



**Governor's Office of**

**Strategic Planning and Budgeting**

1700 West Washington, Suite 600, Phoenix, Arizona 85007  
(602) 542-5381

**Douglas A. Ducey**  
**Governor**

**Matt Gress**  
**Director**

July 20, 2022

The Honorable Kimberly Yee  
Arizona State Treasurer  
1700 W Washington St #102  
Phoenix, AZ 85007

Dear Treasurer Yee,

Pursuant to Arizona Revised Statutes §15-2154 (C), the Arizona Credit Enhancement Eligibility Board (Board), at its July 20, 2022 meeting, approved the transfer of \$1,063,756 in interest earnings earned by the Program Funding Obligation (authorized by A.R.S. §15-2157) to the State General Fund. We request that the Treasurer's Office make this transfer.

On February 2, 2017, the Board authorized a Program Funding Obligation payment to the State Treasurer not to exceed \$80 million. Each year that the Program Funding Obligation is outstanding, the Board is required to make a debt service payment to the State Treasurer on July 1<sup>st</sup>.

The amount of the payment is the total of the actual investment earnings on the \$80 million and 1% of the average daily balance of what is known as the "Dedicated Amount," which is determined through a calculation that considers the balance of the initial deposit from the state appropriation for the program and the amount of guaranteed financings outstanding throughout the year.

We worked with your office to calculate the July 1, 2022 payment of \$1,063,756 that is made up of the interest earnings of \$264,123 in interest earnings on the \$80 million in FY2021 and the \$799,633 in additional 1% earnings of the amount of the \$80 million that has been dedicated by the Board for outstanding credit enhancements. Payment will be made from the interest earnings on the \$20 million state funds sub-account and the credit enhancement expenses sub-account, as well as the actual earnings the Treasurer earned on the \$80 million in FY 2022 and both amounts will be credited as General Fund earnings for FY2022.

Thank you for your assistance in this matter. If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Matt Gress".

Matt Gress  
Director  
Governor's Office of Strategic Planning & Budgeting




# July 20 2022 PFO Payment Letter

Final Audit Report

2022-07-20

Created:	2022-07-20
By:	Alec Eulano (aeulano@az.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAU330j5FNu_Kxselv5LWbqKmEJ3HjxO8

## "July 20 2022 PFO Payment Letter" History

-  Document created by Alec Eulano (aeulano@az.gov)  
2022-07-20 - 11:10:35 PM GMT- IP address: 159.87.112.2
-  Document emailed to Matthew Gress (mgress@az.gov) for signature  
2022-07-20 - 11:10:51 PM GMT
-  Email viewed by Matthew Gress (mgress@az.gov)  
2022-07-20 - 11:11:06 PM GMT- IP address: 66.249.84.249
-  Document e-signed by Matthew Gress (mgress@az.gov)  
Signature Date: 2022-07-20 - 11:21:30 PM GMT - Time Source: server- IP address: 174.205.162.214
-  Agreement completed.  
2022-07-20 - 11:21:30 PM GMT

