

FOR FISCAL YEAR ENDED
JUNE 30, 2020

Planning Together for a Stronger Tomorrow



City of Phoenix, Arizona
**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



City of Phoenix

City of Phoenix, Arizona



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

City Council

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Thelda Williams, District 1
Jim Waring, District 2
Debra Stark, District 3
Laura Pastor, District 4
Betty Guardado, Vice Mayor, District 5
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City of Phoenix

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Introductory section

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



City of Phoenix

**City of Phoenix**

FINANCE DEPARTMENT

FINANCIAL ACCOUNTING AND REPORTING DIVISION

December 11, 2020

Honorable Mayor, City Council and City Manager:

In accordance with the requirements of the City Charter, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Phoenix, Arizona (the "City"), for the fiscal year ended June 30, 2020. These financial statements are prepared and presented in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

Independent Audits

The City Charter requires an annual audit by independent certified public accountants. The City's Audit Committee has selected the independent audit firm of BKD, LLP to perform the audit of the City's CAFR for fiscal year 2019-2020. The Independent Auditor's Report on the financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund and the aggregate remaining funds is included in the financial section of this report.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments Act of 1996 and U.S. Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which superseded OMB Circular A-133 and other related documents. BKD, LLP was also contracted to perform the single audit of the City's major grant programs. This audit was designed to meet the requirements of the Single Audit Amendments Act of 1996 and related OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Due to the size and complexity of the City's financial systems, the single audit report is issued separately from this CAFR. 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>.

The Report

The CAFR is presented in three sections: 1) Introductory Section, 2) Financial Section and 3) the Statistical Section. The Introductory Section includes the letter of transmittal, the City's organizational chart, and certificate of achievement.

The Financial Section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), the basic financial statements, including the government-wide financial statements which are comprised of the Statement of Net Position and the Statement of Activities and the accompanying notes to the financial statements. The Financial Section also includes the governmental, enterprise and fiduciary fund financial statements. The Financial Section also includes the combining and comparative fund financial statements. Required Supplementary information reports on financial position of pension funds and Other Postemployment Benefits (OPEB). Budgetary comparison schedules are also included in the Financial Section for all funds.

The Statistical Section is the last section of the CAFR and includes financial trends, revenue capacity, debt capacity, economic and demographic information, and operating information.

The Letter of Transmittal and the MD&A section of the CAFR is to provide information on the financial position of the city and provide explanations of financial trends and significant differences in fund financial statements.

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, the Phoenix Housing Financing Corporations and the Phoenix Industrial Development Authority be included in the reporting entity.

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

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

The City has grown steadily since its inception and has shown especially strong growth since 1950. In 1950, the City occupied 17 square miles with a population of almost 107,000, ranking it 99th among American cities. The 1990 census recorded Phoenix's population at 983,403 and the 2010 census recorded Phoenix's population at 1,447,128. As of June 30, 2020, the City encompassed 519.7 square miles, with the City of Phoenix estimating the City's population at 1,635,879 making it the fifth most populous city in the United States.

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

Budgeting Systems and Controls

The City maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget adopted by the City Council. An operating budget is legally adopted by ordinance each fiscal year for the General fund, Secondary Property Tax Debt Service, City Improvement Debt Service and enterprise funds and several

special revenue funds on a modified accrual basis plus encumbrances. The level of legal budget control is by fund, except the General Fund for which the control is by program.

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

Economic Condition and Outlook

Phoenix continues to be an attractive place to live and work and has been one of the most rapidly growing metropolitan areas in the country in recent decades. The City has shown steady growth in terms of population, employment, housing starts, affordable housing, personal income, and retail sales in recent years. The City continues to implement policies and standards to remain structurally balanced, maintain or improve current service levels, and attract wealth generating companies.

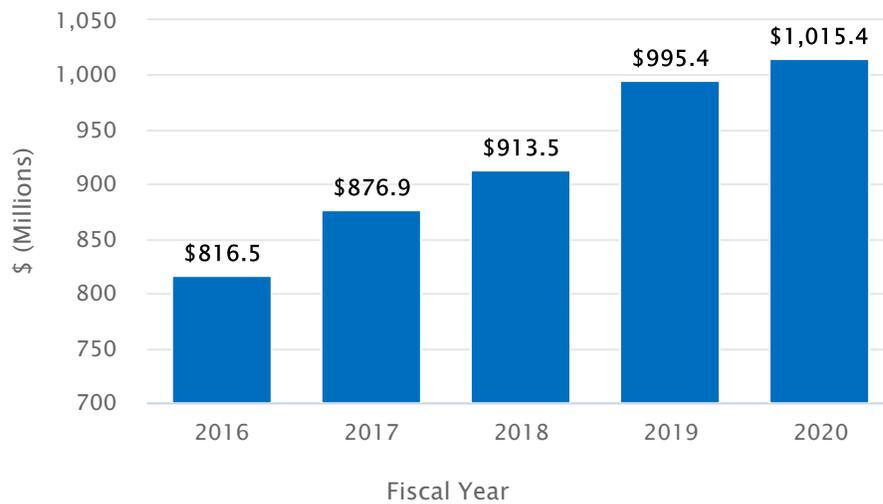
Phoenix continues to be among the fastest growing cities in the country. During the period of 2010 to 2019, population growth was an estimated 16.2% in Phoenix as compared to 6.3% for the U.S. In that same time frame, employment in the Phoenix area has grown 30.1% while employment in the U.S. has grown 16.2%. As of June 2020, the non-seasonally adjusted unemployment rate for the Phoenix area and the U.S. was 9.8% and 11.2%, respectively. The Phoenix area has a mix of industry that mirrors the U.S. The primary employment sectors and their share of total employment consist of the service industry including financial activities (55.2%); trade, transportation, and utilities (19.8%); government (10.2%); manufacturing (6.3%); construction (6.5%); information (1.8%); and natural resources and mining (0.2%).

The housing market in the Phoenix area is growing as building permits associated with single-family homes increased 12.9% from 2018 to 2019 to the highest level since 2007. Data produced by the National Association of Realtors indicates that the median sales price for an existing single-family home in Greater Phoenix increased 27.6% from 2017 to the second quarter of 2020 as compared to a 17.1% increase nationwide for the same time period. Housing remains affordable despite the strong recovery in home prices in the Phoenix area. The U.S. median sales price for an existing single-family home in 2019 was \$274,600 and the median sales price for a similar home in Greater Phoenix was \$287,100. The median price of existing single-family homes in Greater Phoenix continue to remain low relative to most major western cities including Los Angeles, San Diego, Denver, Seattle, Portland, and Salt Lake.

According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area which declined 0.7% in 2010, grew by an average of 6.7% per year from 2011 through 2019, and grew 5.8% in 2019. This growth was supported by gains in personal income averaging 5.5% from 2011 through 2019. The Greater Phoenix Blue Chip Economic Forecast estimates a decrease in retail sales of 2.5% in 2020 and an increase of 5.3% in 2021.

For fiscal year 2015-16, the primary assessed valuation and the secondary assessed valuation were combined into a single valuation of \$10.6 billion. Between fiscal years 2015-16 and 2019-20, the assessed valuation increased by 24.5% to \$13.2 billion. The assessed valuation increased another 5.3% to \$13.9 billion for fiscal year 2020-21. On July 3, 2019, the Phoenix City Council voted to decrease the City total property tax rate (primary and secondary) to \$2.13 from \$2.14 per \$100 assessed valuation.

City Excise Taxes



As indicated above, City excise taxes, consisting primarily of City sales taxes, increased from \$995.4 million in fiscal year 2018-19 to \$1,015.4 million in fiscal year 2019-20. This is an increase of \$20.0 million, or 2.0%, despite the COVID-19 pandemic. Excise taxes for restaurants and bars decreased, however, there was continued growth in retail sales and construction activities.

Finally, the City of Phoenix along with the Greater Phoenix Economic Council, are working together to attract wealth generating companies from outside the region to Phoenix and to encourage expansion of existing companies. A large part of this strategy has been to emphasize Phoenix as a tech industry hub. Phoenix has experienced rapid growth of its tech industry and has seen 14,500 tech jobs added from 2015 to 2019. According to Eller Economic and Business Research Center (EBRC) at the University of Arizona, the long-term outlook remains positive for the metropolitan Phoenix area due to expectations that population, employment and income growth will continue to out-pace the nation through the next three decades.

Long-Term Financial Planning

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

In March 2020, the City of Phoenix responded to the COVID-19 worldwide pandemic, which impacted city services. On March 27, 2020 the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into United States law to address the economic impact caused by COVID-19. On May 5, 2020 the City of Phoenix rapidly mobilized to establish the Coronavirus Relief Fund Strategic Plan approved by the City Council, guiding the allocation of \$293 million in funding on projects related to the health and safety of residents, small business assistance, and other social assistance programs.

On November 6, 2019, the City secured new money for the Aviation Department's Capital Improvement Program (CIP) by issuing \$763 million in Airport revenue bonds. The bonds were issued to fund major infrastructure projects that support the Airport's Comprehensive Asset Management Plan. The bonds were issued at an overall interest rate of 3.52 percent, saving the airport \$7 million from the estimate. On the same day, \$305 million in rental car facility charge revenue bonds were issued to fund construction of PHX Sky Train to the rental car facility. The overall rate was 3.28 percent, saving almost \$12 million.

The City of Phoenix and Phoenix Suns are partnering on a \$230 million renovation of PHX Arena in the heart of downtown. The transformation began in 2019 and with the COVID-19 pandemic shutting down events nationally by March 2020, the pace of renovation activity picked up earlier than originally planned. Given the pandemic-induced changes to the 2020 and 2021 NBA seasons, work continued deeper into the year as well, which will result in a majority of the repairs and improvements complete by December 2020. At that time, as guests are allowed to return, fans can expect a completely reimaged arrival experience, upgraded technology throughout, new seating and enhanced food and beverage options. The event level, seating bowl, main concourse and club areas will be transformed by this time. Renovations continue through fall 2021, focusing on the upper concourse, suites and exterior.

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

Working closely with regional partners through the Maricopa Association of Governments (MAG) and the U.S. Census Bureau, the City's 2020 Census team engaged local partners in being community ambassadors to help spread messaging. The census team's major accomplishments included the launch of the iCount2020.info website on August 15, 2019. The team also established a public-private partnership with Microsoft and Cisco to retrofit and supply technology infrastructure and resources for seven mobile census vehicles through both in-kind and monetary donations.

The first new Phoenix Fire Station to open in over a decade, Station 55 at I-17 and Jomax Road has been recognized as a state-of-the art facility that not only takes into account the health and total wellness of the firefighters (cancer prevention equipment inside), but it follows the Fire Department's goal of siting services based on response times and call volumes. The Norterra neighborhood in North Phoenix needed closer fire facilities, and with Station 55 nearby, response times have been significantly reduced. The facility was built under budget (\$4.5 million) and in record time -- 18 months. The facility includes three apparatus bays, 10 dorm rooms, fitness room and work/living space. Construction began in September 2018 and the building was operational and occupied on July 30, 2019.

The City of Phoenix's 2019 street paving season will go on record as the biggest ever featuring more than 250 miles of newly paved streets. Due largely to the Council-approved \$200 million financing of Transportation 2050 street program revenue, the City tripled the number of arterial and major street miles that were paved this year. Accomplishments from this year's street paving season include: 195 local street miles paved; 60 arterial and major street miles paved; 120 local street miles and 35 arterial and major street miles received a pavement preservation treatment, such as fog seal or crack seal; and 5,650 new wheelchair accessible sidewalk ramps installed.

The City's Community and Economic Development Department supports the development of a vibrant, sustainable urban core essential to the economic vitality of Phoenix. With their involvement, several projects commenced or completed construction during this period and will contribute an estimated \$700 million over the next five years. The opening of Fry's Grocery, the first full-service grocery in downtown since 1981, will be followed by 230,000 square feet of office space and the Ryan, a 330-unit residential tower. Arizona State University's Thunderbird School of

Global Management broke ground on a five-story education building in Downtown, representing an investment of \$60 million. Wexford Science and Technology began construction on a 225,000-square-foot building on the Phoenix Biomedical Campus as a partnership with Arizona State University. Also, the adaptive reuse of Park Central Mall is underway with Creighton University School of Medicine and a new residential tower and parking structure. Public infrastructure improvements were completed this year, connecting a pedestrian corridor between 3rd and Central avenues through the heart of the mall. Park Central was named “Redevelopment Project of the Year” by AZRE Magazine at the 2020 Real Estate Development (RED) Awards.

The City continues to maintain its high-quality credit ratings on General Obligation, Excise Tax, Water Revenue, Sewer Revenue and General Airport Revenue Bonds. These high-quality credit ratings provided an opportunity to favorably issue General Airport, Rental Car and Water System Revenue Bonds in fiscal year 2019-20 and will provide additional opportunities in the future. The City also provides critical information about City finances on an investor website at www.phoenix.gov/finance/investor. This site provides historical and investment information about the City’s various credits. To see a listing of all Bond Ratings for the City of Phoenix, please refer to Exhibit H-11.

Awards and Recognition

Phoenix Sky Harbor International Airport is honored to be named the top airport in the nation among large airports by the Wall Street Journal. Reliability and value are critical factors the Wall Street Journal looked at when conducting its annual Airport Rankings study. It examined 14 different measures within these categories, as well as surveying more than 2,500 subscribers. The results found that among other things, Phoenix Sky Harbor’s short taxi-to-takeoff times, restaurants and fast WiFi makes it the top airport in the country. Phoenix Sky Harbor ranked particularly high for its average Yelp rating for restaurants. America’s Friendliest Airport is also America’s Tastiest Airport with local favorites like Barrio Cafe, La Grande Orange, Four Peaks Brewery, Matt’s Big Breakfast, San Tan Brewery, the Tavern and others in the terminals, as well as nationally-recognized options available. Phoenix Sky Harbor also saw a major improvement in its WiFi speeds, something that is very important to travelers. Phoenix Sky Harbor was ranked second among the largest airports for WiFi service. With great weather, Phoenix Sky Harbor also had favorable on-time arrivals, making it a very reliable airport.

The City of Phoenix was recently honored with a Distinguished Budget Presentation Award by the Government Finance Officers Association (GFOA) for its current budget. This is the 29th consecutive award for the City, which is bestowed through a peer-review process. The GFOA gives the Distinguished Budget Presentation Award to government organizations that most effectively present their budget information according to nationally-recognized guidelines. This ensures that the budget documents produced can serve as a policy guide, a financial plan, an operations overview, and a communications tool, and are clear to understand and encourage budget transparency.

The City of Phoenix earned a perfect score of 100 on the 2019 Human Rights Campaign (HRC) Municipal Equality Index for the seventh year in a row for its ongoing efforts to ensure equal treatment of members of the lesbian, gay, bisexual and transgender (LGBTQ) community. The HRC uses the Municipal Equality Index score to examine how inclusive municipal laws, policies, and services are of the LGBTQ community who live and work in each city. Phoenix has maintained a perfect score since the passage of the City’s anti-discrimination ordinance in 2012. The ordinance makes it unlawful to discriminate against someone based on sexual orientation, gender, identity or disability for the purpose of employment, public accommodations, housing, and government contracts.

The Phoenix Convention Center (PCC) was named as one of 20 Centers of Excellence by Exhibitor Magazine. PCC received this honor for trade shows and corporate events. Out of more than 100 venues PCC ranked among the highest qualified facilities in each of the five categories including: Facility & Functionality, Location & Accommodation, Service & Execution, Upgrades & Expansions and Awards & Industry Participation. PCC achieved this in part because of its walking distance to restaurants and entertainment, proximity to Phoenix Sky Harbor International Airport, access to public and alternative transportation, available hotel rooms nearby and much more.

The City of Phoenix Parks and Recreation Department received two honors at the annual Arizona Parks and Recreation Association (APRA) awards ceremony. The department is the recipient of APRA’s Outstanding Program Award for its PHXteens initiative and the Partnership Award for its relationship with Arizona Center for Nature Conservation to operate South Mountain Environmental Education Center. The PHXteens program provides cultural, educational, 30 recreational and volunteer opportunities for teenagers citywide. Since the program began in 2016, 641 teens attended 236 field trips and 167 workshops, and performed 15,510 volunteer hours for a project savings of \$382,000. The Partnership Award recognizes the collaborations of public/private groups or agencies that have made significant contributions to the field of parks, recreation, and/or cultural services. Through a partnership managed by the Parks

and Recreation Department, the Arizona Center for Nature Conservation operates the South Mountain Environmental Education Center which is located near the main entrance to South Mountain Park and Preserve and provides information to park visitors about the surrounding environment and produces year-round educational programming and special events.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received this award continuously since 1976. The CAFR for the fiscal year ended June 30, 2020 is being submitted to GFOA for consideration of Certificate of Achievement indicating the City's commitment in continuing to meet program requirements.

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, 2019. 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.

The component unit financial report for COPERS for the year ended June 30, 2019 was also awarded a GFOA Certificate of Achievement. COPERS has received this award each year since 1985.

Acknowledgments

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

Respectfully submitted,

Signature On File

Denise M. Olson
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Phoenix
Arizona**

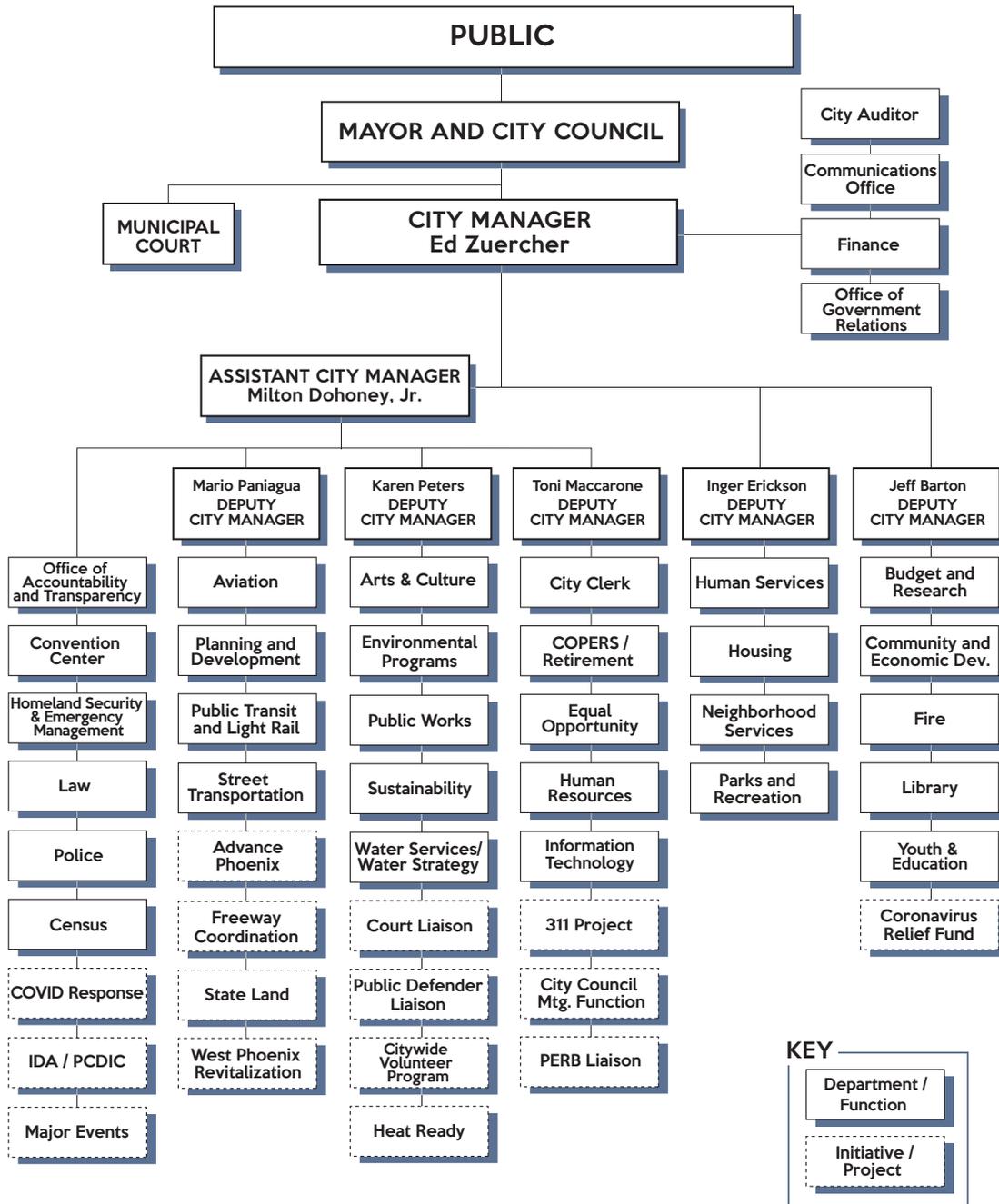
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF PHOENIX ORGANIZATIONAL CHART





Mayor Kate Gallego
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and District Boundaries**



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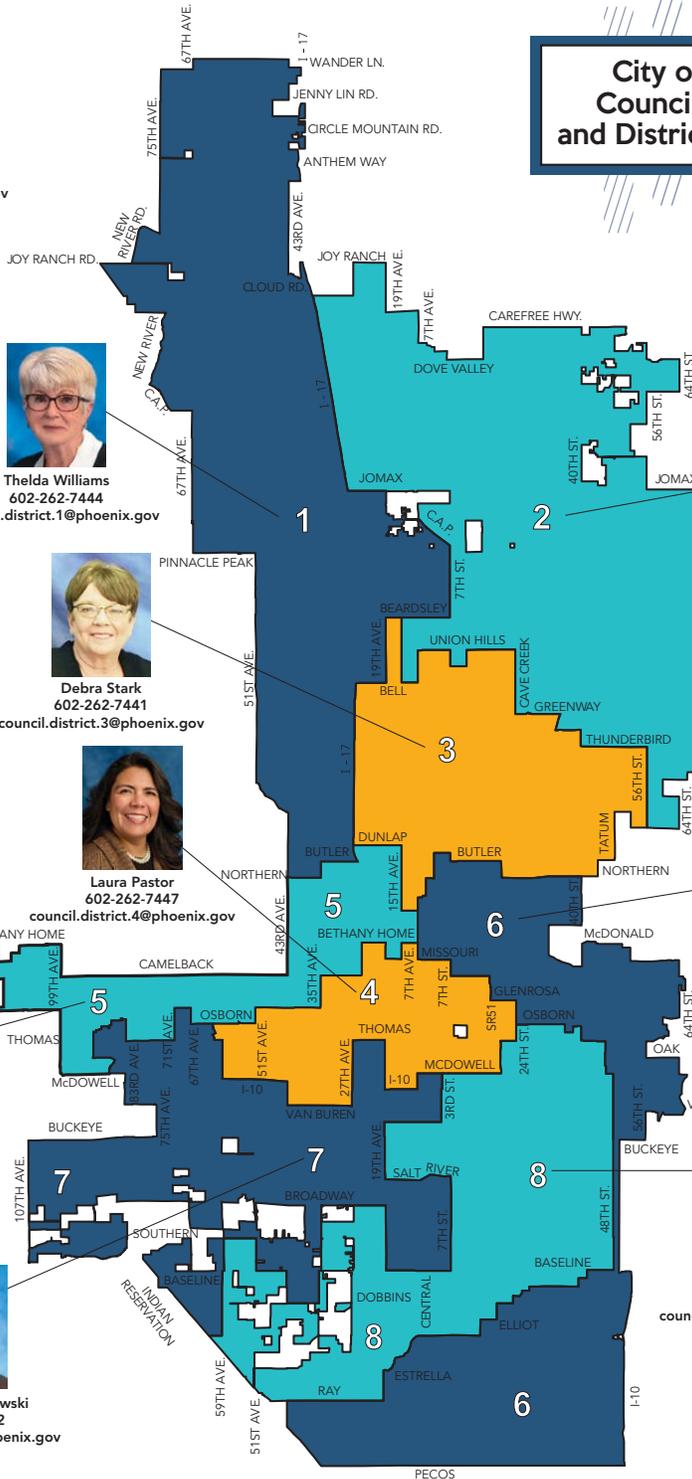
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November 2019



Financial section

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



City of Phoenix



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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Phoenix, Arizona (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Phoenix Industrial Development Authority (IDA), a discretely presented component unit, which represents 31 percent, 61 percent, and 32 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Multi-City Subregional Operating Group (SROG), a joint use agreement of the City, which represents approximately 3 percent of total assets, 8 percent of net position, and approximately 34 percent of the total nonoperating revenues (expenses) of the enterprise funds of the City. We also did not audit the financial statements of the Valley Metro Rail, Inc. or Regional Wireless Cooperative, joint use agreements of the City, which represents approximately 12 percent of the assets and 65 percent of net position of the governmental activities of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for IDA and the joint use activities related to SROG, Valley Metro Rail, Inc., and Regional Wireless Cooperative is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the transit special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

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

The nonmajor governmental combining fund financial statements, enterprise funds comparative statements, fiduciary funds combining statements, and Phoenix Housing Financing Corporations (component unit) combining statements are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the nonmajor governmental combining fund financial statements, enterprise funds comparative statements, fiduciary funds combining statements, and Phoenix Housing Financing Corporations (component unit) combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements as of and for the year ended June 30, 2019, which are not presented with the accompanying financial statements. In our report dated December 13, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

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

BKD, LLP

Dallas, Texas
December 11, 2020



City of Phoenix



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

(required supplementary information)



City of Phoenix

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

As management of the City of Phoenix, Arizona, we offer the following narrative overview and analysis of the financial activities of the City of Phoenix, Arizona (the City) for the fiscal year ended June 30, 2020. Readers are encouraged to consider this overview and analysis in combination with the traditional letter of transmittal that can be found on pages I - VII of this report.

FINANCIAL HIGHLIGHTS

- On the Government-Wide Financial Statements, total assets plus deferred outflows of resources of the City exceeded its total liabilities plus deferred inflows of resources at the close of the fiscal year by \$5.8 billion (net position), which represents an increase of \$102.1 million, or 1.8%, as compared to fiscal year 2018-19. The increase was primarily attributed to a \$181.5 million, or 6.9%, increase in Governmental Activities revenues as compared to fiscal-year 2018-19.
- On the Government-Wide Financial Statements, the City's total cash and investments of \$2.7 billion at June 30, 2020 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City received \$293.3 million from the Coronavirus Relief Fund (CRF), established by the CARES Act, in April 2020. Of this amount, the City allocated \$85.7 million to cover public safety and COVID-related expenses incurred in fiscal year 2019-20. The remaining \$207.6 million, currently reported as Advance Payments in the Government-Wide Financial Statements, will be used to cover pandemic-related expenditures in fiscal year 2020-21.
- Excise and other tax revenues increased by \$27.0 million, or 2.1%. A majority of the increase stems from transaction privilege taxes collected on higher levels of taxable retail sales, construction contracting, and rental activities in the City for the first nine months of fiscal year 2019-20.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$1.5 billion, an increase of \$27.8 million from last fiscal year. Approximately 37.2% of the total governmental fund balance amount, or \$548.0 million, is designated by the City as committed, assigned and unassigned. The remaining 62.8%, or \$925.1 million, is designated as non-spendable or restricted. See Note 3 on page 63 for a detailed description of fund balance classifications per GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

1) Basic Financial Statements - Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City finances, in a manner similar to a private-sector business. They are presented in Exhibits A-1 and A-2 beginning on page 22 of this report. Summarized versions of these Exhibits are included in this MD&A and can be found on pages 8 and 11.

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

The *Statement of Activities*, Exhibit A-2, presents information showing how the City net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Both the Statement of Net Position and the Statement of Activities divide the functions of the City that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*Business-Type Activities*). The

Governmental Activities of the City include general government, criminal justice, public safety, transportation, community enrichment, community development and environmental services. The Business-Type Activities of the City include aviation, Phoenix convention center, water services, wastewater services and solid waste. In addition, financial information is also presented for the City's discretely presented component units, which are the Phoenix Housing Finance Corporations, and the Phoenix Industrial Development Authority. See Note 1 on page 51 for further discussion on the financial reporting entity.

Government-Wide Financial Statement Analysis

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2020.

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 \$5.8 billion at the close of the fiscal year.

The largest portion of the City's net position, \$6.8 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 3,133,445	\$ 2,850,704	\$ 3,260,558	\$ 2,568,335	\$ 6,394,003	\$ 5,419,039
Capital assets	5,111,210	5,007,097	7,646,250	7,296,382	12,757,460	12,303,479
Total assets	8,244,655	7,857,801	10,906,808	9,864,717	19,151,463	17,722,518
Deferred outflows of resources	621,272	532,398	135,191	80,173	756,463	612,571
Other liabilities	753,796	372,283	511,299	779,929	1,265,095	1,152,212
Long-term liabilities						
outstanding	6,374,816	6,347,934	6,290,883	5,018,772	12,665,699	11,366,706
Total liabilities	7,128,612	6,720,217	6,802,182	5,798,701	13,930,794	12,518,918
Deferred inflows of resources	149,952	114,112	46,010	22,950	195,962	137,062
Net position:						
Net investment in capital						
assets	3,333,084	3,242,655	3,448,793	3,488,654	6,781,877	6,731,309
Restricted	1,069,053	1,079,339	404,598	519,638	1,473,651	1,598,977
Unrestricted	(2,814,774)	(2,766,124)	340,416	114,947	(2,474,358)	(2,651,177)
Total net position	\$ 1,587,363	\$ 1,555,870	\$ 4,193,807	\$ 4,123,239	\$ 5,781,170	\$ 5,679,109

The *restricted* portion of the City's net position, \$1.5 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 \$2.5 billion. The City's balance of \$2.7 billion in cash and investments, as shown on Exhibit A-1, may be used to meet current and ongoing obligations.

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

Capital Assets. The City’s capital assets for the fiscal year ended June 30, 2020, totaled \$12.8 billion, net of accumulated depreciation. This represents an increase from the prior fiscal year of \$454.0 million, an increase of \$104.1 million for Governmental Activities and an increase of \$349.9 million for Business-Type Activities. Major additions to capital assets during the fiscal year included the following:

- Design and construction related to the PHX Sky Train at Sky Harbor International Airport valued at \$244.1 million.
- Various street and storm sewer projects throughout the City valued at \$197.3 million.
- New and replacement water and sewer mains throughout the City valued at \$109.2 million.
- Water and wastewater distribution and collection facilities projects valued at \$106.9 million.
- Aviation terminal 3 improvements valued at \$72.3 million.
- Various water and wastewater treatment plant projects valued at \$59.6 million.
- Talking Stick Resort Arena renovation project valued at \$55.7 million.
- Aviation terminal 4 improvements valued at \$55.2 million.

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

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

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,280,126	\$ 1,279,878	\$ 691,898	\$ 705,967	\$ 1,972,024	\$ 1,985,845
Artwork	7,044	7,044	12,141	12,104	19,185	19,148
Construction-in-Progress	228,785	237,374	1,377,678	997,605	1,606,463	1,234,979
Buildings	733,849	763,804	1,788,994	1,793,193	2,522,843	2,556,997
Improvements	275,311	282,509	1,886,729	1,897,481	2,162,040	2,179,990
Infrastructure	2,186,270	2,071,216	1,230,629	1,230,414	3,416,899	3,301,630
Equipment	383,610	345,419	552,851	557,408	936,461	902,827
Intangible Assets	16,215	19,853	105,330	102,210	121,545	122,063
Total	\$ 5,111,210	\$ 5,007,097	\$ 7,646,250	\$ 7,296,382	\$ 12,757,460	\$ 12,303,479

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

Financial Obligations. The City’s total financial obligations increased by \$1.3 billion, or 11.4%. This was primarily due to the issuance of \$762.5 million of Airport revenue bonds, \$393.1 million of Water revenue bonds and \$304.7 million of Airport Rental Car Facility bonds.

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 \$1.1 billion net of discounts/premiums and the City's available debt margin at June 30, 2020 was \$1.1 billion in the 6% capacity and \$3.1 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 \$6.0 billion of municipal corporation obligations net of discounts/premiums. Under the terms of these agreements, the CIC issued bonds to finance the facilities and equipment, and the City agreed to make lease and purchase payments sufficient to pay principal and interest on the outstanding obligations. The City also pays all expenses of operating and maintaining the facilities and equipment.

In fiscal year 2020, the Civic Improvement Corporation issued \$1.5 billion in new debt. Proceeds of the bonds refunded \$154.9 million of outstanding bonds for the Rental Car Facility at Sky Harbor Airport, \$32.1 million of outstanding Airport Revenue Refunding Bonds and \$300.0 million outstanding under Revolving Credit Agreements with remaining proceeds applied to the Sky Train at Sky Harbor International Airport, the Sustainability Project by the Water Department, and other improvements of the Water System. Additional information can be found in Note 10 to the financial statements.

The City borrowed \$200.0 million during fiscal year 2020 under the Transportation 2050 Revolving Credit Facility. This amount will be used for street improvements and the expansion of the light rail system throughout the City. Additional information can be found in Note 10 to the financial statements.

The following table illustrates the financial obligations of the City.

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

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds, net	\$ 1,059,181	\$ 1,140,231	\$ 1,056	\$ 13,603	\$ 1,060,237	\$ 1,153,834
Loans from direct borrowings	40,940	40,940	13,488	14,991	54,428	55,931
Municipal corporation obligations, net	321,737	432,438	5,640,164	4,318,852	5,961,901	4,751,290
Special assessment bonds	44	60	-	-	44	60
Community facilities districts, net	30,000	29,977	-	-	30,000	29,977
Insurance claims payable	193,435	181,178	-	-	193,435	181,178
Compensated absences	148,505	137,329	19,561	19,023	168,066	156,352
Landfill closure/Post-closure costs	-	-	16,838	47,661	16,838	47,661
Pollution remediation	4,564	5,448	1,425	5,600	5,989	11,048
Utility/Water contractual agreements	2,301	2,301	-	-	2,301	2,301
Capital lease	2,307	3,424	-	-	2,307	3,424
Net pension liability	4,412,770	4,223,215	551,075	553,858	4,963,845	4,777,073
Net OPEB liability	159,032	151,393	47,276	45,184	206,308	196,577
Total	\$ 6,374,816	\$ 6,347,934	\$ 6,290,883	\$ 5,018,772	\$ 12,665,699	\$ 11,366,706

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, 2020
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 237,326	\$ 261,093	\$ 1,287,834	\$ 1,309,390	\$ 1,525,160	\$ 1,570,483
Grants and contributions						
Operating	472,089	407,132	-	-	472,089	407,132
Capital	169,586	134,985	71,136	99,914	240,722	234,899
General revenues						
Excise taxes	1,015,414	995,387	-	-	1,015,414	995,387
Other taxes	273,016	266,082	-	-	273,016	266,082
Grants/contributions not restricted to specific programs	483,036	437,427	-	-	483,036	437,427
Other	151,345	118,197	58,701	48,815	210,046	167,012
Total revenues	<u>2,801,812</u>	<u>2,620,303</u>	<u>1,417,671</u>	<u>1,458,119</u>	<u>4,219,483</u>	<u>4,078,422</u>
Expenses						
General government	111,422	88,160	-	-	111,422	88,160
Criminal justice	36,050	38,297	-	-	36,050	38,297
Public safety	1,340,379	1,278,856	-	-	1,340,379	1,278,856
Transportation	574,139	540,551	-	-	574,139	540,551
Community enrichment	324,553	307,406	-	-	324,553	307,406
Community development	251,207	211,547	-	-	251,207	211,547
Environmental services	52,369	22,362	-	-	52,369	22,362
Interest on long-term debt	53,629	57,014	-	-	53,629	57,014
Aviation	-	-	547,590	518,462	547,590	518,462
Phoenix convention center	-	-	103,983	103,138	103,983	103,138
Water services	-	-	421,541	410,636	421,541	410,636
Wastewater services	-	-	174,259	170,273	174,259	170,273
Solid waste	-	-	126,301	148,061	126,301	148,061
Total expenses	<u>2,743,748</u>	<u>2,544,193</u>	<u>1,373,674</u>	<u>1,350,570</u>	<u>4,117,422</u>	<u>3,894,763</u>
Increase in net position before transfers	58,064	76,110	43,997	107,549	102,061	183,659
Sale proceeds to City from DPHC for debt repayment	-	265,000	-	-	-	265,000
Transfers - internal activities	(26,571)	(33,581)	26,571	33,581	-	-
Increase in net position	<u>31,493</u>	<u>307,529</u>	<u>70,568</u>	<u>141,130</u>	<u>102,061</u>	<u>448,659</u>
Net Position - July 1	<u>1,555,870</u>	<u>1,248,341</u>	<u>4,123,239</u>	<u>3,982,109</u>	<u>5,679,109</u>	<u>5,230,450</u>
Net Position - June 30	<u>\$ 1,587,363</u>	<u>\$ 1,555,870</u>	<u>\$ 4,193,807</u>	<u>\$ 4,123,239</u>	<u>\$ 5,781,170</u>	<u>\$ 5,679,109</u>

As shown above, Total Government net position increased by \$102.1 million, or 1.8%, as compared to fiscal year 2018-19. Governmental Activities accounted for \$31.5 million, or 30.9%, of the increase and Business-Type Activities accounted for \$70.6 million, or 69.1%. The increase in net position for Business-Type Activities is primarily attributed to revenue increases in the Water System, Wastewater and Solid Waste Enterprise Funds during fiscal year 2019-20.

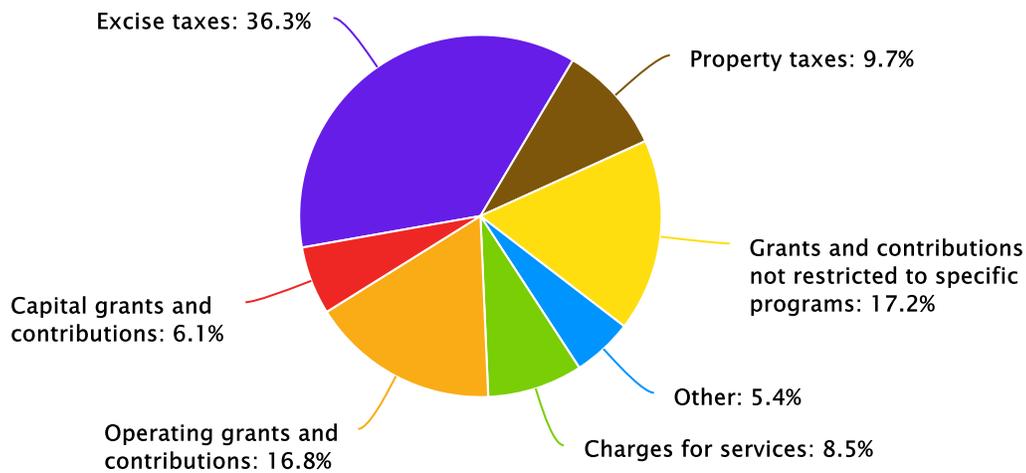
Operating grants and contributions for the Governmental Activities increased by \$65.0 million, or 16.0%. This increase was primarily due to coronavirus relief funds received from the U.S. Treasury to offset COVID-19 pandemic related expenditures.

Excise and other tax revenues increased by \$27.0 million, or 2.1%. A majority of the increase stems from transaction privilege taxes collected on higher levels of taxable retail sales, construction contracting, and rental activities in the City for the first nine months of fiscal year 2019-20.

Public safety expenses increased \$61.5 million, or 4.8%, primarily due to an increase in pension expense. Transportation expenses increased \$33.6 million, or 6.2%, due to various street maintenance projects throughout the City. Community development expenses increased by \$39.7 million, or 18.7%. This increase was primarily due to utility and rent/mortgage assistance payments to residents and local businesses.

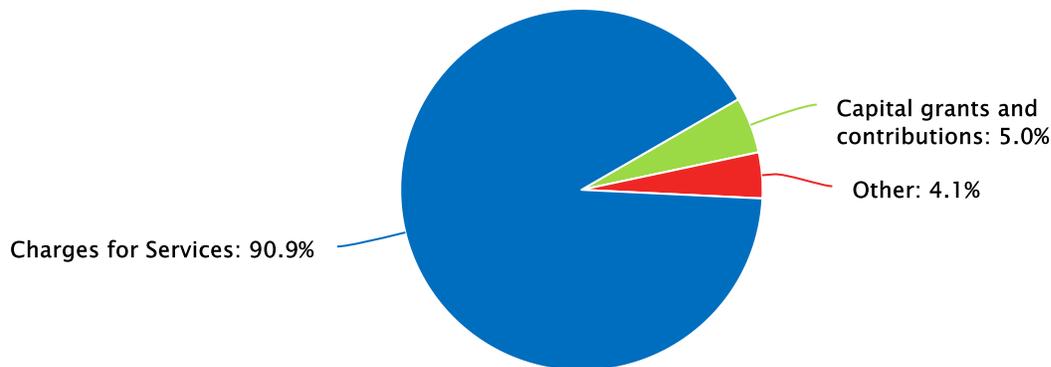
The sources of the revenues shown previously are portrayed in the following charts by percentage for the Governmental Activities and then the Business-Type Activities.

**Revenues by Source – Governmental Activities
Fiscal Year Ended June 30, 2020**



As shown above, excise taxes, which include City sales and franchise taxes, are the largest source of revenue for the Governmental Activities comprising 36.3% 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, 2020



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

2) Basic Financial Statements - Fund Financial Statements

The Fund Financial Statements are presented in Exhibits B-1 through B-14 beginning on page 30 of this report. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal activities. All funds of the City can be divided into three categories: Governmental Funds (Exhibits B-1 through B-9), Enterprise Funds (Exhibits B-10 through B-12) and Fiduciary Funds (Exhibits B-13 and B-14).

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

The City maintains twenty-five individual Governmental Funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Transit Special Revenue Fund, 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-9) to demonstrate compliance with this budget.

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

Enterprise Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Enterprise Fund Financial Statements (Exhibits B-10 through B-12 beginning on page 40) provide separate information for each of the five Enterprise Funds noted above as all are considered to be major funds of the City.

Fund Financial Statement Analysis

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

Governmental Funds. The focus of the Governmental Fund Financial Statements (Exhibits B-1 through B-9 beginning on page 30) is to provide information on near-term inflows, outflows and balances of spendable resources (modified accrual basis). All major Governmental Funds are presented separately on these financial statements, while the nonmajor funds are combined into a single column. Combining statements for the nonmajor funds can be found in Exhibits C-1 and C-2.

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

City of Phoenix
Changes in Governmental Fund Balances
Fiscal Year Ended June 30, 2020
 (in thousands)

	Fund Balances June 30, 2019	Net Change in Fund Balances	Fund Balances June 30, 2020
General Fund	\$ 407,056	\$ 23,060	\$ 430,116
Transit Special Revenue Fund	178,212	(7,556)	170,656
G.O./Secondary Property Tax	81,826	(3,350)	78,476
Nonmajor Governmental	778,180	15,643	793,823
Total	\$ 1,445,274	\$ 27,797	\$ 1,473,071
Total Nonspendable	17,935	94	18,029
Spendable - Restricted	862,228	44,824	907,052
Spendable - Committed, Assigned, Unassigned	565,111	(17,121)	547,990
Total Governmental Fund Balances	\$ 1,445,274	\$ 27,797	\$ 1,473,071

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

As shown in the above table, at the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$1.5 billion, an increase of \$27.8 million, or 1.9% from last fiscal year. Of the total governmental funds combined ending balances, approximately 98.8% of this amount, or \$1.5 billion, constitutes *total spendable balance*. Of the spendable amount, there is \$548.0 million available at the City's discretion and has been categorized as committed, assigned or unassigned. The remaining \$925.1 million, or 62.8%, is designated as non-spendable or restricted. Examples of fund balance restrictions include: Public Transit Operations, Debt Service and Road Maintenance and Construction. Non-spendable funds include inventory and prepaid items.

The General Fund is the main operating fund of the City and accounts for many of the major functions of the government including general government, criminal justice, public safety, transportation, community enrichment, community development and environmental services. As presented in the table above, General Fund balance increased by \$23.1 million, or 5.7%. This increase in fund balance was primarily due to an increase in intergovernmental revenues to offset public safety payroll expenses. Additionally, property and excise tax revenues increased in fiscal year 2019-20.

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 2020, the fund balance decreased by \$7.6 million, or 4.2%, as a result of capital outlay expenditures related to the light rail extension projects and replacement bus purchases.

The fund balance for the nonmajor governmental funds increased by \$15.6 million, or 2.0%, in fiscal year 2019-20. Both the Street Improvements and Transit capital projects funds increased due to loan proceeds from the Transportation 2050 Revolving Credit Facility to use for future capital outlay expenditures, such as pavement maintenance projects.

Governments have an option of including the budgetary comparison statements for the general fund and major special revenue funds as either part of the Fund Financial Statements within the Basic Financial Statements, or as required supplementary information (RSI) after the Notes to the Financial Statements. The City has chosen to present the General Fund budgetary statement (Exhibit B-5), and the budgetary components of the Transit Special Revenue Fund (Exhibits B-6 through B-9) in the Basic Financial Statements.

The following table summarizes Exhibit B-5.

**City of Phoenix General Fund
Budgetary Comparison Statement
Fiscal Year Ended June 30, 2020
(in thousands)**

	Final Amended Budget	Actuals	Variance Positive (Negative)
Revenues	\$ 376,619	\$ 416,943	\$ 40,324
Expenditures and Encumbrances	1,394,325	1,282,831	111,494
Deficiency of Revenues Under Expenditures and Encumbrances	(1,017,706)	(865,888)	151,818
Other Financing Sources	902,226	901,427	(799)
Net Change in Fund Balance	<u>\$ (115,480)</u>	35,539	<u>\$ 151,019</u>
Fund Balance July 1		133,580	
Fund Balance June 30		<u>\$ 169,119</u>	

The total revenues in the General Fund were within 10.7% of the final amended budget and total expenditures were less than the final amended budget. The final amended general fund budget projected fiscal year expenditures of \$1.4 billion includes \$57.9 million of contingency, which was not utilized. The actual general fund budgetary expenditures for the fiscal year ended June 30, 2020, were \$1.3 billion which is \$111.5 million less than the amended budget (see Exhibit B-5). The actual general fund expenditures reflect department efficiencies, service cuts and controlling costs during the fiscal year.

Enterprise Funds. The Enterprise Fund Financial Statements (Exhibits B-10 through B-12) are prepared and presented using the same accounting basis and measurement focus as the Government-Wide Financial Statements, but in more detail. The following table summarizes Exhibits B-10 and B-11.

City of Phoenix
Changes in Enterprise Fund Net Position
Fiscal Year Ended June 30, 2020
 (in thousands)

	Net Position (Deficit) July 1, 2019	Change in Net Position (Deficit)	Net Position (Deficit) June 30, 2020
Aviation	\$ 1,725,596	\$ (31,733)	\$ 1,693,863
Phoenix Convention Center	(45,417)	(3,703)	(49,120)
Water System	1,415,448	30,662	1,446,110
Wastewater	1,041,323	47,046	1,088,369
Solid Waste	(13,711)	28,296	14,585
Total	<u>\$ 4,123,239</u>	<u>\$ 70,568</u>	<u>\$ 4,193,807</u>

As shown in the table, Net Position for the Enterprise Funds increased in total by \$70.6 million during the fiscal year. The increases were due to increased revenues and the construction of capital assets. The deficit for the Phoenix Convention Center increased by \$3.7 million, or -8.2%, due to a decrease in operating revenues from fewer event bookings and a decrease in excise tax transfers from the General Fund. The deficit is driven by the timing difference between depreciation expense on the north and west building expansion, principal payments for the related debt, and pension expense. As the City increases the principal payments in accordance with the debt service schedules and the depreciation remains constant, the deficit balance will be eliminated in the Phoenix Convention Center. The Phoenix Convention Center currently has enough cash flow to meet future debt service payments and operating requirements.

3) **Basic Financial Statements - Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes to the Basic Financial Statements can be found beginning on page 51 of this report. Additionally, governments are required to disclose certain information about employee pension funds. The City has provided this information in Note 20 to the financial statements and as required supplemental information.

ECONOMIC FACTORS

- During the period of 2010 to 2019, population growth was an estimated 16.2% in Phoenix as compared to 6.0% for the U.S. As of June 2020, the City encompasses 519.7 square miles and has an estimated population of 1,635,879.
- As of June 2020, the non-seasonally adjusted unemployment rate for the Phoenix area and the U.S. was 9.8% and 11.2%, respectively.
- The fiscal year 2020-21 assessed valuation increased 5.3% to \$13.9 billion. On July 3, 2019 the Phoenix City Council voted to decrease the City total property tax rate (primary and secondary) to \$2.13 from \$2.14 per \$100 assessed valuation.
- Data produced by the National Association of Realtors indicates that the median sales price for an existing single family home in Greater Phoenix increased 27.6% from 2017 to the second quarter of 2020 as compared to a 17.1% increase nationwide for the same time period.
- According to the Greater Phoenix Blue Chip Economic Forecast, retail sales in the Phoenix area which declined 0.7% in 2010, grew by an average of 6.7% per year from 2011 through 2019, and grew 5.8% in 2019. This growth was supported by gains in personal income averaging 5.5% from 2011 through 2019. The Greater Phoenix Blue Chip Economic Forecast estimates a decrease in retail sales of 2.5% in 2020 due to the pandemic and an increase of 5.3% in 2021.

REQUESTS FOR FINANCIAL INFORMATION

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



City of Phoenix



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



City of Phoenix



City of Phoenix

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

June 30, 2020

(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	\$ 372,956	\$ 90,474	\$ 463,430	\$ 9,050	\$ 24,415
Cash Deposits	1,115	326	1,441	3,768	3
Cash and Securities with					
Fiscal Agents/Trustees	175,253	-	175,253	3,856	-
Investments	1,179,952	853,673	2,033,625	-	-
Receivables, Net of Allowances	290,535	142,429	432,964	9,811	1,239
Prepaid Items	543	6,767	7,310	205	32
Inventories	17,487	22,865	40,352	-	-
Restricted Assets	-	1,438,123	1,438,123	-	-
Investment in Joint Use Agreements	1,039,513	516,863	1,556,376	-	-
Net OPEB Asset	56,091	5,397	61,488	-	-
Other Noncurrent Assets	-	183,641	183,641	-	1,664
Capital Assets					
Non-depreciable	2,060,815	2,081,717	4,142,532	12,729	950
Depreciable, net	3,050,395	5,564,533	8,614,928	26,972	1,510
Total Assets	8,244,655	10,906,808	19,151,463	66,391	29,813
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss on Refunding	13,698	84,748	98,446	-	-
Pension Related	593,108	46,854	639,962	-	-
OPEB Related	14,466	3,589	18,055	-	-
Total Deferred Outflows of Resources	621,272	135,191	756,463	-	-

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, 2020

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
LIABILITIES					
Accounts Payable	138,531	65,981	204,512	807	237
Reimbursement Agreement to City	-	-	-	2,393	-
Trust Liabilities and Deposits	42,397	384	42,781	243	-
Advance Payments	234,352	9,625	243,977	69	-
Liabilities Payable from Restricted Assets	-	122,904	122,904	190	-
Short-Term Obligations	200,000	-	200,000	-	-
Matured Bonds and Certificates Payable	105,910	188,282	294,192	-	-
Interest Payable	32,606	124,123	156,729	2,292	-
Noncurrent Liabilities					
Due Within One Year					
Insurance Claims Payable	51,518	-	51,518	-	-
Accrued Compensated Absences	18,127	2,493	20,620	-	-
Pollution Remediation	64	75	139	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	844	844	-	-
General Obligation Bonds	84,285	685	84,970	-	-
Loans from Direct Borrowings	890	1,684	2,574	-	-
Municipal Corporation Obligations	34,985	178,776	213,761	-	-
Community Facilities Districts, net	665	-	665	-	-
Capital Lease	1,141	-	1,141	-	-
Due in More Than One Year					
Insurance Claims Payable	141,917	-	141,917	-	-
Accrued Compensated Absences	130,378	17,068	147,446	-	-
Pollution Remediation	4,500	1,350	5,850	-	-
Accrued Landfill Closure and Postclosure Care Costs	-	15,994	15,994	-	-
General Obligation Bonds, net	974,896	371	975,267	-	-
Loans from Direct Borrowings, net	40,050	11,804	51,854	-	-
Municipal Corporation Obligations, net	286,752	5,461,388	5,748,140	-	-
Special Assessment Bonds, net	44	-	44	-	-
Community Facilities Districts, net	29,335	-	29,335	-	-
Notes Payable	-	-	-	41,438	-
Utility/Water Contractual Agreements	2,301	-	2,301	-	-
Capital Lease	1,166	-	1,166	-	-
Net Pension Liability	4,412,770	551,075	4,963,845	-	-
Net OPEB Liability	159,032	47,276	206,308	-	-
Total Liabilities	7,128,612	6,802,182	13,930,794	47,432	237
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Refunding	6,664	3,373	10,037	-	-
Service Concession Arrangement	23,701	-	23,701	-	-
Pension Related	108,589	41,080	149,669	-	-
OPEB Related	10,998	1,557	12,555	-	-
Total Deferred Inflows of Resources	149,952	46,010	195,962	-	-
NET POSITION					
Net Investment in Capital Assets	3,333,084	3,448,793	6,781,877	(2,417)	2,460
Restricted For:					
Capital Projects	226,187	-	226,187	-	-
Debt Service	200,071	207,847	407,918	-	-
Passenger Facility Charges	-	32,453	32,453	-	-
Customer Facility Charges	-	13,162	13,162	-	-
Public Transit Operations	169,867	-	169,867	-	-
OPEB	56,091	5,397	61,488	-	-
Other	416,837	145,739	562,576	-	-
Unrestricted (Deficit)	(2,814,774)	340,416	(2,474,358)	21,376	27,116
Total Net Position	\$ 1,587,363	\$ 4,193,807	\$ 5,781,170	\$ 18,959	\$ 29,576

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, 2020

(in thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 111,422	\$ 18,395	\$ 10,609	\$ 2,525
Criminal Justice	36,050	14,239	287	-
Public Safety	1,340,379	70,309	35,484	-
Transportation	574,139	30,552	228,952	154,527
Community Enrichment	324,553	9,696	65,826	60
Community Development	251,207	94,086	128,929	12,179
Environmental Services	52,369	49	2,002	295
Interest on Long-Term Debt	53,629	-	-	-
Total Governmental Activities	<u>2,743,748</u>	<u>237,326</u>	<u>472,089</u>	<u>169,586</u>
Business-Type Activities				
Aviation	547,590	451,157	9,073	31,231
Phoenix Convention Center	103,983	43,040	-	-
Water Services	421,541	425,390	-	32,688
Wastewater Services	174,259	213,562	-	7,217
Solid Waste	126,301	154,685	-	-
Total Business-Type Activities	<u>1,373,674</u>	<u>1,287,834</u>	<u>9,073</u>	<u>71,136</u>
Total Primary Government	<u>\$ 4,117,422</u>	<u>\$ 1,525,160</u>	<u>\$ 481,162</u>	<u>\$ 240,722</u>
Component Units:				
Phoenix Housing Finance Corporations	\$ 12,249	\$ 7,801	\$ -	\$ -
Phoenix Industrial Development Authority	\$ 5,026	\$ 3,633	\$ -	\$ -
General Revenues				
Taxes				
Excise Taxes				
Property Taxes, Levied for General Purposes				
Property Taxes, Levied for Debt Service				
Grants and Contributions Not Restricted to Specific Programs				
Investment Earnings, Net				
Miscellaneous				
Transfers - Internal Activities				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - July 1				
Net Position - June 30				

The accompanying notes are an integral part of these financial statements

Exhibit A-2
(Continued)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Phoenix Housing Finance Corporations	Phoenix Industrial Development Authority
\$ (79,893)	\$ -	\$ (79,893)		
(21,524)	-	(21,524)		
(1,234,586)	-	(1,234,586)		
(160,108)	-	(160,108)		
(248,971)	-	(248,971)		
(16,013)	-	(16,013)		
(50,023)	-	(50,023)		
(53,629)	-	(53,629)		
<u>(1,864,747)</u>	<u>-</u>	<u>(1,864,747)</u>		
-	(56,129)	(56,129)		
-	(60,943)	(60,943)		
-	36,537	36,537		
-	46,520	46,520		
-	28,384	28,384		
-	(5,631)	(5,631)		
<u>\$ (1,864,747)</u>	<u>\$ (5,631)</u>	<u>\$ (1,870,378)</u>		
			<u>\$ (4,448)</u>	<u>\$ (1,393)</u>
1,015,414	-	1,015,414	-	-
164,952	-	164,952	-	-
108,064	-	108,064	-	-
483,036	-	483,036	-	-
33,833	49,628	83,461	155	610
117,512	-	117,512	4,451	184
(26,571)	26,571	-	-	-
<u>1,896,240</u>	<u>76,199</u>	<u>1,972,439</u>	<u>4,606</u>	<u>794</u>
31,493	70,568	102,061	158	(599)
1,555,870	4,123,239	5,679,109	18,801	30,175
<u>\$ 1,587,363</u>	<u>\$ 4,193,807</u>	<u>\$ 5,781,170</u>	<u>\$ 18,959</u>	<u>\$ 29,576</u>

The accompanying notes are an integral part of these financial statements



City of Phoenix



Financial Section
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**BASIC FINANCIAL
STATEMENTS - Fund
Financial Statements**



City of Phoenix



City of Phoenix

Fund Financial Statements
Exhibit B-1
Governmental Funds
Balance Sheet

June 30, 2020

(in thousands)

	General				
	General	Transit Special	Obligation/ Secondary	Nonmajor Governmental	Total
			Property Tax	Funds	Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 229,681	\$ 12,987	\$ -	\$ 130,288	\$ 372,956
Cash Deposits	1,086	-	-	29	1,115
Cash and Securities with Fiscal Agents/Trustees	9,774	-	92,518	72,961	175,253
Investments	234,808	139,793	74,571	730,780	1,179,952
Due from Other Funds	-	18,526	-	29,414	47,940
Receivables, Net of Allowance					
Accounts Receivable	54,112	611	1,844	7,971	64,538
Taxes Receivable	105,682	-	1,477	7	107,166
Delinquent Taxes Receivable	3,565	-	2,463	-	6,028
Intergovernmental	27,673	20,632	-	53,127	101,432
Accrued Interest	99	-	584	124	807
Notes Receivable	-	-	-	10,565	10,565
Prepaid Items	53	489	-	-	542
Inventories	17,187	300	-	-	17,487
Total Assets	<u>683,720</u>	<u>193,338</u>	<u>173,457</u>	<u>1,035,266</u>	<u>2,085,781</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	-	-	-	47,940	47,940
Accounts Payable	27,136	22,023	-	89,372	138,531
Insurance Claims Payable	711	-	-	-	711
Trust Liabilities and Deposits	8,041	36	-	34,320	42,397
Matured Bonds Payable	-	-	68,825	37,085	105,910
Interest Payable	-	-	23,693	8,913	32,606
Advance Payments	214,151	623	-	23,813	238,587
Total Liabilities	<u>250,039</u>	<u>22,682</u>	<u>92,518</u>	<u>241,443</u>	<u>606,682</u>
DEFERRED INFLOWS OF RESOURCES					
Delinquent Property Taxes	3,565	-	2,463	-	6,028
Total Deferred Inflows of Resources	<u>3,565</u>	<u>-</u>	<u>2,463</u>	<u>-</u>	<u>6,028</u>
Fund Balances					
Non-Spendable					
Inventories	17,187	300	-	-	17,487
Prepaid Items	53	489	-	-	542
Restricted	49,878	169,867	78,476	608,831	907,052
Committed	-	-	-	93,538	93,538
Assigned	107,216	-	-	147,631	254,847
Unassigned	255,782	-	-	(56,177)	199,605
Total Fund Balances	<u>430,116</u>	<u>170,656</u>	<u>78,476</u>	<u>793,823</u>	<u>1,473,071</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 683,720</u>	<u>\$ 193,338</u>	<u>\$ 173,457</u>	<u>\$ 1,035,266</u>	<u>\$ 2,085,781</u>

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, 2020

(in thousands)

Fund balances - total governmental funds balance sheet		\$ 1,473,071
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	7,807,581	
Accumulated depreciation	<u>(2,696,371)</u>	5,111,210
The investment in joint use agreements are not a financial resource and, therefore, are not reported in the funds.		
Valley Metro Rail Inc.	992,285	
Regional Wireless Cooperative	<u>47,228</u>	1,039,513
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Net OPEB asset		56,091
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.		10,263
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.	13,698	
Deferred outflows of resources from pensions.	593,108	
Deferred outflows of resources from OPEB.	<u>14,466</u>	621,272
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Governmental bonds payable	(1,451,902)	
Pollution remediation	(4,564)	
Compensated absences	(148,505)	
Insurance claims payable	(192,724)	
Water repayment agreements	(2,301)	
Capital lease	(2,307)	
Net pension liability	(4,412,770)	
Net OPEB liability	<u>(159,032)</u>	(6,374,105)
Other liabilities in governmental activities considered to be financial resources, but, are not reported in the governmental funds due to their long-term nature.		(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.	(6,664)	
Deferred inflows of resources from service concession arrangement.	(23,701)	
Deferred inflows of resources from pensions.	(108,589)	
Deferred inflows of resources from OPEB.	<u>(10,998)</u>	(149,952)
Net position of governmental activities - statement of net position		<u>\$ 1,587,363</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, 2020

(in thousands)

	General	Transit Special Revenue	General Obligation/ Secondary Property Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
City Taxes	\$ 728,510	\$ 247,593	\$ 107,555	\$ 203,436	\$ 1,287,094
Licenses and Permits	17,373	-	-	898	18,271
Intergovernmental	507,259	92,793	3,548	508,232	1,111,832
Charges for Services	74,540	26,534	-	96,322	197,396
Fines and Forfeitures	11,307	-	-	67	11,374
Parks and Recreation	-	-	-	1,130	1,130
Special Assessments	-	-	-	10	10
Investment Income					
Net Change in Fair Value of Investments	2,793	1,283	509	4,890	9,475
Interest	7,921	3,662	1,248	11,526	24,357
Dwelling Rentals	-	-	-	8,140	8,140
Other	25,497	15,350	-	76,585	117,432
Total Revenues	1,375,200	387,215	112,860	911,236	2,786,511
EXPENDITURES					
Current					
General Government	81,893	-	-	10,186	92,079
Criminal Justice	34,198	-	-	2,685	36,883
Public Safety	884,033	-	-	191,309	1,075,342
Transportation	24,656	248,497	-	94,582	367,735
Community Enrichment	158,886	-	-	75,555	234,441
Community Development	22,732	-	-	201,620	224,352
Environmental Services	28,462	-	-	2,885	31,347
Capital Outlay	31,405	75,031	-	520,422	626,858
Debt Service					
Principal	-	-	68,825	104,376	173,201
Interest	-	-	47,385	21,132	68,517
Bond Issuance Costs	-	-	-	32	32
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	16	16
Other	-	-	-	148	148
Total Expenditures	1,266,265	323,528	116,210	1,224,948	2,930,951
Excess (Deficiency) of Revenues Over Expenditures	108,935	63,687	(3,350)	(313,712)	(144,440)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	31,881	256	-	149,071	181,208
Transfers to Other Funds	(116,564)	(71,499)	-	(19,716)	(207,779)
Proceeds from Loans	-	-	-	200,000	200,000
Capital Lease	(1,192)	-	-	-	(1,192)
Total Other Financing Sources and (Uses)	(85,875)	(71,243)	-	329,355	172,237
Net Change in Fund Balances	23,060	(7,556)	(3,350)	15,643	27,797
FUND BALANCES, JULY 1	407,056	178,212	81,826	778,180	1,445,274
FUND BALANCES, JUNE 30	\$ 430,116	\$ 170,656	\$ 78,476	\$ 793,823	\$ 1,473,071

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
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, 2020

(in thousands)

Net change in fund balances - total governmental funds	\$ 27,797
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital acquisitions (\$348,291) exceeded depreciation (\$201,187) and loss on disposals of capital assets (\$55,870) in the current period.</p>	91,234
<p>The City's share of increase in net position from the investment in joint ventures is not reflected in the fund financial statements.</p>	77,245
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	15,301
<p>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.</p>	
<p>Principal repayments</p>	173,201
<p>Amortization of bond premium/discount and deferred gain/loss on refundings</p>	15,159
<p>Issuance of notes (short-term obligations)</p>	(200,000)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures, or reductions in expenditures, in governmental funds.</p>	
<p>Compensated absences</p>	(11,176)
<p>Insurance claims</p>	(12,131)
<p>Capital lease</p>	1,117
<p>Pollution remediation</p>	884
<p>Pensions</p>	(147,930)
<p>OPEB</p>	792
	792
Change in net position of governmental activities - statement of activities	\$ 31,493

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Exhibit B-5
General Fund
Budgetary Comparison Statement

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
City Taxes	\$ 172,896	\$ 172,896	\$ 172,267	\$ (629)
Contributions/Donations	-	-	28	28
Licenses and Permits	17,079	17,079	14,561	(2,518)
Intergovernmental	77,176	77,176	120,635	43,459
Charges for Services	72,487	72,487	71,944	(543)
Fines and Forfeitures	12,120	12,120	10,307	(1,813)
Rentals	3,287	3,287	2,594	(693)
Interest	9,407	9,407	10,015	608
Miscellaneous	12,167	12,167	14,592	2,425
Total Revenues	376,619	376,619	416,943	40,324
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	140,347	136,747	123,480	13,267
Criminal Justice	36,665	36,665	35,033	1,632
Public Safety	911,944	911,944	893,403	18,541
Transportation	20,587	20,587	19,748	839
Community Enrichment	168,074	168,104	155,417	12,687
Community Development	24,639	24,639	22,542	2,097
Environmental Services	19,275	19,775	18,801	974
Capital Outlay	19,482	22,952	14,407	8,545
Contingency	52,912	52,912	-	52,912
Total Expenditures and Encumbrances	1,393,925	1,394,325	1,282,831	111,494
Deficiency of Revenues Over Expenditures and Encumbrances	(1,017,306)	(1,017,706)	(865,888)	151,818
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Staff and Administrative	40,991	40,991	40,432	(559)
In-Lieu Property Taxes	27,842	27,842	26,754	(1,088)
Excise Taxes and Other	901,460	901,460	851,832	(49,628)
Transfers to Other Funds				
City Improvement Debt Service Fund	(43,729)	(43,729)	(115)	43,614
Other Restricted Special Revenue Fund	(17,000)	(17,000)	(18,212)	(1,212)
Infrastructure Repayment Agreement Trust	(1,638)	(1,638)	(574)	1,064
Miscellaneous	(5,700)	(5,700)	(5,954)	(254)
Recovery of Prior Years Expenditures	-	-	7,264	7,264
Total Other Financing Sources (Uses)	902,226	902,226	901,427	(799)
Net Change in Fund Balance	\$ (115,080)	\$ (115,480)	35,539	\$ 151,019
Fund Balance, July 1			133,580	
Fund Balance, June 30			\$ 169,119	

The accompanying notes are an integral part of these financial statements

Budgetary Comparison Statement

Exhibit B-6

Transit 2000 Special Revenue Fund

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$ -	\$ -	\$ (159)	\$ (159)
Rentals	-	-	14	14
Miscellaneous	-	-	163	163
Total Revenues	-	-	18	18
OTHER FINANCING SOURCES				
Transfers from Other Funds				
Transportation Tax 2050 Special Revenue Fund	-	-	235	235
Recovery of Prior Years Expenditures	-	-	446	446
Total Other Financing Sources	-	-	681	681
Net Change in Fund Balance	\$ -	\$ -	699	\$ 699
Fund Balance, July 1			(699)	
Fund Balance, June 30			\$ -	

The accompanying notes are an integral part of these financial statements

Budgetary Comparison Statement
Transit - Other Agency Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit B-7

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 40,650	\$ 40,650	\$ 43,286	\$ 2,636
Interest	(70)	(70)	(138)	(68)
Total Revenues	40,580	40,580	43,148	2,568
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	34,263	34,263	34,263	-
Capital	21,647	21,647	6,964	14,683
Total Expenditures and Encumbrances	55,910	55,910	41,227	14,683
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(15,330)	(15,330)	1,921	17,251
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	128	128
Total Other Financing Sources	-	-	128	128
Net Change in Fund Balance	\$ (15,330)	\$ (15,330)	2,049	\$ 17,379
Fund Balance, July 1			(7,529)	
Fund Balance, June 30			\$ (5,480)	

The accompanying notes are an integral part of these financial statements

Budgetary Comparison Statement
Transit - Federal Transit Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit B-8

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 111,362	\$ 111,362	\$ 64,027	\$ (47,335)
Total Revenues	111,362	111,362	64,027	(47,335)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	12,266	12,266	25,486	(13,220)
Capital	99,096	99,096	38,582	60,514
Total Expenditures and Encumbrances	111,362	111,362	64,068	47,294
Deficiency of Revenues Over Expenditures and Encumbrances	-	-	(41)	(41)
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	41	41
Total Other Financing Sources	-	-	41	41
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

The accompanying notes are an integral part of these financial statements

Budgetary Comparison Statement
Transportation Tax 2050 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit B-9

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$ 42,620	\$ 42,620	\$ 32,670	\$ (9,950)
Rentals	131	131	123	(8)
Interest	2,864	2,864	3,291	427
Miscellaneous	2,124	2,124	8,565	6,441
Total Revenues	47,739	47,739	44,649	(3,090)
EXPENDITURES AND ENCUMBRANCES				
Current Operating Transportation	220,714	220,714	192,013	28,701
Capital	120,388	120,388	32,608	87,780
Contingency	4,000	4,000	-	4,000
Total Expenditures and Encumbrances	345,102	345,102	224,621	120,481
Deficiency of Revenues Over Expenditures and Encumbrances	(297,363)	(297,363)	(179,972)	117,391
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	249,936	249,936	247,593	(2,343)
Other Restricted Special Revenue Fund	-	-	256	256
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,023)	(1,023)	(985)	38
City Improvement Debt Service Fund	(70,789)	(70,789)	(70,740)	49
Infrastructure Repayment Agreement Trust	(1,474)	(1,474)	(564)	910
Other Restricted Special Revenue Fund	-	-	(195)	(195)
Transit 2000 Special Revenue Fund	-	-	(235)	(235)
Recovery of Prior Years Expenditures	-	-	7,522	7,522
Total Other Financing Sources (Uses)	176,650	176,650	182,652	6,002
Net Change in Fund Balance	\$ (120,713)	\$ (120,713)	2,680	\$ 123,393
Fund Balance, July 1			158,917	
Fund Balance, June 30			\$ 161,597	

The accompanying notes are an integral part of these financial statements



City of Phoenix

**Fund Financial Statements
Enterprise Funds
Statement of Net Position
June 30, 2020
(in thousands)**
Exhibit B-10

	ASSETS	Aviation	Phoenix Convention Center
Current Assets			
Cash and Cash Equivalents		\$ 45,571	\$ 7,671
Investments		455,630	51,434
Receivables, Net of Allowances		19,963	42
Prepaid Items		-	-
Cash Deposits		326	-
Inventories, at Average Cost		3,172	246
Total Unrestricted Current Assets		<u>524,662</u>	<u>59,393</u>
Restricted Assets			
Cash and Cash Equivalents		16,547	-
Cash Deposits		-	3,553
Cash and Securities with Fiscal Agents/Trustees		162,653	27,463
Investments		570,215	3,065
Receivables, Net of Allowances		13,158	33
Total Restricted Current Assets		<u>762,573</u>	<u>34,114</u>
Total Current Assets		<u>1,287,235</u>	<u>93,507</u>
Noncurrent Assets			
Restricted Cash with Fiscal Agents/Trustees		183,641	-
Capital Assets, Net of Accumulated Depreciation		3,289,587	610,072
Investment in Joint Use Agreement		-	-
Net OPEB Asset		1,576	350
Total Noncurrent Assets		<u>3,474,804</u>	<u>610,422</u>
Total Assets		<u>4,762,039</u>	<u>703,929</u>
	DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds		55,734	4,288
Pension Related		15,618	3,389
OPEB Related		1,030	226
Total Deferred Outflows of Resources		<u>72,382</u>	<u>7,903</u>
	LIABILITIES		
Current Liabilities Payable from Current Assets			
Accounts Payable		22,327	4,549
Trust Liabilities and Deposits		384	-
Advance Payments		9,610	-
Accrued Landfill Postclosure Care Costs		-	-
Current Portion of Pollution Remediation		75	-
Current Portion of Accrued Compensated Absences		876	174
Total Current Liabilities Payable from Current Assets		<u>33,272</u>	<u>4,723</u>
Current Liabilities Payable from Restricted Assets			
Accounts Payable		64,274	-
Trust Liabilities and Deposits		-	3,546
Matured Bonds Payable		55,785	9,024
Interest Payable		60,231	17,680
Current Portion of General Obligation Bonds		-	-
Current Portion of Loans from Direct Borrowings		-	-
Current Portion of Municipal Corporation Obligations		50,045	9,721
Accrued Landfill Closure Costs		-	-
Total Current Liabilities Payable from Restricted Assets		<u>230,335</u>	<u>39,971</u>
Total Current Liabilities		<u>263,607</u>	<u>44,694</u>
Noncurrent Liabilities			
General Obligation Bonds, net		-	-
Loans from Direct Borrowings		-	-
Municipal Corporation Obligations, net		2,657,536	669,174
Pollution Remediation		1,350	-
Accrued Landfill Closure and Postclosure Care Costs		-	-
Accrued Compensated Absences		6,000	1,195
Net Pension Liability		183,692	39,858
Net OPEB Liability		13,469	2,959
Total Noncurrent Liabilities		<u>2,862,047</u>	<u>713,186</u>
Total Liabilities		<u>3,125,654</u>	<u>757,880</u>
	DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding Bonds		756	-
Pension Related		13,693	2,972
OPEB Related		455	100
Total Deferred Inflows of Resources		<u>14,904</u>	<u>3,072</u>
	NET POSITION		
Net Investment in Capital Assets		1,288,177	(73,561)
Restricted for Debt Service		75,350	9,024
Restricted from Passenger Facility Charges		32,453	-
Restricted from Customer Facility Charges		13,162	-
Restricted from Enabling Legislation for Capital Projects		-	-
Restricted for OPEB		1,576	350
Unrestricted (Deficit)		283,145	15,067
Total Net Position (Deficit)		<u>\$ 1,693,863</u>	<u>\$ (49,120)</u>

The accompanying notes are an integral part of these financial statements

Exhibit B-10
(Continued)

Water System	Wastewater	Solid Waste	Total
\$ 12,049	\$ 20,254	\$ 4,929	\$ 90,474
187,259	126,336	33,014	853,673
57,151	49,181	16,092	142,429
6,767	-	-	6,767
-	-	-	326
14,359	4,280	808	22,865
277,585	200,051	54,843	1,116,534
5,881	13,393	1,889	37,710
7,530	112	15	11,210
98,860	57,507	12,088	358,571
280,386	152,173	11,600	1,017,439
2	-	-	13,193
392,659	223,185	25,592	1,438,123
670,244	423,236	80,435	2,554,657
-	-	-	183,641
2,571,598	1,032,715	142,278	7,646,250
187,875	328,988	-	516,863
1,927	592	952	5,397
2,761,400	1,362,295	143,230	8,352,151
3,431,644	1,785,531	223,665	10,906,808
22,331	1,903	492	84,748
18,860	-	8,987	46,854
1,275	389	669	3,589
42,466	2,292	10,148	135,191
25,454	6,757	6,894	65,981
-	-	-	384
12	3	-	9,625
-	-	844	844
-	-	-	75
904	183	356	2,493
26,370	6,943	8,094	79,402
29,185	17,906	43	111,408
7,630	113	114	11,403
68,760	44,128	10,585	188,282
30,380	14,329	1,503	124,123
-	375	310	685
247	837	600	1,684
64,725	43,990	10,295	178,776
-	-	93	93
200,927	121,678	23,543	616,454
227,297	128,621	31,637	695,856
-	3	368	371
2,253	7,601	1,950	11,804
1,536,552	554,777	43,349	5,461,388
-	-	-	1,350
-	-	15,994	15,994
6,230	1,246	2,397	17,068
221,816	-	105,709	551,075
16,761	5,097	8,990	47,276
1,783,612	568,724	178,757	6,106,326
2,010,909	697,345	210,394	6,802,182
-	1,938	679	3,373
16,535	-	7,880	41,080
556	171	275	1,557
17,091	2,109	8,834	46,010
1,402,727	754,309	77,141	3,448,793
68,760	44,128	10,585	207,847
-	-	-	32,453
-	-	-	13,162
84,860	60,879	-	145,739
1,927	592	952	5,397
(112,164)	228,461	(74,093)	340,416
\$ 1,446,110	\$ 1,088,369	\$ 14,585	\$ 4,193,807

The accompanying notes are an integral part of these financial statements

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

June 30, 2020

(in thousands)

	Phoenix	
	Aviation	Convention Center
Operating Revenues		
Aeronautical Fees	\$ 170,109	\$ -
Sales	-	-
Rentals	94,700	8,613
Sewer Service Charges	-	-
Sanitation and Landfill Fees	-	-
Concessions	-	12,967
Other	82,043	21,460
Total Operating Revenues	<u>346,852</u>	<u>43,040</u>
Operating Expenses		
Administration and Engineering	-	28,419
Operation and Maintenance	269,829	14,009
Promotion	-	2,979
Depreciation and Amortization	179,992	23,542
Staff and Administrative	9,736	2,944
Other	-	1,832
Total Operating Expenses	<u>459,557</u>	<u>73,725</u>
Operating Income (Loss)	<u>(112,705)</u>	<u>(30,685)</u>
Non-Operating Revenues (Expenses)		
Passenger Facility Charges	65,717	-
Rental Car Customer Facility Charges	38,588	-
Investment Income		
Net Increase in Fair Value of Investments	6,950	604
Interest on Investments	18,147	1,989
CARES Grant	9,073	-
Interest	(86,810)	(30,258)
Equity Interest in Joint Use Agreement Operating Loss	-	-
Gain (Loss) on Disposal of Capital Assets	(1,223)	-
Total Non-Operating Revenues (Expenses)	<u>50,442</u>	<u>(27,665)</u>
Income (Loss) Before Contributions and Transfers	<u>(62,263)</u>	<u>(58,350)</u>
Capital Contributions	31,231	-
Transfers from Other Funds	248	55,266
Transfers to Other Funds	(949)	(619)
Change in Net Position	<u>(31,733)</u>	<u>(3,703)</u>
Net Position (Deficit), July 1	1,725,596	(45,417)
Net Position (Deficit), June 30	<u>\$ 1,693,863</u>	<u>\$ (49,120)</u>

The accompanying notes are an integral part of these financial statements

Exhibit B-11
(Continued)

Water System	Wastewater	Solid Waste	Total
\$ -	\$ -	\$ -	\$ 170,109
348,088	-	-	348,088
-	-	-	103,313
-	170,071	-	170,071
-	-	147,340	147,340
-	-	-	12,967
77,302	43,491	7,345	231,641
425,390	213,562	154,685	1,183,529
39,448	24,284	27,888	120,039
194,819	64,753	67,692	611,102
-	-	-	2,979
111,023	40,510	15,931	370,998
7,855	3,901	6,153	30,589
-	-	7,630	9,462
353,145	133,448	125,294	1,145,169
72,245	80,114	29,391	38,360
-	-	-	65,717
-	-	-	38,588
2,962	3,438	501	14,455
7,032	6,659	1,346	35,173
-	-	-	9,073
(45,028)	(19,119)	(1,075)	(182,290)
(11,361)	(21,995)	-	(33,356)
(12,007)	303	68	(12,859)
(58,402)	(30,714)	840	(65,499)
13,843	49,400	30,231	(27,139)
32,688	7,217	-	71,136
-	8	-	55,522
(15,869)	(9,579)	(1,935)	(28,951)
30,662	47,046	28,296	70,568
1,415,448	1,041,323	(13,711)	4,445,049
\$ 1,446,110	\$ 1,088,369	\$ 14,585	\$ 4,193,807

The accompanying notes are an integral part of these financial statements

Fund Financial Statements
Enterprise Funds
Statement of Cash Flows
 June 30, 2020
 (in thousands)

Exhibit B-12

	Aviation	Phoenix Convention Center
Cash Flows from Operating Activities		
Receipts from Customers	\$ 343,325	\$ 42,729
Payments to Suppliers	(192,003)	(25,974)
Payments to Employees	(86,927)	(20,548)
Payment of Staff and Administrative Expenses	(9,736)	(2,944)
Net Cash Provided (Used) by Operating Activities	54,659	(6,737)
Cash Flows from Noncapital Financing Activities		
Non-Capital Grants	167	-
Transfers from Other Funds	248	55,266
Transfers to Other Funds	(949)	(619)
Net Cash Provided (Used) by Noncapital Financing Activities	(534)	54,647
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	908,894	-
Principal Paid on Capital Debt	(55,100)	(8,335)
Interest Paid on Capital Debt	(79,731)	(34,411)
Acquisition and Construction of Capital Assets	(428,674)	(21,262)
Proceeds from Sales of Capital Assets	16	558
Passenger Facility Charges	74,037	-
Customer Facility Charges	40,798	-
Capital Contributions	31,570	-
Net Cash Provided (Used) by Capital and Related Financing Activities	491,810	(63,450)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(2,160,838)	(8,401)
Proceeds from Sale and Maturities of Investment Securities	1,648,768	8,088
Net Activity for Short-Term Investments	(58,215)	9,512
Interest on Investments	23,935	2,593
Net Cash Provided (Used) by Investing Activities	(546,350)	11,792
Net Decrease in Cash and Cash Equivalents	(415)	(3,748)
Cash and Cash Equivalents, July ¹	409,153	42,435
Cash and Cash Equivalents, June 30	<u>\$ 408,738</u>	<u>\$ 38,687</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating		
Operating Income (Loss)	\$ (112,705)	\$ (30,685)
Adjustments		
Depreciation	179,992	23,542
Deferred Outflows - Pension and OPEB	(9,339)	(2,028)
Deferred Inflows - Pension and OPEB	7,797	1,695
Change in Assets and Liabilities		
Receivables	621	274
Allowance for Doubtful Accounts	211	-
Prepaid Items	-	-
Inventories	(104)	(45)
Accounts Payable	(7,684)	1,054
Net OPEB Asset	368	72
Trust Liabilities and Deposits	30	(586)
Advance Payments	(4,389)	-
Pollution Remediation	(75)	-
Accrued Compensated Absences	286	40
Accrued Landfill Closure and Postclosure Care Costs	-	-
Net Pension Liability	(927)	(201)
Net OPEB Liability	577	131
Net Cash Provided (Used) by Operating Activities	<u>\$ 54,659</u>	<u>\$ (6,737)</u>
Noncash Capital and Financing Activities		
Bond Capital Appreciation	\$ -	\$ (936)
Amortization of Deferred Gains/Losses of Bond Refundings	5,141	273
Unrealized Gain (Losses) on Investments	4,120	593
Accounts Payable Related to Capital Asset Additions	64,274	-
Total Noncash Capital and Financing Activities	<u>\$ 73,535</u>	<u>\$ (70)</u>
Cash and Cash Equivalents		
Unrestricted		
Cash and Cash Equivalents	\$ 45,571	\$ 7,671
Cash Deposits	326	-
Total Unrestricted	45,897	7,671
Restricted		
Cash and Cash Equivalents	16,547	-
Cash and Securities with Fiscal Agents/Trustees	346,294	27,463
Cash Deposits	-	3,553
Total Restricted	<u>362,841</u>	<u>31,016</u>
	<u>\$ 408,738</u>	<u>\$ 38,687</u>

The accompanying notes are an integral part of these financial statements

Exhibit B-12
(Continued)

Water System	Wastewater	Solid Waste	Total
\$ 415,904	\$ 214,962	\$ 152,209	\$ 1,169,129
(137,375)	(78,578)	(83,128)	(517,058)
(102,759)	(18,363)	(54,554)	(283,151)
(7,855)	(3,901)	(6,153)	(30,589)
167,915	114,120	8,374	338,331
-	-	-	167
-	8	-	55,522
(15,869)	(9,579)	(1,935)	(28,951)
(15,869)	(9,571)	(1,935)	26,738
302,357	-	-	1,211,251
(58,678)	(44,059)	(11,235)	(177,407)
(55,813)	(29,643)	(3,268)	(202,866)
(214,921)	(60,627)	(10,842)	(736,326)
3,461	446	68	4,549
-	-	-	74,037
-	-	-	40,798
32,688	7,217	-	71,475
9,094	(126,666)	(25,277)	285,511
(239,031)	(592,248)	-	(3,000,518)
-	644,031	-	2,300,887
(7,100)	(43,976)	12,239	(87,540)
9,994	10,097	1,847	48,466
(236,137)	17,904	14,086	(738,705)
(74,997)	(4,213)	(4,752)	(88,125)
199,317	95,479	23,673	770,057
\$ 124,320	\$ 91,266	\$ 18,921	\$ 681,932
\$ 72,245	\$ 80,114	\$ 29,391	\$ 38,360
111,023	40,510	15,931	370,998
(11,306)	(268)	(5,429)	(28,370)
9,414	(21)	4,491	23,376
(9,043)	1,102	(2,743)	(9,789)
531	300	263	1,305
(2,452)	-	-	(2,452)
(962)	(809)	252	(1,668)
2,395	(6,794)	(2,327)	(13,356)
451	115	201	1,207
(974)	-	-	(1,530)
-	-	-	(4,389)
(4,100)	-	-	(4,175)
768	(14)	(542)	538
-	-	(31,033)	(31,033)
(1,121)	-	(534)	(2,783)
1,046	(115)	453	2,092
\$ 167,915	\$ 114,120	\$ 8,374	\$ 338,331
\$ -	\$ -	\$ -	\$ (936)
1,693	268	(132)	7,243
2,527	1,502	481	9,223
29,185	17,906	43	111,408
\$ 33,405	\$ 19,676	\$ 392	\$ 126,938
\$ 12,049	\$ 20,254	\$ 4,929	\$ 90,474
-	-	-	326
12,049	20,254	4,929	90,800
5,881	13,393	1,889	37,710
98,860	57,507	12,088	542,212
7,530	112	15	11,210
112,271	71,012	13,992	591,132
\$ 124,320	\$ 91,266	\$ 18,921	\$ 681,932

The accompanying notes are an integral part of these financial statements

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

June 30, 2020

(in thousands)

	Pension and Other Employee Benefit Trusts	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 76,761	\$ 14,134
Investments		
Treasurer's Pooled Investments	8,731	86,826
Temporary Investments	96,600	-
Fixed Income	662,706	-
Domestic Equities	1,010,024	-
International Equities	368,935	-
Real Return	457,412	-
Absolute Return	108,968	-
Real Estate	358,014	-
Receivables		
Accounts Receivable	7,151	-
Contributions Receivable	9,833	-
Interest and Dividends	3,731	-
Prepaid Items	5,621	-
Total Assets	<u>3,174,487</u>	<u>100,960</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts Payable	120,654	-
Accrued Payroll Payable	-	100,960
Claims Payable	25,396	-
Total Liabilities	<u>146,050</u>	<u>100,960</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Restricted for pension and other employee benefits	<u>\$ 3,028,437</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Fund Financial Statements

Exhibit B-14

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Pension and Other Employee Benefit Trusts
ADDITIONS	
Contributions	
City of Phoenix	\$ 354,842
Employees	95,309
Other	2,611
Total Contributions	<u>452,762</u>
Investment Income	
Net Increase in Fair Value of Investments	20,710
Interest	25,215
Dividends	20,890
Other	4,052
Investment Income	<u>70,867</u>
Less: Investment Expense	<u>16,162</u>
Total Net Investment Income	<u>54,705</u>
Total Additions	<u>507,467</u>
DEDUCTIONS	
Benefit Payments	464,565
Refunds of Contributions	2,526
Inter-System Transfers	211
Other	19,792
Total Deductions	<u>487,094</u>
Net Increase	20,373
Net Position Restricted for Pension and Other Employee Benefits	
Beginning of Year, July 1	\$ 3,008,064
End of Year, June 30	<u>\$ 3,028,437</u>

The accompanying notes are an integral part of these financial statements



City of Phoenix



Financial Section

NOTES TO THE FINANCIAL STATEMENTS

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



AN INDEX TO THE NOTES FOLLOWS:

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

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

1. Summary of Significant Accounting Policies

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

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

a) Reporting Entity

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

Fiduciary Component Unit

City of Phoenix Employees' Retirement System ("COPERS")

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

Component Units - Blended

City of Phoenix Civic Improvement Corporation ("CIC")

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

Park Central Community Facilities District ("PCCFD")

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

Component Units - Discrete

Phoenix Housing Finance Corporations ("PHFC")

The PHFC are individual nonprofit corporations which were incorporated under the laws of the State of Arizona. The corporations were created to act as instrumentalities of the City to aid in the development and financing of various housing projects for low income persons. City management appoints the nonself-perpetuating Board of Directors and approves amendments to the Articles of Incorporation and Bylaws. Although the corporations are legally separate from the City, governmental accounting standards require the corporations to be reported as a discretely presented component unit of the City for financial reporting purposes because of the City's

accountability via the appointment of the board members. Separate financial statements for the corporations can be obtained from the City's Finance Department, through the Financial Accounting and Reporting Division at 251 W. Washington Street, 9th floor, Phoenix, Arizona, 85003.

Phoenix Industrial Development Authority ("Phoenix IDA")

The Phoenix IDA is a nonprofit corporation designated a political subdivision of the State of Arizona. The Phoenix IDA was established on July 7, 1981 in order to exercise its broad statutory powers, including the power to issue conduit revenue bonds to finance "projects" as such term is defined by the Arizona Revised Statutes, §35-701(7). All bonds issued by Phoenix IDA are special, limited obligations of the Phoenix IDA, payable solely from revenues generated by the project being financed, and do not constitute debt of, a loan of, or credit by, the Phoenix IDA. The Phoenix IDA charges administration fees to bond applicants and uses such fees to cover its administration costs and to support its ongoing community and economic development programs in Arizona. The Phoenix IDA is a special-purpose governmental entity engaged in business type activities. The City Council of the City of Phoenix elects the board of directors for Phoenix IDA and may remove a director at any time, with or without cause. Upon future dissolution, all funds held by the Phoenix IDA and title to its property will revert to the City. Although the Phoenix IDA is legally separate from the City, governmental accounting standards require the Phoenix IDA to be reported as a discretely presented component unit of the City for financial reporting purposes because of the City Council's relationship to the Phoenix IDA. Separate financial statements for the Phoenix IDA can be obtained from the City's Finance Department, through the Phoenix IDA at 3352 E. Camelback Rd., Phoenix, Arizona, 85018.

b) **Jointly Governed Organizations**

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

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

Arizona Municipal Water Users Association ("AMWUA")

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

Phoenix-Mesa Gateway Airport ("PMGA")

PMGA is a nonprofit corporation established and funded by the City of Phoenix, City of Mesa, Towns of Gilbert and Queen Creek, and the Gila River Indian Community. The purpose of the entity is the redevelopment of Williams Air Force Base that was closed in September 1993 to become PMGA. The Board of Directors consists of the mayors for the respective municipalities and the governor of the tribal community. The City of Phoenix contributed \$1.3 million this fiscal year (life to date \$23.4 million) to the PMGA operating and capital budget.

c) **Basic Financial Statements**

The basic financial statements constitute the core of the financial section of the City's Comprehensive Annual Financial Report (CAFR). The basic financial statements include the government-wide financial statements, fund financial statements, and the accompanying notes to these financial statements. The government-wide financial statements (statement of net position and statement of activities) report on the City and its component units as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

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

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

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

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

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

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

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

The proprietary (enterprise) funds and fiduciary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds may be eliminated in the consolidation for the government-wide financial statements but is included in the fund columns in the proprietary fund financial statements.

d) **Fund Accounting**

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

Governmental Funds

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

General Fund

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

Transit Special Revenue Fund

The Transit Fund is the only special revenue fund that is presented as a major fund in the basic financial statements. It is used to account for federal grant operating funds, regional Public Transportation Assistance funds, Transit 2000 and Transportation 2050 excise tax revenues and the City's local matching funds. Expenditures are for the administrative and operating costs of the public transit system.

General Obligation/Secondary Property Tax Debt Service Fund

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

The City has the following nonmajor governmental funds:

Special Revenue Funds

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

Capital Projects Funds

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

Debt Service Funds

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

Proprietary Funds

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

Enterprise Funds

Enterprise funds are used to account for operations that provide services to the general public for a fee. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs. The City has five enterprise funds,

which are all presented as major funds in the basic financial statements and are used to account for the operation of the City's Sky Harbor International Airport and two regional airports, Phoenix Convention Center, water system, wastewater system and solid waste disposal system.

Fiduciary Funds

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

Pension and Other Employee Benefit Trust Funds

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

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

Agency Funds

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

e) **Basis of Accounting**

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

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

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

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

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

The accrual basis of accounting is followed for all enterprise funds and trust funds, whereby revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized when incurred. Employee contributions to the trust funds are recognized as revenue

in the period in which employee services are performed and the contributions are therefore earned. Employer contributions are recognized at the same time, as the City is formally committed to contribute the actuarially determined amount each year. Benefit payments received the first of each month by retirees are recognized as an expense of the prior month; and refunds are recognized as expenses when paid out, in accordance with the terms of the plans.

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

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

Agency funds do not measure results of operations or have a measurement focus.

f) **Budget and Budgetary Accounting**

An operating budget is legally adopted by ordinance each fiscal year for the General Fund, all special revenue funds, Secondary Property Tax Debt Service Fund, City Improvement Debt Service Fund and all enterprise funds on a modified accrual basis plus encumbrances. Due to the number of individual special revenue funds, the Transit, Development Services, Grants, and Public Housing special revenue funds include two or more budgeted funds with similar purposes for GAAP financial statement presentation. The level of legal budgetary control is by fund, except for the General Fund, for which the control is by program (i.e., related activities performed by one or more departments, such as public safety or community enrichment). For the applicable level of control, the budget can be amended only by City Council action subject to state law limitations. Transfers of sums within any specific appropriation may be made, but require the City Manager's approval. The General Fund, Development Services Fund, 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 2019-20, 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 2019-20 expenditure limit supplied by the Economic Estimates Commission was \$1.6 billion. The City increased this limit to \$8.1 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 2015 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 2019-20. 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 levy	No requirement	60 days prior to Tax Levy Adoption
City Manager’s proposed budget for ensuing year submitted to Council	On or before the first Tuesday in June or a date designated by Council	No provision
Publish general summary of budget and notice of public hearing	Publish in newspaper of general circulation at least two weeks prior to first public hearing	No provision
Public hearing and tentative budget adoption	On or before the last day of June	On or before the third Monday in July
Publish 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 budget summary and notice of public hearing	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
Public hearing on budget plus tax levy or truth-in-taxation hearing (when required) and final budget adoption	No provision	Public hearing on or before the 14th day before the tax levy is adopted and no later than the first Monday in August
Post a complete copy of the adopted final budget on the city’s website	No requirement	No later than seven days after adoption
Public hearing and property tax levy adoption	No later than the last regular Council meeting in July	No sooner than fourteen days following initial public hearing and no later than the third Monday in August

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

g) **Use of Estimates**

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

h) **Pooled Cash and Investments**

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

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

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

i) **Inventories**

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

j) **Capital Assets**

All capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. The City has chosen not to apply the modified approach to any networks or subsystems of infrastructure assets. No long-term capital assets or depreciation are shown in the governmental fund financial statements.

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

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

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. All artwork, land and non-depreciable infrastructure is capitalized. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Capital leases are classified as capital assets in amounts equal to the lesser of fair market value or the present value of net minimum lease payments at the inception of the lease.

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

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

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

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

k) **Compensated Absences**

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

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

l) **Pensions**

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

m) **Other Postemployment Benefits (OPEB)**

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

n) **Long-Term Obligations**

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

o) **Fund Deficits**

Deficits sometimes occur in the capital projects funds which are recovered through future bond sales and/or the award of federal grants. The Phoenix Convention Center Enterprise fund reported a deficit of \$49.1 million. The deficit is primarily in the Net Investment in Capital Assets resulting from the timing difference between depreciation on the Phoenix Convention Center north and west building expansion and the principal payments for the related debt. As the City increases the principal payments in accordance with the debt service schedules and the depreciation remains constant, the deficit balance will be eliminated.

p) **Interfund Transactions**

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

q) **Statements of Cash Flows**

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

r) **New Accounting Pronouncements****New Accounting Pronouncements Adopted in 2020:**

GASB Statement No. 93, **Replacement of Interbank Offered Rates**, requires that governments replace citations of the London Interbank Offered Rate (LIBOR) with one or more acceptable benchmark reference rates. The requirements of this Statement are effective for reporting periods beginning after December 31, 2021. The City has determined there is no impact to the financial statements as a result of this Statement.

Pronouncements Issued But Not Yet Effective:

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

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2021
87	<i>Leases</i>	2022
90	<i>Majority Equity Interests</i>	2021
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Private Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription Based Information Technology Arrangements (SBITA)</i>	2023
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2022

2. Budget Basis of Accounting

The City's budget is adopted on a basis other than GAAP. The Budgetary Comparison Statements for the General Fund (Exhibit B-5) and the Transit Special Revenue Funds (Exhibits B6 through B-9) are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP bases are:

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

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

Adjustments necessary to convert the change in fund balance for the fiscal year ended June 30, 2020 on the budget basis to the GAAP basis are as follows (in thousands):

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

	<u>General Fund</u>	<u>Transit Special Revenue Fund</u>
Budget basis	\$ 35,539	\$ 5,428
Entity differences - amounts not budgeted	(8,575)	(138)
Transfers not recognized for budget purposes	(7)	-
Advance payments not recognized for budget purposes (net of reversals of prior year accruals)	558	(21,678)
Accrued expenditures not recognized for budget purposes (net of reversals of prior year accruals)	3,129	23,148
Unrealized gain or loss on investments	(929)	1,762
Encumbrances at June 30 recognized as expenditures for budget purposes	(6,655)	(16,078)
GAAP basis	<u>\$ 23,060</u>	<u>\$ (7,556)</u>

Adjustments necessary to convert the fund balances at June 30, 2020 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	\$ 169,119	\$ 156,117
Entity differences - amounts not budgeted	193,298	1,773
Transfers not recognized for budget purposes	(211)	-
Advance payments not recognized for budget purposes	8,881	(34,242)
Accrued expenditures not recognized for budget purposes	(23,445)	(22,125)
Unrealized gain or loss on investments	25,795	(14,865)
Encumbrances at June 30 recognized as expenditures for budget purposes	56,679	83,998
GAAP basis	<u>\$ 430,116</u>	<u>\$ 170,656</u>

3. Fund Balances

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

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

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

Committed - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for other purposes unless City Council removes or changes the specified use by taking the same type of action it

employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

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

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

	General	Transit Special Revenue	General Obligation/ Secondary Property Taxes	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (in thousands):					
Nonspendable:					
Inventory / Prepaid	\$ 17,240	\$ 789	\$ -	\$ -	\$ 18,029
Spendable:					
Restricted for:					
Capital Construction	-	-	-	140,887	140,887
Debt Service	-	-	78,476	15,685	94,161
Public Transit Operations	-	168,607	-	21,471	190,078
Road Maintenance and Construction	-	-	-	161,477	161,477
Public Parks and Preserves	-	-	-	96,350	96,350
Insurance Claims	49,878	1,260	-	-	51,138
Low Income Housing Programs	-	-	-	31,138	31,138
Court Operations	-	-	-	4,590	4,590
Police and Fire Personnel	-	-	-	80,551	80,551
Other	-	-	-	56,682	56,682
Committed to:					
Debt Service	-	-	-	64,950	64,950
Capital Construction	-	-	-	25,832	25,832
Court Operations	-	-	-	2,756	2,756
Assigned to:					
Capital Construction	-	-	-	28,203	28,203
Insurance	59,494	-	-	-	59,494
Development Services	-	-	-	90,224	90,224
Low Income Housing Programs	-	-	-	7,648	7,648
Pension Reserve	40,953	-	-	-	40,953
Other	6,769	-	-	21,556	28,325
Unassigned	255,782	-	-	(56,177)	199,605
Total fund balances	\$ 430,116	\$ 170,656	\$ 78,476	\$ 793,823	\$ 1,473,071

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 primary tax value at no greater than 5% above the previous year, plus new construction, and establishes a single LPV for both the primary and secondary systems. The LPV is used to calculate primary net assessed valuations (PNAV) also referred to as limited net assessed valuation (LNAV), which is used to calculate both the primary and secondary levies. Both primary and secondary property taxes are levied against the LPV of locally-assessed real property, including residential, commercial, industrial, agricultural and unimproved property. The amendment did not change the methodology used by county assessors to calculate primary values and property owners may still appeal valuations to their county assessor. The amendment did not impose limits on the rate at which primary property taxes may be assessed and does not materially adversely affect the City’s ability to levy and collect property taxes. The City of Phoenix PNAV for tax year 2020 (fiscal year 2020-21) is \$13.9 billion.

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

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

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

	2019 Levy			Prior Levies	Total
	Primary	Secondary	Total		
Property Taxes Receivable, July 1	\$ -	\$ -	\$ -	\$ 5,834	\$ 5,834
Current Tax Levy	172,626	108,971	281,597	-	281,597
Adjustment by County Assessor	(1,180)	(675)	(1,855)	(643)	(2,498)
	171,446	108,296	279,742	5,191	284,933
Less: Collections, net	(167,739)	(105,989)	(273,728)	(3,558)	(277,286)
Property Taxes Receivable, June 30	\$ 3,707	\$ 2,307	\$ 6,014	\$ 1,633	\$ 7,647

In fiscal year 2019-20, current property tax collections were \$273.7 million, or 97.9%, 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 2020-21, 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 at June 30, 2020, was comprised of the following (in thousands):

	Total
Cash in Bank	\$ 231,265
Cash on Hand	163
Short-Term Pooled Investments	244,372
Short-Term Non-Pooled Investments	149,700
Total Cash and Cash Equivalents	<u>\$ 625,500</u>

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

Primary Government	
Unrestricted	
General Fund	\$ 229,681
Transit Special Revenue Fund	12,987
Non-Major Governmental Funds	130,288
Enterprise Funds	
Aviation	45,571
Phoenix Convention Center	7,671
Water System	12,049
Wastewater	20,254
Solid Waste	4,929
Total Unrestricted	<u>463,430</u>
Restricted	
Enterprise Funds	
Aviation	16,547
Water System	5,881
Wastewater	13,393
Solid Waste	1,889
Total Restricted	<u>37,710</u>
Total Primary Government	<u>501,140</u>
Component Unit - PHFC	9,050
Component Unit - Phoenix IDA	24,415
Fiduciary Funds	
Employee Pension Trust	68,296
Employee Benefit Trust	8,465
Payroll Agency	14,134
Total Reporting Entity	<u>\$ 625,500</u>

Deposits

Cash deposits are subject to custodial risk. Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's deposits were entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name at fiscal year end. There was one day during fiscal year 2020 that had undercollateralized deposit liabilities. The carrying amount of the City's deposits at June 30, 2020 was \$250.8 million and the bank ledger balance was \$260.5 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, 2020 was \$721.3 million. Securities with fiscal agents and trustees are not subject to custodial risk.

Investments

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

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

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

Rebates

Senate bill 1306 requires local governments to disclose the amount of any reward, discount, incentive or other financial consideration received as a result of credit card payments made to a vendor for goods or services. In fiscal year 2020, the City has recorded approximately \$0.5 million in rebates related to its single use account program.

Total investments at June 30, 2020, stated at fair value, were \$6.2 billion. The following summarizes those amounts reported in "Investments" in the accompanying financial statements (in thousands):

	Credit Quality Rating	Fair Value	Weighted Average Maturity (Years)
City Investments			
Pooled Investments			
U.S. Treasury Securities	AA+	1,006,237	1.224
U.S. Government Agency Securities			
Housing and Urban Development	AA+	31,683	0.743
FFCB Notes	AA+	117,069	2.683
FNMA Notes	AA+	14,401	2.671
FAMCA Notes	AA+	10,115	0.003
FHLMC Notes	AA+	56,526	3.253
FHLB Notes	AA+	159,174	1.398
Total U.S. Government Agency Securities		388,968	2.287
Pre-Refunded Municipal Securities	N/A ⁽¹⁾	283,273	0.901
Certificates of Deposit	N/A ⁽²⁾	121,847	0.228
Commercial Paper	A-1	19,993	0.167
Mortgage Backed Securities			
GNMA	AA+	84,209	2.141
FHLMC Notes	AA+	29,654	4.961
Total Mortgage Backed Securities		113,863	2.875
Total Pooled Investments		1,934,181	1.292
Less: Joint Venture Pooled Investments		(60,820)	
Less: Short-Term Pooled Investments		(244,372)	
Net Pooled Investments		1,628,989	
Non-Pooled Investments			
U.S. Treasury Securities	AA+	1,530,253	0.415
U.S. Government Agency Securities - FHLB Notes	AA+	163,316	0.329
Pre-Refunded Municipal Securities	N/A ⁽¹⁾	4,533	0.302
Total Non-Pooled Investments		1,698,102	0.406
Less: Short-Term Non-Pooled Investments		(81,404)	
Net Non-Pooled Investments		1,616,698	
Total City Investments		<u>\$ 3,245,687</u>	

(1) Pre-Refunded Municipal Securities for which the payment of interest, and ultimately the repayment of the principal, is backed by U.S. Government Securities.

(2) All Certificates of Deposit are insured by the FDIC.

	Credit Quality Rating	Fair Value	Weighted Average Maturity (Years)
COPERS Investments			
Fixed Income Investments			
Derivatives	Not Rated	\$ (1,262)	16.390
Total Derivatives		(1,262)	
U. S. Treasury Securities	Not Rated	6,347	7.500
U. S. Treasury Securities	AAA	18,989	14.400
U. S. Treasury Securities	B	3,001	0.792
Total U. S. Treasury Securities		28,337	
Total U.S. Government Agency Securities	Note Rated	560	6.666
Total U.S. Government Agency Securities	AAA	176	9.797
Total U.S. Government Agency Securities	AA	1,372	1.332
		2,108	
Mortgage Backed Securities	Not Rated	51,609	26.077
Mortgage Backed Securities	AAA	7,010	23.856
Mortgage Backed Securities	AA	1,655	19.995
Mortgage Backed Securities	A	2,493	20.622
Mortgage Backed Securities	BBB	549	13.518
Mortgage Backed Securities	B	20	13.666
Mortgage Backed Securities	CCC	214	15.687
Mortgage Backed Securities	CC	383	16.912
Mortgage Backed Securities	D	50	25.918
Total Mortgage Backed Securities		63,983	
Asset Backed Securities	Not Rated	11,045	0.201
Asset Backed Securities	AAA	4,342	7.487
Asset Backed Securities	AA	492	14.661
Asset Backed Securities	A	1,585	12.950
Asset Backed Securities	BBB	2,267	25.736
Asset Backed Securities	B	2,069	5.972
Total Asset Backed Securities		21,800	
Municipal Bonds	Not Rated	1,077	7.051
Municipal Bonds	AAA	2,463	21.714
Municipal Bonds	AA	1,994	11.553
Municipal Bonds	A	1,730	20.854
Municipal Bonds	BBB	1,009	19.822
Municipal Bonds	B	183	17.389
		8,456	
Corporate Bonds	Not Rated	92,965	6.098
Corporate Bonds	AAA	2,315	18.327
Corporate Bonds	AA	9,050	15.600
Corporate Bonds	A	25,131	14.842
Corporate Bonds	BBB	45,855	11.714
Corporate Bonds	BB	21,526	7.990
Corporate Bonds	B	47,753	4.997
Corporate Bonds	CCC	196	4.466
Corporate Bonds	CC	2,123	4.586
Corporate Bonds	C	41,205	4.085
Corporate Bonds	D	428	1.266
Total Corporate Bonds		288,547	
International Bonds	Not Rated	78,262	5.487
International Bonds	AAA	492	0.633
International Bonds	AA	675	3.926
International Bonds	A	2,151	7.880
International Bonds	BBB	6,437	17.228
International Bonds	B	232	6.877
Total International Bonds		88,249	
Total Fixed Income Investments		500,218	
Temporary Investments from Securities Lending		79,589	
Domestic Equities:			
Common Stocks		731,459	
Commingled Equity Index Fund		181,889	
Real Estate		347,119	
Total Domestic Equities		1,260,467	
Global Commingled		326,796	
International Equities		433,108	
Hedged Funds		108,912	
Total COPERS Investments		\$ 2,709,090	
Fiduciary Fund External Investments			
Employee Benefit Trust			
Bond Mutual Funds			
Doubleline Core Total Return	Not Rated	\$ 14,635	5.700
PIMCO Total Return	Not Rated	14,924	5.170
Vanguard Total Bond Market Index	Not Rated	27,643	8.400
Total Bond Mutual Funds		57,202	
Stock Mutual Funds	Not Rated	186,318	
Pacific Hedged Strategies Funds	Not Rated	87	
Real Estate	Not Rated	10,895	
Total Fiduciary Fund External Investments		\$ 254,502	

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

Primary Government	
Unrestricted	
General Fund	\$ 234,808
Transit Special Revenue Fund	139,793
General Obligation/Secondary Property Tax	74,571
Non-Major Governmental Funds	730,780
Enterprise Funds	
Aviation	455,630
Phoenix Convention Center	51,434
Water System	187,259
Wastewater	126,336
Solid Waste	33,014
Total Unrestricted	<u>2,033,625</u>
Restricted	
Enterprise Funds	
Aviation	570,215
Phoenix Convention Center	3,065
Water System	280,386
Wastewater	152,173
Solid Waste	11,600
Total Restricted	<u>1,017,439</u>
Total Primary Government	3,051,064
Fiduciary Funds	
Employee Pension Trust	2,709,976
Employee Benefit Trust	361,414
Payroll Agency	86,826
Total Reporting Entity	<u><u>\$ 6,209,280</u></u>

Fair Value Hierarchy

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2020 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using			
	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury securities	\$ 2,536,492	\$ 16,432	\$ 2,520,060	\$ -
U.S. Government agency obligations	552,284	-	552,284	-
U.S. Government agency MBS/CMO	113,863	-	113,863	-
Municipal bonds	287,806	-	287,806	-
Commercial paper	19,993	-	19,993	-
Total investments, including those classified as, cash equivalents by fair value level	\$ 3,510,438	\$ 16,432	\$ 3,494,006	\$ -

U.S. Government securities totaling \$16.4 million in fiscal year 2020 are classified in Level 1 of the fair value hierarchy and are valued using quoted prices in active markets.

U.S. Government securities totaling \$2.5 billion, U.S. government agency obligations totaling \$552.3 million, U.S. government agency MBS/CMO totaling \$113.9 million, municipal bonds totaling \$287.8 million and commercial paper totaling \$20.0 million in fiscal year 2020 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 \$57.2 million and Stock Mutual Funds totaling \$197.0 million classified in Level 1 of the fair value hierarchy in fiscal year 2020 are valued using quoted prices in active markets. Stock Mutual Funds totaling \$249 thousand classified in Level 2 of the fair value hierarchy in fiscal year 2020 are valued using other significant observable inputs. Pacific Hedged Strategies Funds totaling \$87 thousand in fiscal year 2020, classified in Level 3 of the fair value hierarchy is valued by appraisal using valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow model and similar techniques not on market, exchange, dealer or broker-traded transactions.

The following is a summary of the fair value hierarchy of the fair value of investments of COPERS as of June 30, 2020 (in thousands):

Investments by Fair Value Level	June 30, 2020	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Equities	\$ 731,459	\$ 208,285	\$ -	\$ 523,174
International Equities Commingled	433,108	224,349	-	208,759
Fixed Income				
Derivatives	(1,262)	3	(1,265)	-
US government and agency securities	30,446	28,338	2,108	-
Mortgage backed securities - residential	63,983	-	63,983	-
Asset backed securities	21,799	-	21,799	-
Municipal bonds	8,456	-	8,456	-
Corporate bonds	288,547	11	174,232	114,304
Foreign	88,249	-	10,546	77,703
Foreign commingled	157,809	157,809	-	-
Total fixed income securities	658,027	186,161	279,859	192,007
Temporary Investments from Securities Lending	16,043	-	16,043	-
Subtotal	1,838,637	\$ 618,795	\$ 295,902	\$ 923,940
Investments measured at the net asset value (NAV)				
Private Equity	181,889			
Hedge Funds	108,912			
Global Commingled	168,987			
Real Estate Funds	347,119			
Investments at net asset value	806,907			
Cash Equivalents in Securities Lending	63,546			
Total investments and cash equivalents by fair value level	\$ 2,709,090			

Certain investments are reported at the net asset values calculated by the investment manager. These investments at June 30, 2020, detailed in the following table, are subject to capital calls and specific redemption terms:

	June 30, 2020 (in thousands)	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds	\$ 108,912	\$ -	Quarterly	90 Days
Global Commingled	168,987	-	Monthly	30 Days
Private Equity	181,889	323,205	Quarterly	0-90 Days
Real Estate Funds	347,119	147,090	Quarterly	0-90 Days

Alternative investments measured at NAV include 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 three direct hedge funds which all have a global macro strategy.
- COPERS' portfolio consists of one commingled fixed income fund and two fixed income separate accounts. These accounts have a core-plus strategy.
- COPERS has two global commingled funds. One fund which has a global large cap growth mandate and the second fund which has a large cap value mandate.
- COPERS' real estate investments consists of two core real estate funds and 15 non-core real estate partnerships. The core funds permit redemptions with a 90-day notice, the non-core fund investments have a limited liquidity and redemptions are restricted.

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

Interest Rate Risk

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

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

For Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMO), the maximum weighted average life using current Public Securities Association (PSA) prepayment assumptions shall be twelve years at the time of purchase for MBS and five years at the time of purchase for CMO.

For the LTD and MERP Trusts, investment activity has been delegated from the Trust funds' Boards to professionally managed mutual funds to diversify the composition of the Trusts' assets. The bond funds, as of June 30, 2020, have weighted average maturities ranging from 5.2 to 8.4 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 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 specifies a weighted average duration of +/- 20% of the Barclays Capital US Aggregate Index. The contracts with Brigade and DDJ Capital Management require a weighted average duration of +/- two years of the Barclays Capital US Aggregate Index.

Credit Risk

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

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

COPERS currently has two managers responsible for fixed income investments. Longfellow Investment Management ("Long") and Western Asset Management Company ("Western") are active bond managers. As part of their portfolio, 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	\$ 322,491

The LTD and MERP Trusts have allocated 22% of their total assets to core fixed income mutual funds which have mandates to be well diversified over a broad range of various issuers.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates may adversely affect the fair value of an investment or a deposit. COPERS' investment in foreign fixed income is managed by PIMCO, Longfellow and Western Asset. The managers' report dollar and non-dollar denominated holdings and provide for direct ownership of the underlying security. Dollar and non-dollar denominated holdings accounted for 99.98% and 0.02%, respectively, of the foreign fixed income investments at June 30, 2020.

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 2020, 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 2020, 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, 2020, the collateral pool had a weighted average maturity (WAM) of 30 days and a weighted average life (WAL) of 70 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, 2020 are stated net of the allowance for doubtful accounts, and are summarized as follows (in thousands):

	Accounts	Taxes	Interest	Intergov- ermental ⁽¹⁾	Notes	Total
Unrestricted						
Governmental Activities						
General Fund	\$ 54,112	\$ 109,247	\$ 99	\$ 27,673	\$ -	\$ 191,131
Transit Special Revenue	611	-	-	20,632	-	21,243
G.O./Secondary Property						
Tax	1,844	3,940	584	-	-	6,368
Nonmajor	7,971	7	124	53,127	10,565	71,794
	64,538	113,194	807	101,432	10,565	290,536
Business-Type Activities						
Aviation	10,953	-	-	9,010	-	19,963
Phoenix Convention Center	42	-	-	-	-	42
Water System	56,417	-	-	734	-	57,151
Wastewater	21,355	-	-	6,453	21,373	49,181
Solid Waste	15,083	-	-	1,009	-	16,092
	103,850	-	-	17,206	21,373	142,429
Subtotal	168,388	113,194	807	118,638	31,938	432,965
Restricted						
Business-Type Activities						
Aviation	4,409	-	1,312	7,437	-	13,158
Phoenix Convention Center	-	-	33	-	-	33
Water System	-	-	2	-	-	2
	4,409	-	1,347	7,437	-	13,193
Total	\$ 172,797	\$ 113,194	\$ 2,154	\$ 126,075	\$ 31,938	\$ 446,158

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

The following is a summary of the allowance for doubtful accounts for all funds at June 30, 2020 (in thousands):

	Allowance for Doubtful Accounts		
	Accounts	Taxes	Total
Governmental			
General Fund	\$ 16,259	\$ 14,066	\$ 30,325
Transit Special Revenue Fund	201	-	201
Nonmajor	3,955	-	3,955
Business-Type			
Aviation	211	-	211
Phoenix Convention Center	43	-	43
Water System	2,605	-	2,605
Wastewater	1,535	-	1,535
Solid Waste	1,753	-	1,753
	<u>\$ 26,562</u>	<u>\$ 14,066</u>	<u>\$ 40,628</u>

Enterprise fund Accounts Receivable included unbilled charges at June 30, 2020, as follows (in thousands):

Aviation	\$ 4,980
Water System	27,206
Wastewater	8,370
Solid Waste	5,911
	<u>\$ 46,467</u>

Notes Receivable

The City has entered into loan agreements with the Matthew Henson Partnership, LP; Krohn West, LP; Phoenix Central City Revitalization Corp & LLC; PERC Frank Luke Addition LLC; PGHC Pine Crest, LLC; PSMHTC Summit LLC; PIBHC Marcos De Niza LLC; PERC II Frank Luke Addition LLC; PERC III Frank Luke Addition LLC; and Phoenix Starfish Place Corporation for the purpose of financing housing projects. These projects include a mix of affordable housing and market rate units. Payments on these loans are only required to be made from the project's surplus cash flows. Due to the uncertainty of payment, the City is not recognizing a receivable in the Financial Statements and will record all payments as revenue at the time of receipt. The amount of these notes outstanding is \$80.0 million.

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 \$91.8 million as of June 30, 2020.

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 2021 and as late as fiscal year ending 2057. As of June 30, 2020 the total amount of the notes outstanding is \$10.6 million. The payments received from these loans are restricted by the Federal Government for affordable housing programs. Therefore the City records a trust liability within the Public Housing Special Revenue Fund for the outstanding balance of the notes.

The City has entered into a loan agreement with Ninety-First Avenue Renewable Biogas, LLC to provide secured financing for the construction of a digester gas (biogas) treatment facility at the 91st Avenue Wastewater Treatment Plant. The agreement has been recorded as a notes receivable in the Wastewater Enterprise Fund. After completion of the Biogas Facility and continuing to the maturity date, the City will be repaid the capital costs over a maximum of ten years with 4.5% annual interest. The amount of the note outstanding is \$21.3 million as of June 30, 2020.

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, 2020 (in thousands):

	<u>Payable Funds</u>
	<u>Governmental</u>
	<u>Funds</u>
Receivable Funds	
Governmental Funds	
Transit Special Revenue	\$ 18,526
Nonmajor Governmental	29,414
Total Governmental Funds	<u>\$ 47,940</u>

Interfund balances at June 30, 2020 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 \$26.6 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, 2020 (in thousands):

	<u>Transfers Out</u>	<u>Transfers In</u>
Governmental Funds		
General Fund	\$ 116,564	\$ 31,881
Transit Special Revenue Fund	71,499	256
Nonmajor Governmental	19,716	149,071
Total Governmental Funds	<u>207,779</u>	<u>181,208</u>
Enterprise Funds		
Aviation	949	248
Phoenix Convention Center	619	55,266
Water System	15,869	-
Wastewater	9,579	8
Solid Waste	1,935	-
Total Enterprise Funds	<u>28,951</u>	<u>55,522</u>
Total Transfers	<u>\$ 236,730</u>	<u>\$ 236,730</u>

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

8. Restricted Assets and Liabilities Payable from Restricted Assets

Restricted assets and liabilities payable from restricted assets recorded in the Enterprise Funds at June 30, 2020, are summarized as follows (in thousands):

Restricted Assets	
Cash and Cash Equivalents	\$ 37,710
Cash Deposits	11,210
Cash and Securities with Fiscal Agents/Trustees	358,571
Investments	1,017,439
Receivables, Net of Allowances	13,193
Total Restricted Assets	<u>\$ 1,438,123</u>
Liabilities Payable from Restricted Assets	
Accounts Payable	\$ 111,408
Trust Liabilities and Deposits	11,403
Accrued Landfill Closure Costs	93
Subtotal	<u>122,904</u>
Matured Bonds and Certificates Payable	188,282
Interest Payable	124,123
Current Portion of General Obligation Bonds	685
Current Portion of Revenue Bonds	1,684
Current Portion of Municipal Corporation Obligations	178,776
Total Liabilities Payable from Restricted Assets	<u>\$ 616,454</u>

9. **Capital Assets**

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

	Balances July 1, 2019	Additions	Deletions	Transfers	Balances June 30, 2020
Governmental activities:					
Non-depreciable assets:					
Land	\$ 1,279,878	\$ 2,493	\$ (4,700)	\$ 2,455	\$ 1,280,126
Infrastructure	541,520	1,216	-	2,124	544,860
Artwork	7,044	-	-	-	7,044
Construction-in-Progress	237,374	122,653	(50,451)	(80,791)	228,785
Total non-depreciable assets	2,065,816	126,362	(55,151)	(76,212)	2,060,815
Depreciable assets:					
Buildings	1,522,360	6,991	(3,599)	4,721	1,530,473
Improvements	661,707	8,841	(1,888)	11,793	680,453
Infrastructure	2,353,225	146,741	(18)	31,237	2,531,185
Equipment	862,105	70,458	(362)	29,854	962,055
Intangible Assets	42,216	36	-	348	42,600
Total depreciable assets	5,441,613	233,067	(5,867)	77,953	5,746,766
Less accumulated depreciation for:					
Buildings	(758,556)	(41,604)	3,536	-	(796,624)
Improvements	(379,198)	(27,202)	1,258	-	(405,142)
Infrastructure	(823,529)	(66,251)	5	-	(889,775)
Equipment	(516,686)	(62,108)	349	-	(578,445)
Intangible Assets	(22,363)	(4,022)	-	-	(26,385)
Total accumulated depreciation	(2,500,332)	(201,187)	5,148	-	(2,696,371)
Total depreciable assets, net	2,941,281	31,880	(719)	77,953	3,050,395
Governmental activities, capital assets, net	\$ 5,007,097	\$ 158,242	\$ (55,870)	\$ 1,741	\$ 5,111,210
Business-type activities:					
Non-depreciable assets:					
Land	\$ 705,967	\$ 104	\$ (15,611)	\$ 1,438	\$ 691,898
Artwork	12,104	37	-	-	12,141
Construction-in-Progress	997,605	571,732	(29,131)	(162,528)	1,377,678
Total non-depreciable assets	1,715,676	571,873	(44,742)	(161,090)	2,081,717
Depreciable assets:					
Buildings	3,235,038	75,564	-	16,630	3,327,232
Improvements	4,074,350	52,489	(2,133)	78,908	4,203,614
Infrastructure	1,920,665	18,142	-	27,298	1,966,105
Equipment	1,370,063	51,675	(6,327)	23,128	1,438,539
Intangible Assets	221,830	333	(20)	13,406	235,549
Total depreciable assets	10,821,946	198,203	(8,480)	159,370	11,171,039
Less accumulated depreciation for:					
Buildings	(1,441,845)	(96,393)	-	-	(1,538,238)
Improvements	(2,176,869)	(140,066)	53	(3)	(2,316,885)
Infrastructure	(690,251)	(45,225)	-	-	(735,476)
Equipment	(812,655)	(78,696)	5,623	40	(885,688)
Intangible Assets	(119,620)	(10,618)	19	0	(130,219)
Total accumulated depreciation	(5,241,240)	(370,998)	5,695	37	(5,606,506)
Total depreciable assets, net	5,580,706	(172,795)	(2,785)	159,407	5,564,533
Business-type activities, capital assets, net	\$ 7,296,382	\$ 399,078	\$ (47,527)	\$ (1,683)	\$ 7,646,250

Phoenix Housing Finance Corporations:

	Balances				Balances
	July 1, 2019	Additions	Deletions	Transfers	June 30, 2020
Non-depreciable assets:					
Land	\$ 6,283	\$ 82	\$ -	\$ -	\$ 6,365
Construction in Progress	21,583	-	-	(15,219)	6,364
Total non-depreciable assets	27,866	82	-	(15,219)	12,729
Depreciable assets:					
Buildings	18,050	2,631	-	-	20,681
Improvements	52	1,888	-	15,219	17,159
Equipment	-	29	-	-	29
Intangible Assets	1,545	-	-	-	1,545
Total depreciable assets	19,647	4,548	-	15,219	39,414
Less accumulated depreciation for:					
Buildings	(6,032)	(3,361)	-	-	(9,393)
Improvements	(12)	(2,829)	-	-	(2,841)
Equipment	-	(15)	-	-	(15)
Intangible Assets	(116)	(77)	-	-	(193)
Total accumulated depreciation	(6,160)	(6,282)	-	-	(12,442)
Total depreciable assets, net	13,487	(1,734)	-	15,219	26,972
Component Unit, capital assets, net	\$ 41,353	\$ (1,652)	\$ -	\$ -	\$ 39,701

Depreciation expense was charged to governmental functions in the government-wide financial statements for the year ended June 30, 2020 as follows (in thousands):

General Government	\$ 9,138
Criminal Justice	131
Public Safety	34,822
Transportation	103,710
Community Enrichment	35,470
Community Development	9,399
Environmental Services	8,517
	<u>\$ 201,187</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, 2020 is \$29.6 million.

10. *Financial Obligations*

Long-Term Obligations

Changes in long-term obligations during fiscal year 2019-20 are summarized as follows (in thousands):

	Balances July 1, 2019	Additions ⁽¹⁾	Reductions ^{(1) (2)}	Balances June 30, 2020	Amounts Due Within One Year
Governmental Activities					
Bonds, Loans and Notes Payable:					
General Obligation Bonds	\$ 1,071,685	\$ -	\$ 68,825	\$ 1,002,860	\$ 84,285
Loans from Direct Borrowings	40,940	-	-	40,940	890
Municipal Corporation Obligations	407,595	-	104,360	303,235	34,985
Special Assessment Bonds	60	-	16	44	-
Community Facilities Districts	30,000	-	-	30,000	665
	1,550,280	-	173,201	1,377,079	120,825
Discounts/Premiums	93,366	-	18,543	74,823	-
Total Bonds, Loans and Notes Payable	1,643,646	-	191,744	1,451,902	120,825
Other Liabilities:					
Insurance Claims Payable	181,178	52,563	40,306	193,435	51,518
Accrued Compensated Absences	137,329	148,505	137,329	148,505	18,127
Utility/Water Contractual Agreements	2,301	-	-	2,301	-
Pollution Remediation	5,448	-	884	4,564	64
Capital Lease	3,424	-	1,117	2,307	1,141
Net Pension	4,223,215	1,681,209	1,491,654	4,412,770	-
Net OPEB	151,393	50,446	42,807	159,032	-
Total Other Liabilities	4,704,288	1,932,723	1,714,097	4,922,914	70,850
Total Governmental Activities	\$ 6,347,934	\$ 1,932,723	\$ 1,905,841	\$ 6,374,816	\$ 191,675
Business-Type Activities					
Bonds, Loans and Notes Payable:					
General Obligation Bonds	\$ 13,365	\$ -	\$ 12,350	\$ 1,015	\$ 685
Loans from Direct Borrowings	14,991	-	1,503	13,488	1,684
Municipal Corporation Obligations	3,790,035	1,460,395	361,854	4,888,576	178,776
	3,818,391	1,460,395	375,707	4,903,079	181,145
Discounts/Premiums	418,690	272,845	49,336	642,199	-
Cumulative Capital Appreciation on State of AZ Distrib. Revenue Bonds	110,365	-	935	109,430	-
Total Bonds, Loans and Notes Payable	4,347,446	1,733,240	425,978	5,654,708	181,145
Other liabilities:					
Accrued Compensated Absences	19,023	19,561	19,023	19,561	2,493
Accrued Landfill Closure and Postclosure Care Costs	47,661	210	31,033	16,838	844
Pollution Remediation	5,600	-	4,175	1,425	75
Net Pension	553,858	203,255	206,038	551,075	-
Net OPEB	45,184	14,821	12,729	47,276	-
Total Other Liabilities	671,326	237,847	272,998	636,175	3,412
Total Business-Type Activities	\$ 5,018,772	\$ 1,971,087	\$ 698,976	\$ 6,290,883	\$ 184,557
Component Units					
Phoenix Housing Finance Corporations					
Notes Payable	\$ 40,798	\$ 640	\$ -	\$ 41,438	\$ -
Total Component Units	\$ 40,798	\$ 640	\$ -	\$ 41,438	\$ -

(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, 2020 maturities, a portion of which is included in restricted assets for the governmental and enterprise funds. These deposits at June 30, 2020, were as follows (in thousands):

	Principal	Interest	Total
Governmental Funds			
General Obligation Bonds	\$ 68,825	\$ 23,693	\$ 92,518
Loans from Direct Borrowings	-	568	568
Municipal Corporation Obligations	37,085	7,552	44,637
Community Facilities Districts	-	793	793
	105,910	32,606	138,516
Enterprise Funds			
General Obligation Bonds	12,350	210	12,560
Municipal Corporation Obligations	174,879	123,734	298,613
	187,229	123,944	311,173
	\$ 293,139	\$ 156,550	\$ 449,689

Issues of long-term debt, excluding deferred gain/losses on refundings, net of \$88.4 million were as follows at June 30, 2020 (dollars in thousands):

Issue Date	Purpose	Maturity Dates	Effective Interest Rate	Average Life (Years)	Original Amount	Principal Outstanding ⁽¹⁾	Interest Outstanding ⁽¹⁾	Unamortized Premium (Discount)
General Obligation Bonds								
03/01/04	Various Improvements (3)	7/1/10-28	4.22	16.3	\$ 200,000	\$ 14,720	\$ 3,533	\$ 42
10/27/09	Various Improvements Taxable Series 2009A (2)(13)	7/1/20-34	3.42	18.4	280,955	268,675	113,669	-
10/27/09	Refunding 2009C	7/1/11-23	2.70	6.7	117,195	21,195	1,431	132
06/12/12	Various Improvements 2012A	7/1/23-34	3.55	17.2	103,360	103,360	35,924	2,339
06/12/12	Various Improvements Taxable Series 2012B	7/1/21-23	2.76	9.8	16,640	16,640	801	-
06/12/12	Refunding 2012C	7/1/15-27	2.39	9.2	176,465	101,105	13,559	4,709
06/24/14	Refunding	7/1/19-27	2.71	9.5	278,015	250,025	38,626	10,912
09/13/16	Refunding	7/1/18-27	1.74	9.0	226,215	206,415	58,629	35,672
06/21/17	Refunding	7/1/18-27	1.52	3.4	68,305	21,740	3,589	2,556
	Total General Obligation Bonds				1,467,150	1,003,875	269,761	56,362
Loans from Direct Borrowings								
08/03/10	Wastewater WIFA	7/1/18-26	2.97	12.0	6,287	4,529	419	-
04/11/11	Water WIFA	7/1/16-24	2.97	9.4	2,093	1,003	74	-
06/01/11	Wastewater WIFA	7/1/26-29	2.97	16.6	3,909	3,909	876	-
09/14/11	Water WIFA	7/1/24-29	2.97	15.8	1,497	1,497	310	-
08/12/15	DNT Asset Trust (4b)(14)	7/1/21-45	2.84	19.8	305,940	40,940	5,455	-
04/11/19	Closed Loop Fund, LP	10/15/19-24	0.00	5.0	3,000	2,550	-	-
	Total Loans from Direct Borrowings				322,726	54,428	7,134	-

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	26,215	3,701	277
10/06/05	State Distribution Revenue 2005B (3)(10)	7/1/12-44	4.72	28.9	275,362	254,351	426,590	15,590
09/01/10	Airport Rev 2010B (Taxable) (3b)(6b)(11) (12)(13)	7/1/2040	3.67	29.8	21,345	21,345	28,175	-
06/07/11	Excise Tax Revenue 2011A (4a)	7/1/14-31	2.86	7.6	27,530	4,505	1,206	371
06/07/11	Excise Tax Revenue (Taxable) 2011B (4a)	7/1/15-36	4.86	13.1	59,195	34,635	16,069	-
06/07/11	Excise Tax Revenue Refunding 2011C (4a)	7/1/21-28	3.79	12.6	24,305	24,305	4,132	812
06/07/11	Excise Tax Revenue Ref (Taxable) 2011D (4a)	7/1/15-21	3.91	7.6	22,805	2,255	96	-
11/22/11	Water System Revenue Refunding (5)	7/1/14-26	3.12	9.3	167,510	90,815	16,462	5,139
12/22/11	Wastewater System Revenue Ref (7b)	7/1/14-24	2.58	8.4	118,290	53,390	6,114	2,573
06/21/12	Excise Tax Revenue Refunding 2012 (4a)	7/1/14-29	2.97	9.7	15,205	8,500	2,646	859
06/21/12	Excise Tax Revenue Refunding 2012A (4b)	7/1/14-25	2.30	6.7	17,510	5,555	717	349
06/21/12	Excise Tax Revenue Ref 2012B (Taxable) (4b)	7/1/16-33	4.01	13.7	33,095	26,335	8,449	-
03/05/13	Airport Revenue Ref (AMT)(3c)(6a)	7/1/14-32	3.28	11.8	196,600	144,005	50,963	14,679
04/15/14	Wastewater System Refunding (7b)	7/1/15-29	3.00	9.4	127,810	89,985	23,803	8,197
12/17/14	Water System Revenue 2014A (5)	7/1/19-44	3.76	19.7	152,830	146,425	105,272	16,747
12/17/14	Water System Rev Refunding 2014B (5)	7/1/16-29	2.64	9.7	445,085	367,390	88,353	34,407
05/12/15	Excise Tax Rev Refunding 2015A (4b)(8)	7/1/17-41	3.56	16.2	319,305	291,810	178,491	36,182
05/12/15	Excise Tax Rev Ref 2015B (Taxable) (4b)	7/1/16-35	3.35	10.2	60,895	46,345	11,999	-
12/15/15	Airport Revenue 2015A (Non-AMT)(3d) (6b)(11)	7/1/16-45	3.99	18.6	95,785	88,345	66,286	8,845
12/15/15	Airport Rev Ref 2015B (Non-AMT)(3e) (6b)(11)	7/1/2034	4.08	18.5	18,655	18,655	13,059	1,848
11/16/16	Wastewater System Rev Refunding (7b)	7/1/17-35	2.89	11.3	225,325	196,510	88,336	31,872
01/10/17	Water System Rev Refunding 2016 (5)	7/1/17-39	3.59	15.1	375,780	365,390	217,972	47,358
06/01/17	Excise Tax Revenue 2017A (4b)	7/1/18-32	2.16	6.8	116,835	90,575	18,970	9,185
06/01/17	Excise Tax Rev Refunding 2017B (4b) (8)	7/1/19-29	2.02	6.3	101,895	77,775	15,472	8,119
06/01/17	Excise Tax Rev Ref (Taxable) 2017C (4b)	7/1/18-22	2.04	3.1	15,680	6,435	201	-
11/21/17	Airport Revenue 2017A (AMT)(3f)(6a)	7/1/18-47	3.84	18.7	190,930	182,905	154,352	25,379
11/21/17	Airport Rev Ref 2017B (Non-AMT)(3f)(6a)	7/1/21-38	3.23	13.5	173,440	173,440	94,520	27,339
11/21/17	Airport Rev Ref (Taxable) 2017C (3f)(6a)	7/1/18-21	2.23	2.2	35,745	4,820	106	-
12/21/17	Airport Rev Ref 2017D (Non-AMT)(3d) (6b)(11)	7/1/21-40	3.36	14.2	474,725	474,725	256,597	58,367
06/19/18	Wastewater System Revenue 2018A (7b)	7/1/25-43	3.66	17.4	133,270	133,270	94,937	15,610
06/19/18	Wastewater System Rev Ref 2018B (7a)	7/1/19-24	2.26	4.0	84,295	62,635	8,612	4,723
11/28/18	Airport Revenue 2018 (AMT) (3f) (6a)	7/1/19-48	4.22	19.3	226,180	220,830	195,253	18,736
12/05/19	Rental Car Facility (Taxable) 2019A (3a)(9)	7/1/28-45	3.33	18.4	244,245	244,245	205,097	45,838
12/05/19	Rental Car Facility Ref (Taxable) 2019B (3a)(9)	7/1/20-28	2.60	4.6	60,485	58,075	6,143	-
12/11/19	Airport Revenue 2019A (Non-AMT)(3d) (6b)(11)	7/1/41-49	3.61	25.9	341,095	341,095	387,082	49,827
12/11/19	Airport Revenue 2019B (AMT)(3d)(6b)	7/1/20-49	3.44	19.1	392,005	391,355	337,655	63,448
12/11/19	Airport Rev Refunding (Taxable) 2019C (3d)(6b)	7/1/23-25	2.38	4.6	29,435	29,435	2,705	-
04/09/20	Water System Revenue 2020A (5)	7/1/30-44	3.14	20.0	165,115	165,115	163,320	45,353
04/09/20	Water System Revenue 2020B (5)(15)	7/1/30-44	3.14	20.0	228,015	228,015	225,537	62,631
Total Municipal Corporation Obligations					5,913,592	5,191,811	3,525,450	660,660
Special Assessment Bonds								
Various	Unredeemed Matured Bonds	-	-	-	44	44	-	-
Total Special Assessment Bonds					44	44	-	-
Community Facilities Districts								
06/27/19	Park Cntrl CFD Spec Assess Rev Bonds (3g)	7/1/21-44	5.73	16.0	30,000	30,000	23,982	-
Total Community Facilities Districts					30,000	30,000	23,982	-
Total Primary Government Bonds					\$ 7,733,512	\$ 6,280,158	\$ 3,826,327	\$ 717,022

(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, 2020 (in thousands):
- | | |
|--|-----------|
| (a) Airport Rental Car Parity Reserve for Series 2019A, 2019B | \$ 20,545 |
| (b) Junior Lien Airport Debt Service Reserve for Series 2010A, 2010B, 2010C | 2,134 |
| (c) Airport Revenue Refunding Bonds, Series 2013 (AMT) Reserve | 16,251 |
| (d) Junior Lien Airport Parity Reserve for Series 2015A, 2017D, 2019A, 2019B and 2019C | 95,602 |
| (e) Airport Revenue Refunding Bonds, Series 2015B (Non-AMT) Reserve | 1,866 |
| (f) Senior Lien Airport Parity Reserve for Series 2017A, 2017B, 2017C, 2018 | 47,239 |
| (g) Park Central CFDSpecialAssessmentBondsTaxableSeries2019 Reserve | 2,252 |
- (4) The City has pledged excise taxes as security. The taxes pledged are as follows:
- (a) Senior lien pledge on all outstanding excise tax obligations.
 - (b) Subordinated junior lien pledge on all outstanding excise tax obligations.
- (5) The City has made a junior lien pledge of Water System revenues as security.
- (6) The City has pledged net airport revenues as security for these bonds. The net revenues pledged are as follows:
- (a) Senior lien pledge on all outstanding airport obligations.
 - (b) Junior lien pledge on all outstanding airport obligations.
- (7) The City has pledged Wastewater System revenues as security for these bonds. The revenues pledged are as follows:
- (a) Senior lien pledge on all outstanding Wastewater System obligations.
 - (b) Junior lien pledge on all outstanding Wastewater System obligations.
- (8) The City has pledged excise taxes on a subordinated junior lien basis as security; however, a portion of debt service requirements on these obligations are paid from Solid Waste revenues.
- (9) The City has made a first priority pledge of a \$6.00 per day car rental usage fee to be paid by rental car customers arriving at Phoenix Sky Harbor International Airport as security for the bonds.
- (10) The primary source of revenue for loan payments is State of Arizona distributions the City is to receive pursuant to legislation passed in 2003 authorizing up to fifty percent State funding for certain convention center developments in the State. The schedule of State Distributions will be sufficient to make loan payments when due.
- (11) The City has further pledged an irrevocable commitment of 100% of net proceeds of a passenger facility charge for the debt service due on or before July 1, 2026 on these bonds, with the exception of the Series 2015A and 2019A bonds. The Series 2015A bonds have a pledge equivalent to 30% and the Series 2019A bonds have a pledge equivalent to 93% of the principal and interest requirement for debt service due on or before July 1, 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 5.9% (the Sequester Reductions) in FY 2020. 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) Assumes the City will retire or refinance the loan before July 1, 2025.
- (15) 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.

DNT Asset Trust

In August 2015, the City entered into a loan agreement with DNT Asset Trust, a subsidiary of JP Morgan Chase Bank, N.A., (the "Loan") for \$305.9 million. The City made a partial prepayment of the Loan in the principal amount of \$265.0 million plus accrued interest with respect to the principal payment on September 25, 2018, with proceeds from the sale of the City-owned Sheraton Grand Hotel. The Loan is payable from and secured by a subordinated lien on the City's excise tax revenues on parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations. It is assumed the City will retire or refinance the loan before July 1, 2025. If the loan is not retired or refinanced before July 1, 2025, any unpaid principal remaining at that time will convert to a variable rate loan, at 9.2% per annum for a 180-day period and, thereafter, a variable rate with a maximum rate of 15% per annum. Additionally, principal payments on or after July 1, 2025 will become due semi-annually until the final maturity of July 1, 2045, as long as no event of default has occurred.

If an event of default occurs, the City shall pay DNT Asset Trust on each January 1st and July 1st an amount equal to the unpaid principal amount of the Loan as of the date of the event of default, divided by thirty. However, if any unpaid principal amount of the Loan on the last semi-annual principal payment date exceeds the semiannual principal payment amount, the City shall pay the unpaid principal amount on such last date. Events of default include, but are not limited to, failure to pay any principal and interest amounts to DNT Asset Trust when due and failure to perform certain covenants contained in the Loan. There is no acceleration on this Loan in terms of full payment due upon default.

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

Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT)

In December 2019, the CIC issued \$244.2 million of Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT) with \$47.3 million of premium. Proceeds of the bonds will be used to pay the cost of improvements to the PHX Sky Train which will extend services from Terminal 3 to a future West Ground Transportation Center. The bonds have an average life of 18.4 years and were sold at an all-in true interest cost of 3.33%.

Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B

In December 2019, the CIC issued \$60.5 million of Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B. Proceeds of the bonds along with cash on hand refunded \$154.9 million of Rental Car Facility Charge Revenue Bonds, Series 2004. The bonds have an average life of 4.6 years, were sold at an all-in true interest cost of 2.60% and produced present value cost, net of transaction costs, of \$9.3 million. Transaction costs included a make-whole call premium of \$34.4 million.

Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT)

In December 2019, the CIC issued \$341.1 million of Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT) with \$50.9 million of premium. Proceeds of the bonds refunded \$100.0 million outstanding under a Revolving Credit Agreement with remaining proceeds applied to the PHX Sky Train automated transportation system at Sky Harbor and a police hanger at Phoenix-Deer Valley Airport. The bonds have an average life of 25.9 years and were sold at an all-in true interest cost of 3.61%.

Junior Lien Airport Revenue Bonds, Series 2019B (AMT)

In December 2019, the CIC issued \$392.0 million of Junior Lien Airport Revenue Bonds, Series 2019B (AMT) with \$65.4 million of premium. Proceeds of the bonds will be used to pay costs of the Terminal 3 and Terminal 4 Modernization Project at Sky Harbor. The bonds have an average life of 19.1 years and were sold at an all-in true interest cost of 3.44%.

Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C

In December 2019, the CIC issued \$29.4 million of Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C. Proceeds of the bonds refunded \$32.1 million of Junior Lien Airport Revenue Refunding Bonds, Series 2010C. The bonds have an average life of 4.6 years, were sold at an all-in true interest cost of 2.38% and produced present value savings, net of transaction costs, of \$2.8 million

Junior Lien Water System Revenue Bonds, Series 2020A

In April 2020, the CIC issued \$165.1 million of Junior Lien Water System Revenue Bonds, Series 2020A with \$45.9 million of premium. Proceeds of the bonds, including premium on the bonds, refunded \$200.0 million outstanding under a Revolving Credit Agreement with remaining proceeds applied to certain improvements of the City's water system. The bonds have an average life of 20.0 years and were sold at an all-in true interest cost of 3.14%.

Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds)

In April 2020, the CIC issued \$228.0 million of Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds) with \$63.4 million of premium. Proceeds of the bonds are designated for the Sustainability Project, which is based upon the social impacts of sustainable, clean water management as

well as the climate adaptation and/or mitigation benefits of the Colorado River Resiliency project. The bonds have an average life of 20.0 years and were sold at an all-in true interest cost of 3.14%.

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.

Special Assessment Bonds

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

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, 2020 is \$41.4 million.

Debt Service Requirements

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

City of Phoenix Bonds - Governmental Activities												
Fiscal Years	General Obligation		Loans from Direct Borrowings ⁽¹⁾		Municipal Corporation Obligations		Special Assessment Bonds		Community Facilities Districts		Debt Service Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2021	\$ 84,285	\$ 44,561	\$ 890	\$ 1,142	\$ 34,985	\$ 13,501	\$ 44	\$ -	\$ 665	\$ 1,586	\$ 181,659	
2022	87,845	41,219	920	1,118	33,800	11,951	-	-	695	1,557	179,105	
2023	97,845	37,654	940	1,098	34,360	10,425	-	-	725	1,526	184,573	
2024	108,720	33,492	970	1,060	35,145	8,849	-	-	755	1,494	190,485	
2025	121,400	28,690	37,220	1,038	23,230	7,227	-	-	790	1,461	221,056	
2026-30	371,730	68,246	-	-	97,285	20,437	-	-	4,540	6,706	568,944	
2031-35	131,035	15,836	-	-	41,735	5,497	-	-	6,015	5,233	205,351	
2036-40	-	-	-	-	2,695	150	-	-	7,890	3,353	14,088	
2041-45	-	-	-	-	-	-	-	-	7,925	1,067	8,992	
	<u>\$ 1,002,860</u>	<u>\$ 269,698</u>	<u>\$ 40,940</u>	<u>\$ 5,456</u>	<u>\$ 303,235</u>	<u>\$ 78,037</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 23,983</u>	<u>\$ 1,754,253</u>	
Authorized	\$ 2,790,760											
Unissued	\$ 152,355											
Interest Rates	2.0 - 5.5%											

City of Phoenix Bonds - Business-Type Activities												
Fiscal Years	General Obligation		Loans from Direct Borrowings ⁽¹⁾		Municipal Corporation Obligations		Special Assessment Bonds		Community Facilities Districts		Debt Service Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2021	\$ 685	\$ 47	\$ 1,684	\$ 325	\$ 178,776	\$ 243,887	\$ -	\$ -	\$ -	\$ -	\$ 425,404	
2022	330	17	1,716	292	187,473	235,717	-	-	-	-	425,545	
2023	-	-	1,750	259	206,223	226,845	-	-	-	-	435,077	
2024	-	-	1,784	225	210,884	217,123	-	-	-	-	430,016	
2025	-	-	1,369	190	197,507	207,178	-	-	-	-	406,244	
2026-30	-	-	5,185	388	924,892	898,439	-	-	-	-	1,828,904	
2031-35	-	-	-	-	861,276	685,624	-	-	-	-	1,546,900	
2036-40	-	-	-	-	924,505	466,414	-	-	-	-	1,390,919	
2041-45	-	-	-	-	859,300	228,673	-	-	-	-	1,087,973	
2046-49	-	-	-	-	337,740	37,513	-	-	-	-	375,253	
	<u>\$ 1,015</u>	<u>\$ 64</u>	<u>\$ 13,488</u>	<u>\$ 1,679</u>	<u>\$ 4,888,576</u>	<u>\$ 3,447,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,352,235</u>	
Authorized	\$ 248,399											
Interest Rates	2.0 - 5.5%											
Total	<u>\$ 1,003,875</u>	<u>\$ 269,762</u>	<u>\$ 54,428</u>	<u>\$ 7,135</u>	<u>\$ 5,191,811</u>	<u>\$ 3,525,450</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 23,983</u>	<u>\$ 10,106,488</u>	

(1) Assumes the City will retire or refinance the loan before July 1, 2025.

Short-Term Obligations

Changes in short-term obligations during fiscal year 2019-20 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				
Airport Revolving Credit Facility	\$ 100,000	\$ -	\$ 100,000	-
Water Revolving Credit Facility	200,000	-	200,000	-
Total Business-Type Activities	\$ 300,000	\$ -	\$ 300,000	-

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

Issues of short-term debt were as follows at June 30, 2020 (dollars in thousands):

Purpose	Issuing Bank	Expiration Date	Line of Credit	Amount Outstanding	Unused Line of Credit
Airport Revolving Credit Facility	Bank of America, N.A.	9/18/2020 *	\$ 200,000	\$ -	\$ -
Water Revolving Credit Facility	Wells Fargo Bank, N.A.	6/27/2022	200,000	-	200,000
Transportation 2050 Revolving Credit Facility	Bank of America, N.A.	6/2/2023	200,000	200,000	-
Total Revolving Credit Facilities			\$ 600,000	\$ 200,000	\$ 200,000

*Revolving Credit Facility was terminated on June 8, 2020.

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

Airport Revolving Credit Facility

The revolving Credit Agreement provides for the three-year loan period with Bank of America, N.A., originally ending on September 18, 2020 but terminated on June 8, 2020, 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 obligation on a parity therewith, the "Junior Subordinate Lien Obligations") are payable from designated revenues, junior and subordinate to the Junior Lien Obligations ("Junior Subordinate Lien Revenues"). If any loans under the Revolving Credit Agreement are outstanding on September 18, 2020, 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 September 18, 2023.

Upon an event of default under the Revolving Credit Agreement, Bank of America, 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 Bank of America, N.A. by the applicable grace period, failure to perform certain covenants such as issuance of obligation in violation of additional bonds tests, sale of the Airport property in violation of the Airport Revenue Bond Ordinance, acceleration of other obligations

payable from Airport revenues on any basis of lien in an amount of at least \$5.0 million, certain litigation, bankruptcy and insolvency events related to the Airport and certain downgrades of Senior Lien Obligations. There is no acceleration on this Revolving Credit Agreement.

Water Revolving Credit Facility

The Revolving Credit Agreement provides for the three-year loan period with Wells Fargo, N.A., ending on June 27, 2022, during which the City may borrow, repay and re-borrow amounts, but not exceeding \$200.0 million outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Revolving Credit Agreement (such loans, together with any obligations on a parity therewith, the "Junior Subordinate Lien Obligations") are payable from water system revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Water System Revenue Bonds ("Junior Lien Obligations"), but are junior and subordinate to the Junior Lien Obligations. If any loans under the Revolving Credit Agreement are outstanding on June 27, 2022, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on June 27, 2025.

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

Transportation 2050 Revolving Credit Facility

The Revolving Credit Agreement provides for a three-year loan period with Bank of America, N.A., ending on June 2, 2023, during which the City may borrow, repay and re-borrow amounts, but are not exceeding \$200.0 million outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Revolving Credit Agreement are payable solely from a 0.7 percent incremental sales tax increase dedicated for transportation, which is not included in the Excise Taxes pledged as security for the City's outstanding Excise Tax bonds. If any loans under the Revolving Credit Agreement are outstanding on June 2, 2023, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on June 2, 2026.

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

Other Financial Obligations

Accrued Landfill Closure and Postclosure Care Costs

The Solid Waste Enterprise Fund ("Solid Waste") currently operates one landfill, the SR-85 Landfill, and monitors five additional closed landfills. Federal and state regulations require that certain postclosure care costs be incurred to maintain and monitor closed landfills for thirty years after closure to mitigate and prevent future environmental damage. In addition, numerous costs are incurred in the process of closing a landfill. These closure costs include the capping of the landfill with soil, installing such items as drainage and monitoring systems, and remediation of any environmental damage caused by the landfill. These costs are estimated based on what it would cost to perform all closure and postclosure care for the landfills at June 30, 2020 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 \$109.7 million, including \$97.2 million that has already been paid out and an estimated \$12.5 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. The accrual for these costs was decreased by \$25.7 million during fiscal 2019-20 in connection with these landfills due primarily to the completion of repairs and work at the SR85 and Skunk Creek Landfills.

Total closure and postclosure care costs for the SR-85 Landfill are currently estimated to be \$28.2 million, including \$3.1 million that has already been paid out and an estimated \$25.1 million that will be paid out in future years. \$4.4 million of this has been recorded as a liability on the accompanying financial statements based on the use of approximately 17.5% of the estimated capacity of the landfill.

Of the liabilities discussed above, \$93 thousand is included in liabilities payable from restricted assets.

Certain environmental remediation costs associated with one of the closed landfills are recoverable from third parties. The City has recovered a total of \$29.0 million from third parties. These recoveries are used to reduce remediation expense in the year the recovery is assured. A total of \$6.5 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, 2020, the total remaining liability is \$4.6 million and it is estimated that the remediation will be completed in 79 years.

The liability in the Business-Type Activities is primarily a result of leaking underground storage tanks at the Sky Harbor International Airport and Phoenix Goodyear Airport. The tanks at Sky Harbor International Airport were discovered to be leaking in 1988 and the City is implementing a corrective action plan which was approved by the ADEQ to ensure the contamination does not spread. The remediation of a fuel release at Phoenix Goodyear Airport discovered in the 1980's is being implemented as approved by the United States Environmental Protection Agency (US EPA). The total remaining liability for all remediation activities at the City airports as of June 30, 2020 is \$1.4 million, and is recorded in the Aviation Enterprise Fund.

11. Refunded, Refinanced and Defeased Obligations

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

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

Defeasances / Extinguishment of Debt

During fiscal year 2019-20, the City defeased \$67.3 million of Transit Excise Tax Revenue Refunding Bonds, Series 2013 (Light Rail Project). The City made a prepayment from monies on hand to fund the defeasance with the trustee on April 1, 2020 for payment to bondholders on July 1, 2020.

Refundings

During fiscal year 2019-20, the City issued Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B and Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C. Proceeds of Bond Series 2019B refunded Rental Car Facility Charge Revenue Bonds, Taxable Series 2004, and required payment of a make-whole call premium. The refunding bonds reduced the present value of future debt service payments. These savings were available due to improved municipal bond market conditions (i.e., lower interest rates) during the year. The effects of the new money and refunding is summarized as follows (in thousands):

Series	Rental Car Facility Revenue		Junior Lien Airport Revenue	
	2019B		2019C	
Closing Date	12/05/19		12/11/19	
Net Interest Rate	2.56%		2.35%	
Refunding Bonds Issued	\$ 60,485		\$ 29,435	
Premium (Discount)	-		-	
Underwriter's Discount	(184)		(84)	
Issuance Costs and Insurance	(120)		(39)	
Net Proceeds	<u>\$ 60,181</u>		<u>\$ 29,312</u>	
Refunded Amount	\$ 154,895		\$ 32,080	
Decrease (Increase) in Debt Service	\$ 130,545		\$ 6,928	
Economic Gain (Loss)	\$ (9,283)		\$ 2,776	
Number of Years Affected	10		6	

The deferred and amortized amounts of accounting gains/losses on bond refundings (which are deferred outflows/inflows of resources) at June 30, 2020, 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	\$ 9,977	\$ -	\$ -	\$ (2,637)	\$ 7,340
Civic Improvement Corporation	441	-	-	(747)	(306)
	<u>\$ 10,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,384)</u>	<u>\$ 7,034</u>
Enterprise Funds					
Aviation					
Civic Improvement Corporation	25,913	34,206	-	(5,141)	54,978
Convention Center					
Civic Improvement Corporation	4,561	-	-	(273)	4,288
Water					
General Obligation	-	-	-	-	-
Civic Improvement Corporation	24,025	-	-	(1,694)	22,331
Wastewater					
General Obligation	(14)	-	-	14	-
Civic Improvement Corporation	246	-	-	(281)	(35)
Solid Waste					
General Obligation	(38)	-	-	13	(25)
Civic Improvement Corporation	(281)	-	-	119	(162)
	<u>\$ 54,412</u>	<u>\$ 34,206</u>	<u>\$ -</u>	<u>\$ (7,243)</u>	<u>\$ 81,375</u>

12. Legal Debt Margin

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

Pursuant to Chapter 177, Laws of Arizona 2016, which became effective August 6, 2016, the City's debt limitation is based on the full cash net assessed valuation (FCNAV) instead of the PNAV. The FCNAV for tax year 2020 (fiscal year 2020-21) is \$19.9 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, 2020 was as follows (in thousands):

Six Percent Bonds	\$	1,065,245
Twenty Percent Bonds		3,054,317
Total Debt Margin Available	\$	<u>4,119,562</u>

13. Risk Management

The City maintained a combination of commercial insurance and self-insurance during the year ended June 30, 2020, 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 \$5.0 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, 2020, claims payable totaled \$193.4 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2020	2019
Claims Payable, July 1	\$ 181,178	\$ 169,629
Current Year Claims and Changes in Estimates	52,563	55,527
Claim Payments	(40,306)	(43,978)
Claims Payable, June 30	<u>\$ 193,435</u>	<u>\$ 181,178</u>

Claims that are expected to be paid with expendable available financial resources are accounted for in the General Fund (\$711 thousand). All other claims are accounted for in the Government-Wide Statement of Net Position. Balances in the Government-Wide Statement of Net Position were as follows (in thousands):

	Year Ended June 30	
	2020	2019
Amounts due within one year	\$ 51,518	\$ 46,620
Amounts due in more than one year	141,917	134,558
	<u>\$ 193,435</u>	<u>\$ 181,178</u>

Of the General Fund Balance, \$49.9 million is restricted, \$37.4 million is assigned for payment of claims, \$22.1 million is assigned for payment of insurance premiums and \$1.3 million of the Transit Special Revenue Fund Balance is restricted, as reported in the Fund Financial Statements.

Fiduciary Funds

Health and Dental - The City health insurance plans were self-insured through the City of Phoenix Health Care Benefits Trust fiduciary fund. Stop loss coverage was purchased for individual losses exceeding \$1.0 million and aggregate losses exceeding \$210.4 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, 2020, claims payable totaled \$25.4 million. Changes in this liability for the last two fiscal years follow (in thousands):

	Year Ended June 30	
	2020	2019
Claims Payable, July 1	\$ 22,907	\$ 24,223
Current Year Claims and Changes in Estimates	201,109	199,375
Claim Payments	(198,620)	(200,691)
Claims Payable, June 30	<u>\$ 25,396</u>	<u>\$ 22,907</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	
	2020	2019
Amounts due within one year	<u>\$ 25,396</u>	<u>\$ 22,907</u>

14. Leases

Operating Leases

The City's public housing program leases housing facilities that are, in turn, subleased to low income and elderly tenants. These lease obligations are subsidized by the federal government. Total rental expense for these leases was \$64.1 million for the fiscal year ended June 30, 2020.

The City also leases certain airport facilities to third parties. The Phoenix City Council approved temporary rent relief for terminal concessions and rental car companies, as a response to the decreased passenger traffic resulting from the global COVID-19 pandemic. The rent relief covered minimum guaranteed rent for April 2020 through December 2020. This resulted in a reduced guaranteed lease revenue of \$22.5 million in fiscal year 2020-21. Minimum future rentals on non-cancelable operating leases at June 30, 2020 were as follows (in thousands):

Years Ending June 30		
2021	\$	57,554
2022		76,719
2023		74,402
2024		54,999
2025		49,752
Thereafter		318,641
		<u>\$ 632,067</u>

The above amounts do not include contingent rentals, which also may be received under the airport facilities leases, primarily as a percentage of sales in excess of stipulated minimums. Contingent rentals amounted to \$13.4 million for the fiscal year ended June 30, 2020. A summary of the assets leased to third parties under the airport operating lease agreements at June 30, 2020 is as follows (in thousands):

Buildings	\$ 1,405,224
Less: Accumulated Depreciation	<u>(734,247)</u>
	<u>\$ 670,977</u>

Capital Leases

In fiscal year 2016, the City entered into a capital lease for the purchase of fourteen fire trucks. Capital lease payments are recorded as expenditures when payable. The present value of future minimum payments is as follows (in thousands):

Years Ending June 30		
2021	\$	1,142
2022		1,165
		<u>\$ 2,307</u>

Service Concession Arrangements

On July 18, 2014, the City entered into a lease agreement with Arizona State University (ASU) to manage and collect revenues from the City's Papago Golf Course. The service concession arrangement is for 30 years and in exchange, ASU made significant course improvements for a total of \$15.7 million. The City will retain ownership of all assets at the end of the lease. As of June 30, 2020, the City has recorded \$14.4 million as a deferred inflows of resources on the financial statements. The deferred inflows of resources will be amortized and recognized as revenue over the term of the contract.

On November 24, 2014, the City entered into a lease agreement with Grand Canyon University (GCU) to manage and collect revenues from the City's Maryvale Golf Course. The service concession arrangement is for 30 years and in exchange, GCU invested a total of \$11.4 million in course and clubhouse improvements. The City will retain ownership of all assets at the end of the lease. As of June 30, 2020, the City has recorded

\$9.3 million as a deferred inflows of resources on the financial statements. The deferred inflows of resources will be amortized and recognized as revenue over the term of the contract.

15. Contractual and Other Commitments

Public Transit

The City provides public transit service through the following private contractors: Transdev Services, Inc., First Transit Inc. and MV Transportation Service. In addition, the City purchases fixed route bus service from the Regional Public Transportation Authority "RPTA" and light rail service from Valley Metro Rail "VMRI." The services provided by these contractors, the expiration dates of the current agreements and the estimated contract amount to be provided by the City through June 30, 2020 are as follows (in thousands):

Contractor	Type of Service	Expiration Date	Estimated Annual Subsidy
MV Transportation Service	Dial-a-Ride	June 30, 2025	\$ 16,388
First Transit Inc.	Fixed Route Bus Service	June 30, 2024	37,080
Transdev Services, Inc.	Fixed Route Bus Service	June 30, 2021	98,209
Valley Metro Rail	Light Rail Service	June 30, 2021	31,471
Regional Public Transportation Authority	Fixed Route Bus Service	June 30, 2021	8,258
			\$ 191,406

Approximately 16.4% 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 33.4% of the total transit costs for fiscal 2020-21. 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, 2020, as follows (in thousands):

Aviation	\$ 391,037
Phoenix Convention Center	14,779
Water System	280,296
Wastewater	167,295
Solid Waste	7,036
	\$ 860,443

Encumbrances

Governmental fund encumbrances at June 30, 2020, were as follows (in thousands):

General Fund	\$ 56,679
Transit Special Revenue Fund	83,998
Non-Major Funds	251,355
	\$ 392,032

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, 2020.

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, 2020, actuarial valuation of the sick leave liability was based on the termination payment method and includes other amounts that are directly and incrementally related to those payments such as the City's share of social security, as applicable.

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

	<u>2020</u>
General	\$ 158,376
Police	100,953
Fire	<u>39,791</u>
	299,120
Less: Amounts Accrued as a Liability	<u>(71,318)</u>
	<u>\$ 227,802</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, 2020 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, 2020.

Verde Water Treatment Plant

In December 2011, Verde Water Treatment Plant (VWTP) closed. The VWTP had a total treatment capacity of 50 mgd. The Salt River Pima Maricopa Indian Community land lease for the VWTP expired on December 31, 2014 and will not be renewed. According to the lease agreement, the City is responsible to restore the land to its native state. Sampling of soils at site indicated slightly elevated arsenic concentration near the river bed area and percolation pond. The soil remediation work will involve removal of impacted soil and disposing of in a certified landfill. All costs associated with the arsenic removal have been recorded in the Water System Enterprise Fund. Both the remediation and non-remediation work were completed in April 2020.

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, 2020, 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, 2020:

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	2020 (in thousands)	
		\$5,988	\$337

18. Joint Use Agreements
Valley Metro Rail, Inc. "VMRI"

The City currently participates with the cities of Tempe, Mesa, Chandler, and Glendale in a joint powers agreement for the design, construction and operation of a light rail transit system. Valley Metro Rail, Inc. "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, 2020, was \$992.3 million.

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 eighteen cities and districts in the Regional Wireless Cooperative agreement for the construction, operation and maintenance of a regional communications network. The City is both the Network Managing Member and the Administrative Managing Member. As the Network Managing Member, Phoenix operates and maintains the network. As the Administrative Managing Member, Phoenix is responsible for accounting, budgeting, procurement and contracting for the RWC.

The City has an ongoing financial responsibility as a result of the agreement to participate in the cost to construct, operate and maintain the network. The City's share of costs is determined based on the proportionate number of subscriber units in use at the time of assessment. The equity interest for the City at June 30, 2020, was \$47.2 million.

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

Wastewater

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

The City of Phoenix holds title to the land comprising the plant site and rights of way. The City's investment under the joint use agreement was \$329.0 million at June 30, 2020, 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, 2020 is provided below (in thousands).

	<u>2020</u>
Assets	
Pooled Investments	\$ 46,212
Receivables	11,512
Inventories, at average cost	6,728
Capital Assets, Net of Accumulated Depreciation	<u>616,129</u>
Total Assets	680,581
Liabilities	<u>(47,619)</u>
Net Position	<u>\$ 632,962</u>
Total Revenues	\$ 66,062
Total Expenses	(89,234)
Decrease in Net Position	<u>\$ (23,172)</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 \$187.9 million at June 30, 2020, 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, 2020 is provided below (in thousands).

	<u>2020</u>
Assets	
Pooled Investments	\$ 10,838
Receivables	7,964
Inventories, at average cost	2,247
Capital Assets, Net of Accumulated Depreciation	229,596
Total Assets	<u>250,645</u>
Liabilities	<u>(17,118)</u>
Net Position	<u>\$ 233,527</u>
Total Revenues	\$ 31,422
Total Expenses	(40,029)
Capital Contributions	100
Decrease in Net Position	<u>\$ (8,507)</u>

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

19. Deferred Compensation and Defined Contribution Plans (DCP)

The City offers eligible employees a Deferred Compensation Plan 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 Deferred Compensation Plan allows employees to defer up to \$19,500 of their salaries during calendar year 2020. 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 Defined Contribution Plan allows employees to make contributions to the Plan by irrevocably electing to defer a percentage of their salary to the Plan. The 2020 annual contribution limit is \$57 thousand. 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 \$36.9 million for the year ended June 30, 2020. 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. 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.

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, 2020, is presented below (in thousands).

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
COPERS				
Governmental Activities	\$ 1,181,866	\$ 100,487	\$ 88,101	\$ 109,215
Business-Type Activities	551,075	46,854	41,080	50,925
PSPRS - Police	2,124,546	291,617	507	262,858
PSPRS - Fire	1,101,901	200,130	19,795	143,609
EORP	4,457	874	186	(1,610)
Total	\$ 4,963,845	\$ 639,962	\$ 149,669	\$ 564,997

City of Phoenix Employees' Retirement System
a) Plan Description

The *City of Phoenix Employees' Retirement System* ("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	
	2020	2019
Active Members		
Tier 1	4,855	5,197
Tier 2	626	657
Tier 3	2,546	2,087
Total	8,027	7,941
Deferred Vested Member Counts	1,033	1,008
In Pay Members		
Service Retirees	6,109	6,013
Beneficiaries	1,160	1,110
Disabled Retirees	233	245
Total	7,502	7,368
Total Members	16,562	16,317

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 18 year period. For the fiscal year ended June 30, 2020, the total contribution rate was 38.51% 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, \$175.9 million for the fiscal year.

d) Net Pension Liability

The City's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date. The schedule below indicates changes in net pension liability:

Change in Net Pension Liability

(in thousands)

	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (NPL) (a)-(b)
Balances at 6/30/2019	\$ 4,401,825	\$ 2,660,133	\$ 1,741,692
Changes for the year:			
Service cost	81,119	-	81,119
Interest on the total pension liability	313,397	-	313,397
Changes of benefit terms	(62,386)	-	(62,386)
Difference between expected and actual experience of the total pension liability	(77,698)	-	(77,698)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(242,143)	(242,143)	-
Contributions - employer	-	175,947	(175,947)
Contributions - employee	-	39,356	(39,356)
Net investment income	-	50,389	(50,389)
Pension plan administrative expense	-	(2,509)	2,509
Net changes	12,289	21,040	(8,751)
Balances at June 30, 2020	\$ 4,414,114	\$ 2,681,173	\$ 1,732,941

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 Comprehensive Annual 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, 2020 valuation were based on the results of the actuarial experience study covering the period from July 1, 2014 through June 30, 2020. Those assumptions, applied to all periods included in the measurement, are as follows:

Investment Rate of Return	7.00%
Inflation	2.30%
Salary increase rate	Individual salary increases are composed of a price inflation component, a real wage growth component, and a merit or longevity component that varies by age. Total salary increases range from 7.00% at 1-7 attained service to 2.80% for 15+ attained service.
COLA (cost of living adjustments)	0.50% through 2024, 1.00% from 2025-2029 and then 1.25%, thereafter.

Administrative expenses Assumed to be equal to the prior year's amount, increased by 2.50%.

Mortality rates were based on CalPERS mortality tables with adjustment factors, projected with MP-2015.

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

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

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

Asset Class	FY 2020	FY 2020	10-Year
	Target	Actual	Expected Real
	Allocation	Allocation	Return
U.S. Equity	16.0%	19.7%	7.0%
Developed Market Equity (Non-U.S.)	9.0%	10.9%	9.5%
Emerging Market Equity	8.0%	5.3%	11.7%
Private Equity	9.0%	6.2%	10.0%
Investment Grade Bonds	15.0%	16.7%	2.4%
TIPS	7.0%	5.5%	2.5%
High Yield Bonds	5.0%	4.7%	4.9%
Bank Loans	3.0%	2.9%	5.3%
Emerging Market Bonds	3.0%	2.9%	4.6%
Infrastructure	4.0%	0.4%	7.7%
Natural Resources	4.0%	0.2%	11.0%
Hedge Funds	5.0%	4.0%	4.0%
Real Estate	12.0%	12.8%	8.2%
GTAA	-%	5.9%	4.3%
Cash	-%	2.1%	1.9%

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, 2020:

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	\$ 2,260,148	\$ 1,732,941	\$ 1,272,101

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

For the year ended June 30, 2020, the City recognized pension expense of \$160.1 million. At June 30, 2020 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	\$ 23,707	\$ 79,272
Changes in assumptions	484	49,909
Net difference between projected and actual earnings on pension plan investments	123,150	-
Total	\$ 147,341	\$ 129,181

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:

2021	\$ (7,267)
2022	8,835
2023	16,323
2024	269
2025	-
Thereafter	-
Total	\$ 18,160

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, 2019	
	Police	Fire
Retirees and Beneficiaries	2,473	1,127
Inactive, Non-Retired Members	773	252
Active Members	2,590	1,447
Total	5,836	2,826
Covered Valuation Payroll (in thousands)	\$ 228,846	\$ 135,273

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, 2012.

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, 2020, the required employer contribution rates were as follows:

	Police	Fire
Tier 1	64.64%	58.95%
Tier 2	64.64%	58.95%
Tier 3	10.39%	10.36%
Tier 3 Legacy	49.34%	43.09%

However, for fiscal year ended June 30, 2020, the City chose to contribute \$166.3 million and \$89.8 million for Police and Fire, respectively and were based on the following contribution rates:

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

d) **Net Pension Liability**

The City's net pension liability was measured as of June 30, 2019, 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, 2020 (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, 2019	<u>\$ 3,304,137</u>	<u>\$ 1,315,679</u>	<u>\$ 1,988,458</u>	<u>\$ 1,777,548</u>	<u>\$ 734,315</u>	<u>\$ 1,043,233</u>
Adjustment to Beginning Balance	-	(5)	5	-	(1)	1
Changes for the Year:						
Service cost	52,681	-	52,681	32,749	-	32,749
Interest on the total pension liability	241,526	-	241,526	130,378	-	130,378
Differences between expected and actual experience	21,415	-	21,415	(7,563)	-	(7,563)
Changes of Assumptions	58,976	-	58,976	31,021	-	31,021
Contributions - employer	-	149,442	(149,442)	-	77,142	(77,142)
Contributions - employee	-	18,525	(18,525)	-	11,592	(11,592)
Net investment income	-	71,707	(71,707)	-	39,879	(39,879)
Benefit payments, including refunds of employee contributions	(185,901)	(185,901)	-	(96,862)	(96,862)	-
Hall/Parker Settlement	-	-	-	-	-	-
Administrative expense	-	(1,247)	1,247	-	(695)	695
Other	-	88	(88)	-	-	-
Net changes	<u>188,697</u>	<u>52,609</u>	<u>136,088</u>	<u>89,723</u>	<u>31,055</u>	<u>58,668</u>
Balances at June 30, 2020	<u>\$ 3,492,834</u>	<u>\$ 1,368,288</u>	<u>\$ 2,124,546</u>	<u>\$ 1,867,271</u>	<u>\$ 765,370</u>	<u>\$ 1,101,901</u>

Detailed information about the pension plan's fiduciary net position is available in the separately issued Public Safety Personnel Retirement System Comprehensive Annual 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, 2019 actuarial valuation are as follows:

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Price Inflation	2.50%
Salary Increases	3.50% to 7.50% including inflation
Tiers 1 & 2 Investment Rate of Return	7.30%, net of investment and administrative expenses
Tier 3 Investment Rate of Return	7.00%, net of investment and administrative expenses
Tier 3 Compensation Limit	\$110,000 for 2019. Assumed increases of 2.00% per year.
Retirement Rates	Rates based on a 2017 experience study using actual plan experience.
Mortality Rates	All rates were updated to reflect the PubS-2010 tables. The mortality assumptions sufficiently accommodate future mortality improvements.

Other Information:

Assumed Future Permanent Benefit Increases	The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. Assumed that the cost-of-living adjustment will be 1.75% for this valuation.
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The Discount Rate used to measure the Total Pension Liability was 7.30% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits. The projection of cash flows used to determine the Discount Rate assumed that plan member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term expected Rate of Return on Pension Plan investments (7.30% for Tiers 1 and 2 benefits and 7.00% for Tier 3 benefits) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The Long-Term Expected Rate of Return on Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of June 30, 2019, as provided by PSPRS, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short-Term Investments	2.00%	0.25%
Risk Parity	4.00%	4.01%
Fixed Income	5.00%	3.00%
Real Assets	9.00%	6.75%
GTS	12.00%	4.01%
Private Credit	16.00%	5.36%
Real Estate	10.00%	4.50%
Private Equity	12.00%	8.40%
Non-U.S. Equity	14.00%	5.00%
U.S. Equity	16.00%	4.75%
Total	100.00%	

*Assumed inflation rate (as provided by PSPRS): 2.75%

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

The table below presents the net pension liability of both Police and Fire calculated using the discount rate of 7.30% for Tier 1/2 members and 7.00% for Tier 3 members, as well as what the net pension liability would be if it were calculated using the discount rate that is 1.0% lower or 1.0% higher (in thousands):

POLICE			
	1% Decrease (6.30%/6.00%)	Current Discount Rate (7.30%/7.00%)	1% Increase (8.30%/8.00%)
Net Pension Liability	\$ 2,577,612	\$ 2,124,546	\$ 1,753,579

FIRE			
	1% Decrease (6.30%/6.00%)	Current Single Discount Rate (7.30%/7.00%)	1% Increase (8.30%/8.00%)
Net Pension Liability	\$ 1,340,545	\$ 1,101,901	\$ 905,578

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

For the year ended June 30, 2020, pension expense of \$262.9 million and \$143.6 million were recognized for Police and Fire, respectively. At June 30, 2020, 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	\$ 17,887	\$ 507	\$ 17,636	\$ 19,795
Changes in assumptions	89,025	-	81,603	-
Net difference between projected and actual earnings on pension plan investments	18,446	-	11,051	-
Contributions made subsequent to the measurement date	166,259	-	89,840	-
Total	\$ 291,617	\$ 507	\$ 200,130	\$ 19,795

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 2021. 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
2021	\$ 58,853	2021	\$ 28,093
2022	23,221	2022	18,433
2023	21,709	2023	21,740
2024	21,068	2024	15,094
2025	-	2025	3,784
Thereafter	-	Thereafter	3,351
Total	\$ 124,851	Total	\$ 90,495

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, 2020, the City had 8 covered officials participating in the plan. Covered payroll for the year then ended was \$391 thousand (of \$568.1 million general City covered payroll). Net pension liability for EORP was \$4.5 million as of June 30, 2020 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, 2020, is presented below (in thousands).

Plan	Net OPEB Liability/(Asset)	Deferred	Deferred	OPEB Expense (Income)
		Outflows of Resources	Inflows of Resources	
LTD				
Governmental Activities	\$ (24,675)	\$ 4,576	\$ 7,119	\$ 1,509
Business-Type Activities	(5,397)	1,001	1,557	331
MERP				
Governmental Activities	159,032	8,706	-	22,204
Business-Type Activities	47,276	2,588	-	6,633
PSPRS - Police	(19,112)	491	3,044	(2,004)
PSPRS - Fire	(12,231)	692	825	(818)
EORP	(73)	1	10	-
Total	\$ 144,820	\$ 18,055	\$ 12,555	\$ 27,855

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, 2019, the effective date of the biennial OPEB valuation, follows:

	Police	Fire	General City	Total
Current Active Employees	3,038	1,685	7,910	12,633
Currently Disabled Employees	19	5	264	288
Total Covered Participants	3,057	1,690	8,174	12,921

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 years ended June 30, 2020, the City contributed \$1.1 million. Employees are not required to contribute to the LTD program.

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

The City’s net OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2019. The net OPEB liability/(asset) is measured as the total OPEB liability/(asset), less the amount of the plan’s fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board’s adopted assumptions and methods).

A single discount rate of 6.75% was used to measure the total OPEB liability/(asset) as of June 30, 2020. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the OPEB plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset).

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

Change in Net OPEB Liability/(Asset)

(in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balances at June 30, 2019	\$ 44,230	\$ 80,079	\$ (35,849)
Changes for the year:			
Service cost	3,495	-	3,495
Interest on the total OPEB liability	3,087	-	3,087
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	628	-	628
Benefit payments, including refunds of employee contributions	(3,755)	(3,755)	-
Employer contributions	-	1,134	(1,134)
Employee contributions	-	-	-
OPEB plan net investment income	-	662	(662)
OPEB plan administrative expense	-	(363)	363
Other	-	-	-
Net change in plan fiduciary net position	3,455	(2,322)	5,777
Balances at June 30, 2020	\$ 47,685	\$ 77,757	\$ (30,072)

e) **Actuarial Assumptions**

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

Valuation date	6/30/19
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return	6.75%
Projected payroll increases	3.50%
Inflation	3.00%

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

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

Asset Class	Target Allocation
Domestic Equities	29.00%
International Equities	29.00%
Fixed Income	23.00%
Marketable Alternatives	14.00%
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, 2020. In particular, the table presents the plan's net OPEB liability/(asset) if it were calculated using a Single Discount Rate that is one-percentage-point lower or one-percentage-point higher than the current Single Discount Rate:

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

	1% Decrease (5.75%)	Current Single Discount Rate Assumption (6.75%)	1% Increase (7.75%)
Net OPEB Liability (Asset):	\$ (26,997)	\$ (30,072)	\$ (32,751)

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

For the year ended June 30, 2020, the City recognized OPEB expense of approximately \$1.8 million. At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Deferred Inflows and Outflows of Resources
(in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,234
Assumption changes	567	6,442
Net difference between projected and actual earnings on OPEB plan investments	5,010	-
Total	\$ 5,577	\$ 8,676

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:		
2021	\$	396
2022		396
2023		260
2024		(29)
2025		(996)
Thereafter		(3,126)
Total	\$	(3,099)

Medical Expense Reimbursement Plan

a) **Plan Description**

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

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

The City established the City of Phoenix MERP Trust to fund all or a portion of the City's share of liabilities incurred in providing the benefits as reflected in Administrative Regulation 2.42 - Medical Expense Reimbursement Plan for Retirees and Eligible Surviving Spouses or Qualified Domestic Partners. A five member Board of Trustees has been delegated fiduciary responsibility for the MERP Trust, subject to oversight of the City Council.

b) **Plan Benefits**

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

The employees covered by MERP at June 30, 2019, the effective date of the biennial OPEB valuation, are:

	<u>2019</u>
Plan Members Currently Receiving Benefits	9,352
Active Plan Members	3,527
Total Plan Members	<u>12,879</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, 2020, the City contributed \$27.0 million. Employees are not required to contribute to the MERP.

d) **Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The net OPEB liability is measured as the total OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 6.75% was used to measure the total OPEB liability as of June 30, 2020. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 6/30/2019	\$ 374,743	\$ 178,166	\$ 196,577
Changes for the year:			
Service cost	4,432	-	4,432
Interest on the total OPEB liability	25,439	-	25,439
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	8,320	-	8,320
Benefit payments, including refunds of employee contributions	(27,089)	(27,089)	-
Employer contributions	-	26,987	(26,987)
Employee contributions	-	-	-
OPEB plan net investment income	-	1,460	(1,460)
OPEB plan administrative expense	-	-	-
Other	-	13	(13)
Net change in plan fiduciary net position	<u>11,102</u>	<u>1,371</u>	<u>9,731</u>
Balances at 6/30/2020	<u>\$ 385,845</u>	<u>\$ 179,537</u>	<u>\$ 206,308</u>

e) Actuarial Assumptions

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

Valuation date	6/30/19
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return	6.75%
Projected payroll increases	3.50%

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. 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	29.00%
International Equities	29.00%
Fixed Income	23.00%
Marketable Alternatives	14.00%
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, 2020. In particular, the table presents the plan's net OPEB liability if it were calculated using a Single Discount Rate that is one-percentage-point lower or one-percentage-point higher than the current Single Discount Rate:

Sensitivity of Net OPEB Liability to the Single Discount
Rate Assumption

(in thousands)

	1% Decrease (5.75%)	Current Single Discount Rate Assumption (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 244,484	\$ 206,308	\$ 175,354

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, 2020. 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			
Trend Rate Assumption			
(in thousands)			
	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB Liability	\$ 206,213	\$ 206,308	\$ 206,407

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$28.8 million. At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Deferred Inflows and Outflows of Resources		
(in thousands)		
	Deferred Outflows of Resources	Deferred Outflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 11,294	\$ -
Total	\$ 11,294	\$ -

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:	
2021	\$ 3,128
2022	3,128
2023	2,837
2024	2,201
2025	-
Thereafter	-
Total	\$ 11,294

PSPRS - OPEB
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, 2019	
	Police	Fire
Retirees and Beneficiaries	2,473	1,127
Inactive, Non-Retired Members	394	229
Active Members	2,590	1,447
Total	5,457	2,803

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:

<u>Member Only</u>		<u>With Dependents</u>		
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, 2020, 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, 2020, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2019. The schedule below indicates changes in net OPEB liability/(asset) as of the actuary report dated June 30, 2020 (in thousands):

Change in Net OPEB Liability

(Asset)

	POLICE			FIRE		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at 6/30/2019	\$ 47,993	\$ 66,826	\$ (18,833)	\$ 24,641	\$ 37,726	\$ (13,085)
Changes for the Year:						
Service cost	699	-	699	341	-	341
Interest on the total OPEB liability	3,483	-	3,483	1,783	-	1,783
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience of the total OPEB liability	(1,332)	-	(1,332)	461	-	461
Changes of assumptions	425	-	425	255	-	255
Contributions - employer	-	31	(31)	-	8	(8)
Contributions - employee	-	31	(31)	-	8	(8)
Net investment income	-	3,548	(3,548)	-	2,004	(2,004)
Benefit payments, including refunds of employee contributions	(3,257)	(3,257)	-	(1,762)	(1,762)	-
OPEB plan administrative expense	-	(61)	61	-	(35)	35
Other	-	5	(5)	-	1	(1)
Net changes	18	297	(279)	1,078	224	854
Balances at 6/30/2020	\$ 48,011	\$ 67,123	\$ (19,112)	\$ 25,719	\$ 37,950	\$ (12,231)

e) Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Price Inflation	2.50%
Salary Increases	3.50% to 7.50% including inflation
Tiers 1 & 2 Investment Rate of Return	7.30%, net of investment and administrative expenses
Tier 3 Investment Rate of Return	7.00%, net of investment and administrative expenses
Retirement Age	Rates based on a 2017 experience study using actual plan experience.
Mortality	All rates were updated to reflect the PubS-2010 tables. The mortality assumptions sufficiently accomodate future mortality improvements.
Health Care Trend Rates:	Not applied in the valuation due to the nature of the benefit provided.
Other Information:	
Notes	There were no benefit changes during the year. The latest experience study was conducted as of June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the OPEB plan's target asset allocation as of June 30, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Short Term Investments	2.00%	0.25%
Risk Parity	4.00%	4.01%
Fixed Income	5.00%	3.00%
Real Assets	9.00%	6.75%
GTS	12.00%	4.01%
Private Credit	16.00%	5.36%
Real Estate	10.00%	4.50%
Private Equity	12.00%	8.40%
Non-U.S. Equity	14.00%	5.00%
U.S. Equity	16.00%	4.75%
Total	100.00%	

* Geometric Real Rate of Return. Based on inflation assumption of 2.75%

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

The table below presents the net OPEB liability/(asset) of both Police and Fire calculated using the discount rate of 7.30%, 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 (6.30%/6.00%)	Current Discount Rate (7.30%/7.00%)	1% Increase (8.30%/8.00%)
Net Pension Liability	\$ (13,873)	\$ (19,112)	\$ (23,536)

FIRE			
	1% Decrease (6.30%/6.00%)	Current Single Discount Rate (7.30%/7.00%)	1% Increase (8.30%/8.00%)
Net Pension Liability	\$ (9,506)	\$ (12,231)	\$ (14,542)

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

For the year ended June 30, 2020, the City recognized a credit to OPEB expense of \$2.8 million. At June 30, 2020 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	\$ -	\$ 2,442	\$ 395	\$ 403
Changes in assumptions	354	602	219	422
Net difference between projected and actual earnings on OPEB plan investments	137	-	78	-
Total	\$ 491	\$ 3,044	\$ 692	\$ 825

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

		POLICE				FIRE	
Year Ending		Net Deferred Outflows and		Year Ending		Net Deferred Outflows and	
June 30		Inflows of Resources		June 30		Inflows of Resources	
2020	\$		(1,391)	2020	\$		(243)
2021			(1,164)	2021			(243)
2022			50	2022			49
2023			104	2023			104
2024			(152)	2024			99
Thereafter			-	Thereafter			101
Total	\$		(2,553)	Total	\$		(133)

Elected Officials' Retirement Plan - OPEB

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. Certain retirees are eligible to receive an insurance subsidy. At June 30, 2020, the City had 8 covered officials participating in the plan. Net OPEB asset for EORP was \$73 thousand as of June 30, 2020 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 Issuances

On August 4, 2020, the City of Phoenix Civic Improvement Corporation issued \$131.6 million of Subordinated Excise Tax Revenue Bonds, Series 2020A, \$150.0 million of Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable), and and \$116.7 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable). A portion of the Subordinated Excise Tax Revenue Bonds, Series 2020A prepaid the balance outstanding on the loan with DNT Asset Trust, a subsidiary of JP Morgan Chase Bank, N.A., in the amount of \$40.9 million. The bonds were issued at an all-in true interest cost of 1.899%, 2.388% and 1.583%, respectively, and were dated and delivered August 25, 2020.

Bond Ratings

On August 21, 2020 S&P Global Ratings ("S&P") announced that it lowered its financial strength rating on the Airport Revenue Bonds to 'A+' from 'AA-' on the Senior Lien Airport Revenue Bonds and to 'A' from "A+" on the Junior Lien Airport Revenue Bonds. The outlook is negative.

On August 21, 2020 S&P announced that it lowered its financial strength rating on the Rental Car Facility Charge Revenue Bonds to 'BBB+' from 'A'. The outlook is negative.

On November 20, 2020 Moody's Investor Service ("Moody's") announced that it lowered its financial strength rating on the Rental Car Facility Charge Revenue Bonds to 'A3' from 'A2'. The outlook is stable.



Financial Section
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**REQUIRED
SUPPLEMENTARY
INFORMATION**



City of Phoenix

COPERS

Schedule of Changes in Net Pension Liability and Related Ratios

(in thousands)

	2020*	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 81,119	\$ 73,255	\$ 73,072	\$ 72,876	\$ 80,757	\$ 75,310	\$ 78,331
Interest on the total pension liability	313,397	300,543	293,883	293,258	293,206	266,355	257,219
Changes of benefit terms	-	-	-	-	(3,229)	-	-
Differences between expected and actual experience of the total pension liability	(77,698)	39,370	(42,785)	429	(76,891)	(31,009)	(20,336)
Changes of assumptions	(62,386)	-	-	2,420	(69,420)	254,870	-
Benefit payments, including refunds of employee contributions	(242,143)	(237,389)	(227,576)	(223,668)	(216,193)	(204,403)	(179,877)
Net change in total pension liability	\$ 12,289	\$ 175,779	\$ 96,594	\$ 145,315	\$ 8,230	\$ 361,123	\$ 135,337
Total pension liability - beginning	4,401,825	4,226,046	4,129,452	3,984,137	3,975,907	3,614,784	3,479,447
Total pension liability - ending	<u>\$4,414,114</u>	<u>\$4,401,825</u>	<u>\$4,226,046</u>	<u>\$4,129,452</u>	<u>\$3,984,137</u>	<u>\$3,975,907</u>	<u>\$3,614,784</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 175,947	\$ 165,796	\$ 229,006	\$ 152,153	\$ 119,844	\$ 117,092	\$ 110,629
Contributions - employee	39,356	35,042	33,340	30,870	29,523	27,861	27,760
Net investment income	50,389	142,963	166,514	243,211	9,171	47,148	298,736
Benefit payments, including refunds of employee contributions	(242,143)	(237,389)	(227,576)	(223,668)	(216,409)	(204,403)	(179,877)
Pension plan administrative expense	(2,509)	(793)	(377)	(380)	(234)	(414)	(628)
Net change in plan fiduciary net position	\$ 21,040	\$ 105,619	\$ 200,907	\$ 202,186	\$ (58,105)	\$ (12,716)	\$ 256,620
Plan fiduciary net position - beginning	2,660,133	2,554,514	2,353,607	2,151,421	2,209,526	2,222,242	1,965,622
Plan fiduciary net position - ending	<u>\$2,681,173</u>	<u>\$2,660,133</u>	<u>\$2,554,514</u>	<u>\$2,353,607</u>	<u>\$2,151,421</u>	<u>\$2,209,526</u>	<u>\$2,222,242</u>
Net pension liability	<u>\$1,732,941</u>	<u>\$1,741,692</u>	<u>\$1,671,532</u>	<u>\$1,775,845</u>	<u>\$1,832,716</u>	<u>\$1,766,381</u>	<u>\$1,392,542</u>
Plan fiduciary net position as a percentage of the total pension liability	60.74%	60.43%	60.45%	57.00%	54.00%	55.57%	61.48%
Covered payroll	\$ 568,089	\$ 561,938	\$ 526,667	\$ 521,295	\$ 473,974	\$ 484,309	\$ 518,746
Net pension liability as a percentage of covered payroll	305.05%	309.94%	317.38%	340.66%	386.67%	364.72%	268.44%

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

The information in this schedule has been determined as of the measurement date 6/30/20 of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

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
2020	\$ 175,947	\$ 175,947	\$ -	\$ 568,089	30.97%
2019	165,796	165,796	-	561,938	29.50%
2018	159,006	229,006	(70,000)*	526,667	43.48%
2017	152,153	152,153	-	521,295	29.19%
2016	119,844	119,844	-	473,974	25.28%
2015	117,092	117,092	-	484,309	24.18%
2014	110,629	110,629	-	518,746	21.33%
2013	115,244	115,244	-	524,648	21.97%
2012	114,709	114,709	-	540,792	21.21%
2011	105,682	105,682	-	541,388	19.52%

*City made an additional \$70.0 million contribution in fiscal year 2018.

NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation date: June 30, 2018. 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, 2020 were determined based on the June 30, 2018 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	The UAL as of June 30, 2013 is amortized as a level percentage of payroll over a closed 25-year period. The impact of the September 2013 assumption changes is amortized over a closed 25-year period with a four-year phase-in. The impact of the August 2015 assumption changes is amortized over a closed 25-year period with a four-year phase-in. Future gains and losses are amortized over closed 20-year periods. However, future gains will not be amortized over a shorter period than the remaining period on the amortization of the 2013 UAL.
Asset valuation method	4-Year smoothed market; 25% corridor
Salary increases	3.00% plus merit component based on age ranging from 6.60% at age 20 to 0.00% for members age 65 and older.
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2009 - 2014.
Mortality	CalPERS mortality tables with adjustment factors, projected with MP-2015
Cost-of-living adjustment	1.25%

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

PSPRS - Pension

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

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

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

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

The information in this schedule has been determined as of the measurement date 6/30/19 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.

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

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

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

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

The information in this schedule has been determined as of the measurement date 6/30/19 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.

Schedule of Contributions for Measurement Date Ended June 30 - PSPRS							
	(in thousands) Year Ended June 30	Actuarially	Actual	Contribution	Covered	Actual Contribution	
		Determined	Contribution ***	Deficiency	Payroll	as a % of Covered	
		Contribution		(Excess)		Valuation Payroll	
Police	2020	\$ -	\$ 166,259	\$ -	\$ -	-	-%
	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	2020	\$ -	\$ 89,840	\$ -	\$ -	-	-%
	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 2020, the City chose to contribute more than the actuarially determined amount. Fiscal year 2020 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 2019 CONTRIBUTION RATE*

Calculation Timing	The Actuarially Determined Contribution is calculated as of June 30 one year prior to the beginning of the fiscal year in which contributions are reported.
Interest Rate	7.40%
Mortality	<p>Healthy Actives: RP-2014 Employee Mortality Tables, extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>Healthy Inactives: RP-2014 Healthy Annuitant Mortality Tables (110% for females), extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>Disabled Lives: RP-2014 Disabled Mortality Tables, extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the June 30, 2017 Actuarial Valuation Report prepared by GRS Retirement Consulting.

The information in this schedule has been determined as of the measurement date 6/30/19 of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

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

(in thousands)

	FYE 2020	FYE 2019	FYE 2018	FYE 2017
<u>Total OPEB liability/(asset)</u>				
Service cost	\$ 3,495	\$ 3,679	\$ 3,554	\$ 3,434
Interest on the total OPEB liability/(asset)	3,087	3,614	3,407	3,226
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(2,778)	-	-
Changes of assumptions	628	(8,013)	-	-
Benefit payments, including refunds of employee contributions	(3,755)	(4,126)	(3,993)	(4,289)
Net change in total OPEB liability/(asset)	3,455	(7,624)	2,968	2,371
Total OPEB liability/(asset) - beginning	44,230	51,854	48,886	46,515
Total OPEB liability/(asset) - ending	<u>\$ 47,685</u>	<u>\$ 44,230</u>	<u>\$ 51,854</u>	<u>\$ 48,886</u>
<u>Plan Fiduciary Net Position</u>				
Employer contributions	\$ 1,134	\$ 1,758	\$ 1,643	\$ 1,381
Employee contributions	-	-	-	-
OPEB plan net investment income	662	3,983	4,611	8,488
Benefit payments, including refunds of employee contributions	(3,755)	(4,126)	(3,993)	(4,290)
OPEB plan administrative expense	(363)	(380)	(409)	(276)
Other	-	(86)	167	129
Net change in plan fiduciary net position	(2,322)	1,149	2,019	5,432
Plan fiduciary net position - beginning	80,079	78,930	76,911	71,479
Plan fiduciary net position - ending	<u>\$ 77,757</u>	<u>\$ 80,079</u>	<u>\$ 78,930</u>	<u>\$ 76,911</u>
Net OPEB liability/(asset) - ending	<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)	163.06%	181.05%	152.23%	157.33%
Covered payroll	\$ 858,320	\$ 831,706	\$ 832,952	\$ 804,784
Net OPEB liability/(asset) as a percentage of covered payroll	(3.50%)	(4.31%)	(3.25%)	(3.48%)

Notes to Schedule:

- Service Cost determined under the Entry Age Normal Method

The information in this schedule has been determined as of the measurement date 6/30/20 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Schedule of 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
2020	\$ 1,163	\$ 1,134	\$ 29	\$ 858,320	0.13%
2019	1,772	1,758	14	831,706	0.21%
2018	1,772	1,643	129	832,952	0.20%
2017	1,514	1,381	133	804,784	0.17%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Inflation	3.00%
Projected payroll increases	Use actual salary scale
Investment rate of return	7.00%
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 police and fire assumptions have been updated to match those used in the valuation of their pension benefit. Additionally, the recovery rates were updated to the most recent tables available from the Society of Actuaries, with adjustments. No other assumptions changes were made since the prior valuation.

The information in this schedule has been determined as of the measurement date 6/30/2020 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)

	FYE 2020	FYE 2019	FYE 2018	FYE 2017
<u>Total OPEB liability/(asset)</u>				
Service cost	\$ 4,432	\$ 4,282	\$ 4,690	\$ 4,531
Interest on the total OPEB liability/(asset)	25,439	25,141	24,826	24,472
Changes of benefit terms	-	19,835	-	-
Differences between expected and actual experience	-	(18,132)	-	-
Changes of assumptions	8,320	(637)	-	-
Benefit payments, including refunds of employee contributions	(27,089)	(25,520)	(24,107)	(23,936)
Net change in total OPEB liability	11,102	4,969	5,409	5,067
Total OPEB liability/(asset) - beginning	374,743	369,774	364,365	359,298
Total OPEB liability/(asset) - ending	<u>\$ 385,845</u>	<u>\$ 374,743</u>	<u>\$ 369,774</u>	<u>\$ 364,365</u>
<u>Plan Fiduciary Net Position</u>				
Employer contributions	\$ 26,987	\$ 24,100	\$ 25,881	\$ 27,863
Employee contributions	-	-	-	-
OPEB plan net investment income	1,460	8,734	9,761	17,188
Benefit payments, including refunds of employee contributions	(27,089)	(25,520)	(24,107)	(23,936)
OPEB plan administrative expense	-	-	-	-
Other	13	(17)	6	-
Net change in plan fiduciary net position	1,371	7,297	11,541	21,115
Plan fiduciary net position - beginning	178,166	170,869	159,328	138,213
Plan fiduciary net position - ending	<u>\$ 179,537</u>	<u>\$ 178,166</u>	<u>\$ 170,869</u>	<u>\$ 159,328</u>
Net OPEB liability/(asset) - ending	<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	46.53%	47.54%	46.21%	43.73%
Covered payroll	\$ 280,071	\$ 270,600	\$ 329,982	\$ 318,823
Net OPEB liability as a percentage of covered payroll	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 6/30/20 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Schedule of 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
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, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	Market
Projected payroll increases	3.50%
Investment rate of return	7.00%
Health care trend rates	Applies only to Duty Related Death Benefits: Rates starting at 7.5% in 2020 grading down to 4.5% in 2034.
Expenses	Investment expenses are paid from investment returns.

Other information:

Notes Since the prior 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, 2018, and the Qualified City Contribution MERP benefit for Medicare eligible retirees has been reinstated.

The information in this schedule has been determined as of the measurement date 6/30/20 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

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

(in thousands)

	2020		2019		2018	
	Police	Fire	Police	Fire	Police	Fire
Total OPEB Liability						
Service Cost	\$ 699	\$ 341	\$ 647	\$ 338	\$ 762	\$ 357
Interest on the Total OPEB Liability	3,483	1,783	3,440	1,755	3,708	1,846
Changes of benefit terms	-	-	-	-	26	28
Difference between expected and actual experience of the Total OPEB Liability	(1,332)	461	(632)	(116)	(2,617)	(595)
Changes of assumptions	425	255	-	-	(1,636)	(774)
Benefit payments, including refunds of employee contributions	(3,257)	(1,763)	(3,253)	(1,766)	(3,014)	(1,735)
Net change in total OPEB liability	\$ 18	\$ 1,077	\$ 202	\$ 211	\$ (2,771)	\$ (873)
Total pension liability - beginning	47,993	24,641	47,791	24,430	50,562	25,303
Total pension liability - ending	<u>\$ 48,011</u>	<u>\$ 25,718</u>	<u>\$ 47,993</u>	<u>\$ 24,641</u>	<u>\$ 47,791</u>	<u>\$ 24,430</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 31	\$ 8	\$ -	\$ -	\$ -	\$ -
Contributions - employee	31	8	5	1	-	-
Net investment income	3,548	2,004	4,483	2,529	7,098	4,002
Benefit payments, including refunds of employee contributions	(3,257)	(1,763)	(3,253)	(1,766)	(3,014)	(1,735)
OPEB Plan Administrative Expense	(61)	(34)	(68)	(39)	(63)	(36)
Net change in Plan Fiduciary Net Position	\$ 292	\$ 223	\$ 1,167	\$ 725	\$ 4,021	\$ 2,231
Plan Fiduciary Net Position - Beginning	66,826	37,726	65,659	37,001	61,638	34,770
Adjustment to Beginning of Year	5	1	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 67,123</u>	<u>\$ 37,949</u>	<u>\$ 66,826</u>	<u>\$ 37,726</u>	<u>\$ 65,659</u>	<u>\$ 37,001</u>
Net OPEB Liability/(Asset)	\$ (19,112)	\$ (12,231)	\$ (18,833)	\$ (13,085)	\$ (17,868)	\$ (12,571)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	139.81%	147.56%	139.24%	153.10%	137.39%	151.46%
Covered Payroll	228,846	135,273	221,105	132,503	231,023	127,530
Net OPEB Liability (Asset) as a Percentage of Covered Valuation Payroll	(8.35%)	(9.04%)	(8.52%)	(9.88%)	(7.73%)	(9.86%)

The information in this schedule has been determined as of the measurement date 6/30/19 of the City's net OPEB liability/ (asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Schedule of Contributions for Measurement Date Ended June 30

(in thousands)						
	Year Ended June 30	Actuarially Determined Contribution *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Valuation Payroll
Police	2019	\$ 31	\$ 31	\$ -	\$ 228,846	0.01%
	2018	-	-	-	221,105	-%
	2017	-	-	-	231,023	-%
Fire	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 2019 CONTRIBUTION RATE

Calculation Timing	The Actuarially Determined Contribution is calculated as of June 30 one year prior to the beginning of the fiscal year in which contributions are reported.
Interest Rate	7.40%
Mortality	<p>Healthy Actives: RP-2014 Employee Mortality Tables, extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>Healthy Inactives: RP-2014 Healthy Annuitant Mortality Tables (110% for females), extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>Disabled Lives: RP-2014 Disabled Mortality Tables, extended via cubic spline, projected backwards 1 year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the June 30, 2017 Actuarial Valuation Report prepared by GRS Retirement Consulting.

The information in this schedule has been determined as of the measurement date 6/30/19 of the City's net OPEB liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.



City of Phoenix



Financial Section
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**OTHER SUPPLEMENTARY
INFORMATION**

- Nonmajor

Governmental Funds

- Combining Fund

Financial Statements

Fund Descriptions -

Special Revenue Funds

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

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

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

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

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

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

Other Restricted - to account for restricted fees for recreation and other programs, and donations specified for various city programs.

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

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

Capital Projects Funds

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

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

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

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

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

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

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

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

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

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, 2020
 (in thousands)

Exhibit C-1

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
ASSETS					
Cash and Cash Equivalents	\$ 13,075	\$ -	\$ 29,284	\$ -	\$ 10,122
Cash Deposits	29	-	-	-	-
Cash and Securities with					
Fiscal Agents/Trustees	-	-	-	-	6,946
Investments	94,605	7,978	174,740	-	44,382
Due from Other Funds	-	-	-	-	-
Receivables, Net of Allowance					
Accounts Receivable	-	-	1,022	1,119	446
Taxes Receivable	-	-	-	-	-
Intergovernmental	10,643	61	13	20,637	388
Accrued Interest	-	-	-	-	69
Notes Receivable	-	-	-	-	10,565
Total Assets	118,352	8,039	205,059	21,756	72,918
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	-	-	-	1,648	10,225
Accounts Payable	12,476	386	2,901	8,410	2,613
Trust Liabilities and Deposits	4,634	307	11,323	14	17,117
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Advance Payments	15	-	7,840	11,684	4,177
Total Liabilities	17,125	693	22,064	21,756	34,132
Deferred Inflows of Resources					
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Spendable					
Restricted	101,227	4,590	92,771	-	31,138
Committed	-	2,756	-	-	-
Assigned	-	-	90,224	-	7,648
Unassigned	-	-	-	-	-
Total Fund Balances	101,227	7,346	182,995	-	38,786
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 118,352	\$ 8,039	\$ 205,059	\$ 21,756	\$ 72,918

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
\$ 11,038	\$ 3,989	\$ 7,771	\$ 75,279	\$ 3,675	\$ 14,485	\$ 24,627	\$ -
-	-	-	29	-	-	-	-
-	-	-	6,946	-	-	-	-
67,407	21,158	48,381	458,651	22,625	85,176	12,802	-
-	-	-	-	-	-	29,414	-
608	-	-	3,195	-	102	4,584	-
7	-	-	7	-	-	-	-
151	-	-	31,893	-	-	13,325	-
-	-	-	69	-	-	55	-
-	-	-	10,565	-	-	-	-
79,211	25,147	56,152	586,634	26,300	99,763	84,807	-
-	-	-	-	-	-	-	-
-	-	-	11,873	-	-	-	15,298
1,179	192	336	28,493	468	3,413	16,213	50
281	220	-	33,896	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	23,716	-	-	-	-
1,460	412	336	97,978	468	3,413	16,213	15,348
-	-	-	-	-	-	-	-
56,682	24,735	55,816	366,959	-	96,350	60,250	-
-	-	-	2,756	25,832	-	-	-
21,069	-	-	118,941	-	-	8,344	-
-	-	-	-	-	-	-	(15,348)
77,751	24,735	55,816	488,656	25,832	96,350	68,594	(15,348)
\$ 79,211	\$ 25,147	\$ 56,152	\$ 586,634	\$ 26,300	\$ 99,763	\$ 84,807	\$ -

**Combining Balance Sheet
Nonmajor Governmental Funds**
 June 30, 2020
 (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	\$ 100	\$ 1,258	\$ 1,110	\$ 8	\$ -
Cash Deposits	-	-	-	-	-
Cash and Securities with					
Fiscal Agents/Trustees	-	-	-	-	-
Investments	617	7,730	4,896	35,927	42,434
Due from Other Funds	-	-	-	-	-
Receivables, Net of Allowance					
Accounts Receivable	-	5	-	-	-
Taxes Receivable	-	-	-	-	-
Intergovernmental	-	-	-	-	7,909
Accrued Interest	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Total Assets	<u>717</u>	<u>8,993</u>	<u>6,006</u>	<u>35,935</u>	<u>50,343</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	-	-	-	-	6,654
Accounts Payable	-	-	58	2,582	22,217
Trust Liabilities and Deposits	-	423	-	-	1
Matured Bonds Payable	-	-	-	-	-
Interest Payable	-	-	-	-	-
Advance Payments	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>423</u>	<u>58</u>	<u>2,582</u>	<u>28,872</u>
Deferred Inflows of Resources					
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Spendable					
Restricted	717	8,083	5,948	33,368	21,471
Committed	-	-	-	-	-
Assigned	-	487	-	-	-
Unassigned	-	-	-	(15)	-
Total Fund Balances	<u>717</u>	<u>8,570</u>	<u>5,948</u>	<u>33,353</u>	<u>21,471</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 717</u>	<u>\$ 8,993</u>	<u>\$ 6,006</u>	<u>\$ 35,935</u>	<u>\$ 50,343</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	
\$ -	\$ 45,263	\$ 9,143	\$ 521	\$ 82	\$ -	\$ 9,746	\$ 130,288
-	-	-	-	-	-	-	29
8,678	8,678	-	45,205	-	12,132	57,337	72,961
-	212,207	56,167	3,755	-	-	59,922	730,780
-	29,414	-	-	-	-	-	29,414
-	4,691	-	-	15	70	85	7,971
-	-	-	-	-	-	-	7
-	21,234	-	-	-	-	-	53,127
-	55	-	-	-	-	-	124
-	-	-	-	-	-	-	10,565
<u>8,678</u>	<u>321,542</u>	<u>65,310</u>	<u>49,481</u>	<u>97</u>	<u>12,202</u>	<u>127,090</u>	<u>1,035,266</u>
-	-	-	-	-	-	-	-
14,115	36,067	-	-	-	-	-	47,940
15,518	60,519	360	-	-	-	360	89,372
-	424	-	-	-	-	-	34,320
-	-	-	37,085	-	-	37,085	37,085
-	-	-	8,120	-	793	8,913	8,913
-	-	-	-	97	-	97	23,813
<u>29,633</u>	<u>97,010</u>	<u>360</u>	<u>45,205</u>	<u>97</u>	<u>793</u>	<u>46,455</u>	<u>241,443</u>
-	-	-	-	-	-	-	-
-	226,187	-	4,276	-	11,409	15,685	608,831
-	25,832	64,950	-	-	-	64,950	93,538
19,859	28,690	-	-	-	-	-	147,631
(40,814)	(56,177)	-	-	-	-	-	(56,177)
<u>(20,955)</u>	<u>224,532</u>	<u>64,950</u>	<u>4,276</u>	<u>-</u>	<u>11,409</u>	<u>80,635</u>	<u>793,823</u>
\$ 8,678	\$ 321,542	\$ 65,310	\$ 49,481	\$ 97	\$ 12,202	\$ 127,090	\$ 1,035,266

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

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Special Revenue Funds				
	Highway User Revenue	Municipal Court	Develop- ment Services	Grants	Public Housing
REVENUES					
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	135,997	-	-	117,387	87,628
Charges for Services	2	6,004	83,614	-	-
Fines and Forfeitures	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income					
Net Change in Fair Value of Investments	829	75	806	16	266
Interest	2,181	202	2,130	43	801
Dwelling Rentals	-	-	-	-	8,140
Other	777	12	11,253	21,045	5,005
Total Revenues	<u>139,786</u>	<u>6,293</u>	<u>97,803</u>	<u>138,491</u>	<u>101,840</u>
EXPENDITURES					
Current Operating					
General Government	-	79	-	7,472	-
Criminal Justice	-	2,392	-	293	-
Public Safety	-	4,879	-	22,316	-
Transportation	90,107	-	-	162	-
Community Enrichment	-	-	-	65,811	171
Community Development	-	-	65,066	37,551	94,520
Environmental Services	-	-	-	865	-
Capital Outlay	51,711	730	14,869	4,021	4,139
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	<u>141,818</u>	<u>8,080</u>	<u>79,935</u>	<u>138,491</u>	<u>98,830</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,032)	(1,787)	17,868	-	3,010
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	-	284	-	-
Transfers to Other Funds	(3,893)	-	(2,065)	-	(350)
Proceeds from Loans	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(3,893)</u>	<u>-</u>	<u>(1,781)</u>	<u>-</u>	<u>(350)</u>
Net Change in Fund Balances	(5,925)	(1,787)	16,087	-	2,660
FUND BALANCES, JULY 1	107,152	9,133	166,908	-	36,126
FUND BALANCES, JUNE 30	<u>\$ 101,227</u>	<u>\$ 7,346</u>	<u>\$ 182,995</u>	<u>\$ -</u>	<u>\$ 38,786</u>

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
\$ 8,531	\$ 36,234	\$ 96,441	\$ 141,206	\$ 8,548	\$ 36,233	\$ -	\$ -
898	-	-	898	-	-	-	-
1,661	2,018	6,834	351,525	-	-	11,491	-
6,530	-	-	96,150	172	-	-	-
67	-	-	67	-	-	-	-
1,130	-	-	1,130	-	-	-	-
-	-	-	-	-	-	-	-
281	178	166	2,617	164	691	(22)	-
759	479	466	7,061	456	1,885	206	-
-	-	-	8,140	-	-	-	-
15,895	185	-	54,172	-	1,774	4,324	-
35,752	39,094	103,907	662,966	9,340	40,583	15,999	-
2,490	-	-	10,041	-	-	-	-
-	-	-	2,685	-	-	-	-
26,952	37,443	98,191	189,781	-	-	-	-
4,224	-	-	94,493	89	-	-	-
3,461	-	-	69,443	-	5,603	-	-
3,866	-	-	201,003	-	-	-	-
1,956	-	-	2,821	64	-	-	-
8,691	3,000	11,970	99,131	6,293	20,556	91,127	663
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
51,640	40,443	110,161	669,398	6,446	26,159	91,127	663
(15,888)	(1,349)	(6,254)	(6,432)	2,894	14,424	(75,128)	(663)
18,861	-	-	19,145	-	2,073	812	-
(2,859)	(108)	(221)	(9,496)	-	(108)	-	-
-	-	-	-	-	-	117,000	-
16,002	(108)	(221)	9,649	-	1,965	117,812	-
114	(1,457)	(6,475)	3,217	2,894	16,389	42,684	(663)
77,637	26,192	62,291	485,439	22,938	79,961	25,910	(14,685)
\$ 77,751	\$ 24,735	\$ 55,816	\$ 488,656	\$ 25,832	\$ 96,350	\$ 68,594	\$ (15,348)

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

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Capital Projects Funds				
	Storm Sewers	Parks, Recreation and Libraries	Public Housing	Municipal Buildings and Service Centers	Transit
REVENUES					
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Cash Deposits	-	-	-	-	-
Intergovernmental	-	60	2,179	-	142,977
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income					
Net Change in Fair Value of Investments	-	20	37	597	7
Interest	-	33	98	120	-
Dwelling Rentals	-	-	-	-	-
Other	-	-	781	-	266
Total Revenues	-	113	3,095	717	143,250
EXPENDITURES					
Current Operating					
General Government	-	-	-	-	-
Criminal Justice	-	-	-	-	-
Public Safety	-	-	-	-	-
Transportation	-	-	-	-	-
Community Enrichment	-	-	-	-	-
Community Development	-	-	-	-	-
Environmental Services	-	-	-	-	-
Capital Outlay	80	411	3,206	9,397	206,195
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Arbitrage Rebate and Fiscal Agent Fees	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	80	411	3,206	9,397	206,195
Excess (Deficiency) of Revenues Over Expenditures	(80)	(298)	(111)	(8,680)	(62,945)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	-	-	1,027	-
Transfers to Other Funds	-	(2,073)	-	(1,027)	-
Proceeds from Loans	-	-	-	-	83,000
Total Other Financing Sources (Uses)	-	(2,073)	-	-	83,000
Net Change in Fund Balances	(80)	(2,371)	(111)	(8,680)	20,055
FUND BALANCES, JULY 1	797	10,941	6,059	42,033	1,416
FUND BALANCES, JUNE 30	\$ 717	\$ 8,570	\$ 5,948	\$ 33,353	\$ 21,471

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	
\$ -	\$ 44,781	\$ 17,449	\$ -	\$ -	\$ -	\$ 17,449	\$ 203,436
-	-	-	-	-	-	-	898
-	156,707	-	-	-	-	-	508,232
-	172	-	-	-	-	-	96,322
-	-	-	-	-	-	-	67
-	-	-	-	-	-	-	1,130
-	-	-	-	10	-	10	10
310	1,804	469	-	-	-	469	4,890
48	2,846	1,277	19	-	323	1,619	11,526
-	-	-	-	-	-	-	8,140
10,339	17,484	4,280	-	-	649	4,929	76,585
10,697	223,794	23,475	19	10	972	24,476	911,236
-	-	145	-	-	-	145	10,186
-	-	-	-	-	-	-	2,685
-	-	1,528	-	-	-	1,528	191,309
-	89	-	-	-	-	-	94,582
-	5,603	509	-	-	-	509	75,555
-	-	617	-	-	-	617	201,620
-	64	-	-	-	-	-	2,885
54,488	392,416	6,479	-	-	22,396	28,875	520,422
-	-	-	104,360	16	-	104,376	104,376
-	-	-	19,527	1	1,604	21,132	21,132
-	-	-	-	-	32	32	32
-	-	-	10	-	6	16	16
-	-	-	75	-	73	148	148
54,488	398,172	9,278	123,972	17	24,111	157,378	1,224,948
(43,791)	(174,378)	14,197	(123,953)	(7)	(23,139)	(132,902)	(313,712)
-	3,912	1,027	124,980	7	-	126,014	149,071
-	(3,208)	(5,985)	(1,027)	-	-	(7,012)	(19,716)
-	200,000	-	-	-	-	-	200,000
-	200,704	(4,958)	123,953	7	-	119,002	329,355
(43,791)	26,326	9,239	-	-	(23,139)	(13,900)	15,643
22,836	198,206	55,711	4,276	-	34,548	94,535	778,180
\$ (20,955)	\$ 224,532	\$ 64,950	\$ 4,276	\$ -	\$ 11,409	\$ 80,635	\$ 793,823



City of Phoenix



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION
- Nonmajor
Governmental Funds -
Budgetary Comparison
Schedules**



City of Phoenix

**Schedule of Expenditures and Encumbrances
Budget and Actual - Budget Basis
General Fund
For the Fiscal Year Ended June 30, 2020
(in thousands)**

Exhibit D-1

	Budget			Expenditures	Actual		Variance with Final Budget Positive (Negative)
	Originally Adopted	Reallocation Transfers	Final		Encumbrances	Total	
General Government							
Mayor	\$ 2,094	\$ -	\$ 2,094	\$ 1,510	\$ 114	\$ 1,624	\$ 470
City Council	4,751	-	4,751	3,862	162	4,024	727
City Manager	2,873	-	2,873	2,300	38	2,338	535
City Auditor	3,345	-	3,345	2,386	137	2,523	822
Information Technology	45,511	-	45,511	38,034	6,504	44,538	973
Equal Opportunity	2,702	-	2,702	1,873	30	1,903	799
City Clerk	7,258	(1,500)	5,758	4,382	146	4,528	1,230
Human Resources	11,530	-	11,530	11,520	242	11,762	(232)
Office of Sustainability	517	-	517	360	19	379	138
Law	25,841	(2,500)	23,341	21,317	407	21,724	1,617
Budget and Research	3,659	-	3,659	3,305	24	3,329	330
Finance	24,975	-	24,975	19,468	506	19,974	5,001
Cable	2,370	400	2,770	2,322	48	2,370	400
Other	2,921	-	2,921	2,169	295	2,464	457
Total General Government	140,347	(3,600)	136,747	114,808	8,672	123,480	13,267
Criminal Justice							
Municipal Court	31,376	-	31,376	29,034	672	29,706	1,670
Public Defender	5,289	-	5,289	5,305	22	5,327	(38)
Total Criminal Justice	36,665	-	36,665	34,339	694	35,033	1,632
Public Safety							
Police	566,452	-	566,452	544,859	12,692	557,551	8,901
Fire	345,429	-	345,429	324,402	11,294	335,696	9,733
Other	63	-	63	138	18	156	(93)
Total Public Safety	911,944	-	911,944	869,399	24,004	893,403	18,541
Transportation							
Street Transportation	18,947	-	18,947	18,274	194	18,468	479
Public Transit	1,640	-	1,640	1,233	47	1,280	360
Total Transportation	20,587	-	20,587	19,507	241	19,748	839
Community Enrichment							
Parks & Recreation	101,458	-	101,458	89,440	3,315	92,755	8,703
Library	39,680	30	39,710	35,176	2,582	37,758	1,952
Human Services	20,157	-	20,157	17,850	1,137	18,987	1,170
Other	6,779	-	6,779	5,459	458	5,917	862
Total Community Enrichment	168,074	30	168,104	147,925	7,492	155,417	12,687
Community Development							
Economic Development	6,054	-	6,054	5,348	141	5,489	565
Neighborhood Services	14,073	-	14,073	12,935	275	13,210	863
Other	4,512	-	4,512	3,668	175	3,843	669
Total Community Development	24,639	-	24,639	21,951	591	22,542	2,097
Environmental Services							
Public Works	18,475	500	18,975	4,548	13,633	18,181	794
Other	800	-	800	599	21	620	180
Total Environmental Services	19,275	500	19,775	5,147	13,654	18,801	974
Capital							
Community Enrichment	1,102	(30)	1,072	744	34	778	294
General Government	3,532	280	3,812	406	1,737	2,143	1,669
Public Safety	-	3,500	3,500	-	-	-	3,500
Environmental Services	14,848	(280)	14,568	9,920	1,566	11,486	3,082
Total Capital	19,482	3,470	22,952	11,070	3,337	14,407	8,545
Contingency	52,912	-	52,912	-	-	-	52,912
Totals	\$ 1,393,925	\$ 400	\$ 1,394,325	\$ 1,224,146	\$ 58,685	\$ 1,282,831	\$ 111,494

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

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
City Taxes	\$ 1,034,073	\$ 1,034,073	\$ 1,004,391	\$ (29,682)
Licenses and Permits	2,998	2,998	2,812	(186)
Intergovernmental	387,785	387,785	386,624	(1,161)
Total Revenues	1,424,856	1,424,856	1,393,827	(31,029)
OTHER FINANCING USES				
Transfers to Other Funds				
General Fund	(852,598)	(852,598)	(847,905)	4,693
Transportation Tax 2050	(249,936)	(249,936)	(247,593)	2,343
Parks and Preserves	(36,619)	(36,619)	(36,233)	386
Sports Facilities	(23,063)	(23,063)	(17,449)	5,614
Capital Construction	(8,743)	(8,743)	(8,548)	195
Police Neighborhood Protection	(25,633)	(25,633)	(25,363)	270
Block Watch Neighborhood Protection	(1,831)	(1,831)	(1,811)	20
Fire Neighborhood Protection	(9,155)	(9,155)	(9,058)	97
Police Public Safety Enhancement	(17,409)	(17,409)	(14,866)	2,543
Fire Public Safety Enhancement	(10,668)	(10,668)	(9,111)	1,557
Police Public Safety Expansion	(58,589)	(58,589)	(57,971)	618
Fire Public Safety Expansion	(14,648)	(14,648)	(14,493)	155
City Improvement	(43,614)	(43,614)	(42,509)	1,105
Phoenix Convention Center	(66,626)	(66,626)	(55,266)	11,360
Other Restricted Funds	(5,724)	(5,724)	(5,651)	73
Total Other Financing Uses	(1,424,856)	(1,424,856)	(1,393,827)	31,029
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, 2020
 (in thousands)

Exhibit D-3

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	\$ -	\$ -	\$ 185	\$ 185
Intergovernmental				
Highway User	145,617	145,617	135,998	(9,619)
Charges for Services	-	-	2	2
Rentals	150	150	-	(150)
Interest	152	152	1,875	1,723
Miscellaneous	-	-	492	492
Total Revenues	145,919	145,919	138,552	(7,367)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	82,590	82,590	75,913	6,677
Capital	82,753	82,753	67,423	15,330
Total Expenditures and Encumbrances	165,343	165,343	143,336	22,007
Deficiency of Revenues Over Expenditures and Encumbrances	(19,424)	(19,424)	(4,784)	14,640
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds				
City Improvement Debt Service Fund	(3,910)	(3,910)	(3,893)	17
Recovery of Prior Years Expenditures	-	-	11,814	11,814
Total Other Financing Sources (Uses)	(3,910)	(3,910)	7,921	11,831
Net Change in Fund Balance	\$ (23,334)	\$ (23,334)	3,137	\$ 26,471
Fund Balance, July 1			41,347	
Fund Balance, June 30			\$ 44,484	

Budgetary Comparison Schedule
Municipal Court Awards Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-4

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 4,815	\$ 4,913	\$ 4,872	\$ (41)
Total Revenues	4,815	4,913	4,872	(41)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	165	165	53	112
Public Safety	4,650	5,950	5,680	270
Total Expenditures and Encumbrances	4,815	6,115	5,733	382
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	-	(1,202)	(861)	341
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	103	103
Total Other Financing Sources	-	-	103	103
Net Change in Fund Balance	\$ -	\$ (1,202)	(758)	\$ 444
Fund Balance, July 1			(300)	
Fund Balance, June 30			\$ (1,058)	

Budgetary Comparison Schedule
Development Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-5

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 66,590	\$ 66,590	\$ 70,343	\$ 3,753
Miscellaneous	(48)	(48)	82	130
Total Revenues	66,542	66,542	70,425	3,883
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	66,934	66,934	60,353	6,581
Capital	21,305	21,305	17,416	3,889
Contingency	5,000	5,000	-	5,000
Total Expenditures and Encumbrances	93,239	93,239	77,769	15,470
Deficiency of Revenues Over Expenditures and Encumbrances	(26,697)	(26,697)	(7,344)	19,353
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(3,513)	(3,513)	(4,322)	(809)
Recovery of Prior Years Expenditures	-	-	21	21
Total Other Financing Sources (Uses)	(3,513)	(3,513)	(4,301)	(788)
Net Change in Fund Balance	\$ (30,210)	\$ (30,210)	(11,645)	\$ 18,565
Fund Balance, July 1			70,367	
Fund Balance, June 30			\$ 58,722	

**Budgetary Comparison Schedule
Community Reinvestment Special Revenue Fund**
Exhibit D-6

 For the Fiscal Year Ended June 30, 2020
 (in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 133	\$ 133	\$ 136	\$ 3
Rentals	5,817	5,817	5,315	(502)
Interest	301	301	275	(26)
Miscellaneous	-	-	5,115	5,115
Total Revenues	6,251	6,251	10,841	4,590
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Development	1,744	2,344	1,104	1,240
Capital	7,263	7,263	5,774	1,489
Total Expenditures and Encumbrances	9,007	9,607	6,878	2,729
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(2,756)	(3,356)	3,963	7,319
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Other Restricted Special Revenue Fund	2,560	2,560	-	(2,560)
Transfers to Other Funds				
General Fund				
Other	(2,065)	(2,065)	(2,065)	-
Recovery of Prior Years Expenditures	-	-	1	1
Total Other Financing Sources (Uses)	495	495	(2,064)	(2,559)
Net Change in Fund Balance	\$ (2,261)	\$ (2,861)	1,899	\$ 4,760
Fund Balance, July 1			13,274	
Fund Balance, June 30			\$ 15,173	

Budgetary Comparison Schedule
Federal Operating Trust Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-7

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 30,522	\$ 30,522	\$ 63,785	\$ 33,263
Interest	6	6	25	19
Miscellaneous	8,700	8,700	10,877	2,177
Total Revenues	39,228	39,228	74,687	35,459
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	2,031	85,031	9,990	75,041
Criminal Justice	-	-	295	(295)
Public Safety	11,483	17,583	26,926	(9,343)
Transportation	27	27	159	(132)
Community Enrichment	15,799	16,499	8,822	7,677
Community Development	9,453	9,453	27,332	(17,879)
Environmental Services	433	433	1,924	(1,491)
Total Expenditures and Encumbrances	39,226	129,026	75,448	53,578
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	2	(89,798)	(761)	89,037
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	768	768
Total Other Financing Sources	-	-	768	768
Net Change in Fund Balance	\$ 2	\$ (89,798)	7	\$ 89,805
Fund Balance, July 1			(7)	
Fund Balance, June 30			\$ -	

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

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 29,728	\$ 29,728	\$ 15,375	\$ (14,353)
Charges for Services	1,023	1,023	(101)	(1,124)
Interest	2	2	1	(1)
Miscellaneous	236	236	14	(222)
Total Revenues	30,989	30,989	15,289	(15,700)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	269	269	222	47
Community Enrichment	1,021	1,021	1,096	(75)
Community Development	26,914	23,989	11,440	12,549
Capital	2,785	5,710	3,141	2,569
Total Expenditures and Encumbrances	30,989	30,989	15,899	15,090
Deficiency of Revenues Over				
Expenditures and Encumbrances	-	-	(610)	(610)
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	-	-	34	34
Total Other Financing Sources	-	-	34	34
Net Change in Fund Balance	\$ -	\$ -	(576)	\$ (576)
Fund Balance, July 1			1,649	
Fund Balance, June 30			\$ 1,073	

Budgetary Comparison Schedule
Human Services Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-9

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 56,227	\$ 56,227	\$ 56,588	\$ 361
Contributions/Donations	32	32	29	(3)
Interest	11	11	11	-
Total Revenues	56,270	56,270	56,628	358
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	56,270	62,070	56,782	5,288
Total Expenditures and Encumbrances	56,270	62,070	56,782	5,288
Deficiency of Revenues Over				
Expenditures and Encumbrances	-	(5,800)	(154)	5,646
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	190	190
Total Other Financing Sources	-	-	190	190
Net Change in Fund Balance	\$ -	\$ (5,800)	36	\$ 5,836
Fund Balance, July 1			(36)	
Fund Balance, June 30			\$ -	

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

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Contributions/Donations				
Intergovernmental	\$ 81,253	\$ 81,253	\$ 82,602	\$ 1,349
Charges for Services				
Interest	297	297	383	86
Dwelling Rentals	5,646	5,646	4,746	(900)
Miscellaneous	6,441	6,441	5,739	(702)
Total Revenues	93,637	93,637	93,470	(167)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	70	70	85	(15)
Community Development	88,743	88,743	88,502	241
Capital	18,441	18,441	4,931	13,510
Total Expenditures and Encumbrances	107,254	107,254	93,518	13,736
Deficiency of Revenues Over Expenditures and Encumbrances	(13,617)	(13,617)	(48)	13,569
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
In-Lieu Property Taxes	(200)	(200)	(279)	(79)
City Improvement	(71)	(71)	(71)	-
Recovery of Prior Years Expenditures	-	-	253	253
Total Other Financing Sources (Uses)	(271)	(271)	(97)	174
Net Change in Fund Balance	\$ (13,888)	\$ (13,888)	(145)	\$ 13,743
Fund Balance, July 1			25,394	
Fund Balance, June 30			\$ 25,249	

Budgetary Comparison Schedule
Public Housing Neighborhood Transformation Grant Special
Revenue Fund

Exhibit D-11

For the Fiscal Year Ended June 30, 2020
 (in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 17,477	\$ 17,477	\$ 1,816	\$ (15,661)
Interest	10	10	33	23
Miscellaneous	112	112	655	543
Total Revenues	17,599	17,599	2,504	(15,095)
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	-	-	86	(86)
Community Development	6,368	6,368	2,672	3,696
Capital	11,231	11,231	(1)	11,232
Total Expenditures and Encumbrances	17,599	17,599	2,757	14,842
Deficiency of Revenues Over				
Expenditures and Encumbrances	-	-	(253)	(253)
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	-	-	30	30
Total Other Financing Sources	-	-	30	30
Net Change in Fund Balance	\$ -	\$ -	(223)	\$ (223)
Fund Balance, July 1			2,010	
Fund Balance, June 30			\$ 1,787	

Budgetary Comparison Schedule
Exhibit D-12
Sports Facilities Special Revenue Fund

For the Fiscal Year Ended June 30, 2019

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Rentals	\$ 3,615	\$ 3,615	\$ 3,615	\$ -
Interest	833	833	1,099	266
Miscellaneous	60	60	666	606
Total Revenues	4,508	4,508	5,380	872
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	129	629	305	324
Public Safety	1,528	1,528	1,528	-
Community Enrichment	641	641	591	50
Community Development	175	175	364	(189)
Capital	7,170	7,170	6,941	229
Total Expenditures and Encumbrances	9,643	10,143	9,729	414
Deficiency of Revenues Over Expenditures and Encumbrances	(5,135)	(5,635)	(4,349)	1,286
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	23,063	23,063	17,449	(5,614)
Capital Projects Fund	1,027	1,027	1,027	-
Transfers to Other Funds				
General Fund				
Staff and Administrative	(151)	(151)	(174)	(23)
Other	(79)	(79)	(79)	-
City Improvement Debt Service Fund	(21,965)	(21,965)	(5,985)	15,980
Other Restricted Special Revenue Fund	(135)	(135)	-	135
Capital Projects Fund	(177)	(177)	-	177
Infrastructure Repayment Agreement Trust	(7)	(7)	-	7
Recovery of Prior Year Expenditures	-	-	9	9
Total Other Financing Sources (Uses)	1,576	1,576	12,247	10,671
Net Change in Fund Balance	<u>\$ (3,559)</u>	<u>\$ (4,059)</u>	<u>7,898</u>	<u>\$ 11,957</u>
Fund Balance, July 1			52,882	
Fund Balance, June 30			<u>\$ 60,780</u>	

Budgetary Comparison Schedule
Capital Construction Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-13

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 171	\$ 171
Interest	94	94	393	299
Total Revenues	94	94	564	470
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Transportation	89	89	89	-
Environmental Services	70	70	64	6
Capital	16,118	16,118	4,482	11,636
Total Expenditures and Encumbrances	16,277	16,277	4,635	11,642
Deficiency of Revenues Over Expenditures and Encumbrances	(16,183)	(16,183)	(4,071)	12,112
OTHER FINANCING SOURCES				
Transfer from Other Funds				
Excise Tax Special Revenue Fund	8,743	8,743	8,548	(195)
Recovery of Prior Years Expenditures	-	-	236	236
Total Other Financing Sources	8,743	8,743	8,784	41
Net Change in Fund Balance	\$ (7,440)	\$ (7,440)	4,713	\$ 12,153
Fund Balance, July 1			15,992	
Fund Balance, June 30			\$ 20,705	

Budgetary Comparison Schedule
Parks and Preserves Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-14

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Rentals	\$ 2	\$ 2	\$ 1,000	\$ 998
Interest	845	845	1,619	774
Miscellaneous	-	-	774	774
Total Revenues	847	847	3,393	2,546
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	5,935	5,935	5,638	297
Capital	72,097	72,097	33,677	38,420
Total Expenditures and Encumbrances	78,032	78,032	39,315	38,717
Deficiency of Revenues Over Expenditures and Encumbrances	(77,185)	(77,185)	(35,922)	41,263
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	36,619	36,619	36,233	(386)
Capital Projects Fund	-	-	2,085	2,085
Other Restricted Special Revenue Fund	-	-	15	15
Transfers to Other Funds				
Infrastructure Repayment Agreement Trust	(211)	(211)	(81)	130
Community Facilities District	-	-	(28)	(28)
Community Development Grants Special Revenue Fund	-	-	(1)	(1)
Recovery of Prior Years Expenditures	-	-	187	187
Total Other Financing Sources (Uses)	36,408	36,408	38,410	2,002
Net Change in Fund Balance	<u>\$ (40,777)</u>	<u>\$ (40,777)</u>	2,488	<u>\$ 43,265</u>
Fund Balance, July 1			63,604	
Fund Balance, June 30			<u>\$ 66,092</u>	

Budgetary Comparison Schedule
Other Restricted Special Revenue Funds
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-15

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Contributions/Donations	\$ 1,403	\$ 1,403	\$ 772	\$ (631)
Licenses and Permits	1,170	1,170	898	(272)
City Taxes	2,958	2,958	2,880	(78)
Intergovernmental	2,995	2,995	1,800	(1,195)
Charges for Services	9,416	9,416	7,639	(1,777)
Fines and Forfeitures	85	85	67	(18)
Parks and Recreation	2,343	2,343	1,563	(780)
Rentals	3,700	3,700	4,721	1,021
Interest	939	939	1,201	262
Miscellaneous	5,760	5,760	16,308	10,548
Total Revenues	30,769	30,769	37,849	7,080
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
General Government	3,605	3,605	2,977	628
Criminal Justice	5,377	5,377	2,375	3,002
Public Safety	28,365	28,365	27,080	1,285
Transportation	4,832	4,832	4,677	155
Community Enrichment	5,467	5,097	3,575	1,522
Community Development	10,254	9,714	8,223	1,491
Environmental Services	3,360	3,360	2,047	1,313
Capital	13,090	14,000	2,070	11,930
Total Expenditures and Encumbrances	74,350	74,350	53,024	21,326
Deficiency of Revenues Over Expenditures and Encumbrances	(43,581)	(43,581)	(15,175)	28,406
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	5,859	5,859	5,651	(208)
General Fund - Other	17,000	17,000	17,963	963
General Fund - Library	-	-	248	248
Transit 2000 Special Revenue Fund	567	567	-	(567)
Community Facilities District	-	-	649	649
Phoenix Residential Investment Development Effort	-	-	2,800	2,800
Tatum Ranch Community Facilities District Trust Fund	-	-	792	792
Transfers to Other Funds				
General Fund - Staff and Administrative	(355)	(355)	(310)	45
General Fund - Other	(3,510)	(3,510)	(1,783)	1,727
Transportation Tax 2050 Special Revenue Fund	-	-	(256)	(256)
Enterprise Funds	-	-	(8)	(8)
Parks and Preserves Special Revenue Fund	-	-	(15)	(15)
Recovery of Prior Years Expenditures	-	-	404	404
Total Other Financing Sources (Uses)	19,561	19,561	26,135	6,574
Net Change in Fund Balance	<u>\$ (24,020)</u>	<u>\$ (24,020)</u>	10,960	<u>\$ 34,980</u>
Fund Balance, July 1			90,732	
Fund Balance, June 30			<u>\$ 101,692</u>	

Budgetary Comparison Schedule
Neighborhood Protection Special Revenue Fund
Exhibit D-16

 For the Fiscal Year Ended June 30, 2020
 (in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,018	\$ 2,018
Interest	330	330	417	87
Miscellaneous	309	309	185	(124)
Total Revenues	639	639	2,620	1,981
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	41,210	41,210	40,766	444
Total Expenditures and Encumbrances	41,210	41,210	40,766	444
Deficiency of Revenues Over Expenditures and Encumbrances	(40,571)	(40,571)	(38,146)	2,425
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	36,619	36,619	36,233	(386)
Transfers to Other Funds				
General Fund				
Staff and Administrative	(404)	(404)	(396)	8
Infrastructure Repayment Agreement Trust	(211)	(211)	(81)	130
Community Facilities District	-	-	(28)	(28)
Total Other Financing Sources (Uses)	36,004	36,004	35,728	(276)
Net Change in Fund Balance	\$ (4,567)	\$ (4,567)	(2,418)	\$ 2,149
Fund Balance, July 1			24,953	
Fund Balance, June 30			\$ 22,535	

Budgetary Comparison Schedule
Public Safety Enhancement Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-17

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,618	\$ 1,618
Total Revenues	-	-	1,618	1,618
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	33,596	33,596	27,750	5,846
Total Expenditures and Encumbrances	33,596	33,596	27,750	5,846
Deficiency of Revenues Over Expenditures and Encumbrances	(33,596)	(33,596)	(26,132)	7,464
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	28,077	28,077	23,978	(4,099)
Transfers to Other Funds				
General Fund				
Staff and Administrative	(260)	(260)	(356)	(96)
Total Other Financing Sources (Uses)	27,817	27,817	23,622	(4,195)
Net Change in Fund Balance	<u>\$ (5,779)</u>	<u>\$ (5,779)</u>	<u>(2,510)</u>	<u>\$ 3,269</u>
Fund Balance, July 1			24,076	
Fund Balance, June 30			<u>\$ 21,566</u>	

Budgetary Comparison Schedule
Public Safety Expansion Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-18

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,216	\$ 5,216
Interest	444	444	416	(28)
Total Revenues	444	444	5,632	5,188
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Public Safety	84,578	84,578	80,492	4,086
Total Expenditures and Encumbrances	84,578	84,578	80,492	4,086
Deficiency of Revenues Over				
Expenditures and Encumbrances	(84,134)	(84,134)	(74,860)	9,274
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Special Revenue Fund	73,237	73,237	72,464	(773)
Transfers to Other Funds				
General Fund				
Staff and Administrative	(607)	(607)	(871)	(264)
Infrastructure Repayment Agreement Trust	(422)	(422)	(161)	261
Community Facilities District	-	-	(60)	(60)
Total Other Financing Sources (Uses)	72,208	72,208	71,372	(836)
Net Change in Fund Balance	<u>\$ (11,926)</u>	<u>\$ (11,926)</u>	<u>(3,488)</u>	<u>\$ 8,438</u>
Fund Balance, July 1			36,357	
Fund Balance, June 30			<u>\$ 32,869</u>	

Budgetary Comparison Schedule

Exhibit D-19

Golf Courses Special Revenue Fund

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 5,177	\$ 5,177	\$ 6,534	\$ 1,357
Rentals	137	137	142	5
Interest	-	-	5	5
Miscellaneous	200	200	277	77
Total Revenues	5,514	5,514	6,958	1,444
EXPENDITURES AND ENCUMBRANCES				
Current Operating				
Community Enrichment	5,456	6,456	5,630	826
Capital	-	100	95	5
Total Expenditures and Encumbrances	5,456	6,556	5,725	831
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	58	(1,042)	1,233	2,275
OTHER FINANCING SOURCES				
Recovery of Prior Year Expenditures	-	-	7	7
Total Other Financing Sources	-	-	7	7
Net Change in Fund Balance	\$ 58	\$ (1,042)	1,240	\$ 2,282
Fund Balance, July 1			796	
Fund Balance, June 30			\$ 2,036	

Budgetary Comparison Schedule
Exhibit D-20
Regional Wireless Cooperative

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 3,487	\$ 3,487	\$ 3,283	\$ (204)
Interest	52	52	85	33
Miscellaneous	1,226	1,226	1,234	8
Total Revenues	4,765	4,765	4,602	(163)
EXPENDITURES AND ENCUMBRANCES				
Operations	4,783	5,183	4,636	547
Total Expenditures and Encumbrances	4,783	5,183	4,636	547
Deficiency of Revenues Over Expenditures and Encumbrances	(18)	(418)	(34)	384
OTHER FINANCING SOURCES				
Recovery of Prior Years Expenditures	-	-	9	9
Total Other Financing Sources	-	-	9	9
Net Change in Fund Balance	\$ (18)	\$ (418)	(25)	\$ 393
Fund Balance, July 1			1,823	
Fund Balance, June 30			\$ 1,798	

Budgetary Comparison Schedule
Secondary Property Tax Debt Service Fund
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit D-21

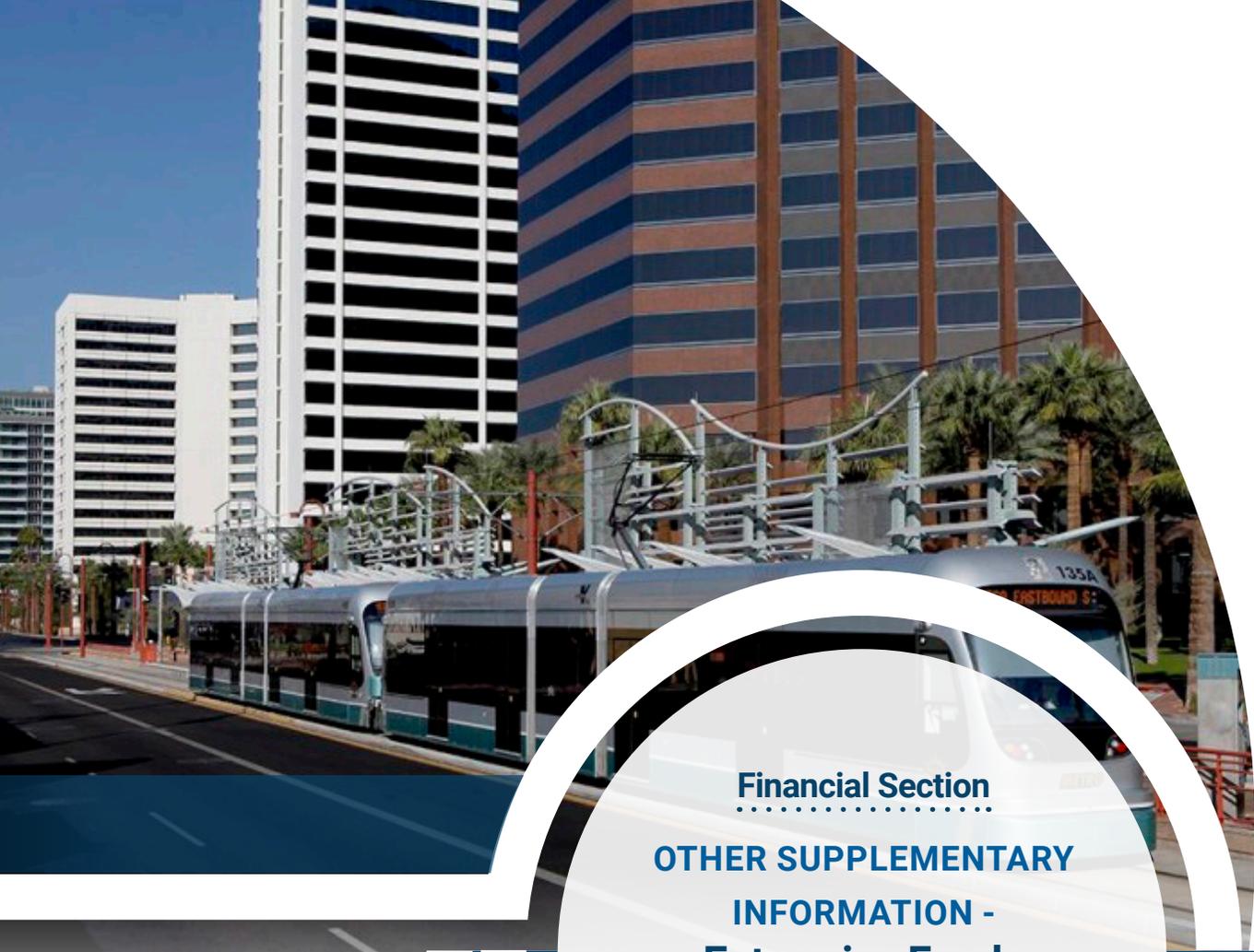
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 107,881	\$ 107,881	\$ 107,555	\$ (326)
Intergovernmental	4,772	4,772	3,548	(1,224)
Total Revenues	112,653	112,653	111,103	(1,550)
EXPENDITURES AND ENCUMBRANCES				
General Obligation Bond Debt Service				
Principal	68,825	68,825	68,825	-
Interest	47,385	47,385	47,385	-
Arbitrage Rebate and Fiscal Agent Fees	1	1	-	1
Other Debt Service Costs	650	650	-	650
Total Expenditures and Encumbrances	116,861	116,861	116,210	651
Deficiency of Revenues Over Expenditures and Encumbrances	(4,208)	(4,208)	(5,107)	(899)
OTHER FINANCING SOURCES				
Proceeds from Refunding Bonds	650	650	-	(650)
Transfers from Other Funds				
Debt Service - General Obligation Reserve Fund	3,559	3,559	5,107	1,548
Total Other Financing Sources	4,209	4,209	5,107	898
Net Change in Fund Balance	\$ 1	\$ 1	-	\$ (1)
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, 2020

(in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Interest	\$ -	\$ -	\$ 19	\$ 19
Total Revenues	-	-	19	19
EXPENDITURES AND ENCUMBRANCES				
Lease-Purchase Payments	141,458	141,458	123,887	17,571
Arbitrage Rebate and Fiscal Agent Fees	14	14	11	3
Other	42	42	74	(32)
Total Expenditures and Encumbrances	141,514	141,514	123,972	17,542
Deficiency of Revenues Over Expenditures and Encumbrances	(141,514)	(141,514)	(123,953)	17,561
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
General Fund - Library	115	115	115	-
Excise Tax Special Revenue Fund	43,614	43,614	42,509	(1,105)
Public Housing Special Revenue Fund	71	71	71	-
Enterprise Funds	2,035	2,035	1,667	(368)
Transportation Tax 2050 Special Revenue Fund	70,789	70,789	70,740	(49)
Arizona Highway User Special Revenue Fund	3,910	3,910	3,893	(17)
Sports Facilities Special Revenue Fund	21,965	21,965	5,985	(15,980)
Transfers to Other Funds				
Capital Projects Fund	(1,027)	(1,027)	(1,027)	-
Total Other Financing Sources (Uses)	141,472	141,472	123,953	(17,519)
Net Change in Fund Balance	\$ (42)	\$ (42)	-	\$ 42
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	



Financial Section
.....

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

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government has decided that periodic determination of net income is appropriate for 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.



City of Phoenix

**Aviation Enterprise Fund
Comparative Statements of Net Position**
Exhibit E-1

June 30, 2020 and 2019

(in thousands)

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 45,571	\$ 76,258
Investments	455,630	357,407
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2020, \$211 and 2019, \$0)	10,953	11,785
Intergovernmental	9,010	119
Deposits in Escrow	326	326
Inventories, at Average Cost	3,172	3,068
Total Unrestricted Current Assets	<u>524,662</u>	<u>448,963</u>
Restricted Assets Debt Service		
Debt Service		
Cash with Fiscal Agent/Trustee	145,965	95,722
Customer Facility Charge		
Cash and Cash Equivalents	158	-
Cash with Fiscal Agent/Trustee	16,688	91,444
Investments	-	22,758
Accounts Receivable	1,453	3,663
Capital Projects		
Cash and Cash Equivalents	16,389	6,241
Investments	570,215	75,395
Receivables		
Interest	1,312	150
Intergovernmental	7,437	7,761
Passenger Facility Charges	2,956	11,276
Total Restricted Current Assets	<u>762,573</u>	<u>314,410</u>
Total Current Assets	<u>1,287,235</u>	<u>763,373</u>
Noncurrent Assets		
Restricted Cash with Fiscal Agent/Trustee	<u>183,641</u>	<u>139,162</u>
Capital Assets		
Land	576,650	576,413
Buildings	2,025,668	1,935,346
Improvements Other Than Buildings	1,770,411	1,732,444
Equipment	760,948	724,528
Intangibles	29,249	28,533
Construction in Progress	648,869	392,583
Less: Accumulated Depreciation	<u>(2,522,208)</u>	<u>(2,347,910)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>3,289,587</u>	<u>3,041,937</u>
Net OPEB Asset	<u>1,576</u>	<u>1,944</u>
Total Noncurrent Assets	<u>3,474,804</u>	<u>3,183,043</u>
Total Assets	<u>4,762,039</u>	<u>3,946,416</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	55,734	26,546
Pension Related	15,618	7,000
OPEB Related	1,030	309
Total Deferred Outflows of Resources	<u>72,382</u>	<u>33,855</u>

Exhibit E-1
(Continued)

	2020	2019
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	22,327	30,011
Trust Liabilities and Deposits	384	354
Advance Payments	9,610	13,999
Current Portion of Pollution Remediation	75	75
Current Portion of Accrued Compensated Absences	876	950
Total Current Liabilities Payable from Current Assets	33,272	45,389
Current Liabilities Payable from Restricted Assets		
Debt Service		
Short-Term Obligations	-	100,000
Matured Bonds Payable	55,785	55,100
Interest Payable	60,231	40,479
Current Portion of General Obligation Bonds	-	3,345
Current Portion of Rental Car Facility Revenue Bonds	7,500	11,645
Current Portion of Municipal Corporation Obligations	42,545	49,380
Capital Projects		
Accounts Payable	64,274	64,067
Total Current Liabilities Payable from Restricted Assets	230,335	324,016
Total Current Liabilities	263,607	369,405
Noncurrent Liabilities		
General Obligation Bonds, net	-	31
Rental Car Facility Revenue Bonds, net	340,658	143,250
Municipal Corporation Obligations, net	2,316,878	1,530,429
Pollution Remediation	1,350	1,425
Accrued Compensated Absences	6,000	5,640
Net Pension Liability	183,692	184,619
Net OPEB Liability	13,469	12,892
Total Noncurrent Liabilities	2,862,047	1,878,286
Total Liabilities	3,125,654	2,247,691
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding Bonds	756	633
Pension Related	13,693	5,823
OPEB Related	455	528
Total Deferred Inflows of Resources	14,904	6,984
NET POSITION		
Net Investment in Capital Assets	1,288,177	1,296,340
Restricted for:		
Debt Service	75,350	98,939
Passenger Facility Charges	32,453	45,079
Customer Facility Charges	13,162	106,548
OPEB	1,576	1,944
Unrestricted	283,145	176,746
Total Net Position	\$ 1,693,863	\$ 1,725,596

Aviation Enterprise Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Exhibit E-2

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Operating Revenues		
Aeronautical Revenue		
Terminal Fees	\$ 94,460	\$ 93,027
Landing Fees	53,072	49,506
Air Cargo and Hangar Rentals	8,668	8,679
Other	13,909	17,805
Non-Aeronautical Revenue		
Parking	70,330	90,878
Rental Cars	46,471	54,840
Terminal - Food and Beverage	18,462	23,081
Terminal - Retail	10,829	12,625
Rental Revenue	18,938	20,151
Ground Transportation	7,242	9,229
Other	4,471	4,579
Total Operating Revenues	<u>346,852</u>	<u>384,400</u>
Operating Expenses		
Operation and Maintenance		
Personal Services	127,199	130,174
Contractual Services	122,786	112,768
Supplies	11,945	11,060
Equipment/Minor Improvements	7,899	7,618
Depreciation	179,992	170,274
Staff and Administrative	9,736	9,412
Total Operating Expenses	<u>459,557</u>	<u>441,306</u>
Operating Loss	(112,705)	(56,906)
Non-Operating Revenues (Expenses)		
Passenger Facility Charges	65,717	86,091
Rental Car Customer Facility Charges	38,588	50,460
Investment Income		
Net Increase in Fair Value of Investments	6,950	9,728
Interest	18,147	12,579
CARES Grant	9,073	-
Interest on Capital Debt	(86,810)	(65,739)
Loss on Disposal of Capital Assets	(1,223)	(11,417)
Total Non-Operating Revenues (Expenses)	<u>50,442</u>	<u>81,702</u>
Net Income (Loss) Before Contributions and Transfers	(62,263)	24,796
Capital Contributions	31,231	28,291
Transfers from General Fund - Other	248	284
Transfers to Debt Service Fund	(949)	(948)
Change in Net Position	<u>(31,733)</u>	<u>52,423</u>
Net Position, July 1	1,725,596	1,673,173
Net Position, June 30	<u>\$ 1,693,863</u>	<u>\$ 1,725,596</u>

Aviation Enterprise Fund

Exhibit E-3

Comparative Statements of Cash Flows

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Cash Flows from Operating Activities		
Receipts from Customers	\$ 343,325	\$ 385,406
Payments to Suppliers	(192,003)	(168,179)
Payments to Employees	(86,927)	(85,637)
Payment of Staff and Administrative Expenses	(9,736)	(9,412)
Net Cash Provided by Operating Activities	54,659	122,178
Cash Flows from Noncapital Financing Activities		
Non-Capital Grants	167	-
Transfers from Other Funds	248	284
Transfers to Other Funds	(949)	(948)
Net Cash Used by Noncapital Financing Activities	(534)	(664)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	908,894	246,603
Principal Paid on Capital Debt	(55,100)	(67,810)
Interest Paid on Capital Debt	(79,731)	(74,303)
Acquisition and Construction of Capital Assets	(428,674)	(352,607)
Proceeds from Sales of Capital Assets	16	181
Passenger Facility Charges	74,037	85,842
Customer Facility Charges	40,798	50,851
Capital Contributions	31,570	33,031
Net Cash Provided (Used) by Capital and Related Financing Activities	491,810	(78,212)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(2,160,838)	(702,187)
Proceeds from Sale and Maturities of Investment Securities	1,648,768	660,394
Net Activity for Short-Term Investments	(58,215)	(1,913)
Interest on Investments	23,935	22,232
Net Cash Used by Investing Activities	(546,350)	(21,474)
Net Increase (Decrease) in Cash and Cash Equivalents	(415)	21,828
Cash and Cash Equivalents, July 1	409,153	387,325
Cash and Cash Equivalents, June 30	\$ 408,738	\$ 409,153
Reconciliation of Operating Loss to		
Net Cash Provided by Operating Activities		
Operating Loss	(112,705)	(56,906)
Adjustments		
Depreciation	179,992	170,274
Deferred Outflows - Pension and OPEB	(9,339)	2,549
Deferred Inflows - Pension and OPEB	7,797	(4,138)
Change in Assets and Liabilities		
Receivables	621	2,267
Allowance for Doubtful Accounts	211	-
Inventories	(104)	(115)
Net OPEB Asset	368	(570)
Accounts Payable	(7,684)	3,703
Trust Liabilities and Deposits	30	-
Advance Payments	(4,389)	(1,261)
Pollution Remediation	(75)	(600)
Accrued Compensated Absences	286	(437)
Net Pension Liability	(927)	7,437
Net OPEB Liability	577	(25)
Net Cash Provided by Operating Activities	\$ 54,659	\$ 122,178
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings	5,141	1,351
Unrealized Gains on Investments	4,120	7,693
Accounts Payable Related to Capital Asset Additions	64,274	64,067
Total Noncash Capital and Financing Activities	\$ 73,535	\$ 73,111

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, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Landing Area	\$ 54,590	\$ 54,590	\$ 45,756	\$ (8,834)
Terminal Area	155,346	155,346	151,442	(3,904)
Ground Transportation	144,781	144,781	107,445	(37,336)
Interest on Investments	5,500	5,500	10,418	4,918
Other	34,572	34,572	38,378	3,806
Total Revenues	394,789	394,789	353,439	(41,350)
Transfer from Customer Facility Charge Revenues for O&M Expense Reimbursement	-	-	15,459	15,459
Total Revenues and Transfers from CFC	394,789	394,789	368,898	(25,891)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance				
Personal Services	132,788	132,788	128,315	(4,473)
Contractual Services	128,648	128,648	117,751	(10,897)
Supplies	12,109	12,109	11,376	(733)
Equipment/Minor Improvements	2,873	2,873	2,424	(449)
Contingency	20,000	20,000	-	(20,000)
Total Operating Expenditures	296,418	296,418	259,866	(36,552)
Net Revenue Available for Revenue Bond Debt Service	98,371	98,371	109,032	10,661
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	31,710	31,710	28,175	(3,535)
Interest	54,152	54,152	31,546	(22,606)
Total Senior Lien Revenue Bond Debt Service	85,862	85,862	59,721	(26,141)
Net Revenue Available for Junior Lien Revenue Bond Debt Service	12,509	12,509	49,311	36,802
Junior Lien Revenue Bond Debt Service				
Principal	1,246	1,246	1,896	650
Interest	4,688	4,688	6,664	1,976
Total Junior Lien Revenue Bond Debt Service	5,934	5,934	8,560	2,626
Net Revenue Available After Junior Lien Revenue Bond Debt Service	6,575	6,575	40,751	34,176
Other Expenditures				
Capital Improvement Program	95,534	65,334	20,366	(44,968)
General Obligation Bond Debt Service				
Principal	3,345	3,345	3,345	-
Interest	83	83	83	-
Short Term Interest	4,000	4,000	758	(3,242)
Total Other Expenditures	102,962	72,762	24,552	(48,210)
Total Expenditures and Encumbrances	491,176	460,976	352,699	(108,277)
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(96,387)	(66,187)	16,199	82,386
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Aviation Capital Fund	15,884	15,884	101,396	85,512
General Fund - Other	200	200	248	48
Transfers to Other Funds				
General Fund				
Staff and Administrative	(9,876)	(9,876)	(9,736)	140
Debt Service Fund	(949)	(949)	(949)	-
Recovery of Prior Years Expenditures	-	-	1,980	1,980
Total Other Financing Sources (Uses)	5,259	5,259	92,939	87,680
Net Increase (Decrease) in Fund Balance	\$ (91,128)	\$ (60,928)	109,138	\$ 170,066
FUND BALANCE, JULY 1			272,617	
FUND BALANCE, JUNE 30			<u>381,755</u>	



City of Phoenix

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

June 30, 2020 and 2019

(in thousands)

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 7,671	\$ 10,548
Investments	51,434	49,350
Accounts Receivable, Net of Allowance for Doubtful Accounts (2020, \$43 and 2019, \$5)	42	316
Inventories, at Average Cost	246	201
Total Unrestricted Current Assets	59,393	60,415
Restricted Assets Debt Service		
Debt Service		
Cash with Fiscal Agent/Trustee	27,463	26,573
Capital Projects		
Cash and Cash Equivalents	-	965
Investments	3,065	14,347
Receivables		
Accrued Interest	33	33
Customer and Other Deposits	3,553	4,349
Total Restricted Current Assets	34,114	46,267
Total Current Assets	93,507	106,682
Noncurrent Assets		
Capital Assets		
Land	29,418	29,418
Buildings	895,212	895,212
Improvements Other Than Buildings	14,031	11,143
Equipment	23,903	21,987
Intangible Assets	50	50
Construction in Progress	20,718	4,817
Less: Accumulated Depreciation	(373,260)	(349,717)
Total Capital Assets, Net of Accumulated Depreciation	610,072	612,910
Net OPEB Asset	350	422
Total Noncurrent Assets	610,422	613,332
Total Assets	703,929	720,014
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	4,288	4,561
Pension Related	3,389	1,519
OPEB Related	226	68
Total Deferred Outflows of Resources	7,903	6,148

Exhibit E-5
(Continued)

	2020	2019
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	4,549	3,495
Current Portion of Accrued Compensated Absences	174	193
Total Current Liabilities Payable from Current Assets	4,723	3,688
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	9,024	8,335
Interest Payable	17,680	17,666
Current Portion of Municipal Corporation Obligations	9,721	9,024
Customer Deposits	3,546	4,132
Total Current Liabilities Payable from Restricted Assets	39,971	39,157
Total Current Liabilities	44,694	42,845
Noncurrent Liabilities		
Municipal Corporation Obligations, net	669,174	683,333
Accrued Compensated Absences	1,195	1,136
Net Pension Liability	39,858	40,059
Net OPEB Liability	2,959	2,828
Total Noncurrent Liabilities	713,186	727,356
Total Liabilities	757,880	770,201
DEFERRED INFLOWS OF RESOURCES		
Pension Related	2,972	1,263
OPEB Related	100	115
Total Deferred Inflows of Resources	3,072	1,378
NET POSITION		
Net Investment in Capital Assets	(73,561)	(83,223)
Restricted for:		
Debt Service	9,024	8,335
OPEB	350	422
Unrestricted	15,067	29,049
Total Net Position (Deficit)	\$ (49,120)	\$ (45,417)

Phoenix Convention Center Enterprise Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position

Exhibit E-6

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Operating Revenues		
Rental of Facilities and Equipment	\$ 8,613	\$ 11,791
Concessions	12,967	14,868
Box Office Services	822	1,104
Other (1)	20,638	19,618
Total Operating Revenues	<u>43,040</u>	<u>47,381</u>
Operating Expenses		
Administration	28,419	27,114
Operation and Maintenance	14,009	14,492
Promotion	2,979	2,770
Depreciation	23,542	23,556
Staff and Administrative	2,944	2,767
Security	1,832	1,862
Total Operating Expenses	<u>73,725</u>	<u>72,561</u>
Operating Loss	(30,685)	(25,180)
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments	604	1,243
Interest	1,989	1,610
Interest on Capital Debt	(30,258)	(30,577)
Total Non-Operating Revenues (Expenses)	<u>(27,665)</u>	<u>(27,724)</u>
Loss Before Contributions and Transfers	(58,350)	(52,904)
Transfers from Excise Tax Fund	55,266	61,199
Transfers to Debt Service Fund	(94)	(93)
Transfers to Infrastructure Repayment Agreement Trust Fund	(394)	(794)
Transfers to Other Restricted Special Revenue Fund	(131)	-
Change in Net Position (Deficit)	<u>(3,703)</u>	<u>7,408</u>
Net Position, July 1	(45,417)	(52,825)
Net Position (Deficit), June 30	<u>\$ (49,120)</u>	<u>\$ (45,417)</u>

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

Phoenix Convention Center Enterprise Fund
Comparative Statements of Cash Flows

Exhibit E-7

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Cash Flows from Operating Activities		
Receipts from Customers	\$ 42,729	\$ 47,487
Payments to Suppliers	(25,974)	(28,039)
Payments to Employees	(20,548)	(19,624)
Payment of Staff and Administrative Expenses	(2,944)	(2,767)
Net Cash Used by Operating Activities	(6,737)	(2,943)
Cash Flows from Noncapital Financing Activities		
Transfers from Other Funds	55,266	61,199
Transfers to Other Funds	(619)	(887)
Net Cash Provided by Noncapital Financing Activities	54,647	60,312
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Capital Debt	(8,335)	(7,709)
Interest Paid on Capital Debt	(34,411)	(34,551)
Acquisition and Construction of Capital Assets	(21,262)	(3,517)
Proceeds from Sales of Capital Assets	558	461
Net Cash Used by Capital and Related Financing Activities	(63,450)	(45,316)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(8,401)	(13,970)
Proceeds from Sale and Maturities of Investment Securities	8,088	13,756
Net Activity for Short-Term Investments	9,512	(8,913)
Interest on Investments	2,593	2,823
Net Cash Provided (Used) by Investing Activities	11,792	(6,304)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,748)	5,749
Cash and Cash Equivalents, July 1	42,435	36,686
Cash and Cash Equivalents, June 30	\$ 38,687	\$ 42,435
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	\$ (30,685)	\$ (25,180)
Adjustments		
Depreciation	23,542	23,556
Deferred Outflows - Pension and OPEB	(2,028)	646
Deferred Inflows - Pension and OPEB	1,695	(997)
Change in Assets and Liabilities		
Accounts Receivable	274	60
Inventories	(45)	8
Net OPEB Asset	72	(120)
Accounts Payable	1,054	(657)
Customer Deposits	(586)	46
Accrued Compensated Absences	40	(97)
Net Pension Liability	(201)	(58)
Net OPEB Liability	131	(150)
Net Cash Used by Operating Activities	(6,737)	(2,943)
Noncash Capital and Financing Activities		
Bond Capital Appreciation	(936)	(745)
Amortization of Deferred Gains/Losses of Bond Refundings	273	273
Unrealized Gains on Investments	593	1,092
Total Noncash Capital and Financing Activities	\$ (70)	\$ 620

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, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Rental of Facilities and Equipment	\$ 6,579	\$ 6,579	\$ 555	\$ (6,024)
Concessions	15,432	15,432	14,101	(1,331)
Box Office Services	506	506	450	(56)
Interest	1,000	1,000	1,325	325
Other	905	905	4,724	3,819
Total Revenues	24,422	24,422	21,155	(3,267)
EXPENDITURES AND ENCUMBRANCES				
Operations	56,861	56,861	51,449	5,412
Capital Improvement Program	14,337	14,337	3,741	10,596
Lease-Purchase Payments	22,368	22,368	19,952	2,416
Contingency	3,000	3,000	-	3,000
Total Expenditures and Encumbrances	96,566	96,566	75,142	21,424
Deficiency of Revenues Over Expenditures and Encumbrances	(72,144)	(72,144)	(53,987)	18,157
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Excise Tax Fund	66,626	66,626	55,266	(11,360)
Transfers to Other Funds				
Staff and Administrative	(2,879)	(2,879)	(2,944)	(65)
Infrastructure Repayment Agreement Trust Fund	(4,706)	(4,706)	(393)	4,313
Debt Service Fund	(94)	(94)	(94)	-
Other Restricted Special Revenue Fund	-	-	(132)	(132)
Recovery of Prior Years Expenditures	-	-	561	561
Total Other Financing Sources (Uses)	58,947	58,947	52,264	(6,683)
Net Decrease in Fund Balance	\$ (13,197)	\$ (13,197)	(1,723)	\$ 11,474
FUND BALANCE, JULY 1			58,271	
FUND BALANCE, JUNE 30			\$ 56,548	



City of Phoenix

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

June 30, 2020 and 2019

(in thousands)

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 12,049	\$ 32,276
Investments	187,259	161,476
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2020, \$2,605 and 2019, \$2,074)	56,417	48,097
Intergovernmental	734	542
Prepaid Items	6,767	4,315
Inventories, at Average Cost	14,359	13,397
Total Unrestricted Current Assets	<u>277,585</u>	<u>260,103</u>
Restricted Assets		
Debt Service		
Cash with Fiscal Agent	98,860	85,661
Capital Projects		
Cash and Cash Equivalents	5,881	72,876
Investments	280,386	60,038
Receivables		
Interest	2	2
Customer and Other Deposits	7,530	8,504
Total Restricted Current Assets	<u>392,659</u>	<u>227,081</u>
Total Current Assets	<u>670,244</u>	<u>487,184</u>
Noncurrent Assets		
Capital Assets		
Land	43,463	57,627
Buildings	251,127	251,049
Improvements Other Than Buildings	975,883	898,830
Equipment	354,610	345,927
Mains, Hydrants, Meters and Service Connections	1,966,106	1,920,665
Intangibles	171,294	156,917
Construction in Progress	496,457	421,206
Less: Accumulated Depreciation	(1,687,342)	(1,572,868)
Total Capital Assets, Net of Accumulated Depreciation	<u>2,571,598</u>	<u>2,479,353</u>
Investment in Val Vista Treatment Plant		
Joint Use Agreement	187,875	194,672
Net OPEB Asset	1,927	2,378
Total Other Assets	<u>189,802</u>	<u>197,050</u>
Total Noncurrent Assets	<u>2,761,400</u>	<u>2,676,403</u>
Total Assets	<u>3,431,644</u>	<u>3,163,587</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	22,331	24,025
Pension Related	18,860	8,453
OPEB Related	1,275	376
Total Deferred Outflows of Resources	<u>42,466</u>	<u>32,854</u>

Exhibit E-9
(Continued)

	2020	2019
LIABILITIES		
Current Liabilities Payable from Current Assets		
Accounts Payable	25,454	23,059
Advance Payments	12	12
Current Portion of Pollution Remediation	-	4,100
Current Portion of Accrued Compensated Absences	904	919
Total Current Liabilities Payable from Current Assets	26,370	28,090
Current Liabilities Payable from Restricted Assets		
Debt Service		
Short-Term Obligations	-	200,000
Matured Bonds Payable	68,760	58,678
Interest Payable	30,380	27,261
Current Portion of General Obligation Bonds	-	6,735
Current Portion of Loans from Direct Borrowings	247	240
Current Portion of Municipal Corporation Obligations	64,725	61,785
Capital Projects		
Accounts Payable	29,185	20,808
Customer and Other Deposits	7,630	8,604
Total Current Liabilities Payable from Restricted Assets	200,927	384,111
Total Current Liabilities	227,297	412,201
Noncurrent Liabilities		
General Obligation Bonds, net	-	79
Loans from Direct Borrowings, net	2,253	2,500
Municipal Corporation Obligations, net	1,536,552	1,114,437
Accrued Compensated Absences	6,230	5,447
Net Pension Liability	221,816	222,937
Net OPEB Liability	16,761	15,715
Total Noncurrent Liabilities	1,783,612	1,361,115
Total Liabilities	2,010,909	1,773,316
DEFERRED INFLOWS OF RESOURCES		
Pension Related	16,535	7,032
OPEB Related	556	645
Total Deferred Inflows of Resources	17,091	7,677
NET POSITION		
Net Investment in Capital Assets	1,402,727	1,418,638
Restricted for:		
Debt Service	68,760	58,678
Restricted from Enabling Legislation	84,860	75,130
OPEB	1,927	2,378
Unrestricted	(112,164)	(139,376)
Total Net Position	\$ 1,446,110	\$ 1,415,448

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

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Operating Revenues		
Water Sales	\$ 348,088	\$ 328,182
Environmental Charges	68,719	42,846
Other	8,583	11,887
Total Operating Revenues	425,390	382,915
Operating Expenses		
Administration and Engineering	39,448	53,245
Operation and Maintenance		
Customer Service	8,038	6,645
Production and Treatment	116,390	123,872
Distribution and Centralized Functions	70,391	50,511
Depreciation and Amortization	111,023	107,253
Staff and Administrative	7,855	8,273
Total Operating Expenses	353,145	349,799
Operating Income	72,245	33,116
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments	2,962	4,044
Interest	7,032	4,640
Interest on Capital Debt	(45,028)	(41,541)
Equity Interest in Joint Use Agreement Operating Loss	(11,361)	(13,734)
Loss on Disposal of Capital Assets	(12,007)	(5,562)
Total Non-Operating Revenues (Expenses)	(58,402)	(52,153)
Net Income (Loss) Before Contributions and Transfers	13,843	(19,037)
Capital Contributions	32,688	39,928
Transfers from Special Revenue Funds	(284)	-
Transfers to General Fund - In Lieu Property Taxes	(15,585)	(14,951)
Change in Net Position	30,662	5,940
Net Position, July 1	1,415,448	1,409,508
Net Position, June 30	\$ 1,446,110	\$ 1,415,448

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

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Cash Flows from Operating Activities		
Receipts from Customers	\$ 415,904	\$ 389,504
Payments to Suppliers	(137,375)	(120,081)
Payments to Employees	(102,759)	(101,539)
Payment of Staff and Administrative Expenses	(7,855)	(8,273)
Net Cash Provided by Operating Activities	167,915	159,611
Cash Flows from Noncapital Financing Activities		
Operating Transfers to Other Funds	(15,869)	(14,951)
Net Cash Used by Noncapital Financing Activities	(15,869)	(14,951)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	302,357	200,000
Principal Paid on Capital Debt	(58,678)	(52,976)
Interest Paid on Capital Debt	(55,813)	(55,789)
Acquisition and Construction of Capital Assets	(214,921)	(175,077)
Proceeds from Sales of Capital Assets	3,461	203
Capital Contributions	32,688	18,001
Net Cash Provided (Used) by Capital and Related Financing Activities	9,094	(65,638)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(239,031)	(61,985)
Net Activity for Short-Term Investments	(7,100)	49,108
Interest on Investments	9,994	8,682
Net Cash Used by Investing Activities	(236,137)	(4,195)
Net Increase (Decrease) in Cash and Cash Equivalents	(74,997)	74,827
Cash and Cash Equivalents, July 1	199,317	124,490
Cash and Cash Equivalents, June 30	\$ 124,320	\$ 199,317
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 72,245	\$ 33,116
Adjustments		
Depreciation and Amortization	111,023	107,253
Deferred Outflows - Pension and OPEB	(11,306)	2,708
Deferred Inflows - Pension and OPEB	9,414	(4,593)
Change in Assets and Liabilities		
Receivables	(9,043)	9,128
Allowance for Doubtful Accounts	531	(332)
Prepaid Expenses	(2,452)	1,132
Inventories	(962)	1,498
Net OPEB Asset	451	(776)
Accounts Payable	2,395	(6,064)
Pollution Remediation	(4,100)	4,100
Customer and Other Deposits	(974)	(2,206)
Accrued Compensated Absences	768	(911)
Net Pension Liability	(1,121)	15,667
Net OPEB Liability	1,046	(109)
Net Cash Provided by Operating Activities	\$ 167,915	\$ 159,611
Noncash Capital and Financing Activities		
Contributions of Capital Assets	\$ -	\$ 21,927
Accounts Payable Related to Capital Asset Additions	29,185	20,808
Amortization of Deferred Gains/Losses of Bond Refundings	1,693	2,038
Unrealized Gains on Investments	2,527	3,697
Total Noncash Capital and Financing Activities	\$ 33,405	\$ 48,470

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, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Water Sales	\$ 357,065	\$ 357,065	\$ 348,072	\$ (8,993)
Environmental Charges	69,793	69,793	68,719	(1,074)
Development Occupational Fees	3,800	3,800	5,536	1,736
Water Service Fees	5,500	5,500	4,203	(1,297)
Distribution	690	690	5,438	4,748
Interest	2,738	2,738	5,225	2,487
Other	10,490	10,490	8,841	(1,649)
Total Revenues	450,076	450,076	446,034	(4,042)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	214,575	214,575	191,322	23,253
Operation and Maintenance - Val Vista	17,378	17,378	14,122	3,256
Total Operating Expenditures and Encumbrances	231,953	231,953	205,444	26,509
Net Revenue Available for Revenue Bond Debt Service	218,123	218,123	240,590	22,467
Junior Lien Revenue Bond Debt Service				
Principal	62,025	62,025	62,025	-
Interest	59,109	59,109	58,736	373
Total Junior Lien Revenue Bond Debt Service	121,134	121,134	120,761	373
Net Revenue Available After Junior Lien Revenue Bond Debt Service	96,989	96,989	119,829	22,840
Other Expenditures and Encumbrances				
Operating Capital Outlay	7,383	7,383	6,751	632
Capital Improvement Program	120,111	120,111	63,119	56,992
General Obligation Bond Debt Service				
Principal	6,735	6,735	6,735	-
Interest	197	197	197	-
Total Other Expenditures and Encumbrances	134,426	134,426	76,802	57,624
Total Expenditures and Encumbrances	487,513	487,513	403,007	84,506
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(37,437)	(37,437)	43,027	80,464
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(8,933)	(8,933)	(7,900)	1,033
In-Lieu Property Taxes	(16,279)	(16,279)	(15,585)	694
Recovery of Prior Years Expenditures	-	-	4,570	4,570
Total Other Financing Sources (Uses)	(25,212)	(25,212)	(18,915)	6,297
Net Increase (Decrease) in Fund Balance	\$ (62,649)	\$ (62,649)	24,112	\$ 86,761
FUND BALANCE, JULY 1			91,679	
FUND BALANCE, JUNE 30			\$ 115,791	

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

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Val Vista Water System	\$ 6,499	\$ 6,499	\$ 7,997	\$ 1,498
Operating Revenue - Water	17,400	17,400	14,122	(3,278)
Interest	(4)	(4)	(58)	(54)
Other	-	-	142	142
Total Revenues	23,895	23,895	22,203	(1,692)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	20,997	20,997	20,205	792
Capital Outlay				
Operating	51	51	26	25
Capital Improvement Program	2,475	2,475	2,316	159
Total Expenditures and Encumbrances	23,523	23,523	22,547	976
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	372	372	(344)	(716)
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(373)	(373)	(611)	(238)
Recovery of Prior Years Expenditures	-	-	76	76
Total Other Financing Sources (Uses)	(373)	(373)	(535)	(162)
Net Decrease in Fund Balance	\$ (1)	\$ (1)	(879)	\$ (878)
FUND BALANCE, JULY 1			(1,488)	
FUND BALANCE, JUNE 30			(2,367)	
Members' Contributed Operating Reserve			2,667	
Members' Contributed Replacement Reserve			1,547	
FUND DEFICIT, UNRESERVED			\$ (6,581)	

Note: The deficit unreserved fund balance is primarily due to encumbrances, which are accounted for as uses of financial resources. The participating Val Vista cities are billed (and revenue is recognized) only to the extent of actual expenditures.

**Wastewater Enterprise Fund
Comparative Statements of Net Position**
Exhibit E-14

June 30, 2020 and 2019

(in thousands)

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 20,254	\$ 18,248
Investments	126,336	83,916
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2020, \$1,535 and 2019, \$1,235)	21,355	21,626
Intergovernmental	6,453	4,794
Notes Receivable	21,373	24,163
Inventories, at Average Cost	4,280	3,471
Total Unrestricted Current Assets	200,051	156,218
Restricted Assets Debt Service		
Debt Service		
Cash with Fiscal Agent	57,507	58,424
Capital Projects		
Cash and Cash Equivalents	13,393	18,695
Investments	152,173	202,400
Customer Deposits and Other Trust Liabilities	112	112
Total Restricted Current Assets	223,185	279,631
Total Current Assets	423,236	435,849
Noncurrent Assets		
Capital Assets		
Land	29,026	29,169
Buildings	76,519	74,724
Improvements Other Than Buildings	1,380,837	1,370,981
Equipment	151,907	144,782
Intangibles	29,867	31,241
Construction in Progress	207,763	166,447
Less: Accumulated Depreciation	(843,204)	(802,694)
Total Capital Assets, Net of Accumulated Depreciation	1,032,715	1,014,650
Other Assets		
Investment in SROG Joint Use Agreement	328,988	339,612
Net OPEB Asset	592	707
Total Noncurrent Assets	1,362,295	1,354,969
Total Assets	1,785,531	1,790,818
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	1,903	2,378
OPEB Related	389	121
Total Deferred Outflows of Resources	2,292	2,499

Exhibit E-14
(Continued)

	2020	2019
<u>LIABILITIES</u>		
Current Liabilities Payable from Current Assets		
Accounts Payable	6,757	13,551
Advance Payments	3	2
Current Portion of Accrued Compensated Absences	183	207
Total Current Liabilities Payable from Current Assets	6,943	13,760
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	44,128	44,059
Interest Payable	14,329	15,303
Current Portion of General Obligation Bonds	375	1,350
Current Portion of Loans from Direct Borrowings	837	813
Current Portion of Municipal Corporation Obligations	43,990	41,965
Capital Projects		
Accounts Payable	17,906	8,445
Customer Deposits and Other Trust Liabilities	113	113
Total Current Liabilities Payable from Restricted Assets	121,678	112,048
Total Current Liabilities	128,621	125,808
Noncurrent Liabilities		
General Obligation Bonds, net	3	403
Loans from Direct Borrowings, net	7,601	8,438
Municipal Corporation Obligations, net	554,777	608,559
Accrued Compensated Absences	1,246	1,236
Net OPEB Liability	5,097	5,212
Total Noncurrent Liabilities	568,724	623,848
Total Liabilities	697,345	749,656
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Gain on Refunding Bonds	1,938	2,146
OPEB Related	171	192
Total Deferred Inflows of Resources	2,109	2,338
<u>NET POSITION</u>		
Net Investment in Capital Assets	754,309	787,385
Restricted for:		
Debt Service	44,128	44,059
Restricted from Enabling Legislation	60,879	65,481
OPEB	592	707
Unrestricted	228,461	143,691
Total Net Position	<u>\$ 1,088,369</u>	<u>\$ 1,041,323</u>

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

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Operating Revenues		
Sewer Service Charges	\$ 170,071	\$ 167,748
Environmental Charges	35,292	35,032
Other	8,199	6,635
Total Operating Revenues	<u>213,562</u>	<u>209,415</u>
Operating Expenses		
Administration	24,284	16,773
Operation and Maintenance		
Wastewater Treatment Plants	36,558	34,721
Sewer Maintenance and Collections	23,590	22,332
Industrial Waste/Pre-Treatment	4,605	5,836
Depreciation	40,510	41,083
Staff and Administrative	3,901	4,060
Total Operating Expenses	<u>133,448</u>	<u>124,805</u>
Operating Income	80,114	84,610
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments	3,438	6,122
Interest	6,659	5,948
Interest on Capital Debt	(19,119)	(20,613)
Equity Interest in Joint Use Agreement Operating Loss	(21,995)	(24,659)
Gain (Loss) on Disposal of Capital Assets	303	(196)
Total Non-Operating Revenues (Expenses)	<u>(30,714)</u>	<u>(33,398)</u>
Net Income Before Contributions and Transfers	49,400	51,212
Capital Contributions	7,217	31,695
Transfers from Special Revenue Funds	8	-
Transfers to General Fund - In Lieu Property Taxes	(9,579)	(9,194)
Change in Net Position	<u>47,046</u>	<u>73,713</u>
Net Position, July 1	1,041,323	967,610
Net Position, June 30	<u>\$ 1,088,369</u>	<u>\$ 1,041,323</u>

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

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Cash Flows from Operating Activities		
Receipts from Customers	\$ 214,962	\$ 207,056
Payments to Suppliers	(78,578)	(59,043)
Payments to Employees	(18,363)	(20,776)
Payment of Staff and Administrative Expenses	(3,901)	(4,060)
Net Cash Provided by Operating Activities	114,120	123,177
Cash Flows from Noncapital Financing Activities		
Operating Transfers from Other Funds	8	-
Operating Transfers to Other Funds	(9,579)	(9,194)
Net Cash Used by Noncapital Financing Activities	(9,571)	(9,194)
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Capital Debt	(44,059)	(42,642)
Interest Paid on Capital Debt	(29,643)	(29,122)
Acquisition and Construction of Capital Assets	(60,627)	(72,911)
Proceeds from Sales of Capital Assets	446	114
Capital Contributions	7,217	31,695
Net Cash Used by Capital and Related Financing Activities	(126,666)	(112,866)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(592,248)	(1,197,327)
Proceeds from Sale and Maturities of Investment Securities	644,031	1,223,018
Net Activity for Short-Term Investments	(43,976)	(144,268)
Interest on Investments	10,097	12,071
Net Cash Provided (Used) by Investing Activities	17,904	(106,506)
Net Decrease in Cash and Cash Equivalents	(4,213)	(105,389)
Cash and Cash Equivalents, July 1	95,479	200,868
Cash and Cash Equivalents, June 30	\$ 91,266	\$ 95,479
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 80,114	\$ 84,610
Adjustments		
Depreciation	40,510	41,083
Deferred Outflows - OPEB	(268)	14
Deferred Inflows - OPEB	(21)	93
Change in Assets and Liabilities		
Receivables	1,102	(2,515)
Allowance for Doubtful Accounts	300	89
Inventories	(809)	30
Net OPEB Asset	115	(146)
Accounts Payable	(6,794)	1,934
Customer Deposits	-	67
Accrued Compensated Absences	(14)	(120)
Net Pension Liability	-	(1,672)
Net OPEB Liability	(115)	(290)
Net Cash Provided by Operating Activities	\$ 114,120	\$ 123,177
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings	\$ 268	\$ 421
Unrealized Gains on Investments	1,502	4,124
Accounts Payable Related to Capital Asset Additions	17,906	8,445
Total Noncash Capital and Financing Activities	\$ 19,676	\$ 12,990

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, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sewer Service Charges	\$ 167,149	\$ 167,149	\$ 170,072	\$ 2,923
Environmental Charges	36,853	36,853	35,292	(1,561)
Development Occupational Fees	3,700	3,700	5,152	1,452
Interest	1,806	1,806	6,047	4,241
Other	5,400	5,400	8,660	3,260
Total Revenues	214,908	214,908	225,223	10,315
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	64,972	64,972	55,432	9,540
Operation and Maintenance - SROG	31,088	31,088	23,321	7,767
Total Operating Expenditures and Encumbrances	96,060	96,060	78,753	17,307
Net Revenue Available for Revenue Bond Debt Service	118,848	118,848	146,470	27,622
Revenue Bond Debt Service				
Senior Lien Revenue Bond Debt Service				
Principal	11,145	11,145	11,145	-
Interest	3,689	3,689	3,689	-
Total Senior Lien Revenue Bond Debt Service	14,834	14,834	14,834	-
Net Revenue Available for Junior Lien				
Revenue Bond Debt Service	104,014	104,014	131,636	27,622
Junior Lien Revenue Bond Debt Service				
Principal	31,633	31,633	31,633	-
Interest	24,908	24,908	24,908	-
Total Junior Lien Revenue Bond Debt Service	56,541	56,541	56,541	-
Net Revenue Available After Junior Lien				
Revenue Bond Debt Service	47,242	47,242	62,991	15,749
Other Expenditures and Encumbrances				
Operating Capital Outlay	61,725	61,725	20,636	41,089
Capital Improvement Program	2,643	2,643	2,161	482
General Obligation Bond Debt Service				
Principal	1,350	1,350	1,350	-
Interest	62	62	62	-
Total Other Expenditures and Encumbrances	65,780	65,780	24,209	41,571
Total Expenditures and Encumbrances	233,215	233,215	174,337	58,878
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(18,307)	(18,307)	50,886	69,193
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds				
Other Restricted Special Revenue Funds	-	-	8	8
Wastewater Capital Projects Fund	-	-	5,702	5,702
Transfers to Other Funds				
General Fund				
Staff and Administrative	(4,338)	(4,338)	(3,901)	437
In-Lieu Property Taxes	(9,794)	(9,794)	(9,579)	215
Recovery of Prior Years Expenditures	-	-	1,494	1,494
Total Other Financing Sources (Uses)	(14,132)	(14,132)	(6,276)	7,856
Net Increase (Decrease) in Fund Balance	\$ (32,439)	\$ (32,439)	44,610	\$ 77,049
FUND BALANCE, JULY 1			80,001	
FUND BALANCE, JUNE 30			<u>\$ 124,611</u>	

Wastewater Enterprise Fund
Sub-Regional Operating Group (“SROG”)
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit E-18

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Multi-City Sewer System	\$ 18,052	\$ 18,052	\$ 15,320	\$ (2,732)
Operating Revenue - Wastewater	31,132	31,132	23,321	(7,811)
Sales of By-Products	9,771	9,771	10,740	969
Interest	188	188	62	(126)
Other	35	35	1,320	1,285
Total Revenues	59,178	59,178	50,763	(8,415)
EXPENDITURES AND ENCUMBRANCES				
Operation and Maintenance	53,470	53,470	43,073	10,397
Capital Outlay				
Operating	2,111	2,111	604	1,507
Capital Improvement Program	5,500	5,500	5,561	(61)
Total Expenditures and Encumbrances	61,081	61,081	49,238	11,843
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	(1,903)	(1,903)	1,525	3,428
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(1,851)	(1,851)	(1,773)	78
Recovery of Prior Years Expenditures	-	-	795	795
Total Other Financing Sources (Uses)	(1,851)	(1,851)	(978)	873
Net Increase (Decrease) in Fund Balance	\$ (3,754)	\$ (3,754)	547	\$ 4,301
FUND BALANCE, JULY 1			5,045	
FUND BALANCE, JUNE 30			5,592	
Members’ Contributed Replacement Reserve			6,873	
Members’ Contributed Operating Reserve			7,143	
FUND DEFICIT, UNRESERVED			<u>\$ (8,424)</u>	

Note: The deficit unreserved fund balance is primarily due to encumbrances, which are accounted for as uses of financial resources. The participating SROG cities are billed (and revenue is recognized) only to the extent of actual expenditures.

**Solid Waste Enterprise Fund
Comparative Statements of Net Position**
Exhibit E-19

June 30, 2020 and 2019

(in thousands)

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 4,929	\$ 7,662
Investments	33,014	41,156
Receivables		
Accounts Receivable, Net of Allowance for Doubtful Accounts (2020, \$1,753 and 2019, \$1,490)	15,083	13,605
Intergovernmental	1,009	7
Inventories	808	1,060
Total Unrestricted Current Assets	<u>54,843</u>	<u>63,490</u>
Restricted Assets		
Debt Service		
Cash with Fiscal Agent/Trustee	12,088	12,551
Capital Projects		
Cash and Cash Equivalents	1,889	3,445
Investments	11,600	15,696
Customer Deposits	15	15
Total Restricted Current Assets	<u>25,592</u>	<u>31,707</u>
Total Current Assets	<u>80,435</u>	<u>95,197</u>
Noncurrent Assets		
Capital Assets		
Land	13,340	13,340
Buildings	78,707	78,707
Improvements Other Than Buildings	60,952	60,952
Equipment	160,811	144,943
Intangibles	5,089	5,089
Construction in Progress	7,361	12,552
Less: Accumulated Depreciation	<u>(183,982)</u>	<u>(168,051)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>142,278</u>	<u>147,532</u>
Net OPEB Asset	952	1,153
Total Noncurrent Assets	<u>143,230</u>	<u>148,685</u>
Total Assets	<u>223,665</u>	<u>243,882</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding Bonds	492	590
Pension Related	8,987	4,028
OPEB Related	669	199
Total Deferred Outflows of Resources	<u>10,148</u>	<u>4,817</u>

Exhibit E-19
(Continued)

	2020	2019
<u>LIABILITIES</u>		
Current Liabilities Payable from Current Assets		
Accounts Payable	6,894	9,221
Accrued Landfill Postclosure Care Costs	844	2,151
Current Portion of Accrued Compensated Absences	356	489
Total Current Liabilities Payable from Current Assets	<u>8,094</u>	<u>11,861</u>
Current Liabilities Payable from Restricted Assets		
Debt Service		
Matured Bonds Payable	10,585	10,785
Interest Payable	1,503	1,766
Current Portion of Loans from Direct Borrowings	600	450
Current Portion of General Obligation Bonds	310	920
Current Portion of Municipal Corporation Obligations	10,295	9,665
Capital Projects		
Accounts Payable	43	208
Accrued Landfill Closure Costs	93	303
Customer Deposits	114	113
Total Current Liabilities Payable from Restricted Assets	<u>23,543</u>	<u>24,210</u>
Total Current Liabilities	<u>31,637</u>	<u>36,071</u>
Noncurrent Liabilities		
Loans from Direct Borrowings	1,950	2,550
General Obligation Bonds, net	368	740
Municipal Corporation Obligations, net	43,349	55,380
Accrued Landfill Closure and Postclosure Care Costs	15,994	45,510
Accrued Compensated Absences	2,397	2,806
Net Pension Liability	105,709	106,243
Net OPEB Liability	8,990	8,537
Total Noncurrent Liabilities	<u>178,757</u>	<u>221,766</u>
Total Liabilities	<u>210,394</u>	<u>257,837</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Gain on Refunding Bonds	679	909
Pension Related	7,880	3,351
OPEB Related	275	313
Total Deferred Inflows of Resources	<u>8,834</u>	<u>4,573</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	77,141	69,514
Restricted for:		
Debt Service	10,585	10,785
OPEB	952	1,153
Unrestricted (Deficit)	(74,093)	(95,163)
Total Net Position (Deficit)	<u>\$ 14,585</u>	<u>\$ (13,711)</u>

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

Exhibit E-20

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Operating Revenues		
Solid Waste Service Fees	\$ 137,680	\$ 131,153
Landfill Fees	9,660	8,881
Recycling	3,953	5,757
Other	3,392	2,937
Total Operating Revenues	<u>154,685</u>	<u>148,728</u>
Operating Expenses		
Administration	27,888	33,942
Solid Waste Collections	54,754	53,494
Landfills		
Operations	33,130	31,282
Closure and Postclosure Care Costs	(29,937)	(7,313)
Recycling	9,745	7,403
Depreciation	15,931	14,623
Staff and Administrative	6,153	6,365
Other	7,630	6,973
Total Operating Expenses	<u>125,294</u>	<u>146,769</u>
Operating Income	29,391	1,959
Non-Operating Revenues (Expenses)		
Investment Income		
Net Increase in Fair Value of Investments	501	1,385
Interest	1,346	1,516
Interest on Capital Debt	(1,075)	(1,267)
Gain (Loss) on Disposal of Capital Assets	68	(25)
Total Non-Operating Revenues (Expenses)	<u>840</u>	<u>1,609</u>
Net Income Before Contributions and Transfers	30,231	3,568
Transfers to General Fund - In Lieu Property Taxes	(1,311)	(1,298)
Transfers to Debt Service Fund	(624)	(624)
Change in Net Position (Deficit)	<u>28,296</u>	<u>1,646</u>
Net Position (Deficit), July 1	<u>(13,711)</u>	<u>(15,357)</u>
Net Position (Deficit), June 30	<u>\$ 14,585</u>	<u>\$ (13,711)</u>

Solid Waste Enterprise Fund
Comparative Statements of Cash Flows

Exhibit E-21

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Cash Flows from Operating Activities		
Receipts from Customers	\$ 152,209	\$ 149,099
Payments to Suppliers	(83,128)	(73,642)
Payments to Employees	(54,554)	(50,599)
Payment of Staff and Administrative Expenses	(6,153)	(6,365)
Net Cash Provided by Operating Activities	8,374	18,493
Cash Flows from Noncapital Financing Activities		
Operating Transfers to Other Funds	(1,935)	(1,922)
Net Cash Used by Noncapital Financing Activities	(1,935)	(1,922)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	-	3,000
Principal Paid on Capital Debt	(11,235)	(5,600)
Interest Paid on Capital Debt	(3,268)	(3,649)
Acquisition and Construction of Capital Assets	(10,842)	(17,234)
Proceeds from Sales of Capital Assets	68	394
Net Cash Used by Capital and Related Financing Activities	(25,277)	(23,089)
Cash Flows from Investing Activities		
Net Activity for Short-Term Investments	12,239	9,540
Interest on Investments	1,847	2,901
Net Cash Provided by Investing Activities	14,086	12,441
Net Increase (Decrease) in Cash and Cash Equivalents	(4,752)	5,923
Cash and Cash Equivalents, July 1	23,673	17,750
Cash and Cash Equivalents, June 30	\$ 18,921	\$ 23,673
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 29,391	\$ 1,959
Adjustments		
Depreciation	15,931	14,623
Deferred Outflows - Pension and OPEB	(5,429)	1,269
Deferred Inflows - Pension and OPEB	4,491	(2,174)
Change in Assets and Liabilities		
Receivables	(2,743)	244
Allowance for Doubtful Accounts	263	127
Inventories	252	(338)
Net OPEB Asset	201	(376)
Accounts Payable	(2,327)	4,551
Accrued Compensated Absences	(542)	138
Accrued Landfill Closure and Postclosure Care	(31,033)	(9,103)
Net Pension Liability	(534)	7,623
Net OPEB Liability	453	(50)
Net Cash Provided by Operating Activities	\$ 8,374	\$ 18,493
Noncash Capital and Financing Activities		
Amortization of Deferred Gains/Losses of Bond Refundings	(132)	(132)
Unrealized Gains on Investments	481	1,286
Accounts Payable Related to Capital Asset Additions	43	209
Total Noncash Capital and Financing Activities	\$ 392	\$ 1,363

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, 2020

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Solid Waste Service Fees	\$ 130,478	\$ 130,478	\$ 137,762	\$ 7,284
City Landfill Fees	17,983	17,983	13,663	(4,320)
Interest	400	400	737	337
Other	2,097	2,097	2,568	471
Total Revenues	150,958	150,958	154,730	3,772
EXPENDITURES AND ENCUMBRANCES				
Operations	145,711	150,211	141,141	9,070
Capital Improvement Program	14,733	10,233	4,305	5,928
General Obligation Bond Debt Service				
Principal	920	920	920	-
Interest	78	78	78	-
Lease-Purchase Payments	12,592	12,592	12,592	-
Loans from Direct Borrowings	-	-	450	(450)
Total Expenditures and Encumbrances	174,034	174,034	159,486	14,548
Deficiency of Revenues Over Expenditures and Encumbrances	(23,076)	(23,076)	(4,756)	18,320
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
General Fund				
Staff and Administrative	(6,541)	(6,541)	(6,153)	388
In-Lieu Property Taxes	(1,427)	(1,427)	(1,311)	116
Solid Waste Capital Reserve	(1,250)	(1,250)	(1,297)	(47)
Debt Service Fund	(720)	(720)	(624)	96
Recovery of Prior Years Expenditures	-	-	5,719	5,719
Total Other Financing Sources (Uses)	(9,938)	(9,938)	(3,666)	6,272
Net Decrease in Fund Balance	\$ (33,014)	\$ (33,014)	(8,422)	\$ 24,592
FUND BALANCE, JULY 1			33,349	
FUND BALANCE, JUNE 30			\$ 24,927	



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, 2020

(in thousands)

	Pension and Other Employee Benefit Trusts	
	City of Phoenix Employee Retirement System (COPERS)	Excess Benefit Arrangement
ASSETS		
Cash and Cash Equivalents	\$ 68,296	\$ -
Investments		
Treasurer's Pooled Investments	-	886
Temporary Investments	79,589	-
Fixed Income	500,218	-
Domestic Equities	913,348	-
International Equities	326,796	-
Real Return	433,108	-
Absolute Return	108,912	-
Real Estate	347,119	-
Receivables		
Accounts Receivable	6,431	-
Contributions Receivable	9,206	-
Interest and Dividends	3,582	-
Prepaid Items	-	-
Total Assets	<u>2,796,605</u>	<u>886</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts Payable	115,432	-
Claims Payable	-	-
Total Liabilities	<u>115,432</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>\$ 2,681,173</u>	<u>\$ 886</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
\$ 7,874	\$ -	\$ 251	\$ 340	\$ 76,761
-	5,645	2,192	8	8,731
-	-	-	17,011	96,600
99,067	-	40,191	23,230	662,706
-	-	73,867	22,809	1,010,024
-	-	31,200	10,939	368,935
-	-	24,304	-	457,412
-	-	56	-	108,968
-	-	7,476	3,419	358,014
720	-	-	-	7,151
627	-	-	-	9,833
149	-	-	-	3,731
5,621	-	-	-	5,621
<u>114,058</u>	<u>5,645</u>	<u>179,537</u>	<u>77,756</u>	<u>3,174,487</u>
-	-	-	-	-
5,196	-	14	12	120,654
25,396	-	-	-	25,396
<u>30,592</u>	<u>-</u>	<u>14</u>	<u>12</u>	<u>146,050</u>
-	-	-	-	-
<u>\$ 83,466</u>	<u>\$ 5,645</u>	<u>\$ 179,523</u>	<u>\$ 77,744</u>	<u>\$ 3,028,437</u>

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

(Continued)

June 30, 2020

(in thousands)

	<u>Agency Funds</u>				
	<u>Post</u>	<u>Deferred</u>	<u>Accrued</u>	<u>Total</u>	
	<u>Employment</u>	<u>Compensation</u>	<u>Payroll</u>		
	<u>Health Plan</u>	<u>Plan</u>	<u>Payroll</u>		
<u>ASSETS</u>					
Cash and Cash Equivalents	\$	-	-	\$ 14,134	\$ 14,134
Investments					
Treasurer's Pooled Investments		-	-	86,826	86,826
Total Assets		-	-	100,960	100,960
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Total Deferred Outflows of Resources		-	-	-	-
<u>LIABILITIES</u>					
Accrued Payroll Payable		-	-	100,960	100,960
Total Liabilities		-	-	100,960	100,960
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Total Deferred Inflows of Resources		-	-	-	-
<u>NET POSITION</u>					
Restricted for pension and other employee benefits	\$	-	-	-	-



City of Phoenix

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

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Pension and Other Employee Benefit Trusts	
	City of Phoenix Employee Retirement System (COPERS)	Excess Benefit Arrangement
<u>ADDITIONS</u>		
Contributions		
City of Phoenix	\$ 175,947	\$ 289
Employees	39,356	-
Other	-	-
Total Contributions	<u>215,303</u>	<u>289</u>
Investment Income		
From Investing Activities		
Net Increase (Decrease) in Fair Value of Investments	25,246	9
Interest	18,566	7
Dividends	18,840	-
Other	3,899	-
Investment Income	<u>66,551</u>	<u>16</u>
Less: Investment Expense	<u>16,162</u>	<u>-</u>
Total Net Investment Income	<u>50,389</u>	<u>16</u>
Total Additions	<u>265,692</u>	<u>305</u>
<u>DEDUCTIONS</u>		
Benefit Payments	239,407	370
Refunds of Contributions	2,526	-
Inter-System Transfers	211	-
Other	2,509	-
Total Deductions	<u>244,653</u>	<u>370</u>
Net Increase (Decrease)	21,039	(65)
Net Position Restricted for Pension and Other Employee		
Benefits		
Beginning of Year, July 1	<u>2,660,134</u>	<u>951</u>
End of Year, June 30	<u>\$ 2,681,173</u>	<u>\$ 886</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
\$ 150,485	\$ -	\$ 26,987	\$ 1,134	\$ 354,842
55,953	-	-	-	95,309
2,611	-	-	-	2,611
209,049	-	26,987	1,134	452,762
(5)	(1)	(3,151)	(1,388)	20,710
1,963	68	4,611	-	25,215
-	-	-	2,050	20,890
-	-	-	153	4,052
1,958	67	1,460	815	70,867
-	-	-	-	16,162
1,958	67	1,460	815	54,705
211,007	67	28,447	1,949	507,467
194,712	(327)	26,495	3,908	464,565
-	-	-	-	2,526
-	-	-	-	211
16,319	-	588	376	19,792
211,031	(327)	27,083	4,284	487,094
(24)	394	1,364	(2,335)	20,373
83,490	5,251	178,159	80,079	3,008,064
\$ 83,466	\$ 5,645	\$ 179,523	\$ 77,744	\$ 3,028,437

Agency Fund
Exhibit F-3
Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2020

(in thousands)

	<i>Post Employment Health Plan</i>			
	Balance	Additions	Deductions	Balance
	July 1			June 30
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ 15,493	\$ 15,493	\$ -
Total Assets	\$ -	\$ 15,493	\$ 15,493	\$ -
<u>LIABILITIES</u>				
Accrued Payroll Payable	\$ -	\$ 15,493	\$ 15,493	\$ -
Total Liabilities	\$ -	\$ 15,493	\$ 15,493	\$ -
	<i>Deferred Compensation Plan</i>			
	Balance	Additions	Deductions	Balance
	July 1			June 30
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ 122,342	\$ 122,342	\$ -
Total Assets	\$ -	\$ 122,342	\$ 122,342	\$ -
<u>LIABILITIES</u>				
Accrued Payroll Payable	\$ -	\$ 122,342	\$ 122,342	\$ -
Total Liabilities	\$ -	\$ 122,342	\$ 122,342	\$ -

Agency Fund
Combining Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 2020
 (in thousands)

Exhibit F-3
 (Continued)

	<i>Accrued Payroll</i>			
	Balance			Balance
	July 1	Additions	Deductions	June 30
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 13,731	\$ 345,324	\$ 344,921	\$ 14,134
Treasurer's Pooled Investments	62,554	2,143,070	2,118,798	86,826
Total Assets	<u>\$ 76,285</u>	<u>\$ 2,488,394</u>	<u>\$ 2,463,719</u>	<u>\$ 100,960</u>
<u>LIABILITIES</u>				
Accrued Payroll Payable	\$ 76,285	\$ 2,488,394	\$ 2,463,719	\$ 100,960
Total Liabilities	<u>\$ 76,285</u>	<u>\$ 2,488,394</u>	<u>\$ 2,463,719</u>	<u>\$ 100,960</u>
<u>Totals</u>				
	Balance			Balance
	July 1	Additions	Deductions	June 30
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 13,731	\$ 483,159	\$ 482,756	\$ 14,134
Treasurer's Pooled Investments	62,554	2,143,070	2,118,798	86,826
Total Assets	<u>\$ 76,285</u>	<u>\$ 2,626,229</u>	<u>\$ 2,601,554</u>	<u>\$ 100,960</u>
<u>LIABILITIES</u>				
Accrued Payroll Payable	\$ 76,285	\$ 2,626,229	\$ 2,601,554	\$ 100,960
Total Liabilities	<u>\$ 76,285</u>	<u>\$ 2,626,229</u>	<u>\$ 2,601,554</u>	<u>\$ 100,960</u>



City of Phoenix



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION -**

**Component Units
- Phoenix Housing
Financing Corporations
- Combining Financial
Statements**



City of Phoenix



City of Phoenix

**Phoenix Housing Finance Corporations (Discretely Presented
Component Units)**
Exhibit G-1
Combining Statement of Net Position

June 30, 2020

(in thousands)

	Phoenix Housing Finance Corporation	City of Phoenix Municipal Housing Corporation	Phoenix Central City Revitalization Corporation & LLC	Phoenix South Mountain Housing Corporation	Phoenix South Mountain Housing Transformation Corporation, Summit, LLC	Phoenix Green Housing Corporation
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 2,215	\$ -	\$ 1,289	\$ 968
Cash Deposits	-	-	1,968	-	1,061	-
Cash and Securities with Fiscal Agents/Trustees	39	-	-	89	-	-
Receivables, Net of Allowances	4,595	13	44	2,865	844	277
Prepaid Items	-	-	64	-	36	-
Capital Assets, at Cost						
Non-depreciable	-	-	3,025	-	1,150	-
Depreciable (net)	-	-	10,070	-	8,205	-
Total Assets	4,634	13	17,386	2,954	12,585	1,245
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
LIABILITIES						
Accounts Payable	173	-	204	-	105	277
Reimbursement Agreement to City	-	-	2,393	-	-	-
Trust Liabilities and Deposits	-	-	75	-	47	-
Advance Payments	-	-	24	-	8	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-
Interest Payable	-	-	1,084	-	-	-
Noncurrent Liabilities						
Due in More Than One Year						
Notes Payable to City						
Instrumentality	-	-	-	-	-	-
Notes Payable to City	-	-	15,304	-	5,532	-
Total Liabilities	173	-	19,084	-	5,692	277
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	-	-	-	-	-	-
NET POSITION (DEFICIT)						
Net Investment in Capital Assets	-	-	(4,602)	-	4,656	-
Unrestricted	4,461	13	2,904	2,954	2,237	968
Total Net Position (Deficit)	\$ 4,461	\$ 13	\$ (1,698)	\$ 2,954	\$ 6,893	\$ 968

Exhibit G-1
(Continued)

Phoenix East Revitalization Corporation	Phoenix East Revitalization Corporation (II)	Phoenix East Revitalization Corporation (III)	Phoenix Inner Beltway Housing Corporation	Phoenix Residential Investment Development Effort	Phoenix Starfish Place Corporation	Phoenix Housing Development Corporation	Washington Manor Housing Corporation	Total
\$ 1,056	\$ 504	\$ 1,525	\$ -	\$ 910	\$ 88	\$ 237	\$ 258	\$ 9,050
-	-	-	-	124	6	-	609	3,768
-	-	-	-	3,728	-	-	-	3,856
-	771	-	309	30	1	-	62	9,811
-	-	-	-	101	3	-	1	205
-	-	-	-	7,417	1,055	-	82	12,729
-	-	-	-	6,529	1,663	-	505	26,972
1,056	1,275	1,525	309	18,839	2,816	237	1,517	66,391
-	-	-	-	-	-	-	-	-
-	-	-	-	14	16	-	18	807
-	-	-	-	-	-	-	-	2,393
-	-	-	-	94	6	-	21	243
-	-	-	-	34	-	-	3	69
-	-	-	-	110	-	-	80	190
-	-	-	-	1,208	-	-	-	2,292
-	-	-	-	-	330	-	-	330
-	-	-	-	16,777	2,945	-	550	41,108
-	-	-	-	18,237	3,297	-	672	47,432
-	-	-	-	-	-	-	-	-
-	-	-	-	(2,831)	(227)	-	587	(2,417)
1,056	1,275	1,525	309	3,433	(254)	237	258	21,376
\$ 1,056	\$ 1,275	\$ 1,525	\$ 309	\$ 602	\$ (481)	\$ 237	\$ 845	\$ 18,959

**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, 2020

(in thousands)

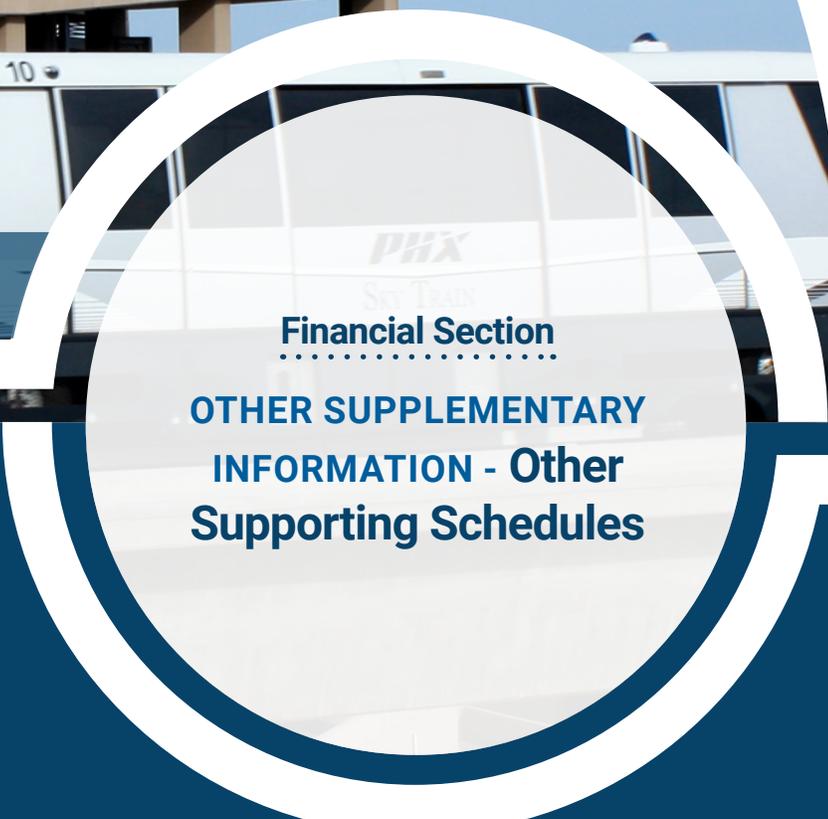
	Phoenix Housing Finance Corporation	City of Phoenix Municipal Housing Corporation	Phoenix Central City Revitalization Corporation & LLC	Phoenix South Mountain Housing Corporation	Phoenix South Mountain Housing Transformation Corporation, Summit, LLC	Phoenix Green Housing Corporation
Revenues						
Rental Income	\$ -	\$ -	\$ 3,427	\$ -	\$ 1,296	\$ -
Vending Income	-	-	-	-	-	-
Total Revenues	-	-	3,427	-	1,296	-
Operating Expenses						
Salaries	-	-	803	-	280	-
Temporary Labor	-	-	-	-	-	-
Advertising	-	-	14	-	7	-
Maintenance	-	-	794	-	191	-
Administrative Costs	-	-	176	-	77	-
Utilities	-	-	597	-	249	-
Insurance	-	-	55	-	34	-
Interest Expense	-	-	103	-	-	-
Other	8	-	186	10	126	277
Depreciation	-	-	1,224	-	696	-
Total Operating Expenses	8	-	3,952	10	1,660	277
Non-Operating Revenues (Expenses)						
Other Income	-	-	124	-	47	267
Interest Income	-	-	-	86	-	-
Contributions from City of Phoenix	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	-	-	124	86	47	267
Change in Net Position	(8)	-	(401)	76	(317)	(10)
Net Position, July ¹	4,469	13	(1,297)	2,878	7,210	978
Net Position, June 30	\$ 4,461	\$ 13	\$ (1,698)	\$ 2,954	\$ 6,893	\$ 968

Exhibit G-2
(Continued)

Phoenix East Revitalization Corporation	Phoenix East Revitalization Corporation (II)	Phoenix East Revitalization Corporation (III)	Phoenix Inner Beltway Housing Corporation	Phoenix Residential Investment Development Effort	Phoenix Starfish Place Corporation	Phoenix Housing Development Corporation	Washington Manor Housing Corporation	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,363	\$ 135	\$ -	\$ 563	\$ 7,784
-	-	-	-	16	-	-	1	17
-	-	-	-	2,379	135	-	564	7,801
-	-	-	-	431	79	-	54	1,647
-	-	-	-	14	-	-	3	17
-	-	-	-	6	1	-	1	29
-	-	-	-	584	48	-	199	1,816
-	-	-	-	175	16	-	11	455
-	-	-	-	492	37	-	82	1,457
-	-	-	-	72	5	-	-	166
-	-	-	-	158	-	-	20	281
-	101	22	250	154	24	-	-	1,158
-	-	-	-	226	95	-	117	2,358
-	101	22	250	2,312	305	-	487	9,384
-	-	-	-	3,007	1	237	2	3,685
-	-	-	-	69	-	-	-	155
-	-	-	-	-	-	-	766	766
-	-	-	-	(2,865)	-	-	-	(2,865)
-	-	-	-	211	1	237	768	1,741
-	(101)	(22)	(250)	278	(169)	237	845	158
1,056	1,376	1,547	559	324	(312)	-	-	18,801
\$ 1,056	\$ 1,275	\$ 1,525	\$ 309	\$ 602	\$ (481)	\$ 237	\$ 845	\$ 18,959



City of Phoenix



Financial Section
.....

**OTHER SUPPLEMENTARY
INFORMATION - Other
Supporting Schedules**



City of Phoenix



City of Phoenix

Summary of Operating Funds - Budget Basis
Exhibit H-1

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Resources					
	Fund Balances July 1	Revenues	Recoveries	Fund Transfers		Total
				From	To	
General Purpose Funds						
General Fund	\$ 133,580	\$ 416,943	\$ 7,264	\$ 919,018	\$ (24,855)	\$ 1,451,950
Excise Tax	-	1,393,827	-	-	(1,393,827)	-
Total General Purpose Funds	133,580	1,810,770	7,264	919,018	(1,418,682)	1,451,950
Federal Funds						
Transit - Federal Grants	-	64,027	41	-	-	64,068
Grants						
Human Services	(36)	56,628	190	-	-	56,782
Community Development	1,649	15,289	34	-	-	16,972
Federal Operating Trust	(7)	74,687	768	-	-	75,448
Public Housing Neighborhood Transformation	2,010	2,504	30	-	-	4,544
Total Federal Funds	3,616	213,135	1,063	-	-	217,814
Other Special Revenue and Debt Service Funds						
Highway User Revenue	41,347	138,552	11,814	-	(3,893)	187,820
Transit 2000	(699)	18	446	235	-	-
Transportation Tax 2050	158,917	44,649	7,522	247,849	(72,719)	386,218
Transit - Other Agency	(7,529)	43,148	128	-	-	35,747
Municipal Court Awards	(300)	4,872	103	-	-	4,675
Parks and Preserves	63,604	3,393	187	38,333	(110)	105,407
Development Services	70,367	70,425	21	-	(4,322)	136,491
Community Reinvestment	13,274	10,841	1	-	(2,065)	22,051
Public Housing	25,394	93,470	253	-	(350)	118,767
Sports Facilities	52,882	5,380	9	18,476	(6,238)	70,509
Capital Construction	15,992	564	236	8,548	-	25,340
Other Restricted	90,732	37,849	404	28,103	(2,372)	154,716
Neighborhood Protection	24,953	2,620	-	36,233	(505)	63,301
Public Safety Enhancement	24,076	1,618	-	23,978	(356)	49,316
Public Safety Expansion	36,357	5,632	-	72,464	(1,092)	113,361
Golf Courses	796	6,958	7	-	-	7,761
Secondary Property Tax Debt Service	100	111,103	-	5,107	-	116,310
City Improvement	-	19	-	124,980	(1,027)	123,972
Regional Wireless Cooperative	1,823	4,602	9	-	-	6,434
Total Other Funds	612,086	585,713	21,140	604,306	(95,049)	1,728,196
Enterprise Funds						
Aviation	272,617	368,898	1,980	101,644	(10,685)	734,454
Phoenix Convention Center	58,271	21,155	561	55,266	(3,563)	131,690
Water System	91,679	446,034	4,570	-	(23,485)	518,798
Water System - Val Vista	(1,488)	22,203	76	-	(611)	20,180
Wastewater	80,001	225,223	1,494	5,710	(13,480)	298,948
Wastewater - SROG	5,045	50,762	795	-	(1,773)	54,829
Solid Waste	33,349	154,730	5,719	-	(9,385)	184,413
Total Enterprise Funds	539,474	1,289,005	15,195	162,620	(62,982)	1,943,312
Total Operating Funds	\$ 1,288,756	\$ 3,898,623	\$ 44,662	1,685,944	(1,576,713)	\$ 5,341,272
Other Transfers - Non-budgeted Funds				8,651	(117,882)	
				\$ 1,694,595	\$ (1,694,595)	

(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		
\$ 1,268,424	\$ 14,407	\$ -	\$ -	\$ 1,282,831	\$	169,119
-	-	-	-	-	-	-
1,268,424	14,407	-	-	1,282,831		169,119
25,486	38,582	-	-	64,068		-
56,782	-	-	-	56,782		-
12,758	3,141	-	-	15,899		1,073
75,448	-	-	-	75,448		-
2,758	(1)	-	-	2,757		1,787
173,232	41,722	-	-	214,954		2,860
75,913	67,423	-	-	143,336		44,484
-	-	-	-	-		-
192,013	32,608	-	-	224,621		161,597
34,263	6,964	-	-	41,227		(5,480)
5,733	-	-	-	5,733		(1,058)
5,638	33,677	-	-	39,315		66,092
60,353	17,416	-	-	77,769		58,722
1,104	5,774	-	-	6,878		15,173
88,587	4,931	-	-	93,518		25,249
2,788	6,941	-	-	9,729		60,780
153	4,482	-	-	4,635		20,705
50,954	2,070	-	-	53,024		101,692
40,766	-	-	-	40,766		22,535
27,750	-	-	-	27,750		21,566
80,492	-	-	-	80,492		32,869
5,630	95	-	-	5,725		2,036
-	-	116,210	-	116,210		100
-	-	85	123,887	123,972		-
4,636	-	-	-	4,636		1,798
676,773	182,381	116,295	123,887	1,099,336		628,860
259,866	20,366	72,467	-	352,699		381,755
51,449	3,741	-	19,952	75,142		56,548
212,195	63,119	127,693	-	403,007		115,791
20,231	2,316	-	-	22,547		(2,367)
99,389	2,161	72,787	-	174,337		124,611
43,677	5,561	-	-	49,238		5,591
141,591	4,305	998	12,592	159,486		24,927
828,398	101,569	273,945	32,544	1,236,456		706,856
\$ 2,946,827	\$ 340,079	\$ 390,240	\$ 156,431	\$ 3,833,577	\$	1,507,695

Summary of Capital Projects Funds Budget Basis
Exhibit H-2

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Beginning Balances, July 1	Resources			Recovery of Prior Years Expenditures
		Grants	Current Revenue		
			Interest	Other	
General Government					
2001 Bond Program	\$ (51)	\$ -	\$ -	\$ -	\$ -
2006 Bond Program	5,208	-	224	-	335
2010 Lease Purchase	10	-	-	-	4
2013 Lease Purchase	(4,697)	-	-	-	-
General Gov't Lease Purchase	5,525	-	170	-	1,110
Mega IV Lease Purchase	4,406	-	-	-	-
Mega V Lease Purchase	10,135	-	183	340	-
Regional Wireless	8,759	-	139	592	23
Sports Facilities Capital Reserve	19,499	-	340	-	-
Trunked Radio System	179	-	-	-	-
	48,973	-	1,056	932	1,472
Public Safety					
1988 Bond Program	27	-	-	-	-
2001 Bond Program	(1,312)	-	-	-	-
2006 Bond Program	(4,203)	-	-	-	35
Impact Fees	11,806	-	258	3,689	2
Other Cities Reimbursement - 800Mhz	289	-	-	-	-
	6,607	-	258	3,689	37
Transportation					
1988 Bond Program	845	-	-	-	-
2001 Bond Program	(457)	-	-	-	-
2004 CIC Transit LRT Revenue Bonds	66	-	-	-	-
2006 Bond Program	6,696	-	-	-	-
AHUR Capital Reserve	6,007	-	244	64	214
American Rec. & Reinv. Act of 2009	(1)	-	-	-	-
Federal Aid - Street Transportation	(3,317)	1,347	-	-	2,402
Federal Transportation Administration Grants	(7,951)	9,441	-	-	48
Impact Fees	20,216	-	406	3,264	-
State Aid - Street Transportation	(9,708)	8,882	-	766	7
Street Improvement Bonds	-	-	-	-	-
Streets Developer Reimbursement	(1,824)	1,466	-	3,289	24
T2050 Bonds	(10,000)	-	17	-	-
	572	21,136	667	7,383	2,695
Public Works					
2001 Bond Program	332	-	-	-	-
2006 Bond Program	(720)	-	-	-	-
Capital Replacement Fund	1,371	-	19	-	-
Impact Fees	6,143	-	134	2,097	-
	7,126	-	153	2,097	-
Community Enrichment					
1988 Bond Program	419	-	-	-	-
2001 Bond Program	2,868	-	-	-	-
2006 Bond Program	4,051	-	-	-	3
Impact Fees	35,371	-	742	4,825	-
Parks & Rec Grants	361	60	-	-	-
Parks and Rec Dept Capital Gifts	35	-	-	-	-
Parks land sale proceeds	2,046	-	29	-	-
	45,151	60	771	4,825	3
Community Development					
1989 Bond Program	2	-	-	-	-
2001 Bond Program	2,527	-	-	-	14
2006 Bond Program	(1,911)	-	-	-	16
830 E Jefferson Remodel	(13)	-	-	-	-
Federal Modernization Grants	4,404	2,179	84	781	1
Impact Fees	704	-	22	-	-
	\$ 5,713	\$ 2,179	\$ 106	\$ 781	\$ 31

Exhibit H-2
(Continued)

Bonds Sold	Fund Transfers To(From)	Total Resources	Uses Expenditures and Encumbrances	Ending Balances, June 30	Bonds Available for Sale
\$ -	\$ -	\$ (51)	\$ -	\$ (51)	\$ 615
-	-	5,767	-	5,767	4,790
-	-	14	-	14	-
-	-	(4,697)	-	(4,697)	-
-	-	6,805	(55,959)	(49,154)	-
-	-	4,406	-	4,406	-
-	-	10,658	-	10,658	-
-	-	9,513	(4,428)	5,085	-
-	-	19,839	-	19,839	-
-	-	179	-	179	-
-	-	52,433	(60,387)	(7,954)	5,405
-	-	27	-	27	-
-	-	(1,312)	-	(1,312)	1,915
-	-	(4,168)	(1)	(4,169)	36,700
-	(27)	15,728	(340)	15,388	-
-	-	289	-	289	-
-	(27)	10,564	(341)	10,223	38,615
4	-	849	-	849	1,000
-	-	(457)	-	(457)	2,225
-	-	66	-	66	-
-	-	6,696	-	6,696	23,865
-	812	7,341	(108)	7,233	-
-	-	(1)	-	(1)	-
-	-	432	(5,324)	(4,892)	-
-	-	1,538	(95,337)	(93,799)	-
-	(1,009)	22,877	(103)	22,774	-
-	-	(53)	(541)	(594)	-
(4)	-	(4)	4	-	-
-	-	2,955	(3,751)	(796)	-
200,000	-	190,017	(77,262)	112,755	-
200,000	(197)	232,256	(182,422)	49,834	27,090
-	-	332	-	332	305
-	-	(720)	-	(720)	9,669
-	-	1,390	-	1,390	-
-	(344)	8,030	(157)	7,873	-
-	(344)	9,032	(157)	8,875	9,974
-	-	419	-	419	-
-	-	2,868	(96)	2,772	7,400
-	-	4,054	(3,294)	760	26,056
-	(280)	40,658	(10,072)	30,586	-
-	-	421	(3,927)	(3,506)	-
-	-	35	-	35	-
-	(2,073)	2	-	2	-
-	(2,353)	48,457	(17,389)	31,068	33,456
-	-	2	-	2	-
-	-	2,541	(857)	1,684	3,150
-	-	(1,895)	(1,001)	(2,896)	34,665
-	-	(13)	-	(13)	-
-	-	7,449	(1,888)	5,561	-
-	1,933	2,659	-	2,659	-
\$ -	\$ 1,933	\$ 10,743	\$ (3,746)	\$ 6,997	\$ 37,815

Summary of Capital Projects Funds Budget Basis
Exhibit H-2

For the Fiscal Year Ended June 30, 2020

(Continued)

(in thousands)

	Beginning Balances, July 1	Resources			Recovery of Prior Years Expenditures
		Grants	Current Revenue		
			Interest	Other	
Aviation					
2020 CFC Bond	\$ (166,065)	\$ -	\$ 1,440	\$ -	\$ -
Airport Facilities Improvement Grants	(26,815)	29,450	-	-	1,898
Airport Revenue Bonds	(72,991)	-	2,946	-	-
CFC City Improvement Reserves/Surplus	23,911	-	289	-	-
CFC Trustee-Improvement Reserves/Surplus	92,480	-	1,770	40,512	-
City Improvement Aviation Bonds	137,604	-	1	-	-
Line of Credit	6,718	-	6	-	-
Passenger Facility Charges	(234,137)	-	2,094	70,750	2,510
Transportation Security Admin Grant	75	72	-	-	-
	(239,220)	29,522	8,546	111,262	4,408
Phoenix Convention Center					
CC Expansion Series B	10,538	23,500	373	-	-
Lease Purchase	-	-	-	-	-
	10,538	23,500	373	-	-
Water System					
CIC Water Bonds	(183,824)	-	-	1	873
Impact Fees	51,397	-	1,067	12,789	-
Special Water Improvement	100,010	-	-	-	-
Val Vista - Other Agencies' Participation	(1,363)	-	-	937	46
Water Capital Grants	300	99	-	-	-
	(33,480)	99	1,067	13,727	919
Wastewater					
CIC Wastewater Bonds	(4,407)	-	-	-	9,236
Impact Fees	65,476	-	1,288	6,450	-
Special Wastewater Improvement	53,000	-	-	-	-
SROG - Other Agencies' Participation	(8,512)	-	-	6,695	2,625
	105,557	-	1,288	13,145	11,861
Solid Waste					
End Use Reserve	9,539	-	181	-	233
Solid - Mega IV	882	-	128	-	216
Solid Waste Disposal CIC Bonds Prin/Int	4	-	-	-	-
Solid Waste Remediation Funds	5,153	-	119	-	1,304
	15,578	-	428	-	1,753
	\$ (26,885)	\$ 76,496	\$ 14,713	\$ 157,841	\$ 23,179

Exhibit H-2
(Continued)

Bonds Sold	Fund Transfers To(From)	Total Resources	Uses Expenditures and Encumbrances	Ending Balances, June 30	Bonds Available for Sale
\$ 273,577	\$ 11,141	\$ 120,093	\$ (2,079)	\$ 118,014	\$ -
-	788	5,321	(53,826)	(48,505)	-
416,068	(100,270)	245,753	(94,302)	151,451	-
-	(23,826)	374	-	374	-
-	(102,693)	32,069	(14,024)	18,045	-
178,110	(102,799)	212,916	(153)	212,763	-
-	(6,724)	-	-	-	-
242,000	(5,347)	77,870	(69,787)	8,083	-
-	(133)	14	(14)	-	-
1,109,755	(329,863)	694,410	(234,185)	460,225	-
-	-	34,411	(23,500)	10,911	-
-	-	-	(22,220)	(22,220)	-
-	-	34,411	(45,720)	(11,309)	-
300,836	-	117,886	(173,165)	(55,279)	-
-	(299)	64,954	(616)	64,338	-
-	-	100,010	-	100,010	-
-	-	(380)	(13,860)	(14,240)	-
-	-	399	(399)	-	-
300,836	(299)	282,869	(188,040)	94,829	-
-	-	4,829	(77,736)	(72,907)	-
-	(5,688)	67,526	(6,250)	61,276	-
-	-	53,000	-	53,000	-
-	-	808	(12,019)	(11,211)	-
-	(5,688)	126,163	(96,005)	30,158	-
-	1,297	11,250	(1)	11,249	-
-	-	1,226	(908)	318	-
-	-	4	-	4	-
-	-	6,576	(339)	6,237	-
-	1,297	19,056	(1,248)	17,808	-
\$ 1,610,591	\$ (335,541)	\$ 1,520,394	\$ (829,640)	\$ 690,754	\$ 152,355

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

For the Fiscal Years Ended June 30, 2020 and 2019

(in thousands)

	Operating Funds ⁽¹⁾		Capital Funds		Totals	
	2020	2019	2020	2019	2020	2019
General Government						
Information Technology	\$ 2,342	\$ 5,798	\$ 2,150	\$ 10,095	\$ 4,492	\$ 15,893
Regional Wireless	-	-	3,204	3,909	3,204	3,909
Finance Projects	-	1,415	-	828	-	2,243
	<u>2,342</u>	<u>7,213</u>	<u>5,354</u>	<u>14,832</u>	<u>7,696</u>	<u>22,045</u>
Public Safety						
Fire Protection	-	-	637	6,782	637	6,782
	<u>-</u>	<u>-</u>	<u>637</u>	<u>6,782</u>	<u>637</u>	<u>6,782</u>
Transportation						
Street Transportation and Drainage	94,660	141,536	87,278	60,995	181,938	202,531
Transit	55,473	102,122	95,343	209	150,816	102,331
	<u>150,133</u>	<u>243,658</u>	<u>182,621</u>	<u>61,204</u>	<u>332,754</u>	<u>304,862</u>
Public Works						
Energy Conservation	-	635	-	-	-	635
Facilities Management	12,805	7,847	1,292	3,303	14,097	11,150
	<u>12,805</u>	<u>8,482</u>	<u>1,292</u>	<u>3,303</u>	<u>14,097</u>	<u>11,785</u>
Community Enrichment						
Arts and Cultural Facilities	-	-	97	-	97	-
Libraries	631	664	-	-	631	664
Parks and Mountain Preserves	38,698	25,225	17,302	3,394	56,000	28,619
	<u>39,329</u>	<u>25,889</u>	<u>17,399</u>	<u>3,394</u>	<u>56,728</u>	<u>29,283</u>
Community Development						
Economic/Downtown Development	8,167	2,754	54,341	-	62,508	2,754
Historic Preservation	17,301	155	121	665	17,422	820
Housing / HOPE VI	4,146	3,729	1,888	1,473	6,034	5,202
Neighborhood Development	2,026	52	843	547	2,869	599
	<u>31,640</u>	<u>6,690</u>	<u>57,193</u>	<u>2,685</u>	<u>88,833</u>	<u>9,375</u>
Aviation	20,339	167,487	234,185	385,485	254,524	552,972
Convention Center	6,428	13,546	45,720	22,996	52,148	36,542
Water System	65,245	61,766	186,901	228,097	252,146	289,863
Wastewater	26,050	5,611	97,091	92,131	123,141	97,742
Solid Waste	4,243	6,034	1,247	1,823	5,490	7,857
	<u>\$ 358,554</u>	<u>\$ 546,376</u>	<u>\$ 829,640</u>	<u>\$ 822,732</u>	<u>\$ 1,188,194</u>	<u>\$ 1,369,108</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, 2020 as reported in the accompanying budgetary financial statements was as follows:

Aviation	\$ 20,366
Convention Center	3,741
Water	63,119
Water - Val Vista	2,316
Wastewater	20,636
Wastewater - SROG	5,561
Solid Waste	4,305
	<u>\$ 120,044</u>

Transfers To/From Other Funds

Exhibit H-4

For the Fiscal Year Ended June 30, 2020

(in thousands)

	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise Funds	Totals
Transfers From						
General Fund	\$ -	\$ 18,419 ⁽¹⁾	\$ 42,631 ⁽⁴⁾	\$ -	\$ 55,514	\$ 116,564
Special Revenue						
Transit	564	195 ⁽¹⁾	70,740 ⁽⁵⁾	-	-	71,499
Highway User Revenue	-	-	3,893 ⁽⁵⁾	-	-	3,893
Development Services	2,065	-	-	-	-	2,065
Public Housing	279	-	71 ⁽⁵⁾	-	-	350
Other Restricted	1,783	256 ⁽²⁾	-	812 ⁽⁶⁾	8 ⁽⁹⁾	2,859
Neighborhood Protection	80	28 ⁽¹⁾	-	-	-	108
Public Safety Enhancement	161	60 ⁽¹⁾	-	-	-	221
Total Special Revenue	4,932	539	74,704	812	8	80,995
Debt Service						
Sports Facilities	-	-	5,985 ⁽⁵⁾	-	-	5,985
City Improvement	-	-	-	1,027 ⁽⁷⁾	-	1,027
Total Debt Service	-	-	5,985	1,027	-	7,012
Capital Projects						
Parks and Preserves	80	28 ⁽¹⁾	-	-	-	108
Parks, Recreation and Libraries	-	-	-	2,073 ⁽⁸⁾	-	2,073
Municipal Buildings and Service Centers	-	-	1,027 ⁽⁵⁾	-	-	1,027
Total Capital Projects	80	28	1,027	2,073	-	3,208
Enterprise						
Aviation	-	-	949 ⁽⁵⁾	-	-	949
Phoenix Convention Center	394	131 ⁽¹⁾	94 ⁽⁵⁾	-	-	619
Water System	15,585	284 ⁽³⁾	-	-	-	15,869
Wastewater	9,579	-	-	-	-	9,579
Solid Waste	1,311	-	624 ⁽⁵⁾	-	-	1,935
Total Enterprise	26,869	415	1,667	-	-	28,951
Totals	\$ 31,881	\$ 19,401	\$ 126,014	\$ 3,912	\$ 55,522	\$ 236,730

(1) Other Restricted

(2) Transit Special Revenue Fund

(3) Development Services

(4) City Improvement, Special Assessments

(5) City Improvement

(6) Transit Capital Projects Fund

(7) Municipal Buildings and Service Centers

(8) Parks and Preserves

(9) Wastewater Enterprise Fund

Budgetary Transfers - Budget Basis
Exhibit H-5

For the Fiscal Year Ended June 30, 2020

(in thousands)

	Transfers to					
	Staff and Administrative	General Fund			Special Revenue	
		In-Lieu Property Taxes	Other Transfers	Total General Fund	Neighborhood Protection	Transportation Tax 2050
Transfers from						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds						
Excise Tax	-	-	847,905	847,905	36,233	247,593
Highway User Revenue	-	-	-	-	-	-
Transportation Tax 2050	985	-	-	985	-	-
Development Services	4,322	-	-	4,322	-	-
Community Reinvestment	-	-	2,065	2,065	-	-
Public Housing	-	279	-	279	-	-
Sports Facilities	174	-	79	253	-	-
Parks and Preserves	-	-	-	-	-	-
Other Restricted	310	-	1,783	2,093	-	256
Neighborhood Protection	396	-	-	396	-	-
Public Safety Enhancement	356	-	-	356	-	-
Public Safety Expansion	871	-	-	871	-	-
Total Special Revenue	7,414	279	851,832	859,525	36,233	247,849
Debt Service Funds						
City Improvement	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-
Enterprise Funds						
Aviation	9,736	-	-	9,736	-	-
Phoenix Convention Center	2,944	-	-	2,944	-	-
Water System	7,900	15,585	-	23,485	-	-
Water System - Val Vista	611	-	-	611	-	-
Wastewater	3,901	9,579	-	13,480	-	-
Wastewater - SROG	1,773	-	-	1,773	-	-
Solid Waste	6,153	1,311	-	7,464	-	-
Total Enterprise	33,018	26,475	-	59,493	-	-
Other Funds not Budgeted						
General Obligation Reserve Fund	-	-	-	-	-	-
Parks, Rec and Libraries Capital	-	-	-	-	-	-
Phoenix Residential Investment	-	-	-	-	-	-
Development Effort	-	-	-	-	-	-
Tatum Ranch Community Facilities	-	-	-	-	-	-
District Trust Fund	-	-	-	-	-	-
Aviation Capital	-	-	-	-	-	-
Wastewater Capital	-	-	-	-	-	-
Total Other Funds not Budgeted	-	-	-	-	-	-
Totals	\$ 40,432	\$ 26,754	\$ 851,832	\$ 919,018	\$ 36,233	\$ 247,849

(1) Transfer to Other Restricted Special Revenue Funds

(2) Transfer to Capital Construction (\$8,548), Sports Facilities (\$17,449), Parks and Preserves (\$36,233), Public Safety Enhancement (\$23,978), Public Safety Expansion (\$72,464), Other Restricted (\$5,649) Special Revenue Funds

(3) Transfer to Transit 2000 Special Revenue Fund (\$235) and Other Restricted Special Revenue Funds (\$195)

(4) Transfer to Community Development Special Revenue Funds (\$1) and Other Restricted Special Revenue Funds (\$28)

(5) Transfer to Parks & Preserves Special Revenue Funds

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

Exhibit H-5
(Continued)

Transfers to							Totals
Funds		Enterprise Funds		Funds Not Budgeted			
Other	Debt Service Funds	Phoenix Convention Center	Other	Infrastructure Repayment Agreement	Other		
\$ 18,418 ⁽¹⁾	\$ 115 ⁽⁷⁾	\$ -	\$ 248 ⁽⁹⁾	\$ 574	\$ 5,500 ⁽¹¹⁾	\$ 24,855	
164,321 ⁽²⁾	42,509 ⁽⁷⁾	55,266	-	-	-	1,393,827	
-	3,893 ⁽⁷⁾	-	-	-	-	3,893	
430 ⁽³⁾	70,740 ⁽⁷⁾	-	-	564	-	72,719	
-	-	-	-	-	-	4,322	
-	-	-	-	-	-	2,065	
-	71 ⁽⁷⁾	-	-	-	-	350	
-	5,985 ⁽⁷⁾	-	-	-	-	6,238	
29 ⁽⁴⁾	-	-	-	81	-	110	
15 ⁽⁵⁾	-	-	8 ⁽¹⁰⁾	-	-	2,372	
28 ⁽¹⁾	-	-	-	81	-	505	
-	-	-	-	-	-	356	
60 ⁽¹⁾	-	-	-	161	-	1,092	
164,883	123,198	55,266	8	887	-	1,487,849	
1,027 ⁽⁶⁾	-	-	-	-	-	1,027	
1,027	-	-	-	-	-	1,027	
-	949 ⁽⁷⁾	-	-	-	-	10,685	
132 ⁽¹⁾	94 ⁽⁷⁾	-	-	393	-	3,563	
-	-	-	-	-	-	23,485	
-	-	-	-	-	-	611	
-	-	-	-	-	-	13,480	
-	-	-	-	-	-	1,773	
-	624 ⁽⁷⁾	-	-	-	1,297 ⁽¹²⁾	9,385	
132	1,667	-	-	393	1,297	62,982	
-	5,107 ⁽⁸⁾	-	-	-	-	5,107	
2,085 ⁽⁵⁾	-	-	-	-	-	2,085	
2,800 ⁽¹⁾	-	-	-	-	-	2,800	
792 ⁽¹⁾	-	-	-	-	-	792	
-	-	-	101,396 ⁽⁹⁾	-	-	101,396	
-	-	-	5,702 ⁽¹⁰⁾	-	-	5,702	
5,677	5,107	-	107,098	-	-	117,882	
\$ 190,137	\$ 130,087	\$ 55,266	\$ 107,354	\$ 1,854	\$ 6,797	\$ 1,694,595	

(7) Transfer to City Improvement Debt Service Fund
 (8) Transfer to Secondary Property Tax Debt Service Fund
 (9) Transfer to Aviation Enterprise Fund
 (10) Transfer to Wastewater Enterprise Fund
 (11) Transfer to PSPRS Pension Reserve Trust Fund
 (12) Transfer to Solid Waste Capital Reserve Fund

Bonds and Other Debt Payable
Exhibit H-6

June 30, 2020

(in thousands)

						Outstanding at June 30, 2020 ⁽¹⁾			
	Authorized	Sold	Unsold	Retired/ Refunded/ Deceased	Capital Appreciation	Total	Payable from		Other ⁽²⁾
							General Property Taxes	City Revenues/	
General Obligation Bonds									
6% Limitation									
Various Purpose	\$ 755,530	\$ 691,210	\$ 64,320	\$ 578,340	\$ -	\$ 112,870	\$ 112,870	\$ -	
Solid Waste	32,815	32,815	-	32,175	-	640	-	640	
20% Limitation									
Various Purpose	2,035,230	1,947,195	88,035	1,057,205	-	889,990	889,990	-	
Airport	30,435	30,435	-	30,435	-	-	-	-	
Sanitary Sewers	72,200	72,200	-	71,825	-	375	-	375	
Water	112,949	112,949	-	112,949	-	-	-	-	
Total General Obligation Bonds	3,039,159	2,886,804	152,355	1,882,929	-	1,003,875	1,002,860	1,015	
Loans from Direct Borrowings									
DNT Asset Trust	305,940	305,940	-	265,000	-	40,940	-	40,940	
Wastewater WIFA	17,591	17,591	-	9,153	-	8,438	-	8,438	
Water WIFA	6,520	6,520	-	4,020	-	2,500	-	2,500	
Closed Loop	3,000	3,000	-	450	-	2,550	-	2,550	
Total Loans from Direct Borrowings	333,051	333,051	-	278,623	-	54,428	-	54,428	
Total General Obligation and Revenue Bonds/ Bank Loans	3,372,210	3,219,855	152,355	2,161,552	-	1,058,303	1,002,860	55,443	
Municipal Corporation Obligations									
General Government	1,838,676	1,838,676	-	1,535,441	-	303,235	-	303,235	
Enterprise	10,464,236	10,464,236	-	5,575,660	109,430	4,998,006	-	4,998,006	
Total Municipal Corporation Obligations	12,302,912	12,302,912	-	7,111,101	109,430	5,301,241	-	5,301,241	
Special Assessment Bonds	207	207	-	163	-	44	-	44	
Subtotal	15,675,329	15,522,974	152,355	9,272,816	109,430	6,359,588	1,002,860	5,356,728	
Community Facilities Districts	30,000	30,000	-	-	-	30,000	-	30,000	
Totals	\$ 15,705,329	\$ 15,552,974	\$ 152,355	\$ 9,272,816	\$ 109,430	\$ 6,389,588	\$ 1,002,860	\$ 5,386,728	

(1) Net of July 1, 2020 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 \$79.9 million on June 30, 2020.

(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, 2020

(in thousands)

Fiscal Year	General Government ⁽²⁾			Solid Waste Bonds			Total 6% Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020-21	\$ 21,485	\$ 5,266	\$ 26,751	\$ 310	\$ 32	\$ 342	\$ 21,795	\$ 5,298	\$ 27,093
2021-22	14,340	4,428	18,768	330	17	347	14,670	4,445	19,115
2022-23	16,255	3,697	19,952	-	-	-	16,255	3,697	19,952
2023-24	29,825	2,972	32,797	-	-	-	29,825	2,972	32,797
2024-25	30,965	1,548	32,513	-	-	-	30,965	1,548	32,513
	<u>\$ 112,870</u>	<u>\$ 17,911</u>	<u>\$ 130,781</u>	<u>\$ 640</u>	<u>\$ 49</u>	<u>\$ 689</u>	<u>\$ 113,510</u>	<u>\$ 17,960</u>	<u>\$ 131,470</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, 2020

(in thousands)

Fiscal Year	General Government ⁽²⁾			Sanitary Sewer Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020-21	\$ 62,800	\$ 39,295	\$ 102,095	\$ 375	\$ 15	\$ 390
2021-22	73,505	36,792	110,297	-	-	-
2022-23	81,590	33,957	115,547	-	-	-
2023-24	78,895	30,520	109,415	-	-	-
2024-25	90,435	27,141	117,576	-	-	-
2025-26	132,135	23,253	155,388	-	-	-
2026-27	138,015	17,208	155,223	-	-	-
2027-28	42,655	10,935	53,590	-	-	-
2028-29	28,940	9,130	38,070	-	-	-
2029-30	29,985	7,719	37,704	-	-	-
2030-31	31,065	6,257	37,322	-	-	-
2031-32	32,185	4,744	36,929	-	-	-
2032-33	33,310	3,211	36,521	-	-	-
2033-34	34,475	1,625	36,100	-	-	-
	<u>\$ 889,990</u>	<u>\$ 251,787</u>	<u>\$ 1,141,777</u>	<u>\$ 375</u>	<u>\$ 15</u>	<u>\$ 390</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.

Exhibit H-8
(Continued)

Water Bonds			Airport Bonds			Total 20% Bonds			
Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	63,175	\$ 39,310	\$ 102,485
-	-	-	-	-	-	-	73,505	36,792	110,297
-	-	-	-	-	-	-	81,590	33,957	115,547
-	-	-	-	-	-	-	78,895	30,520	109,415
-	-	-	-	-	-	-	90,435	27,141	117,576
-	-	-	-	-	-	-	132,135	23,253	155,388
-	-	-	-	-	-	-	138,015	17,208	155,223
-	-	-	-	-	-	-	42,655	10,935	53,590
-	-	-	-	-	-	-	28,940	9,130	38,070
-	-	-	-	-	-	-	29,985	7,719	37,704
-	-	-	-	-	-	-	31,065	6,257	37,322
-	-	-	-	-	-	-	32,185	4,744	36,929
-	-	-	-	-	-	-	33,310	3,211	36,521
-	-	-	-	-	-	-	34,475	1,625	36,100
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	890,365	\$ 251,802	\$ 1,142,167

**Debt Service Requirements
By Type of Security to Bondholders**
Exhibit H-9

June 30, 2020

(in thousands)

Fiscal Year	General Obligation ⁽¹⁾		
	Principal	Interest	Total
2020-21	\$ 84,970	\$ 44,608	\$ 129,578
2021-22	88,175	41,237	129,412
2022-23	97,845	37,654	135,499
2023-24	108,720	33,492	142,212
2024-25	121,400	28,689	150,089
2025-26	132,135	23,253	155,388
2026-27	138,015	17,208	155,223
2027-28	42,655	10,935	53,590
2028-29	28,940	9,130	38,070
2029-30	29,985	7,719	37,704
2030-31	31,065	6,257	37,322
2031-32	32,185	4,744	36,929
2032-33	33,310	3,211	36,521
2033-34	34,475	1,625	36,100
	<u>\$ 1,003,875</u>	<u>\$ 269,762</u>	<u>\$ 1,273,637</u>

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

Debt Service Requirements

Exhibit H-10

By General Purpose of Assets Acquired

June 30, 2020

(in thousands)

Fiscal Year	General Government ⁽¹⁾			Enterprise ⁽²⁾			Total Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020-21	\$ 84,285	\$ 44,561	\$ 128,846	\$ 685	\$ 47	\$ 732	\$ 84,970	\$ 44,608	\$ 129,578
2021-22	87,845	41,220	129,065	330	17	347	88,175	41,237	129,412
2022-23	97,845	37,654	135,499	-	-	-	97,845	37,654	135,499
2023-24	108,720	33,492	142,212	-	-	-	108,720	33,492	142,212
2024-25	121,400	28,689	150,089	-	-	-	121,400	28,689	150,089
2025-26	132,135	23,253	155,388	-	-	-	132,135	23,253	155,388
2026-27	138,015	17,208	155,223	-	-	-	138,015	17,208	155,223
2027-28	42,655	10,935	53,590	-	-	-	42,655	10,935	53,590
2028-29	28,940	9,130	38,070	-	-	-	28,940	9,130	38,070
2029-30	29,985	7,719	37,704	-	-	-	29,985	7,719	37,704
2030-31	31,065	6,257	37,322	-	-	-	31,065	6,257	37,322
2031-32	32,185	4,744	36,929	-	-	-	32,185	4,744	36,929
2032-33	33,310	3,211	36,521	-	-	-	33,310	3,211	36,521
2033-34	34,475	1,625	36,100	-	-	-	34,475	1,625	36,100
	<u>\$ 1,002,860</u>	<u>\$ 269,698</u>	<u>\$ 1,272,558</u>	<u>\$ 1,015</u>	<u>\$ 64</u>	<u>\$ 1,079</u>	<u>\$ 1,003,875</u>	<u>\$ 269,762</u>	<u>\$ 1,273,637</u>

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

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

Bond Ratings
Exhibit H-11

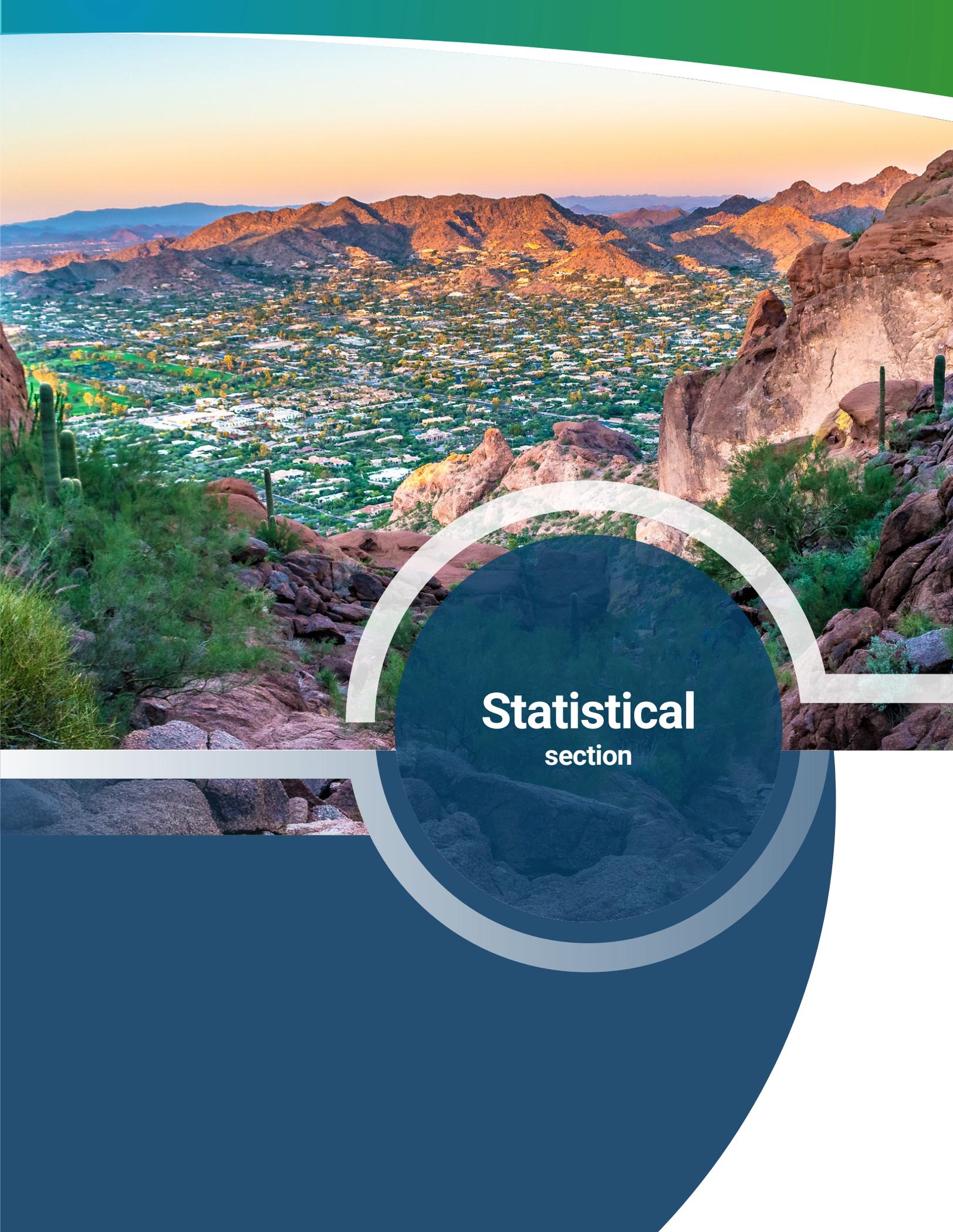
Description	Rating ^{(1) (2)}		
	Moody's	S & P	Fitch ⁽³⁾
General Obligation	Aa1	AA+	AAA
Senior Lien Excise Tax Revenue (4)	Aa2	AAA	AA+
Subordinated Excise Tax Revenue (4)	Aa2	AAA	AA+
Senior Lien Airport Revenue (4)	Aa3	A+	-
Junior Lien Airport Revenue (4)	A1	A	-
Senior Lien Wastewater System Revenue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

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

(2) Represents underlying rating.

(3) Fitch Ratings assigns a single Issuer Default Rating for all General Fund credits. Fitch has only rated the Series 217 General Obligation Bonds and the 2017 and 2020 Subordinated Excise Tax Revenue Bonds.

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



Statistical
section



City of Phoenix



Statistical Section

FINANCIAL TRENDS

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



City of Phoenix



City of Phoenix

Net Position by Component
Table 1

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

	Fiscal Year		
	2020	2019	2018
GOVERNMENTAL ACTIVITIES			
Net Investment in Capital Assets	\$ 3,333,084	\$ 3,242,655	\$ 3,084,874
Restricted	1,069,053	1,079,339	1,047,298
Unrestricted (Deficit) (1)	(2,814,774)	(2,766,124)	(2,883,831)
Total Governmental Activities Net Position	\$ 1,587,363	\$ 1,555,870	\$ 1,248,341
BUSINESS-TYPE ACTIVITIES			
Net Investment in Capital Assets	\$ 3,448,793	\$ 3,488,654	\$ 3,288,066
Restricted	404,598	519,638	524,637
Unrestricted (1)	340,416	114,947	169,406
Total Business-Type Activities Net Position	\$ 4,193,807	\$ 4,123,239	\$ 3,982,109
PRIMARY GOVERNMENT			
Net Investment in Capital Assets	\$ 6,781,877	\$ 6,731,309	\$ 6,372,940
Restricted	1,473,651	1,598,977	1,571,935
Unrestricted (Deficit) (1)	(2,474,358)	(2,651,177)	(2,714,425)
Total Primary Government Net Position	\$ 5,781,170	\$ 5,679,109	\$ 5,230,450

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

Table 1
(Continued)

		Fiscal Year											
		2017	2016	2015	2014	2013	2012	2011					
\$	2,809,418	\$	2,788,275	\$	2,653,697	\$	2,576,366	\$	2,454,765	\$	2,313,680	\$	2,325,050
	920,847		763,630		830,425		868,223		930,237		1,233,603		1,017,009
	(2,408,807)		(2,084,298)		(1,691,553)		1,002,557		991,572		861,526		1,105,061
\$	1,321,458	\$	1,467,607	\$	1,792,569	\$	4,447,146	\$	4,376,574	\$	4,408,809	\$	4,447,120
\$	2,972,041	\$	2,803,361	\$	2,782,282	\$	2,818,479	\$	2,826,143	\$	2,968,536	\$	2,992,285
	486,857		462,115		441,896		363,946		174,160		188,682		187,755
	458,696		489,530		519,802		970,844		1,102,763		943,329		882,301
\$	3,917,594	\$	3,755,006	\$	3,743,980	\$	4,153,269	\$	4,103,066	\$	4,100,547	\$	4,062,341
\$	5,781,459	\$	5,591,636	\$	5,435,979	\$	5,394,845	\$	5,280,908	\$	5,282,216	\$	5,317,335
	1,407,704		1,225,745		1,272,321		1,232,169		1,104,397		1,422,285		1,204,764
	(1,950,111)		(1,594,768)		(1,171,751)		1,973,401		2,094,335		1,804,855		1,987,362
\$	5,239,052	\$	5,222,613	\$	5,536,549	\$	8,600,415	\$	8,479,640	\$	8,509,356	\$	8,509,461

Changes in Net Position
Table 2

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands)

	Fiscal Year		
	2020	2019	2018
Expenses			
Governmental Activities			
General Government	\$ 111,422	\$ 88,160	\$ 100,307
Criminal Justice	36,050	38,297	35,040
Public Safety	1,340,379	1,278,856	1,200,523
Transportation	574,139	540,551	523,946
Community Enrichment	324,553	307,406	289,183
Community Development	251,207	211,547	225,386
Environmental Services	52,369	22,362	39,113
Interest on Long-Term Debt	53,629	57,014	67,523
Total Governmental Activities Expenses	2,743,748	2,544,193	2,481,021
Business-Type Activities			
Aviation	547,590	518,462	514,271
Phoenix Convention Center	103,983	103,138	105,703
Water Services	421,541	410,636	406,501
Wastewater Services	174,259	170,273	172,461
Solid Waste	126,301	148,061	146,589
Golf Courses (1)	-	-	-
Total Business-Type Activities Expenses	1,373,674	1,350,570	1,345,525
Total Primary Government Expenses	\$ 4,117,422	\$ 3,894,763	\$ 3,826,546

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

Table 2
(Continued)

		Fiscal Year											
		2017	2016	2015	2014	2013	2012	2011					
\$	98,541	\$	111,801	\$	99,320	\$	152,502	\$	186,104	\$	88,187	\$	76,270
	34,045		35,198		34,242		34,356		35,409		35,703		36,345
	1,347,829		1,025,401		914,215		888,801		896,801		850,636		847,244
	373,455		399,228		398,925		394,664		407,563		421,680		416,344
	276,991		570,183		245,795		252,760		237,856		245,713		245,417
	218,463		200,762		215,931		222,266		221,588		218,847		229,902
	32,960		49,050		48,293		33,616		33,334		42,326		39,003
	77,073		84,893		83,796		93,013		117,667		109,412		95,462
	2,459,357		2,476,516		2,040,517		2,071,978		2,136,322		2,012,504		1,985,987
	496,131		504,304		482,915		471,744		464,388		435,675		439,911
	103,248		107,133		105,458		105,889		103,472		103,420		127,569
	333,706		359,703		336,445		342,584		335,004		361,751		329,457
	177,185		170,440		171,250		181,329		191,568		178,258		179,466
	146,910		141,129		150,625		134,264		133,295		133,414		133,118
	-		-		-		-		9,876		8,879		8,790
	1,257,180		1,282,709		1,246,693		1,235,810		1,237,603		1,221,397		1,218,311
\$	3,716,537	\$	3,759,225	\$	3,287,210	\$	3,307,788	\$	3,373,925	\$	3,233,901	\$	3,204,298

Changes in Net Position

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

Table 2
 (Continued)

	Fiscal Year		
	2020	2019	2018
Program Revenue			
Governmental Activities			
Charges for Services:			
General Government	\$ 18,395	\$ 22,012	\$ 20,491
Criminal Justice	14,239	22,232	15,684
Public Safety	70,309	70,377	69,201
Transportation	30,552	39,226	36,181
Community Enrichment	9,696	11,208	9,448
Community Development	94,086	95,974	83,925
Environmental Services	49	64	40
Operating Grants and Contributions	472,089	407,132	407,429
Capital Grants and Contributions	169,586	134,985	177,863
Total Governmental Activities Program Revenue	879,001	803,210	820,262
Business-Type Activities			
Charges for Services:			
Aviation	451,157	520,951	506,988
Phoenix Convention Center	43,040	47,381	44,743
Water Services	425,390	382,915	413,263
Wastewater Services	213,562	209,415	207,747
Solid Waste	154,685	148,728	149,023
Golf Courses (1)	-	-	-
Capital Grants and Contributions	80,209	99,914	95,356
Total Business-Type Activities Program Revenue	1,368,043	1,409,304	1,417,120
Total Primary Government Program Revenue	\$ 2,247,044	\$ 2,212,514	\$ 2,237,382
Net (Expense)/Revenue			
Governmental Activities	\$ (1,864,747)	\$ (1,740,983)	\$ (1,660,759)
Business-Type Activities	(5,631)	58,734	71,595
Total Primary Government Net Expense	\$ (1,870,378)	\$ (1,682,249)	\$ (1,589,164)

Table 2
(Continued)

		Fiscal Year											
		2017	2016	2015	2014	2013	2012	2011					
\$	19,784	\$	18,387	\$	18,159	\$	16,272	\$	15,748	\$	16,469	\$	17,675
	14,583		15,813		18,336		20,337		21,737		24,864		27,623
	69,671		68,167		71,381		71,913		69,648		72,081		63,842
	35,083		36,331		37,907		38,780		36,125		38,035		36,599
	9,708		11,016		10,737		13,740		5,071		5,589		5,392
	74,490		68,396		58,599		64,893		60,837		49,618		46,128
	22		134		478		505		232		520		220
	396,866		355,750		361,919		343,898		393,652		358,692		400,525
	96,058		94,379		82,285		150,410		98,647		101,019		191,856
	716,265		668,373		659,801		720,748		701,697		666,887		789,860
	403,766		380,533		385,806		369,157		305,686		299,783		296,463
	40,568		42,840		42,759		36,864		24,218		15,888		33,111
	398,263		378,378		358,760		385,294		381,862		380,679		341,501
	198,945		193,727		185,974		186,350		190,519		212,361		211,702
	150,346		146,799		147,536		145,790		144,055		144,004		142,320
	-		-		-		-		8,401		6,653		6,278
	204,212		138,162		144,654		130,975		158,314		173,149		184,019
	1,396,100		1,280,439		1,265,489		1,254,430		1,213,055		1,232,517		1,215,394
\$	2,112,365	\$	1,948,812	\$	1,925,290	\$	1,975,178	\$	1,914,752	\$	1,899,404	\$	2,005,254
\$	(1,743,092)	\$	(1,808,143)	\$	(1,380,716)	\$	(1,351,230)	\$	(1,434,625)	\$	(1,345,608)	\$	(1,196,127)
	138,920		(2,270)		18,796		18,620		(24,548)		11,120		(2,917)
\$	(1,604,172)	\$	(1,810,413)	\$	(1,361,920)	\$	(1,332,610)	\$	(1,459,173)	\$	(1,334,488)	\$	(1,199,044)

Changes in Net Position

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

Table 2
 (Continued)

	Fiscal Year		
	2020	2019	2018
General Revenues and Other Changes in			
Net Position			
Governmental Activities			
Taxes	\$ 1,288,430	\$ 1,261,469	\$ 1,165,415
Grants and Contributions Not Restricted	483,036	437,427	434,985
Investment Earnings, Net	33,833	41,942	9,190
Miscellaneous	117,512	76,255	118,620
Sale Proceeds from DPHC to City for Debt Repayment	-	265,000	-
Transfers - Internal Activities	(26,571)	(33,581)	(25,547)
Total Governmental Activities	1,896,240	2,048,512	1,702,663
Business-Type Activities			
Investment Earnings, Net	49,628	48,815	9,062
Transfers - Internal Activities	26,571	33,581	25,547
Total Business-Type Activities	76,199	82,396	34,609
Total Primary Government	1,972,439	2,130,908	1,737,272
Change in Net Position (Deficit)			
Governmental Activities	31,493	307,529	41,904
Business-Type Activities	70,568	141,130	106,204
Total Primary Government	\$ 102,061	\$ 448,659	\$ 148,108

Table 2
(Continued)

		Fiscal Year											
		2017	2016	2015	2014	2013	2012	2011					
\$	1,116,831	\$	1,009,824	\$	955,091	\$	1,001,017	\$	1,029,392	\$	944,388	\$	970,925
	406,084		376,017		376,923		349,149		318,673		297,342		299,593
	6,355		11,932		7,419		22,572		2,404		6,671		11,924
	85,994		82,607		82,321		69,860		77,337		78,397		71,450
	-		-		-		-		-		-		-
	(18,321)		(24,631)		(25,080)		(22,653)		(25,416)		(19,501)		(39,512)
	1,596,943		1,455,749		1,396,674		1,419,945		1,402,390		1,307,297		1,314,380
	5,347		16,097		9,864		10,787		1,651		7,585		9,019
	18,321		24,631		25,080		22,653		25,416		19,501		39,512
	23,668		40,728		34,944		33,440		27,067		27,086		48,531
	1,620,611		1,496,477		1,431,618		1,453,385		1,429,457		1,334,383		1,362,911
	(146,149)		(352,394)		15,958		68,715		(32,235)		(38,311)		118,253
	162,588		38,458		53,740		52,060		2,519		38,206		45,614
\$	16,439	\$	(313,936)	\$	69,698	\$	120,775	\$	(29,716)	\$	(105)	\$	163,867

Fund Balances of Governmental Funds
Table 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2020	2019	2018	2017
General Fund				
Non-Spendable	\$ 17,240	\$ 17,134	\$ 16,175	\$ 13,706
Spendable				
Restricted	49,878	48,920	47,774	49,024
Assigned	107,216	97,461	79,144	51,510
Unassigned	255,782	243,541	216,572	241,712
Total General Fund	430,116	407,056	359,665	355,952
All Other Governmental Funds				
Non-Spendable	789	801	954	5,235
Spendable				
Restricted	857,174	813,308	812,860	871,823
Committed	93,538	81,575	72,032	55,304
Assigned	147,631	157,235	156,061	153,146
Unassigned	(56,177)	(14,701)	(10,666)	(15,581)
Total All Other Governmental Funds	1,042,955	1,038,218	1,031,241	1,069,927
Total Fund Balances of Governmental Funds	\$ 1,473,071	\$ 1,445,274	\$ 1,390,906	\$ 1,425,879

Table 3
(Continued)

							Fiscal Year					
2016		2015		2014		2013		2012		2011		
\$	13,498	\$	14,224	\$	14,198	\$	15,736	\$	15,357	\$	16,671	
	62,047		61,564		61,309		40,361		37,913		-	
	48,715		41,338		46,181		55,390		50,250		96,126	
	227,227		210,286		178,563		161,012		200,892		194,918	
	351,487		327,412		300,251		272,499		304,412		307,715	
	5,386		5,394		5,945		5,601		5,891		6,099	
	701,583		768,861		823,478		889,876		982,955		1,017,009	
	38,803		27,005		36,491		47,874		58,703		54,591	
	141,007		132,902		128,261		139,593		140,036		120,145	
	(11,117)		(33,082)		(57,039)		(56,671)		(36,942)		(34,395)	
	875,662		901,080		937,136		1,026,273		1,150,643		1,163,449	
\$	1,227,149	\$	1,228,492	\$	1,237,387	\$	1,298,772	\$	1,455,055	\$	1,471,164	

Changes in Fund Balances of Governmental Funds
Table 4

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2020	2019	2018	2017
Revenues				
City Taxes (see Table 5)	\$ 1,287,094	\$ 1,261,164	\$ 1,165,539	\$ 1,116,077
Licenses and Permits	18,271	21,871	20,125	19,275
Intergovernmental (see Table 6)	1,111,832	948,743	996,708	885,972
Charges for Services	197,396	208,584	192,338	183,619
Fines and Forfeitures	11,374	19,087	12,349	11,285
Parks and Recreation	1,130	1,815	1,715	1,865
Special Assessments	10	9	11	14
Investment Income	33,832	41,942	9,190	6,355
Dwelling Rentals	8,140	8,720	8,057	7,825
Other	117,432	76,318	115,954	86,022
Total Revenues	2,786,511	2,588,253	2,521,986	2,318,309
Expenditures				
General Government	92,079	69,693	75,317	71,173
Criminal Justice	36,883	35,762	34,285	33,884
Public Safety	1,075,342	996,765	959,741	897,590
Transportation	367,735	367,586	308,118	266,745
Community Enrichment	234,441	224,326	220,198	216,310
Community Development	224,352	192,766	201,031	193,900
Environmental Services	31,347	12,250	10,624	12,839
Debt Service:				
Principal	173,201	155,902	133,784	149,208
Interest	68,517	73,746	87,932	89,040
Bond Issuance Costs	32	1,062	461	2,326
Other	164	1,205	1,204	1,207
Capital	626,858	399,218	498,717	303,398
Total Expenditures	2,930,951	2,530,281	2,531,412	2,237,620
Excess (Deficiency) of Revenues Over Expenditures	\$ (144,440)	\$ 57,972	\$ (9,426)	\$ 80,689

Table 4
(Continued)

		Fiscal Year									
		2016	2015	2014	2013	2012	2011				
\$	1,009,918	\$	955,818	\$	1,001,873	\$	1,031,123	\$	947,012	\$	972,066
	18,209		17,602		15,860		15,377		16,039		16,307
	814,134		821,127		850,231		809,198		757,053		905,741
	173,372		169,276		178,290		169,527		163,408		157,243
	12,106		14,222		15,340		15,942		18,332		18,129
	6,919		7,393		10,316		1,891		2,414		2,326
	13		29		39		35		55		114
	11,932		7,419		22,572		2,404		6,671		11,922
	7,077		7,104		6,658		6,882		6,987		6,858
	82,546		82,604		70,170		79,557		76,173		71,304
	2,136,226		2,082,594		2,171,349		2,131,936		1,994,144		2,162,010
	78,973		78,182		133,854		170,009		69,705		55,708
	32,406		32,403		34,223		35,258		35,372		35,106
	858,297		826,488		830,599		832,133		795,995		790,886
	253,265		263,509		253,517		252,812		252,965		247,563
	505,522		194,428		197,960		189,899		193,355		192,201
	175,956		189,580		201,812		202,038		196,309		206,262
	12,002		16,853		13,987		16,549		19,036		16,353
	130,974		116,008		70,768		90,671		94,169		109,660
	95,401		94,163		98,897		122,189		110,740		104,309
	491		470		3,187		79		1,902		636
	1,225		29		25		422		522		676
	274,864		254,647		365,887		350,744		346,979		429,770
	2,419,376		2,066,760		2,204,716		2,262,803		2,117,049		2,189,130
\$	(283,150)	\$	15,834	\$	(33,367)	\$	(130,867)	\$	(122,905)	\$	(27,120)

Changes in Fund Balances of Governmental Funds

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

Table 4
 (Continued)

	Fiscal Year			
	2020	2019	2018	2017
Other Financing Sources (Uses)				
Transfers From Other Funds	\$ 181,208	\$ 176,282	\$ 162,292	\$ 166,530
Transfers to Other Funds	(207,779)	(209,863)	(187,839)	(184,851)
Issuance of Debt:				
General Obligation and Revenue Bonds	-	-	-	-
Premium on General Obligation and Revenue Bonds	-	-	-	67,930
Certificates of Participation and Municipal Corporation Obligations	-	-	-	116,835
Premium on Certificates of Participation and Municipal Corporation Obligations	-	-	-	28,978
Special Assessment Bonds	-	29,977	-	-
Refunding Bonds	-	-	-	362,585
Proceeds from Loans	200,000	-	-	-
Proceeds from Refinancing	-	-	-	-
Capital Lease	(1,192)	-	-	-
Deposit to Refunding Escrow	-	-	-	(439,966)
Total Other Financing Sources and Uses	172,237	(3,604)	(25,547)	118,041
Net Change in Fund Balances	\$ 27,797	\$ 54,368	\$ (34,973)	\$ 198,730
Debt Service as a Percentage of Noncapital Expenditures (1)	9.4%	10.3%	10.0%	11.8%

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

Table 4
(Continued)

		Fiscal Year									
		2016	2015	2014	2013	2012	2011				
\$	160,614	\$	123,046	\$	122,091	\$	136,971	\$	129,121	\$	152,527
	(185,245)		(148,126)		(144,744)		(162,387)		(148,622)		(192,039)
	-		-		-		-		120,000		-
	-		-		28,544		-		25,880		-
	-		-		-		-		-		86,725
	-		10		39,826		-		4,889		5,662
	-		-		-		-		-		-
	-		60,945		591,600		-		238,120		74,610
	-		-		-		-		-		-
	306,438		-		-		-		-		-
	-		-		-		-		-		-
	-		(60,604)		(656,414)		-		(262,592)		(71,772)
	281,807		(24,729)		(19,097)		(25,416)		106,796		55,713
\$	(1,343)	\$	(8,895)	\$	(52,464)	\$	(156,283)	\$	(16,109)	\$	28,593
	10.1%		11.4%		8.8%		10.5%		10.7%		11.4%

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

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2020	2019	2018	2017
General Property Taxes				
Primary - Operating	\$ 170,209	\$ 162,129	\$ 154,560	\$ 146,121
Secondary - Debt Service	107,555	101,652	95,435	91,021
Total General Property Taxes	277,764	263,781	249,995	237,142
City Sales and Franchise Taxes				
General Government Purposes:				
Privilege License Tax and Fees	416,399	402,238	366,280	355,904
Utility and Franchise Tax	90,229	93,776	93,791	90,780
Earmarked for:				
Sports Facilities	17,449	20,732	19,979	18,435
Convention Center	55,266	61,200	52,730	49,051
Neighborhood Protection	36,233	35,073	31,684	30,172
Public Safety Enhancement	23,978	26,138	25,976	25,238
Public Safety Expansion	72,464	70,033	63,188	60,167
Parks & Preserves	36,233	35,073	31,683	30,173
Capital Construction	8,548	8,812	9,574	11,064
Transit	247,593	239,418	216,165	203,201
Total City Sales and Franchise Taxes	1,004,392	992,493	911,050	874,185
Access to Care Tax	-	-	-	-
Special Taxing District	2,880	2,903	2,440	2,735
Salt River Project In-Lieu Taxes	2,058	1,987	2,054	2,015
Total City Taxes	\$ 1,287,094	\$ 1,261,164	\$ 1,165,539	\$ 1,116,077

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

Table 5
(Continued)

Fiscal Year						
2016	2015	2014	2013	2012	2011	
\$ 141,310	\$ 138,242	\$ 143,931	\$ 132,101	\$ 128,054	\$ 130,913	
50,484	49,567	35,204	62,012	94,436	149,018	
191,794	187,809	179,135	194,113	222,490	279,931	
351,148	324,006	326,459	318,751	308,727	292,131	
90,845	107,386	98,870	99,027	104,962	102,662	
17,874	17,062	15,988	14,893	14,670	14,076	
46,501	46,402	44,311	40,828	40,030	37,835	
28,706	29,881	29,153	27,515	26,503	25,387	
25,391	25,068	24,849	24,648	23,670	23,782	
57,350	59,760	58,308	55,029	53,084	50,680	
28,705	29,882	29,153	27,515	26,546	25,345	
12,875	14,281	15,087	16,382	16,560	15,486	
154,628	110,347	111,068	110,059	106,185	101,379	
814,023	764,075	753,246	734,647	720,937	688,763	
-	31	65,621	98,431	-	-	
2,438	2,308	2,240	2,291	2,061	1,924	
1,663	1,595	1,631	1,641	1,524	1,448	
\$ 1,009,918	\$ 955,818	\$ 1,001,873	\$ 1,031,123	\$ 947,012	\$ 972,066	

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

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year			
	2020	2019	2018	2017
State Shared Revenue				
Highway User Tax	\$ 135,983	\$ 138,864	\$ 131,355	\$ 126,058
State Sales Tax	171,926	165,066	155,998	143,975
State Income Tax	214,697	196,918	200,035	191,225
Vehicle License Tax	70,484	70,210	66,784	61,586
Local Transportation Assistance	4,220	4,220	4,366	4,242
Total State Shared Revenue	597,310	575,278	558,538	527,086
Federal Grants	339,453	254,653	217,976	250,217
Other Intergovernmental Revenue	175,069	118,812	220,194	108,669
Total Intergovernmental Revenues	\$ 1,111,832	\$ 948,743	\$ 996,708	\$ 885,972

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

Table 6
(Continued)

							Fiscal Year					
2016		2015		2014		2013		2012		2011		
\$	116,682	\$	111,748	\$	102,009	\$	98,804	\$	90,368	\$	104,908	
	137,544		132,218		127,005		118,730		114,017		111,787	
	174,234		175,184		161,580		147,668		122,012		143,647	
	59,801		55,293		51,689		48,370		46,400		48,299	
	4,356		4,334		4,265		4,251		4,242		1,265	
	492,617		478,777		446,548		417,823		377,039		409,906	
	256,853		234,616		236,169		277,236		261,053		269,482	
	64,664		107,734		167,514		114,139		118,961		226,353	
\$	814,134	\$	821,127	\$	850,231	\$	809,198	\$	757,053	\$	905,741	



City of Phoenix



Statistical Section
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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			
	2020	2019	2018	2017
Retail (2)	\$ 416,153	\$ 379,510	\$ 357,069	\$ 325,641
Retail Food Sales (1)	3	36	(3)	15
Utilities & Telecommunications	98,533	102,031	105,289	100,131
Construction Contracting (2)	87,560	77,296	58,113	49,117
Commercial Rental	76,915	79,341	75,161	70,001
Restaurants & Bars	83,530	90,114	85,132	76,848
Hotel/Motel Lodging	42,975	52,049	47,118	43,262
Tangible Personal Property Rental	39,805	39,506	32,632	27,165
Apartment/Residential Rental	54,064	49,320	45,405	39,310
Motor Vehicle Rental	9,463	10,296	13,427	16,109
Amusements	8,013	9,923	9,149	8,595
Advertising	1,934	2,588	2,258	2,110
Job Printing	1,948	2,749	2,327	2,207
Publishing	101	308	494	565
Transportation	131	72	15	8
Use Tax (2)	44,415	46,166	38,026	35,449
Jet Fuel	691	815	1,210	3,092
Total	\$ 966,234	\$ 942,120	\$ 872,822	\$ 799,625

Source: City of Phoenix Finance Department, Tax 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 the sale of food for home consumption under the retail and use tax business classifications. The tax rate was reduced to 0% from 1%.

(2) Effective January 1, 2016, the City of Phoenix implemented a multi-level tax rate which will impact the following categories: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$10,000 for a single item. Level 2 at 2.00% for amounts greater than \$10,000 for a single item) and Construction Contracting (Contracts accepted January 1, 2016 to current at 2.30%. Pre-2016 contracts at 2.00%).

Table 7
(Continued)

Fiscal Year						
2016	2015	2014	2013	2012	2011	
\$ 300,177	\$ 267,260	\$ 251,514	\$ 238,798	\$ 230,900	\$ 218,470	
409	24,792	43,831	51,589	49,393	46,282	
109,107	109,857	111,767	113,839	112,973	110,200	
43,201	45,279	49,506	43,851	44,071	43,446	
63,945	58,919	58,007	60,179	58,721	59,017	
71,828	63,645	59,039	55,350	52,298	48,708	
42,611	39,501	34,403	31,666	30,486	28,324	
21,334	19,406	17,463	19,760	16,354	17,291	
37,451	32,589	30,046	27,144	25,025	22,923	
19,751	18,618	18,186	17,148	16,907	16,647	
7,861	7,065	6,925	6,463	6,225	5,843	
2,312	2,689	2,458	2,655	2,800	2,745	
2,136	2,171	2,035	2,212	2,109	2,093	
554	523	519	365	140	241	
5	7	8	8	6	8	
31,089	32,071	30,755	23,927	24,204	22,536	
2,971	3,105	2,937	3,089	2,996	3,039	
\$ 756,742	\$ 727,497	\$ 719,399	\$ 698,043	\$ 675,608	\$ 647,813	

Direct and Overlapping Sales Tax Rates
Table 8

Last Ten Fiscal Years

Category (1)	As of June 30			
	2020	2019	2018	2017
City Rates				
Retail (3)	2.30/2.00%	2.30/2.00%	2.30/2.00%	2.30/2.00%
Utilities	2.70	2.70	2.70	2.70
Telecommunications	4.70	4.70	4.70	4.70
Construction Contracting (3)	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
Commercial Rental	2.40	2.40	2.40	2.40
Restaurants & Bars	2.30	2.30	2.30	2.30
Hotel/Motel Lodging	5.30	5.30	5.30	5.30
Tangible Personal Property Rental	2.30	2.30	2.30	2.30
Apartment/Residential Rental	2.30	2.30	2.30	2.30
Motor Vehicle Rental	4.30	4.30	4.30	4.30
Amusements	2.30	2.30	2.30	2.30
Advertising	0.50	0.50	0.50	0.50
Job Printing	2.30	2.30	2.30	2.30
Mining	0.10	0.10	0.10	0.10
Timbering/Extractions	2.30	2.30	2.30	2.30
Publishing	2.30	2.30	2.30	2.30
Transportation	2.30	2.30	2.30	2.30
Use Tax (3)	2.30/2.00	2.30/2.00	2.30/2.00	2.30/2.00
Jet Fuel (2)	0.73	0.73	0.73	0.73
County Rates				
Commercial Rental	0.50%	0.50%	0.50%	0.50%
Hotel/Motel Lodging	1.77	1.77	1.77	1.77
All Others	0.70	0.70	0.70	0.70
Mining/Timbering/Extractions	0.44	0.44	0.44	0.44
Jet Fuel (2)	0.31	0.31	0.31	0.31

(1) Excludes State Rates.

(2) Rate shown as cents per gallon.

(3) Effective January 1, 2016, the City of Phoenix implemented a multi-level tax rate which will impact the following categories: Retail, Use Tax (Level 1 at 2.30% for first amount equal to or less than \$10,000 for a single item. Level 2 at 2.00% for amounts greater than \$10,000 for a single item) and Construction Contracting (Contracts accepted January 1, 2016 to current at 2.30%. Pre-2016 contracts at 2.00%).

Source: City of Phoenix Finance Department, Tax Division

Table 8
(Continued)

As of June 30						
2016	2015	2014	2013	2012	2011	
2.30/2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
2.70	2.70	2.70	2.70	2.70	2.70	
4.70	4.70	4.70	4.70	4.70	4.70	
2.30/2.00	2.00	2.00	2.00	2.00	2.00	
2.40	2.10	2.10	2.10	2.10	2.10	
2.30	2.00	2.00	2.00	2.00	2.00	
5.30	5.00	5.00	5.00	5.00	5.00	
2.30	2.00	2.00	2.00	2.00	2.00	
2.30	2.00	2.00	2.00	2.00	2.00	
4.30	4.00	4.00	4.00	4.00	4.00	
2.30	2.00	2.00	2.00	2.00	2.00	
0.50	0.50	0.50	0.50	0.50	0.50	
2.30	2.00	2.00	2.00	2.00	2.00	
0.10	-	-	-	-	-	
2.30	-	-	-	-	-	
2.30	2.00	2.00	2.00	2.00	2.00	
2.30	2.00	2.00	2.00	2.00	2.00	
2.30/2.00	2.00	2.00	2.00	2.00	2.00	
0.73	0.73	0.73	0.73	0.73	0.73	
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
1.77	1.77	1.77	1.77	1.77	1.77	
0.70	0.70	0.70	0.70	0.70	0.70	
0.44	-	-	-	-	-	
0.31	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	2020			
	Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
Retail	52,395	27.99%	\$ 416,156	43.07%
Utilities & Telecommunications	1,228	0.66	98,533	10.20
Construction Contracting	9,361	5.00	87,560	9.06
Mining, Timbering, Extraction	42	0.02	-	-
Commercial Rental	23,375	12.49	76,915	7.96
Restaurants & Bars	5,983	3.20	83,530	8.64
Hotel/Motel Lodging	1,767	0.94	42,975	4.45
Tangible Personal Property Rental	5,221	2.79	39,805	4.12
Apartment/Residential Rental	42,488	22.70	54,064	5.60
Motor Vehicle Rental	361	0.19	9,463	0.98
Amusements	1,005	0.54	8,013	0.83
Advertising	552	0.29	1,934	0.20
Job Printing	731	0.39	1,948	0.20
Publishing	227	0.12	101	0.01
Transportation	241	0.13	131	0.01
Use Tax	42,128	22.51	44,415	4.60
Jet Fuel	77	0.04	691	0.07
Total	187,182	100.00%	\$ 966,234	100.00%

Source: City of Phoenix Finance Department, Tax Division

Table 9
(Continued)

2011			
Average Monthly Taxpayers	Percentage of Total Payers	Sales Tax Paid (thousands)	Percentage of Total Sales Tax
22,222	39.36%	\$ 264,752	40.87%
372	0.66	110,200	17.01
12,034	21.31	43,446	6.71
-	-	-	-
7,726	13.68	59,017	9.11
3,464	6.14	48,708	7.52
279	0.49	28,324	4.37
1,443	2.56	17,291	2.67
6,054	10.72	22,923	3.54
49	0.09	16,647	2.57
240	0.43	5,843	0.90
276	0.49	2,745	0.42
455	0.81	2,093	0.32
64	0.11	241	0.04
11	0.02	8	0.00
1,738	3.08	22,536	3.48
33	0.06	3,039	0.47
<u>56,460</u>	<u>100.00%</u>	<u>\$ 647,813</u>	<u>100.00%</u>



City of Phoenix

City Property Tax Levies and Collections

Table 10

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30,	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Tax Levy	Amount	% of Levy	Collections In Subsequent Years ⁽¹⁾	Amount	% of Levy
2020	\$ 281,597	\$ 273,728	97.21%	\$ -	\$ 273,728	97.21%
2019	265,405	260,408	98.12	3,662	264,070	99.50
2018	253,182	248,097	97.99	3,233	253,330	99.27
2017	238,313	235,000	98.61	2,837	237,837	99.80
2016	192,502	189,460	98.42	2,186	191,646	99.56
2015	189,852	185,764	97.85	2,073	187,837	98.94
2014	180,295	176,226	97.74	2,639	178,865	99.21
2013	196,891	191,304	97.16	3,123	194,427	98.75
2012	223,483	216,456	96.86	3,730	220,186	98.52
2011	284,142	271,156	95.43	6,189	277,345	97.61

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

Source: Maricopa County, Arizona Treasurer's Office

Property Tax Rates and Levies - Direct and Overlapping Governments
Table 11

Last Ten Fiscal Years

(in thousands)

	City of Phoenix			Maricopa County	Flood Control	Central	Maricopa County Library District
	Primary	Secondary	Total			Arizona	
						Water Conservation District	
Tax Rates per \$100 of Limited Net Assessed Valuation (1)							
2020-21	\$ 1.31	\$ 0.82	\$ 2.13	\$ 1.40	\$ 0.18	\$ 0.14	\$ 0.06
2019-20	1.31	0.82	2.13	1.40	0.18	0.14	0.06
2018-19	1.32	0.82	2.14	1.40	0.18	0.14	0.06
2017-18	1.34	0.82	2.16	1.40	0.18	0.14	0.06
2016-17	1.34	0.83	2.17	1.40	0.18	0.14	0.06
2015-16	1.34	0.48	1.82	1.36	0.16	0.14	0.06
2014-15	1.35	0.47	1.82	1.32	0.14	0.14	0.06
2013-14	1.47	0.35	1.82	1.28	0.14	0.14	0.04
2012-13	1.24	0.58	1.82	1.24	0.18	0.10	0.05
2011-12	1.05	0.77	1.82	1.24	0.18	0.10	0.05
Tax Levies (1)							
2020-21	\$ 181,767	\$ 114,741	\$ 296,508	\$ 195,050	\$ 22,972	\$ 19,540	\$ 7,741
2019-20	172,626	108,971	281,597	185,241	21,699	18,426	7,352
2018-19	163,218	102,187	265,405	173,708	20,337	17,385	6,894
2017-18	156,586	96,596	253,182	164,205	19,058	16,402	6,517
2016-17	146,711	91,602	238,313	153,849	17,767	15,401	6,106
2015-16	141,880	50,622	192,502	143,943	15,126	14,866	5,881
2014-15	139,448	50,404	189,852	136,029	13,465	15,135	6,015
2013-14	145,024	35,271	180,295	126,659	12,331	13,969	4,369
2012-13	133,930	62,961	196,891	134,037	17,216	10,870	5,338
2011-12	128,955	94,528	223,483	151,768	19,873	12,351	6,073

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

(2) Tax rates between the various elementary and high school districts within the City vary. The rates shown on this table are for Phoenix Elementary District No. 1 and Phoenix Union High School District. Tax levies for elementary and high school districts equal the total levy of all overlapping school districts within the City.

Source: Maricopa County Finance Department

Table 11
(Continued)

Volunteer Fire District Assistance	Maricopa Special Health Care District	School Districts					Total
		Education Equalization	Community College	East Valley Inst. of Technology	West Maricopa Education Center	Elementary and High School ⁽²⁾	
\$ 0.01	\$ 0.30	\$ 0.44	\$ 1.29	\$ 0.05	\$ 0.17	\$ 10.42	\$ 16.59
0.01	0.33	0.46	1.33	0.05	0.16	11.12	17.37
0.01	0.29	0.47	1.38	0.05	0.15	11.64	17.91
0.01	0.29	0.49	1.41	0.05	0.18	12.03	18.40
0.01	0.31	0.50	1.47	0.05	0.08	12.29	18.66
0.01	0.30	0.51	1.49	0.05	0.07	12.15	18.12
0.01	0.19	0.51	1.52	0.05	0.08	11.34	17.18
0.01	0.19	0.51	1.53	0.05	0.06	12.13	17.90
0.01	0.17	0.47	1.38	0.05	0.05	11.28	16.80
0.01	0.15	0.43	1.21	0.05	0.05	9.60	14.89
\$ 1,253	\$ 42,410	\$ 61,775	\$ 179,345	\$ 990	\$ 10,556	\$ 1,092,762	\$ 1,930,902
1,256	44,072	60,096	175,668	941	9,945	1,083,175	1,889,468
1,327	36,468	58,874	170,547	891	8,457	1,043,971	1,804,264
1,196	33,418	57,113	165,225	844	9,568	995,271	1,721,999
1,230	33,529	55,113	160,899	800	4,267	957,588	1,644,862
1,227	31,953	53,456	158,021	767	3,402	914,751	1,535,895
1,223	20,079	52,407	157,628	774	4,019	877,269	1,473,895
1,207	19,341	50,665	151,917	706	2,686	854,993	1,419,138
1,193	18,260	50,960	148,952	757	2,433	869,478	1,456,385
1,037	18,442	52,098	148,011	870	2,710	879,125	1,515,841

Property Tax Levies
Table 12

Applicable to Phoenix Property Owners

(in thousands)

	2020-21 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	\$ 13,923,186	100.00%	\$ 13,923,186	\$ 1.3055	\$ 181,767	\$ 0.8241	\$ 114,741	\$ 296,508	
Maricopa County	45,704,970	30.46	13,923,186	1.4009	195,050	-	-	195,050	
Education Equalization	45,822,046	30.46	13,957,395	0.4426	61,775	-	-	61,775	
Flood Control	42,084,634	30.46	12,818,980	-	-	0.1792	22,972	22,972	
Central Arizona Water Conservation District	45,822,046	30.46	13,957,395	-	-	0.1400	19,540	19,540	
Maricopa County Library District	45,704,970	30.46	13,923,186	-	-	0.0556	7,741	7,741	
Volunteer Fire District Assistance	45,704,970	30.46	13,923,186	-	-	0.0090	1,253	1,253	
East Valley Institute of Technology	20,400,196	9.70	1,979,721	-	-	0.0500	990	990	
West Maricopa Education Center	16,833,710	37.89	6,377,984	-	-	0.1655	10,556	10,556	
Maricopa Special Health Care District	45,822,046	30.39	13,923,186	-	-	0.3046	42,410	42,410	
State of Arizona	69,914,508	19.91	13,923,186	-	-	-	-	-	
School Districts									
Maricopa County Community College District	45,704,970	30.46	13,923,186	1.1250	156,636	0.1631	22,709	179,345	
High School Districts									
Phoenix Union	5,591,190	96.41	5,390,604	2.9684	160,015	1.8614	100,341	260,356	
Glendale Union	1,734,333	78.95	1,369,285	2.2546	30,872	1.5798	21,632	52,504	
Tempe Union	3,965,463	29.11	1,154,299	1.8659	21,538	0.6332	7,309	28,847	
Tolleson Union	1,351,671	47.94	647,951	2.1034	13,629	2.6041	16,873	30,502	
Agua Fria Union	1,454,888	0.02	235	2.0270	5	1.3245	3	8	
Total High School Districts								372,217	
Elementary School Districts									
No. 1 Phoenix	796,501	100.00	796,501	3.3836	26,950	2.2027	17,545	44,495	
No. 2 Riverside	410,049	98.04	401,996	1.3816	5,554	2.0815	8,368	13,922	
No. 3 Tempe	1,661,541	14.19	235,806	2.6172	6,172	1.8457	4,352	10,524	
No. 5 Isaac	163,733	100.00	163,733	5.3378	8,740	2.9113	4,767	13,506	
No. 6 Washington	1,406,430	97.36	1,369,284	2.3495	32,171	2.3430	32,082	64,254	
No. 7 Wilson	117,861	100.00	117,861	3.4287	4,041	1.7101	2,016	6,057	
No. 8 Osborn	479,747	99.94	479,479	2.2064	10,579	2.2656	10,863	21,442	
No. 14 Creighton	485,456	87.05	422,584	1.9993	8,449	2.9693	12,548	20,997	
No. 17 Tolleson	218,385	17.98	39,266	2.0362	800	2.5569	1,004	1,804	
No. 21 Murphy	116,645	100.00	116,645	2.0478	2,389	2.2047	2,572	4,960	
No. 28 Kyrene	2,303,922	39.87	918,493	1.8964	17,418	1.8856	17,319	34,737	
No. 31 Balsz	346,910	93.96	325,962	1.9884	6,481	1.8375	5,990	12,471	
No. 38 Madison	1,128,047	10.00	1,128,047	1.8911	21,332	2.1912	24,718	46,050	
No. 40 Glendale	327,903	<0.01	1	1.9542	0	3.8831	0	0	
No. 45 Fowler	391,534	86.93	340,354	1.8838	6,412	1.5173	5,164	11,576	
No. 48 Scottsdale (Unified)	5,840,050	14.13	825,422	2.6334	21,737	0.9939	8,204	29,941	
No. 59 Laveen	251,482	85.33	214,581	2.0181	4,330	5.5039	11,810	16,141	
No. 62 Union	76,130	96.11	73,168	2.0025	1,465	2.4905	1,822	3,287	
No. 65 Littleton	292,444	17.01	49,748	2.1731	1,081	3.3745	1,679	2,760	
No. 66 Roosevelt	673,429	98.85	665,696	4.0709	27,100	3.1366	20,880	47,980	
No. 68 Alhambra	334,938	80.95	271,126	1.8614	5,047	4.9593	13,446	18,493	
No. 69 Paradise Valley (Unified)	3,786,062	69.74	2,640,285	3.7598	99,269	2.0927	55,253	154,523	
No. 79 Litchfield	999,689	0.02	235	1.9027	4	1.6202	4	8	
No. 83 Cartwright	286,393	100.00	286,393	4.2225	12,093	4.9249	14,105	26,198	
No. 92 Pendergast	373,179	38.97	145,415	1.9784	2,877	4.0425	5,878	8,755	
No. 93 Cave Creek (Unified)	2,198,123	13.59	298,639	1.6527	4,936	0.1628	486	5,422	
No. 97 Deer Valley (Unified)	2,902,851	54.98	1,596,017	3.7950	60,569	2.4858	39,674	100,243	
Total Elementary School Districts								720,545	
Total All School Districts								1,272,107	
Total Levies Applicable to Phoenix								\$ 1,930,902	

(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)

	2019-20 Levies								
	Limited Net Assessed Valuation ⁽¹⁾			Primary Tax Rate Per \$100	Total Phoenix		Total Phoenix		Total Phoenix Tax Levy
	Total	Percent	Amount		Primary Tax Levy	Secondary Tax Rate Per \$100	Secondary Tax Levy		
City of Phoenix	\$ 13,223,017	100.00%	\$ 13,223,017	\$ 1.3055	\$ 172,626	\$ 0.8241	\$ 108,971	\$ 281,597	
Maricopa County	43,194,326	30.61	13,221,783	1.4009	185,241	-	-	185,241	
Education Equalization	42,997,578	30.61	13,161,559	0.4566	60,096	-	-	60,096	
Flood Control	39,558,004	30.61	12,108,705	-	-	0.1792	21,699	21,699	
Central Arizona Water Conservation District	42,997,578	30.61	13,161,559	-	-	0.1400	18,426	18,426	
Maricopa County Library District	43,194,326	30.61	13,221,783	-	-	0.0556	7,352	7,352	
Volunteer Fire District Assistance	43,194,326	30.61	13,221,783	-	-	0.0095	1,256	1,256	
East Valley Institute of Technology	19,235,656	9.79	1,883,171	-	-	0.0500	941	941	
West Maricopa Education Center	15,894,830	38.29	6,086,130	-	-	0.1634	9,945	9,945	
Maricopa Special Health Care District	42,997,578	30.75	13,221,755	-	-	0.3333	44,072	44,072	
State of Arizona	66,154,633	19.99	13,224,311	-	-	-	-	-	
School Districts									
Maricopa County Community College District	43,194,326	30.61	13,221,783	1.1565	152,924	0.1720	22,744	175,668	
High School Districts									
Phoenix Union	5,287,774	96.43	5,099,000	3.0829	157,199	1.9033	97,050	254,249	
Glendale Union	1,658,960	79.17	1,313,399	2.3446	30,793	1.6108	21,156	51,949	
Tempe Union	3,746,807	29.35	1,099,688	1.9258	21,176	0.6373	7,008	28,184	
Tolleson Union	1,249,874	47.89	598,565	2.6084	15,612	2.4044	14,391	30,003	
Agua Fria Union	1,311,948	0.02	262	2.0670	5	1.2628	3	8	
Total High School Districts								364,393	
Elementary School Districts									
No. 1 Phoenix	743,444	100.00	743,444	3.6246	26,947	2.5117	18,673	45,620	
No. 2 Riverside	382,461	98.07	375,080	1.3871	5,202	2.2648	8,494	13,696	
No. 3 Tempe	1,567,219	14.12	221,291	2.6993	5,973	2.0079	4,443	10,416	
No. 5 Isaac	154,476	100.00	154,476	5.3378	8,246	3.2708	5,053	13,299	
No. 6 Washington	1,348,921	97.36	1,313,309	2.4618	32,333	2.4797	32,568	64,901	
No. 7 Wilson	104,614	100.00	104,614	3.7529	3,926	1.8709	1,957	5,883	
No. 8 Osborn	500,241	99.94	499,941	1.9968	9,983	2.3028	11,513	21,496	
No. 14 Creighton	454,673	86.74	394,383	2.2328	8,805	3.1668	12,489	21,294	
No. 17 Tolleson	202,237	18.70	37,818	2.0923	791	2.8494	1,078	1,869	
No. 21 Murphy	109,060	100.00	109,060	2.1845	2,382	2.4051	2,623	5,005	
No. 28 Kyrene	2,179,588	40.30	878,374	1.9634	17,244	1.9016	16,701	33,945	
No. 31 Balsz	315,105	93.83	295,663	2.1095	6,237	2.1484	6,352	12,589	
No. 38 Madison	1,069,029	100.00	1,069,029	1.9548	20,897	2.2866	24,444	45,341	
No. 40 Glendale	310,039	<0.01	1	2.0258	-	4.1465	-	-	
No. 45 Fowler	361,384	88.00	318,018	1.9089	6,070	1.6384	5,210	11,280	
No. 48 Scottsdale (Unified)	5,579,886	14.04	783,416	2.5928	20,312	1.0538	8,255	28,567	
No. 59 Laveen	234,432	85.18	199,689	2.3752	4,743	5.8365	11,655	16,398	
No. 62 Union	68,301	94.96	64,859	2.1732	1,409	2.9419	1,908	3,317	
No. 65 Littleton	271,421	16.27	44,160	2.2376	988	3.4212	1,511	2,499	
No. 66 Roosevelt	627,453	98.85	620,237	4.1441	25,702	3.1119	19,300	45,002	
No. 68 Alhambra	319,235	81.43	259,953	2.0729	5,388	5.1601	13,413	18,801	
No. 69 Paradise Valley (Unified)	3,609,208	70.01	2,526,807	3.9125	98,859	2.4734	62,497	161,356	
No. 79 Litchfield	902,685	0.03	271	1.9045	4	1.7671	4	8	
No. 83 Cartwright	273,550	100.00	273,550	3.8492	10,529	5.1560	14,104	24,633	
No. 92 Pendergast	346,530	38.57	133,657	2.0461	2,735	4.2819	5,723	8,458	
No. 93 Cave Creek (Unified)	2,097,383	13.38	280,630	1.6492	4,630	0.1697	476	5,106	
No. 97 Deer Valley (Unified)	2,759,528	55.12	1,521,052	3.9346	59,843	2.5090	38,160	98,003	
Total Elementary School Districts								718,782	
Total All School Districts								1,258,843	
Total Levies Applicable to Phoenix								\$ 1,889,468	

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		
2020-21	\$	0.82	\$ 5,650,658	\$ 7,965,353	\$ 307,175	\$	13,923,186
2019-20		0.82	5,459,356	7,444,157	319,504		13,223,017
2018-19		0.82	5,159,914	6,938,819	301,043		12,399,776
2017-18		0.82	4,922,316	6,491,721	307,348		11,721,385
2016-17		0.83	4,642,740	6,062,572	276,839		10,982,151
2015-16		0.48	4,579,070	5,701,785	296,177		10,577,032
2014-15		0.47	4,700,793	5,788,311	329,530		10,818,634
2013-14		0.35	4,662,457	4,979,086	333,170		9,974,713
2012-13		0.58	5,254,484	5,228,248	367,012		10,849,744
2011-12		0.77	5,869,685	6,000,142	473,946		12,343,773

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.

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

Table 13
(Continued)

Assessed Valuation Per Capita ⁽²⁾				
Percent Change in Net Valuation	Actual	Uninflated	Estimated True Valuation	
5.30%	\$ 8,511	\$ 5,794	\$	138,096,772
6.64	8,229	5,689		129,817,493
5.79	7,756	5,474		121,702,906
6.73	7,422	5,355		116,338,740
3.83	7,013	5,153		110,159,434
(2.23)	6,922	5,121		105,206,669
8.46	7,188	5,357		106,487,248
(8.06)	6,714	5,081		98,192,506
(12.10)	7,401	5,695		103,538,837
(23.29)	8,493	6,726		116,576,023

Principal Property Taxpayers
Table 14

Current Year and Nine Years Ago

(in thousands)

Taxpayer	2019-20			2010-11		
	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	\$ 451,275	1	3.41%	\$ 416,548	1	2.59%
Southwest Gas Corporation	92,420	2	0.70	94,143	3	0.59
Century Link (Qwest Communications)	51,162	3	0.39	125,642	2	0.78
Host Kierland LP	40,957	4	0.31	63,928	5	0.40
Host Camelback I LLC	36,932	5	0.28			
Esplanade Owner LP	30,991	6	0.23			
Phoenix Plaza PT LLC	25,368	7	0.19			
Target Corporation	22,305	8	0.17			
Apollo Group Inc	22,072	9	0.17			
United Services Automobile Association	21,625	10	0.16			
Westcor Company LP				76,701	4	0.48
AT&T Corporation				51,658	6	0.32
LBA Realty Fund II WBP LLC				48,658	7	0.30
Metropolitan Life Insurance Company				47,911	8	0.30
Stawood Hotels and Resorts				47,578	9	0.30
Wells Fargo Bank				46,979	10	0.29
Total	\$ 795,107		6.01%	\$ 1,019,746		6.35%
City Total Limited Net Assessed Valuation	<u>\$ 13,223,017</u>					
City Total Secondary Net Assessed Valuation				<u>\$ 16,092,308</u>		

Sources:

Maricopa County Assessor

Arizona Department of Revenue

City of Phoenix Finance Department

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



Statistical Section

DEBT CAPACITY

These schedules present information regarding the City's current levels of outstanding debt and the City's capacity to issue additional debt.



City of Phoenix



City of Phoenix

Legal Debt Margin - General Obligation Bonds
Table 15

Last Ten Fiscal Years

(in thousands)

	Fiscal Year			
	2020-21	2019-20	2018-19	2017-18
6% Limitation				
Legal Debt Limitation	\$ 1,193,383	\$ 1,091,621	\$ 999,953	\$ 921,981
General Obligation Bonds Outstanding (1)	113,510	145,925	172,680	207,115
Less: Assets held in Restricted Redemption Funds (4)	-	-	-	-
Debt Limit Reduction from Refunding (5)	14,628	14,727	17,715	19,355
Subtotal	128,138	160,652	190,395	226,470
Total Debt Margin Available	\$ 1,065,245	\$ 930,969	\$ 809,558	\$ 695,511
Total Net Debt Applicable to the 6% Limit				
as a percentage of 6% Debt Limit	10.74%	14.72%	19.04%	24.56%
20% Limitation				
Legal Debt Limitation	\$ 3,977,943	\$ 3,638,736	\$ 3,333,175	\$ 3,073,271
General Obligation Bonds Outstanding (1)	890,365	939,125	977,105	994,290
Less: Capital Appreciation (2)	-	-	-	-
Debt Limit Reduction from Refunding (5)	33,261	34,545	36,102	37,915
Subtotal	923,626	973,670	1,013,207	1,032,205
Total Debt Margin Available	\$ 3,054,317	\$ 2,665,066	\$ 2,319,968	\$ 2,041,066
Total Net Debt Applicable to the 20% Limit				
as a percentage of 20% Debt Limit	23.22%	26.76%	30.40%	33.59%
Full Cash Net Assessed Valuation	\$ 19,889,714	\$ 18,193,681	\$ 16,665,875	\$ 15,366,354

(1) Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of the city's full cash net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of the city's full net assessed valuation.

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

(3) In 2015-16, as a result of Proposition 117, the debt limitation was based on the Primary Net Assessed Valuation. Prior years were based in Secondary Net Assessed Valuation now referred to as Full Cash Net Assessed Valuation. Legislation passed in 2016 changed the basis back to Full Cash Net Assessed Valuation starting in fiscal year 2016-17. See Note 4 to the financial statements for an explanation on Proposition 117.

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

(5) Per A.R.S. Section 35-473.01.I, refunding bonds issued on or after August 6, 2016 may cause a reduction in available debt limits based on the nature of the refunded bonds (each, a "Debt Limit Reduction from Refunding"). If the principal amount of the refunded bonds is greater than the principal amount of the bonds that are refunding them and net premium is used to fund the escrow, then the difference in principal amounts will constitute a Debt Limit Reduction from Refunding.

Table 15
(Continued)

Fiscal Year						
2016-17	2015-16 ⁽³⁾	2014-15	2013-14	2012-13	2011-12	
\$ 840,535	\$ 634,622	\$ 649,118	\$ 598,483	\$ 650,985	\$ 740,626	
274,835	323,260	363,100	370,195	370,195	364,225	
-	181,730	247,025	290,812	321,451	337,282	
-	-	-	-	-	-	
274,835	141,530	116,075	79,383	48,744	26,943	
\$ 565,700	\$ 493,092	\$ 533,043	\$ 519,100	\$ 602,241	\$ 713,683	
32.70%	22.30%	17.88%	13.26%	7.49%	3.64%	
\$ 2,801,784	\$ 2,115,406	\$ 2,163,727	\$ 1,994,943	\$ 2,169,949	\$ 2,468,755	
1,061,880	1,104,837	1,132,676	1,174,635	1,218,080	1,180,264	
-	-	-	(882)	(811)	(745)	
-	-	-	-	-	-	
1,061,880	1,104,837	1,132,676	1,173,753	1,217,269	1,179,519	
\$ 1,739,904	\$ 1,010,569	\$ 1,031,051	\$ 821,190	\$ 952,680	\$ 1,289,236	
37.90%	52.23%	52.35%	58.84%	56.10%	47.78%	
\$ 14,008,919	\$ 10,577,032	\$ 10,818,634	\$ 9,974,713	\$ 10,849,744	\$ 12,343,774	

**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
2019-20	\$	241,914	\$	2,597,121	9.3%
2018-19		230,724		2,480,223	9.3
2017-18		213,683		2,261,519	9.4
2016-17		230,590		2,225,748	10.4
2015-16		219,326		2,046,050	10.7
2014-15		210,428		1,911,760	11.0
2013-14		170,762		1,898,389	9.0
2012-13		213,298		2,004,539	10.6
2011-12		206,977		1,911,330	10.8
2010-11		254,984		1,927,102	13.2

(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)

		Airport Revenue Bonds ⁽²⁾					
Fiscal Year Ended June 30,		Operating Revenues	Less: Operating Expenses	Net Operating Revenues	Principal	Interest	Coverage
	2020	\$ 368,898	\$ 259,866	\$ 109,032	\$ 30,071	\$ 38,210	1.60
	2019	410,375	257,345	153,030	23,797	38,095	2.47
	2018	401,197	249,613	151,584	29,759	31,356	2.48
	2017	370,841	245,116	125,725	26,310	28,420	2.30
	2016	360,163	230,236	129,927	24,581	28,156	2.46
	2015	354,221	226,165	128,056	22,870	27,466	2.54
	2014	343,550	224,563	118,987	23,145	28,489	2.30
	2013	309,862	201,996	107,866	21,905	31,338	2.03
	2012	299,633	190,127	109,506	25,655	33,768	1.84
	2011	297,469	184,158	113,311	19,990	34,797	2.07

		Excise Tax Revenue Bonds ⁽³⁾				Highway User Revenue Bonds ⁽⁴⁾				Community Facilities District Special Assessment Bonds ⁽⁵⁾			
Fiscal Year Ended June 30,	Excise Tax Revenues	Principal	Interest	Coverage	Highway User Tax Revenues	Principal	Interest	Coverage	Special Assessment Collections/ Project Revenues	Principal	Interest	Coverage	
2020	\$ 1,001,305	\$ 53,400	\$ 32,471	11.66	\$ 135,998	-	-	-	\$ 972	-	-	-	
2019	976,954	52,975	34,677	11.15	138,864	-	-	-	9,509	-	-	-	
2018	925,893	39,355	44,450	11.05	131,355	-	-	-	-	-	-	-	
2017	887,212	41,855	40,718	10.74	126,058	-	-	-	-	-	-	-	
2016	858,716	38,285	44,146	10.42	116,682	-	-	-	-	-	-	-	
2015	844,389	34,865	36,511	11.83	111,748	-	-	-	-	-	-	-	
2014	816,923	31,095	40,794	11.36	102,009	-	-	-	-	-	-	-	
2013	783,630	29,785	42,171	10.89	98,804	5,875	16,125	4.49	-	-	-	-	
2012	747,595	12,875	35,016	15.61	90,368	6,266	15,734	4.11	-	-	-	-	
2011	744,504	14,678	29,516	16.85	104,908	29,740	1,506	3.36	-	-	-	-	

(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) 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.

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

(5) The City issued Park Central Community Facilities District Special Assessment Revenue Bonds, Taxable Series 2019 on June 27, 2019. The Community Facilities District receipts represent a contribution from Dignity Health for deposit to the Initial Owners' Account of the Garage Construction Fund on June 27, 2019. In Fiscal Year 2020 the interest payments totaling \$1,603,304 were funded with Capitalized Interest held in the Debt Service Expense Fund. The first interest payment on these bonds was made on January 1, 2020.

Pledged-Revenue Bond Coverage (1)

Table 17

Last Ten Fiscal Years

(Continued)

(in thousands)

Fiscal Year Ended June 30,	Rental Car Facility Charge Revenue Bonds ⁽⁶⁾				Special Assessment Bonds ⁽⁷⁾				Transit Excise Tax Revenue Bonds ⁽⁸⁾			
	Customer Facility Charge Revenues	Principal	Interest	Coverage	Special Assessment Collections	Principal	Interest	Coverage	Transit Excise Tax Revenues	Principal	Interest	Coverage
2020	\$ 40,583	\$ 2,410	\$ 11,610	2.89	\$ 9	\$ 16	\$ 1	0.54	\$ 141,482	\$ 67,275	\$ 3,264	2.01
2019	50,851	10,990	10,284	2.39	10	17	2	0.53	136,674	61,060	6,117	2.03
2018	48,765	10,370	10,903	2.29	11	19	3	0.50	123,318	55,205	8,775	1.93
2017	46,882	9,795	11,478	2.20	14	18	4	0.64	115,910	49,865	11,071	1.90
2016	46,969	9,255	12,022	2.21	13	19	5	0.54	112,113	37,145	12,807	2.24
2015	45,698	8,750	12,527	2.15	29	18	7	1.16	110,347	32,775	14,416	2.34
2014	41,858	8,285	12,992	1.97	50	18	8	1.92	111,068	25,595	15,037	2.73
2013	40,579	7,845	13,431	1.91	35	31	10	0.85	110,059	31,035	19,098	2.20
2012	41,538	7,435	13,838	1.95	55	58	13	0.77	106,185	27,215	20,526	2.22
2011	39,388	7,065	14,209	1.85	114	77	17	1.21	101,379	23,755	21,714	2.23
Fiscal Year Ended June 30,	Wastewater Revenue Bonds				Water Revenue Bonds							
	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage	Operating Revenues	Less: Operating Expenses	Net Operating Revenue	Principal	Interest	Coverage
2020	\$ 226,717	\$ 78,753	\$ 147,964	\$ 42,778	\$ 28,597	2.07	\$ 458,761	\$ 211,527	\$ 247,234	\$ 62,025	\$ 58,736	2.05
2019	219,198	80,831	138,367	42,899	30,850	1.88	406,217	205,280	200,937	58,678	54,325	1.78
2018	215,580	78,753	136,827	42,052	26,971	1.98	441,468	193,018	248,450	52,976	56,861	2.26
2017	205,748	74,591	131,157	39,485	29,704	1.90	420,471	168,119	252,352	47,690	59,339	2.36
2016	199,761	66,817	132,944	36,568	32,626	1.92	399,709	168,304	231,405	34,344	62,058	2.40
2015	190,815	65,799	125,016	22,612	33,679	2.22	371,591	159,505	212,086	55,042	51,493	1.99
2014	193,009	70,245	122,764	32,347	36,191	1.79	400,507	165,992	234,515	50,231	62,726	2.08
2013	194,611	70,244	124,367	25,082	37,705	1.98	425,937	164,137	261,800	43,436	65,244	2.41
2012	212,990	72,021	140,969	23,973	39,479	2.22	391,654	163,043	228,611	30,775	66,780	2.34
2011	211,876	71,740	140,136	28,151	41,564	2.01	354,311	168,488	185,823	42,094	69,738	1.66

(6) Includes Customer Facility Charge (CFC) receipts deposited into the Trustee-held Revenue Fund only. Revenues are derived primarily from daily usage fees paid by rental car customers arriving at Phoenix Sky Harbor International Airport. The current CFC is \$6.00 per transaction day, effective January 1, 2009. Of the \$6.00 rate, \$4.50 is considered Pledged Revenues and is required to be deposited into the Trustee-held Revenue Fund. The Pledged Revenues must be used to fund various accounts established under the Bond Indenture, including the debt service fund. The City may, but is not required to, deposit the CFC receipts generated by the additional \$1.50 into the Trustee-held Revenue Fund. If the additional \$1.50 is deposited into the Trustee-held Revenue Fund, the monies become Pledged Revenues and are subject to the same use restrictions as the \$4.50. In Fiscal Years 2011 through 2020, the City opted to deposit the entire \$6.00 CFC into the Trustee-held Revenue Fund.

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

(8) The City has pledged 100% of a 0.4% increase in the City's privilege license (sales) tax rate approved by the City of Phoenix voters on March 14, 2000 to be used for expanded bus service, the construction of a light rail system and other transportation improvements. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing tax rate dedicated for transportation. The dedicated sales tax rate was increased from the previous 0.4% transit sales tax rate to 0.7% and became effective January 1, 2016, with a sunset date of December 31, 2050. Only the revenue collected from the original 0.4% transit sales tax is currently pledged to the Transit Excise Tax Bonds.

Ratio of Outstanding Debt by Type
Table 18

Last Ten Fiscal Years

(in thousands, except per capita)

Fiscal Year	Governmental Activities										Total Governmental Activities
	General Obligation Bonds	Revenue Bonds	Loans from Direct Borrowings	Municipal Corporation Bonds	Special Assessment Bonds	Community Facilities Districts ⁽¹⁾	Certificates of Participation	Capital Leases ⁽²⁾	Premiums/ (Discounts)		
2020	\$ 1,002,860	\$ -	\$ 40,940	\$ 303,235	\$ 44	\$ 30,000	\$ -	\$ 2,307	\$ 74,823	\$ -	\$ 1,454,209
2019	1,071,685	-	40,940	407,595	60	30,000	-	3,424	93,366	-	1,647,070
2018	1,129,145	-	305,940	506,020	77	-	-	4,516	115,000	-	2,060,698
2017	1,178,330	-	305,940	590,600	96	-	-	5,586	139,710	-	2,220,262
2016	1,305,320	-	305,940	563,630	114	-	-	6,633	65,478	-	2,247,115
2015	1,371,620	-	-	628,285	133	-	-	-	80,287	-	2,080,325
2014	1,430,205	-	-	671,560	151	-	24,265	-	96,570	-	2,222,751
2013	1,472,180	-	-	739,170	169	-	25,630	-	57,815	-	2,294,964
2012	1,505,350	5,875	-	789,450	200	-	26,945	-	67,092	-	2,394,912
2011	1,450,024	12,141	-	821,455	259	-	26,970	-	45,217	-	2,356,066

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⁾
2020	\$ 1,015	\$ 13,488	\$ 4,998,006	\$ 642,199	\$ 5,654,708	\$ 7,108,917	9.4%	\$ 4,346
2019	13,365	14,991	3,900,400	418,690	4,347,446	5,994,516	0.1	3,731
2018	20,640	13,014	3,843,625	442,932	4,320,211	5,967,281	9.3	3,991
2017	23,075	14,007	3,783,345	339,184	4,159,611	6,220,309	9.4	4,040
2016	31,395	14,971	3,996,090	282,330	4,324,786	6,545,048	9.6	4,197
2015	56,477	15,908	4,029,790	299,001	4,401,176	6,648,291	10.1	4,242
2014	65,571	16,818	4,094,225	199,012	4,375,626	6,455,951	10.6	4,384
2013	73,532	17,701	4,246,165	201,404	4,538,802	6,761,553	11.9	4,600
2012	83,736	18,560	4,401,753	184,447	4,688,496	6,983,460	12.7	4,832
2011	95,209	17,896	4,516,528	157,906	4,787,539	7,182,451	13.3	4,915

(1) Community Facilities District bonds are not backed by pledged revenues of any City of Phoenix bond credits. Payments on Community Facilities District bonds are payable from assessments on properties within the district.

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

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

Governmental Activities Direct Bonded Debt per Capital
Last Ten Fiscal Years

Table 19

Fiscal Year	(in thousands)		(in thousands)				
	General Obligation Bonded Debt	General Obligation Bonded Debt as a Percentage of Valuation of Property	Debt Secured by Revenues other than Property Tax ⁽¹⁾	Total Governmental Activities Direct Bonded Debt ⁽²⁾	Governmental Activities Premiums/ (Discounts)	Net Governmental Activities Direct Bonded Debt	Total Governmental Activities Direct Bonded Debt Per Capita ⁽³⁾
2019-20	\$ 1,002,860	7.2%	\$ 376,526	\$ 1,379,386	\$ 74,823	\$ 1,454,209	\$ 889
2018-19	1,071,685	8.1	482,019	1,553,704	93,366	1,647,070	1,025
2017-18	1,129,145	9.1	816,553	1,945,698	115,000	2,060,698	1,289
2016-17	1,178,330	10.1	902,223	2,080,553	139,710	2,220,263	1,406
2015-16	1,305,320	11.9	876,317	2,181,637	65,478	2,247,115	1,435
2014-15	1,371,620	13.0	628,418	2,000,038	80,287	2,080,325	1,361
2013-14	1,430,205	13.2	695,976	2,126,181	96,570	2,222,751	1,477
2012-13	1,472,180	14.8	764,969	2,237,149	57,815	2,294,964	1,545
2011-12	1,505,350	13.9	822,470	2,327,820	67,092	2,394,912	1,634
2010-11	1,450,024	11.7	860,825	2,310,849	45,217	2,356,066	1,621

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

(2) See Note 10 to the Financial Statements, Governmental Activities - Total Bonds and Notes Payable prior to Discounts/Premiums.

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

Direct and Overlapping Bonded Debt
Table 20

June 30, 2020

(in thousands)

	<u>Direct Debt</u>		
Direct Debt - City of Phoenix Governmental Activities (1)			
General Obligation Bonds			
6% Limitation Various Purpose			\$ 112,870
20% Limitation Various Purpose			889,990
Total General Obligation Bonds			<u>1,002,860</u>
Other Obligations			
Revenue Bonds/Bank Loans			40,940
Municipal Corporation Obligations			303,235
Special Assessment Bonds			44
Capital Leases			2,307
Community Facilities Districts			30,000
Total Other Obligations			<u>376,526</u>
Total Direct Debt			1,379,386
Discounts/Premiums			74,823
Total Governmental Activities			<u>\$ 1,454,209</u>
		Valuation Percent	
	Bonded Debt	to City	Overlapping Debt
Overlapping Debt (2)			
Maricopa County Community College District	\$ 380,740	30.46%	\$ 115,973
High School Districts			
Phoenix Union	389,120	96.41	375,151
Glendale Union	102,970	78.95	81,295
Tempe Union	82,925	29.11	24,139
Tolleson Union	123,460	47.94	59,187
Agua Fria Union	87,815	0.02	18
Elementary School Districts			
No. 1 Phoenix	39,946	100.00	39,946
No. 2 Riverside	38,275	98.04	37,525
No. 3 Tempe	105,555	14.19	14,978
No. 6 Washington	84,624	97.36	82,390
No. 7 Wilson	3,725	100.00	3,725
No. 8 Osborn	54,670	99.94	54,637
No. 14 Creighton	28,455	87.05	24,770
No. 17 Tolleson	17,780	17.98	3,197
No. 28 Kyrene	186,920	39.87	74,525
No. 31 Balsz	9,675	93.96	9,091
No. 38 Madison	92,455	100.00	92,455
No. 40 Glendale	32,885	<0.01	-
No. 45 Fowler	8,540	86.93	7,424
No. 48 Scottsdale (Unified)	224,046	14.13	31,658
No. 59 Laveen	14,910	85.33	12,723
No. 62 Union	8,720	96.11	8,381
No. 65 Littleton	23,935	17.01	4,071
No. 66 Roosevelt	48,285	98.85	47,730
No. 68 Alhambra	14,265	80.95	11,548
No. 69 Paradise Valley (Unified)	292,028	69.74	203,660
No. 79 Litchfield	46,335	0.02	9
No. 83 Cartwright	20,535	100.00	20,535
No. 92 Pendergast	48,755	38.97	19,000
No. 93 Cave Creek (Unified)	34,660	13.59	4,710
No. 97 Deer Valley (Unified)	198,220	54.98	108,981
Total Overlapping Debt	<u>\$ 2,845,229</u>		<u>1,573,432</u>
Net Direct and Overlapping Bonded Debt			<u>\$ 2,952,818</u>

(1) Net of cash with fiscal agent for July 1, 2020 maturities.

(2) Source: Prior year Arizona Department of Administration (ADOA) Report of Bond Indebtedness Fiscal Year 2019, General Obligation Bonds outstanding, not including discounts/premiums, as of 6/30/19. The ADOA Report of Bond Indebtedness Fiscal Year 2020 is not available until December 2020.



Statistical Section
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**ECONOMIC AND
DEMOGRAPHIC
INFORMATION**

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



City of Phoenix

Demographic Statistics

Table 21

June 30, 2020

Fiscal Year	Population (June 30) ⁽⁴⁾	Personal Income (in thousands)	Per Capita Income ⁽¹⁾	Median Age ⁽²⁾	Elementary & High School Enrollment	Unemployment Rate
2020	1,635,879	\$ 75,454,919	\$ 46,125 ⁽³⁾	36.1	266,023	10.3%
2019	1,606,815	68,876,125	46,125 ⁽³⁾	36.0	213,765	4.9%
2018	1,598,736	68,529,819	46,125 ⁽³⁾	35.8	226,279	4.7%
2017	1,579,253	67,694,680	42,865	35.6	280,857	5.0%
2016	1,565,896	68,316,911	43,628	36.1	281,906	5.8%
2015	1,528,115	64,321,417	42,092	35.7	271,089	6.6%
2014	1,505,070	62,041,996	41,222	35.6	268,065	7.6%
2013	1,485,719	57,564,183	38,745	34.6	264,333	8.3%
2012	1,465,901	55,713,033	38,006	34.6	261,393	8.4%
2011	1,453,462	53,535,366	36,833	34.6	258,415	9.1%

(1) Calendar Year

(2) For fiscal years 2011 through 2013, median age is based on the 2010 U.S. Census.

(3) Amount was not available for calendar year 2019 and 2020; therefore, 2018 calendar year per capita income was used.

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

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	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Banner Health	47,000	1	2.24%	28,220	3	1.67%
State of Arizona	41,847	2	2.00%	49,282	1	2.92%
Arizona State University	35,730	3	1.70%	12,221	8	0.72%
Wal-Mart Stores Inc.	33,460	4	1.60%	30,608	2	1.81%
Fry's Food Stores	21,738	5	1.04%			
University of Arizona	20,462	6	0.98%			
Wells Fargo	17,217	7	0.82%	13,100	5	0.78%
City of Phoenix	14,858	8	0.71%	15,544	4	0.92%
Maricopa County	13,933	9	0.66%	12,458	7	0.74%
Intel Corp.	12,190	10	0.58%	9,700	10	0.58%
Apollo Group				13,000	6	0.77%
Bank of America				12,000	9	0.71%

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

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



Statistical Section

OPERATING INFORMATION

These schedules contain services and infrastructure data to show how the City's financial information relates to the services the City provides and the activities it performs.



City of Phoenix



City of Phoenix

Statistical Profile
Table 23

Last Ten Fiscal Years

	2020	2019	2018	2017
AREA (square miles)	519.7	519.7	519.5	519.5
POPULATION AND DWELLING UNITS (1)				
City of Phoenix (2)	1,635,879	1,606,815	1,598,736	1,579,253
Maricopa County (Metro Phoenix)	4,670,190	4,374,730	4,229,000	4,221,684
Number of Dwelling Units (City)	632,236	625,641	618,923	613,463
CITY EMPLOYEES (3)				
Governmental:				
General Government	873	866	880	900
Criminal Justice	271	257	255	254
Public Safety	5,977	5,981	5,856	5,775
Transportation	730	699	677	703
Environmental Services	399	399	394	394
Community Enrichment	1,101	1,090	1,071	1,080
Community Development	706	698	703	712
Total Governmental Employees	10,057	9,990	9,836	9,818
Public Enterprise:				
Aviation	777	793	815	784
Phoenix Convention Center	178	180	186	187
Water Services	1,036	1,043	1,025	1,029
Wastewater Services	271	263	281	292
Solid Waste	581	574	543	533
Golf (4)	-	-	-	-
Total Public Enterprise Employees	2,843	2,853	2,850	2,825
Total Full-Time Employees	12,900	12,843	12,686	12,643
Governmental per 1,000 Population	6.1	6.2	6.2	6.2
PUBLIC SAFETY				
Police Protection				
Police Precincts	7	7	7	7
Police Employees	3,271	3,274	3,272	3,272
Dispatched Calls for Service	680,834	680,037	682,689	691,346
Total Calls for 911/Crimestop	2,007,520	2,023,811	2,061,535	2,287,694
Fire Protection				
Fire Stations	59	58	58	58
Fire Employees	2,074	2,055	1,995	1,997
Total Calls for Service	212,988	206,969	212,869	212,259
COMMUNITY ENRICHMENT				
Libraries				
Number	17	17	17	17
Total Stock (in thousands)	3,409	3,800	3,500	1,837
Circulation (in thousands)	8,529	11,500	11,303	12,096
Parks And Recreation				
Number of Playgrounds (5)	279	268	268	268
City Parks (number of acres)	45,636	45,636	45,313	45,313

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

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

(3) City-wide actual full time employees. Fire and Police also includes authorized full-time positions.

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

(5) Beginning in 2012, Parks department started tracking individual playground structures instead of Parks that had playgrounds. Because many parks have two playgrounds - one for younger children and one for older children - the count is significantly higher than in previous years.

Table 23
(Continued)

2016	2015	2014	2013	2012	2011
519.4	519.4	519.4	519.3	519.2	519.1
1,565,896	1,528,115	1,505,070	1,485,719	1,465,901	1,453,462
4,152,807	4,078,062	4,008,651	3,944,791	3,883,949	3,843,370
609,405	603,259	600,589	596,676	594,190	592,591
879	819	821	886	894	926
249	253	263	284	298	296
5,642	5,530	5,657	5,843	5,949	6,009
650	645	667	688	717	727
370	377	413	459	461	481
1,045	1,051	1,071	1,127	1,194	1,237
685	682	684	689	680	704
9,520	9,357	9,576	9,976	10,193	10,380
748	732	774	769	771	789
187	181	199	222	221	234
978	931	955	994	999	1,032
288	278	298	321	331	348
549	549	541	531	544	564
-	-	-	44	51	55
2,750	2,671	2,767	2,881	2,917	3,022
12,270	12,028	12,343	12,857	13,110	13,402
6.1	6.1	6.4	6.7	7.0	7.1
7	7	8	8	8	8
3,269	3,268	3,266	3,266	4,441	4,463
671,456	655,874	641,183	648,718	657,507	673,559
2,354,398	2,238,368	2,064,978	2,130,339	2,131,868	2,068,318
58	58	58	58	58	57
1,979	1,944	1,912	1,947	1,972	1,945
204,669	186,594	173,065	172,568	165,034	156,348
17	17	17	17	17	16
1,908	1,854	1,802	1,735	1,791	1,644
12,901	10,549	10,428	11,159	14,465	13,840
256	256	256	244	242	166
45,313	45,313	45,313	46,634	46,032	44,517

Statistical Profile
 Last Ten Fiscal Years

Table 23
 (Continued)

	2020	2019	2018	2017
TRANSPORTATION				
Public Transit Ridership				
Bus (in thousands)	27,837	34,523	35,365	33,725
Dial-a-Ride (in thousands)	302	349	339	330
Light Rail (in thousands) (6)	8,008	9,822	10,318	10,864
Traffic Control And Lighting				
Signalized Intersections	1,153	1,148	1,135	1,140
Street Lights in Use	94,886	95,600	95,600	91,449
Streets				
Miles of Streets	4,863	4,863	4,863	4,857
Miles Resurfaced and Sealed:				
Major/Collector Streets	57	74	79	86
Local Streets	359	318	263	387
COMMUNITY DEVELOPMENT				
Construction Permits (7)				
Number of Permits Issued	43,330	44,246	44,533	42,698
Market Value (in thousands)	5,635,054	4,707,133	4,104,288	3,655,744
AVIATION				
Scheduled Airlines Served	20	23	21	19
Aircraft Traffic Movements (in thousands)	932	974	925	923
Passengers Enplaned/Deplaned (in thousands)	34,726	45,531	44,340	43,533
PHOENIX CONVENTION CENTER				
Number of Conventions	72	61	57	62
WATER SERVICES				
Production (billion gallons)	97.5	94.9	102.7	97.8
Average Daily Production (million gallons)	266.3	260.7	281.4	268.1
Miles of Water Mains (8)	7,007	6,980	6,967	6,888
Number of Accounts	429,739	425,492	421,226	423,569
WASTEWATER SERVICES				
Miles of Sewer Lines (8)	4,896	4,906	4,890	4,847
Number of Accounts	417,633	413,967	414,559	410,952
SOLID WASTE COLLECTION SERVICES				
Residences Served	410,177	408,264	405,009	402,504
City Disposal (tons)	637,804	613,421	596,161	623,032
Total Disposal (tons)	978,032	938,906	861,177	943,347
Total Recycling (tons)	123,722	119,944	120,113	119,517
GOLF				
Rounds of Golf Played	215,306	191,807	170,480	200,405
Acres of Golf Courses Maintained	622	622	622	622

(6) Light rail service began on 12/27/2008. 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) Beginning in 2013, miles of water mains and sewer lines are reported from a GIS tracking system rather than the as built database, resulting in a more accurate count of mileage.

Table 23
(Continued)

2016	2015	2014	2013	2012	2011
34,615	38,329	38,903	39,575	38,440	37,425
371	356	344	336	337	328
9,850	9,039	9,023	8,924	8,387	7,885
1,130	1,106	1,099	1,102	1,096	1,092
90,927	95,592	90,380	90,613	95,592	91,133
4,857	4,857	4,856	4,850	4,832	4,824
107	3	18	11	10	85
122	129	100	77	183	41
42,384	37,527	34,255	30,295	27,652	29,366
3,937,700	3,013,043	2,805,861	2,964,395	2,845,334	2,881,360
19	19	21	21	17	18
927	894	867	934	963	941
44,158	43,000	41,093	40,565	40,554	39,561
59	49	52	58	58	48
97.6	93.4	97.6	97.8	100.8	99.9
266.8	255.8	266.9	267.8	275.5	273.6
6,882	6,883	6,867	6,847	6,953	6,962
416,303	418,995	416,623	414,188	407,902	404,647
4,846	4,841	4,833	4,816	4,984	4,980
406,967	402,495	402,624	397,627	394,495	391,267
400,549	402,012	400,075	397,624	395,785	394,159
589,033	586,789	564,452	566,509	599,952	645,038
896,255	883,119	863,226	875,601	948,931	1,046,300
114,319	113,990	106,708	107,237	105,695	109,805
223,266	221,267	254,703	248,630	253,288	236,700
622	622	922	922	922	755



City of Phoenix



City of Phoenix



Planning Together for a Stronger Tomorrow

