train® is now complete and began carrying passengers in December 2022.
- **Terminal 3 New Concourse** - The Airport is building a second north concourse at Terminal 3, just east of the existing north concourse. Design of the new concourse commenced in early 2023.
- **New Crossfield Taxiway Design** – A new crossfield taxiway was procured in 2022. The new taxiway, to be named Taxiway Uniform, will be located on the west side of the airport, and will connect Taxiway Charlie on the north to Taxiway Delta on the south. A portion of this project will be paid for using Bipartisan Infrastructure Law grant funds.

Phoenix is continuing to invest in its workforce and is working diligently to improve the City’s competitive position by developing the future workforce and engaging with and repositioning the current workforce. The City works to leverage resources, services, and information with our Phoenix Business and Workforce Development (PBWD) Board, our University, Community College, and adult education partners to develop and access talent pipelines to meet the workforce needs of business and industry. The Phoenix area’s manufacturing workforce is much more concentrated in high technology than other areas in the United States. According to U.S. Bureau of Labor Statistics, the primary employment sectors and their share of total employment in Phoenix is presented in the below graph:

Employment Sectors



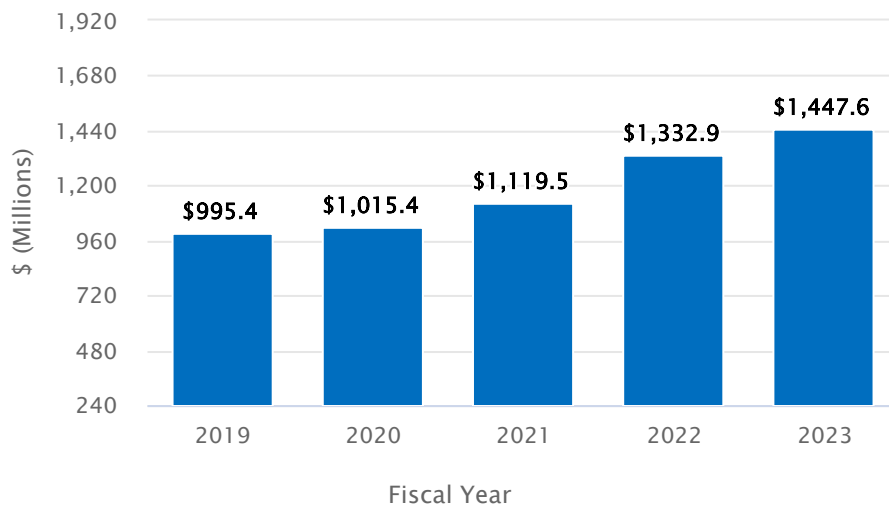
Major employers of the Phoenix metropolitan area include Banner Health, State of Arizona, Wal-Mart Inc., Amazon.com, Inc., Fry's Food Stores, Wells Fargo & Company, Maricopa County, Intel Corporation, Arizona State University, and City of Phoenix. The top ten property taxpayers, based on secondary assessed valuation, are Arizona Public Service Company, Southwest Gas Corporation, CenturyLink Inc., Esplanade Owner L.P., Phoenix Plaza P.T. L.L.C., Host Kierland L.P., Target Corporation, United Services Automobile Association, Biltmore Center Owner L.L.C., and Epic Apollo L.L.C. These taxpayers make up 5.7% of total assessed valuation.

According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area grew by an average of 7.9% per year from 2011 through 2021, and grew 8.0% in 2022. This growth was supported by gains in personal income averaging 6.3% annually from 2011 through 2021, and grew 4.7% in 2022. The Greater Phoenix Blue Chip Economic Forecast estimates a 5.8% increase in retail sales and a 5.2% increase in personal income in 2023.

In fiscal year 2015-16, the primary assessed valuation and the secondary assessed valuation were combined into a single valuation of \$10.6 billion. Between fiscal years 2015-16 and 2022-23, the assessed valuation increased by 46.2% to \$15.5 billion. The assessed valuation increased another 5.2% to \$16.3 billion for fiscal year 2023-24. City total property tax rate (primary and secondary) for fiscal year 2023-24 was set to \$2.10 per \$100 assessed valuation.

The City of Phoenix maintains strong credit ratings. The Senior Lien Airport Revenue bonds ratings were upgraded by Moody's Investor Service to Aa2, and the Junior Lien Revenue bonds rating to Aa3. At the same time, S&P Global Ratings affirmed its ratings (AA-) and (A+). Both ratings have a stable outlook. The upgrade reflects the City's increased travel passenger base in the quickly growing Phoenix region and demonstrated resilience of the airport's rates by ordinance business model. During a surveillance review, the Wastewater Revenue bonds ratings were upgraded by S&P Global Rating to AAA with a stable outlook. The rating upgrade was based on a combination of significant economic strength, and prudent management policies that S&P Global ratings consider best in class. These ratings reflect the efforts of the elected officials and City Management whose decisions ensure the City maintains a strong financial position. Finances remain in a healthy position, supported by prudent budget management and revenue growth driven by the City's strong economy.

City Excise Taxes



As indicated above, City excise taxes, consisting primarily of City sales taxes, increased from \$1,332.9 million in fiscal year 2021-22 to \$1,447.6 million in fiscal year 2022-23. This is an increase of \$114.7 million, or 8.6%. The largest increases in these taxes were generated from strong growth in restaurants & bars, construction, and property rentals - see Table 7 for additional information.

Long-Term Financial Planning

The City's financial planning process is primarily driven by the budget process. This process includes the annual operating budget, which is prepared on a modified zero-base budgeting process. This includes an annual base

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

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

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

Major Initiatives

The City of Phoenix adopted a strategic plan to help guide decision-making at all levels of the organization and focus the City's efforts on its core businesses that facilitate the City's mission: to improve the quality of life in Phoenix through efficient delivery of outstanding public services. A representation of fiscal year 2022-2023 accomplishments is featured below.

Economic Development and Education – Super Bowl LVII – In February, Arizona hosted Super Bowl LVII. Although the game was played in Glendale, many of the official events were held in Phoenix. Downtown Phoenix was at center stage as staff created 1,300 pieces of social media content and hosted 6,000 members of the media. The Super Bowl Experience at the Phoenix Convention Center, Super Bowl Opening Night, the National Football League Honors Annual Awards Show, Super Bowl Music Fest, and the Super Bowl Experience at Hance Park drew nearly 300,000 residents and visitors to official Super Bowl events in Downtown Phoenix. All events achieved a Zero Waste to Landfill designation, with 92.6% of material, equivalent to 101 tons, diverted from landfills. The light rail system served 250,000 residents and visitors at no cost for event attendees. 5,300 riders downloaded a mobile fare app to utilize public transit to attend Super Bowl events. Additionally, 200,000 visitors came through Sky Harbor International Airport, setting a record for the busiest day ever, with 150,000 passengers in a single day. During this time, Transit Security Administration (TSA) wait times never exceeded 22 minutes.

Financial Excellence – Distinguished Budget Presentation Award – The 2021-22 City of Phoenix Annual Budget earned the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. This is the 34th consecutive award for Phoenix. Additionally, the Triple Crown designation recognizes governments that have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award for a fiscal year. The City of Phoenix was one of just 331 governments that received the Triple Crown for fiscal year 2021. These awards reaffirm the City's success in communicating its finances and budget information in a clear, transparent, and professional manner.

Infrastructure – Roadway Safety Action Plan – The Phoenix City Council unanimously approved a comprehensive Vision Zero Road Safety Action Plan and the allocation of \$10 million in annual funding for its implementation. The \$10 million in annual funding approved to implement the plan comes from \$3 million allocated from the City's General Fund, \$2 million from Transportation 2050 (T2050) resources, and \$5 million from the Highway User Revenue Fund (HURF). The goal of the Plan is to reduce the number of traffic incidents in Phoenix to zero by 2050. It aligns with the Vision Zero philosophy that those types of incidents are preventable. In addition to its 41 strategies, the Road Safety Action Plan identifies a series of 31 performance measures linked to meeting the 2050 goal of zero traffic incidents. Those benchmarks include a 25% reduction in traffic incidents by 2027 and a 65% reduction by 2035.

Innovation and Efficiency – Additional Units of Low-Income Housing – In 2022, Housing staff completed a Call for Interest (CFI) process and awarded \$1 million each to eight projects. These projects are financed in conjunction with the Low-Income Housing Tax Credit (LIHTC) program, representing an innovative financing solution to increase the number of housing units created. Five of the eight CFI-awarded projects received LIHTC allocations and, when completed, will provide an additional 471 affordable housing units in the following communities: Acacia Heights III, Garfield II, Reserve at Thunderbird Phase II, Osborne Pointe, and Pueblo Apartments. In addition to these projects, 223

units were completed, and another 901 units at 10 HOME-assisted developments are under construction, bringing the total number to 1,595 units assisted by Housing-managed HOME funding.

Neighborhoods and Livability – Public Housing Occupancy – Housing staff increased Public Housing occupancy from 78% in January of last year to more than 98% occupied. The team managed the waitlist, conducted multiple recruitments and extensive outreach to more than 4,000 applicants, and efficiently reviewed and accepted applications to house eligible low-income seniors in senior housing sites.

Public Safety – Master Plan of the New 911 Call Center and Police Headquarters – Throughout the past year, progress has continued for the conversion of the former Wells Fargo offices to the City’s new 911 Call Center and Police Headquarters. Staff has master-planned the facility to meet the Phoenix Police Department’s program needs for the next 20 years and began procuring information technology, fire alarm, and 911 equipment necessary for the facility. Infrastructure repairs, general contractor agreements, and sustainability improvements have been engineered to ensure that the facility is ready for Police functions and staff to begin a phased move-in starting in late 2023, with substantial completion anticipated by late 2024.

Social Service Delivery – Washington Relief Center – The City of Phoenix allocated \$6.3 million to transform a City-owned, vacant building into a habitable space to provide shelter for persons experiencing homelessness. The City funded the building’s rehabilitation expenses and partnered with Maricopa County, who contracted with St. Vincent de Paul, to operate the shelter. The Washington Relief Center opened in May 2022 and now shelters 200 individuals per night. It also provides guests three meals per day, on-site case management, employment services, and behavioral health services.

Sustainability – Heat Response Plan – In March 2022, the City Council approved a Heat Response Plan. It established three goals, including a reduction in heat-associated deaths, fewer heat-related services calls, and an evaluation of 100% of the current heat response programs and services. It utilized \$2.6 million of American Rescue Plan Act (ARPA) monies to support a new shelter at 2739 East Washington Street. In January 2023, the City Council voted to access up to \$500,000 from American Forests and to disburse the funds through nonprofit partners. The funding will be used to plant trees equitably in Phoenix with a focus on neighborhoods most impacted by rising temperatures.

Technology – Revised and Updated City Manager’s Performance Dashboard – The new City Manager’s Performance Dashboard launched in 2022. It enhances transparency, highlights City achievements, and identifies potential areas for improvement. The dashboard serves as a comprehensive and easy-to-understand resource of services and programs offered to the Phoenix community and encompasses more than 130 metrics from 28 City departments. Staff redeveloped the City’s existing performance report, which had not been updated for 10 years and had only included 27 metrics. This effort was a citywide collaboration to develop new metrics and enhance existing metrics. Staff also assisted in the design of a user-friendly interface of the Environmental System Research Institute (ESRI) ArcGIS system and marketed this resource to the Phoenix community. The dashboard, now administered by the newly created Office of Innovation, was featured by the Bloomberg Cities Network as an example of a smart strategy and innovative solution for local governments. Since the Dashboard launched, it has received nearly 30,000 views from over 5,000 individual users, with visitors from 33 countries worldwide.

Awards and Recognition

Top Green Fleet of 2023 - The City of Phoenix won the Top Green Fleet Award for 2023 from the National Association of Fleet Administrators (NAFA). The annual Green Fleet Awards honor both commercial and government organizations that make a positive impact on the environment with their groundbreaking green initiatives. Some of the award-winning highlights of the City’s Top Green Fleet include: a growing fleet of electric vehicles (EVs); vehicles that use alternative fuels, including E-54 ethanol, biodiesel, compressed natural gas (CNG), and renewable natural gas (RNG); an Operations Analyst who focuses on the best ways to expand the green fleet while researching future alternative energy sources; and Solar-covered parking for fleet equipment.

ESRI Special Achievement 2023 Award - The City of Phoenix, Information Technology Services (ITS), Data Services, Enterprise Geographic Information Systems (EGIS) and Business Intelligence and Data Integration (BIDI) teams, won a Special Achievement Award from ESRI, the international geospatial industry leader, at this year’s 2023 international user conference. This prestigious award is given to organizations that quickly and strategically modernize the use of GIS across the organization to realize increased efficiency, greater collaboration, transparency, and engagement from its internal and external stakeholders. Two interactive dashboards, the City Manager’s Performance Dashboard and Environmental/Social/Governance Dashboard, (ESG) created by the EGIS and Business Intelligence Data Integration

(BIDI) teams, were recognized. Additional recognition was cited for the GIS projects completed through EGIS, for the Aviation, Police, Public Works, Water, and Streets departments.

City of Phoenix Housing Department Awards:

Hero Award for Soluna Choice Neighborhoods Housing Community - In August 19, 2023, Soluna Apartments was awarded a Housing Hero Award from the Arizona Department of Housing during its 2022 Arizona Housing Forum in the Exemplary Multi-Family Project category. This award recognizes an outstanding multifamily rental project in urban or rural Arizona that serves low to moderate income individuals, families, or seniors. Soluna is the first mixed-income housing community built as part of the Choice Neighborhoods Implementation grant program in the Edison-Eastlake Community.

NALHFA Annual Conference HOME Excellence Award - The City's Housing Director attended the NALHFA conference in Tampa, Florida on May 3 and 4, 2023, to accept an award of HOME Excellence for the Soluna II project. Soluna II, part of the first housing development funded from a \$30 million Choice Neighborhood Initiative (CNI) grant consists of 66 Units of mixed-income housing, 5 buildings/3 stories/1-2 bedrooms, rezoned to walkable urban code, for a total investment of \$15.3 million. Construction was completed in Spring 2022, and fully rented November 2022. Soluna comes from the combination of Sol (sun) and Luna (moon) in Spanish and is named by its neighborhood residents.

Arizona Multi-Housing Association Award - Soluna Apartments was awarded the 2023 Tribute Award for Best Community Design-Affordable Community by the Arizona Multi-housing Association (AMA).

City of Phoenix Aviation Department Awards:

Airport of the Year - Phoenix Sky Harbor was awarded Airport of the Year by the Aviation Safety Advisory Group of Arizona.

Spirit of Service Award - On July 14, 2023, the Arizona Office of Tourism hosted the 2022 Governor's Tourism Awards Gala, recognizing the outstanding marketers, innovators, and ambassadors of the Arizona tourism industry. The City of Phoenix was honored to receive the Spirit of Service Award for our Compassion Cacti™ lanyard/Dementia Friendly Airport program. America's Friendliest Airport® implemented a lanyard program aimed at providing an extra-friendly and patient hand to customers who self-identify as needing additional assistance when traveling through the airport.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received this award continuously since 1976. The ACFR for the fiscal year ended June 30, 2023 is being submitted to GFOA for consideration of Certificate of Achievement indicating the City's commitment in continuing to meet program requirements.

The GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Phoenix Aviation Enterprise Fund for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the seventh consecutive year the Aviation Enterprise Fund has achieved this honor.

The component unit financial report for COPERS for the year ended June 30, 2022 was also awarded a GFOA Certificate of Achievement. COPERS has received this award each year since 1985.

Further, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2022. The Outstanding Achievement award is a prestigious national award recognizing conformance with the highest standards for preparation of local government popular reports. PAFR content has to conform to program standards of creativity, presentation, understanding and reader appeal.

Acknowledgments

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

Respectfully submitted,

Kathleen Gitkin

Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Phoenix
Arizona**

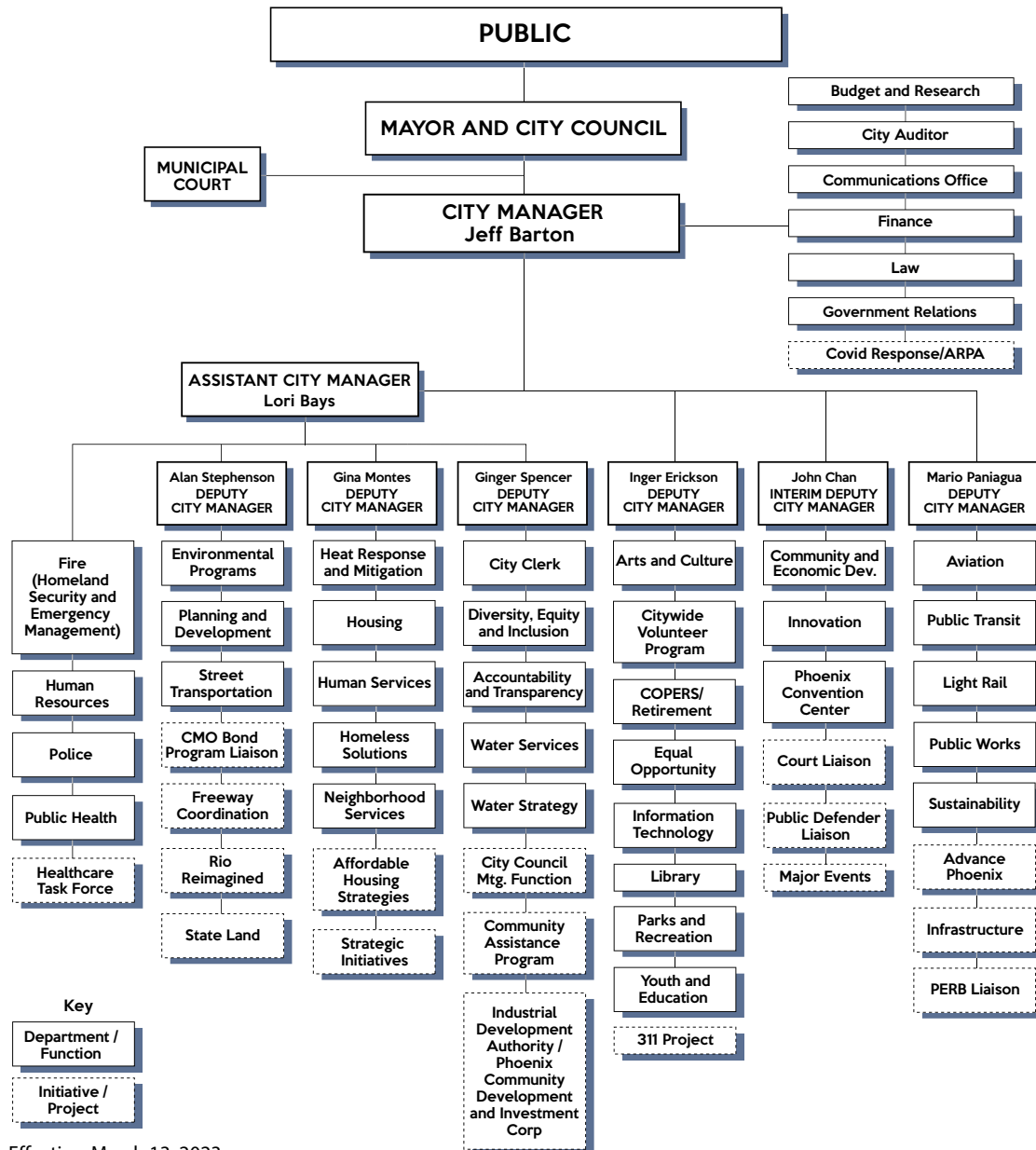
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF PHOENIX ORGANIZATIONAL CHART



Effective: March 13, 2023



Mayor Kate Gallego
602-262-7111
mayor.gallego@phoenix.gov

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



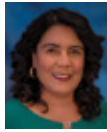
Ann O'Brien
602-262-7444
council.district.1@phoenix.gov



Jim Waring
602-262-7445
council.district.2
@phoenix.gov



Debra Stark
602-262-7441
council.district.3@phoenix.gov



Laura Pastor
602-262-7447
council.district.4@phoenix.gov



Kevin Robinson
602-262-7491
council.district.6
@phoenix.gov



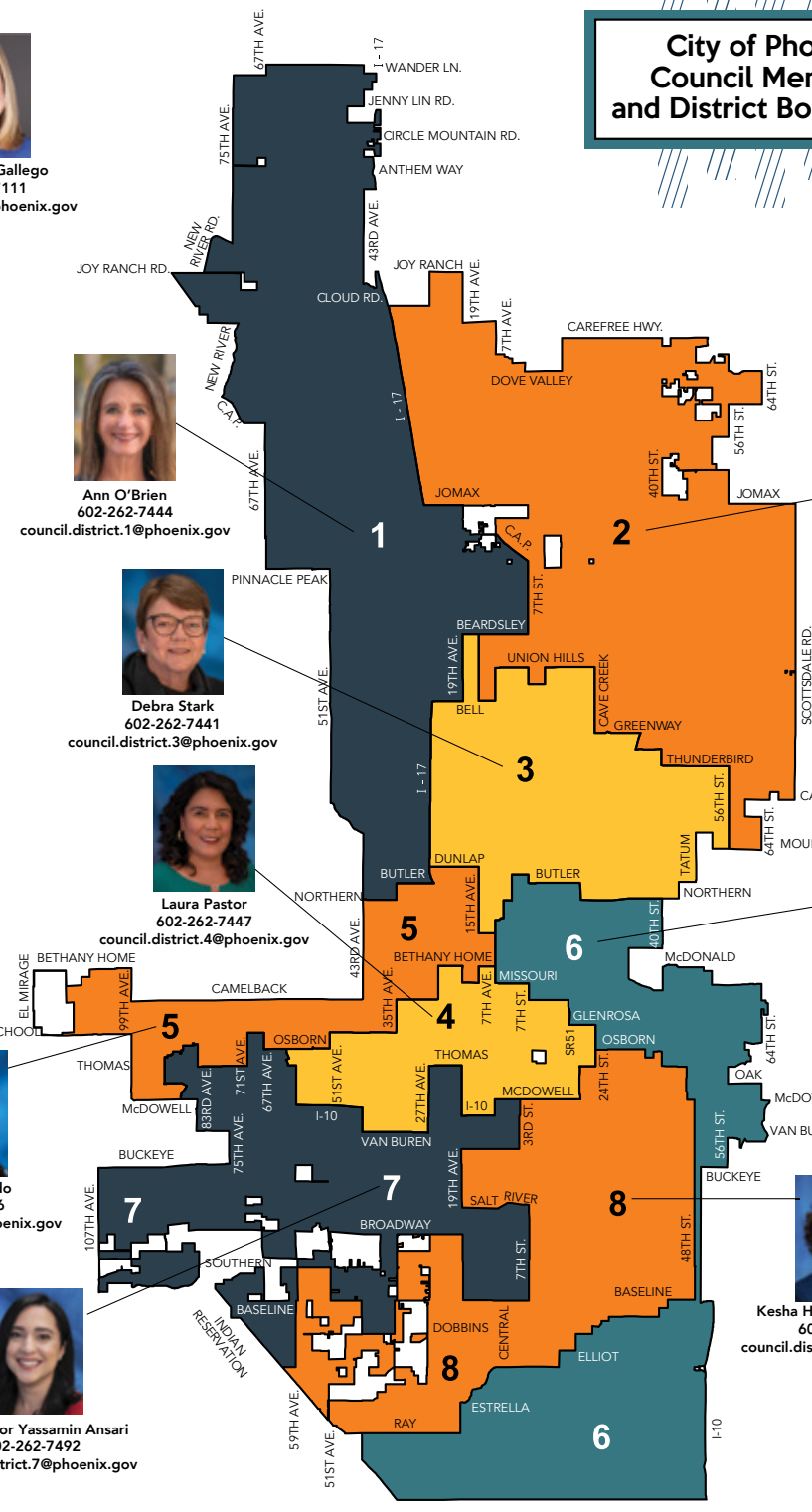
Betty Guardado
602-262-7446
council.district.5@phoenix.gov



Vice Mayor Yassamin Ansari
602-262-7492
council.district.7@phoenix.gov



Kesha Hodge Washington
602-262-7493
council.district.8@phoenix.gov





City of Phoenix



Financial section

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



City of Phoenix



14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254

P 972.702.8262 / F 972.702.0673

forvis.com

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Phoenix, Arizona (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the transit special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Phoenix Industrial Development Authority (IDA), a discretely presented component unit, which represents 35%, 64%, and 22%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Multi-City Subregional Operating Group (SROG), a joint use agreement of the City, which represents 14% of total assets, 22% of net position, and 69% of the total nonoperating revenues (expenses) of the Wastewater Fund. We also did not audit the financial statements of the Valley Metro Rail, Inc. or Regional Wireless Cooperative, joint use agreements of the City, which represents 18% of the assets, 51% of net position, and 7% of total revenues of the governmental activities of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for IDA and the joint use activities related to SROG, Valley Metro Rail, Inc., and Regional Wireless Cooperative is based solely on the reports of the other auditors.

Basis for Opinions

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

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

Emphasis of Matter

Change in Accounting Principle

As discussed in *Notes 1 and 18* to the financial statements, in fiscal year 2023 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information including the nonmajor governmental combining fund financial statements, enterprise funds financial statements, fiduciary funds combining statements, and Phoenix Housing Financing Corporations (component unit) combining statements is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor governmental combining fund financial statements, enterprise funds financial statements, fiduciary funds combining statements, and Phoenix Housing Financing Corporations (component unit) combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

FORVIS,LLP

**Dallas, Texas
December 15, 2023**



City of Phoenix



Financial Section
.....

**MANAGEMENT'S
DISCUSSION AND
ANALYSIS**

(required supplementary information)



City of Phoenix

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

As management of the City of Phoenix, Arizona, we offer the following narrative overview and analysis of the financial activities of the City of Phoenix, Arizona (the City) for the fiscal year ended June 30, 2023. Readers are encouraged to consider this overview and analysis in combination with the traditional letter of transmittal that can be found in the Introductory Section of this report.

FINANCIAL HIGHLIGHTS

- On the Government-Wide Financial Statements, total assets plus deferred outflows of the City exceeded its total liabilities plus deferred inflows at the close of the fiscal year by \$9.1 billion (net position), which represents an increase of \$1.4 billion, or 17.6%, as compared to fiscal year 2021-22. The increase in net position for Governmental Activities is primarily the result of an increase in state shared and excise tax revenues, as well as investments in infrastructure, such as the street improvements and light rail extension projects that are either grant-funded or contributed. The increase in net position for Business-Type Activities is attributable to increased revenues from all Enterprise Funds. Specifically, the Aviation and Convention Center Enterprise Funds experienced increased levels of passenger enplanements and event bookings, respectively, due to events such as Super Bowl LVII in February 2023 being held in the Phoenix metropolitan area.
- On the Government-Wide Financial Statements, the City's total cash and investments of \$3.8 billion at June 30, 2023 may be used to meet the City's ongoing obligations to citizens and creditors.
- Excise and other tax revenues increased by \$130.0 million, or 7.9%. A majority of the increase was derived from transaction privilege taxes collected on higher levels of taxable retail sales, restaurants & bars, hotel & motel lodging, and rental activities in the City for fiscal year 2022-23. See Table 7 for more information about City Transaction Privilege Taxes by Category.
- State shared revenue, such as state income and sales taxes, increased by \$107.7 million, or 15.6%, as compared to fiscal year 2021-22. These monies represent additional resources that the City can use to enhance services to residents. See Table 6 for more information about Intergovernmental Revenues by Source - Governmental Funds.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$2.1 billion, an increase of \$329.3 million from last fiscal year. Approximately 26% of the total governmental fund balance amount, or \$536.2 million, is designated by the City as committed, assigned and unassigned. The remaining 74%, or \$1.5 billion, is designated as non-spendable or restricted. See Note 3 for a detailed description of fund balance classifications per GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

1) Basic Financial Statements - Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City finances, in a manner similar to a private-sector business. They are presented in Exhibits A-1 and A-2 beginning on page 22 of this report. Summarized versions of these Exhibits are included in this MD&A.

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

The *Statement of Activities*, Exhibit A-2, presents information showing how the City net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both the Statement of Net Position and the Statement of Activities divide the functions of the City that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*Business-Type Activities*). The Governmental Activities of the City include general government, criminal justice, public safety, transportation, community enrichment, community development and environmental services. The Business-Type Activities of the City include aviation, Phoenix convention center, water services, wastewater services and solid waste. In addition, financial information is also presented for the City's discretely presented component units, which are the Phoenix Housing Finance Corporations, and the Phoenix Industrial Development Authority. See Note 1 on page 49 for further discussion on the financial reporting entity.

Government-Wide Financial Statement Analysis

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2023.

Net Position. As noted above, net position may serve over time as a useful indicator of a government's financial position. The City's net position, the amount by which assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources, was \$9.1 billion at the close of the fiscal year.

The largest portion of the City's net position, \$8.1 billion, reflects its net investment in capital assets, e.g., land, buildings, improvements, equipment, and infrastructure, less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The following table summarizes Exhibit A-1, the detailed Statement of Net Position.

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

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022*	2023	2022*	2023	2022*
Current and other assets	\$ 4,979,437	\$ 4,461,564	\$ 3,801,974	\$ 3,756,532	\$ 8,781,411	\$ 8,218,096
Capital, lease, and subscription assets	5,801,754	5,567,329	8,339,615	8,217,359	14,141,369	13,784,688
Total assets	10,781,191	10,028,893	12,141,589	11,973,891	22,922,780	22,002,784
Deferred outflows of resources	806,233	700,085	107,107	122,675	913,340	822,760
Other liabilities	931,731	1,069,239	894,034	953,328	1,825,765	2,022,567
Long-term liabilities						
outstanding	6,635,103	6,259,398	5,669,607	5,963,806	12,304,710	12,223,204
Total liabilities	7,566,834	7,328,637	6,563,641	6,917,134	14,130,475	14,245,771
Deferred inflows of resources	310,304	532,804	333,586	343,218	643,890	876,022
Net position:						
Net investment in capital						
assets	4,367,046	3,984,584	3,692,473	3,592,530	8,059,519	7,577,114
Restricted	1,693,107	1,458,949	330,788	290,321	2,023,895	1,749,270
Unrestricted	(2,349,867)	(2,575,996)	1,328,208	953,363	(1,021,659)	(1,622,633)
Total net position	\$ 3,710,286	\$ 2,867,537	\$ 5,351,469	\$ 4,836,214	\$ 9,061,755	\$ 7,703,751

*The balances for fiscal year 2022 were not restated as a result of the implementation of GASBs 94 and 96.

The *restricted* portion of the City's net position, \$2.0 billion, represents resources that are subject to external restrictions on how they may be used. Such restrictions include debt service payments, development impact fees

restricted to growth-related projects, other capital projects and required reserves. The long-term liability associated with pensions and OPEB (\$5.2 billion) are included in the remaining balance, or the *unrestricted net position*, resulting in a deficit of \$1.0 billion. The City's balance of \$3.8 billion in cash and investments, as shown on Exhibit A-1, may be used to meet current and ongoing obligations.

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

Capital, Lease and Subscription Assets. The City's capital, lease, and subscription assets for the fiscal year ended June 30, 2023, totaled \$14.1 billion, net of accumulated depreciation. This represents an increase from the prior fiscal year of \$356.7 million, which includes an increase of \$234.4 million for Governmental Activities and an increase of \$122.3 million for Business-Type Activities. Major additions to capital assets during the fiscal year included the following:

- Water and wastewater distribution, collection and treatment facilities projects valued at \$178.2 million.
- New and replacement water and sewer mains throughout the City valued at \$168.9 million.
- Various street and storm sewer projects throughout the City valued at \$153.6 million.
- Design and construction related to the light rail extension projects valued at \$86.9 million.
- Improvements to parks and trailheads throughout the City valued at \$48.4 million.
- Sky Harbor Sky Train extension from airport terminals to rental car center valued at \$36.0 million.

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

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

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022*	2023	2022*	2023	2022*
Land	\$ 1,313,747	\$ 1,314,550	\$ 692,036	\$ 692,227	\$ 2,005,783	\$ 2,006,777
Artwork	7,927	7,927	12,090	12,169	20,017	20,096
Construction-in-Progress	572,479	318,961	1,725,780	2,069,859	2,298,259	2,388,820
Buildings	864,984	920,539	1,924,275	1,791,097	2,789,259	2,711,636
Improvements	306,894	302,593	1,895,150	1,780,256	2,202,044	2,082,849
Infrastructure	2,258,276	2,245,304	1,258,520	1,240,854	3,516,796	3,486,158
Equipment	411,535	423,080	753,172	541,957	1,164,707	965,037
Intangible Assets	12,831	14,709	78,592	88,940	91,423	103,649
Right-to-Use Lease Assets	17,781	19,666	-	-	17,781	19,666
Right-to-Use Subscription Assets	35,300	-	-	-	35,300	-
Total	\$ 5,801,754	\$ 5,567,329	\$ 8,339,615	\$ 8,217,359	\$ 14,141,369	\$ 13,784,688

*The balances for fiscal year 2022 were not restated as a result of the implementation of GASBs 94 and 96.

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

Financial Obligations. The City's total financial obligations increased by \$81.5 million, or 0.7%. This was primarily due to an increase in the net pension liability during fiscal year 2022-23, which was offset by a decrease in bonds payable from debt service payments. For additional information about the City's financial obligations, see Note 10.

General obligation bonds are backed by the full faith and credit of the City. Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of a City's full cash net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a City's full cash net assessed valuation. The general obligation bonds long-term balance was \$681.0 million, net of discounts/premiums and the City's available debt margin at June 30, 2023 was \$1.7 billion in the 6% capacity and \$5.1 billion in the 20% capacity. Additional information regarding the debt limitations and capacities can be found in Note 12 to the financial statements and also in Table 15 in the statistical section.

The City entered into certain agreements with the City of Phoenix Civic Improvement Corporation (the "CIC") an affiliated nonprofit corporation, for the construction and acquisition of certain facilities and equipment which resulted in \$5.9 billion of municipal corporation obligations net of discounts/premiums. Under the terms of these agreements, the CIC issued bonds to finance the facilities and equipment, and the City agreed to make lease and purchase payments sufficient to pay principal and interest on the outstanding obligations. The City also pays all expenses of operating and maintaining the facilities and equipment.

The following table illustrates the financial obligations of the City.

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

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022*	2023	2022*	2023	2022*
General obligation bonds, net	\$ 680,972	\$ 862,796	\$ -	\$ -	\$ 680,972	\$ 862,796
Loans from direct borrowings	-	-	8,338	10,087	8,338	10,087
Municipal corporation obligations, net	619,079	519,175	5,275,520	5,559,567	5,894,599	6,078,742
Community facilities districts, net	27,915	28,640	-	-	27,915	28,640
Insurance claims payable	218,354	204,686	-	-	218,354	204,686
Compensated absences	169,256	155,118	20,925	20,318	190,181	175,436
Landfill closure/Post-closure costs	-	-	16,986	16,323	16,986	16,323
Pollution remediation	3,282	3,503	1,400	1,275	4,682	4,778
Arbitrage liability	1,625	-	8	-	1,633	-
Lease / subscription liability	54,774	20,413	-	-	54,774	20,413
Net pension liability	4,751,864	4,327,182	316,068	315,973	5,067,932	4,643,155
Net OPEB liability	107,982	137,900	30,362	40,262	138,344	178,162
Total	\$ 6,635,103	\$ 6,259,413	\$ 5,669,607	\$ 5,963,805	\$ 12,304,710	\$ 12,223,218

*The balances for fiscal year 2022 were not restated as a result of the implementation of GASBs 94 and 96.

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

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

City of Phoenix
Changes in Net Position
For the year ended June 30, 2023
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 556,910	\$ 580,329	\$ 1,640,401	\$ 1,464,980	\$ 2,197,311	\$ 2,045,309
Grants and contributions						
Operating	628,062	695,334	68,065	-	696,127	695,334
Capital	312,924	403,681	141,985	142,839	454,909	546,520
General revenues						
Excise taxes	1,447,634	1,332,879	-	-	1,447,634	1,332,879
Other taxes	327,492	312,243	-	-	327,492	312,243
Grants/contributions not restricted to specific programs	687,048	553,265	-	-	687,048	553,265
Other	112,647	8,004	87,537	196,655	200,184	204,659
Total revenues	<u>4,072,717</u>	<u>3,885,735</u>	<u>1,937,988</u>	<u>1,804,474</u>	<u>6,010,705</u>	<u>5,690,209</u>
Expenses						
General government	226,765	258,138	-	-	226,765	258,138
Criminal justice	43,078	38,261	-	-	43,078	38,261
Public safety	1,410,810	1,284,353	-	-	1,410,810	1,284,353
Transportation	660,716	748,459	-	-	660,716	748,459
Community enrichment	451,584	465,542	-	-	451,584	465,542
Community development	285,857	262,627	-	-	285,857	262,627
Environmental services	43,017	75,371	-	-	43,017	75,371
Interest on long-term debt	46,762	50,328	-	-	46,762	50,328
Aviation	-	-	602,290	539,372	602,290	539,372
Phoenix convention center	-	-	103,358	98,624	103,358	98,624
Water services	-	-	414,218	422,543	414,218	422,543
Wastewater services	-	-	177,807	172,121	177,807	172,121
Solid waste	-	-	186,439	171,221	186,439	171,221
Total expenses	<u>3,168,589</u>	<u>3,183,079</u>	<u>1,484,112</u>	<u>1,403,881</u>	<u>4,652,701</u>	<u>4,586,960</u>
Increase in net position before transfers	904,128	702,656	453,876	400,593	1,358,004	1,103,249
Transfers - internal activities	(61,379)	(48,921)	61,379	48,921	-	-
Increase in net position	<u>842,749</u>	<u>653,735</u>	<u>515,255</u>	<u>449,514</u>	<u>1,358,004</u>	<u>1,103,249</u>
Net Position - July 1	<u>2,867,537</u>	<u>2,213,802</u>	<u>4,836,214</u>	<u>4,386,700</u>	<u>7,703,751</u>	<u>6,600,502</u>
Net Position - June 30	<u>\$ 3,710,286</u>	<u>\$ 2,867,537</u>	<u>\$ 5,351,469</u>	<u>\$ 4,836,214</u>	<u>\$ 9,061,755</u>	<u>\$ 7,703,751</u>

As shown above, Total Government net position increased by \$1.4 billion, or 17.6%, as compared to fiscal year 2021-22. Governmental Activities accounted for \$842.7 million, or 62.1%, of the increase and Business-Type Activities accounted for \$515.3 million, or 37.9%. The increase in net position for Governmental Activities is primarily the result of an increase in state shared and excise tax revenues, and a gain recorded in transportation program revenues related to the City's investment for the Valley Metro Rail Inc. in fiscal year 2022-23. The increase in net position for Business-Type Activities is primarily attributable to increased revenues from the Aviation and Convention Center Enterprise Funds, which experienced increased levels of passenger enplanements and event bookings, respectively. The Phoenix metropolitan area hosted Super Bowl LVII in February 2023, which was also a factor in both Governmental and Business-Type Activities revenue increases.

The total revenues for Governmental Activities increased \$187.0 million, or 4.8%, as compared to fiscal year 2021-22. Excise and other tax revenues increased by \$130.0 million, or 7.0%. This is a direct result of higher levels of retail sales, construction contracting, restaurants & bars, hotel & motel lodging, and rental activities during fiscal year 2022-23. Another Governmental Activities revenue that saw a significant increase during fiscal year 2022-23 was the state shared revenue, which increased by \$107.7 million, or 15.6%, as compared to fiscal year 2021-22, and is reported in the Grants and Contributions Not Restricted to Specific Programs line on Statement of Activities in Exhibit A-2. The largest increases of state shared revenue were the state income tax and state sales tax. For additional information, see Table 6 and 7 related to Intergovernmental Revenues by Source and City Transaction Privilege Taxes by Category, respectively.

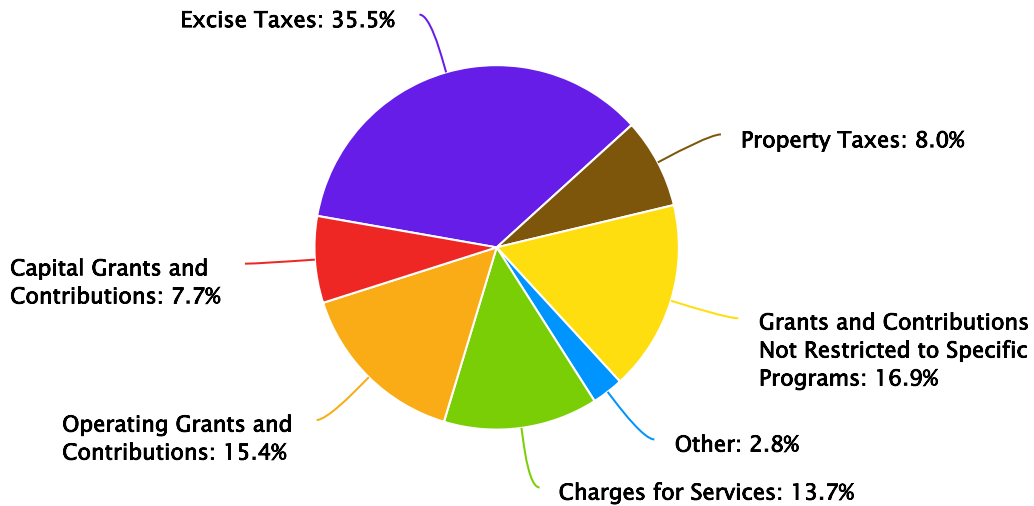
The total expenses for Governmental Activities decreased by \$14.5 million, or 0.5%, as compared to fiscal year 2021-22. The program that experienced the largest increase in operating expenses was Public Safety, which increased by \$126.5 million, or 9.8%, as compared to fiscal year 2021-22. This increase is attributable to higher personnel costs associated with additional hiring, as well as a rise in pension expenses. The program that had the largest decrease in operating expenses was Transportation, which decreased by \$85.6 million, or 11.4%, as compared to fiscal year 2021-22. This decrease is due to slow down in capital outlay for the design and construction of the northwest and central light rail extension projects, which are the assets of Valley Metro Rail, Inc. These projects are still ongoing, but expenses were elevated in fiscal year 2021-22 as the projects were ramped up and then stabilized in fiscal year 2022-23.

The Business-Type Activities' total revenue increased by \$133.5 million, or 7.4%, as compared to fiscal year 2021-22. This overall increase was led by the Aviation and Convention Center Enterprise Funds. The Aviation Enterprise Fund's revenue increase is the direct result of both passengers and airlines paying fees to use the airport facilities. The overall increase in the number of passenger enplanements in fiscal year 2022-23 gave rise to more fees being collected from both passengers and airlines. Also, the Convention Center Enterprise Fund's operating revenues increased due to the higher number of corporate events and other rental activities during fiscal year 2022-23. All operating revenue lines items for the Convention Center, which includes Rental of Facilities & Equipment, Concessions, and Box Office Services, experienced increases.

The Business-Type Activities' total expenses increased by \$80.2 million, or 5.7%, as compared to fiscal year 2021-22. This increase was primarily driven by the higher expenses for both the Aviation and Convention Center Enterprise Funds, which experienced increases to operating expenses associated with higher levels of passenger enplanements and event bookings, respectively. Another Business-Type Activity that experienced an increase to expenses was the Solid Waste Enterprise Fund. This increase of expenses is related to higher collection costs in all regions of Phoenix due to population growth and higher personnel costs.

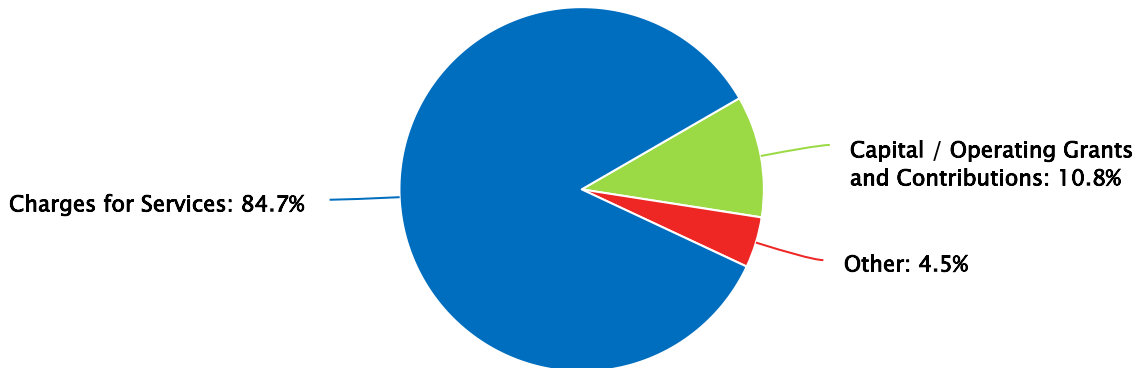
The sources of the revenues shown previously are portrayed in the following charts by percentage for the Governmental Activities and then the Business-Type Activities.

Revenues by Source – Governmental Activities
Fiscal Year Ended June 30, 2023



As shown above, excise taxes, which include City sales and franchise taxes, are the largest source of revenue for the Governmental Activities comprising 35.5% of the total. Additional information about tax revenues is presented in Table 5 of the Statistical Section.

Revenues by Source – Business Type Activities
Fiscal Year Ended June 30, 2023



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

2) Basic Financial Statements - Fund Financial Statements

The Fund Financial Statements are presented in Exhibits B-1 through B-14 beginning on page 30 of this report. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal activities. All funds of the City can be divided into three categories:

Governmental Funds (Exhibits B-1 through B-8), Enterprise Funds (Exhibits B-9 through B-11) and Fiduciary Funds (Exhibits B-12 and B-13).

Governmental Funds. *Governmental Funds* are used to account for essentially the same functions reported as *Governmental Activities* in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, which are on a full accrual basis, Governmental Fund Financial Statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year, which is the modified accrual basis of accounting. Both the Governmental Funds Balance Sheet (Exhibit B-1) and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B-3) provide a reconciliation (Exhibits B-2 and B-4, respectively) to the *Governmental Activities* portion of the Government-Wide Financial Statements.

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

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

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

Enterprise Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Enterprise Fund Financial Statements (Exhibits B-9 through B-11 beginning on page 38) provide separate information for each of the five Enterprise Funds noted above as all are considered to be major funds of the City.

Fund Financial Statement Analysis

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

Governmental Funds. The focus of the Governmental Fund Financial Statements (Exhibits B-1 through B-8 beginning on page 30) is to provide information on near-term inflows, outflows and balances of spendable resources (modified accrual basis). All major Governmental Funds are presented separately on these financial statements, while the nonmajor funds are combined into a single column. Combining statements for the nonmajor funds can be found in Exhibits C-1 and C-2.

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

City of Phoenix
Changes in Governmental Fund Balances
Fiscal Year Ended June 30, 2023
(in thousands)

	Fund Balances June 30, 2022	Net Change in Fund Balances	Fund Balances June 30, 2023
General Fund	\$ 439,142	\$ (4,838)	\$ 434,304
Transit Special Revenue Fund	409,450	83,735	493,185
G.O./Secondary Property Tax	70,705	(63,449)	7,256
Nonmajor Governmental	817,373	313,864	1,131,237
Total	<u>\$ 1,736,670</u>	<u>\$ 329,312</u>	<u>\$ 2,065,982</u>
Total Nonspendable	29,428	5,927	35,355
Spendable - Restricted	1,278,136	216,281	1,494,417
Spendable - Committed, Assigned, Unassigned	429,106	107,104	536,210
Total Governmental Fund Balances	<u>\$ 1,736,670</u>	<u>\$ 329,312</u>	<u>\$ 2,065,982</u>

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

As shown in the above table, at the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$2.1 billion, an increase of \$329.3 million, or 19% from last fiscal year. Of the total governmental funds combined ending balances, approximately 98.3% of this amount, or \$2.0 billion, constitutes *total spendable balance*. Of the spendable amount, there is \$536.2 million available at the City's discretion and has been categorized as committed, assigned or unassigned. The remaining \$1.5 billion, or 74%, is designated as non-spendable or restricted. Examples of fund balance restrictions include: Public Transit Operations, Debt Service and Road Maintenance and Construction. Non-spendable funds include inventory and prepaid items.

The General Fund is the main operating fund of the City and accounts for many of the major functions of the government including general government, criminal justice, public safety, transportation, community enrichment, community development and environmental services. As presented in the table above, General Fund balance decreased by \$4.8 million, or 1.1%. This decrease in fund balance was primarily due to an increase in public safety expenses and personnel costs for City employees.

The Transit Special Revenue Fund accounts for the voter approved excise taxes dedicated to the construction, operation and maintenance of the public transit system. In fiscal year 2023, the fund balance increased by \$83.7 million, or 20.5%, as a result of higher city tax revenue received from the Excise Tax Special Revenue Fund that are intended to be spent on future light rail extension projects and replacement bus purchases.

The fund balance for the General Obligation / Secondary Property Tax Debt Service Fund decreased by \$63.4 million, or 89.7%, during fiscal year 2022-23. The City defeased \$74.5 million of General Obligation Refunding Bonds, Series 2014.

The fund balance for the nonmajor governmental funds increased by \$313.9 million, or 38.4%, in fiscal year 2022-23. The Municipal Buildings and Service Centers Capital Projects Fund accounts for a majority of this increase. Its fund balance increased by \$140.1 million, or 211.0%, as compared to fiscal year 2021-22 due to the issuance of the Subordinated Excise Tax Revenue Bonds, Series 2022, which included \$131.7 million of principal and \$19.6 million of premium. The proceeds from this issuance are intended to be spent on acquisition, construction, and improvements of real and personal property for the City's police headquarters and 9-1-1 call center.

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

The following table summarizes Exhibit B-5.

**City of Phoenix General Fund
Budgetary Comparison Statement
Fiscal Year Ended June 30, 2023**
(in thousands)

	Final Amended Budget	Actuals	Variance Positive (Negative)
Revenues	\$ 419,632	\$ 442,524	\$ 22,892
Expenditures and Encumbrances	1,779,781	1,623,807	155,974
Deficiency of Revenues Under Expenditures and Encumbrances	(1,360,149)	(1,181,283)	178,866
Other Financing Sources	1,179,421	1,179,768	347
Net Change in Fund Balance	<u>\$ (180,728)</u>	<u>(1,515)</u>	<u>\$ 179,213</u>
Fund Balance July 1		224,446	
Fund Balance June 30		<u>\$ 222,931</u>	

The total actual revenues in the General Fund were more than 5.5% of the final amended budget and total expenditures were less than the final amended budget. The final amended general fund expenditure budget of \$1.8 billion includes \$100.8 million of contingency, which was not utilized. The actual general fund budgetary expenditures for the fiscal year ended June 30, 2023, were \$1.6 billion which is \$156.0 million less than the amended budget (see Exhibit B-5). The actual general fund expenditures reflect department efficiencies and cost control during the fiscal year.

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

**City of Phoenix
Changes in Enterprise Fund Net Position
Fiscal Year Ended June 30, 2023**
(in thousands)

	Net Position (Deficit) July 1, 2022	Change in Net Position	Net Position June 30, 2023
Aviation	\$ 1,840,628	\$ 142,331	\$ 1,982,959
Phoenix Convention Center	(30,108)	46,352	16,244
Water System	1,683,315	166,631	1,849,946
Wastewater	1,247,638	142,237	1,389,875
Solid Waste	94,741	17,704	112,445
Total	<u>\$ 4,836,214</u>	<u>\$ 515,255</u>	<u>\$ 5,351,469</u>

As shown in the table, net position for the Enterprise Funds increased in total by \$515.3 million during the fiscal year. The increases were due to increased revenues and contributions of capital assets. The Aviation net position increased by \$142.3 million, or 7.7%, due to an increase in passenger enplanements from events held in the Phoenix metropolitan area during the fiscal year, such as the National Football League's Super Bowl LVII, which was held on

February 12, 2023. The net position for the Phoenix Convention Center increased by \$46.4 million, or 154.0%, due to an increase in operating revenues from higher levels of event bookings, as compared to the prior fiscal year, as well as higher city tax revenue received from the Excise Tax Special Revenue Fund. The increase in net position for both the Water System and Wastewater Enterprise Funds were attributable to strong revenues from operations, as well as intergovernmental revenue from the State of Arizona for public infrastructure projects. Also, the Solid Waste Enterprise Fund increased during fiscal year 2022-23 due to City Council approving of a service fee increase that went into effect in January 2023.

3) Basic Financial Statements - Notes to the Financial Statements

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

ECONOMIC FACTORS

- The City's population as of June 2014 was 1,505,070. As of June 2023, the City has an estimated population of 1,674,652. This population growth represents a 11.3% increase over this ten-year span.
- The fiscal year 2023-24 assessed valuation increased 5.0% to \$16.3 billion.
- According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area grew by an average of 7.9% per year from 2011 through 2021, and grew 8.0% in 2022. This growth was supported by gains in personal income averaging 6.3% annually from 2011 through 2021, and grew 4.7% in 2022. The Greater Phoenix Blue Chip Economic Forecast estimates a 5.8% increase in retail sales and a 5.2% increase in personal income in 2023.
- The City of Phoenix maintains strong credit ratings. The Senior Lien Airport Revenue bonds ratings were upgraded by Moody's Investor Service to Aa2, and the Junior Lien Airport Revenue bonds rating to Aa3. At the same time, S&P Global Ratings affirmed its ratings (AA-) and (A+). Both ratings have a stable outlook.

REQUESTS FOR FINANCIAL INFORMATION

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



City of Phoenix



Financial Section
.....

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



City of Phoenix



City of Phoenix

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

June 30, 2023

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
ASSETS					
Cash and Cash Equivalents	\$ 221,732	\$ 180,778	\$ 402,510	\$ 15,306	\$ 5,264
Cash Deposits	1,041	10	1,051	2,313	-
Cash and Securities with Fiscal Agents/Trustees	196,105	-	196,105	104	-
Investments	1,958,661	1,256,819	3,215,480	-	-
Receivables, Net of Allowances	383,402	240,086	623,488	14,324	1,120
Prepaid Items	670	9,107	9,777	434	45
Inventories	34,694	26,443	61,137	-	-
Restricted Assets	-	1,094,617	1,094,617	-	1,938
Investment in Joint Use Agreements	1,897,029	487,780	2,384,809	-	-
Net OPEB Asset	59,730	4,741	64,471	-	-
Leases Receivable	205,657	330,396	536,053	-	-
Partnerships Receivable	20,716	-	20,716	-	-
Other Noncurrent Assets	-	171,197	171,197	-	29,000
Capital, Lease, and Subscription Assets					
Non-depreciable and Amortized	2,440,858	2,429,906	4,870,764	13,241	-
Depreciable and Amortized, net	3,360,896	5,909,709	9,270,605	23,770	-
Total Assets	10,781,191	12,141,589	22,922,780	69,492	37,367
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss on Refunding	8,362	62,382	70,744	-	-
Pension Related	780,553	41,129	821,682	-	-
OPEB Related	17,318	3,596	20,914	-	-
Total Deferred Outflows of Resources	806,233	107,107	913,340	-	-

The accompanying notes are an integral part of these financial statements

Government-Wide Financial Statements

Exhibit A-1

Statement of Net Position

(Continued)

June 30, 2023

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
LIABILITIES					
Accounts Payable	263,544	94,570	358,114	891	251
Reimbursement Agreement to City	-	-	-	2,348	-
Trust Liabilities and Deposits	56,539	39	56,578	315	-
Advance Payments	243,282	25,129	268,411	139	-
Liabilities Payable from Restricted Assets	-	58,404	58,404	52	-
Short-Term Obligations	200,000	400,000	600,000	-	-
Matured Bonds Payable	138,960	198,922	337,882	-	-
Interest Payable	29,406	116,970	146,376	3,417	-
Noncurrent Liabilities					
Due Within One Year					
Insurance Claims Payable	57,879	-	57,879	-	-
Accrued Compensated Absences	20,901	2,695	23,596	-	-
Pollution Remediation	52	275	327	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	1,605	1,605	-	-
General Obligation Bonds	102,280	-	102,280	-	-
Loans from Direct Borrowings	-	1,784	1,784	-	-
Municipal Corporation Obligations	50,865	210,484	261,349	-	-
Community Facilities Districts, net	755	-	755	-	-
Lease / Subscription Liability	6,454	-	6,454	-	-
Due in More Than One Year					
Insurance Claims Payable	160,475	-	160,475	-	-
Accrued Compensated Absences	148,355	18,230	166,585	-	-
Pollution Remediation	3,230	1,125	4,355	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	15,381	15,381	-	-
General Obligation Bonds, net	578,692	-	578,692	-	-
Loans from Direct Borrowings, net	-	6,554	6,554	-	-
Municipal Corporation Obligations, net	568,214	5,065,036	5,633,250	-	-
Community Facilities Districts, net	27,160	-	27,160	-	-
Notes Payable	-	-	-	41,573	-
Arbitrage Liability	1,625	8	1,633	-	-
Lease / Subscription Liability	48,320	-	48,320	-	-
Net Pension Liability	4,751,864	316,068	5,067,932	-	-
Net OPEB Liability	107,982	30,362	138,344	-	-
Total Liabilities	7,566,834	6,563,641	14,130,475	48,735	251
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Refunding	6,553	11,686	18,239	-	-
Service Concession Arrangement	20,659	-	20,659	-	-
Pension Related	23,544	6,269	29,813	-	-
OPEB Related	9,355	1,372	10,727	-	-
Leases Related	195,336	314,259	509,595	-	-
Partnerships Related	54,857	-	54,857	-	-
Total Deferred Inflows of Resources	310,304	333,586	643,890	-	-
NET POSITION					
Net Investment in Capital Assets	4,367,046	3,692,473	8,059,519	(5,895)	-
Restricted For:					
Capital Projects	406,920	-	406,920	-	1,938
Debt Service	154,762	4,718	159,480	-	-
Passenger Facility Charges	-	138,358	138,358	-	-
Customer Facility Charges	-	45,606	45,606	-	-
Public Transit Operations	492,439	-	492,439	-	-
OPEB	59,730	4,741	64,471	-	-
Voter Approved/Legislative	265,716	-	265,716	-	-
Other	313,540	137,365	450,905	-	-
Unrestricted (Deficit)	(2,349,867)	1,328,208	(1,021,659)	26,652	35,178
Total Net Position	\$ 3,710,286	\$ 5,351,469	\$ 9,061,755	\$ 20,757	\$ 37,116

The accompanying notes are an integral part of these financial statements

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 226,765	\$ 17,150	\$ 23,963	\$ 11
Criminal Justice	43,078	15,936	-	-
Public Safety	1,410,810	85,370	23,521	4
Transportation	660,716	301,416	250,366	258,803
Community Enrichment	451,584	20,598	163,990	2,808
Community Development	285,857	116,388	160,662	51,283
Environmental Services	43,017	52	5,560	15
Interest on Long-Term Debt	46,762	-	-	-
Total Governmental Activities	<u>3,168,589</u>	<u>556,910</u>	<u>628,062</u>	<u>312,924</u>
Business-Type Activities				
Aviation	602,290	626,139	68,065	10,439
Phoenix Convention Center	103,358	53,319	-	-
Water Services	414,218	490,556	-	83,182
Wastewater Services	177,807	268,652	-	48,364
Solid Waste	186,439	201,735	-	-
Total Business-Type Activities	<u>1,484,112</u>	<u>1,640,401</u>	<u>68,065</u>	<u>141,985</u>
Total Primary Government	<u>\$ 4,652,701</u>	<u>\$ 2,197,311</u>	<u>\$ 696,127</u>	<u>\$ 454,909</u>
Component Units:				
Phoenix Housing Finance Corporations	\$ 12,387	\$ 8,889	\$ -	\$ -
Phoenix Industrial Development Authority	\$ 3,459	\$ 3,110	\$ -	\$ -
General Revenues (Expenses)				
Taxes				
Excise Taxes				
Property Taxes, Levied for General Purposes				
Property Taxes, Levied for Debt Service				
Grants and Contributions Not Restricted to Specific Programs				
Investment Earnings, Net				
Other and Miscellaneous Income				
Transfers - Internal Activities				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - July 1				
Net Position - June 30				

The accompanying notes are an integral part of these financial statements

Exhibit A-2
(Continued)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business- type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
\$ (185,641)	\$ -	\$ (185,641)		
(27,142)	-	(27,142)		
(1,301,915)	-	(1,301,915)		
149,869	-	149,869		
(264,188)	-	(264,188)		
42,476	-	42,476		
(37,390)	-	(37,390)		
(46,762)	-	(46,762)		
<u>(1,670,693)</u>	<u>-</u>	<u>(1,670,693)</u>		
-	102,353	102,353		
-	(50,039)	(50,039)		
-	159,520	159,520		
-	139,209	139,209		
-	15,296	15,296		
-	366,339	366,339		
<u>\$ (1,670,693)</u>	<u>\$ 366,339</u>	<u>\$ (1,304,354)</u>		
			\$ <u>(3,498)</u>	\$ <u>(349)</u>
1,447,634	-	1,447,634	-	-
201,227	-	201,227	-	-
126,265	-	126,265	-	-
687,048	-	687,048	-	-
32,214	77,046	109,260	180	1,337
80,433	10,491	90,924	7,046	-
(61,379)	61,379	-	-	-
<u>2,513,442</u>	<u>148,916</u>	<u>2,662,358</u>	<u>7,226</u>	<u>1,337</u>
842,749	515,255	1,358,004	3,728	988
2,867,537	4,836,214	7,703,751	17,029	36,128
<u>\$ 3,710,286</u>	<u>\$ 5,351,469</u>	<u>\$ 9,061,755</u>	<u>\$ 20,757</u>	<u>\$ 37,116</u>

The accompanying notes are an integral part of these financial statements



City of Phoenix



Financial Section
.....

**BASIC FINANCIAL
STATEMENTS - Fund
Financial Statements**



City of Phoenix



City of Phoenix

Fund Financial Statements
Exhibit B-1
Governmental Funds
Balance Sheet

June 30, 2023

(in thousands)

	General	Transit Special Revenue	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 26,724	\$ 42,110	\$ 19	\$ 152,879	\$ 221,732
Cash Deposits	1,005	-	-	36	1,041
Cash and Securities with Fiscal Agents/Trustees	13,805	-	110,913	71,387	196,105
Investments	455,775	289,907	5,129	1,207,850	1,958,661
Due from Other Funds	-	180,675	-	46,340	227,015
Receivables, Net of Allowance					
Accounts Receivable	48,669	1,203	-	4,582	54,454
Taxes Receivable	161,747	-	2,107	2	163,856
Delinquent Taxes Receivable	2,883	-	1,950	-	4,833
Intergovernmental	33,768	34,889	-	81,345	150,002
Accrued Interest	55	-	-	18	73
Notes Receivable	-	-	-	10,184	10,184
Leases Receivable	3,654	144	-	201,859	205,657
Partnerships Receivable	20,716	-	-	-	20,716
Prepaid Items	273	388	-	9	670
Inventories	34,336	358	-	-	34,694
Total Assets	803,410	549,674	120,118	1,776,491	3,249,693
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	464	-	-	226,551	227,015
Accounts Payable	126,707	56,198	-	80,639	263,544
Trust Liabilities and Deposits	8,318	41	-	48,180	56,539
Matured Bonds Payable	-	-	92,990	45,970	138,960
Interest Payable	-	-	17,922	11,484	29,406
Arbitrage Liability	-	-	-	1,625	1,625
Advance Payments	206,861	-	-	39,585	246,446
Total Liabilities	342,350	56,239	110,912	454,034	963,535
DEFERRED INFLOWS OF RESOURCES					
Delinquent Property Taxes	2,883	-	1,950	-	4,833
Leases Related	3,866	250	-	191,220	195,336
Partnerships Related	20,007	-	-	-	20,007
Total Deferred Inflows of Resources	26,756	250	1,950	191,220	220,176
Fund Balances					
Non-Spendable					
Inventories	34,336	358	-	-	34,694
Prepaid Items	273	388	-	-	661
Restricted	50,362	492,439	7,256	944,360	1,494,417
Committed	-	-	-	139,017	139,017
Assigned	208,190	-	-	274,423	482,613
Unassigned (Deficit)	141,143	-	-	(226,563)	(85,420)
Total Fund Balances	434,304	493,185	7,256	1,131,237	2,065,982
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 803,410	\$ 549,674	\$ 120,118	\$ 1,776,491	\$ 3,249,693

The accompanying notes are an integral part of these financial statements

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

June 30, 2023

(in thousands)

Fund balances - total governmental funds balance sheet	\$	2,065,982
Amounts reported for governmental activities in the statement of net position are different because:		
Capital, lease, and subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital, lease, and subscription assets	9,028,332	
Accumulated depreciation and amortization	<u>(3,226,578)</u>	5,801,754
The investment in joint use agreements are not a financial resource and, therefore, are not reported in the funds.		
Valley Metro Rail Inc.	1,864,093	
Regional Wireless Cooperative	<u>32,936</u>	1,897,029
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Net OPEB asset		59,730
A portion of advance payments and delinquent property taxes receivable reported in governmental activities are not available to pay for current period expenditures and, therefore, are not recognized in the funds.		
		7,997
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are excluded from the funds.		
Deferred outflows of resources from the refunding of bonds.	8,362	
Deferred outflows of resources from pensions.	780,553	
Deferred outflows of resources from OPEB.	<u>17,318</u>	806,233
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds, loans and notes payable	(1,327,966)	
Pollution remediation	(3,282)	
Compensated absences	(169,256)	
Insurance claims payable	(218,354)	
Lease / subscription liability	(54,774)	
Net pension liability	(4,751,864)	
Net OPEB liability	<u>(107,982)</u>	(6,633,478)
Other liabilities in governmental activities reported as short-term obligations and considered to be financial resources, but, are not reported in the governmental funds due to the intent to convert the obligations into long-term debt.		
		(200,000)
Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the funds.		
Deferred inflows of resources from the refunding of bonds.	(6,553)	
Deferred inflows of resources from service concession arrangements.	(20,659)	
Deferred inflows of resources from partnership arrangements.	(34,850)	
Deferred inflows of resources from pensions.	(23,544)	
Deferred inflows of resources from OPEB.	<u>(9,355)</u>	(94,961)
Net position of governmental activities - statement of net position	\$	<u>3,710,286</u>

The accompanying notes are an integral part of these financial statements

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	General	Transit Special Revenue	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
City Taxes	\$ 980,864	\$ 362,473	\$ 126,149	\$ 305,347	\$ 1,774,833
Licenses and Permits	15,555	-	-	1,367	16,922
Intergovernmental	662,844	95,471	5,108	864,581	1,628,004
Charges for Services	100,739	23,770	-	122,615	247,124
Fines and Forfeitures	5,731	-	-	42	5,773
Parks and Recreation	-	-	-	1,470	1,470
Special Assessments	-	-	-	2,053	2,053
Investment Income (Loss)					
Net Change in Fair Value of Investments	(27,427)	7,081	230	18,113	(2,003)
Interest	14,152	7,794	36	12,235	34,217
Interest Income from Leases	-	8	-	6,610	6,618
Dwelling Rentals	-	-	-	4,678	4,678
Other	27,784	7,860	-	37,287	72,931
Total Revenues	<u>1,780,242</u>	<u>504,457</u>	<u>131,523</u>	<u>1,376,398</u>	<u>3,792,620</u>
EXPENDITURES					
Current					
General Government	124,521	-	-	10,154	134,675
Criminal Justice	42,011	-	-	1,982	43,993
Public Safety	1,054,269	-	-	259,876	1,314,145
Transportation	19,678	266,219	-	103,361	389,258
Community Enrichment	196,942	-	-	168,422	365,364
Community Development	30,200	-	-	239,130	269,330
Environmental Services	15,799	-	-	6,230	22,029
Capital Outlay	69,326	147,478	-	516,549	733,353
Debt Service					
Principal	-	-	167,495	45,973	213,468
Interest	-	-	37,913	27,497	65,410
Leases/Subscriptions	-	-	-	2,238	2,238
Arbitrage Rebate and Fiscal Agent Fees	-	-	2	11	13
Other	-	-	435	1,703	2,138
Total Expenditures	<u>1,552,746</u>	<u>413,697</u>	<u>205,845</u>	<u>1,383,126</u>	<u>3,555,414</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>227,496</u>	<u>90,760</u>	<u>(74,322)</u>	<u>(6,728)</u>	<u>237,206</u>
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	32,761	-	10,873	195,547	239,181
Transfers to Other Funds	(265,095)	(7,025)	-	(28,439)	(300,559)
Issuance of Leases/Subscriptions	-	-	-	2,238	2,238
Issuance of Debt					
Municipal Corporation Obligations	-	-	-	131,650	131,650
Premium on Municipal Corporation Obligations	-	-	-	19,596	19,596
Total Other Financing Sources and (Uses)	<u>(232,334)</u>	<u>(7,025)</u>	<u>10,873</u>	<u>320,592</u>	<u>92,106</u>
Net Change in Fund Balances	<u>(4,838)</u>	<u>83,735</u>	<u>(63,449)</u>	<u>313,864</u>	<u>329,312</u>
FUND BALANCES, JULY 1	<u>439,142</u>	<u>409,450</u>	<u>70,705</u>	<u>817,373</u>	<u>1,736,670</u>
FUND BALANCES, JUNE 30	<u>\$ 434,304</u>	<u>\$ 493,185</u>	<u>\$ 7,256</u>	<u>\$ 1,131,237</u>	<u>\$ 2,065,982</u>

The accompanying notes are an integral part of these financial statements

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

Net change in fund balances - total governmental funds	\$ 329,312
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital acquisitions and contributed assets (\$412,188) exceeded depreciation and amortization (\$248,014), loss on disposals of capital assets (\$8,903), and net change in lease/subscription liability (\$3,763) in the current period.	159,034
The City's share of increase in net position from the investment in joint ventures is not reflected in the fund financial statements.	267,846
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	7,025
Bond proceeds and notes provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments, bond issuances, refunding transactions - net	62,222
Amortization of bond premium/discount and deferred gain/loss on refundings	20,798
Some expenses reported in the statement of activities (do)/do not require the use of current financial resources and, therefore, (are)/are not reported as expenditures, or reductions in expenditures, in governmental funds.	
Compensated absences	(14,138)
Insurance claims	(13,668)
Pollution remediation	206
Pensions	251
OPEB	23,861
Change in net position of governmental activities - statement of activities	<u>\$ 842,749</u>

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
General Fund
Budgetary Comparison Statement
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit B-5

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
City Taxes	\$ 201,397	\$ 201,397	\$ 203,175	\$ 1,778
Contributions/Donations	-	-	21	21
Licenses and Permits	18,896	18,896	12,537	(6,359)
Intergovernmental	84,915	84,915	82,478	(2,437)
Charges for Services	83,158	83,158	95,164	12,006
Fines and Forfeitures	7,873	7,873	7,632	(241)
Rentals	4,359	4,359	6,596	2,237
Interest	5,550	5,550	19,982	14,432
Miscellaneous	13,484	13,484	14,939	1,455
Total Revenues	419,632	419,632	442,524	22,892
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	208,038	208,388	190,945	17,443
Criminal Justice	43,390	43,390	42,361	1,029
Public Safety	1,088,575	1,088,575	1,082,562	6,013
Transportation	26,085	26,085	24,827	1,258
Community Enrichment	198,108	197,458	190,780	6,678
Community Development	36,748	36,748	32,420	4,328
Environmental Services	29,534	29,534	28,328	1,206
Capital Outlay	48,165	48,815	31,584	17,231
Contingency	100,788	100,788	-	100,788
Total Expenditures and Encumbrances	1,779,431	1,779,781	1,623,807	155,974
Deficiency of Revenues Over Expenditures and Encumbrances	(1,359,799)	(1,360,149)	(1,181,283)	178,866
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Staff and Administrative	51,682	51,682	60,004	8,322
In-Lieu Property Taxes	29,334	29,334	28,750	(584)
Excise Taxes and Other	1,127,522	1,127,522	1,207,217	79,695
Transfers to Other Funds				
Aviation Fund	(100)	(100)	(209)	(109)
City Improvement Debt Service Fund	(116)	(116)	(118)	(2)
Arizona Highway User Special Revenue Fund	-	-	(3,000)	(3,000)
Fire Public Safety Enhancement Special Revenue Fund	-	-	(1,826)	(1,826)
Police Public Safety Expansion Special Revenue Fund	-	-	(10,061)	(10,061)
Other Restricted Special Revenue Fund	(19,620)	(19,620)	(85,267)	(65,647)
Capital Reserve Funds	(7,000)	(7,000)	(18,009)	(11,009)
Infrastructure Repayment Agreement Trust	(3,281)	(3,281)	(972)	2,309
Public Safety Pension Stabilization Reserve Trust Fund	-	-	(1,000)	(1,000)
Recovery of Prior Years Expenditures	1,000	1,000	4,259	3,259
Total Other Financing Sources (Uses)	1,179,421	1,179,421	1,179,768	347
Net Change in Fund Balance	\$ (180,378)	\$ (180,728)	(1,515)	\$ 179,213
Fund Balance, July 1			224,446	
Fund Balance, June 30			\$ 222,931	

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Transit - Other Agency Special Revenue Fund
Budgetary Comparison Statement

Exhibit B-6

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 45,767	\$ 45,767	\$ 41,232	\$ (4,535)
Charges for Services	-	-	38	38
Interest	(96)	(96)	(103)	(7)
Miscellaneous	-	-	2	2
Total Revenues	45,671	45,671	41,169	(4,502)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	41,378	41,378	39,221	2,157
Capital	13,002	13,002	2,197	10,805
Total Expenditures and Encumbrances	54,380	54,380	41,418	12,962
Deficiency of Revenues Over Expenditures and Encumbrances	(8,709)	(8,709)	(249)	8,460
OTHER FINANCING SOURCES				
Transfers from Other Funds				
Transportation Tax 2050	-	-	7,595	7,595
Recovery of Prior Years Expenditures	-	-	100	100
Total Other Financing Sources	-	-	7,695	7,695
Net Change in Fund Balance	\$ (8,709)	\$ (8,709)	7,446	\$ 16,155
Fund Balance (Deficit), July 1			(12,338)	
Fund Balance (Deficit), June 30			\$ (4,892)	

The accompanying notes are an integral part of these financial statements

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
	REVENUES			
Intergovernmental	\$ 96,561	\$ 96,561	\$ 41,937	\$ (54,624)
Total Revenues	96,561	96,561	41,937	(54,624)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	17,552	17,552	29,276	(11,724)
Capital	79,009	79,009	13,688	65,321
Total Expenditures and Encumbrances	96,561	96,561	42,964	53,597
Deficiency of Revenues Over Expenditures and Encumbrances	-	-	(1,027)	(1,027)
OTHER FINANCING SOURCES				
Transfers from Other Funds				
Transportation Tax 2050	-	-	500	500
Recovery of Prior Years Expenditures	-	-	525	525
Total Other Financing Sources	-	-	1,025	1,025
Net Change in Fund Balance	\$ -	\$ -	(2)	\$ (2)
Fund Balance (Deficit), July 1			(56)	
Fund Balance (Deficit), June 30			\$ (58)	

The accompanying notes are an integral part of these financial statements

Fund Financial Statements

Exhibit B-8

Transportation Tax 2050 Special Revenue Fund**Budgetary Comparison Statement**

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 45	\$ 45
Charges for Services	31,843	31,843	27,405	(4,438)
Rentals	113	113	91	(22)
Interest	1,735	1,735	10,456	8,721
Miscellaneous	4,466	4,466	4,220	(246)
Total Revenues	38,157	38,157	42,217	4,060
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	235,238	235,238	198,493	36,745
Capital	368,232	368,232	85,732	282,500
Total Expenditures and Encumbrances	603,470	603,470	284,225	319,245
Deficiency of Revenues Over Expenditures and Encumbrances	(565,313)	(565,313)	(242,008)	323,305
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	326,455	326,455	362,473	36,018
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,048)	(1,048)	(1,228)	(180)
Transit - Other Agency Special Revenue Fund	-	-	(7,595)	(7,595)
Transit - Federal Transit Grants Special Revenue Fund	(355)	(355)	(500)	(145)
Other Restricted Special Revenue Fund	-	-	(54)	(54)
City Improvement Debt Service Fund	(2,705)	(2,705)	(6,085)	(3,380)
Infrastructure Repayment Agreement Trust	(1,081)	(1,081)	(885)	196
Recovery of Prior Years Expenditures	-	-	1,530	1,530
Total Other Financing Sources (Uses)	321,266	321,266	347,656	26,390
Net Change in Fund Balance	\$ (244,047)	\$ (244,047)	105,648	\$ 349,695
Fund Balance, July 1			328,239	
Fund Balance, June 30			\$ 433,887	

The accompanying notes are an integral part of these financial statements

**Fund Financial Statements
Enterprise Funds
Statement of Net Position
June 30, 2023
(in thousands)**
Exhibit B-9

	ASSETS	Aviation	Phoenix Convention Center
Current Assets			
Cash and Cash Equivalents		\$ 87,899	\$ 16,945
Investments		601,379	117,156
Receivables, Net of Allowances		113,437	335
Prepaid Items		-	-
Cash Deposits		10	-
Inventories, at Average Cost		3,450	313
Total Unrestricted Current Assets		806,175	134,749
Restricted Assets			
Cash and Cash Equivalents		14,565	686
Cash Deposits		-	4,251
Cash and Securities with Fiscal Agents/Trustees		156,807	27,411
Investments		202,968	14,988
Receivables, Net of Allowances		23,086	5
Total Restricted Current Assets		397,426	47,341
Total Current Assets		1,203,601	182,090
Noncurrent Assets			
Capital Assets, Net of Accumulated Depreciation		3,243,657	553,275
Investment in Joint Use Agreement		-	-
Restricted Cash with Fiscal Agents/Trustees		171,197	-
Leases Receivable		278,826	11,753
Net OPEB Asset		1,363	272
Total Noncurrent Assets		3,695,043	565,300
Total Assets		4,898,644	747,390
	DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds		39,655	3,555
Pension Related		-	3,840
OPEB Related		1,019	217
Total Deferred Outflows of Resources		40,674	7,612
	LIABILITIES		
Current Liabilities Payable from Current Assets			
Accounts Payable		28,593	3,926
Trust Liabilities and Deposits		39	-
Advance Payments		25,127	-
Accrued Landfill Postclosure Care Costs		-	-
Current Portion of Pollution Remediation		75	-
Current Portion of Accrued Compensated Absences		957	170
Total Current Liabilities Payable from Current Assets		54,791	4,096
Current Liabilities Payable from Restricted Assets			
Accounts Payable		12,438	-
Trust Liabilities and Deposits		-	4,265
Short-Term Obligations		-	-
Matured Bonds Payable		58,525	7,968
Interest Payable		50,919	18,039
Current Portion of Loans from Direct Borrowings		-	-
Current Portion of Municipal Corporation Obligations		69,450	8,749
Accrued Landfill Closure Costs		-	-
Total Current Liabilities Payable from Restricted Assets		191,332	39,021
Total Current Liabilities		246,123	43,117
Noncurrent Liabilities			
Loans from Direct Borrowings		-	-
Municipal Corporation Obligations, net		2,385,835	651,272
Arbitrage Liability		-	-
Pollution Remediation		1,125	-
Accrued Landfill Closure and Postclosure Care Costs		-	-
Accrued Compensated Absences		6,490	1,152
Net Pension Liability		-	29,515
Net OPEB Liability		8,556	1,865
Total Noncurrent Liabilities		2,402,006	683,804
Total Liabilities		2,648,129	726,921
	DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding Bonds		9,288	-
Pension Related		-	585
OPEB Related		395	79
Leases Related		298,547	11,173
Total Deferred Inflows of Resources		308,230	11,837
	NET POSITION		
Net Investment in Capital Assets		1,084,035	(103,191)
Restricted for Debt Service		3,314	1,404
Restricted from Passenger Facility Charges		138,358	-
Restricted from Customer Facility Charges		45,606	-
Restricted from Enabling Legislation for Capital Projects		-	-
Restricted for OPEB		1,363	272
Unrestricted (Deficit)		710,283	117,759
Total Net Position		\$ 1,982,959	\$ 16,244

The accompanying notes are an integral part of these financial statements

Exhibit B-9
(Continued)

Water System		Wastewater		Solid Waste		Total	
\$	32,928	\$	35,854	\$	7,152	\$	180,778
	239,023		246,924		52,337		1,256,819
	72,916		68,381		20,621		275,690
	9,107		-		-		9,107
	-		-		-		10
	18,225		2,634		1,821		26,443
	372,199		353,793		81,931		1,748,847
	37,237		15,500		-		67,988
	6,797		237		117		11,402
	106,704		59,339		13,119		363,380
	283,356		87,767		39,666		628,745
	11		-		-		23,102
	434,105		162,843		52,902		1,094,617
	806,304		516,636		134,833		2,843,464
	3,066,840		1,303,194		172,649		8,339,615
	182,363		305,417		-		487,780
	-		-		-		171,197
	-		177		4,036		294,792
	1,680		509		917		4,741
	3,250,883		1,609,297		177,602		9,298,125
	4,057,187		2,125,933		312,435		12,141,589
	18,500		476		197		62,383
	24,241		-		13,047		41,128
	1,277		384		699		3,596
	44,018		860		13,943		107,107
	31,848		18,801		11,402		94,570
	-		-		-		39
	-		2		-		25,129
	-		-		1,605		1,605
	-		200		-		275
	979		208		381		2,695
	32,827		19,211		13,388		124,313
	24,393		8,648		910		46,389
	6,886		237		117		11,505
	200,000		200,000		-		400,000
	71,487		49,277		11,665		198,922
	35,509		11,049		1,454		116,970
	270		914		600		1,784
	74,830		50,800		6,655		210,484
	-		-		510		510
	413,375		320,925		21,911		986,564
	446,202		340,136		35,299		1,110,877
	1,466		4,938		150		6,554
	1,594,629		385,488		47,812		5,065,036
	8		-		-		8
	-		-		-		1,125
	-		-		15,381		15,381
	6,653		1,417		2,518		18,230
	186,286		-		100,267		316,068
	10,793		3,235		5,913		30,362
	1,799,835		395,078		172,041		5,452,764
	2,246,037		735,214		207,340		6,563,641
	1,041		1,357		-		11,686
	3,695		-		1,989		6,269
	486		147		265		1,372
	-		200		4,339		314,259
	5,222		1,704		6,593		333,586
	1,597,569		964,134		149,926		3,692,473
	-		-		-		4,718
	-		-		-		138,358
	-		-		-		45,606
	99,131		38,234		-		137,365
	1,680		509		917		4,741
	151,566		386,998		(38,398)		1,328,208
\$	1,849,946	\$	1,389,875	\$	112,445	\$	5,351,469

The accompanying notes are an integral part of these financial statements

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Aviation	Phoenix Convention Center
Operating Revenues		
Aeronautical Fees	184,274	-
Sales	-	-
Rentals	149,978	12,391
Sewer Service Charges	-	-
Sanitation and Landfill Fees	-	-
Concessions	-	17,795
Other	154,395	23,133
Total Operating Revenues	488,647	53,319
Operating Expenses		
Administration and Engineering	-	26,738
Operation and Maintenance	299,304	13,856
Promotion	-	2,770
Depreciation and Amortization	193,849	24,535
Staff and Administrative	13,634	3,144
Other	-	2,516
Total Operating Expenses	506,787	73,559
Operating Income (Loss)	(18,140)	(20,240)
Non-Operating Revenues (Expenses)		
Passenger Facility Charges	89,363	-
Rental Car Customer Facility Charges	48,129	-
Investment Income		
Net Increase in Fair Value of Investments	16,236	1,562
Interest on Investments	14,570	2,610
Interest Income from Leases	9,926	382
Federal COVID Grants	68,065	-
Interest on Capital Debt	(93,600)	(29,534)
Equity Interest in Joint Use Agreement Operating Loss	-	-
Gain (Loss) on Disposal of Capital Assets	(1,903)	(264)
Total Non-Operating Revenues (Expenses)	150,786	(25,244)
Net Income (Loss) Before Contributions and Transfers	132,646	(45,484)
Capital Contributions	10,439	-
Transfers from Other Funds	209	92,516
Transfers to Other Funds	(963)	(680)
Change in Net Position	142,331	46,352
Net Position (Deficit), July 1	1,840,628	(30,108)
Net Position, June 30	\$ 1,982,959	\$ 16,244

The accompanying notes are an integral part of these financial statements

Exhibit B-10

(Continued)

Water System	Wastewater	Solid Waste	Total
-	-	-	184,274
374,013	-	-	374,013
-	-	-	162,369
-	172,524	-	172,524
-	-	191,973	191,973
-	-	-	17,795
116,543	96,128	9,762	399,961
490,556	268,652	201,735	1,502,909
22,446	13,073	24,653	86,910
201,718	75,956	127,988	718,822
-	-	-	2,770
111,787	43,063	15,836	389,070
11,801	5,783	10,778	45,140
-	-	6,808	9,324
347,752	137,875	186,063	1,252,036
142,804	130,777	15,672	250,873
-	-	-	89,363
-	-	-	48,129
15,100	6,862	2,485	42,245
9,398	6,567	1,656	34,801
-	8	175	10,491
-	-	-	68,065
(55,831)	(21,708)	(1,044)	(201,717)
(8,650)	(18,300)	-	(26,950)
(1,985)	76	668	(3,408)
(41,968)	(26,495)	3,940	61,019
100,836	104,282	19,612	311,892
83,182	48,364	-	141,985
-	-	-	92,725
(17,387)	(10,409)	(1,908)	(31,347)
166,631	142,237	17,704	515,255
1,683,315	1,247,638	94,741	4,836,214
\$ 1,849,946	\$ 1,389,875	\$ 112,445	\$ 5,351,469

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Enterprise Funds
Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit B-11

	Aviation	Phoenix Convention Center
Cash Flows from Operating Activities		
Receipts from Customers	\$ 478,380	\$ 52,553
Payments to Suppliers	(217,491)	(26,484)
Payments to Employees	(82,356)	(19,854)
Payment of Staff and Administrative Expenses	(13,634)	(3,144)
Net Cash Provided by Operating Activities	164,899	3,071
Cash Flows from Noncapital Financing Activities		
Noncapital Grants	58,166	-
Transfers from Other Funds	209	92,516
Transfers to Other Funds	(963)	(678)
Net Cash Provided (Used) by Noncapital Financing Activities	57,412	91,838
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Capital Debt	(73,604)	(10,473)
Interest Paid on Capital Debt	(112,026)	(34,522)
Acquisition and Construction of Capital Assets	(86,628)	(1,086)
Proceeds from Sales of Capital Assets	12,295	-
Passenger Facility Charges	84,108	-
Customer Facility Charges	48,058	-
Interest Income from Leases	9,926	382
Capital Contributions	9,071	-
Net Cash Used by Capital and Related Financing Activities	(108,800)	(45,699)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(559,690)	(23,924)
Proceeds from Sale and Maturities of Investment Securities	605,810	23,629
Net Activity for Short-Term Investments	(193,947)	(50,815)
Interest on Investments	30,851	4,180
Net Cash Provided (Used) by Investing Activities	(116,976)	(46,930)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,465)	2,280
Cash and Cash Equivalents, July 1	433,943	47,013
Cash and Cash Equivalents, June 30	<u>\$ 430,478</u>	<u>\$ 49,293</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (18,140)	\$ (20,240)
Adjustments		
Depreciation and Amortization	193,849	24,535
Deferred Outflows - Pension and OPEB	2,741	762
Deferred Inflows - Pension and OPEB	(2,004)	(1,366)
Deferred Inflows - Leases	-	(245)
Change in Assets and Liabilities		
Receivables	5,487	80
Allowance for Doubtful Accounts	353	(3)
Leases Receivable	(6,491)	(69)
Prepaid Items	-	-
Inventories	(172)	(65)
Accounts Payable	1,499	1,060
Net OPEB Asset	12	-
Trust Liabilities and Deposits	-	(528)
Arbitrage	-	-
Advance Payments	(9,616)	-
Pollution Remediation	(75)	-
Accrued Compensated Absences	267	(106)
Accrued Landfill Closure and Postclosure Care Costs	-	-
Net Pension Liability	-	(131)
Net OPEB Liability	(2,811)	(613)
Net Cash Provided by Operating Activities	<u>\$ 164,899</u>	<u>\$ 3,071</u>
Noncash Capital and Financing Activities		
Bond Capital Appreciation	\$ -	\$ (1,587)
Amortization of Deferred Gains/Losses of Bond Refundings	5,666	187
Debt Issued for Refunding of 2013 Bonds	96,540	-
Principal Paid with Issuance of Refunding Debt	(96,540)	-
Contribution of Assets	-	-
Unrealized Gain (Losses) on Investments	11,221	1,655
Accounts Payable Related to Capital Asset Additions	12,438	-
Total Noncash Capital and Financing Activities	<u>\$ 29,325</u>	<u>\$ 255</u>
Cash and Cash Equivalents		
Unrestricted		
Cash and Cash Equivalents	\$ 87,899	\$ 16,945
Cash Deposits	10	-
Total Unrestricted	87,909	16,945
Restricted		
Cash and Cash Equivalents	14,565	686
Current Cash and Securities with Fiscal Agents/Trustees	156,807	27,411
Noncurrent Cash and Securities with Fiscal Agents/Trustees	171,197	-
Cash Deposits	-	4,251
Total Restricted	342,569	32,348
	<u>\$ 430,478</u>	<u>\$ 49,293</u>

The accompanying notes are an integral part of these financial statements

Exhibit B-11
(Continued)

Water System	Wastewater	Solid Waste	Total
\$ 480,715	\$ 242,876	\$ 200,897	\$ 1,455,421
(129,009)	(67,155)	(90,388)	(530,527)
(115,850)	(20,570)	(66,070)	(304,700)
(11,801)	(5,783)	(10,778)	(45,140)
224,055	149,368	33,661	575,054
-	-	-	58,166
-	-	-	92,725
(17,387)	(10,409)	(1,907)	(31,344)
(17,387)	(10,409)	(1,907)	119,547
(58,020)	(47,007)	(11,760)	(200,864)
(78,841)	(29,591)	(3,187)	(258,167)
(279,943)	(146,737)	(39,647)	(554,041)
147	115	1,421	13,978
-	-	-	84,108
-	-	-	48,058
-	8	175	10,491
26,866	48,364	-	84,301
(389,791)	(174,848)	(52,998)	(772,136)
(785,012)	(167,971)	(105,087)	(1,641,684)
974,664	191,482	111,942	1,907,527
(40,735)	(20,663)	7,702	(298,458)
25,216	13,430	4,173	77,850
174,133	16,278	18,730	45,235
(8,990)	(19,611)	(2,514)	(32,300)
192,656	130,541	22,902	827,055
\$ 183,666	\$ 110,930	\$ 20,388	\$ 794,755
\$ 142,804	\$ 130,777	\$ 15,672	\$ 250,873
111,787	43,063	15,836	389,070
2,666	1,032	809	8,010
(6,356)	(762)	(3,213)	(13,701)
-	199	-	(46)
(8,515)	(25,954)	(730)	(29,632)
(252)	(161)	(174)	(237)
-	-	64	(6,496)
(2,207)	-	-	(2,207)
(4,572)	(145)	93	(4,861)
(3,987)	1,955	2,698	3,225
45	26	15	98
(1,074)	142	1	(1,459)
8	-	-	8
-	-	-	(9,616)
-	200	-	125
305	(8)	149	607
-	-	1,097	1,097
(2,841)	-	3,068	96
(3,756)	(996)	(1,724)	(9,900)
\$ 224,055	\$ 149,368	\$ 33,661	\$ 575,054
\$ -	\$ -	\$ -	\$ (1,587)
886	282	(120)	6,901
-	-	-	96,540
-	-	-	(96,540)
56,316	-	-	56,316
8,675	5,111	1,590	28,252
24,393	8,648	910	46,389
\$ 90,270	\$ 14,041	\$ 2,380	\$ 136,271
\$ 32,928	\$ 35,854	\$ 7,152	\$ 180,778
-	-	-	10
32,928	35,854	7,152	180,788
37,237	15,500	-	67,988
106,704	59,339	13,119	363,380
-	-	-	171,197
6,797	237	117	11,402
150,738	75,076	13,236	613,967
\$ 183,666	\$ 110,930	\$ 20,388	\$ 794,755

The accompanying notes are an integral part of these financial statements

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

June 30, 2023

(in thousands)

	Pension and Other Employee Benefit Trusts
ASSETS	
Cash and Cash Equivalents	\$ 122,553
Investments	
Treasurer's Pooled Investments	574
Temporary Investments	44,117
Fixed Income	616,416
Domestic Equities	1,351,593
International Equities	358,777
Real Return	633,770
Absolute Return	142,648
Real Estate	504,124
Receivables	
Accounts Receivable	7,795
Contributions Receivable	16,860
Interest and Dividends	4,556
Prepaid Items	5,609
Total Assets	3,809,392
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	-
LIABILITIES	
Accounts Payable	71,303
Claims Payable	30,906
Total Liabilities	102,209
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	-
NET POSITION	
Restricted for Pensions	3,384,095
Restricted for Other Employee Benefits	323,088
Total Restricted for Pension and Other Employee Benefits	\$ 3,707,183

The accompanying notes are an integral part of these financial statements

Fund Financial Statements

Exhibit B-13

Fiduciary Funds**Statement of Changes in Fiduciary Net Position**

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Pension and Other Employee Benefit Trusts
ADDITIONS	
Contributions	
City of Phoenix	\$ 379,018
Employees	108,963
Other	5,311
Total Contributions	<u>493,292</u>
Investment Income	
Net Increase in Fair Value of Investments	154,178
Interest	34,872
Dividends	17,768
Other	13,423
Investment Income	<u>220,241</u>
Less: Investment Expense	<u>17,887</u>
Total Net Investment Income	<u>202,354</u>
Total Additions	<u>695,646</u>
DEDUCTIONS	
Benefit Payments	528,009
Refunds of Contributions	4,120
Inter-System Transfers	516
Other	24,829
Total Deductions	<u>557,474</u>
Net Increase	138,172
Net Position Restricted for Pension and Other Employee Benefits	
Beginning of Year, July 1	\$ 3,569,011
End of Year, June 30	<u>\$ 3,707,183</u>

The accompanying notes are an integral part of these financial statements



City of Phoenix



Financial Section
.....

**NOTES TO THE FINANCIAL
STATEMENTS**

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



AN INDEX TO THE NOTES FOLLOWS:

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

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

1. Summary of Significant Accounting Policies

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

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

a) **Reporting Entity**

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

Fiduciary Component Unit

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

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

Component Units - Blended

City of Phoenix Civic Improvement Corporation (“CIC”)

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

Park Central Community Facilities District (“PCCFD”)

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

Verdin Community Facilities District (“VCFD”)

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

operations for the City's governmental funds because the City has operational responsibility for the component unit. There were no financial transactions for VCFD during fiscal year 2023.

Component Units - Discretely Presented

Phoenix Housing Finance Corporations ("PHFC")

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

Phoenix Industrial Development Authority ("Phoenix IDA")

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

b) **Jointly Governed Organizations**

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

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

Arizona Municipal Water Users Association ("AMWUA")

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

Phoenix-Mesa Gateway Airport ("PMGA")

PMGA is a nonprofit corporation established and funded by the City of Phoenix, City of Mesa, Towns of Gilbert and Queen Creek, and the Gila River Indian Community. The purpose of the entity is the redevelopment of Williams Air Force Base that was closed in September 1993 to become PMGA. The Board of Directors consists of the mayors for the respective municipalities and the governor of the tribal community. The City of Phoenix contributes \$1.3 million per year (inception to date \$27.3 million) to the PMGA operating and capital budget. The City has provided notice to the PMGA that it will terminate the City's participation as a member government on June 30, 2024.

c) **Basic Financial Statements**

The basic financial statements constitute the core of the financial section of the City's Annual Comprehensive Financial Report (ACFR). The basic financial statements include the government-wide financial statements, fund financial statements, and the accompanying notes to these financial statements. The government-wide financial statements (statement of net position and statement of activities) report on the City and its component units as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by

taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

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

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

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

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

The government-wide statement of activities demonstrates the degree to which the direct expenses of the various functions and segments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt shared by multiple functions is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income and other revenues not identifiable with particular functions or segments are included as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

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

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

The proprietary (enterprise) funds and fiduciary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial

statements. Therefore, most lines for the total enterprise funds on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds may be eliminated in the consolidation for the government-wide financial statements but are included in the fund columns in the proprietary fund financial statements.

d) **Fund Accounting**

The City uses funds to report its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The City uses the following fund categories, further divided by fund type:

Governmental Funds

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

General Fund

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

Transit Special Revenue Fund

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

General Obligation/Secondary Property Tax Debt Service Fund

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

The City has the following nonmajor governmental funds:

Special Revenue Funds

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

Capital Projects Funds

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

Debt Service Funds

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

Proprietary Funds

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

Enterprise Funds

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

Fiduciary Funds

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

Pension and Other Employee Benefit Trust Funds

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

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

e) **Basis of Accounting**

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

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

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

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

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

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

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

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

f) **Budget and Budgetary Accounting**

An operating budget is legally adopted by ordinance each fiscal year for the General Fund, all special revenue funds, Secondary Property Tax Debt Service Fund, City Improvement Debt Service Fund and all enterprise funds on a modified accrual basis plus encumbrances. Due to the number of individual special revenue funds, the Transit, Development Services, Grants, and Public Housing special revenue funds include two or more budgeted funds with similar purposes for GAAP financial statement presentation. The level of legal budgetary control is by fund, except for the General Fund, for which the control is by program (i.e., related activities performed by one or more departments, such as public safety or community enrichment). For the applicable level of control, the budget can be amended only by City Council action subject to state law limitations. Transfers of sums within any specific appropriation may be made, but require the City Manager's approval. The General Fund, Development Services Fund, Transportation Tax 2050 Fund, and several enterprise funds include an appropriation for contingencies. Expenditures may be made from these appropriations only with City Council approval. Unexpended appropriations, including those encumbered, lapse at fiscal year end. Since all expenditures must be covered by an appropriation, the City reappropriates outstanding encumbrances. For 2022-23, no reappropriation adjustments were required.

Expenditure Limitation

Since fiscal year 1982-83, the City has been subject to an annual expenditure limitation imposed by the Arizona Constitution. This limitation is based upon the City's actual 1979-80 expenditures adjusted annually for subsequent growth in population and inflation. The 2022-23 expenditure limit supplied by the Economic Estimates Commission was \$1.7 billion. The City increased this limit to \$9.1 billion to adjust for additional voter-approved modifications, as follows:

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

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

Budget Calendar

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

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

Action	City Charter	State Statutes
Post notice of intent on the official City website and distribute notice through the City's social media accounts if there will be an increase in either the primary or secondary property tax rate.	No requirement	At least 15 days prior to Tax Levy Adoption
Public hearing on budget plus property tax levy or truth-in-taxation hearing (when required) immediately followed by adoption of final budget ordinances.	No provision	Public hearing on or before the 14th day before the tax levy is adopted and no later than the first Monday in August
Post a complete copy of the adopted final budget on the City's website.	No requirement	No later than seven days after adoption
Public hearing and property tax levy adoption.	No later than the last regular Council meeting in July	No sooner than fourteen days following initial public hearing and no later than the third Monday in August

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

g) **Use of Estimates**

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

h) **Pooled Cash and Investments**

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

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

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

i) **Inventories**

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

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

All capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. The City has chosen not to apply the

modified approach to any networks or subsystems of infrastructure assets. No long-term capital assets or depreciation are shown in the governmental fund financial statements.

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

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

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

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

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

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

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

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

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

k) **Lease Receivable**

The City, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow

of resources should be measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

l) **Partnership Receivable**

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

m) **Advance Payments**

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

n) **Compensated Absences**

Vacation and compensatory time benefits are accrued as liabilities as employees earn the benefits to the extent that they meet both of the following criteria: 1) the City's obligation is attributable to employees' services already rendered; and 2) it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments.

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

o) **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans as described in Note 20 and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

q) **Long-Term Obligations**

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

r) **Fund Deficits**

The Transit Capital Projects Fund reported a deficit of \$226.6 million. Deficits sometimes occur in the capital projects funds which are recovered through future bond sales and/or the award of federal grants.

s) **Interfund Transactions**

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

t) **Statements of Cash Flows**

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

u) **New Accounting Pronouncements**

New Accounting Pronouncements Adopted in 2023:

GASB Statement No. 91, **Conduit Debt Obligations**, clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The City has implemented this Statement in fiscal year 2023.

GASB Statement No. 94, **Public-Private and Public-Public Partnerships and Availability Payment Arrangements**, addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. The City has implemented this Statement in fiscal year 2023.

GASB Statement No. 96, **Subscription Based Information Technology Arrangements (SBITA)**, addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs), a type of information technology (IT) arrangement (i.e. software licensing). This statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability, provides capitalization criteria, and requires footnote disclosure. The standards for SBITAs are based on the standards established in Statement No. 87, **Leases**, as amended. The City has implemented this Statement in fiscal year 2023.

GASB Statement No. 99, **Omnibus 2022**, addresses various technical corrections, as follows: the remeasurement of certain assets and liabilities solely for a change in an index or rate used to determine variable payments, including those related to payment arrangements for public-private and public-public partnerships and subscription-based IT arrangements; the effect of a purchase option on contract terms and the measurement of the liability; the classification of derivative instruments that are neither hedges nor investments; the recognition of exchange and exchange-like financial guarantees; and technical corrections to terminology in the Codification. The City has implemented this Statement in fiscal year 2023.

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

Pronouncements Issued But Not Yet Effective:

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

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2025

2. *Budget Basis of Accounting*

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

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

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

Adjustments necessary to convert the change in fund balance for the fiscal year ended June 30, 2023 on the budget basis to the GAAP basis are as follows (in thousands):

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

	General Fund	Transit Special Revenue Fund*
Budget basis	\$ (1,515)	\$ 113,092
Entity differences - amounts not budgeted	(114,392)	(1,412)
Advance payments not recognized for budget purposes (net of reversals of prior year accruals)	157,785	9,974
Accrued expenditures not recognized for budget purposes (net of reversals of prior year accruals)	(9,674)	(23,246)
Unrealized gain or loss on investments	(47,837)	4,522
Encumbrances at June 30 recognized as expenditures for budget purposes	10,795	(19,195)
GAAP basis	<u>\$ (4,838)</u>	<u>\$ 83,735</u>

Adjustments necessary to convert the fund balances at June 30, 2023 on the budget basis to the GAAP basis are as follows (in thousands):

Fund Balances at June 30

	<u>General Fund</u>	<u>Transit Special Revenue Fund*</u>
Budget basis	\$ 222,931	\$ 428,937
Entity differences - amounts not budgeted	362,494	(566)
Advance payments not recognized for budget purposes	(171,801)	(11,514)
Accrued expenditures not recognized for budget purposes	(40,624)	(53,293)
Unrealized gain or loss on investments	(76,561)	(731)
Encumbrances at June 30 recognized as expenditures for budget purposes	137,865	130,352
GAAP basis	<u>\$ 434,304</u>	<u>\$ 493,185</u>

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

3. Fund Balances

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

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

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

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

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

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

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

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

	General	Transit Special Revenue	General Obligation/ Secondary Property Taxes	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (in thousands):					
Nonspendable:					
Inventory / Prepaid	\$ 34,609	\$ 746	\$ -	\$ -	\$ 35,355
Spendable:					
Restricted for:					
Capital Construction	-	-	-	378,500	378,500
Debt Service	-	-	7,256	8,546	15,802
Public Transit Operations	-	491,342	-	-	491,342
Road Maintenance and Construction	-	-	-	187,325	187,325
Public Parks and Preserves	-	-	-	144,774	144,774
Insurance Claims	50,362	1,097	-	-	51,459
Low Income Housing Programs	-	-	-	55,323	55,323
Court Operations	-	-	-	7,222	7,222
Police and Fire Personnel	-	-	-	104,526	104,526
Other	-	-	-	58,144	58,144
Committed to:					
Debt Service	-	-	-	89,114	89,114
Capital Construction	-	-	-	34,596	34,596
Court Operations	-	-	-	132	132
Public Safety Pension	-	-	-	15,175	15,175
Assigned to:					
Capital Construction	-	-	-	29,864	29,864
Insurance	117,504	-	-	-	117,504
Development Services	-	-	-	111,983	111,983
Low Income Housing Programs	-	-	-	13,972	13,972
Pension Reserve	47,236	-	-	-	47,236
Other	43,450	-	-	118,604	162,054
Unassigned (Deficit)	141,143	-	-	(226,563)	(85,420)
Total fund balances	\$ 434,304	\$ 493,185	\$ 7,256	\$ 1,131,237	\$ 2,065,982

4. Property Tax
Levy, Assessment and Collection

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

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

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

In 2012, voters approved Proposition 117, which replaced Arizona’s dual valuation tax system. Also known as the Property Tax Assessed Valuation Amendment, Proposition 117 amended the Arizona Constitution by limiting the annual increase in the LPV and by eliminating the use of FCV to calculate secondary property taxes. Beginning in fiscal year 2015-16, the amendment caps the value at no greater than 5% above the previous year, plus new construction, and establishes a single LPV for both the primary and secondary systems. The LPV is used to calculate primary net assessed valuations (PNAV) also referred to as limited net assessed valuation (LNAV), which is used to calculate both the primary and secondary levies. Both primary and secondary property taxes are levied against the LPV of locally-assessed real property, including residential, commercial, industrial, agricultural and unimproved property. The amendment did not change the methodology used by county assessors to calculate primary values and property owners may still appeal valuations to their county assessor. The amendment did not impose limits on the rate at which primary property taxes may be assessed and does not materially adversely affect the City’s ability to levy and collect property taxes. The City of Phoenix LNAV for tax year 2023 (fiscal year 2023-24) is \$16.3 billion.

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

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

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

	2022 Levy			Prior Levies	Total
	Primary	Secondary	Total		
Property Taxes Receivable, July 1	\$ -	\$ -	\$ -	\$ 6,082	\$ 6,082
Current Tax Levy	201,207	126,108	327,315	-	327,315
Adjustment by County Assessor	209	246	455	(280)	175
	201,416	126,354	327,770	5,802	333,572
Less: Collections, net	(198,225)	(124,386)	(322,611)	(4,309)	(326,920)
Property Taxes Receivable, June 30	\$ 3,191	\$ 1,968	\$ 5,159	\$ 1,493	\$ 6,652

In fiscal year 2022-23, current property tax collections were \$322.6 million, or 98.6% of the tax levy, and were recognized as revenue when received. At fiscal year end, the delinquent property tax expected to be collected within 60 days was recognized as revenue and recorded as a receivable for the governmental funds. As delinquent payments are received in fiscal year 2023-24, the receivable will be credited until the full amount has been satisfied. Any additional collections will be credited to revenue. Property tax revenues on the government-wide statements are recognized, net of estimated uncollectible amounts, in the period for which the taxes are levied. The year end balance in the General Obligation/Secondary Property Tax Debt Service Fund must be used for future debt service payments. Any year that total primary tax collections,

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

Taxes Due and Payable

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

Delinquent Taxes - Sales and Redemption

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

5. Cash and Investments

Cash and cash equivalents, excluding cash with fiscal agents, at June 30, 2023, was comprised of the following (in thousands):

	Total
Cash in Bank	\$ 71,312
Cash on Hand	146
Short-Term Pooled Investments	373,839
Short-Term Non-Pooled Investments	168,324
Total Cash and Cash Equivalents	<u>\$ 613,621</u>

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

Primary Government	
Unrestricted	
General Fund	\$ 26,724
Transit Special Revenue Fund	42,110
General Obligation/Secondary Property Tax	19
Non-Major Governmental Funds	152,879
Enterprise Funds	
Aviation	87,899
Phoenix Convention Center	16,945
Water System	32,928
Wastewater	35,854
Solid Waste	7,152
Total Unrestricted	<u>402,510</u>
Restricted	
Enterprise Funds	
Aviation	14,565
Phoenix Convention Center	686
Water System	37,237
Wastewater	15,500
Solid Waste	-
Total Restricted	<u>67,988</u>
Total Primary Government	470,498
Component Unit - PHFC	15,306
Component Unit - Phoenix IDA	5,264
Fiduciary Funds	
Employee Pension Trust	104,583
Employee Benefit Trust	17,970
Total Reporting Entity	<u>\$ 613,621</u>

Deposits

Cash deposits are subject to custodial risk. Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's deposits were entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name at fiscal year end. There were two days during fiscal year 2023 that had undercollateralized deposit liabilities. The carrying amount of the City's deposits at June 30, 2023 was \$71.3 million and the bank ledger balance was \$52.4 million.

Cash with fiscal agents and trustees are subject to custodial risk. The City's contracts with the fiscal agents and trustees call for these deposits to be fully covered by collateral held in the fiscal agents' and trustees' trust departments but not in the City's name. Each trust department pledges a pool of collateral against all trust deposits it holds. The carrying amount of the City's cash with fiscal agents and trustees and the bank ledger balance at June 30, 2023 was \$730.7 million. Securities with fiscal agents and trustees are not subject to custodial risk.

Investments

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

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

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

Rebates

Senate bill 1306 requires local governments to disclose the amount of any reward, discount, incentive or other financial consideration received as a result of credit card payments made to a vendor for goods or services. In fiscal year 2023, the City has recorded approximately \$1.0 million in rebates related to its single use account program.

Total investments at June 30, 2023, stated at fair value, were \$7.5 billion. The following summarizes those amounts, which exclude investments held and reported separately by COPERS on the following page, reported in "Investments" in the accompanying financial statements (in thousands):

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
City Investments		
Pooled Investments		
Repurchase Agreements Collateralized by U.S. Treasury Securities	268,280	0.020
U.S. Treasury Securities	2,007,076	1.348
U.S. Government Agency Securities		
Housing and Urban Development	8,168	0.409
FFCB Notes	129,673	1.679
FNMA Notes	57,291	1.490
FHLMC Notes	123,000	2.103
FHLB Notes	594,382	2.026
Total U.S. Government Agency Securities	<u>912,514</u>	1.939
Pre-Refunded Municipal Securities	42,668	1.059
Certificates of Deposit	95,892	0.010
Commercial Paper	119,473	0.084
Mortgage Backed Securities		
GNMA	20,107	2.109
FNMA/FHLMC CMO/MBS/CMBS	45,831	3.061
Total Mortgage Backed Securities	<u>65,938</u>	2.771
Total Pooled Investments	<u>3,511,841</u>	1.343
Less: Joint Venture Pooled Investments	(99,833)	
Less: Short-Term Pooled Investments	<u>(451,618)</u>	
Net Pooled Investments	2,960,390	
Non-Pooled Investments		
Repurchase Agreements Collateralized by U.S. Treasury Securities	16,751	0.015
U.S. Treasury Securities	824,763	0.277
U.S. Government Agency Securities - FHLMC Notes	977	0.994
U.S. Government Agency Securities - FHLB Notes	154,884	0.253
Pre-Refunded Municipal Securities	18	3.503
Total Non-Pooled Investments	<u>997,393</u>	0.270
Less: Short-Term Non-Pooled Investments	<u>(64,008)</u>	
Net Non-Pooled Investments	933,385	
Total City Investments	<u>\$ 3,893,775</u>	
Primary Government Investments	3,844,225	
Fiduciary Fund Internal Investments	49,550	
Total City Investments	<u>\$ 3,893,775</u>	

	Credit Quality Rating	Fair Value	Weighted Average Maturity (Years)
COPERS Investments			
Fixed Income Investments			
Derivatives	Not Rated	\$ 463	24.332
Total Derivatives		463	
U. S. Treasury Securities	AAA	41,244	17.000
U. S. Treasury Securities	B	1,140	11.000
U. S. Treasury Securities	Not Rated	4,593	13.910
Total U. S. Treasury Securities		46,977	
Total U.S. Government Agency Securities	Not Rated	308	4.666
		308	
Mortgage Backed Securities	AAA	3,461	19.952
Mortgage Backed Securities	AA	938	18.664
Mortgage Backed Securities	A	1,049	22.192
Mortgage Backed Securities	BBB	36	14.984
Mortgage Backed Securities	BB	49	12.162
Mortgage Backed Securities	B	30	13.669
Mortgage Backed Securities	CCC	165	19.858
Mortgage Backed Securities	CC	9	13.666
Mortgage Backed Securities	Not Rated	66,428	26.754
Total Mortgage Backed Securities		72,165	
Asset Backed Securities	AAA	1,954	13.262
Asset Backed Securities	AA	2,021	13.512
Asset Backed Securities	B	679	10.371
Asset Backed Securities	CC	269	14.912
Asset Backed Securities	Not Rated	11,749	15.864
Total Asset Backed Securities		16,672	
Municipal Bonds	AA	2,511	16.089
Municipal Bonds	A	668	23.377
Municipal Bonds	B	623	12.096
Total Municipal Bonds		3,802	
Corporate Bonds	AAA	12,318	10.240
Corporate Bonds	AA	8,940	9.596
Corporate Bonds	A	20,382	9.552
Corporate Bonds	BBB	26,526	9.257
Corporate Bonds	BB	14,034	6.718
Corporate Bonds	B	28,860	5.903
Corporate Bonds	CCC	24,915	4.836
Corporate Bonds	CC	868	4.255
Corporate Bonds	C	312	3.877
Corporate Bonds	Not Rated	151,353	5.902
Total Corporate Bonds		288,508	
International Bonds	AAA	447	13.880
International Bonds	A	1,126	21.223
International Bonds	BBB	1,300	21.584
International Bonds	B	408	5.692
International Bonds	Not Rated	79,724	10.469
Total International Bonds		83,005	
Total Fixed Income Investments		511,900	
Temporary Investments from Securities Lending		44,117	
Domestic Equities:			
Common Stocks		823,012	
Private Stocks		401,370	
Real Estate		489,907	
Total Domestic Equities		1,714,289	
Global Commingled		296,651	
International Equities		605,731	
Hedge Funds		142,648	
Total COPERS Investments		3,315,336	
Excess Benefit Arrangement		512	
Total Pension Investments		<u>\$ 3,315,848</u>	
Fiduciary Fund External Investments			
Employee Benefit Trust			
Bond Mutual Funds			
Doubleline Core Total Return	Not Rated	\$ 13,907	8.300
PIMCO Total Return	Not Rated	13,878	10.300
Vanguard Total Bond Market Index	Not Rated	27,756	9.000
Total Bond Mutual Funds		55,541	
Stock Mutual Funds	Not Rated	217,375	
Real Estate	Not Rated	14,217	
Total Fiduciary Fund External Investments		287,133	
Fiduciary Fund Internal Investments		49,038	
Total Employee Benefit Trust Investments		<u>\$ 336,171</u>	

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

	<u>Fair Value</u>
Primary Government	
Unrestricted	
General Fund	\$ 455,775
Transit Special Revenue Fund	289,907
General Obligation/Secondary Property Tax	5,129
Non-Major Governmental Funds	1,207,850
Enterprise Funds	
Aviation	601,379
Phoenix Convention Center	117,156
Water System	239,023
Wastewater	246,924
Solid Waste	52,337
Total Unrestricted	<u>3,215,480</u>
Restricted	
Enterprise Funds	
Aviation	202,968
Phoenix Convention Center	14,988
Water System	283,356
Wastewater	87,767
Solid Waste	39,666
Total Restricted	<u>628,745</u>
Total Primary Government	3,844,225
Fiduciary Funds	
Employee Pension Trust	3,315,848
Employee Benefit Trust	336,171
Total Reporting Entity	<u>\$ 7,496,244</u>

Fair Value Hierarchy

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2023 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using			
	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury securities	\$ 3,116,870	\$ 15,355	\$ 3,101,515	\$ -
U.S. Government agency obligations	1,068,375	-	1,068,375	-
U.S. Government agency MBS/CMO	65,938	-	65,938	-
Municipal bonds	42,686	-	42,686	-
Commercial paper	119,473	-	119,473	-
Total investments, including those classified as, cash equivalents by fair value level	\$ 4,413,342	\$ 15,355	\$ 4,397,987	\$ -

U.S. Government securities totaling \$15.4 million in fiscal year 2023 are classified in Level 1 of the fair value hierarchy and are valued using quoted prices in active markets.

U.S. Government securities totaling \$3.1 billion, U.S. government agency obligations totaling \$1.1 billion, U.S. government agency MBS/CMO totaling \$65.9 million, municipal bonds totaling \$42.7 million and commercial paper totaling \$119.5 million in fiscal year 2023 are classified in Level 2 of the fair value hierarchy and are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These prices are obtained from a pricing source.

For the LTD and MERP Trusts, Bond Mutual Funds totaling \$55.5 million and Stock Mutual Funds totaling \$230.8 million classified in Level 1 of the fair value hierarchy in fiscal year 2023 are valued using quoted prices in active markets. Stock Mutual Funds totaling \$805 thousand classified in Level 2 of the fair value hierarchy in fiscal year 2023 are valued using other significant observable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of COPERS as of June 30, 2023 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using			
	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Equities	\$ 823,012	\$ 299,379	\$ -	\$ 523,633
International Equities	605,731	255,081	-	350,650
Fixed Income				
Derivatives	463	(136)	599	-
US government and agency	47,285	46,977	308	-
Mortgage backed - residential	72,165	-	72,165	-
Asset backed	16,672	-	16,672	-
Municipal bonds	3,802	-	3,802	-
Corporate bonds	288,508	93,568	150,629	44,311
Foreign	83,005	76,649	6,356	-
Global Commingled	100,104	100,104	-	-
Total fixed income securities	612,004	317,162	250,531	44,311
Temporary Investments from Securities Lending	2,234	2,234	-	-
Subtotal	2,042,981	\$ 873,856	\$ 250,531	\$ 918,594
Investments measured at the net asset value (NAV)				
Private Equity	401,370			
Hedge Funds	142,648			
Global Commingled	196,547			
Real Estate Funds	489,907			
Total Investments Measured at NAV	1,230,472			
Cash Equivalents in Securities Lending	41,883			
Total investments and cash equivalents by fair value level	\$ 3,315,336			

Certain investments are reported at the net asset values calculated by the investment manager. These investments at June 30, 2023, detailed in the following table, are subject to capital calls and specific redemption terms:

	June 30, 2023 (in thousands)	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds	\$ 142,648	\$ -	Quarterly	90 Days
Global Commingled	196,547	-	Monthly	30 Days
Private Equity	401,370	574,000	Quarterly	0-90 Days
Real Estate Funds	489,907	163,200	Quarterly	0-90 Days

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

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

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

Interest Rate Risk

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

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

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

For the LTD and MERP Trusts, investment activity has been delegated from the Trust funds’ Boards to professionally managed mutual funds to diversify the composition of the Trusts’ assets. The bond funds, as of June 30, 2023, have weighted average maturities ranging from 8.3 to 10.3 years.

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

Credit Risk

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

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

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

Concentration of Credit Risk

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

Issuer	Fair Value
FHLB	\$ 749,266

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

Foreign Currency Risk

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

of the underlying security. Dollar and non-dollar denominated holdings accounted for 99.99% and 0.01%, respectively, of the foreign fixed income investments at June 30, 2023.

Securities Lending

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

During 2023, BNY lent, on behalf of COPERS, certain securities held by BNY as custodian and received cash (United States and foreign currency), securities issued or guaranteed by the United States government and irrevocable letters of credit as collateral. BNY did not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 102% of the fair value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 105% of the fair value of the loaned securities.

During 2023, COPERS and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a liquidity pool and a duration pool. As of June 30, 2023, the collateral pool had a weighted average maturity (WAM) of 3 days and a weighted average life (WAL) of 68 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral.

6. Receivables

Receivables at June 30, 2023 are stated net of the allowance for doubtful accounts, and are summarized as follows (in thousands):

	Accounts	Taxes	Interest	Intergov- ernmental ⁽¹⁾	Notes	Leases ⁽²⁾	Partner- ships ⁽³⁾	Total
Unrestricted								
Governmental Activities								
General Fund	\$ 48,669	\$ 164,630	\$ 55	\$ 33,768	\$ -	\$ 3,654	\$ 20,716	\$ 271,492
Transit Special Revenue	1,203	-	-	34,889	-	144	-	36,236
G.O./Secondary Property Tax	-	4,057	-	-	-	-	-	4,057
Nonmajor	4,582	2	18	81,345	10,184	201,859	-	297,990
	54,454	168,689	73	150,002	10,184	205,657	20,716	609,775
Business-Type Activities								
Aviation	13,196	-	-	64,948	-	314,119	-	392,263
Phoenix Convention Center	272	-	-	-	-	11,816	-	12,088
Water System	72,432	-	-	484	-	-	-	72,916
Wastewater	52,440	-	-	15,932	-	186	-	68,558
Solid Waste	20,357	-	-	25	-	4,275	-	24,657
	158,697	-	-	81,389	-	330,396	-	570,482
Subtotal	213,151	168,689	73	231,391	10,184	536,053	20,716	1,180,257
Restricted								
Business-Type Activities								
Aviation	15,911	-	7	7,168	-	-	-	23,086
Phoenix Convention Center	-	-	5	-	-	-	-	5
Water System	-	-	11	-	-	-	-	11
	15,911	-	23	7,168	-	-	-	23,102
Total	\$ 229,062	\$ 168,689	\$ 96	\$ 238,559	\$ 10,184	\$ 536,053	\$ 20,716	\$ 1,203,359

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

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

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

The following is a summary of the allowance for doubtful accounts for all funds at June 30, 2023 (in thousands):

	Allowance for Doubtful Accounts		
	Accounts	Taxes	Total
Governmental			
General Fund	\$ 25,290	\$ 3,425	\$ 28,715
Transit Special Revenue Fund	184	-	184
Nonmajor	797	-	797
Business-Type			
Aviation	1,035	-	1,035
Water System	5,884	-	5,884
Wastewater	3,571	-	3,571
Solid Waste	3,813	-	3,813
	<u>\$ 40,574</u>	<u>\$ 3,425</u>	<u>\$ 43,999</u>

Enterprise fund Accounts Receivable included unbilled charges at June 30, 2023, as follows (in thousands):

Aviation	\$ 10,098
Water System	26,185
Wastewater	7,780
Solid Waste	6,961
	<u>\$ 51,024</u>

Notes Receivable

The City has entered into loan agreements with the Matthew Henson Partnership, LP; Krohn West, LP; Phoenix Central City Revitalization Corp & LLC; PERC Frank Luke Addition LLC; PGHC Pine Crest, LLC; PSMHTC Summit LLC; PIBHC Marcos De Niza LLC; PERC II Frank Luke Addition LLC; PERC III Frank Luke Addition LLC; and Phoenix Starfish Place Corporation for the purpose of financing housing projects. These projects include a mix of affordable housing and market rate units. Payments on these loans are only required to be made from the project's surplus cash flows. Due to the uncertainty of payment, the City is not recognizing a receivable in the Financial Statements and will record all payments as revenue at the time of receipt. The amount of these notes outstanding is \$87.1 million as of June 30, 2023.

The City has entered into various loan agreements with third parties related to its affordable housing programs. The purpose of these loans is to establish, preserve and rehabilitate public housing and the terms of these loans are more generous (soft) as compared to regular loan agreements. Payments on these loans are only required to be made from the property's surplus cash flows. Due to the uncertainty of payment, the City is not recognizing a receivable in the Financial Statements and will record all payments as revenue at the time of receipt. The amount of these notes outstanding is \$92.8 million as of June 30, 2023.

The City has also entered into various loan agreements with third parties related to its affordable housing programs that have been recorded as notes receivable within the Public Housing Special Revenue Fund. Under these agreements, the City has either loaned money to nonprofit corporations for the purpose of establishing and/or improving public housing units or to single families providing affordable housing. The loans are secured by an interest in the property being acquired and/or improved. Interest rates range from 0% to 5% with amortization periods up to 40 years. Maturities on the loans are as early as fiscal year ending 2024 and as late as fiscal year ending 2062. As of June 30, 2023 the total amount of the notes outstanding is \$10.2 million. The payments received from these loans are restricted by the Federal Government for affordable housing programs. Therefore the City records a trust liability within the Public Housing Special Revenue Fund for the outstanding balance of the notes.

7. *Interfund Transactions*

The following amounts due to other funds or due from other funds are included in the fund financial statements at June 30, 2023 (in thousands):

	Payable Funds		
	General Fund	Nonmajor Governmental	Total
Receivable Funds			
Governmental Funds			
Transit Special Revenue	\$ -	\$ 180,675	\$ 180,675
Nonmajor Governmental	464	45,876	46,340
Total	\$ 464	\$ 226,551	\$ 227,015

Interfund balances at June 30, 2023 are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements.

Net transfers of \$61.4 million from governmental activities to business-type activities on the government-wide statement of activities is primarily the result of the monthly transfer of earmarked excise tax to the Phoenix Convention Center Enterprise Fund. The following interfund transfers are reflected in the fund financial statements for the year ended June 30, 2023 (in thousands):

	Transfers Out	Transfers In
Governmental Funds		
General Fund	\$ 265,095	\$ 32,761
Transit Special Revenue Fund	7,025	-
General Obligation/Secondary Property Tax	-	10,873
Nonmajor Governmental	28,439	195,547
Total Governmental Funds	300,559	239,181
Enterprise Funds		
Aviation	963	209
Phoenix Convention Center	680	92,516
Water System	17,387	-
Wastewater	10,409	-
Solid Waste	1,908	-
Total Enterprise Funds	31,347	92,725
Total Transfers	\$ 331,906	\$ 331,906

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

8. Restricted Assets and Liabilities Payable from Restricted Assets

Restricted assets and liabilities payable from restricted assets recorded in the Enterprise Funds at June 30, 2023, are summarized as follows (in thousands):

Restricted Assets	
Cash and Cash Equivalents	\$ 67,988
Cash Deposits	11,402
Cash and Securities with Fiscal Agents/Trustees	363,380
Investments	628,745
Receivables, Net of Allowances	23,102
Total Restricted Assets	<u>\$ 1,094,617</u>
Liabilities Payable from Restricted Assets	
Accounts Payable	\$ 46,389
Trust Liabilities and Deposits	11,505
Accrued Landfill Closure Costs	510
Subtotal	<u>58,404</u>
Short-Term Obligations	400,000
Matured Bonds Payable	198,922
Interest Payable	116,970
Current Portion of Loans from Direct Borrowings	1,784
Current Portion of Municipal Corporation Obligations	210,484
Total Liabilities Payable from Restricted Assets	<u>\$ 986,564</u>

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

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

	Balances July 1, 2022*	Additions	Deletions	Transfers	Balances June 30, 2023
Governmental activities:					
Non-depreciable assets:					
Land	\$ 1,314,550	\$ -	\$ (803)	\$ -	\$ 1,313,747
Infrastructure	546,705	-	-	-	546,705
Artwork	7,927	-	-	-	7,927
Construction-in-Progress	318,961	277,953	(3,574)	(20,861)	572,479
Total non-depreciable assets	2,188,143	277,953	(4,377)	(20,861)	2,440,858
Depreciable and amortized assets:					
Buildings	1,795,966	-	(5,404)	-	1,790,562
Improvements	763,792	41,213	(2,183)	-	802,822
Infrastructure	2,742,907	74,757	-	19,394	2,837,058
Equipment	1,013,165	56,822	(23,005)	2,787	1,049,769
Intangible Assets	46,156	220	(700)	-	45,676
Right-to-Use Lease Assets	21,224	-	-	-	21,224
Right-to-Use Subscription Assets	38,124	2,238	-	-	40,362
Total depreciable assets	6,421,334	175,250	(31,292)	22,181	6,587,473
Less accumulated depreciation and amortization for:					
Buildings	(875,427)	(51,538)	1,387	-	(925,578)
Improvements	(461,199)	(36,850)	2,121	-	(495,928)
Infrastructure	(1,044,308)	(81,185)	6	-	(1,125,487)
Equipment	(590,085)	(69,396)	22,552	(1,305)	(638,234)
Intangible Assets	(31,447)	(2,098)	700	-	(32,845)
Right-to-Use Lease Assets	(1,558)	(1,885)	-	-	(3,443)
Right-to-Use Subscription Assets	-	(5,062)	-	-	(5,062)
Total accumulated depreciation and amortization	(3,004,024)	(248,014)	26,766	(1,305)	(3,226,577)
Total depreciable and amortized assets, net	3,417,310	(72,764)	(4,526)	20,876	3,360,896
Governmental activities, net	\$ 5,605,453	\$ 205,189	\$ (8,903)	\$ 15	\$ 5,801,754
Business-type activities:					
Non-depreciable assets:					
Land	\$ 692,227	\$ -	\$ (191)	\$ -	\$ 692,036
Artwork	12,169	-	(95)	16	12,090
Construction-in-Progress	2,069,859	377,015	(31,664)	(689,430)	1,725,780
Total non-depreciable assets	2,774,255	377,015	(31,950)	(689,414)	2,429,906
Depreciable and amortized assets:					
Buildings	3,480,228	21,364	(16,194)	227,995	3,713,393
Improvements	4,372,686	45,242	(2,190)	184,004	4,599,742
Infrastructure	2,070,577	65,353	-	747	2,136,677
Equipment	1,518,130	49,515	(20,798)	275,274	1,822,121
Intangible Assets	230,661	-	(50)	-	230,611
Total depreciable assets	11,672,282	181,474	(39,232)	688,020	12,502,544
Less accumulated depreciation and amortization for:					
Buildings	(1,688,484)	(101,084)	450	-	(1,789,118)
Improvements	(2,592,430)	(114,056)	1,894	-	(2,704,592)
Infrastructure	(829,724)	(48,434)	1	-	(878,157)
Equipment	(961,591)	(115,149)	6,427	1,364	(1,068,949)
Intangible Assets	(141,691)	(10,347)	19	-	(152,019)
Total accumulated depreciation and amortization	(6,213,920)	(389,070)	8,791	1,364	(6,592,835)
Total depreciable and amortized assets, net	5,458,362	(207,596)	(30,441)	689,384	5,909,709
Business-type activities, net	\$ 8,232,617	\$ 169,419	\$ (62,391)	\$ (30)	\$ 8,339,615

* With the implementation of GASB 96 in the current fiscal year, it was required to restate the prior fiscal year ending balance for the right-to-use subscription assets. This restatement was for \$38.1 million.

Phoenix Housing Finance Corporations:

	Balances				Balances	
	July 1, 2022	Additions	Deletions	Transfers	June 30, 2023	
Non-depreciable assets:						
Land	\$ 6,365	\$ 200	\$ -	\$ -	\$ 6,565	
Construction in Progress	6,364	312	-	-	6,676	
Total non-depreciable assets	12,729	512	-	-	13,241	
Depreciable and amortized assets:						
Buildings	20,681	5,123	-	-	25,804	
Improvements	17,159	-	-	-	17,159	
Equipment	29	38	-	-	67	
Intangible Assets	1,545	-	-	-	1,545	
Total depreciable and amortized assets	39,414	5,161	-	-	44,575	
Less accumulated depreciation and amortization for:						
Buildings	(10,707)	(1,054)	-	(1,116)	(12,877)	
Improvements	(5,902)	(1,512)	-	-	(7,414)	
Equipment	(17)	(34)	-	-	(51)	
Intangible Assets	(386)	(77)	-	-	(463)	
Total accumulated depreciation and amortization	(17,012)	(2,677)	-	(1,116)	(20,805)	
Total depreciable and amortized assets, net	22,402	2,484	-	(1,116)	23,770	
Component Units, net	\$ 35,131	\$ 2,996	\$ -	\$ (1,116)	\$ 37,011	

Depreciation expense was charged to governmental functions in the government-wide financial statements for the year ended June 30, 2023 as follows (in thousands):

General Government	\$ 26,359
Criminal Justice	62
Public Safety	32,795
Transportation	125,154
Community Enrichment	43,775
Community Development	9,263
Environmental Services	10,606
	<u>\$ 248,014</u>

Closed Facilities

The Cave Creek Water Reclamation Plant was closed temporarily in fiscal year 2010 and is expected to re-open in fiscal year 2025 due to expected demand increases. Therefore, no impairment loss will be recognized. The carrying value of the assets at June 30, 2023 is \$23.6 million.

10. Financial Obligations
Long-Term Obligations

Changes in long-term obligations during fiscal year 2022-23 are summarized as follows (in thousands):

	Balances July 1, 2022**	Additions ⁽¹⁾	Reductions ^{(1) (2)}	Balances June 30, 2023	Amounts Due Within One Year
Governmental Activities					
Bonds, Loans and Notes Payable:					
General Obligation Bonds	\$ 815,395	\$ -	\$ 167,495	\$ 647,900	\$ 102,280
Municipal Corporation Obligations	488,750	131,650	45,245	575,155	50,865
Community Facilities Districts	28,640	-	725	27,915	755
	1,332,785	131,650	213,465	1,250,970	153,900
Discounts/Premiums	77,826	19,596	20,426	76,996	-
Total Bonds, Loans and Notes Payable	1,410,611	151,246	233,891	1,327,966	153,900
Other Liabilities:					
Insurance Claims Payable	204,685	57,483	43,814	218,354	57,879
Accrued Compensated Absences	155,118	169,256	155,118	169,256	20,901
Pollution Remediation	3,488	20	226	3,282	52
Arbitrage	-	1,625	-	1,625	-
Leases	20,413	-	1,379	19,034	1,497
Subscriptions	38,124	2,238	4,622	35,740	4,957
Net Pension	4,327,182	1,744,960	1,320,278	4,751,864	-
Net OPEB	137,900	21,120	51,038	107,982	-
Total Other Liabilities	4,886,910	1,996,702	1,576,475	5,307,137	85,286
Total Governmental Activities	\$ 6,297,521	\$ 2,147,948	\$ 1,810,366	\$ 6,635,103	\$ 239,186
Business-Type Activities					
Bonds, Loans and Notes Payable:					
Loans from Direct Borrowings	\$ 10,087	\$ -	\$ 1,749	\$ 8,338	\$ 1,784
Municipal Corporation Obligations	4,841,391	96,540	323,228	4,614,703	210,484
	4,851,478	96,540	324,977	4,623,041	212,268
Discounts/Premiums	611,243	7,919	63,692	555,470	-
Cumulative Capital Appreciation on State of AZ Distribution Revenue Bonds					
	106,934	-	1,587	105,347	-
Total Bonds, Loans and Notes Payable	5,569,655	104,459	390,256	5,283,858	212,268
Other liabilities:					
Accrued Compensated Absences	20,318	20,925	20,318	20,925	2,695
Accrued Landfill Closure and Postclosure Care Costs	16,323	663	-	16,986	1,605
Pollution Remediation	1,275	200	75	1,400	275
Arbitrage	-	8	-	8	-
Net Pension	315,973	145,434	145,339	316,068	-
Net OPEB	40,262	4,453	14,353	30,362	-
Total Other Liabilities	394,151	171,683	180,085	385,749	4,575
Total Business-Type Activities	\$ 5,963,806	\$ 276,142	\$ 570,341	\$ 5,669,607	\$ 216,843
Component Units					
Phoenix Housing Finance Corporations					
Notes Payable	\$ 41,573	\$ -	\$ -	\$ 41,573	\$ -
Total Component Units	\$ 41,573	\$ -	\$ -	\$ 41,573	\$ -

** With the implementation of GASB 96, it was required to restate the prior fiscal year ending balance by including the subscription liability of \$38.1 million as noted above.

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

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

The amounts reported in the previous table have been reduced by deposits made with the City's fiscal agents for July 1, 2023 maturities, a portion of which is included in restricted assets for the governmental and enterprise funds. These deposits at June 30, 2023, were as follows (in thousands):

	Principal	Interest	Total
Governmental Funds			
General Obligation Bonds	\$ 92,990	\$ 17,923	\$ 110,913
Municipal Corporation Obligations	45,245	10,720	55,965
Community Facilities Districts	725	763	1,488
	<u>138,960</u>	<u>29,406</u>	<u>168,366</u>
Enterprise Funds			
Municipal Corporation Obligations	197,773	116,840	314,613
	<u>197,773</u>	<u>116,840</u>	<u>314,613</u>
	<u>\$ 336,733</u>	<u>\$ 146,246</u>	<u>\$ 482,979</u>

Issues of long-term debt, excluding net deferred gain/losses on refundings of \$52.5 million, were as follows at June 30, 2023 (dollars in thousands):

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding ⁽¹⁾	Interest Outstanding ⁽¹⁾	Unamortized Premium (Discount)
General Obligation Bonds								
03/01/04	Various Improvements (3)	7/1/10-28	4.22	16.3	200,000	14,720	2,208	26
10/27/09	Various Improvements Taxable Series 2009A (2)(13)	7/1/20-34	3.42	18.4	280,955	221,160	73,832	-
06/24/14	Refunding	7/1/19-27	2.71	9.5	278,015	73,825	4,242	1,198
09/13/16	Refunding	7/1/18-27	1.74	9.0	226,215	194,415	28,231	17,177
06/21/17	Refunding	7/1/18-27	1.52	3.4	68,305	10,545	970	690
05/25/22	Refunding	7/1/23-34	2.93	5.9	146,400	133,235	35,244	13,981
	Total General Obligation Bonds				1,199,890	647,900	144,727	33,072
Loans from Direct Borrowings								
08/03/10	Wastewater WIFA	7/1/18-26	2.97	12.0	6,287	1,943	91	-
04/11/11	Water WIFA	7/1/16-24	2.97	9.4	2,093	239	7	-
06/01/11	Wastewater WIFA	7/1/26-29	2.97	16.6	3,909	3,909	528	-
09/14/11	Water WIFA	7/1/24-29	2.97	15.8	1,497	1,497	177	-
04/11/19	Closed Loop Fund, LP	10/15/19-24	0.00	5.0	3,000	750	-	-
	Total Loans from Direct Borrowings				16,786	8,338	803	-

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding ⁽¹⁾	Interest Outstanding ⁽¹⁾	Unamortized Premium (Discount)
Municipal Corporation Obligations								
08/01/01	Water System Rev Refunding (3)(5)	7/1/02-24	4.68	14.1	99,980	7,090	390	29
10/06/05	State Distribution Revenue 2005B (3)(10)	7/1/12-44	4.72	28.9	275,362	244,263	363,181	12,674
09/01/10	Airport Rev 2010B (Taxable) (3b)(6b)(11)(12)(13)	7/1/2040	3.67	29.8	21,345	21,345	23,949	-
12/22/11	Wastewater System Revenue Ref (7b)	7/1/14-24	2.58	8.4	118,290	11,230	549	231
06/21/12	Excise Tax Revenue Refunding 2012A (4)	7/1/14-25	2.30	6.7	17,510	220	13	6
04/15/14	Wastewater System Refunding (7b)	7/1/15-29	3.00	9.4	127,810	64,170	11,686	4,024
12/17/14	Water System Revenue 2014A (5)	7/1/19-44	3.76	19.7	152,830	3,820	191	31
12/17/14	Water System Rev Refunding 2014B (5)	7/1/16-29	2.64	9.7	445,085	259,475	41,666	16,226
05/12/15	Excise Tax Rev Refunding 2015A (4)(8)	7/1/17-41	3.56	16.2	319,305	266,480	136,095	26,686
05/12/15	Excise Tax Rev Ref 2015B (Taxable) (4)	7/1/16-35	3.35	10.2	60,895	32,045	7,786	-
12/15/15	Airport Revenue 2015A (Non-AMT)(3d)(6b)(11)	7/1/16-45	3.99	18.6	95,785	82,455	53,619	7,155
12/15/15	Airport Rev Ref 2015B (Non-AMT)(3d)(6b)(11)	7/1/2034	4.08	18.5	18,655	18,655	10,260	1,452
11/16/16	Wastewater System Rev Refunding (7b)	7/1/17-35	2.89	11.3	225,325	168,750	60,197	21,720
01/10/17	Water System Rev Refunding 2016 (5)	7/1/17-39	3.59	15.1	375,780	341,170	164,381	35,715
06/01/17	Excise Tax Revenue 2017A (4)	7/1/18-32	2.16	6.8	116,835	54,110	8,233	3,986
06/01/17	Excise Tax Rev Refunding 2017B (4) (8)	7/1/19-29	2.02	6.3	101,895	43,265	6,199	3,122
11/21/17	Airport Revenue 2017A (AMT)(3e)(6a)	7/1/18-47	3.84	18.7	190,930	172,355	127,426	20,952
11/21/17	Airport Rev Ref 2017B (Non-AMT)(3e)(6a)	7/1/21-38	3.23	13.5	173,440	155,480	69,209	20,018
12/21/17	Airport Rev Ref 2017D (Non-AMT)(3c)(6b)(11)	7/1/21-40	3.36	14.2	474,725	425,310	191,023	43,451
06/19/18	Wastewater System Revenue 2018A (7b)	7/1/25-43	3.66	17.4	133,270	133,270	76,048	12,505
06/19/18	Wastewater System Rev Ref 2018B (7a)	7/1/19-24	2.26	4.0	84,295	19,845	992	544
11/28/18	Airport Revenue 2018 (AMT) (3e) (6a)	7/1/19-48	4.22	19.3	226,180	209,570	163,273	15,667
12/05/19	Rental Car Facility (Taxable) 2019A (3a)(9)	7/1/28-45	3.33	18.4	244,245	244,245	170,143	38,026
12/05/19	Rental Car Facility Ref (Taxable) 2019B (3a)(9)	7/1/20-28	2.60	4.6	60,485	35,095	2,449	-
12/11/19	Airport Revenue 2019A (Non-AMT)(3c)(6b)(11)	7/1/41-49	3.61	25.9	341,095	341,095	341,275	43,930
12/11/19	Airport Revenue 2019B (AMT)(3c)(6b)	7/1/20-49	3.44	19.1	392,005	381,615	282,659	53,114
12/11/19	Airport Rev Refunding (Taxable) 2019C (3c)(6b)	7/1/23-25	2.38	4.6	29,435	19,840	696	-
04/09/20	Water System Revenue 2020A (5)	7/1/30-44	3.14	20.0	165,115	165,115	138,553	38,476
04/09/20	Water System Revenue 2020B (5)(14)	7/1/30-44	3.14	20.0	228,015	228,015	191,334	53,133
08/25/20	Excise Tax Revenue 2020A (4)(8)	7/1/21-45	1.90	12.0	131,595	123,670	55,794	28,915
08/25/20	Excise Tax Revenue (Taxable) 2020B (4)	7/1/21-45	2.39	13.9	150,000	135,595	40,798	-
08/25/20	Excise Tax Rev Refunding (Taxable) 2020C (4)	7/1/23-36	1.58	7.1	116,685	103,050	8,119	-
06/09/21	Water System Revenue 2021A (5)	7/1/26-45	2.45	16.1	250,000	250,000	167,071	66,678
06/09/21	Water System Rev Refunding 2021B (5)	7/1/22-26	0.52	3.5	67,345	48,680	4,947	4,527
06/09/21	Water System Rev Refunding (Taxable) 2021C (5)	7/1/26-44	2.61	15.0	151,280	151,280	51,361	-
08/03/22	Excise Tax Revenue 2022 (4)(8)	7/1/25-47	3.79	16.0	131,650	131,650	99,412	18,481
06/07/23	Airport Rev Refunding 2023 (AMT) (3e)(6a)	7/1/24-32	3.50	5.4	96,540	96,540	26,087	7,920
Total Municipal Corporation Obligations					6,411,017	5,189,858	3,097,064	599,394
Community Facilities Districts								
06/27/19	Park Cntrl CFD Spec Assess Rev Bonds (3f)	7/1/21-44	5.73	16.0	30,000	27,915	19,314	-
Total Community Facilities Districts					30,000	27,915	19,314	-
Total Primary Government Bonds					\$ 7,657,693	\$ 5,874,011	\$ 3,261,908	\$ 632,466

- (1) Pledged revenues on all outstanding bonds are at least equal to the remaining principal and interest outstanding. Additional information relating to pledged revenues can be found in the Debt Capacity Statistical Section, Table 17 "Pledged-Revenue Bond Coverage."
- (2) Represents bonds issued as "Qualified Build America Bonds (Direct Pay)" (BABs) for purposes of the American Recovery and Reinvestment Act of 2009 and the Internal Revenue Code of 1986. The City expects to receive semiannual cash subsidy payments in an amount equal to 35% of the interest payable each respective interest payment date.
- (3) Enhanced by a municipal bond insurance policy, a reserve account surety bond, or a debt service reserve fund. The debt service reserve balances were as follows as of June 30, 2023 (in thousands):

(a) Airport Rental Car Parity Reserve for Series 2019A, 2019B	\$ 20,545
(b) Junior Lien Airport Debt Service Reserve for Series 2010B	2,134
(c) Junior Lien Airport Parity Reserve for Series 2015A, 2017D, 2019A, 2019B and 2019C	95,602
(d) Airport Revenue Refunding Bonds, Series 2015B (Non-AMT) Reserve	1,866
(e) Senior Lien Airport Parity Reserve for Series 2017A, 2017B, 2018, and 2023	51,049
(f) Park Central CFD Special Assessment Bonds Taxable Series 2019 Reserve	2,252
- (4) The City has made a subordinated junior lien pledge on all excise tax obligations.
- (5) The City has made a junior lien pledge of Water System revenues as security.
- (6) The City has pledged net airport revenues as security for these bonds. The net revenues pledged are as follows:
 - (a) Senior lien pledge on all outstanding airport obligations.
 - (b) Junior lien pledge on all outstanding airport obligations.
- (7) The City has pledged Wastewater System revenues as security for these bonds. The revenues pledged are as follows:
 - (a) Senior lien pledge on all outstanding Wastewater System obligations.
 - (b) Junior lien pledge on all outstanding Wastewater System obligations.
- (8) The City has pledged excise taxes on a subordinated junior lien basis as security; however, a portion of debt service requirements on these obligations are paid from Solid Waste revenues.
- (9) The City has made a first priority pledge of a \$6.00 per day car rental usage fee to be paid by rental car customers arriving at Phoenix Sky Harbor International Airport as security for the bonds.
- (10) The primary source of revenue for loan payments is State of Arizona distributions the City is to receive pursuant to legislation passed in 2003 authorizing up to fifty percent State funding for certain convention center developments in the State. The schedule of State Distributions will be sufficient to make loan payments when due.
- (11) The City has further pledged an irrevocable commitment of 100% of net proceeds of a passenger facility charge for the debt service due on or before July 1, 2026 on these bonds, with the exception of the Series 2015A and 2019A bonds. The Series 2015A bonds have a pledge equivalent to 30% and the Series 2019A bonds have a pledge equivalent to 93% of the principal and interest requirement for debt service due on or before July 1, 2026. The Passenger Facility Charge is currently imposed at the rate of \$4.50 per qualifying enplaned passenger."
- (12) Represents bonds issued as "Recovery Zone Economic Development Bonds" (RZEDB) for purposes of the American Recovery and Reinvestment Act of 2009 and the Internal Revenue Code of 1986. The City expects to receive semiannual cash subsidy payments in an amount equal to 45% of the interest payable each respective interest payment date.
- (13) On March 1, 2013, the federal government announced the implementation of certain automatic budget cuts known as the sequester, which has resulted in a reduction of the federal subsidy by 5.7% (the Sequester Reductions) in FY 2023. However, the City does not expect the Sequester Reductions to have a material adverse effect on its ability to make payments of interest on the BABs and the RZEDB bonds.
- (14) The City has designated this bond series as Sustainability Bonds. The Sustainability Project is intended to advance the purposes of the Sustainability Goals and to generally comport with the "Green Bond Principles," "Social Bond Principles" or the "Sustainability Bond Guidelines" most recently promulgated by the International Capital Market Association (ICMA) in June 2018. The series will not constitute "exempt facility bonds" issued to finance "qualified green building and substantial design projects" within the meaning of Section 142(1) of the Code.

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

General Obligation Bonds

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

Default Provisions

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

Revenue Bonds

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

Loans from Direct Borrowings

Water and Wastewater WIFA

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

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

Closed Loop Fund, LP

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

Municipal Corporation Obligations

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

New Issuances

Subordinated Excise Tax Revenue Bonds, Series 2022

In August 2022, the CIC issued \$131.7 million of Excise Tax Revenue Bonds, Series 2022. Proceeds of the bonds will be used to fund, or to reimburse the City for, the costs of acquiring, constructing, and improving

real and personal property for the City's police headquarters and call center. The bonds have an average life of 16.0 years and were sold at an all-in true interest cost of 3.79%.

Senior Lien Airport Revenue Refunding Bonds, Series 2023 (AMT)

In June 2023, the CIC issued \$96.5 million of Senior Lien Airport Revenue Refunding Bonds, Series 2023 (AMT). Proceeds of the bonds refunded \$115.5 million of Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT). The bonds have an average life of 5.4 years, were sold at an all-in true interest cost of 3.50%, and produced present value savings, net of transaction costs, of \$8.0 million.

Default Provisions

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

State of Arizona Distribution Revenue Bonds

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

Community Facilities Districts

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

The Park Central Community Facilities District ("PCCFD") was formed on August 29, 2018, by the Mayor and Council of the City in order to provide public infrastructure within the boundaries of PCCFD for development of a multi-use residential, commercial and retail project known as "Park Central." In June 2019, PCCFD issued \$30.0 million of Special Assessment Revenue Bonds, Taxable Series 2019.

Default Provisions

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

Component Units

Various Phoenix Housing Finance Corporations have entered into loan agreements with the City for the purpose of financing housing projects. These projects include a mix of affordable housing and market rate units. The outstanding balance on these loans at June 30, 2023 is \$41.6 million.

The Phoenix IDA issues Private Activity Revenue Bonds that provide capital financing for third parties that are not part of the Phoenix IDA's reporting entity. In addition, no commitments beyond the maintenance of the tax-exempt status of the conduit debt obligation were extended by the Phoenix IDA for any of those bonds. The aggregate amount of all conduit obligations outstanding at June 30, 2023, was \$2.4 billion. The Phoenix IDA has no obligation for the repayment by the borrower.

Debt Service Requirements

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

City of Phoenix Bonds - Governmental Activities								
Fiscal Years	General Obligation		Municipal Corporation Obligations		Community Facilities Districts		Debt Service Total	
	Principal	Interest	Principal	Interest	Principal	Interest		
2024	\$ 102,280	\$ 31,711	\$ 50,865	\$ 20,094	\$ 755	\$ 1,494	\$ 207,199	
2025	99,430	27,013	42,070	18,536	790	1,461	189,300	
2026	108,085	22,280	43,135	17,186	825	1,424	192,935	
2027	108,600	17,013	42,505	15,745	865	1,385	186,113	
2028	42,000	11,584	40,410	14,358	905	1,344	110,601	
2029-2033	153,185	33,345	141,240	56,141	5,330	5,917	395,158	
2034-2038	34,320	1,780	95,020	34,092	7,125	4,121	176,458	
2039-2043	-	-	69,890	18,991	9,185	2,056	100,122	
2044-2048	-	-	50,020	5,060	2,135	112	57,327	
	<u>\$ 647,900</u>	<u>\$ 144,726</u>	<u>\$ 575,155</u>	<u>\$ 200,203</u>	<u>\$ 27,915</u>	<u>\$ 19,314</u>	<u>\$ 1,615,213</u>	
Authorized	\$ 2,937,160							
Unissued	\$ 152,355							
Interest Rates	2.0 - 5.5%							

City of Phoenix Bonds - Business-Type Activities					
Fiscal Years	Loans from Direct Borrowings		Municipal Corporation Obligations		Debt Service Total
	Principal	Interest	Principal	Interest	
2024	\$ 1,784	\$ 225	\$ 210,484	\$ 227,944	\$ 440,437
2025	1,369	190	193,402	217,697	412,658
2026	1,255	154	203,309	208,636	413,354
2027	1,292	117	192,542	199,001	392,952
2028	1,330	78	200,522	189,946	391,876
2029-2033	1,308	39	920,605	815,383	1,737,335
2034-2038	-	-	980,533	589,811	1,570,344
2039-2043	-	-	1,038,876	349,245	1,388,121
2044-2048	-	-	603,965	96,027	699,992
2049-2052	-	-	70,465	3,171	73,636
	<u>\$ 8,338</u>	<u>\$ 803</u>	<u>\$ 4,614,703</u>	<u>\$ 2,896,861</u>	<u>\$ 7,520,705</u>

Short-Term Obligations

Changes in short-term obligations during fiscal year 2022-23 are summarized as follows (in thousands):

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

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

Issues of short-term debt were as follows at June 30, 2023 (dollars in thousands):

Purpose	Issuing Bank	Expiration Date	Line of Credit	Amount Outstanding	Unused Line of Credit
Transportation 2050 Revolving Credit Facility	Bank of America, N.A.	06/02/25	\$ 200,000	\$ 200,000	\$ -
Water Revolving Credit Facility	JPMorgan Chase Bank, N.A.	04/25/25	200,000	200,000	-
Wastewater Revolving Credit Facility	JPMorgan Chase Bank, N.A.	04/25/25	200,000	200,000	-
Total Revolving Credit Facilities			\$ 600,000	\$ 600,000	\$ -

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

Transportation 2050 Revolving Credit Facility

The Revolving Credit Agreement as amended by the First Amendment dated as of May 12, 2023, provides for a five-year loan period with Bank of America, N.A., ending on June 2, 2025, during which the City may borrow, repay and re-borrow amounts, but not exceeding \$200.0 million outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Revolving Credit Agreement are payable solely from a 0.7 percent incremental sales tax increase dedicated for transportation, which is not included in the Excise Taxes pledged as security for the City's outstanding Excise Tax bonds. If any loans under the Revolving Credit Agreement are outstanding on June 2, 2025, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on June 2, 2028.

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

Water Revolving Credit Facility

The Revolving Credit Agreement provides for a three-year loan period with JPMorgan Chase Bank, N.A., ending on April 25, 2025, during which the City may borrow, repay and re-borrow amounts, but not exceeding \$200.0 million outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Revolving Credit Agreement (such loans, together with any obligations on a parity therewith, the "Junior Subordinate Lien Obligations") are payable from water system revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Water System Revenue Bonds ("Junior Lien Obligations"), but are junior and subordinate to the Junior Lien Obligations. If any loans under the Revolving Credit Agreement are outstanding on April 25, 2025, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on April 25, 2028.

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

Wastewater Revolving Credit Facility

The Revolving Credit Agreement provides for a three-year loan period with JPMorgan Chase Bank, N.A., ending on April 25, 2025, during which the City may borrow, repay and re-borrow amounts, but not exceeding \$200.0 million outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Revolving Credit Agreement (such loans, together with any obligations on a parity therewith, the "Senior Lien Obligations" and the "Junior Subordinate Lien Obligations") are payable from wastewater system revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Wastewater System Revenue Bonds ("Junior Lien Obligations"), but are junior and subordinate to the Junior Lien Obligations. If any loans under the Revolving Credit Agreement are outstanding on April 25, 2025, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on April 25, 2028.

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

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

The Solid Waste Enterprise Fund ("Solid Waste") currently operates one landfill, the SR-85 Landfill, and monitors five additional closed landfills. Federal and state regulations require that certain postclosure care costs be incurred to maintain and monitor closed landfills for thirty years after closure to mitigate and prevent future environmental damage. In addition, numerous costs are incurred in the process of closing a landfill. These closure costs include the capping of the landfill with soil, installing such items as drainage and monitoring systems, and remediation of any environmental damage caused by the landfill. These costs are estimated based on what it would cost to perform all closure and postclosure care for the landfills at June 30, 2023 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 \$115.0 million, including \$102.6 million that has already been paid out and an estimated \$12.4 million that will be paid out in future years as postclosure care efforts continue. The entire unpaid amount has been reported as a liability in the accompanying financial statements.

Total closure and postclosure care costs for the SR-85 Landfill are currently estimated to be \$27.3 million, including \$3.1 million that has already been paid out and an estimated \$24.2 million that will be paid out in future years. \$5.1 million of this has been recorded as a liability on the accompanying financial statements based on the use of approximately 21.1% of the estimated capacity of the landfill.

Of the liabilities discussed above, \$510 thousand is included in liabilities payable from restricted assets.

Certain environmental remediation costs associated with one of the closed landfills are recoverable from third parties. The City has recovered a total of \$29.0 million from third parties. These recoveries are used to reduce remediation expense in the year the recovery is assured. A total of \$5.6 million (which includes recoveries and applicable interest earnings) has been included in restricted assets on the enterprise fund 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, 2023, the total remaining liability is \$3.3 million and it is estimated that the remediation will be completed in 76 years.

The liability in the Business-Type Activities pertains to leaking underground storage tanks at the Sky Harbor International Airport and Phoenix Goodyear Airport as well as a broken sewer main pipe at the 91st Avenue Wastewater Treatment Plant. 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, 2023 is \$1.2 million and is recorded in the Aviation Enterprise Fund. The broken sewer main pipe at the 91st Avenue Wastewater Treatment Plant was discovered in 2023, and the City is in the process of obtaining the required permits from the Flood Control District of Maricopa County to complete final cleanup work. As of June 30, 2023, the total remaining liability for the broken sewer main pipe is \$200 thousand and is recorded in the Wastewater Enterprise Fund.

11. Refunded, Refinanced and Defeased Obligations

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

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

Defeasances / Extinguishment of Debt

During fiscal year 2022-23, the City defeased \$74.5 million of General Obligation Refunding Bonds, Series 2014. The City deposited \$75.8 million into an irrevocable trust on July 19, 2022. The City decreased debt service by \$85.7 million resulting in an economic gain of \$9.9 million by defeasing bonds that are callable on July 1, 2024.

Refundings

During fiscal year 2022-23, the City issued Senior Lien Airport Revenue Refunding Bonds, Series 2023. The refunding bonds reduced the present value of future debt service payments. These savings were available due to improved municipal bond market conditions (i.e., lower interest rates) during the year compared to the issuance year. The effects of the new money and refunding is summarized as follows (in thousands):

	Senior Lien Airport Bonds
Series	2023
Closing Date	06/07/23
Net Interest Rate	3.55%
Refunding Bonds Issued	\$ 96,540
Premium (Discount)	7,920
Underwriter's Discount	(356)
Issuance Costs and Insurance	(642)
Net Proceeds	<u>\$ 103,462</u>
Refunded Amount	\$ 115,485
Decrease in Debt Service	\$ 24,019
Economic Gain	\$ 8,049
Number of Years Affected	10

The deferred and amortized amounts of accounting gains/losses on bond refundings (which are deferred outflows/inflows of resources) at June 30, 2023, are summarized as follows (in thousands):

	Deferred Amount July 1	Additions (Gains)/Losses	Reductions due to Refundings	Amortization Gains/(Losses)	Deferred Amount June 30
General Government					
General Obligation	\$ (1,185)	\$ -	\$ -	\$ 49	\$ (1,136)
Civic Improvement Corporation	2,622	-	-	323	2,945
	<u>\$ 1,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372</u>	<u>\$ 1,809</u>
Enterprise Funds					
Civic Improvement Corporation					
Aviation	44,790	(8,757)	(633)	(5,033)	30,367
Convention Center	3,742	-	-	(187)	3,555
Water	18,346	-	-	(887)	17,459
Wastewater	(600)	-	-	(281)	(881)
Solid Waste	77	-	-	120	197
	<u>\$ 66,355</u>	<u>\$ (8,757)</u>	<u>\$ (633)</u>	<u>\$ (6,268)</u>	<u>\$ 50,697</u>

Advanced refunding and defeasance arrangements at June 30, 2023, were as follows (in thousands):

Refunded and Defeased Bonds					
Date Refunded/ Defeased	Call Date	Issue Date	Type	Balance	Assets Held in Trust ⁽¹⁾
06/09/21	07/01/24	12/17/14	Civic Improvement Corporation		
			Junior Lien Water System Revenue Bonds	\$ 132,175	\$ 141,442
07/19/22	07/01/24	06/24/14	City of Phoenix		
			General Obligation Refunding Bonds	74,505	76,564

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

12. Legal Debt Margin

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

Pursuant to Chapter 177, Laws of Arizona 2016, which became effective August 6, 2016, the City's debt limitation is based on the full cash net assessed valuation (FCNAV) instead of the PNAV. The FCNAV for tax year 2023 (fiscal year 2023-24) is \$28.9 billion.

Under Arizona law, outstanding general obligation bonded debt for combined water, sewer, light, open space preserves, parks, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of a city's FCNAV. Outstanding general obligation bonded debt for all other purposes may not exceed 6% of a city's FCNAV. The total debt margin available at July 1, 2023 was as follows (in thousands):

Six Percent Bonds	\$	1,670,467
Twenty Percent Bonds		5,146,891
Total Debt Margin Available	\$	<u>6,817,358</u>

13. Risk Management

The City maintained a combination of commercial insurance and self-insurance during the year ended June 30, 2023, as described below.

General Fund and Transit Special Revenue Fund

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

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

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

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

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

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

With the exception of health, dental and long-term disability, the City reports its self-insurance activities in the General Fund, the Transit Special Revenue Fund (for transit related claims only) and the Government-Wide Statement of Net Position, with the other funds reimbursing the General Fund for their share of the cost of the City's self-insurance program. Settlements have not exceeded coverages for each of the last three fiscal years. At June 30, 2023, claims payable totaled \$218.4 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2023	2022
Claims Payable, July 1	\$ 204,685	\$ 222,230
Current Year Claims and Changes in Estimates	57,483	31,189
Claim Payments	(43,814)	(48,734)
Claims Payable, June 30	<u>\$ 218,354</u>	<u>\$ 204,685</u>

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

	Year Ended June 30	
	2023	2022
Amounts due within one year	\$ 57,879	\$ 53,969
Amounts due in more than one year	160,475	150,716
	<u>\$ 218,354</u>	<u>\$ 204,685</u>

Of the General Fund fund balance, \$50.4 million is restricted for the payment of claims, \$108.6 million is assigned for payment of claims, \$8.9 million is assigned for payment of insurance premiums and \$1.1 million of the Transit Special Revenue Fund Balance is restricted, as reported in the Fund Financial Statements.

At June 30, 2023, the actuarial liability related to Workers' Compensation was \$135.6 million and is included in the Government-Wide Statement of Net Position. Per the below schedule, the City has sufficient reserve funds to cover all of these liabilities (in thousands):

	Year Ended June 30	
	2023	2022
Actuarial Workers' Compensation Liability	<u>\$ 135,620</u>	<u>\$ 124,205</u>
Reserve Fund Balances:		
General Fund - Restricted - Insurance Claims	50,362	49,526
General Fund - Assigned - Insurance Claims	117,504	100,084
Total Reserve Fund Balances	<u>\$ 167,866</u>	<u>\$ 149,610</u>
Actual Worker's Compensation Expenses - YTD	<u>\$ 37,959</u>	<u>\$ 30,072</u>

Fiduciary Funds

Health and Dental - The City health insurance plans were self-insured through the City of Phoenix Health Care Benefits Trust fiduciary fund. Stop loss coverage was purchased for individual losses exceeding \$1.0 million and aggregate losses exceeding \$251.1 million. Dental coverage was provided through two plans. Active dental PPO was self-insured through the City of Phoenix Health Care Benefits Trust. Active dental HMO and retiree dental HMO and PPO were provided through commercial insurance accounted for in the General Fund.

Long-Term Disability benefits were self-insured through the City of Phoenix Long-Term Disability Trust fiduciary fund. See Note 20 for additional information.

At June 30, 2023, claims payable totaled \$30.9 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2023	2022
Claims Payable, July 1	\$ 29,827	\$ 29,048
Current Year Claims and Changes in Estimates	226,817	232,552
Claim Payments	(225,738)	(231,773)
Claims Payable, June 30	<u>\$ 30,906</u>	<u>\$ 29,827</u>

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

	Year Ended June 30	
	2023	2022
Amounts due within one year	<u>\$ 30,906</u>	<u>\$ 29,827</u>

14. Leases and Subscription-Based Information Technology Arrangements
Leases

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

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

As of June 30, 2023, the City had minimum principal and interest payment requirements for its leasing activities, with a remaining term more than one year, as follows (in thousands):

Governmental Activities				
Fiscal Year Ending	Principal		Interest	Total
June 30				
2024	\$	1,497	\$ 688	\$ 2,185
2025		1,621	626	2,247
2026		1,757	559	2,316
2027		1,902	486	2,388
2028		2,004	407	2,411
2029-2033		7,137	960	8,097
2034-2037		3,116	205	3,321
	\$	<u>19,034</u>	\$ <u>3,931</u>	\$ <u>22,965</u>

Additionally, as the lessor, the City leases and subleases City-owned properties such as buildings, land, terminal concessions, and advertising space. The related receivables are presented in the Statement of Net Position for the amounts equal to the present value of lease payments expected to be received during the lease term. Revenue recognized under these lease contracts during the year ended June 30, 2023 was \$80.6 million, which includes both lease revenue and interest. This amount includes variable payments not previously included in the measurement of the lease receivable.

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

The following are schedules by year of minimum payments to be received under lease contracts that are included in the measurement of the lease receivable as of June 30, 2023 (in thousands):

Governmental Activities					
Fiscal Year Ending June 30	Principal	Interest	Total		
2024	\$ 551	\$ 6,932	\$	7,483	
2025	561	6,948		7,509	
2026	590	6,929		7,519	
2027	803	6,908		7,711	
2028	1,475	6,868		8,343	
2029-2033	8,931	33,651		42,582	
2034-2038	10,676	32,177		42,853	
2039-2043	1,628	31,057		32,685	
2044-2048	2,580	30,783		33,363	
2049-2053	4,129	30,109		34,238	
2054-2058	5,535	29,366		34,901	
2059-2063	8,389	28,054		36,443	
2064-2068	7,768	26,807		34,575	
2069-2073	11,408	25,412		36,820	
2074-2078	18,241	22,984		41,225	
2079-2083	27,392	19,308		46,700	
2084-2088	10,281	15,948		26,229	
2089-2093	6,266	15,136		21,402	
2094-2098	10,001	13,742		23,743	
2099-2103	14,765	11,634		26,399	
2104-2108	19,833	8,599		28,432	
2109-2113	14,746	5,451		20,197	
2114-2118	15,593	2,661		18,254	
2119-2120	3,515	136		3,651	
	<u>\$ 205,657</u>	<u>\$ 417,600</u>	<u>\$</u>	<u>623,257</u>	

Business-Type Activities					
Fiscal Year Ending June 30	Principal	Interest	Total		
2024	\$ 35,603	\$ 10,064	\$	45,667	
2025	36,272	8,902		45,174	
2026	35,736	7,728		43,464	
2027	20,709	6,810		27,519	
2028	18,282	6,222		24,504	
2029-2033	59,204	23,899		83,103	
2034-2038	12,314	19,164		31,478	
2039-2043	14,563	16,958		31,521	
2044-2048	18,358	14,326		32,684	
2049-2053	22,577	11,014		33,591	
2054-2058	19,023	7,590		26,613	
2059-2063	18,510	4,538		23,048	
2064-2068	13,273	1,914		15,187	
2069-2073	5,972	312		6,284	
	<u>\$ 330,396</u>	<u>\$ 139,441</u>	<u>\$</u>	<u>469,837</u>	

Excluded Leases - Regulated

The Aviation Department does not recognize a lease receivable and a deferred inflow of resources for regulated leases. For a summary of future payments related to regulated leases, refer to the Aviation Department's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carriers and other aeronautical users. Regulated leases include the following:

Airline Use Agreements

The Aviation Department has entered into a Letter of Authorization (LOA) with each airline for the use of exclusive space in the terminals. By definition, these LOAs are considered to be regulated leases under GASB 87. Each LOA includes a provision that either party may terminate the agreement with 30 days' written notice. The Airlines currently have exclusive use of 113,868 sq ft in Terminal 3 and 531,755 sq ft in Terminal

4. This represents 26% of the total building space. The rental rate for the exclusive space is computed on a cost reimbursement rate. The revenue recognized for exclusive use of terminal space during the year ended June 30, 2023 was \$83.9 million.

In addition to the exclusive use space, the Aviation Department recognized revenue from the Airlines on a usage basis for common use gates, baggage fees and landing fees. The revenue recognized for these usage-based fees during the year ended June 30, 2023 was \$74.4 million.

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

Airline Hangar Buildings

The Aviation Department has entered into lease agreements with American Airlines and Southwest Airlines for use of two large maintenance hangars located on the east side of the airport. The lease with American Airlines began in October 1986 and will end in September 2026. The lease with Southwest Airlines began in August 1992 and will end in July 2047. These contracts include periodic rate adjustments based on CPI. The revenue recognized for these Hangar contracts during the year ended June 30, 2023 was \$4.0 million.

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

<u>Fiscal Year</u>	<u>Principal</u>
2024	\$1,793
2025	1,793
2026	1,793
2027	1,193
2028	993
2029-2033	4,174
2034-2038	3,910
2039-2043	3,910
2044-2047	2,835
Total	<u>\$22,394</u>

Fixed Based Operators

The Aviation Department has entered into several contracts with Fixed Base Operators (FBO) for the lease of certain airport land and buildings. An FBO is a commercial enterprise that provides aeronautical services such as fueling, aircraft parking and storage to the general aviation community, and therefore is considered to be a regulated lease. These contracts have various start dates ranging from 1998 to 2021 and end dates ranging from 2028 to 2061. The revenue recognized for these FBO contracts during the year ended June 30, 2023 was \$1.2 million.

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

<u>Fiscal Year</u>	<u>Principal</u>
2024	\$1,038
2025	1,039
2026	1,039
2027	1,039
2028	1,281
2029-2033	4,305
2034-2038	4,220
2039-2043	4,220
2044-2048	4,220
2049-2053	1,275
2054-2058	1,038
2059-2061	588
Total	<u>\$25,302</u>

Excluded Leases - Other

The Housing Department entered into leases with housing facilities that are, in turn, subleased to low income and elderly tenants for a period of 12 months or less. In addition to the leases being 12 months or less, the Housing Assistance Payment (HAP) contracts include language that abates the minimum rent component in the event of a failed inspection. Expenses recognized under lease contracts during the fiscal year ended June 30, 2023 was \$90.9 million.

The Aviation Department entered into leases with five rental car companies for space in the Consolidated Rental Car Center (RCC). Contracts with Avis, Enterprise and Hertz began in July 2017 and will end in June 2029, while contracts with Fox and SIXT began in January 2018 and will end in December 2027. The terms of the contracts include a minimum rent component and a variable component based on gross sales. The RCC contracts include language that abates the minimum rent component in the event of a significant drop in passenger traffic at the Airport. Due to this contractual provision, the rent on these contracts has been deemed to not be fixed in substance. Revenue recognized under these lease contracts during the year ended June 30, 2023 was \$63.2 million.

Subscription-Based Information Technology Arrangements

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

As of June 30, 2023, the City had minimum principal and interest payment requirements for its subscription activities, with a remaining term more than one year, as follows (in thousands):

Fiscal Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 4,957	\$ 1,156	\$ 6,113
2025	3,622	1,020	4,642
2026	3,681	882	4,563
2027	3,544	748	4,292
2028	3,147	626	3,773
2029-2033	16,789	1,260	18,049
	<u>\$ 35,740</u>	<u>\$ 5,692</u>	<u>\$ 41,432</u>

15. Contractual and Other Commitments

Public Transit

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

Contractor	Type of Service	Expiration Date	Estimated Annual Subsidy
MV Transportation Service	Dial-a-Ride	June 30, 2025	\$ 17,443
First Transit Inc.	Fixed Route Bus Service	June 30, 2025	42,561
Transdev Services, Inc.	Fixed Route Bus Service	June 30, 2025	101,323
Valley Metro Rail	Light Rail Service	June 30, 2024	24,034
Regional Public Transportation Authority	Fixed Route Bus Service	June 30, 2024	10,567
			<u>\$ 195,928</u>

Approximately 17.6% of the total net transit costs, excluding light rail service, will be reimbursed to the City by adjacent communities and the RPTA. In addition, the City will apply for funding to support daily operations from the Department of Transportation, Federal Transit Administration. This grant is expected to fund approximately 5.2% of the total transit costs for fiscal 2023-24. The City has been the designated recipient for these grants since 1975.

Other Contracts

The City's enterprise funds have entered into various construction contracts and these commitments have not been recorded in the accompanying financial statements. Only the currently payable portions of these contracts have been included in accounts payable in the accompanying financial statements. The following funds have remaining commitments at June 30, 2023, as follows (in thousands):

Aviation	\$	69,913
Phoenix Convention Center		5,868
Water System		143,787
Wastewater		58,081
Solid Waste		31,375
	<u>\$</u>	<u>309,024</u>

Encumbrances

Governmental fund encumbrances at June 30, 2023, were as follows (in thousands):

General Fund	\$	137,496
Transit Special Revenue Fund		132,638
Non-Major Funds		170,405
	<u>\$</u>	<u>440,539</u>

16. Contingent Liabilities

Pending Litigation

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. As discussed in Note 13, the City is primarily self-insured, and has accrued a liability for estimated claims outstanding. As with any risk retention program, however, the City is contingently liable with respect to claims beyond those currently accrued. In the opinion of City management, based on the advice of the City Attorney, the outcome of such claims will not have a material adverse effect on the City's financial position, results of operations or liquidity at June 30, 2023.

Sick Leave

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

Police who have accumulated 900 qualifying hours or more of unused sick leave at the time of normal service retirement are eligible to receive a payment equal to 35% or more (depending on the number of qualifying hours) of their base hourly rate for hours in excess of 450 hours.

Firefighters who have accumulated 900 qualifying hours or more of unused sick leave at the time of normal service retirement (1,260 qualifying hours or more for employees not on a 40 hour per week work schedule) are eligible to receive a payment equal to 35% or more (depending on the number of qualifying hours) of their base hourly rate for hours in excess of 450 hours (630 hours for employees not on a 40 hour per week work schedule).

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

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

Sick leave is accrued as a liability as it is earned by the employees if it is probable that the employees will be compensated through cash payments at retirement. Accordingly, a portion of the sick leave accumulated by police, firefighters, and general employees as described above has been accrued as a liability in the accompanying financial statements. The June 30, 2023, actuarial valuation of the sick leave liability was based on the termination payment method and includes other amounts that are directly and incrementally related to those payments such as the City's share of social security, as applicable.

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

	2023
General	\$ 159,646
Police	110,433
Fire	41,572
	<u>311,651</u>
Less: Amounts Accrued as a Liability	<u>(77,353)</u>
	<u>\$ 234,298</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, 2023 have not been completed in all cases; accordingly, final determination of the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. City management believes any such claims would be immaterial to the City's financial position at June 30, 2023.

17. Tax Abatements

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

As of June 30, 2023, the City of Phoenix provides tax incentives through Government Property Lease Excise Tax (GPLET) authority. Pursuant to Arizona Revised Statutes 42-6201, the State of Arizona established the GPLET as a redevelopment tool by reducing a project's operating costs by replacing the real property tax with an excise tax. Under the state statute, an excise tax is established for the building type of use and is calculated on the gross square footage of the building. The excise tax rate can be abated for the first eight years after a certificate of occupancy on the building is issued as long as the property is located within a Central Business District and Redevelopment Area, and increases the value of the property by more than 100%. Pursuant to change adopted in 2010, the use of the excise tax is limited to a maximum of 25 years and requires the land and improvements conveyed to a government entity and leased back for private use. Another program of the City also reimburses certain transaction privilege taxes as a redevelopment tool to initiate economic development.

Below is information relevant to the disclosure of those programs for the year ended June 30, 2023:

City of Phoenix Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board		Required Disclosure	
1)	Name of Program	Government Property Lease Excise Tax (GPLET)	Transaction Privilege Tax Reimbursement
2)	Purpose of Program	Redevelopment tool to initiate development by reducing a project's operating costs by replacing the real property tax with an excise tax.	Redevelopment tool to initiate development by reducing a project's public infrastructure development costs by reimbursing the project for a percentage of transaction privilege taxes generated by the project after the revenue is generated and the infrastructure has been constructed and accepted by the City.
3)	Tax Being Abated	Real Property Tax	Transaction Privilege Taxes
4)	Authority under which abatement agreements are entered into	Arizona Revised Statutes (ARS) Title 42, Chapter 6, Article 6, Sections 42-6201, 42-6203, 42-6208, and 42-6209.	City Council approval of development agreements.
5)	Criteria to be eligible to receive abatement	1) Taxes may be abated for a limited period beginning at the time the certificate of occupancy is issued and ending eight years after the certificate of occupancy is issued on a government property improvement.	1) Provide significant new job creation, and capital investment with the development, including the construction of public infrastructure if necessary, that would otherwise not occur.
		2) The improvement is located in a single central business district in the city or town and is subject to a lease or development agreement.	
		3) The government property improvement resulted or will result in an increase in property value of at least 100%.	
6)	How recipients' taxes are reduced	Real Property Tax is replaced by an Excise Tax.	Transaction privilege taxes that are generated by the project are reimbursed to the project based on performance requirements.
7)	How amount of abatement is determined	100% Excise Tax Reduction.	The percentage of taxes reimbursed is determined in the development agreement by the scale of development and/or job creation and the public infrastructure needed.
8)	Provisions for recapturing abated taxes	N/A	N/A
9)	Types of commitments made by the City other than to reduce taxes	N/A	N/A
10)	Gross Dollar Amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement	2023 (in thousands)	
		\$5,186	\$1,611

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

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

The City has an ongoing financial responsibility as a result of the joint powers agreement to participate in the cost to construct and operate the light rail project less any Federal reimbursements and operating fares. The City's share of costs is determined based on the number of rail mileage located within each City, plus dedicated local costs. The equity interest for the City at June 30, 2023, was \$1.9 billion.

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

Regional Wireless Cooperative (RWC)

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

The City has an ongoing financial responsibility as a result of the agreement to participate in the cost to construct, operate and maintain the network. The City's share of costs is determined based on the proportionate number of subscriber units in use at the time of assessment. The equity interest for the City at June 30, 2023, was \$33 million.

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

Wastewater

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

The City of Phoenix holds title to the land comprising the plant site and rights of way. The City's investment under the joint use agreement was \$305.4 million at June 30, 2023, and is included in the Wastewater Enterprise Fund financial statements as part of the total wastewater system. The SROG members participate in each facility at varying rates depending on their needs at the time each facility was constructed. The system has no bonded debt outstanding. Summary financial information on the joint use agreement as of and for the fiscal year ended June 30, 2023 is provided below (in thousands).

	<u>2023</u>
Assets	
Pooled Investments	\$ 85,883
Receivables	14,734
Inventories, at average cost	7,662
Capital Assets, Net of Accumulated Depreciation	<u>561,632</u>
Total Assets	669,911
Liabilities	<u>(85,031)</u>
Net Position	<u>\$ 584,880</u>
Total Revenues	\$ 85,007
Total Expenses	<u>(96,851)</u>
Decrease in Net Position	<u>\$ (11,844)</u>

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

Water

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

The City's investment under the joint use agreement was \$182.3 million at June 30, 2023, and is included in the Water Enterprise Fund financial statements as part of the total water system. The plant has no bonded debt outstanding. Summary financial information on the joint use agreement as of and for the fiscal year ended June 30, 2023 is provided below (in thousands).

	<u>2023</u>
Assets	
Pooled Investments	\$ 9,885
Receivables	9,599
Inventories, at average cost	2,976
Capital Assets, Net of Accumulated Depreciation	226,254
Total Assets	<u>248,714</u>
Liabilities	(12,351)
Net Position	<u>\$ 236,363</u>
Total Revenues	\$ 39,355
Total Expenses	(46,399)
Capital Contributions	14
Decrease in Net Position	<u>\$ (7,030)</u>

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

Public-Private and Public-Public Partnerships

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

Footprint Center Arena

The City entered into an agreement with the Arena Development Limited Partnership under which the operator will manage the multi-purpose arena located at 201 E. Jefferson Street in downtown Phoenix. The venue is home to a variety of sporting and entertainment events. The operator will set and collect all revenues from these events and pay the City a fixed annual amount, as well as a variable amount based on operations. The current agreement between the City and the operator extends through 2042. As of June 30, 2023, the

City recognized a receivable in the amount of \$20.7 million for the fixed annual payments and recognized a deferred inflow of resources in the amount of \$20.0 million, which is being amortized straight-line over the term of the arrangement.

American Family Fields of Phoenix

The City entered into an agreement with the Milwaukee Brewers Baseball Club, Limited Partnership, under which the operator will manage the sports facility located at 3805 N. 53rd Ave. The venue primarily acts as the Milwaukee Brewers’ training facility. The operator will renovate, manage, and maintain the sports facility with the City being contractually-obligated to share in the costs for renovations and maintenance. The current agreement between the City and the operator extends through 2043 and includes language that prohibits the Milwaukee Brewers from relocating the team. As part of the agreement, the Milwaukee Brewers were obligated to fund \$41.0 million in the renovation of the sports facility, which was completed in December 2019. As of June 30, 2023, the City recognized a deferred inflow of resources in the amount of \$34.9 million, which is being amortized straight-line over the term of the agreement.

The following is a schedule by year of minimum payments to be received under the City’s Public-Private and Public-Public Partnerships that are included in the measurement of the receivable as of June 30, 2023 (in thousands):

Fiscal Years	Principal	Interest	Total
2024	\$ 395	\$ 855	\$ 1,250
2025	449	839	1,288
2026	506	821	1,327
2027	566	800	1,366
2028	631	776	1,407
2029-2033	4,262	3,432	7,694
2034-2038	6,546	2,374	8,920
2039-2043	7,361	787	8,148
	<u>\$ 20,716</u>	<u>\$ 10,684</u>	<u>\$ 31,400</u>

Service Concession Arrangements

On July 18, 2014, the City entered into an agreement with Arizona State University (ASU) to manage and collect revenues from the City’s Papago Golf Course. The service concession arrangement is for 30 years and in exchange, ASU made significant course improvements for a total of \$15.7 million. The City will retain ownership of all assets at the end of the agreement. As of June 30, 2023, the City has recorded \$12.6 million as a deferred inflows of resources on the financial statements. The deferred inflows of resources will be amortized and recognized as revenue over the term of the agreement. There are no liabilities associated with this arrangement.

On November 24, 2014, the City entered into an agreement with Grand Canyon University (GCU) to manage and collect revenues from the City’s Maryvale Golf Course. The service concession arrangement is for 30 years and in exchange, GCU invested a total of \$11.4 million in course and clubhouse improvements. The City will retain ownership of all assets at the end of the agreement. As of June 30, 2023, the City has recorded \$8.1 million as a deferred inflows of resources on the financial statements. The deferred inflows of resources will be amortized and recognized as revenue over the term of the agreement. There are no liabilities associated with this arrangement.

19. Deferred Compensation and Defined Contribution Plans (DCP)

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

Under Section 457 of the Internal Revenue Code, the DCP allows employees to defer up to \$19,500 of their salaries during calendar year 2023. Enrollment and deferral charges are allowed on an ongoing basis.

Compensation deferred under this Plan is generally not available to participants until termination, retirement or a qualified unforeseeable emergency.

Under Section 401(a) of the Internal Revenue Code, the DCP allows employees to make contributions to the Plan by irrevocably electing to defer a percentage of their salary to the Plan. The 2023 annual contribution limit is \$57,000. The City also contributes to the Plan on behalf of eligible employees in an amount equal to a percentage of base annual salary. The City contributed \$49.3 million for the year ended June 30, 2023. Compensation deferred under this Plan is generally not available to participants until termination, retirement or a qualified unforeseeable emergency.

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

20. Pension Plans

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

A summary of pension related items as of and for the year ended June 30, 2023, is presented below (in thousands).

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
COPERS				
Governmental Activities	\$ 1,183,999	\$ 154,070	\$ 23,486	\$ 135,493
Business-Type Activities	316,068	41,129	6,269	36,170
PSPRS - Police	2,346,025	391,436	-	235,757
PSPRS - Fire	1,216,915	234,604	-	136,547
EORP	4,925	443	58	634
Total	<u>\$ 5,067,932</u>	<u>\$ 821,682</u>	<u>\$ 29,813</u>	<u>\$ 544,601</u>

City of Phoenix Employees' Retirement System (COPERS)

a) Plan Description

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

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

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

	June 30	
	2023	2022
Active Members		
Tier 1	3,769	4,110
Tier 2	521	541
Tier 3	4,117	3,287
Total	<u>8,407</u>	<u>7,938</u>
Deferred Vested Member Counts	<u>1,149</u>	<u>1,109</u>
In Pay Members		
Service Retirees	6,547	6,363
Beneficiaries	1,226	1,195
Disabled Retirees	213	222
Total	<u>7,986</u>	<u>7,780</u>
Total Members	<u>17,542</u>	<u>16,827</u>

b) **Plan Benefits**

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

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

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

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

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

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

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

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

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

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

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

c) **Contributions and Funding Policy**

The City contributes an actuarially determined percentage of payroll to COPERS, as required by City Charter, to fully fund benefits for active members and to amortize any unfunded actuarial liability as a level percent of projected member payroll over a closed 16 year period. For the fiscal year ended June 30, 2023, the total contribution rate was 34.14% of compensation. Tier 1 employees contributed 5% of compensation, and beginning January 1, 2016, Tier 2 and Tier 3 employees contributed 11.0% and the City contributed the remainder, \$193.1 million for the fiscal year.

d) **Net Pension Liability**

The City's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date. The schedule below indicates changes in net pension liability:

Change in Net Pension Liability

(in thousands)

	Total Pension Liability (TPL)	Plan Fiduciary Net Position	Net Pension Liability (NPL)
	(a)	(b)	(a)-(b)
Balances at 6/30/2022	\$ 4,723,291	\$ 3,242,687	\$ 1,480,604
Changes for the year:			
Service cost	81,561	-	81,561
Interest on the total pension liability	324,026	-	324,026
Difference between expected and actual experience of the total pension liability	28,788	-	28,788
Benefit payments, including refunds of employee contributions	(273,504)	(273,504)	-
Contributions - employer	-	193,136	(193,136)
Contributions - employee	-	47,749	(47,749)
Net investment income	-	175,400	(175,400)
Pension plan administrative expense	-	(1,373)	1,373
Net changes	<u>160,871</u>	<u>141,408</u>	<u>19,463</u>
Balances at June 30, 2023	<u>\$ 4,884,162</u>	<u>\$ 3,384,095</u>	<u>\$ 1,500,067</u>

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

e) **Actuarial Assumptions**

Actuarial assumptions used to determine the total pension liability in the June 30, 2023 valuation were based on the results of the actuarial experience study covering the period from July 1, 2014 through June 30, 2019. Those assumptions, applied to all periods included in the measurement, are as follows:

Investment Rate of Return	7.00%
Inflation	2.30%
Salary increase rate	2.80% plus merit component based on service ranging from 4.20% at 1 year of service to 0.00% for members with 15 or more years of service.
COLA (cost of living adjustments)	0.50% through 2024, 1.00% from 2025-2029 and then 1.25%, thereafter.
Administrative expenses	Assumed to be equal to the prior year's amount, increased by 2.50%.

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

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

A Single Discount Rate of 7.00% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Asset Class	FY 2023	FY 2023	10-Year
	Target Allocation	Actual Allocation	Expected Real Return
U.S. Equity	16.0%	21.0%	9.1%
Developed Market Equity (Non-U.S.)	9.0%	13.0%	11.5%
Emerging Market Equity	8.0%	5.0%	12.4%
Private Equity	9.0%	8.0%	12.5%
Investment Grade Bonds	-%	11.0%	4.9%
TIPS	6.0%	4.0%	4.5%
Private Debt	10.0%	-%	-%
High Yield Bonds	5.0%	4.0%	8.5%
Bank Loans	3.0%	3.0%	8.0%
Emerging Market Bonds	3.0%	2.0%	7.3%
Infrastructure	4.0%	3.0%	7.2%
Natural Resources	4.0%	2.0%	10.9%
Hedge Funds	-%	4.0%	5.6%
Real Estate	12.0%	15.0%	7.0%
Risk Mitigating Strategies	5.0%	-%	-%
Short Duration Bonds	6.0%	-%	-%
GTAA	-%	3.0%	6.0%
Cash	-%	2.0%	3.1%

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

The table below presents the net pension liability of the City calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using the discount rate that is 1.0% lower (6.00%) or 1.0% higher (8.00%) than the current rate at June 30, 2023:

Sensitivity of Net Pension Liability to the Single Discount

Rate Assumption

(in thousands)

	1.0% Decrease (6.00%)	Current Single Discount Rate Assumption (7.00%)	1.0% Increase (8.00%)
Net Pension Liability	\$ 2,087,360	\$ 1,500,067	\$ 1,010,261

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

For the year ended June 30, 2023, the City recognized pension expense of \$171.7 million. At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Schedule of Deferred Inflows and Outflows of Resources

(in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,619	\$ 17,278
Changes in assumptions	-	12,478
Net difference between projected and actual earnings on pension plan investments	140,580	-
Total	\$ 195,199	\$ 29,756

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

Measurement year ended June 30:

2024	\$ 21,751
2025	21,479
2026	106,468
2027	15,745
Thereafter	-
Total	\$ 165,443

Public Safety Personnel Retirement System

a) **Plan Description**

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

The City’s PSPRS membership data is as follows:

	June 30, 2022	
	Police	Fire
Retirees and Beneficiaries	2,855	1,264
Inactive, Non-Retired Members	934	271
Active Members	2,223	1,463
Total	6,012	2,998
Covered Valuation Payroll (in thousands)	\$ 222,342	\$ 151,969

b) **Plan Benefits**

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

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

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

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

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

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

c) Contributions and Funding Policy

The System, for both police and fire personnel, is funded via member contributions of 7.65% of compensation for employees whose membership date was prior to July 20, 2011, and 11.65% of compensation for employees whose membership date began on or after July 20, 2011. Employees whose membership date was on or after January 1, 2012 have the option of participating in the hybrid plan for non-social security positions with contributions of 14.65%, of which 3% goes toward a defined contribution plan and is matched by the employer. Employer rates are set by an actuarial valuation and expressed as a percent of compensation. For fiscal year ended June 30, 2023, the required employer contribution rates were as follows:

	Police	Fire
Tier 1	73.34%	63.38%
Tier 2	73.34%	63.38%
Tier 3	10.39%	10.36%
Tier 3 Legacy	59.55%	48.57%

However, for fiscal year ended June 30, 2023, the City chose to contribute \$235.5 million and \$123.9 million for Police and Fire, respectively and were based on the following contribution rates:

	Police	Fire
Tier 1	81.87%	70.30%
Tier 2	81.87%	70.30%
Tier 3	10.39%	10.36%
Tier 3 Legacy	68.08%	55.49%

d) **Net Pension Liability**

The City's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date. The schedule below indicates changes in net pension liability as of the actuary report dated June 30, 2022 (in thousands):

Change in Net Pension Liability

	POLICE			FIRE		
	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (NPL) (a)-(b)	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (NPL) (a)-(b)
Balances at June 30, 2022	<u>\$ 3,819,293</u>	<u>\$ 1,739,874</u>	<u>\$ 2,079,419</u>	<u>\$ 2,063,547</u>	<u>\$ 984,963</u>	<u>\$ 1,078,584</u>
Changes for the Year:						
Service cost	51,950	-	51,950	35,322	-	35,322
Interest on the total pension liability	274,353	-	274,353	149,188	-	149,188
Differences between expected and actual experience	34,170	-	34,170	12,208	-	12,208
Changes of Assumptions	44,315	-	44,315	23,529	-	23,529
Contributions - employer	-	183,098	(183,098)	-	107,767	(107,767)
Contributions - employee	-	25,362	(25,362)	-	14,300	(14,300)
Net investment income	-	(69,084)	69,084	-	(39,442)	39,442
Benefit payments, including refunds of employee contributions	(225,952)	(225,952)	-	(110,412)	(110,412)	-
Administrative expense	-	(1,246)	1,246	-	(711)	711
Other	-	52	(52)	-	2	(2)
Net changes	<u>178,836</u>	<u>(87,770)</u>	<u>266,606</u>	<u>109,835</u>	<u>(28,496)</u>	<u>138,331</u>
Balances at June 30, 2023	<u>\$ 3,998,129</u>	<u>\$ 1,652,104</u>	<u>\$ 2,346,025</u>	<u>\$ 2,173,382</u>	<u>\$ 956,467</u>	<u>\$ 1,216,915</u>

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

e) Actuarial Assumptions

The actuarial assumptions used to determine the total pension liability in the June 30, 2022 actuarial valuation are as follows:

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Price Inflation	2.50%
Salary Increases	3.25% to 15.00% including inflation
Tiers 1 & 2 Investment Rate of Return	7.20%, net of investment and administrative expenses
Tier 3 Investment Rate of Return	7.00%, net of investment and administrative expenses
Tier 3 Compensation Limit	\$115,868 for 2022. Assumed increases of 2.00% per year.
Retirement Rates	Rates based on a 2022 experience study using actual plan experience.
Mortality Rates	All rates were updated to reflect the PubS-2010 tables. The mortality assumptions sufficiently accommodate future mortality improvements.

Other Information:

Assumed Future Permanent Benefit Increases	The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. Assumed that the cost-of-living adjustment will be 1.75% for this valuation.
--	--

The Discount Rate used to measure the Total Pension Liability was 7.20% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits. The projection of cash flows used to determine the Discount Rate assumed that plan member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term expected Rate of Return on Pension Plan investments (7.20% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The Long-Term Expected Rate of Return on Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of June 30, 2022, as provided by PSPRS, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Public Equity	24.00%	3.49%
International Public Equity	16.00%	4.47%
Global Private Equity	20.00%	7.18%
Other Assets (Capital Appreciation)	7.00%	4.83%
Core Bonds	2.00%	0.45%
Private Credit	20.00%	5.10%
Diversifying Strategies	10.00%	2.68%
Cash	1.00%	(0.35%)
Total	100.00%	

Note - Assumed inflation rate (as provided by PSPRS): 2.66%

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

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

POLICE			
	1% Decrease (6.20%/6.00%)	Current Discount Rate (7.20%/7.00%)	1% Increase (8.20%/8.00%)
Net Pension Liability	\$ 2,857,432	\$ 2,346,025	\$ 1,926,390

FIRE			
	1% Decrease (6.20%/6.00%)	Current Single Discount Rate (7.20%/7.00%)	1% Increase (8.20%/8.00%)
Net Pension Liability	\$ 1,494,793	\$ 1,216,915	\$ 987,776

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

For the year ended June 30, 2023, pension expense of \$235.6 million and \$136.5 million were recognized for Police and Fire, respectively. At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported (in thousands):

	POLICE		FIRE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,432	\$ -	\$ 56,034	\$ -
Changes in assumptions	47,248	-	38,404	-
Net difference between projected and actual earnings on pension plan investments	26,232	-	16,264	-
Contributions made subsequent to the measurement date	235,524	-	123,902	-
Total	\$ 391,436	\$ -	\$ 234,604	\$ -

Contributions made subsequent to the measurement date are reported as deferred outflows of resources in the Governmental Activities of the Government-Wide Statement of Net Position (Exhibit A-1) and will decrease net pension liability in fiscal year 2024. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows (in thousands):

POLICE		FIRE	
Year Ending June 30	Net Deferred Outflows of Resources	Year Ending June 30	Net Deferred Outflows of Resources
2024	\$ 59,305	2024	\$ 31,282
2025	38,238	2025	19,972
2026	3,590	2026	10,448
2027	54,779	2027	38,477
2028	-	2028	5,418
Thereafter	-	Thereafter	5,105
Total	\$ 155,912	Total	\$ 110,702

Elected Officials' Retirement Plan

The Elected Officials' Retirement Plan (EORP) administers a cost-sharing, multiple-employer defined benefit pension plan that provides retirement, death and disability benefits. The EORP was established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes and is administered by the Board of Trustees of PSPRS. At June 30, 2023, the City had 8 covered officials participating in the plan. Covered payroll for the year then ended was \$411 thousand (of \$653.3 million general City covered payroll). Net pension liability for EORP was \$4.9 million as of June 30, 2023 and is reported in the Governmental Activities of the Government-Wide Statement of Net Position (Exhibit A-1). No additional disclosures regarding EORP are provided due to the immateriality to the City's finances as a whole. EORP financial statements are available online at www.psprs.com.

21. Other Postemployment Benefits (OPEB)

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

A summary of OPEB related items as of and for the year ended June 30, 2023, is presented below (in thousands).

Plan	Net OPEB Liability/(Asset)	Deferred	Deferred	OPEB Expense (Income)
		Outflows of Resources	Inflows of Resources	
LTD				
Governmental Activities	\$ (22,794)	\$ 4,628	\$ 6,599	\$ 2,542
Business-Type Activities	(4,741)	962	1,372	521
MERP				
Governmental Activities	107,982	9,369	-	(8,463)
Business-Type Activities	30,362	2,634	-	(2,387)
PSPRS - Police	(22,802)	1,980	2,132	(1,568)
PSPRS - Fire	(14,025)	1,329	620	(796)
EORP	(109)	12	4	(13)
Total	\$ 73,873	\$ 20,914	\$ 10,727	\$ (10,164)

Long-Term Disability Program

a) **Plan Description**

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

b) **Plan Benefits**

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

The number of participants as of June 30, 2023, the effective date of the biennial OPEB valuation, follows:

	Police	Fire	General City	Total
Current Active Employees	2,666	1,748	8,468	12,882
Currently Disabled Employees	15	12	287	314
Total Covered Participants	2,681	1,760	8,755	13,196

c) **Contributions**

Contributions by the City (plus earnings thereon) are the sole source of funding for the LTD program. The City's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, the City elected to contribute \$0.9 million to the LTD program, even though it is fully funded.

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

The City's net OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2021. The net OPEB liability/(asset) is measured as the total OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the fair value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 6.50% was used to measure the total OPEB liability as of June 30, 2023. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.50%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Change in Net OPEB Liability/(Asset)

(in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balances at June 30, 2022	\$ 50,321	\$ 77,477	\$ (27,156)
Changes for the year:			
Service cost	3,964	-	3,964
Interest on the total OPEB liability	3,230	-	3,230
Changes of benefit terms	-	-	-
Difference between expected and actual experience	227	-	227
Changes of assumptions	(582)	-	(582)
Benefit payments, including refunds of employee contributions	(5,231)	(5,231)	-
Employer contributions	-	912	(912)
Employee contributions	-	-	-
OPEB plan net investment income	-	6,859	(6,859)
OPEB plan administrative expense	-	(539)	539
Other	-	(14)	14
Net change in plan fiduciary net position	1,608	1,987	(379)
Balances at June 30, 2023	\$ 51,929	\$ 79,464	\$ (27,535)

e) **Actuarial Assumptions**

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

Valuation date	6/30/23
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.50%
Projected payroll increases	Use Actual Salary Scale
Inflation	2.50%

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

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

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

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

Below is a table providing the sensitivity of the net OPEB liability/(asset) to changes in the discount rate as of June 30, 2023. In particular, the table presents the plan's net OPEB liability/(asset) if it were calculated using a Single Discount Rate that is one-percentage-point lower or one-percentage-point higher than the current Single Discount Rate:

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

(in thousands)

	1% Decrease (5.50%)	Current Single Discount Rate Assumption (6.50%)	1% Increase (7.50%)
Net OPEB Liability (Asset):	\$ (24,010)	\$ (27,535)	\$ (30,704)

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

For the year ended June 30, 2023, the City recognized a OPEB expense of approximately \$3.1 million. At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Deferred Inflows and Outflows of Resources

(in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 206	\$ 3,280
Assumption changes	1,013	4,692
Net difference between projected and actual earnings on OPEB plan investments	4,371	-
Total	\$ 5,590	\$ 7,972

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

Measurement year ended June 30:	
2024	\$ (94)
2025	(1,062)
2026	2,243
2027	(1,623)
2028	(1,227)
Thereafter	(619)
Total	<u>\$ (2,382)</u>

Medical Expense Reimbursement Plan

a) **Plan Description**

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

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

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

b) **Plan Benefits**

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

The employees covered by MERP at June 30, 2023, the effective date of the biennial OPEB valuation, are:

	<u>2023</u>
Plan Members Currently Receiving Benefits	10,148
Active Plan Members	1,832
Total Plan Members	<u>11,980</u>

c) **Contributions**

Contributions by the City (plus earnings thereon) are the sole source of funding for the MERP. The City's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, the City contributed \$19.7 million. Employees are not required to contribute to the MERP.

d) **Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The net OPEB liability is measured as the total OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the fair value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 6.50% was used to measure the total OPEB liability as of June 30, 2023. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.50%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The schedule below indicates changes in net OPEB liability:

Change in Net OPEB Liability

(in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2022	\$ 377,414	\$ 199,253	\$ 178,161
Changes for the year:			
Service cost	2,673	-	2,673
Interest on the total OPEB liability	23,719	-	23,719
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(26,599)	-	(26,599)
Changes of assumptions	(2,501)	-	(2,501)
Benefit payments, including refunds of employee contributions	(27,676)	(27,676)	-
Employer contributions	-	19,750	(19,750)
Employee contributions	-	-	-
OPEB plan net investment income	-	17,964	(17,964)
OPEB plan administrative expense	-	(605)	605
Other	-	-	-
Net change in plan fiduciary net position	(30,384)	9,433	(39,817)
Balances at 6/30/2023	\$ 347,030	\$ 208,686	\$ 138,344

e) **Actuarial Assumptions**

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

Valuation date	6/30/23
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.50%
Projected payroll increases	3.50%
Health Care Trend Rates	Rates starting at 7.00% in 2022 grading down to 4.25% in 2035

Mortality rates are based on the sex-distinct employee and annuitant mortality tables described below, including adjustment factors applied to the published tables for each group. 1% of pre-retirement deaths for general employees are assumed to be duty-related and 12% of pre-retirement deaths for safety employees are assumed to be duty-related.

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

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

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

Below is a table providing the sensitivity of the net OPEB liability to changes in the discount rate as of June 30, 2023. In particular, the table presents the plan's net OPEB liability if it were calculated using a Single Discount Rate that is one-percentage-point lower or one-percentage-point higher than the current Single Discount Rate:

Sensitivity of Net OPEB Liability to the Single Discount

Rate Assumption

(in thousands)

	1% Decrease (5.50%)	Current Single Discount Rate Assumption (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 171,708	\$ 138,344	\$ 109,869

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

Below is a table providing the sensitivity of the net OPEB liability to changes in the healthcare cost trend rate as of June 30, 2023. In particular, the table presents the plan's net OPEB liability if it were calculated using a Healthcare Cost Trend Rate that is one-percentage-point lower or one-percentage-point higher than the current Healthcare Cost Trend Rate:

Sensitivity of Net OPEB Liability to the Healthcare Cost

Trend Rate Assumption

(in thousands)

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB Liability	\$ 138,149	\$ 138,344	\$ 138,574

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

For the year ended June 30, 2023, the City recognized a credit to OPEB expense of \$10.9 million. At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Deferred Inflows and Outflows of Resources

(in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 12,003	\$ -
Total	\$ 12,003	\$ -

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

Measurement year ended June 30:

2024	\$ 3,292
2025	1,090
2026	8,679
2027	(1,058)
Total	\$ 12,003

i) **MERP Statements as of June 30, 2023**
Statement of Fiduciary Net Position

(in thousands)

	MERP
ASSETS	
Cash and Cash Equivalents	\$ 484
Invesments	
Fixed Income	40,304
Domestic Equities	99,231
International Equities	38,232
Real Return	20,030
Real Estate	10,405
Total Investments	<u>208,202</u>
Total Assets	<u>208,686</u>
LIABILITIES	
Accounts Payable	<u>46</u>
NET POSITION*	
Restricted for Other Employee Benefits	<u>\$ 208,640</u>

Statement of Changes in Fiduciary Net Position

(in thousands)

	MERP
ADDITIONS	
Contributions	
City of Phoenix	\$ 19,750
Investment Income	
Net Increase in Fair Value of Investments	12,470
Interest	5,494
Total Additions	<u>37,714</u>
DEDUCTIONS	
Benefit Payments	27,677
Other	619
Total Deductions	<u>28,296</u>
CHANGE IN FIDUCIARY NET POSITION	9,418
NET POSITION*	
Net Position, Beginning	199,222
Net Position, Ending	<u>\$ 208,640</u>

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

PSPRS - OPEB

a) **Plan Description**

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

The City's PSPRS membership data is as follows:

	June 30, 2022	
	Police	Fire
Retirees and Beneficiaries	2,855	1,264
Inactive, Non-Retired Members	422	233
Active Members	2,223	1,463
Total	5,500	2,960

b) **Plan Benefits**

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

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

c) **Contributions**

The System has the authority to establish and amend the contribution requirements of the City and active employees. The System establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. For the year ended June 30, 2023, there were no required employer contributions due to the System being in a net asset position. Employees are not required to contribute to the OPEB Plan.

d) Net OPEB Liability/(Asset)

The City's net OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2022. The schedule below indicates changes in net OPEB liability/(asset) as of the actuary report dated June 30, 2023 (in thousands):

Change in Net OPEB Liability/(Asset)

	POLICE			FIRE		
	Total OPEB	Plan Fiduciary	Net OPEB	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)	(a)	(b)	(a)-(b)
Balances at 6/30/2022	\$ 47,929	\$ 78,675	\$ (30,746)	\$ 25,874	\$ 44,491	\$ (18,617)
Changes for the Year:						
Service cost	1,008	-	1,008	561	-	561
Interest on the total OPEB liability	3,437	-	3,437	1,859	-	1,859
Differences between expected and actual experience of the total OPEB liability	(356)	-	(356)	228	-	228
Changes of assumptions	915	-	915	248	-	248
Contributions - employer	-	87	(87)	-	34	(34)
Contributions - employee	-	87	(87)	-	34	(34)
Net investment income (loss)	-	(3,060)	3,060	-	(1,733)	1,733
Benefit payments, including refunds of employee contributions	(3,694)	(3,694)	-	(1,933)	(1,933)	-
OPEB plan administrative expense	-	(54)	54	-	(31)	31
Net changes	1,310	(6,634)	7,944	963	(3,629)	4,592
Balances at 6/30/2023	\$ 49,239	\$ 72,041	\$ (22,802)	\$ 26,837	\$ 40,862	\$ (14,025)

e) **Actuarial Assumptions**

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the OPEB plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash	1.00%	-0.35%
Core Bonds	2.00%	0.45%
Real Assets	7.00%	4.83%
Diversifying Strategies	10.00%	2.68%
Private Credit	20.00%	5.10%
Global Private Equity	20.00%	7.18%
Non-U.S. Equity	16.00%	4.47%
U.S. Equity	24.00%	3.49%
Total	100.00%	

* Based on inflation assumption of 2.66%

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

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

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 7.20 percent for Tiers 1 and 2 benefits and 7.00 percent for Tier 3 benefits. The municipal bond rate is 2.66 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 7.20 percent for Tiers 1 and 2 benefits and 7.00 percent for Tier 3 benefits.

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

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

POLICE			
	1% Decrease (6.20%/6.00%)	Current Discount Rate (7.20%/7.00%)	1% Increase (8.20%/8.00%)
Net Pension Liability	\$ (17,537)	\$ (22,802)	\$ (27,254)

FIRE			
	1% Decrease (6.20%/6.00%)	Current Single Discount Rate (7.20%/7.00%)	1% Increase (8.20%/8.00%)
Net Pension Liability	\$ (11,206)	\$ (14,025)	\$ (16,419)

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

For the year ended June 30, 2023, the City recognized a credit to OPEB expense of \$1.6 million for Police and \$800 thousand for Fire. At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	POLICE		FIRE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,132	\$ 393	\$ 550
Changes in assumptions	873	-	322	70
Net difference between projected and actual earnings on OPEB plan investments	1,020	-	580	-
Contributions made subsequent to the measurement date	87	-	34	-
Total	\$ 1,980	\$ 2,132	\$ 1,329	\$ 620

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

Year Ending June 30	POLICE		Year Ending June 30	FIRE	
		Net Deferred Outflows and Inflows of Resources			Net Deferred Outflows and Inflows of Resources
2023	\$	(313)	2023	\$	22
2024		(568)	2024		17
2025		(1,205)	2025		(426)
2026		1,847	2026		934
2027		-	2027		60
Thereafter		-	Thereafter		68
Total	\$	(239)	Total	\$	675

Elected Officials' Retirement Plan - OPEB

EORP administers a cost-sharing, multiple-employer defined benefit pension plan that provides retirement, death and disability benefits. The EORP was established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes and is administered by the Board of Trustees of PSPRS. Certain retirees are eligible to receive an insurance subsidy. At June 30, 2023, the City had 8 covered officials participating in the plan. Net OPEB asset for EORP was \$109 thousand as of June 30, 2023 and is reported in the Governmental Activities of the Government-Wide Statement of Net Position (Exhibit A-1). No additional disclosures regarding EORP are provided due to the immateriality to the City's finances as a whole. EORP financial statements are available online at www.psprs.com.

Post Employment Health Plan

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

22. Subsequent Events**Debt Issuance**

On October 24, 2023, the City of Phoenix Civic Improvement Corporation issued \$381.6 million of Junior Lien Wastewater System Revenue Bonds, Series 2023. A portion of the bond proceeds paid the balance outstanding on the Wastewater Revolving Credit Facility in the amount of \$200.0 million. The bonds were issued at an all-in true interest cost of 4.64% and were dated and delivered November 15, 2023.

Component Units

Subsequent to June 30, 2023, the Phoenix IDA established a special purpose entity, Phoenix Community Enhancement (Bret Tarver), LLC, (SPE) an Arizona limited liability company. The SPE was established to acquire real estate from the City of Phoenix through an IGA, and lease the real estate to a school district. The transaction resulted in the Phoenix IDA recording a \$2.9 million lease receivable to be recognized over the 75 year lease term.

Subsequent to June 30, 2023, the Phoenix IDA board approved the issuance of Single Family Revenue Mortgage Bonds, jointly with the Industrial Development Authority of the County of Maricopa, to be issued in one or more tax-exempt and/or taxable series in an aggregate principal amount not to exceed \$200.0 million.



Financial Section
.....

**REQUIRED
SUPPLEMENTARY
INFORMATION**



City of Phoenix



City of Phoenix

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

	2023	2022	2021	2020
Total Pension Liability				
Service cost	\$ 81,561	\$ 79,869	\$ 78,643	\$ 81,119
Interest on the total pension liability	324,026	311,636	303,102	313,397
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience of the total pension liability	28,788	52,647	(4,347)	(77,698)
Changes of assumptions	-	-	-	(62,386)
Benefit payments, including refunds of employee contributions	(273,504)	(262,660)	(249,713)	(242,143)
Net change in total pension liability	\$ 160,871	\$ 181,492	\$ 127,685	\$ 12,289
Total pension liability - beginning	4,723,291	4,541,799	4,414,114	4,401,825
Total pension liability - ending	\$ 4,884,162	\$ 4,723,291	\$ 4,541,799	\$ 4,414,114
Plan Fiduciary Net Position				
Contributions - employer	\$ 193,136	\$ 178,319	\$ 357,382	\$ 175,947
Contributions - employee	47,749	53,350	40,561	39,356
Net investment income (loss)	175,400	(161,785)	610,554	50,389
Benefit payments, including refunds of employee contributions	(273,504)	(262,660)	(249,713)	(242,143)
Pension plan administrative expense	(1,373)	(2,564)	(1,930)	(2,509)
Net change in plan fiduciary net position	\$ 141,408	\$ (195,340)	\$ 756,854	\$ 21,040
Plan fiduciary net position - beginning	3,242,687	3,438,027	2,681,173	2,660,133
Plan fiduciary net position - ending	\$ 3,384,095	\$ 3,242,687	\$ 3,438,027	\$ 2,681,173
Net pension liability	\$ 1,500,067	\$ 1,480,604	\$ 1,103,772	\$ 1,732,941
Plan fiduciary net position as a percentage of the total pension liability				
	69.29%	68.65%	75.70%	60.74%
Covered payroll	\$ 653,263	\$ 595,304	\$ 580,451	\$ 568,089
Net pension liability as a percentage of covered payroll	229.63%	248.71%	190.16%	305.05%

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

2019	2018	2017	2016	2015	2014
\$ 73,255	\$ 73,072	\$ 72,876	\$ 80,757	\$ 75,310	\$ 78,331
300,543	293,883	293,258	293,206	266,355	257,219
-	-	-	(3,229)	-	-
39,370	(42,785)	429	(76,891)	(31,009)	(20,336)
-	-	2,420	(69,420)	254,870	-
(237,389)	(227,576)	(223,668)	(216,193)	(204,402)	(179,877)
\$ 175,779	\$ 96,594	\$ 145,315	\$ 8,230	\$ 361,124	\$ 135,337
4,226,046	4,129,452	3,984,137	3,975,907	3,614,784	3,479,447
\$ 4,401,825	\$ 4,226,046	\$ 4,129,452	\$ 3,984,137	\$ 3,975,908	\$ 3,614,784
\$ 165,796	\$ 229,006	\$ 152,153	\$ 119,844	\$ 117,092	\$ 110,629
35,042	33,340	30,870	29,523	27,861	27,760
142,963	166,514	243,211	9,171	47,148	298,736
(237,389)	(227,576)	(223,668)	(216,409)	(204,403)	(179,877)
(793)	(377)	(380)	(234)	(415)	(628)
\$ 105,619	\$ 200,907	\$ 202,186	\$ (58,105)	\$ (12,717)	\$ 256,620
2,554,514	2,353,607	2,151,421	2,209,526	2,222,242	1,965,622
\$ 2,660,133	\$ 2,554,514	\$ 2,353,607	\$ 2,151,421	\$ 2,209,525	\$ 2,222,242
\$ 1,741,692	\$ 1,671,532	\$ 1,775,845	\$ 1,832,716	\$ 1,766,383	\$ 1,392,542
60.43%	60.45%	57.00%	54.00%	55.57%	61.48%
\$ 561,938	\$ 526,667	\$ 521,295	\$ 473,974	\$ 484,309	\$ 518,746
309.94%	317.38%	340.66%	386.67%	364.72%	268.44%

COPERS Schedule of Employer Contributions

(in thousands)

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2023	\$ 179,616	\$ 193,136	\$ (13,520)*	\$ 653,263	29.56%
2022	167,843	178,319	(10,476)*	595,304	29.95%
2021	178,090	357,382	(179,292)*	580,451	61.57%
2020	175,947	175,947	-	568,089	30.97%
2019	165,796	165,796	-	561,938	29.50%
2018	159,006	229,006	(70,000)*	526,667	43.48%
2017	152,153	152,153	-	521,295	29.19%
2016	119,844	119,844	-	473,974	25.28%
2015	117,092	117,092	-	484,309	24.18%
2014	110,629	110,629	-	518,746	21.33%

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

NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation date: June 30, 2021. Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the current measurement period. The rates for FYE June 30, 2023 were determined based on the June 30, 2021 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	The UAL as of June 30, 2013 is amortized as a level percentage of payroll over a closed 25-year period. The impact of the September 2013 assumption changes is amortized over a closed 25-year period with a four-year phase-in. The impact of the August 2015 assumption changes is amortized over a closed 25-year period with a four-year phase-in. Future gains and losses are amortized over closed 20-year periods. However, future gains will not be amortized over a shorter period than the remaining period on the amortization of the 2013 UAL.
Asset valuation method	4-Year smoothed fair value; 25% corridor
Salary increases	2.80% plus merit component based on service ranging from 4.20% at 1 year of service to 0.00% for members with 15 or more years of service.
Investment rate of return	7.00%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2014 - 2019.
Mortality	Pub-2010, Amount-Weighted, General mortality tables with adjustments, projected with the MP-2019 Ultimate Scale
Cost-of-living adjustment	0.50% through 2024, 1.00% from 2025-2029, and then 1.25% thereafter.
Other:	None



City of Phoenix

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

	POLICE			
	2023	2022	2021	2020*
Total Pension Liability				
Service Cost	\$ 51,950	\$ 51,687	\$ 51,069	\$ 52,681
Interest on the Total Pension Liability	274,353	265,180	251,285	241,526
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	34,170	23,801	91,331	21,415
Changes of assumptions	44,315	-	-	58,976
Benefit payments, including refunds of employee contributions	(225,952)	(204,565)	(203,329)	(185,901)
Net change in total pension liability	\$ 178,836	\$ 136,103	\$ 190,356	\$ 188,697
Total pension liability - beginning	3,819,293	3,683,190	3,492,834	3,304,137
Total pension liability - ending	\$ 3,998,129	\$ 3,819,293	\$ 3,683,190	\$ 3,492,834
Plan Fiduciary Net Position				
Contributions - employer	\$ 183,098	\$ 172,800	\$ 167,099	\$ 149,442
Contributions - employee	25,362	23,096	22,896	18,525
Net investment income	(69,084)	379,441	17,437	71,707
Benefit payments, including refunds of employee contributions	(225,952)	(204,565)	(203,329)	(185,901)
Hall/Parker Settlement	-	-	-	-
Pension Plan Administrative Expense	(1,246)	(1,780)	(1,422)	(1,247)
Other**	52	4	(91)	88
Net change in Plan Fiduciary Net Position	\$ (87,770)	\$ 368,996	\$ 2,590	\$ 52,614
Plan Fiduciary Net Position - Beginning	1,739,874	1,370,878	1,368,288	1,315,679
Adjustment to Beginning of Year	-	-	-	(5)
Plan Fiduciary Net Position - Ending	\$ 1,652,104	\$ 1,739,874	\$ 1,370,878	\$ 1,368,288
Net Pension Liability	\$ 2,346,025	\$ 2,079,419	\$ 2,312,312	\$ 2,124,546
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.32%	45.55%	37.22%	39.17%
Covered Payroll	\$ 222,342	\$ 229,875	\$ 233,472	\$ 228,846
Net Pension Liability as a Percentage of Covered Valuation Payroll	1055.14%	904.59%	990.40%	928.37%

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

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

The information in this schedule has been determined as of the measurement date 6/30/22 of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

POLICE

2019		2018		2017		2016		2015	
\$	49,601	\$	58,148	\$	47,232	\$	47,490	\$	50,173
	231,824		217,244		199,120		195,645		170,560
	-		22,618		171,696		-		38,647
	(906)		1,601		3,644		(42,065)		(13,758)
	-		107,195		100,323		-		211,118
	(168,682)		(164,031)		(170,877)		(142,444)		(129,266)
\$	111,837	\$	242,775	\$	351,138	\$	58,626	\$	327,474
	3,192,300		2,949,525		2,598,387		2,539,761		2,212,287
\$	3,304,137	\$	3,192,300	\$	2,949,525	\$	2,598,387	\$	2,539,761
\$	124,618	\$	113,645	\$	92,298	\$	80,311	\$	78,428
	22,728		31,289		31,061		28,941		27,931
	89,411		139,676		7,019		43,559		146,354
	(168,682)		(164,031)		(170,877)		(142,444)		(129,266)
	(42,201)		-		-		-		-
	(1,364)		(1,236)		(1,010)		(1,063)		-
	(443)		652		411		(842)		(53,122)
\$	24,067	\$	119,995	\$	(41,098)	\$	8,462	\$	70,325
	1,291,612		1,171,617		1,212,715		1,204,253		1,133,928
	-		-		-		-		-
\$	1,315,679	\$	1,291,612	\$	1,171,617	\$	1,212,715	\$	1,204,253
\$	1,988,458	\$	1,900,688	\$	1,777,908	\$	1,385,672	\$	1,335,508
	39.82%		40.46%		39.72%		46.67%		47.42%
\$	221,105	\$	231,023	\$	225,236	\$	215,928	\$	229,987
	899.33%		822.73%		789.35%		641.73%		580.69%

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

(in thousands)

	FIRE			
	2023	2022	2021	2020*
<u>Total Pension Liability</u>				
Service Cost	\$ 35,322	\$ 32,998	\$ 31,668	\$ 32,749
Interest on the Total Pension Liability	149,188	143,726	134,204	130,378
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	12,208	2,186	74,975	(7,563)
Changes of assumptions	23,529	-	-	31,021
Benefit payments, including refunds of employee contributions	(110,412)	(102,431)	(121,050)	(96,862)
Net change in total pension liability	109,835	76,479	119,797	89,723
Total pension liability - beginning	2,063,547	1,987,068	1,867,271	1,777,548
Total pension liability - ending	<u>\$ 2,173,382</u>	<u>\$ 2,063,547</u>	<u>\$ 1,987,068</u>	<u>\$ 1,867,271</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - employer	\$ 107,767	\$ 106,126	\$ 90,148	\$ 77,142
Contributions - employee	14,300	13,566	12,598	11,592
Net investment income	(39,442)	212,684	9,715	39,879
Benefit payments, including refunds of employee contributions	(110,412)	(102,431)	(121,050)	(96,862)
Hall/Parker Settlement	-	-	-	-
Pension Plan Administrative Expense	(711)	(994)	(793)	(695)
Other**	2	12	12	-
Net change in Plan Fiduciary Net Position	\$ (28,496)	\$ 228,963	\$ (9,370)	\$ 31,056
Plan Fiduciary Net Position - Beginning	984,963	756,000	765,370	734,315
Adjustment to Beginning of Year	-	-	-	(1)
Plan Fiduciary Net Position - Ending	<u>\$ 956,467</u>	<u>\$ 984,963</u>	<u>\$ 756,000</u>	<u>\$ 765,370</u>
Net Pension Liability	<u>\$ 1,216,915</u>	<u>\$ 1,078,584</u>	<u>\$ 1,231,068</u>	<u>\$ 1,101,901</u>
Plan Fiduciary Net Position as a				
Percentage of the Total Pension Liability	44.01%	47.73%	38.05%	40.99%
Covered Payroll	\$ 151,969	\$ 148,348	\$ 139,641	\$ 135,273
Net Pension Liability as a Percentage of				
Covered Valuation Payroll	800.76%	727.06%	881.60%	814.58%

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

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

The information in this schedule has been determined as of the measurement date 6/30/22 of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

FIRE				
2019	2018	2017	2016	2015
\$ 30,634	\$ 31,155	\$ 25,101	\$ 25,159	\$ 25,964
123,038	114,721	107,388	106,101	93,775
-	9,098	95,865	-	18,125
21,387	5,985	(22,672)	(24,035)	(9,814)
-	61,290	51,468	-	100,149
(89,735)	(88,133)	(108,988)	(72,612)	(68,945)
85,324	134,116	148,162	34,613	159,254
1,692,224	1,558,108	1,409,946	1,375,333	1,216,079
<u>\$ 1,777,548</u>	<u>\$ 1,692,224</u>	<u>\$ 1,558,108</u>	<u>\$ 1,409,946</u>	<u>\$ 1,375,333</u>
\$ 73,288	\$ 56,671	\$ 49,932	\$ 43,076	\$ 42,900
13,413	16,694	16,039	14,250	14,152
49,178	76,651	3,927	24,513	82,575
(89,735)	(88,133)	(108,988)	(72,612)	(68,945)
(21,840)	-	-	-	-
(751)	(679)	(565)	(599)	-
251	11	1,050	(536)	(30,298)
<u>\$ 23,804</u>	<u>\$ 61,215</u>	<u>\$ (38,605)</u>	<u>\$ 8,092</u>	<u>\$ 40,384</u>
710,511	649,296	687,901	679,809	639,425
-	-	-	-	-
<u>\$ 734,315</u>	<u>\$ 710,511</u>	<u>\$ 649,296</u>	<u>\$ 687,901</u>	<u>\$ 679,809</u>
<u>\$ 1,043,233</u>	<u>\$ 981,713</u>	<u>\$ 908,812</u>	<u>\$ 722,045</u>	<u>\$ 695,524</u>
41.31%	41.99%	41.67%	48.79%	49.43%
\$ 132,503	\$ 127,530	\$ 124,322	\$ 121,291	\$ 125,639
787.33%	769.79%	731.02%	595.30%	553.59%

PSPRS - Pension

		Schedule of Contributions for Measurement Date Ended June 30 - PSPRS				
(in thousands)		Actuarially	Contribution		Covered	Actual Contribution
Year Ended	June 30	Determined	Actual	Deficiency	Payroll	as a % of Covered
		Contribution	Contribution ***	(Excess)	Valuation Payroll	
Police	2023	\$ -	\$ 235,524	\$ -	\$ -	-%
	2022	154,979	183,098	(28,119)	222,342	82.35%
	2021	153,644	172,800	(19,156)	229,875	75.17%
	2020	167,099	167,099	-	233,472	71.57%
	2019	149,442	149,442	-	228,846	65.30%
	2018	124,618	124,618	-	221,105	56.36%
	2017	113,645	113,645	-	231,023	49.19%
	2016	92,298	92,298	-	225,236	40.98%
	2015	80,311	80,311	-	215,928	37.19%
	2014	78,428	78,428	-	229,987	34.10%
Fire	2023	\$ -	\$ 123,902	\$ -	\$ -	-%
	2022	96,217	107,767	(11,550)	151,969	70.91%
	2021	89,913	106,126	(16,213)	148,348	71.54%
	2020	90,148	90,148	-	139,641	64.56%
	2019	77,142	77,142	-	135,273	57.03%
	2018	73,288	73,288	-	132,503	55.31%
	2017	56,671	56,671	-	127,530	44.44%
	2016	49,932	49,932	-	124,322	40.16%
	2015	43,076	43,076	-	121,291	35.51%
	2014	42,900	42,900	-	125,639	34.15%

*** Actual contributions are based on covered payroll at the time of contribution. It is the actuary's understanding that the Employer's practice is to contribute the percent-of-payroll employer contribution rate (or flat dollar amount if there are no active employees) shown in the actuarial valuation report. Because of this understanding, the Actuarially Determined Contributions shown in the Schedule of Employer contributions are the actual contributions made by the Employer in the fiscal year. Actual contributions include any additional contributions made by the Employer as well as Arizona Fire Insurance Premium Tax received by the Employer. In fiscal year 2023, the City chose to contribute more than the actuarially determined amount. Fiscal year 2023 actual contributions represent contributions made subsequent to the measurement date.

NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2022 CONTRIBUTION RATE

Calculation Timing	The Actuarially Determined Contribution is calculated as of June 30 one year prior to the beginning of the fiscal year in which contributions are reported.
Interest Rate	7.30%
Mortality	<p>Healthy Actives: PubS-2010 Employee Mortality Tables, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019. 100% of active deaths are assumed to be in the line of duty.</p> <p>Healthy Inactives: PubS-2010 Healthy Retiree Mortality Tables, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.</p> <p>Beneficiaries: PubS-2010 Survivor mortality, projected with future mortality improvements reflected generally using 75% of scale MP-2019.</p> <p>Disabled Lives: PubS-2010 Disabled Mortality Tables, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the June 30, 2020 Actuarial Valuation Report prepared by Foster & Foster, Inc.



City of Phoenix

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

(in thousands)

	2023	2022	2021	2020	2019	2018	2017
<u>Total OPEB liability/(asset)</u>							
Service cost	\$ 3,964	\$ 3,867	\$ 3,606	\$ 3,495	\$ 3,679	\$ 3,554	\$ 3,434
Interest on the total OPEB liability/(asset)	3,230	3,163	3,193	3,087	3,614	3,407	3,226
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	227	-	(2,650)	-	(2,778)	-	-
Changes of assumptions	(582)	787	(116)	628	(8,013)	-	-
Benefit payments, including refunds of employee contributions	(5,231)	(4,833)	(4,381)	(3,755)	(4,126)	(3,993)	(4,289)
Net change in total OPEB liability/(asset)	1,608	2,984	(348)	3,455	(7,624)	2,968	2,371
Total OPEB liability/(asset) - beginning	50,321	47,337	47,685	44,230	51,854	48,886	46,515
Total OPEB liability/(asset) - ending	<u>\$ 51,929</u>	<u>\$ 50,321</u>	<u>\$ 47,337</u>	<u>\$ 47,685</u>	<u>\$ 44,230</u>	<u>\$ 51,854</u>	<u>\$ 48,886</u>
<u>Plan Fiduciary Net Position</u>							
Employer contributions	\$ 912	\$ 1,401	\$ -	\$ 1,134	\$ 1,758	\$ 1,643	\$ 1,381
Employee contributions	-	-	-	-	-	-	-
OPEB plan net investment income (loss)	6,859	(13,083)	21,612	662	3,983	4,611	8,488
Benefit payments, including refunds of employee contributions	(5,231)	(4,833)	(4,381)	(3,755)	(4,126)	(3,993)	(4,290)
OPEB plan administrative expense	(539)	(556)	(456)	(363)	(380)	(409)	(276)
Other	(14)	(13)	29	-	(86)	167	129
Net change in plan fiduciary net position	1,987	(17,084)	16,804	(2,322)	1,149	2,019	5,432
Plan fiduciary net position - beginning	77,477	94,561	77,757	80,079	78,930	76,911	71,479
Plan fiduciary net position - ending	<u>\$ 79,464</u>	<u>\$ 77,477</u>	<u>\$ 94,561</u>	<u>\$ 77,757</u>	<u>\$ 80,079</u>	<u>\$ 78,930</u>	<u>\$ 76,911</u>
Net OPEB liability/(asset) - ending	<u>\$ (27,535)</u>	<u>\$ (27,156)</u>	<u>\$ (47,224)</u>	<u>\$ (30,072)</u>	<u>\$ (35,849)</u>	<u>\$ (27,076)</u>	<u>\$ (28,025)</u>
Plan fiduciary net position as a percentage of total OPEB liability/(asset)	153.03%	153.97%	199.76%	163.06%	181.05%	152.23%	157.33%
Covered payroll	\$ 980,817	\$ 898,304	\$ 872,987	\$ 858,320	\$ 831,706	\$ 832,952	\$ 804,784
Net OPEB liability/(asset) as a percentage of covered payroll	(2.81%)	(3.02%)	(5.41%)	(3.50%)	(4.31%)	(3.25%)	(3.48%)

Notes to Schedule:

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

The information in this schedule has been determined as of the measurement date 6/30/23 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Schedule of Employer OPEB Contributions - LTD

(in thousands)

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

NOTES TO SCHEDULE OF CONTRIBUTIONS**Valuation date:** June 30, 2021**Methods and assumptions used to determine contribution rates:**

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

Other information:

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

The information in this schedule has been determined as of the measurement date 6/30/2023 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

MERP
Schedule of Changes in Net OPEB Liability and Related Ratios

(in thousands)

	2023	2022	2021	2020	2019	2018	2017
<u>Total OPEB liability/(asset)</u>							
Service cost	\$ 2,673	\$ 3,495	\$ 3,629	\$ 4,432	\$ 4,282	\$ 4,690	\$ 4,531
Interest on the total OPEB liability/(asset)	23,719	24,114	25,249	25,439	25,141	24,826	24,472
Changes of benefit terms	-	-	-	-	19,835	-	-
Differences between expected and actual experience	(26,599)	-	(6,128)	-	(18,132)	-	-
Changes of assumptions	(2,501)	8,185	(12,042)	8,320	(637)	-	-
Benefit payments, including refunds of employee contributions	(27,676)	(27,747)	(27,186)	(27,089)	(25,520)	(24,107)	(23,936)
Net change in total OPEB liability	(30,384)	8,047	(16,478)	11,102	4,969	5,409	5,067
Total OPEB liability/(asset) - beginning	377,414	369,367	385,845	374,743	369,774	364,365	359,298
Total OPEB liability/(asset) - ending	<u>\$ 347,030</u>	<u>\$ 377,414</u>	<u>\$ 369,367</u>	<u>\$ 385,845</u>	<u>\$ 374,743</u>	<u>\$ 369,774</u>	<u>\$ 364,365</u>
<u>Plan Fiduciary Net Position</u>							
Employer contributions	\$ 19,750	\$ 27,704	\$ 31,004	\$ 26,987	\$ 24,100	\$ 25,881	\$ 27,863
Employee contributions	-	-	-	-	-	-	-
OPEB plan net investment income (loss)	17,964	(32,988)	50,174	1,460	8,734	9,761	17,188
Benefit payments, including refunds of employee contributions	(27,676)	(27,747)	(27,186)	(27,089)	(25,520)	(24,107)	(23,936)
OPEB plan administrative expense	(605)	(640)	(606)	-	-	-	-
Other	-	-	1	13	(17)	6	-
Net change in plan fiduciary net position	9,433	(33,671)	53,387	1,371	7,297	11,541	21,115
Plan fiduciary net position - beginning	199,253	232,924	179,537	178,166	170,869	159,328	138,213
Plan fiduciary net position - ending	<u>\$ 208,686</u>	<u>\$ 199,253</u>	<u>\$ 232,924</u>	<u>\$ 179,537</u>	<u>\$ 178,166</u>	<u>\$ 170,869</u>	<u>\$ 159,328</u>
Net OPEB liability/(asset) - ending	<u>\$ 138,344</u>	<u>\$ 178,161</u>	<u>\$ 136,443</u>	<u>\$ 206,308</u>	<u>\$ 196,577</u>	<u>\$ 198,905</u>	<u>\$ 205,037</u>
Plan fiduciary net position as a percentage of total OPEB liability	60.13%	52.79%	63.06%	46.53%	47.54%	46.21%	43.73%
Covered payroll	\$ 170,892	\$ 222,257	\$ 214,741	\$ 280,071	\$ 270,600	\$ 329,982	\$ 318,823
Net OPEB liability as a percentage of covered payroll	80.95%	80.16%	63.54%	73.66%	72.64%	60.28%	64.31%

Notes to Schedule:

- Service Cost determined under the Entry Age Normal Method

The information in this schedule has been determined as of the measurement date 6/30/23 of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Schedule of Employer OPEB Contributions - MERP

(in thousands)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
2023	\$ 19,750	\$ 19,750	\$ -	\$ 170,892	11.56%
2022	15,912	27,704	(11,792)	222,257	12.46%
2021	22,753	31,004	(8,251)	214,741	14.44%
2020	21,713	26,987	(5,274)	280,071	9.64%
2019	22,465	24,100	(1,635)	270,600	8.91%
2018	22,465	25,881	(3,416)	329,982	7.84%
2017	27,860	27,863	(3)	318,823	8.74%

NOTES TO SCHEDULE OF CONTRIBUTIONS**Valuation date:** June 30, 2021**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Asset valuation method	Fair Value
Projected payroll increases	3.50%
Investment rate of return	6.50%
Health care trend rates	Applies only to Duty Related Death Benefits: Rates starting at 7.00% in 2022 grading down to 4.25% in 2035.
Expenses	Investment expenses are paid from investment returns.

Other information:

Notes Since the June 30, 2021 valuation, demographic assumptions for Public Safety members have been updated to reflect the assumptions used in the Arizona Public Safety Personnel Retirement System Actuarial Valuation as of June 30, 2022.

The information in this schedule has been determined as of the measurement date 6/30/23 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

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

	2023		2022		2021	
	Police	Fire	Police	Fire	Police	Fire
Total OPEB Liability						
Service Cost	\$ 1,008	\$ 561	\$ 1,074	\$ 553	\$ 1,097	\$ 552
Interest on the Total OPEB Liability	3,438	1,859	3,530	1,830	3,507	1,874
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(356)	228	(2,216)	(54)	(149)	(761)
Changes of assumptions	915	248	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,695)	(1,933)	(3,485)	(1,943)	(3,440)	(1,895)
Net change in total OPEB liability	\$ 1,310	\$ 963	\$ (1,097)	\$ 386	\$ 1,015	\$ (230)
Total pension liability - beginning	47,929	25,874	49,026	25,488	48,011	25,718
Total pension liability - ending	\$ 49,239	\$ 26,837	\$ 47,929	\$ 25,874	\$ 49,026	\$ 25,488
Plan Fiduciary Net Position						
Contributions - employer	\$ 87	\$ 34	\$ 79	\$ 24	\$ 58	\$ 17
Contributions - employee	87	34	79	24	58	17
Net investment income	(3,060)	(1,733)	17,507	9,904	835	473
Benefit payments, including refunds of employee contributions	(3,694)	(1,933)	(3,485)	(1,943)	(3,440)	(1,895)
OPEB Plan Administrative Expense	(54)	(31)	(72)	(42)	(67)	(37)
Net change in Plan Fiduciary Net Position	\$ (6,634)	\$ (3,629)	\$ 14,108	\$ 7,967	\$ (2,556)	\$ (1,425)
Plan Fiduciary Net Position - Beginning	78,675	44,491	64,567	36,524	67,123	37,949
Adjustment to Beginning of Year	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	\$ 72,041	\$ 40,862	\$ 78,675	\$ 44,491	\$ 64,567	\$ 36,524
Net OPEB Liability/(Asset)	\$ (22,802)	\$ (14,025)	\$ (30,746)	\$ (18,617)	\$ (15,541)	\$ (11,036)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)						
Covered Payroll	\$ 222,342	\$ 151,969	\$ 229,875	\$ 148,348	\$ 233,472	\$ 139,641
Net OPEB Liability (Asset) as a Percentage of Covered Valuation Payroll	(10.26%)	(9.23%)	(13.38%)	(12.55%)	(6.66%)	(7.90%)

The information in this schedule has been determined as of the measurement date 6/30/22 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

2020		2019		2018	
Police	Fire	Police	Fire	Police	Fire
\$ 699	\$ 341	\$ 647	\$ 338	\$ 762	\$ 357
3,483	1,783	3,440	1,755	3,708	1,846
-	-	-	-	26	28
(1,332)	461	(632)	(116)	(2,617)	(595)
425	255	-	-	(1,636)	(774)
(3,257)	(1,763)	(3,253)	(1,766)	(3,014)	(1,735)
\$ 18	\$ 1,077	\$ 202	\$ 211	\$ (2,771)	\$ (873)
47,993	24,641	47,791	24,430	50,562	25,303
\$ 48,011	\$ 25,718	\$ 47,993	\$ 24,641	\$ 47,791	\$ 24,430
\$ 31	\$ 8	\$ -	\$ -	\$ -	\$ -
31	8	5	1	-	-
3,548	2,004	4,483	2,529	7,098	4,002
(3,257)	(1,763)	(3,253)	(1,766)	(3,014)	(1,735)
(61)	(34)	(68)	(39)	(63)	(36)
\$ 292	\$ 223	\$ 1,167	\$ 725	\$ 4,021	\$ 2,231
66,826	37,726	65,659	37,001	61,638	34,770
5	-	-	-	-	-
\$ 67,123	\$ 37,949	\$ 66,826	\$ 37,726	\$ 65,659	\$ 37,001
\$ (19,112)	\$ (12,231)	\$ (18,833)	\$ (13,085)	\$ (17,868)	\$ (12,571)
139.81%	147.56%	139.24%	153.10%	137.39%	151.46%
\$ 228,846	\$ 135,273	\$ 221,105	\$ 132,503	\$ 231,023	\$ 127,530
(8.35%)	(9.04%)	(8.52%)	(9.88%)	(7.73%)	(9.86%)

Schedule of Employer OPEB Contributions - PSPRS

(in thousands)

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

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

NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2022 CONTRIBUTION RATE

Calculation Timing	The Actuarially Determined Contribution is calculated as of June 30 one year prior to the beginning of the fiscal year in which contributions are reported.
Interest Rate	7.30%
Mortality	<p>Healthy Actives: PubS-2010 Employee mortality tables, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019. 100% of active deaths are assumed to be in the line of duty.</p> <p>Healthy Inactives: PubS-2010 Healthy Retiree mortality tables, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.</p> <p>Disabled Lives: PubS-2010 Disabled mortality tables, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the June 30, 2020 Actuarial Valuation Report prepared by Foster & Foster, Inc.

The information in this schedule has been determined as of the measurement date 6/30/22 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION**

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

Fund Descriptions -

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

Debt Service Funds

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

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

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

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

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

**Combining Balance Sheet
Nonmajor Governmental Funds**
 June 30, 2023
 (in thousands)

Exhibit C-1

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
ASSETS					
Cash and Cash Equivalents	\$ 19,133	\$ 335	\$ 37,012	\$ -	\$ 19,636
Cash Deposits	-	-	-	-	36
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-	10,865
Investments	146,699	3,116	246,284	2,220	55,033
Due from Other Funds	-	-	-	464	-
Receivables, Net of Allowance					
Accounts Receivable	-	-	1,279	941	593
Taxes Receivable	-	-	-	-	-
Intergovernmental	15,479	4,086	-	30,613	4,565
Accrued Interest	-	-	-	-	16
Notes Receivable	-	-	-	-	10,184
Leases Receivable	12	-	161,872	-	3,837
Prepaid Items	-	-	-	-	-
Total Assets	<u>181,323</u>	<u>7,537</u>	<u>446,447</u>	<u>34,238</u>	<u>104,765</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	-	-	-	-	-
Accounts Payable	8,974	183	5,136	16,549	11,652
Trust Liabilities and Deposits	11,146	-	22,832	-	13,084
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Arbitrage Liability	-	-	-	-	-
Advance Payments	-	-	11,150	17,689	6,971
Total Liabilities	<u>20,120</u>	<u>183</u>	<u>39,118</u>	<u>34,238</u>	<u>31,707</u>
DEFERRED INFLOWS OF RESOURCES					
Leases Related	13	-	152,857	-	3,763
Total Deferred Inflows of Resources	<u>13</u>	<u>-</u>	<u>152,857</u>	<u>-</u>	<u>3,763</u>
Fund Balances					
Spendable					
Restricted	161,190	7,222	142,489	-	55,323
Committed	-	132	-	-	-
Assigned	-	-	111,983	-	13,972
Unassigned	-	-	-	-	-
Total Fund Balances	<u>161,190</u>	<u>7,354</u>	<u>254,472</u>	<u>-</u>	<u>69,295</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 181,323</u>	<u>\$ 7,537</u>	<u>\$ 446,447</u>	<u>\$ 34,238</u>	<u>\$ 104,765</u>

Exhibit C-1
(Continued)

Special Revenue Funds				Capital Projects Funds			
Other Restricted	Neighborhood Protection	Public Safety Enhancement	Total	Capital Construction	Parks and Preserves	Street Improvements	Police and Fire Protection
\$ 25,517	\$ 4,324	\$ 9,661	\$ 115,618	\$ 4,454	\$ 19,664	\$ 348	\$ -
-	-	-	36	-	-	-	-
-	-	-	10,865	-	-	-	-
169,709	26,374	64,664	714,099	30,313	133,029	1,161	13,808
-	-	-	464	-	-	22,673	2,721
1,758	-	-	4,571	-	-	4	-
2	-	-	2	-	-	-	-
406	-	-	55,149	-	-	26,196	-
-	-	-	16	-	-	-	-
-	-	-	10,184	-	-	-	-
36,098	-	-	201,819	-	40	-	-
-	-	-	-	-	-	-	-
<u>233,490</u>	<u>30,698</u>	<u>74,325</u>	<u>1,112,823</u>	<u>34,767</u>	<u>152,733</u>	<u>50,382</u>	<u>16,529</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,983	84	4	45,565	171	7,917	15,008	7,045
286	409	-	47,757	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,753	-	-	39,563	-	-	-	-
<u>7,022</u>	<u>493</u>	<u>4</u>	<u>132,885</u>	<u>171</u>	<u>7,917</u>	<u>15,008</u>	<u>7,045</u>
34,545	-	-	191,178	-	42	-	-
<u>34,545</u>	<u>-</u>	<u>-</u>	<u>191,178</u>	<u>-</u>	<u>42</u>	<u>-</u>	<u>-</u>
58,144	30,205	74,321	528,894	-	144,774	26,135	9,484
15,175	-	-	15,307	34,596	-	-	-
118,604	-	-	244,559	-	-	9,239	-
-	-	-	-	-	-	-	-
<u>191,923</u>	<u>30,205</u>	<u>74,321</u>	<u>788,760</u>	<u>34,596</u>	<u>144,774</u>	<u>35,374</u>	<u>9,484</u>
\$ 233,490	\$ 30,698	\$ 74,325	\$ 1,112,823	\$ 34,767	\$ 152,733	\$ 50,382	\$ 16,529

**Combining Balance Sheet
Nonmajor Governmental Funds**
 June 30, 2023
 (in thousands)

Exhibit C-1
 (Continued)

	Capital Projects Funds				
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers	Transit
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 294	\$ 895	\$ -
Cash Deposits	-	-	-	-	-
Cash and Securities with Fiscal Agents/Trustees	-	-	-	-	-
Investments	-	-	-	211,783	-
Due from Other Funds	792	2,679	12,386	24	-
Receivables, Net of Allowance					
Accounts Receivable	-	-	-	-	-
Taxes Receivable	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Accrued Interest	-	-	-	2	-
Notes Receivable	-	-	-	-	-
Leases Receivable	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	<u>792</u>	<u>2,679</u>	<u>12,680</u>	<u>212,704</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	-	-	-	-	226,551
Accounts Payable	-	-	364	4,567	-
Trust Liabilities and Deposits	-	423	-	-	-
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Arbitrage Liability	-	-	-	1,625	-
Advance Payments	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>423</u>	<u>364</u>	<u>6,192</u>	<u>226,551</u>
DEFERRED INFLOWS OF RESOURCES					
Leases Related	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Spendable					
Restricted	792	2,256	12,316	206,524	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(12)	(226,551)
Total Fund Balances	<u>792</u>	<u>2,256</u>	<u>12,316</u>	<u>206,512</u>	<u>(226,551)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 792</u>	<u>\$ 2,679</u>	<u>\$ 12,680</u>	<u>\$ 212,704</u>	<u>\$ -</u>

Exhibit C-1
(Continued)

Capital Projects Funds		Debt Service Funds					Total Non-Major Governmental Funds
Sports and Cultural Facilities	Total	Sports Facilities	City Improvement	Special Assessment	Community Facilities Districts	Total	
\$ -	\$ 25,655	\$ 11,585	\$ -	\$ 15	\$ 6	\$ 11,606	\$ 152,879
-	-	-	-	-	-	-	36
-	-	-	55,965	1	4,556	60,522	71,387
20,663	410,757	77,529	5,422	-	43	82,994	1,207,850
4,601	45,876	-	-	-	-	-	46,340
-	4	-	-	7	-	7	4,582
-	-	-	-	-	-	-	2
-	26,196	-	-	-	-	-	81,345
-	2	-	-	-	-	-	18
-	-	-	-	-	-	-	10,184
-	40	-	-	-	-	-	201,859
-	-	-	-	9	-	9	9
25,264	508,530	89,114	61,387	32	4,605	155,138	1,776,491
-	-	-	-	-	-	-	-
-	226,551	-	-	-	-	-	226,551
-	35,072	-	-	-	2	2	80,639
-	423	-	-	-	-	-	48,180
-	-	-	45,245	-	725	45,970	45,970
-	-	-	10,720	1	763	11,484	11,484
-	1,625	-	-	-	-	-	1,625
-	-	-	-	22	-	22	39,585
-	263,671	-	55,965	23	1,490	57,478	454,034
-	42	-	-	-	-	-	191,220
-	42	-	-	-	-	-	191,220
4,639	406,920	-	5,422	9	3,115	8,546	944,360
-	34,596	89,114	-	-	-	89,114	139,017
20,625	29,864	-	-	-	-	-	274,423
-	(226,563)	-	-	-	-	-	(226,563)
25,264	244,817	89,114	5,422	9	3,115	97,660	1,131,237
\$ 25,264	\$ 508,530	\$ 89,114	\$ 61,387	\$ 32	\$ 4,605	\$ 155,138	\$ 1,776,491

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds**
For the Fiscal Year Ended June 30, 2023
(in thousands)

Exhibit C-2

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
REVENUES					
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	152,748	2,356	-	272,986	123,039
Charges for Services	-	3,052	109,743	-	-
Fines and Forfeitures	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	26	-	-
Investment Income					
Net Change in Fair Value of Investments	2,365	107	2,252	57	923
Interest	2,443	102	2,249	57	1,078
Interest Income from Leases	-	-	5,251	-	-
Dwelling Rentals	-	-	-	-	4,678
Other	51	-	9,542	459	8,590
Total Revenues	157,607	5,617	129,063	273,559	138,308
EXPENDITURES					
Current Operating					
General Government	-	42	-	9,229	-
Criminal Justice	-	1,982	-	-	-
Public Safety	-	2,033	-	18,839	-
Transportation	97,075	-	-	2,145	-
Community Enrichment	-	-	-	158,102	-
Community Development	-	-	86,361	28,321	119,284
Environmental Services	-	-	-	4,132	-
Capital Outlay	45,530	655	16,153	52,791	12,639
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Leases/Subscriptions	-	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	142,605	4,712	102,514	273,559	131,923
Excess (Deficiency) of Revenues Over Expenditures	15,002	905	26,549	-	6,385
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	3,000	-	-	-	2,500
Transfers to Other Funds	(3,721)	-	(2,222)	-	(217)
Issuance of Leases/Subscriptions	-	-	-	-	-
Issuance of Debt					
Municipal Corporation Obligations	-	-	-	-	-
Premium on Municipal Corporation Oblig	-	-	-	-	-
Total Other Financing Sources (Uses)	(721)	-	(2,222)	-	2,283
Net Change in Fund Balances	14,281	905	24,327	-	8,668
FUND BALANCES, JULY 1	146,909	6,449	230,145	-	60,627
FUND BALANCES, JUNE 30	\$ 161,190	\$ 7,354	\$ 254,472	\$ -	\$ 69,295

Exhibit C-2
(Continued)

Special Revenue Funds				Capital Projects Funds			
Other Restricted	Neighborhood Protection	Public Safety Enhancement	Total	Capital Construction	Parks and Preserves	Street Improvements	Police and Fire Protection
\$ 24,369	\$ 53,147	\$ 136,391	\$ 213,907	\$ 6,292	\$ 53,148	\$ -	\$ -
1,367	-	-	1,367	-	-	-	-
558	-	-	551,687	-	-	45,123	-
8,987	-	-	121,782	-	-	-	-
42	-	-	42	-	-	-	-
1,470	-	-	1,470	-	-	-	-
-	-	-	26	-	-	-	-
561	396	442	7,103	476	2,156	252	470
543	422	384	7,278	484	2,263	217	48
1,357	-	-	6,608	-	2	-	-
-	-	-	4,678	-	-	-	-
11,395	413	-	30,450	-	1,582	527	146
50,649	54,378	137,217	946,398	7,252	59,151	46,119	664
774	-	-	10,045	-	-	-	-
-	-	-	1,982	-	-	-	-
45,068	54,129	138,038	258,107	-	-	-	-
4,072	-	-	103,292	69	-	-	-
2,682	-	-	160,784	-	6,339	-	-
4,916	-	-	238,882	-	-	-	-
2,093	-	-	6,225	5	-	-	-
14,307	3,042	3,865	148,982	3,748	37,297	30,387	8,235
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,238	-	-	2,238	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
76,150	57,171	141,903	930,537	3,822	43,636	30,387	8,235
(25,501)	(2,793)	(4,686)	15,861	3,430	15,515	15,732	(7,571)
82,884	-	11,887	100,271	-	156	6,009	7,884
-	(134)	(268)	(6,562)	-	(134)	(240)	-
2,238	-	-	2,238	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
85,122	(134)	11,619	95,947	-	22	5,769	7,884
59,621	(2,927)	6,933	111,808	3,430	15,537	21,501	313
132,302	33,132	67,388	676,952	31,166	129,237	13,873	9,171
\$ 191,923	\$ 30,205	\$ 74,321	\$ 788,760	\$ 34,596	\$ 144,774	\$ 35,374	\$ 9,484

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds**
For the Fiscal Year Ended June 30, 2023
(in thousands)

Exhibit C-2
(Continued)

	Capital Projects Funds				
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers	Transit
REVENUES					
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	2,808	6,160	-	258,803
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income					
Net Change in Fair Value of Investments	-	-	87	5,650	-
Interest	-	-	88	487	-
Interest Income from Leases	-	-	-	-	-
Dwelling Rentals	-	-	-	-	-
Other	-	-	-	-	451
Total Revenues	-	2,808	6,335	6,137	259,254
EXPENDITURES					
Current Operating					
General Government	-	-	-	-	-
Criminal Justice	-	-	-	-	-
Public Safety	-	-	-	-	-
Transportation	-	-	-	-	-
Community Enrichment	-	-	-	-	-
Community Development	-	-	-	-	-
Environmental Services	-	-	-	-	-
Capital Outlay	-	910	3,753	16,848	264,369
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Leases/Subscriptions	-	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Other	-	-	-	538	-
Total Expenditures	-	910	3,753	17,386	264,369
Excess (Deficiency) of Revenues Over Expenditures	-	1,898	2,582	(11,249)	(5,115)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	75	-	1,879	5,000	-
Transfers to Other Funds	-	-	-	(4,911)	-
Issuance of Leases/Subscriptions	-	-	-	-	-
Issuance of Debt					
Municipal Corporation Obligations	-	-	-	131,650	-
Premium on Municipal Corporation Oblig	-	-	-	19,596	-
Total Other Financing Sources (Uses)	75	-	1,879	151,335	-
Net Change in Fund Balances	75	1,898	4,461	140,086	(5,115)
FUND BALANCES, JULY 1	717	358	7,855	66,426	(221,436)
FUND BALANCES, JUNE 30	\$ 792	\$ 2,256	\$ 12,316	\$ 206,512	\$ (226,551)

Exhibit C-2
(Continued)

Capital Projects Funds		Debt Service Funds					Total Non-Major Governmental Funds
Sports and Cultural Facilities	Total	Sports Facilities	City Improvement	Special Assessment	Community Facilities Districts	Total	
\$ -	\$ 59,440	\$ 32,000	\$ -	\$ -	\$ -	\$ 32,000	\$ 305,347
-	-	-	-	-	-	-	1,367
-	312,894	-	-	-	-	-	864,581
-	-	-	-	-	833	833	122,615
-	-	-	-	-	-	-	42
-	-	-	-	-	-	-	1,470
-	-	-	-	7	2,020	2,027	2,053
723	9,814	1,196	-	-	-	1,196	18,113
26	3,613	1,248	7	2	87	1,344	12,235
-	2	-	-	-	-	-	6,610
-	-	-	-	-	-	-	4,678
384	3,090	3,608	1	2	136	3,747	37,287
1,133	388,853	38,052	8	11	3,076	41,147	1,376,398
-	-	109	-	-	-	109	10,154
-	-	-	-	-	-	-	1,982
-	-	1,769	-	-	-	1,769	259,876
-	69	-	-	-	-	-	103,361
-	6,339	1,299	-	-	-	1,299	168,422
-	-	248	-	-	-	248	239,130
-	5	-	-	-	-	-	6,230
-	365,547	2,020	-	-	-	2,020	516,549
-	-	-	45,245	3	725	45,973	45,973
-	-	-	25,970	1	1,526	27,497	27,497
-	-	-	-	-	-	-	2,238
-	-	-	8	-	3	11	11
-	538	-	1,006	-	159	1,165	1,703
-	372,498	5,445	72,229	4	2,413	80,091	1,383,126
1,133	16,355	32,607	(72,221)	7	663	(38,944)	(6,728)
-	21,003	1,026	73,247	-	-	74,273	195,547
-	(5,285)	(15,566)	(1,026)	-	-	(16,592)	(28,439)
-	-	-	-	-	-	-	2,238
-	131,650	-	-	-	-	-	131,650
-	19,596	-	-	-	-	-	19,596
-	166,964	(14,540)	72,221	-	-	57,681	320,592
1,133	183,319	18,067	-	7	663	18,737	313,864
24,131	61,498	71,047	5,422	2	2,452	78,923	817,373
\$ 25,264	\$ 244,817	\$ 89,114	\$ 5,422	\$ 9	\$ 3,115	\$ 97,660	\$ 1,131,237



City of Phoenix



Financial Section
.....

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



City of Phoenix

**Schedule of Expenditures and Encumbrances
Budget and Actual - Budget Basis****Exhibit D-1****General Fund**

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budget			Actual			Variance with Final Budget Positive (Negative)
	Originally Adopted	Reallocation Transfers	Final	Expenditures	Encum- brances	Total	
General Government							
Mayor	\$ 2,507	\$ -	\$ 2,507	\$ 2,454	\$ (30)	\$ 2,424	\$ 83
City Council	6,384	-	6,384	5,394	195	5,589	795
City Manager	8,758	-	8,758	7,368	(5)	7,363	1,395
City Auditor	3,323	-	3,323	3,270	87	3,357	(34)
Information Technology	81,182	-	81,182	60,287	16,226	76,513	4,669
Equal Opportunity	3,011	-	3,011	2,617	(72)	2,545	466
City Clerk	8,630	-	8,630	5,257	359	5,616	3,014
Human Resources	29,253	-	29,253	25,209	1,257	26,466	2,787
Law	29,766	-	29,766	28,854	(42)	28,812	954
Budget and Research	4,806	-	4,806	4,422	(135)	4,287	519
Finance	25,546	-	25,546	22,913	(36)	22,877	2,669
Cable	3,420	350	3,770	3,440	127	3,567	203
Other	1,452	-	1,452	1,577	(48)	1,529	(77)
Total General Government	208,038	350	208,388	173,062	17,883	190,945	17,443
Criminal Justice							
Municipal Court	37,568	-	37,568	36,938	(162)	36,776	792
Public Defender	5,822	-	5,822	5,613	(28)	5,585	237
Total Criminal Justice	43,390	-	43,390	42,551	(190)	42,361	1,029
Public Safety							
Police	659,530	-	659,530	662,831	2,553	665,384	(5,854)
Fire	429,045	-	429,045	420,181	(3,003)	417,178	11,867
Total Public Safety	1,088,575	-	1,088,575	1,083,012	(450)	1,082,562	6,013
Transportation							
Street Transportation	24,194	-	24,194	23,436	264	23,700	494
Public Transit	1,891	-	1,891	996	131	1,127	764
Total Transportation	26,085	-	26,085	24,432	395	24,827	1,258
Community Enrichment							
Parks & Recreation	117,261	(650)	116,611	104,955	6,778	111,733	4,878
Library	45,841	-	45,841	43,007	2,951	45,958	(117)
Human Services	26,042	-	26,042	23,225	1,551	24,776	1,266
Other	8,964	-	8,964	7,811	502	8,313	651
Total Community Enrichment	198,108	(650)	197,458	178,998	11,782	190,780	6,678
Community Development							
Economic Development	9,599	-	9,599	7,031	340	7,371	2,228
Neighborhood Services	18,478	-	18,478	16,235	2,117	18,352	126
Other	8,671	-	8,671	6,244	453	6,697	1,974
Total Community Development	36,748	-	36,748	29,510	2,910	32,420	4,328
Environmental Services							
Public Works	27,275	-	27,275	6,572	19,672	26,244	1,031
Office of Sustainability	698	-	698	643	(8)	635	63
Other	1,561	-	1,561	1,226	223	1,449	112
Total Environmental Services	29,534	-	29,534	8,441	19,887	28,328	1,206
Capital							
Community Enrichment	1,196	650	1,846	222	19	241	1,605
General Government	21,150	(3,650)	17,500	2,243	5,502	7,745	9,755
Human Services	-	2,000	2,000	-	805	805	1,195
Public Safety	3,580	-	3,580	4	4	8	3,572
Environmental Services	20,639	-	20,639	9,325	11,073	20,398	241
Transportation	1,600	1,650	3,250	629	1,758	2,387	863
Total Capital	48,165	650	48,815	12,423	19,161	31,584	17,231
Contingency	100,788	-	100,788	-	-	-	100,788
Totals	\$ 1,779,431	\$ 350	\$ 1,779,781	\$ 1,552,429	\$ 71,378	\$ 1,623,807	\$ 155,974

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
City Taxes	\$ 1,288,803	\$ 1,288,803	\$ 1,442,366	\$ 153,563
Licenses and Permits	2,872	2,872	3,018	146
Intergovernmental	547,613	547,613	562,190	14,577
Total Revenues	1,839,288	1,839,288	2,007,574	168,286
OTHER FINANCING USES				
Transfers to Other Funds				
General Fund	(1,126,093)	(1,126,093)	(1,205,151)	(79,058)
Transportation Tax 2050 Special Revenue Fund	(326,455)	(326,455)	(362,473)	(36,018)
Sport Facilities Debt Service Fund	(24,577)	(24,577)	(32,000)	(7,423)
Capital Construction Capital Projects Fund	(6,179)	(6,179)	(6,292)	(113)
Park and Preserves Capital Projects Fund	(47,845)	(47,845)	(53,148)	(5,303)
Other Restricted Special Revenue Fund	(18,325)	(18,325)	(21,228)	(2,903)
Police Neighborhood Protection	(33,491)	(33,491)	(37,203)	(3,712)
Block Watch Neighborhood Protection	(2,392)	(2,392)	(2,657)	(265)
Fire Neighborhood Protection	(11,960)	(11,960)	(13,286)	(1,326)
Police Public Safety Enhancement	(16,009)	(16,009)	(18,660)	(2,651)
Fire Public Safety Enhancement	(9,812)	(9,812)	(11,437)	(1,625)
Police Public Safety Expansion	(76,550)	(76,550)	(85,036)	(8,486)
Fire Public Safety Expansion	(19,136)	(19,136)	(21,258)	(2,122)
City Improvement Debt Service Fund	(46,581)	(46,581)	(45,229)	1,352
Phoenix Convention Center Enterprise Fund	(73,883)	(73,883)	(92,516)	(18,633)
Total Other Financing Uses	(1,839,288)	(1,839,288)	(2,007,574)	(168,286)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

Budgetary Comparison Schedule
Highway User Revenue Special Revenue Fund
For the Fiscal Year Ended June 30, 2023
(in thousands)

Exhibit D-3

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental				
Highway User	\$ 154,499	\$ 154,499	\$ 152,748	\$ (1,751)
Charges for Services	-	-	8	8
Interest	500	500	3,241	2,741
Miscellaneous	-	-	45	45
Total Revenues	154,999	154,999	156,042	1,043
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	95,818	95,818	81,588	14,230
Capital	91,598	91,598	73,801	17,797
Total Expenditures and Encumbrances	187,416	187,416	155,389	32,027
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(32,417)	(32,417)	653	33,070
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds				
General Fund	-	-	3,000	3,000
Capital Projects Fund	-	-	4,969	4,969
Transfers To Other Funds				
City Improvement Debt Service Fund	(3,952)	(3,952)	(3,721)	231
Recovery of Prior Years Expenditures	901	901	2,009	1,108
Total Other Financing Sources (Uses)	(3,051)	(3,051)	6,257	9,308
Net Change in Fund Balance	\$ (35,468)	\$ (35,468)	6,910	\$ 42,378
Fund Balance, July 1			69,581	
Fund Balance, June 30			\$ 76,491	

Budgetary Comparison Schedule
Municipal Court Awards Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit D-4

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 4,533	\$ 4,533	\$ 4,655	\$ 122
Total Revenues	4,533	4,533	4,655	122
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	58	58	42	16
Public Safety	7,013	7,013	4,685	2,328
Total Expenditures and Encumbrances	7,071	7,071	4,727	2,344
Deficiency of Revenues Over Expenditures and Encumbrances	(2,538)	(2,538)	(72)	2,466
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	1	1	34	33
Total Other Financing Sources	1	1	34	33
Net Change in Fund Balance	<u>\$ (2,537)</u>	<u>\$ (2,537)</u>	(38)	<u>\$ 2,499</u>
Fund Balance (Deficit), July 1			(66)	
Fund Balance (Deficit), June 30			<u>\$ (104)</u>	

Budgetary Comparison Schedule
Development Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2023
(in thousands)

Exhibit D-5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 81,677	\$ 81,677	\$ 89,868	\$ 8,191
Miscellaneous	48	48	945	897
Total Revenues	81,725	81,725	90,813	9,088
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	82,400	82,400	77,415	4,985
Capital	15,754	15,754	3,350	12,404
Contingency	8,000	8,000	-	8,000
Total Expenditures and Encumbrances	106,154	106,154	80,765	25,389
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(24,429)	(24,429)	10,048	34,477
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(5,261)	(5,261)	(6,528)	(1,267)
Recovery of Prior Years Expenditures	21	21	507	486
Total Other Financing Sources (Uses)	(5,240)	(5,240)	(6,021)	(781)
Net Change in Fund Balance	\$ (29,669)	\$ (29,669)	4,027	\$ 33,696
Fund Balance, July 1			64,623	
Fund Balance, June 30			\$ 68,650	

Budgetary Comparison Schedule
Community Reinvestment Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit D-6

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
City Taxes	\$ 8	\$ 8	\$ -	\$ (8)
Charges for Services	160	160	183	23
Rentals	5,795	5,795	5,925	130
Interest	82	82	450	368
Miscellaneous	-	-	3,086	3,086
Total Revenues	6,045	6,045	9,644	3,599
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	2,302	2,302	2,026	276
Capital	7,969	7,969	3,254	4,715
Total Expenditures and Encumbrances	10,271	10,271	5,280	4,991
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(4,226)	(4,226)	4,364	8,590
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Other Restricted Special Revenue Fund	4,845	4,845	-	(4,845)
Transfers to Other Funds				
General Fund				
Other	(2,066)	(2,066)	(2,066)	-
Parks and Preserves Special Revenue Fund	-	-	(156)	(156)
Recovery of Prior Years Expenditures	1	1	20	19
Total Other Financing Sources (Uses)	2,780	2,780	(2,202)	(4,982)
Net Change in Fund Balance	<u>\$ (1,446)</u>	<u>\$ (1,446)</u>	2,162	<u>\$ 3,608</u>
Fund Balance, July 1			20,134	
Fund Balance, June 30			<u>\$ 22,296</u>	

Budgetary Comparison Schedule

Exhibit D-7

Federal Operating Trust Grants Special Revenue Fund

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 373,790	\$ 373,790	\$ 152,084	\$ (221,706)
Interest	5	5	53	48
Miscellaneous	13,236	13,236	124	(13,112)
Total Revenues	387,031	387,031	152,261	(234,770)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	155,147	16,018	23,616	(7,598)
Public Safety	29,525	29,525	23,137	6,388
Transportation	4,118	4,118	4,155	(37)
Community Enrichment	99,800	74,354	53,683	20,671
Community Development	12,808	12,808	8,596	4,212
Environmental Services	13,909	13,909	4,196	9,713
Capital	71,724	115,853	37,866	77,987
Total Expenditures and Encumbrances	387,031	266,585	155,249	111,336
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	120,446	(2,988)	(123,434)
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	2,988	2,988
Total Other Financing Sources	-	-	2,988	2,988
Net Change in Fund Balance	\$ -	\$ 120,446	-	\$ (120,446)
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 53,635	\$ 53,635	\$ 32,273	\$ (21,362)
Charges for Services	282	282	178	(104)
Interest	1	1	-	(1)
Miscellaneous	810	810	129	(681)
Total Revenues	54,728	54,728	32,580	(22,148)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	240	240	245	(5)
Community Enrichment	1,373	1,373	2,676	(1,303)
Community Development	45,496	38,496	19,201	19,295
Capital	7,619	14,619	10,805	3,814
Total Expenditures and Encumbrances	54,728	54,728	32,927	21,801
Deficiency of Revenues Over Expenditures and Encumbrances	-	-	(347)	(347)
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	-	-	351	351
Total Other Financing Sources	-	-	351	351
Net Change in Fund Balance	\$ -	\$ -	4	\$ 4
Fund Balance (Deficit), July 1			(14)	
Fund Balance (Deficit), June 30			\$ (10)	

Budgetary Comparison Schedule
Human Services Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit D-9

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 75,956	\$ 75,956	\$ 104,677	\$ 28,721
Contributions/Donations	51	51	25	(26)
Interest	4	4	22	18
Total Revenues	76,011	76,011	104,724	28,713
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	76,011	123,361	104,927	18,434
Capital	-	-	1,831	(1,831)
Total Expenditures and Encumbrances	76,011	123,361	106,758	16,603
Deficiency of Revenues Over Expenditures and Encumbrances	-	(47,350)	(2,034)	45,316
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	2,034	2,034
Total Other Financing Sources	-	-	2,034	2,034
Net Change in Fund Balance	\$ -	\$ (47,350)	-	\$ 47,350
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 124,241	\$ 124,241	\$ 110,327	\$ (13,914)
Interest	42	42	650	608
Dwelling Rentals	3,067	3,067	3,038	(29)
Miscellaneous	10,323	10,323	10,814	491
Total Revenues	137,673	137,673	124,829	(12,844)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	31	31	-	31
Community Development	108,806	108,806	113,357	(4,551)
Capital	44,411	44,411	11,664	32,747
Total Expenditures and Encumbrances	153,248	153,248	125,021	28,227
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(15,575)	(15,575)	(192)	15,383
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
In-Lieu Property Taxes	(200)	(200)	(145)	55
City Improvement	(73)	(73)	(73)	-
Recovery of Prior Years Expenditures	28	28	86	58
Total Other Financing Sources (Uses)	(245)	(245)	(132)	113
Net Change in Fund Balance	\$ (15,820)	\$ (15,820)	(324)	\$ 15,496
Fund Balance, July 1			43,462	
Fund Balance, June 30			\$ 43,138	

Budgetary Comparison Schedule
Public Housing Neighborhood Transformation Grant Special
Revenue Fund

Exhibit D-11

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 14,122	\$ 14,122	\$ 1,600	\$ (12,522)
Rentals	-	-	63	63
Interest	2	2	109	107
Miscellaneous	425	425	506	81
Total Revenues	14,549	14,549	2,278	(12,271)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	34	34	-	34
Community Development	3,709	3,709	1,873	1,836
Capital	10,806	10,806	405	10,401
Total Expenditures and Encumbrances	14,549	14,549	2,278	12,271
Excess of Revenues Over Expenditures and Encumbrances	-	-	-	-
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	-	-	386	386
Total Other Financing Sources	-	-	386	386
Net Change in Fund Balance	\$ -	\$ -	386	\$ 386
Fund Balance, July 1			3,358	
Fund Balance, June 30			\$ 3,744	

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Rentals	\$ 3,592	\$ 3,592	\$ 3,592	\$ -
Interest	270	270	1,659	1,389
Miscellaneous	16	16	16	-
Total Revenues	3,878	3,878	5,267	1,389
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	159	159	109	50
Public Safety	1,769	1,769	1,769	-
Community Enrichment	784	784	682	102
Community Development	354	354	185	169
Capital	4,424	4,424	2,020	2,404
Contingency	5,000	5,000	-	5,000
Total Expenditures and Encumbrances	12,490	12,490	4,765	7,725
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(8,612)	(8,612)	502	9,114
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	24,577	24,577	32,000	7,423
Capital Projects Fund	1,026	1,026	1,026	-
Transfers to Other Funds				
General Fund				
Staff and Administrative	(103)	(103)	(63)	40
City Improvement Debt Service Fund	(15,564)	(15,564)	(15,563)	1
Infrastructure Repayment Agreement Trust	(7)	(7)	(3)	4
Recovery of Prior Year Expenditures	-	-	192	192
Total Other Financing Sources (Uses)	9,929	9,929	17,589	7,660
Net Change in Fund Balance	\$ 1,317	\$ 1,317	18,091	\$ 16,774
Fund Balance, July 1			68,708	
Fund Balance, June 30			\$ 86,799	

Budgetary Comparison Schedule
Capital Construction Capital Projects Fund
For the Fiscal Year Ended June 30, 2023
(in thousands)

Exhibit D-13

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Interest	\$ 120	\$ 120	\$ 643	\$ 523
Total Revenues	120	120	643	523
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	70	70	69	1
Environmental Services	70	70	65	5
Capital	25,398	25,398	4,557	20,841
Total Expenditures and Encumbrances	25,538	25,538	4,691	20,847
Deficiency of Revenues Over Expenditures and Encumbrances	(25,418)	(25,418)	(4,048)	21,370
OTHER FINANCING SOURCES				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	6,179	6,179	6,292	113
Recovery of Prior Years Expenditures	143	143	568	425
Total Other Financing Sources	6,322	6,322	6,860	538
Net Change in Fund Balance	<u>\$ (19,096)</u>	<u>\$ (19,096)</u>	2,812	<u>\$ 21,908</u>
Fund Balance, July 1			25,176	
Fund Balance, June 30			<u>\$ 27,988</u>	

Budgetary Comparison Schedule
Parks and Preserves Capital Projects Fund
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit D-14

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Rentals	\$ 137	\$ 137	\$ -	\$ (137)
Interest	754	754	3,007	2,253
Miscellaneous	-	-	1,586	1,586
Total Revenues	891	891	4,593	3,702
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	7,137	7,137	6,342	795
Capital	80,643	80,643	33,894	46,749
Total Expenditures and Encumbrances	87,780	87,780	40,236	47,544
Deficiency of Revenues Over Expenditures and Encumbrances	(86,889)	(86,889)	(35,643)	51,246
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	47,845	47,845	53,148	5,303
Community Reinvestment Special Revenue Fund	-	-	156	156
Transfers to Other Funds				
Other Restricted Special Revenue Fund	(51)	(51)	(8)	43
Infrastructure Repayment Agreement Trust	(155)	(155)	(126)	29
Recovery of Prior Years Expenditures	-	-	(1)	(1)
Total Other Financing Sources (Uses)	47,639	47,639	53,169	5,530
Net Change in Fund Balance	\$ (39,250)	\$ (39,250)	17,526	\$ 56,776
Fund Balance, July 1			99,459	
Fund Balance, June 30			\$ 116,985	

Budgetary Comparison Schedule

Exhibit D-15

Other Restricted Special Revenue Funds

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
City Taxes	\$ 3,126	\$ 3,126	\$ 3,142	\$ 16
Contributions/Donations	826	826	2,812	1,986
Licenses and Permits	950	950	1,367	417
Intergovernmental	501	501	558	57
Charges for Services	9,038	9,038	9,716	678
Fines and Forfeitures	55	55	42	(13)
Parks and Recreation	1,939	1,939	1,852	(87)
Rentals	3,836	3,836	3,311	(525)
Interest	267	267	1,468	1,201
Miscellaneous	10,888	10,888	8,548	(2,340)
Total Revenues	31,426	31,426	32,816	1,390
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	2,201	2,201	707	1,494
Criminal Justice	2,988	2,988	1,990	998
Public Safety	28,729	46,429	45,264	1,165
Transportation	5,378	5,378	4,907	471
Community Enrichment	3,398	3,398	3,011	387
Community Development	14,348	14,388	8,793	5,595
Environmental Services	3,354	3,354	2,237	1,117
Capital	12,862	12,862	3,984	8,878
Total Expenditures and Encumbrances	73,258	90,998	70,893	20,105
Deficiency of Revenues Over Expenditures and Encumbrances	(41,832)	(59,572)	(38,077)	21,495
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	18,325	18,325	21,228	2,903
General Fund - Other	17,327	17,327	85,267	67,940
Miscellaneous	776	776	116	(660)
Transfers to Other Funds				
General Fund - Staff and Administrative	(287)	(287)	(382)	(95)
Community Reinvestment Special Revenue Fund	(4,845)	(4,845)	-	4,845
Water Enterprise Fund	(2,225)	(2,225)	-	2,225
Recovery of Prior Years Expenditures	37	37	452	415
Total Other Financing Sources (Uses)	29,108	29,108	106,681	77,573
Net Change in Fund Balance	<u>\$ (12,724)</u>	<u>\$ (30,464)</u>	68,604	<u>\$ 99,068</u>
Fund Balance, July 1			139,116	
Fund Balance, June 30			<u>\$ 207,720</u>	

Budgetary Comparison Schedule
Neighborhood Protection Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit D-16

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Interest	\$ 102	\$ 102	\$ 558	\$ 456
Miscellaneous	190	190	414	224
Total Revenues	292	292	972	680
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	51,291	58,391	55,403	2,988
Community Development	300	300	369	(69)
Total Expenditures and Encumbrances	51,591	58,691	55,772	2,919
Deficiency of Revenues Over Expenditures and Encumbrances	(51,299)	(58,399)	(54,800)	3,599
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	47,843	47,843	53,146	5,303
Transfers to Other Funds				
General Fund				
Staff and Administrative	(519)	(519)	(726)	(207)
Other Restricted Special Revenue Fund	(51)	(51)	(8)	43
Infrastructure Repayment Agreement Trust	(154)	(154)	(126)	28
Recovery of Prior Year Expenditures	-	-	22	22
Total Other Financing Sources (Uses)	47,119	47,119	52,308	5,189
Net Change in Fund Balance	\$ (4,180)	\$ (11,280)	(2,492)	\$ 8,788

Fund Balance, July 1	27,920
Fund Balance, June 30	<u>\$ 25,428</u>

Budgetary Comparison Schedule
Public Safety Enhancement Special Revenue Fund
For the Fiscal Year Ended June 30, 2023
(in thousands)

Exhibit D-17

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	32,115	32,115	26,614	5,501
Total Expenditures and Encumbrances	32,115	32,115	26,614	5,501
Deficiency of Revenues Over Expenditures and Encumbrances	(32,115)	(32,115)	(26,614)	5,501
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
General Fund	-	-	1,826	1,826
Excise Tax Special Revenue Fund	25,821	25,821	30,097	4,276
Transfers to Other Funds				
General Fund				
Staff and Administrative	(419)	(419)	(535)	(116)
Recovery of Prior Year Expenditures	-	-	2	2
Total Other Financing Sources (Uses)	25,402	25,402	31,390	5,988
Net Change in Fund Balance	\$ (6,713)	\$ (6,713)	4,776	\$ 11,489
Fund Balance, July 1			21,148	
Fund Balance, June 30			\$ 25,924	

Budgetary Comparison Schedule
Public Safety Expansion Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit D-18

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 119	\$ 119	\$ 496	\$ 377
Total Revenues	119	119	496	377
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	106,664	115,984	112,138	3,846
Total Expenditures and Encumbrances	106,664	115,984	112,138	3,846
Deficiency of Revenues Over Expenditures and Encumbrances	(106,545)	(115,865)	(111,642)	4,223
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
General Fund	-	-	10,061	10,061
Excise Tax Special Revenue Fund	95,686	95,686	106,294	10,608
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,148)	(1,148)	(1,639)	(491)
Other Restricted Special Revenue Fund	(101)	(101)	(15)	86
Infrastructure Repayment Agreement Trust	(309)	(309)	(253)	56
Recovery of Prior Year Expenditures	-	-	7	7
Total Other Financing Sources (Uses)	94,128	94,128	114,455	20,327
Net Change in Fund Balance	<u>\$ (12,417)</u>	<u>\$ (21,737)</u>	<u>2,813</u>	<u>\$ 24,550</u>
Fund Balance, July 1			43,522	
Fund Balance, June 30			<u>\$ 46,335</u>	

Budgetary Comparison Schedule

Exhibit D-19

Golf Courses Special Revenue Fund

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 9,128	\$ 9,128	\$ 10,725	\$ 1,597
Rentals	154	154	72	(82)
Interest	7	7	111	104
Miscellaneous	273	273	303	30
Total Revenues	9,562	9,562	11,211	1,649
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	7,074	8,800	8,861	(61)
Capital	2,000	2,000	435	1,565
Total Expenditures and Encumbrances	9,074	10,800	9,296	1,504
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	488	(1,238)	1,915	3,153
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	-	-	5	5
Total Other Financing Sources	-	-	5	5
Net Change in Fund Balance	\$ 488	\$ (1,238)	1,920	\$ 3,158
Fund Balance, July 1			3,025	
Fund Balance, June 30			\$ 4,945	

Budgetary Comparison Schedule
Exhibit D-20
Regional Wireless Cooperative

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 4,126	\$ 4,126	\$ 3,851	\$ (275)
Interest	22	22	100	78
Special Assessments	1,484	1,484	1,705	221
Total Revenues	5,632	5,632	5,656	24
EXPENDITURES AND ENCUMBRANCES				
Operations	5,791	6,351	5,770	581
Total Expenditures and Encumbrances	5,791	6,351	5,770	581
Deficiency of Revenues Over Expenditures and Encumbrances	(159)	(719)	(114)	605
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	6	6	7	1
Total Other Financing Sources	6	6	7	1
Net Change in Fund Balance	\$ (153)	\$ (713)	(107)	\$ 606
Fund Balance, July 1			2,501	
Fund Balance, June 30			\$ 2,394	

Budgetary Comparison Schedule
Secondary Property Tax Debt Service Fund
For the Fiscal Year Ended June 30, 2023
(in thousands)

Exhibit D-21

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 124,847	\$ 124,847	\$ 126,148	\$ 1,301
Intergovernmental	4,130	4,130	5,109	979
Interest	-	-	1	1
Total Revenues	128,977	128,977	131,258	2,281
EXPENDITURES AND ENCUMBRANCES				
General Obligation Bond Debt Service				
Principal	157,345	170,195	167,495	2,700
Interest	37,651	37,651	37,913	(262)
Arbitrage Rebate and Fiscal Agent Fees	-	-	2	(2)
Other Debt Service Costs	1,065	1,065	435	630
Total Expenditures and Encumbrances	196,061	208,911	205,845	3,066
Deficiency of Revenues Over Expenditures and Encumbrances	(67,084)	(79,934)	(74,587)	5,347
OTHER FINANCING SOURCES				
Transfers from Other Funds				
General Obligation Reserve Fund	67,084	67,084	74,587	7,503
Total Other Financing Sources	67,084	67,084	74,587	7,503
Net Change in Fund Balance	\$ -	\$ (12,850)	-	\$ 12,850
Fund Balance, July 1			100	
Fund Balance, June 30			\$ 100	

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Interest	\$ -	\$ -	\$ 7	\$ 7
Miscellaneous	-	-	1	1
Total Revenues	-	-	8	8
EXPENDITURES AND ENCUMBRANCES				
Lease-Purchase Payments	68,103	71,553	71,215	338
Arbitrage Rebate and Fiscal Agent Fees	11	11	8	3
Other	2,000	2,000	1,006	994
Total Expenditures and Encumbrances	70,114	73,564	72,229	1,335
Deficiency of Revenues Over Expenditures and Encumbrances	(70,114)	(73,564)	(72,221)	1,343
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
General Fund - Library	116	116	118	2
Excise Tax Special Revenue Fund	46,581	46,581	45,229	(1,352)
Transportation Tax 2050 Special Revenue Fund	2,705	2,705	6,085	3,380
Highway User Revenue Special Revenue Fund	3,952	3,952	3,721	(231)
Public Housing Special Revenue Fund	73	73	73	-
Sports Facilities Special Revenue Fund	15,564	15,564	15,563	(1)
Capital Projects Fund	-	-	301	301
Enterprise Funds	2,149	2,149	2,157	8
Transfers to Other Funds				
Capital Projects Fund	(1,026)	(1,026)	(1,026)	-
Total Other Financing Sources (Uses)	70,114	70,114	72,221	2,107
Net Change in Fund Balance	\$ -	\$ (3,450)	-	\$ 3,450
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION -
Enterprise Funds
- Statements and
Schedules**





City of Phoenix

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government has decided that periodic determination of net income is appropriate for accounting purposes.

Aviation - to account for the operations of Sky Harbor International Airport, Deer Valley Airport and Goodyear Airport.

Phoenix Convention Center - to account for the operations of the Phoenix Convention Center and theatrical facilities.

Water System - to account for the operations of the City's water system, including the Val Vista Water Treatment Plant, a joint-use agreement with the City of Mesa.

Wastewater - to account for the operations of the City's sanitary sewer system, including facilities serving the Sub Regional Operating Group, a joint-use agreement with the Cities of Glendale, Mesa, Scottsdale and Tempe.

Solid Waste - to account for the operations of the City's landfills and its solid waste collection system.

**Aviation Enterprise Fund
Statement of Net Position**
Exhibit E-1

June 30, 2023

(in thousands)

ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	87,899
Investments		601,379
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$1,035)		13,196
Intergovernmental		64,948
Leases		35,293
Deposits in Escrow		10
Inventories, at Average Cost		3,450
Total Unrestricted Current Assets		806,175
Restricted Assets		
Debt Service		
Cash with Fiscal Agent/Trustee		109,444
Customer Facility Charge		
Cash with Fiscal Agent/Trustee		47,363
Accounts Receivable		3,379
Capital Projects		
Cash and Cash Equivalents		14,565
Investments		202,968
Receivables		
Interest		7
Intergovernmental		7,168
Passenger Facility Charges		12,532
Total Restricted Current Assets		397,426
Total Current Assets		1,203,601
Noncurrent Assets		
Capital Assets		
Land		577,047
Buildings		2,393,943
Improvements Other Than Buildings		2,035,949
Equipment		1,136,346
Intangibles		37,510
Construction in Progress		57,595
Less: Accumulated Depreciation		(2,994,733)
Total Capital Assets, Net of Accumulated Depreciation		3,243,657
Other Noncurrent Assets		
Restricted Cash with Fiscal Agent/Trustee		171,197
Leases Receivable		278,826
Net OPEB Asset		1,363
Total Noncurrent Assets		3,695,043
Total Assets		4,898,644
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds		39,655
OPEB Related		1,019
Total Deferred Outflows of Resources		40,674

Exhibit E-1
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	28,593
Trust Liabilities and Deposits	39
Advance Payments	25,127
Current Portion of Pollution Remediation	75
Current Portion of Accrued Compensated Absences	957
Total Current Liabilities Payable from Current Assets	54,791
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	58,525
Interest Payable	50,919
Current Portion of Rental Car Facility Revenue Bonds	7,995
Current Portion of Municipal Corporation Obligations	61,455
Capital Projects	
Accounts Payable	12,438
Total Current Liabilities Payable from Restricted Assets	191,332
Total Current Liabilities	246,123
Noncurrent Liabilities	
Rental Car Facility Revenue Bonds, net	309,371
Municipal Corporation Obligations, net	2,076,464
Pollution Remediation	1,125
Accrued Compensated Absences	6,490
Net OPEB Liability	8,556
Total Noncurrent Liabilities	2,402,006
Total Liabilities	2,648,129
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Gain on Refunding Bonds	9,288
OPEB Related	395
Leases Related	298,547
Total Deferred Inflows of Resources	308,230
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,084,035
Restricted for:	
Debt Service	3,314
Passenger Facility Charges	138,358
Customer Facility Charges	45,606
OPEB	1,363
Unrestricted	710,283
Total Net Position	\$ 1,982,959

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

Exhibit E-2

For the Fiscal Year Ended June 30, 2023

(in thousands)

Operating Revenues		
Aeronautical Revenue		
Terminal Fees	\$	101,805
Landing Fees		51,075
Air Cargo and Hangar Rentals		8,753
Other		22,641
Non-Aeronautical Revenue		
Parking		126,439
Rental Cars		78,569
Terminal - Food and Beverage		28,084
Terminal - Retail		18,061
Rental Revenue		25,264
Ground Transportation		23,636
Other		4,320
Total Operating Revenues		<u>488,647</u>
Operating Expenses		
Operation and Maintenance		
Personal Services		131,098
Contractual Services		145,590
Supplies		13,738
Equipment/Minor Improvements		8,878
Depreciation		193,849
Staff and Administrative		13,634
Total Operating Expenses		<u>506,787</u>
Operating Loss		(18,140)
Non-Operating Revenues (Expenses)		
Passenger Facility Charges		89,363
Rental Car Customer Facility Charges		48,129
Investment Income		
Net Increase in Fair Value of Investments		16,236
Interest		14,570
Interest Income from Leases		9,926
Federal COVID Grants		92,089
Contributions to Concessionaires		(24,024)
Interest on Capital Debt		(93,600)
Loss on Disposal of Capital Assets		(1,903)
Total Non-Operating Revenues (Expenses)		<u>150,786</u>
Net Income Before Contributions and Transfers		132,646
Capital Contributions		10,439
Transfers from General Fund - Other		209
Transfers to Debt Service Fund		(963)
Change in Net Position		<u>142,331</u>
Net Position, July 1		<u>1,840,628</u>
Net Position, June 30	\$	<u><u>1,982,959</u></u>

Exhibit E-3

Aviation Enterprise Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 478,380
Payments to Suppliers	(217,491)
Payments to Employees	(82,356)
Payment of Staff and Administrative Expenses	(13,634)
Net Cash Provided by Operating Activities	<u>164,899</u>
Cash Flows from Noncapital Financing Activities	
Noncapital Grants	58,166
Transfers from Other Funds	209
Transfers to Other Funds	(963)
Net Cash Provided by Noncapital Financing Activities	<u>57,412</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(73,604)
Interest Paid on Capital Debt	(112,026)
Acquisition and Construction of Capital Assets	(86,628)
Proceeds from Sales of Capital Assets	12,295
Passenger Facility Charges	84,108
Customer Facility Charges	48,058
Interest Income from Leases	9,926
Capital Contributions	9,071
Net Cash Used by Capital and Related Financing Activities	<u>(108,800)</u>
Cash Flows from Investing Activities	
Purchases of Investment Securities	(559,690)
Proceeds from Sale and Maturities of Investment Securities	605,810
Net Activity for Short-Term Investments	(193,947)
Interest on Investments	30,851
Net Cash Used by Investing Activities	<u>(116,976)</u>
Net Decrease in Cash and Cash Equivalents	(3,465)
Cash and Cash Equivalents, July 1	433,943
Cash and Cash Equivalents, June 30	<u>\$ 430,478</u>
Reconciliation of Operating Loss to	
Net Cash Provided by Operating Activities	
Operating Loss	(18,140)
Adjustments	
Depreciation	193,849
Deferred Outflows - Pension and OPEB	2,741
Deferred Inflows - Pension and OPEB	(2,004)
Change in Assets and Liabilities	
Receivables	5,487
Allowance for Doubtful Accounts	353
Lease Contracts Receivable	(6,491)
Inventories	(172)
Net OPEB Asset	12
Accounts Payable	1,499
Due to Fiduciary Fund	-
Advance Payments	(9,616)
Pollution Remediation	(75)
Accrued Compensated Absences	267
Net Pension Liability	-
Net OPEB Liability	(2,811)
Net Cash Provided by Operating Activities	<u>\$ 164,899</u>
Noncash Capital and Financing Activities	
Amortization of Deferred Gains/Losses of Bond Refundings	5,666
Debt Issued for Refunding of 2013 Bonds	96,540
Principal Paid with Issuance of Refunding Debt	(96,540)
Unrealized Gains on Investments	11,221
Accounts Payable Related to Capital Asset Additions	12,438
Total Noncash Capital and Financing Activities	<u>\$ 29,325</u>

Aviation Enterprise Fund
Exhibit E-4
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Landing Area	\$ 55,372	\$ 55,372	\$ 33,756	\$ (21,616)
Terminal Area	114,105	114,105	186,393	72,288
Ground Transportation	180,487	180,487	216,161	35,674
Interest on Investments	3,720	3,720	14,390	10,670
Other	62,743	62,743	55,036	(7,707)
Total Revenues	416,427	416,427	505,736	89,309
Transfer from Customer Facility Charge Revenues for O&M Expense Reimbursement	-	-	18,572	18,572
Total Revenues and Transfers from CFC	416,427	416,427	524,308	107,881
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance				
Personal Services	129,871	129,871	132,909	(3,038)
Contractual Services	150,694	150,694	148,982	1,712
Supplies	15,655	15,655	14,517	1,138
Equipment/Minor Improvements	6,468	6,468	5,327	1,141
Contingency	20,000	20,000	-	20,000
Total Operating Expenditures	322,688	322,688	301,735	20,953
Net Revenue Available for Revenue Bond Debt Service	93,739	93,739	222,573	128,834
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	-	-	-	-
Interest	3,862	3,862	3,444	418
Total Senior Lien Revenue Bond Debt Service	3,862	3,862	3,444	418
Net Revenue Available for Junior Lien Revenue Bond Debt Service	89,877	89,877	219,129	129,252
Junior Lien Revenue Bond Debt Service				
Principal	1,060	1,060	442	618
Interest	4,359	4,359	3,121	1,238
Total Junior Lien Revenue Bond Debt Service	5,419	5,419	3,563	1,856
Net Revenue Available After Junior Lien Revenue Bond Debt Service	84,458	84,458	215,566	127,396
Other Expenditures				
Capital Improvement Program	187,920	187,920	38,830	149,090
Total Other Expenditures	187,920	187,920	38,830	149,090
Total Expenditures and Encumbrances	519,889	519,889	347,572	172,317
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(103,462)	(103,462)	176,736	280,198
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Aviation Capital Fund	16,963	16,963	3,258	(13,705)
General Fund - Other	100	100	209	109
Federal COVID Grants	-	-	207	207
Contributions to Concessionaires	-	-	(24,024)	(24,024)
Transfers to Other Funds				
General Fund				
Staff and Administrative	(10,233)	(10,233)	(13,634)	(3,401)
Debt Service Fund	(959)	(959)	(963)	(4)
Recovery of Prior Years Expenditures	1,588	1,588	2,788	1,200
Total Other Financing Sources (Uses)	7,459	7,459	(32,159)	(39,618)
Net Increase (Decrease) in Fund Balance	\$ (96,003)	\$ (96,003)	144,577	\$ 240,580
FUND BALANCE, JULY 1			509,729	
FUND BALANCE, JUNE 30			\$ 654,306	



City of Phoenix

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

June 30, 2023

(in thousands)

ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	16,945
Investments		117,156
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$0)		272
Leases Receivable		63
Inventories, at Average Cost		313
Total Unrestricted Current Assets		134,749
Restricted Assets		
Debt Service		
Cash with Fiscal Agent/Trustee		27,411
Capital Projects		
Cash and Cash Equivalents		686
Investments		14,988
Receivables		
Accrued Interest		5
Customer and Other Deposits		4,251
Total Restricted Current Assets		47,341
Total Current Assets		182,090
Noncurrent Assets		
Capital Assets		
Land		29,418
Buildings		921,605
Improvements Other Than Buildings		19,588
Equipment		25,123
Intangible Assets		
Construction in Progress		1,111
Less: Accumulated Depreciation		(443,570)
Total Capital Assets, Net of Accumulated Depreciation		553,275
Other Noncurrent Assets		
Leases Receivable		11,753
Net OPEB Asset		272
Total Noncurrent Assets		565,300
Total Assets		747,390
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds		3,555
Pension Related		3,840
OPEB Related		217
Total Deferred Outflows of Resources		7,612

Exhibit E-5
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	3,926
Current Portion of Accrued Compensated Absences	170
Total Current Liabilities Payable from Current Assets	4,096
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	7,968
Interest Payable	18,039
Current Portion of Municipal Corporation Obligations	8,749
Customer Deposits	4,265
Total Current Liabilities Payable from Restricted Assets	39,021
Total Current Liabilities	43,117
Noncurrent Liabilities	
Municipal Corporation Obligations, net	651,272
Accrued Compensated Absences	1,152
Net Pension Liability	29,515
Net OPEB Liability	1,865
Total Noncurrent Liabilities	683,804
Total Liabilities	726,921
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Related	585
OPEB Related	79
Leases Related	11,173
Total Deferred Inflows of Resources	11,837
<u>NET POSITION</u>	
Net Investment in Capital Assets	(103,191)
Restricted for:	
Debt Service	1,404
OPEB	272
Unrestricted	117,759
Total Net Position	\$ 16,244

Phoenix Convention Center Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position

Exhibit E-6

For the Fiscal Year Ended June 30, 2023

(in thousands)

Operating Revenues	
Rental of Facilities and Equipment	\$ 12,391
Concessions	17,795
Box Office Services	1,286
Other (1)	21,847
Total Operating Revenues	53,319
Operating Expenses	
Administration	26,738
Operation and Maintenance	13,856
Promotion	2,770
Depreciation	24,535
Staff and Administrative	3,144
Security	2,516
Total Operating Expenses	73,559
Operating Loss	(20,240)
Non-Operating Revenues (Expenses)	
Investment Income	
Net Increase in Fair Value of Investments	1,562
Interest	2,610
Interest Income from Leases	382
Interest on Capital Debt	(29,534)
Loss on Disposal of Capital Assets	(265)
Total Non-Operating Revenues (Expenses)	(25,245)
Net Loss Before Transfers	(45,485)
Transfers from Excise Tax Fund	92,516
Transfers to Debt Service Fund	(96)
Transfers to Infrastructure Repayment Agreement Trust Fund	(552)
Transfers to Other Restricted Special Revenue Fund	(31)
Change in Net Position (Deficit)	46,352
Net Position (Deficit), July 1	(30,108)
Net Position, June 30	\$ 16,244

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

Phoenix Convention Center Enterprise Fund**Exhibit E-7****Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2023

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 52,553
Payments to Suppliers	(26,484)
Payments to Employees	(19,854)
Payment of Staff and Administrative Expenses	(3,144)
Net Cash Provided by Operating Activities	<u>3,071</u>
Cash Flows from Noncapital Financing Activities	
Transfers from Other Funds	92,516
Transfers to Other Funds	(678)
Net Cash Provided by Noncapital Financing Activities	<u>91,838</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(10,473)
Interest Paid on Capital Debt	(34,522)
Acquisition and Construction of Capital Assets	(1,086)
Interest Income from Leases	382
Net Cash Used by Capital and Related Financing Activities	<u>(45,699)</u>
Cash Flows from Investing Activities	
Purchases of Investment Securities	(23,924)
Proceeds from Sale and Maturities of Investment Securities	23,629
Net Activity for Short-Term Investments	(50,815)
Interest on Investments	4,180
Net Cash Used by Investing Activities	<u>(46,930)</u>
Net Increase in Cash and Cash Equivalents	2,280
Cash and Cash Equivalents, July 1	47,013
Cash and Cash Equivalents, June 30	<u>\$ 49,293</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	\$ (20,240)
Adjustments	
Depreciation	24,535
Deferred Outflows - Pension and OPEB	762
Deferred Inflows - Pension and OPEB	(1,366)
Deferred Inflows - Leases	(245)
Change in Assets and Liabilities	
Accounts Receivable	77
Leases Receivable	(69)
Inventories	(65)
Accounts Payable	1,060
Customer Deposits	(528)
Accrued Compensated Absences	(106)
Net Pension Liability	(131)
Net OPEB Liability	(613)
Net Cash Provided by Operating Activities	<u>3,071</u>
Noncash Capital and Financing Activities	
Bond Capital Appreciation	(1,587)
Amortization of Deferred Gains of Bond Refundings	187
Unrealized Gains on Investments	1,655
Total Noncash Capital and Financing Activities	<u>\$ 255</u>

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

Exhibit E-8

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Rental of Facilities and Equipment	\$ 3,421	\$ 3,421	\$ 6,319	\$ 2,898
Concessions	12,123	12,123	19,912	7,789
Box Office Services	387	387	751	364
Interest	453	453	2,415	1,962
Other	1,418	1,418	1,399	(19)
Total Revenues	17,802	17,802	30,796	12,994
EXPENDITURES AND ENCUMBRANCES				
Operations	54,992	54,992	48,508	6,484
Capital Improvement Program	2,781	2,781	1,061	1,720
Lease-Purchase Payments	17,460	17,460	17,460	-
Contingency	3,000	3,000	-	3,000
Total Expenditures and Encumbrances	78,233	78,233	67,029	11,204
Deficiency of Revenues Over Expenditures and Encumbrances	(60,431)	(60,431)	(36,233)	24,198
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Fund	73,883	73,883	92,516	18,633
Capital Fund	-	-	25	25
Transfers to Other Funds				
General Fund				
Staff and Administrative	(2,721)	(2,721)	(3,144)	(423)
Infrastructure Repayment Agreement Trust Fund	(588)	(588)	(552)	36
Debt Service Fund	(94)	(94)	(96)	(2)
Other Restricted Special Revenue Fund	(218)	(218)	(31)	187
Recovery of Prior Years Expenditures	560	560	669	109
Total Other Financing Sources (Uses)	70,822	70,822	89,387	18,565
Net Increase in Fund Balance	\$ 10,391	\$ 10,391	53,154	\$ 42,763
FUND BALANCE, JULY 1			75,795	
FUND BALANCE, JUNE 30			\$ 128,949	



City of Phoenix

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

June 30, 2023

(in thousands)

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 32,928
Investments	239,023
Receivables	
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$5,884)	72,432
Intergovernmental	484
Prepaid Items	9,107
Inventories, at Average Cost	18,225
Total Unrestricted Current Assets	372,199
Restricted Assets	
Debt Service	
Cash with Fiscal Agent	106,704
Capital Projects	
Cash and Cash Equivalents	37,237
Investments	283,356
Receivables	
Interest	11
Customer and Other Deposits	6,797
Total Restricted Current Assets	434,105
Total Current Assets	806,304
Noncurrent Assets	
Capital Assets	
Land	43,214
Buildings	251,140
Improvements Other Than Buildings	992,726
Equipment	354,487
Mains, Hydrants, Meters and Service Connections	2,136,676
Intangibles	157,219
Construction in Progress	1,138,698
Less: Accumulated Depreciation	(2,007,320)
Total Capital Assets, Net of Accumulated Depreciation	3,066,840
Investment in Val Vista Treatment Plant	
Joint Use Agreement	182,363
Net OPEB Asset	1,680
Total Other Assets	184,043
Total Noncurrent Assets	3,250,883
Total Assets	4,057,187
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Refunding Bonds	18,500
Pension Related	24,241
OPEB Related	1,277
Total Deferred Outflows of Resources	44,018

Exhibit E-9
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	31,848
Current Portion of Accrued Compensated Absences	979
Total Current Liabilities Payable from Current Assets	32,827
Current Liabilities Payable from Restricted Assets	
Debt Service	
Short-Term Obligations	200,000
Matured Bonds Payable	71,487
Interest Payable	35,509
Current Portion of Loans from Direct Borrowings	270
Current Portion of Municipal Corporation Obligations	74,830
Capital Projects	
Accounts Payable	24,393
Customer and Other Deposits	6,886
Total Current Liabilities Payable from Restricted Assets	413,375
Total Current Liabilities	446,202
Noncurrent Liabilities	
Loans from Direct Borrowings, net	1,466
Municipal Corporation Obligations, net	1,594,629
Arbitrage Liability	8
Accrued Compensated Absences	6,653
Net Pension Liability	186,286
Net OPEB Liability	10,793
Total Noncurrent Liabilities	1,799,835
Total Liabilities	2,246,037
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Gain on Refunding Bonds	1,041
Pension Related	3,695
OPEB Related	486
Total Deferred Inflows of Resources	5,222
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,597,569
Restricted for:	
Restricted from Enabling Legislation	99,131
OPEB	1,680
Unrestricted	151,566
Total Net Position	\$ 1,849,946

Water System Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position

Exhibit E-10

For the Fiscal Year Ended June 30, 2023

(in thousands)

Operating Revenues		
Water Sales	\$	374,013
Environmental Charges		69,912
Other		46,631
Total Operating Revenues		490,556
Operating Expenses		
Administration and Engineering		22,446
Operation and Maintenance		
Customer Service		9,038
Production and Treatment		122,667
Distribution and Centralized Functions		70,013
Depreciation and Amortization		111,787
Staff and Administrative		11,801
Total Operating Expenses		347,752
Operating Income		142,804
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments		15,100
Interest		9,398
Interest on Capital Debt		(55,831)
Equity Interest in Joint Use Agreement Operating Loss		(8,650)
Loss on Disposal of Capital Assets		(1,985)
Total Non-Operating Revenues (Expenses)		(41,968)
Net Income Before Contributions and Transfers		100,836
Capital Contributions		83,182
Transfers to General Fund - In Lieu Property Taxes		(17,185)
Transfers to Debt Service Fund		(202)
Change in Net Position		166,631
Net Position, July 1		1,683,315
Net Position, June 30	\$	1,849,946

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 480,715
Payments to Suppliers	(129,009)
Payments to Employees	(115,850)
Payment of Staff and Administrative Expenses	(11,801)
Net Cash Provided by Operating Activities	<u>224,055</u>
Cash Flows from Noncapital Financing Activities	
Operating Transfers to Other Funds	(17,387)
Net Cash Used by Noncapital Financing Activities	<u>(17,387)</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(58,020)
Interest Paid on Capital Debt	(78,841)
Acquisition and Construction of Capital Assets	(279,943)
Proceeds from Sales of Capital Assets	147
Capital Contributions	26,866
Net Cash Used by Capital and Related Financing Activities	<u>(389,791)</u>
Cash Flows from Investing Activities	
Purchases of Investment Securities	(785,012)
Proceeds from Sales and Maturities of Investment Securities	974,664
Net Activity for Short-Term Investments	(40,735)
Interest on Investments	25,216
Net Cash Provided by Investing Activities	<u>174,133</u>
Net Decrease in Cash and Cash Equivalents	<u>(8,990)</u>
Cash and Cash Equivalents, July 1	192,656
Cash and Cash Equivalents, June 30	<u>\$ 183,666</u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income	\$ 142,804
Adjustments	
Depreciation and Amortization	111,787
Deferred Outflows - Pension and OPEB	2,666
Deferred Inflows - Pension and OPEB	(6,356)
Change in Assets and Liabilities	
Receivables	(8,515)
Allowance for Doubtful Accounts	(252)
Prepaid Expenses	(2,207)
Inventories	(4,572)
Net OPEB Asset	45
Accounts Payable	(3,987)
Customer and Other Deposits	(1,074)
Arbitrage	8
Accrued Compensated Absences	305
Net Pension Liability	(2,841)
Net OPEB Liability	(3,756)
Net Cash Provided by Operating Activities	<u>\$ 224,055</u>
Noncash Capital and Financing Activities	
Accounts Payable Related to Capital Asset Additions	\$ 24,393
Amortization of Deferred Gains/Losses of Bond Refundings	886
Contributions of Capital Assets	56,316
Unrealized Gains on Investments	8,675
Total Noncash Capital and Financing Activities	<u>\$ 90,270</u>

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

Exhibit E-12

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Water Sales	\$ 413,045	\$ 413,045	\$ 374,013	\$ (39,032)
Environmental Charges	77,290	77,290	69,912	(7,378)
Development Occupational Fees	6,200	6,200	6,910	710
Water Service Fees	3,000	3,000	2,860	(140)
Distribution	891	891	4,986	4,095
Interest	6,233	6,233	13,512	7,279
Other	8,770	8,770	15,433	6,663
Total Revenues	515,429	515,429	487,626	(27,803)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	259,031	275,531	232,922	42,609
Operation and Maintenance - Val Vista	18,746	18,746	21,546	(2,800)
Total Operating Expenditures and Encumbrances	277,777	294,277	254,468	39,809
Net Revenue Available for Revenue Bond Debt Service	237,652	221,152	233,158	12,006
Junior Lien Revenue Bond Debt Service				
Principal	71,487	71,487	71,487	-
Interest	62,018	62,018	76,388	(14,370)
Total Junior Lien Revenue Bond Debt Service	133,505	133,505	147,875	(14,370)
Net Revenue Available After Junior Lien Revenue Bond Debt Service	104,147	87,647	85,283	(2,364)
Other Expenditures and Encumbrances				
Operating Capital Outlay	5,646	5,646	3,698	1,948
Capital Improvement Program	149,339	148,599	112,251	36,348
Total Other Expenditures and Encumbrances	154,985	154,245	115,949	38,296
Total Expenditures and Encumbrances	566,267	582,027	518,292	63,735
Deficiency of Revenues Over Expenditures and Encumbrances	(50,838)	(66,598)	(30,666)	35,932
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Water Capital Fund	-	-	10,934	10,934
Transfers to Other Funds				
General Fund				
Staff and Administrative	(10,846)	(10,846)	(11,801)	(955)
In-Lieu Property Taxes	(17,396)	(17,396)	(17,185)	211
Capital Projects Fund	-	-	(396)	(396)
Debt Service Fund	(202)	(202)	(202)	-
Recovery of Prior Years Expenditures	1,819	1,819	5,561	3,742
Total Other Financing Sources (Uses)	(26,625)	(26,625)	(13,089)	13,536
Net Decrease in Fund Balance	\$ (77,463)	\$ (93,223)	(43,755)	\$ 49,468
FUND BALANCE, JULY 1			169,407	
FUND BALANCE, JUNE 30			<u>\$ 125,652</u>	

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

Exhibit E-13

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Val Vista Water System	\$ 9,119	\$ 9,119	\$ 10,846	\$ 1,727
Operating Revenue - Water	18,746	18,746	21,546	2,800
Interest	720	720	(15)	(735)
Other	-	-	1	1
Total Revenues	28,585	28,585	32,378	3,793
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	28,649	32,149	27,143	5,006
Capital Outlay				
Operating	40	40	61	(21)
Capital Improvement Program	3,150	3,890	3,530	360
Total Expenditures and Encumbrances	31,839	36,079	30,734	5,345
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(3,254)	(7,494)	1,644	9,138
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(818)	(818)	(1,007)	(189)
Recovery of Prior Years Expenditures	70	70	488	418
Total Other Financing Sources (Uses)	(748)	(748)	(519)	229
Net Increase (Decrease) in Fund Balance	\$ (4,002)	\$ (8,242)	1,125	\$ 9,367
FUND DEFICIT, JULY 1			(2,012)	
FUND DEFICIT, JUNE 30			(887)	
Members' Contributed Operating Reserve			3,086	
Members' Contributed Replacement Reserve			3,961	
FUND DEFICIT, UNRESERVED			\$ (7,934)	

Note: The deficit unreserved fund balance is primarily due to encumbrances, which are accounted for as uses of financial resources. The participating Val Vista cities are billed (and revenue is recognized) only to the extent of actual expenditures.

Wastewater Enterprise Fund
Exhibit E-14
Statement of Net Position

June 30, 2023

(in thousands)

ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	35,854
Investments		246,924
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$3,571)		52,440
Intergovernmental		15,932
Leases		9
Inventories, at Average Cost		2,634
Total Unrestricted Current Assets		353,793
Restricted Assets		
Debt Service		
Cash with Fiscal Agent		59,339
Capital Projects		
Cash and Cash Equivalents		15,500
Investments		87,767
Customer Deposits and Other Trust Liabilities		237
Total Restricted Current Assets		162,843
Total Current Assets		516,636
Noncurrent Assets		
Capital Assets		
Land		29,017
Buildings		76,541
Improvements Other Than Buildings		1,484,702
Equipment		155,776
Intangibles		30,469
Construction in Progress		495,864
Less: Accumulated Depreciation		(969,175)
Total Capital Assets, Net of Accumulated Depreciation		1,303,194
Other Noncurrent Assets		
Investment in SROG Joint Use Agreement		305,417
Leases Receivable		177
Net OPEB Asset		509
Total Noncurrent Assets		1,609,297
Total Assets		2,125,933
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds		476
OPEB Related		384
Total Deferred Outflows of Resources		860

Exhibit E-14
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	18,801
Advance Payments	2
Current Portion of Pollution Remediation	200
Current Portion of Accrued Compensated Absences	208
Total Current Liabilities Payable from Current Assets	19,211
Current Liabilities Payable from Restricted Assets	
Debt Service	
Short-Term Obligations	200,000
Matured Bonds Payable	49,277
Interest Payable	11,049
Current Portion of Loans from Direct Borrowings	914
Current Portion of Municipal Corporation Obligations	50,800
Capital Projects	
Accounts Payable	8,648
Customer Deposits and Other Trust Liabilities	237
Total Current Liabilities Payable from Restricted Assets	320,925
Total Current Liabilities	340,136
Noncurrent Liabilities	
Loans from Direct Borrowings, net	4,938
Municipal Corporation Obligations, net	385,488
Accrued Compensated Absences	1,417
Net OPEB Liability	3,235
Total Noncurrent Liabilities	395,078
Total Liabilities	735,214
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Gain on Refunding Bonds	1,357
OPEB Related	147
Leases Related	200
Total Deferred Inflows of Resources	1,704
<u>NET POSITION</u>	
Net Investment in Capital Assets	964,134
Restricted for:	
Restricted from Enabling Legislation	38,234
OPEB	509
Unrestricted	386,998
Total Net Position	\$ 1,389,875

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

Operating Revenues		
Sewer Service Charges	\$	172,524
Environmental Charges		35,795
Other		60,333
Total Operating Revenues		<u>268,652</u>
 Operating Expenses		
Administration		13,073
Operation and Maintenance		
Wastewater Treatment Plants		41,852
Sewer Maintenance and Collections		28,163
Industrial Waste/Pre-Treatment		5,941
Depreciation		43,063
Staff and Administrative		5,783
Total Operating Expenses		<u>137,875</u>
Operating Income		130,777
 Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments		6,862
Interest		6,567
Interest Income from Leases		8
Interest on Capital Debt		(21,708)
Equity Interest in Joint Use Agreement Operating Loss		(18,300)
Gain on Disposal of Capital Assets		76
Total Non-Operating Revenues (Expenses)		<u>(26,495)</u>
Net Income Before Contributions and Transfers		104,282
Capital Contributions		48,364
Transfers to General Fund - In Lieu Property Taxes		(10,268)
Transfers to Debt Service Fund		(141)
Change in Net Position		<u>142,237</u>
Net Position, July 1		1,247,638
Net Position, June 30	\$	<u><u>1,389,875</u></u>

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

For the Fiscal Years Ended June 30, 2023

(in thousands)

Cash Flows from Operating Activities	
Receipts from Customers	\$ 242,876
Payments to Suppliers	(67,155)
Payments to Employees	(20,570)
Payment of Staff and Administrative Expenses	(5,783)
Net Cash Provided by Operating Activities	<u>149,368</u>
Cash Flows from Noncapital Financing Activities	
Operating Transfers to Other Funds	(10,409)
Net Cash Used by Noncapital Financing Activities	<u>(10,409)</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(47,007)
Interest Paid on Capital Debt	(29,591)
Acquisition and Construction of Capital Assets	(146,737)
Proceeds from Sales of Capital Assets	115
Interest Income from Leases	8
Capital Contributions	48,364
Net Cash Used by Capital and Related Financing Activities	<u>(174,848)</u>
Cash Flows from Investing Activities	
Purchases of Investment Securities	(167,971)
Proceeds from Sale and Maturities of Investment Securities	191,482
Net Activity for Short-Term Investments	(20,663)
Interest on Investments	13,430
Net Cash Provided by Investing Activities	<u>16,278</u>
Net Decrease in Cash and Cash Equivalents	<u>(19,611)</u>
Cash and Cash Equivalents, July 1	130,541
Cash and Cash Equivalents, June 30	<u>\$ 110,930</u>
Reconciliation of Operating Income to	
Net Cash Provided (Used) by Operating Activities	
Operating Income	\$ 130,777
Adjustments	
Depreciation	43,063
Deferred Outflows - OPEB	1,032
Deferred Inflows - OPEB	(762)
Deferred Inflows - Leases	199
Change in Assets and Liabilities	
Receivables	(25,954)
Allowance for Doubtful Accounts	(161)
Inventories	(145)
Net OPEB Asset	26
Accounts Payable & Advance Payments	1,955
Pollution Remediation	200
Customer Deposits	142
Accrued Compensated Absences	(8)
Net OPEB Liability	(996)
Net Cash Provided by Operating Activities	<u>\$ 149,368</u>
Noncash Capital and Financing Activities	
Amortization of Deferred Gains/Losses of Bond Refundings	\$ 282
Unrealized Gains on Investments	5,111
Accounts Payable Related to Capital Asset Additions	8,648
Total Noncash Capital and Financing Activities	<u>\$ 14,041</u>

Wastewater Enterprise Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
Exhibit E-17

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sewer Service Charges	\$ 178,173	\$ 178,173	\$ 169,306	\$ (8,867)
Environmental Charges	37,305	37,305	35,795	(1,510)
Development Occupational Fees	7,000	7,000	6,612	(388)
Interest	3,708	3,708	9,092	5,384
Other	10,321	10,321	13,373	3,052
Total Revenues	236,507	236,507	234,178	(2,329)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	78,652	78,652	66,419	12,233
Operation and Maintenance - SROG	28,093	28,093	24,941	3,152
Total Operating Expenditures and Encumbrances	106,745	106,745	91,360	15,385
Net Revenue Available for Revenue Bond Debt Service	129,762	129,762	142,818	13,056
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	18,945	18,945	18,945	-
Interest	1,940	1,940	1,940	-
Total Senior Lien Revenue Bond Debt Service	20,885	20,885	20,885	-
Net Revenue Available for Junior Lien				
Revenue Bond Debt Service	108,877	108,877	121,933	13,056
Junior Lien Revenue Bond Debt Service				
Principal	30,332	30,332	30,332	-
Interest	20,158	20,158	25,528	(5,370)
Total Junior Lien Revenue Bond Debt Service	50,490	50,490	55,860	(5,370)
Net Revenue Available After Junior Lien				
Revenue Bond Debt Service	58,387	58,387	66,073	7,686
Other Expenditures and Encumbrances				
Operating Capital Outlay	2,548	2,548	3,038	(490)
Capital Improvement Program	84,662	84,662	38,975	45,687
Total Other Expenditures and Encumbrances	87,210	87,210	42,013	45,197
Total Expenditures and Encumbrances	265,330	265,330	210,118	55,212
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(28,823)	(28,823)	24,060	52,883
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Wastewater Capital Fund	-	-	15,333	15,333
Transfers to Other Funds				
General Fund				
Staff and Administrative	(7,231)	(7,231)	(5,783)	1,448
In-Lieu Property Taxes	(10,431)	(10,431)	(10,268)	163
Capital Projects Fund	-	-	(477)	(477)
Debt Service Fund	(141)	(141)	(141)	-
Recovery of Prior Years Expenditures	845	845	7,689	6,844
Total Other Financing Sources (Uses)	(16,958)	(16,958)	6,353	23,311
Net Increase (Decrease) in Fund Balance	\$ (45,781)	\$ (45,781)	30,413	\$ 76,194
FUND BALANCE, JULY 1			209,012	
FUND BALANCE, JUNE 30			\$ 239,425	

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

Exhibit E-18

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Multi-City Sewer System	\$ 17,370	\$ 17,370	\$ 15,885	\$ (1,485)
Operating Revenue - Wastewater	28,093	28,093	24,941	(3,152)
Sales of By-Products	13,253	13,253	14,416	1,163
Interest	245	245	303	58
Other	1,515	1,515	4,458	2,943
Total Revenues	60,476	60,476	60,003	(473)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	61,539	61,539	53,764	7,775
Capital Outlay				
Operating	1,128	1,128	1,012	116
Capital Improvement Program	5,500	5,500	5,399	101
Total Expenditures and Encumbrances	68,167	68,167	60,175	7,992
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(7,691)	(7,691)	(172)	7,519
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(2,262)	(2,262)	(2,756)	(494)
Recovery of Prior Years Expenditures	360	360	2,106	1,746
Total Other Financing Sources (Uses)	(1,902)	(1,902)	(650)	1,252
Net Decrease in Fund Balance	\$ (9,593)	\$ (9,593)	(822)	\$ 8,771
FUND BALANCE, JULY 1			4,028	
FUND BALANCE, JUNE 30			3,206	
Members' Contributed Replacement Reserve			8,564	
Members' Contributed Operating Reserve			8,664	
FUND DEFICIT, UNRESERVED			<u>\$ (14,022)</u>	

Note: The deficit unreserved fund balance is primarily due to encumbrances, which are accounted for as uses of financial resources. The participating SROG cities are billed (and revenue is recognized) only to the extent of actual expenditures.

Solid Waste Enterprise Fund
Exhibit E-19
Statement of Net Position

June 30, 2023

(in thousands)

<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 7,152
Investments	52,337
Receivables	
Accounts Receivable, Net of Allowance for Doubtful Accounts (\$3,813)	20,357
Intergovernmental	25
Leases	239
Inventories	1,821
Total Unrestricted Current Assets	<u>81,931</u>
Restricted Assets	
Debt Service	
Cash with Fiscal Agent/Trustee	13,119
Capital Projects	
Investments	39,666
Customer Deposits	117
Total Restricted Current Assets	<u>52,902</u>
Total Current Assets	<u>134,833</u>
Noncurrent Assets	
Capital Assets	
Land	13,340
Buildings	70,164
Improvements Other Than Buildings	66,778
Equipment	162,479
Intangibles	5,413
Construction in Progress	32,512
Less: Accumulated Depreciation	<u>(178,037)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>172,649</u>
Net OPEB Asset	917
Leases Receivable	4,036
Total Noncurrent Assets	<u>177,602</u>
Total Assets	<u>312,435</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Loss on Refunding Bonds	197
Pension Related	13,047
OPEB Related	699
Total Deferred Outflows of Resources	<u>13,943</u>

Exhibit E-19
(Continued)

<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets	
Accounts Payable	11,402
Accrued Landfill Postclosure Care Costs	1,605
Current Portion of Accrued Compensated Absences	381
Total Current Liabilities Payable from Current Assets	13,388
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	11,665
Interest Payable	1,454
Current Portion of Loans from Direct Borrowings	600
Current Portion of Municipal Corporation Obligations	6,655
Capital Projects	
Accounts Payable	910
Accrued Landfill Closure Costs	510
Customer Deposits	117
Total Current Liabilities Payable from Restricted Assets	21,911
Total Current Liabilities	35,299
Noncurrent Liabilities	
Loans from Direct Borrowings	150
Municipal Corporation Obligations, net	47,812
Accrued Landfill Closure and Postclosure Care Costs	15,381
Accrued Compensated Absences	2,518
Net Pension Liability	100,267
Net OPEB Liability	5,913
Total Noncurrent Liabilities	172,041
Total Liabilities	207,340
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Related	1,989
OPEB Related	265
Leases Related	4,339
Total Deferred Inflows of Resources	6,593
<u>NET POSITION</u>	
Net Investment in Capital Assets	149,926
Restricted for:	
OPEB	917
Unrestricted (Deficit)	(38,398)
Total Net Position	\$ 112,445

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

Exhibit E-20

For the Fiscal Year Ended June 30, 2023

(in thousands)

Operating Revenues		
Solid Waste Service Fees	\$	177,555
Landfill Fees		14,418
Recycling		6,773
Other		2,989
Total Operating Revenues		201,735
Operating Expenses		
Administration		24,653
Solid Waste Collections		74,723
Landfills		
Operations		40,764
Closure and Postclosure Care Costs		3,000
Recycling		9,501
Depreciation		15,836
Staff and Administrative		10,778
Other		6,808
Total Operating Expenses		186,063
Operating Income		15,672
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments		2,485
Interest		1,656
Interest Income from Leases		175
Interest on Capital Debt		(1,044)
Gain on Disposal of Capital Assets		668
Total Non-Operating Revenues (Expenses)		3,940
Net Income Before Contributions and Transfers		19,612
Transfers to General Fund - In Lieu Property Taxes		(1,153)
Transfers to Debt Service Fund		(755)
Change in Net Position		17,704
Net Position, July 1		94,741
Net Position, June 30	\$	112,445

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

Cash Flows from Operating Activities		
Receipts from Customers	\$	200,897
Payments to Suppliers		(90,388)
Payments to Employees		(66,070)
Payment of Staff and Administrative Expenses		(10,778)
Net Cash Provided by Operating Activities		<u>33,661</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers to Other Funds		(1,907)
Net Cash Used by Noncapital Financing Activities		<u>(1,907)</u>
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Capital Debt		(11,760)
Interest Paid on Capital Debt		(3,187)
Acquisition and Construction of Capital Assets		(39,647)
Proceeds from Sales of Capital Assets		1,421
Interest Income from Leases		175
Net Cash Used by Capital and Related Financing Activities		<u>(52,998)</u>
Cash Flows from Investing Activities		
Purchases of Investment Securities		(105,087)
Proceeds from Sale and Maturities of Investment Securities		111,942
Net Activity for Short-Term Investments		7,702
Interest on Investments		4,173
Net Cash Provided by Investing Activities		<u>18,730</u>
Net Decrease in Cash and Cash Equivalents		<u>(2,514)</u>
Cash and Cash Equivalents, July 1		<u>22,902</u>
Cash and Cash Equivalents, June 30	\$	<u><u>20,388</u></u>
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$	15,672
Adjustments		
Depreciation		15,836
Deferred Outflows - Pension and OPEB		809
Deferred Inflows - Pension and OPEB		(3,213)
Change in Assets and Liabilities		
Receivables		(730)
Allowance for Doubtful Accounts		(174)
Lease Contracts Receivable		64
Inventories		93
Net OPEB Asset		15
Accounts Payable		2,698
Trust Liabilities and Deposits		1
Accrued Compensated Absences		149
Accrued Landfill Closure and Postclosure Care		1,097
Net Pension Liability		3,068
Net OPEB Liability		(1,724)
Net Cash Provided by Operating Activities	\$	<u>33,661</u>
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings		(120)
Unrealized Gains on Investments		1,590
Accounts Payable Related to Capital Asset Additions		910
Total Noncash Capital and Financing Activities	\$	<u>2,380</u>

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

Exhibit E-22

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Solid Waste Service Fees	\$ 173,603	\$ 173,603	\$ 177,573	\$ 3,970
City Landfill Fees	21,331	21,331	21,173	(158)
Interest	170	170	1,336	1,166
Other	1,564	1,564	3,507	1,943
Total Revenues	196,668	196,668	203,589	6,921
EXPENDITURES AND ENCUMBRANCES				
Operations	166,625	166,625	159,401	7,224
Capital Improvement Program	20,478	20,478	14,819	5,659
Lease-Purchase Payments	14,573	14,573	14,573	-
Loans from Direct Borrowings	600	600	600	-
Total Expenditures and Encumbrances	202,276	202,276	189,393	12,883
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(5,608)	(5,608)	14,196	19,804
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(8,935)	(8,935)	(10,778)	(1,843)
In-Lieu Property Taxes	(1,307)	(1,307)	(1,152)	155
Solid Waste Capital Reserve	(1,250)	(1,250)	(1,345)	(95)
Debt Service Fund	(752)	(752)	(755)	(3)
Recovery of Prior Years Expenditures	190	190	1,327	1,137
Total Other Financing Sources (Uses)	(12,054)	(12,054)	(12,703)	(649)
Net Increase (Decrease) in Fund Balance	\$ (17,662)	\$ (17,662)	1,493	\$ 19,155
FUND BALANCE, JULY 1			39,713	
FUND BALANCE, JUNE 30			\$ 41,206	



Financial Section

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



City of Phoenix



City of Phoenix

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

June 30, 2023

(in thousands)

	Pension and Other Employee Benefit Trusts	
	City of Phoenix Employee Retirement System (COPERS)	Excess Benefit Arrangement
ASSETS		
Cash and Cash Equivalents	\$ 104,316	\$ 267
Investments		
Treasurer's Pooled Investments	-	512
Temporary Investments	44,117	-
Fixed Income	511,900	-
Domestic Equities	1,224,382	-
International Equities	296,651	-
Real Return	605,731	-
Absolute Return	142,648	-
Real Estate	489,907	-
Receivables		
Accounts Receivable	6,924	-
Contributions Receivable	16,093	-
Interest and Dividends	4,303	-
Prepaid Items	-	-
Total Assets	<u>3,446,972</u>	<u>779</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts Payable	62,877	-
Claims Payable	-	-
Total Liabilities	<u>62,877</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Restricted for pension and other employee benefits	<u>\$ 3,384,095</u>	<u>\$ 779</u>

Exhibit F-1
(Continued)

Pension and Other Employee Benefit Trusts				
Health Care Benefits	Retiree Rate Stabilization	Medical Expense Reimbursement Plan	Long-Term Disability	Total
\$ 17,003	\$ -	\$ 484	\$ 483	\$ 122,553
-	-	-	62	574
-	-	-	-	44,117
48,976	-	40,304	15,236	616,416
-	-	99,231	27,980	1,351,593
-	-	38,232	23,894	358,777
-	-	20,030	8,009	633,770
-	-	-	-	142,648
-	-	10,405	3,812	504,124
871	-	-	-	7,795
767	-	-	-	16,860
253	-	-	-	4,556
5,609	-	-	-	5,609
<u>73,479</u>	<u>-</u>	<u>208,686</u>	<u>79,476</u>	<u>3,809,392</u>
-	-	-	-	-
8,357	-	46	23	71,303
30,906	-	-	-	30,906
<u>39,263</u>	<u>-</u>	<u>46</u>	<u>23</u>	<u>102,209</u>
-	-	-	-	-
<u>\$ 34,216</u>	<u>\$ -</u>	<u>\$ 208,640</u>	<u>\$ 79,453</u>	<u>\$ 3,707,183</u>

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Pension and Other Employee Benefit Trusts	
	City of Phoenix	
	Employee Retirement System (COPERS)	Excess Benefit Arrangement
ADDITIONS		
Contributions		
City of Phoenix	\$ 193,136	\$ 241
Employees	47,749	-
Other	-	-
Total Contributions	<u>240,885</u>	<u>241</u>
Investment Income		
From Investing Activities		
Net Increase in Fair Value of Investments	136,468	35
Interest	27,924	6
Dividends	15,612	-
Other	13,283	-
Investment Income	<u>193,287</u>	<u>41</u>
Less: Investment Expense	<u>17,887</u>	<u>-</u>
Total Net Investment Income	<u>175,400</u>	<u>41</u>
Total Additions	<u>416,285</u>	<u>282</u>
DEDUCTIONS		
Benefit Payments	268,868	354
Refunds of Contributions	4,120	-
Inter-System Transfers	516	-
Other	1,373	-
Total Deductions	<u>274,877</u>	<u>354</u>
Net Increase (Decrease)	141,408	(72)
Net Position Restricted for Pension and Other Employee		
Benefits		
Beginning of Year, July 1	<u>3,242,687</u>	<u>851</u>
End of Year, June 30	<u>\$ 3,384,095</u>	<u>\$ 779</u>

Exhibit F-2
(Continued)

Pension and Other Employee Benefit Trusts

Health Care Benefits	Retiree Rate Stabilization	Medical Expense Reimbursement Plan	Long-Term Disability	Total
\$ 164,979	\$ -	\$ 19,750	\$ 912	\$ 379,018
61,214	-	-	-	108,963
5,311	-	-	-	5,311
<u>231,504</u>	<u>-</u>	<u>19,750</u>	<u>912</u>	<u>493,292</u>
502	-	12,470	4,703	154,178
1,448	-	5,494	-	34,872
-	-	-	2,156	17,768
-	-	-	140	13,423
<u>1,950</u>	<u>-</u>	<u>17,964</u>	<u>6,999</u>	<u>220,241</u>
-	-	-	-	17,887
<u>1,950</u>	<u>-</u>	<u>17,964</u>	<u>6,999</u>	<u>202,354</u>
<u>233,454</u>	<u>-</u>	<u>37,714</u>	<u>7,911</u>	<u>695,646</u>
225,738	-	27,677	5,372	528,009
-	-	-	-	4,120
-	-	-	-	516
<u>22,287</u>	<u>-</u>	<u>619</u>	<u>550</u>	<u>24,829</u>
<u>248,025</u>	<u>-</u>	<u>28,296</u>	<u>5,922</u>	<u>557,474</u>
<u>(14,571)</u>	<u>-</u>	<u>9,418</u>	<u>1,989</u>	<u>138,172</u>
48,787	-	199,222	77,464	3,569,011
<u>\$ 34,216</u>	<u>\$ -</u>	<u>\$ 208,640</u>	<u>\$ 79,453</u>	<u>\$ 3,707,183</u>



City of Phoenix



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION -
Component Units
- Phoenix Housing
Financing Corporations
- Combining Financial
Statements**



City of Phoenix



City of Phoenix

**Phoenix Housing Finance Corporations
(Discretely Presented Component Units)
Combining Statement of Net Position
June 30, 2023
(in thousands)**

Exhibit G-1

	Phoenix Housing Finance Corporation	City of Phoenix Municipal Housing Corporation	Phoenix Central City Revitalization Corporation & LLC	Phoenix South Mountain Housing Corporation	Phoenix South Mountain Housing Transformation Corporation, Summit, LLC	Phoenix Green Housing Corporation	Phoenix East Revitalization Corporation
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ 2,627	\$ -	\$ 1,683	\$ 968	\$ 1,055
Cash Deposits	-	-	138	-	1,052	-	-
Cash and Securities with Fiscal Agents/Trustees	39	-	-	65	-	-	-
Receivables, Net of Allowances	4,559	14	4,319	3,121	863	86	-
Prepaid Items	-	-	137	-	32	-	-
Capital Assets, at Cost							
Non-depreciable	-	-	3,025	-	1,150	-	-
Depreciable (net)	-	-	6,762	-	6,118	-	-
Total Assets	4,598	14	17,008	3,186	10,898	1,054	1,055
DEFERRED OUTFLOWS OF RESOURCES							
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
LIABILITIES							
Accounts Payable	173	14	337	-	61	86	-
Reimbursement Agreement to City	-	-	2,348	-	-	-	-
Trust Liabilities and Deposits	-	-	98	-	45	-	-
Advance Payments	-	-	76	-	18	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-	-
Interest Payable	-	-	1,393	-	366	-	-
Noncurrent Liabilities							
Due in More Than One Year							
Notes Payable to City							
Instrumentality	-	-	-	-	-	-	-
Notes Payable to City	-	-	15,304	-	5,532	-	-
Total Liabilities	173	14	19,556	-	6,022	86	-
DEFERRED INFLOWS OF RESOURCES							
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	-	-	(7,865)	-	1,736	-	-
Unrestricted	4,425	-	5,317	3,186	3,140	968	1,055
Total Net Position (Deficit)	\$ 4,425	\$ -	\$ (2,548)	\$ 3,186	\$ 4,876	\$ 968	\$ 1,055

Exhibit G-1
(Continued)

Phoenix East Revitalization Corporation (II)	Phoenix East Revitalization Corporation (III)	Phoenix Inner Beltway Housing Corporation	Phoenix Residential Investment Development Effort	Phoenix Starfish Place Corporation	Phoenix Housing Development Corporation	Washington Manor Housing Corporation	Pine Towers Housing Corporation	Total
\$ 51	\$ 1,622	\$ -	\$ 3,023	\$ 228	\$ 3,658	\$ 338	\$ 53	\$ 15,306
-	-	-	226	10	-	834	53	2,313
-	-	-	-	-	-	-	-	104
750	18	47	87	-	402	36	22	14,324
-	-	-	111	7	-	15	132	434
-	-	-	7,417	1,055	-	82	512	13,241
-	-	-	5,852	1,330	-	97	3,611	23,770
801	1,640	47	16,716	2,630	4,060	1,402	4,383	69,492
-	-	-	-	-	-	-	-	-
-	-	-	147	18	-	35	20	891
-	-	-	-	-	-	-	-	2,348
-	-	-	110	6	-	26	30	315
-	-	-	33	1	-	2	9	139
-	-	-	52	-	-	-	-	52
-	-	-	1,658	-	-	-	-	3,417
-	-	-	-	465	-	-	-	465
-	-	-	16,777	2,945	-	550	-	41,108
-	-	-	18,777	3,435	-	613	59	48,735
-	-	-	-	-	-	-	-	-
-	-	-	(3,508)	(560)	-	179	4,123	(5,895)
801	1,640	47	1,447	(245)	4,060	610	201	26,652
\$ 801	\$ 1,640	\$ 47	\$ (2,061)	\$ (805)	\$ 4,060	\$ 789	\$ 4,324	\$ 20,757

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Phoenix Housing Finance Corporation	City of Phoenix Municipal Housing Corporation	Phoenix Central City Revitalization Corporation & LLC	Phoenix South Mountain Housing Corporation	Phoenix South Mountain Housing Transformation Corporation, Summit, LLC	Phoenix Green Housing Corporation	Phoenix East Revitalization Corporation
Revenues							
Rental Income	\$ -	\$ -	\$ 3,153	\$ -	\$ 1,452	\$ -	\$ -
Vending Income	-	-	-	-	-	-	-
Total Revenues	-	-	3,153	-	1,452	-	-
Operating Expenses							
Salaries	-	-	684	-	413	-	-
Temporary Labor	-	-	-	-	-	-	-
Advertising	-	-	18	-	14	-	-
Maintenance	-	-	1,037	-	303	-	-
Administrative Costs	-	-	172	-	105	-	-
Utilities	-	-	511	-	316	-	-
Insurance	-	-	41	-	24	-	-
Interest Expense	-	-	103	-	45	-	-
Other	8	14	107	23	141	74	-
Depreciation	-	-	1,103	-	696	-	-
Total Operating Expenses	8	14	3,776	23	2,057	74	-
Non-Operating Revenues (Expenses)							
Other Income	-	14	118	-	58	74	-
Interest Income	-	-	28	88	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	-	14	146	88	58	74	-
Change in Net Position	(8)	-	(477)	65	(547)	-	-
Net Position (Deficit), July 1	4,433	-	(2,071)	3,121	5,423	968	1,055
Net Position (Deficit), June 30	\$ 4,425	\$ -	\$ (2,548)	\$ 3,186	\$ 4,876	\$ 968	\$ 1,055

Exhibit G-2
(Continued)

Phoenix East Revitalization Corporation (II)	Phoenix East Revitalization Corporation (III)	Phoenix Inner Beltway Housing Corporation	Phoenix Residential Investment Development Effort	Phoenix Starfish Place Corporation	Phoenix Housing Development Corporation	Washington Manor Housing Corporation	Pine Towers Housing Corporation	Total
\$ -	\$ -	\$ -	\$ 2,598	\$ 148	\$ -	\$ 894	\$ 635	\$ 8,880
-	-	-	4	-	-	4	1	9
-	-	-	2,602	148	-	898	636	8,889
-	-	-	712	107	-	150	107	2,173
-	-	-	-	-	-	103	-	103
-	-	-	13	1	-	4	1	51
-	-	-	1,210	96	-	139	340	3,125
-	-	-	218	14	-	94	53	656
-	-	-	729	71	-	152	117	1,896
-	-	-	111	21	-	-	-	197
-	-	-	146	-	-	-	-	294
189	-	-	491	(13)	-	160	20	1,214
-	-	-	226	95	-	124	434	2,678
189	-	-	3,856	392	-	926	1,072	12,387
-	18	-	156	3	1,760	-	34	2,235
-	-	-	64	-	-	-	-	180
-	-	-	(293)	378	-	-	4,726	4,811
-	18	-	(73)	381	1,760	-	4,760	7,226
(189)	18	-	(1,327)	137	1,760	(28)	4,324	3,728
990	1,622	47	(734)	(942)	2,300	817	-	17,029
\$ 801	\$ 1,640	\$ 47	\$ (2,061)	\$ (805)	\$ 4,060	\$ 789	\$ 4,324	\$ 20,757



City of Phoenix



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION - Other
Supporting Schedules**



City of Phoenix



City of Phoenix

Summary of Operating Funds - Budget Basis
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit H-1

	Resources					
	Fund Balances July 1	Revenues	Recoveries	Fund Transfers		Total
				From	To	
General Purpose Funds						
General Fund	\$ 224,446	\$ 442,524	\$ 4,259	\$ 1,295,971	\$ (120,462)	\$ 1,846,738
Excise Tax	-	2,007,574	-	-	(2,007,574)	-
Total General Purpose Funds	224,446	2,450,098	4,259	1,295,971	(2,128,036)	1,846,738
Federal Funds						
Transit - Federal Grants	(56)	41,937	525	500	-	42,906
Grants						
Human Services	-	104,724	2,034	-	-	106,758
Community Development	(14)	32,580	351	-	-	32,917
Federal Operating Trust	-	152,261	2,988	-	-	155,249
Public Housing Neighborhood Transformation	3,358	2,278	386	-	-	6,022
Total Federal Funds	3,288	333,780	6,284	500	-	343,852
Other Special Revenue and Debt Service Funds						
Highway User Revenue	69,581	156,042	2,009	7,969	(3,721)	231,880
Transportation Tax 2050	328,239	42,217	1,530	362,473	(16,347)	718,112
Transit - Other Agency	(12,338)	41,169	100	7,595	-	36,526
Municipal Court Awards	(66)	4,655	34	-	-	4,623
Parks and Preserves	99,459	4,593	(1)	53,304	(134)	157,221
Development Services	64,623	90,813	507	-	(6,528)	149,415
Community Reinvestment	20,134	9,644	20	-	(2,222)	27,576
Public Housing	43,462	124,829	86	-	(218)	168,159
Sports Facilities	68,708	5,267	192	33,026	(15,629)	91,564
Capital Construction	25,176	643	568	6,292	-	32,679
Other Restricted	139,116	32,816	452	106,611	(382)	278,613
Neighborhood Protection	27,920	972	22	53,146	(860)	81,200
Public Safety Enhancement	21,148	-	2	31,923	(535)	52,538
Public Safety Expansion	43,522	496	7	116,355	(1,907)	158,473
Golf Courses	3,025	11,211	5	-	-	14,241
Secondary Property Tax Debt Service	100	131,258	-	74,587	-	205,945
City Improvement	-	8	-	73,247	(1,026)	72,229
Regional Wireless Cooperative	2,501	5,656	7	-	-	8,164
Total Other Funds	944,310	662,289	5,540	926,528	(49,509)	2,489,158
Enterprise Funds						
Aviation	509,729	500,285	2,787	3,674	(14,597)	1,001,878
Phoenix Convention Center	75,795	30,796	669	92,541	(3,823)	195,978
Water System	169,407	487,626	5,561	10,934	(29,584)	643,944
Water System - Val Vista	(2,012)	32,378	488	-	(1,007)	29,847
Wastewater	209,012	234,178	7,689	15,333	(16,669)	449,543
Wastewater - SROG	4,028	60,003	2,106	-	(2,756)	63,381
Solid Waste	39,713	203,589	1,327	-	(14,030)	230,599
Total Enterprise Funds	1,005,672	1,548,855	20,627	122,482	(82,466)	2,615,170
Total Operating Funds	\$ 2,177,716	\$ 4,995,022	\$ 36,710	2,345,481	(2,260,011)	\$ 7,294,918
Other Transfers - Non-budgeted Funds				24,260	(109,730)	
				\$ 2,369,741	\$ (2,369,741)	

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

Exhibit H-1
(Continued)

Expenditures and Encumbrances						Fund Balances June 30
Current Operating ⁽¹⁾	Capital Impr. Program	Debt Service	Lease-Purchase	Total		
\$ 1,592,223	\$ 31,584	\$ -	\$ -	\$ 1,623,807	\$	222,931
-	-	-	-	-		-
1,592,223	31,584	-	-	1,623,807		222,931
29,276	13,688	-	-	42,964		(58)
104,927	1,831	-	-	106,758		-
22,122	10,805	-	-	32,927		(10)
117,383	37,866	-	-	155,249		-
1,873	405	-	-	2,278		3,744
275,581	64,595	-	-	340,176		3,676
81,588	73,801	-	-	155,389		76,491
198,493	85,732	-	-	284,225		433,887
39,221	2,197	-	-	41,418		(4,892)
4,727	-	-	-	4,727		(104)
6,342	33,894	-	-	40,236		116,985
77,415	3,350	-	-	80,765		68,650
2,026	3,254	-	-	5,280		22,296
113,357	11,664	-	-	125,021		43,138
2,745	2,020	-	-	4,765		86,799
134	4,557	-	-	4,691		27,988
66,909	3,984	-	-	70,893		207,720
55,772	-	-	-	55,772		25,428
26,614	-	-	-	26,614		25,924
112,138	-	-	-	112,138		46,335
8,861	435	-	-	9,296		4,945
-	-	205,845	-	205,845		100
-	-	1,014	71,215	72,229		-
5,770	-	-	-	5,770		2,394
802,112	224,888	206,859	71,215	1,305,074		1,184,084
301,735	38,830	7,007	-	347,572		654,306
48,508	1,061	-	17,460	67,029		128,949
258,166	112,251	147,875	-	518,292		125,652
27,204	3,530	-	-	30,734		(887)
94,398	38,975	76,745	-	210,118		239,425
54,776	5,399	-	-	60,175		3,206
159,401	14,819	600	14,573	189,393		41,206
944,188	214,865	232,227	32,033	1,423,313		1,191,857
\$ 3,614,104	\$ 535,932	\$ 439,086	\$ 103,248	\$ 4,692,370	\$	2,602,548

Summary of Capital Projects Funds Budget Basis
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit H-2

	Resources				
	Beginning Balances, July 1	Current Revenue			Recovery of Prior Years Expenditures
		Grants	Interest	Other	
General Government					
100 W Washington	\$ 8,712	\$ -	\$ 5,712	\$ -	\$ -
2001 Bond Program	(189)	-	-	-	-
2006 Bond Program	5,805	-	292	-	-
Badging System	22,435	-	879	-	27
General Gov't Lease Purchase	13,927	-	571	-	174
Mega V Lease Purchase	10,200	-	691	384	-
Regional Wireless	1,106	-	36	-	-
SAP/HANA Upgrade	2,534	-	99	-	-
Sports Facilities Capital Reserve	20,152	-	752	-	-
Trunked Radio System	8,316	-	-	-	-
	92,998	-	9,032	384	201
Public Safety					
1988 Bond Program	27	-	-	-	-
2001 Bond Program	(1,449)	-	-	-	-
2006 Bond Program	(7,486)	-	-	-	444
Aerial Fleet Capital Reserve Fund	4,476	-	-	146	656
Impact Fees	21,707	-	562	3,395	-
Other Cities Reimbursement - 800Mhz	289	-	-	-	-
	17,564	-	562	3,541	1,100
Transportation					
1988 Bond Program	849	-	-	-	-
2001 Bond Program	(532)	-	-	-	-
2004 CIC Transit LRT Revenue Bonds	67	-	-	-	-
2006 Bond Program	6,701	-	-	-	-
AHUR Capital Reserve	8,204	-	184	39	-
American Rec. & Reinv. Act of 2009	(1)	-	-	-	-
Federal Aid - Street Transportation	(9,390)	13,715	-	-	394
Federal Transportation Administration Grants	(232,759)	-	-	-	-
Impact Fees	39,234	-	841	11,061	2,555
Northwest Valley Transportation Infrastructure	(21,600)	8,610	-	-	-
Paradise Ridge Flood Control	-	19,000	-	-	-
State Aid - Street Transportation	(689)	3,031	-	131	14
Streets Developer Reimbursement	(7,870)	767	-	358	156
T2050 Bonds	113	-	127	-	25
	(217,673)	45,123	1,152	11,589	3,144
Public Works					
2001 Bond Program	242	-	-	-	-
2006 Bond Program	(720)	-	-	-	-
Capital Replacement Fund	1,404	-	24	-	-
Impact Fees	12,860	-	308	1,577	-
	13,786	-	332	1,577	-
Community Enrichment					
1988 Bond Program	419	-	-	-	-
2001 Bond Program	2,540	-	-	-	8
2006 Bond Program	760	-	-	-	-
Impact Fees	33,344	-	803	3,627	-
Parks & Rec Grants	(4,201)	2,808	-	-	1,102
Parks and Rec Dept Capital Gifts	35	-	-	-	-
	32,897	2,808	803	3,627	1,110
Community Development					
1989 Bond Program	2	-	-	-	-
2001 Bond Program	1,321	-	-	-	-
2006 Bond Program	(2,889)	-	-	-	82
830 E Jefferson Remodel	(13)	-	-	-	-
Federal Modernization Grants	6,400	6,159	116	-	138
Impact Fees	2,562	-	19	33	-
	\$ 7,383	\$ 6,159	\$ 135	\$ 33	\$ 220

Exhibit H-2
(Continued)

Bonds Sold	Fund Transfers To(From)	Total Resources	Uses		Ending Balances, June 30	Bonds Available for Sale
			Expenditures and Encumbrances			
\$ 150,709	\$ (12,261)	\$ 152,872	\$ (109,376)	\$ 43,496	\$ -	
-	-	(189)	-	(189)	615	
-	(4,852)	1,245	-	1,245	4,790	
-	7,400	30,741	(6,285)	24,456	-	
-	15,500	30,172	(14,711)	15,461	-	
-	(10,700)	575	-	575	-	
-	-	1,142	(1)	1,141	-	
-	-	2,633	(1,501)	1,132	-	
-	-	20,904	-	20,904	-	
-	-	8,316	-	8,316	-	
150,709	(4,913)	248,411	(131,874)	116,537	5,405	
-	-	27	-	27	-	
-	883	(566)	-	(566)	1,915	
-	-	(7,042)	-	(7,042)	36,700	
-	7,000	12,278	(12,655)	(377)	-	
-	-	25,664	(6,822)	18,842	-	
-	-	289	-	289	-	
-	7,883	30,650	(19,477)	11,173	38,615	
-	-	849	-	849	1,000	
-	-	(532)	-	(532)	2,225	
-	-	67	-	67	-	
-	-	6,701	-	6,701	23,865	
-	781	9,208	(38)	9,170	-	
-	-	(1)	-	(1)	-	
-	(9,413)	(4,694)	(8,309)	(13,003)	-	
-	-	(232,759)	(582)	(233,341)	-	
-	-	53,691	(3,477)	50,214	-	
-	6,009	(6,981)	1,894	(5,087)	-	
-	-	19,000	-	19,000	-	
-	-	2,487	(2,081)	406	-	
-	3,663	(2,926)	(856)	(3,782)	-	
-	(240)	25	(25)	-	-	
-	800	(155,865)	(13,474)	(169,339)	27,090	
-	75	317	-	317	305	
-	-	(720)	-	(720)	9,669	
-	5,000	6,428	-	6,428	-	
-	-	14,745	-	14,745	-	
-	5,075	20,770	-	20,770	9,974	
-	-	419	-	419	-	
-	-	2,548	-	2,548	7,400	
-	-	760	-	760	26,056	
-	-	37,774	(4,203)	33,571	-	
-	-	(291)	(4)	(295)	-	
-	-	35	-	35	-	
-	-	41,245	(4,207)	37,038	33,456	
-	-	2	-	2	-	
-	-	1,321	5	1,326	3,150	
-	1,879	(928)	(1)	(929)	34,665	
-	-	(13)	-	(13)	-	
-	-	12,813	(11,899)	914	-	
-	-	2,614	-	2,614	-	
\$ -	\$ 1,879	\$ 15,809	\$ (11,895)	\$ 3,914	\$ 37,815	

Summary of Capital Projects Funds Budget Basis
 For the Fiscal Year Ended June 30, 2023
 (in thousands)

Exhibit H-2
 (Continued)

	Resources					Recovery of Prior Years Expenditures
	Beginning Balances, July 1	Current Revenue			Other	
		Grants	Interest			
Aviation						
2020 CFC Bond	\$ 12,449	\$ -	\$ 747	\$ -	\$ -	\$ -
Airport Facilities Improvement Grants	(37,948)	11,970	-	-	-	1,345
Airport Revenue Bonds	69,798	-	3,023	-	-	512
CFC Trustee-Improvement Reserves/Surplus	37,639	-	1,383	47,999	-	-
City Improvement Aviation Bonds	182,812	-	2	-	-	-
Passenger Facility Charges	95,079	-	3,120	89,451	-	971
Senior Lien Airport Revenue Bonds	-	-	-	-	-	-
Transportation Security Admin Grant	110	-	-	-	-	-
	<u>359,939</u>	<u>11,970</u>	<u>8,275</u>	<u>137,450</u>		<u>2,828</u>
Phoenix Convention Center						
CC Expansion Series B	11,102	24,999	704	-	-	-
Lease Purchase	24	-	-	-	-	-
	<u>11,126</u>	<u>24,999</u>	<u>704</u>	<u>-</u>		<u>-</u>
Water System						
CIC Water Bonds	40,660	-	2,259	1	-	680
NW Valley Wastewater Inf	-	28,368	-	-	-	-
Impact Fees	73,832	-	2,019	15,068	-	-
Wtr Imp Dist Proj-Prop Owner	-	-	-	-	-	-
Special Water Improvement	100,010	-	-	-	-	-
Val Vista - Other Agencies' Participation	(2,405)	-	-	1,389	-	4
Water Capital Grants	(99)	99	-	-	-	-
	<u>211,998</u>	<u>28,467</u>	<u>4,278</u>	<u>16,458</u>		<u>684</u>
Wastewater						
CIC Wastewater Bonds	(7,814)	-	-	(10)	-	2,057
NW Valley Wastewater Inf	-	-	-	47,119	-	-
Impact Fees	34,830	-	678	6,961	-	833
Special Wastewater Improvement	53,000	-	-	-	-	-
SROG - Other Agencies' Participation	(15,932)	-	-	10,456	-	184
	<u>64,084</u>	<u>-</u>	<u>678</u>	<u>64,526</u>		<u>3,074</u>
Solid Waste						
End Use Reserve	14,020	-	315	-	-	-
Solid - Mega IV	340	-	141	-	-	-
Solid Waste Disposal CIC Bonds Prin/Int	4	-	-	-	-	-
Solid Waste Remediation Funds	5,684	-	127	-	-	-
SWD Equipment Facilities Bonds	25,222	-	1,291	-	-	1
	<u>45,270</u>	<u>-</u>	<u>1,874</u>	<u>-</u>		<u>1</u>
	<u>\$ 639,372</u>	<u>\$ 119,526</u>	<u>\$ 27,825</u>	<u>\$ 239,185</u>		<u>\$ 12,362</u>

Exhibit H-2
(Continued)

Bonds Sold	Fund Transfers To(From)	Total Resources	Uses		Ending Balances, June 30	Bonds Available for Sale
			Expenditures and Encumbrances			
\$ -	\$ (5,170)	\$ 8,026	\$ (1,792)	\$ 6,234	\$ -	
-	2,211	(22,422)	(18,111)	(40,533)	-	
-	(40)	73,293	(70,184)	3,109	-	
-	(17,955)	69,066	(20,559)	48,507	-	
104,104	(115,903)	171,015	(452)	170,563	-	
-	(151)	188,470	(62,917)	125,553	-	
-	-	-	-	-	-	
-	(109)	1	-	1	-	
104,104	(137,117)	487,449	(174,015)	313,434	-	
-	-	36,805	(24,999)	11,806	-	
-	(25)	(1)	-	(1)	-	
-	(25)	36,804	(24,999)	11,805	-	
-	397	43,997	(32,276)	11,721	-	
-	(10,933)	17,435	-	17,435	-	
-	-	90,919	(1,916)	89,003	-	
-	-	-	(15)	(15)	-	
-	-	100,010	-	100,010	-	
-	-	(1,012)	(686)	(1,698)	-	
-	-	-	-	-	-	
-	(10,536)	251,349	(34,893)	216,456	-	
-	477	(5,290)	(77,094)	(82,384)	-	
-	(15,332)	31,787	-	31,787	-	
-	-	43,302	(5,068)	38,234	-	
-	-	53,000	-	53,000	-	
-	-	(5,292)	(23,206)	(28,498)	-	
-	(14,855)	117,507	(105,368)	12,139	-	
-	1,345	15,680	(3)	15,677	-	
-	-	481	(352)	129	-	
-	-	4	-	4	-	
-	-	5,811	(339)	5,472	-	
-	-	26,514	(7,891)	18,623	-	
-	1,345	48,490	(8,585)	39,905	-	
\$ 254,813	\$ (150,464)	\$ 1,142,619	\$ (528,787)	\$ 613,832	\$ 152,355	

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

For the Fiscal Years Ended June 30, 2023 and 2022

(in thousands)

	Operating Funds ⁽¹⁾		Capital Funds		Totals	
	2023	2022	2023	2022	2023	2022
General Government						
Information Technology	\$ 8,752	\$ 14,436	\$ -	\$ 2,138	\$ 8,752	\$ 16,574
Regional Wireless	-	-	1	379	1	379
Finance Projects	-	-	1,501	5,469	1,501	5,469
	<u>8,752</u>	<u>14,436</u>	<u>1,502</u>	<u>7,986</u>	<u>10,254</u>	<u>22,422</u>
Public Safety						
Fire Protection	1,951	1,950	21,539	3,085	23,490	5,035
Police Protection	-	-	12,655	12,345	12,655	12,345
	<u>1,951</u>	<u>1,950</u>	<u>34,194</u>	<u>15,430</u>	<u>36,145</u>	<u>17,380</u>
Transportation						
Street Transportation and Drainage	133,991	108,053	12,893	69,403	146,884	177,456
Transit	48,162	169,225	582	67,928	48,744	237,153
	<u>182,153</u>	<u>277,278</u>	<u>13,475</u>	<u>137,331</u>	<u>195,628</u>	<u>414,609</u>
Public Works						
Facilities Management	24,158	11,899	115,523	2,877	139,681	14,776
	<u>24,158</u>	<u>11,899</u>	<u>115,523</u>	<u>2,877</u>	<u>139,681</u>	<u>14,776</u>
Community Enrichment						
Arts and Cultural Facilities	517	-	126	-	643	-
Libraries	1,521	1,101	-	-	1,521	1,101
Parks and Mountain Preserves	36,789	39,562	4,208	1,338	40,997	40,900
	<u>38,827</u>	<u>40,663</u>	<u>4,334</u>	<u>1,338</u>	<u>43,161</u>	<u>42,001</u>
Community Development						
Economic/Downtown Development	25,327	2,587	-	-	25,327	2,587
Human Services	14,654	-	-	-	14,654	-
Historic Preservation	3,201	553	-	-	3,201	553
Housing / HOPE VI	19,304	5,392	11,898	1,285	31,202	6,677
Neighborhood Development	3,613	4,849	-	-	3,613	4,849
	<u>66,099</u>	<u>13,381</u>	<u>11,898</u>	<u>1,285</u>	<u>77,997</u>	<u>14,666</u>
Aviation	38,593	18,398	174,016	96,997	212,609	115,395
Convention Center	1,008	9,281	24,999	75,470	26,007	84,751
Water System	115,561	96,388	34,894	108,904	150,455	205,292
Wastewater	44,184	66,084	105,368	119,861	149,552	185,945
Solid Waste	14,644	13,877	8,584	15,109	23,228	28,986
	<u>\$ 535,930</u>	<u>\$ 563,635</u>	<u>\$ 528,787</u>	<u>\$ 582,588</u>	<u>\$ 1,064,717</u>	<u>\$ 1,146,223</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, 2023 as reported in the accompanying budgetary financial statements were as follows:

Aviation	\$ 38,830
Convention Center	1,061
Water	112,251
Water - Val Vista	3,530
Wastewater	38,975
Wastewater - SROG	5,399
Solid Waste	14,819
	<u>\$ 214,865</u>

Transfers To/From Other Funds
For the Fiscal Year Ended June 30, 2023
(in thousands)

Exhibit H-4

	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise Funds	Totals
Transfers From						
General Fund	\$ -	\$ 100,154 ⁽¹⁾	\$ 54,207 ⁽³⁾	\$ 18,009 ⁽⁵⁾	\$ 92,725	\$ 265,095
Special Revenue						
Transit	885	54 ⁽²⁾	6,086 ⁽³⁾	-	-	7,025
Highway User Revenue	-	-	3,721 ⁽³⁾	-	-	3,721
Development Services	2,066	-	-	156 ⁽⁶⁾	-	2,222
Public Housing	144	-	73 ⁽³⁾	-	-	217
Neighborhood Protection	126	8 ⁽²⁾	-	-	-	134
Public Safety Enhancement	253	15 ⁽²⁾	-	-	-	268
Total Special Revenue	3,474	77	9,880	156	-	13,587
Debt Service						
Sports Facilities	3	-	15,563 ⁽³⁾	-	-	15,566
City Improvement	-	-	1,026 ⁽³⁾	-	-	1,026
Total Debt Service	3	-	16,589	-	-	16,592
Capital Projects						
Parks and Preserves	126	8 ⁽²⁾	-	-	-	134
Street Improvements	-	-	240 ⁽³⁾	-	-	240
Municipal Buildings and Service Centers	-	-	2,073 ⁽³⁾	2,838 ⁽⁷⁾	-	4,911
Sports and Cultural Facilities	-	-	-	-	-	-
Transit	-	-	-	-	-	-
Total Capital Projects	126	8	2,313	2,838	-	5,285
Enterprise						
Aviation	-	-	963 ⁽³⁾	-	-	963
Phoenix Convention Center	552	32 ⁽²⁾	96 ⁽³⁾	-	-	680
Water System	17,185	-	202 ⁽³⁾	-	-	17,387
Wastewater	10,268	-	141 ⁽³⁾	-	-	10,409
Solid Waste	1,153	-	755 ⁽³⁾	-	-	1,908
Total Enterprise	29,158	32	2,157	-	-	31,347
Totals	\$ 32,761	\$ 100,271	\$ 85,146	\$ 21,003	\$ 92,725	\$ 331,906

(1) Other Restricted, Public Safety Enhancement, AZ Highway User, and Public Housing

(2) Other Restricted

(3) City Improvement

(4) GO / Secondary Property Tax, Wastewater

(5) Police & Fire Protection, Street Improvements, Municipal Buildings & Service Centers

(6) Parks & Preserves

(7) Public Housing

Budgetary Transfers - Budget Basis
Exhibit H-5

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Transfers to					
	General Fund			Special Revenue		
	Staff and Administrative	In-Lieu Property Taxes	Other Transfers	Total General Fund	Neighborhood Protection	Transportation Tax 2050
Transfers from						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds						
Excise Tax	-	-	1,205,151	1,205,151	53,146	362,473
Highway User Revenue	-	-	-	-	-	-
Transportation Tax 2050	1,228	-	-	1,228	-	-
Development Services	6,528	-	-	6,528	-	-
Community Reinvestment	-	-	2,066	2,066	-	-
Public Housing	-	145	-	145	-	-
Sports Facilities	63	-	-	63	-	-
Parks and Preserves	-	-	-	-	-	-
Other Restricted	382	-	-	382	-	-
Neighborhood Protection	726	-	-	726	-	-
Public Safety Enhancement	535	-	-	535	-	-
Public Safety Expansion	1,639	-	-	1,639	-	-
Total Special Revenue	11,101	145	1,207,217	1,218,463	53,146	362,473
Debt Service Funds						
City Improvement	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-
Enterprise Funds						
Aviation	13,634	-	-	13,634	-	-
Phoenix Convention Center	3,144	-	-	3,144	-	-
Water System	11,801	17,185	-	28,986	-	-
Water System - Val Vista	1,007	-	-	1,007	-	-
Wastewater	5,783	10,268	-	16,051	-	-
Wastewater - SROG	2,756	-	-	2,756	-	-
Solid Waste	10,778	1,152	-	11,930	-	-
Total Enterprise	48,903	28,605	-	77,508	-	-
Other Funds not Budgeted						
General Obligation Reserve Fund	-	-	-	-	-	-
Streets Advanced T2050 Capital	-	-	-	-	-	-
Street Improvements Capital	-	-	-	-	-	-
Park Central Community Facilities District	-	-	-	-	-	-
Water Capital	-	-	-	-	-	-
Aviation Capital	-	-	-	-	-	-
Wastewater Capital	-	-	-	-	-	-
City Improvement Capital	-	-	-	-	-	-
Convention Center Capital	-	-	-	-	-	-
Total Other Funds not Budgeted	-	-	-	-	-	-
Totals	\$ 60,004	\$ 28,750	\$ 1,207,217	\$ 1,295,971	\$ 53,146	\$ 362,473

(1) Transfers to Other Restricted Special Revenue Funds (\$85,267), Public Safety Expansion Special Revenue Fund (\$10,061), AZ Highway User Special Revenue Fund (\$3,000), and Public Safety Enhancement Special Revenue Fund (\$1,826)

(2) Transfers to Capital Construction (\$6,292), Parks and Preserves (\$53,148), Public Safety Enhancement (\$30,097), Public Safety Expansion (\$106,294), Other Restricted Special Revenue Funds (\$21,228)

(3) Transfers to Transit Other Agency Special Revenue Fund (\$7,595), Transit Federal Grants Special Revenue Fund (\$500), and Other Restricted Special Revenue Fund (\$54)

(4) Transfer to Parks & Preserves Special Revenue Fund

(5) Transfer to Other Restricted Special Revenue Fund

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

(7) Transfer to Arizona Highway User Special Revenue Fund

(8) Transfer to City Improvement Debt Service Fund

(9) Transfers to City Improvement Debt Service Fund (\$45,229) and Sports Facilities Debt Service Fund (\$32,000)

Exhibit H-5
(Continued)

Transfers to							Totals
Funds		Enterprise Funds		Funds Not Budgeted			
Other	Debt Service Funds	Phoenix Convention Center	Other	Infrastructure Repayment Agreement	Other		
\$ 100,154 ⁽¹⁾	\$ 118 ⁽⁸⁾	\$ -	\$ 209 ⁽¹¹⁾	\$ 972	\$ 19,009 ⁽¹⁴⁾	\$ 120,462	
217,059 ⁽²⁾	77,229 ⁽⁹⁾	92,516	-	-	-	2,007,574	
-	3,721 ⁽⁸⁾	-	-	-	-	3,721	
8,149 ⁽³⁾	6,085 ⁽⁸⁾	-	-	885	-	16,347	
-	-	-	-	-	-	6,528	
156 ⁽⁴⁾	-	-	-	-	-	2,222	
-	73 ⁽⁸⁾	-	-	-	-	218	
-	15,563 ⁽⁸⁾	-	-	3	-	15,629	
8 ⁽⁵⁾	-	-	-	126	-	134	
-	-	-	-	-	-	382	
8 ⁽⁵⁾	-	-	-	126	-	860	
-	-	-	-	-	-	535	
15 ⁽⁵⁾	-	-	-	253	-	1,907	
225,395	102,671	92,516	-	1,393	-	2,056,057	
1,026 ⁽⁶⁾	-	-	-	-	-	1,026	
1,026	-	-	-	-	-	1,026	
-	963 ⁽⁸⁾	-	-	-	-	14,597	
31 ⁽⁵⁾	96 ⁽⁸⁾	-	-	552	-	3,823	
-	202 ⁽⁸⁾	-	-	-	396 ⁽¹⁵⁾	29,584	
-	-	-	-	-	-	1,007	
-	141 ⁽⁸⁾	-	-	-	477 ⁽¹⁶⁾	16,669	
-	-	-	-	-	-	2,756	
-	755 ⁽⁸⁾	-	-	-	1,345 ⁽¹⁷⁾	14,030	
31	2,157	-	-	552	2,218	82,466	
-	74,587 ⁽¹⁰⁾	-	-	-	-	74,587	
4,969 ⁽⁷⁾	-	-	-	-	-	4,969	
-	-	-	-	-	-	-	
-	-	-	10,934 ⁽¹²⁾	-	116 ⁽⁵⁾	116	
-	-	-	3,465 ⁽¹¹⁾	-	-	10,934	
-	-	-	15,333 ⁽¹³⁾	-	-	3,465	
-	301 ⁽⁸⁾	-	-	-	-	15,333	
-	-	25	-	-	-	301	
4,969	74,888	25	29,732	-	116	25	
\$ 331,575	\$ 179,834	\$ 92,541	\$ 29,941	\$ 2,917	\$ 21,343	\$ 2,369,741	

(10) Transfer to Secondary Property Tax Debt Service Fund
 (11) Transfer to Aviation Enterprise Fund
 (12) Transfer to Water Services Enterprise Fund
 (13) Transfer to Wastewater Enterprise Fund
 (14) Transfers to Street Improvements Capital Project Fund (\$6,009), Capital Reserve Fund (\$5,000), Aerial Fleet Capital Reserve Fund (\$7,000), and Public Safety Pension Stabilization Reserve Fund (\$1,000)
 (15) Transfer to Water Capital Fund
 (16) Transfer to Wastewater Capital Fund
 (17) Transfer to Solid Waste Capital Reserve Fund

Bonds and Other Debt Payable
Exhibit H-6

June 30, 2023

(in thousands)

							Outstanding at June 30, 2023 ⁽¹⁾		
	Authorized	Sold	Unsold	Retired/ Refunded/ Defeased	Capital Appreciation	Total	Payable from		
							General Property Taxes	City Revenues/ Other ⁽²⁾	
General Obligation Bonds									
6% Limitation									
Various Purpose	\$ 766,390	\$ 702,070	\$ 64,320	\$ 648,105	\$ -	\$ 53,965	\$ 53,965	\$ -	
Solid Waste	32,815	32,815	-	32,815	-	-	-	-	
20% Limitation									
Various Purpose	2,170,770	2,082,735	88,035	1,488,800	-	593,935	593,935	-	
Airport	30,435	30,435	-	30,435	-	-	-	-	
Sanitary Sewers	72,200	72,200	-	72,200	-	-	-	-	
Water	112,949	112,949	-	112,949	-	-	-	-	
Total General Obligation Bonds	3,185,559	3,033,204	152,355	2,385,304	-	647,900	647,900	-	
Loans from Direct Borrowings									
Wastewater WIFA	17,591	17,591	-	11,739	-	5,852	-	5,852	
Water WIFA	6,520	6,520	-	4,784	-	1,736	-	1,736	
Closed Loop	3,000	3,000	-	2,250	-	750	-	750	
Total Loans from Direct Borrowings	27,111	27,111	-	18,773	-	8,338	-	8,338	
Total General Obligation and Loans from Direct Borrowings	3,212,670	3,060,315	152,355	2,404,077	-	656,238	647,900	8,338	
Municipal Corporation Obligations									
General Government	2,318,606	2,318,606	-	1,743,451	-	575,155	-	575,155	
Enterprise	11,196,086	11,196,086	-	6,581,383	105,347	4,720,050	-	4,720,050	
Total Municipal Corporation Obligations	13,514,692	13,514,692	-	8,324,834	105,347	5,295,205	-	5,295,205	
Subtotal	16,727,362	16,575,007	152,355	10,728,911	105,347	5,951,443	647,900	5,303,543	
Community Facilities Districts	30,000	30,000	-	2,085	-	27,915	-	27,915	
Totals	\$ 16,757,362	\$ 16,605,007	\$ 152,355	\$ 10,730,996	\$ 105,347	\$ 5,979,358	\$ 647,900	\$ 5,331,458	

(1) Net of July 1, 2023 payments deposited with the City's fiscal agent. Balances have not been reduced for amount held in the general obligation reserve fund. General obligation reserve fund balance totaled \$9.3 million on June 30, 2023.

(2) These bonds are supported by City enterprise revenues, excise taxes, special revenues, special assessments and community facilities districts revenues and/or assessments.

Debt Service Requirements**Exhibit H-7****General Obligation Bonds Limited to Six Percent of Assessed Valuation (1)**

June 30, 2023

(in thousands)

Fiscal Year	General Government ⁽²⁾			Total 6% Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023-24	\$ 23,000	\$ 2,698	\$ 25,698	\$ 23,000	\$ 2,698	\$ 25,698
2024-25	30,965	1,548	32,513	30,965	1,548	32,513
	<u>\$ 53,965</u>	<u>\$ 4,246</u>	<u>\$ 58,211</u>	<u>\$ 53,965</u>	<u>\$ 4,246</u>	<u>\$ 58,211</u>

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

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

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

June 30, 2023

(in thousands)

Fiscal Year	General Government ⁽²⁾			Total 20% Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023-24	\$ 79,280	\$ 29,013	\$ 108,293	\$ 79,280	\$ 29,013	\$ 108,293
2024-25	68,465	25,464	93,929	68,465	25,464	93,929
2025-26	108,085	22,280	130,365	108,085	22,280	130,365
2026-27	108,600	17,013	125,613	108,600	17,013	125,613
2027-28	42,000	11,584	53,584	42,000	11,584	53,584
2028-29	28,340	9,727	38,067	28,340	9,727	38,067
2029-30	29,445	8,256	37,701	29,445	8,256	37,701
2030-31	30,590	6,728	37,318	30,590	6,728	37,318
2031-32	31,785	5,141	36,926	31,785	5,141	36,926
2032-33	33,025	3,493	36,518	33,025	3,493	36,518
2033-34	34,320	1,780	36,100	34,320	1,780	36,100
	<u>\$ 593,935</u>	<u>\$ 140,479</u>	<u>\$ 734,414</u>	<u>\$ 593,935</u>	<u>\$ 140,479</u>	<u>\$ 734,414</u>

(1) Various purpose bonds limited to 20% of assessed valuation are those issued for water, sewer, artificial light, open space preserves, parks, playgrounds, recreational facilities, public safety, law enforcement, fire and emergency services facilities, and streets and transportation facilities. Other general obligation bonds are limited to 6% of assessed valuation (see Exhibit H-7).

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

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

Exhibit H-9

June 30, 2023

(in thousands)

Fiscal Year	General Obligation / General Government ⁽¹⁾		
	Principal	Interest	Total
2023-24	\$ 102,280	\$ 31,711	\$ 133,991
2024-25	99,430	27,013	126,443
2025-26	108,085	22,280	130,365
2026-27	108,600	17,013	125,613
2027-28	42,000	11,584	53,584
2028-29	28,340	9,727	38,067
2029-30	29,445	8,256	37,701
2030-31	30,590	6,728	37,318
2031-32	31,785	5,141	36,926
2032-33	33,025	3,493	36,518
2033-34	34,320	1,780	36,100
	<u>\$ 647,900</u>	<u>\$ 144,726</u>	<u>\$ 792,626</u>

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

Bond Ratings
Exhibit H-10

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

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

(2) Represents underlying rating.

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

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



Statistical
section



City of Phoenix



Statistical Section
.....

FINANCIAL TRENDS

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



City of Phoenix



City of Phoenix

Net Position by Component
Table 1

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

	Fiscal Year		
	2023	2022	2021
GOVERNMENTAL ACTIVITIES			
Net Investment in Capital Assets	\$ 4,367,046	\$ 3,984,584	\$ 3,384,939
Restricted	1,693,107	1,458,949	1,249,610
Unrestricted (Deficit) (1)	(2,349,867)	(2,575,996)	(2,420,747)
Total Governmental Activities Net Position	\$ 3,710,286	\$ 2,867,537	\$ 2,213,802
BUSINESS-TYPE ACTIVITIES			
Net Investment in Capital Assets	\$ 3,692,473	\$ 3,592,530	\$ 3,346,870
Restricted	330,788	290,321	438,450
Unrestricted (1)	1,328,208	953,363	601,380
Total Business-Type Activities Net Position	\$ 5,351,469	\$ 4,836,214	\$ 4,386,700
PRIMARY GOVERNMENT			
Net Investment in Capital Assets	\$ 8,059,519	\$ 7,577,114	\$ 6,731,809
Restricted	2,023,895	1,749,270	1,688,060
Unrestricted (Deficit) (1)	(1,021,659)	(1,622,633)	(1,819,367)
Total Primary Government Net Position	\$ 9,061,755	\$ 7,703,751	\$ 6,600,502

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

Table 1
(Continued)

		Fiscal Year											
		2020	2019	2018	2017	2016	2015	2014					
\$	3,333,084	\$	3,242,655	\$	3,084,874	\$	2,809,418	\$	2,788,275	\$	2,653,697	\$	2,576,366
	1,069,053		1,079,339		1,047,298		920,847		763,630		830,425		868,223
	(2,814,774)		(2,766,124)		(2,883,831)		(2,408,807)		(2,084,298)		(1,691,553)		1,002,557
\$	1,587,363	\$	1,555,870	\$	1,248,341	\$	1,321,458	\$	1,467,607	\$	1,792,569	\$	4,447,146
\$	3,448,793	\$	3,488,654	\$	3,288,066	\$	2,972,041	\$	2,803,361	\$	2,782,282	\$	2,818,479
	404,598		519,638		524,637		486,857		462,115		441,896		363,946
	340,416		114,947		169,406		458,696		489,530		519,802		970,844
\$	4,193,807	\$	4,123,239	\$	3,982,109	\$	3,917,594	\$	3,755,006	\$	3,743,980	\$	4,153,269
\$	6,781,877	\$	6,731,309	\$	6,372,940	\$	5,781,459	\$	5,591,636	\$	5,435,979	\$	5,394,845
	1,473,651		1,598,977		1,571,935		1,407,704		1,225,745		1,272,321		1,232,169
	(2,474,358)		(2,651,177)		(2,714,425)		(1,950,111)		(1,594,768)		(1,171,751)		1,973,401
\$	5,781,170	\$	5,679,109	\$	5,230,450	\$	5,239,052	\$	5,222,613	\$	5,536,549	\$	8,600,415

Changes in Net Position
Table 2

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

	Fiscal Year		
	2023	2022	2021
Expenses			
Governmental Activities			
General Government	\$ 226,765	\$ 258,138	\$ 171,106
Criminal Justice	43,078	38,261	36,812
Public Safety	1,410,810	1,284,353	1,367,004
Transportation	660,716	748,459	427,982
Community Enrichment	451,584	465,542	419,047
Community Development	285,857	262,627	259,183
Environmental Services	43,017	75,371	59,224
Interest on Long-Term Debt	46,762	50,328	53,532
Total Governmental Activities Expenses	3,168,589	3,183,079	2,793,890
Business-Type Activities			
Aviation	602,290	539,372	576,657
Phoenix Convention Center	103,358	98,624	88,530
Water Services	414,218	422,543	373,006
Wastewater Services	177,807	172,121	176,062
Solid Waste	186,439	171,221	133,843
Total Business-Type Activities Expenses	1,484,112	1,403,881	1,348,098
Total Primary Government Expenses	\$ 4,652,701	\$ 4,586,960	\$ 4,141,988

Table 2
(Continued)

							Fiscal Year	
2020	2019	2018	2017	2016	2015	2014		
\$ 111,422	\$ 88,160	\$ 100,307	\$ 98,541	\$ 111,801	\$ 99,320	\$ 152,502		
36,050	38,297	35,040	34,045	35,198	34,242	34,356		
1,340,379	1,278,856	1,200,523	1,347,829	1,025,401	914,215	888,801		
574,139	540,551	523,946	373,455	399,228	398,925	394,664		
324,553	307,406	289,183	276,991	570,183	245,795	252,760		
251,207	211,547	225,386	218,463	200,762	215,931	222,266		
52,369	22,362	39,113	32,960	49,050	48,293	33,616		
53,629	57,014	67,523	77,073	84,893	83,796	93,013		
2,743,748	2,544,193	2,481,021	2,459,357	2,476,516	2,040,517	2,071,978		
547,590	518,462	514,271	496,131	504,304	482,915	471,744		
103,983	103,138	105,703	103,248	107,133	105,458	105,889		
421,541	410,636	406,501	333,706	359,703	336,445	342,584		
174,259	170,273	172,461	177,185	170,440	171,250	181,329		
126,301	148,061	146,589	146,910	141,129	150,625	134,264		
1,373,674	1,350,570	1,345,525	1,257,180	1,282,709	1,246,693	1,235,810		
\$ 4,117,422	\$ 3,894,763	\$ 3,826,546	\$ 3,716,537	\$ 3,759,225	\$ 3,287,210	\$ 3,307,788		

Changes in Net Position

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

Table 2
 (Continued)

	Fiscal Year		
	2023	2022	2021
Program Revenue			
Governmental Activities			
Charges for Services:			
General Government	\$ 17,150	\$ 17,321	\$ 17,077
Criminal Justice	15,936	17,547	23,970
Public Safety	85,370	78,363	59,862
Transportation	301,416	332,866	10,484
Community Enrichment	20,598	12,082	8,936
Community Development	116,388	122,070	97,406
Environmental Services	52	80	74
Operating Grants and Contributions	628,062	695,334	689,564
Capital Grants and Contributions	312,924	403,681	350,544
Total Governmental Activities Program Revenue	<u>1,497,896</u>	<u>1,679,344</u>	<u>1,257,917</u>
Business-Type Activities			
Charges for Services:			
Aviation	626,139	525,220	378,553
Phoenix Convention Center	53,319	45,556	27,114
Water Services	490,556	469,835	467,576
Wastewater Services	268,652	224,819	216,830
Solid Waste	201,735	199,550	185,699
Grants and Contributions	210,050	284,760	226,844
Total Business-Type Activities Program Revenue	<u>1,850,451</u>	<u>1,749,740</u>	<u>1,502,616</u>
Total Primary Government Program Revenue	<u>\$ 3,348,347</u>	<u>\$ 3,429,084</u>	<u>\$ 2,760,533</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (1,670,693)	\$ (1,503,735)	\$ (1,535,973)
Business-Type Activities	366,339	345,859	154,518
Total Primary Government Net Expense	<u>\$ (1,304,354)</u>	<u>\$ (1,157,876)</u>	<u>\$ (1,381,455)</u>

Table 2
(Continued)

		Fiscal Year											
		2020	2019	2018	2017	2016	2015	2014					
\$	18,395	\$	22,012	\$	20,491	\$	19,784	\$	18,387	\$	18,159	\$	16,272
	14,239		22,232		15,684		14,583		15,813		18,336		20,337
	70,309		70,377		69,201		69,671		68,167		71,381		71,913
	30,552		39,226		36,181		35,083		36,331		37,907		38,780
	9,696		11,208		9,448		9,708		11,016		10,737		13,740
	94,086		95,974		83,925		74,490		68,396		58,599		64,893
	49		64		40		22		134		478		505
	472,089		407,132		407,429		396,866		355,750		361,919		343,898
	169,586		134,985		177,863		96,058		94,379		82,285		150,410
	879,001		803,210		820,262		716,265		668,373		659,801		720,748
	451,157		520,951		506,988		403,766		380,533		385,806		369,157
	43,040		47,381		44,743		40,568		42,840		42,759		36,864
	425,390		382,915		413,263		398,263		378,378		358,760		385,294
	213,562		209,415		207,747		198,945		193,727		185,974		186,350
	154,685		148,728		149,023		150,346		146,799		147,536		145,790
	80,209		99,914		95,356		204,212		138,162		144,654		130,975
	1,368,043		1,409,304		1,417,120		1,396,100		1,280,439		1,265,489		1,254,430
\$	2,247,044	\$	2,212,514	\$	2,237,382	\$	2,112,365	\$	1,948,812	\$	1,925,290	\$	1,975,178
\$	(1,864,747)	\$	(1,740,983)	\$	(1,660,759)	\$	(1,743,092)	\$	(1,808,143)	\$	(1,380,716)	\$	(1,351,230)
	(5,631)		58,734		71,595		138,920		(2,270)		18,796		18,620
\$	(1,870,378)	\$	(1,682,249)	\$	(1,589,164)	\$	(1,604,172)	\$	(1,810,413)	\$	(1,361,920)	\$	(1,332,610)

Changes in Net Position

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

Table 2
 (Continued)

	Fiscal Year		
	2023	2022	2021
General Revenues and Other Changes in			
Net Position			
Governmental Activities			
Taxes	\$ 1,775,126	\$ 1,645,122	\$ 1,409,082
Grants and Contributions Not Restricted	687,048	553,265	654,429
Investment Earnings, Net	32,214	(82,226)	(6,861)
Miscellaneous	80,433	90,230	130,504
Sale Proceeds from DPHC to City for Debt Repayment	-	-	-
Transfers - Internal Activities	(61,379)	(48,921)	(24,742)
Total Governmental Activities	2,513,442	2,157,470	2,162,412
Business-Type Activities			
Investment Earnings, Net	77,046	43,900	13,633
Miscellaneous	10,491	10,834	-
Transfers - Internal Activities	61,379	48,921	24,742
Total Business-Type Activities	148,916	103,655	38,375
Total Primary Government	2,662,358	2,261,125	2,200,787
Change in Net Position (Deficit)			
Governmental Activities	842,749	653,735	626,439
Business-Type Activities	515,255	449,514	192,893
Total Primary Government	\$ 1,358,004	\$ 1,103,249	\$ 819,332

Table 2
(Continued)

		Fiscal Year											
		2020	2019	2018	2017	2016	2015	2014					
\$	1,288,430	\$	1,261,469	\$	1,165,415	\$	1,116,831	\$	1,009,824	\$	955,091	\$	1,001,017
	483,036		437,427		434,985		406,084		376,017		376,923		349,149
	33,833		41,942		9,190		6,355		11,932		7,419		22,572
	117,512		76,255		118,620		85,994		82,607		82,321		69,860
	-		265,000		-		-		-		-		-
	(26,571)		(33,581)		(25,547)		(18,321)		(24,631)		(25,080)		(22,653)
	1,896,240		2,048,512		1,702,663		1,596,943		1,455,749		1,396,674		1,419,945
	49,628		48,815		9,062		5,347		16,097		9,864		10,787
	-		-		-		-		-		-		-
	26,571		33,581		25,547		18,321		24,631		25,080		22,653
	76,199		82,396		34,609		23,668		40,728		34,944		33,440
	1,972,439		2,130,908		1,737,272		1,620,611		1,496,477		1,431,618		1,453,385
	31,493		307,529		41,904		(146,149)		(352,394)		15,958		68,715
	70,568		141,130		106,204		162,588		38,458		53,740		52,060
\$	102,061	\$	448,659	\$	148,108	\$	16,439	\$	(313,936)	\$	69,698	\$	120,775

Fund Balances of Governmental Funds
Table 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2023	2022	2021	2020
General Fund				
Non-Spendable	\$ 34,609	\$ 28,596	\$ 21,876	\$ 17,240
Spendable				
Restricted	50,362	49,526	49,942	49,878
Assigned	208,190	159,263	136,559	107,216
Unassigned	141,143	201,757	374,772	255,782
Total General Fund	434,304	439,142	583,149	430,116
All Other Governmental Funds				
Non-Spendable	746	832	794	789
Spendable				
Restricted	1,444,055	1,228,610	1,016,336	857,174
Committed	139,017	119,342	92,496	93,538
Assigned	274,423	170,193	156,470	147,631
Unassigned	(226,563)	(221,449)	(116,188)	(56,177)
Total All Other Governmental Funds	1,631,678	1,297,528	1,149,908	1,042,955
Total Fund Balances of Governmental Funds	\$ 2,065,982	\$ 1,736,670	\$ 1,733,057	\$ 1,473,071

Table 3
(Continued)

Fiscal Year						
2019	2018	2017	2016	2015	2014	
\$ 17,134	\$ 16,175	\$ 13,706	\$ 13,498	\$ 14,224	\$ 14,198	
48,920	47,774	49,024	62,047	61,564	61,309	
97,461	79,144	51,510	48,715	41,338	46,181	
243,541	216,572	241,712	227,227	210,286	178,563	
407,056	359,665	355,952	351,487	327,412	300,251	
801	954	5,235	5,386	5,394	5,945	
813,308	812,860	871,823	701,583	768,861	823,478	
81,575	72,032	55,304	38,803	27,005	36,491	
157,235	156,061	153,146	141,007	132,902	128,261	
(14,701)	(10,666)	(15,581)	(11,117)	(33,082)	(57,039)	
1,038,218	1,031,241	1,069,927	875,662	901,080	937,136	
\$ 1,445,274	\$ 1,390,906	\$ 1,425,879	\$ 1,227,149	\$ 1,228,492	\$ 1,237,387	

Changes in Fund Balances of Governmental Funds
Table 4

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2023	2022	2021	2020
Revenues				
City Taxes (see Table 5)	\$ 1,774,833	\$ 1,645,068	\$ 1,410,625	\$ 1,287,094
Licenses and Permits	16,922	17,159	16,926	18,271
Intergovernmental (see Table 6)	1,628,004	1,628,465	1,632,857	1,111,832
Charges for Services	247,124	238,364	178,652	197,396
Fines and Forfeitures	5,773	7,317	14,098	11,374
Parks and Recreation	1,470	1,018	141	1,130
Special Assessments	2,053	8	2	10
Investment Income (Loss)	32,214	(82,226)	(6,861)	33,832
Interest Income from Leases	6,618	4,782	-	-
Dwelling Rentals	4,678	5,557	6,978	8,140
Other	72,931	85,746	130,642	117,432
Total Revenues	3,792,620	3,551,258	3,384,060	2,786,511
Expenditures				
General Government	134,675	159,254	129,098	92,079
Criminal Justice	43,993	41,003	37,626	36,883
Public Safety	1,314,145	1,172,208	1,099,800	1,075,342
Transportation	389,258	350,263	328,235	367,735
Community Enrichment	365,364	346,409	304,346	234,441
Community Development	269,330	235,112	244,928	224,352
Environmental Services	22,029	46,722	28,798	31,347
Debt Service:				
Principal	213,468	168,998	117,917	173,201
Interest	65,410	61,747	62,569	68,517
Bond Issuance Costs	-	565	1,368	32
Other	2,151	2,905	3,759	164
Capital	733,353	974,816	957,579	626,858
Leases/Subscriptions	2,238	21,224	-	-
Total Expenditures	3,555,414	3,581,226	3,316,023	2,930,951
Excess (Deficiency) of Revenues Over Expenditures	\$ 237,206	\$ (29,968)	\$ 68,037	\$ (144,440)

Table 4
(Continued)

Fiscal Year						
2019	2018	2017	2016	2015	2014	
\$ 1,261,164	\$ 1,165,539	\$ 1,116,077	\$ 1,009,918	\$ 955,818	\$ 1,001,873	
21,871	20,125	19,275	18,209	17,602	15,860	
948,743	996,708	885,972	814,134	821,127	850,231	
208,584	192,338	183,619	173,372	169,276	178,290	
19,087	12,349	11,285	12,106	14,222	15,340	
1,815	1,715	1,865	6,919	7,393	10,316	
9	11	14	13	29	39	
41,942	9,190	6,355	11,932	7,419	22,572	
-	-	-	-	-	-	
8,720	8,057	7,825	7,077	7,104	6,658	
76,318	115,954	86,022	82,546	82,604	70,170	
2,588,253	2,521,986	2,318,309	2,136,226	2,082,594	2,171,349	
69,693	75,317	71,173	78,973	78,182	133,854	
35,762	34,285	33,884	32,406	32,403	34,223	
996,765	959,741	897,590	858,297	826,488	830,599	
367,586	308,118	266,745	253,265	263,509	253,517	
224,326	220,198	216,310	505,522	194,428	197,960	
192,766	201,031	193,900	175,956	189,580	201,812	
12,250	10,624	12,839	12,002	16,853	13,987	
155,902	133,784	149,208	130,974	116,008	70,768	
73,746	87,932	89,040	95,401	94,163	98,897	
1,062	461	2,326	491	470	3,187	
1,205	1,204	1,207	1,225	29	25	
399,218	498,717	303,398	274,864	254,647	365,887	
-	-	-	-	-	-	
2,530,281	2,531,412	2,237,620	2,419,376	2,066,760	2,204,716	
\$ 57,972	\$ (9,426)	\$ 80,689	\$ (283,150)	\$ 15,834	\$ (33,367)	

Changes in Fund Balances of Governmental Funds

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

Table 4
 (Continued)

	Fiscal Year			
	2023	2022	2021	2020
Other Financing Sources (Uses)				
Transfers From Other Funds	\$ 239,181	\$ 244,932	\$ 205,364	\$ 181,208
Transfers to Other Funds	(300,559)	(293,853)	(230,106)	(207,779)
Proceeds from Leases / Subscriptions	2,238	21,224	-	-
Issuance of Debt:				
General Obligation and Revenue Bonds	131,650	-	-	-
Premium on General Obligation and Revenue Bonds	19,596	17,176	-	-
Certificates of Participation and Municipal Corporation Obligations	-	-	231,595	-
Premium on Certificates of Participation and Municipal Corporation Obligations	-	-	25,324	-
Special Assessment Bonds	-	-	-	-
Refunding Bonds	-	146,400	116,685	-
Proceeds from Loans	-	60,000	-	200,000
Proceeds from Refinancing	-	-	-	-
Financed Purchases	-	-	-	(1,192)
Deposit to Refunding Escrow	-	(162,298)	(156,913)	-
Total Other Financing Sources and Uses	92,106	33,581	191,949	172,237
Net Change in Fund Balances	\$ 329,312	\$ 3,613	\$ 259,986	\$ 27,797
Debt Service as a Percentage of Noncapital Expenditures (1)	9.0%	7.3%	6.3%	9.4%

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

Table 4
(Continued)

		Fiscal Year							
		2019	2018	2017	2016	2015	2014		
\$	176,282	\$	162,292	\$	166,530	\$	123,046	\$	122,091
	(209,863)		(187,839)		(184,851)		(148,126)		(144,744)
	-		-		-		-		-
	-		-		-		-		-
	-		-		67,930		-		28,544
	-		-		116,835		-		-
	-		-		28,978		10		39,826
	29,977		-		-		-		-
	-		-		362,585		60,945		591,600
	-		-		-		-		-
	-		-		-		306,438		-
	-		-		-		-		-
	-		-		(439,966)		(60,604)		(656,414)
	(3,604)		(25,547)		118,041		281,807		(24,729)
\$	(54,368)	\$	(34,973)	\$	198,730	\$	(1,343)	\$	(8,895)
	10.2%		10.0%		11.6%		10.0%		11.4%
									8.6%

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

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2023	2022	2021	2020
General Property Taxes				
Primary - Operating	\$ 201,050	\$ 192,215	\$ 182,043	\$ 170,209
Secondary - Debt Service	126,149	119,974	115,069	107,555
Total General Property Taxes	327,199	312,189	297,112	277,764
City Sales and Franchise Taxes				
General Government Purposes:				
Privilege License Tax and Fees	604,770	559,962	469,424	416,399
Utility and Franchise Tax	101,629	97,984	96,026	90,229
Earmarked for:				
Sports Facilities	32,000	27,040	13,991	17,449
Convention Center	92,516	77,786	54,331	55,266
Neighborhood Protection	53,147	49,174	40,940	36,233
Public Safety Enhancement	30,097	26,537	24,476	23,978
Public Safety Expansion	106,294	98,347	81,880	72,464
Parks & Preserves	53,148	49,173	40,940	36,233
Capital Construction	6,292	6,209	7,030	8,548
Transit	362,473	335,608	279,349	247,593
Total City Sales and Franchise Taxes	1,442,366	1,327,820	1,108,387	1,004,392
Access to Care Tax	-	-	-	-
Special Taxing District	3,142	2,856	3,115	2,880
Salt River Project In-Lieu Taxes	2,126	2,203	2,011	2,058
Total City Taxes	\$ 1,774,833	\$ 1,645,068	\$ 1,410,625	\$ 1,287,094

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

Table 5
(Continued)

		Fiscal Year									
		2019	2018	2017	2016	2015	2014				
\$	162,129	\$	154,560	\$	146,121	\$	141,310	\$	138,242	\$	143,931
	101,652		95,435		91,021		50,484		49,567		35,204
	263,781		249,995		237,142		191,794		187,809		179,135
	402,238		366,280		355,904		351,148		324,006		326,459
	93,776		93,791		90,780		90,845		107,386		98,870
	20,732		19,979		18,435		17,874		17,062		15,988
	61,200		52,730		49,051		46,501		46,402		44,311
	35,073		31,684		30,172		28,706		29,881		29,153
	26,138		25,976		25,238		25,391		25,068		24,849
	70,033		63,188		60,167		57,350		59,760		58,308
	35,073		31,683		30,173		28,705		29,882		29,153
	8,812		9,574		11,064		12,875		14,281		15,087
	239,418		216,165		203,201		154,628		110,347		111,068
	992,493		911,050		874,185		814,023		764,075		753,246
	-		-		-		-		31		65,621
	2,903		2,440		2,735		2,438		2,308		2,240
	1,987		2,054		2,015		1,663		1,595		1,631
\$	1,261,164	\$	1,165,539	\$	1,116,077	\$	1,009,918	\$	955,818	\$	1,001,873

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

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2023	2022	2021	2020
State Shared Revenue				
Highway User Tax	\$ 152,748	\$ 155,466	\$ 146,188	\$ 135,983
State Sales Tax	254,006	240,387	204,104	171,926
State Income Tax	308,183	213,294	240,237	214,697
Vehicle License Tax	80,593	78,695	79,769	70,484
Local Transportation Assistance	4,067	4,053	4,220	4,220
Total State Shared Revenue	799,597	691,895	674,518	597,310
Federal Grants	441,107	570,619	581,124	339,453
Other Intergovernmental Revenue	387,300	365,951	377,215	175,069
Total Intergovernmental Revenues	\$ 1,628,004	\$ 1,628,465	\$ 1,632,857	\$ 1,111,832

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

Table 6
(Continued)

Fiscal Year						
2019	2018	2017	2016	2015	2014	
\$ 138,864	\$ 131,355	\$ 126,058	\$ 116,682	\$ 111,748	\$ 102,009	
165,066	155,998	143,975	137,544	132,218	127,005	
196,918	200,035	191,225	174,234	175,184	161,580	
70,210	66,784	61,586	59,801	55,293	51,689	
4,220	4,366	4,242	4,356	4,334	4,265	
575,278	558,538	527,086	492,617	478,777	446,548	
254,653	217,976	250,217	256,853	234,616	236,169	
118,812	220,194	108,669	64,664	107,734	167,514	
\$ 948,743	\$ 996,708	\$ 885,972	\$ 814,134	\$ 821,127	\$ 850,231	



City of Phoenix



Statistical Section
.....

REVENUE CAPACITY

*These schedules present information
on the City's sales tax and property tax
collections.*



City of Phoenix



City of Phoenix

City Transaction Privilege Taxes by Category
Table 7

Last Ten Fiscal Years

(in thousands)

Category	Fiscal Year			
	2023	2022	2021	2020
Retail (2) (3)	\$ 596,044	\$ 573,660	\$ 495,479	\$ 416,153
Retail Food Sales (1)	-	-	-	3
Utilities & Telecommunications	103,283	98,706	98,490	98,533
Construction Contracting (2)	132,951	120,146	95,965	87,560
Commercial Rental	98,648	90,249	88,285	76,915
Restaurants & Bars	122,779	108,867	81,354	83,530
Hotel/Motel Lodging	75,155	62,238	31,898	42,975
Tangible Personal Property Rental	75,882	51,888	39,760	39,805
Apartment/Residential Rental	81,194	70,139	59,323	54,064
Motor Vehicle Rental	15,561	14,723	7,935	9,463
Amusements	15,151	12,510	4,118	8,013
Advertising	3,103	2,826	2,480	1,934
Job Printing	2,521	2,301	1,961	1,948
Mining, Timbering, Extraction	2	25	-	-
Publishing	194	222	78	101
Transportation	42	320	979	131
Use Tax (2)	54,863	55,562	49,788	44,415
Jet Fuel	922	731	780	691
Total	\$ 1,378,295	\$ 1,265,113	\$ 1,058,673	\$ 966,234

Source: City of Phoenix Finance Department, Revenue Management Division

(1) Effective April 1, 2015, the Phoenix City Council approved an ordinance to amend the City of Phoenix Tax Code providing for the taxation of the sale of food for home consumption under the retail and use tax business classifications. The tax rate was reduced to 0% from 1%.

(2) Effective January 1, 2016, the City of Phoenix implemented a multi-level tax rate impacting the Retail, Use Tax and Construction Contracting categories. The current rates for 2022-2023 sales are as follows: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$11,631 for a single item. Level 2 at 2.00% for amounts greater than \$11,631 for a single item) and Construction Contracting (Contracts accepted January 1, 2016 to current at 2.30%. Pre-2016 contracts at 2.00%).

(3) Retail includes taxes collected from Medical and Adult Use Marijuana sales due to the passage of Proposition 203 and 207, which passed on November 2, 2010 and November 3, 2020, respectively.

Table 7
(Continued)

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 379,510	\$ 357,069	\$ 325,641	\$ 300,177	\$ 267,260	\$ 251,514
36	(3)	15	409	24,792	43,831
102,031	105,289	100,131	109,107	109,857	111,767
77,296	58,113	49,117	43,201	45,279	49,506
79,341	75,161	70,001	63,945	58,919	58,007
90,114	85,132	76,848	71,828	63,645	59,039
52,049	47,118	43,262	42,611	39,501	34,403
39,506	32,632	27,165	21,334	19,406	17,463
49,320	45,405	39,310	37,451	32,589	30,046
10,296	13,427	16,109	19,751	18,618	18,186
9,923	9,149	8,595	7,861	7,065	6,925
2,588	2,258	2,110	2,312	2,689	2,458
2,749	2,327	2,207	2,136	2,171	2,035
-	-	-	-	-	-
308	494	565	554	523	519
72	15	8	5	7	8
46,166	38,026	35,449	31,089	32,071	30,755
815	1,210	3,092	2,971	3,105	2,937
\$ 942,120	\$ 872,822	\$ 799,625	\$ 756,742	\$ 727,497	\$ 719,399

Direct and Overlapping Sales Tax Rates
Table 8

Last Ten Fiscal Years

Category (1)	As of June 30			
	2023	2022	2021	2020
City Rates				
Retail (3)	2.30/2.00%	2.30/2.00%	2.30/2.00%	2.30/2.00%
Utilities	2.70	2.70	2.70	2.70
Telecommunications	4.70	4.70	4.70	4.70
Construction Contracting (3)	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
Commercial Rental	2.40	2.40	2.40	2.40
Restaurants & Bars	2.30	2.30	2.30	2.30
Hotel/Motel Lodging	5.30	5.30	5.30	5.30
Tangible Personal Property Rental	2.30	2.30	2.30	2.30
Apartment/Residential Rental	2.30	2.30	2.30	2.30
Motor Vehicle Rental	4.30	4.30	4.30	4.30
Amusements	2.30	2.30	2.30	2.30
Advertising	0.50	0.50	0.50	0.50
Job Printing	2.30	2.30	2.30	2.30
Mining	0.10	0.10	0.10	0.10
Timbering/Extraction	2.30	2.30	2.30	2.30
Publishing	2.30	2.30	2.30	2.30
Transportation	2.30	2.30	2.30	2.30
Use Tax (3)	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
Jet Fuel (2)	0.73	0.73	0.73	0.73
County Rates				
Commercial Rental	0.50%	0.50%	0.50%	0.50%
Hotel/Motel Lodging	1.77	1.77	1.77	1.77
All Others	0.70	0.70	0.70	0.70
Mining/Timbering/Extraction	0.44	0.44	0.44	0.44
Jet Fuel (2)	0.31	0.31	0.31	0.31

(1) Excludes State Rates.

(2) Rate shown as cents per gallon.

(3) Effective January 1, 2016, the City of Phoenix implemented a multi-level tax rate impacting the Retail, Use Tax and Construction Contracting categories. The current rates for 2022-2023 sales are as follows: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$11,631 for a single item. Level 2 at 2.00% for amounts greater than \$11,631 for a single item) and Construction Contracting (Contracts accepted January 1, 2016 to current at 2.30%. Pre-2016 contracts at 2.00%).

Source: City of Phoenix Finance Department, Revenue Management Division

Table 8
(Continued)

As of June 30					
2019	2018	2017	2016	2015	2014
2.30/2.00%	2.30/2.00%	2.30/2.00%	2.30/2.00%	2.00%	2.00%
2.70	2.70	2.70	2.70	2.70	2.70
4.70	4.70	4.70	4.70	4.70	4.70
2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00	2.00	2.00
2.40	2.40	2.40	2.40	2.10	2.10
2.30	2.30	2.30	2.30	2.00	2.00
5.30	5.30	5.30	5.30	5.00	5.00
2.30	2.30	2.30	2.30	2.00	2.00
2.30	2.30	2.30	2.30	2.00	2.00
4.30	4.30	4.30	4.30	4.00	4.00
2.30	2.30	2.30	2.30	2.00	2.00
0.50	0.50	0.50	0.50	0.50	0.50
2.30	2.30	2.30	2.30	2.00	2.00
0.10	0.10	0.10	0.10	-	-
2.30	2.30	2.30	2.30	-	-
2.30	2.30	2.30	2.30	2.00	2.00
2.30	2.30	2.30	2.30	2.00	2.00
2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00	2.00	2.00
0.73	0.73	0.73	0.73	0.73	0.73
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
1.77	1.77	1.77	1.77	1.77	1.77
0.70	0.70	0.70	0.70	0.70	0.70
0.44	0.44	0.44	0.44	-	-
0.31	0.31	0.31	0.31	0.31	0.31

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

Table 9

Category	2023			
	Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
Retail	69,837	30.71%	\$ 596,044	43.24%
Utilities & Telecommunications	1,396	0.62	103,283	7.49
Construction Contracting	9,671	4.25	132,951	9.65
Commercial Rental	23,761	10.45	98,648	7.16
Restaurants & Bars	6,861	3.02	122,779	8.91
Hotel/Motel Lodging	4,298	1.89	75,155	5.45
Tangible Personal Property Rental	7,304	3.21	75,882	5.51
Apartment/Residential Rental	50,692	22.29	81,194	5.89
Motor Vehicle Rental	553	0.24	15,561	1.13
Amusements	1,084	0.48	15,151	1.10
Advertising	649	0.29	3,103	0.23
Job Printing	847	0.37	2,521	0.18
Mining, Timbering, Extraction	49	0.02	2	-
Publishing	237	0.11	194	0.01
Transportation	438	0.19	42	-
Use Tax	49,638	21.83	54,863	3.98
Jet Fuel	74	0.03	922	0.07
Total	227,389	100.00%	\$ 1,378,295	100.00%

Source: City of Phoenix Finance Department, Revenue Management Division

Table 9
(Continued)

2014			
Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
20,790	37.49%	\$ 295,345	41.05%
387	0.70	111,767	15.54
10,304	18.58	49,506	6.88
8,159	14.71	58,007	8.06
3,019	5.44	59,039	8.21
206	0.37	34,403	4.78
1,022	1.84	17,463	2.43
7,211	13.00	30,046	4.18
41	0.07	18,186	2.53
217	0.39	6,925	0.96
198	0.36	2,458	0.34
326	0.59	2,035	0.28
-	-	-	-
53	0.10	519	0.07
15	0.03	8	-
3,491	6.29	30,755	4.28
20	0.04	2,937	0.41
<u>55,459</u>	<u>100.00%</u>	<u>\$ 719,399</u>	<u>100.00%</u>

City Property Tax Levies and Collections
Table 10

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30,	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Tax Levy	Amount	% of Levy	Collections In Subsequent Years ⁽¹⁾	Amount	% of Levy
2023	\$ 327,315	\$ 322,611	98.56%	\$ -	\$ 322,611	98.56%
2022	313,719	308,466	98.33	4,259	312,725	99.68
2021	296,508	292,525	98.66	3,703	296,228	99.91
2020	281,597	273,728	97.21	5,514	279,242	99.16
2019	265,405	260,408	98.12	2,981	263,389	99.24
2018	253,182	248,097	97.99	3,159	251,256	99.24
2017	238,313	235,000	98.61	2,756	237,756	99.77
2016	192,502	189,460	98.42	2,155	191,615	99.54
2015	189,852	185,764	97.85	2,075	187,839	98.94
2014	180,295	176,226	97.74	2,641	178,867	99.21

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

Source: Maricopa County, Arizona Treasurer's Office



City of Phoenix

Property Tax Rates and Levies - Direct and Overlapping Governments
Table 11

Last Ten Fiscal Years

(in thousands)

	City of Phoenix			Maricopa County	Flood Control	Central	Maricopa County Library District
	Primary	Secondary	Total			Arizona	
						Water Conservation District	
Tax Rates per \$100 of Limited Net Assessed Valuation (1)							
2023-24	\$ 1.29	\$ 0.81	\$ 2.10	\$ 1.20	\$ 0.15	\$ 0.14	\$ 0.05
2022-23	1.30	0.81	2.11	1.25	0.16	0.14	0.05
2021-22	1.31	0.81	2.12	1.35	0.18	0.14	0.06
2020-21	1.31	0.82	2.13	1.40	0.18	0.14	0.06
2019-20	1.31	0.82	2.13	1.40	0.18	0.14	0.06
2018-19	1.32	0.82	2.14	1.40	0.18	0.14	0.06
2017-18	1.34	0.82	2.16	1.40	0.18	0.14	0.06
2016-17	1.34	0.83	2.17	1.40	0.18	0.14	0.06
2015-16	1.34	0.48	1.82	1.36	0.16	0.14	0.06
2014-15	1.35	0.47	1.82	1.32	0.14	0.14	0.06
Tax Levies (1)							
2023-24	\$ 209,026	\$ 132,416	\$ 341,442	\$ 195,900	\$ 22,987	\$ 22,896	\$ 7,937
2022-23	201,207	126,108	327,315	193,213	22,734	21,834	7,823
2021-22	193,225	120,494	313,719	199,205	24,435	20,772	8,229
2020-21	181,767	114,741	296,508	195,050	22,972	19,540	7,741
2019-20	172,626	108,971	281,597	185,241	21,699	18,426	7,352
2018-19	163,218	102,187	265,405	173,708	20,337	17,385	6,894
2017-18	156,586	96,596	253,182	164,205	19,058	16,402	6,517
2016-17	146,711	91,602	238,313	153,849	17,767	15,401	6,106
2015-16	141,880	50,622	192,502	143,943	15,126	14,866	5,881
2014-15	139,448	50,404	189,852	136,029	13,465	15,135	6,015

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

(2) Tax rates between the various elementary and high school districts within the City vary. The rates shown on this table are for Phoenix Elementary District No. 1 and Phoenix Union High School District. Tax levies for elementary and high school districts equal the total levy of all overlapping school districts within the City.

Source: Maricopa County Finance Department

Table 11
(Continued)

Volunteer Fire District Assistance	Maricopa Special Health Care District	School Districts					Elementary and High School ⁽²⁾	Total
		Education Equalization	Community College	East Valley Inst. of Technology	Western Maricopa Education Center			
\$ 0.01	\$ 0.27	\$ -	\$ 1.14	\$ 0.05	\$ 0.18	\$ 9.54	\$ 14.83	
0.01	0.25	-	1.19	0.05	0.15	9.63	14.99	
0.01	0.30	0.43	1.23	0.05	0.16	9.61	15.64	
0.01	0.30	0.44	1.29	0.05	0.17	10.42	16.59	
0.01	0.33	0.46	1.33	0.05	0.16	11.12	17.37	
0.01	0.29	0.47	1.38	0.05	0.15	11.64	17.91	
0.01	0.29	0.49	1.41	0.05	0.18	12.03	18.40	
0.01	0.31	0.50	1.47	0.05	0.08	12.29	18.66	
0.01	0.30	0.51	1.49	0.05	0.07	12.15	18.12	
0.01	0.19	0.51	1.52	0.05	0.08	11.34	17.18	
\$ 1,317	\$ 44,177	\$ -	\$ 185,229	\$ 1,131	\$ 13,591	\$ 1,193,841	\$ 2,030,448	
1,270	38,540	-	184,245	1,079	10,979	1,164,888	1,973,920	
1,273	43,959	63,250	181,414	1,040	10,709	1,130,076	1,998,081	
1,253	42,410	61,775	179,345	990	10,556	1,092,762	1,930,902	
1,256	44,072	60,096	175,668	941	9,945	1,083,175	1,889,468	
1,327	36,468	58,874	170,547	891	8,457	1,043,971	1,804,264	
1,196	33,418	57,113	165,225	844	9,568	995,271	1,721,999	
1,230	33,529	55,113	160,899	800	4,267	957,588	1,644,862	
1,227	31,953	53,456	158,021	767	3,402	914,751	1,535,895	
1,223	20,079	52,407	157,628	774	4,019	877,269	1,473,895	

Property Tax Levies
Table 12

Applicable to Phoenix Property Owners

(in thousands)

	2023-24 Levies								
	Limited Net Assessed Valuation ⁽¹⁾			Primary Tax Rate Per \$100	Total		Total		Total Phoenix Tax Levy
	Total	Percent	Amount		Phoenix Primary Tax Levy	Secondary Tax Rate Per \$100	Phoenix Secondary Tax Levy		
City of Phoenix	\$ 16,265,333	100.00%	\$ 16,265,333	\$ 1.2851	\$ 209,026	\$ 0.8141	\$ 132,416	\$ 341,442	
Maricopa County	54,722,310	29.72	16,265,333	1.2044	195,900	-	-	195,900	
Flood Control	50,354,573	29.72	14,965,379	-	-	0.1536	22,987	22,987	
Central Arizona Water Conservation District	55,027,365	29.72	16,354,133	-	-	0.1400	22,896	22,896	
Maricopa County Library District	54,722,310	29.72	16,265,333	-	-	0.0488	7,937	7,937	
Volunteer Fire District Assistance	54,722,310	29.72	16,265,333	-	-	0.0081	1,317	1,317	
East Valley Institute of Technology	26,795,539	8.44	2,261,871	-	-	0.0500	1,131	1,131	
West Maricopa Education Center	20,761,536	36.23	7,521,345	-	-	0.1807	13,591	13,591	
Maricopa Special Health Care District	55,027,365	29.56	16,265,333	-	-	0.2716	44,177	44,177	
State of Arizona	83,026,530	19.59	16,265,333	-	-	-	-	-	
School Districts									
Maricopa County Community College District	54,722,310	29.72	16,265,333	1.0791	175,519	0.0597	9,710	185,229	
High School Districts									
Phoenix Union	6,473,623	96.31	6,234,987	2.6800	167,098	1.8178	113,340	280,438	
Glendale Union	1,981,643	78.40	1,553,638	2.0378	31,660	1.5624	24,274	55,934	
Tempe Union	4,582,133	28.90	1,324,402	1.7028	22,552	0.7244	9,594	32,146	
Tolleson Union	1,741,235	48.51	844,591	1.6858	14,238	3.6269	30,632	44,870	
Agua Fria Union	2,100,141	0.02	330	2.1109	7	1.2088	4	11	
Total High School Districts								413,399	
Elementary School Districts									
No. 1 Phoenix	894,446	100.00	894,446	3.0944	27,678	1.9439	17,387	45,065	
No. 2 Riverside	492,745	97.86	482,216	1.2909	6,225	1.8760	9,046	15,271	
No. 3 Tempe	1,954,706	13.79	269,494	2.4185	6,518	1.9336	5,211	11,729	
No. 5 Isaac	178,968	100.00	178,968	5.3378	9,553	2.7146	4,858	14,411	
No. 6 Washington	1,595,597	97.37	1,553,638	2.1912	34,043	2.2024	34,217	68,260	
No. 7 Wilson	123,231	100.00	123,231	3.2926	4,058	1.5922	1,962	6,020	
No. 8 Osborn	546,454	99.95	546,177	1.7962	9,810	2.0069	10,961	20,771	
No. 14 Creighton	561,441	87.23	489,747	1.9359	9,481	2.6695	13,074	22,555	
No. 17 Tolleson	276,967	16.82	46,575	1.9090	889	2.3635	1,101	1,990	
No. 21 Murphy	130,130	100.00	130,130	1.6881	2,197	1.9785	2,575	4,772	
No. 28 Kyrene	2,627,428	40.15	1,054,908	1.7491	18,451	1.7708	18,680	37,131	
No. 31 Balsz	388,394	93.91	364,743	1.8049	6,583	1.7477	6,375	12,958	
No. 38 Madison	1,289,479	100.00	1,289,479	1.7083	22,028	2.0560	26,512	48,540	
No. 40 Glendale	386,047	<0.01	-	1.8569	-	3.3197	-	-	
No. 45 Fowler	487,409	88.84	432,999	1.7365	7,519	1.5010	6,499	14,018	
No. 48 Scottsdale (Unified)	6,708,327	13.97	937,471	2.4454	22,925	0.9312	8,730	31,655	
No. 59 Laveen	332,934	86.04	286,455	1.9668	5,634	5.1658	14,798	20,432	
No. 62 Union	103,501	97.08	100,480	1.8384	1,847	2.5141	2,526	4,373	
No. 65 Littleton	386,274	17.14	66,192	1.8192	1,204	2.9023	1,921	3,125	
No. 66 Roosevelt	823,677	98.92	814,801	3.5992	29,326	2.5725	20,961	50,287	
No. 68 Alhambra	388,744	80.16	311,611	1.7314	5,395	4.6193	14,394	19,789	
No. 69 Paradise Valley (Unified)	4,439,569	70.36	3,123,769	3.5061	109,522	1.9932	62,263	171,785	
No. 79 Litchfield	1,445,259	0.02	330	1.6910	6	1.3158	4	10	
No. 83 Cartwright	322,983	100.00	322,983	3.7603	12,145	5.6826	18,354	30,499	
No. 92 Pendergast	487,085	40.72	198,346	1.7761	3,523	3.9021	7,740	11,263	
No. 93 Cave Creek (Unified)	2,590,065	13.65	353,616	1.3614	4,814	0.1382	489	5,303	
No. 97 Deer Valley (Unified)	3,400,364	55.56	1,889,280	3.4052	64,334	2.3340	44,096	108,430	
Total Elementary School Districts								780,442	
Total All School Districts								1,379,070	
Total Levies Applicable to Phoenix								\$ 2,030,448	

(1) Beginning in fiscal year 2016 (tax year 2015), primary and secondary levies are based on a single valuation. See Note 4 to the financial statements.

Sources: Maricopa County Finance Department and the State of Arizona

Property Tax Levies

Table 12

Applicable to Phoenix Property Owners

(Continued)

(in thousands)

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

Primary Net Assessed Valuation and Estimated True Valuation
Table 13

Last Ten Fiscal Years

(dollars in thousands except for per capita amounts)

Fiscal Year	Secondary Tax Rate		Limited Net Assessed Valuation by Classification ⁽¹⁾				Total
			Commercial/ Utilities/ Industrial	Residential	Rural and Other		
2023-24	\$	0.81	\$ 6,283,934	\$ 9,641,818	\$ 339,587	\$	16,265,339
2022-23		0.81	6,105,703	9,053,200	331,629		15,490,532
2021-22		0.81	5,971,432	8,464,971	364,474		14,800,877
2020-21		0.82	5,650,658	7,965,353	307,175		13,923,186
2019-20		0.82	5,459,356	7,444,157	319,504		13,223,017
2018-19		0.82	5,159,914	6,938,819	301,043		12,399,776
2017-18		0.82	4,922,316	6,491,721	307,348		11,721,385
2016-17		0.83	4,642,740	6,062,572	276,839		10,982,151
2015-16		0.48	4,579,070	5,701,785	296,177		10,577,032
2014-15		0.47	4,700,793	5,788,311	329,530		10,818,634

Source: Maricopa County Finance Department

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

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

Table 13
(Continued)

Assessed Valuation Per Capita				
Percent Change in Net Valuation	Actual	Uninflated	Estimated True Valuation	
5.00%	\$ 9,713	\$ 5,675	\$ 164,038,643	
4.66	9,348	5,804	154,984,009	
6.30	8,955	5,958	146,033,864	
5.30	8,511	5,794	138,096,772	
6.64	8,229	5,689	129,817,493	
5.79	7,756	5,474	121,702,906	
6.73	7,422	5,355	116,338,740	
3.83	7,013	5,153	110,159,434	
(2.23)	6,922	5,121	105,206,669	
8.46	7,188	5,357	106,487,248	

Principal Property Taxpayers
Table 14

Current Year and Nine Years Ago

(in thousands)

Taxpayer	2022-23			2013-14		
	Limited Net Assessed Valuation ⁽¹⁾	Ranking	As a Percent of Total City	Secondary Net Assessed Valuation ⁽¹⁾	Ranking	As a Percent of Total City
Arizona Public Service Company	\$ 525,427	1	3.39%	\$ 365,864	1	3.67%
Southwest Gas Corporation	132,181	2	0.85	73,513	3	0.74
Century Link (Qwest Communications)	40,051	3	0.26	67,280	2	0.67
Esplanade Owner LP	34,906	4	0.23			
Phoenix Plaza PT LLC	28,551	5	0.18	21,533	9	0.22
Host Kierland LP	28,528	6	0.18	38,457	5	0.39
Target Corporation	25,104	7	0.16	20,555	10	0.21
United Services Automobile Association	24,334	8	0.16			
Biltmore Center Owner LLC	20,620	9	0.13			
Epic Apollo LLC	20,060	10	0.13			
AT&T Inc				38,846	4	0.39
Metropolitan Life Insurance Company				26,586	6	0.27
Stawood Hotels and Resorts				22,343	7	0.22
Verizon Wireless				21,861	8	0.22
Total	\$ 879,762		5.67%	\$ 696,838		7.00%

 City Total Limited Net Assessed Valuation \$ 15,490,532

 City Total Secondary Net Assessed Valuation \$ 9,974,713

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

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



Statistical Section
.....

DEBT CAPACITY

These schedules present information regarding the City's current levels of outstanding debt and the City's capacity to issue additional debt.



City of Phoenix



City of Phoenix

Legal Debt Margin - General Obligation Bonds
Table 15

Last Ten Fiscal Years

(in thousands)

	Fiscal Year			
	2023-24	2022-23	2021-22	2020-21
6% Limitation				
Legal Debt Limitation	\$ 1,736,343	\$ 1,382,707	\$ 1,306,853	\$ 1,193,383
General Obligation Bonds Outstanding (1)	53,965	76,825	91,715	113,510
Less: Assets held in Restricted Redemption Funds (3)	-	-	-	-
Debt Limit Reduction from Refunding (4)	11,911	14,780	14,595	14,628
Subtotal	65,876	91,605	106,310	128,138
Total Debt Margin Available	\$ 1,670,467	\$ 1,291,102	\$ 1,200,543	\$ 1,065,245
Total Net Debt Applicable to the 6% Limit				
as a percentage of 6% Debt Limit	3.79%	6.63%	8.13%	10.74%
20% Limitation				
Legal Debt Limitation	\$ 5,787,809	\$ 4,609,023	\$ 4,356,176	\$ 3,977,943
General Obligation Bonds Outstanding (1)	593,935	738,570	827,190	890,365
Debt Limit Reduction from Refunding (4)	46,983	47,632	32,899	33,261
Subtotal	640,918	786,202	860,089	923,626
Total Debt Margin Available	\$ 5,146,891	\$ 3,822,821	\$ 3,496,087	\$ 3,054,317
Total Net Debt Applicable to the 20% Limit				
as a percentage of 20% Debt Limit	11.07%	17.06%	19.74%	23.22%
Full Cash Net Assessed Valuation	\$ 28,939,043	\$ 23,045,115	\$ 21,780,881	\$ 19,889,714

(1) Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of the city's full cash net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of the city's full net assessed valuation.

(2) In 2015-16, as a result of Proposition 117, the debt limitation was based on the Primary Net Assessed Valuation. Prior years were based in Secondary Net Assessed Valuation now referred to as Full Cash Net Assessed Valuation. Legislation passed in 2016 changed the basis back to Full Cash Net Assessed Valuation starting in fiscal year 2016-17. See Note 4 to the financial statements for an explanation on Proposition 117.

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

(4) Per A.R.S. Section 35-473.01.I, refunding bonds issued on or after August 6, 2016 may cause a reduction in available debt limits based on the nature of the refunded bonds (each, a "Debt Limit Reduction from Refunding"). If the principal amount of the refunded bonds is greater than the principal amount of the bonds that are refunding them and net premium is used to fund the escrow, then the difference in principal amounts will constitute a Debt Limit Reduction from Refunding.

Table 15
(Continued)

Fiscal Year						
2019-20	2018-19	2017-18	2016-17 ⁽²⁾	2015-16 ⁽²⁾	2014-15	
\$ 1,091,621	\$ 999,953	\$ 921,981	\$ 840,535	\$ 634,622	\$ 649,118	
145,925	172,680	207,115	274,835	323,260	363,100	
-	-	-	-	181,730	247,025	
14,727	17,715	19,355	-	-	-	
160,652	190,395	226,470	274,835	141,530	116,075	
\$ 930,969	\$ 809,558	\$ 695,511	\$ 565,700	\$ 493,092	\$ 533,043	
14.72%	19.04%	24.56%	32.70%	22.30%	17.88%	
\$ 3,638,736	\$ 3,333,175	\$ 3,073,271	\$ 2,801,784	\$ 2,115,406	\$ 2,163,727	
939,125	977,105	994,290	1,061,880	1,104,837	1,132,676	
34,545	36,102	37,915	-	-	-	
973,670	1,013,207	1,032,205	1,061,880	1,104,837	1,132,676	
\$ 2,665,066	\$ 2,319,968	\$ 2,041,066	\$ 1,739,904	\$ 1,010,569	\$ 1,031,051	
26.76%	30.40%	33.59%	37.90%	52.23%	52.35%	
\$ 18,193,681	\$ 16,665,875	\$ 15,366,354	\$ 14,008,919	\$ 10,577,032	\$ 10,818,634	

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

 Last Ten Fiscal Years
(in thousands)

	Total Debt Service		Total General Governmental Operating Expenditures ⁽¹⁾		Ratio of Debt Service to General Governmental Operating Expenditures
2022-23	\$	281,028	\$	3,269,057	8.6%
2021-22		233,024		3,062,950	7.6
2020-21		184,421		2,802,951	6.6
2019-20		241,914		2,597,121	9.3
2018-19		230,724		2,480,223	9.3
2017-18		213,683		2,261,519	9.4
2016-17		230,590		2,225,748	10.4
2015-16		219,326		2,046,050	10.7
2014-15		210,428		1,911,760	11.0
2013-14		170,762		1,898,389	9.0

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



City of Phoenix

Pledged-Revenue Bond Coverage (1)
Table 17

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30,	Airport Revenue Bonds ⁽²⁾						Rental Car Facility Charge Revenue Bonds ⁽⁴⁾			
	Operating Revenues	Less: Operating Expenses	Net Operating Revenues	Principal	Interest	Coverage	Customer Facility Charge Revenues	Principal	Interest	Coverage
2023 ⁽³⁾	\$ 524,308	\$ 301,735	\$ 198,550	\$ 442	\$ 6,565	31.76	\$ 48,058	\$ 7,825	\$ 12,720	2.34
2022 ⁽³⁾	449,805	278,986	170,819	-	3,035	56.28	59,454	7,655	12,885	2.89
2021 ⁽³⁾	304,431	242,138	62,293	6,020	2,448	7.36	34,435	7,500	13,043	1.68
2020	368,898	259,866	109,032	30,071	38,210	1.60	40,583	2,410	11,610	2.89
2019	410,375	257,345	153,030	23,797	38,095	2.47	50,851	10,990	10,284	2.39
2018	401,197	249,613	151,584	29,759	31,356	2.48	48,765	10,370	10,903	2.29
2017	370,841	245,116	125,725	26,310	28,420	2.30	46,882	9,795	11,478	2.20
2016	360,163	230,236	129,927	24,581	28,156	2.46	46,969	9,255	12,022	2.21
2015	354,221	226,165	128,056	22,870	27,466	2.54	45,698	8,750	12,527	2.15
2014	343,550	224,563	118,987	23,145	28,489	2.30	41,858	8,285	12,992	1.97

Fiscal Year Ended June 30,	Excise Tax Revenue Bonds ⁽⁵⁾				Transit Excise Tax Revenue Bonds ⁽⁶⁾				Community Facilities District Assessment Bonds ⁽⁷⁾			
	Excise Tax Revenues	Principal	Interest	Coverage	Transit Excise Tax Revenues	Principal	Interest	Coverage	Assessment Collections/Project Revenues	Principal	Interest	Coverage
2023	\$ 1,432,513	\$ 60,995	\$ 37,138	14.60	\$ 207,127	\$ -	\$ -	-	\$ 3,076	\$ 725	\$ 1,526	1.37
2022	1,252,223	38,389	33,197	17.49	191,777	-	-	-	1,971	695	1,557	0.88
2021	1,112,310	50,130	33,760	13.26	159,627	-	-	-	1,241	665	1,586	0.55
2020	1,001,305	53,400	32,471	11.66	141,482	67,275	3,264	2.01	972	-	-	-
2019	976,954	52,975	34,677	11.15	136,674	61,060	6,117	2.03	-	-	-	-
2018	925,893	39,355	44,450	11.05	123,318	55,205	8,775	1.93	-	-	-	-
2017	887,212	41,855	40,718	10.74	115,910	49,865	11,071	1.90	-	-	-	-
2016	858,716	38,285	44,146	10.42	112,254	37,145	12,807	2.25	-	-	-	-
2015	844,389	34,865	36,511	11.83	110,347	32,775	14,416	2.34	-	-	-	-
2014	816,923	31,095	40,794	11.36	111,068	25,595	15,037	2.73	-	-	-	-

(1) Includes bonds issued by the City of Phoenix as well as the City of Phoenix Civic Improvement Corporation. Pledged-revenue coverage is calculated using budgetary basis operating revenues net of operating expenses. Actual budgetary amounts are obtained from Special Revenue Fund Budgetary Comparison Schedules and Enterprise Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis.

(2) Excludes defeasance of Airport Bonds Series 2008B and 2008D (AMT) on June 29, 2018.

(3) The Airport Revenue Bonds' principal and interest payments in fiscal years 2021, 2022, and 2023 represent the amounts not covered by the CARES Act Grant.

(4) Includes Customer Facility Charge (CFC) receipts deposited into the Trustee-held Revenue Fund only. Revenues are derived primarily from daily usage fees paid by rental car customers arriving at Phoenix Sky Harbor International Airport. Effective January 1, 2009, the CFC is \$6.00 per transaction day. The \$6.00 CFC rate is considered Pledged Revenues and is required to be deposited into the Trustee-held Revenue Fund. In Fiscal Years 2009 through 2020 \$4.50 of the \$6.00 Pledged Rate was considered Pledged Revenues. The City was not required to deposit the CFC receipts generated by the additional \$1.50 into the Trustee-held Revenue. In Fiscal Years 2009 through 2020, the City opted to deposit the entire \$6.00 CFC into the Trustee-held Revenue Fund. The Pledged Revenues must be used to fund various accounts established under the Bond Indenture, including the debt service fund.

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

Pledged-Revenue Bond Coverage (1)

Table 17

Last Ten Fiscal Years

(Continued)

(in thousands)

Fiscal Year Ended June 30,	Special Assessment Bonds ⁽⁶⁾				Wastewater Revenue Bonds					
	Special Assessment Collections	Principal	Interest	Coverage	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage
2023	\$ -	\$ -	\$ -	-	\$ 241,867	\$ 91,360	\$ 150,507	\$ 49,277	\$ 27,468	1.96
2022	-	-	-	-	242,837	85,617	157,220	47,007	24,362	2.20
2021	-	-	-	-	227,870	81,235	146,635	44,827	26,547	2.05
2020	9	16	1	0.54	226,717	78,753	147,964	42,778	28,597	2.07
2019	10	17	2	0.53	219,198	80,831	138,367	42,899	30,850	1.88
2018	11	19	3	0.50	215,580	78,753	136,827	42,052	26,971	1.98
2017	14	18	4	0.64	205,748	74,591	131,157	39,485	29,704	1.90
2016	13	19	5	0.54	199,761	66,817	132,944	36,568	32,626	1.92
2015	29	18	7	1.16	190,815	65,799	125,016	22,612	33,679	2.22
2014	50	18	8	1.92	193,009	70,245	122,764	32,347	36,191	1.79

Fiscal Year Ended June 30,	Water Revenue Bonds					
	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage
2023	\$ 504,507	\$ 260,065	\$ 244,442	\$ 71,487	\$ 76,388	1.65
2022	495,345	230,171	265,174	58,020	73,733	2.01
2021	496,694	221,644	275,050	64,972	68,851	2.06
2020	458,761	211,527	247,234	62,025	58,736	2.05
2019	406,217	205,280	200,937	58,678	54,325	1.78
2018	441,468	193,018	248,450	52,976	56,861	2.26
2017	420,471	168,119	252,352	47,690	59,339	2.36
2016	399,709	168,304	231,405	34,344	62,058	2.40
2015	371,591	159,505	212,086	55,042	51,493	1.99
2014	400,507	165,992	234,515	50,231	62,726	2.08

(6) The City has pledged 100% of a 0.4% increase in the City's privilege license (sales) tax rate approved by the City of Phoenix voters on March 14, 2000 to be used for expanded bus service, the construction of a light rail system and other transportation improvements. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing tax rate dedicated for transportation. The dedicated sales tax rate was increased from the previous 0.4% transit sales tax rate to 0.7% and became effective January 1, 2016, with a sunset date of December 31, 2050. Only the revenue collected from the original 0.4% transit sales tax is currently pledged to the Transit Excise Tax Bonds.

(7) The City issued Park Central Community Facilities District Special Assessment Revenue Bonds, Taxable Series 2019 on June 27, 2019. In Fiscal Year 2020 the Interest payments totaling \$1,603,304 were funded with Capitalized Interest held in the Debt Service Expense Fund. The first interest payment on these bonds was made on January 1, 2020.

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

Ratio of Outstanding Debt by Type
Table 18

Last Ten Fiscal Years

(in thousands, except per capita)

Fiscal Year	Governmental Activities										Total Governmental Activities
	General Obligation Bonds	Loans from Direct Borrowings	Municipal Corporation Bonds	Special Assessment Bonds	Community Facilities Districts ⁽¹⁾	Certificates of Participation	Leases/ Subscriptions ⁽²⁾	Financed Purchases ⁽²⁾	Premiums/ (Discounts)		
2023	\$ 647,900	\$ -	\$ 575,155	\$ -	\$ 27,915	\$ -	\$ 54,774	\$ -	\$ 76,996	\$ -	\$ 1,382,740
2022	815,395	-	488,750	-	28,640	-	20,413	-	77,826	-	1,431,024
2021	918,575	-	509,205	-	29,335	-	-	1,166	80,594	-	1,538,875
2020	1,002,860	40,940	303,235	44	30,000	-	-	2,307	74,823	-	1,454,209
2019	1,071,685	40,940	407,595	60	30,000	-	-	3,424	93,366	-	1,647,070
2018	1,129,145	305,940	506,020	77	-	-	-	4,516	115,000	-	2,060,698
2017	1,178,330	305,940	590,600	96	-	-	-	5,586	139,710	-	2,220,262
2016	1,305,320	305,940	563,630	114	-	-	-	6,633	65,478	-	2,247,115
2015	1,371,620	-	628,285	133	-	-	-	-	80,287	-	2,080,325
2014	1,430,205	-	671,560	151	-	24,265	-	-	96,570	-	2,222,751

Fiscal Year	Business-Type Activities					Total		
	General Obligation Bonds	Loans from Direct Borrowings	Municipal Corporation Bonds	Premiums/ (Discounts)	Total Business-Type Activities	Total Primary Government	Total Debt as a Percentage of Personal Income ⁽³⁾	Total Debt Per Capita ⁽³⁾
2023	\$ -	\$ 8,338	\$ 4,720,050	\$ 555,470	\$ 5,283,858	\$ 6,666,598	6.8%	\$ 3,981
2022	-	10,087	4,948,325	611,243	5,569,655	7,000,679	7.2	4,225
2021	330	11,804	5,127,085	669,014	5,808,233	7,347,108	7.7	4,507
2020	1,015	13,488	4,998,006	642,199	5,654,708	7,108,917	8.4	4,346
2019	13,365	14,991	3,900,400	418,690	4,347,446	5,994,516	7.8	3,731
2018	20,640	13,014	3,843,625	442,932	4,320,211	6,380,909	8.6	3,991
2017	23,075	14,007	3,783,345	339,184	4,159,611	6,379,873	9.4	4,040
2016	31,395	14,971	3,996,090	282,330	4,324,786	6,571,901	9.6	4,197
2015	56,477	15,908	4,029,790	299,001	4,401,176	6,481,501	10.1	4,242
2014	65,571	16,818	4,094,225	199,012	4,375,626	6,598,377	10.6	4,384

(1) Community Facilities District bonds are not backed by pledged revenues of any City of Phoenix bond credits. Payments on Community Facilities District bonds are payable from assessments on properties within the district.

(2) Leases, Subscriptions and Financed Purchases are not backed by pledged revenues of any City of Phoenix bond credits. Payments are subject to annual expenditure appropriation of the applicable fund.

(3) See Table 21 for personal income and population data. Per Capita Income is not available for calendar year 2022 or 2023, therefore, 2021 calendar year per capita income was used.

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

Last Ten Fiscal Years

(in thousands)

Fiscal Year	General Obligation Bonded Debt			As a Percentage of Valuation of Property ⁽¹⁾	Debt Secured by Revenues other than Property Tax ⁽²⁾	Premiums/ (Discounts)	Net Direct Bonded Debt	Net Direct Bonded Debt Per Capita
	Governmental Activities	Business- Type Activities	Total					
2022-23	\$ 647,900	\$ -	\$ 647,900	4.0%	\$ 890,085	\$ 114,269	\$ 1,652,254	\$ 987
2021-22	815,395	-	815,395	5.3	819,430	119,441	1,754,266	1,059
2020-21	918,575	330	918,905	6.2	859,000	126,938	1,904,843	1,168
2019-20	1,002,860	1,015	1,003,875	7.2	662,321	112,239	1,778,435	1,087
2018-19	1,071,685	13,365	1,085,050	8.2	784,129	135,224	2,004,403	1,247
2017-18	1,129,145	20,640	1,149,785	9.3	1,164,273	161,733	2,475,791	1,549
2016-17	1,178,330	23,075	1,201,405	10.2	1,259,923	191,602	2,652,930	1,680
2015-16	1,305,320	31,395	1,336,715	12.2	1,250,922	117,574	2,705,211	1,728
2014-15	1,371,620	56,477	1,428,097	13.5	1,013,798	137,197	2,579,092	1,688
2013-14	1,430,205	65,571	1,495,776	13.8	1,125,726	112,237	2,733,739	1,816

(1) Percentage of Valuation of Property only includes property tax supported bonded debt.

(2) Includes Loans from Direct Borrowings, Certificates of Participation, Municipal Corporation Obligations, Special Assessment Bonds, Leases and Financed Purchases issued under the general credit of the City which includes the General Obligation and Excise Tax credits.

Direct and Overlapping Bonded Debt
Table 20

June 30, 2023

(in thousands)

	<u>Direct Debt</u>		
Direct Debt - City of Phoenix Governmental Activities (1)			
General Obligation Bonds			
6% Limitation Various Purpose			\$ 53,965
20% Limitation Various Purpose			593,935
Total General Obligation Bonds			<u>647,900</u>
Other Obligations			
Municipal Corporation Obligations			575,155
Community Facilities Districts			27,915
Leases/Subscriptions			54,774
Total Other Obligations			<u>657,844</u>
Total Direct Debt			1,305,744
Discounts/Premiums			76,996
Total Governmental Activities			<u>\$ 1,382,740</u>
		Valuation Percent	
	Bonded Debt	to City	Overlapping Debt
Overlapping Debt (2)			
Maricopa County Community College District	\$ 184,715	29.72%	\$ 54,897
High School Districts			
Phoenix Union	335,365	96.31	322,990
Glendale Union	121,070	78.40	94,919
Tempe Union	71,410	28.90	20,637
Tolleson Union	200,720	48.51	97,369
Agua Fria Union	144,845	0.02	29
Elementary School Districts			
No. 1 Phoenix	41,975	100.00	41,975
No. 2 Riverside	30,855	97.86	30,195
No. 3 Tempe	138,935	13.79	19,159
No. 6 Washington	94,145	97.37	91,669
No. 7 Wilson	2,625	100.00	2,625
No. 8 Osborn	43,200	99.95	43,178
No. 14 Creighton	64,185	87.23	55,989
No. 17 Tolleson	20,855	16.82	3,508
No. 21 Murphy	6,681	100.00	6,681
No. 28 Kyrene	196,460	40.15	78,879
No. 31 Balsz	24,425	93.91	22,938
No. 38 Madison	80,670	100.00	80,670
No. 40 Glendale	38,315	<0.01	-
No. 45 Fowler	6,425	88.84	5,708
No. 48 Scottsdale (Unified)	284,682	13.97	39,770
No. 59 Laveen	18,800	86.04	16,176
No. 62 Union	10,745	97.08	10,431
No. 65 Littleton	46,755	17.14	8,014
No. 66 Roosevelt	65,705	98.92	64,995
No. 68 Alhambra	37,560	80.16	30,108
No. 69 Paradise Valley (Unified)	322,539	70.36	226,938
No. 79 Litchfield	37,130	0.02	7
No. 83 Cartwright	44,690	100.00	44,690
No. 92 Pendergast	49,950	40.72	20,340
No. 93 Cave Creek (Unified)	24,665	13.65	3,367
No. 97 Deer Valley (Unified)	163,880	55.56	91,052
Total Overlapping Debt	<u>\$ 2,954,977</u>		<u>1,629,902</u>
Net Direct and Overlapping Bonded Debt			<u>\$ 3,012,642</u>

(1) Net of cash with fiscal agent for July 1, 2023 maturities.

(2) Source: Prior year Arizona Department of Administration (ADOA) Report of Bond Indebtedness Fiscal Year 2022, General Obligation Bonds outstanding, not including discounts/premiums, as of 6/30/23. The ADOA Report of Bond Indebtedness Fiscal Year 2023 is not available until December 2023.



Statistical Section

**ECONOMIC AND
DEMOGRAPHIC
INFORMATION**

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



City of Phoenix

Demographic Statistics

Table 21

June 30, 2023

Fiscal Year	Population (June 30)	Personal Income (in thousands)	Per Capita Income ⁽¹⁾	Median Age	Elementary & High School Enrollment	Unemployment Rate
2023	1,674,652	\$ 97,645,609	\$ 58,308 ⁽²⁾	36.9	⁽²⁾ 273,679	3.5%
2022	1,657,035	96,618,397	58,308 ⁽²⁾	36.9	⁽²⁾ 273,319	3.3%
2021	1,630,195	95,053,410	58,308 ⁽²⁾	36.9	⁽²⁾ 270,013	6.8%
2020	1,635,879	84,821,962	51,851	36.6	280,023	10.3%
2019	1,606,815	77,231,563	48,065	36.4	269,226	4.9%
2018	1,598,736	74,403,575	46,539	35.8	277,104	4.7%
2017	1,579,253	67,694,680	42,865	35.6	278,622	5.0%
2016	1,565,896	68,316,911	43,628	36.1	276,832	5.8%
2015	1,528,115	64,321,417	42,092	35.7	271,089	6.6%
2014	1,505,070	62,041,996	41,222	35.6	267,821	7.6%

(1) Calendar Year

(2) Amount and age not yet available for calendar years 2022 and 2023, therefore, 2021 calendar year per capita income and median age was used. Data was updated per source as of November 16, 2022, and December 8, 2022, respectively.

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

Principal Employers
Table 22

Current Year and Nine Years Ago

Employer ⁽¹⁾	2023			2014		
	Employees ⁽¹⁾	Rank	Percentage of Total City Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total City Employment ⁽²⁾
Banner Health	43,440	1	1.83%	30,266	3	1.67%
State of Arizona	41,564	2	1.75%	48,910	1	2.70%
Walmart Inc	36,931	3	1.55%	32,438	2	1.79%
Arizona State University	35,719	4	1.50%	12,229	7	0.68%
Amazon.com Inc	33,000	5	1.39%			
University of Arizona	22,089	6	0.93%			
Fry's Food Stores	20,000	7	0.84%			
Maricopa County	15,550	8	0.65%	13,341	6	0.74%
City of Phoenix	14,500	9	0.61%	14,875	4	0.82%
Wells Fargo & Co	14,315	10	0.60%	14,126	5	0.78%
Intel Corp				11,700	8	0.65%
Scottsdale Lincoln Health Network				10,500	9	0.58%
Honeywell International				10,000	10	0.55%

Source: Phoenix Business Journal Book of Lists

(1) Top employers in the State of Arizona. Employee count is inclusive of all Arizona employees.

(2) City Employment is the Phoenix-Mesa-Scottsdale MSA total nonfarm employment, seasonally adjusted.



Statistical Section
.....

OPERATING INFORMATION

These schedules contain services and infrastructure data to show how the City's financial information relates to the services the City provides and the activities it performs.



City of Phoenix



City of Phoenix

Statistical Profile
Table 23

Last Ten Fiscal Years

	2023	2022	2021	2020
AREA (square miles)	519.3	519.9	519.9	519.7
POPULATION AND DWELLING UNITS (1)				
City of Phoenix	1,674,652	1,657,035	1,630,195	1,635,879
Maricopa County (Metro Phoenix) (2)	4,586,431	4,586,431	4,507,419	4,436,704
Number of Dwelling Units (City)	658,481	650,236	640,714	632,236
CITY EMPLOYEES (3)				
Governmental:				
General Government	1,030	932	896	873
Criminal Justice	273	284	267	271
Public Safety	5,814	5,858	5,856	5,977
Transportation	662	676	701	730
Environmental Services	415	396	408	399
Community Enrichment	1,207	1,397	1,099	1,101
Community Development	760	740	729	706
Total Governmental Employees	10,161	10,283	9,956	10,057
Public Enterprise:				
Aviation	793	771	751	777
Phoenix Convention Center	163	192	143	178
Water Services	1,057	1,013	1,043	1,036
Wastewater Services	275	260	275	271
Solid Waste	598	554	574	581
Total Public Enterprise Employees	2,886	2,790	2,786	2,843
Total Full-Time Employees	13,047	13,073	12,742	12,900
Governmental Employees per 1,000 Population	6.1	6.2	6.0	6.1
PUBLIC SAFETY				
Police Protection				
Police Precincts	7	7	7	7
Police Employees (Authorized, Sworn)	3,271	3,270	3,271	3,271
Dispatched Calls for Service	611,846	665,652	655,503	680,834
Total Calls for 911/Crimestop	1,761,310	1,815,096	1,844,861	2,007,520
Fire Protection				
Fire Stations	59	59	59	59
Fire Employees	2,366	2,281	2,121	2,074
Total Calls for Service	237,177	247,806	217,992	212,988
COMMUNITY ENRICHMENT				
Libraries				
Number	17	17	17	17
Total Stock (in thousands)	4,478	4,524	4,287	3,409
Circulation (in thousands) (4)	9,364	8,453	6,833	8,529
Parks And Recreation				
Number of Playgrounds	296	296	283	279
City Parks (number of acres)	45,085	45,085	45,146	45,636

(1) Source: City of Phoenix Planning and Development Services Department. Derived from data from the 2010 Census, the 2020 Census, the Arizona State Demographer's Office, the Maricopa Association of Governments, and the Arizona Commerce Authority.

(2) Maricopa County population not yet available for 2023, therefore, the July 1, 2022 county population was used.

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

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

Table 23
(Continued)

2019	2018	2017	2016	2015	2014
519.7	519.5	519.5	519.4	519.4	519.4
1,606,815	1,598,736	1,579,253	1,565,896	1,528,115	1,505,070
4,374,730	4,229,000	4,221,684	4,152,807	4,078,062	4,008,651
625,641	618,923	613,463	609,405	603,259	600,589
866	880	900	879	819	821
257	255	254	249	253	263
5,981	5,856	5,775	5,642	5,530	5,657
699	677	703	650	645	667
399	394	394	370	377	413
1,090	1,071	1,080	1,045	1,051	1,071
698	703	712	685	682	684
9,990	9,836	9,818	9,520	9,357	9,576
793	815	784	748	732	774
180	186	187	187	181	199
1,043	1,025	1,029	978	931	955
263	281	292	288	278	298
574	543	533	549	549	541
2,853	2,850	2,825	2,750	2,671	2,767
12,843	12,686	12,643	12,270	12,028	12,343
6.2	6.2	6.2	6.1	6.1	6.4
7	7	7	7	7	8
3,274	3,272	3,272	3,269	3,268	3,266
680,037	682,689	691,346	671,456	655,874	641,183
2,023,811	2,061,535	2,287,694	2,354,398	2,238,368	2,064,978
58	58	58	58	58	58
2,055	1,995	1,997	1,979	1,944	1,912
206,969	212,869	212,259	204,669	186,594	173,065
17	17	17	17	17	17
3,800	3,500	1,837	1,908	1,854	1,802
11,500	11,303	12,096	12,901	10,549	10,428
268	268	268	256	256	256
45,636	45,313	45,313	45,313	45,313	45,313

Statistical Profile
 Last Ten Fiscal Years

Table 23
 (Continued)

	2023	2022	2021	2020
TRANSPORTATION				
Public Transit Ridership				
Bus (in thousands) (5)	16,427	16,876	15,122	27,837
Dial-a-Ride (in thousands)	297	285	274	302
Light Rail (in thousands) (6)	5,728	5,102	4,032	8,008
Traffic Control And Lighting				
Signalized Intersections	1,183	1,182	1,162	1,153
Street Lights in Use	97,444	96,937	96,828	94,886
Streets				
Miles of Streets	4,870	4,863	4,858	4,863
Miles Resurfaced and Sealed:				
Major/Collector Streets	97	122	139	57
Local Streets	307	213	445	359
COMMUNITY DEVELOPMENT				
Construction Permits (7)				
Number of Permits Issued	47,737	49,719	47,977	43,330
Market Value (in thousands)	8,899,236	9,277,267	6,858,336	5,635,054
AVIATION				
Scheduled Airlines Served	22	22	20	20
Aircraft Traffic Movements (in thousands)	956	778	751	932
Passengers Enplaned/Deplaned (in thousands)	47,037	43,939	26,780	34,726
PHOENIX CONVENTION CENTER				
Number of Conventions (8)	68	62	3	72
WATER SERVICES				
Production (billion gallons)	96.2	100.2	106.2	97.5
Average Daily Production (million gallons)	268.9	274.5	290.9	266.3
Miles of Water Mains	7,130	7,027	7,027	7,007
Number of Accounts	443,463	442,287	433,023	429,739
WASTEWATER SERVICES				
Miles of Sewer Lines	5,037	4,985	4,954	4,896
Number of Accounts	423,122	415,840	421,521	417,633
SOLID WASTE COLLECTION SERVICES				
Residences Served	420,586	417,182	413,826	410,177
City Disposal (tons)	613,149	626,381	631,870	637,804
Total Disposal (tons)	974,563	1,003,944	986,352	978,032
Total Recycling (tons)	119,420	124,985	128,788	123,722
GOLF				
Rounds of Golf Played	291,762	280,867	274,725	215,306
Acres of Golf Courses Maintained	622	622	622	622

(5) Reported bus boardings were lower than actual boardings due to COVID-19. Rear-door boardings were in effect throughout fiscal year 2021, and fareboxes were not being used. Front door boarding and use of fareboxes resumed on October 11, 2021.

(6) Ridership data represents passenger boardings in the City of Phoenix only and does not include boardings in other cities.

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

(8) The majority of convention events were cancelled starting in March 2020 due to COVID-19. The first convention post-COVID-19 was in June 2021.

Table 23
(Continued)

2019	2018	2017	2016	2015	2014
34,523	35,365	33,725	34,615	38,329	38,903
349	339	330	371	356	344
9,822	10,318	10,864	9,850	9,039	9,023
1,148	1,135	1,140	1,130	1,106	1,099
95,600	95,600	91,449	90,927	95,592	90,380
4,863	4,863	4,857	4,857	4,857	4,856
74	79	86	107	3	18
318	263	387	122	129	100
44,246	44,533	42,698	42,384	37,527	34,255
4,707,133	4,104,288	3,655,744	3,937,700	3,013,043	2,805,861
23	21	19	19	19	21
974	925	923	927	894	867
45,531	44,340	43,533	44,158	43,000	41,093
61	57	62	59	49	52
94.9	102.7	97.8	97.6	93.4	97.6
260.7	281.4	268.1	266.8	255.8	266.9
6,980	6,967	6,888	6,882	6,883	6,867
425,492	421,226	423,569	416,303	418,995	416,623
4,906	4,890	4,847	4,846	4,841	4,833
413,967	414,559	410,952	406,967	402,495	402,624
408,264	405,009	402,504	400,549	402,012	400,075
613,421	596,161	623,032	589,033	586,789	564,452
938,906	861,177	943,347	896,255	883,119	863,226
119,944	120,113	119,517	114,319	113,990	106,708
191,807	170,480	200,405	223,266	221,267	254,703
622	622	622	622	622	922



City of Phoenix



City of Phoenix



INVESTING IN THE FUTURE OF PHOENIX

